

## OIL & GAS



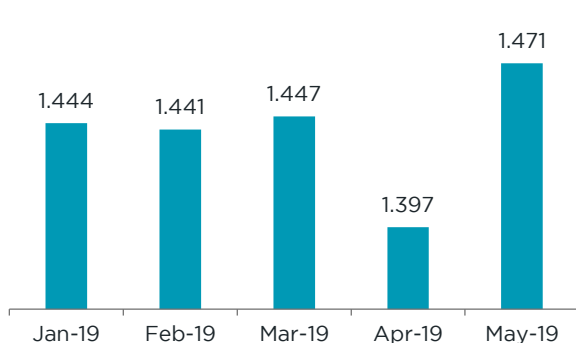
### MARKET SUMMARY

- The difference between supply and demand for crude oil coupled with expectations of global economic growth has influenced international quotations for the raw material. As a result, in May, the price of crude registered the largest contraction since the penultimate month of 2018.
- Crude output stood at 98.26 million barrels/day in May, representing a monthly increase of 40 thousand barrels/day compared to the previous month. The Organization of Petroleum Exporting Countries (OPEC) contributed approximately 30.4% of global production while world oil demand could reach 99.86 million barrels/day over the course of the current year.
- Oil tax revenues recorded the second consecutive contraction in May, standing at 264.371 billion Kz, with the impact of the price effect mitigating the effects of production. It should be noted that the national oil production level stood at 1.471 million barrels per day, the second highest level in Sub-Saharan Africa after Nigeria, which registered production of 1.733 million barrels/day.

### ANGOLA

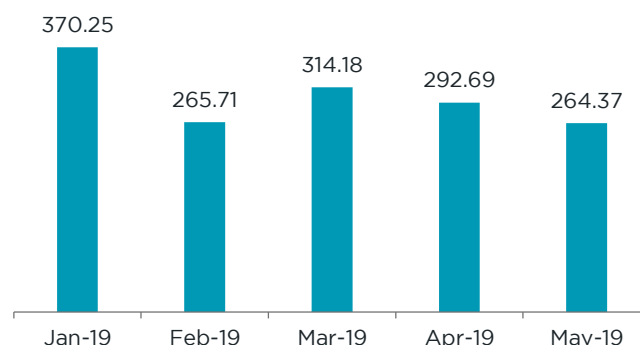
- Oil production registered a monthly increase of 74 thousand barrels/day, reaching 1.471 million barrels/day in May. The record represents the largest amount produced since December 2018, when figures stood at 1.484 million barrels/day, according to secondary sources quoted by OPEC.
- The quantity of crude supplied in May of 10 thousand barrels/day represents a lower level than the production estimate agreed with OPEC and an increase of 37 thousand barrels/day compared to the average production forecast in the Revised State General Budget for 2019.
- Oil tax revenues for May stood at 264.371 billion Kz in May, a year-on-year increase of 12% and a monthly reduction of 10%. The monthly performance reflects the reduction of 9.5% in oil exports to 1.3 million barrels/day, mitigating the impact of the crude oil price increase of 7.5% to 70.87 USD/barrel in the month of May.

Oil Production (million barrels / day)



