First: World Oil Markets

1. Oil Prices

In December 2019, OPEC Reference Basket increased by 5.7% or $3.6/bbl from the previous month level to stand at $66.5/bbl. Improved oil fundamental balances and continued market stabilization efforts conducted under OPEC+ Declaration of Cooperation, as well as easing trade tensions between the US and China were major stimulus for the increase in oil prices during the month of December 2019 to reach its highest monthly level since April 2019.

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


2. Supply and Demand

- **World oil demand** in December 2019, decreased by 1.6 million b/d or 1.6% from the previous month level to reach 100.3 million b/d. **Demand in OECD** countries decreased by 2.3% comparing with the previous month to reach 47.3 million b/d. And **demand in Non-OECD** countries decreased by 0.9% comparing with their previous month level to reach 53 million b/d.
- **World oil supplies** in December 2019, decreased by 100 thousand b/d or 0.1% comparing with the previous month to reach 101.8 million b/d.
Non-OPEC supplies remained stable at the same previous month level of 67.2 million b/d. Whereas preliminary estimates show that OPEC crude oil and NGLs/condensates total supplies decreased by 0.6% comparing with the previous month to reach 34.5 million b/d.

World Oil Supply and Demand (million b/d)


- US tight oil production in December 2019, increased by only 0.6% to reach about 9.1 million b/d, despite the decrease in US oil rig count for the thirteenth month in a row, by 12 rig from the previous month level to stand at 717 rig.

US tight oil production and oil rig count


3. Oil Inventories

- OECD commercial inventories in December 2019 decreased by 8 million barrels from the previous month level to reach 2904 million
barrels, whereas **Strategic inventories** in OECD-34, South Africa and China **increased** by 3 million barrels from the previous month level to reach 1823 million barrels.

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

<table>
<thead>
<tr>
<th></th>
<th>Change from November 2019</th>
<th>Change from December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD</td>
<td>-20</td>
<td>-100</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>-10</td>
<td>-50</td>
</tr>
<tr>
<td>Oil at Sea</td>
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<td>150</td>
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<tr>
<td>Total Commercial</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>Total Strategic</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>250</td>
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</tbody>
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### 4. Oil Trade

#### US Oil Imports and Exports

- **US crude oil imports** in December 2019, **increased** by 11.4% from the previous month level to reach 6.7 million b/d, whereas **US product imports decreased** by 6% to reach about 2.2 million b/d.

- **US crude oil exports** in December 2019, **increased** by 21.3% from the previous month level to reach 3.7 million b/d, and **US product exports increased** by 4.5% to reach about 5.5 million b/d.

### Second: Natural Gas Market

#### 1. Prices

- **The average spot price of natural gas** at the Henry Hub **decreased** in December 2019 to reach $2.22/million BTU.

- **The Price of Japanese LNG imports** in November 2019 **increased** by $0.1/m BTU to reach $9.41/m BTU. Whereas **the Price of Korean LNG imports decreased** by $0.5/m BTU to reach $8.7/m BTU, and **the Price of Chinese LNG decreased** by $0.1/m BTU to reach 8.82/m BTU.

#### 2. Exports

- **Arab LNG exports to Japan, Korea and China** were about 3.717 million tons in November 2019 (a share of 22.4% of total imports).