

Oil Market Report

12 July 2018

HIGHLIGHTS

- **Demand got off to a strong start this year with global 1Q18 growth at over 2 mb/d**, helped by cold weather in the northern hemisphere. Recent data, however, point to a slowdown, with rising prices a factor. In 2Q18, growth slowed to 0.9 mb/d. In 1H18, growth will average 1.5 mb/d, falling to 1.3 mb/d in the second half of the year.
- **In 1H19, the comparison with a strong 1H18 will see growth of close to 1.2 mb/d, accelerating to 1.6 mb/d in the second half.** We expect growth of 1.4 mb/d in world oil demand in both 2018 and 2019, unchanged from last month's *Report*.
- **Global oil supply rose by 370 kb/d in June mainly due to higher Saudi Arabian and Russian output as parties to the Vienna Agreement decided to achieve 100% compliance.** OPEC crude production in June reached a four-month high of 31.87 mb/d. A surge from Saudi Arabia offset losses in Angola, Libya, and Venezuela.
- **Non-OPEC output is set to expand by 2 mb/d in 2018 and by 1.8 mb/d next year** led by the United States, but there are temporary disruptions in Canada, Brazil, Kazakhstan and the North Sea.
- **OECD commercial stocks rose 13.9 mb in May to 2 840 mb, only the third monthly increase since July 2017.** However, stocks gained only half as much as normal. At end-month, OECD inventories were 23 mb below the five-year average. Preliminary data show stocks falling in June.
- **Crude oil prices fell in June but since the Vienna Agreement meetings values for ICE Brent and NYMEX WTI have increased by 7% and 13%,** respectively, on news of supply disruptions. In product markets, increased refinery output and signs of slowing demand put pressure on gasoline, diesel and jet fuel cracks.
- **Global refining throughput will grow by 2 mb/d from 2Q18 to 3Q18,** with more than half of the increase in the Atlantic Basin. Runs are forecast to reach 82.8 mb/d, 0.7 mb/d higher than the previous record level in 4Q17. This could result in large crude stock draws, exceeding 1.4 mb/d. Refined product stocks will seasonally increase by 0.6 mb/d.

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Stretched to the limit

Since our last report, OPEC oil ministers and ten non-OPEC oil ministers have met and agreed to achieve 100% compliance with the Vienna Agreement (i.e. they will *increase* production). What this means in terms of volume and timing remains to be seen as the official communique contained little detail, but there are already indications from leading producers, particularly Saudi Arabia, its Gulf allies, and Russia, that production is climbing and may reach record levels. Such determination to ensure the steady supply of oil to world markets in the face of multiple challenges to stability is very welcome. The prospect of higher supply might be thought to have sent oil prices down, but in fact WTI prices have risen close to levels not seen since November 2014 and Brent prices have recently made a renewed attempt to reach \$80/bbl. Higher prices are prolonging the fears of consumers everywhere that their economies will be damaged. In turn, this could have a marked impact on oil demand growth.

That prices have remained relatively high reflects various supply concerns, some of which will be with us for some time to come, e.g. Iran and Venezuela, and others that are probably shorter term. The clearly expressed determination of the United States to reduce Iran's exports by as much as possible suggests that shipments could be reduced by significantly more than the 1.2 mb/d seen in the previous round of sanctions. In June, Iran's crude exports fell back by about 230 kb/d, albeit from a relatively high level in May, as European purchases dropped by nearly 50%. Most of Iran's oil goes to Asia, however, with China and India currently taking over 600 kb/d each. When you also consider that both China and India are exposed to Venezuela, importing respectively 250 kb/d and 325 kb/d, it is clear that the world's second and third biggest oil consumers could face major challenges in sourcing alternative compatible barrels.

The re-emergence of Libya as a risk factor in global supply follows a series of attacks on key infrastructure that saw production plummet to around 500 kb/d in July from close to the 1 mb/d level seen for about a year. At the time of writing, the situation seemed to be improving, but we cannot know if stability will return. The fact that so much production is vulnerable is clearly a cause for concern. Incidentally, China receives nearly 140 kb/d of oil from Libya. Two other supply disruptions are likely to be short-lived. In Alberta, 360 kb/d of output from Syncrude's heavy crude upgrading facility was shut-in from 20 June and in the North Sea oil production fell sharply in May by nearly 360 kb/d and output likely remained constrained due to summer maintenance and strike action in Norway. In addition, Brazilian production growth so far in 2018 has been lower than expected. At the same time, refiners' thirst for crude oil will remain high during the summer period before seasonal maintenance kicks in.

Some of these supply issues are likely to be resolved, but the large number of disruptions reminds us of the pressure on global oil supply. This will become an even bigger issue as rising production from Middle East Gulf countries and Russia, welcome though it is, comes at the expense of the world's spare capacity cushion, which might be stretched to the limit. This vulnerability currently underpins oil prices and seems likely to continue doing so. We see no sign of higher production from elsewhere that might ease fears of market tightness. Indeed, in this *Report*, our overall growth outlook for non-OPEC production in 2018 has been *reduced* slightly to 1.97 mb/d, although in turn our 2019 growth estimate shows a modest increase to 1.84 mb/d. On the demand side, although there are emerging signs of reduced economic confidence, and consumers are unhappy at higher prices, we retain our view that growth in 2018 will be 1.4 mb/d, and about the same next year.

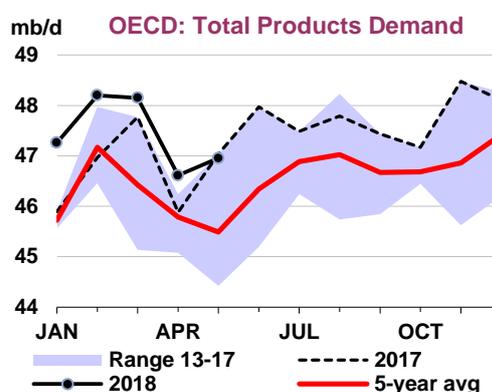
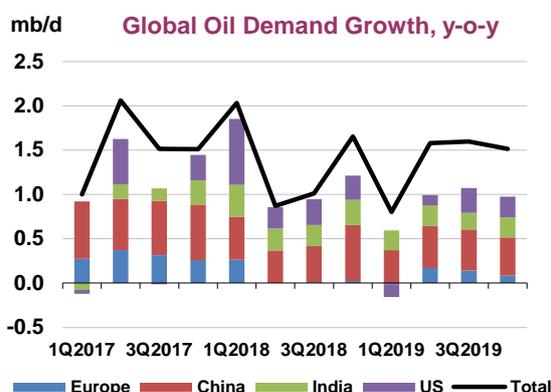
The northern hemisphere summer promises to be anything but quiet as markets adjust to the ever-changing geopolitical and physical climate. We continue to be in a close dialogue with major producers and consumers, both inside and outside the IEA family, and are monitoring market developments in order to be prepared to advise on any support that might be needed.

DEMAND

Summary

After a very strong start to the year, with 1Q18 year-on-year (y-o-y) demand growth estimated at over 2 mb/d, recent data point to a slow down. April saw a deceleration in some countries and provisional data for May (June in the case of the US) indicate that higher prices are starting to take their toll on demand. Exceptional events (such as the truck drivers' strike in Brazil) also contributed to the slowdown. This all leads to a downward revision for demand in 2Q18. Historical data have been slightly revised with the publication of OECD annual data.

For 3Q18 we expect a significant slowdown in world oil demand growth, followed by a rebound in 4Q18. In 2019, the comparison with a strong 1H18 will see growth close to 1.2 mb/d in the first half of the year. Solid economic performance and relatively little change in outright oil prices versus 2018 (we used the Brent futures curve as a price assumption) will support an acceleration of demand growth to 1.6 mb/d in the second part of 2019. Overall, we expect growth of 1.4 mb/d in world oil demand in both 2018 and 2019, unchanged from last month's *Report*.



OECD Americas oil demand growth is expected to be robust in 2018, at around 340 kb/d, supported by a very strong start to the year reflecting harsh weather conditions and the start-up of petrochemical projects in the US. More ethane crackers coming on stream should maintain OECD Americas oil demand growth at 155 kb/d in 2019. Modest gains in OECD Europe should be roughly offset by similar declines in OECD Asia and Oceania. Overall, we expect OECD oil demand growth to slow from 340 kb/d in 2018 to 165 kb/d in 2019.

Global Oil Demand (2017-2019)

(million barrels per day)*

	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019
Africa	4.4	4.3	4.2	4.3	4.3	4.4	4.3	4.2	4.4	4.3	4.5	4.5	4.4	4.5	4.5
Americas	31.0	31.6	31.7	31.7	31.5	31.7	31.7	31.9	32.0	31.8	31.5	31.9	32.3	32.3	32.0
Asia/Pacific	33.9	33.8	33.3	34.4	33.8	34.9	34.5	33.8	35.4	34.7	35.6	35.4	34.7	36.2	35.5
Europe	14.5	15.0	15.5	15.1	15.0	14.8	15.0	15.5	15.2	15.1	14.8	15.2	15.6	15.3	15.2
FSU	4.5	4.7	5.0	4.8	4.7	4.6	4.8	5.0	4.9	4.8	4.6	4.8	5.0	5.0	4.9
Middle East	8.1	8.5	8.7	8.0	8.3	7.9	8.4	8.9	8.2	8.4	8.1	8.6	8.9	8.3	8.5
World	96.3	97.9	98.3	98.4	97.7	98.4	98.7	99.3	100.0	99.1	99.2	100.3	100.9	101.5	100.5
Annual Chg (%)	1.0	2.2	1.6	1.6	1.6	2.1	0.9	1.0	1.7	1.4	0.8	1.6	1.6	1.5	1.4
Annual Chg (mb/d)	1.0	2.1	1.5	1.5	1.5	2.0	0.9	1.0	1.7	1.4	0.8	1.6	1.6	1.5	1.4
Changes from last OMR (mb/d)	-0.1	-0.1	0.0	-0.1	0.0	0.0	-0.2	0.1	0.0	0.0	0.0	-0.1	0.0	-0.1	-0.1

* Including biofuels

Non-OECD oil consumption is expected to increase by 1.05 mb/d in 2018, lower than the 1.17 mb/d seen in 2017 as rising prices limit demand. In 2019, a large part of the price impact should have been absorbed and non-OECD growth is set to accelerate to 1.21 mb/d, with Asia the largest contributor.

Fundamentals

The economic forecast that underpins this report remains unchanged. World GDP growth is estimated to remain at 3.9% in 2019. Risks remain elevated however, and increasing trade tensions could have a direct negative impact on economic growth, bunker fuel demand and diesel used by trucks for the transportation of traded goods. Tariffs could also affect the trade of oil and petrochemical feedstocks and products. Several countries are also feeling the pain of higher oil prices, particularly so when combined with currency depreciation versus the US dollar.

We updated our price assumption using the ICE Brent futures curve as of early July. The average price used in our model for 2018 was almost unchanged from last month at \$73.50/bbl. Based on the futures curve, prices in 2019 will average \$73.60/bbl, essentially unchanged from 2018 and \$1.20/bbl higher than in our June forecast. While prices are exerting a negative impact on demand in 2018, their impact will be more or less neutral in 2019.

In this *Report*, historical OECD data have been revised based on annual data submissions from national administrations to the IEA Secretariat. OECD member countries submitted Annual Oil Statistics (AOS) for an additional year and revisions to previous years when better information is available or a change in the reporting methodology occurred. AOS data may differ from monthly data submissions as data collection systems can be distinct and are not necessarily based on the same coverage of reporting entities, but annual data generally provide a fuller picture than the monthly statistics. Overall, revisions to annual data and new adjustment factors resulted in a very modest 80 kb/d upward revision to OECD demand for 2015, a 70 kb/d increase for 2016 and a 50 kb/d downward revision for 2017. World oil demand growth for 2017 has been revised down, from 1.6 mb/d in our June Report to 1.5 mb/d in this edition.

OECD

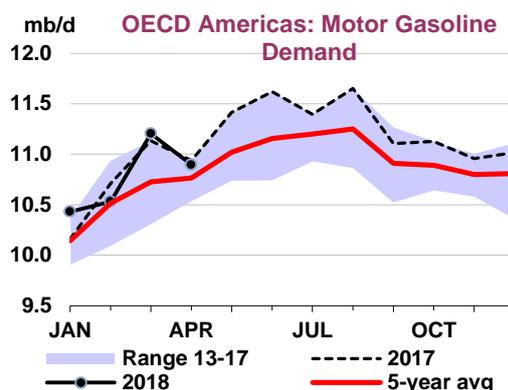
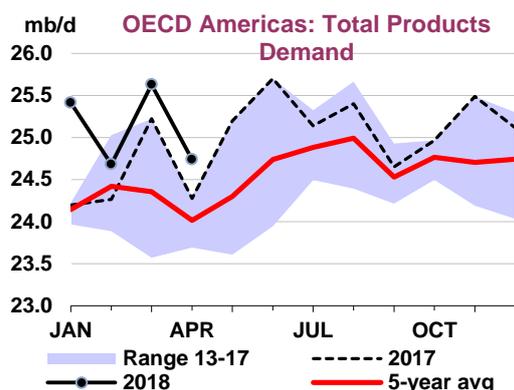
We have a complete set of data for OECD countries for April 2018. For May, preliminary estimates are available for Mexico, Japan, Korea and some European countries. Additionally, US weekly data are available through the end of June. Recent data point to a slowdown in demand in Europe and the US from April.

OECD Demand based on Adjusted Preliminary Submissions - May 2018

	Gasoline		Jet/Kerosene		Diesel		Other Gasoil		RFO		Other		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa						
OECD Americas*	11.31	-0.9	2.01	2.7	4.80	1.0	0.39	-10.4	0.69	-8.6	6.08	3.48	25.28	0.3
US50	9.52	-0.8	1.73	3.1	3.89	0.4	0.10	0.3	0.33	-10.5	4.71	6.44	20.26	1.2
Canada	0.85	-2.5	0.14	-3.0	0.29	-0.3	0.23	-10.0	0.06	-29.7	0.75	-4.01	2.32	-4.5
Mexico	0.80	-1.1	0.09	4.6	0.41	8.6	0.04	-35.4	0.19	-0.3	0.49	-8.46	2.02	-1.9
OECD Europe	1.92	-1.4	1.47	1.4	5.02	-1.6	1.22	-10.8	0.86	-0.2	3.59	3.03	14.08	-0.9
Germany	0.43	-2.0	0.22	4.4	0.73	-6.2	0.33	-20.9	0.07	39.8	0.61	1.59	2.39	-4.2
United Kingdom	0.29	-0.1	0.30	-2.3	0.50	1.4	0.13	4.0	0.02	-2.1	0.28	-0.32	1.52	0.2
France	0.19	3.7	0.16	0.6	0.68	-6.5	0.18	-10.1	0.05	-11.4	0.33	-4.42	1.59	-4.8
Italy	0.15	-2.3	0.13	14.3	0.49	0.4	0.07	-4.5	0.08	10.0	0.35	4.16	1.27	2.6
Spain	0.11	1.5	0.14	1.6	0.49	3.0	0.13	-1.3	0.15	-6.9	0.27	0.72	1.30	0.6
OECD Asia & Oceania	1.51	-2.1	0.75	10.7	1.39	-1.8	0.44	-2.8	0.47	-7.0	3.02	-0.16	7.58	-0.5
Japan	0.85	-1.5	0.39	17.6	0.39	-2.7	0.30	-3.6	0.22	-7.4	1.27	-6.07	3.42	-2.2
Korea	0.21	-5.0	0.16	7.5	0.39	-4.7	0.09	-2.4	0.22	-6.9	1.48	5.34	2.56	1.5
Australia	0.31	-3.4	0.15	0.4	0.55	1.1	0.00	0.0	0.02	-15.6	0.18	1.80	1.20	-0.3
OECD Total	14.73	-1.1	4.24	3.5	11.22	-0.5	2.05	-9.1	2.02	-4.8	12.69	2.47	46.95	-0.2

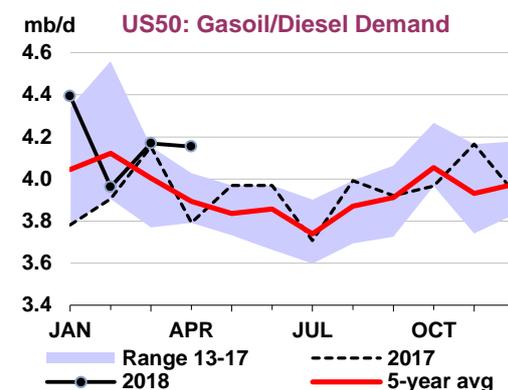
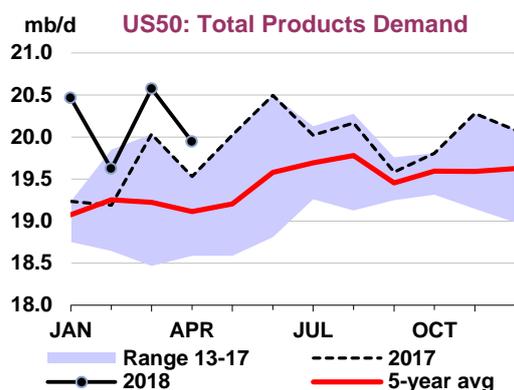
* Including US territories

Americas



US oil demand rose by 415 kb/d y-o-y in April after growth of 545 kb/d in March. LPG/ethane demand continues to be strong, with the start-up of various petrochemical projects. Gasoil experienced a strong rebound in April on exceptionally low temperatures. Preliminary data point to a significant decline in demand growth in May and June.

Jet fuel demand rose by 10 kb/d y-o-y in April, after growth of 50 kb/d in March. The International Air Transport Association reported an increase of 5.3% y-o-y in US domestic air traffic in April, accelerating to 5.5% in May. Weekly data point to a rebound in demand in May, close to 55 kb/d.

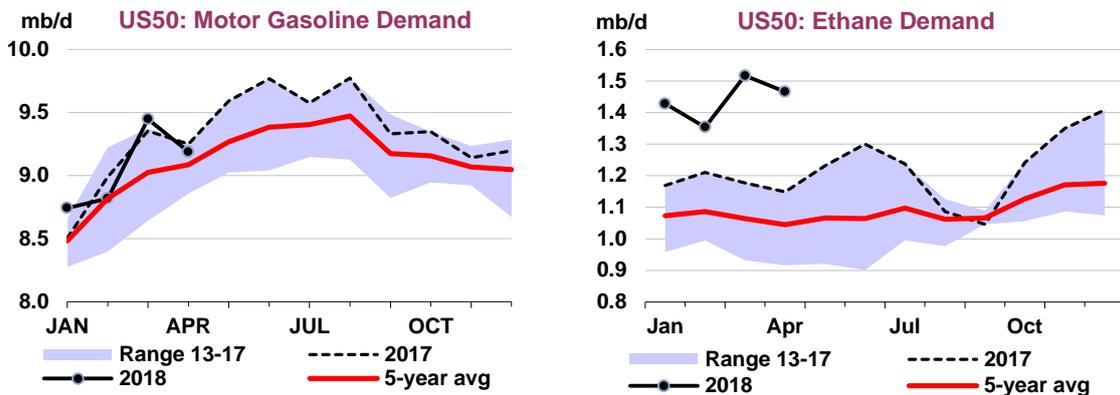


US gasoil demand rose by 365 kb/d y-o-y in April. Diesel continues to be supported by robust global trade, and the CPB world trade monitor (Netherlands Bureau for Economic Policy Analysis) shows an increase of 4.3% y-o-y in the volume of US imports in April. Manufacturing production also rose by 3.6% y-o-y in April, further supporting diesel demand. Heating oil benefited from colder weather. In May, preliminary data point to an increase of only 15 kb/d y-o-y in diesel demand, slowing in June to a 5 kb/d increase.

LPG/ethane demand remains very strong, up by 375 kb/d y-o-y in April, reflecting cold weather and petrochemical feedstock demand. Ethane demand was boosted following the start-up of the Dow ethane cracker (1.5 mt capacity) at Freeport, Texas in September 2017. More recently, the commissioning at the end of 1Q18 of Exxon-Mobil's Baytown cracker (1.5 mt/y capacity) and Chevron Phillips' 1.5 mt/y cracker at Cedar Bayou, Texas, added to ethane demand.

Gasoline demand dropped by 60 kb/d y-o-y in April. The Department of Transportation reported a small decline of 0.2% y-o-y in US road traffic, the first fall since February 2014. Traffic in the northeast declined by 0.7% y-o-y. Weekly data point to a drop of 75 kb/d y-o-y in gasoline demand in May and 105 kb/d in

June, partly reflecting the impact of higher prices. National average retail regular gasoline prices were \$2.84/gallon at the start of July, 26% higher than last year.



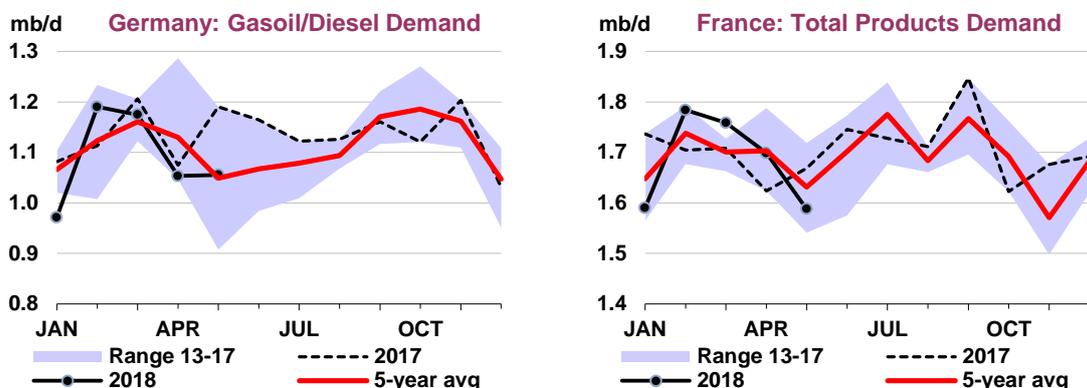
Canada's oil demand dropped by 25 kb/d y-o-y in April, on poor LPG/ethane and naphtha demand. Gasoline and gasoil demand posted small growth. Mexico's demand rose by 20 kb/d in April, but dropped by 40 kb/d y-o-y in May.

North American oil demand growth is estimated to have slowed to 170 kb/d y-o-y in 2Q18 after 690 kb/d in 1Q18. LPG/ethane demand was up 450 kb/d y-o-y in 1Q18 and should remain 285 kb/d higher than last year in 2Q18. Gasoline demand growth likely slowed from 60 kb/d y-o-y in 1Q18 to a drop of 100 kb/d in 2Q18 due to higher prices. Gasoil demand, benefiting from severe weather conditions, increased by 250 kb/d in 1Q18 but slowed to 135 kb/d in 2Q18. Total North American oil demand, after growing by 340 kb/d in 2018, will increase by 155 kb/d in 2019, with growth largely driven by ethane crackers coming on stream.

Europe

European oil demand rose by 285 kb/d y-o-y in April but in May preliminary data point to a drop of 130 kb/d. Gasoil was the main driving force in both months.

After an increase of 150 kb/d y-o-y in March, gasoil deliveries rose by 210 kb/d y-o-y in April before dropping by 230 kb/d in May, according to preliminary data. The drop was distributed between diesel deliveries (80 kb/d) and heating oil (150 kb/d).



In **Germany**, oil demand declined by 125 kb/d in April, led by naphtha and diesel. Concerns about pollution and falling resale values penalised sales of diesel cars, which fell by more than 27% y-o-y in May. Oil demand in **France** rose by 75 kb/d in April, supported by strong naphtha deliveries. In May, demand is believed to have declined by 80 kb/d, according to preliminary data, on lower diesel

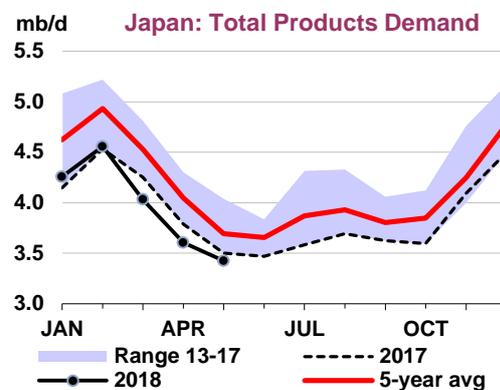
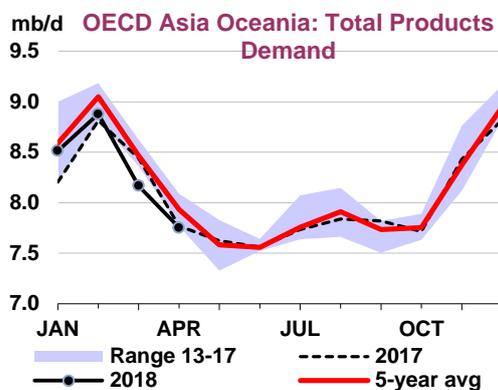
deliveries. In **Italy**, oil demand rose by 120 kb/d in April, with growth slowing to 30 kb/d in May, according to preliminary data.

Overall, for Europe we expect demand growth of 265 kb/d in 1Q18, slowing to only 5 kb/d in 2Q18, as we return to normal weather conditions. European oil demand growth will slow to 75 kb/d in 2018 from 305 kb/d in 2017, before posting a rebound to 95 kb/d in 2019.

Asia Oceania

Asia Oceania demand dropped by 15 kb/d y-o-y in April. Preliminary data point to a further drop of 40 kb/d in May. Weak gasoline and diesel deliveries explain the recent declines.

Japanese oil demand contracted by 180 kb/d in April, on lower deliveries of almost all products. The decline has continued into May, with demand 75 kb/d lower y-o-y, according to preliminary data. Oil demand dropped by 115 kb/d in 2017 and we expect a faster rate of decline of 130 kb/d in 2018 and 150 kb/d 2019. **South Korean** demand, by contrast, increased by 95 kb/d in April and 40 kb/d in May, on strong naphtha deliveries.



In **Australia**, oil demand rose by 60 kb/d y-o-y in April on strong diesel deliveries. Diesel demand has been increasing since the start of 2017, in part supported by the restart of coal mines at the end of 2016.

OECD Asia Oceania oil demand increased by 35 kb/d in 1Q18 but is expected to drop by 50 kb/d in 2Q18. For the year as a whole, demand will fall by 75 kb/d in 2018 and a further 85 kb/d in 2019.

Non-OECD

Non-OECD: Demand by Region

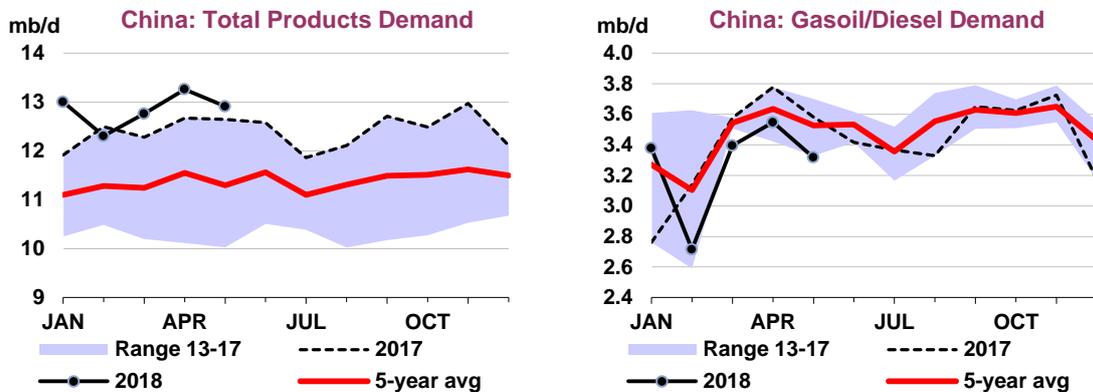
(thousand barrels per day)

	Demand		Annual Chg (kb/d)		Annual Chg (%)		
	3Q17	4Q17	1Q18	4Q17	1Q18	4Q17	1Q18
Africa	4,235	4,337	4,429	19	12	0.4	0.3
Asia	25,459	26,063	26,398	1,147	965	4.6	3.8
FSU	4,955	4,811	4,606	-1	155	0.0	3.5
Latin America	6,658	6,540	6,428	5	11	0.1	0.2
Middle East	8,669	7,959	7,935	-132	-124	-1.6	-1.5
Non-OECD Europe	751	745	729	29	23	4.1	3.3
Total Products	50,727	50,456	50,523	1,068	1,043	2.2	2.1

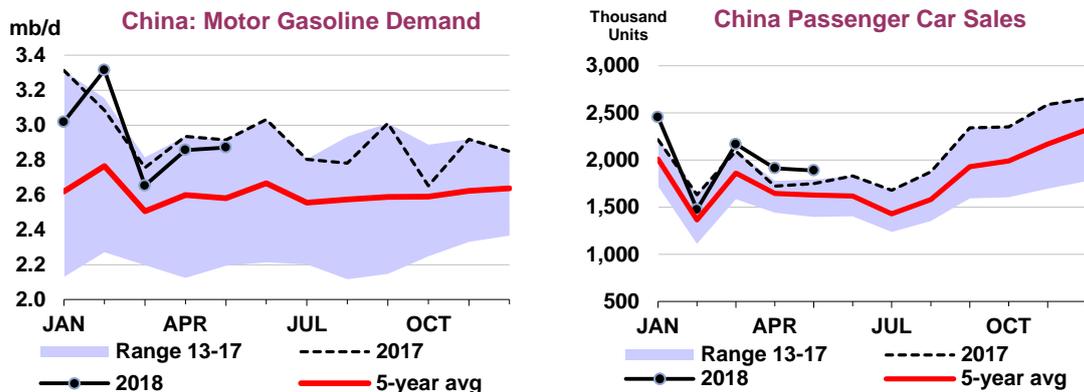
China

Chinese oil demand is estimated to have increased by 365 kb/d y-o-y in 2Q18. Our estimates for April and May are, however, uncertain as some data components needed to calculate apparent demand are missing. In April, China stopped reporting detailed trade statistics and since then we have had to estimate the level of imports of some products (in particular naphtha and LPG) based on a three-month average. In May, the reporting by China OGP of another crucial component, stocks data, stopped. For May, stock variations used in the calculation of apparent demand were estimated, based on the historical trend. April and May apparent demand were therefore computed from partial data (refinery production and net imports of main products) and will be revised when better data become available.

Economic activity appears to have been slowing in recent months, and most indicators for May surprised on the weak side. Retail sales grew 8.5% y-o-y, a 15-year low. Investment growth slowed sharply to 6.1% y-o-y in January-May from 7% in January-April. China's official manufacturing PMI fell to 51.1 in June, down from 51.9 in May. Total credit growth saw a severe fall in May as China tries to reduce debt levels. This, along with trade tensions, is likely to affect the real economy in the coming months.



