

به نام خدا



Oil Market Short-to-Medium Term Outlook

Ramin Forouzandeh | August 9th, 2020 | ENERGIC Online Webinar

Ramin Forouzandeh

- Strategy, investment & M&A professional in the energy industry
- 10+ years experience as engineer, consultant, strategist and manager
- Educations in petroleum engineering, economics and management
- Currently:
 - Strategy & Corporate Development Manager at Dana Energy
 - Advisor to CEO at Jey Oil Refining Company
 - Non-executive Director at some energy companies
- Contact:
 - Email: raaminf@gmail.com
 - Telegram: @EconomicsandOil



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Agenda

Approach

Demand

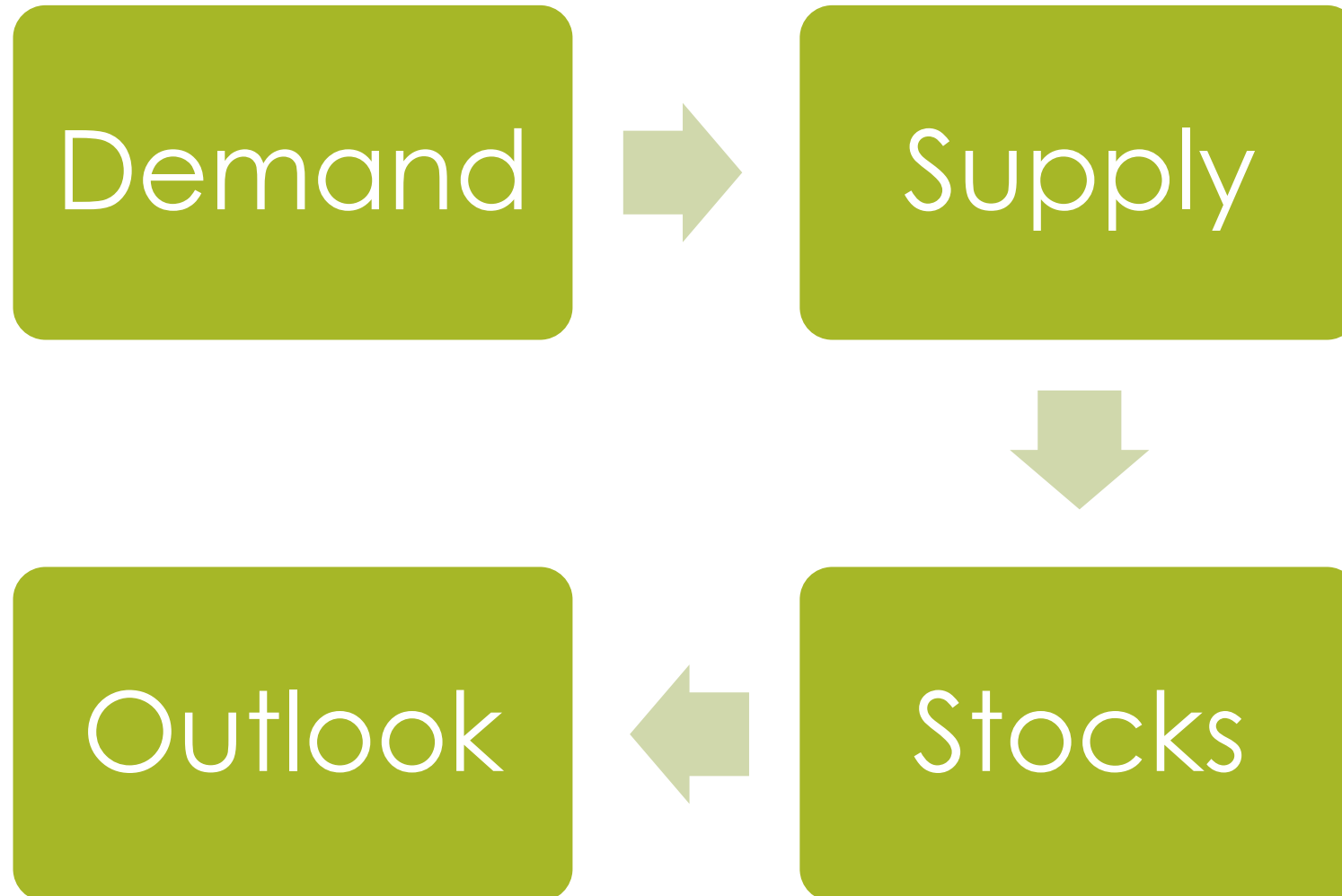
Supply

Stocks & Outlook

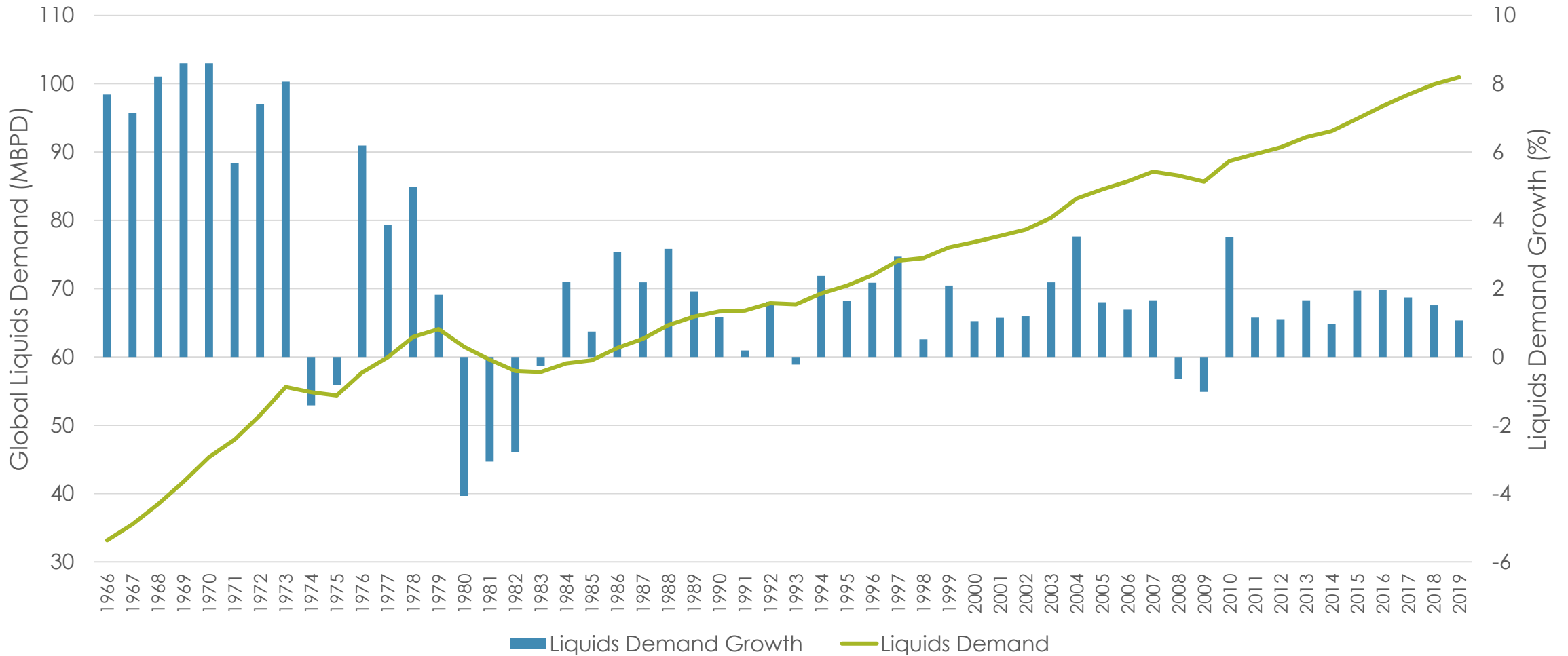
Selected Topics

Conclusion

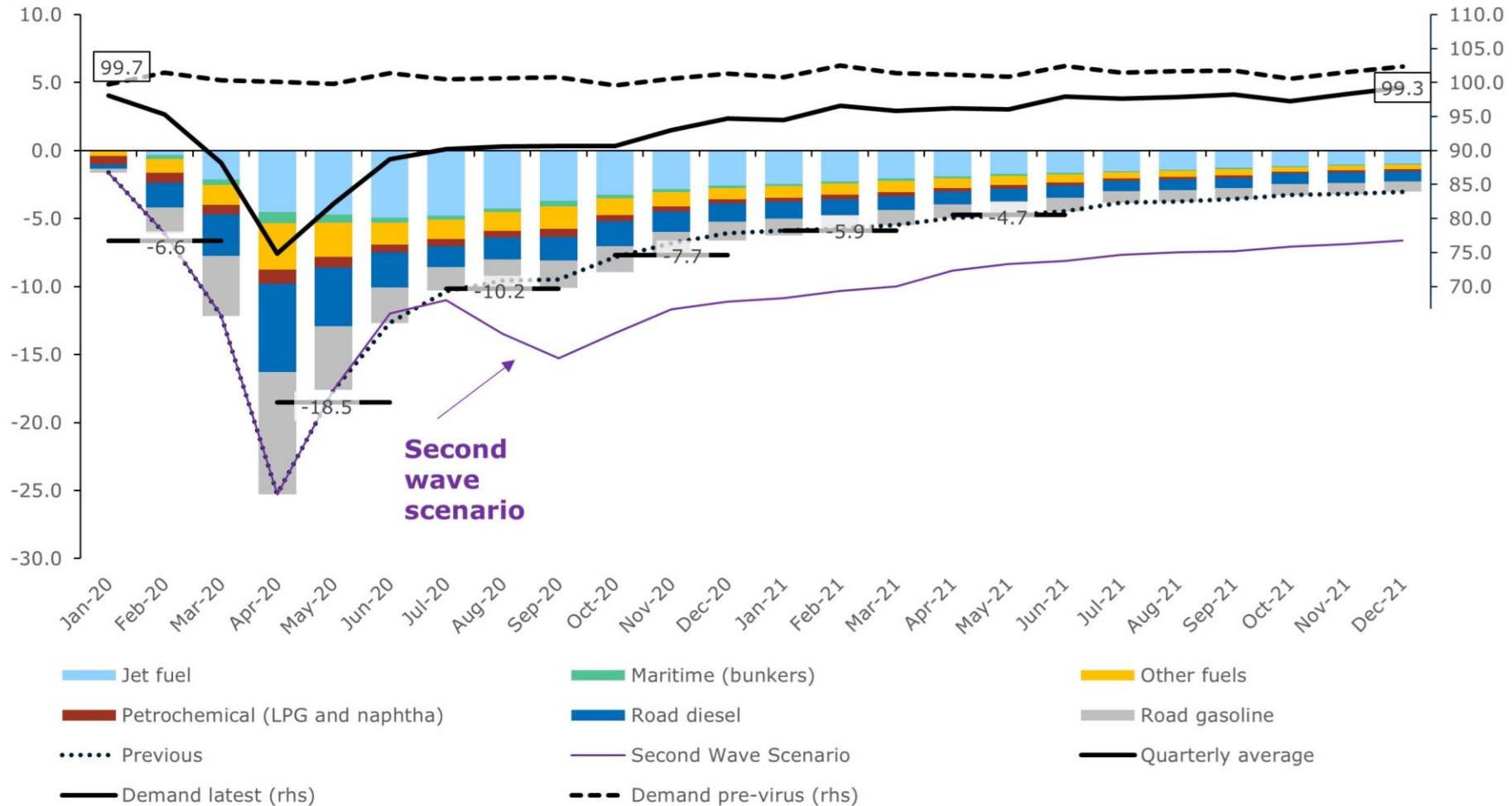
