

OIL & GAS



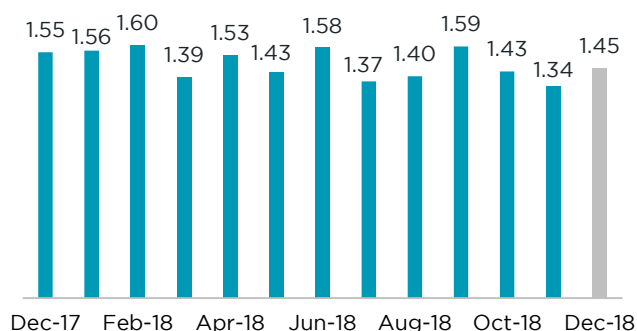
MARKET SUMMARY

- The oil market showed greater volatility throughout 2018 compared to the previous year, with the closing price of Brent set at 53.08 USD/barrel. In this period, the highest price stood at 86.29 USD/barrel and the lowest at 50.47 USD/barrel.
- Trade tensions between the United States and China, the more moderate outlook for world economic growth, such as the appreciation of the dollar and geopolitical risks, have overridden the Organization of the Petroleum Exporting Countries' efforts to limit oil production to eliminate excess production and to boost the value of the commodity.
- According to OPEC secondary sources, Angolan oil output averaged 1.507 million barrels/day, representing a 7% reduction over the same period last year. Meanwhile, according to Ministry of Finance data, the volume exported in the last year stood at 536.83 million barrels/barrels, a drop of 10% over the previous year. At the same time, the price and the total amount collected followed an opposing trend.

ANGOLA

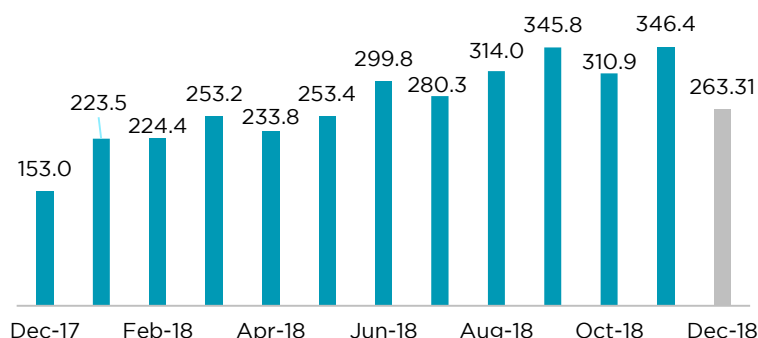
- Oil revenues collected in 2018 amounted to Akz 3,330.89 billion, more than twice the amount paid of Akz 1,615.72 billion in 2017, reflecting positive developments in the average price of Angolan crude, from 52.03 USD/barrel to 70.34 USD/barrel as well as depreciation in the national currency. It should be noted that the revenues obtained exceeded the amount originally estimated in the State Budget for the period under analysis by 38%.
- According to OPEC secondary sources, oil production reached an average of 1.507 million barrels/day, representing a reduction of 7.8% over the previous period. The exported volume subsequently decreased by 11% to 536.83 million barrels/day.
- The International Monetary Fund warns that the 14% reduction in oil price forecast for the current year which is expected to reach 58.95 USD/barrel, will significantly hamper the performance of the economies of sub-Saharan Africa, most notably Angola and Nigeria.