Apparent gasoline demand fell by 45 kb/d y-o-y in May while diesel demand dropped by 265 kb/d y-o-y. For 2Q18, gasoline demand is believed to have been 35 kb/d below last year. Car sales, however, remained strong in May, increasing by 7.9% y-o-y. Diesel demand in 2Q18 is estimated to be down by 135 kb/d y-o-y, although kerosene demand rose by 50 kb/d, supported by strong aviation demand. Domestic air traffic rose by 11.9% y-o-y in May after growth of 16.1% y-o-y in April.



Our best estimate is that total products demand grew by 590 kb/d in April and by 270 kb/d in May. For 2Q18, growth could average 365 kb/d, increasing in 3Q18 to 410 kb/d. For 2018 as a whole, we expect Chinese oil demand growth to slow to 470 kb/d in 2018 from 615 kb/d in 2017. For 2019, we forecast a further deceleration to 435 kb/d.

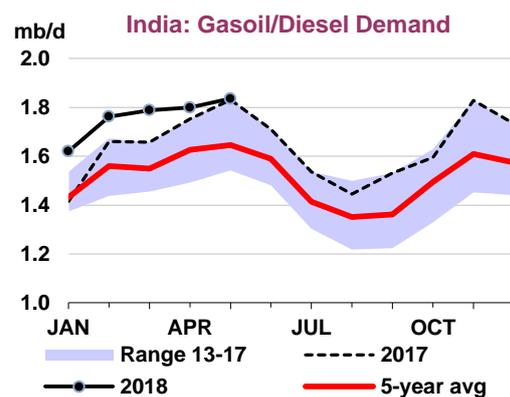
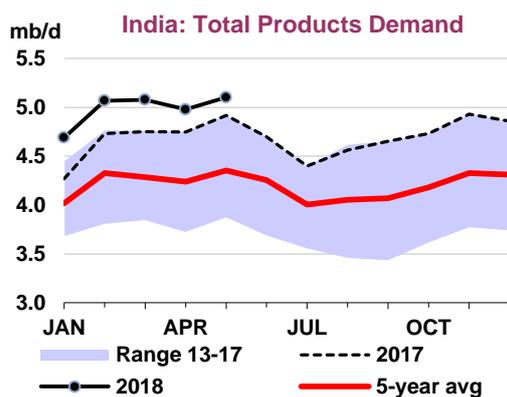
China: Demand by Product

(thousand barrels per day)

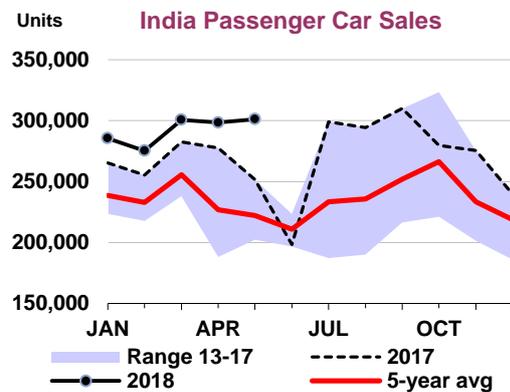
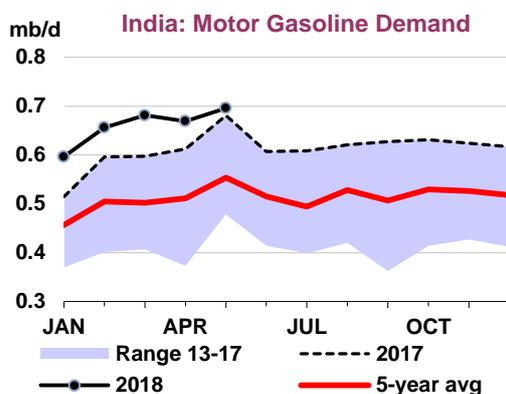
	Demand			Annual Chg (kb/d)		Annual Chg (%)	
	2017	2018	2019	2018	2019	2018	2019
LPG & Ethane	1,627	1,718	1,820	91	101	5.6	5.9
Naphtha	1,169	1,211	1,269	42	57	3.6	4.7
Motor Gasoline	2,919	2,974	3,079	55	106	1.9	3.6
Jet Fuel & Kerosene	702	748	795	45	47	6.5	6.3
Gas/Diesel Oil	3,427	3,407	3,424	-20	18	-0.6	0.5
Residual Fuel Oil	371	369	374	-3	5	-0.8	1.5
Other Products	2,183	2,445	2,547	262	102	12.0	4.2
Total Products	12,399	12,872	13,308	472	436	3.8	3.4

Other Non-OECD

Indian oil demand growth slowed to 185 kb/d in May after 230 kb/d in April and 360 kb/d in 1Q18. Gasoil deliveries growth declined to 5 kb/d in May from 45 kb/d in April. Gasoline growth fell to 15 kb/d in May from 55 kb/d in April. For 2Q18, total oil product growth is expected to slow to 250 kb/d.



LPG demand grew by 55 kb/d in 1Q18, and growth accelerated to 100 kb/d in May as government policies continue to support utilisation in the residential sector. Demand is expected to remain very strong through the end of 2019. LPG replaces kerosene and household demand for cooking kerosene has declined significantly. Jet kerosene is, however, supported by booming air traffic and showed strong growth. Domestic air traffic measured in revenue passenger kilometers grew by 25.7% in April and by 16.6% in May.



Gasoline demand growth sharply declined in May 2018, when compared with a strong May 2017 and on the impact of high retail gasoline prices. Car sales remained strong however, increasing by 19.7% y-o-y in May – although the y-o-y comparison was supported by a sharp drop in 2017 due to increases in car taxation.

Following oil demand growth of 125 kb/d in 2017, we expect acceleration to 285 kb/d this year followed by a fall back to 215 kb/d in 2019. High international oil prices could however further slow demand growth in the coming months.

India: Demand by Product

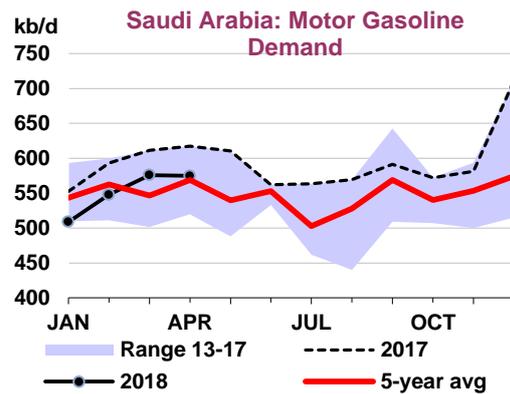
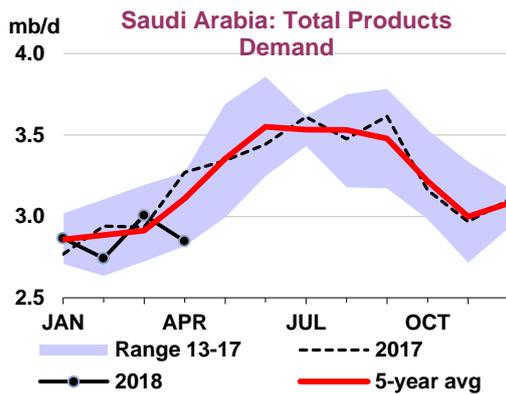
(thousand barrels per day)

	Demand			Annual Chg (kb/d)		Annual Chg (%)	
	2017	2018	2019	2018	2019	2018	2019
LPG & Ethane	739	823	865	84	41	11.4	5.0
Naphtha	293	295	305	2	10	0.7	3.5
Motor Gasoline	612	653	686	41	33	6.7	5.1
Jet Fuel & Kerosene	247	255	272	7	17	3.0	6.8
Gas/Diesel Oil	1,640	1,737	1,785	97	47	5.9	2.7
Residual Fuel Oil	146	148	154	3	5	1.7	3.7
Other Products	1,009	1,058	1,120	49	62	4.8	5.8
Total Products	4,686	4,969	5,186	283	217	6.0	4.4

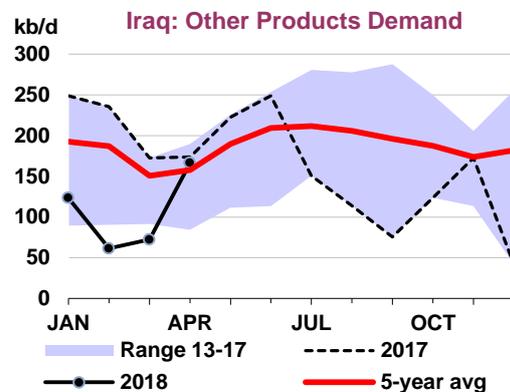
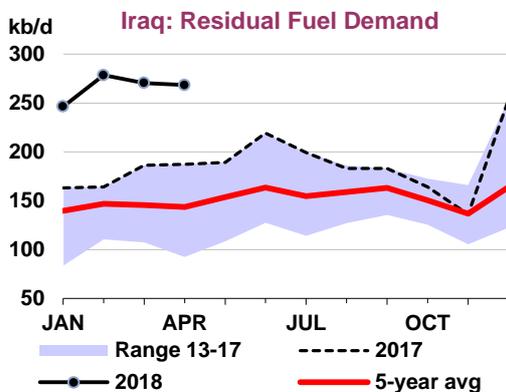
Data from the **Pakistan** Oil Companies Advisory Council show a strong rebound in fuel oil demand, increasing from 90 kb/d in April to 180 kb/d in May. Pakistan uses more fuel oil during the summer to meet higher electricity demand. It is estimated that power producers will use 115 kb/d of fuel between April and September. In April, the government lifted the ban on fuel oil imports for the power sector introduced in December to fight pollution.

Egypt reported a set of weak demand data for April, with the total declining by 170 kb/d y-o-y. Gasoline demand was down 35 kb/d, gasoil demand was down 70 kb/d, and fuel oil demand was 60 kb/d lower than last year. The fall in fuel oil results from the switch to natural gas in the power sector. Lower gasoline deliveries reflect the demand reaction to last summer's subsidy cuts introduced as part of an IMF-backed reform programme. Since November 2016, Egypt has cut energy subsidies twice, increasing gasoline and diesel prices by 40% to 50% and in June further cuts were announced.

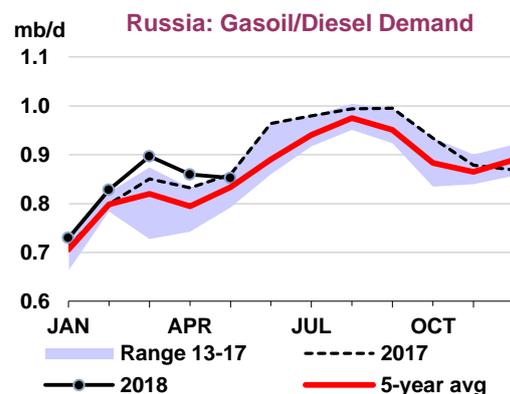
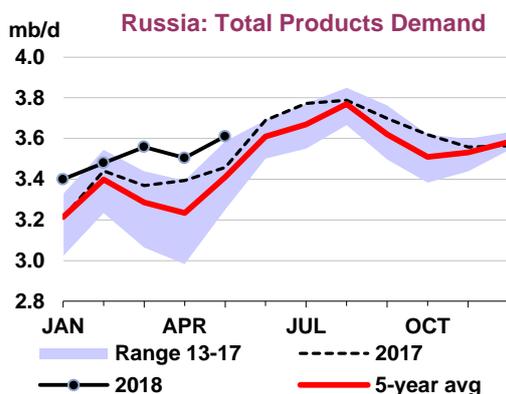
Saudi Arabian oil demand dropped by a significant 420 kb/d y-o-y in April. Gasoline demand declined by 40 kb/d, possibly reflecting the impact of a sharp increase in domestic prices at the start of the year. Gasoil demand remained very weak, down 70 kb/d y-o-y while fuel oil use dropped by 270 kb/d. Higher oil prices are contributing to the rebalancing of Saudi finances, and government spending is set to increase by 20% in 2018, to its highest level ever. Capital expenditure will be double its 2017 level. Strong public spending should support economic activity and we expect oil demand to stabilise in 2018 (no growth), after a drop of 150 kb/d in 2016 and 40 kb/d in 2017. Demand growth is expected to average 65 kb/d in 2019.



Iraq's fuel oil demand increased by 80 kb/d y-o-y in April. The use of crude for direct burning rose in April to 110 kb/d from 30 kb/d in March as demand picked up seasonally. A slowdown in demand growth for fuel oil and crude oil is expected at the end of 2018, as more natural gas from Iran becomes available.

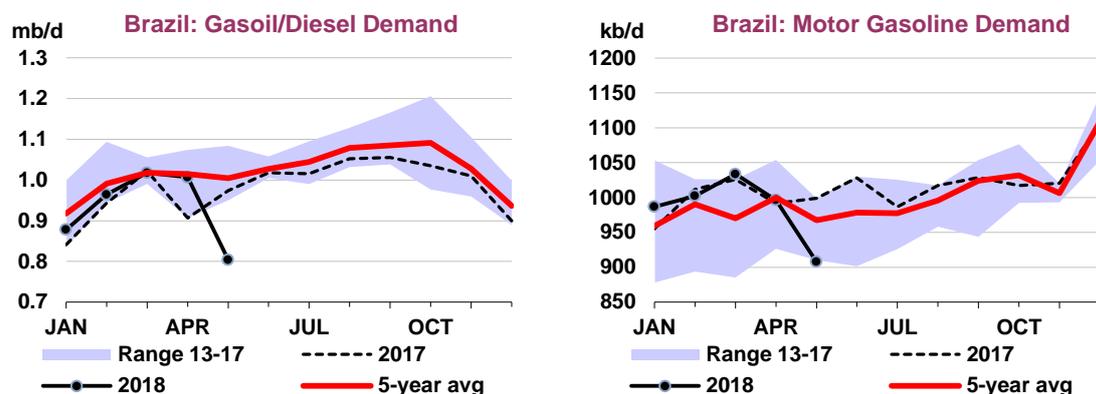


Russian oil demand remained strong in May, showing an increase in total oil demand of 155 kb/d y-o-y. Residual fuel oil demand rose by 100 kb/d. Car sales were extremely strong in May, increasing by 18% y-o-y. The World Cup is expected to have limited impact on the economy, but the short term tourism boost could add to transport fuel demand. Russian oil demand is set to increase by 85 kb/d in 2018 and 30 kb/d in 2019.



Brazil's oil demand dropped by almost 300 kb/d y-o-y in May, a consequence of a truck drivers' strike in protest of rising fuel prices, including a fall in gasoil demand of 170 kb/d. Gasoline demand contracted by 90 kb/d y-o-y. The strike started on 21 May and lasted through the end of the month. Deliveries of gasoline and diesel to service stations were halted leading to shortages and sharp price increases. Some airport operations were disrupted and domestic air traffic growth declined from 6.2% y-o-y in April to

4.1% in May. We expect deliveries to return to normal in June. Overall, Brazil's oil demand is projected to contract by 20 kb/d in 2018 and to increase by 10 kb/d in 2019.



Non-OECD: Demand by Product

(thousand barrels per day)

	Demand			Annual Chg (kb/d)		Annual Chg (%)	
	3Q17	4Q17	1Q18	4Q17	1Q18	4Q17	1Q18
LPG & Ethane	6,291	6,478	6,547	56	209	0.9	3.3
Naphtha	2,707	2,887	2,924	154	84	5.6	3.0
Motor Gasoline	11,370	11,334	11,400	205	140	1.8	1.2
Jet Fuel & Kerosene	3,208	3,000	3,220	56	93	1.9	3.0
Gas/Diesel Oil	14,796	14,858	14,359	237	300	1.6	2.1
Residual Fuel Oil	5,137	4,916	4,929	-236	-397	-4.6	-7.5
Other Products	7,217	6,982	7,145	596	614	9.3	9.4
Total Products	50,727	50,456	50,523	1,068	1,043	2.2	2.1

Global Demand by Product

(thousand barrels per day)

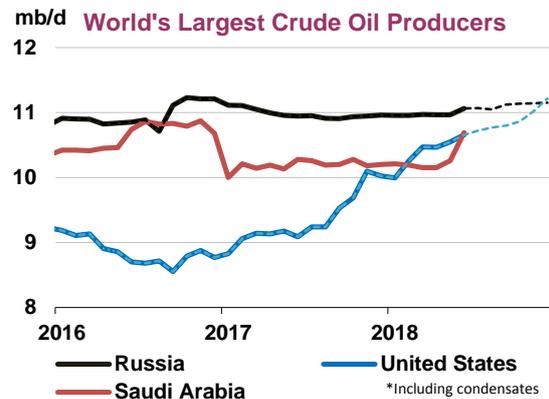
	Demand			Annual Chg (kb/d)		Annual Chg (%)	
	3Q17	4Q17	1Q18	4Q17	1Q18	4Q17	1Q18
LPG & Ethane	11,064	11,808	12,600	34	690	0.3	5.8
Naphtha	6,227	6,557	6,436	344	-78	5.5	-1.2
Motor Gasoline	26,358	25,785	25,454	266	287	1.0	1.1
Jet Fuel & Kerosene	7,609	7,484	7,707	274	241	3.8	3.2
Gas/Diesel Oil	28,295	28,698	28,136	392	754	1.4	2.8
Residual Fuel Oil	7,196	7,139	7,105	-149	-471	-2.0	-6.2
Other Products	11,545	10,891	10,940	351	609	3.3	5.9
Total Products	98,294	98,362	98,378	1,511	2,031	1.6	2.1

SUPPLY

Summary

Global oil supply rose by 370 kb/d to 98.8 mb/d in June as Saudi Arabia and Russia opened the taps ahead of a meeting between Vienna Agreement producers. Output curbs by the 24 countries party to the January 2017 pact slipped to 1.8 mb/d, from 2.3 mb/d in May and a peak of 2.5 mb/d in April. Compliance for OPEC members eased to 120% in June, while non-OPEC slipped to 66%. This equates to an overall compliance of 100%, according to IEA estimates.

The producers agreed in Vienna to strive for 100% compliance with supply cuts of 1.8 mb/d from July. Saudi Arabia and Russia, the driving forces behind the Vienna Agreement, said the accord would result in an actual supply increase of around 1 mb/d based on their estimates. Already in June the two key producers lifted output by more than 500 kb/d between them. Saudi Arabia's sharp increase allowed it to overtake the US and reclaim its position as the world's second largest crude producer, and if it carries out its intention to produce at a record rate near 11 mb/d this month, it will challenge Russia. For its part, Russia boosted output by nearly 100 kb/d in June and said it would add up to 200 kb/d over the second half of 2018.



Higher volumes from Saudi Arabia and Russia only went so far, however, as a number of outages restricted flows elsewhere. The biggest month-on-month (m-o-m) decline came from Libya, which saw oil output drop by 260 kb/d on average in June to 760 kb/d due to renewed unrest. Production this month had fallen by several hundred thousand barrels a day more, although the situation appeared to be improving at the time of writing. A prolonged outage at one of Canada's upgraders from mid-June cut synthetic crude production by more than 300 kb/d and temporarily restricted flows into Cushing. Heavy maintenance and unscheduled outages also curbed output in the North Sea, Brazil, Kazakhstan and Angola over the May-June period.

Even so, global oil output was 1.25 mb/d higher than a year ago as rampant US output underpinned healthy non-OPEC growth. Non-OPEC supplies in June were 1.95 mb/d higher than a year earlier. For the year as a whole, non-OPEC output is expected to expand by nearly 2 mb/d before easing slightly to 1.8 mb/d in 2019, as US supply growth slows from 1.7 mb/d in 2018 to 1.2 mb/d next year. Along with an increased decline base, limited takeaway capacity, inflationary pressures and more disciplined spending are contributing to the slowdown in growth (see *IEA World Energy Investment Report* to be launched on 17 July 2018 for a detailed look at global energy investment trends). Despite higher output in June, OPEC oil supply was down 700 kb/d compared to a year ago, with Venezuela lower by nearly 800 kb/d, Angola by 210 kb/d and Libya by 130 kb/d.

As for OPEC crude supply, the Saudi surge more than offset declines elsewhere. Production from the group rose by 180 kb/d in June to 31.87 mb/d. The June figure does not include output from OPEC's newest member, Congo, which will be included in our estimates starting from the August *Report*.

So far, there has been little impact on Iran's crude production from renewed US sanctions, although exports have fallen from elevated levels in April and May. The full impact of the US decision to withdraw from the Joint Comprehensive Plan of Action (JCPOA) and apply the toughest ever sanctions on Iran will not be felt until later this year, but the result could be an even steeper reduction than the 1.2 mb/d seen during the previous round of sanctions.

While the latest OPEC output figure is close to the call on OPEC crude and stock changes for the remainder of the year, and nearly 0.5 mb/d higher than the call for 2019, further supply losses from Venezuela, Libya and Iran would have to come out of inventories or be offset by other producers.

Within OPEC, there are only three countries that hold significant spare production capacity that is readily available. Much of Iraq's spare capacity is currently unavailable due to the longstanding political dispute between the Federal Government and the Kurdistan Regional Government (KRG) that has shut in pipeline capacity. According to IEA estimates, Saudi Arabia, the UAE and Kuwait had 2.1 mb/d of spare capacity in June. The three producers may raise supply by an extra 500 kb/d or more during July, with Saudi Arabia suggesting it could reach 11 mb/d. Kuwait has offered to add 85 kb/d and the UAE said it could produce several hundred thousand barrels a day more.

Taken together, these increases would tighten spare capacity from the Gulf to around 1.6 mb/d in July. In 4Q18, US sanctions on Iran are expected to hit hard and Venezuelan capacity may spiral lower. To help compensate for the further unplanned declines and limit stock draws, Saudi Arabia could ramp up even more which would cut its spare capacity to an unprecedented level below 1 mb/d.

OPEC / Non-OPEC Output Compliance¹

(million barrels per day)

	May 2018 Supply	Jun 2018 Supply	Supply Baseline ²	Agreed Cut	June Actual Cut	May Compliance	June Compliance	Average Compliance	Sustainable Production Capacity ⁶	Spare Capacity vs Jun Supply
Algeria	1.04	1.05	1.09	-0.05	-0.04	98%	78%	101%	1.08	0.03
Angola	1.51	1.45	1.75	-0.08	-0.30	309%	386%	191%	1.58	0.13
Ecuador	0.53	0.53	0.55	-0.03	-0.02	69%	69%	78%	0.54	0.01
Equatorial Guinea	0.13	0.13	0.14	-0.01	-0.01	83%	83%	110%	0.13	0.00
Gabon	0.17	0.20	0.20	-0.01	0.00	356%	22%	31%	0.21	0.01
Iran ³	3.82	3.79	3.71	0.09	0.08	NA	NA	NA	3.85	0.06
Iraq	4.47	4.55	4.56	-0.21	-0.01	43%	5%	43%	4.80	0.25
Kuwait	2.71	2.72	2.84	-0.13	-0.12	98%	90%	100%	2.93	0.21
Qatar	0.61	0.62	0.65	-0.03	-0.03	127%	93%	134%	0.63	0.01
Saudi Arabia	10.03	10.46	10.54	-0.49	-0.08	106%	17%	115%	12.04	1.58
UAE	2.87	2.90	3.01	-0.14	-0.11	103%	81%	75%	3.20	0.30
Venezuela ⁷	1.36	1.30	2.07	-0.10	-0.77	744%	807%	287%	1.36	0.06
Total OPEC 12	29.25	29.70	31.11	-1.18	-1.41	158%	120%	114%		
Libya ⁴	0.97	0.71							1.02	0.31
Nigeria ⁴	1.47	1.46							1.74	0.28
Total OPEC	31.69	31.87							35.11	3.24
Azerbaijan	0.80	0.80	0.815	-0.04	-0.02	35%	53%	74%		
Kazakhstan	1.96	1.95	1.805	-0.02	0.14	-797%	-716%	-350%		
Mexico	2.11	2.12	2.400	-0.10	-0.28	285%	283%	198%		
Oman	0.98	0.98	1.019	-0.05	-0.04	92%	93%	94%		
Russia	11.35	11.45	11.597	-0.30	-0.15	83%	50%	79%		
Others ⁵	1.24	1.22	1.224	-0.05	-0.01	-43%	15%	38%		
Total Non-OPEC	18.45	18.50	18.859	-0.55	-0.36	75%	66%	83%		

¹ OPEC figures are crude oil only. Non-OPEC figures are total oil supply (including NGLs).

² OPEC based on Oct 2016 OPEC secondary source figures, except Angola which is based on Sep 2016. Non-OPEC based on IEA Oct total supply estimates. Kazakhstan Nov estimate.

³ Iran was given a slight increase. ⁴ Libya and Nigeria are exempt from cuts. ⁵ Bahrain, Brunei, Malaysia, Sudan and South Sudan.

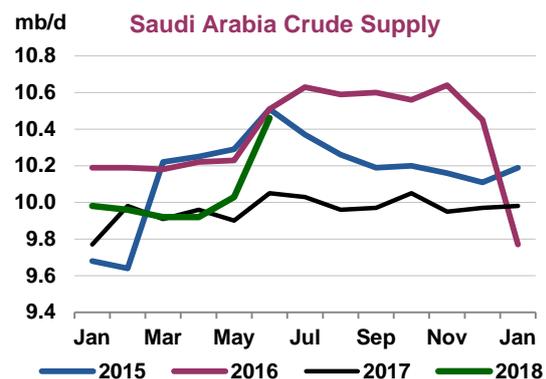
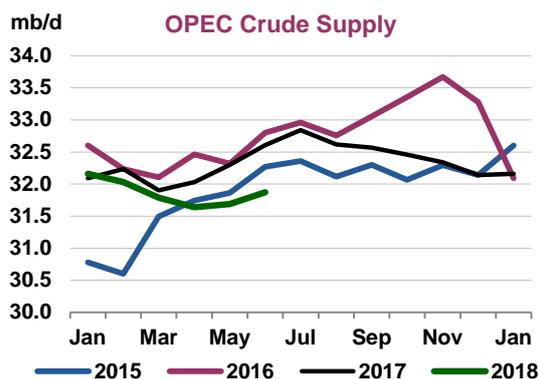
⁶ Capacity levels can be reached within 90 days and sustained for an extended period. ⁷ If Venezuelan compliance were 100%, OPEC overall compliance would be 63% in June.

OPEC crude oil supply

OPEC output rose 180 kb/d in June as a substantial increase from Saudi Arabia offset a sharp fall in Libyan supply and further losses in Venezuela and Angola. The biggest Saudi surge in more than three years was under way before OPEC ministers and 10 of their non-OPEC counterparts agreed last month to work towards 100% compliance with their existing agreement, which translates into higher production. June output of 31.87 mb/d – a four-month high - saw compliance ease from 158% to 120%, the lowest rate since last November. Venezuela's rapid decline and losses from Angola had pushed adherence to as high as 174% in April.

Saudi Arabia said that 100% compliance with the Vienna Agreement would provide around 1 mb/d of additional supply from those capable of producing more, although the communique did not mention this figure. Within OPEC, that means primarily Saudi Arabia, the UAE and Kuwait, who held a combined 2.09 mb/d of spare capacity based on June production. For its part, Iran opposes the Saudi interpretation of the Agreement, insisting the deal still requires countries to adhere to individual supply targets.

At a post-meeting press conference, Saudi Energy Minister Khalid al-Falih said a "measurable" increase of several hundred thousand barrels a day was in motion for July. However, that was already the case in June, when **Saudi** output rose 430 kb/d to 10.46 mb/d, the first time its compliance with supply cuts was less than 100%. Despite the Saudi ramp up, overall OPEC production was down 740 kb/d year-on-year (y-o-y) in June due to lower flows from Venezuela, Angola and Libya.



To satisfy stronger demand from customers, Saudi crude shipments to world markets during June rose 390 kb/d m-o-m to 7.6 mb/d, according to Kpler tanker tracking data, the highest since 4Q16. Increased volumes of crude are also likely to have been used in power plants during June due to increased air conditioning usage. Should Saudi Arabia ramp up to 11 mb/d during July, it will have raised output by nearly 1 mb/d in just two months. The last increase of that magnitude was in mid-2011, when output was boosted by 950 kb/d as Libyan production was halted.

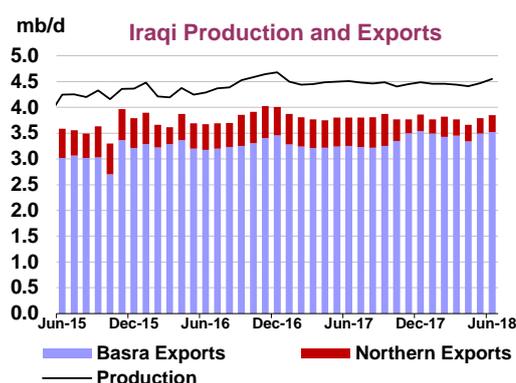
The latest data from the Joint Organisations Data Initiative (JODI) show exports of Saudi crude for April climbed 190 kb/d m-o-m to 7.3 mb/d. Product shipments fell 90 kb/d in April to 1.7 mb/d. Total oil sales rose 100 kb/d m-o-m to 9 mb/d. At home, the amount of crude used in power plants edged up 40 kb/d in April to 390 kb/d and this will rise substantially in the summer when air conditioning use peaks. The average amount of crude burned from May-September 2017 was 650 kb/d.

Saudi Arabia's cabinet has underscored the Kingdom's readiness to use its spare capacity when needed to deal with any future changes in supply and demand in coordination with other producing countries. To reach 11 mb/d of production, onshore fields such as Ghawar and Khurais will be pushed hard as will offshore fields such as Marjan and Safaniya. For production to rise higher, the reliance on offshore fields will be greater.

Capacity in Saudi Arabia and Kuwait could get a boost from the restart of shared oil fields in the Neutral Zone, which can produce up to 500 kb/d but have been shut for more than three years due to technical and political issues. Toyo Engineering said the offshore Khafji and onshore Hout fields were being prepared to resume output of up to 350 kb/d in 2019. The Japanese company has announced the renewal of its general engineering services agreement for the fields.

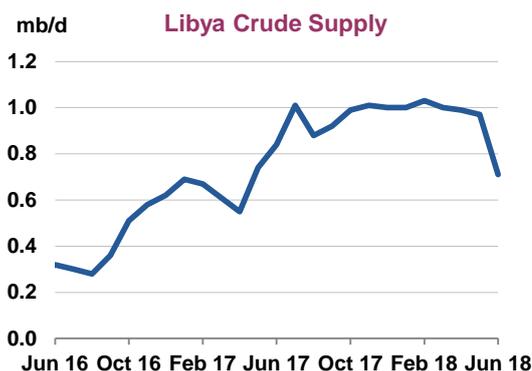
Elsewhere in the Gulf, production edged higher. Output in the **UAE** rose 30 kb/d to 2.9 mb/d. Flows from **Qatar** and **Kuwait** inched up to 620 kb/d and 2.72 mb/d, respectively. Kuwait launched its super light crude in early July, with the first shipment reportedly heading to Japan. More than 120 kb/d of the new 48° API gravity, 0.4% sulphur crude is being produced. Kuwait also expects to market new, heavy crude later this year, with an API gravity of 16° and 4.9% sulphur content.

