OIL MARKET REPORT – APRIL 2017

EXECUTIVE SUMMARY

Crude oil market is trading in anticipation of OPEC meeting on May 25. There has been so much talking from OPEC about probable extension of the deal that it is possibly already priced in by the market, at least base-case scenario with higher production ceiling. Evidently, if OPEC does not deliver this, the price will collapse.

It seems that OPEC nations are confident in the extension of the deal. However, Russia will wait until May OPEC meeting before deciding on extension of the deal. Russian oil companies have plans for investments growth and new projects to bring online in the second half of the year. Especially Rosneft has got a strong lobby and has already sent a letter to the Government with its caution on risks of the extension.

Apparently bullish view on crude oil price is mostly based on Saudi Arabia strong intentions to lift the price amid Saudi Aramco, national oil company, IPO road show. There has been achieved some progress lately:

1. The tax rate for Saudi Aramco has been reduced to 50% from 85%.
2. HSBC, JP Morgan and Morgan Stanley have been hired as IPO advisors.

In May Saudi Aramco's board is supposed to meet in Shanghai with some consortium of Chinese state-owned oil companies, banks and its sovereign wealth fund, which will act as an anchor investor in the IPO. It will be the first meeting in China in seven years.

According to Reuters' reports, potential IPO value for Saudi Aramco, in spite of tax reduction, are still substantially lower than anticipated initially $2 trillion. Crude oil price dynamic does not help it. Brent crude oil price has been successfully supported above $50 per barrel by OPEC verbal interventions and high compliance level of the deal implementation. However rise in U.S. shale production is so overwhelming that Saudi Arabia needs to cut deeper for higher prices.

Recent news from Saudi Arabia could be interpreted as possible downside risk, the next change in crude oil market strategy:

1. Saudi Arabia reinstated financial allowances for civil servants and military personnel.
2. Prince Abdul-Aziz bin Salman was appointed as minister of state for energy affairs. Khalid A. Al-Falih is still minister of energy.

It looks like Saudi made preparations for new price downturn, having eased risks of social tension and political instability. Perhaps, waiting rebalancing in the crude oil market instead of cutting production deeper is preferable scenario for Aramco's IPO. Excessive regulation for Saudi Aramco can discourage investors, in spite of higher crude oil prices supported temporarily by deeper production cuts. Saudi Arabia might choose not to be haste and postpone IPO to 2020 when significant supply deficit is forecasted due to upstream industry underinvestment.

Possible reasoning for IPO postponement is in lower urgency for all of Mohammed bin Salman Vision-2030 program, which priority aim was likely to establish the young prince in the eyes of Western audience as an impatient reformer and a modernizer. After meeting with Trump in the White House in March the purpose of Mohammed's program was achieved and the financial allowances for civil servants and military personnel were

restored.

Meanwhile, current weakness in the price is not only negative reaction on market's fundamentals but lack of talking support from key export countries, like Russia and Saudi Arabia. Perhaps, lower crude oil price ahead of OPEC meeting is more preferable to achieve the same high compliance level in the second half of the year. In November 2016 Brent crude oil price was about $45-48 per barrel.

Russia announced that on May 1 it produced more than 300 thsd bbl / d less than the reference October level, fulfilling its promise. Surprisingly, it didn't visibly support the price. There are some doubts in method of conversation tons to barrels by Russian Ministry of Energy, because in tons oil production has declined considerably less. More than that, the market looks bearish due to weak fundamental statistics:

- **Global oil inventories have increased in the first two months of the year by 105 million barrels,** according to Morgan Stanley.
- **Exports from OPEC have not fallen as much as production levels:**
  - ✓ Tankers tracking agencies found big boost in shipping movement in April. Saudi Arabia likely exported more than 8 mln bbl /d for the most part of April.
  - ✓ Some countries like Iraq increased exports of oil products.
  - ✓ Global oil shipments by tanker are at a record high in April, according to vessel-tracking data compiled by Thomson Reuters Supply Chain and Commodity forecasts.
  - ✓ US net imports of crude oil and refined products plunged to 22-year low in February.
- **U.S. oil demand growth is falling and likely to stay subdued this year** as gasoline, diesel, use stay weak, according to JBC Energy:
  - ✓ U.S. gasoline station operators have reported at industry conferences that their sales are down 1.5 to 2 percent this year, according to Andy Lipow, president of Lipow Oil Associates.
  - ✓ The annualized pace of U.S. auto sales, adjusted for seasonal trends, slowed to 16.9 million in April, missing analysts' average estimate for 17.1 million. A year ago, the selling rate was 17.4 million. The four-month slump reinforces estimates for the U.S. auto market's first annual contraction since 2009, the year GM and Chrysler reorganized in bankruptcy court.
- **EIA reported oil production for February even higher than in doubtful weekly estimates suggest** (9.031mln bbl / d vs weekly 9,017mln bbl / d):
  - ✓ According to Rystad Energy, U.S. oil production can grow on at 100 thsd bbl / d pace every month.
  - ✓ End-April oil production in the USA was more than 200 thsd bbl / d higher than pre-OPEC meeting in November 2014 (9293 thsd bbl / d vs 9083 thsd bbl / d) when Saudi Arabia chose market share strategy instead of backing crude oil price.

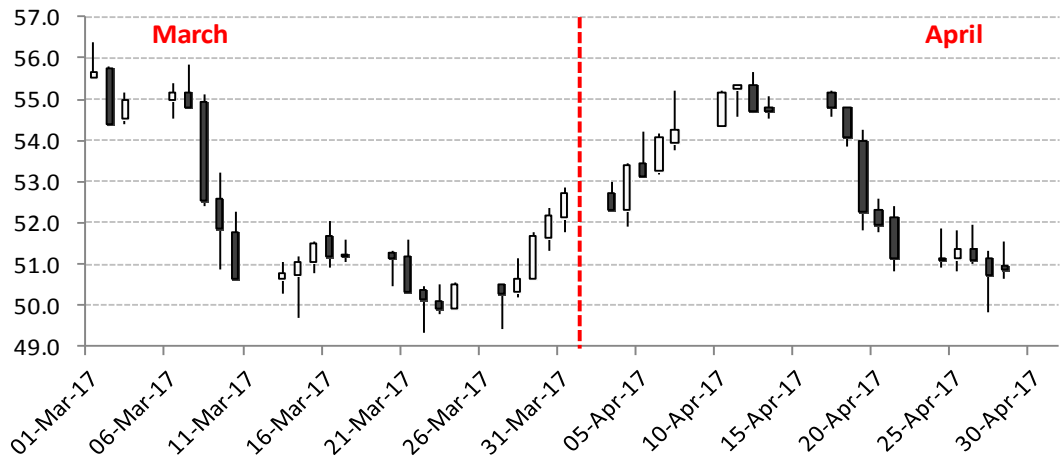
1. MARKET PERFORMANCE

In March crude oil market finally gave up some of the OPEC's deal optimism. The price was trading above $50 per barrel, only due to expectations of the extension of the deal on the second half of the year.

In April effective monthly trade range of Brent spot price slightly decreased to $4.55 per bbl (8.5% to average price of $52.96) in comparison with about $5.7 per bbl range (11.0% to average price of $52.0). May has brought much bigger volatility to the market already.

The crude oil futures curve is expected to finally turn into backwardation as a signal of shortage in supply due to OPEC production cut and its extension. There is already some mid-term backwardation from 2018 to 2019. Spread between Brent 12-month and 1-month futures was closer to zero and crude oil has been actively selling out from floating storage recently. The glut in stocks should decline, according to these expectations. However, it does not look like OPEC high implementation level of production cut (80-100%) has been enough to drawdown global oil inventories and without extension the futures curve will stay in long-term contango.

Chart 1.1. Brent crude oil price performance over last 2 months, $ per bbl

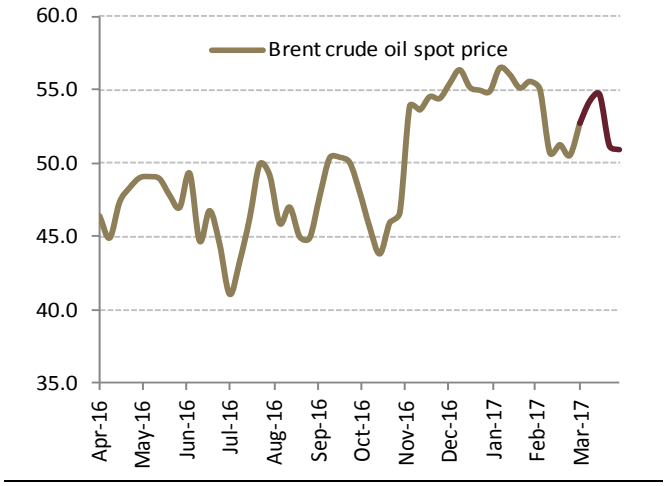


Source: Bloomberg

By the end of the month, 12-months futures to spot spread in Brent crude oil increased by $0.8 per bbl to $2.2 per bbl. 1-month Brent futures to spot spread widened $0.7 per bbl to $0.8 per bbl, 3-month futures to spot spread increased by $0.4 per bbl to $1.5 per bbl.

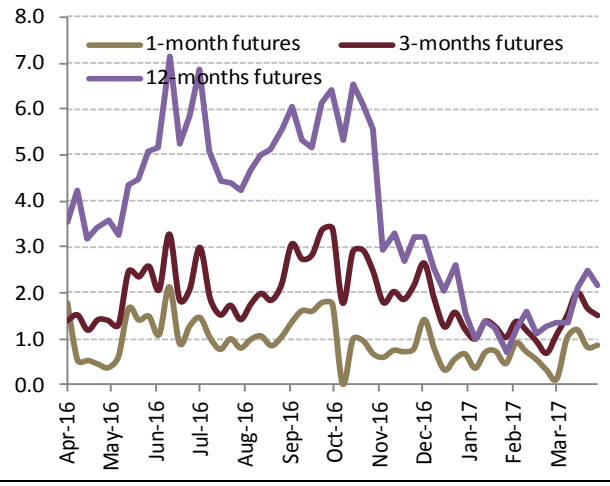
WTI 3-2-1 crack spreads fell in April to $15.1 per bbl, 21.0% below end-March level. Brent 3-2-1 crack spread declined 14.0% to $10.2 per bbl. Tapis 3-2-1 crack spread dropped 10.5% to $7.8 per bbl.

Chart 1.2. Brent crude oil price performance over last 12 months, $ per bbl



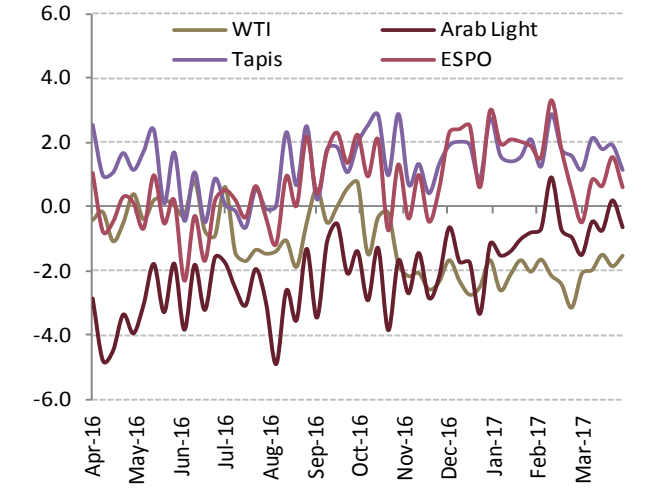
Source: Bloomberg

Chart 1.3. Contango (+) / backwardation (-) in Brent crude oil futures, $ per bbl



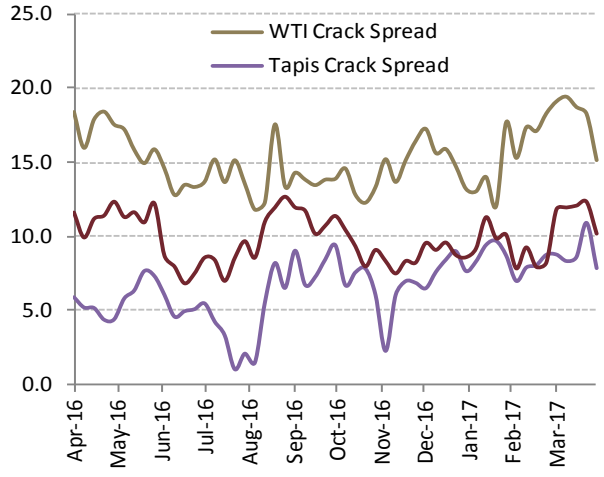
Source: Bloomberg

Chart 1.4. Crude oil benchmarks premium (+) / discount (-) over Brent crude oil, $ per bbl



Source: Bloomberg

Chart 1.5. Crude oil 321 crack spread, $ per bbl



Source: Bloomberg

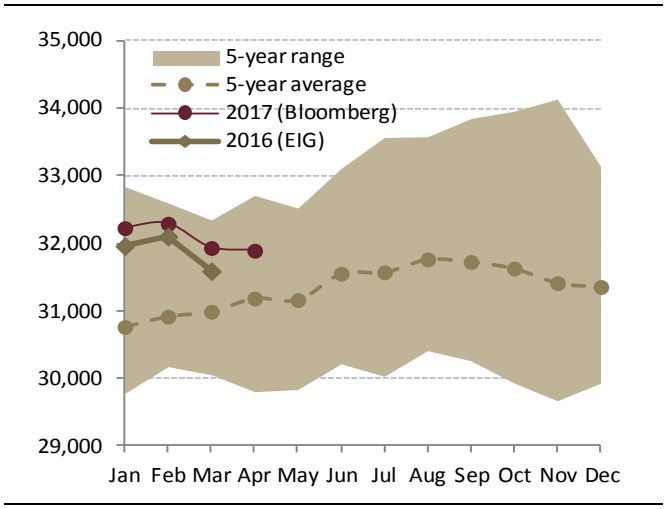
2. OPEC PRODUCTION

According to Bloomberg assessments, total OPEC oil production in April fell by 0.1% m-o-m or 40 thsd bbl / d to 31.895 mln bbl / d. The largest contribution to the drop in OPEC oil production was made by Iran (-25 thsd bbl / d), Libya (-70 thsd bbl / d), Iraq and Venezuela (-20 thsd bbl / d both), while Nigeria and Angola slightly increased output by 50 and 30 thsd bbl / d respectively.

From a y-o-y basis in April the cartel total output declined by 1% (excluding Indonesia and Gabon from calculations). Iran demonstrated the most annual crude oil production growth (+260 thsd bbl / d or 7.4%), followed by Libya (+240 thsd bbl / d or +77.4%) and U.A.E. (+100 thsd bbl / d or +3.6%). The most significant annual production decrease was observed in Venezuela (-270 thsd bbl / d or -12.0%) due to permanent underinvestment. Saudi Arabia (-2.5%), Qatar (-2.5%), Kuwait (-2.5%) and Angola (-7.8%) also produced less crude oil in April than a year ago.

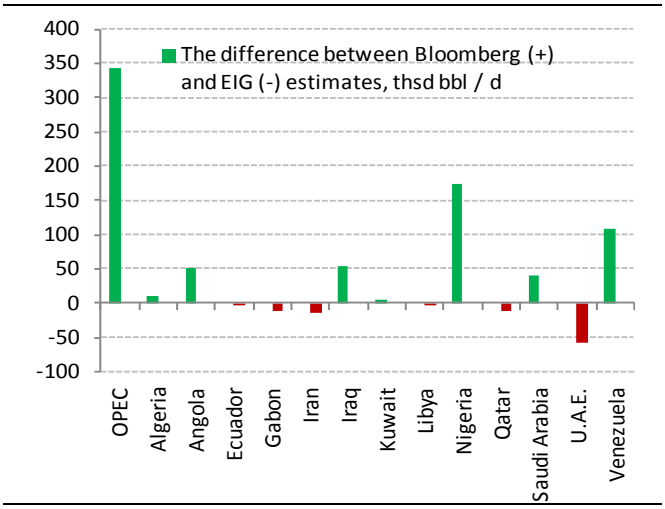
By the same token Energy Intelligence Group (EIG) in April realized its estimates of crude oil production around the world for the previous month (March, 2017). In comparison with earlier March OPEC oil output figures by Bloomberg, EIG evaluated total OPEC production equal to 31.592 mln bbl / d (343 thsd bbl / d less than Bloomberg). In particular EIG printed significantly lower numbers for Venezuela (-108 thsd bbl / d), and Nigeria (-173 thsd bbl / d) relative to Bloomberg ones. The only considerable upward assessments were made for Iran crude oil output (+15 thsd bbl / d versus Bloomberg), Qatar (+11 thsd bbl / d) and U.A.E. (+58 thsd bbl / d).

