Markets and Member Countries
August - September 2019

First: World Oil Markets

1. Oil Prices
In July 2019, OPEC Reference Basket increased by 2.9% or $1.8/bbl from the previous month level to stand at $64.7/bbl. Tightening oil supply, coinciding with extends production cut agreement for (OPEC+) until March 2020, higher Asian crude demand, specifically from China and Recovering refining margins, were major stimulus for the increase in oil prices during the month of July 2019.

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

2. Supply and Demand
- World oil demand in July 2019, decreased by 0.2million b/d or 0.2% from the previous month level to reach 101.3 million b/d. Demand in OECD countries increased by 1.7% comparing with the previous month to reach 48.6 million b/d. Whereas demand in Non-OECD countries decreased by 1.7% comparing with their previous month level to reach 52.8 million b/d.
World oil supplies in July 2019, increased by 0.8 million b/d or 0.8% comparing with the previous month to reach 100.9 million b/d. OPEC crude oil and NGLs/condensates total supplies decreased by 0.3% comparing with the previous month to reach 34.8 million b/d. Whereas preliminary estimates show that Non-OPEC supplies increased by 1.5% comparing with the previous month to reach 66.1 million b/d.

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

![Chart showing world oil supply and demand](chart_image)


US tight oil production in July 2019, increased by 1.1% to reach about 8.6 million b/d, whereas US oil rig count decreased for the eighth month in a row, by 14 rig from the previous month level to stand at 847 rig.

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

![Chart showing US tight oil production and oil rig count](chart_image)

3. Oil Inventories

- **OECD commercial inventories** in July 2019 decreased by 9 million barrels from the previous month level to reach 2952 million barrels, and **Strategic inventories** in OECD-34, South Africa and China decreased by 4 million barrels from the previous month level to reach 1820 million barrels.

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

![Graph showing changes in inventories]


4. Oil Trade

**US Oil Imports**

- **US crude oil imports** in June 2019, decreased by 0.1% from the previous month level to reach 7.3 million b/d, and US product imports decreased by 16.7% to reach about 2.1 million b/d.

**Second: Natural Gas Market**

1. **Prices**

- The average spot price of natural gas at the **Henry Hub** decreased in July 2019 to reach $2.37/million BTU.

- The **Price of Japanese LNG imports** in June 2019 decreased by $0.11/m BTU to reach $9.38/m BTU, the **Price of Korean LNG decreased** by $0.24/m BTU to reach 9.03/m BTU, whereas the **Price of Chinese LNG imports increased** by $0.02/m BTU to reach $8.53/m BTU.

2. **Exports**

- **Arab LNG exports to Japan, Korea and China** were about 2.701 million tons in June 2019 (a share of 20.8% of total imports).