

OIL & GAS



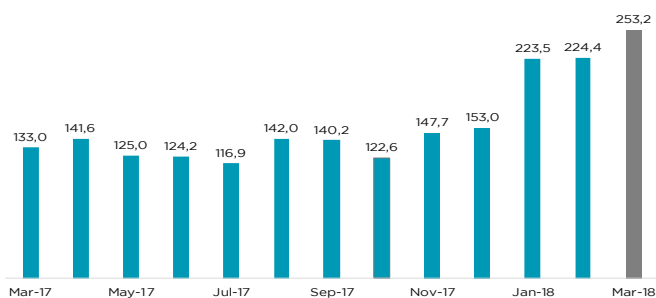
MARKET SUMMARY

- Tension in the Middle East and the possibility of further reductions in Venezuelan production contributed to an increase in the price of crude oil in March. The analysis recorded gains in the price of the commodity of approximately 6% in comparison with February.
- The world oil supply increased by 180 thousand barrels/day in March compared to the previous month, reaching 98.15 million barrels/day. Oil production by the Organization of Petroleum Exporting Countries (OPEC) has declined by 201.4 thousand barrels/day, standing at 31.958 million barrels/day.
- Angolan production decreased by 81.7 thousand barrels/day in March compared to the previous month, standing at 1.524 million barrels/day, the highest reduction within the cartel. Oil revenues collected during the period under review amounted to AOA 253.205 billion.
- Estimated demand for crude oil for 2018 was revised upwards to 98.70 million barrels/day as a result of higher than expected data from Organization for Economic Co-operation and Development (OECD) countries.

ANGOLA

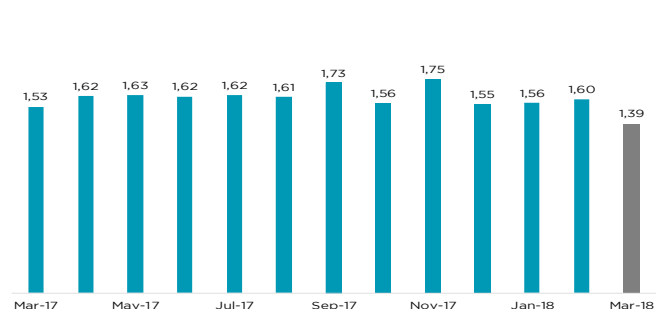
- The recent OPEC report according to secondary sources, shows that national production for March underwent a decline of 81.7 thousand barrels/day compared to the previous month, standing at 1.524 million barrels/day. The reduction for the country represented the sharpest decrease in the cartel.
- The report notes that in February, Angola remained among the top three crude oil suppliers to China, with the Angolan share of imports by China reaching 12%, exceeded by Russia (16%) and Saudi Arabia (14%).
- Oil revenues collected over the third month of 2018 amounted to AOA 253.205 billion, an increase of 13% over the previous month and 90% over the same period of the previous year. This may be a reflection of the increase in prices, despite reductions in quantities. It should be noted that revenues in March represent the highest level since September 2014.

Export of Oil (mn of barrels/day)



Source: Minfin

Average Total Revenue (mn AOA)

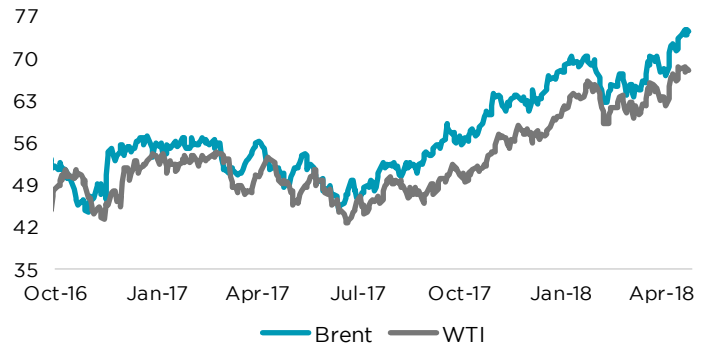


Source: Minfin

PRICE

- According to Bloomberg data, the price of crude oil increased by approximately 6% in the February-March review.
- Tensions in the Middle East and the possibility of further reductions in Venezuelan oil production outweighed the effects of increased US oil production, boosting commodity prices.
- The possibility of the US and its allies intervening in the political and social tension in Syria was one of the main influences in the rise in crude oil prices.
- Brent and WTI appreciated 6.83% and 5.35% in March, compared to the previous month, standing at 70.27 and 64.94 USD/barrel.

