

Oil Market Monthly Report

May-2022

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Uncertainty over sanctions on Russia keeps oil elevated despite China lockdowns...

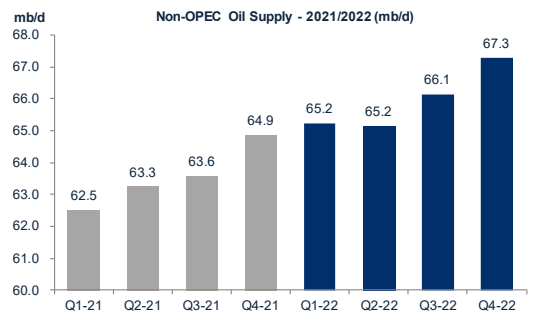
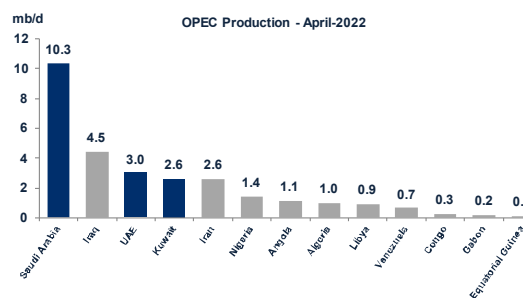
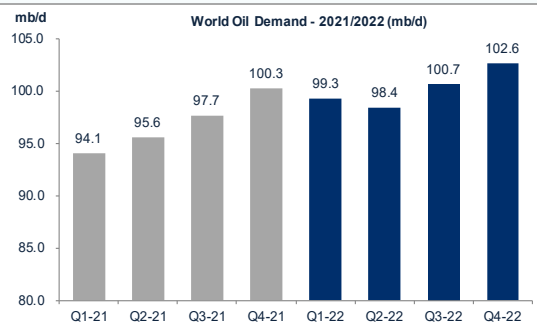
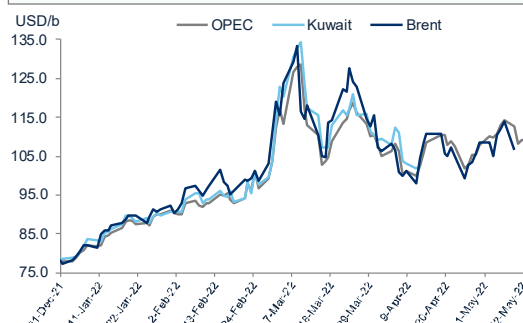
Crude oil prices remained elevated and comfortably above the USD 100/b mark during May-2022 even as volatility witnessed a steep spike. The uncertainty over sanctions on Russia by European Union with some disagreements more than offset demand fears as China continued with its strict lockdowns led by a spike in Covid-19 cases. In addition, oil price gains were capped by news on global economic growth. The Russia/Ukraine conflict affected economic growth in the EU region resulting in a downward revision in the region's expected GDP growth by around 110 bps to 2.8% in 2022, by the IMF, as compared to 5.3% growth seen in 2021. The faster-than-expected tightening of the US economy also affected growth prospects there and is expected to result in a relatively smaller-than-expected economic growth.

The strict lockdowns in China, as seen from zero car sales in Shanghai during April-2022, resulted in a steep decline in crude oil imports in the country during April-2022 and also affected the overall economic activity. Industrial output and consumer spending declined to the lowest levels since the pandemic began with no quick recovery in sight, according to Bloomberg, while GDP declined by 0.7% y-o-y during April-2022. This also affected the global supply chain with automakers to consumer discretionary companies facing unprecedented cost escalation and production hurdles.

Meanwhile, the voluntary sanctions on Russian crude oil by several countries globally has resulted in faster-than-expected tightening of the oil market. Although, a lack of consensus in the EU has delayed the imposition of a full sanction on Russia, Germany plans to stop importing Russian crude by the end of the year. As a result, OPEC further lowered expected supplies coming from Russia by 0.36 mb/d to 10.88 mb/d in 2022. The IEA, on the other hand, said that Russia shut-in nearly 1 mb/d of oil production in April-2022.

