



OPEC MEETING PREVIEW



IS THIS THE BIG ONE?

NOV. 21st, 2016

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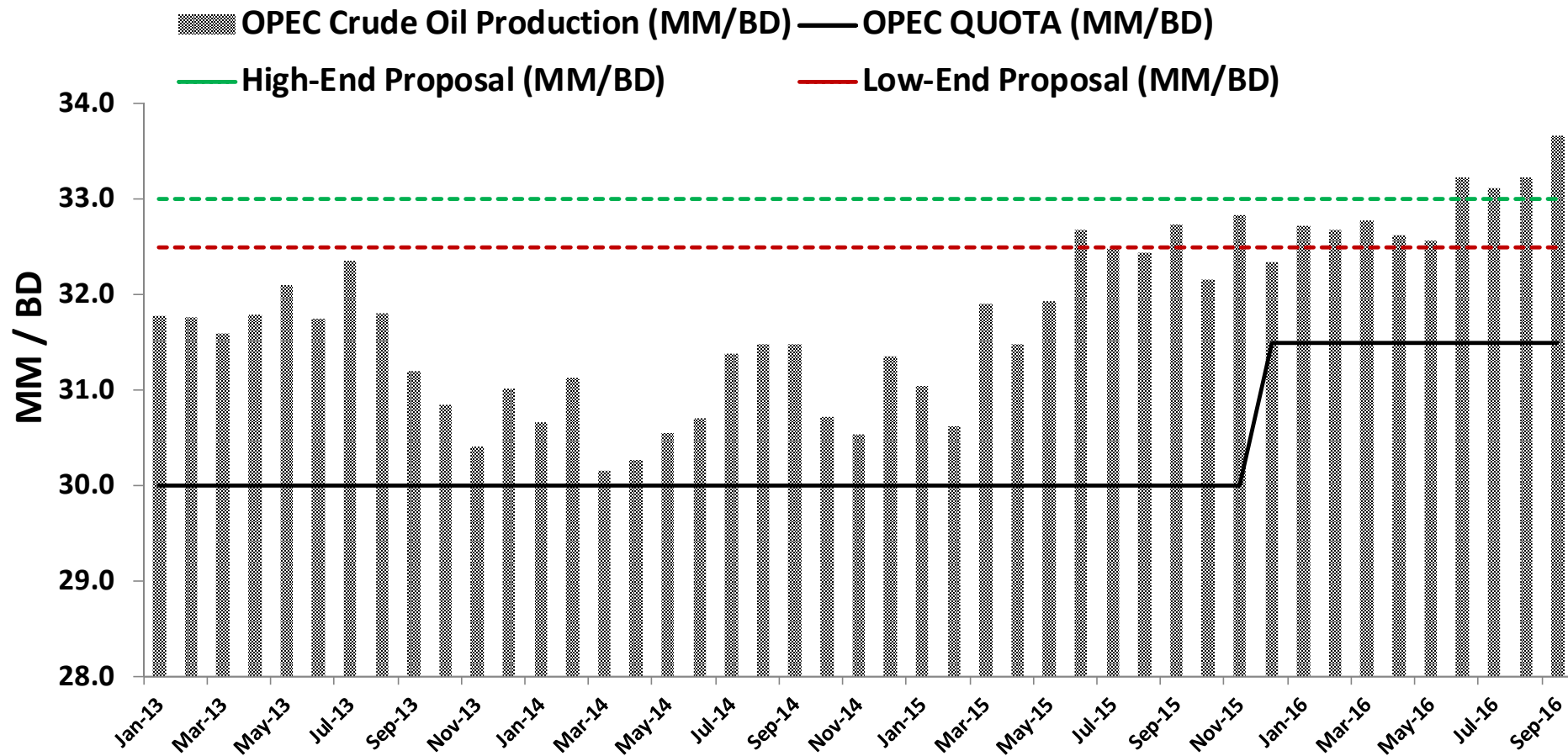
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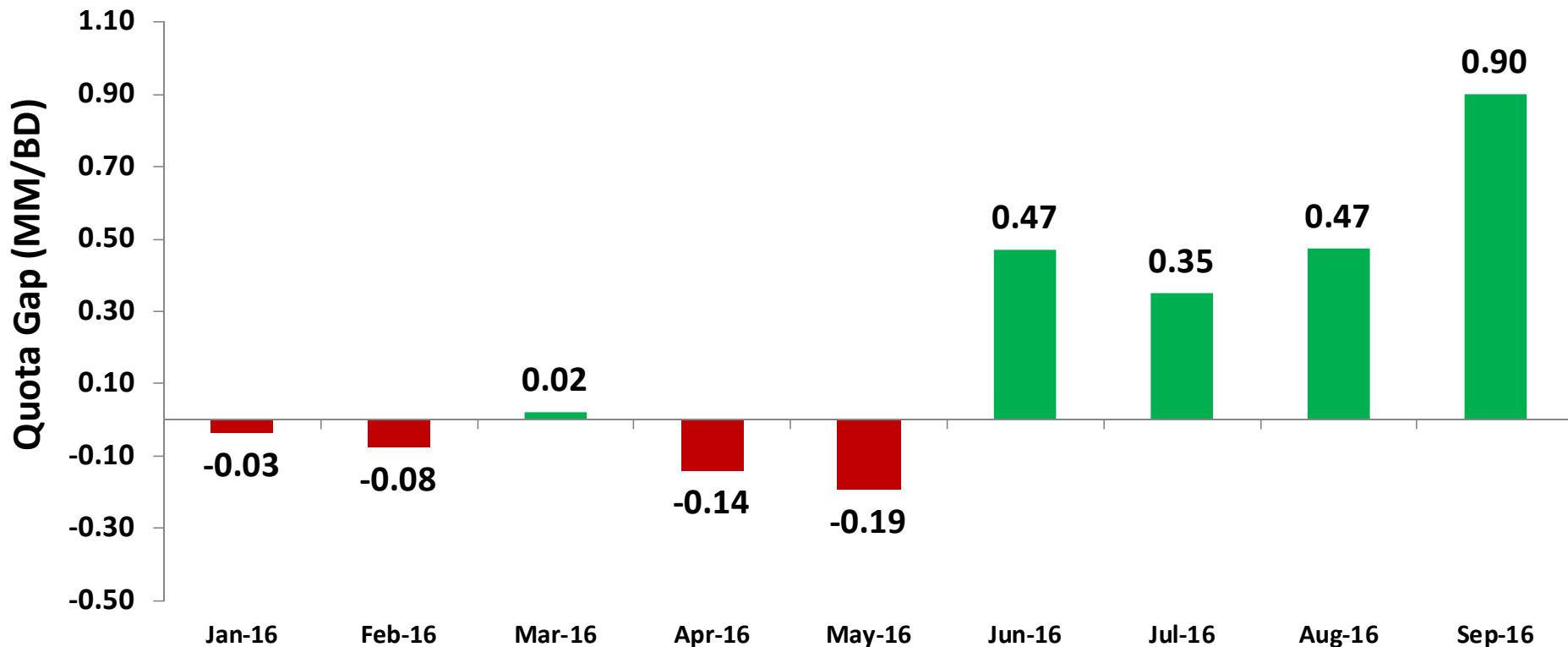
THE PROPOSAL ON THE TABLE HAS SET EXPECTATIONS FOR A CUT



