

# OIL & GAS



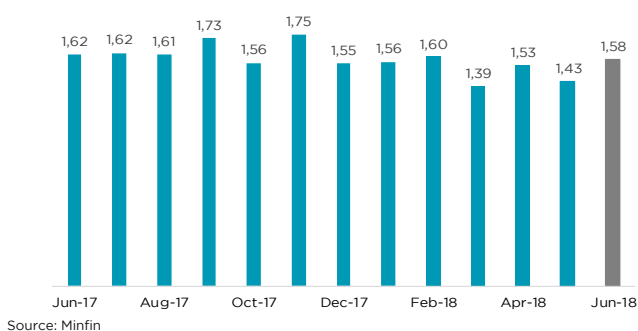
## MARKET SUMMARY

- June showed a positive performance in the oil market despite the OPEC decision to increase oil production by 1 million barrels/day in July. The price of Brent and WTI increased by 2.4% and 10.6%, to 79.44 and 74.15 USD/barrel, respectively.
- Preliminary data released by OPEC show that the world oil supply for June reached 98.01 million barrels/day, corresponding to an increase of 600 thousand barrels/day compared to the previous month. In turn, the estimate for oil demand remains stable, at around 98.85 million barrels/day, the same level estimated in the previous month.
- The Congo Republic became the fifteenth member of OPEC when it was admitted with immediate effect by the Organization at its last meeting on 22 June in Vienna. With a production level above 300 thousand barrels/day, the country is the third largest producer in sub-Saharan Africa. Oil production in Angola stood at 1.431 million barrels/day, the lowest level recorded in 2018, according to OPEC secondary sources.

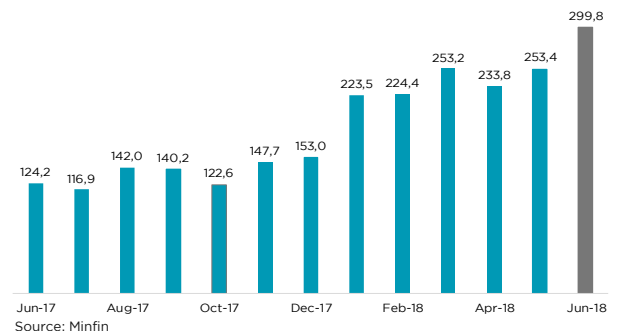
## ANGOLA

- Oil production for June stood at 1.431 million barrels/day, a 5.8% reduction compared to production in May, according to secondary sources in the OPEC report. It should be noted that the decline, which reached 88 thousand barrels/day, corresponds to the second highest level among OPEC members in the period under analysis.
- Oil revenues collected during the sixth month of 2018 amounted to 299.85 billion AOA, an increase of 27.3% over the previous period. The increase in revenues from Revenue from Concessionaires, Petroleum Production Taxes (IPP), and Tax on Petroleum Transactions (ITP), by 66.2%, 20% and 0.2%, respectively, contributed positively to the increase of the amount collected. In turn, the Taxes on the Income of Petroleum (IRP) dropped by 38.2%, during the period under analysis.
- The export level and the average prices of the Angolan branches, in the period referred to, increased by 7.3% and 6.3%, to 1.58 million barrels/day and 75.15 USD/barrel, respectively.

Export of Oil (mn of barrels/day)

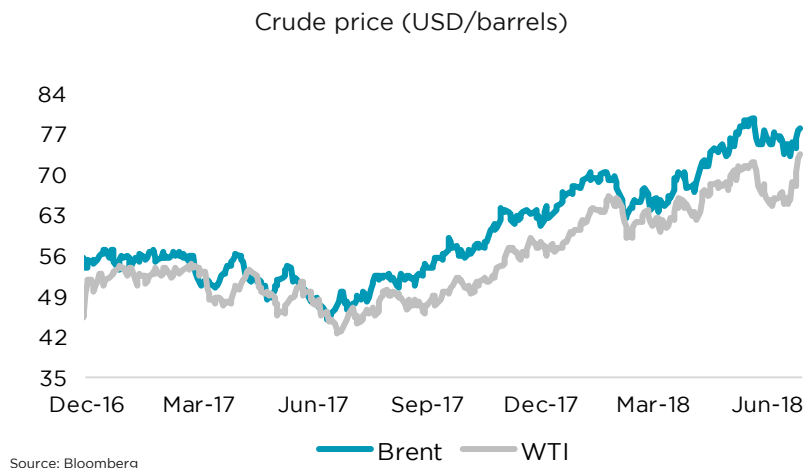


Average Total Revenue (mn AOA)