Source: OPEC

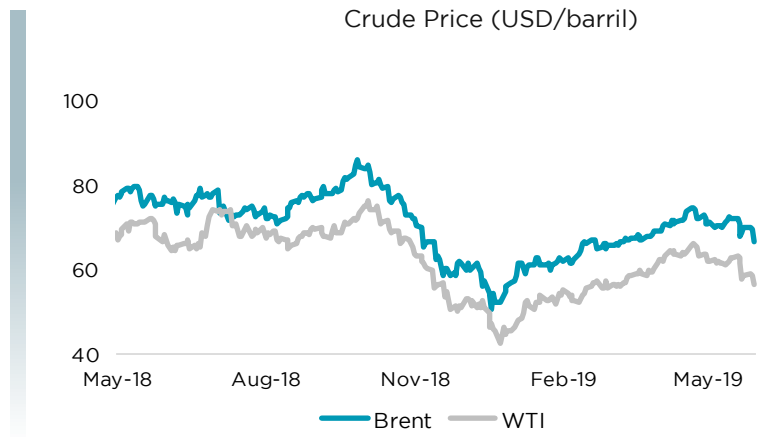
Oil Revenues, Bilion Kz



Source: MINFIN

# PRICE

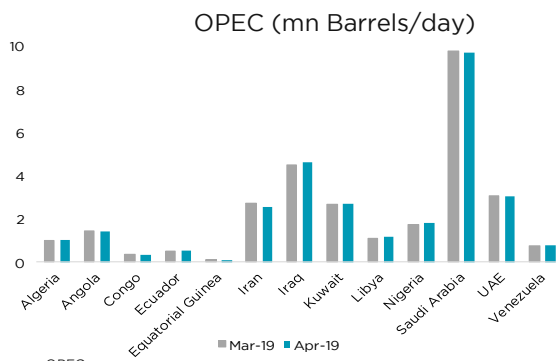
- The price of crude fell in May, showing the largest monthly reductions since November 2018.
- The reduction in international crude oil prices reflects investor perspectives of moderating global economic growth, influenced by trade tension between the US and China, coupled with the increase in US oil production.
- Brent stood at 64.49 USD/barrel, corresponding to a monthly decrease of 11.41%, and the WTI fell by 16.29% to 53.5 USD/barrel



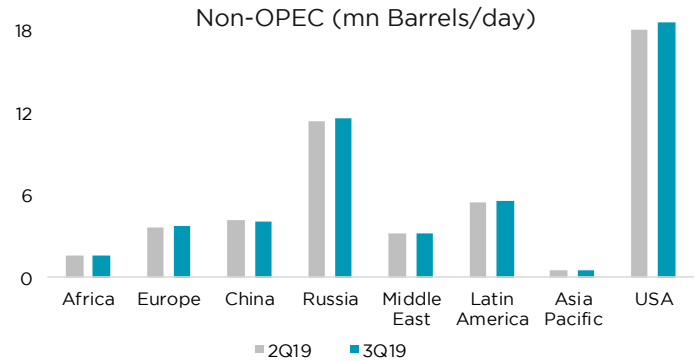
Source: Bloomberg

# SUPPLY

- Oil production stood at 98.26 million barrels/day in May, a monthly increase of 40 thousand barrels/day. Non-OPEC countries could register an average production of 64.51 million barrels/day in 2019, a year-on-year increase of 2.14 million barrels/day, with the largest increases of 14.5% and 11.01% forecast for Asia Pacific countries and the US, reaching 470 thousand barrels/day and 18.5 million barrels/day, respectively.
- In May OPEC members contributed with a production level of 29.876 million barrels/day, a contraction of 236 thousand barrels/day, compared to the previous month. Among the 14 OPEC member countries, the highest increases were 94, 74 and 23 thousand barrels/day, to 4.724, 1.471 and 0.211 million barrels per day, for Iraq, Angola and Gabon in each case. On the other hand, the largest reductions of 227, 92 and 76 thousand barrels per day, to 2.370, 1.733 and 9.690 million barrels/day were registered in Iran, Nigeria and Saudi Arabia, respectively.



