



# OIL & GAS

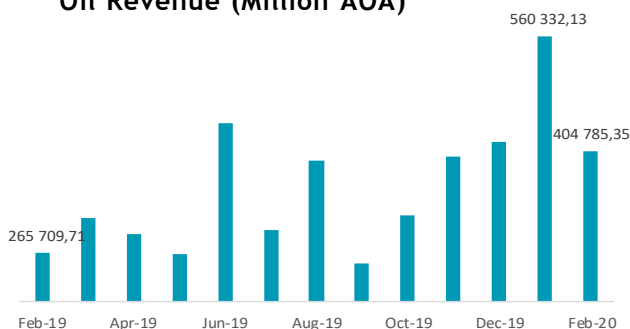
## MARKET SUMMARY

- February was characterized by an ongoing downward trend in the international crude price, which may continue over the next few months. It is worth noting that the Brent quotation for March declined by approximately 25% in a single session (March 9), the highest daily decline in the last 30 years.
- The Organization of Petroleum Exporting Countries has lowered oil demand growth estimates due to the prospects of a downturn in the world economy and the spread of COVID-19. At the same time, February saw a reduction on global supply of 290 thousand barrels/day.
- Angolan oil production data, based on secondary sources, reveal that the country produced 1.390 million barrels/day during the second month of the current year. Although the level represents an increase of 15 thousand barrels/day, the quantity is below the average level established in the 2020 State Budget.

## ANGOLA

- Oil revenue collected during the first two months of 2020 stood at 965.117 billion Kz, representing an increase of 52% over the same period in 2019. The performance may reflect the 14% increase in average price, to 65.23 USD/barrel, which cancelled out the effect of a 3% reduction in the exported amount, reaching 85.893 million barrels. It is noteworthy that in terms of contribution on revenue, approximately 37% of the amount collected came from Block 17. On the other hand, Block 04/05 obtained the highest price, with each barrel quoted at 66.94 USD.
- Tax revenue raised by the Concessionaire was set at 663.130 billion Kz, while tax on oil production stood at 38.439 billion AOA.
- According to secondary sources consulted by OPEC, national oil production in February stood at 1.39 million barrels/day, corresponding to an increase of 15 thousand barrels/day compared to the previous month,. The country occupied second place in the ranking of highest African producer, behind Nigeria which produced 1.760 million barrels/day. This represents a monthly increase of 29 thousand barrels/day.

**Oil Revenue (Million AOA)**



Source: Minfin

**Oil Production (Mbl/d)**

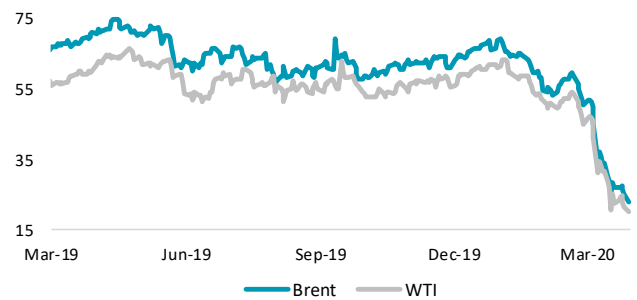


Source: OPEC, Secondary Source

## PRICE

- February was a negative month for the oil market, with the Brent share price dropping around 24.1% in a single session (March 9), the biggest daily decline in the last 30 years.
- The reductions recorded during the period under analysis reflect the decline in economic activity in certain countries due to the spread of COVID-19, which adversely affected the demand for raw materials.
- The Brent price was set at 50.52 USD/barrel, which corresponds to a monthly reduction of 13.14%, as well as the lowest level since mid-2017. At the same time, the price of WTI was set at 44.76 USD/barrel, down 13.19%, the lowest level since August 2016.

Crude Price (USD/barrel)

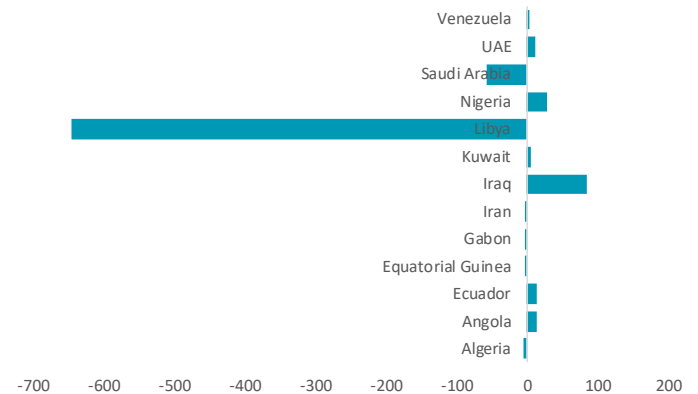


Source: Bloomberg

## SUPPLY

- The global supply of oil in February stood at 99.75 million barrels/day, representing a monthly reduction of 290 thousand barrels/day and 780 thousand barrels/day in relation to the same year on year period. The International Energy Agency (IEA) estimates that global oil production will decline for the second consecutive year, reaching levels below those recorded in 2017 as demand for transport fuels declines due to COVID-19.
- The OPEC oil supply and those of its affiliates stood at 27.772 million barrels/day, a decrease of 546 thousand barrels/day compared to the previous month. This performance reflects the drop in production in Libya (-647 thousand barrels/day) and Saudi Arabia (-56 thousand barrels/day).
- During the period under analysis, the production of crude from OPEC and its allies represented around 27.8% of the total oil supplied, which corresponds to a decrease of 0.5 pp compared to the previous month, in line with the objectives of the Cartel.