Iraq turned in the second biggest increase after Saudi Arabia during June, with output climbing 80 kb/d to 4.55 mb/d – the highest since the end of 2016. Exports from Gulf terminals edged up 30 kb/d in June to a near-record rate of 3.52 mb/d. Fields in the Basra area continue to ramp up to make up for reduced flows in the north, where some 200 kb/d of capacity remains offline. Exports of northern crude via the Kurdistan Regional Government (KRG) pipeline to Turkey rose 30 kb/d in June to 330 kb/d. Iraqi flows could be substantially higher if Baghdad and Erbil were to agree a lasting political deal to use the 700 kb/d Kurdish pipeline. Southern terminals can now handle up to 3.7 mb/d.



Baghdad is meanwhile making every effort to boost production across the country. In the south, the focus is on Majnoon, Halfaya, Zubair and Rumaila. BP-operated Rumaila is now pumping more than 1.5 mb/d, while Eni-operated Zubair is producing at roughly 450 kb/d. After Royal Dutch Shell's departure from Majnoon, Iraq has awarded Petrofac a contract to build a 200 kb/d production train. In the north, the Bai Hassan field is partly back on line, producing around 35 kb/d. It was closed in October 2017 after the federal government reclaimed it from the KRG.

The biggest loss of production in June was in **Libya**, where, after a year of relative stability, an attack at the terminals of Ras Lanuf and Es Sider cut supply by 260 kb/d to 710 kb/d. Turmoil deepened in July and output dropped to around 500 kb/d, half the level of a year ago, with four major export terminals in eastern Libya taken over and blockaded by the Libyan National Army (LNA). Production had been halted at oil fields that supply the terminals because tankers were unable to load and storage tanks were full.

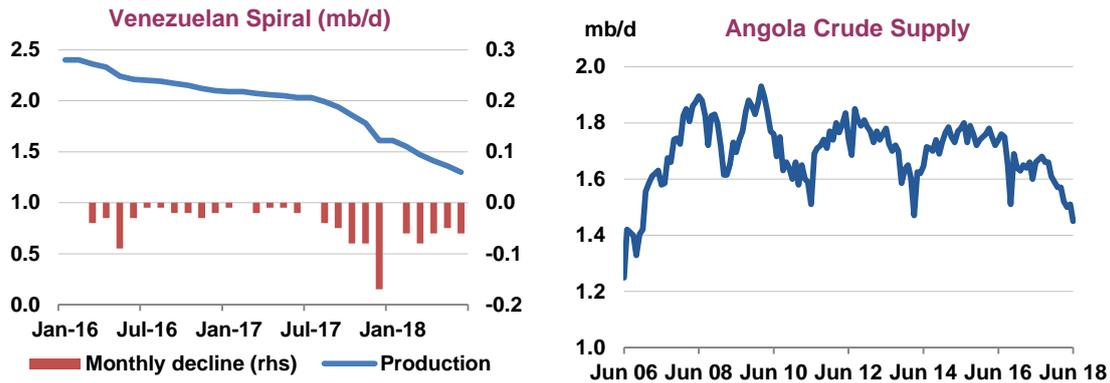


At the time of writing, however, the situation appeared to be improving. A swift recovery is anticipated, with the terminals reportedly set to re-open. However, it is unclear whether previous rates of around 1 mb/d can be reached immediately due to the destruction of several storage tanks at Ras Lanuf.

Venezuela's oil sector unravelled further in June, with output falling 60 kb/d to 1.3 mb/d – down 730 kb/d on a year ago. The faster-than-expected decline could see production capacity dropping below 1 mb/d by the end of this year. That would imply an annual drop in production of 730 kb/d in 2018. However, China Development Bank will invest more than \$250 million to ramp up output, according to

Economy and Finance Minister Simon Zerpa. It remains to be seen if this will make any difference in view of the overall dysfunction in the Venezuelan economy. Over the past decade, China has loaned Venezuela more than \$50 billion and last year it decided against offering new loans.

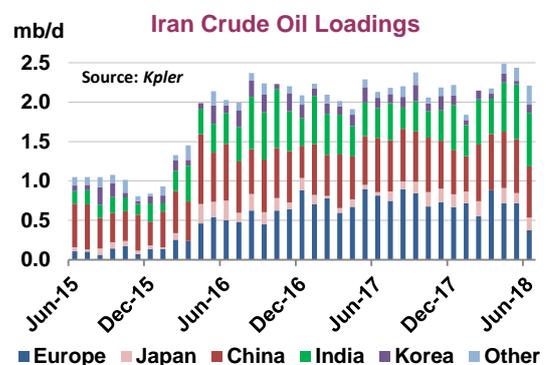
Output from Venezuela's ageing conventional oil fields is in rapid decline and upgraders operated by foreign joint-venture partners in the vast Orinoco heavy oil belt are malfunctioning and running below capacity. At the end of June, PDVSA and Chevron restarted the 210 kb/d Petropiar upgrader after almost a month-long closure. In total, upgrading projects in Venezuela can turn roughly 600 kb/d to 700 kb/d of extra-heavy Orinoco crude into export grades. Recently they have been largely out of action due to bottlenecks at loading facilities.



Production in **Angola** fell 60 kb/d in June to a 12-year low of 1.45 mb/d, 210 kb/d below last year. A decline of 120 kb/d since the start of this year is due to technical issues at some offshore blocks and natural declines at mature fields, according to Sonangol, which is working with its foreign partners to tackle the problems. Output is expected to recover to 1.65 mb/d by the end of this year, as new deep-water projects ramp up. Total's \$16 billion, 240 kb/d Kaombo project is on track to start up in August and is expected to produce 40 kb/d by the end of this year. Another 50 kb/d is expected by the end of 2018 from the offshore Eni-operated Ochigufu field, which started up in March.

Iranian production eased in June to 3.79 mb/d along with lower exports. Crude shipments to world markets slowed to 2.21 mb/d from elevated rates above 2.4 mb/d during the previous two months, with some of that higher volume likely to have been drawn from storage. Although the full impact of the US decision to withdraw from the Joint Comprehensive Plan of Action (JCPOA) and apply the toughest ever sanctions on Iran will not be felt until later this year, shipments to Europe slowed by nearly 50% in June as customers – along with banks, shippers and insurers – began to distance themselves. During the last round of sanctions, 1.2 mb/d of exports were cut, and this time round the impact could be even greater.

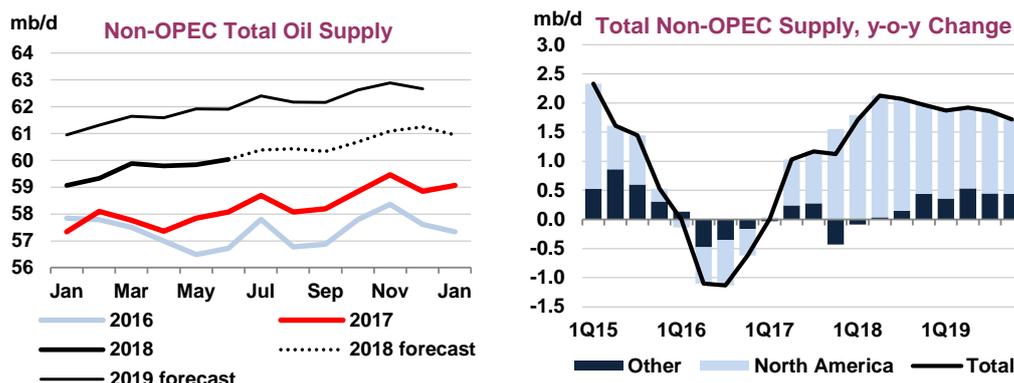
According to Kpler tanker tracking data, Iran's exports to Europe during June fell 340 kb/d to 380 kb/d as deliveries declined significantly to Italy, Spain and Greece. French purchases were up a touch, although Total said it will not buy Iranian oil after US sanctions are renewed on 4 November. Shipments to Asia held steady at 1.6 mb/d, according to the tanker tracking data. India ranked as Iran's largest buyer for the second month running in June with purchases of 680 kb/d. China lifted 650 kb/d, 30 kb/d below May. Loadings to Korea rose by 60 kb/d and edged up 30 kb/d to Japan. The final destination of 140 kb/d of exports was still unknown at the time of publishing. Loadings of condensate in June rose 15 kb/d to 270 kb/d.



Output in **Nigeria** held broadly steady in June but at 1.46 mb/d was down 110 kb/d on a year ago. Production in **Gabon** recovered to 200 kb/d in June, while output in **Algeria** inched up to 1.05 mb/d. Supply in **Ecuador** and **Equatorial Guinea** was unchanged versus May.

Non-OPEC

The estimate for 2018 non-OPEC supply has been revised 70 kb/d lower since last month's *Report* due to recent outages in the North Sea, Brazil, Canada and Kazakhstan. Higher Russian output ahead of the OPEC/non-OPEC producers' meeting in Vienna in June provided a partial offset. Non-OPEC supply is now seen growing by nearly 2 mb/d in 2018 and 1.8 mb/d next year when it is expected to reach 62 mb/d.



Russian producers raised output by nearly 100 kb/d in June, and following the Vienna meeting Russian Energy Minister Alexander Novak said that output could be lifted by 200 kb/d during 2H18. As a result, we have adjusted upwards our forecast for Russia for the remainder of the year and trimmed growth prospects for 2019. Other producers that had agreed to cut production are only expected to marginally boost output, if at all, as field declines rather than voluntary cutbacks explain the reductions seen since the start of 2017.

A case in point is Mexico, where, by May, production had plummeted 285 kb/d from the October 2016 baseline to 2.1 mb/d. Mexico had pledged to cut supplies by 100 kb/d, but the opening up of the industry and the farm-out process aimed at reversing long-standing declines has been slower than expected. Further delays might be caused by the transition to the new presidency of Andres Manuel Lopez Obrador. He has criticised the oil reform process and wants to review contracts already signed.

Heavier than expected maintenance saw North Sea oil output plunge by 365 kb/d m-o-m in May to stand 0.4 mb/d below a year ago. Norway's production fell to its lowest since September 2016 as several fields were affected by maintenance and operational setbacks. UK oil output also declined by 120 kb/d m-o-m though production was only marginally below a year ago. A trade union strike in Norway in early July, risked cutting output further as workers rejected a proposed wage deal. Steep field declines and maintenance also crimped growth in Brazil, although the start-up of another production unit in the Tartaruga Verde field in the Campos Basin at the end of June, should see the trend reversed in coming months. Unscheduled outages affected Canadian and Kazakh output in June.

Meanwhile, US production saw only marginal gains in April as maintenance curbed output in the Gulf of Mexico. Growth in onshore crude and NGLs continued apace, however, so our production forecast for both 2018 and 2019 is unchanged. While new rig additions stalled in June as infrastructure bottlenecks weighed on the price of Permian grades, supplies should continue to increase through 2019 as new well completions offset base decline. Growth eases from 1.7 mb/d this year to 1.2 mb/d in 2019, however, of which 940 kb/d is crude and condensate and the remainder NGLs.

Non-OPEC Supply

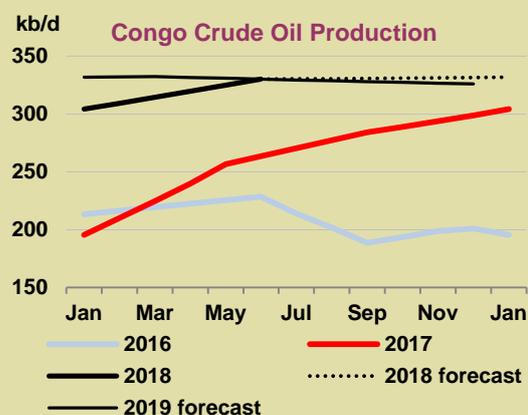
(million barrels per day)

	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019
Americas	20.3	21.7	21.9	22.1	22.7	22.1	23.3	23.3	23.6	24.0	23.5
Europe	3.5	3.5	3.3	3.3	3.5	3.4	3.4	3.3	3.3	3.4	3.4
Asia Oceania	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5
Total OECD	24.2	25.7	25.6	25.8	26.6	25.9	27.1	27.0	27.3	28.0	27.4
Former USSR	14.4	14.4	14.5	14.5	14.6	14.5	14.7	14.7	14.6	14.7	14.7
Europe	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
China	3.9	3.8	3.8	3.8	3.8	3.8	3.8	3.7	3.7	3.7	3.7
Other Asia	3.5	3.4	3.3	3.3	3.3	3.3	3.3	3.2	3.2	3.2	3.2
Latin America	4.5	4.5	4.6	4.7	4.8	4.6	4.8	5.0	5.0	5.1	5.0
Middle East	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.2
Africa	1.7	1.8	1.8	1.8	1.7	1.8	1.7	1.7	1.7	1.7	1.7
Total Non-OECD	29.3	29.3	29.4	29.4	29.5	29.4	29.6	29.7	29.6	29.8	29.7
Processing Gains	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Global Biofuels	2.5	2.1	2.6	2.8	2.5	2.5	2.2	2.7	2.9	2.6	2.6
Total Non-OPEC	58.2	59.4	59.9	60.4	61.0	60.2	61.3	61.8	62.2	62.7	62.0
Annual Chg (mb/d)	0.8	1.7	2.1	2.1	2.0	2.0	1.9	1.9	1.9	1.7	1.8
Changes from last OMR (mb/d)	0.0	0.0	-0.2	-0.1	0.0	-0.1	0.1	0.2	-0.1	0.0	0.0

Congo becomes OPEC's 15th member

On 22 June, the Organisation of the Petroleum Exporting Countries (OPEC) accepted the Congo Republic (also known as Congo-Brazzaville) as its 15th member. Congo is the seventh African producer to join OPEC after Gabon reactivated its membership in July 2016 and Equatorial Guinea joined in May 2017.

Congo was Africa's second largest non-OPEC producer, behind Egypt, and the continent's sixth largest including OPEC countries. Production has risen by around 60% since the start of 2017 to an estimated 330 kb/d currently, with gains stemming primarily from the Eni-operated Nene Marine oil field and Total's Moho Nord project. The Nene Marine discovery came on stream in 2015 and during 2017 Eni installed a new production platform and started up seven additional production wells. The Nene Marine project is currently producing around 20 kboe/d, but it has the potential to reach 150 kboe/d. In March 2017, Total, Congo's largest producer, brought on stream its Moho Nord deep offshore project which is now thought to be operating near capacity of around 140 kb/d (including roughly 40 kb/d from Phase 1bis that started up in 2015). Output is set to rise further this year as the Banga Kayo onshore field development ramps up. The project, which will have a capacity of 20 kb/d in the first phase, is being developed by Chinese company Wing Wah Petrochemical.

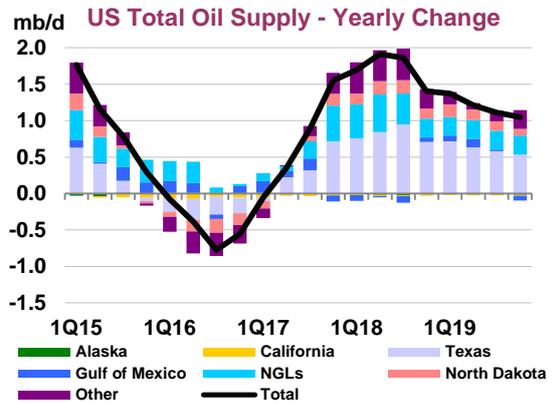
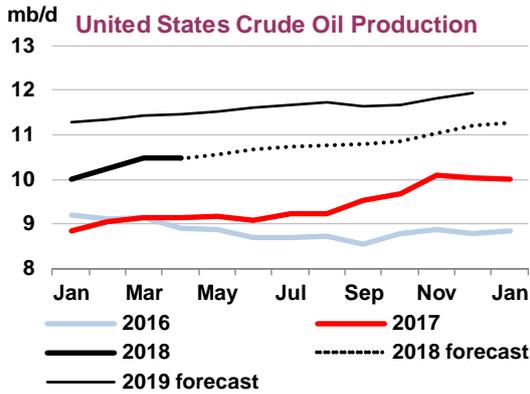


With just one 20 kb/d refinery currently operating at around half its capacity, Congo exports almost all of its oil. The three main crude grades are the heavy medium sweet Djeno, the light sweet N'Kossa and the heavy Yombo. Djeno is the flagship export grade. It is extremely popular with Chinese refiners as it yields a high amount of vacuum gasoil and fuel oil, and is also low in sulphur. Unipet, Sinochem, PetroChina and ZhenHua Oil are all regular buyers of Djeno, with Unipet typically buying two to four cargoes every month. China imported an average of 170 kb/d of crude oil from Congo in 2017 and as much as 334 kb/d in March, the latest month for which data is available.

Nearly all output is produced by international oil companies (IOCs), Total, Eni and Chevron, and Congo hopes to attract other IOCs by offering 18 blocks in the latest licensing round. License Round Phase 2, launched in June, will see both onshore and offshore tracts put on offer. The round will open for tenders in September, with an expected closing date in June next year.

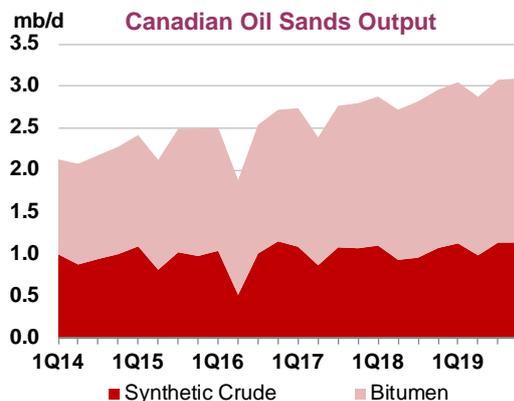
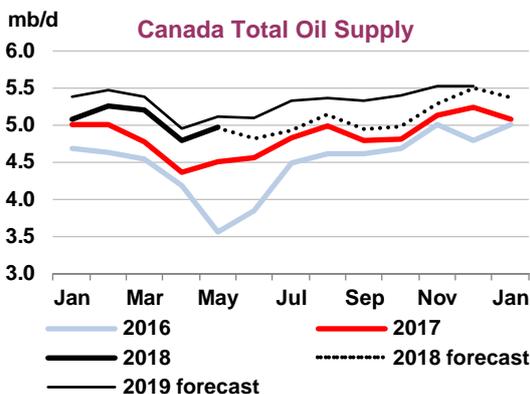
Congo will be included in the IEA's OPEC production estimates in the next edition of this *Report*.

US total oil supply rose by 85 kb/d in April to 14.9 mb/d, in line with earlier forecasts. Crude oil production held steady, in contrast to continued growth suggested by preliminary estimates, as maintenance in the Gulf of Mexico (-100 kb/d) offset further gains in tight oil production. Lower 48 onshore output rose by 110 kb/d m-o-m, led by North Dakota (+60 kb/d), Texas (+30 kb/d) and New Mexico (+25 kb/d). In Oklahoma, production dropped by 11 kb/d. Alaskan production also fell by 15 kb/d, in line with seasonal trends. Total crude oil output was 1.3 mb/d higher than a year earlier. NGL production rose by 85 kb/d, led by ethane, to stand a massive 625 kb/d above year ago levels.

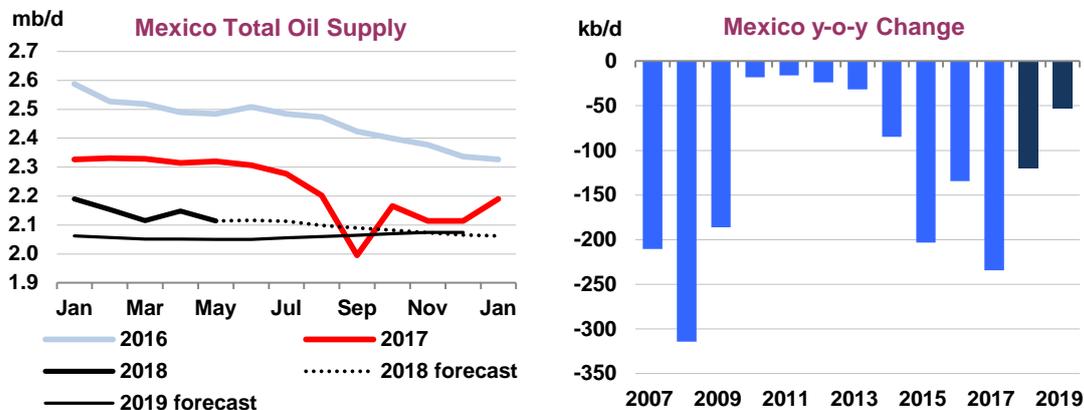


Takeaway capacity constraints continue to weigh on the price of Permian grades, with the discount of WTI priced in Midland vs Houston reaching \$15/bbl. In response, producers are adjusting operations and shifting activity towards other basins. During June, while the overall US rig count was stable, the Permian count dropped by five. The basin accounts for the entire increase in the number of rigs added over the past year, having risen by 105 to 474. Total US oil rigs increased by 100 to 863. More than half of the executives surveyed in June by the Federal Reserve Bank of Dallas said lack of crude oil pipeline capacity would limit near-term growth in the Permian. Problems finding workers and cost inflation were other factors cited. In 2Q18, the Business Activity Index for the Eleventh District oil and gas producers nevertheless reached its highest since the survey began. It is home to four major oil and natural gas producing areas: the Barnett Shale, the Eagle Ford, the Haynesville and the Permian.

Canadian oil supplies plunged sharply from mid-June, as the 360 kb/d Syncrude upgrading facility was shut due to a power outage. The outage caused WTI prices in Cushing to rally, once it was reported that the plant would remain offline until at least the end of July and the re-start might be phased. Later Syncrude said the plant would partially restart in July will full volumes reached by September. In May, Canadian output was higher than expected, with Albertan oil sands rising by 210 kb/d from a month earlier to 2.8 mb/d, including both upgraded and un-upgraded output. Following growth of 360 kb/d last year, Canadian supplies are forecast to expand by 230 kb/d in 2018 and by 265 kb/d next year.



Mexican oil output dropped by 35 kb/d in May to 2.1 mb/d, as both crude and NGL production eased. Production was 205 kb/d lower than a year earlier and 285 kb/d below the October 2016 level against which compliance with the Vienna Agreement is measured. Mexico had pledged to reduce output by 100 kb/d. Following a drop of 230 kb/d in output last year, production is expected to decline by a further 120 kb/d on average in 2018 and by 50 kb/d next year.

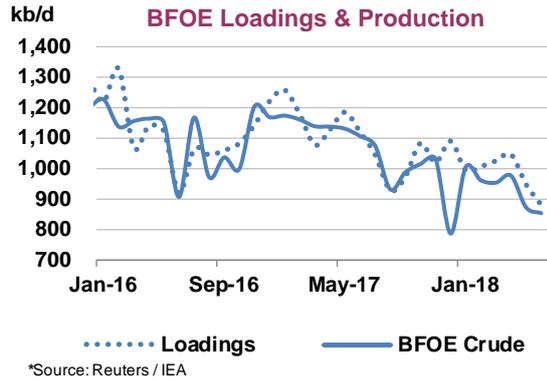
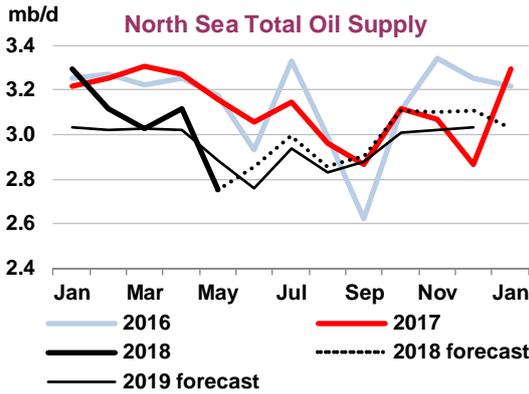


Domestic and international investors are now grappling with the implications for Mexico's energy policy from the election victory of Andres Manuel Lopez Obrador (AMLO). AMLO, a vocal opponent of the energy reform, won by a landslide partly on promises to review recently awarded infrastructure and energy contracts. His campaign platform called for a push to revive Pemex and increase local content requirements.

While the precise direction of policy is uncertain and will remain so until the 1 December inauguration, market observers seem to agree that there is likely to be a substantive energy policy shift under the new administration. This may result in a temporary halt to bid rounds and potential major changes in future contract terms, environmental and local content regulations. In view of AMLO's preliminary policy announcements, it seems highly unlikely that the reform programme outlined by the current government will remain unchanged. Reports in Mexico since AMLO's election suggest that projects already sanctioned may be reviewed, but not necessarily cancelled and contracts awarded in oil bidding rounds may be reviewed for any possible corruption, but will be honoured if no irregularities are found. Terms for new contracts for investors will probably be revised with the industry concerned that they will be less competitive, as compared with other international opportunities. In addition, there is a risk that any further farm-out agreements by Pemex will be postponed, if the new government authorises such joint ventures at all.

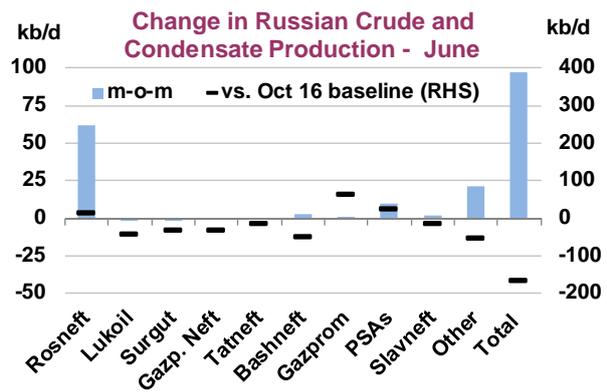
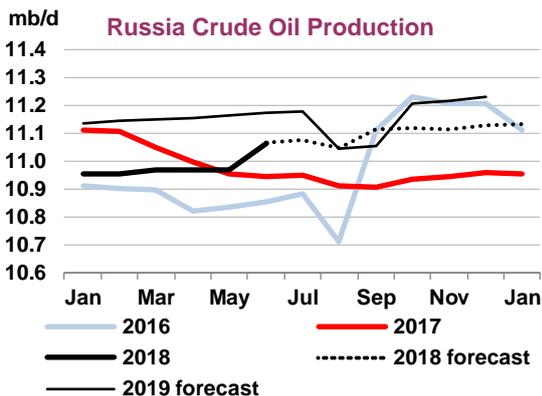
North Sea oil output plunged by a steeper than expected 365 kb/d m-o-m in May, on extensive maintenance at a number of offshore installations. The sharpest fall stemmed from **Norway**, which saw output decline by 245 kb/d m-o-m, to 1.6 mb/d – a massive 360 kb/d below a year ago. In particular, loadings from the Sture terminal, that receives crude oil from Oseberg, Grane, Svalin, Edvard Grieg, and Ivar Aasen, dropped sharply. Output from Troll was also affected. A trade union strike in Norway in early July, risked cutting output further as workers rejected a proposed wage deal.

UK output fell by 120 kb/d m-o-m, but in contrast to Norway only recorded a marginal y-o-y drop (-25 kb/d). Over the first five months of the year, UK production increased by 35 kb/d on average, while Norwegian supplies declined by 190 kb/d compared with the same period in 2017. UK production likely saw further declines in June, however, with loading schedules for Forties, as reported by Reuters, suggesting a 45 kb/d drop, to 360 kb/d. Oseberg loadings were set to rebound however, rising to five cargoes from only one in May, due to maintenance.



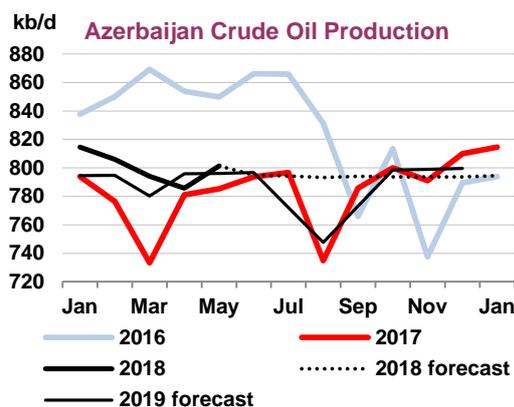
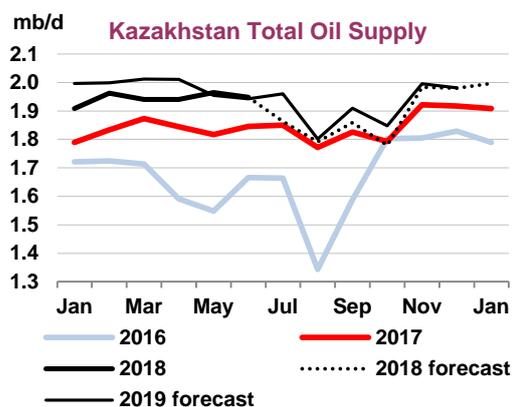
Russian oil producers are preparing to boost output following the deal between OPEC and its non-OPEC allies agreed in Vienna last month. According to Energy Minister Alexander Novak, Russia will increase production by up to 200 kb/d in the second half of 2018, a figure that could be revised higher later in the year. Novak said that the increase would be distributed proportionally between producers. As a result, estimates for Russian oil production for 2018 and 2019 has been revised up by 80 kb/d and 50 kb/d, respectively, and is now expected to expand by 70 kb/d and 140 kb/d on average.

Russia’s largest producer, Rosneft, is expected to account for the steepest increase. Including its Bashneft subsidiary, Rosneft production was cut by 100 kb/d from October 2016’s high point through May 2018, accounting for 40% of the overall reduction. Already in June, when total Russian crude and condensate production was increased by more than 90 kb/d to 11.06 mb/d, Rosneft accounted for two thirds of the gain. The company has said it could increase output by 150 kb/d within a week and potentially much more in the following two months. In addition to boosting output from already producing fields, Rosneft plans to launch its Tagulskoye field, part of the Vankor cluster, by the end of the year as part of its long term growth strategy. Other increases could come from the Samotlor field that was granted tax concessions at the end of last year. It could also lift output at the Bashneft-operated Trebs and Titov fields, which have been operating at around half of their capacity over the past 12 months. Rosneft is also reportedly testing its ability to raise output from at least one greenfield development held back by production cuts, the Yurubcheno-Tokhomskiye field in east Siberia.



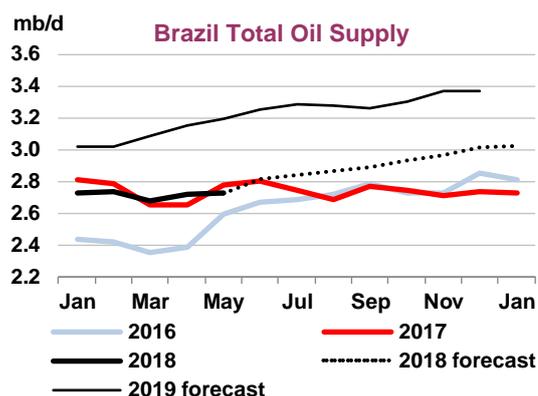
Russia’s second largest producer, Lukoil, has said it can restore half of its production cuts, or 22.5 kb/d, in two to three months. The increase will likely come from the offshore Caspian Filanovsky field, where a third well was recently brought on line. The Western Siberian fields that saw the biggest drop due to the output cut agreement could also be boosted if drilling rates pick up. Gazprom Neft has said it can add 37.5 kb/d within a month or two, and will probably boost output at its Novy Port and Messayokha fields. The ramp up of these fields that started up in 2014 and 2016, respectively, was halted as a result of the deal. RussNeft has said it can lift output by 5 kb/d, while Tatneft has said it can add 29 kb/d.

