

OIL & GAS



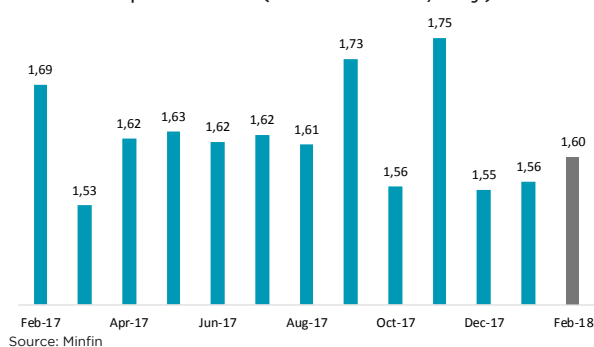
MARKET SUMMARY

- Brent and WTI prices decreased from January to February by an average of 4.75% mainly due to increased crude oil reserves in the United States of America.
- The recent report by the Organization of Petroleum Exporting Countries (OPEC) estimates that world crude oil supply reached 98.2 million barrels/day in February, a result below the estimated demand of 98.63 million barrels/day for 2018. Despite the differential in the range analyzed, it is expected that surplus production of crude will show a gradual decline, taking into account efforts in reducing production of OPEC member countries and allies.
- Angolan oil production increased by 17.1 thousand barrels/day in February 2018, to 1.613 million barrels / day. The variation was the second largest increase registered in the Organization during the period under review, being overtaken by Nigeria, which registered an increase of 24.9 thousand barrels/day, where production reached 1.806 million barrels / day.

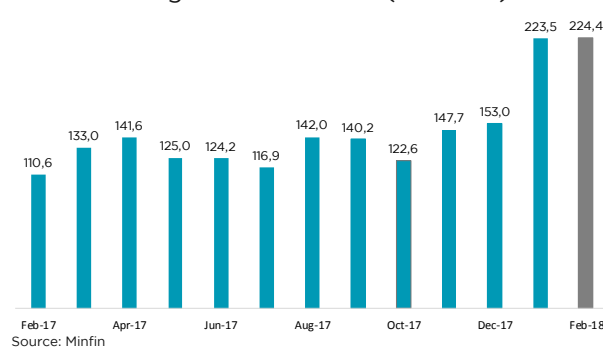
ANGOLA

- According to secondary sources consulted by OPEC, Angolan oil production stood at 1.613 million barrels/day in February 2018, representing an increase of 17.1 thousand barrels/day compared to January 2017. The variation was the second largest increase registered in the Organization during the period under review, being overtaken by Nigeria, which registered an increase of 24.9 thousand barrels/day, where production reached 1,806 million barrels / day.
- In February Angola exported 44.6 million barrels, a reduction of 7.8% over the previous month. In turn, prices of Angolan crude grades increased by 7.3%, allowing for an increase in revenue of 0.4% compared to January, reaching 224,422 million AOA. The commencement of operations of the FS/FST Block with production of 130 thousand barrels in February contributed to attenuate the reduction of production in the period under analysis.

Export of Oil (mn of barrels/day)

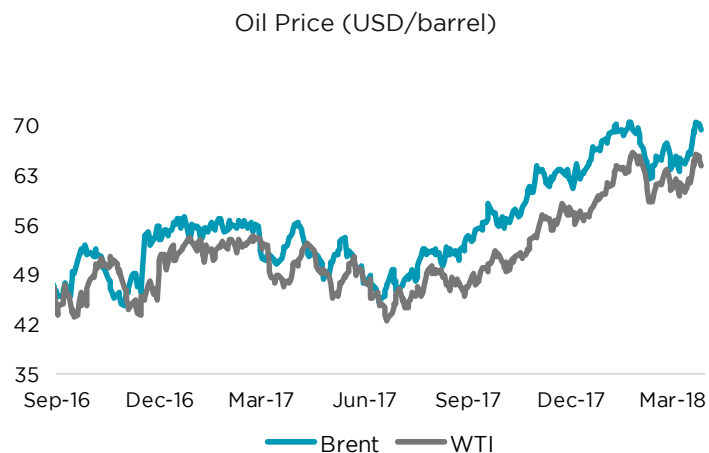


Average Total Revenue (mn AOA)



PRICE

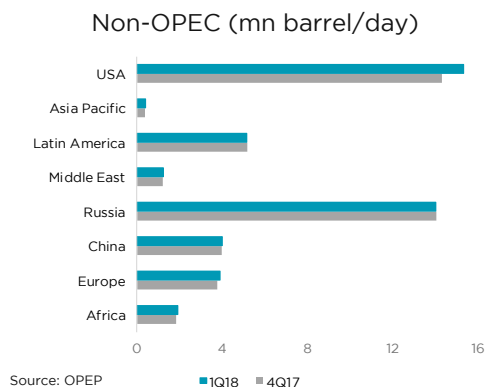
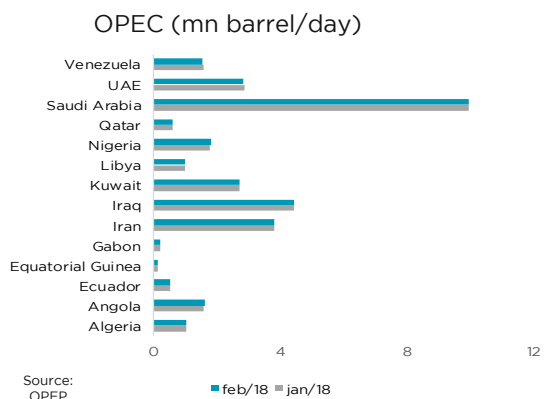
- The price of the commodity went down on average by 4.75% in February.
- The increase in crude oil production and reserves in the United States contributed to a reduction in prices, coupled with the expectation of an increase in interest rates by the US Federal Reserve, contributing to the appreciation of the US dollar and pressure on the demand for the raw material.
- The Brent average price stood at USD 65.78/barrel 4.74% below the January price and the WTI fell by 4.77% to USD 61.64/barrel.