LARGE CUT NEEDED TO GET TO PROPOSED QUOTA LEVEL

HOWEVER, HISTORICALLY QUOTAS HAVE BEEN LOOSELY FOLLOWED

OPEC Production Above Midpoint of Algiers Proposal (MM/BD)



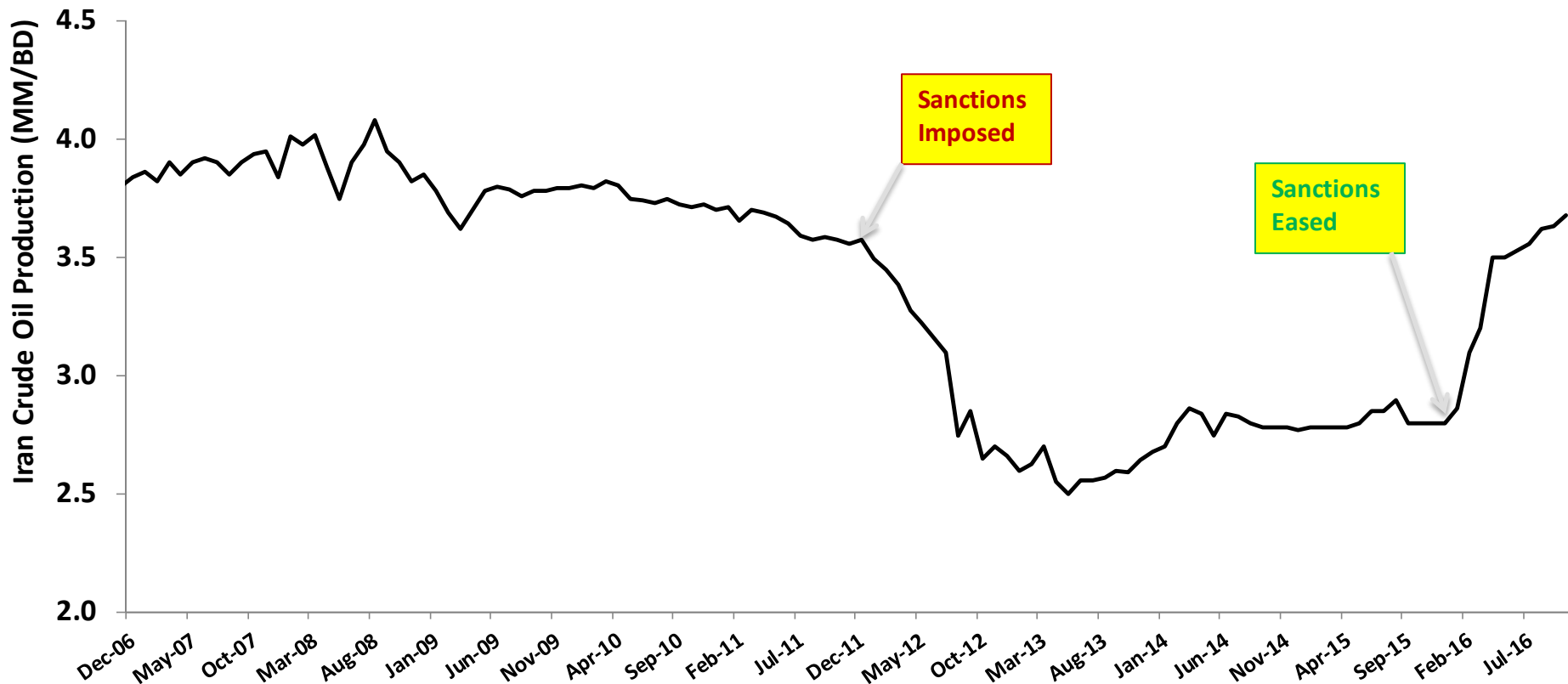
FRESH ALL-TIME HIGHS SINCE COMMODITIES CRASHED

OPEC Crude Oil Production (MM/BD)