Kazakhstan's total oil production eased by 16 kb/d in June, to 1.95 mb/d. Crude and condensate production was 1.9 mb/d, up 100 kb/d on a year ago. Following a 55 kb/d increase in May, to 300 kb/d, production from Kashagan held steady in June. Output from the Karachaganak gas condensate field recovered from June's low, rising 38 kb/d m-o-m to 285 kb/d. In contrast, output from Tengizchevroil (TCO), the country's largest, dropped by 60 kb/d to 590 kb/d due to a technical malfunction on one of its oil processing plants. The plant resumed operations a few days later but June loading schedules of CPC Blend crude oil exports were downgraded from a planned 1.37 mb/d to 1.25 mb/d. In July, the closure of the Bolashak onshore processing plant for 14 days is expected to curb Kashagan output, while scheduled maintenance will weigh on output from Tengiz and Karachaganak from August through October. According to the ministry, oil production at Tengiz is expected to fall by around 125 kb/d in August and by 100 kb/d in October due to maintenance. The Karachaganak field will undertake maintenance lasting 25 days over September and October.



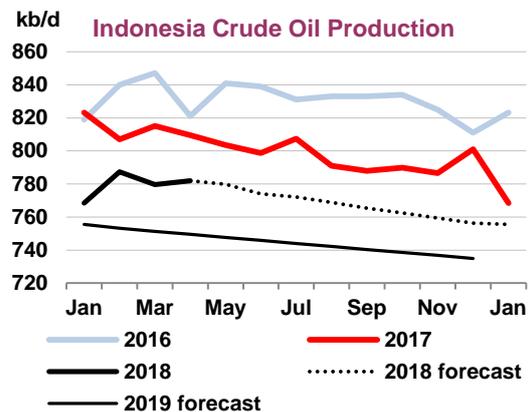
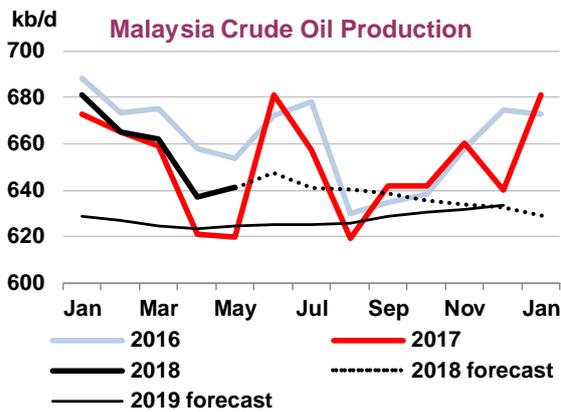
Azeri oil output rose by 16 kb/d to 800 kb/d in May, as output of gas condensates from the Shah Deniz field recovered. Production is expected to fall seasonally through August and then recover through year-end. Following a steep output drop in 2016, Azeri oil output is forecast to hold roughly steady through 2019 as higher output from Shah Deniz offsets other declines.

Brazilian oil output rose by 10 kb/d in May, to 2.73 mb/d, as maintenance at the Cidade de Saquarema FPSO that operates in the Lula field in the pre-salt sector of the Santos Basin capped gains. Output stood 45 kb/d below a year earlier, as steep declines in the Campos Basin (-260 kb/d y-o-y) more than offset increases from new production units installed in the Santos Basin. Output is expected to rise from June, boosted by the start-up of new units. Following the start-up of the first Buzios FPSO and the 20 kb/d Atlanta field in April and May, respectively, on 22 June, Petrobras fired up its deepwater Tartauga Verde field in the Campos Basin. The Cidade de Campos dos Goytacazes FPSO has the capacity to produce 150 kb/d.



Chinese crude oil production eased marginally to 3.7 mb/d in May, some 75 kb/d lower than a year earlier. Declines have slowed over the past year or so, as national oil companies have intensified efforts to stabilise output. For example, PetroChina plans to drill 690 new wells at its Liaohe field in the Lianoning province this year, to build 1.06 million tonnes of new capacity. PetroChina wants to maintain Liaohe's output at 10 million tonnes per year (or 200 kb/d) after decades of development.

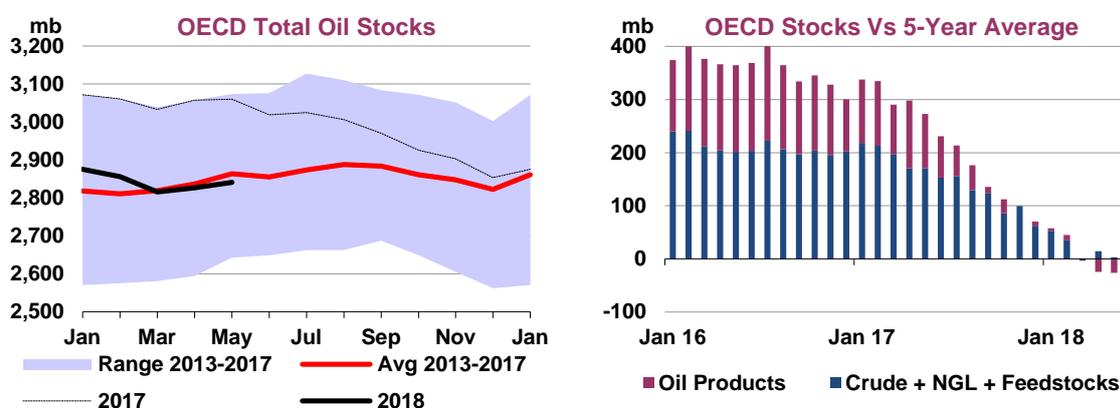
Malaysian crude oil production held roughly steady in May at around 640 kb/d, 21 kb/d higher than a year earlier and roughly on par with the October 2016 baseline. Data for **Indonesian** crude and condensate production for 2017 was reported to JODI last month, with data available through March 2018. The 2017 figures were in line with our estimates but 1Q18 output was marginally lower, with the January production decline especially steep. Following a monthly decline of 25 kb/d in March, **Thailand's** crude production dropped by an additional 15 kb/d in April. At 205 kb/d, production was 30 kb/d lower than a year earlier. Output drops were widespread, but the biggest m-o-m decline came from the offshore Tan Tawan oil field, where output fell to just 6 kb/d, from normal rates around 20 kb/d.



STOCKS

Summary

OECD commercial stocks rose 13.9 mb month-on-month (m-o-m) in May to 2 840 mb, only the third monthly increase since July 2017. However, stocks gained only half as much as normal at this time of year. At end-month, OECD inventories were 23 mb below the five-year average. Crude oil stockpiles increased 1.3 mb on the month to 1 108 mb, but it was 'other' product stocks that drove most of the gains. They went up 14.5 mb m-o-m, in line with the five-year average increase, to 379 mb, as the restocking season for LPG gathered pace. Gasoline inventories decreased seasonally by 1.7 mb to 388 mb, and middle distillates fell to a fresh three-year low of 521 mb. Distillate stocks are well below the five-year average in the Americas and Europe, driven by a combination of higher demand and exports to non-OECD countries (mostly Latin America).



For June, preliminary data show that commercial stocks fell in most OECD regions. In the US, crude inventories fell by a sharp 18.4 mb versus May, thanks to record high refinery runs and crude exports. However, the higher runs and continued seasonal LPG restocking also buoyed oil product stocks, which gained by a combined 17.8 mb. The net result is an overall 0.6 mb draw. Japanese oil stocks decreased by 8.4 mb with falls seen in crude as well as in most product categories. This is a larger-than-usual fall with the five-year average decrease for June at 0.4 mb. In Europe, oil inventories increased just 0.2 mb as higher refinery utilisation led to a draw in crude and a build in oil products. Overall, figures for Europe, Japan and the US show a marginal stock fall of 8.8 mb for the month of June, approximately in line with the five-year average decrease for the month.

Preliminary Industry Stock Change in May 2018 and First Quarter 2018

	May 2018 (preliminary)				First Quarter 2018							
	(million barrels)				(million barrels per day)							
	Am	Europe	As. Ocean	Total	Am	Europe	As. Ocean	Total	Am	Europe	As. Ocean	Total
Crude Oil	3.1	-1.5	-0.2	1.3	0.10	-0.05	-0.01	0.04	0.04	0.16	-0.31	-0.10
Gasoline	2.3	-4.9	1.0	-1.7	0.07	-0.16	0.03	-0.05	0.06	-0.03	0.01	0.05
Middle Distillates	0.8	-4.1	0.4	-2.9	0.02	-0.13	0.01	-0.09	-0.15	-0.03	-0.01	-0.19
Residual Fuel Oil	-0.9	0.4	1.0	0.6	-0.03	0.01	0.03	0.02	0.06	0.03	-0.01	0.09
Other Products	18.7	-1.9	-2.4	14.5	0.60	-0.06	-0.08	0.47	-0.32	0.05	-0.03	-0.30
Total Products	20.9	-10.4	0.0	10.5	0.67	-0.33	0.00	0.34	-0.35	0.03	-0.04	-0.36
Other Oils ¹	0.0	-0.1	2.2	2.1	0.00	0.00	0.07	0.07	-0.03	0.06	-0.03	0.00
Total Oil	23.9	-12.0	2.0	13.9	0.77	-0.39	0.06	0.45	-0.34	0.25	-0.38	-0.47

¹ Other oils includes NGLs, feedstocks and other hydrocarbons.

Revised data for OECD oil inventories showed increases versus preliminary numbers: March OECD stocks were revised up by 3.8 mb and for April there was a bigger revision of 17.2 mb. We have identified a data break for Swedish NGL and feedstock inventories between December 2017 and January 2018 due to increased coverage. However, at 6 mb in April, these stocks do not represent a significant volume.

Revisions versus June 2018 Oil Market Report

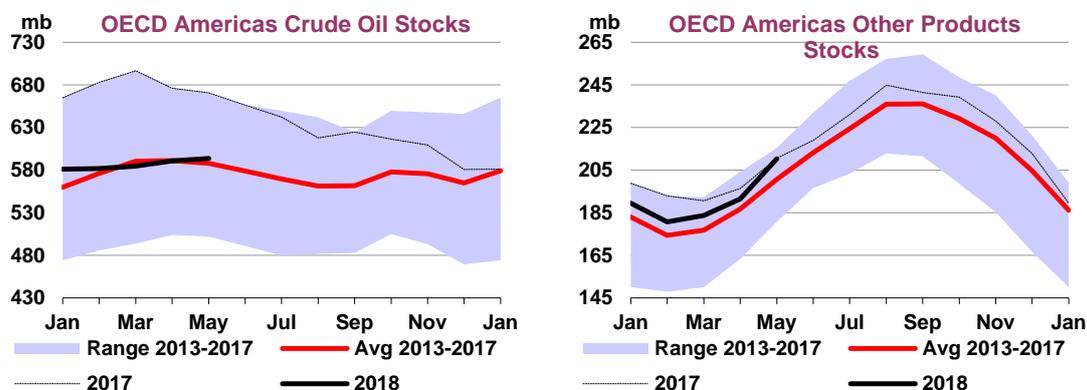
	(million barrels)							
	Americas		Europe		Asia Oceania		OECD	
	Mar-18	Apr-18	Mar-18	Apr-18	Mar-18	Apr-18	Mar-18	Apr-18
Crude Oil	2.5	7.1	-3.0	6.3	0.0	6.0	-0.5	19.4
Gasoline	-0.1	0.2	2.2	2.1	0.0	0.3	2.1	2.6
Middle Distillates	-0.1	1.0	2.9	-3.8	0.1	0.9	2.9	-1.9
Residual Fuel Oil	0.0	0.0	-4.1	-1.9	-0.1	0.2	-4.1	-1.8
Other Products	0.1	-3.2	-0.3	-5.0	0.0	-0.1	-0.2	-8.3
Total Products	-0.1	-2.1	0.7	-8.6	0.0	1.2	0.7	-9.4
Other Oils ¹	-0.1	2.2	3.6	5.1	0.0	-0.1	3.5	7.2
Total Oil	2.4	7.2	1.3	2.9	0.0	7.1	3.8	17.2

1 Other oils includes NGLs, feedstocks and other hydrocarbons.

Recent OECD industry stock changes

OECD Americas

Commercial stocks in the OECD Americas rose by 23.9 mb in May to 1 491 mb, marking the largest monthly build recorded in the region since January 2017. Total stockpiles were 8 mb above the five-year average at the end of the month, after dipping below it in April. By far, the largest contribution was made by other product stocks, which rose 18.7 mb m-o-m in May to reach 210 mb, as the seasonal build-up in LPG gathered pace. Crude oil stockpiles gained for the fifth consecutive month, however, like in previous months, the build was modest at 3.1 mb, and stocks remained around 77 mb lower year-on-year. Gasoline stocks increased 2.3 mb to 274 mb and were situated near the top of the five-year range, meaning supplies were ample ahead of the summer driving season. Finally, middle distillates gained seasonally by 0.8 mb to 196 mb while fuel oil dipped 0.9 mb to reach 38 mb.



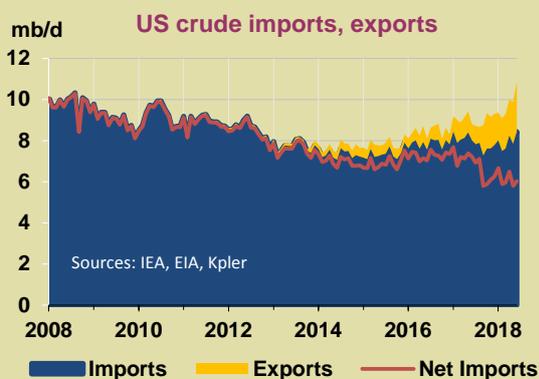
Preliminary data from the EIA for the week ending 29 June shows US crude oil stocks declining sharply, by 18.4 mb versus the end of May, thanks to record high refinery runs and ever-higher crude exports. Most US PADDs recorded draws, with the Midwest falling most. The reduction could be due to high refinery utilisation in that part of the US and higher outflows to the Gulf Coast linked to exports. The unplanned outage of Syncrude's 360 kb/d oil sands upgrader on 20 June affected Canadian exports to the US in the week ending 22 June, but they recovered at the end of June. Crude stocks fell 11.4 mb m-o-m in PADD 2 (US Midwest), 3.7 mb in PADD 3 (US Gulf Coast), 2.7 mb in PADD 5 (US West Coast), 1 mb in PADD 4 (Rocky Mountain), and they increased modestly in PADD 1 (US East Coast).

US crude exports reached new weekly and monthly records, while imports stayed elevated, thus allowing refineries to run at close to maximum capacity (See *US crude grows international connections*). Imports from Brazil, Ecuador, Mexico and Nigeria were all up on the month, the same data showed. Oil product stocks, by contrast, continued to rise seasonally, helped by gains in propane (+14.7 mb), gasoline (+1.3 mb) and diesel (+1 mb), and despite lower fuel oil holdings (-2.6 mb).

US crude grows international connections

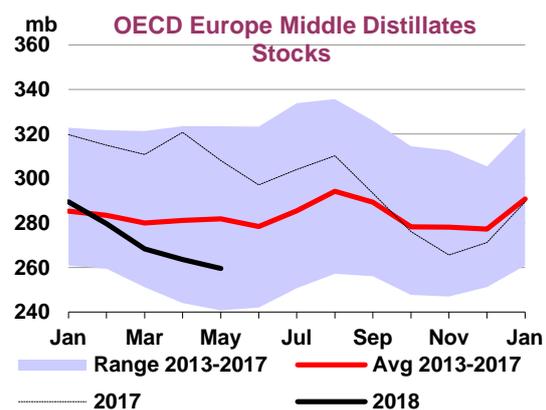
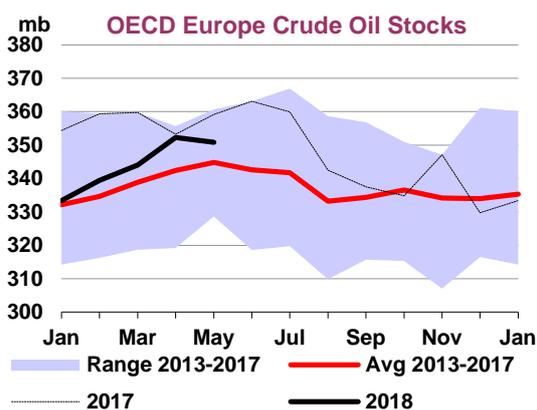
The US crude oil market is more connected with the rest of the world than at any point in the last 13 years. This is thanks to the steady increase in LTO production that has made more oil available for exports and strong demand and high refinery processing that have maintained the country's imports at a high level. Total US trade, when crude imports and exports are added up, reached 10.8 mb/d in June, its highest since June 2005, calculations based on data from the *EIA* and *Kpler* showed.

In June, US crude exports reached new weekly and monthly records of 3 mb/d and 2.4 mb/d, respectively, helped by falling production in West Africa and Libya. Shipments have grown steadily since the US lifted the crude oil export ban at the end of 2015, helped by higher LTO output and the buildout of pipeline and export infrastructure on the Gulf Coast. Additionally, seaborne crude imports reached 5 mb/d, their highest in a year, according to *Kpler*. This was no surprise given that US consumption remains high and with continued strong demand for US oil products in Latin America. Finally, we estimate Canadian crude exports to the US, made up mostly of pipeline flows, rose 100 kb/d in June to 3.6 mb/d despite the unplanned outage of Syncrude's 360 kb/d oil sands upgrader. The disruption affected flows in the week ending 22 June, but they recovered strongly at the end of June.



Far from reducing interaction with the world, higher LTO output has contributed to increased traffic as US refiners seek to diversify their crude slate and producers look for new markets. The question is whether possible tariffs on exports to China will derail this trend. China represents about one fifth of all US crude exports, although the figures vary month to month. If China were to impose tariffs, US exporters would no doubt find other outlets (India, for example, has imported growing quantities of US crude in recent months, and Europe remains a major destination), but this crude would likely have to be discounted further and export quantities may fall.

OECD Europe

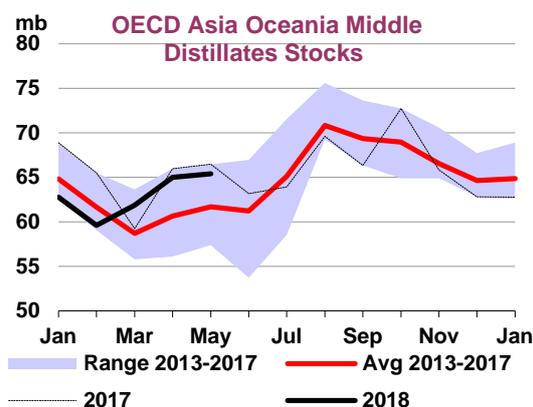
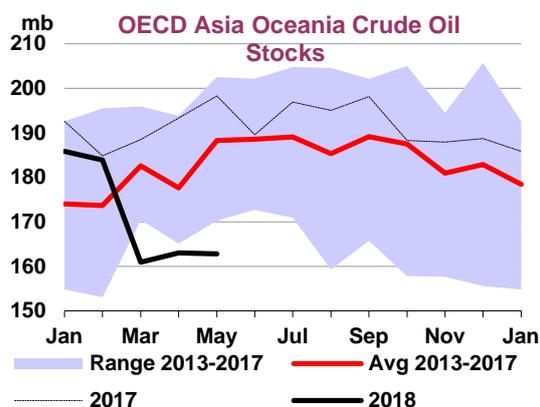


Commercial holdings in OECD Europe fell by a significant 12 mb in May to 959 mb, a six-month low and 2 mb above the five-year average. Declines in gasoline and middle distillate inventories contributed the most, most likely because of higher end-user demand. Gasoline stocks fell 4.9 mb m-o-m to 89 mb and distillate inventories declined 4.1 mb to 260 mb. The region's distillate stocks are now at their lowest level since February 2015. There have been declines since August 2017, explained by higher demand from drivers and industry rather than a slowdown in European refinery activity or imports. Crude stocks also fell counter-seasonally in May, albeit by a modest 1.5 mb, to end the month at 351 mb. This is the first registered decline in European crude stocks this year and they remain above the five-year average.

Crude stocks fell by a further 2.6 mb in June in line with higher refinery utilisation, while oil product stocks gained 2.8 mb, preliminary data from *Euroilstock* showed. Overall, inventories built 0.2 mb. Interestingly, middle distillate holdings look to have risen 3.1 mb m-o-m – the first increase since December 2017 – after diesel imports and refinery runs rose to their highest in several months.

OECD Asia Oceania

Commercial stocks in OECD Asia Oceania rose by a moderate 2 mb in May to 390 mb. Crude stocks eased 0.2 mb m-o-m, whereas they normally build strongly at this time of year. A later-than-usual refinery maintenance season in Japan and Korea is the main factor. This year, we expect maintenance work to occur mainly in June rather than May. Oil product stocks behaved seasonally, with gasoline gaining 1 mb m-o-m to 25 mb and middle distillates increasing 0.4 mb to 66 mb. Fuel oil stocks also gained 1 mb to 20 mb, whereas other products drew 2.4 mb to 54 mb.

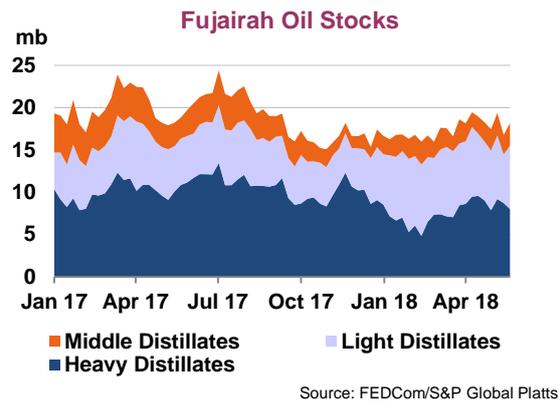
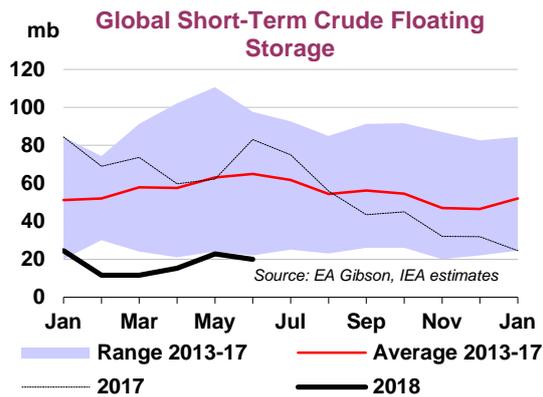


Preliminary data from the *Petroleum Association of Japan (PAJ)* shows that inventories drew by a significant 8.4 mb in June. Crude stockpiles fell 4.6 mb even as refinery runs declined, but crude imports also went down. Gasoline stocks decreased 1.4 mb on the month. The fall was in line with seasonal norms and mainly linked to lower refinery throughput, but it came off a lower stock level than recorded in recent years, meaning Japan's gasoline stocks are now well below the five-year average. Gasoline holdings have been under average levels for the past year, likely because of long-term refinery closures carried out in 2017. Other oil product stocks also drew during June, including naphtha (-0.4 mb), jet fuel (-0.5 mb) and diesel (-0.3 mb). Kerosene inventories increased 0.2 mb on the month in line with seasonal restocking patterns after the end of winter.

Other stock developments

Stockpiles in the 19 non-OECD countries covered by the JODI database declined by a mere 1 mb m-o-m during April, the last month for which data is available. Crude stocks increased; however, this was more than offset by lower NGL and oil product inventories. Overall, there were stock falls in e.g. Chinese Taipei (-3.9 mb), Saudi Arabia (-3.2 mb) and Algeria (-2.4 mb), and gains in Angola (+1.3 mb), Iraq (+1.4 mb) and Nigeria (+8.9 mb).

Short-term floating storage eased in June by 2.8 mb to 19.9 mb, after it had risen in May due to congestion at Chinese ports, according to *EA Gibson*. Figures from *Kpler* for ships idle over the past 12 days showed a small gain in floating storage during June of 1 mb to 23 mb. The *Kpler* data showed crude in transit rising by 48.4 mb to reach 951 mb at the end of the month, thanks to higher export volumes from Iraq, Nigeria and the US. A decision by Vienna Agreement countries to boost production at the end of June could in turn incentivise exports as well as global oil in transit volumes.

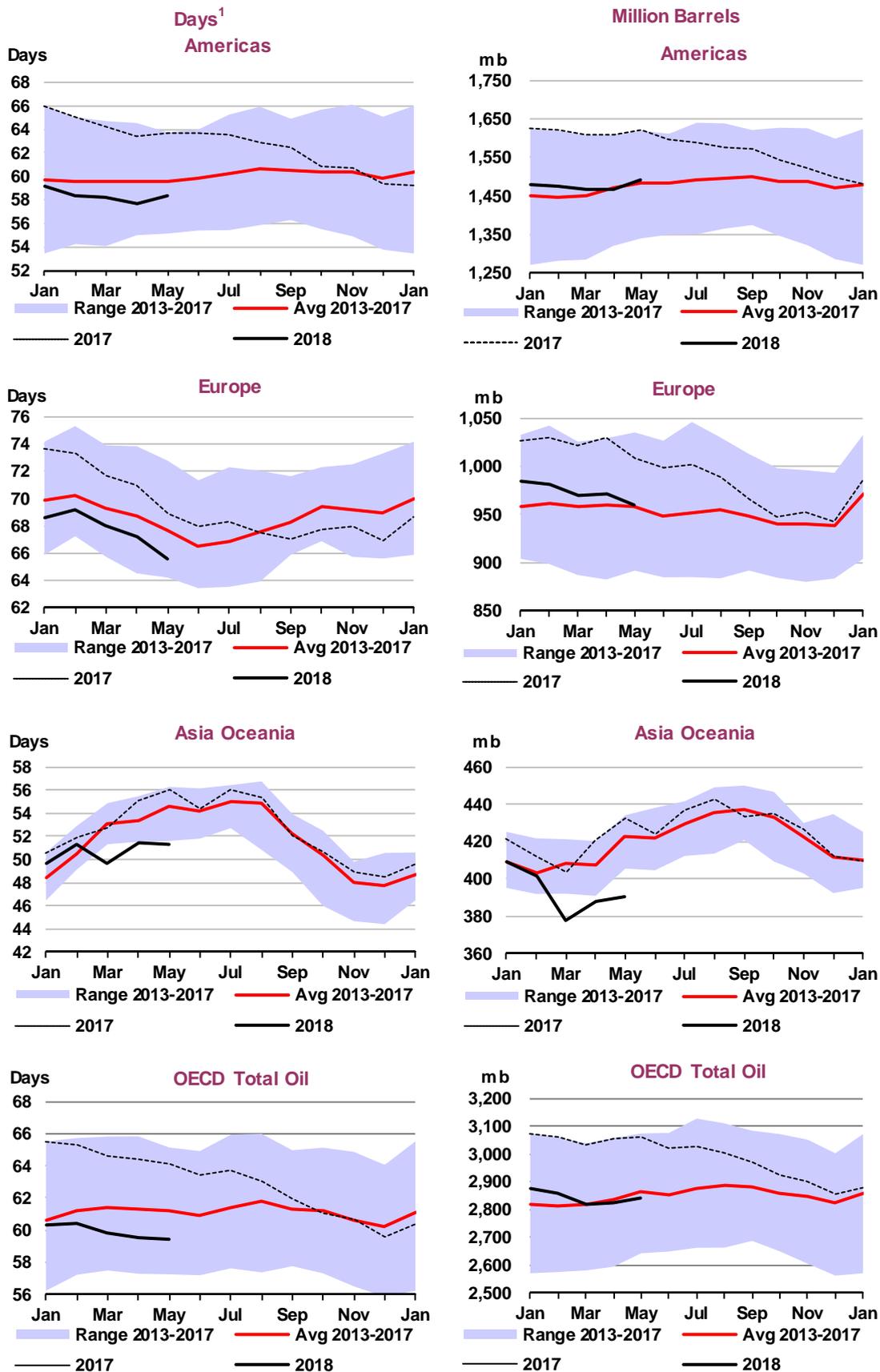


Oil stocks in Fujairah rose 2.1 mb during June, with gains registered in light distillates (+0.6 mb), middle distillates (+0.7 mb) and heavy distillates (+0.8 mb), data from *FEDCom/S&P Global Platts* showed. Light distillate stocks have taken on added importance over the last few months and are now equivalent to about four fifths of heavy distillate volumes, as regional bunker demand has fallen following the imposition of the embargo on Qatar. Singaporean oil stocks fell 3 mb during June, helped by draws in fuel oil and residues (-2.6 mb) and light distillates (-2.3 mb), whereas middle distillate inventories climbed 2 mb on the month. Singaporean fuel oil stocks remain low by historical standards, a prime reason for the strong fuel oil prices registered over the last few weeks.

There are no available figures for Chinese stocks from *China Oil, Gas and Petrochemicals* and for imports from Chinese customs for the months of May and June.

Regional OECD End-of-Month Industry Stocks

(in days of forward demand and million barrels of total oil)



1 Days of forward demand are based on average demand over the next three months

PRICES

Summary

Outright crude oil prices took a break from their upward trajectory in June, with ICE Brent and NYMEX WTI down \$1.07/bbl and \$2.66/bbl respectively. However, since the Vienna Agreement meetings in June prices have increased as new supply disruptions shook the market. In addition to the continuing declines in Venezuelan output and the expressed determination of the US to reduce Iranian exports as much as possible, unrest in Libya saw production fall dramatically while an unplanned outage in Canada disrupted flows. Occurring alongside strong US refinery demand and high export levels, this caused NYMEX WTI to hit a three and a half year high. However, ever-increasing US production has seen physical markets for light, sweet crude well supplied, evidenced by falling differentials in the North Sea and West Africa and continuing contango in the Brent contract for differences (CFD) market. Nevertheless, despite production growth from some Vienna Agreement countries, market sentiment is bullish given shrinking global spare capacity and reduced stock levels. In product markets, increased refinery output has put some pressure on cracks. Conversely, fuel oil prices held up against crude on strong demand and an anticipated decline in supplies from Iran, a key exporter.