Oil Price (USD/barrel)

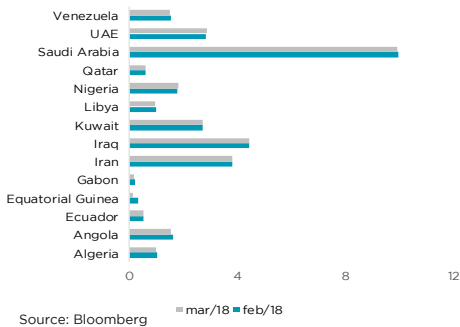


Source: Bloomberg

SUPPLY

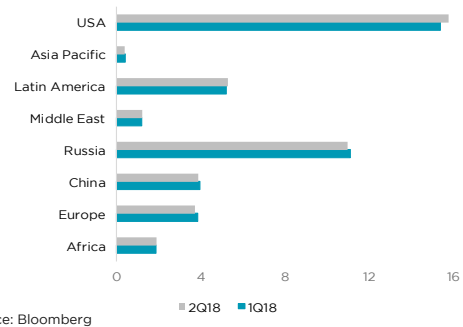
- World oil supply increased by 180 thousand barrels/day in March compared to the previous month, reaching 98.15 million barrels/day. Compared to the same period last year, the increase rose to 2.15 million barrels/day.
- Oil supplies from non-OPEC countries were revised upwards for 2017 and 2018, reaching 57.90 and 59.61 million barrels/day, respectively, as a result of updating of Canadian production data alongside production data above that which was estimated for Russia and the US.
- OPEC oil production fell by 201.4 thousand barrels/day in March to 31.958 million barrels/day, with the highest decreases in production seen in Angola, Venezuela, Algeria and Saudi Arabia. It should be noted that cartel production in the period under review was 2% below the target set by the organization over the production cut-off agreement. OPEC crude oil supply in March accounted for 32.6% of total supply, a decrease of 0.3 p.p. from the previous month.

OPEC (mn barrel/day)



Source: Bloomberg

Non-OPEC (mn barrel/day)

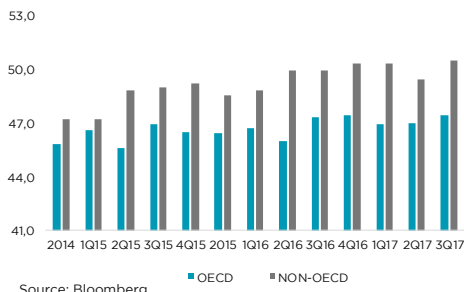


Source: Bloomberg

DEMAND

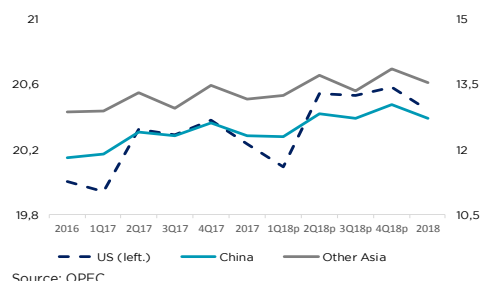
- Global demand for the current year was revised upwards to 98.70 million barrels/day as a result of stronger results than were initially estimated for the OECD countries in the first quarter of 2018. This was sustained by the development of industrial activities, relatively cooler climatic conditions and the intensification of mining activities in OECD America and Asia-Pacific.
- Total crude oil consumption could exceed 100 million barrels/day in 2018, reaching 100.13 million barrels/day in the fourth quarter. It should be noted that in the first quarter of 2018 demand remained unchanged due to a 30 thousand barrels/day increase in some regions of Asia, a result of better than expected demand in the industry and transport sectors, and by the downward revision, of the same magnitude in the Middle East, essentially reflecting the reduction of subsidies to the sector.

Oil Demand (mn barrels/day)



Source: Bloomberg

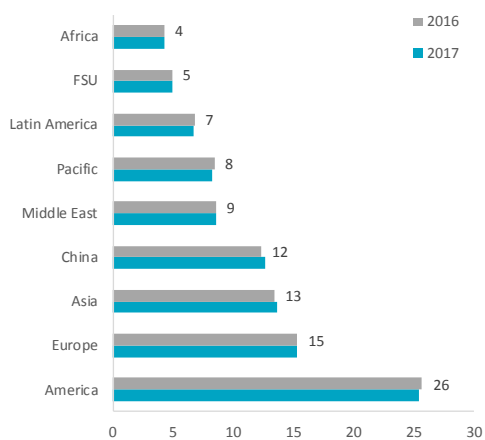
Demand for some countries (mn barrels/day)



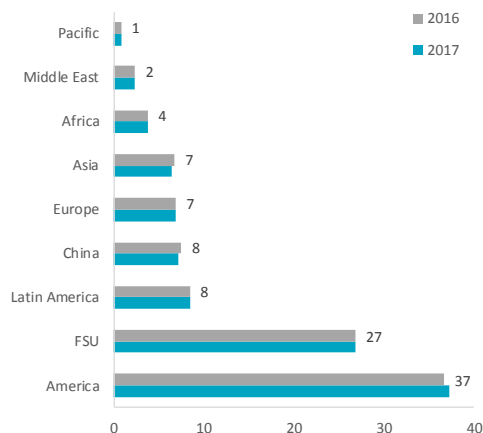
Source: OPEC

INTERNATIONAL MARKET STRUCTURE

Oil – Demand by Region (%)



Oil – Supply by Region (%)



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OF EXPERIENCE.**



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