OPEC Supply Monthly Change (thousand barrels/day)  
(February)

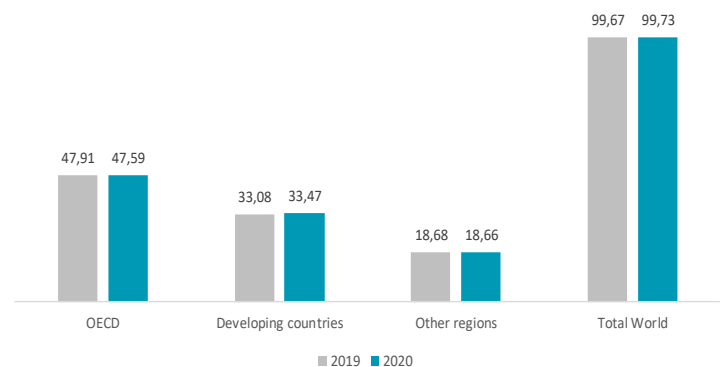


Source: OPEC, Secondary Source

## DEMAND

- OPEC has revised estimates for growth in world consumption downward for the current year as a result of the prospects for a global economic slowdown and the continued spread of COVID-19 outside China. As such, cartel growth estimates went from 990 thousand barrels/day to 60 thousand barrels/day, with demand at 99.73 million barrels/day.
- However, OPEC warns that unlike previous predictions, consumption this year is not expected to exceed the psychological barrier of 100 million barrels/day. Consumption is expected to intensify in the second half, as economic activity is expected to resume during the same period.
- In turn, the IEA predicts a contraction in world oil demand in 2020 for the first time since 2009, supported by the steep reduction in demand in China, which accounted for more than 80% of the growth in global oil demand over the last year.

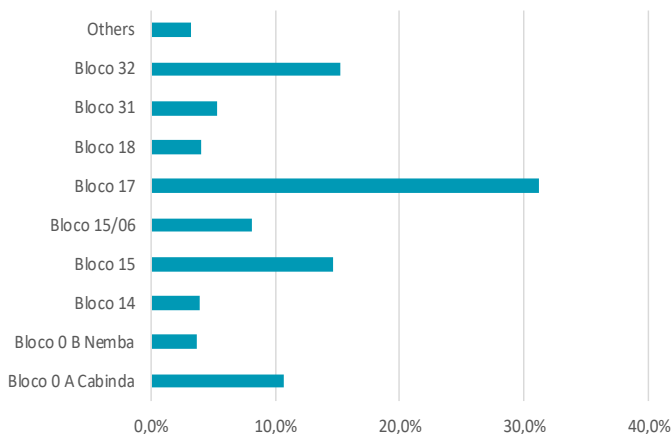
Oil Demand (million barrels/day)



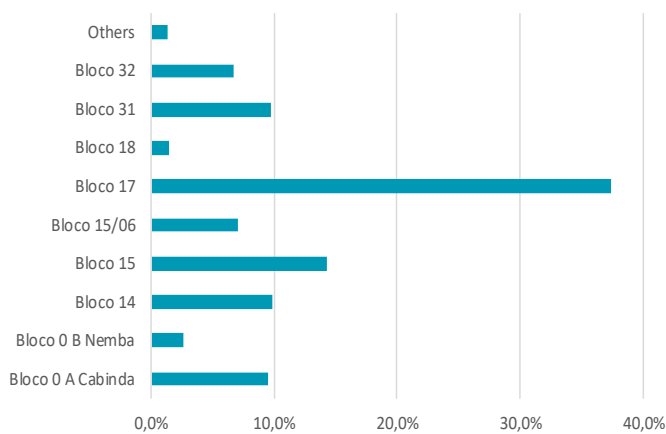
Source: OPEC

# NACIONAL MARKET STRUCTURE

**OIL – Export by Block| Overall : 85.9 Mbl**



**OIL – Revenues by Block| Overall: 965.12 billion**



Source: Minfin, January and February



## ABC Digital

100% DIGITAL ACCOUNT OPENING



Download the ATLANTICO App from App Store or Google Play



Fill in the fields with your information



Send your photo and your documents



Login to your account with the credentials sent by sms and its done



**IT'S NEVER BEEN SO EASY TO OPEN AN ACCOUNT HERE**

### RESEARCH ATLANTICO

[www.atlantico.ao/pt/institucional/Pages/research.aspx](http://www.atlantico.ao/pt/institucional/Pages/research.aspx) | Bloomberg Page: ATLO<-GO>

DISCLAIMER: This document was created with information from sources considered to be reliable, but its accuracy may not be completely guaranteed. The content of this document does not represent a recommendation to invest, divest or hold investment in any stock herewith described or any other stock, and it may not be considered an offer, invitation or solicitation to purchase or sell the above mentioned stock. This document should not be used to evaluate the stocks herewith described and ATLANTICO cannot be held responsible for any loss, direct or potential, resulting from its use or contents. ATLANTICO, or its employees, may hold positions in any stock mentioned in this publication. The reproduction, total or partial, of this publication is allowed, as long as the source is clearly identified.

### RESEARCH ATLANTICO

E-mail | [research@atlantico.ao](mailto:research@atlantico.ao) | Tel 226 432 445 | 923 169 045

