

OIL & GAS



MARKET SUMMARY

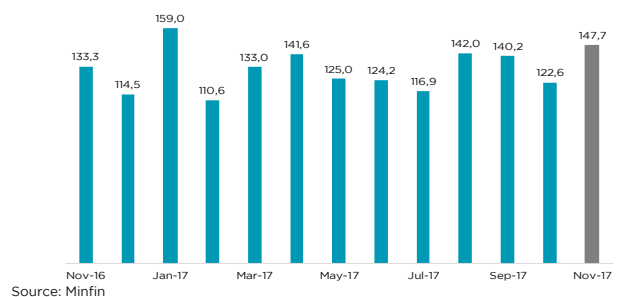
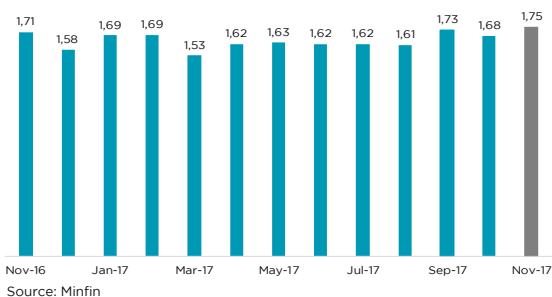
- Surplus production of crude oil continues with global petroleum production reaching 97.49 million barrels/day in December 2017 while consumption forecast for 2017 was 96.99 million barrels/day.
- The recorded price has moved in the opposite direction with regard to the law of supply and demand reflecting investor optimism regarding stability in the oil sector as a result of the agreement to increase cuts in crude oil production signed between the OPEC member countries and their allies. Commodity demand has been driven by improved performance in the world economy coupled with higher growth expectations for the coming years.
- The OPEC January 2018 report shows Angola as experiencing the second largest increase in crude oil production on a monthly basis, followed by Algeria with an increase of 30.3 thousand barrels/day, standing at 1.037 million barrels/day. Following contraction in 2017, the Angolan Government estimates a growth of 3.1% in the oil sector in 2018,

ANGOLA

- Angolan oil production stood at 1.633 million barrels/day in December 2017, an increase of 44.8 thousand barrels per day compared to November of the same year. The national registry indicates the second largest increase in crude oil production among Sub-Saharan African countries, preceded by Nigeria which, according to secondary sources consulted by OPEC (Organization of Petroleum Exporting Countries), increased production by 75.7 thousand barrels a day to 1.861 million barrels/day.
- The proposal of the General State Budget (OGE) for 2018 under analysis in the National Assembly up to 15 February 2018 estimates crude oil production of 1.698 million barrels/day, a level exceeding the target of 1.673 million barrels/day defined in the agreement of November 2016 between OPEC member countries and their allies. The Budget also predicts that oil GDP will see real growth of 3.1% in 2018, a recovery from the 0.5% reduction announced as a projection for 2017.

Export of Oil (mn of barrels/day)

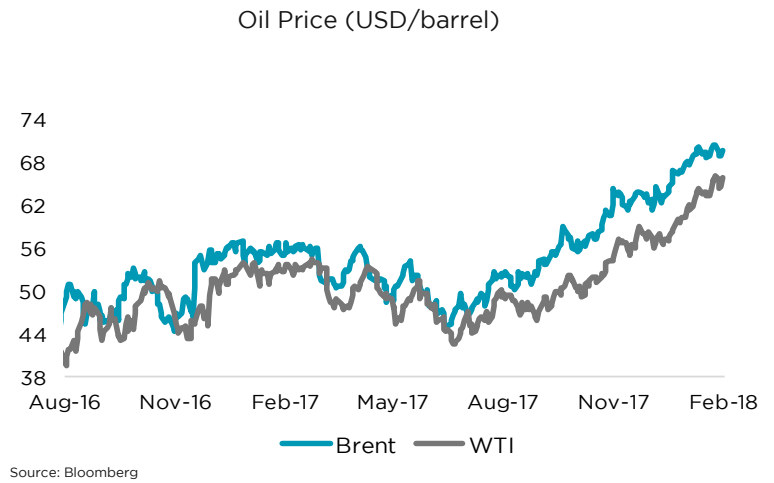
Average Total Revenue (mn AOA)



PRICE

•The year 2017 closed with Brent prices for the commodity standing at 66.87 USD/barrel and WTI prices standing at 60.42 USD/barrel with December showing an increase of 17.7% and 12.5%, compared to the same period in 2016 when prices settled at 56.82 and 53.72 USD/barrel, respectively.