In addition, the inability of several oil producers to raise output further supported the gain in oil prices despite pessimism on the demand front. OPEC reported a marginal increase in production during the month with higher output from Iraq and Saudi Arabia partially offset by a steep decline in output in Libya. The overall compliance to OPEC+ quotas stood at 223%, according to IEA with OPEC compliance at 162%.

Prices in the refined product market remained at near record levels in several countries. US gasoline future prices breached the USD 4/b mark for the first time to reach a record high while diesel prices remained elevated globally as a result of a drop in exports from Russia. Jet fuel prices also remained capped as demand remained affected by China's lockdowns and Russia/Ukraine conflicts. These higher prices also indicated constraints on refining capacity. A similar statement was made by Saudi Arabia's oil minister who claimed that a refining crunch is driving fuel costs rather than shortage of crude oil.

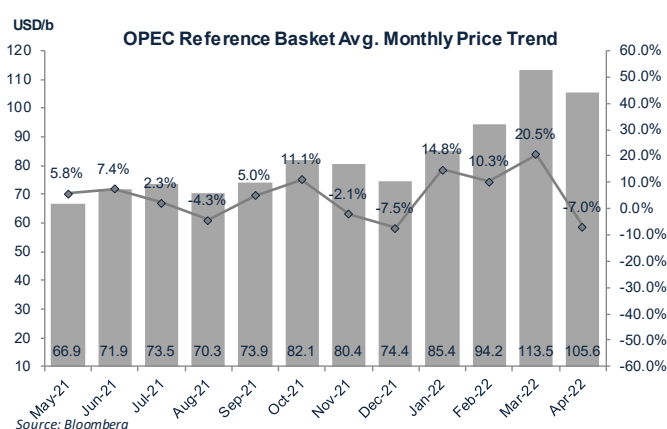


Sources : OPEC, EIA, Bloomberg

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Oil Prices

Crude oil traded comfortably above the USD 100/b mark during May-2022 after briefly falling below this mark during mid-April as fears on the demand front were more than offset by constraints on the supply side. However, price volatility increased since the start of the month with crude oil futures trading in the range of 102.5/b and 112.4/b. In addition, a crunch on the refining side also added to end product prices and was reflected in record high gasoline prices in the US and Kenya, while the UK increased the frequency of price adjustments to every three months instead of six. In India, jet fuel prices remained at an all time high with the latest increase of 5.3% while petrol and diesel prices remain elevated around the record mark. A Bloomberg report showed China's crude refining falling to the lowest in almost two years as a result of the lockdowns that plunged demand in the country. In the US, a report by Turner, Mason & Co., said around 1 mb/d of refining capacity, or 5% of total, has closed down since the beginning of the pandemic. Refining capacity globally has shrunk by an additional 2.13 mb/d, according to the report.



Meanwhile, crude oil inventories in the US increased for the third consecutive week and has shown growth in five out of six previous weeks. However, distillate inventories in the US declined to the lowest since May-2005 with only Jet fuel inventory showing a growth last week, according to EIA's weekly report. Production, on the other hand, declined for the first time in three weeks in the US by 100 tb/d to 11.8 mb/d during the week ended 6-May-2022. The decline came despite eight consecutive weeks of increase in crude oil rig count. Data from Baker Hughes showed US crude oil rig count reaching a total of 563 during the week ended 13-May-2022 after adding 39 new rigs over the last eight weeks.

The volatility since the last month was reflected in upgrade in oil price forecasts with consensus now expecting Q2-2022 prices to average at USD 108/b vs. an expectation of USD 100/b last month. That said, average spot prices declined during April-2022 with OPEC basket averaging at USD 105.6/b after declining by 6.9% whereas Brent averaged at USD 104.4/b after declining by 5.1%.