Futures markets

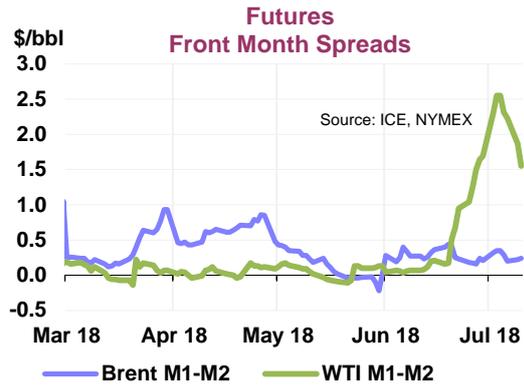
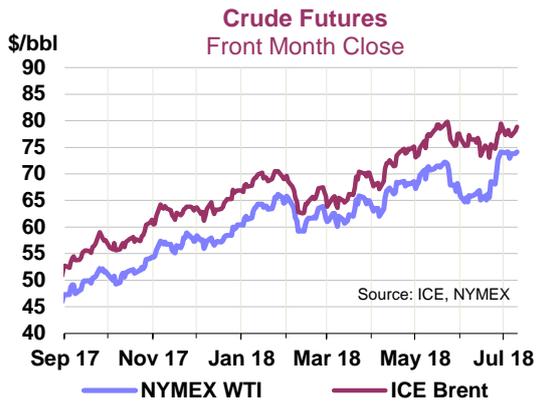
Prompt Month Oil Futures Prices

(monthly and weekly averages, \$/bbl)

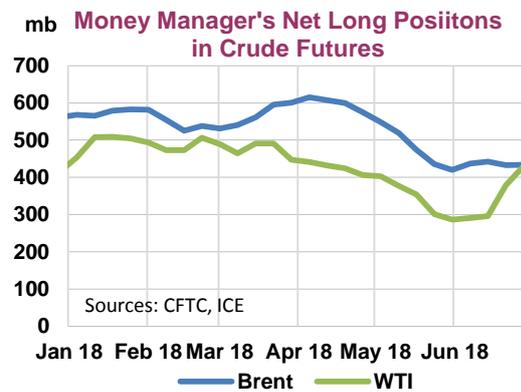
	Apr	May	Jun	Jun-May Avg Chg	% Chg	Week Commencing:				
						11 Jun	18 Jun	25 Jun	02 Jul	09 Jul
NYMEX										
Light Sweet Crude Oil	66.33	69.98	67.32	-2.66	-3.8	66.21	66.25	71.79	73.71	73.98
RBOB	86.13	91.60	87.75	-3.85	-4.2	87.65	85.67	88.80	88.83	90.48
ULSD	87.12	93.04	90.09	-2.95	-3.2	90.33	88.67	90.67	91.00	92.77
ULSD (\$/mmbtu)	15.36	16.41	15.89	-0.52	-3.2	15.93	15.64	15.99	16.05	16.36
Henry Hub Natural Gas (\$/mmbtu)	2.72	2.83	2.94	0.11	4.0	2.97	2.95	2.94	2.86	2.81
ICE										
Brent	71.76	77.01	75.94	-1.07	-1.4	75.69	74.75	77.19	77.56	78.47
Gasoil	85.23	90.87	88.31	-2.56	-2.8	88.87	86.52	88.41	89.17	90.57
Prompt Month Differentials										
NYMEX WTI - ICE Brent	-5.43	-7.03	-8.62	-1.59		-9.48	-8.50	-5.40	-3.85	-4.49
NYMEX ULSD - WTI	20.79	23.06	22.77	-0.29		24.12	22.42	18.88	17.29	18.79
NYMEX RBOB - WTI	19.80	21.62	20.43	-1.19		21.44	19.42	17.01	15.12	16.50
NYMEX 3-2-1 Crack (RBOB)	20.13	22.10	21.21	-0.89		22.33	20.42	17.64	15.85	17.27
NYMEX ULSD - Natural Gas (\$/mmbtu)	12.64	13.58	12.95	-0.63		12.96	12.69	13.05	13.19	13.55
ICE Gasoil - ICE Brent	13.47	13.86	12.37	-1.49		13.18	11.77	11.22	11.61	12.11

Source: ICE, NYMEX.

Brent and WTI futures prices fell in June on increases in output, anticipated and actual, from countries party to the Vienna Agreement and as US production growth continued. However, since the Vienna meetings, Brent and WTI futures prices have increased by 7% and 13% respectively due to significant disruptions to Libyan production and continued uncertainty around the impact of Iranian sanctions. In addition, the loss of 360 kb/d of Canadian Syncrude production, expected offline until at least the end of July, gave NYMEX WTI in particular a dramatic boost. NYMEX WTI hit \$74.15/bbl on 29 June, the highest since November 2014. ICE Brent reached \$79.44/bbl, just slightly below the peak reached at the end of May.



The increase in the WTI price was mostly confined to Month 1 (M1) and Month 2 (M2) contracts, reflecting the perception that the Canadian supply shortage will be short-lived. M1-M2 backwardation blew out to \$2.55/bbl on 3 July, the steepest since 2014. The backwardation of M3-M4 and M4-M5 contracts has also steepened but to a lesser extent. The Brent-WTI spread reached its largest discount in three years on 7 June at \$11.37/bbl but has subsequently shrunk to around \$4/bbl.



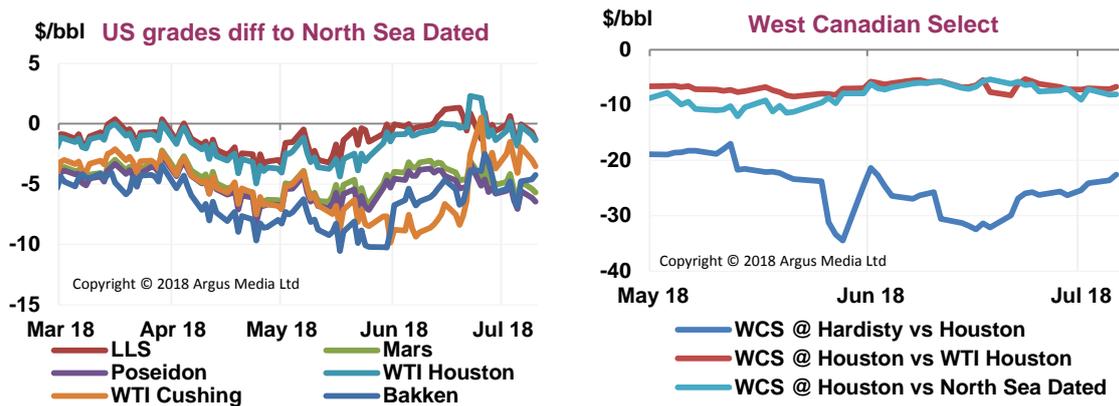
Futures markets for several products including NYMEX diesel, ICE gasoil and French diesel flipped into contango in June reflecting reduced market tightness. Globally, supplies of refined products are rising as refinery output increases following the completion of maintenance work.

In June, money managers increased their net long positions in crude futures month-on-month (m-o-m) for the first time since March. This was due to an uptick in holdings of WTI futures, net longs of which increased by 78 mb, the largest monthly increase since November 2017.

Spot crude oil prices

Recent weeks have been a rollercoaster ride for US crude prices. In the first half of June record output pressured WTI priced at Cushing, which maintained a large discount of around \$8.50/bbl to North Sea Dated. This wide spread continued to support arbitrage of US crude and grades delivered at the US Gulf Coast (USGC) drew strength thanks to strong export demand and record high domestic refinery runs. Sour crudes Mars and Poseidon, gained \$1.59/bbl and \$1.47/bbl m-o-m against North Sea Dated respectively, on lower output and as competing supplies from Venezuela and Iran declined. However, escalating trade tensions are slowing Chinese demand for US sour crudes, which could become subject to import tariffs, and this weighed on differentials later in the month. Furthermore, US crude prices weakened in the week ahead of the Vienna Agreement meetings as the market anticipated higher output. Sour Western Canada Select (WCS) prices also benefited from reduced Venezuelan output and strong Asia Pacific demand saw WCS priced in Houston rise by \$3.51/bbl m-o-m against North Sea Dated.

On 20 June, markets were rocked by the announcement of the shut-in of a Canadian oil sands upgrader and subsequent loss of 360 kb/d of Syncrude exports to the US midcontinent. This, occurring alongside increasing US refinery demand, saw WTI Cushing prices jump by \$4.89/bbl in a single day and US crude flows re-directed away from Houston and export markets. The WTI Cushing to North Sea Dated spread narrowed by \$3.81/bbl on the news, and while US exports are still viable, they are less economic. USGC grades failed to match the gains made by WTI at Cushing. Since 22 July, the price of WTI in Houston was on average only \$0.32/bbl below North Sea Dated, having been at a discount of \$2.74/bbl on average in May. The news also provided a small boost to WCS prices as the outage, expected to last until at least the end of July, temporarily frees up some Canadian export pipeline capacity.



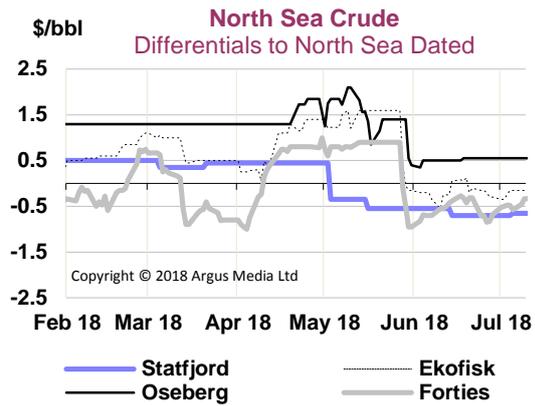
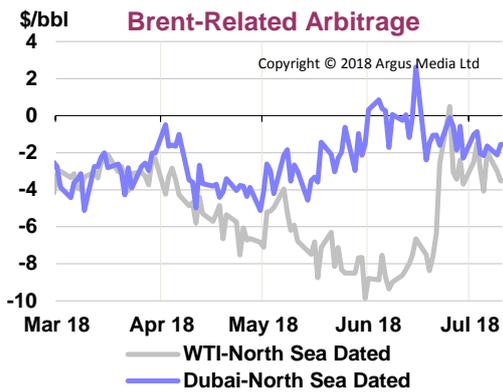
Spot crude oil prices and differentials

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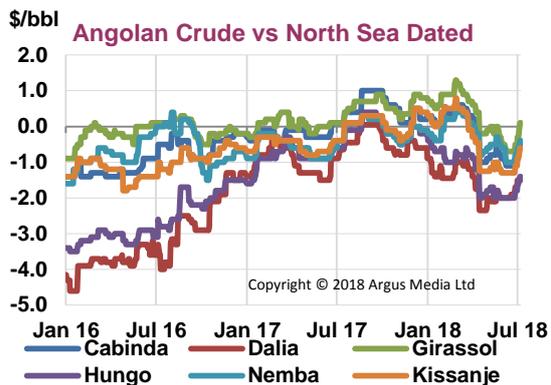
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Demand for North Sea crude remained weak in June with Forties, Brent, Ekofisk and Oseberg differentials to North Sea Dated falling by between \$1.00/bbl and \$1.49/bbl m-o-m. The Brent-Dubai Exchange of Futures for Swaps (EFS) was slightly weaker, averaging \$0.43/bbl less in June than in May. However, it remains relatively high at \$3.66/bbl so North Sea crudes continue to be relatively expensive in Asian markets. Demand from Korea saw Forties prices pick up mid-month, but this subsequently dropped off. Loading programmes for July indicate increased availability of North Sea grades, in addition to higher exports of light crudes from Saudi Arabia and the UAE, and this has pressured differentials.



The relatively high Brent-Dubai EFS continued to weigh on West African crude prices, which are linked to Brent. European and Asian buyers have been buying US crude at the expense of supplies from Nigeria and Angola and differentials to North Sea Dated for key regional grades fell slightly m-o-m. Reliability issues have deterred buyers of Nigeria’s Qua Iboe crude following a power shutdown and delays to loadings. Exports of Bonny Light remain under force majeure and differentials to North Sea Dated fell to \$0.65/bbl on 21 June, the lowest level since July 2017. Forcados also fell to a 12 month low of \$0.65/bbl against North Sea Dated, and a pipeline outage continues to delay loadings at the terminal. Reduced production has seen Angolan exports on a declining trend and they are down 300 kb/d y-o-y according to Kpler data. Weak demand caused differentials for key grades such as Cabinda, Nemba, Girassol, Hungo, Kissanje and Dalia to drop to lows not seen since 2016.



Healthy product margins boosted demand for Kazakhstan’s CPC blend in early June, which briefly traded at a premium to North Sea Dated for the first time since January. Differentials subsequently eased due to weak European demand. Urals prices were supported by a scheduled drop in exports in July. Russia’s ESPO blend, delivered at Kozmino, has fallen to a \$2.45/bbl premium to North Sea Dated from a peak of \$5.21/bbl in January on reduced demand from Asia, in particular Korea and China, where refiners have increased their purchases of US crude. Azeri Light and BTC blend differentials to North Sea Dated were up \$0.39/bbl and \$0.24/bbl respectively as regional supplies of light, sweet crude were reduced due to unrest in Libya. This news also boosted Algeria’s Saharan blend, which had seen increased demand from Indian buyers.

Backwardation of Dubai physical prices relative to swaps narrowed sharply following the Vienna Agreement meetings as supplies from the Middle East are anticipated to increase in short order. Asian demand for light, sour crudes from the region was weak as US volumes continue to take market share and Abu Dhabi’s Murban and Qatar’s Marine fell against Dubai by \$0.21/bbl and \$0.18/bbl m-o-m, respectively. Qatar’s medium sour grade Al-Shaheen performed well again in June, as prices moved up \$0.16/bbl against Dubai.

Spot product prices

Globally, product supplies increased in June thanks to higher refinery activity following the end of maintenance programmes and, alongside signs of slowing demand growth, this put some downward pressure on product cracks. In the US, refinery runs hit record highs and in Vietnam the new 200 kb/d Nghi Son refinery came online. China continues to export high volumes of refined products and other Asian refiners are completing maintenance. North West European production of diesel, jet fuel and naphtha increased following refinery turnarounds.

Spot product prices

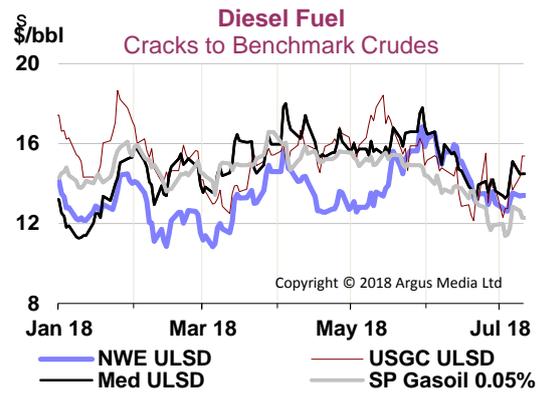
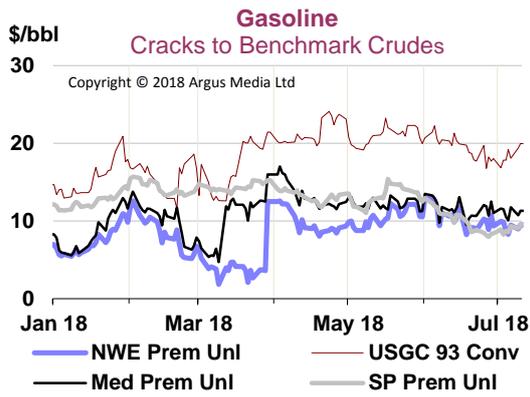
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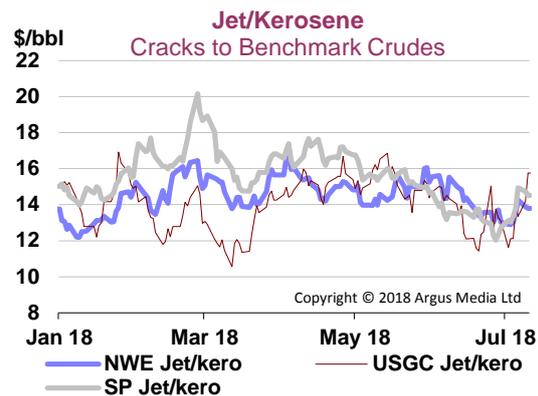
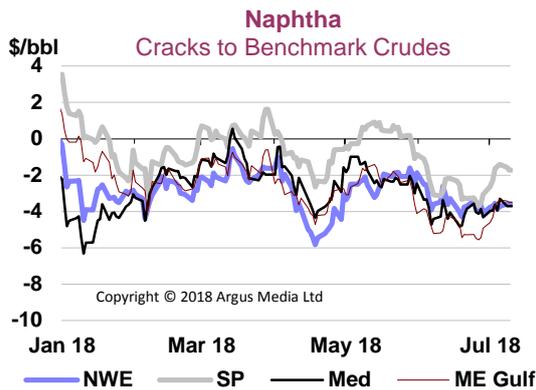
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Global gasoline markets appear well supplied as refineries increased output and new production units came online in Korea and Vietnam. US gasoline margins continued last month's decline as supplies were abundant and weekly data for June point to slowing domestic demand. Unleaded gasoline cracks fell by \$1.36/bbl m-o-m. Limited US and West African demand for North West European unleaded gasoline saw Rotterdam barge quotes decline \$2.88/bbl m-o-m, although the differential to North Sea Dated was flat. Increased Asian gasoline supplies, particularly from Vietnam's new refinery, saw unleaded gasoline cracks fall to \$7.92/bbl on 27 June, the lowest since July 2016. Asian physical prices against swaps moved from backwardation to contango on 19 June indicating reduced market tightness. In general, light product yields are on the rise in Asia as increasing volumes of light, sweet crude from the US are processed in the region.

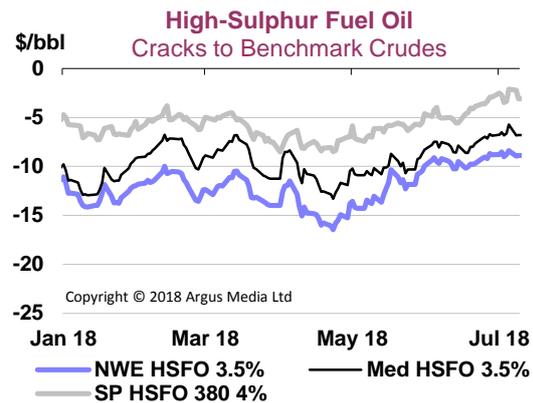
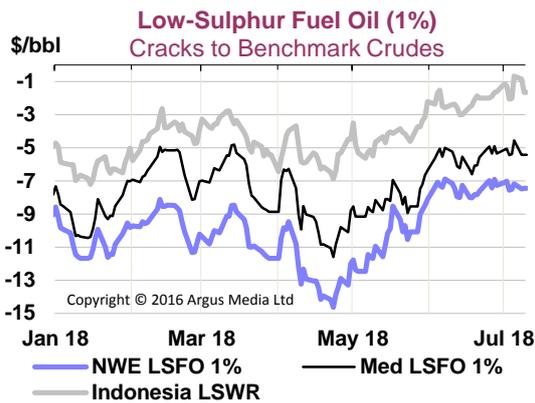
Increasing US industrial activity was not enough to offset higher diesel production and cracks for Ultra Low Sulphur Diesel (ULSD) fell by \$2.34/bbl m-o-m. Cracks for North West Europe ULSD fell by \$2.84/bbl during June as Russian exports picked up again along with increasing supplies from the US.



Global naphtha supplies increased in June, thus putting pressure on prices in Europe and Asia. North West Europe physical prices fell against swap prices by \$0.77/bbl m-o-m as demand for gasoline blending fell and while supplies were plentiful. In Asia Pacific, a number of factors saw physical prices fall against swaps by \$0.50/bbl m-o-m and cracks fall to -\$3.71/bbl, the lowest since August 2016. Along with increased regional supply from India, petrochemicals demand is expected to fall due to cracker maintenance in Korea. Furthermore, LPG continues to compete as a petrochemicals feedstock. Despite this, the potential loss of Iranian condensate has caused naphtha prices East of Suez to pick up since end-June and this is encouraging arbitrage from Europe.



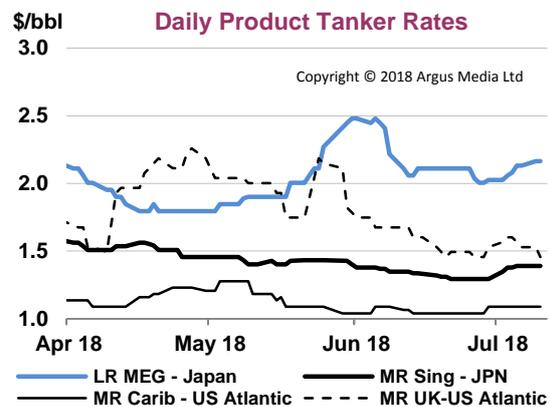
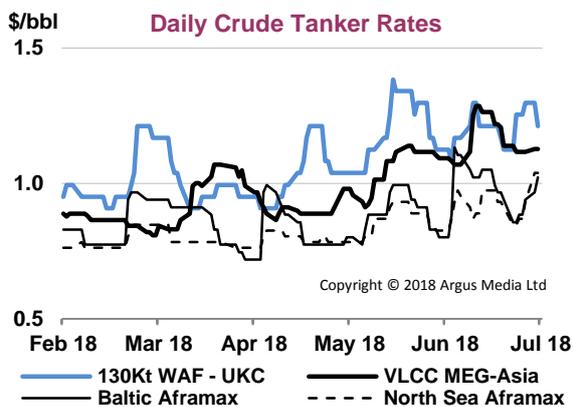
Singapore jet fuel physical prices relative to swaps moved to contango on 1 June due to the seasonal output increase following refinery maintenance and on increased output from Vietnam's new refinery. Export demand to the US provided some offset. North West Europe cracks also fell \$0.57/bbl m-o-m on higher regional supplies and increased imports from the US, Russia and Asia Pacific. However, seasonal demand is expected to be strong in coming months. The Singapore regrade spread, which shows the premium of jet fuel to gasoil, climbed in June largely due to weakening gasoil prices as China increased diesel exports. Furthermore, increasing gasoil supplies from Thailand, Taiwan and Vietnam saw cracks in Asia Pacific fall \$1.81/bbl m-o-m.



Bucking the trend, global fuel oil markets were boosted in June. Iran is a major fuel oil seller so the potential supply disruptions in the face of increasing global demand, saw cracks in the US, Europe and Asia increase. Furthermore, Russian production of fuel oil is on the decline due to refinery upgrades: for the first 6 months of the year output was down 10% y-o-y. US demand for bunkers is strong, the Middle East is entering a period of high seasonal demand for power generation and in Asia-Pacific there is growing demand from Singapore, Pakistan and South Korea.

Freight

June saw more pain for ship owners as, despite the retreat in headline crude prices, bunker prices remained relatively high, continuing to eat into profit margins. Weak fundamentals saw freight rates on most routes down m-o-m, however relatively higher shipping fuel costs did limit the declines to some extent. The announced increase in production from Vienna Agreement countries may provide some support to shipping markets as most of the output will be transported by sea. On the other hand, a trade war between China and the US has the potential to severely impact the market, in particular for Very Large Crude Carriers (VLCCs).

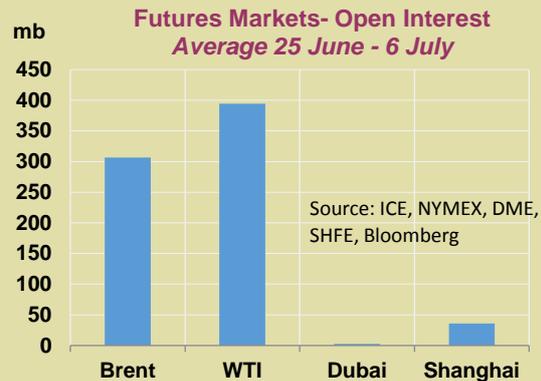
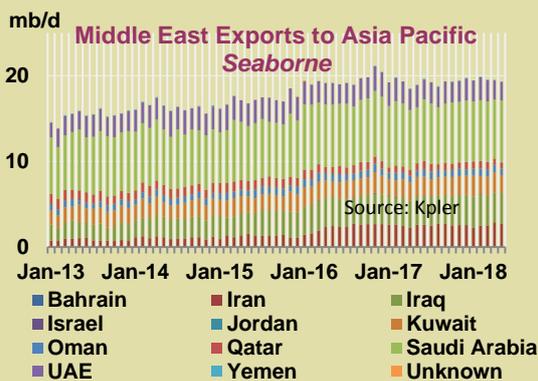


Freight rates to ship crude increased modestly in June, although this was largely due to sustained high bunker costs rather than a significant improvement in market fundamentals. Rates for VLCCs travelling from the Middle East Gulf (MEG) to Asia were boosted by increased demand for spot cargoes. However, this petered out later in the month as more ships arrived in the region. Prices increased on average \$0.16/bbl over the month and reached a 7-month high of \$1.29/bbl on 20 June. Rates for Suezmaxes travelling between West Africa (WAF) and the UK were flat m-o-m as the supply of ships was plentiful. Rates for Baltic Aframax spiked up to \$1.13/bbl on 13 June, an 8-month high, but have subsequently fallen back.

In clean freight markets, rates for Long Range (LR) vessels travelling from MEG to Japan fell by \$0.45/bbl over the month due to slowing demand. Rates for Medium Range (MR) ships in the Atlantic Basin fell \$0.39/bbl m-o-m as abundant regional supplies of products, in particular gasoline, saw demand for US products fall in Latin America and West Africa. Rates for MR vessels travelling between Singapore and Japan continued their steady decline, reaching a 12 month low of \$1.29/bbl on 21 June. Chartering rates for LR vessels travelling between Europe and Asia are also at 18-month lows, providing some assistance to the naphtha trade.

Saudi Aramco updates pricing formula

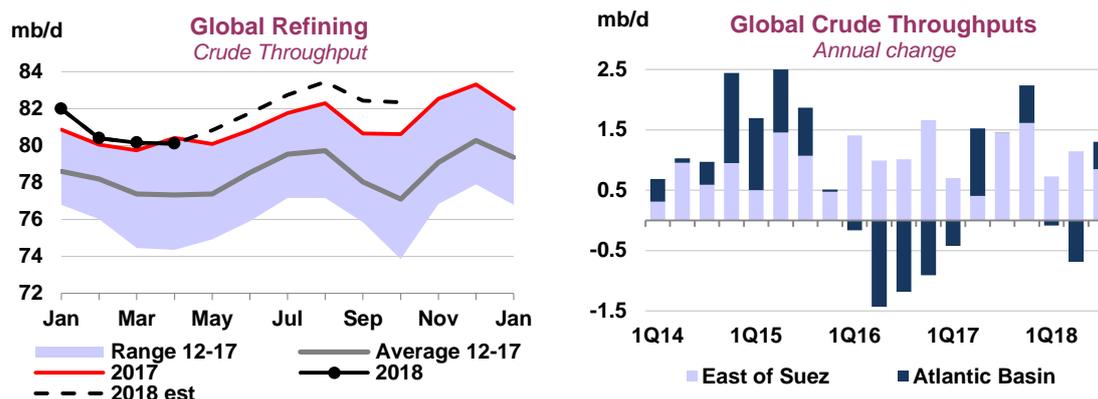
Hot on the heels of the recently launched Shanghai crude futures contract, on 4 July Saudi Aramco announced a change to its crude oil price formula for Asian buyers. From 1 October the price will be calculated using the average S&P Global Platts cash Dubai price assessment and the Dubai Mercantile Exchange’s (DME) Oman crude futures price, rather than a 50-50 mix of Platts’ Dubai and Oman prices. The change is not expected to significantly impact the price level, rather, it is intended to ensure the benchmark components are underpinned by sufficient market activity. Lack of liquidity supporting the Platts’ Oman price assessment has raised concerns that buyers have been able to dominate and so distort market prices. However, the DME has seen liquidity issues of its own, with traded volumes and open interest far below other global benchmarks. It is possible that other Middle Eastern producers will replicate Aramco’s move which should increase DME trading volumes and allow regional producers a more active role in crude oil trade.



REFINING

Summary

Largely finalised data for the first half of the year show growth in refining activity confined to the East of Suez region, which includes Asia and the Middle East. China's 700 kb/d year-on-year (y-o-y) growth was higher than global growth of 550 kb/d, offsetting a 400 kb/d decline in the Atlantic Basin. Moving into the second half of the year, increasing throughput in North America, with seasonal record rates in the US, helps split the growth between the two hemispheres, although the East of Suez will still dominate.



From the seasonal low of just 80 mb/d observed in April, global throughput is estimated to have increased by 1.6 mb/d by June, halfway towards the seasonal peak of 83.3 mb/d expected in August, after which it will slow down in September-October. Our forecast for 3Q18 throughput is revised up by 0.3 mb/d, implying a larger build in refined product stocks, now forecast to reach 0.6 mb/d, after a 0.7 mb/d draw in the first half of the year. This will, however, come at a cost of stronger draws in crude inventories, which are expected to exceed 1.4 mb/d in 3Q18.

There has been an interesting shift in the seasonality of refined products demand this year. In 1Q18, there was strong y-o-y growth in the call on refinery supply, at 1.4 mb/d, boosted partly by weather-related demand for heating (diesel and kerosene) in the northern hemisphere. A more moderate growth of just 0.5 mb/d y-o-y is expected in 2Q-3Q18, before another surge of 1.2 mb/d in 4Q18.

Global Refinery Crude Throughput¹

(million barrels per day)

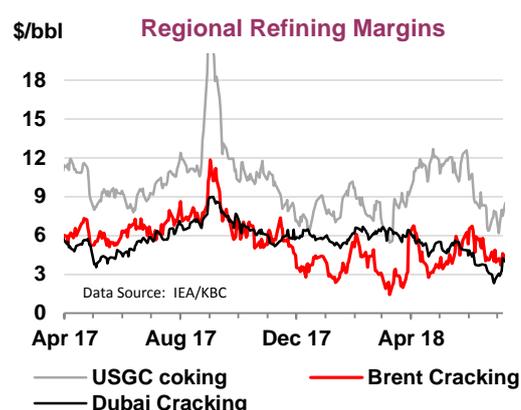
	Mar 18	1Q18	Apr 18	May 18	Jun 18	2Q18	Jul 18	Aug 18	Sep 18	3Q18	Oct 18
Americas	19.2	18.9	19.0	19.3	20.4	19.6	20.1	20.1	19.4	19.9	19.1
Europe	11.4	11.9	11.8	11.6	12.1	11.8	12.5	12.7	12.6	12.6	12.3
Asia Oceania	6.9	7.2	6.9	6.8	6.2	6.6	6.9	7.1	7.0	7.0	6.8
Total OECD	37.5	38.0	37.6	37.6	38.7	38.0	39.5	39.9	38.9	39.4	38.2
FSU	6.9	7.0	6.5	6.8	6.8	6.7	7.0	6.9	6.8	6.9	6.8
Non-OECD Europe	0.5	0.5	0.5	0.5	0.6	0.5	0.6	0.6	0.6	0.6	0.5
China	12.2	11.9	12.1	11.9	11.6	11.9	11.8	11.9	12.0	11.9	12.1
Other Asia	10.1	10.5	10.1	10.6	10.7	10.5	10.7	10.7	10.6	10.7	10.8
Latin America	3.5	3.6	3.8	3.7	3.6	3.7	3.5	3.7	3.6	3.6	3.9
Middle East	7.4	7.3	7.2	7.5	7.8	7.5	7.7	7.7	7.8	7.7	7.8
Africa	1.9	1.9	2.1	2.0	1.9	2.0	1.9	2.0	1.9	2.0	2.1
Total Non-OECD	42.5	42.7	42.4	43.1	43.0	42.8	43.2	43.5	43.4	43.4	44.0
Total	80.1	80.8	80.0	80.7	81.7	80.8	82.6	83.3	82.3	82.8	82.2
Year-on-year change	0.4	0.6	-0.3	0.7	0.9	0.5	1.0	1.1	1.8	1.3	1.7

¹ Preliminary and estimated runs based on capacity, known outages, economic runcuts and global demand forecast

Margins

Refinery margins in the US and Singapore were under significant pressure in June. In the US, stronger physical crude differentials due to North American supply issues, combined with record throughput levels, contributed to a \$2/bbl average slide in margins. Growing Chinese clean products exports, now reaching Japan, Australia, the US West Coast and Mexico, affected Singapore product cracks, bringing refinery margins lower month-on-month (m-o-m).

