

United Nations Conference on Trade and Development

13th Multi-Year Expert Meeting on Commodities and Development

10-12 October 2022, Geneva

EIA Oil Market Update

By

Toril Bosoni, Head of Oil Industry and Markets Division, International Energy Agency

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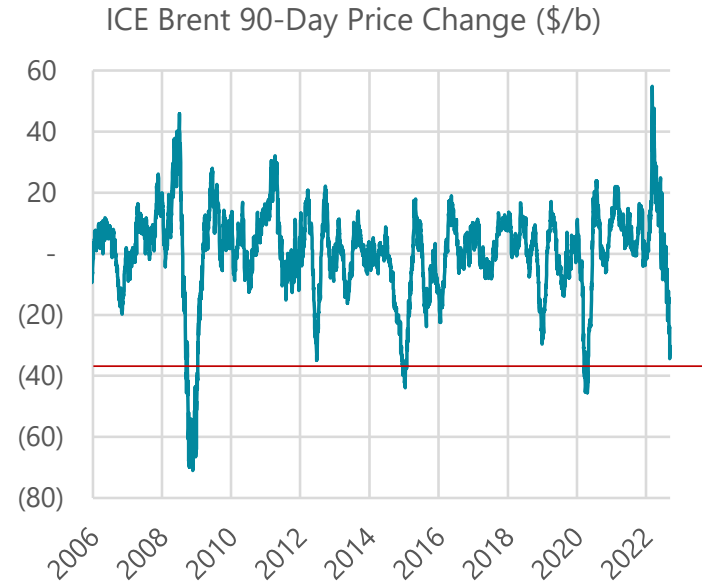
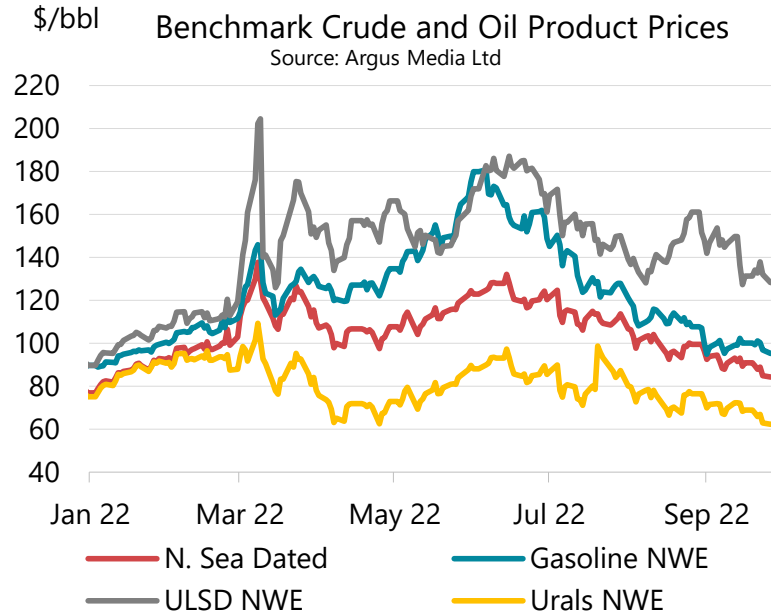
Oil Market Update