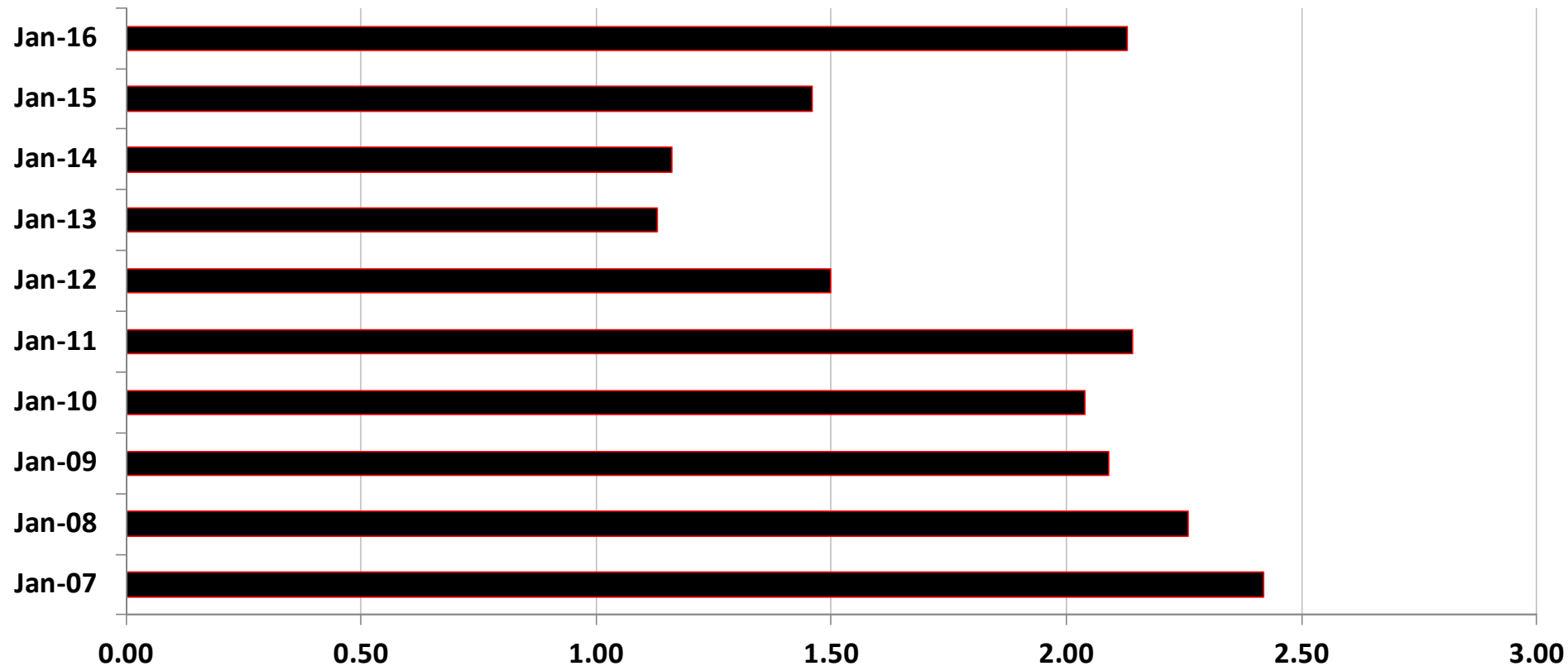
IRAN CRUDE PRODUCTION: BEFORE AND AFTER

Iran Crude Oil Production (MM/BD)