Chart 2.1. OPEC crude oil output, thsd bbl / d



Source: Bloomberg, EIG

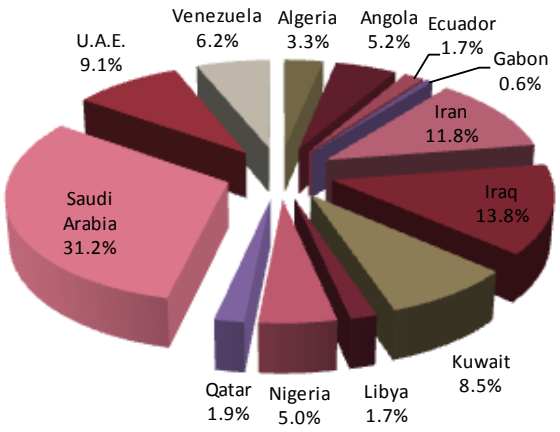
Chart 2.2. Different assessments of OPEC crude oil output in the previous month



Source: Bloomberg, EIG

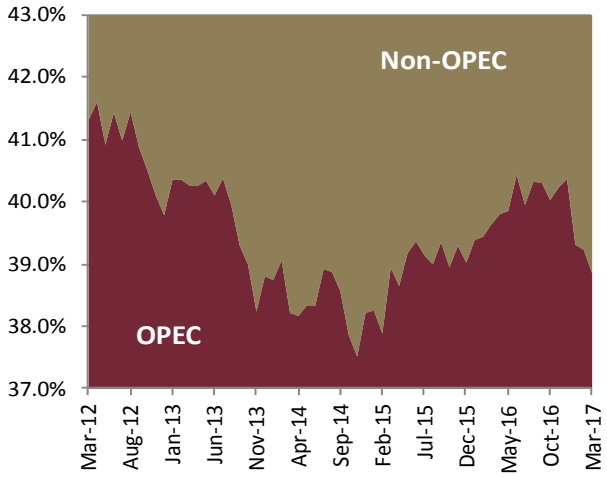
In accordance with EIG figures, in March OPEC as a whole decreased its share in a world crude oil output by 38 bps to 38.86%. However, While OPEC in its deal is focusing only on production levels, export volumes from OPEC nations are more important for rebalancing and the export has not declined considerably. Tankers tracking agencies found big boost in shipping movement in April. Saudi Arabia likely exported more than 8 mln bbl /d for the most part of April. Some countries like Iraq increased exports of oil products. Global oil shipments by tanker are at a record high in April, according to vessel-tracking data compiled by Thomson Reuters Supply Chain and Commodity forecasts. US net imports of crude oil and refined products plunged to 22-year low in February.

Chart 2.3. OPEC crude oil production structure, by country



Source: Bloomberg

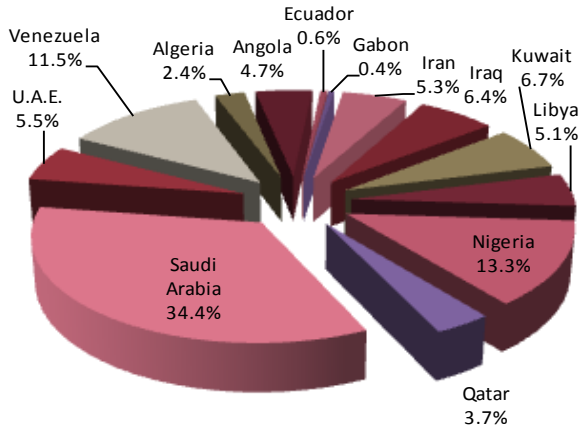
Chart 2.4. OPEC share, as % of world crude oil production



Source: EIG

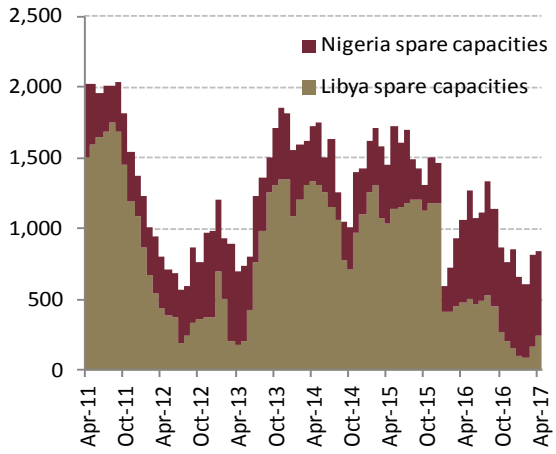
In April the Bloomberg estimated OPEC's total spare capacities at roughly 4.5 mln bbl / d. About 80% of OPEC's potential to ramp up crude oil production were located in 6 states, namely Saudi Arabia (1,490 thsd bbl / d or 34.5% of total), Nigeria (650 thsd bbl / d or 15.1% of total), Kuwait (295 thsd bbl / d or 6.8% of total), Iraq (270 thsd bbl / d or 6.2% of total), Kuwait (295 or 6.8%) and Venezuela (480 thsd bbl / d or 11.1% of total).

Chart 2.5. OPEC crude oil spare capacities structure, by country



Source: Bloomberg

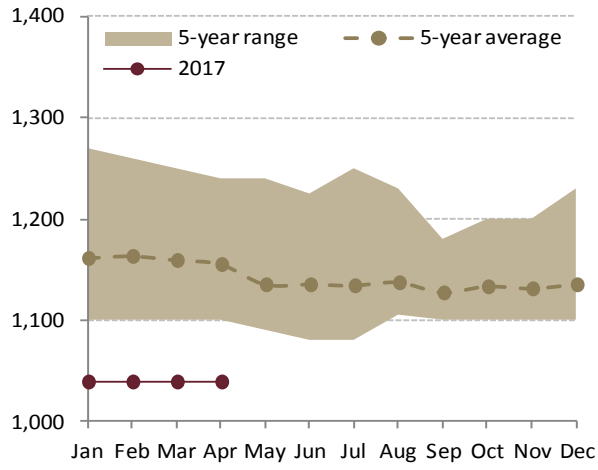
Chart 2.6. Nigeria & Libya oil production disruptions, thsd bbl / d



Source: Bloomberg

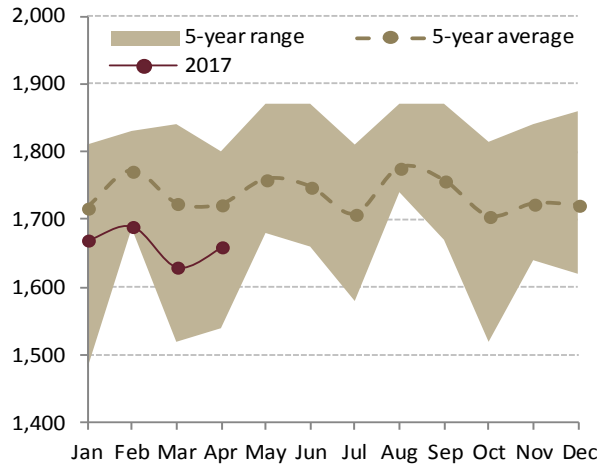
OPEC's free capacities increased in March by 200 thsd bbl / d due the production cutting according to November agreement. It reduced risks of geopolitical events in the market, like Libya crisis, when production was halted amid the war in 2011. Saudi Arabia replaced Libyan crude oil to the market then, now it has to provide a place for Libya (and Nigeria) return. Libya and Nigeria still have the room to raise its production. According to Bloomberg, their spare capacities are at 160 and 650 thsd bbl / d now. Nigeria is intended to increase its production to its capacity (2.2 mln bbl / d) within months. Libya is not believed to be capable to increase its production considerably above 700 thsd bbl / d due to continuous conflicts among rival fractions.

Chart 2.7. Algeria crude oil output, thsd bbl / d



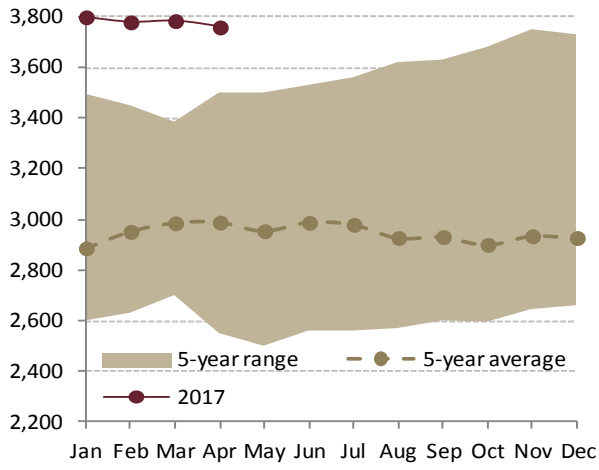
Source: Bloomberg

Chart 2.8. Angola crude oil output, thsd bbl / d



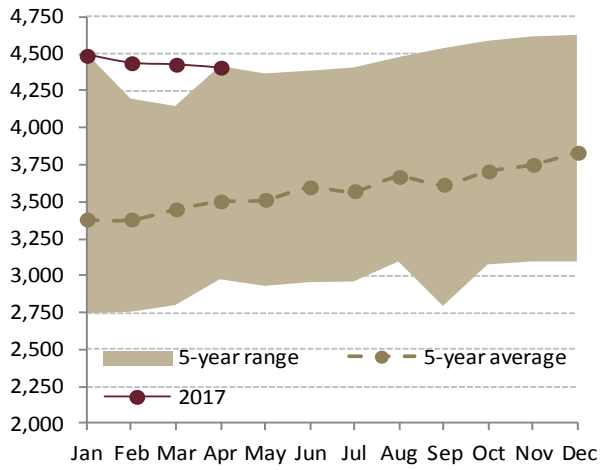
Source: Bloomberg

Chart 2.9. Iran crude oil output, thsd bbl / d



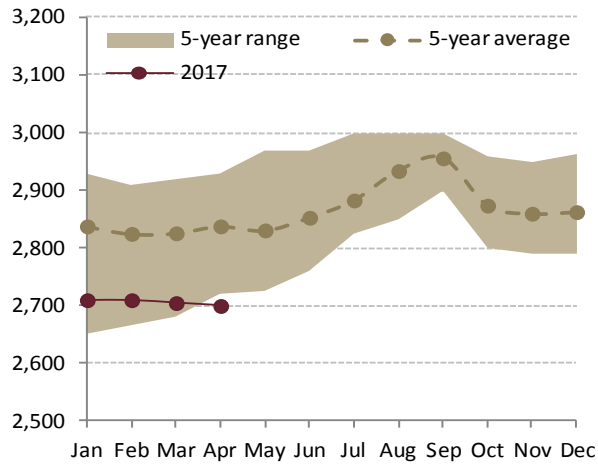
Source: Bloomberg

Chart 2.10. Iraq crude oil output, thsd bbl / d



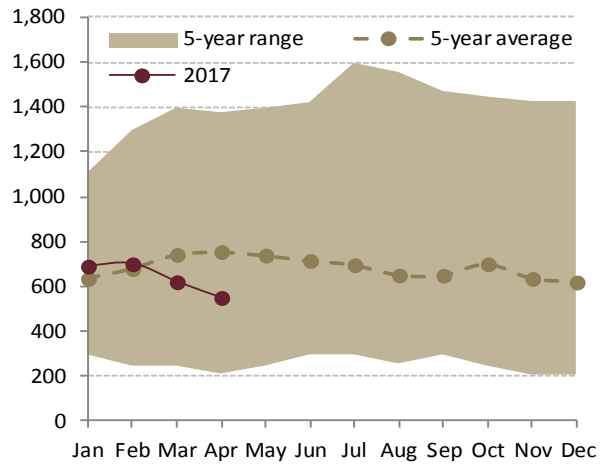
Source: Bloomberg

Chart 2.11. Kuwait crude oil output, thsd bbl / d



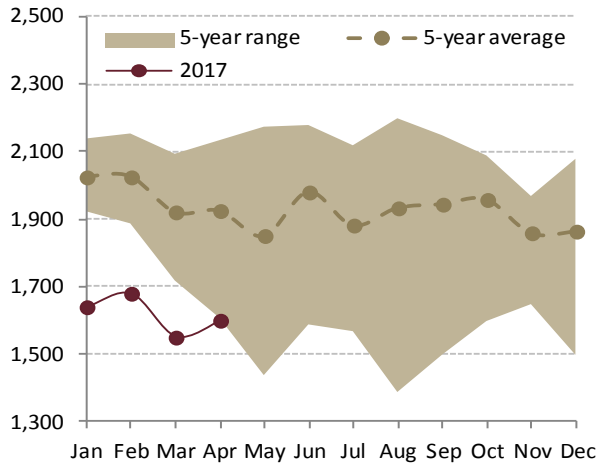
Source: Bloomberg

Chart 2.12. Libya crude oil output, thsd bbl / d



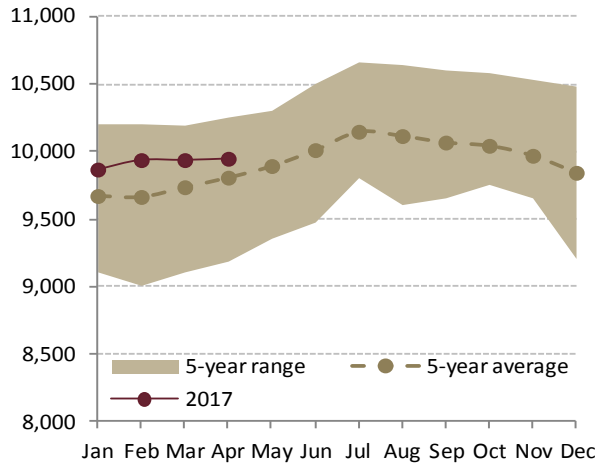
Source: Bloomberg

Chart 2.13. Nigeria crude oil output, thsd bbl / d



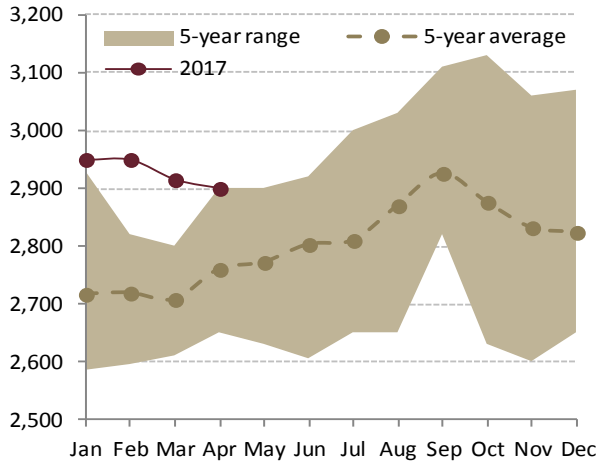
Source: Bloomberg

Chart 2.14. Saudi Arabia crude oil output, thsd bbl / d



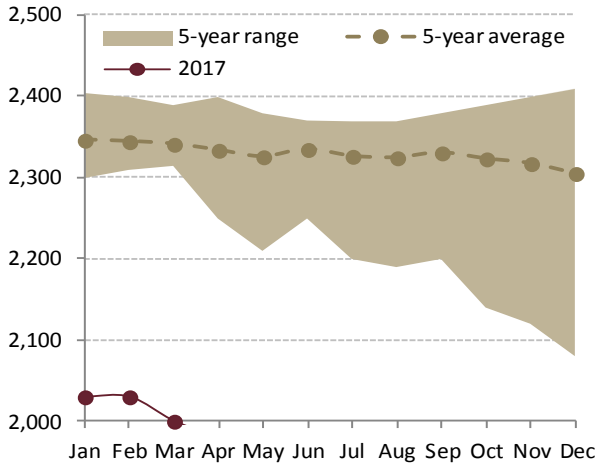
Source: Bloomberg

Chart 2.15. U.A.E. crude oil output, thsd bbl / d



Source: Bloomberg

Chart 2.16. Venezuela crude oil output, thsd bbl / d



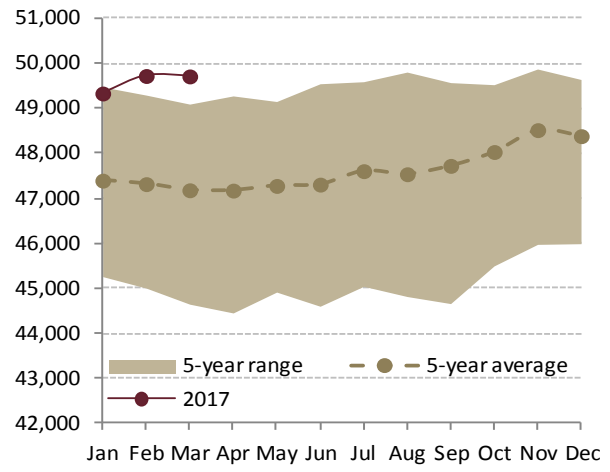
Source: Bloomberg

3. NON-OPEC PRODUCTION

According to the most recent EIG assessments of worldwide crude oil production total crude oil output in non-OPEC states fell in March by 9 thsd bbl / d or 0.01% to 49.7 mln bbl / d. Comparing to the reference level in October non-OPEC production was higher by 725 thsd bbl / d. The most considerable production growth in March relative to the previous months among the non-OPEC oil producing countries was achieved in Norway (+24 thsd bbl / d), the USA (+59 thsd bbl / d) and Brazil (+41 thsd bbl / d), while Russia and China were a main cutback with oil output reduce of 116 and 50 thsd bbl / d respectively.

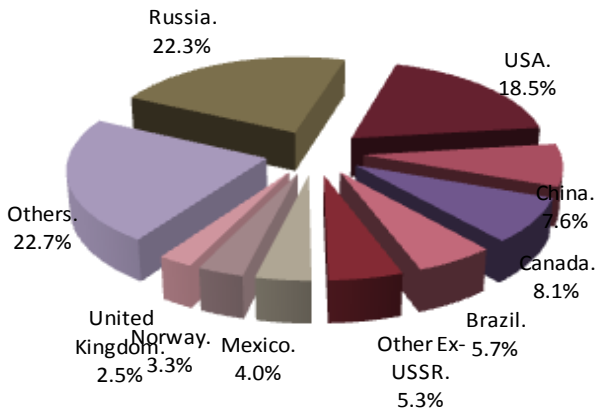
The same time from the longer-term point of view (in terms of y-o-y) non-OPEC crude oil output in March increased by more than 0.7 mln bbl / d or 1.5% with Brazil (+580 thsd bbl / d or +25.6% yoy), the UK (+154 thsd bbl / d or +14.2% yoy) and Russia (+165 thsd bbl / d or +1.5% yoy) being the main drivers of this positive tendency. This output growth was partly offset by annual production decline in China (-303 thsd bbl / d or -7.4%) and Mexico (-238 thsd bbl / d or -10.7%). Other non-OPEC oil-extracting countries with negative annual output change in March were the USA, Egypt and Malaysia which output were reduced by 25-40 thsd bbl / d.