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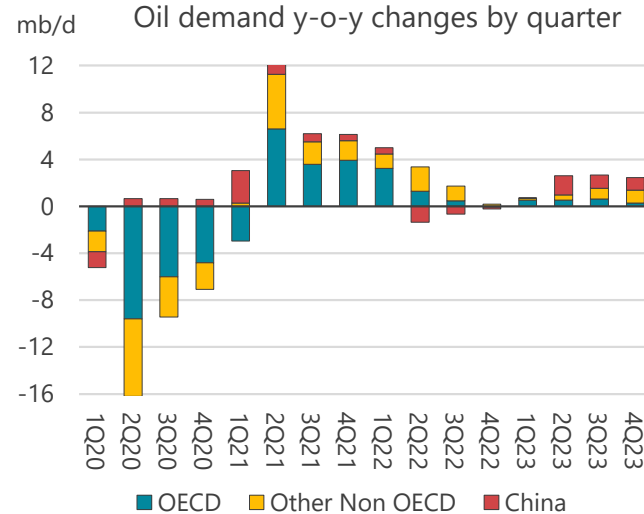
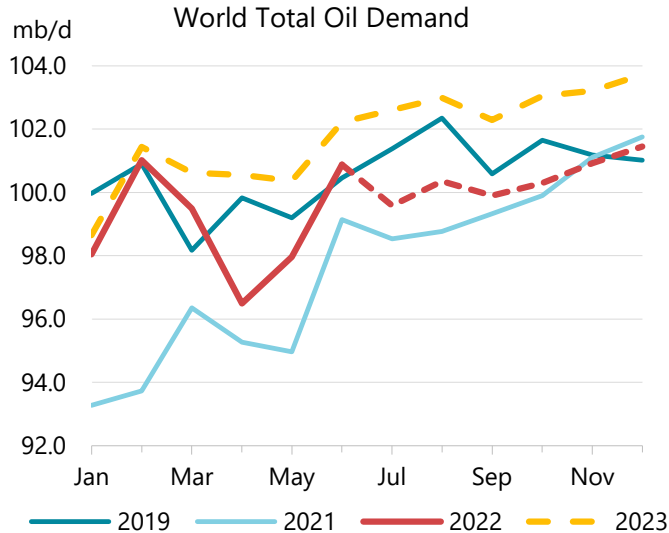
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Crude and gasoline prices plunge to pre-war levels



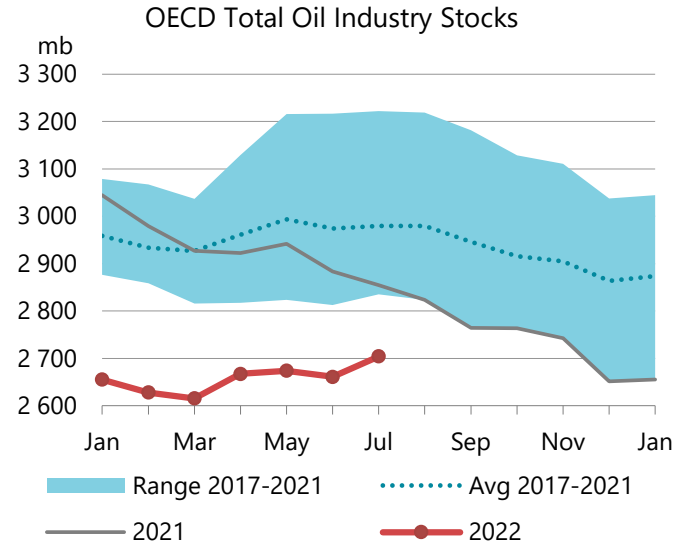
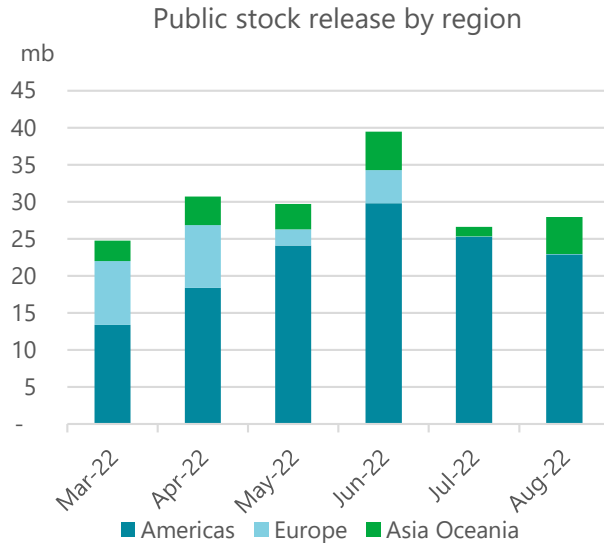
Historically large collapse in crude prices pressured by weakening economy and higher supply.
High pump prices have undermined gasoline demand while diesel supported by use in power generation.

