First: World Oil Markets

1. Oil Prices

In September 2019, OPEC Reference Basket increased by 4.7% or $2.8/bbl from the previous month level to stand at $62.4/bbl. Supply disruptions and heightened geopolitical tensions in the Middle East, were major stimulus for the increase in oil prices during the month of September 2019.

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

2. Supply and Demand

- **World oil demand** in September 2019, decreased by 1.5 million b/d or 1.5% from the previous month level to reach 100.5 million b/d. **Demand in OECD countries** decreased by 2% comparing with the previous month to reach 48 million b/d. And **demand in Non-OECD countries** decreased by 0.8% comparing with their previous month level to reach 52.5 million b/d.

- **World oil supplies** in September 2019, decreased by 0.7 million b/d or 0.7% comparing with the previous month to reach 100.7 million b/d. OPEC crude oil and NGLs/condensates total supplies decreased by
2% comparing with the previous month to reach 34.5 million b/d. Whereas preliminary estimates show that Non-OPEC supplies remained stable at the same previous month level of 66.2 million b/d.

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

![Graph showing world oil supply and demand](image)


- **US tight oil production** in September 2019, increased by 1.1% to reach about 8.8 million b/d, whereas **US oil rig count decreased** for the tenth month in a row, by 40 rig from the previous month level to stand at 781 rig.

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

![Graph showing US tight oil production and oil rig count](image)


**3. Oil Inventories**

- **OECD commercial inventories** in September 2019 decreased by 27 million barrels from the previous month level to reach 2947 million
barrels, and Strategic inventories in OECD-34, South Africa and China decreased by 4 million barrels from the previous month level to reach 1824 million barrels.

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

<table>
<thead>
<tr>
<th></th>
<th>Change from August 2019</th>
<th>Change from September 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>-10</td>
<td>-100</td>
</tr>
<tr>
<td>Oil at Sea</td>
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<td>0</td>
</tr>
<tr>
<td>Total Commercial</td>
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<td>200</td>
</tr>
<tr>
<td>Total Strategic</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Total</td>
<td>500</td>
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</tr>
</tbody>
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4. Oil Trade

US Oil Imports and Exports

- **US crude oil imports** in September 2019, decreased by 4.8% from the previous month level to reach 6.6 million b/d, and **US product imports decreased** by 17.4% to reach about 2 million b/d.
- **US crude oil exports** in September 2019, increased by 6.5% from the previous month level to reach 3.1 million b/d, whereas **US product exports decreased** by 3.6% to reach about 5.1 million b/d.

Second: Natural Gas Market

1. Prices

- The average spot price of natural gas at the Henry Hub increased in September 2019 to reach $2.56/million BTU.
- The Price of Japanese LNG imports in August 2019 increased by $0.7/m BTU to reach $10.16/m BTU, the Price of Chinese LNG increased by $0.1/m BTU to reach 8.45/m BTU, whereas the Price of Korean LNG imports decreased by $0.2/m BTU to reach $9.20/m BTU.

2. Exports

- Arab LNG exports to Japan, Korea and China were about 2.730 million tons in August 2019 (a share of 18.3% of total imports).