

OIL & GAS



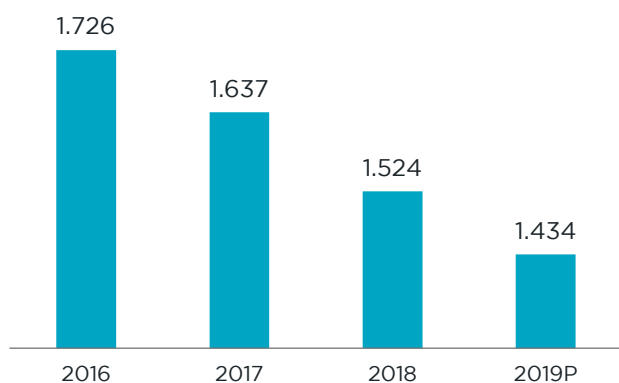
MARKET SUMMARY

- The price of crude oil has continued to rise since the beginning of the current year, with the Brent price having exceeded 70 USD/barrel in April. The performance reflects investor fears of renewed geopolitical risk in major producing countries.
- Oil supply stood at 98.82 million barrels/day in April representing a reduction of 70 thousand barrels/day compared to the previous month, with the Organization of Petroleum Exporting Countries (OPEC) recording production of 30.03 million barrels/day. At the same time, global oil demand is expected to average 99.94 million barrels/day over the course of the current year.
- The Revised State Budget Proposal (2019) foresees daily production of 1.43 million barrels representing a reduction of 9% compared to the level estimated in the 2019 State Budget. It should be noted that the proposal was submitted for approval by the National Assembly on 7 May.

ANGOLA

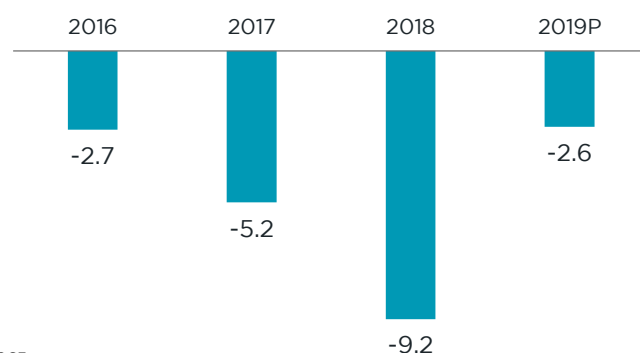
- The proposal for the Revised State General Budget (2019), submitted to Parliament on May 7, forecasts oil production of 1.43 million barrels/day in the current year representing a downward revision of 9% compared to the level estimated in the 2019 State Budget. Expected performance reflects the current situation in the sector. It should be noted that the discovery of new oil wells is not reflected in the production level forecasts.
- The Government also proposes to reduce the benchmark price of Angolan wells from 68 USD/barrel to 55 USD/barrel. Consequently, oil revenues are expected to be 3,567.6 billion AOA, a downward revision of 33%. In terms of percentage of GDP, oil revenues are expected to decrease from 15.3% to 11.5%.
- A contraction of 2.6% in 2019 is foreseen within the oil sector, a recovery from the negative variation of 9.2% in the previous year.

Oil Production (million barrels / day)