Chart 3.1. Non-OPEC crude oil output, thsd bbl / d



Source: EIG

Chart 3.2. Non-OPEC crude oil production structure, by country

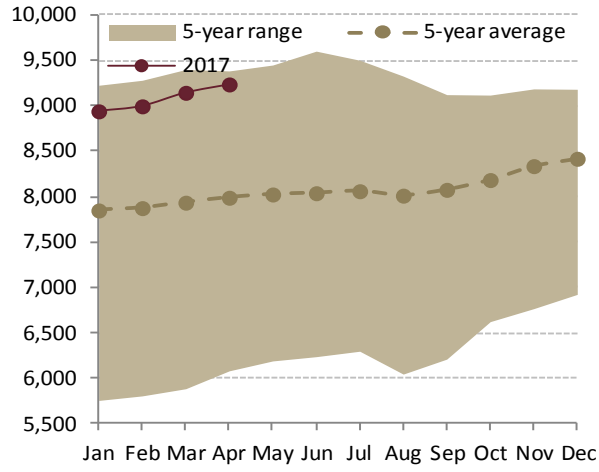


Source: EIG

USA

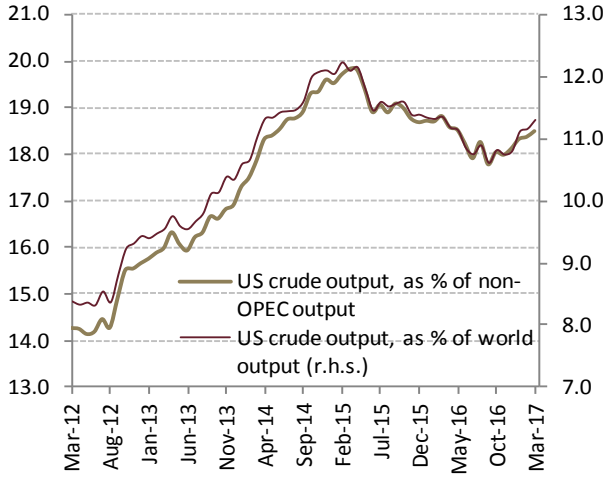
Crude oil production in the USA kept on rising in April (up to last report date in April 28) by 92 thsd bbl / d or 1.0% in comparison with March data and by 315 thsd bbl / d or 3.5% in comparison with April 2016 figures. According to the most recent EIG data, the USA was accounted for 11.31% of global crude oil output in March, that is nearly 100 bps lower relative to the record high of 12.20% printed in February 2015. The same time natural gas liquids (NGL) production in the USA in April rose 12 thsd bbl / d or +0.4% on the month-to-month basis and by 2 thsd bbl / d or 0.1% on the year-on-year basis. Crude oil net imports from the US in April climbed by 1.8% mom to 7.37 bn bbl /d, while crude oil exports rose to 745 thsd bbl / d comparing to 713 thsd bbl / d in March. Oil products exports from the US in April declined by 120 thsd bbl / d or 2.4% mom, while net imports of refined oil products declined by 57 thsd bbl / d to -2.808 mln bbl / d.

Chart 3.3. USA crude oil production, thsd bbl / d



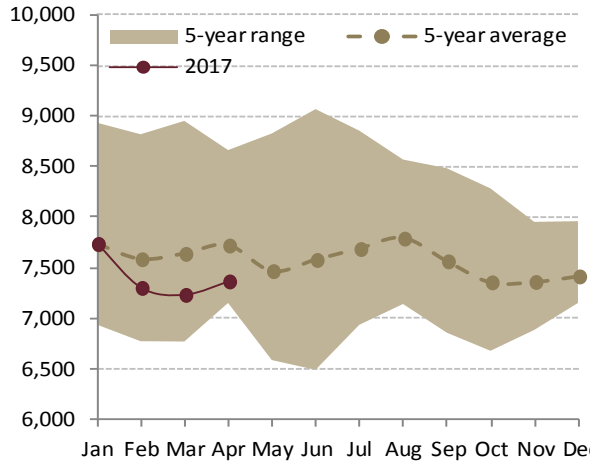
Source: DOE

Chart 3.4. The share of the USA in oil production, %



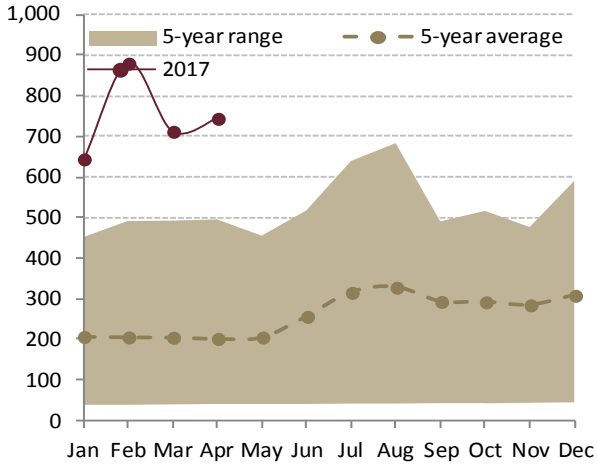
Source: EIG

Chart 3.5. USA crude oil net import, thsd bbl / d



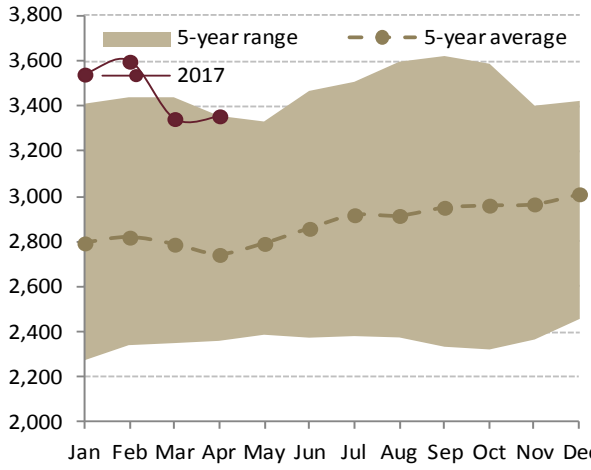
Source: DOE

Chart 3.6. USA crude oil export, thsd bbl / d



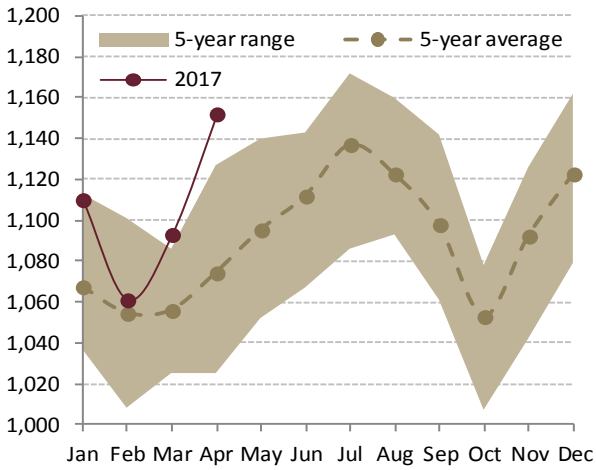
Source: DOE

Chart 3.7. USA NGL production, thsd bbl / day



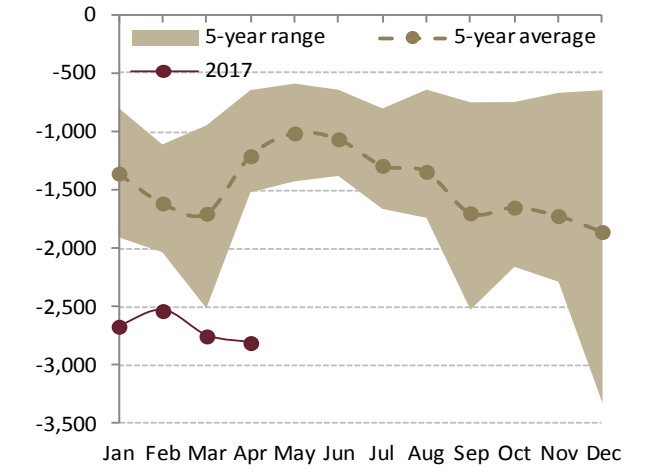
Source: DOE

Chart 3.8. USA oil processing gain, thsd bbl / day



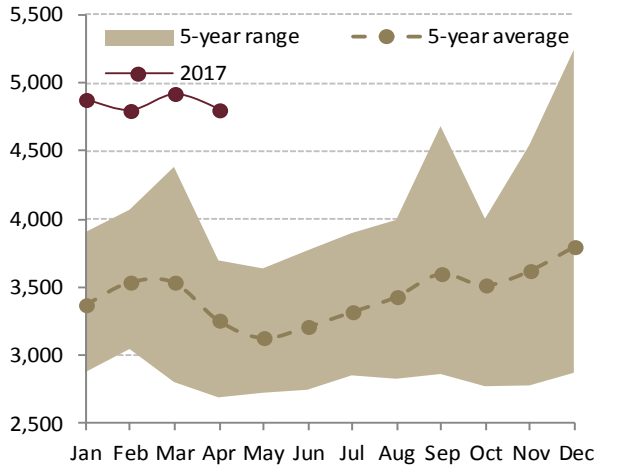
Source: DOE

Chart 3.9. USA oil product net import, thsd bbl / d



Source: DOE

Chart 3.10. USA oil product export, thsd bbl / d



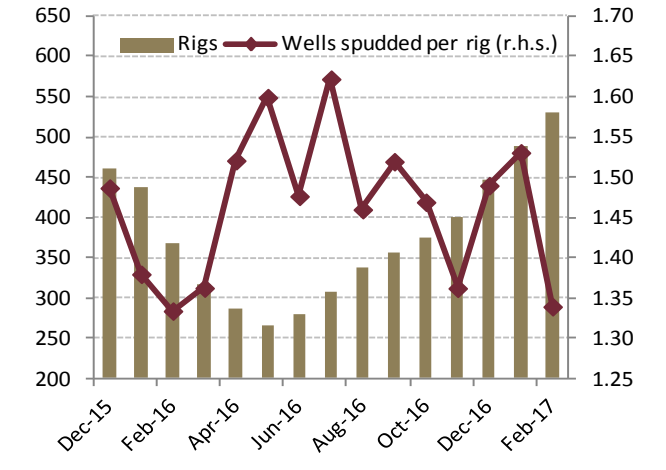
Source: DOE

Total production of shale oil in the US is on its way to recovery and added 81 thsd bbl /d in April and on the year-on-year basis it was higher by 3.1% or 167 thsd bbl / d.

Output contraction was observed on the Eagle Ford deposit, where crude oil production in April decreased both on month-to-month and year-on-year basis by 0.7% and 14.0% respectively. However, Bakken deposit in April returned to annual growth, where crude oil extraction in April 2017 was 4.1% higher than a year ago.

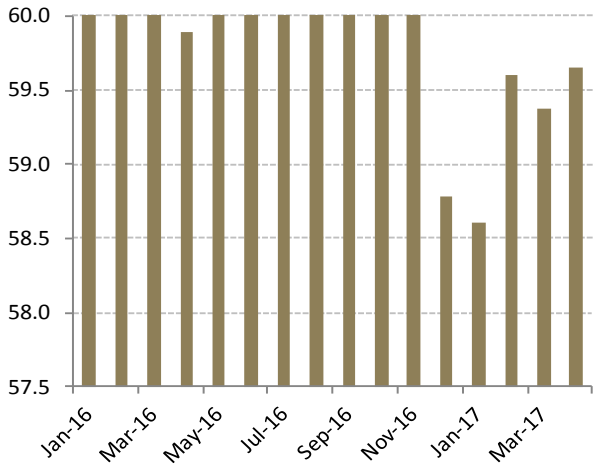
The most output addition was observed on the Permian deposit, where crude oil production in April increased both on month-to-month and year-on-year basis by 2.1% and 13.7% respectively.