Approach



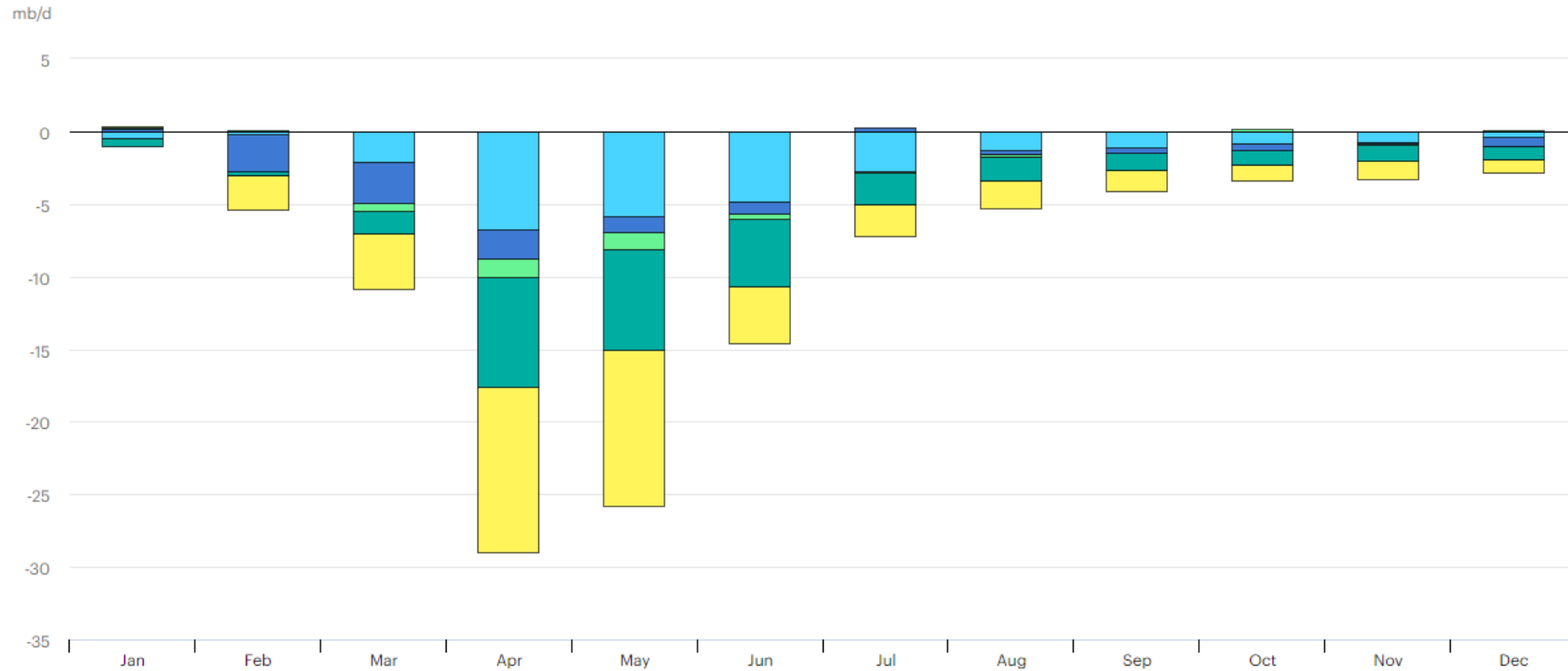
Global Liquids Demand



COVID-19 Impact on Global Oil Market-1



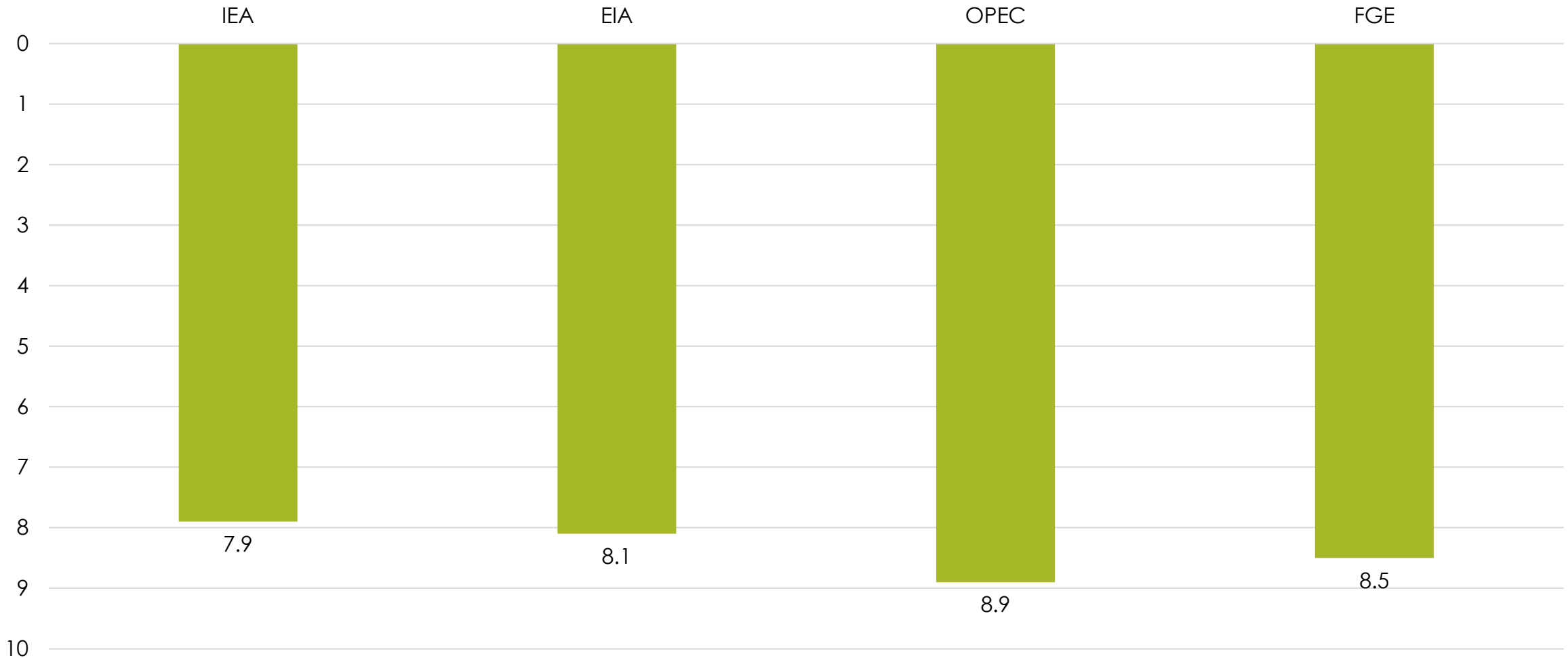
COVID-19 Impact on Global Oil Market-2



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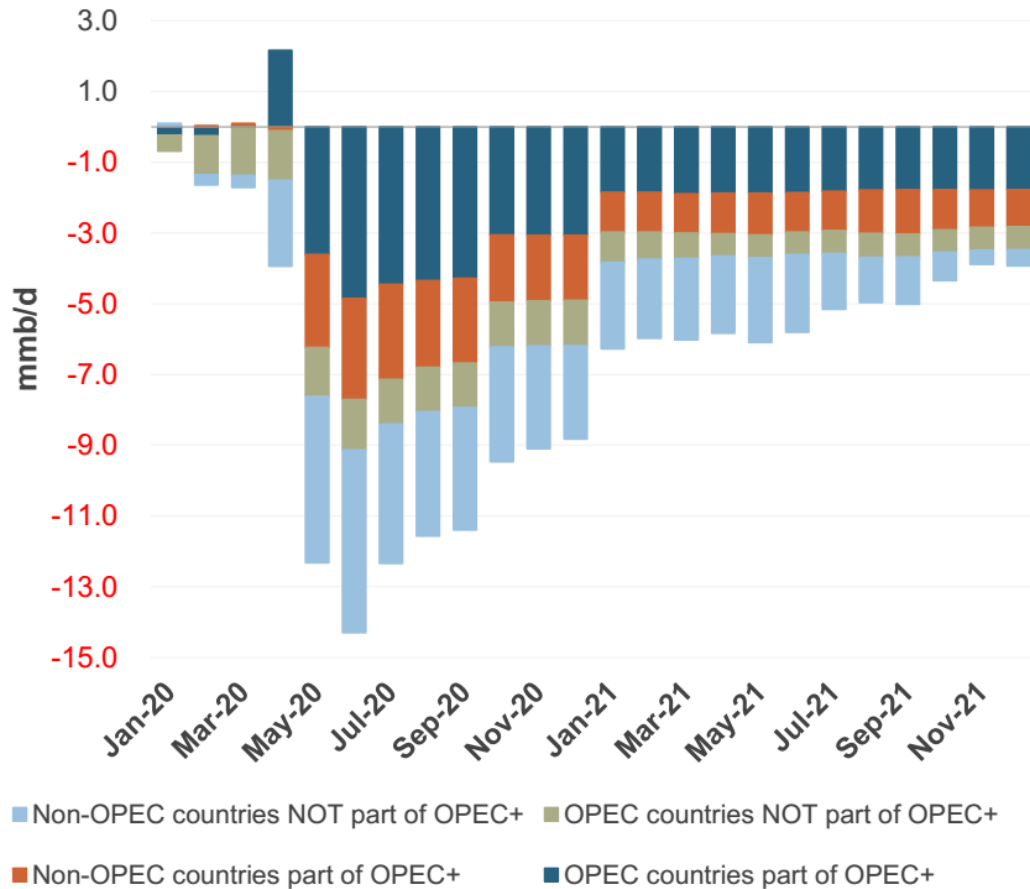
● Europe ● China ● India ● United States ● Rest of world

Demand Destruction 2020 vs. 2019 (MBPD)