World oil demand under pressure from slowing economy



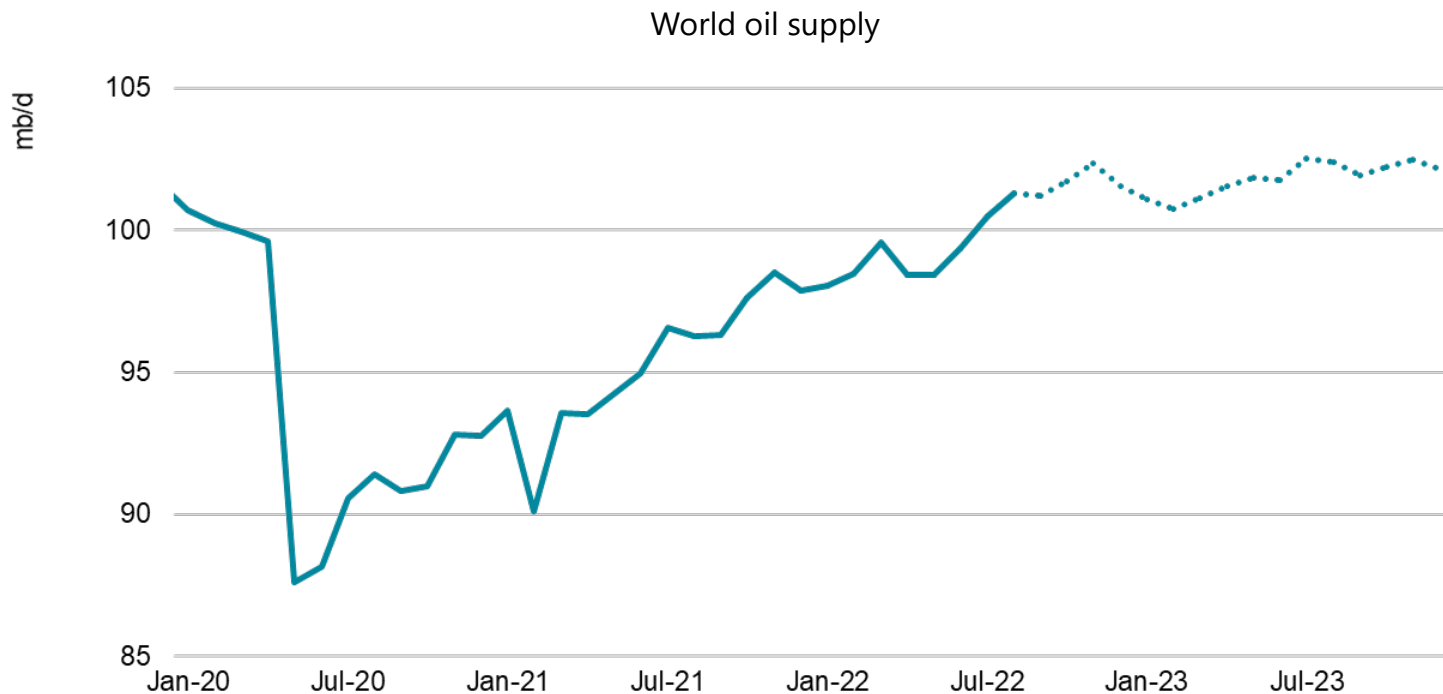
Renewed lockdowns in China and the ongoing slowdown in OECD economies continue to limit growth. Oil demand expected to grow 2 mb/d in 2022, slowing from 3.5 mb/d in 1H22 to almost nothing in 4Q22.

IEA SPR release helps stem OECD industry stock draws



Nearly 180 mb of IEA government stocks were released over the March-August period. OECD industry stocks built by 43.1 mb in July, reducing the deficit vs 2017-2021 average to 274.9 mb.

