

OIL & GAS



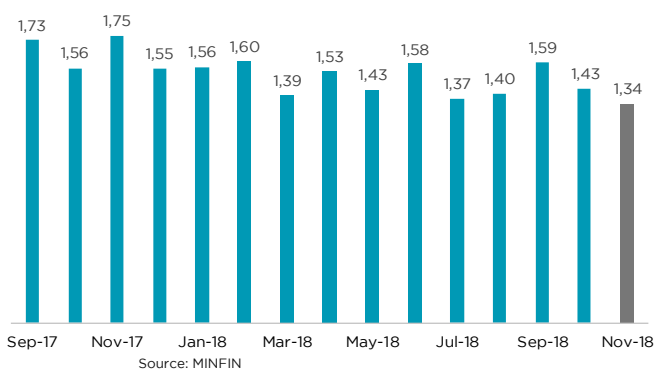
MARKET SUMMARY

- International crude oil prices fell significantly in November. Brent and WTI reached 58.71 and 50.93 USD/barrel, down by 22.21% and 22.02%, respectively. Expectations of excess oil supply in the market has adversely affected the commodity price.
- The Organization of Petroleum Exporting Countries (OPEC) and Russia have agreed to a reduction in the oil supply from January 2019 in order to rebalance the market and boost prices. The new agreement will have an initial period of six months, and is expected to use up about 1.2 million barrels per day, with OPEC members expected to contribute to a reduction estimated at 800 thousand barrels/day and non-members with 400 thousand barrels/day, including Russia. The measure is not expected to affect production in Libya, Venezuela and Iran.
- The OPEC agreement to cut production is expected to lower output by around 47 thousand barrels/day in oil production in October, which should result in a production from 2019 of approximately 1.428 million barrels/day from primary sources.

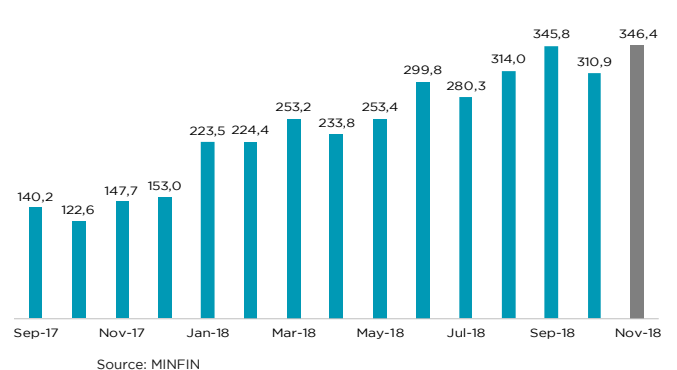
ANGOLA

- According to OPEC secondary sources, oil production in November stood at 1.521 million barrels/day, an increase of 3 thousand barrels/day compared to the previous period. However, if we analyze production in terms of primary sources there was a reduction of 40 thousand barrels/day, to 1.417 million barrels/day.
- The OPEC agreement to cut production is expected to result in a drop in production of approximately 47 thousand barrels/day in October, which from 2019 should result in production of approximately 1.481 million barrels/day from primary sources.
- The OPEC Secretary General visited Angola from December 16 to 19 and was positive with regard to the process of restructuring the country's oil sector at a time when the oil company ENI, has made new discoveries in Block 15/06, with a potential production of up to 200 million barrels. The company expects to start operating from 2019.

Oil Export (mn of Barrels/day)

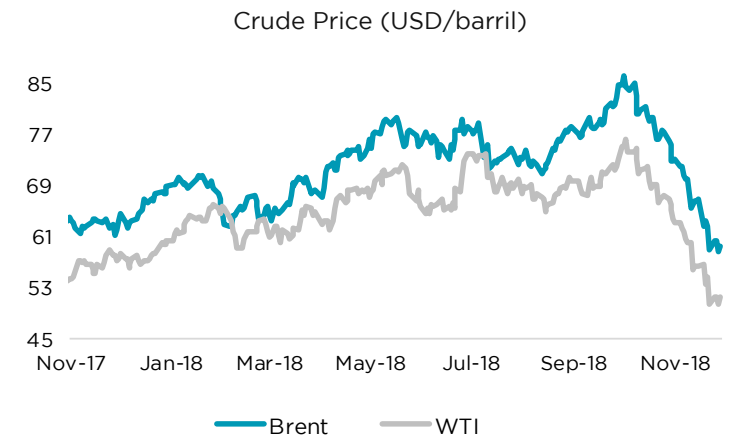


Total Revenue (mn AOA)