## PRICE

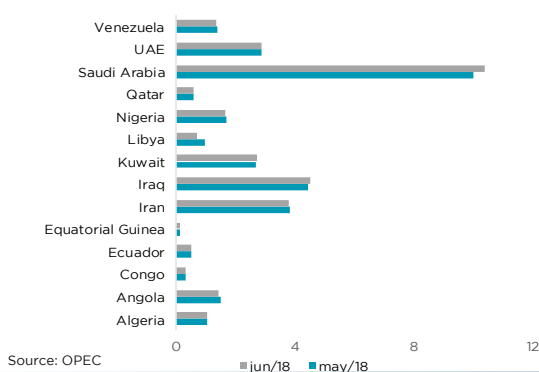
- June showed a positive performance in the oil market despite the OPEC decision to increase oil production by 1 million barrels/day from July.
- The possibility of non-compliance with the new target established by the cartel due to the inability of some members to respond to Donald Trump's request to his allies to stop the import of oil from Iran until 04 November 2018 contributed to the increase of Brent and WTI, from 2.4% and 10.6%, to 79.44 USD/barrel and 74.15 USD/barrel, respectively, according to Bloomberg data.



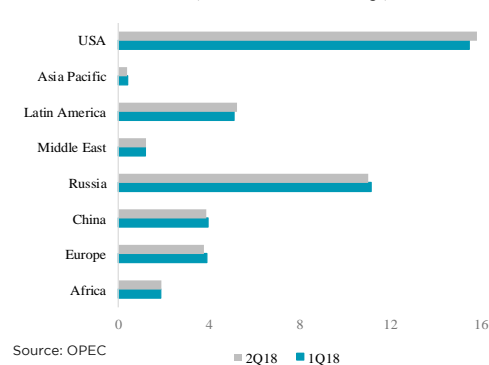
## SUPPLY

- Preliminary data released by OPEC show that the world oil supply for June reached 98.01 million barrels/day, an increase of 600 thousand barrels/day. Contributing to the increase is the upward revision of the oil supply of non-OPEC producing countries to 59.54 million barrels/day, an increase of 180,000 barrels/day compared to the level of production of the previous month, with a greater emphasis on supply by the United States and Russia.
- OPEC oil production, including production in the Republic of Congo, the latest member of the Organization, reached 32.33 million barrels/day, an increase of 173.4 thousand barrels/day compared to May, which essentially reflects the expansion in production by Saudi Arabia, Iraq and the United Arab Emirates by around 405, 72, and 35 thousand barrels/day, respectively. At the same time, the most significant reductions were obtained by production in Libya, Angola and Venezuela, of approximately 254, 88 and 48 thousand barrels/day, respectively. It should be noted that despite the increase in production, OPEC production remains below the cartel target of 32.5 million barrels/day.

OPEC (mn barrels/day)



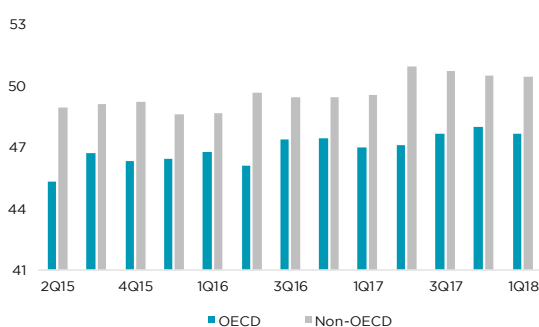
Non-OPEC (mn barrels/day)