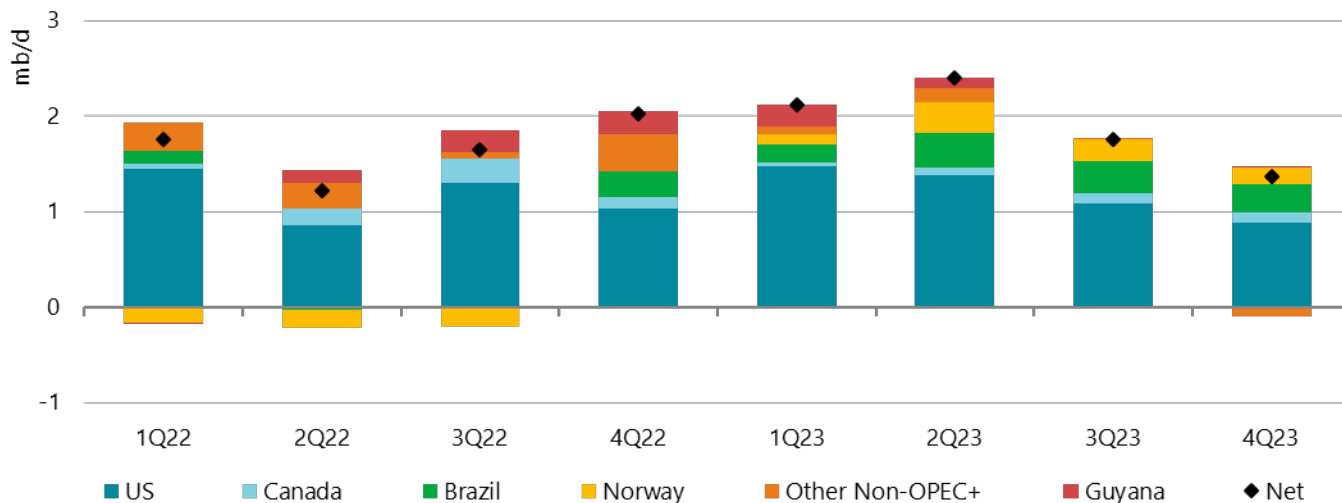
World oil supply rose for third straight month – up 2.9 mb/d since May



Oil output +790 kb/d in August to 101.2 mb/d. Libya recovery, smaller MidEast gains offset by losses in Nigeria, Kazakhstan, Russia. 2022 output +4.8 mb/d to 100.1 mb/d; 2023 +1.7 mb/d to 101.8 mb/d.

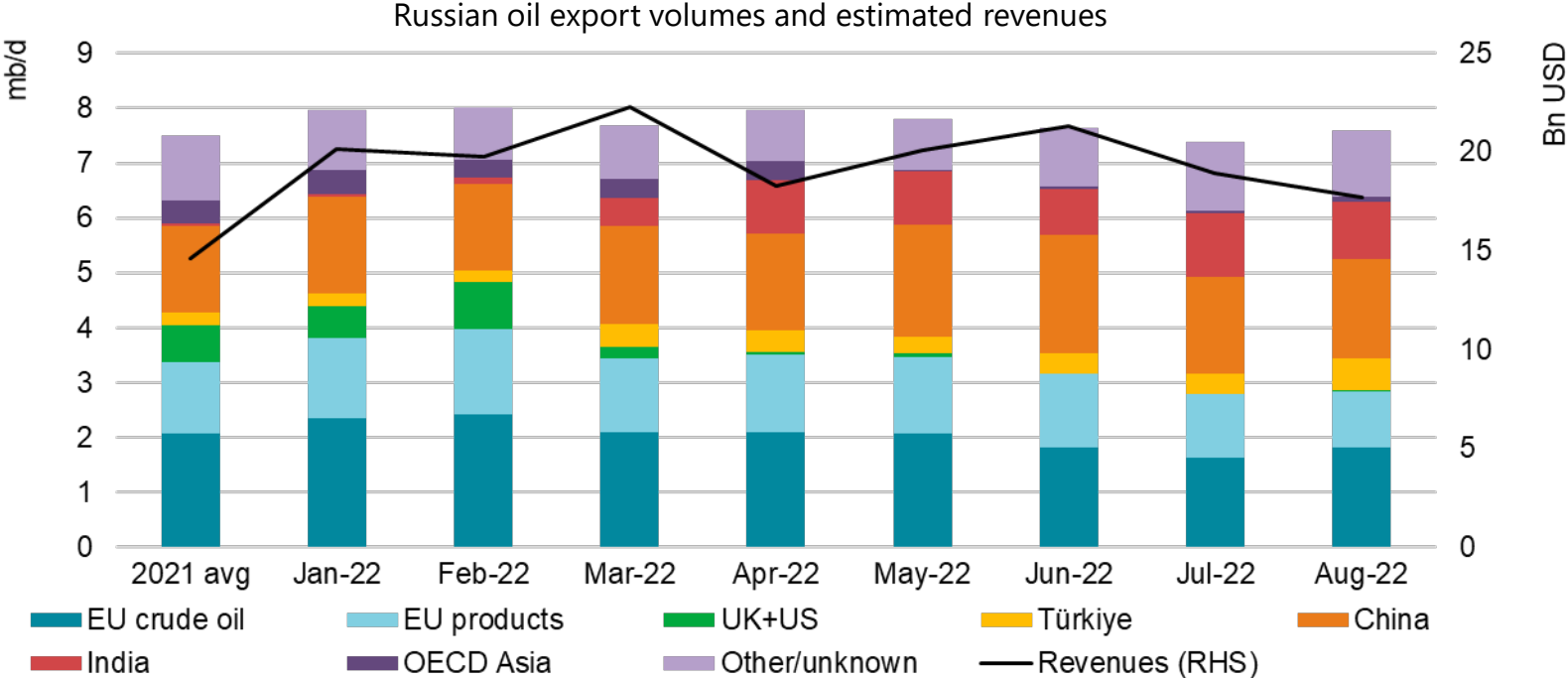
US, Canada and Guyana push non-OPEC+ higher