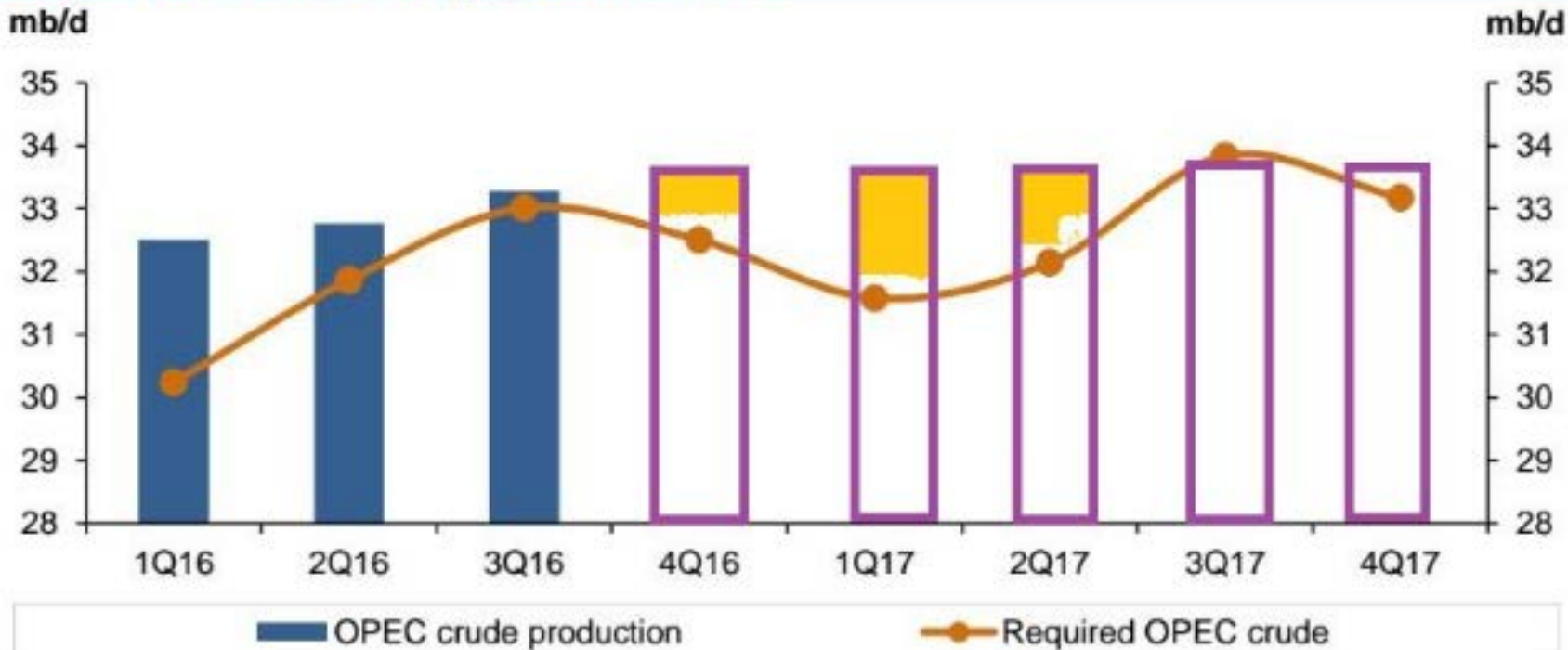
IRANIAN SANCTIONS EFFECT ON EXPORTS

IRAN Crude Exports (MM/BD)



A LOOK AT POTENTIAL EXCESS CAPACITY

Graph 10.1: Balance of supply and demand



Source: OPEC Secretariat.

OPEC CRUDE PRODUCTION: SECONDARY SOURCES

OPEC crude oil production

According to secondary sources, OPEC crude oil production in October increased by 0.24 mb/d compared to the previous month to average 33.64 mb/d. Crude oil output increased the most in Nigeria, Libya and Iraq, while production in Angola showed the largest decline.





















Table 5.7: OPEC crude oil production based on secondary sources, tb/d

	2014	2015	1Q16	2Q16	3Q16	Aug 16	Sep 16	Oct 16	Oct/Sep
Algeria	1,123	1,106	1,092	1,084	1,089	1,088	1,086	1,088	2.2
Angola	1,654	1,754	1,766	1,772	1,769	1,786	1,751	1,586	-165.0
Ecuador	544	544	543	549	547	543	550	549	-0.3
Gabon	222	219	219	217	217	221	212	202	-10.8
Indonesia	695	696	714	723	726	726	724	722	-2.0
Iran, I.R.	2,778	2,840	3,096	3,539	3,644	3,647	3,663	3,690	27.5
Iraq	3,270	3,938	4,242	4,290	4,394	4,375	4,472	4,561	88.3
Kuwait	2,781	2,730	2,765	2,731	2,810	2,810	2,825	2,838	13.3
Libya	470	405	370	312	311	270	360	528	167.5
Nigeria	1,953	1,865	1,785	1,547	1,437	1,419	1,458	1,628	170.2
Qatar	714	667	667	662	655	657	640	646	5.8
Saudi Arabia	9,688	10,123	10,147	10,301	10,597	10,603	10,583	10,532	-51.7
UAE	2,759	2,859	2,815	2,861	2,979	2,976	2,993	3,007	14.5
Venezuela	2,361	2,357	2,278	2,177	2,105	2,107	2,090	2,067	-22.8
Total OPEC	31,012	32,103	32,500	32,764	33,279	33,227	33,407	33,643	236.7

Note: Totals may not add up due to independent rounding.