Source: MINFIN

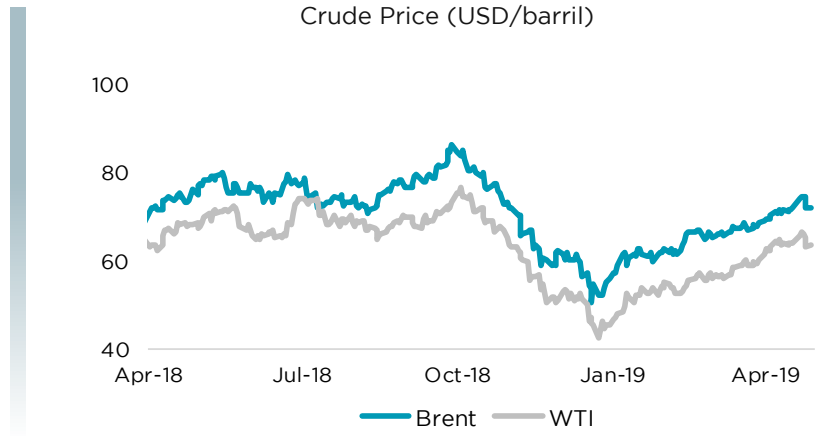
Oil Sector Growth



Source: OGE

PRICE

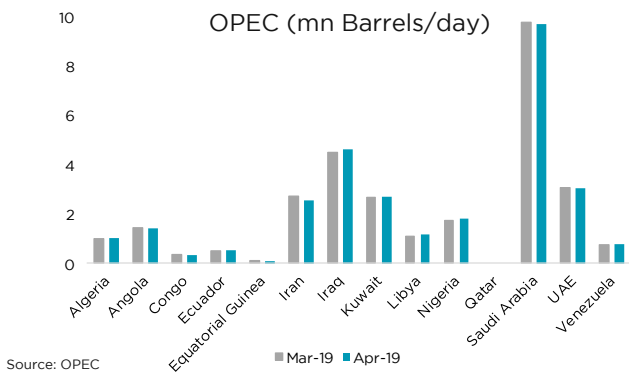
- The price of crude oil has continued to follow an upward trajectory since the beginning of the current year, reaching its highest level in the last six months.
- The performance reflects investor fears as a result of a disruption in oil supply due to renewed geopolitical risks in major producing countries.
- Brent settled at 72.80 USD/barrel in April, which corresponds to a 6.45% increase over the previous period, while the WTI increased by 6.27% to 63.91 USD/barrel.



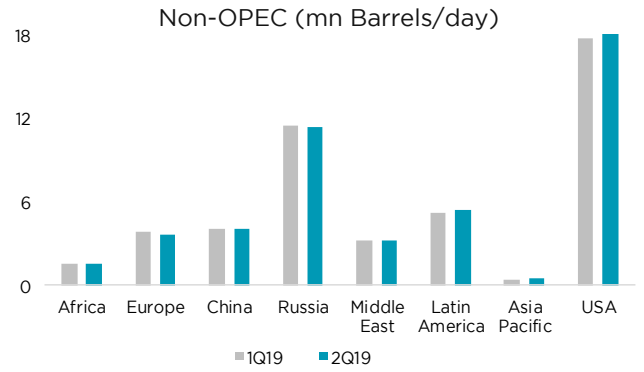
Source: Bloomberg

SUPPLY

- Oil supply stood at 98.82 million barrels/day, in April representing a reduction of 70 thousand barrels / day compared to the previous month. Supply from non-OPEC countries is expected to reach an average of 64.52 million barrels per day over the course of the current year, an increase of 2.14 million barrels per day, most notably from the USA, Brazil, Russia, Australia and the United Kingdom.
- According to secondary sources, OPEC oil production for April stood at 30.031 million barrels/day, a monthly reduction of 3 thousand barrels/day. The performance mainly reflects reductions in Iran (-164 thousand barrels/day), Saudi Arabia (-45 thousand barrels/day) and Angola (-41 thousand barrels/day) offers, which balanced the outputs of Iraq (113,000 barrels per day), Nigeria (92 thousand barrels/day) and Libya (71 thousand barrels/day).
- During the period under review, OPEC production maintained levels of 30.4% of the global supply, compared to the previous period.