Total annual change in non-OPEC+ supply by quarter



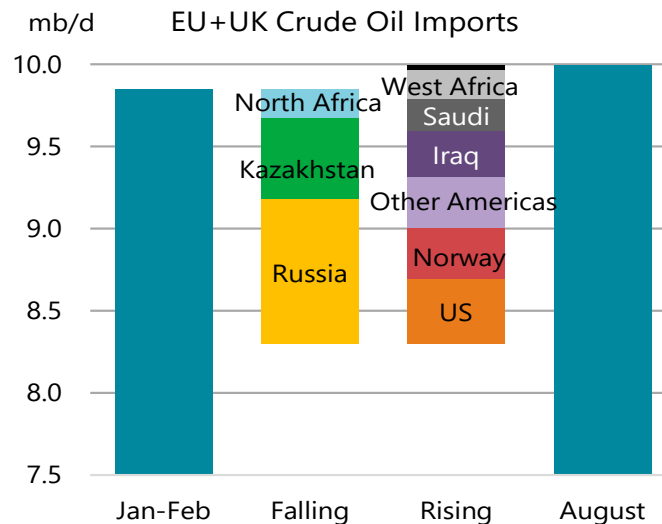
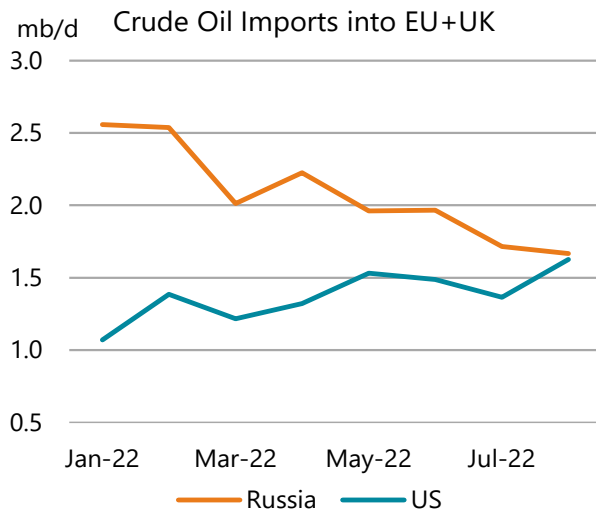
The US is set to add 70% of the non-OPEC+ gains this year and 62% next year as more projects in Norway, Brazil, and Guyana come on-line