•Oil prices reflect investor optimism in the oil sector, taking into account the success of the agreements between OPEC crude oil producing countries and allies, with the last consensus having been reached in November 2017 for production from the first quarter of 2018 to the end of 2018.



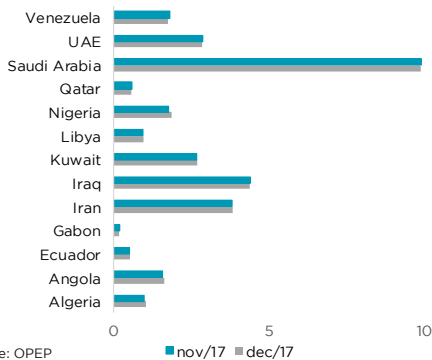
DEMAND

•World crude oil production stood at 97.49 million barrels/day in December 2017, an increase of 1.67 million barrels/day from the record of 95.82 million barrels/day in January 2017.

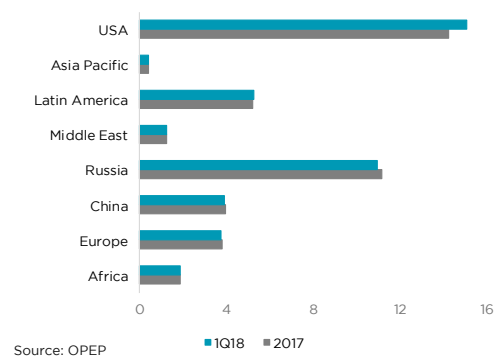
•The final month of 2017 reflects the contribution in supply from non-OPEC countries which increased by 340 thousand barrels/day compared to November, to stand at 58.62 million barrels/day, as a result of increased crude production in Canada, Mexico, Norway, Brazil and Kazakhstan. Production from OPEC member countries accounted for 33.3% of the total, standing at 32.42 million barrels/day, an increase of 42.4 thousand barrels/day compared to the previous month with the largest increases occurring in Nigeria and Angola. The supply of Liquefied Natural Gas by OPEC in the period under analysis corresponds to 6.45 million barrels/day.

•The International Energy Agency (IEA) highlights the decrease in the global crude oil supply in December 2017 by 405 thousand barrels/day to 97.7 million barrels/day, due to a drop in production in Venezuela.

OPEC (mn barrel / day)



Non-OPEC (mn barrel / day)



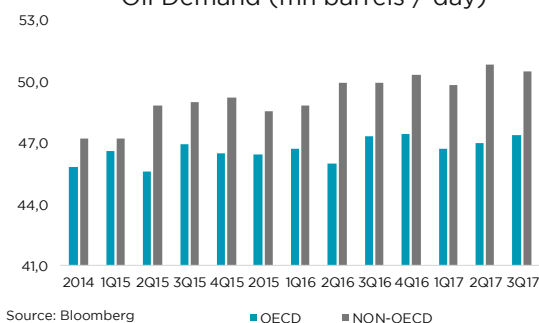
PROCURA

•World crude oil consumption for 2017 was estimated at 96.99 million barrels/day, according to the OPEC report published in January of the current year, which represents an increase of 1.39 million barrels/day, when compared to the record of 95.6 million barrels/day released by OPEC in the January 2017 report.