Chart 3.11. USA rigs and wells spudded



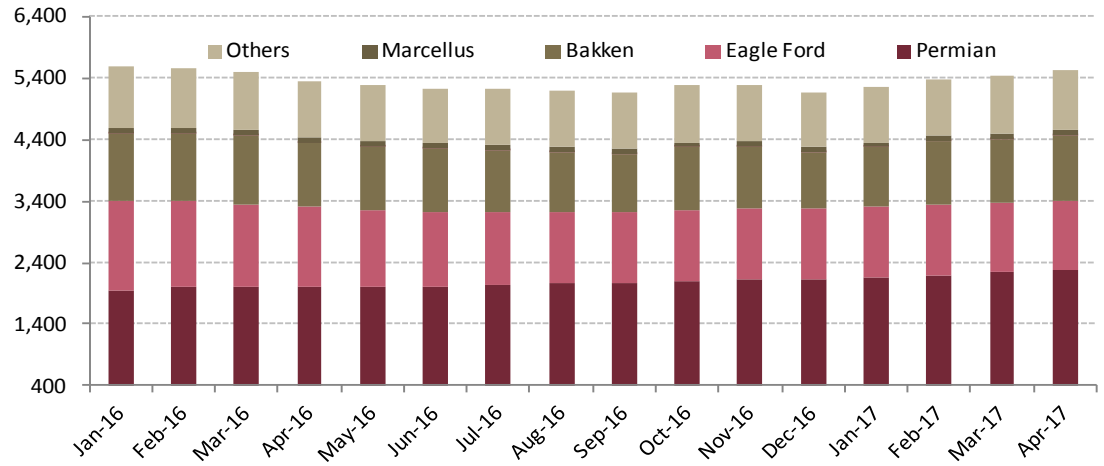
Source: DOE

Chart 3.12. Shale oil production, as % of total US crude oil output



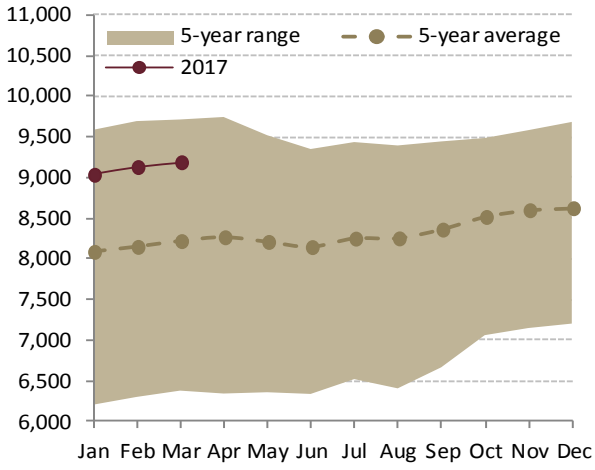
Source: Rystad Energy, Bloomberg

Chart 3.13. USA shale oil production by regions, thsd bbl / d



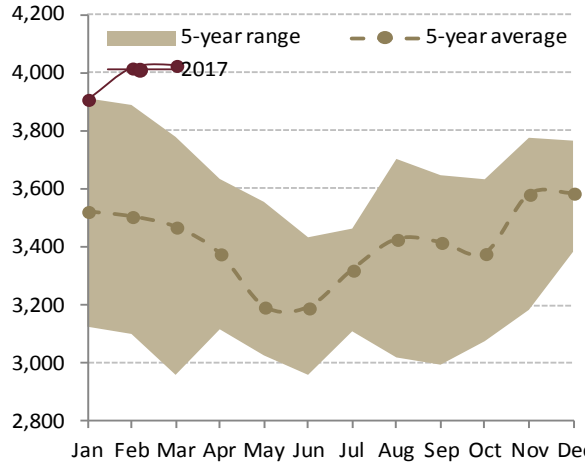
Source: Rystad Energy, Bloomberg

Chart 3.14. USA crude oil output, thsd bbl / d



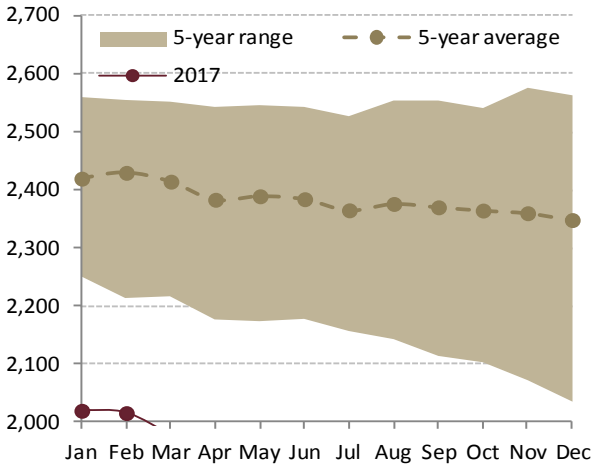
Source: EIG

Chart 3.15. Canada crude oil output, thsd bbl / d



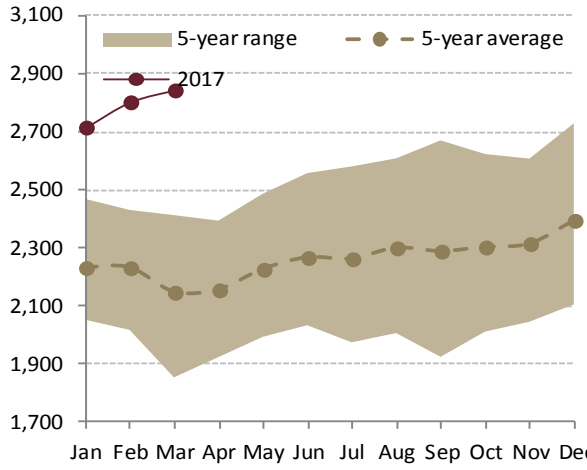
Source: EIG

Chart 3.16. Mexico crude oil output, thsd bbl / d



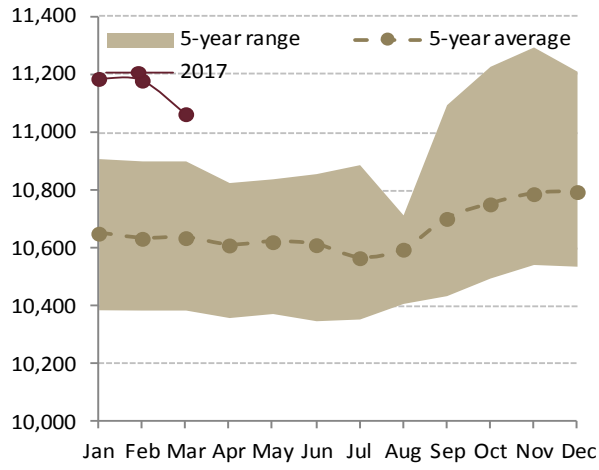
Source: EIG

Chart 3.17. Brazil crude oil output, thsd bbl / d



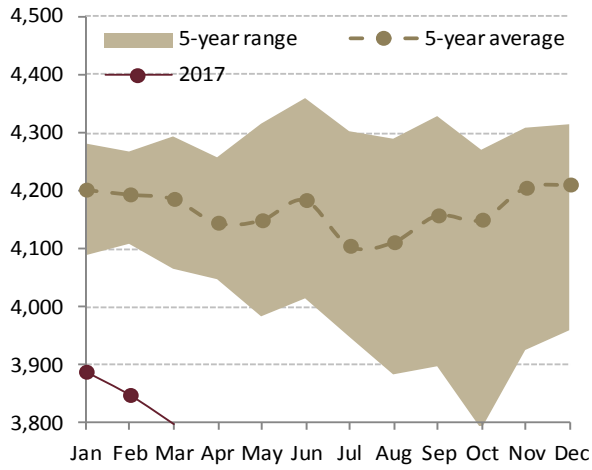
Source: EIG

Chart 3.18. Russia crude oil output, thsd bbl / d



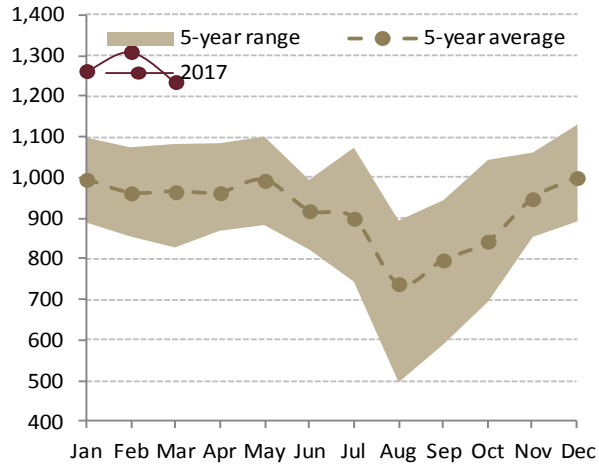
Source: EIG

Chart 3.19. China crude oil output, thsd bbl / d



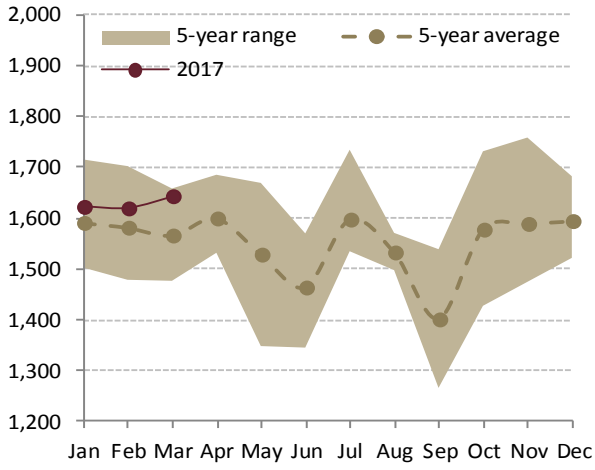
Source: EIG

Chart 3.20. UK crude oil output, thsd bbl / d



Source: EIG

Chart 3.21. Norway crude oil output, thsd bbl / d



Source: EIG

4. DEMAND

Global

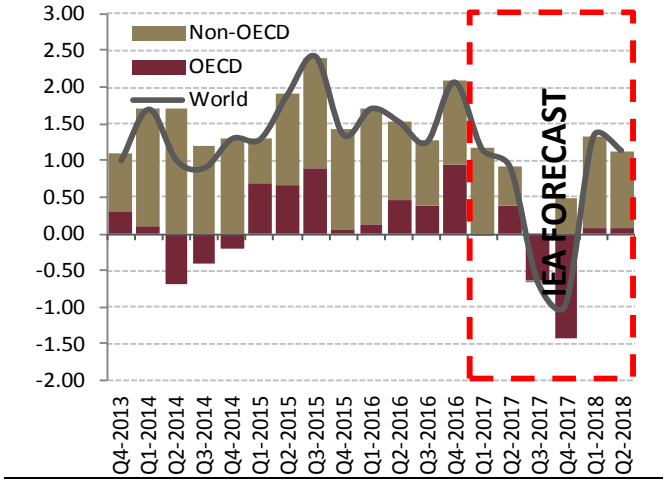
There was a little new information regarding global oil demand in April as IEA refreshes its world oil demand estimations on quarterly basis. So the most up-to-date EIA's data on global oil demand is still figures for the 4th quarter of 2016.

According to these EIA's numbers total world demand for oil in the 4th quarter increased by 570 thsd bbl / d or 0.6% over against the 3rd quarter of 2016. Comparing to the 4th quarter of 2015 global demand for oil grew by 2.04 mln bbl / d or 2.1%, partly encouraged by relatively low oil prices. The main source of global oil demand growth in the latest EIA reported quarter was non-OECD countries whose aggregate demand raised by 720 thsd bbl / d (+1.4% qoq), while the demand from OECD states soften by comparable 160 thsd bbl / d (-0.3% qoq). Interestingly on the year-on-year basis both OECD and non-OECD countries in the 4th quarter of 2016 showed growth of 1.3% and 2.9% respectively.

As for demand from single states and regions, the most significant demand shrinkage in the 4th quarter was observed in the USA, where demand for oil dropped by 320 thsd bbl / d (-1.6% qoq), but rose on the year-over-year basis by 160 thsd bbl / d (+0.8%). Also negative demand tendencies had a place in Canada (-130 thsd bbl / d or -5.2% qoq) and in Europe (-130 thsd bbl / d or -1.6% qoq). The same time among the non-OECD states in the 4th quarter of 2016 demand for crude oil increased in China by 340 thsd bbl / d (+2.9% qoq / +3.6% yoy), in India by 390 thsd bbl / d (+9.7% qoq and +7.6% yoy) and other Asia by 310 thsd bbl / d (+3.5% qoq, +4.5% yoy).

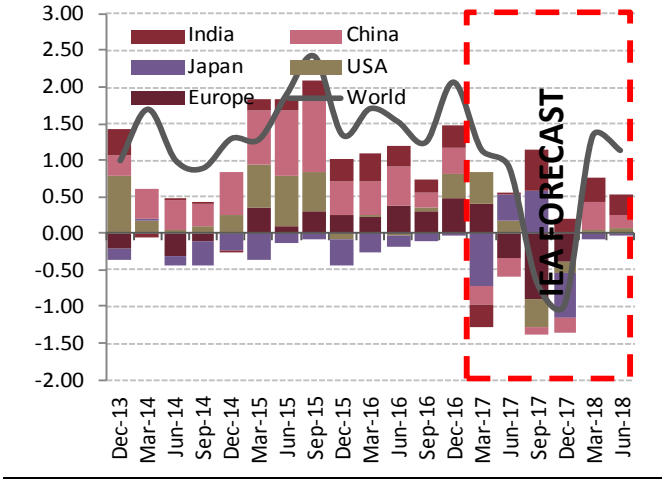
In its monthly report, the IEA kept its global demand growth forecast for 2017 unchanged at 1.3 mln bbl / d, because of slowdowns in previously robust consumer countries such as the United States, Germany and Turkey. Chinese consumption remained relatively strong, with a near 425 thsd bbl / d gain in the first quarter of the year, compared with 2016. The Indian government's demonetization policy will likely lower that country's consumption this year. The IEA expects Indian demand growth to hover around 200 thsd bbl / d. In the United States, the top source for global crude supply growth, consumption has weakened and the IEA forecast flat U.S. demand this year.

Chart 4.1. World oil demand yoy change, mln bbl / d



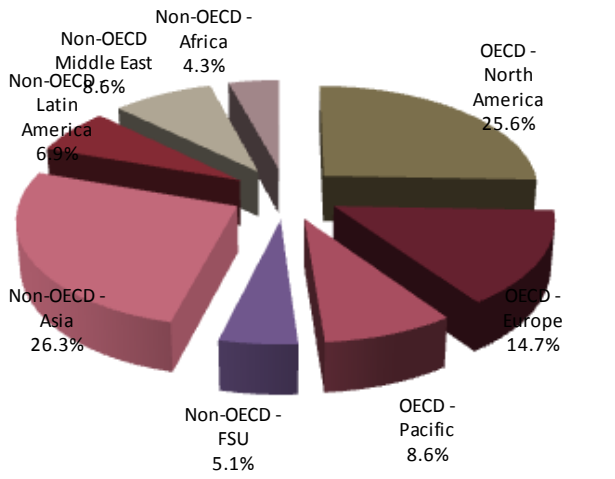
Source: IEA

Chart 4.2. Regional oil demand yoy change, mln bbl / d



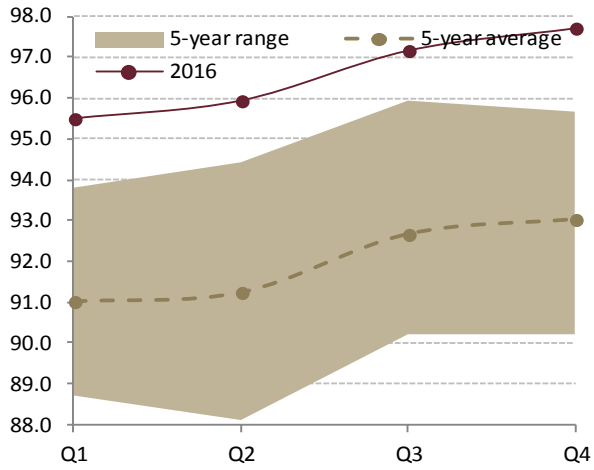
Source: IEA

Chart 4.3. World oil demand structure, by region



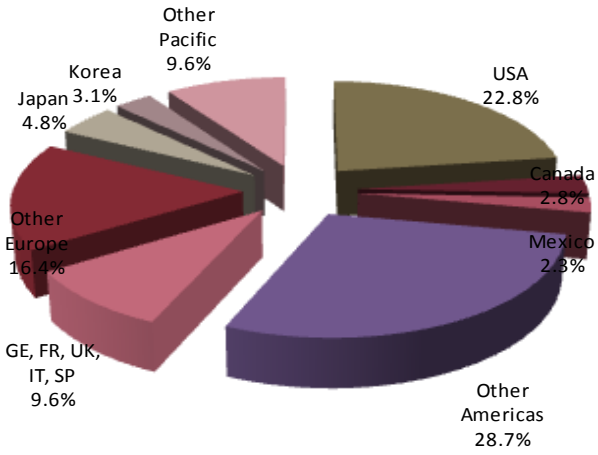
Source: IEA

Chart 4.4 World crude oil demand, mln bbl / d



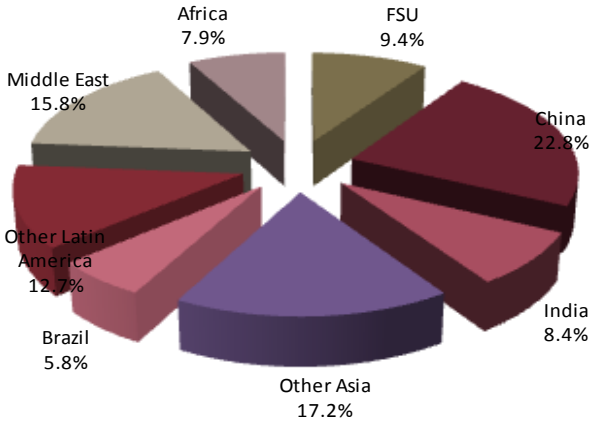
Source: IEA

Chart 4.5. OECD oil demand structure, by country



Source: IEA

Chart 4.6. Non-OECD oil demand structure, by country



Source: IEA

China

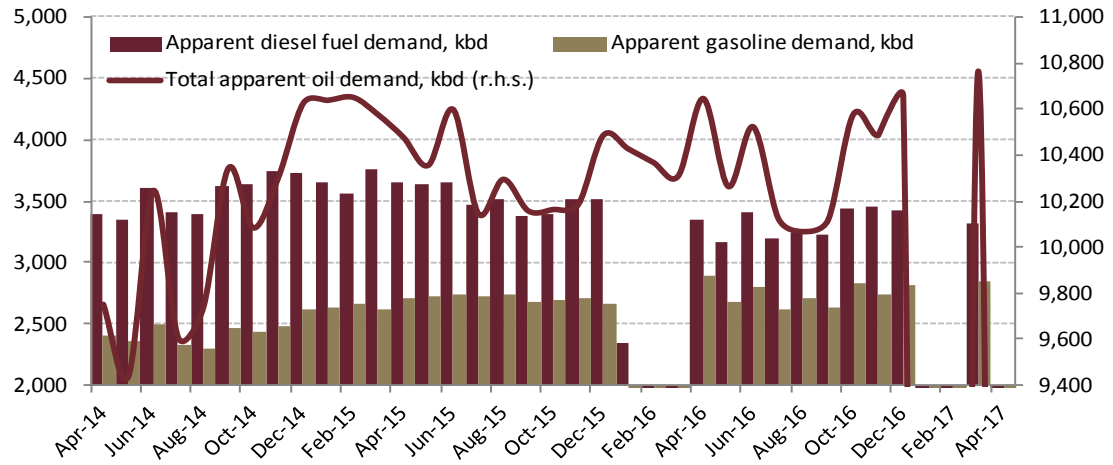
Last data for China demand in Bloomberg is for March. Total apparent demand for oil in China in March increased on y-o-y basis by about 455 thsd bbl / d or 4.2%. Strong demand data from China inspires long positions in crude oil futures despite negative tendencies in iron ore market.

The import of crude oil to China in March surged to 38.95 mln metric tons (equals to 9.2 mln bbl / d) according to China's General Administration of Customs, pretty high level. But the data includes imports from small independent refineries (teapots). Crude imports by Chinese teapot refineries were at record high of 5.97 mln tons in January, for an instance. Average imports in 2016 doubled comparing to 2015 and were at 3.5 mln tons per month level. The government limited potential rising by quotes for private refineries, but current increase is still the considerable one comparing to last year average. The government has now approved the teapots to buy a total of 68.81 mln metric tons of crude from overseas under a first batch of allocations for 2017, according to officials from companies that received the notification. 45.64 mln tons of that amount can be bought directly by the private refiners (3.8 mln tons per month). The rest will be processed via state-owned

traders and other agents.

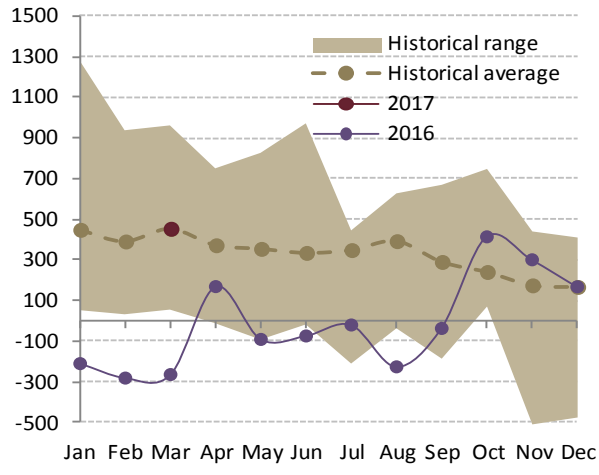
According to Platt's calculations, China's apparent oil demand, excluding output from independent refineries, slipped into the negative territory in 2016, a sharp reversal from the near 7% growth witnessed a year earlier, as the country's slowest GDP growth in 26 years slashed appetite for industrial and transportation fuels in Asia's biggest oil consuming nation. However, if output from the independent sector is taken into account, apparent demand last year is estimated to be around 11.34 million b/d, representing 1.3% year-on-year growth. Platts forecasts China's apparent demand will reach 11.57 million b/d in 2017, a 2% increase against the adjusted numbers for 2016.

Chart 4.7. Chinese apparent oil demand, thsd barrels per day



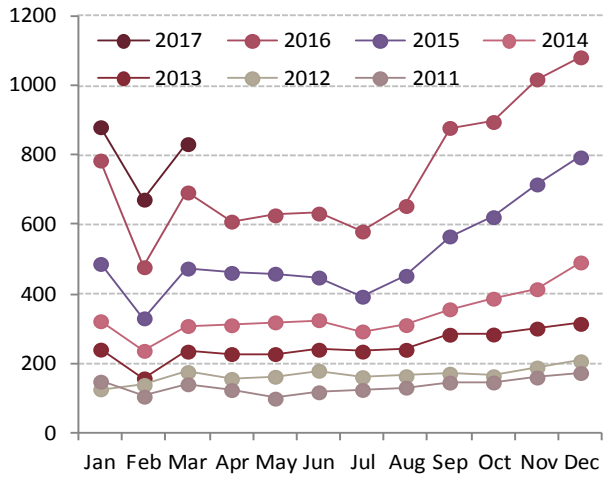
Source: National Bureau of Statistics of China, Customs General Administration PRC, Bloomberg

Chart 4.8. Annual changes in Chinese apparent oil demand, thsd bbl / d



Source: National Bureau of Statistics of China, Customs General Administration PRC, Bloomberg

Chart 4.9. Chinese SUVs sales, thsd vehicles



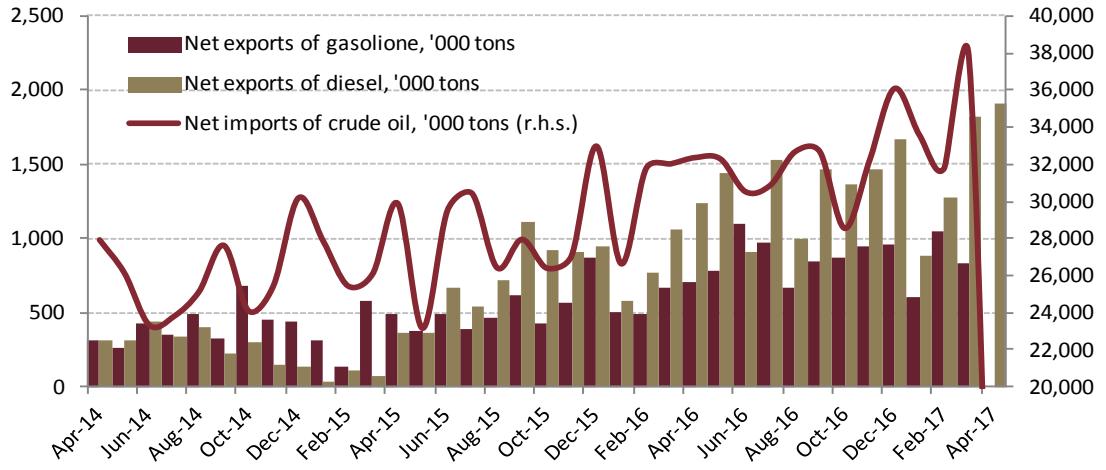
Source: China Passenger Car Association, Bloomberg

Chinese interest to SUV vehicles was encouraged by retail gasoline price fall in 2015 and still has been standing at the rather high levels. Chinese citizens bought more than 1000 thsd of new SUVs each month in December and November last year. In February this number dropped to 672 thsd vehicles from 881 thsd in January. However, in March it reversed the level above 800 thsd vehicles. The pace of growth of these gas-guzzlers in

China looks very strong, comparing to prior years.