Russian export volumes up, revenues down in August



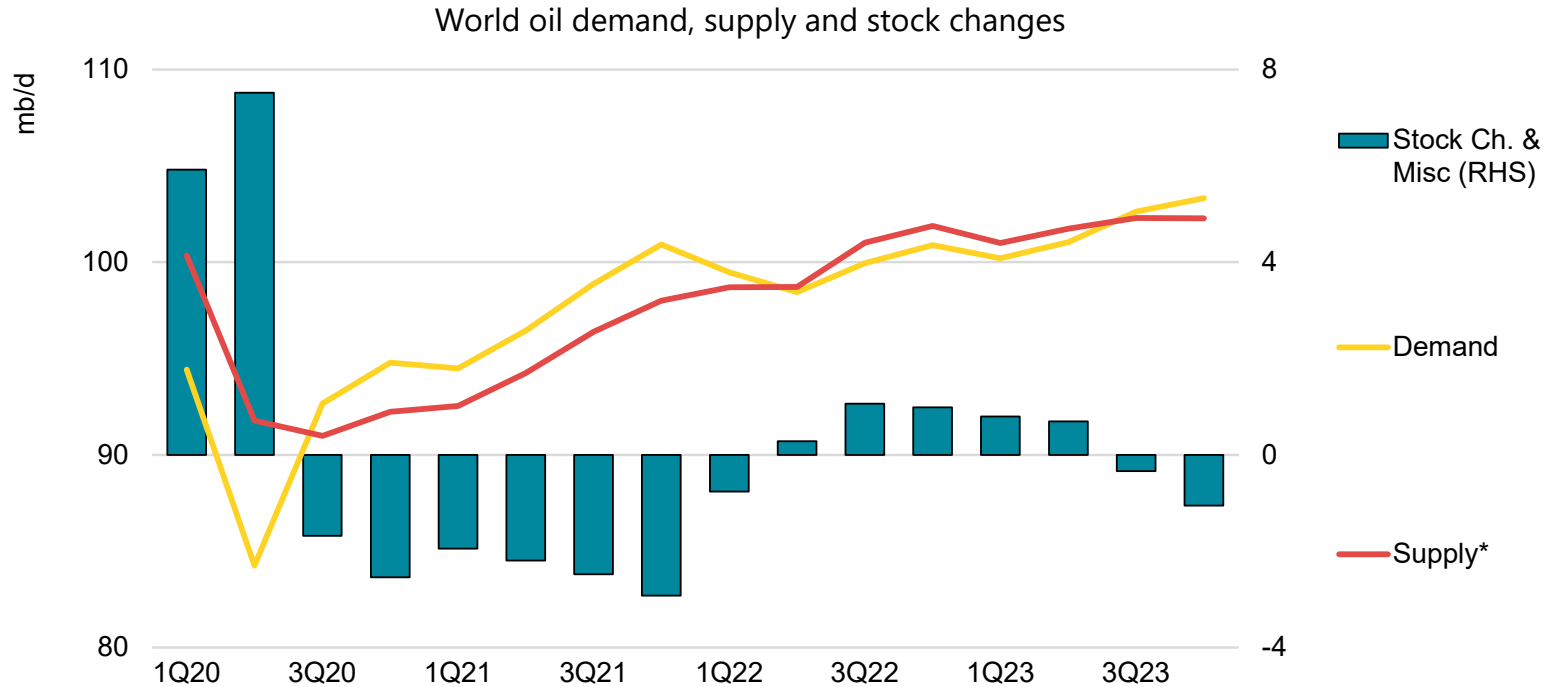
Russian oil production and exports have proved resilient, with August levels only 400-450 kb/d below pre-war levels. EU embargo expected to result in further declines.

US is catching up with Russian crude volumes to EU+UK



US shipments to the region have surged 400 kb/d since the start of the year to nearly match Russian levels in August.

World oil supply to outpace demand through 2Q23



Product markets, especially diesel, are expected to remain in deficit due to downstream capacity constraints outside of China.

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