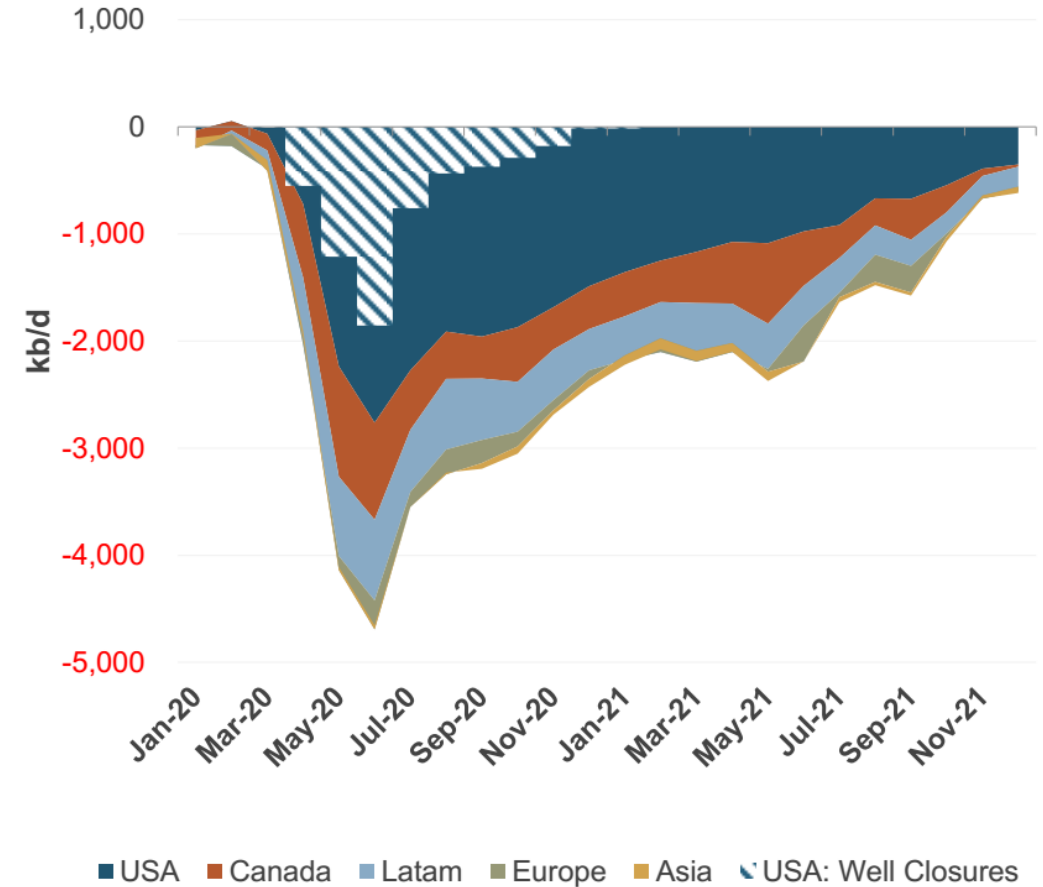


Supply

World Oil Supply vs. Dec-19

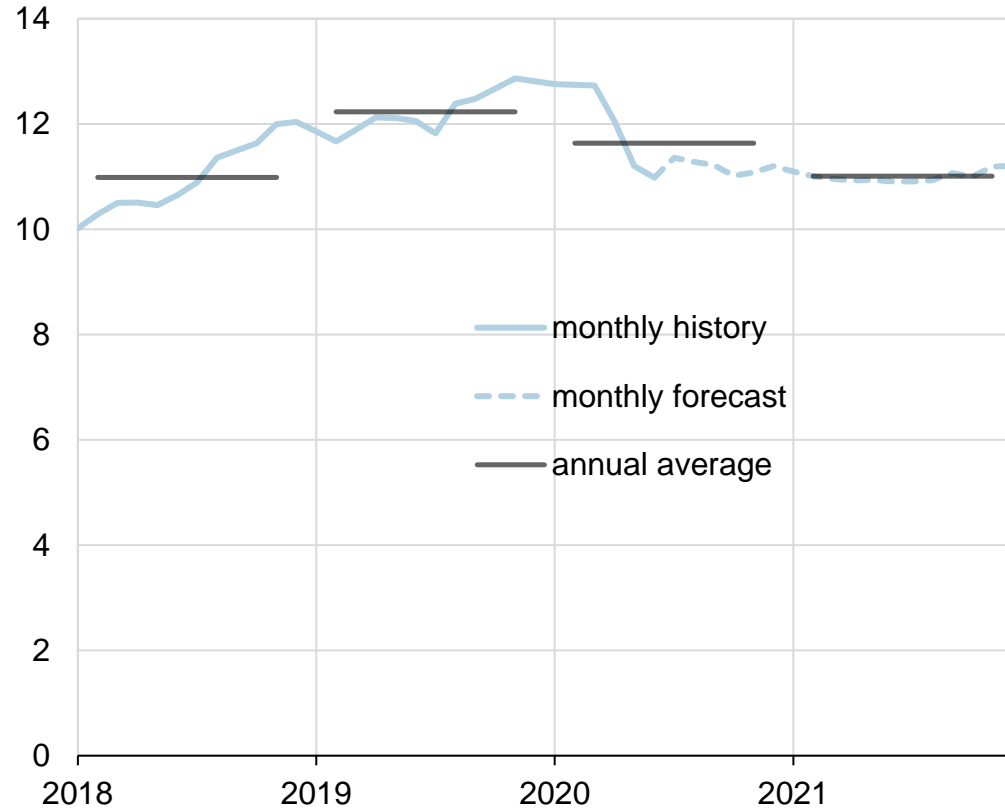


Non-OPEC (excl. OPEC+) Production vs. Dec-19

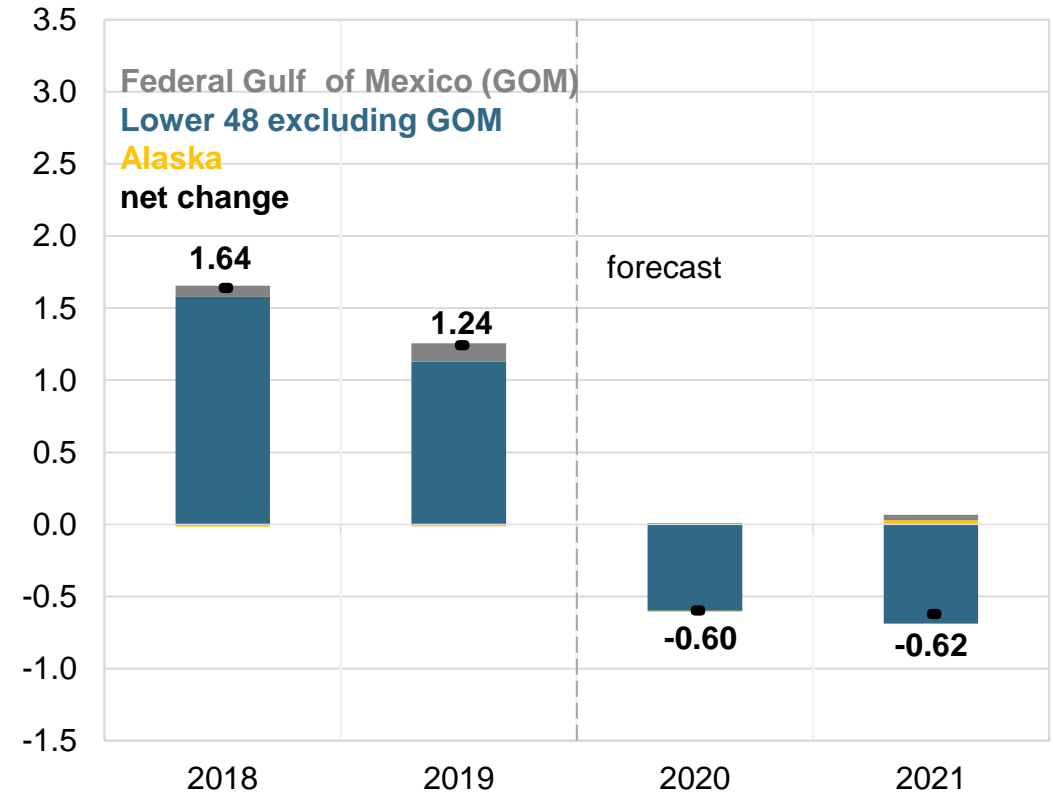


US Oil Production Outlook

U.S. crude oil production
million barrels per day



Components of annual change
million barrels per day



Call on OPEC Crude

