

Monthly Report on Petroleum Developments in The World

Markets and Member Countries

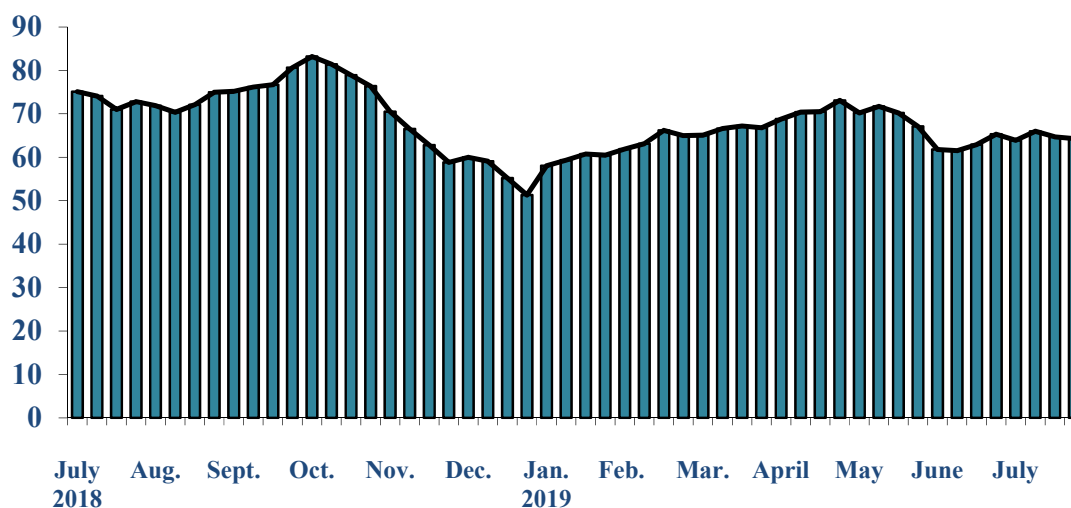
August - September 2019

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)



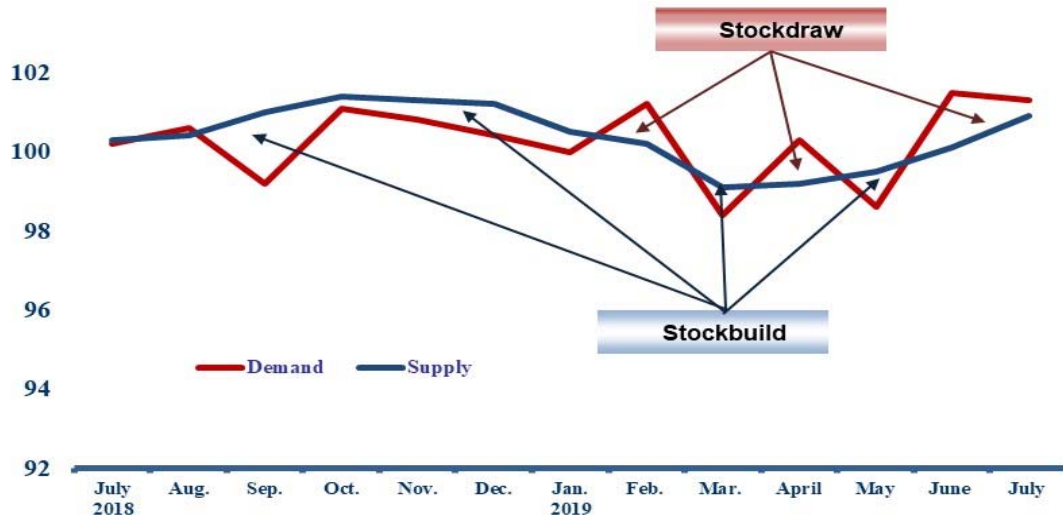
Source: Organization of Petroleum Exporting Countries, OPEC.

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.

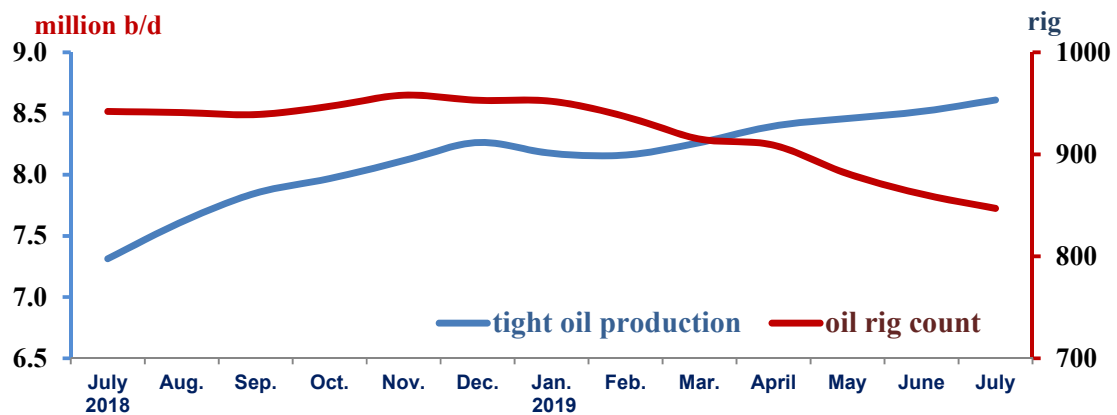
World Oil Supply and Demand (million b/d)



Source: Energy Intelligence Briefing Aug. 15, 2019.

- **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

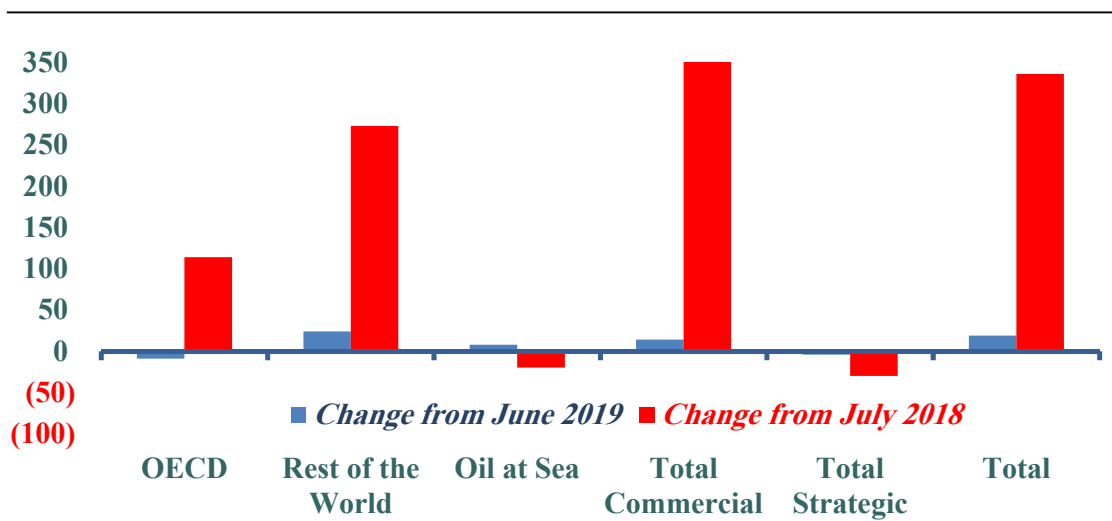


Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions Aug. 2019.

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)



Source: Oil Market intelligence, Oct 2018 and Aug. 2019.

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).