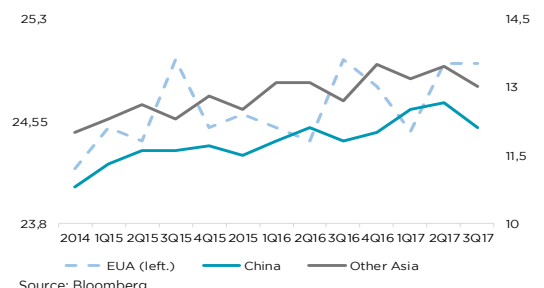
•World demand represents the contribution of the OECD countries of 47.35 million barrels/day, comprising 49% of the total with developing countries representing 33%, and having an estimated consumption of 31.93 million barrels/day in 2017. Increase in world consumption reflects greater demand for fuel, which is due to growth in the world economy and increased demand for automobiles.

•The IEA estimates that world demand for crude will have reached 97.8 million barrels/day in 2017, an increase of 850 thousand barrels/day compared to consumption of 96.95 million barrels/day for 2016.

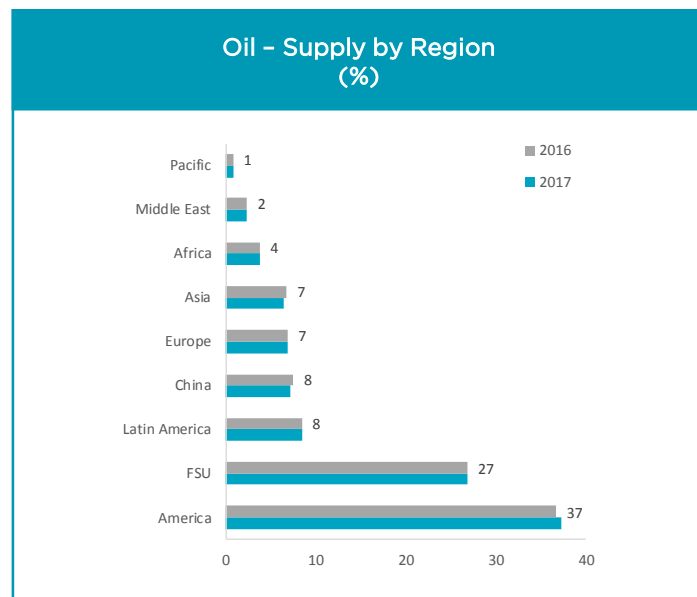
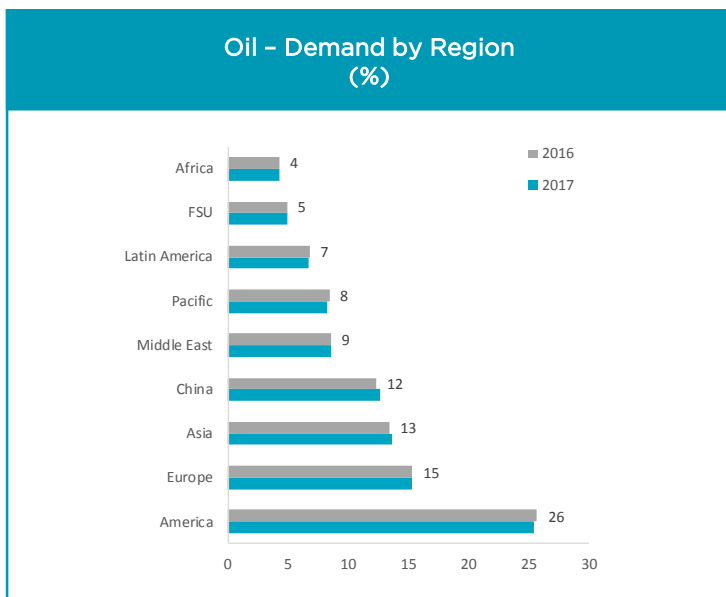
Oil Demand (mn barrels / day)



Demand for some countries (mn barrels / day)



INTERNATIONAL MARKET STRUCTURE



**A BANK BORN
WITH 20 YEARS
OF EXPERIENCE.**



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