

# OIL & GAS



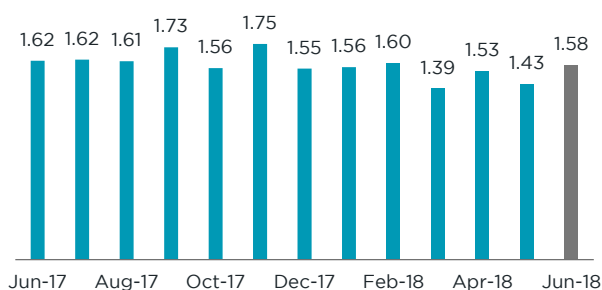
## MARKET SUMMARY

- The Brent price fell 6.5% to 74.25 USD/barrel in July compared to the previous period. On the other hand, the price of WTI shifted from 74.15 USD/barrel in June to 68.76 USD/barrel the following month, a decrease of 7.27%, reflecting the increase in world oil supply.
- Preliminary data released by the Organization of Petroleum Exporting Countries (OPEC) show that world oil supply for July reached 98.53 million barrels/day (mb/d), which corresponds to an increase of 680 thousand barrels/day (tb/d) compared to the previous month. In turn, the estimated demand for the current year was revised downwards from the projections of the previous OPEC report, to an average of 1.64 mb/d with total consumption set at 98.83 mb/d.
- The National Oil and Gas Agency is expected to replace Sonangol as a national concessionaire, a measure taken by Angolan Government in order to restructure the oil sector with the purpose of boosting the sector, increasing the attractiveness and the competitiveness. The process will last till 2020.

## ANGOLA

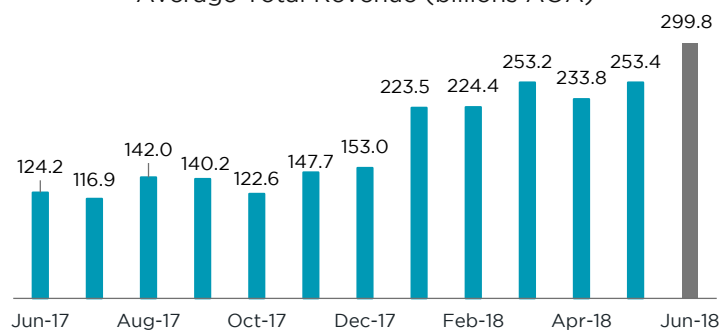
- Oil production reached 1.456 mb/d in July, an increase of 11.7 tb/d compared to the previous month, based on secondary sources in the OPEC report.
- The Government shall transfer the attributions of the national concessionaire of oil sector to the National Oil and Gas Agency. The measure will result in the disaggregation of the current national concessionaire, Sonangol, and is in line with the process of restructuring the sector, which is expected to be completed at 2020. The need to increase competition and competitiveness in the sector in order to boost it and improve the attractiveness, may justify the measure adopted.
- Oil revenues in the first half of 2018 increased 85.4% year-on-year to 1,470.33 billions AOA. In the same period, oil exports reached 273.87 million barrels, a 45% compliance compared to the total forecast for 2018, embodied in the National Development Plan 2018-2022.

Export of Oil (million barrels/day)



Source: Minfin

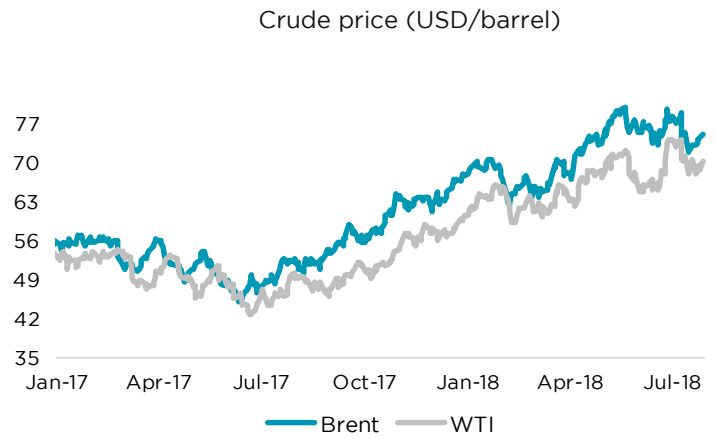
Average Total Revenue (billions AOA)