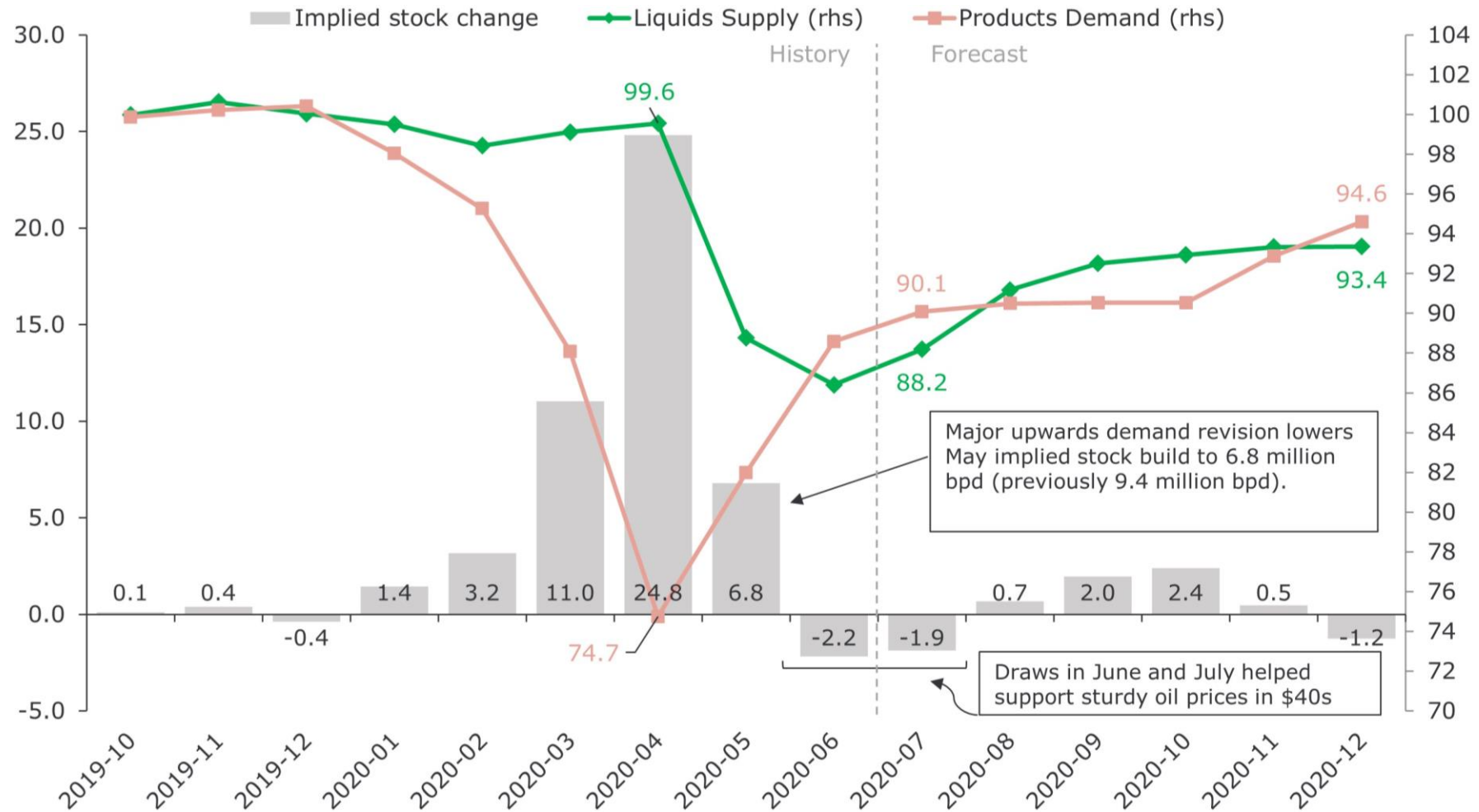
	2019	1Q20	2Q20	3Q20	4Q20	2020	Change 2020/19
(a) World oil demand	99.67	92.41	81.95	92.22	96.22	90.72	-8.95
Non-OPEC liquids production	65.02	66.43	60.99	59.47	60.19	61.76	-3.26
OPEC NGL and non-conventionals	5.26	5.35	5.09	5.08	5.13	5.16	-0.10
(b) Total non-OPEC liquids production and OPEC NGLs	70.28	71.78	66.08	64.55	65.32	66.92	-3.36