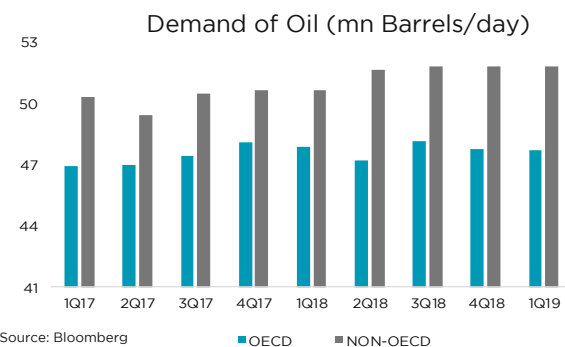
Source: OPEC



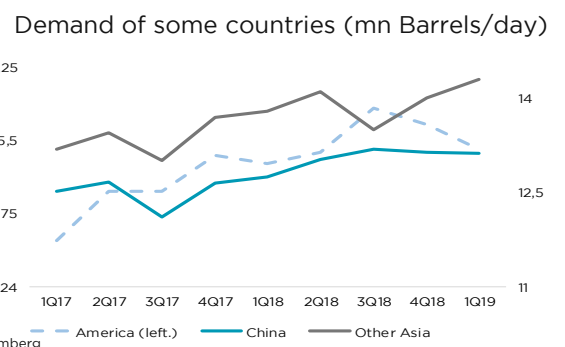
Source: OPEC

DEMAND

- According to OPEC data, world oil demand is expected to reach an average of 99.94 million barrels/day over the course of the current year, an increase of 1.21 thousand barrels/day compared to 2018.
- According to data from the International Energy Agency, demand from countries belonging to the Organization for Economic Cooperation and Development (OECD) is expected to increase by 200 thousand barrels/day. Demand in non-OECD countries may increase by 1.1 million barrels/day, with China and India highlighted.
- Over the course of 2019 OPEC demand for oil is estimated at 30.6 million barrels/day, a reduction of 1 million barrels/day compared to the figures for 2018. The reduction of 3.2% will result from an increase in supply from producers outside of the cartel, with particular emphasis on the USA.

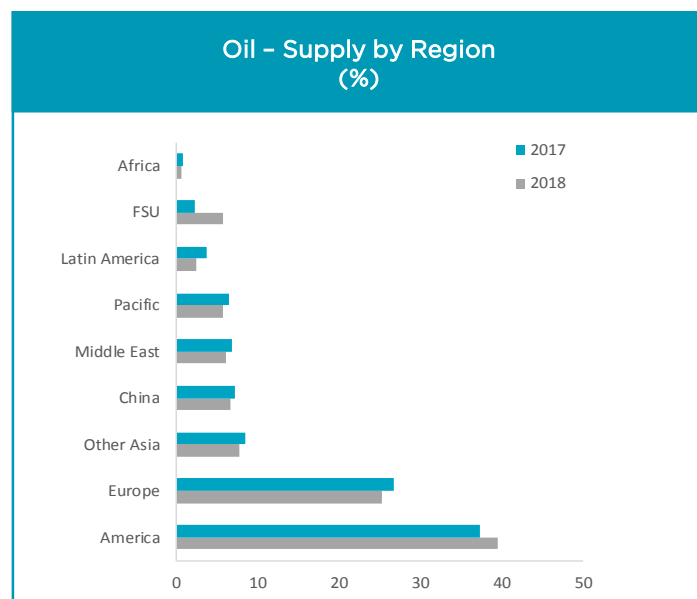
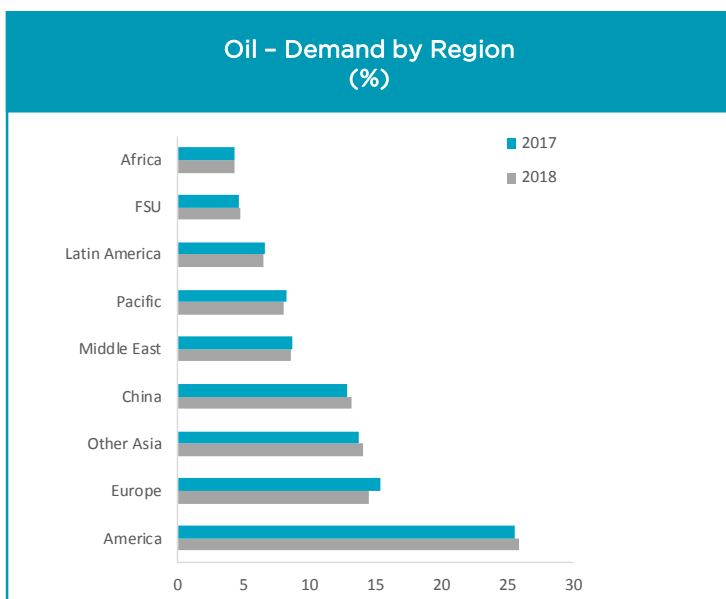


Source: Bloomberg



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