Source: Minfin

## PRICE

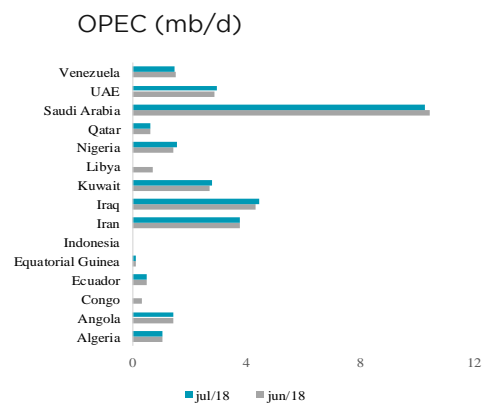
- Brent fell by 6.5% in July from the previous period to 74.25 USD/barrel. On the other hand, the WTI ranged from 74.15 USD/barrel in June to 68.76 USD/barrel the following month, a decrease of 7.27%.
- The increase in OPEC oil production in the period under analysis penalized crude oil prices in the international market. At the same time, the intensification of world trade tensions influenced investor's expectations about the evolution of economies, with an impact on oil prices.



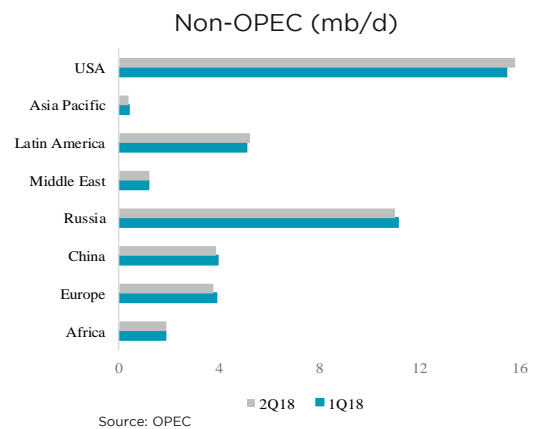
Source: Bloomberg

## SUPPLY

- Preliminary data released by OPEC show that world oil supply reached 98.53 mb/d in July, an increase of 680 tb/d compared to the previous month. During the same period, supply of non-OPEC oil, including OPEC Natural Gas Liquefied (NGLs), rose by 640 tb/d to an average of 66.20 mb/d.
- OPEC oil production in July of the current year reached 32.32 mb/d, an increase of 41 tb/d compared to June, mainly reflecting the expansion in production in Kuwait, Nigeria and The United Arab Emirates of 79 tb/d, 71 tb/d and 69 tb/d, reaching 2.79 mb/d, 1.67 mb/d and 2.96 mb/d, respectively. On the other hand, Libya, Iran and Saudi Arabia recorded the most significant reductions, at about 57 tb/d, 56 tb/d and 53 tb/d, respectively. In the period under review, share of OPEC crude oil to the world oil production decreased by 0.2 p.p., compared to the previous period, to 32.8%.