Source: OPEC Secretariat.

GLOBAL PRODUCTION MONITOR: OPEC RESILIENCY

Global Production Tracker		Producers >= 1% Global Production											
		Latest Monthly Production Data		MM% Change in Production		YY% Change in Production		YY% Change in Production (2Mth Avg. Stacked)		YY Incremental Barrels (MM/BD)		YY Incremental Barrels 2M Avg. Stacked (MM/BD)	
		(MM/BD)*	% Global Share										
World Total		97.6											
OPEC		34.3	35.1%	1.9%	2.9%	6.0%	4.1%	2.7%	1.95	1.88			
Non-OPEC		56.4	57.8%	1.0%	1.1%	0.7%	0.61	0.41					
	Saudi Arabia	10.6	10.9%	-0.2%	3.4%	3.8%	0.35	0.39					
	U.S.A	8.8	9.0%	1.6%	-5.7%	-7.0%	-0.53	-0.66					
	Russia	11.3	11.6%	1.1%	4.5%	4.0%	0.49	0.43					
	Canada	3.7	3.8%	0.0%	8.7%	7.5%	0.30	0.26					
	China	3.9	4.0%	-0.5%	-8.7%	-8.7%	-0.37	-0.37					
	Iraq	4.594	4.7%	2.2%	14.6%	8.3%	0.59	0.34					
	Iran	3.842	3.9%	3.6%	31.6%	30.1%	0.92	0.87					
	U.A.E	3.188	3.3%	0.1%	7.3%	6.7%	0.22	0.20					
	Venezuela	1.903	1.9%	-0.4%	-5.4%	-5.4%	-0.11	-0.11					
	Mexico	2.123	2.2%	0.4%	-6.8%	-6.9%	-0.16	-0.16					
	Kuwait	3	3.1%	1.0%	7.1%	4.8%	0.20	0.14					
	Brazil	2.662	2.7%	1.0%	10.6%	10.3%	0.26	0.25					
	Nigeria	1.441	1.5%	16.7%	-21.6%	-29.0%	-0.40	-0.55					
	Norway	1.807	1.9%	9.8%	6.7%	5.1%	0.11	0.08					
	Algeria	1.046	1.1%	0.3%	-6.8%	-7.2%	-0.08	-0.08					
	Angola	1.893	1.9%	5.9%	8.0%	3.6%	0.14	0.06					
	Kazakhstan**	1.746	1.8%	3.0%	0.3%	-0.1%	0.01	0.00					
	U.K.	0.928	1.0%	-2.8%	-4.4%	2.5%	-0.04	0.02					
	Colombia	1.005	1.0%	0.0%	0.1%	-0.1%	0.00	0.00					
	Oman	0.973	1.0%	0.3%	-2.0%	-2.0%	-0.02	-0.02					
Total***		70.5					1.87	1.09					