In contrast, European margins moved higher, as lower refinery activity boosted diesel and fuel oil cracks. Among the three major global hubs, Europe remains the only net importer of products, especially middle distillates.



IEA/KBC Global Indicator Refining Margins¹

	Monthly Average				Change	Average for week ending:					
	Mar 18	Apr 18	May 18	Jun 18		Jun 18-May 18	08 Jun	15 Jun	22 Jun	29 Jun	06 Jul
NW Europe											
Brent (Cracking)	2.71	4.26	4.65	5.05	↑ 0.40	5.88	5.47	4.16	4.40	4.13	
Urals (Cracking)	4.43	6.00	5.77	6.01	↑ 0.24	6.45	6.54	5.25	5.60	5.46	
Brent (Hydroskimming)	-1.30	-1.03	-0.31	0.82	↑ 1.13	1.50	1.14	0.10	0.36	0.14	
Urals (Hydroskimming)	-0.08	0.19	0.29	1.21	↑ 0.92	1.47	1.56	0.65	1.08	1.10	
Mediterranean											
Es Sider (Cracking)	5.80	6.73	6.85	7.54	↑ 0.69	8.37	7.83	6.75	6.98	6.70	
Urals (Cracking)	6.58	6.92	6.44	5.97	↓ -0.47	6.57	6.14	5.21	5.72	5.71	
Es Sider (Hydroskimming)	0.05	0.00	0.00	0.00	• 0.00	0.00	0.00	0.00	0.00	0.00	
Urals (Hydroskimming)	0.98	0.49	0.44	0.85	↑ 0.41	1.29	0.84	0.20	0.93	1.05	
US Gulf Coast											
50/50 HLS/LLS (Cracking)	6.82	10.05	10.44	8.29	↓ -2.15	9.39	7.95	6.80	8.72	8.65	
Mars (Cracking)	2.71	4.24	5.62	4.32	↓ -1.30	4.37	3.54	3.94	5.22	6.08	
ASCI (Cracking)	2.38	3.81	5.22	3.98	↓ -1.24	4.01	3.12	3.60	5.03	5.74	
50/50 HLS/LLS (Coking)	8.68	12.09	12.46	10.03	↓ -2.43	11.21	9.79	8.50	10.26	9.94	
50/50 Maya/Mars (Coking)	7.71	11.42	11.48	8.25	↓ -3.24	9.30	8.46	7.17	7.63	7.14	
ASCI (Coking)	7.56	9.88	10.58	8.44	↓ -2.14	8.83	7.99	7.91	8.79	9.14	
US Midcon											
WTI (Cracking)	9.23	12.91	17.65	16.53	↓ -1.12	19.86	17.79	15.65	11.69	12.37	
30/70 WCS/Bakken (Cracking)	13.17	14.13	18.69	17.46	↓ -1.23	17.96	17.07	17.89	15.68	17.15	
Bakken (Cracking)	11.44	15.76	20.46	16.30	↓ -4.17	18.33	16.31	15.59	13.98	16.03	
WTI (Coking)	11.09	15.00	19.96	18.58	↓ -1.38	22.00	19.92	17.67	13.53	14.01	
30/70 WCS/Bakken (Coking)	16.10	17.73	22.15	20.44	↓ -1.72	21.12	20.26	20.83	18.23	19.53	
Bakken (Coking)	12.15	16.55	21.34	17.06	↓ -4.28	19.13	17.11	16.35	14.63	16.57	
Singapore											
Dubai (Hydroskimming)	1.18	-0.02	0.21	-0.28	↓ -0.49	0.02	-0.42	-0.34	-0.54	0.13	
Tapis (Hydroskimming)	1.75	0.71	1.11	1.84	↑ 0.73	3.08	2.33	0.95	0.62	1.11	
Dubai (Hydrocracking)	6.15	5.27	5.09	3.53	↓ -1.56	4.16	3.73	3.37	2.63	3.31	
Tapis (Hydrocracking)	5.57	4.65	4.78	4.66	↓ -0.12	6.10	5.31	3.73	3.10	3.62	

¹ Global Indicator Refining Margins are calculated for various complexity configurations, each optimised for processing the specific crude(s) in a specific refining centre. Margins include energy cost, but exclude other variable costs, depreciation and amortisation. Consequently, reported margins should be taken as an indication, or proxy, of changes in profitability for a given refining centre. No attempt is made to model or otherwise comment upon the relative economics of specific refineries running individual crude slates and producing custom product sales, nor are these calculations intended to infer the marginal values of crude for pricing purposes.

Source: IEA, KBC Advanced Technologies (KBC)

OECD refinery throughput

Finalised April and preliminary May throughput numbers show OECD runs about 1 mb/d lower y-o-y in both months, due to underperformance in North America and Europe. Overall throughput rates remained essentially flat between February-May at 37.6 mb/d. Supported by North American growth, June runs are estimated some 1.1 mb/d higher m-o-m, with another 1.1 mb/d ramp-up expected into August, before throughput slows down in September-October on maintenance.

Total OECD throughput registered a 430 kb/d y-o-y decline in the first five months of 2018, in contrast to last year's 750 kb/d gain. We forecast a 430 kb/d gain in July-October partly due to the seasonal rebound in the US from last year's hurricane disruptions.

Refinery Crude Throughput and Utilisation in OECD Countries

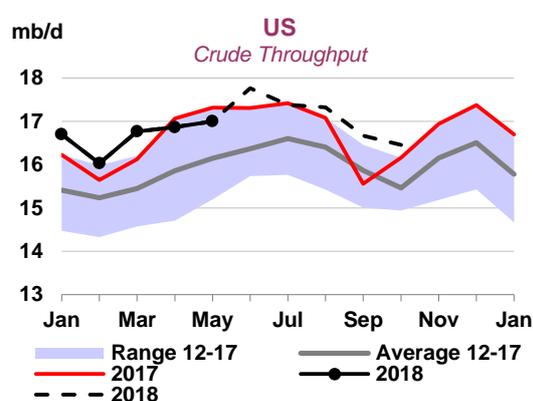
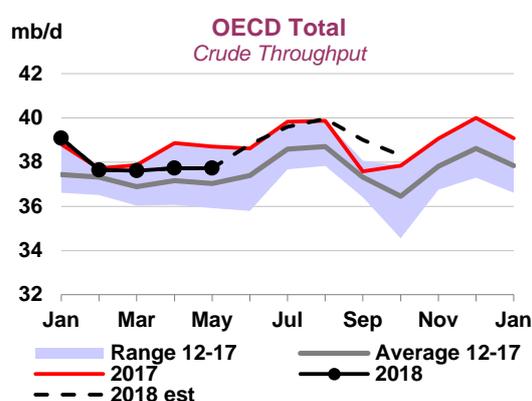
(million barrels per day)

	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Change from		Utilisation rate ¹	
							Apr 18	May 17	May 18	May 17
US ²	17.27	16.60	15.93	16.67	16.77	16.90	0.14	-0.31	89%	91%
Canada	1.78	1.75	1.77	1.74	1.26	1.51	0.24	-0.26	75%	91%
Chile	0.20	0.19	0.20	0.20	0.20	0.20	0.00	0.01	86%	83%
Mexico	0.57	0.59	0.52	0.63	0.76	0.69	-0.07	-0.25	42%	57%
OECD Americas³	19.83	19.14	18.42	19.23	18.99	19.29	0.31	-0.81	85%	88%
France	1.21	1.17	1.17	1.03	0.99	0.78	-0.21	-0.33	63%	89%
Germany	2.00	1.95	1.93	1.79	1.83	1.82	-0.01	0.08	90%	86%
Italy	1.45	1.36	1.34	1.35	1.38	1.34	-0.04	0.05	77%	74%
Netherlands	1.06	1.19	1.18	1.05	1.12	1.10	-0.02	-0.02	85%	87%
Spain	1.37	1.41	1.28	1.32	1.38	1.35	-0.03	0.11	96%	88%
United Kingdom	1.08	1.05	0.82	0.93	1.07	0.98	-0.10	-0.11	77%	85%
Other OECD Europe	4.36	4.32	4.20	3.94	3.98	4.18	0.20	-0.06	86%	88%
OECD Europe	12.52	12.45	11.92	11.42	11.76	11.56	-0.20	-0.28	84%	86%
Japan	3.41	3.30	3.25	3.27	3.16	2.84	-0.32	-0.07	80%	82%
South Korea	3.25	3.24	3.12	2.74	2.93	3.13	0.20	0.18	99%	93%
Other Asia Oceania	0.88	0.86	0.84	0.85	0.79	0.81	0.02	0.00	93%	93%
OECD Asia Oceania	7.54	7.39	7.21	6.87	6.89	6.78	-0.11	0.11	89%	88%
OECD Total	39.90	38.98	37.55	37.51	37.63	37.63	0.00	-0.98	85%	88%

¹ Expressed as a percentage, based on crude throughput and current operable refining capacity

² US\$0

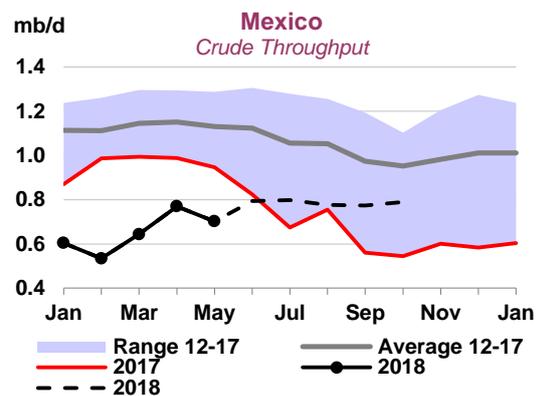
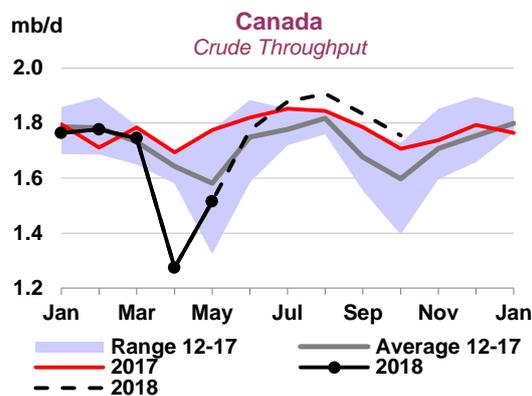
³ OECD Americas includes Chile and OECD Asia Oceania includes Israel. OECD Europe includes Slovenia and Estonia, though neither country has a refinery



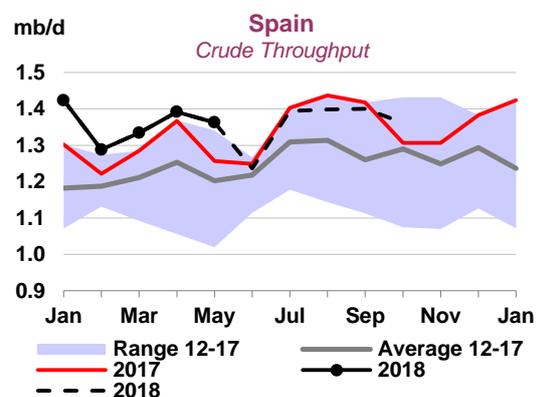
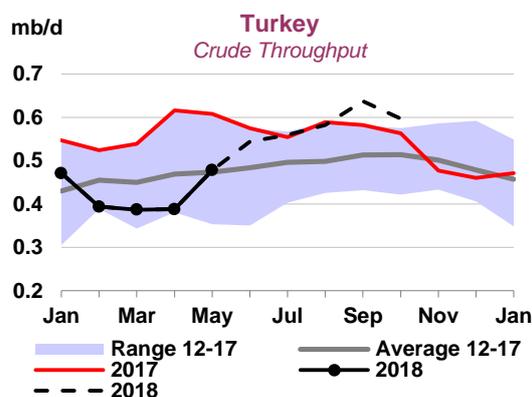
In June, US refiners appeared determined to compensate for slower performance in April-May by increasing run rates to a record monthly rate of 17.7 mb/d, some 450 kb/d higher than our forecast. PADD 5 (West Coast and Hawaii) refiners saw runs at the highest weekly rate in a decade and contributed half of the country's 450 kb/d y-o-y increase. Our forecast for 3Q18 throughput is revised up by 50 kb/d. Severe hurricane outages at the refining hubs of Texas and Louisiana are a relatively rare phenomenon and our throughput forecast does not assume a major weather impact in 3Q18.

The refining boom may soon spread out from the continental US into the US territories. A private equity firm has announced plans to revive part of the large refining complex in the US Virgin Islands in advance of the marine bunker fuel specification change (see *New wind in the sails for some old refining assets*).

Canada's April throughput was finalised some 300 kb/d lower than the preliminary data, reflecting an unusual coincidence of large maintenance shutdowns in all three refining districts. Western Canada saw the largest capacity shutdown at almost 350 kb/d, with another 220 kb/d closed in Ontario and the Quebec/Atlantic region. This resulted in the lowest monthly throughput in our records, and, at under 1.3 mb/d, was below even the May-2016 level that was affected by wildfires. Moreover, the 80 kb/d first phase of a new refinery in Alberta has reportedly only started commissioning units in June, contrary to our expectations of a 1Q18 start-up.



Mexican throughput declined again in May after two consecutive months of increases. Runs slipped below 700 kb/d, with utilisation rates at just 42%. Our forecast remains unchanged, however, with the expectation of 800 kb/d of runs in the second half of 2018. The newly elected president Andres Manuel Lopez Obrador has promised to end oil product imports within three years and to build one or two new refineries, a process that usually takes more than five years. Mexico has become the largest refined product importer in the world, taking in as much as 600 kb/d of gasoline and 300 kb/d of diesel, mostly from the US Gulf Coast.



New wind in the sails for some old refining assets

The International Maritime Organisation (IMO) has mandated bunker fuel specification changes to bring down sulphur oxides emissions from the current permitted level of 3.5% to 0.5% starting from 2020. This may shift as much as 2-3 mb/d of bunker fuel demand from high sulphur fuel oil to a new, very low sulphur fuel oil or to marine gasoil. In our latest medium-term forecast released in March, we do not expect that the refining industry can bring online the required capacity upgrades on time (see *Oil 2018, Analysis and Forecasts to 2023* for a more detailed discussion).

The specification change may result in an excess of high sulphur fuel oil of about 1.1 mb/d, and a matching deficit in low-sulphur marine bunkers. This will create unfavourable refinery margin dynamics for the less complex refineries, especially for those constrained in terms of desulphurisation capacity. Currently, some 75-80% of sulphur contained in an average crude oil barrel has to be removed to meet the prevailing fuel specifications. After the 2020 change, more than 92% of the sulphur will have to be removed. Run cuts and even closures at simple refineries are widely expected by analysts.

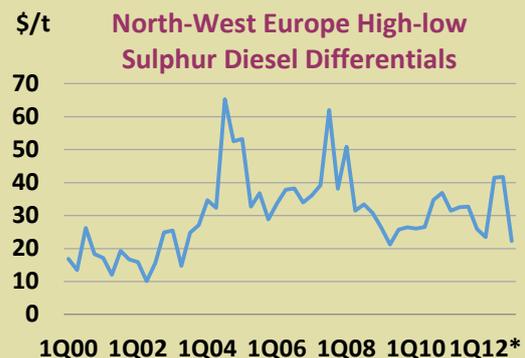
It seems, however, that the IMO may literally bring back from the dead refining assets previously shut down due to poor performance. Two notable projects were made public in recent weeks. ArcLight Capital Partners, a private equity firm that owns the 500 kb/d Hovensa site in the US Virgin Islands, has plans to partially restore operations. The complex was formerly owned by a joint venture of Venezuela's PDVSA and private company Hess. It was shut in 2012, but the facilities, including one of the Caribbean's major storage sites, were acquired by ArcLight Capital's subsidiary in 2015. The \$1.4 bn investment is aimed at restoring one of the CDUs and the associated secondary units, including a coker, a reformer and desulphurisation units. While crude supply plans are not yet public, a logical fit would be US Gulf Coast grades. The refinery is expected to restart at the end of 2019, when pipeline bottlenecks between the Permian and the export terminals are expected to ease. Processing US light sweet shale oil could be an interesting option.

The second project concerns secondary units at Wilhelmshaven, a 260 kb/d refinery in Germany, previously owned by ConocoPhillips, that last operated a decade ago. The site was mothballed and later sold to Hestya Energy, a Dutch company specialising in bulk handling, in a deal primarily including the associated marine terminal and storage facilities. Now the company is considering restarting the refinery's vacuum distillation unit that can process heavy feedstock into lighter and lower sulphur bunker blendstocks. This was a widespread practice of European refiners in the mid-2000s, when many of them were importing high sulphur Russian gasoil (0.2%) to be desulphurised into 10 ppm ultra-low sulphur diesel (ULSD) as the differential between the two grades reached \$60/t in 2005 and 2008. As Russian refiners upgraded their secondary units, they started exporting ULSD instead of the 0.2% gasoil, keeping the differential to themselves.

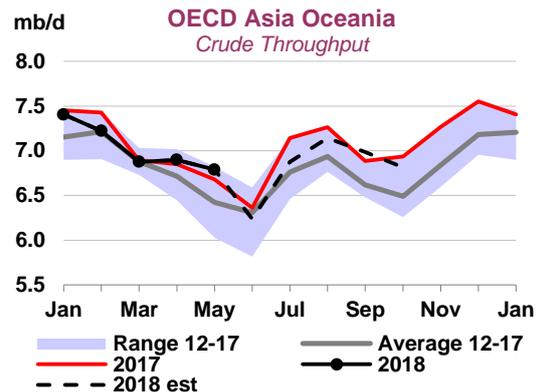
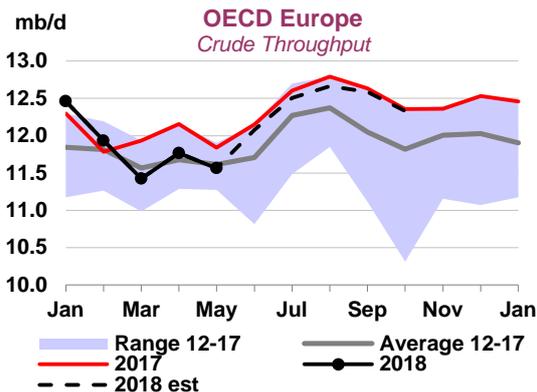
The two projects are located in especially stringent Emission Control Areas (ECA): the US Caribbean Sea ECA and Europe's SECA. These areas limit sulphur emissions to 0.1% around the US Caribbean islands and the EU's North-West coastline, since 2014 and 2015 respectively. However, the level of compliance in the European SECA, for example, is subject to debate. Some estimates put it as low as 20-40%.

Arguably, with tighter marine bunker specifications going into effect globally, the compliance enforcement will also result in tighter control of SECA limits, helping to ensure demand for the compliant fuels. Refining sites

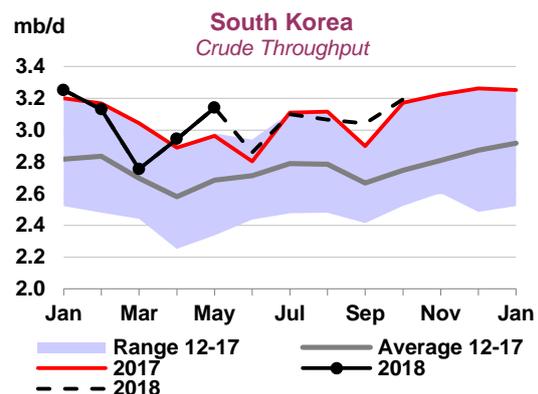
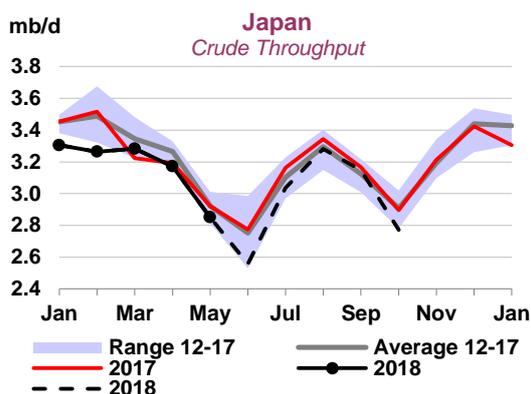
that were written off previously, may come back if they are able to benefit from advantaged feedstocks and ready access to the markets. In the five years to 2018 some 4.5 mb/d of refining capacity was closed down globally. Some of this was standalone distillation units in sites where the rest of the facilities continued operating normally. A key question, of course, is whether the equipment was mothballed appropriately, which will make it easier to restore the operations and minimise costs.



April throughput in **OECD Europe** was finalised 100 kb/d lower compared to the preliminary data, but still showed an uptick from the March low. In May, however, throughput was down m-o-m. Utilisation rates were particularly low in **France** (63%) and the **UK** (77%). Throughput in **Turkey** finally showed a recovery in May, with runs up 90 kb/d m-o-m and utilisation rates back above 70% after being at just 61% in February-April. The start-up of a new 200 kb/d refinery is expected later this year. By contrast, refiners in **Spain** continued operating at record seasonal levels, with runs up 75 kb/d y-o-y since the start of the year. Our June estimate and 3Q18 forecast for OECD Europe have been revised down by 320 kb/d and 130 kb/d respectively on prolonged shutdowns, but this still implies a strong seasonal ramp-up of 1.1 mb/d between May and August.



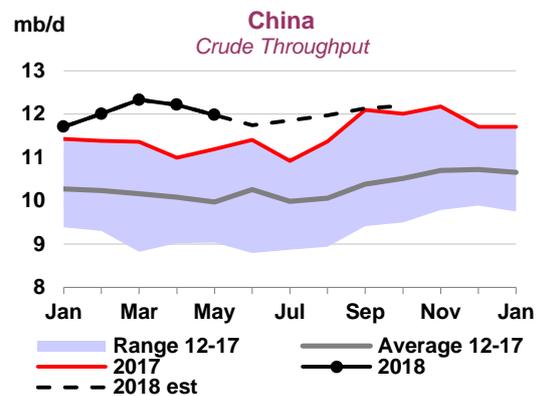
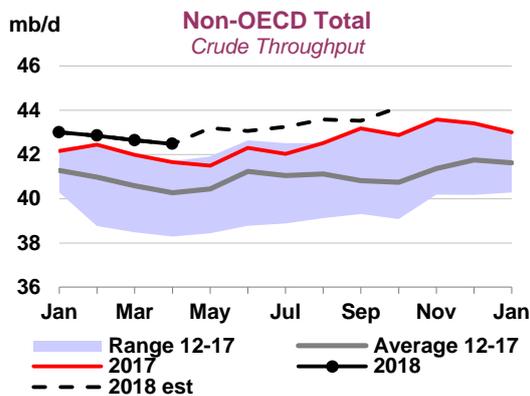
In **OECD Asia**, the strong seasonality in Japanese throughput defines the regional summer slowdown pattern, although **Korean** activity is increasingly decoupled from the regional structural and seasonal trends thanks to its growing petrochemical integration and export orientation. Since the start of the year, **Japanese** throughput has been at or close to seasonal lows, some 90 kb/d lower y-o-y. June saw peak maintenance shutdowns, combined with a disruption at the Osaka and Sakai refineries caused by an earthquake. Two refining companies, Idemitsu Kosan and Showa Shell, will merge their assets and operations via a share swap having received full backing from the shareholders. The new company will own six sites with a combined capacity of almost 1 mb/d, over a quarter of the country's total. Japanese throughput has somewhat stabilised in the last three years after having dropped 1 mb/d over the course of the previous decade. 3Q18 regional throughput is forecast 100 kb/d lower y-o-y.



Non-OECD refinery throughput

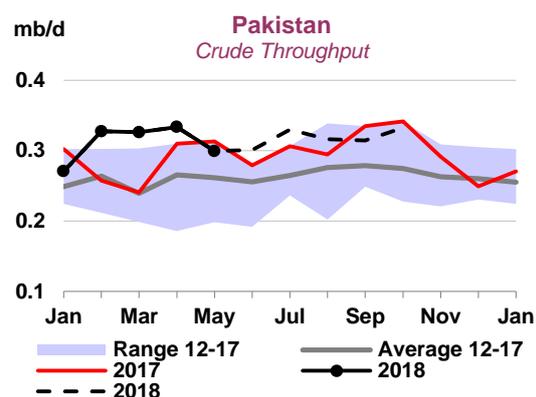
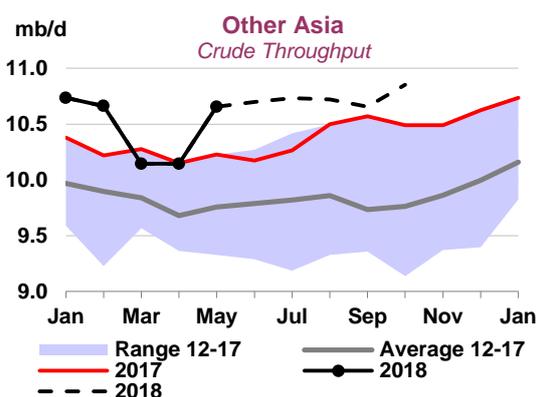
From April's finalised level of 42.3 mb/d, the lowest point in 2018, non-OECD countries' throughput is forecast to increase by 1.7 mb/d by October and reach 44 mb/d for the first time. While Chinese growth was a strong driver in the first half of 2018, growth in the second half has a wider base, with the rest of Asia, especially India and Vietnam, and the Middle East, contributing too.

Chinese runs in May finalised at 11.9 mb/d, some 100 kb/d above our expectations. Throughput declined by 230 kb/d versus April on maintenance at major company refineries. June runs are estimated to have declined another 240 kb/d on slowdown in independent refining activity, reportedly on orders from local governments for pollution control purposes, but also, as a general trend following the introduction of measures to fight consumption tax evasion. China has become a net exporter of the main refined products, as major state-owned refiners seek alternative outlets for their output while their own retail distribution networks often prefer the lower priced fuels from independents.



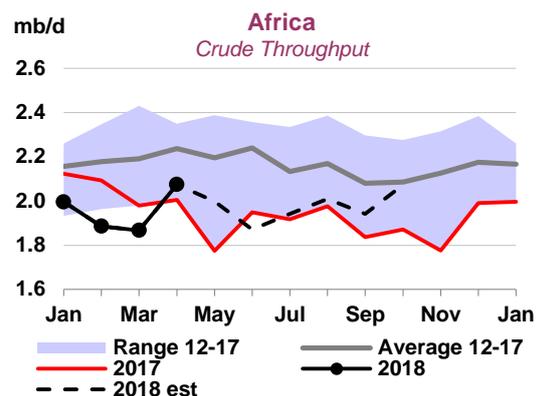
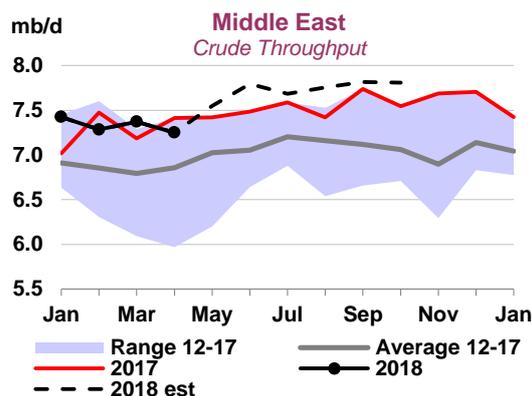
May throughput in **India** rebounded by a strong 400 kb/d m-o-m, to 5.2 mb/d. Crude oil import dependence is almost 90%, with most of the supplies coming from the Middle East. Iran has accounted for 15% of total imports, and the US sanctions pose a significant crude sourcing challenge, especially for the state-owned refiners with less experience in international spot markets compared to their private sector peers Reliance and Nayara (formerly Essar). At the same time, India remains a net exporter of refined products, with volumes roughly matching Iranian crude oil imports.

We have changed the methodology for **Pakistan's** refining throughput. We now use net crude imports and local crude oil output to estimate runs. This is still not ideal as possible stock changes are ignored, but it allows a better proxy than our previous methodology based on partial refinery output data. **Indonesia** finally reported its missing data for 2017, which resulted in an upward revision of 90 kb/d for 2H17 runs. Our 2018 forecast has also been adjusted higher.

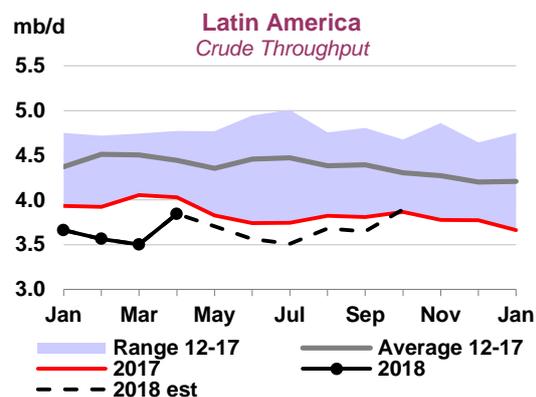
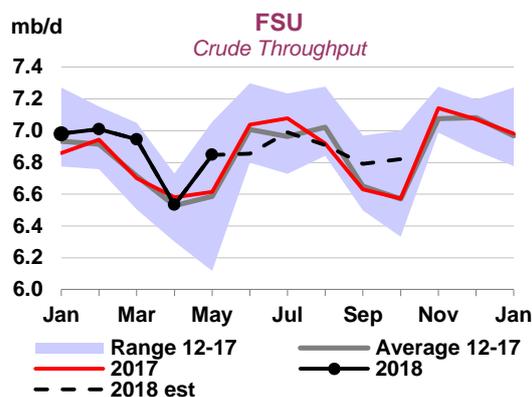


The estimate for April runs in the Middle East is revised down by 130 kb/d on lower **Saudi** throughput. At 2.2 mb/d, Saudi numbers were 280 kb/d lower than our forecast, implying that outages extended beyond the planned shutdown of the 400 kb/d Yanbu refinery. Higher than expected runs in **Bahrain**, **Iraq** and **Qatar**, by an average 50 kb/d, only partially offset the Saudi underperformance. Regional runs are forecast to ramp up by 500 kb/d from April to August, while direct crude burn usually adds another 300 kb/d to crude oil demand.