The same time Chinese refineries in March increased export of oil products by 0.9 mln metric tons comparing to last year numbers. China exported in this March roughly 24.5% higher volumes of oil products than in March 2016.

Chart 4.10. China crude oil net imports Vs net exports of gasoline & diesel



Source: Customs General Administration PRC, Bloomberg

5. INVENTORIES

Pursuant to the most recent IEA monthly report, total OECD commercial oil stocks declined in February 2017 (the last reported month on oil stocks) by 8.1 mln bbl (-0.3%). The most part of the decrease was the result of total oil products inventories decline by 20.3 mln bbl (-1.3% mom), while total OECD crude oil stocks rose 9.2 mln bbl (0.8% mom). The same time in comparison with a year ago figures total OECD commercial oil stocks in February 2017 stayed almost flat with crude oil stocks rose 28.0 mln bbl (2.3% yoy) and oil products stocks decreased by1.0 mln bbl (-0.03% yoy).

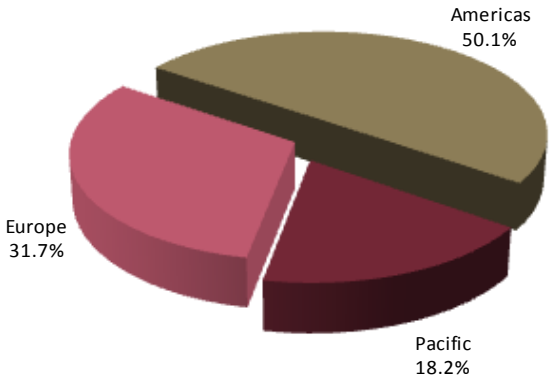
From the standpoint of the regional structure of oil inventories the weakest situation in February was observed in the Americas, where crude inventories raised 16.8 mln bbl (+2.5%) mom and 37.4 mln bbl (+5.0%) yoy. In Europe crude oil stocks fell m-o-m and y-o-y by 1.8 mln bbl or 0.5% and by 0.5 mln bbl or 0.1% respectively, while stocks of refined oil products rose 7 mln bbl (1.2%) on m-o-m and 9 mln bbl (1.5%) on y-o-y basis. Stocks of crude oil in the Pacific region in February fell 5.9 mln bbl in m-o-m. Refined oil products stocks were almost flat here, adding 0.5 mln bbl (0.3%) in m-o-m.

As for the by-product inventories structure, the largest drop in OECD inventories in February was noticed in heavy fuel that stocks fell 4.1 mln bbl (-3.1%). The smallest stocks decrease took place in gasoline that OECD inventories were nearly flat on month-to-month basis. Distillates OECD stocks also slightly declined by 3.3 mln bbl (-0.5%).

To sum these all up we should conclude that global oil inventories in highly developed states (OECD) are still on very elevated levels although the general pace of oil stocks build-up decreased in recent months.

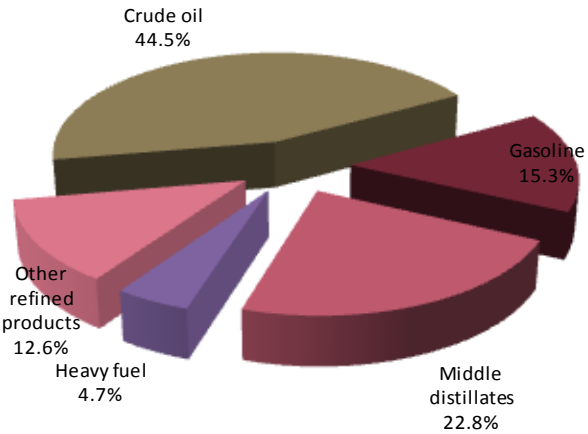
That's why we see limited upside on crude oil market from current levels as these large inventories will be an additional pressure for the market for the prolonged period of time even when supply and demand for crude oil will be finally balanced.

Chart 5.1. OECD oil stocks structure, by country



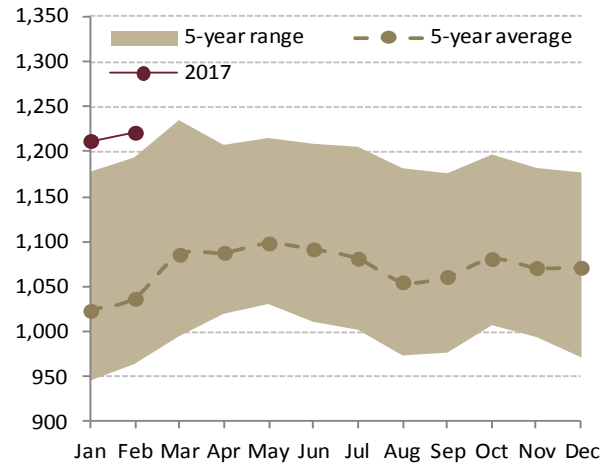
Source: IEA

Chart 5.2. OECD oil stocks structure, by product



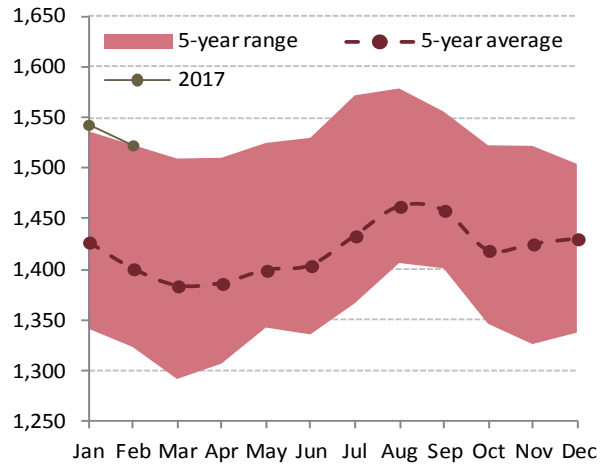
Source: IEA

Chart 5.3. OECD crude oil stocks, mln bbl



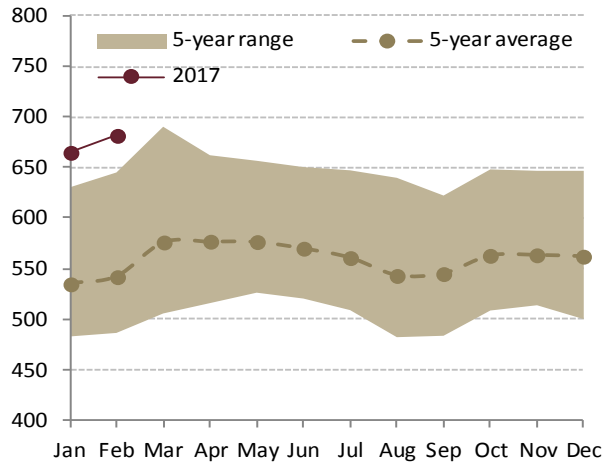
Source: IEA

Chart 5.4. OECD oil products stocks, mln bbl



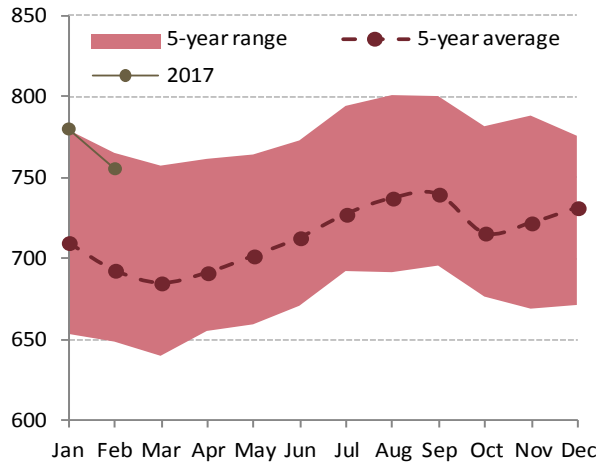
Source: IEA

Chart 5.5. Americas (OECD) crude oil stocks, mln bbl



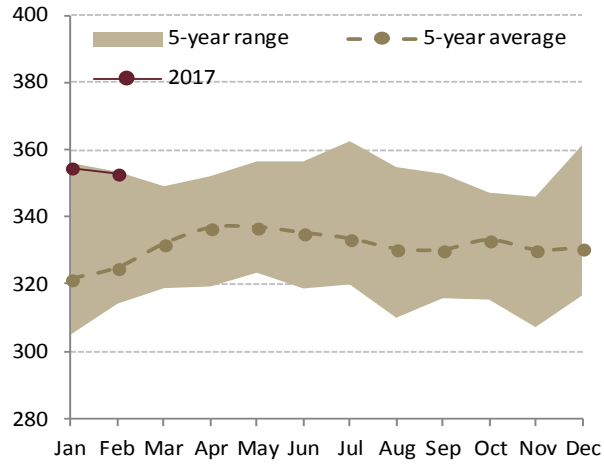
Source: IEA

Chart 5.6. Americas (OECD) oil products stocks, mln bbl



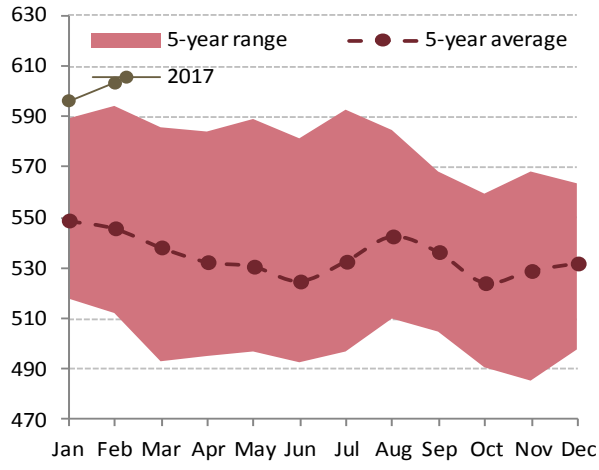
Source: IEA

Chart 5.7. Europe (OECD) crude oil stocks, mln bbl



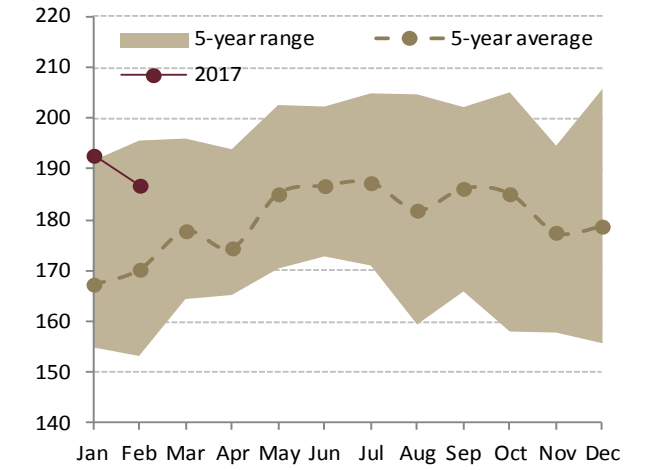
Source: IEA

Chart 5.8. Europe (OECD) oil products stocks, mln bbl



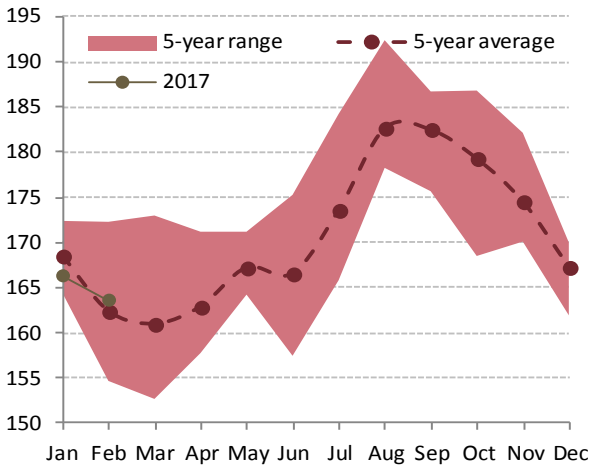
Source: IEA

Chart 5.9. Pacific (OECD) crude oil stocks, mln bbl



Source: IEA

Chart 5.10. Pacific (OECD) oil products stocks, mln bbl



Source: IEA

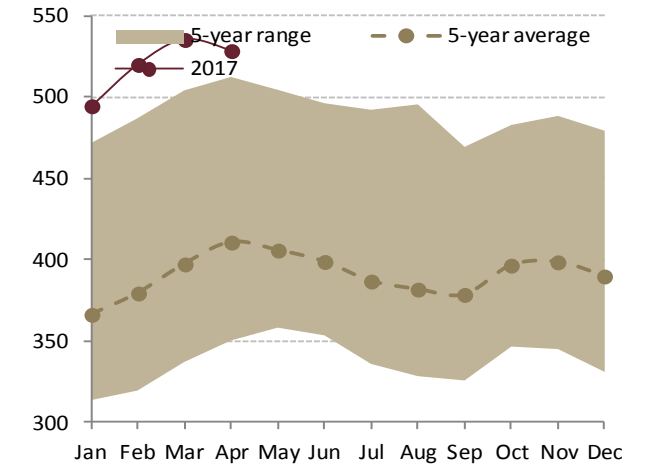
USA

According to DOE's weekly data total commercial crude oil stocks in the USA in April (the most recent data is for April 28) fell 6.8 mln bbl or 1.3% comparing to the previous month. Crude oil inventories added 49.7 mln bbl from its low of 479 mln bbl printed in December 2016.

Crude oil stocks in April were 16.6 mln bbl (or +3.2%) higher than they were a year ago. As for crude oil inventories in Cushing oil storage in Oklahoma, they were 1.7 mln bbl or 2.5% lower in April than prior month and 1.1 mln bbl or 1.7% higher than a year ago.

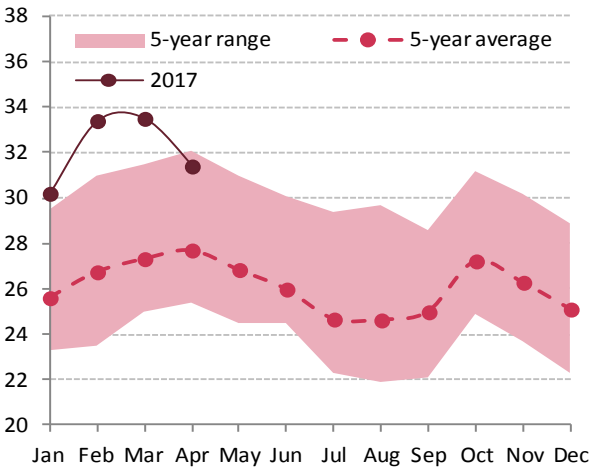
US gasoline inventories in April surprisingly added 1.9 mln bbl or 0.8% mom, while inventories of distillates fell by 1.5 mln bbl or 1.0% mom. In comparison with the figures a year ago gasoline and distillates stocks both declined by 0.8 mln bbl (-0.3%) and 6.1 mln bbl (-3.9%) respectively.

