First: World Oil Markets

1. Oil Prices

In August 2019, OPEC Reference Basket decreased by 7.9% or $5.1/bbl from the previous month level to stand at $59.6/bbl. Fears of a slowing global economy and the escalating trade dispute between the US and China, were major stimulus for the decrease in oil prices during the month of August 2019 to reach its lowest level in seven months.

Weekly Average Spot Prices of OPEC Basket of Crudes, 2018-2019 ($/bbl)

Source: Organization of Petroleum Exporting Countries, OPEC.

2. Supply and Demand

- World oil demand in August 2019, increased by 1.2 million b/d or 1.2% from the previous month level to reach 102.4 million b/d. Demand in OECD countries increased by 1.6% comparing with the previous month to reach 49.4 million b/d. And demand in Non-OECD countries increased by 0.8% comparing with their previous month level to reach 53 million b/d.

- World oil supplies in August 2019, increased by 1 million b/d or 1% comparing with the previous month to reach 101.4 million b/d. OPEC crude oil and NGLs/condensates total supplies increased by 1.1%
comparing with the previous month to reach 35.2 million b/d. And preliminary estimates show that Non-OPEC supplies increased by 0.8% comparing with the previous month to reach 66.2 million b/d.

**World Oil Supply and Demand (million b/d)**

Source: Energy Intelligence Briefing Sep. 6, 2019.

- **US tight oil production** in August 2019, increased by 0.8% to reach about 8.7 million b/d, whereas **US oil rig count decreased** for the ninth month in a row, by 26 rig from the previous month level to stand at 821 rig.

**US tight oil production and oil rig count**


### 3. Oil Inventories

- **OECD commercial inventories** in August 2019 increased by 6 million barrels from the previous month level to reach 2937 million
barrels, whereas Strategic inventories in OECD-34, South Africa and China decreased by 4 million barrels from the previous month level to reach 1826 million barrels.

**Change in Global Inventories at the End of August 2019 (million bbl)**

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<th>Change from July 2019</th>
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**4. Oil Trade**

**US Oil Imports and Exports**

- **US crude oil imports** in August 2019, decreased by 0.2% from the previous month level to reach 6.9 million b/d, and **US product imports decreased** by 5.6% to reach about 2.4 million b/d.
- **US crude oil exports** in August 2019, increased by 1% from the previous month level to reach 2.9 million b/d, and **US product exports increased** by 3.1% to reach about 5.2 million b/d.

**Second: Natural Gas Market**

**1. Prices**

- The average spot price of natural gas at the Henry Hub decreased in August 2019 to reach $2.22/million BTU.
- The **Price of Japanese LNG imports** in July 2019 increased by $0.08/m BTU to reach $9.46/m BTU, the **Price of Korean LNG increased** by $0.35/m BTU to reach 9.38/m BTU, whereas the **Price of Chinese LNG imports decreased** by $0.17/m BTU to reach $8.36/m BTU.

**2. Exports**

- **Arab LNG exports to Japan, Korea and China** were about 2.949 million tons in July 2019 (a share of 20% of total imports).