Our African throughput estimate saw a rare upward revision for April, by about 100 kb/d, on higher than expected numbers in **Algeria** and **Egypt**. This helped push the continent's refinery intake higher y-o-y for the first time since December 2015. The forecasts for 3Q18 and October 2018 show continued annual growth, by 90 kb/d on average. **Nigerian** refining throughput stagnated at just 10% capacity utilisation, and the forecast is not much different. An executive director of Dangote Group, the company behind the largest refinery project in Africa, said in an interview to Reuters that the construction of the 650 kb/d refinery near Lagos would be finished by the end of next year. Nigeria produces roughly 2mb/d of mostly light sweet crude oils and condensates, of which almost all but 40-80 kb/d is exported. Dangote group itself is only just starting up an oil production business, expected to produce some 20 kb/d initially. The refinery may end up processing imported crude oil, including US light tight oil, according to a company representative.



April throughput in the FSU was finalised 140 kb/d below the estimate on very low run rates in **Lithuania**, possibly due to maintenance at the country's sole refinery. Preliminary **Russian** throughput statistics for June were at the expected level of 5.7 mb/d. **Kazakhstan's** throughput is expected to gain 30 kb/d, some 10%, after upgrades at the country's three refineries become operational later in 3Q18.



While the highly uncertain situation in **Venezuela's** refining sector continues, we have not made changes to our estimates of about 310 kb/d throughput in Venezuelan refineries and 50-80 kb/d throughput in **Curacao's** 330 kb/d facility. The island's government is reportedly seeking another operator to increase the utilisation rate. **Brazil** meanwhile saw runs at around 1.8 mb/d for the second consecutive month in May, prompting us to revise our forecast up by 70 kb/d on average. In May, the continent's throughput is estimated to have slipped by 140 kb/d, after the jump in April, and the forecast remains generally lower y-o-y, at about 120 kb/d.

Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	2015	2016	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019
OECD DEMAND																	
Americas	24.6	24.9	24.6	25.1	25.1	25.2	25.0	25.3	25.2	25.3	25.4	25.3	25.1	25.4	25.6	25.7	25.5
Europe	13.8	14.0	13.8	14.3	14.7	14.4	14.3	14.1	14.3	14.7	14.4	14.4	14.1	14.4	14.8	14.5	14.5
Asia Oceania	8.1	8.1	8.5	7.6	7.8	8.3	8.1	8.5	7.6	7.6	8.2	8.0	8.4	7.5	7.6	8.1	7.9
Total OECD	46.5	47.0	46.9	47.0	47.6	47.9	47.3	47.9	47.1	47.7	48.1	47.7	47.6	47.3	48.1	48.3	47.8
NON-OECD DEMAND																	
FSU	4.6	4.7	4.5	4.7	5.0	4.8	4.7	4.6	4.8	5.0	4.9	4.8	4.6	4.8	5.0	5.0	4.9
Europe	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.8
China	11.6	11.8	12.2	12.6	12.2	12.5	12.4	12.7	13.0	12.6	13.2	12.9	13.1	13.5	13.1	13.6	13.3
Other Asia	12.4	13.0	13.2	13.5	13.2	13.5	13.4	13.7	13.9	13.6	14.0	13.8	14.2	14.4	14.0	14.5	14.3
Americas	6.7	6.6	6.4	6.5	6.7	6.5	6.5	6.4	6.4	6.6	6.5	6.5	6.4	6.5	6.6	6.6	6.6
Middle East	8.4	8.3	8.1	8.5	8.7	8.0	8.3	7.9	8.4	8.9	8.2	8.4	8.1	8.6	8.9	8.3	8.5
Africa	4.3	4.3	4.4	4.3	4.2	4.3	4.3	4.4	4.3	4.2	4.4	4.3	4.5	4.5	4.4	4.5	4.5
Total Non-OECD	48.6	49.2	49.5	50.9	50.7	50.5	50.4	50.5	51.7	51.6	52.0	51.5	51.6	53.0	52.8	53.2	52.7
Total Demand¹	95.1	96.2	96.3	97.9	98.3	98.4	97.7	98.4	98.8	99.3	100.0	99.1	99.2	100.3	100.9	101.5	100.5
OECD SUPPLY																	
Americas ⁴	20.0	19.5	19.9	19.8	20.2	21.2	20.3	21.7	21.9	22.1	22.7	22.1	23.3	23.3	23.6	24.0	23.5
Europe	3.5	3.5	3.7	3.5	3.4	3.4	3.5	3.5	3.3	3.3	3.5	3.4	3.4	3.3	3.3	3.4	3.4
Asia Oceania	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5
Total OECD	23.9	23.4	24.0	23.7	24.0	25.0	24.2	25.7	25.6	25.8	26.6	25.9	27.1	27.0	27.3	28.0	27.4
NON-OECD SUPPLY																	
FSU	14.1	14.2	14.4	14.3	14.3	14.4	14.4	14.5	14.5	14.5	14.6	14.5	14.7	14.7	14.6	14.7	14.7
Europe	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
China	4.3	4.0	3.9	3.9	3.8	3.8	3.9	3.8	3.8	3.8	3.8	3.8	3.8	3.7	3.7	3.7	3.7
Other Asia ²	3.6	3.6	3.5	3.4	3.4	3.4	3.5	3.4	3.3	3.3	3.3	3.3	3.3	3.2	3.2	3.2	3.2
Americas ^{2,4}	4.6	4.5	4.6	4.5	4.5	4.5	4.5	4.5	4.6	4.7	4.8	4.6	4.8	5.0	5.0	5.1	5.0
Middle East	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.2
Africa ²	1.7	1.6	1.6	1.6	1.7	1.7	1.7	1.8	1.8	1.8	1.7	1.8	1.7	1.7	1.7	1.7	1.7
Total Non-OECD	29.6	29.3	29.4	29.3	29.2	29.3	29.3	29.3	29.4	29.4	29.5	29.4	29.6	29.7	29.6	29.8	29.7
Processing gains ³	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Global Biofuels	2.3	2.4	2.0	2.5	2.9	2.5	2.5	2.1	2.6	2.8	2.5	2.5	2.2	2.7	2.9	2.6	2.6
Total Non-OPEC Supply	58.1	57.4	57.7	57.8	58.3	59.0	58.2	59.4	59.9	60.4	61.0	60.2	61.3	61.8	62.2	62.7	62.0
OPEC																	
Crude	31.8	32.8	32.1	32.3	32.7	32.3	32.3	32.0	31.7								
NGLs	6.6	6.8	6.8	6.9	6.9	6.8	6.9	6.9	6.9	7.0	7.0	6.9	7.0	7.0	7.0	7.0	7.0
Total OPEC	38.4	39.6	38.9	39.2	39.6	39.1	39.2	38.9	38.7								
Total Supply⁴	96.5	97.0	96.6	97.0	97.9	98.2	97.4	98.3	98.5								
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	0.8	0.0	0.3	-0.2	-0.5	-1.3	-0.4	-0.5									
Government	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	0.1									
Total	0.8	0.0	0.3	-0.3	-0.6	-1.4	-0.5	-0.4									
Floating storage/Oil in transit	0.3	0.1	-0.3	-0.3	-0.7	0.3	-0.3	-0.2									
Miscellaneous to balance ⁵	0.3	0.6	0.3	-0.3	1.0	0.9	0.5	0.5									
Total Stock Ch. & Misc	1.4	0.8	0.3	-0.9	-0.4	-0.2	-0.3	0.0	-0.2								
Memo items:																	
Call on OPEC crude + Stock ch. ⁶	30.4	32.0	31.8	33.2	33.1	32.5	32.7	32.0	31.9	31.9	32.0	32.0	30.9	31.5	31.6	31.8	31.4

¹ Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply. Includes Biofuels.

² Other Asia includes Indonesia throughout. Latin America excludes Ecuador throughout. Africa excludes Angola, Gabon and Equatorial Guinea throughout.

³ Net volumetric gains and losses in the refining process and marine transportation losses.

⁴ Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply.

⁵ Includes changes in non-reported stocks in OECD and non-OECD areas.

⁶ Equals the arithmetic difference between total demand minus total non-OPEC supply minus OPEC NGLs.

Table 1a
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1

(million barrels per day)

	2015	2016	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019
OECD DEMAND																	
Americas	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-	0.2	0.2	0.1	0.1	-	0.1	0.1	0.1
Europe	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-	-	-0.1	-0.1	-0.1	-0.1
Asia Oceania	-	-	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1
Total OECD	0.1	0.1	-	-0.1	-0.1	-0.1	-	-	-0.1	-	-	-	-	-0.2	-0.1	-0.1	-0.1
NON-OECD DEMAND																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	0.1	-0.1	-	-	0.1	0.1	-	0.1	0.1	0.1	0.1	0.1	0.1
Other Asia	-	-	-	-	-	-	-	-	0.1	0.1	-	-	0.1	0.1	0.1	0.1	0.1
Americas	-	-	-	-	-	-	-	-	-0.1	-0.1	-0.1	-	-	-0.1	-	-	-
Middle East	-	-	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-
Total Non-OECD	-	-	-	-	0.1	-	-	-	-0.1	0.1	-	-	-	0.1	-	-	-
Total Demand	0.1	0.1	-0.1	-0.1	-	-0.1	-	-	-0.2	0.1	-	-	-	-0.1	-	-0.1	-0.1
OECD SUPPLY																	
Americas	-	-	-	-	-	-	-	-	-	-0.2	-	-	0.1	0.1	-	-	-
Europe	-	-	-	-	-	-	-	-	-0.1	-	-	-	-	-	-	-	-
Asia Oceania	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	-	-	-	-	-	-	-	-	-0.1	-0.2	-	-0.1	0.1	0.1	-	-	-
NON-OECD SUPPLY																	
FSU	-	-	-	-	-	-	-	-	-	0.1	0.2	0.1	0.1	0.1	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-0.1	-0.1	-0.1	-0.1	-	-	-	-	-
Americas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	-	-	-	-	-0.1	0.1	0.1	-	0.1	-	-	-	-
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Global Biofuels	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1	-
Total Non-OPEC Supply	-	-	-	-	-	-	-	-	-0.2	-0.1	-	-0.1	0.1	0.2	-0.1	-	-
OPEC																	
Crude	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGLs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OPEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
STOCK CHANGES AND MISCELLANEOUS																	
REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Floating storage/Oil in transit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous to balance	-0.1	-0.1	-	0.1	-	0.1	-	-	-	-	-	-	-	-	-	-	-
Total Stock Ch. & Misc	-0.1	-0.1	-	0.1	-	0.1	-	-	-	-	-	-	-	-	-	-	-
Memo items:																	
Call on OPEC crude + Stock ch.	0.1	0.1	-	-0.1	-	-0.1	-	-	-	0.3	-0.1	0.1	-0.2	-0.3	-	-	-0.1

When submitting their monthly oil statistics, OECD Member countries periodically update data for prior periods. Similar updates to non-OECD data can occur.

Table 2
SUMMARY OF GLOBAL OIL DEMAND

	2016	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019
Demand (mb/d)																
Americas	24.88	24.57	25.06	25.07	25.19	24.97	25.26	25.23	25.31	25.45	25.31	25.14	25.37	25.63	25.71	25.47
Europe	13.99	13.82	14.25	14.70	14.40	14.30	14.09	14.26	14.70	14.42	14.37	14.08	14.43	14.84	14.51	14.47
Asia Oceania	8.11	8.47	7.65	7.80	8.32	8.06	8.51	7.60	7.64	8.19	7.98	8.37	7.54	7.58	8.11	7.90
Total OECD	46.97	46.87	46.96	47.57	47.91	47.33	47.85	47.09	47.65	48.06	47.67	47.58	47.34	48.06	48.33	47.83
Asia	24.74	25.43	26.13	25.46	26.06	25.77	26.40	26.90	26.19	27.18	26.67	27.24	27.84	27.08	28.07	27.56
Middle East	8.25	8.06	8.49	8.67	7.96	8.30	7.93	8.41	8.88	8.22	8.36	8.08	8.56	8.93	8.28	8.46
Americas	6.56	6.42	6.54	6.66	6.54	6.54	6.43	6.45	6.57	6.53	6.50	6.40	6.53	6.65	6.62	6.55
FSU	4.67	4.45	4.69	4.95	4.81	4.73	4.61	4.80	5.01	4.87	4.82	4.63	4.83	5.05	4.95	4.87
Africa	4.29	4.42	4.32	4.23	4.34	4.33	4.43	4.34	4.22	4.38	4.35	4.50	4.47	4.35	4.51	4.46
Europe	0.71	0.71	0.74	0.75	0.75	0.74	0.73	0.75	0.76	0.77	0.75	0.74	0.76	0.78	0.78	0.76
Total Non-OECD	49.23	49.48	50.91	50.73	50.46	50.40	50.52	51.66	51.63	51.96	51.45	51.60	52.99	52.83	53.21	52.66
World	96.20	96.35	97.87	98.29	98.36	97.73	98.38	98.75	99.28	100.02	99.12	99.18	100.33	100.89	101.53	100.49
of which: US50	19.69	19.49	20.01	19.92	20.05	19.87	20.24	20.25	20.21	20.33	20.26	20.09	20.37	20.49	20.56	20.38
Europe 5*	8.15	8.16	8.28	8.44	8.24	8.28	8.21	8.23	8.39	8.27	8.28	8.19	8.29	8.44	8.29	8.31
China	11.78	12.22	12.63	12.22	12.52	12.40	12.70	13.00	12.63	13.15	12.87	13.07	13.47	13.10	13.58	13.31
Japan	4.01	4.30	3.58	3.63	4.06	3.89	4.27	3.44	3.48	3.86	3.76	4.07	3.32	3.35	3.72	3.61
India	4.56	4.58	4.79	4.54	4.84	4.69	4.94	5.04	4.77	5.12	4.97	5.16	5.27	4.96	5.35	5.19
Russia	3.51	3.34	3.51	3.75	3.58	3.55	3.48	3.62	3.79	3.64	3.63	3.50	3.64	3.83	3.68	3.66
Brazil	3.07	3.01	3.05	3.17	3.12	3.09	3.03	3.00	3.12	3.12	3.07	2.98	3.04	3.15	3.15	3.08
Saudi Arabia	3.26	2.88	3.35	3.57	3.08	3.22	2.88	3.24	3.61	3.16	3.22	2.99	3.40	3.61	3.14	3.29
Canada	2.47	2.37	2.36	2.52	2.52	2.45	2.32	2.30	2.49	2.49	2.40	2.35	2.31	2.51	2.49	2.42
Korea	2.61	2.62	2.49	2.57	2.65	2.58	2.63	2.55	2.55	2.69	2.60	2.67	2.59	2.61	2.73	2.65
Mexico	2.05	2.02	2.03	1.95	1.93	1.98	1.99	2.01	1.94	1.95	1.97	1.98	2.02	1.96	1.97	1.98
Iran	1.78	1.97	1.88	1.85	1.82	1.88	1.85	1.85	1.85	1.85	1.85	1.87	1.88	1.88	1.88	1.88
Total	66.95	66.96	67.97	68.16	68.43	67.89	68.55	68.52	68.84	69.63	68.89	68.93	69.60	69.89	70.54	69.74
% of World	69.6%	69.5%	69.5%	69.3%	69.6%	69.5%	69.7%	69.4%	69.3%	69.6%	69.5%	69.5%	69.4%	69.3%	69.5%	69.4%
Annual Change (% per annum)																
Americas	1.1	-0.6	1.8	-0.5	0.8	0.4	2.8	0.7	1.0	1.0	1.4	-0.5	0.6	1.3	1.0	0.6
Europe	1.2	2.0	2.7	2.2	1.8	2.2	1.9	0.1	-0.1	0.2	0.5	-0.1	1.2	1.0	0.6	0.7
Asia Oceania	0.0	-1.4	-0.4	-0.1	-0.3	-0.6	0.4	-0.6	-2.0	-1.5	-0.9	-1.7	-0.9	-0.8	-1.0	-1.1
Total OECD	1.0	0.0	1.7	0.4	0.9	0.8	2.1	0.3	0.2	0.3	0.7	-0.6	0.5	0.9	0.6	0.3
Asia	3.3	3.1	4.2	4.8	4.6	4.2	3.8	2.9	2.9	4.3	3.5	3.2	3.5	3.4	3.3	3.3
Middle East	-1.4	3.0	1.1	-0.2	-1.6	0.5	-1.5	-0.9	2.4	3.3	0.8	1.9	1.7	0.6	0.7	1.2
Americas	-2.3	-0.8	-0.6	0.0	0.1	-0.3	0.2	-1.4	-1.3	-0.1	-0.7	-0.4	1.2	1.1	1.4	0.8
FSU	1.8	-1.2	3.8	2.1	0.0	1.2	3.5	2.5	1.1	1.2	2.0	0.4	0.7	0.8	1.7	0.9
Africa	0.7	2.3	-0.4	1.3	0.4	0.9	0.3	0.6	-0.3	1.1	0.4	1.7	2.9	3.1	2.8	2.6
Europe	4.0	1.6	2.0	4.0	4.1	2.9	3.3	1.6	1.4	3.5	2.2	1.5	1.0	2.0	0.7	1.4
Total Non-OECD	1.3	2.1	2.6	2.7	2.2	2.4	2.1	1.5	1.8	3.0	2.1	2.1	2.6	2.3	2.4	2.4
World	1.2	1.0	2.2	1.6	1.6	1.6	2.1	0.9	1.0	1.7	1.4	0.8	1.6	1.6	1.5	1.4
Annual Change (mb/d)																
Americas	0.28	-0.16	0.45	-0.12	0.21	0.10	0.69	0.17	0.25	0.26	0.34	-0.12	0.15	0.32	0.26	0.16
Europe	0.16	0.27	0.37	0.31	0.26	0.31	0.26	0.01	-0.01	0.02	0.07	-0.01	0.17	0.15	0.09	0.10
Asia Oceania	0.00	-0.12	-0.03	-0.01	-0.02	-0.05	0.03	-0.05	-0.15	-0.13	-0.08	-0.14	-0.07	-0.06	-0.08	-0.09
Total OECD	0.45	-0.01	0.79	0.19	0.44	0.36	0.99	0.13	0.08	0.15	0.34	-0.27	0.25	0.41	0.27	0.17
Asia	0.78	0.77	1.05	1.16	1.15	1.03	0.97	0.77	0.73	1.11	0.90	0.84	0.94	0.88	0.90	0.89
Middle East	-0.12	0.23	0.09	-0.02	-0.13	0.04	-0.12	-0.08	0.21	0.26	0.07	0.15	0.14	0.06	0.05	0.10
Americas	-0.15	-0.05	-0.04	0.00	0.01	-0.02	0.01	-0.09	-0.09	-0.01	-0.04	-0.03	0.08	0.07	0.09	0.06
FSU	0.08	-0.05	0.17	0.10	0.00	0.06	0.16	0.12	0.05	0.06	0.10	0.02	0.03	0.04	0.08	0.04
Africa	0.03	0.10	-0.02	0.05	0.02	0.04	0.01	0.02	-0.01	0.05	0.02	0.08	0.13	0.13	0.12	0.11
Europe	0.03	0.01	0.01	0.03	0.03	0.02	0.02	0.01	0.01	0.03	0.02	0.01	0.01	0.01	0.01	0.01
Total Non-OECD	0.65	1.01	1.27	1.33	1.07	1.17	1.04	0.75	0.91	1.50	1.05	1.07	1.33	1.20	1.25	1.21
World	1.10	1.00	2.06	1.52	1.51	1.52	2.03	0.88	0.99	1.66	1.39	0.80	1.58	1.61	1.51	1.38
Revisions to Oil Demand from Last Month's Report (mb/d)																
Americas	0.13	0.09	0.09	0.09	0.09	0.09	0.09	-0.01	0.21	0.18	0.12	0.10	0.00	0.15	0.12	0.09
Europe	-0.05	-0.04	-0.04	-0.04	-0.04	-0.04	-0.01	-0.01	-0.05	-0.08	-0.04	-0.05	-0.06	-0.06	-0.07	-0.06
Asia Oceania	-0.02	-0.08	-0.11	-0.11	-0.11	-0.10	-0.10	-0.06	-0.13	-0.12	-0.10	-0.09	-0.15	-0.15	-0.13	-0.13
Total OECD	0.07	-0.03	-0.05	-0.05	-0.05	-0.05	-0.01	-0.09	0.03	-0.01	-0.02	-0.04	-0.20	-0.06	-0.08	-0.10
Asia	-0.01	-0.02	0.00	0.07	-0.04	0.00	0.02	0.15	0.17	0.09	0.11	0.11	0.23	0.13	0.11	0.14
Middle East	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.14	0.01	-0.02	-0.04	-0.03	-0.07	-0.03	-0.01	-0.04
Americas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.07	-0.05	-0.06	-0.05	-0.05	-0.06	-0.05	-0.05	-0.05
FSU	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.01	0.00	0.04	0.00	0.00	0.01
Africa	0.00	0.00	0.00	0.00	0.00	0.00	0.01	-0.04	-0.04	-0.03	-0.03	-0.03	-0.05	-0.04	-0.03	-0.04
Europe	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Non-OECD	-0.01	-0.02	0.00	0.07	-0.05	0.00	0.03	-0.08	0.09	-0.03	0.00	0.00	0.09	0.02	0.01	0.03
World	0.06	-0.05	-0.05	0.02	-0.10	-0.05	0.02	-0.17	0.12	-0.04	-0.02	-0.04	-0.12	-0.05	-0.07	-0.07
Revisions to Oil Demand Growth from Last Month's Report (mb/d)																
World	-0.02	-0.13	-0.12	-0.02	-0.15	-0.10	0.07	-0.11	0.09	0.06	0.03	-0.06	0.05	-0.16	-0.03	-0.05

* France, Germany, Italy, Spain and UK

Table 2a
OECD REGIONAL OIL DEMAND¹
(million barrels per day)

	2016	2017	2Q17	3Q17	4Q17	1Q18	Feb 18	Mar 18	Apr 18 ²	Latest month vs.	
										Mar 18	Apr 17
Americas											
LPG and ethane	3.32	3.28	3.11	3.00	3.49	3.99	3.92	3.79	3.46	-0.33	0.36
Naphtha	0.34	0.34	0.36	0.34	0.33	0.28	0.29	0.28	0.29	0.02	-0.06
Motor gasoline	11.09	11.10	11.32	11.39	11.03	10.73	10.53	11.20	10.90	-0.31	-0.04
Jet and kerosene	1.90	1.98	1.97	2.04	2.02	1.95	1.90	2.04	1.90	-0.13	0.01
Gasoil/diesel oil	5.13	5.14	5.09	5.09	5.25	5.39	5.18	5.38	5.32	-0.06	0.45
Residual fuel oil	0.63	0.70	0.72	0.63	0.73	0.63	0.62	0.59	0.72	0.13	0.09
Other products	2.47	2.42	2.48	2.58	2.34	2.31	2.25	2.35	2.15	-0.20	-0.35
Total	24.87	24.97	25.06	25.07	25.19	25.26	24.68	25.63	24.74	-0.89	0.46
Europe											
LPG and ethane	1.16	1.12	1.10	1.08	1.11	1.24	1.24	1.28	1.10	-0.18	-0.06
Naphtha	1.10	1.18	1.10	1.17	1.22	1.19	1.24	1.06	1.05	-0.01	-0.07
Motor gasoline	1.88	1.89	1.96	1.98	1.85	1.82	1.87	1.86	1.95	0.09	0.07
Jet and kerosene	1.37	1.46	1.47	1.65	1.41	1.36	1.38	1.39	1.47	0.07	0.06
Gasoil/diesel oil	6.31	6.48	6.42	6.54	6.64	6.44	6.83	6.68	6.39	-0.29	0.21
Residual fuel oil	0.88	0.89	0.85	0.89	0.93	0.89	0.92	0.90	0.91	0.01	0.06
Other products	1.29	1.28	1.34	1.38	1.25	1.14	1.16	1.18	1.26	0.08	0.02
Total	13.99	14.30	14.25	14.70	14.40	14.09	14.64	14.35	14.12	-0.23	0.28
Asia Oceania											
LPG and ethane	0.78	0.75	0.72	0.69	0.73	0.82	0.84	0.82	0.72	-0.09	-0.02
Naphtha	1.98	2.04	1.93	2.01	2.13	2.04	2.14	1.90	2.03	0.12	0.09
Motor gasoline	1.55	1.54	1.52	1.62	1.56	1.51	1.53	1.54	1.49	-0.05	0.00
Jet and kerosene	0.90	0.91	0.72	0.71	1.05	1.18	1.34	0.96	0.78	-0.18	-0.02
Gasoil/diesel oil	1.82	1.89	1.88	1.87	1.95	1.95	2.01	1.99	1.90	-0.08	0.08
Residual fuel oil	0.65	0.57	0.53	0.53	0.57	0.66	0.71	0.61	0.53	-0.08	-0.05
Other products	0.42	0.35	0.35	0.36	0.32	0.35	0.32	0.36	0.30	-0.06	-0.08
Total	8.11	8.06	7.65	7.80	8.32	8.51	8.88	8.17	7.75	-0.41	-0.02
OECD											
LPG and ethane	5.25	5.15	4.93	4.77	5.33	6.05	6.00	5.88	5.28	-0.60	0.28
Naphtha	3.43	3.56	3.39	3.52	3.67	3.51	3.66	3.24	3.37	0.13	-0.04
Motor gasoline	14.53	14.54	14.80	14.99	14.45	14.05	13.93	14.60	14.34	-0.26	0.02
Jet and kerosene	4.17	4.35	4.16	4.40	4.48	4.49	4.62	4.38	4.14	-0.24	0.06
Gasoil/diesel oil	13.26	13.52	13.39	13.50	13.84	13.78	14.02	14.06	13.62	-0.44	0.73
Residual fuel oil	2.16	2.16	2.11	2.06	2.22	2.18	2.24	2.10	2.16	0.06	0.09
Other products	4.18	4.06	4.18	4.33	3.91	3.80	3.73	3.89	3.71	-0.18	-0.41
Total	46.97	47.33	46.96	47.57	47.91	47.85	48.20	48.15	46.61	-1.54	0.73

¹ Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils.

North America comprises US 50 states, US territories, Mexico and Canada.

² Latest official OECD submissions (MOS).

Table 2b
OIL DEMAND IN SELECTED OECD COUNTRIES¹
(million barrels per day)

	2016	2017	2Q17	3Q17	4Q17	1Q18	Feb 18	Mar 18	Apr 18 ²	Latest month vs.	
										Mar 18	Apr 17
United States³											
LPG and ethane	2.47	2.49	2.36	2.26	2.66	3.12	3.02	2.98	2.75	-0.23	0.37
Naphtha	0.22	0.23	0.24	0.21	0.22	0.21	0.22	0.21	0.21	-0.01	-0.03
Motor gasoline	9.32	9.32	9.54	9.56	9.23	9.01	8.82	9.45	9.19	-0.26	-0.06
Jet and kerosene	1.62	1.69	1.69	1.72	1.73	1.65	1.60	1.72	1.64	-0.08	0.01
Gasoil/diesel oil	3.88	3.94	3.91	3.87	4.02	4.18	3.96	4.17	4.15	-0.02	0.36
Residual fuel oil	0.33	0.36	0.37	0.30	0.39	0.28	0.28	0.22	0.41	0.19	0.09
Other products	1.86	1.85	1.91	2.01	1.79	1.78	1.72	1.83	1.60	-0.22	-0.34
Total	19.69	19.87	20.01	19.92	20.05	20.24	19.62	20.57	19.94	-0.63	0.41
Japan											
LPG and ethane	0.42	0.39	0.37	0.34	0.39	0.46	0.46	0.45	0.38	-0.07	-0.03
Naphtha	0.75	0.77	0.74	0.73	0.79	0.75	0.81	0.69	0.74	0.06	-0.03
Motor gasoline	0.90	0.88	0.86	0.94	0.89	0.84	0.86	0.87	0.84	-0.02	-0.01
Jet and kerosene	0.51	0.51	0.36	0.34	0.62	0.73	0.87	0.56	0.39	-0.17	-0.04
Diesel	0.44	0.43	0.42	0.43	0.44	0.43	0.46	0.46	0.44	-0.01	0.03
Other gasoil	0.35	0.35	0.32	0.31	0.37	0.40	0.44	0.39	0.31	-0.08	-0.03
Residual fuel oil	0.33	0.28	0.26	0.27	0.28	0.34	0.38	0.31	0.24	-0.07	-0.06
Other products	0.32	0.28	0.26	0.28	0.28	0.31	0.28	0.31	0.25	-0.06	-0.02
Total	4.01	3.89	3.58	3.63	4.06	4.27	4.56	4.03	3.60	-0.43	-0.18
Germany											
LPG and ethane	0.10	0.13	0.13	0.13	0.12	0.11	0.10	0.13	0.12	-0.01	-0.01
Naphtha	0.37	0.38	0.37	0.37	0.38	0.35	0.40	0.28	0.31	0.03	-0.09
Motor gasoline	0.42	0.43	0.44	0.44	0.42	0.45	0.46	0.45	0.44	-0.01	0.02
Jet and kerosene	0.20	0.22	0.22	0.24	0.21	0.19	0.19	0.20	0.21	0.01	0.00
Diesel	0.76	0.76	0.78	0.78	0.76	0.70	0.73	0.72	0.76	0.03	0.00
Other gasoil	0.36	0.37	0.37	0.35	0.36	0.41	0.46	0.45	0.30	-0.15	-0.03
Residual fuel oil	0.09	0.08	0.07	0.07	0.10	0.10	0.10	0.10	0.09	-0.01	0.00
Other products	0.09	0.09	0.10	0.11	0.09	0.07	0.07	0.08	0.08	0.00	-0.02
Total	2.38	2.46	2.48	2.49	2.43	2.37	2.51	2.41	2.31	-0.10	-0.12
Italy											
LPG and ethane	0.10	0.10	0.09	0.09	0.11	0.12	0.13	0.12	0.10	-0.02	0.00
Naphtha	0.08	0.09	0.08	0.10	0.09	0.09	0.08	0.09	0.08	-0.01	0.01
Motor gasoline	0.17	0.16	0.17	0.17	0.15	0.15	0.15	0.16	0.16	0.00	0.00
Jet and kerosene	0.09	0.11	0.12	0.13	0.09	0.09	0.09	0.09	0.11	0.02	0.00
Diesel	0.47	0.47	0.47	0.46	0.48	0.50	0.53	0.52	0.49	-0.03	0.05
Other gasoil	0.08	0.08	0.07	0.08	0.09	0.07	0.08	0.08	0.08	0.00	0.02
Residual fuel oil	0.08	0.08	0.07	0.09	0.07	0.08	0.08	0.07	0.08	0.01	0.02
Other products	0.16	0.15	0.16	0.16	0.16	0.15	0.15	0.15	0.17	0.02	0.02
Total	1.24	1.24	1.24	1.27	1.25	1.25	1.30	1.28	1.27	-0.01	0.12
France											
LPG and ethane	0.12	0.11	0.10	0.10	0.11	0.14	0.14	0.14	0.11	-0.02	0.01
Naphtha	0.11	0.11	0.11	0.11	0.08	0.12	0.12	0.12	0.14	0.02	0.02
Motor gasoline	0.17	0.18	0.19	0.20	0.18	0.17	0.17	0.18	0.19	0.01	0.01
Jet and kerosene	0.15	0.16	0.16	0.18	0.15	0.15	0.15	0.15	0.16	0.01	0.00
Diesel	0.70	0.72	0.72	0.73	0.72	0.70	0.71	0.73	0.71	-0.02	0.01
Other gasoil	0.25	0.25	0.21	0.25	0.26	0.27	0.31	0.27	0.21	-0.06	0.00
Residual fuel oil	0.04	0.05	0.05	0.05	0.05	0.06	0.05	0.06	0.05	-0.01	0.00
Other products	0.12	0.12	0.14	0.13	0.11	0.10	0.11	0.10	0.13	0.02	0.02
Total	1.65	1.71	1.68	1.76	1.66	1.71	1.78	1.76	1.70	-0.06	0.07
United Kingdom											
LPG and ethane	0.15	0.14	0.14	0.13	0.13	0.14	0.15	0.15	0.13	-0.02	-0.02
Naphtha	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.04	0.02	-0.01	-0.01
Motor gasoline	0.29	0.29	0.30	0.29	0.28	0.27	0.30	0.26	0.31	0.04	0.01
Jet and kerosene	0.32	0.32	0.31	0.33	0.33	0.34	0.35	0.34	0.34	0.00	0.03
Diesel	0.52	0.52	0.53	0.52	0.54	0.52	0.59	0.51	0.55	0.04	-0.01
Other gasoil	0.13	0.14	0.14	0.15	0.14	0.13	0.14	0.14	0.16	0.03	0.01
Residual fuel oil	0.03	0.03	0.02	0.03	0.03	0.03	0.03	0.02	0.02	0.00	0.00
Other products	0.12	0.12	0.12	0.13	0.12	0.11	0.11	0.12	0.12	0.00	0.00
Total	1.58	1.58	1.59	1.61	1.60	1.57	1.70	1.57	1.66	0.08	0.02
Canada											
LPG and ethane	0.41	0.39	0.35	0.35	0.43	0.42	0.45	0.37	0.29	-0.08	-0.02
Naphtha	0.10	0.10	0.09	0.11	0.10	0.06	0.06	0.06	0.06	0.00	-0.04
Motor gasoline	0.84	0.85	0.86	0.89	0.84	0.78	0.78	0.78	0.80	0.02	0.01
Jet and kerosene	0.14	0.15	0.14	0.17	0.15	0.14	0.15	0.15	0.14	-0.02	0.00
Diesel	0.30	0.29	0.29	0.29	0.29	0.26	0.27	0.25	0.28	0.03	-0.02
Other gasoil	0.28	0.27	0.23	0.29	0.30	0.28	0.28	0.27	0.19	-0.08	0.03
Residual fuel oil	0.05	0.06	0.07	0.05	0.05	0.06	0.06	0.05	0.06	0.01	0.02
Other products	0.36	0.35	0.33	0.37	0.36	0.32	0.33	0.30	0.33	0.03	0.00
Total	2.47	2.45	2.36	2.52	2.52	2.32	2.38	2.24	2.16	-0.08	-0.02

¹ Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils.