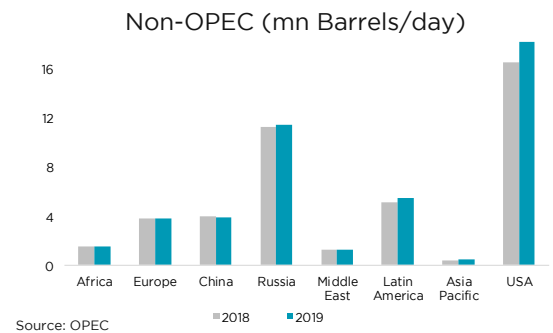
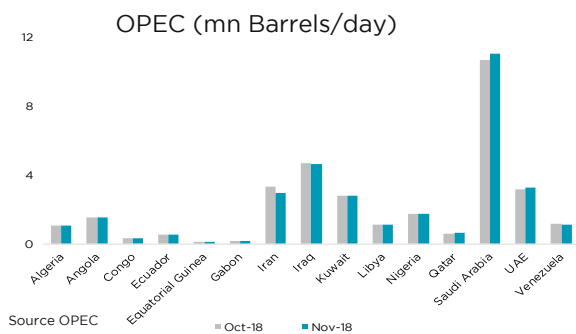
PRICE

- International crude oil prices fell sharply in November, with falls only eclipsed by the contraction of approximately 30% registered at the beginning of the 2008 subprime crisis.
- The effective imposition of US sanctions on Iran on 5 November, which however allowed for exemptions for large importers such as China and India, combined with the increase in US crude oil reserves, contributed to price performance.
- Brent and the WTI reached 58.71 and 50.91 USD / barrel, reductions of 22.21% and 22.02%, respectively.



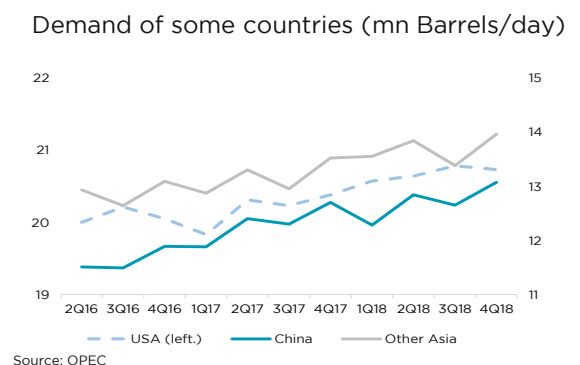
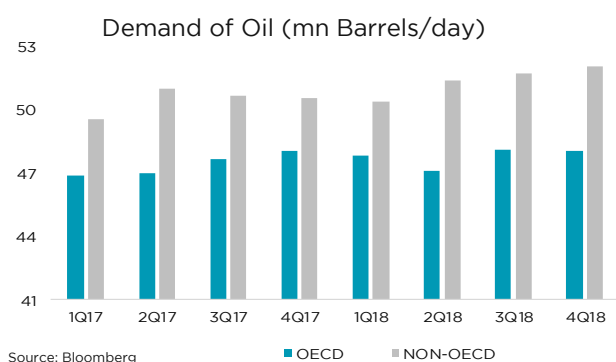
SUPPLY

- OPEC and Russia agreed to a reduction in oil supply from January 2019 in order to rebalance the market and boost prices. The new agreement will comprise an initial period of six months, and is expected to use up about 1.2 million barrels/day, with OPEC members expected to contribute to a reduction estimated at 800 thousand barrels/day and non-members with 400 thousand barrels/day, including Russia. The measure should not affect production in Libya, Venezuela and Iran.
- Non-OPEC country oil supply has been revised up to an additional 190 barrels/day, and is expected to grow by 2.5 million barrels/day to an average of 60.03 million barrels/day, reflecting the situation in Canada and the USA. It is noteworthy that in the period in question, according to data from the International Energy Agency, the US became a net exporter of oil, a situation not seen since 1991.
- According to data from secondary sources, the period under analysis was characterized by a reduction in OPEC oil production by approximately 11 thousand barrels/day from the previous month, to a total of 32.9 million barrels/day. Saudi Arabia stood out as production increased by 377 thousand barrels/day at a time when Iran saw a reduction of 380 thousand barrels/day.