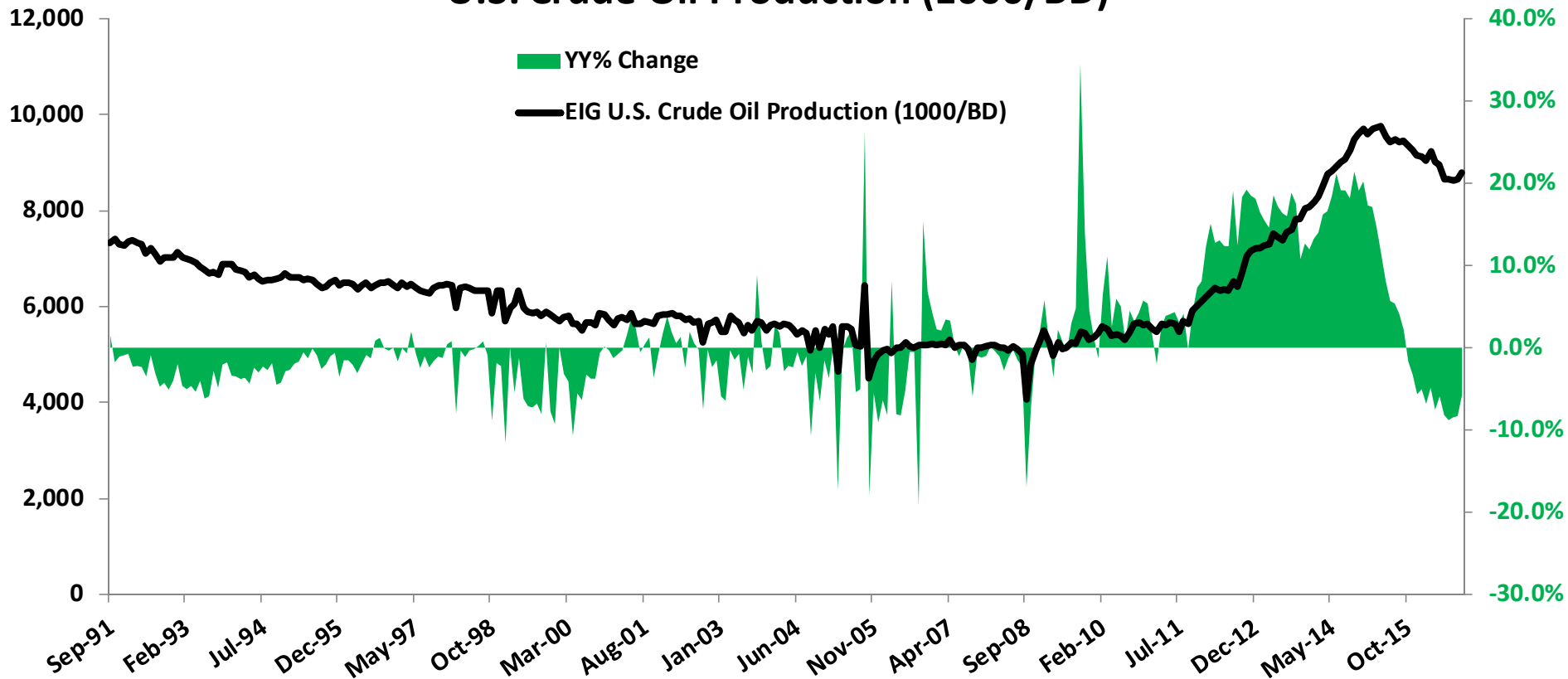
*Latest EIG data through last completed month