| Average Crude Oil Prices, USD/b | Mar-2022 | Apr-2022 | Change (USD) | Avg 2021 | Avg 2022 |
|---------------------------------|--------------|--------------|--------------|-------------|--------------|
| OPEC Reference Basket | 113.5 | 105.6 | (7.8) | 61.0 | 99.9 |
| Arab Light | 113.0 | 107.2 | (5.8) | 61.6 | 100.4 |
| Basrah Light | 112.2 | 104.6 | (7.6) | 60.1 | 98.6 |
| Bonny Light | 120.7 | 106.4 | (14.3) | 61.9 | 103.6 |
| Djeno | 111.3 | 96.9 | (14.4) | 54.5 | 94.9 |
| Es Sider | 117.9 | 104.4 | (13.5) | 60.1 | 102.0 |
| Girassol | 121.6 | 105.3 | (16.3) | 62.4 | 104.4 |
| Iran Heavy | 112.4 | 106.3 | (6.1) | 60.8 | 99.6 |
| Kuwait Export | 113.3 | 107.5 | (5.8) | 61.4 | 100.5 |
| Merey | 88.1 | 83.4 | (4.7) | 43.4 | 76.8 |
| Murban | 112.5 | 104.5 | (8.0) | 61.1 | 99.4 |
| Rabi | 118.3 | 103.9 | (14.4) | 61.5 | 101.9 |
| Saharan Blend | 121.8 | 109.4 | (12.4) | 62.0 | 105.4 |
| Zafiro | 120.5 | 105.7 | (14.8) | 62.2 | 103.7 |
| Other Crudes | | | | | |
| Brent | 118.8 | 104.4 | (14.4) | 61.9 | 102.4 |
| Dubai | 110.5 | 102.9 | (7.6) | 60.9 | 97.5 |
| Isthmus | 107.4 | 100.4 | (7.0) | 58.6 | 94.6 |
| LLS | 110.8 | 103.5 | (7.4) | 61.1 | 98.7 |
| Mars | 106.5 | 100.7 | (5.8) | 59.4 | 94.9 |
| Minas | 111.2 | 103.4 | (7.8) | 60.0 | 97.8 |
| Urals | 92.6 | 72.6 | (20.0) | 61.1 | 86.8 |
| WTI | 108.5 | 101.8 | (6.8) | 59.0 | 96.6 |
| Differentials | | | | | |
| Brent/WTI | 10.2 | 2.6 | (7.6) | 2.9 | 5.8 |
| Brent/LLS | 8.0 | 0.9 | (7.0) | 0.8 | 3.6 |
| Brent/Dubai | 8.3 | 1.5 | (6.8) | 1.0 | 4.8 |

Source: OPEC Monthly Oil Market Report - May-2022

World Oil Demand

World oil demand growth estimate for 2021 was adjusted upward by 0.04 mb/d in OPEC's latest monthly report to 5.7 mb/d with demand estimated to have reached 96.92 mb/d during the year. The revision mainly reflected changes to demand data for Q4-2021 to demand data for the OECD region.

For 2022, world oil demand growth forecast was downgraded by 0.3 mb/d to a growth of 3.4 mb/d and demand for the year is forecasted to reach 100.29 mb/d. The revision reflected the ongoing geopolitical developments in Eastern Europe in addition to the renewed Covid-19 restrictions, mainly in China. Downward revisions were made mainly to demand data for Q2-2022, Q3-2022 and Q4-2022 reflecting expected revisions to global growth forecasts.