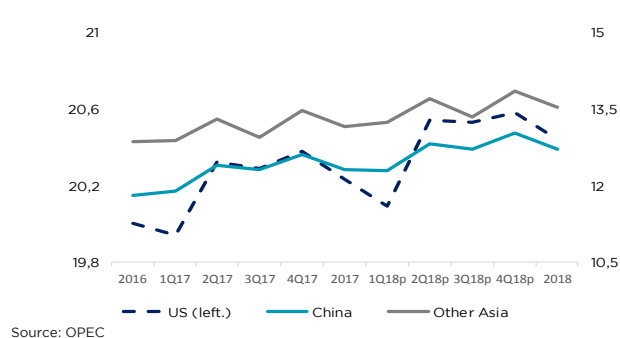
## DEMAND

- Estimated oil demand for the current year stood at 98.85 million barrels/day, the same level projected in the previous month. The combination of the upward revision of OECD member countries and the reduction in consumption in non-OECD countries offset the variation, which has remained in 1.65 million barrels/day. A reduction in world demand in the second quarter of 2018 was estimated as a result of higher commodity prices.
- The new projections point to an increase in demand in 2019, at 1.45 million barrels/day, which will help to overcome the historic barrier of 100 million barrels/day of annual consumption. Demand from OECD member countries is expected to increase by 270 thousand barrels/day, while non-OECD countries are expected to increase demand by 1.18 million barrels/day.

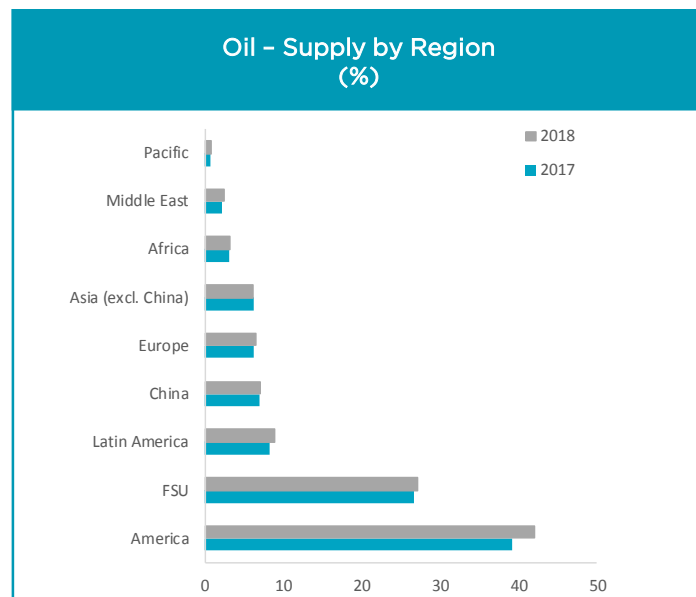
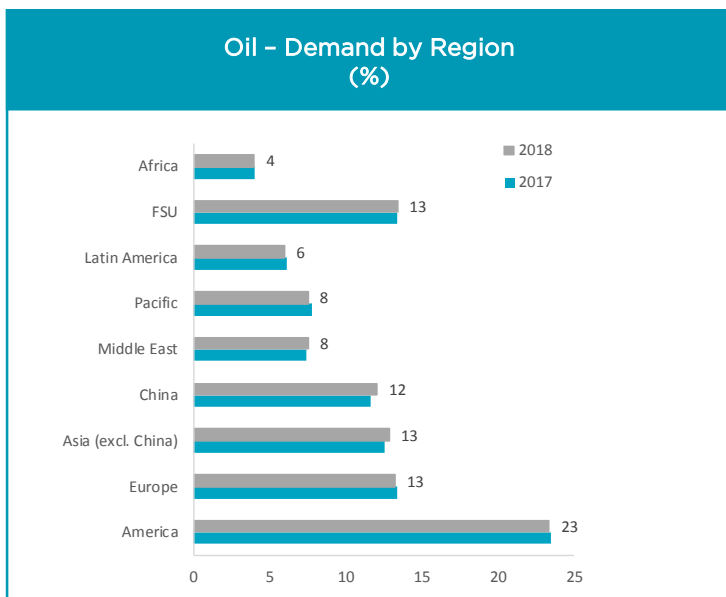
Demand of Oil (mn barrels/dia)



Demand of Some countries (mn barrels/day)



# INTERNATIONAL MARKET STRUCTURE



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OF EXPERIENCE.**



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