**DOE Data through March 2016

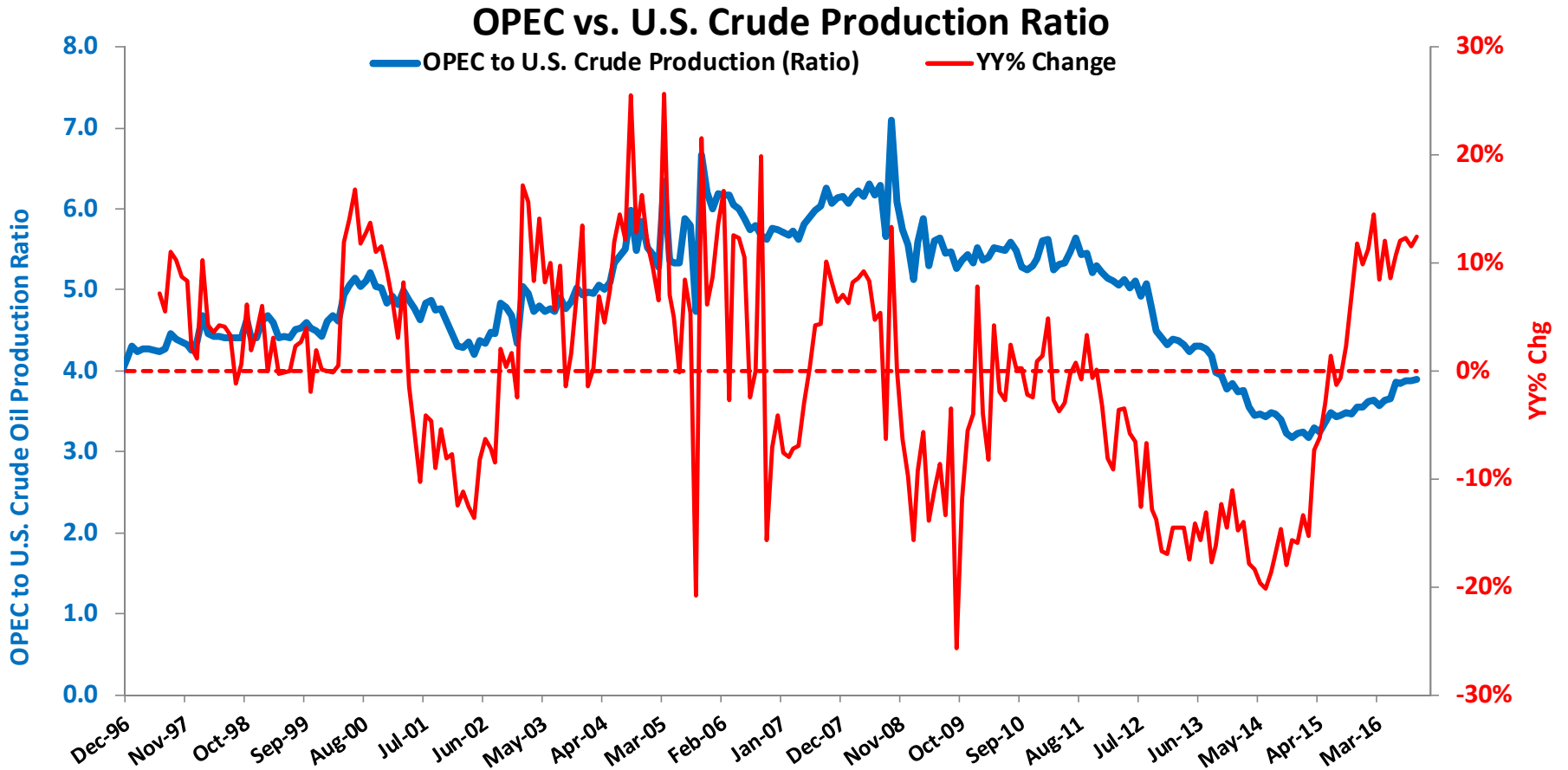
***List makes up ~72% global Production

DECLINING U.S. PRODUCTION

U.S. Crude Oil Production (1000/BD)