| World Oil Demand - 2020/2021, mb/d | 2020 | Q1-21 | Q2-21 | Q3-21 | Q4-21 | 2021 | Y-o-Y Growth | % Chg. |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| Americas | 22.56 | 22.82 | 24.38 | 24.83 | 25.05 | 24.28 | 1.72 | 7.62 |
| of which US | 18.35 | 18.60 | 20.17 | 20.35 | 20.56 | 19.93 | 1.58 | 8.60 |
| Europe | 12.43 | 11.91 | 12.64 | 13.85 | 13.90 | 13.08 | 0.65 | 5.21 |
| Asia Pacific | 7.14 | 7.67 | 7.04 | 7.11 | 7.82 | 7.41 | 0.27 | 3.77 |
| Total OECD | 42.13 | 42.40 | 44.05 | 45.79 | 46.76 | 44.76 | 2.64 | 6.26 |
| China | 13.76 | 14.08 | 14.98 | 14.85 | 15.44 | 14.84 | 1.08 | 7.83 |
| India | 4.51 | 4.98 | 4.50 | 4.59 | 5.02 | 4.77 | 0.26 | 5.81 |
| Other Asia | 8.13 | 8.56 | 8.98 | 8.34 | 8.62 | 8.63 | 0.50 | 6.09 |
| Latin America | 5.90 | 6.17 | 6.08 | 6.38 | 6.26 | 6.23 | 0.32 | 5.50 |
| Middle East | 7.55 | 7.85 | 7.62 | 8.16 | 7.95 | 7.89 | 0.35 | 4.63 |
| Africa | 4.05 | 4.35 | 4.01 | 4.11 | 4.42 | 4.22 | 0.17 | 4.22 |
| Russia | 3.39 | 3.65 | 3.42 | 3.63 | 3.76 | 3.61 | 0.23 | 6.69 |
| Other Eurasia | 1.07 | 1.23 | 1.24 | 1.09 | 1.28 | 1.21 | 0.14 | 12.69 |
| Other Europe | 0.70 | 0.78 | 0.72 | 0.73 | 0.79 | 0.75 | 0.06 | 8.27 |
| Total Non-OECD | 49.06 | 51.65 | 51.55 | 51.87 | 53.54 | 52.16 | 3.10 | 6.32 |
| Total World | 91.19 | 94.05 | 95.60 | 97.66 | 100.3 | 96.92 | 5.74 | 6.29 |

Source: OPEC Monthly Oil Market Report - May-2022

In its latest outlook report, the IMF lowered world oil GDP forecast for 2022 by 80 bps to 3.6% reflecting the conflicts related to Russia and Ukraine and its impact on European businesses and consumers as well as the resurgence of Covid-19 pandemic in China. The tightening of US economy also affected growth prospects for the US economy. Both Emerging Markets and Advanced Economies witnessed downward revision in GDP forecasts. The latest oil demand data for China showed a decline of 6.7% y-o-y in April-2022 to reach 12.09 mb/d while YTD-Apr-2022 demand was up only marginally y-o-y by 0.24%. The decline reflects the government's Covid Zero policy with industrial output and consumer spending reaching to the lowest levels since the pandemic started. On the other hand, India's crude oil imports reached a record high during April-2022 backed by strong domestic consumption and higher oil product exports, according to data compiled by S&P. India's seaborne crude oil imports were over 4.8 mb/d during April-2022 after refiners switched to Middle-Eastern and Russian crude oil supplies from supplies from U.S., Canada and West African producers. Iraq was the biggest supplier of crude oil to India at 1.2 mb/d. The share of Middle Eastern crude in India's crude oil imports reached 73% in April-2022 vs. 69% in March-2022 and 67% in February-2022.

| World Oil Demand - 2021/2022, mb/d | 2021 | Q1-22 | Q2-22 | Q3-22 | Q4-22 | 2022 | Y-o-Y Growth | % Chg. |
|------------------------------------|--------------|--------------|--------------|---------------|---------------|---------------|--------------|-------------|
| Americas | 24.28 | 24.78 | 25.09 | 25.67 | 25.72 | 25.32 | 1.04 | 4.30 |
| of which US | 19.93 | 20.10 | 20.67 | 21.17 | 21.18 | 20.78 | 0.86 | 4.30 |
| Europe | 13.08 | 12.98 | 13.06 | 14.29 | 14.14 | 13.62 | 0.54 | 4.14 |
| Asia Pacific | 7.41 | 7.96 | 7.22 | 7.25 | 7.93 | 7.59 | 0.18 | 2.42 |
| Total OECD | 44.76 | 45.71 | 45.36 | 47.21 | 47.79 | 46.53 | 1.76 | 3.94 |
| China | 14.84 | 14.57 | 15.26 | 15.28 | 15.83 | 15.24 | 0.40 | 2.70 |
| India | 4.77 | 5.18 | 4.82 | 4.97 | 5.35 | 5.08 | 0.31 | 6.43 |
| Other Asia | 8.63 | 9.13 | 9.59 | 8.93 | 8.95 | 9.15 | 0.52 | 6.04 |
| Latin America | 6.23 | 6.32 | 6.25 | 6.53 | 6.42 | 6.38 | 0.16 | 2.53 |
| Middle East | 7.89 | 8.16 | 7.86 | 8.41 | 8.18 | 8.15 | 0.26 | 3.29 |
| Africa | 4.22 | 4.51 | 4.14 | 4.23 | 4.55 | 4.36 | 0.13 | 3.13 |
| Russia | 3.61 | 3.67 | 3.28 | 3.45 | 3.54 | 3.48 | (0.13) | (3.58) |
| Other Eurasia | 1.21 | 1.22 | 1.15 | 1.01 | 1.24 | 1.15 | (0.06) | (4.71) |
| Other Europe | 0.75 | 0.81 | 0.71 | 0.73 | 0.80 | 0.76 | 0.01 | 1.01 |
| Total Non-OECD | 52.16 | 53.57 | 53.08 | 53.53 | 54.85 | 53.76 | 1.60 | 3.07 |
| Total World | 96.92 | 99.28 | 98.44 | 100.74 | 102.64 | 100.29 | 3.36 | 3.47 |