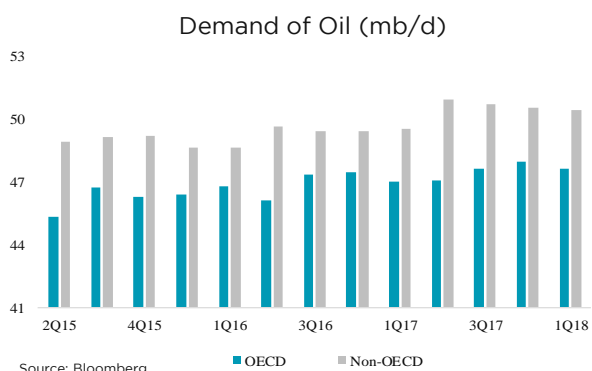
Source: OPEC



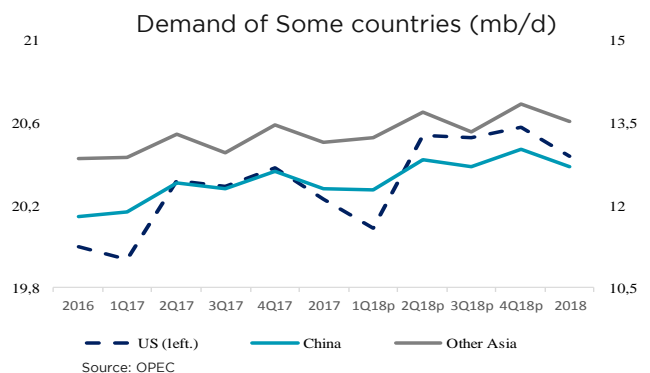
Source: OPEC

## DEMAND

- The estimated demand for 2018 have been revised down from the projections in the previous OPEC report, by 20 tb/d to an average of 1.64 mb/d. The revision was based on the reduction in demand in Latin America and the Middle East, in the second quarter. The upward revision of Organization Economic Cooperation and Development (OECD) members' demand by 60 tb/d in the first half of 2018 has helped to alleviate a further decline in total demand. The Demand for 2018 should reach 98.83 million barrels/day.
- The Demand growth projection for 2019 was revised to 1.43 million barrels/day, a reduction of 20 tb/d compared to June, without, however, compromising the reach of the psychological barrier of 100 mb/d in the next year. The Consumption in 2019 is expected to reach 100.26 mb/d.

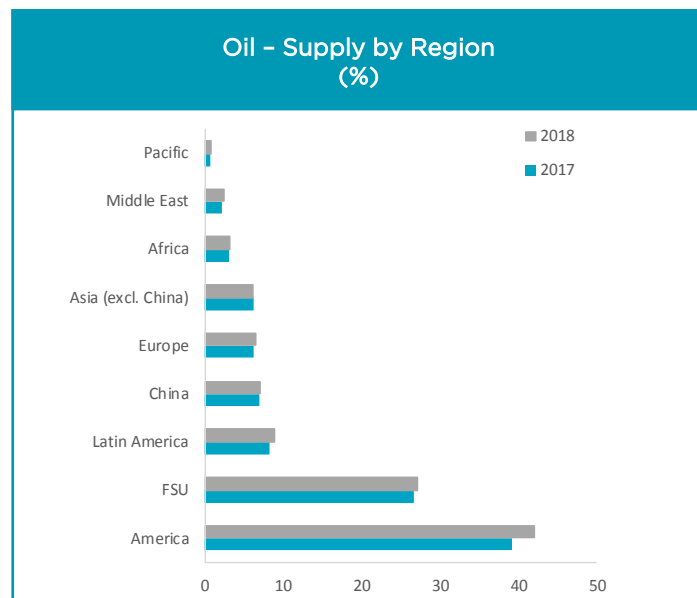
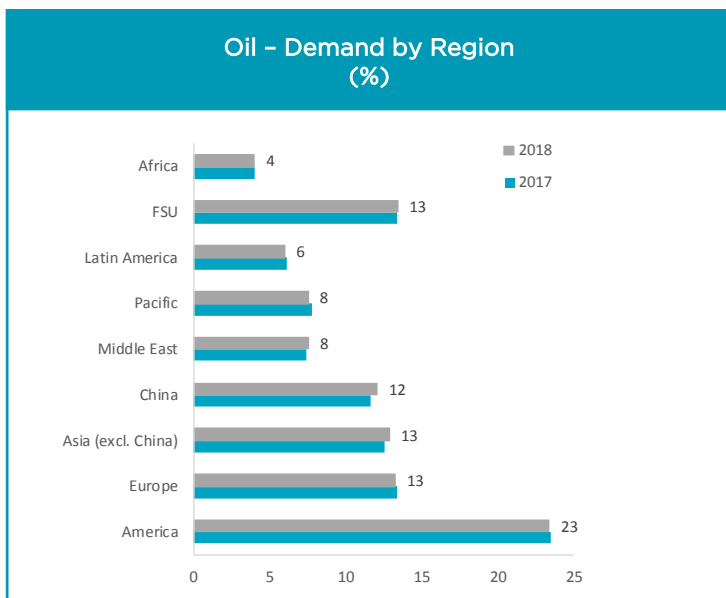


Source: Bloomberg



Source: OPEC

# INTERNATIONAL MARKET STRUCTURE



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