² Latest official OECD submissions (MOS).

³ US figures exclude US territories.

Table 3
WORLD OIL PRODUCTION

(million barrels per day)

	2017	2018	2019	1Q18	2Q18	3Q18	4Q18	1Q19	Apr 18	May 18	Jun 18
OPEC											
Crude Oil											
Saudi Arabia	9.96			9.95	10.14				9.92	10.03	10.46
Iran	3.80			3.81	3.81				3.82	3.82	3.79
Iraq	4.47			4.45	4.48				4.41	4.47	4.55
UAE	2.93			2.84	2.88				2.87	2.87	2.90
Kuwait	2.71			2.70	2.71				2.71	2.71	2.72
Neutral Zone	0.00			0.00	0.00				0.00	0.00	0.00
Qatar	0.61			0.60	0.61				0.60	0.61	0.62
Angola	1.64			1.55	1.49				1.50	1.51	1.45
Nigeria	1.53			1.66	1.51				1.59	1.47	1.46
Libya	0.83			1.01	0.89				0.99	0.97	0.71
Algeria	1.05			1.01	1.03				0.99	1.04	1.05
Equatorial Guinea	0.13			0.13	0.13				0.12	0.13	0.13
Ecuador	0.53			0.52	0.53				0.52	0.53	0.53
Venezuela	1.97			1.54	1.36				1.41	1.36	1.30
Gabon	0.20			0.21	0.19				0.19	0.17	0.20
Total Crude Oil	32.35			31.99	31.73				31.64	31.69	31.87
Total NGLs ¹	6.86	6.95	7.03	6.91	6.93	6.97	6.98	7.03	6.93	6.93	6.93
Total OPEC²	39.21			38.90	38.66				38.57	38.62	38.80
NON-OPEC^{2,3}											
OECD											
Americas											
United States	13.22	14.94	16.13	14.39	14.92	15.04	15.41	15.76	14.90	14.87	14.99
Mexico	2.23	2.11	2.06	2.15	2.13	2.10	2.07	2.06	2.15	2.11	2.12
Canada	4.83	5.06	5.33	5.19	4.84	4.99	5.24	5.43	4.81	5.01	4.67
Chile	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Europe	3.49	3.42	3.36	3.55	3.31	3.32	3.51	3.42	3.53	3.15	3.25
UK	1.01	1.09	1.11	1.08	1.06	1.06	1.17	1.13	1.15	1.03	1.02
Norway	1.97	1.82	1.74	1.96	1.74	1.76	1.84	1.79	1.87	1.62	1.73
Others	0.51	0.50	0.51	0.51	0.51	0.50	0.50	0.50	0.52	0.50	0.50
Asia Oceania	0.39	0.39	0.47	0.41	0.38	0.37	0.40	0.43	0.40	0.38	0.38
Australia	0.31	0.32	0.41	0.34	0.31	0.30	0.34	0.36	0.32	0.31	0.31
Others	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Total OECD	24.18	25.94	27.35	25.70	25.58	25.83	26.64	27.11	25.80	25.53	25.42
NON-OECD											
Former USSR											
Russia	14.36	14.50	14.66	14.45	14.49	14.46	14.60	14.69	14.44	14.48	14.55
Others	11.36	11.43	11.56	11.34	11.38	11.46	11.53	11.54	11.35	11.35	11.45
Others	3.00	3.07	3.09	3.11	3.11	3.00	3.07	3.15	3.09	3.13	3.11
Asia²	7.33	7.14	6.97	7.24	7.16	7.11	7.06	7.01	7.14	7.18	7.15
China	3.87	3.81	3.73	3.82	3.83	3.80	3.78	3.76	3.83	3.82	3.82
Malaysia	0.69	0.69	0.67	0.72	0.69	0.69	0.68	0.67	0.68	0.69	0.69
India	0.86	0.85	0.84	0.85	0.85	0.84	0.84	0.84	0.85	0.85	0.85
Indonesia	0.85	0.82	0.79	0.82	0.82	0.81	0.80	0.80	0.83	0.82	0.82
Others	1.06	0.98	0.93	1.03	0.97	0.97	0.96	0.94	0.94	1.00	0.97
Europe	0.13	0.13	0.12	0.13	0.13	0.12	0.12	0.12	0.13	0.13	0.13
Americas²	4.54	4.63	4.99	4.50	4.57	4.66	4.76	4.82	4.54	4.55	4.63
Brazil	2.74	2.82	3.22	2.71	2.75	2.86	2.96	3.04	2.72	2.73	2.82
Argentina	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58
Colombia	0.86	0.86	0.84	0.85	0.87	0.86	0.85	0.84	0.87	0.87	0.86
Others	0.37	0.37	0.36	0.36	0.37	0.37	0.37	0.36	0.37	0.37	0.37
Middle East^{2,4}	1.25	1.25	1.25	1.21	1.26	1.27	1.27	1.26	1.25	1.26	1.27
Oman	0.98	0.98	0.96	0.97	0.98	0.98	0.98	0.97	0.98	0.98	0.98
Syria	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Yemen	0.03	0.04	0.04	0.03	0.04	0.04	0.04	0.04	0.03	0.04	0.04
Others	0.21	0.21	0.22	0.18	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Africa	1.67	1.77	1.73	1.75	1.78	1.79	1.74	1.74	1.82	1.74	1.80
Egypt	0.64	0.64	0.60	0.65	0.65	0.63	0.62	0.61	0.65	0.64	0.64
Others	1.03	1.13	1.13	1.11	1.14	1.15	1.12	1.13	1.17	1.09	1.16
Total Non-OECD	29.28	29.41	29.70	29.29	29.39	29.41	29.54	29.65	29.32	29.34	29.52
Processing gains ⁵	2.29	2.32	2.35	2.32	2.32	2.32	2.32	2.35	2.32	2.32	2.32
Global Biofuels	2.46	2.51	2.61	2.12	2.59	2.83	2.51	2.20	2.35	2.65	2.77
TOTAL NON-OPEC	58.21	60.18	62.02	59.43	59.89	60.39	61.01	61.30	59.79	59.84	60.03
TOTAL SUPPLY	97.42			98.33	98.55				98.36	98.46	98.83

¹ Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. NGLs in Qatar and Nigeria and non-oil inputs to Saudi Arabian MTBE.

² Latin America excludes Ecuador throughout. Africa excludes Angola, Gabon and Equatorial Guinea throughout. Asia includes Indonesia throughout.

³ Comprises crude oil, condensates, NGLs and oil from non-conventional sources

⁴ Includes small amounts of production from Jordan and Bahrain.

⁵ Net volumetric gains and losses in refining and marine transportation losses.

Table 4
OECD INDUSTRY STOCKS¹ AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS ²					PRIOR YEARS' STOCKS ²			STOCK CHANGES			
	in Million Barrels					in Million Barrels			in mb/d			
	Jan2018	Feb2018	Mar2018	Apr2018	May2018*	May2015	May2016	May2017	2Q2017	3Q2017	4Q2017	1Q2018
OECD Americas												
Crude	581.1	581.9	584.9	590.9	593.9	598.2	658.5	670.5	-0.44	-0.34	-0.48	0.04
Motor Gasoline	277.7	284.5	272.9	271.5	273.8	255.2	271.9	275.0	-0.03	-0.18	0.17	0.06
Middle Distillate	217.7	214.1	205.8	195.2	195.9	210.6	229.7	230.3	-0.02	-0.15	0.09	-0.15
Residual Fuel Oil	37.6	38.6	40.8	38.7	37.9	48.7	47.2	45.9	-0.08	0.02	-0.08	0.06
Total Products ³	722.5	718.0	703.3	697.0	717.9	727.7	764.3	762.0	0.19	-0.06	-0.14	-0.35
Total ⁴	1481.1	1473.3	1468.3	1467.1	1491.0	1500.5	1604.3	1619.3	-0.13	-0.26	-0.79	-0.34
OECD Europe												
Crude	333.5	339.5	344.2	352.4	350.9	343.7	360.8	359.3	0.04	-0.28	-0.08	0.16
Motor Gasoline	101.2	103.2	96.5	93.8	88.9	92.1	99.4	94.3	-0.09	-0.06	0.13	-0.03
Middle Distillate	289.5	279.9	268.4	263.7	259.6	282.5	323.6	308.2	-0.15	-0.04	-0.24	-0.03
Residual Fuel Oil	62.7	63.9	62.0	61.4	61.8	66.3	79.2	65.0	-0.04	-0.07	0.00	0.03
Total Products ³	573.7	563.6	545.8	535.2	524.8	535.7	604.1	574.6	-0.30	-0.09	-0.13	0.03
Total ⁴	985.3	981.2	969.9	971.3	959.3	950.4	1035.1	1007.9	-0.25	-0.37	-0.24	0.25
OECD Asia Oceania												
Crude	185.9	184.0	161.1	163.2	163.0	198.3	202.6	198.4	0.01	0.09	-0.10	-0.31
Motor Gasoline	24.0	23.9	24.0	24.4	25.3	25.1	25.3	26.2	0.02	-0.02	0.00	0.01
Middle Distillate	62.9	59.7	62.0	65.1	65.5	61.5	64.7	66.6	0.04	0.03	-0.04	-0.01
Residual Fuel Oil	19.9	19.1	18.1	19.0	20.0	20.9	19.0	20.6	0.03	-0.02	0.00	-0.01
Total Products ³	163.1	160.0	161.1	164.7	164.7	167.6	171.2	169.5	0.16	0.03	-0.08	-0.04
Total ⁴	409.2	401.6	377.9	388.1	390.1	430.3	434.1	432.4	0.23	0.10	-0.23	-0.38
Total OECD												
Crude	1100.6	1105.4	1090.1	1106.4	1107.8	1140.2	1221.9	1228.1	-0.39	-0.53	-0.66	-0.10
Motor Gasoline	402.8	411.6	393.5	389.6	388.0	372.3	396.5	395.4	-0.09	-0.26	0.29	0.05
Middle Distillate	570.1	553.7	536.2	524.0	521.1	554.5	618.0	605.1	-0.13	-0.15	-0.19	-0.19
Residual Fuel Oil	120.2	121.5	120.9	119.1	119.6	135.9	145.4	131.5	-0.09	-0.08	-0.08	0.09
Total Products ³	1459.3	1441.6	1410.2	1396.9	1407.4	1431.0	1539.6	1506.1	0.04	-0.13	-0.35	-0.36
Total ⁴	2875.6	2856.1	2816.1	2826.5	2840.5	2881.1	3073.5	3059.6	-0.16	-0.53	-1.27	-0.47

OECD GOVERNMENT-CONTROLLED STOCKS⁵ AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS ²					PRIOR YEARS' STOCKS ²			STOCK CHANGES			
	in Million Barrels					in Million Barrels			in mb/d			
	Jan2018	Feb2018	Mar2018	Apr2018	May2018*	May2015	May2016	May2017	2Q2017	3Q2017	4Q2017	1Q2018
OECD Americas												
Crude	664.2	665.5	665.5	664.0	660.3	692.4	695.1	684.5	-0.14	-0.06	-0.12	0.03
Products	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.00	0.00	0.00	0.00
OECD Europe												
Crude	205.0	204.1	207.6	208.7	209.2	208.3	206.0	206.2	0.03	0.00	-0.02	0.02
Products	274.8	275.1	274.2	272.8	271.2	262.5	265.9	273.0	-0.03	-0.06	0.04	0.04
OECD Asia Oceania												
Crude	383.4	383.4	383.4	383.4	383.4	385.1	385.4	385.0	0.01	0.00	-0.01	-0.01
Products	38.7	38.7	38.7	38.7	38.7	32.6	35.2	38.0	0.00	0.00	0.00	0.00
Total OECD												
Crude	1252.6	1252.9	1256.5	1256.1	1252.8	1285.7	1286.6	1275.7	-0.09	-0.06	-0.15	0.04
Products	315.5	315.7	314.9	313.5	311.8	297.1	303.1	313.0	-0.03	-0.05	0.04	0.04
Total ⁴	1571.1	1571.6	1574.7	1573.3	1568.2	1586.7	1592.4	1592.6	-0.12	-0.12	-0.11	0.08

* estimated

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.

2 Closing stock levels.

3 Total products includes gasoline, middle distillates, fuel oil and other products.

4 Total includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.

5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

Table 5
TOTAL STOCKS ON LAND IN OECD COUNTRIES¹
(millions of barrels¹ and 'days'²)

	End March 2017		End June 2017		End September 2017		End December 2017		End March 2018 ³	
	Stock Level	Days Fwd ² Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
OECD Americas										
Canada	184.9	78	182.7	72	185.7	74	189.2	81	191.8	-
Chile	11.9	34	11.2	31	12.5	35	11.5	31	10.8	-
Mexico	47.6	23	49.3	25	46.5	24	43.8	22	47.3	-
United States ⁴	2034.5	102	2011.2	101	1980.3	99	1897.0	94	1863.8	-
Total⁴	2301.1	92	2276.5	91	2247.2	89	2163.5	86	2135.8	85
OECD Asia Oceania										
Australia	33.3	28	35.4	30	33.7	28	34.2	29	40.3	-
Israel	-	-	-	-	-	-	-	-	-	-
Japan	546.3	152	566.3	156	571.3	141	562.8	132	538.6	-
Korea	237.8	96	236.4	92	243.5	92	230.6	88	213.0	-
New Zealand	8.2	50	9.0	57	8.1	46	7.4	41	7.9	-
Total	825.6	108	847.1	109	856.6	103	835.1	98	799.9	105
OECD Europe⁵										
Austria	24.3	94	21.8	76	22.1	83	21.4	84	23.0	-
Belgium	47.8	76	46.6	73	44.1	66	41.4	59	46.2	-
Czech Republic	22.5	102	21.4	94	21.4	98	21.5	108	22.7	-
Denmark	27.2	169	27.3	172	23.6	146	23.4	152	22.1	-
Estonia	2.6	96	2.7	100	2.2	82	3.0	113	2.5	-
Finland	44.8	203	43.4	194	44.7	213	41.1	186	41.0	-
France	167.7	100	165.4	94	165.2	99	165.7	97	166.0	-
Germany	280.3	113	276.7	111	273.9	113	278.8	118	279.8	-
Greece	35.1	118	32.4	99	32.3	108	32.4	116	33.3	-
Hungary	24.3	147	25.2	148	26.2	150	25.4	152	26.1	-
Ireland	12.8	86	12.1	79	10.1	63	11.0	68	11.4	-
Italy	134.4	109	133.7	105	127.7	102	125.1	100	125.8	-
Latvia	2.4	50	3.3	67	1.5	36	2.5	67	3.1	-
Luxembourg	0.7	11	0.7	12	0.6	11	0.6	10	0.6	-
Netherlands	154.7	159	156.1	163	149.7	163	142.5	154	147.8	-
Norway	22.9	119	22.0	109	22.0	89	23.3	92	27.2	-
Poland	69.8	108	69.5	102	69.2	102	71.8	113	75.0	-
Portugal	26.5	107	24.0	92	24.1	98	22.9	99	24.8	-
Slovak Republic	12.8	157	13.0	145	12.1	126	11.4	146	12.1	-
Slovenia	4.9	94	5.1	92	4.7	88	5.2	99	5.1	-
Spain	136.5	106	128.7	98	127.2	98	119.5	91	124.7	-
Sweden	52.6	162	53.2	160	42.3	131	35.6	127	38.7	-
Switzerland	35.5	162	34.5	161	35.4	148	33.9	159	33.1	-
Turkey	81.4	82	84.0	75	83.9	80	83.2	90	84.1	-
United Kingdom	81.2	51	80.7	50	77.5	48	80.1	51	79.0	-
Total	1505.7	106	1483.4	101	1443.9	100	1422.6	101	1455.1	102
Total OECD	4632.4	99	4606.9	97	4547.6	95	4421.1	92	4390.8	93
DAYS OF IEA Net Imports⁶	203	-	196	-	192	-	187	-	186	-

¹ Total Stocks are industry and government-controlled stocks (see breakdown in table below). Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) they include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.

² Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used for the calculation of IEA Emergency Reserves.

³ End March 2018 forward demand figures are IEA Secretariat forecasts.

⁴ US figures exclude US territories. Total includes US territories.

⁵ Data not available for Iceland.

⁶ Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions (see www.iea.org/netimports.asp). Net exporting IEA countries are excluded.

TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government ¹ controlled		Industry	Total	Government ¹ controlled	
		Millions of Barrels				Days of Fwd. Demand ²	
1Q2015	4377	1584	2792	96	35	61	
2Q2015	4467	1587	2880	95	34	61	
3Q2015	4538	1581	2957	97	34	63	
4Q2015	4577	1588	2989	98	34	64	
1Q2016	4633	1595	3039	100	35	66	
2Q2016	4668	1592	3076	99	34	65	
3Q2016	4679	1596	3084	99	34	65	
4Q2016	4602	1600	3002	98	34	64	
1Q2017	4632	1600	3033	99	34	65	
2Q2017	4607	1588	3018	97	33	63	
3Q2017	4548	1578	2970	95	33	62	
4Q2017	4421	1568	2854	92	33	60	
1Q2018	4391	1575	2816	93	33	60	

¹ Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

² Days of forward demand calculated using actual demand except in 1Q2018 (when latest forecasts are used).

Table 6
IEA MEMBER COUNTRY DESTINATIONS OF SELECTED CRUDE STREAMS¹
(million barrels per day)

	2015	2016	2017	2Q17	3Q17	4Q17	1Q18	Feb 18	Mar 18	Apr 18	Year Earlier	
											Apr 17	change
Saudi Light & Extra Light												
Americas	0.63	0.69	0.59	0.75	0.44	0.47	0.54	0.63	0.55	0.76	0.65	0.10
Europe	0.78	0.79	0.69	0.78	0.64	0.68	0.58	0.62	0.64	0.56	0.87	-0.31
Asia Oceania	1.25	1.40	1.56	1.49	1.56	1.53	1.50	1.67	1.32	1.52	1.71	-0.19
Saudi Medium												
Americas	0.37	0.44	0.33	0.35	0.28	0.27	0.20	0.19	0.18	0.28	0.43	-0.15
Europe	0.03	0.01	0.01	0.00	0.01	0.02	0.02	0.02	0.02	-	0.00	-
Asia Oceania	0.44	0.41	0.37	0.33	0.41	0.41	0.40	0.40	0.45	0.41	0.34	0.06
Canada Heavy												
Americas	1.90	2.04	2.23	2.25	2.21	2.17	2.33	2.23	2.40	2.41	2.26	0.15
Europe	0.01	0.01	0.02	-	0.03	0.04	0.03	0.02	0.04	0.08	-	-
Asia Oceania	-	-	-	-	-	-	0.00	0.01	-	-	-	-
Iraqi Basrah Light²												
Americas	0.17	0.42	0.63	0.67	0.55	0.75	0.66	0.80	0.54	0.85	0.73	0.12
Europe	0.72	0.81	0.76	0.84	0.76	0.70	0.65	0.57	0.59	0.52	0.78	-0.26
Asia Oceania	0.41	0.46	0.40	0.39	0.41	0.39	0.42	0.29	0.35	0.36	0.43	-0.07
Kuwait Blend												
Americas	0.13	0.14	0.11	0.18	0.04	0.03	0.03	-	-	-	-	-
Europe	0.13	0.19	0.20	0.22	0.25	0.14	0.13	0.13	0.12	0.06	0.24	-0.18
Asia Oceania	0.65	0.66	0.68	0.68	0.67	0.67	0.68	0.76	0.50	0.78	0.67	0.11
Iranian Light												
Americas	-	-	-	-	-	-	-	-	-	-	-	-
Europe	0.09	0.21	0.27	0.25	0.25	0.20	0.24	0.32	0.22	0.19	0.28	-0.09
Asia Oceania	0.01	0.01	0.01	0.00	0.02	0.01	0.02	0.01	0.01	-	-	-
Iranian Heavy³												
Americas	-	-	-	-	-	-	-	-	-	-	-	-
Europe	0.02	0.21	0.52	0.52	0.59	0.54	0.42	0.39	0.38	0.52	0.41	0.11
Asia Oceania	0.27	0.52	0.57	0.43	0.57	0.54	0.49	0.50	0.55	0.36	0.45	-0.08
BFOE												
Americas	0.01	0.02	0.02	0.01	0.02	0.01	-	-	-	0.01	-	-
Europe	0.49	0.44	0.45	0.41	0.49	0.52	0.47	0.44	0.53	0.21	0.40	-0.19
Asia Oceania	0.06	0.05	0.10	0.06	0.09	0.14	0.09	0.14	0.06	-	0.03	-
Kazakhstan												
Americas	0.00	0.01	-	-	-	-	-	-	-	-	-	-
Europe	0.64	0.70	0.75	0.78	0.74	0.72	0.83	0.66	0.78	0.83	0.90	-0.07
Asia Oceania	0.06	0.03	0.10	0.09	0.15	0.13	0.13	0.04	0.14	0.14	0.11	0.03
Venezuelan 22 API and heavier												
Americas	0.67	0.63	0.48	0.61	0.41	0.39	0.40	0.32	0.50	0.48	0.68	-0.20
Europe	0.09	0.05	0.04	0.04	0.05	0.03	0.02	0.02	0.02	0.02	0.05	-0.03
Asia Oceania	-	-	-	-	-	-	-	-	-	-	-	-
Mexican Maya												
Americas	0.50	0.53	0.58	0.63	0.50	0.67	0.64	0.44	0.68	0.54	0.53	0.01
Europe	0.15	0.17	0.20	0.18	0.17	0.26	0.27	0.34	0.26	0.25	0.23	0.02
Asia Oceania	0.01	0.05	0.07	0.07	0.07	0.10	0.06	0.11	0.07	0.09	0.11	-0.01
Russian Urals												
Americas	-	-	0.01	-	0.02	0.01	-	-	-	-	-	-
Europe	1.61	1.72	1.64	1.57	1.68	1.67	1.32	1.36	1.29	1.47	1.57	-0.10
Asia Oceania	-	-	0.01	0.02	0.02	-	-	-	-	0.03	0.03	0.00
Cabinda and Other Angola												
North America	0.11	0.16	0.07	-	0.17	0.07	-	-	-	0.16	-	-
Europe	0.42	0.27	0.11	0.07	0.17	0.10	0.14	0.21	0.13	0.19	0.08	0.11
Pacific	0.02	0.01	0.01	0.01	0.03	-	-	-	-	-	-	-
Nigerian Light⁴												
Americas	0.02	0.07	0.04	0.04	0.05	0.06	0.03	-	-	-	-	-
Europe	0.57	0.39	0.39	0.46	0.38	0.38	0.47	0.50	0.47	0.59	0.47	0.12
Asia Oceania	-	0.01	0.02	0.03	0.03	0.01	0.02	-	0.03	0.01	0.01	0.00
Libya Light and Medium												
Americas	-	-	0.02	-	0.03	0.03	-	-	-	-	-	-
Europe	0.22	0.20	0.54	0.37	0.67	0.70	0.65	0.67	0.62	0.72	0.28	0.44
Asia Oceania	0.01	0.02	0.03	0.04	0.01	0.03	0.02	0.04	-	0.02	0.03	-0.02

¹ Data based on monthly submissions from IEA countries to the crude oil import register (in '000 bbl), subject to availability. May differ from Table 8 of the Report. IEA Americas includes United States and Canada. IEA Europe includes all countries in OECD Europe except Estonia, Hungary, Slovenia and Latvia. IEA Asia Oceania includes Australia, New Zealand, Korea and Japan.

² Iraqi Total minus Kirkuk.

³ Iranian Total minus Iranian Light.

⁴ 33° API and lighter (e.g., Bonny Light, Escravos, Qua Iboe and Oso Condensate).

Table 7
REGIONAL OECD IMPORTS^{1,2}
(thousand barrels per day)

	2015	2016	2017	2Q17	3Q17	4Q17	1Q18	Feb 18	Mar 18	Apr 18	Year Earlier	
											Apr 17	% change
Crude Oil												
Americas	4026	4542	4361	4664	4289	3941	3827	3634	3761	4387	4630	-5%
Europe	9505	9253	9711	9636	9779	9935	9502	9756	9120	9285	9477	-2%
Asia Oceania	6573	6659	6842	6465	6937	6942	6849	7096	6280	6862	6676	3%
Total OECD	20103	20455	20914	20765	21005	20818	20178	20485	19161	20534	20782	-1%
LPG												
Americas	10	20	20	16	15	25	33	38	24	19	14	37%
Europe	418	445	437	425	421	400	492	513	484	440	385	14%
Asia Oceania	518	567	549	587	468	538	595	675	584	678	618	10%
Total OECD	947	1032	1006	1029	904	963	1120	1226	1092	1137	1016	12%
Naphtha												
Americas	14	10	19	19	18	20	10	21	7	6	21	-71%
Europe	345	348	369	355	363	389	408	285	484	311	334	-7%
Asia Oceania	950	908	981	979	971	991	1031	1102	999	937	983	-5%
Total OECD	1309	1266	1369	1353	1353	1399	1450	1408	1490	1254	1338	-6%
Gasoline³												
Americas	670	735	727	891	880	560	559	457	760	982	822	19%
Europe	105	100	162	141	130	224	155	230	168	62	63	-2%
Asia Oceania	91	87	103	99	96	94	123	159	107	109	87	25%
Total OECD	866	922	991	1131	1106	879	838	846	1035	1153	972	19%
Jet & Kerosene												
Americas	141	169	171	144	181	210	131	125	116	71	191	-63%
Europe	445	504	506	469	552	535	426	357	418	542	411	32%
Asia Oceania	66	73	77	67	45	87	112	159	102	64	83	-23%
Total OECD	651	745	754	680	779	832	669	641	636	678	685	-1%
Gasoi/Diesel												
Americas	76	67	77	37	48	144	179	226	77	55	24	124%
Europe	1161	1340	1381	1377	1394	1360	1402	1535	1280	1306	1283	2%
Asia Oceania	158	196	195	207	189	179	214	188	254	269	238	13%
Total OECD	1395	1602	1654	1621	1631	1684	1794	1950	1611	1629	1545	5%
Heavy Fuel Oil												
Americas	116	149	131	103	153	128	158	134	146	132	77	72%
Europe	537	477	240	215	299	174	239	224	305	224	234	-4%
Asia Oceania	173	153	146	180	106	153	192	193	199	150	185	-19%
Total OECD	826	779	517	498	559	456	589	551	650	506	496	2%
Other Products												
Americas	675	652	717	694	722	745	722	669	734	652	608	7%
Europe	701	774	1009	1119	829	979	1058	1123	1092	981	1158	-15%
Asia Oceania	345	348	255	239	238	248	277	247	277	266	220	21%
Total OECD	1721	1774	1981	2052	1788	1972	2057	2039	2103	1900	1986	-4%
Total Products												
Americas	1702	1802	1862	1904	2018	1832	1793	1670	1864	1917	1758	9%
Europe	3712	3988	4104	4101	3988	4062	4181	4266	4232	3865	3868	0%
Asia Oceania	2301	2331	2306	2359	2112	2292	2543	2724	2522	2473	2414	2%
Total OECD	7715	8121	8272	8364	8118	8185	8516	8661	8617	8256	8039	3%
Total Oil												
Americas	5728	6344	6223	6568	6307	5773	5620	5304	5625	6304	6388	-1%
Europe	13216	13241	13815	13738	13767	13996	13683	14022	13352	13150	13344	-1%
Asia Oceania	8874	8991	9147	8824	9049	9234	9392	9820	8802	9335	9089	3%
Total OECD	27818	28575	29186	29130	29123	29003	28694	29146	27778	28790	28822	0%

¹ Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes and converted to barrels.

² Excludes intra-regional trade.

³ Includes additives.

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Next Issue: 10 August 2018