Source: OPEC Monthly Oil Market Report - May-2022

World Oil Supply

After witnessing consistent growth over the last several months, world liquids production recorded a decline during April-2022 with preliminary data indicating a monthly drop of 0.77 mb/d to an average of 98.74 mb/d. The decline was mainly led by a drop in non-OPEC production (including OPEC NGLs) with a m-o-m decline of 0.92 mb/d to an average of 70.10 mb/d. The decline was mainly recorded in Russia and Kazakhstan by 1.2 mb/d partially offset by higher production in the US and Norway by 0.3 mb/d. OPEC production increased marginally during the month by 153 tb/d, according to OPEC secondary sources, resulting in a 40 bps m-o-m increase in its global market share that reached 29.0%.

Non-OPEC liquid supply growth estimates for 2021 was kept unchanged at 0.6 mb/d with total supply expected to have

| Non-OPEC Oil Supply - 2020/2021, mb/d | 2020 | Q1-21 | Q2-21 | Q3-21 | Q4-21 | 2021 | Y-o-Y Growth | % Chg. |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| Americas | 24.70 | 24.10 | 25.17 | 25.20 | 26.13 | 25.15 | 0.46 | 1.84 |
| of which US | 17.61 | 16.63 | 17.93 | 17.85 | 18.58 | 17.75 | 0.15 | 0.83 |
| Europe | 3.89 | 3.95 | 3.51 | 3.81 | 3.78 | 3.76 | (0.13) | (3.34) |
| Asia Pacific | 0.52 | 0.50 | 0.45 | 0.53 | 0.51 | 0.50 | (0.02) | (4.02) |
| Total OECD | 29.11 | 28.55 | 29.13 | 29.53 | 30.42 | 29.41 | 0.30 | 1.05 |
| China | 4.15 | 4.30 | 4.34 | 4.33 | 4.26 | 4.31 | 0.15 | 3.65 |
| India | 0.78 | 0.78 | 0.77 | 0.77 | 0.77 | 0.77 | 0.00 | (0.44) |
| Other Asia | 2.51 | 2.51 | 2.45 | 2.33 | 2.35 | 2.41 | (0.10) | (4.09) |
| Latin America | 6.03 | 5.94 | 5.97 | 6.09 | 5.83 | 5.96 | (0.08) | (1.26) |
| Middle East | 3.19 | 3.22 | 3.23 | 3.24 | 3.27 | 3.24 | 0.05 | 1.46 |
| Africa | 1.41 | 1.37 | 1.35 | 1.32 | 1.32 | 1.34 | (0.07) | (5.28) |
| Russia | 10.59 | 10.47 | 10.74 | 10.81 | 11.17 | 10.8 | 0.21 | 1.95 |
| Other Eurasia | 2.92 | 2.96 | 2.89 | 2.79 | 3.08 | 2.93 | 0.02 | 0.57 |
| Other Europe | 0.12 | 0.12 | 0.11 | 0.11 | 0.11 | 0.11 | (0.01) | (4.66) |
| Total Non-OECD | 31.71 | 31.66 | 31.86 | 31.79 | 32.17 | 31.87 | 0.16 | 0.50 |
| Total Non-OPEC Production | 60.82 | 60.22 | 60.98 | 61.32 | 62.59 | 61.28 | 0.46 | 0.76 |
| Processing gains | 2.15 | 2.28 | 2.28 | 2.28 | 2.28 | 2.28 | 0.13 | 6.03 |
| Total Non-OPEC Supply | 62.97 | 62.5 | 63.26 | 63.6 | 64.87 | 63.56 | 0.59 | 0.94 |
| OPEC NGLs and non-conventionals | 5.05 | - | - | - | - | 5.14 | 0.10 | 1.78 |
| OPEC Crude Oil Production | 25.72 | 25.16 | 25.52 | 26.93 | 27.08 | 26.36 | 0.63 | 2.46 |
| Total World Supply | 93.74 | - | - | - | - | 95.06 | 1.31 | 1.40 |