Oil Export (mn of Barrels/day)



Source: MINFIN

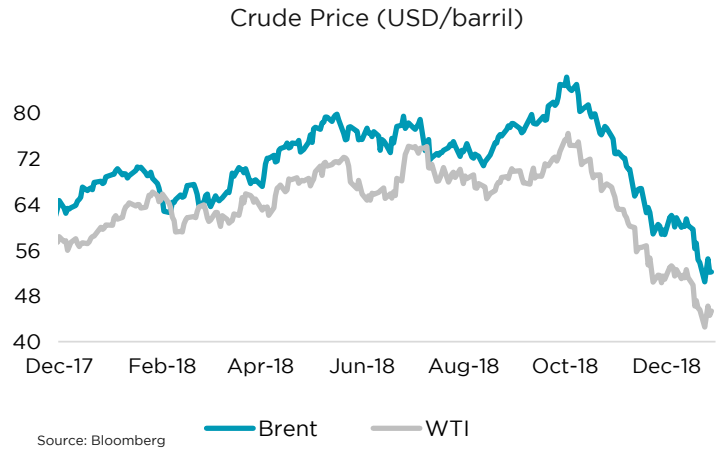
Total Revenue (mn Akz)



Source: MINFIN

PRICE

- 2018 was seen as negative for the oil market, as the international price of crude oil closed below 65 USD/barrel. Brent and WTI stood at 53.80 and 45.41 USD/barrel, representing a reduction of 19.55% and 24.84%, respectively.
- The negative performance reflects trade tensions between the US and China, increased US oil production, more moderate prospects for world economic growth, geopolitical risks and the appreciation of the dollar, which have outweighed the effects of the OPEC production agreement with a view to boosting the price of the commodity.



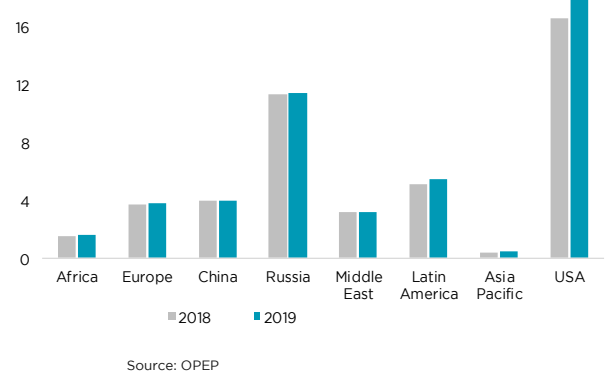
SUPPLY

- Oil supplies from non-OPEC countries increased by 2.61 million barrels/day in 2018, reaching an average of 62.06 million barrels/day. The current level reflects an upward revision of 50 thousand barrels/day from the previous report, driven by adjustments in historical production data from the US, Canada, Russia and China. By 2019, supply should reach 64.16 million barrels/day, an increase of 2.10 million barrels/day, with the US, Brazil, Russia, the United Kingdom, Australia and Ghana as the main drivers.
- OPEC oil supply reached 31.86 million barrels/day in 2018, decreasing by 150 thousand barrels/day compared to the same period last year. The performance reflects sharp reductions in production in Venezuela, Iran and Angola.
- The global supply in the last year reached 98.90 million barrels per day, representing an increase of 3.42 million barrels/day. It should be noted that in the fourth quarter the supply of crude oil reached 100.31 million barrels/day.

OPEC (mn Barrels/day)



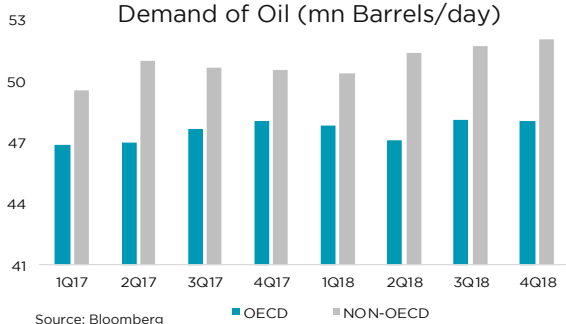
Non-OPEC (mn Barrels/day)