Source: Bloomberg

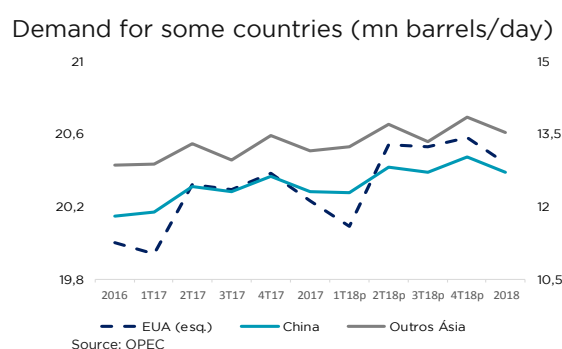
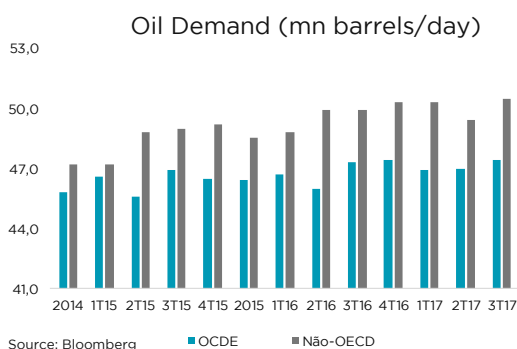
SUPPLY

- Preliminary data indicates that global oil supplies increased by 370,000 barrels/day to an average of 98.20 million barrels/day in February, representing a year-on-year increase of 1.66 million barrels/day.
- February data shows an increase in non-OPEC production expected in 2018 at 450,000 barrels/day to an average of 59.53 million barrels/day. The result mostly reflects the contribution of the USA, Canada, Brazil and the United Kingdom, with a year-on-year increase of 1,460, 270, 230 and 110 thousand barrels/day, respectively.
- OPEC crude oil output fell by 77.1 thousand barrels/day in February to 32.2 million barrels/day, as a result of drop in production, the sharpest of which were in Venezuela, the United Arab Emirates and Iraq at 52.4, 34.3 and 25.5 thousand barrels/day, being set at 1.55, 2.83 and 4.43 million barrels/day. It should be noted that the OPEC contribution to total production decreased by 0.2 p.p. to 32.8% in February compared to the previous month.



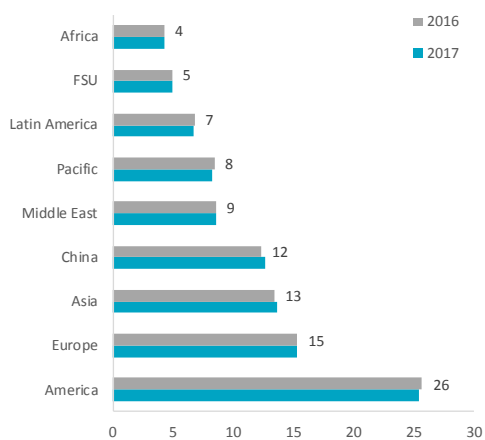
DEMAND

- Global demand for 2018 is expected to increase by 1.60 million barrels/day, to 98.63 million barrels/day, with the highest level of demand -100 million barrels/day - expected to be seen in the fourth quarter of the current year.
- The biggest contribution to the growth in demand may be in the US with levels of 20.44 million barrels/day, OECD Europe countries with 14.33 million barrels/day and China with a demand of 12.73 million barrels/day.
- The records reflect demand in the air transport sector and petrochemical industry, as well as a colder winter and increased demand for fuels as a result of an increase in motor vehicle sales.

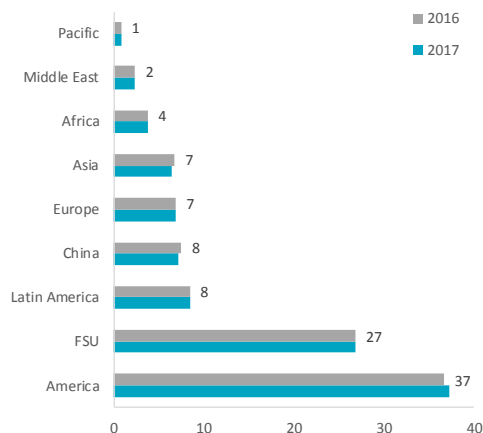


INTERNATIONAL MARKET STRUCTURE

Oil – Demand by Region (%)



Oil – Supply by Region (%)



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OF EXPERIENCE.**



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