Chart 5.11. US commercial crude oil stocks, mln bbl



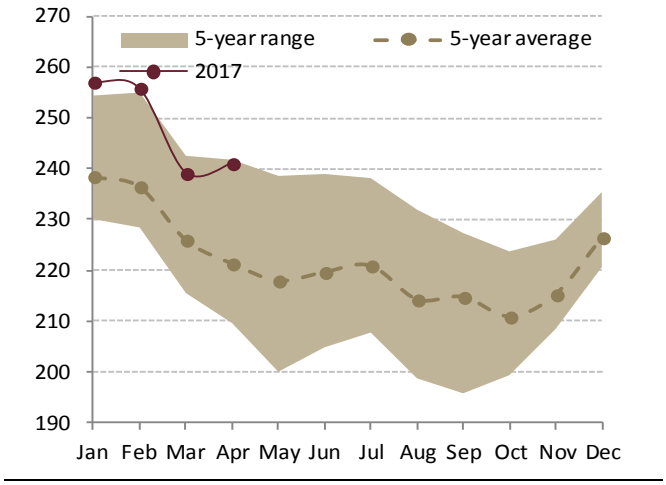
Source: DOE

Chart 5.12. US commercial crude oil stocks, days of supply



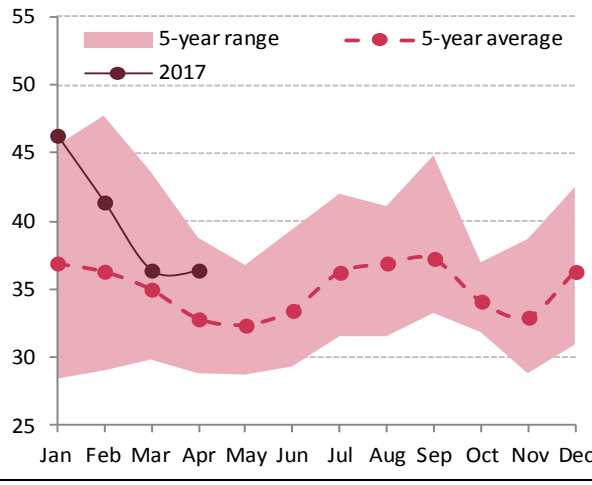
Source: DOE

Chart 5.13. US gasoline stocks, mln bbl



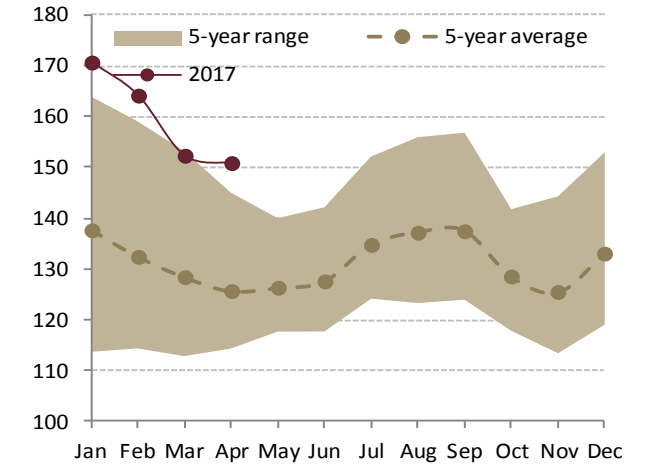
Source: DOE

Chart 5.14. US gasoline stocks, days of supply



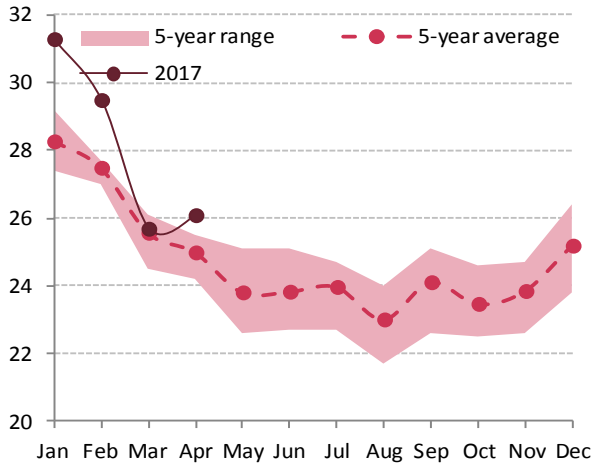
Source: DOE

Chart 5.15. US distillate fuel stocks, mln bbl



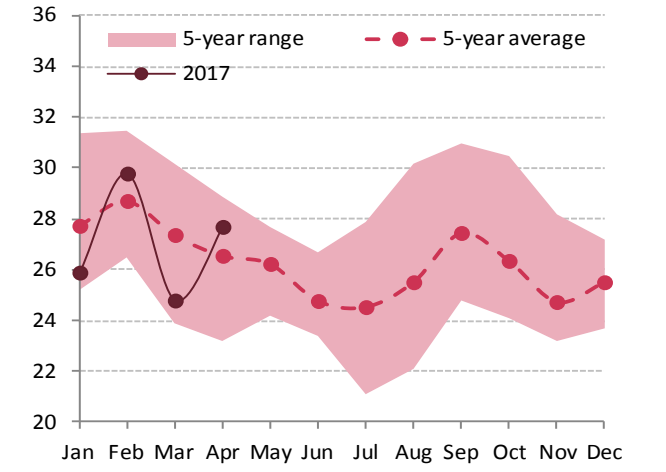
Source: DOE

Chart 5.16. US distillate fuel stocks, days of supply



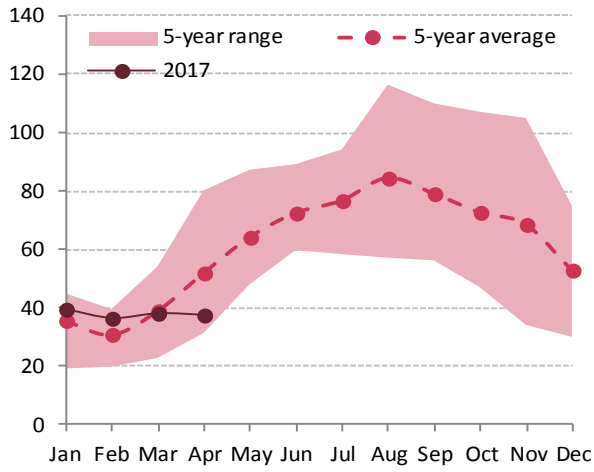
Source: DOE

Chart 5.17. US kerosene stocks, days of supply



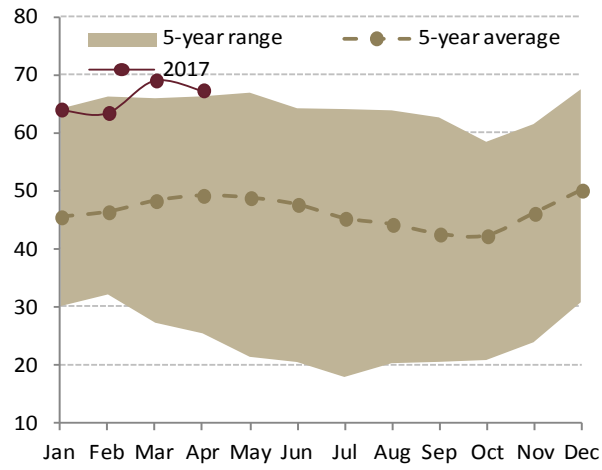
Source: DOE

Chart 5.18. US propane stocks, days of supply



Source: DOE

Chart 5.19. Cushing Oklahoma crude oil stocks, mln bbl

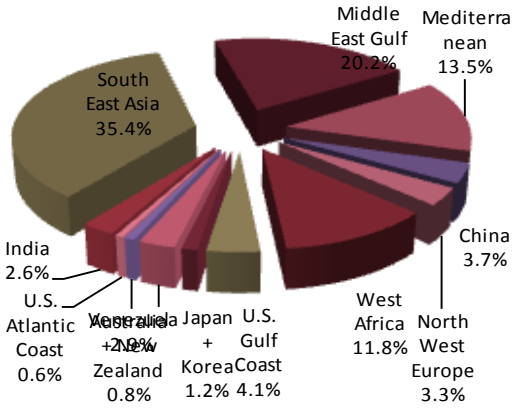


Source: DOE

FLOATING STORAGE

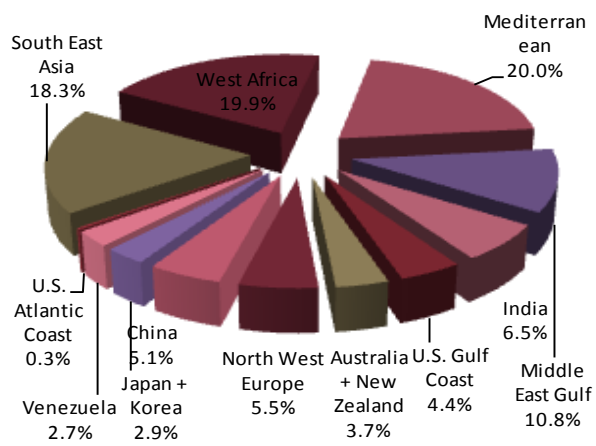
According to Bloomberg Energy assessments in April 2017 total crude oil stocks stored on floating storages (including oil in transportation) was equal to 162.8 mln bbl, 23.1 mln bbl less than in March 2017 (+11.3% mom) and 32.3 mln bbl less than a year ago (-16.6% yoy). The most significant decline on the month-to-month basis took place in Middle East (-12.9 mln bbl or -28.1%), South East Asia (-9.0 mln bbl or -13.5%), North west Europe (-6.3 mln bbl or -53.7%). From the year-on-year basis the most dramatic drop was observed in Middle East Gulf (-24.4 mln bbl or 42.6%) and South East Asia (-16.4 mln bbl or -22.1%), while floating storages inventories in west Africa increased on 13.1 mln bbl (+214.9%). The same time total stocks of refined oil products stored on floating storages (including oil products in transportation) in April rose to 70.9 mln bbl, 1.2 mln bbl more than in the previous month (+1.7% mom) and increased by 4.8 mln bbl comparing to April 2016 (+7.2%). Mediterranean (2.5 mln bbl) and North West Europe (-1.4 mln bbl) were the regions where refined oil stocks grew and dropped the most relative to March figures.

Chart 5.20. Crude oil stocks held on floating storages structure, by country



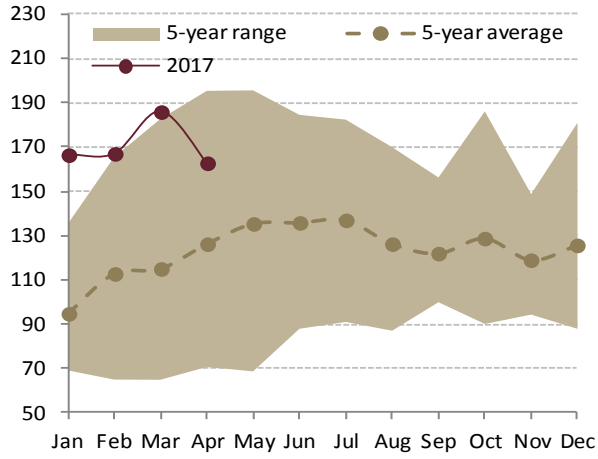
Source: Bloomberg Energy

Chart 5.21. Refined oil products stocks held on floating storages structure, by country