Difference (a-b)	29.39	20.63	15.87	27.67	30.90	23.80	-5.59
OPEC crude oil production	29.34	28.26	25.63				
Balance	-0.05	7.62	9.76				

Note: Non-OPEC liquids production includes the Republic of Ecuador.

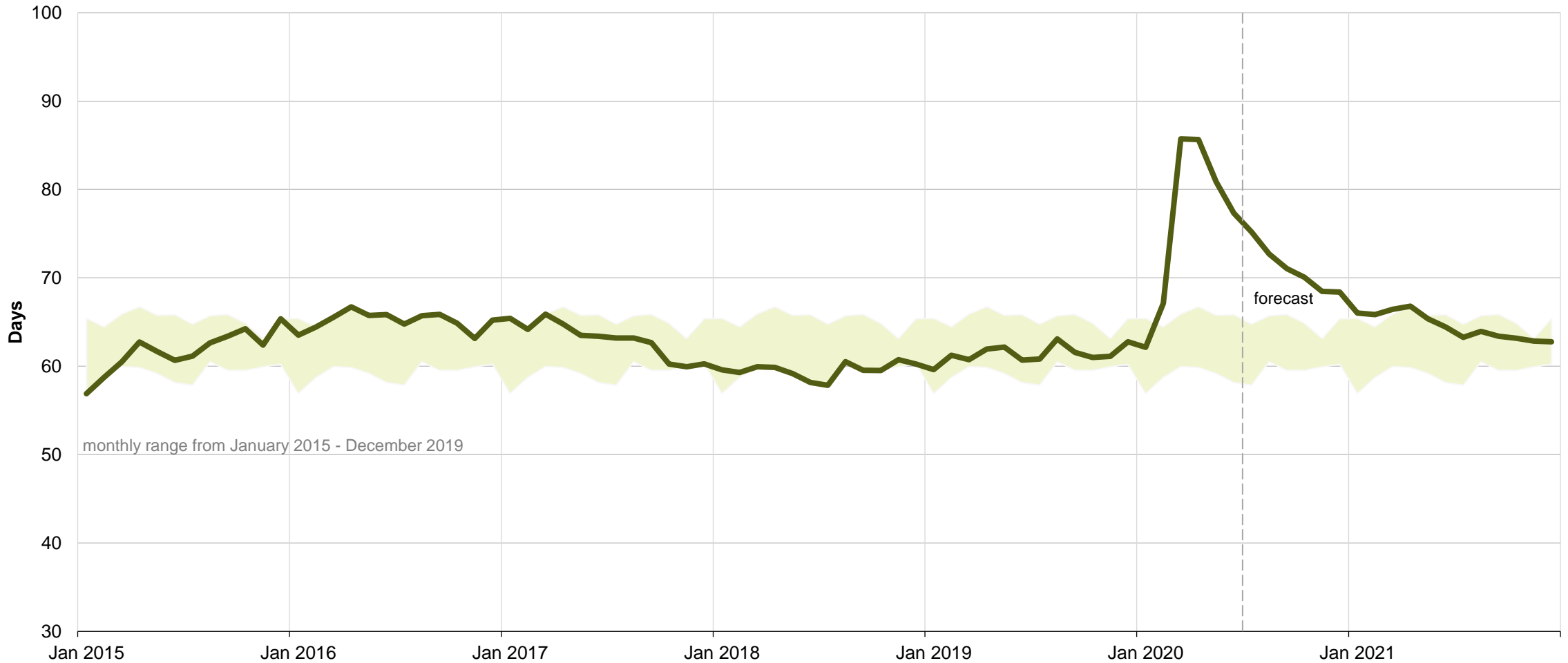
* 2019 = Estimate and 2020 = Forecast. Totals may not add up due to independent rounding.