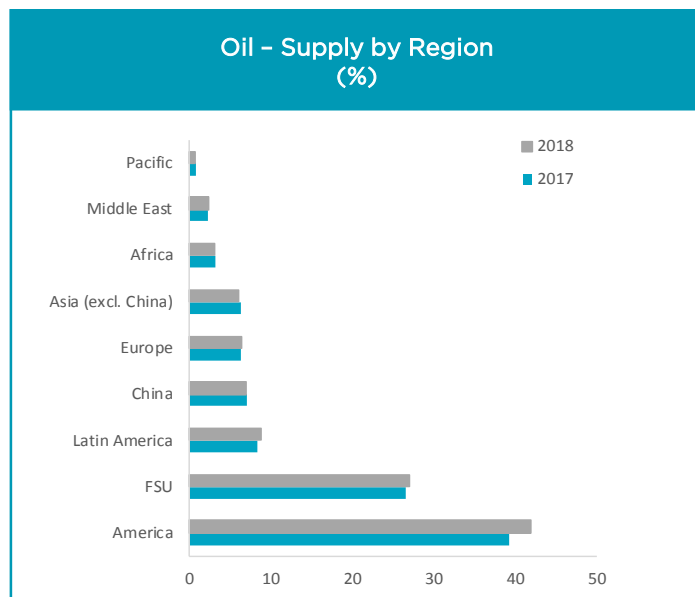
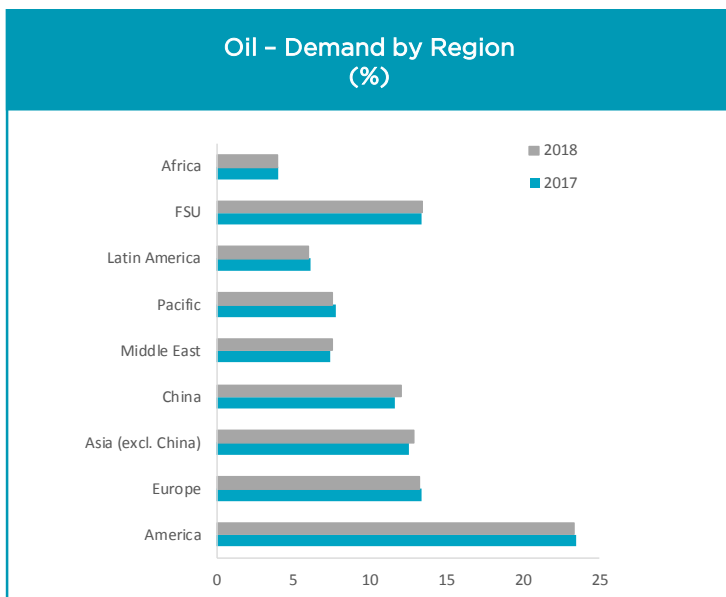


DEMAND

- Estimates of increased world demand for the raw material for 2018 remained at 1.50 million barrels/day compared to the previous year, with an average consumption of 98.79 million barrels/day. Economic growth prospects for the Organization for Economic Co-operation and Development (OECD) countries remained unchanged, with the countries of the Americas being the main drivers. Similarly, demand from non-OECD countries will be driven by consumption in Asian countries.
- Projections for 2019 oil demand show a growth of 1.29 million barrels/day to an average of 100.08 million barrels/day, equivalent to estimates in the previous month. Demand projections will be supported by 250 thousand barrels/day from OECD member countries, while non-OECD countries are expected to support demand by 1.04 million barrels/day.



INTERNATIONAL MARKET STRUCTURE



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