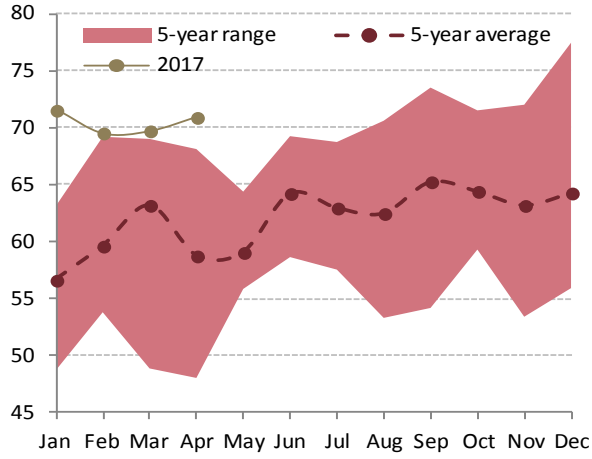
Source: Bloomberg Energy

Chart 5.22. Global crude oil floating storage, mln bbl



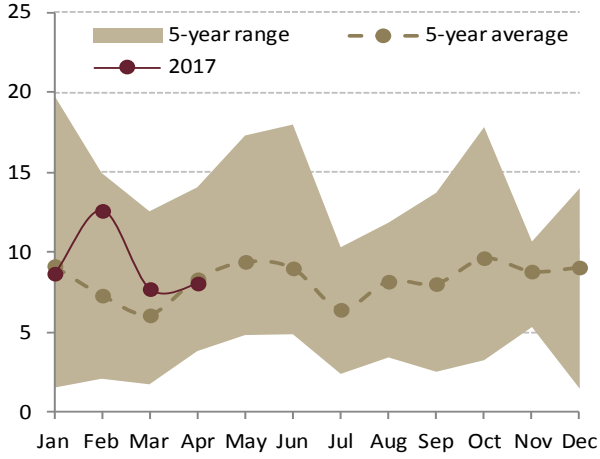
Source: Bloomberg Energy

Chart 5.23. Global refined oil floating storage, mln bbl



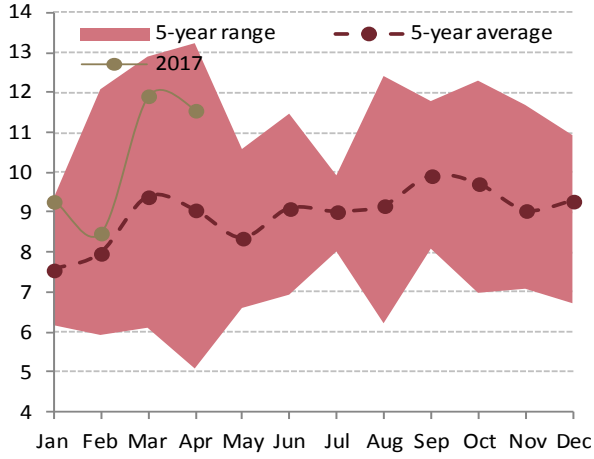
Source: Bloomberg Energy

Chart 5.24. China + Japan + Korea crude oil floating storage, mln bbl



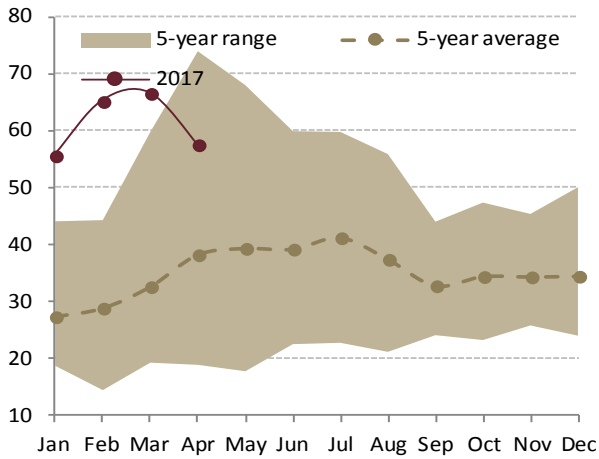
Source: Bloomberg Energy

Chart 5.25. China + Japan + Korea refined oil floating storage, mln bbl



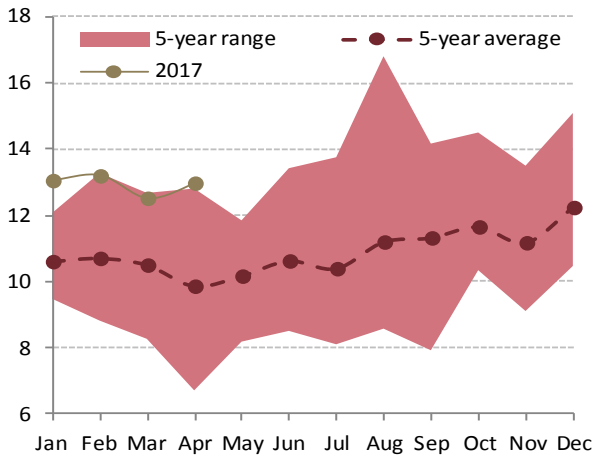
Source: Bloomberg Energy

Chart 5.26. South East Asia crude oil floating storage, mln bbl



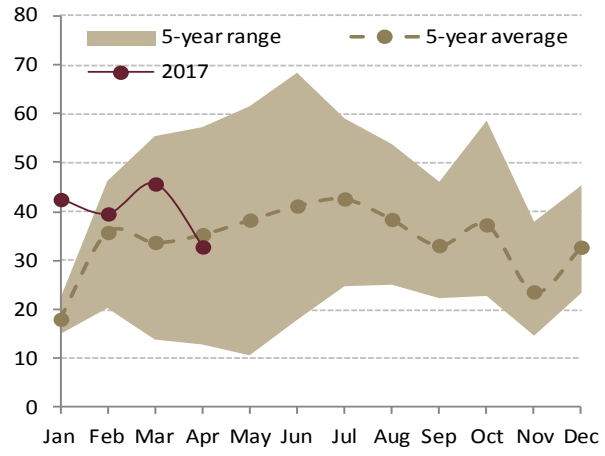
Source: Bloomberg Energy

Chart 5.27. South East Asia refined oil floating storage, mln bbl



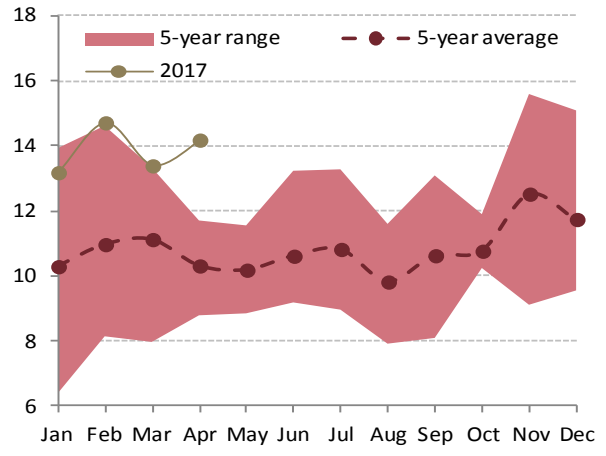
Source: Bloomberg Energy

Chart 5.28. Middle East crude oil floating storage, mln bbl



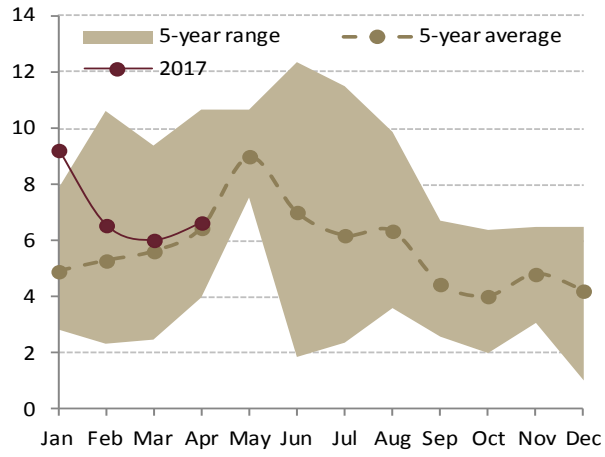
Source: Bloomberg Energy

Chart 5.29. Middle East refined oil floating storage, mln bbl



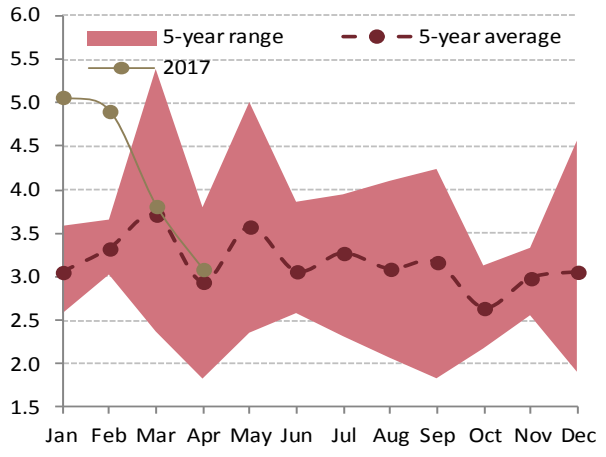
Source: Bloomberg Energy

Chart 5.30. US Gulf Coast crude oil floating storage, mln bbl



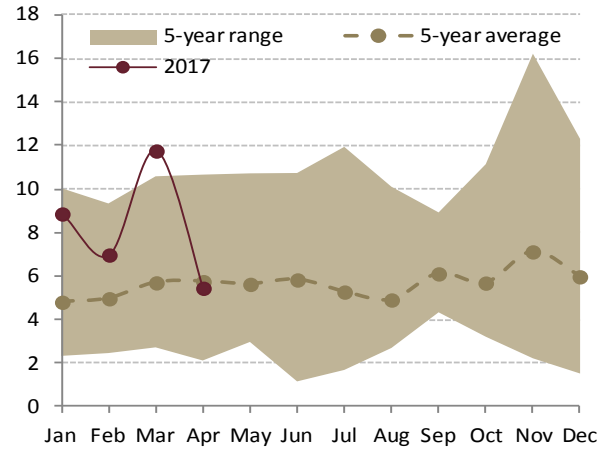
Source: Bloomberg Energy

Chart 5.31. US Gulf Coast refined oil floating storage, mln bbl



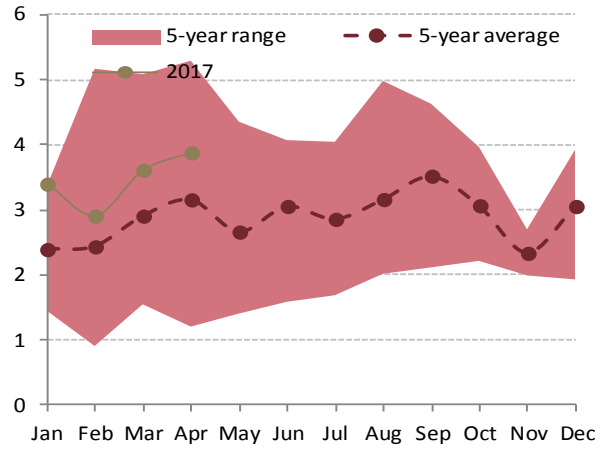
Source: Bloomberg Energy

Chart 5.32. North West Europe crude oil floating storage, mln bbl



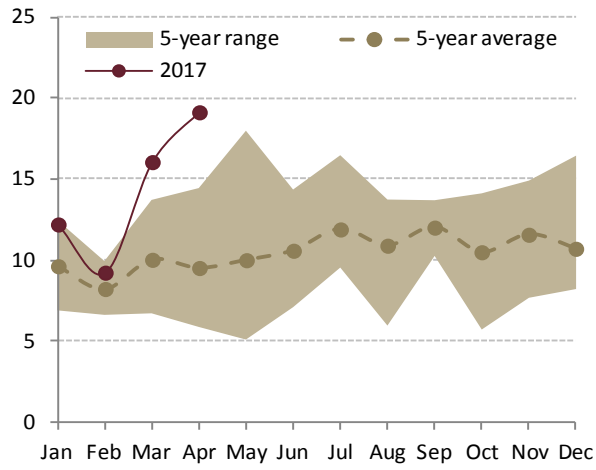
Source: Bloomberg Energy

Chart 5.33. North West Europe refined oil floating storage, mln bbl



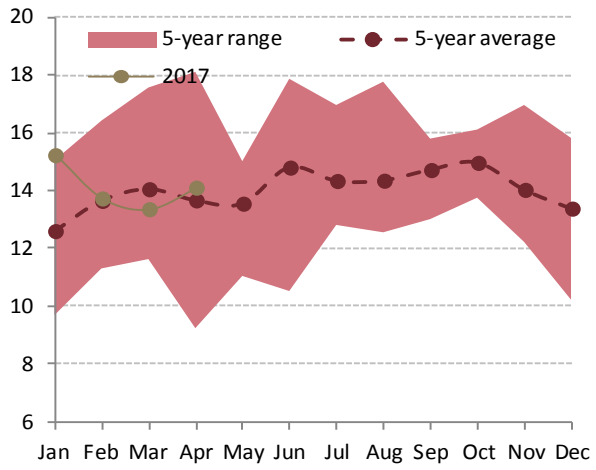
Source: Bloomberg Energy

Chart 5.34. West Africa crude oil floating storage, mln bbl



Source: Bloomberg Energy

Chart 5.35. West Africa refined oil floating storage, mln bbl



Source: Bloomberg Energy

APPENDIX

Table 1. Global oil demand, mln bbl / d (quarterly data)

	Q3-2015	Q4-2015	Q1-2016	Q2-2016	Q3-2016	Q4-2016	Q1-2017	Q2-2017	Q3-2017	Q4-2017	Q1-2018	Q2-2018	2015	2016	2017	Δ 2015	Δ 2016	Δ 2017
USA	19.83	19.42	19.45	19.43	19.90	19.75	19.90	19.61	19.52	19.59	19.92	19.69	19.42	19.75	19.59	-0.09	0.33	-0.16
Canada	2.45	2.40	2.39	2.37	2.52	2.46	2.43	2.37	2.37	2.31	2.43	2.34	2.40	2.46	2.31	-0.01	0.06	-0.15
Mexico	2.07	2.05	1.98	1.94	1.93	1.95	1.94	1.98	1.95	1.97	1.94	1.98	2.05	1.95	1.97	0.03	-0.10	0.02
North America	24.98	24.53	24.49	24.39	25.01	24.82	24.91	24.62	24.52	24.51	24.94	24.67	24.53	24.82	24.51	-0.07	0.29	-0.31
Brazil	3.22	3.20	3.02	3.07	3.14	3.07	3.14	3.17	3.02	3.05	3.14	3.18	3.20	3.07	3.05	-0.11	-0.13	-0.02
Other LatAm ex. Mexico	3.64	3.59	3.44	3.59	3.63	3.60	3.69	3.63	3.47	3.62	3.67	3.62	3.59	3.60	3.62	0.00	0.01	0.02
LatAm ex. Mexico	6.86	6.79	6.46	6.66	6.77	6.67	6.83	6.80	6.49	6.67	6.81	6.80	6.79	6.67	6.67	-0.11	-0.12	0.00
Total Europe	14.21	13.75	13.67	13.98	14.50	14.23	14.07	13.65	13.59	13.85	14.10	13.65	13.75	14.23	13.85	0.25	0.48	-0.38
Japan	3.85	4.14	4.43	3.66	3.75	4.13	3.71	4.02	4.34	3.52	3.63	3.99	4.14	4.13	3.52	-0.34	-0.01	-0.61
Korea	2.36	2.52	2.59	2.48	2.53	2.65	2.48	2.59	2.68	2.56	2.56	2.63	2.52	2.65	2.56	0.14	0.13	-0.09
Australia, New Zealand, Israel	1.50	1.52	1.53	1.50	1.51	1.55	1.52	1.51	1.53	1.51	1.51	1.52	1.52	1.55	1.51	0.08	0.03	-0.04
OECD Asia Pacific	7.71	8.18	8.55	7.64	7.79	8.33	7.71	8.12	8.55	7.59	7.70	8.14	8.18	8.33	7.59	-0.12	0.15	-0.74
China	11.58	11.67	11.77	12.11	11.79	12.02	11.52	11.84	11.70	11.82	11.90	12.01	11.67	12.02	11.82	0.47	0.35	-0.20
India	3.85	4.10	4.36	4.32	4.02	4.41	4.06	4.33	4.57	4.60	4.38	4.60	4.10	4.41	4.60	0.30	0.31	0.19
Other non-OECD Asia	8.45	8.70	8.74	8.78	8.68	9.09	8.74	9.07	9.03	9.10	9.02	9.30	8.70	9.09	9.10	0.40	0.39	0.01
Total Asia	23.88	24.47	24.87	25.21	24.49	25.52	24.32	25.24	25.30	25.52	25.30	25.91	24.47	25.52	25.52	1.17	1.05	0.00
FSU	4.78	4.72	4.63	4.60	4.93	4.97	5.21	5.11	4.95	5.07	5.24	5.18	4.72	4.97	5.07	-0.28	0.25	0.10
Total Middle East	8.87	8.41	8.01	8.53	8.85	8.32	8.76	8.36	8.07	8.47	8.87	8.49	8.41	8.32	8.47	0.21	-0.09	0.15
Total Africa	3.97	4.12	4.17	4.22	4.10	4.16	4.16	4.31	4.34	4.40	4.28	4.43	4.12	4.16	4.40	0.32	0.04	0.24
OECD demand	46.90	46.45	46.71	46.02	47.29	47.39	46.68	46.39	46.66	45.95	46.75	46.46	46.45	47.39	45.95	0.05	0.94	-1.44
Non-OECD demand	49.01	49.19	48.79	49.92	49.89	50.33	49.97	50.47	49.86	50.81	51.23	51.53	49.19	50.33	50.81	1.39	1.14	0.48
World demand	95.92	95.65	95.50	95.94	97.17	97.72	96.65	96.85	96.51	96.76	97.98	97.99	95.65	97.72	96.76	1.35	2.07	-0.96

Source: IEA, Bloomberg

Table 2. Global oil production, mln bbl / d (quarterly data)

	Q3-2015	Q4-2015	Q1-2016	Q2-2016	Q3-2016	Q4-2016	Q1-2017	Q2-2017	Q3-2017	Q4-2017	Q1-2018	Q2-2018	2015	2016	2017	Δ 2015	Δ 2016	Δ 2017
OPEC Crude*	32.10	32.00	32.10	32.40	32.80	33.30	33.10	32.80	32.90	32.80	33.60	33.60	32.00	33.30	32.80	0.60	1.30	-0.50
OPEC NGLs	6.50	6.60	6.50	6.70	6.80	6.80	6.90	7.10	7.00	7.00	7.10	7.10	6.60	6.80	7.00	0.00	0.20	0.20
OPEC production	38.60	38.60	38.70	39.00	39.50	40.00	40.00	39.90	39.90	39.80	40.70	40.70	38.60	40.00	39.80	0.60	1.40	-0.20
Americas	20.10	20.10	19.90	19.00	19.30	19.60	19.10	19.30	19.40	19.30	19.40	19.50	20.10	19.60	19.30	0.20	-0.50	-0.30
Europe	3.40	3.60	3.60	3.40	3.30	3.60	3.40	3.50	3.50	3.40	3.30	3.40	3.60	3.60	3.40	0.20	0.00	-0.20
Pacific	**0.50**	**0.50**	**0.40**	**0.40**	**0.40**	**0.40**	**0.40**	**0.40**	**0.40**	**0.40**	**0.40**	**0.50**	**0.50**	**0.40**	**0.40**	**0.00**	**-0.10**	**0.00**
OECD	24.00	24.20	24.00	22.80	23.10	23.70	22.90	23.30	23.30	23.20	23.10	23.30	24.20	23.70	23.20	0.40	-0.50	-0.50
FSU	13.90	14.10	14.30	14.10	14.00	14.50	13.90	14.10	14.20	14.20	14.20	14.40	14.10	14.50	14.20	0.20	0.40	-0.30
Europe	3.40	3.60	3.60	3.40	3.30	3.60	3.40	3.50	3.50	3.40	3.30	3.40	3.60	3.60	3.40	0.20	0.00	-0.20
China	4.30	4.30	4.20	4.10	3.90	3.90	4.00	4.00	4.00	4.00	3.90	3.90	4.30	3.90	4.00	-0.10	-0.40	0.10
Other Asia	3.50	3.60	3.60	3.60	3.50	3.60	2.70	2.70	2.60	2.60	2.70	2.60	3.60	3.60	2.60	0.90	0.00	-1.00
Latin America	4.60	4.60	4.40	4.40	4.60	4.60	4.60	4.70	4.70	4.70	4.80	4.80	4.60	4.60	4.70	0.00	0.00	0.10
Middle East	1.20	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.20	1.20	1.20	1.20	1.30	1.20	-0.10	0.10	-0.10
Africa	2.10	2.00	2.00	1.90	1.90	1.90	2.00	2.10	2.10	2.10	2.10	2.10	2.00	1.90	2.10	-0.10	-0.10	0.20
Non-OECD	29.80	30.00	29.80	29.40	29.40	30.00	28.70	29.00	29.00	29.00	29.00	29.20	30.00	30.00	29.00	0.80	0.00	-1.00
Non-OPEC Crude	53.80	54.20	53.80	52.20	52.50	53.70	51.60	52.30	52.30	52.20	52.10	52.50	54.20	53.70	52.20	1.20	-0.50	-1.50
Processing Gains	2.20	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.20	2.30	2.30	0.00	0.10	0.00
Global Biofuels	2.60	2.40	1.90	2.50	2.70	2.30	2.80	2.40	2.00	2.50	2.90	2.50	2.40	2.30	2.50	0.10	-0.10	0.20
Non-OPEC production	58.60	58.80	58.00	57.00	57.50	58.20	56.60	57.00	56.60	57.00	57.30	57.30	58.80	58.20	57.00	1.20	-0.60	-1.20
World production	97.20	97.40	96.70	96.00	97.00	98.20	96.60	96.90	96.50	96.80	98.00	98.00	97.40	98.20	96.80	1.80	0.80	-1.40

* IEA Call on OPEC as OPEC Crude forecast

Source: IEA, Bloomberg

APPENDIX

Table 3. Global crude oil production, mln bbl / d (monthly data)