Source: OPEC.

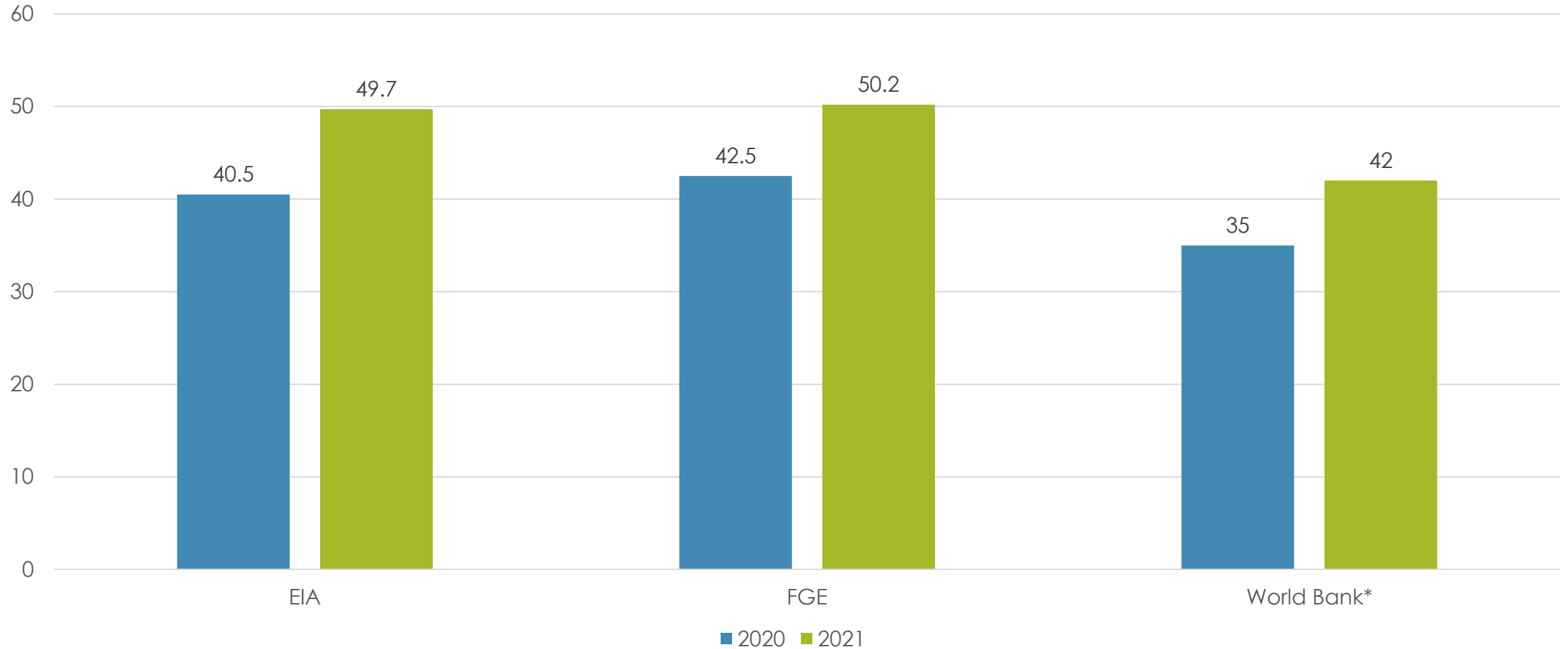
Supply & Demand Balance



OECD Stocks

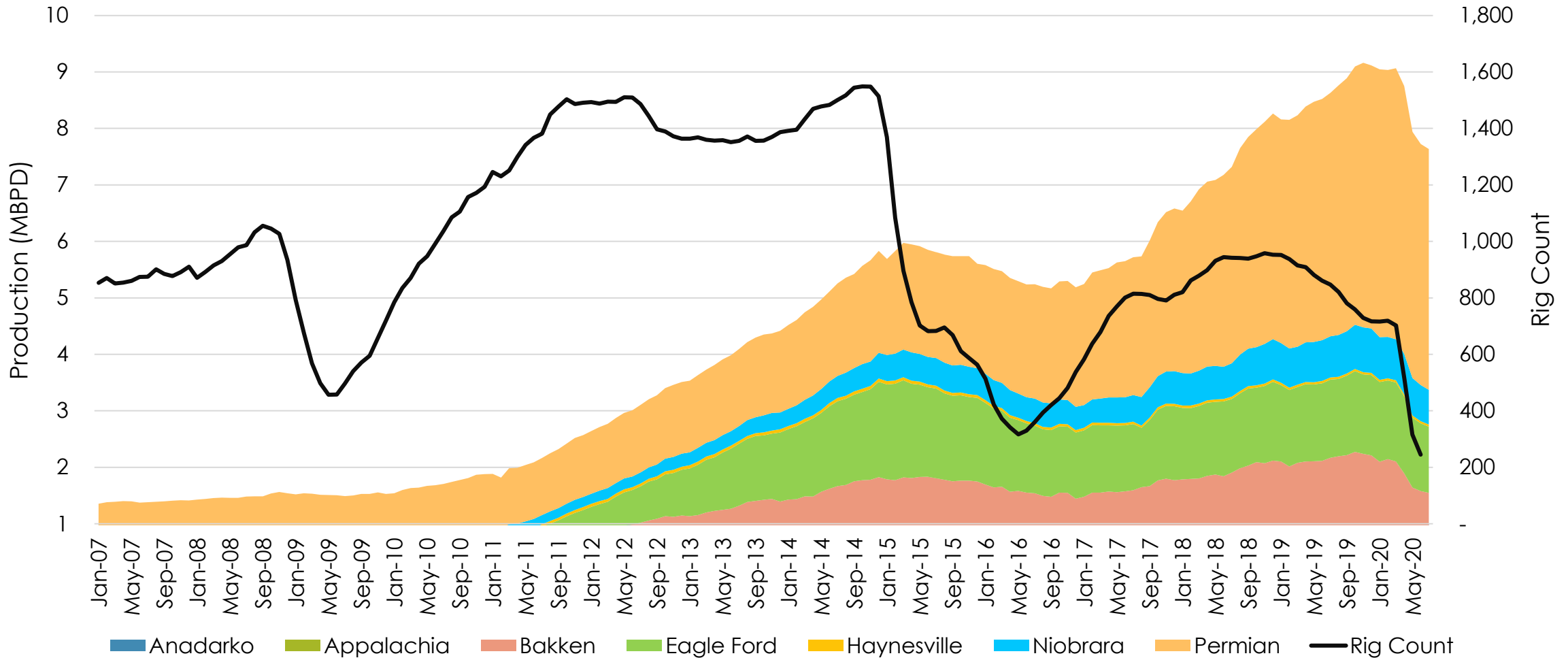


Price Outlook

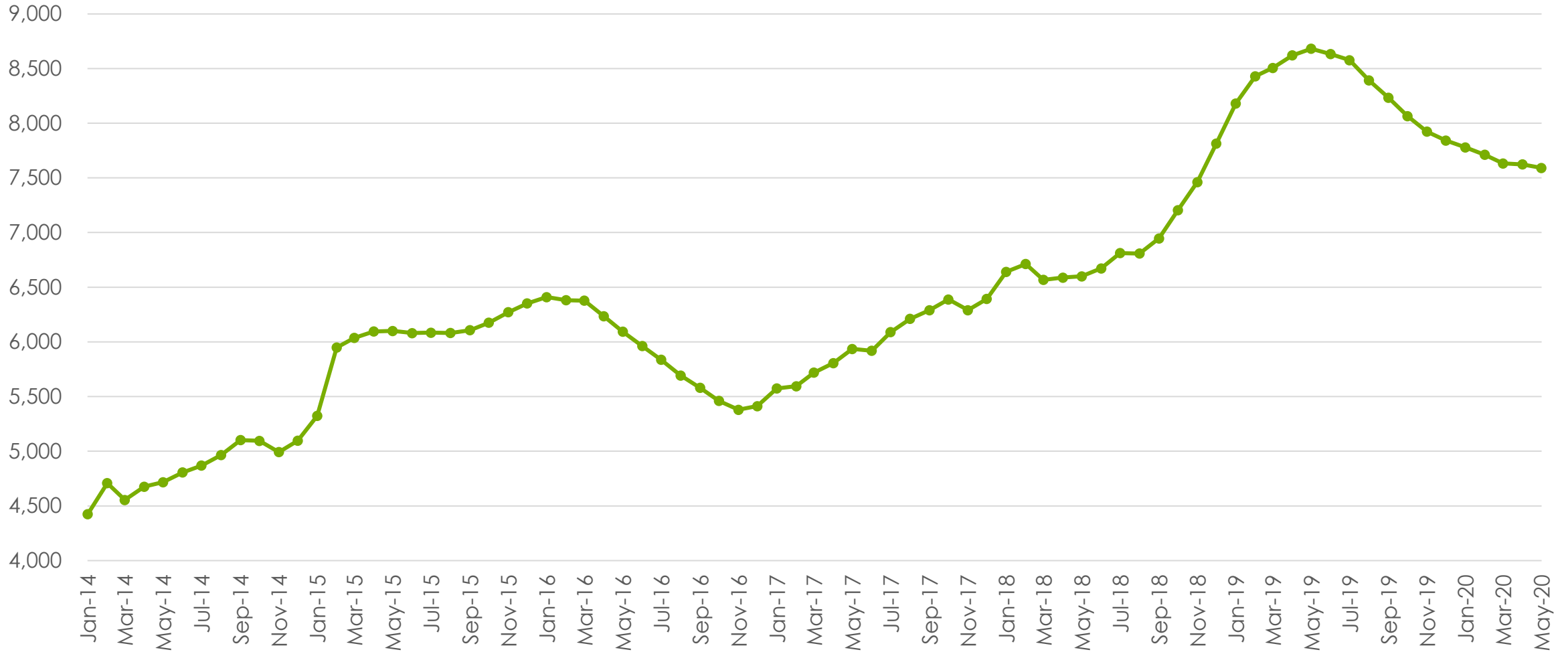


* Average of Brent, Dubai & WTI (April Forecast)

US Shale Oil Production & Total Rig Count



DUC wells



Conclusion

- Average Brent oil prices at 40's and 50's, respectively for 2020 and 2021
- Demand risks: COVID-19 2nd wave, trade war, government policies
- Supply risks: Iran, Libya and Venezuela output, Shale oil, OPEC+ decisions, political tensions
- “Lower for Longer” oil market environment for upcoming decades