Source: OPEC Monthly Oil Market Report - May-2022

averaged at 63.56 mb/d last year. Non-OPEC supply growth forecast for 2022 was once again lowered by a steep 0.3 mb/d to now show a growth of 2.4 mb/d and average at 65.97 mb/d for the year. The biggest adjustment was once again made to supplies from Russia which is now expected to reach 10.88 mb/d in 2022 vs. 11.23 mb/d in the previous forecast, a downward revision of 0.36 mb/d. Supply estimates from Norway was also lowered marginally by 10 tb/d while supplies from Egypt and Kazakhstan were revised higher by 31 tb/d and 16 tb/d, partially offsetting the overall downward revision. In terms of quarterly trends, a downward revision of 230 tb/d was made to supply data for the OECD region for Q1-2022 but this was almost fully offset by upward revision in the rest of the quarters for 2022 resulting in a minor downward revision of 8 tb/d for the year. The non-OECD supply forecasted was lowered by 0.3 mb/d for 2022.

| Non-OPEC Oil Supply - 2021/2022, mb/d | 2021 | Q1-22 | Q2-22 | Q3-22 | Q4-22 | 2022 | Y-o-Y Growth | % Chg. |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| Americas | 25.15 | 25.74 | 26.29 | 27.01 | 27.47 | 26.63 | 1.48 | 5.88 |
| of which US | 17.75 | 18.22 | 18.94 | 19.29 | 19.69 | 19.04 | 1.29 | 7.24 |
| Europe | 3.76 | 3.73 | 3.74 | 3.80 | 4.12 | 3.85 | 0.09 | 2.36 |
| Asia Pacific | 0.50 | 0.49 | 0.54 | 0.53 | 0.53 | 0.52 | 0.02 | 4.41 |
| Total OECD | 29.41 | 29.96 | 30.56 | 31.34 | 32.13 | 31.00 | 1.59 | 5.41 |
| China | 4.31 | 4.48 | 4.31 | 4.35 | 4.43 | 4.39 | 0.08 | 1.97 |
| India | 0.77 | 0.77 | 0.78 | 0.8 | 0.83 | 0.79 | 0.02 | 2.78 |
| Other Asia | 2.41 | 2.38 | 2.39 | 2.37 | 2.36 | 2.38 | (0.03) | (1.43) |
| Latin America | 5.96 | 6.15 | 6.21 | 6.17 | 6.40 | 6.23 | 0.27 | 4.62 |
| Middle East | 3.24 | 3.30 | 3.36 | 3.38 | 3.38 | 3.35 | 0.11 | 3.52 |
| Africa | 1.34 | 1.32 | 1.31 | 1.30 | 1.31 | 1.31 | (0.03) | (2.13) |
| Russia | 10.8 | 11.33 | 10.68 | 10.76 | 10.74 | 10.88 | 0.08 | 0.72 |
| Other Eurasia | 2.93 | 3.06 | 3.06 | 3.17 | 3.22 | 3.13 | 0.20 | 6.67 |
| Other Europe | 0.11 | 0.11 | 0.11 | 0.10 | 0.10 | 0.10 | (0.01) | (6.90) |
| Total Non-OECD | 31.87 | 32.89 | 32.22 | 32.41 | 32.77 | 32.57 | 0.70 | 2.19 |
| Total Non-OPEC Production | 61.28 | 62.85 | 62.78 | 63.75 | 64.89 | 63.57 | 2.29 | 3.73 |
| Processing gains | 2.28 | 2.39 | 2.39 | 2.39 | 2.39 | 2.39 | 0.11 | 4.91 |
| Total Non-OPEC Supply | 63.56 | 65.24 | 65.17 | 66.14 | 67.28 | 65.97 | 2.40 | 3.78 |