	Mar-2016	Apr-2016	May-2016	Jun-2016	Jul-2016	Aug-2016	Sep-2016	Oct-2016	Nov-2016	Dec-2016	Jan-2017	Feb-2017	Mar-2017	2015	2016	2017 (YTD)	Δ 2015	Δ 2016	Δ 2017 (YTD)
Algeria	1.07	1.06	1.05	1.05	1.07	1.05	1.04	1.05	1.05	1.05	1.04	1.06	1.03	1.17	1.12	1.03	-0.01	-0.05	-0.09
Angola	1.80	1.73	1.73	1.86	1.76	1.78	1.78	1.48	1.74	1.74	1.73	1.61	1.58	1.61	1.81	1.58	-0.20	0.20	-0.23
Ecuador	0.55	0.55	0.56	0.55	0.55	0.55	0.56	0.54	0.54	0.54	0.53	0.54	0.53	0.56	0.53	0.53	0.01	-0.03	0.00
Gabon	0.25	0.23	0.23	0.22	0.22	0.22	0.22	0.20	0.22	0.21	0.20	0.20	0.19	0.24	0.24	0.19	0.00	0.01	-0.05
Indonesia	0.84	0.82	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.82	0.83	0.82	0.82	0.76	0.79	0.82	-0.05	0.04	0.03
Iran	3.37	3.50	3.60	3.61	3.65	3.68	3.71	3.58	3.59	4.01	3.92	4.00	3.80	2.58	2.94	3.80	0.17	0.36	0.86
Iraq	4.26	4.33	4.22	4.29	4.33	4.41	4.48	4.53	4.60	4.68	4.45	4.43	4.38	3.76	4.44	4.38	0.61	0.67	-0.06
Kuwait	3.00	2.90	2.95	2.95	2.95	2.99	2.97	3.00	2.90	2.84	2.71	2.71	2.70	2.71	2.93	2.70	0.02	0.22	-0.23
Libya	0.36	0.38	0.32	0.34	0.35	0.29	0.45	0.55	0.59	0.65	0.68	0.68	0.62	0.53	0.43	0.62	0.30	-0.10	0.20
Nigeria	1.74	1.58	1.24	1.35	1.06	1.20	1.19	1.37	1.50	1.34	1.36	1.44	1.38	1.81	1.56	1.38	0.09	-0.25	-0.19
Qatar	0.70	0.63	0.67	0.66	0.68	0.64	0.61	0.64	0.65	0.64	0.62	0.55	0.62	0.68	0.63	0.62	-0.05	-0.05	-0.01
Saudi Arabia	10.22	10.26	10.27	10.55	10.67	10.63	10.65	10.63	10.72	10.47	9.75	10.01	9.90	9.54	10.14	9.90	-0.03	0.60	-0.24
U.A.E.	2.91	2.87	3.11	3.17	3.18	3.15	3.19	3.19	3.20	3.22	3.06	3.00	2.97	3.16	2.99	2.97	0.18	-0.16	-0.02
Venezuela	1.96	1.96	1.98	2.00	2.00	1.97	1.91	1.92	1.91	1.91	1.91	1.90	1.89	2.08	1.99	1.89	-0.41	-0.09	-0.10
OPEC Crude	**32.19**	**31.97**	**31.91**	**32.60**	**32.47**	**32.57**	**32.75**	**32.66**	**33.20**	**33.29**	**31.96**	**32.10**	**31.59**	**30.61**	**31.76**	**31.59**	**0.36**	**1.15**	**-0.16**
OPEC NGLs	**6.67**	**6.59**	**6.55**	**6.63**	**6.60**	**6.63**	**6.76**	**6.82**	**6.85**	**6.84**	**6.83**	**6.77**	**6.79**	**6.55**	**6.63**	**6.79**	**0.23**	**0.08**	**0.16**
OPEC production	**38.85**	**38.56**	**38.46**	**39.23**	**39.07**	**39.20**	**39.51**	**39.48**	**40.05**	**40.13**	**38.79**	**38.87**	**38.38**	**37.16**	**38.38**	**38.38**	**0.59**	**1.22**	**0.00**
USA	9.22	8.98	8.92	8.75	8.74	8.80	8.62	8.83	8.87	8.91	9.04	9.13	9.19	9.69	9.27	9.19	1.63	-0.43	-0.08
Canada	3.78	3.44	3.07	3.05	3.38	3.70	3.64	3.63	3.73	3.76	3.91	4.02	4.03	3.54	3.72	4.03	0.01	0.18	0.31
Mexico	2.22	2.18	2.17	2.18	2.16	2.14	2.11	2.10	2.07	2.04	2.02	2.02	1.98	2.35	2.27	1.98	-0.16	-0.08	-0.30
North America	**15.21**	**14.60**	**14.16**	**13.98**	**14.28**	**14.64**	**14.38**	**14.56**	**14.67**	**14.71**	**14.97**	**15.17**	**15.20**	**15.59**	**15.26**	**15.20**	**1.48**	**-0.33**	**-0.06**
Brazil	2.26	2.29	2.49	2.56	2.58	2.61	2.67	2.62	2.61	2.73	2.72	2.80	2.84	2.50	2.53	2.84	0.39	0.04	0.31
Argentina	0.45	0.43	0.43	0.42	0.43	0.44	0.44	0.47	0.45	0.47	0.47	0.45	0.47	0.50	0.49	0.47	-0.02	0.00	-0.02
Colombia	0.92	0.92	0.91	0.89	0.84	0.83	0.86	0.95	0.95	0.94	0.97	0.96	0.93	1.01	1.00	0.93	0.01	-0.01	-0.07
Other Latin America	0.23	0.23	0.23	0.22	0.22	0.22	0.21	0.21	0.22	0.22	0.22	0.22	0.22	0.29	0.25	0.22	0.01	-0.05	-0.02
Non-OPEC Latin America ex. Mexico	**3.86**	**3.86**	**4.06**	**4.08**	**4.08**	**4.09**	**4.18**	**4.26**	**4.23**	**4.36**	**4.38**	**4.43**	**4.47**	**4.29**	**4.27**	**4.47**	**0.39**	**-0.02**	**0.20**
United Kingdom	1.08	1.08	1.09	0.99	1.07	0.89	0.91	0.86	1.06	1.13	1.26	1.31	1.24	0.93	1.09	1.24	0.03	0.17	0.14
Norway	1.61	1.64	1.57	1.45	1.73	1.57	1.40	1.73	1.76	1.68	1.62	1.62	1.64	1.57	1.64	1.64	0.00	0.06	0.01
Other Europe	0.59	0.50	0.50	0.50	0.51	0.56	0.55	0.58	0.58	0.56	0.57	0.58	0.58	0.64	0.57	0.58	0.01	-0.08	0.01
Europe	**3.28**	**3.22**	**3.16**	**2.94**	**3.31**	**3.02**	**2.86**	**3.17**	**3.40**	**3.37**	**3.46**	**3.51**	**3.46**	**3.14**	**3.30**	**3.46**	**0.05**	**0.16**	**0.16**
Russia	10.90	10.82	10.84	10.86	10.89	10.71	11.09	11.23	11.29	11.21	11.19	11.18	11.06	10.73	10.80	11.06	0.04	0.07	0.26
Other Ex-USSR	2.57	2.44	2.40	2.51	2.52	2.19	2.36	2.56	2.53	2.56	2.57	2.62	2.65	2.36	2.56	2.65	-0.07	0.20	0.09
FSU	**13.47**	**13.27**	**13.23**	**13.36**	**13.41**	**12.90**	**13.46**	**13.79**	**13.83**	**13.77**	**13.75**	**13.80**	**13.72**	**13.09**	**13.36**	**13.72**	**-0.04**	**0.27**	**0.35**
China	4.10	4.05	3.98	4.05	3.95	3.88	3.90	3.79	3.93	3.96	3.89	3.85	3.80	4.32	4.29	3.80	0.05	-0.03	-0.49
India	0.74	0.73	0.74	0.74	0.74	0.74	0.72	0.73	0.71	0.74	0.74	0.75	0.73	0.77	0.74	0.73	-0.01	-0.03	-0.01
Malaysia	0.66	0.66	0.65	0.65	0.64	0.60	0.65	0.56	0.59	0.61	0.61	0.62	0.62	0.60	0.62	0.62	0.10	0.02	0.00
Australia	0.30	0.29	0.27	0.28	0.31	0.30	0.29	0.29	0.29	0.30	0.29	0.29	0.29	0.36	0.34	0.29	0.01	-0.01	-0.05
Other Non-OPEC Asia Pacific	1.81	1.79	1.76	1.79	1.79	1.74	1.78	1.74	1.72	1.70	1.74	1.73	1.72	1.60	1.71	1.72	-0.02	0.10	0.02
Non-OPEC Asia Pacific	**7.60**	**7.52**	**7.40**	**7.50**	**7.42**	**7.26**	**7.35**	**7.12**	**7.24**	**7.30**	**7.27**	**7.24**	**7.17**	**7.65**	**7.69**	**7.17**	**0.13**	**0.05**	**-0.53**
Egypt	0.60	0.61	0.61	0.61	0.61	0.60	0.59	0.59	0.57	0.57	0.57	0.56	0.57	0.60	0.62	0.57	0.01	0.02	-0.04
Oman	0.98	0.99	1.00	1.01	1.01	1.01	0.98	0.99	0.99	0.99	0.95	0.97	0.97	0.93	1.01	0.97	-0.01	0.07	-0.04
Non-OPEC Africa/Mid East	**2.79**	**2.82**	**2.84**	**2.83**	**2.81**	**2.85**	**2.87**	**2.88**	**2.88**	**2.84**	**2.77**	**2.77**	**2.77**	**2.90**	**2.87**	**2.77**	**-0.10**	**-0.03**	**-0.10**
Non-OPEC Crude	**49.00**	**48.34**	**48.14**	**48.01**	**48.79**	**48.19**	**48.49**	**48.92**	**49.31**	**49.17**	**49.33**	**49.72**	**49.71**	**49.48**	**49.61**	**49.71**	**1.78**	**0.13**	**0.10**
Non-OPEC NGLs	**7.25**	**7.23**	**7.24**	**7.31**	**7.29**	**7.10**	**6.97**	**7.36**	**7.49**	**7.29**	**7.31**	**7.45**	**7.56**	**7.22**	**7.16**	**7.56**	**0.75**	**-0.06**	**0.39**
Non-OPEC production	**56.25**	**55.57**	**55.38**	**55.32**	**56.09**	**55.29**	**55.46**	**56.28**	**56.80**	**56.46**	**56.65**	**57.18**	**57.27**	**56.70**	**56.77**	**57.27**	**2.54**	**0.08**	**0.50**
World production	**95.11**	**94.13**	**93.84**	**94.54**	**95.16**	**94.48**	**94.97**	**95.75**	**96.85**	**96.59**	**95.44**	**96.05**	**95.65**	**93.86**	**95.16**	**95.65**	**3.13**	**1.30**	**0.49**

Source: IEG

APPENDIX

Table 4. OECD commercial oil inventories, mln bbl (monthly data)

	Feb-2016	Mar-2016	Apr-2016	May-2016	Jun-2016	Jul-2016	Aug-2016	Sep-2016	Oct-2016	Nov-2016	Dec-2016	Jan-2017	Feb-2017	2015	2016	2017 (YTD)	Δ 2015	Δ 2016	Δ 2017 (YTD)
Americas	1,580	1,620	1,599	1,602	1,609	1,636	1,635	1,617	1,624	1,623	1,600	1,621	1,617	1,561	1,600	1,617	115	39	17
Crude	644	689	661	656	650	646	639	621	647	646	646	665	682	609	646	682	57	37	36
Products	765	758	762	764	773	795	801	801	782	789	776	780	755	775	776	755	44	1	-21
Europe	1,020	1,004	1,006	1,014	1,006	1,024	1,009	992	977	975	971	1,021	1,027	990	971	1,027	104	-20	56
Crude	353	349	352	357	357	363	355	353	347	341	339	355	353	361	339	353	42	-22	14
Products	594	586	584	589	581	593	585	568	559	561	562	596	603	564	562	603	62	-2	42
Asia Pacific	422	421	420	434	438	442	442	450	447	430	415	421	412	435	415	412	30	-20	-3
Crude	196	196	194	203	202	196	188	202	202	195	192	193	187	206	192	187	33	-14	-5
Products	163	166	164	171	175	184	193	187	181	172	162	166	164	166	162	164	-3	-4	2
OECD	3,022	3,046	3,025	3,050	3,052	3,101	3,086	3,060	3,048	3,028	2,985	3,064	3,055	2,986	2,985	3,055	248	-1	71
Crude	1,193	1,235	1,207	1,215	1,208	1,205	1,181	1,176	1,196	1,182	1,177	1,212	1,221	1,176	1,177	1,221	131	1	45
Products	1,523	1,509	1,510	1,525	1,530	1,572	1,578	1,556	1,522	1,522	1,500	1,543	1,522	1,504	1,500	1,522	104	-5	23

Source: IEA

Table 5. OECD oil inventories, mln bbl (quarterly data)

	Q4-2013	Q1-2014	Q2-2014	Q3-2014	Q4-2014	Q1-2015	Q2-2015	Q3-2015	Q4-2015	Q1-2016	Q2-2016	Q3-2016	Q4-2016	2014	2015	2016 (YTD)	Δ 2014	Δ 2015	Δ 2016 (YTD)
Canada	170	174	179	186	193	183	176	183	188	184	175	185	183	193	188	183	23	-5	-5
Mexico	49	48	47	49	53	50	50	50	50	46	49	46	47	53	50	47	4	-3	-2
USA	1,762	1,754	1,820	1,841	1,862	1,910	1,943	1,973	1,987	2,024	2,049	2,050	2,033	1,862	1,987	2,033	99	125	46
Americas	2,013	2,008	2,079	2,108	2,139	2,176	2,203	2,240	2,258	2,286	2,306	2,314	2,297	2,139	2,258	2,297	126	119	39
Australia	37	37	36	39	36	34	36	36	34	37	38	37	34	36	34	34	-1	-3	0
Japan	575	590	589	608	581	568	578	590	582	560	574	587	563	581	582	563	5	1	-20
Korea	178	193	188	197	197	201	225	226	228	236	238	239	230	197	228	230	19	31	2
New Zealand	8	8	10	9	8	9	9	9	8	8	9	9	9	8	8	9	0	-1	1
Pacific	809	828	823	853	822	812	848	860	851	841	859	871	836	822	851	836	13	29	-15
Germany	290	288	290	283	284	284	286	281	285	289	288	284	285	284	285	285	-6	1	0
France	168	167	168	171	168	173	170	167	168	166	168	167	162	168	168	162	0	0	-5
Italy	125	123	122	123	119	121	117	117	117	120	121	127	124	119	117	124	-6	-2	7
Spain	112	117	118	123	121	132	133	140	131	142	136	139	129	121	131	129	10	10	-2
UK	78	76	75	75	78	76	77	79	81	77	82	77	82	78	81	82	0	3	1
Turkey	62	63	62	63	62	65	66	71	75	76	78	77	79	62	75	79	0	12	5
Sweden	28	28	27	28	29	32	31	33	35	35	33	36	34	29	35	34	1	6	-2
Other Europe	489	492	496	501	494	525	531	546	571	576	574	560	555	494	571	555	5	77	-17
Europe	1,351	1,354	1,358	1,366	1,356	1,409	1,411	1,434	1,463	1,481	1,480	1,467	1,451	1,356	1,463	1,451	5	107	-13
OECD	4,174	4,189	4,260	4,327	4,318	4,397	4,462	4,533	4,573	4,608	4,645	4,653	4,583	4,318	4,573	4,583	144	255	10

Source: IEA

APPENDIX

Table 6. Global oil stocks on floating storages, mln bbl

	Apr-2016	May-2016	Jun-2016	Jul-2016	Aug-2016	Sep-2016	Oct-2016	Nov-2016	Dec-2016	Jan-2017	Feb-2017	Mar-2017	Apr-2017	2015	2016	2017 (YTD)	Δ 2015	Δ 2016	Δ 2017 (YTD)
South East Asia	86.7	79.5	73.3	70.9	65.4	51.5	61.6	51.3	64.5	68.7	78.4	79.1	70.6	52.0	64.5	70.6	4.1	12.5	6.0
Crude	73.9	67.9	59.9	57.1	48.6	37.3	47.1	37.8	50.0	55.6	65.2	66.6	57.6	41.5	50.0	57.6	8.7	8.5	7.6
Products	12.8	11.6	13.4	13.8	16.8	14.2	14.5	13.5	14.5	13.1	13.2	12.5	13.0	10.5	14.5	13.0	-4.6	4.1	-1.5
Middle East	65.1	62.0	64.8	63.4	61.2	54.0	66.9	46.0	44.5	48.4	45.2	54.0	40.5	52.3	44.5	40.5	15.7	-7.8	-4.0
Crude	57.2	55.8	57.5	56.6	53.7	46.1	58.5	37.9	37.9	42.5	39.6	45.7	32.9	45.3	37.9	32.9	13.5	-7.4	-5.0
Products	7.9	6.2	7.4	6.8	7.4	8.0	8.3	8.1	6.6	5.9	5.6	8.3	7.7	7.0	6.6	7.7	2.2	-0.4	1.1
Mediterranean	28.4	27.3	27.3	31.1	27.9	31.4	30.5	32.8	36.1	30.8	32.5	35.8	36.1	32.3	36.1	36.1	3.4	3.8	0.0
Crude	16.7	15.8	15.7	17.9	16.2	18.7	18.6	17.2	21.0	17.6	17.8	22.4	21.9	20.9	21.0	21.9	3.0	0.1	0.9
Products	11.7	11.6	11.6	13.3	11.6	12.7	11.9	15.6	15.1	13.2	14.7	13.4	14.2	11.4	15.1	14.2	0.4	3.7	-0.9
North West Europe	15.9	15.1	14.8	15.0	15.1	12.7	15.1	18.7	15.6	12.3	9.9	15.4	9.3	12.8	15.6	9.3	8.6	2.9	-6.3
Crude	10.6	10.7	10.7	11.9	10.1	8.9	11.1	16.2	12.3	8.9	7.0	11.8	5.4	8.8	12.3	5.4	6.7	3.5	-6.8
Products	5.3	4.4	4.1	3.1	5.0	3.8	4.0	2.5	3.4	3.4	2.9	3.6	3.9	3.9	3.4	3.9	2.0	-0.6	0.5
West Africa	21.1	23.8	20.9	23.0	26.0	26.0	30.0	27.4	32.0	27.5	23.0	29.4	33.3	25.9	32.0	33.3	0.9	6.1	1.3
Crude	6.1	8.8	7.1	10.2	13.5	11.2	14.1	12.9	16.4	12.2	9.2	16.1	19.1	11.2	16.4	19.1	2.0	5.2	2.7
Products	15.0	15.0	13.8	12.8	12.6	14.8	15.9	14.5	15.5	15.2	13.7	13.4	14.1	14.7	15.5	14.1	-1.1	0.8	-1.4
China + Korea + Japan	22.9	34.5	35.9	20.4	23.6	18.5	28.7	20.6	27.9	17.3	25.2	15.4	16.1	22.8	27.9	16.1	8.6	5.1	-11.8
Crude	11.5	17.3	17.9	10.2	11.8	9.2	14.4	10.3	14.0	8.7	12.6	7.7	8.1	11.4	14.0	8.1	4.3	2.6	-5.9
Products	11.5	17.3	17.9	10.2	11.8	9.2	14.4	10.3	14.0	8.7	12.6	7.7	8.1	11.4	14.0	8.1	4.3	2.6	-5.9
US Gulf Coast	11.1	8.7	9.3	7.4	6.3	7.1	7.5	7.2	13.1	14.3	11.5	9.8	9.7	9.4	13.1	9.7	0.8	3.7	-3.4
Crude	8.1	5.3	6.2	3.6	4.2	4.2	5.0	4.1	8.5	9.2	6.5	6.0	6.6	6.5	8.5	6.6	0.4	2.1	-1.9
Products	2.9	3.4	3.1	3.8	2.1	2.9	2.5	3.1	4.6	5.1	4.9	3.8	3.1	3.0	4.6	3.1	0.3	1.6	-1.5
India	5.5	7.8	7.8	9.9	5.5	8.7	4.3	4.3	12.1	5.5	5.2	4.3	8.8	4.5	12.1	8.8	0.2	7.6	-3.3
Crude	3.1	4.3	3.2	5.5	1.3	3.7	1.0	2.0	8.7	2.4	2.2	0.8	4.2	0.2	8.7	4.2	-0.4	8.6	-4.5
Products	2.3	3.6	4.6	4.4	4.2	4.9	3.2	2.4	3.3	3.2	3.0	3.5	4.6	4.3	3.3	4.6	0.6	-1.0	1.3
World	261.3	259.7	253.5	250.8	240.2	221.4	257.3	220.5	258.1	238.0	236.6	255.7	233.7	223.5	258.1	233.7	46.5	34.7	-24.4
Crude	195.1	195.4	184.3	182.1	169.7	147.9	185.9	148.6	180.8	166.5	167.0	185.9	162.8	157.5	180.8	162.8	45.3	23.3	-18.0
Products	66.1	64.3	69.2	68.7	70.5	73.5	71.5	71.9	77.4	71.6	69.6	69.7	70.9	66.0	77.4	70.9	1.2	11.4	-6.5

Source: Bloomberg Energy

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