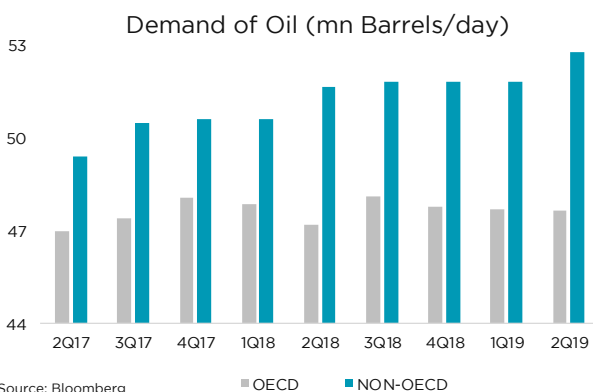
Source: OPEC



Source: OPEC

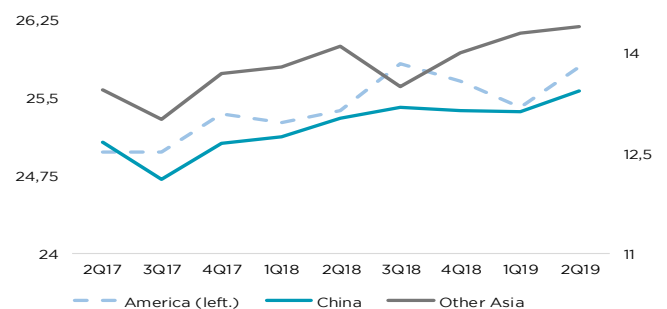
# DEMAND

- Crude oil consumption could reach 99.86 million barrels/day in 2019, an increase of 1.14 million barrels/day over the previous year. The record could reflect the increase in demand in China, the US and India, with variations of 350, 220 and 190 thousand barrels/day, standing at 13.06, 20.95 and 4.92 million barrels/day, in each case. However, reductions may be recorded in the countries of the Organization for Economic Cooperation and Development (OECD) Europe and Asia Pacific, with reductions of 20 and 60 thousand barrels/day, to 14.29 and 7.93 million barrels/day, respectively.
- The IEA expects demand to rise by 1.3 million barrels/day, to 100.4 million barrels/day by 2019.



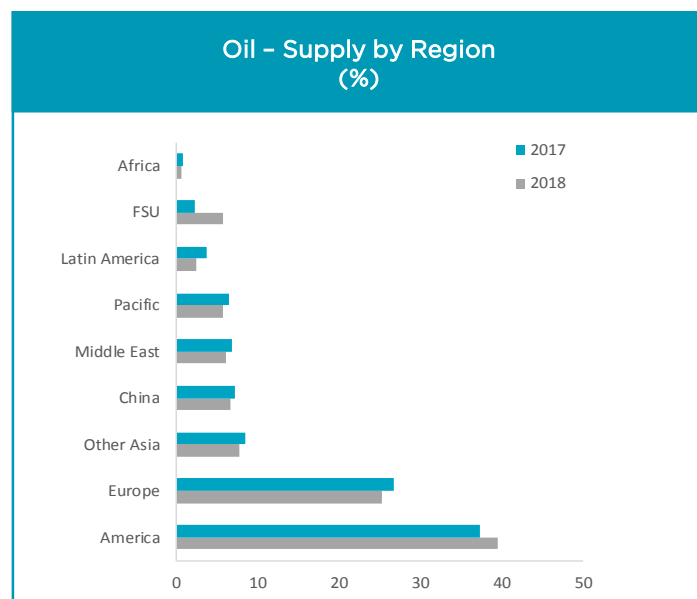
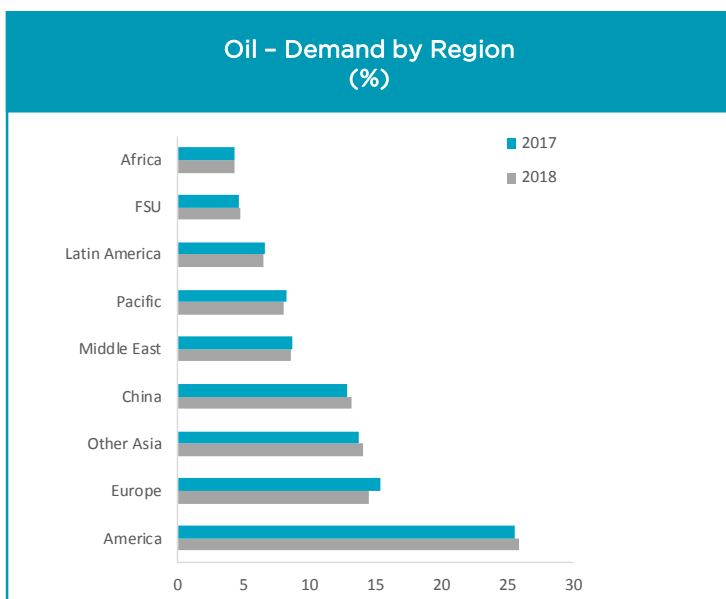
Source: Bloomberg

Demand of some countries (mn Barrels/day)



Source: Bloomberg

# INTERNATIONAL MARKET STRUCTURE



**A BANK BORN  
WITH 20 YEARS  
OF EXPERIENCE.**



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