Source: OPEC Monthly Oil Market Report - May-2022

OPEC Oil Production & Spare Capacity

OPEC oil production increased for the twelfth consecutive month during April-2022, albeit marginally, to reach the highest output in 24 months. The group produced at 28.65 mb/d during the month with a monthly increase of 153 tb/d, according to data from OPEC secondary sources. Bloomberg data showed a marginal increase in production by 10 tb/d for the month to reach an average production of 28.7 mb/d. The growth in production during the month was mainly led by higher output from Saudi Arabia and Iraq that was partially offset by a steep drop in production in Libya as well as a relatively smaller drop in production reported by Nigeria. OPEC data showed Saudi Arabia with the biggest m-o-m increase in production by 127 tb/d to an average production of 10.3 mb/d, the highest production rate by the Kingdom since April-2020 and the second highest rate since January-2019.

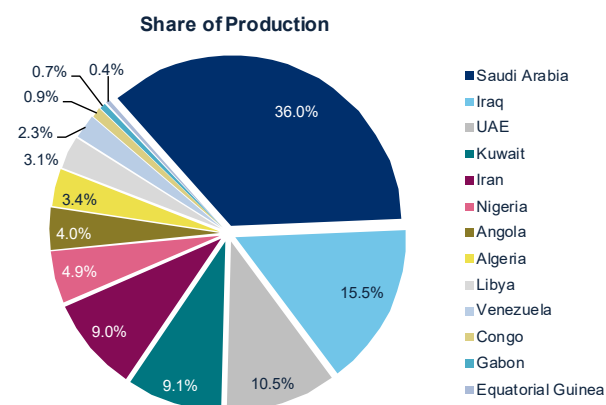
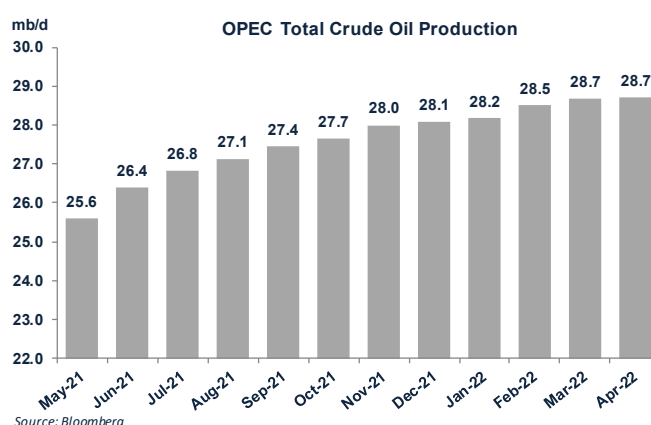
| Production ('000 b/d) | Mar-22 | Apr-22 | Change | | Capacity | Spare Capacity |
|-----------------------|---------------|---------------|-------------|---------------|---------------|----------------|
| Total OPEC-13 | 28,690 | 28,700 | 10 | 0.03% | 33,415 | 4,715 |
| Saudi Arabia | 10,270 | 10,340 | 70 | 0.7% | 11,500 | 1,160 |
| Iraq | 4,290 | 4,460 | 170 | 4.0% | 4,800 | 340 |
| UAE | 2,980 | 3,010 | 30 | 1.0% | 4,200 | 1,190 |
| Kuwait | 2,640 | 2,610 | -30 | -1.1% | 2,715 | 105 |
| Iran | 2,590 | 2,580 | -10 | -0.4% | 3,830 | 1,250 |
| Nigeria | 1,480 | 1,420 | -60 | -4.1% | 1,600 | 180 |
| Angola | 1,170 | 1,140 | -30 | -2.6% | 1,200 | 60 |
| Algeria | 990 | 990 | 0 | 0.0% | 1,060 | 70 |
| Libya | 1,050 | 900 | -150 | -14.3% | 1,200 | 300 |
| Venezuela | 680 | 670 | -10 | -1.5% | 670 | 0 |
| Congo | 270 | 270 | 0 | 0.0% | 300 | 30 |
| Gabon | 180 | 200 | 20 | 11.1% | 220 | 20 |
| Equatorial Guinea | 100 | 110 | 10 | 10.0% | 120 | 10 |
| Total OPEC-12 | 24,400 | 24,240 | -160 | -0.66% | 28,615 | 4,375 |