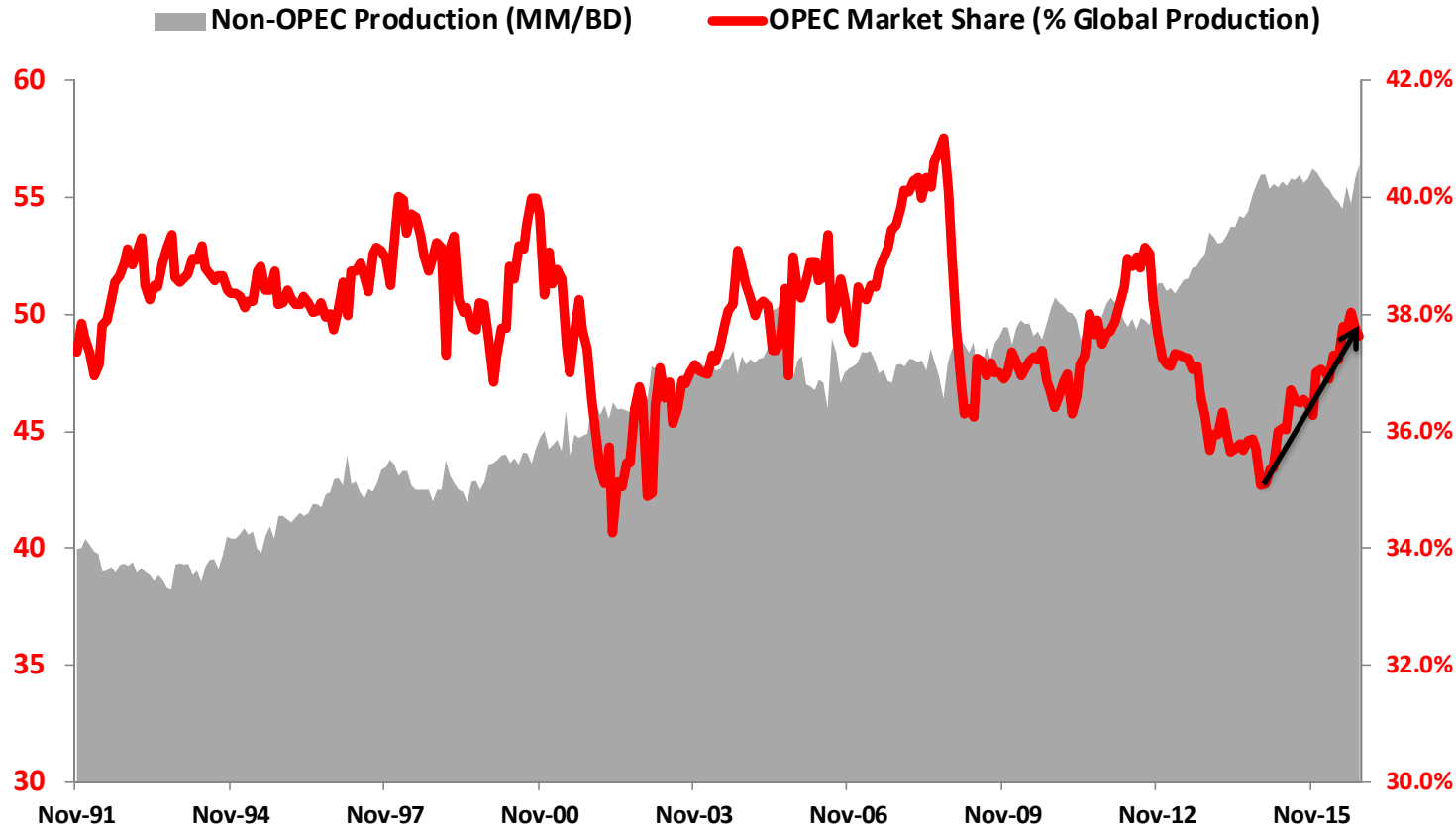


OPEC AS A WHOLE OUTLASTING U.S. SHALE



OPEC MARKET SHARE AND INFLUENCE

EMBARGO YEARS IN THE DISTANT PAST



OPEC Market Share of global production in 1970 was closer to 50% during the embargo years, and they're happy to have some of it back.

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