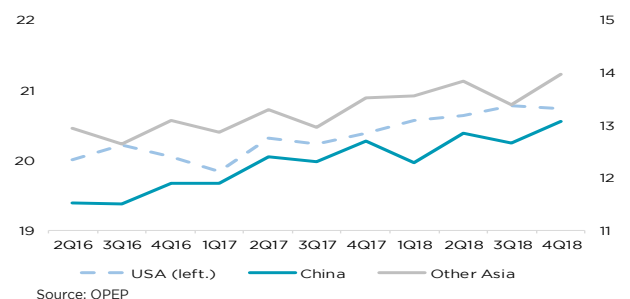
DEMAND

- World consumption in 2018 reached 98.78 million barrels/day, representing an increase of 1.50 million barrels/day in relation to the previous year.
- By 2019, oil consumption is expected to grow by 1.29 million barrels/day, with demand from countries belonging to the Organization for Economic Co-operation and Development (OECD) growing by 250 thousand barrels/day and non-OECD by 1.04 million barrels/day.
- It should be noted that the economic slowdown in some countries such as is the case of China, has contributed to moderation in the growth of oil demand. On the other hand, OPEC demand for crude oil is estimated to be reduced by 900 thousand barrels/day in 2019 to an average of 30.8 million barrels/day.

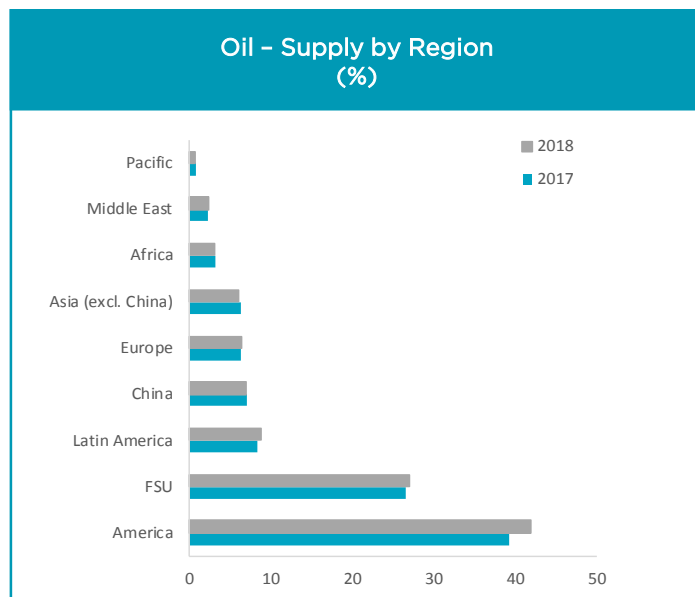
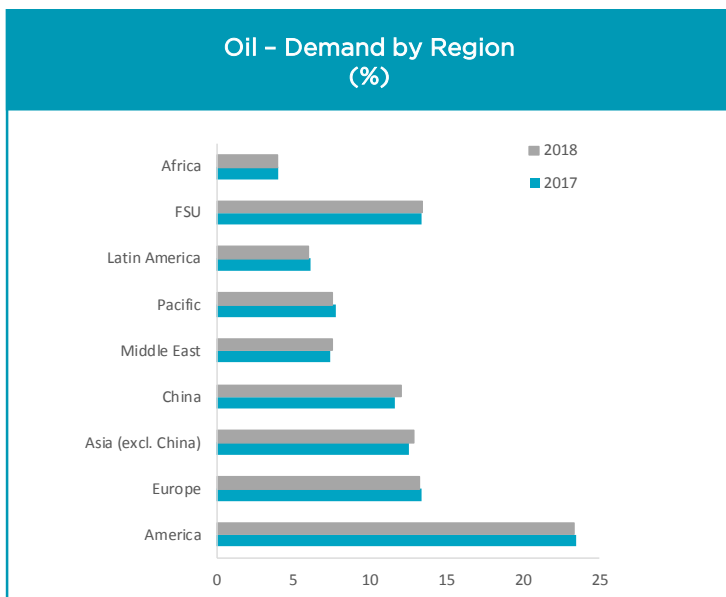
Demand of Oil (mn Barrels/day)



Demand of some countries (mn Barrels/day)



INTERNATIONAL MARKET STRUCTURE



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WITH 20 YEARS
OF EXPERIENCE.**



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