Source: Bloomberg, OPEC

Iraq also ramped up production during the month by 103 tb/d and produced at 4.4 mb/d, the highest production rate since April-2020. The higher output came in response to the prevailing elevated oil prices as the Iraqi government fast tracked development of more oil fields, including in Nasiriya and Gharraf oil fields. The country's oil minister said he is confident of meeting the OPEC+ production quota in the coming months after missing out during the last few months owing to maintenance. He added that the country aims to reach a production capacity of 5 mb/d by year end from the current 4.9 mb/d and increase it further to 6 mb/d by end of 2027. Moreover, a recent report said that OPEC has approved Iraq's request to increase production to 4.5 mb/d starting June-2022 and add further 50 tb/d in July-2022, August-2022 and September-2022.

Oil production in Libya dropped by 161 tb/d in April-2022 to hit the lowest output in 18-months at 0.9 mb/d. The decline in production came mainly on the back of port and field closures led by political protests at key ports. Oil exports from the country also declined by an equivalent rate to an 18-month low level of 819 tb/d, according to Bloomberg. Production started resuming from the start of May-2022.

The failure by 13 out of 19 countries in OPEC+ to reach production as per their quotas, in addition to the sanctions on Russia, resulted in a compliance of 220.3% to OPEC+ quotas, as per S&P Platts.



Brent Crude Oil Price Forecast

| Firm | As Of | Q2-22 | Q3-22 | Q4-22 | Q1-23 |
|---|-----------|--------------|--------------|--------------|--------------|
| Banco Santander SA | 10/May/22 | 106.0 | 99.0 | 88.9 | 83.0 |
| Goldman Sachs Group Inc/The | 3/May/22 | 125.0 | 125.0 | 125.0 | 115.0 |
| Citigroup Inc | 2/May/22 | 99.0 | 87.0 | 73.0 | 62.0 |
| Westpac Banking Corp | 22/Apr/22 | 116.0 | 117.0 | 112.0 | 107.0 |
| Natixis SA | 7/Apr/22 | 117.0 | 113.0 | 98.0 | 90.0 |
| Market Risk Advisory Co Ltd | 4/Apr/22 | 108.0 | 95.0 | 92.0 | 73.3* |
| MUFG Bank | 1/Apr/22 | 124.6 | 141.0 | 112.0 | 110.0 |
| Rabobank International | 23/Mar/22 | 129.0 | 135.7 | 138.1 | 136.1 |
| Emirates NBD PJSC | 23/Mar/22 | 120.0 | 120.0 | 115.0 | |
| Intesa Sanpaolo SpA | 9/Mar/22 | 120.0 | 110.0 | 100.0 | 95.0 |
| Landesbank Baden-Wuerttemberg | 3/Mar/22 | 100.0 | 95.0 | 90.0 | 85.0 |
| Capital Economics Ltd | 2/Mar/22 | 100.0 | 92.5 | 82.5 | 78.1 |
| Commerzbank AG | 15/Feb/22 | 85.0 | 80.0 | 80.0 | 75.0 |
| JPMorgan Chase & Co | 7/Feb/22 | 68.0 | 67.0 | 66.0 | |
| MPS Capital Services Banca per le Imprese SpA | 27/Dec/21 | 73.0 | 70.0 | 69.0 | |
| Median | | 108.0 | 99.0 | 92.0 | 90.0 |
| Mean | | 106.0 | 103.1 | 96.1 | 94.2 |
| High | | 129.0 | 141.0 | 138.1 | 136.1 |
| Low | | 68.0 | 67.0 | 66.0 | 62.0 |
| Current Fwd | | 110.7 | 106.4 | 101.4 | 97.0 |
| Difference (Median - Current) | | -2.7 | -7.4 | -9.4 | -7.0 |

Source: Bloomberg

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