



Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

13 April 2021

Feature article: *Summer Oil Market Outlook*

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Oil Market Highlights

Crude Oil Price Movements

Spot crude prices rose for the fifth-consecutive month in March on the back of continuing supportive oil market fundamentals. The OPEC Reference Basket (ORB) increased \$3.51 or 5.7% m-o-m to average \$64.56/b, the highest on monthly terms since January 2020. In the first three months of 2021, the ORB was up by \$8.82, or 17.2% to average \$60.22/b. Crude oil futures prices were higher in March extending previous monthly gains. The ICE Brent front month rose by \$3.42 in March, or 5.5%, to average \$65.70/b, and NYMEX WTI increased by \$3.30, or 5.6%, to average \$62.36/b. Consequently, the Brent-WTI spread widened to \$3.34/b on a monthly average. The backwardation structure of Brent and WTI markets eased over the month, specifically in the front of the forward curve. In contrast, backwardation strengthened for DME Oman and Dubai. Hedge funds and other money managers liquidated part of their bullish positions in the second half of March after market sentiment softened.

World Economy

The global economic contraction estimate in 2020 is reduced after a better-than-expected actual performance by a number of economies in 2H20. As a result, global economic growth now shows a decline of 3.5% y-o-y in 2020. For 2021, additional US stimulus measures and an accelerating recovery in Asian economies are expected to continue supporting the global economic growth forecast, which is now revised up to 5.4%. However, this forecast remains clouded by uncertainties, including, but not limited to, the spread of COVID-19 variants and the speed of the vaccine rollout. In addition, sovereign debt levels in many regions, inflationary pressures, and central bank responses are key factors to monitor. After a contraction of 3.5% in 2020, US economic growth in 2021 is now expected to reach 5.7%. The GDP growth forecast for the Euro-zone in 2021 remains at 4.3%, which follows a contraction of 6.8% last year. Japan's GDP growth forecast remains at 3.1% for 2021, after a contraction of 4.9% in 2020. Following growth of 2.3% in 2020, China's GDP is forecast to increase by 8.4% in 2021. India's 2021 GDP growth forecast is revised up to 9.8%, compared to a contraction of 7% in 2020. Brazil's growth forecast remains unchanged at 3.0%, with government estimates showing Brazil's economy contracted by 4.1% in 2020. Russia's growth forecast for 2021 remains at 3%, after contracting by 3.1% in 2020.

World Oil Demand

The global oil demand contraction in 2020 is revised lower by about 0.1 mb/d compared to last month's MOMR, now showing a contraction of about 9.5 mb/d y-o-y, with total world oil demand at 90.5 mb/d. In 2021, world oil demand growth is expected to increase by about 6.0 mb/d y-o-y, representing an upward revision of about 0.1 mb/d from last month's report. Indeed, oil demand in the 2H21 is projected to be positively impacted by a stronger economic rebound than assumed last month, supported by stimulus programmes and a further easing of COVID-19 lockdown measures, amid an acceleration in the vaccination rollout, largely in the OECD region. Nevertheless, oil demand was adjusted lower in 1H21, mainly taking into account the recent developments related to COVID-19 measures in OECD Europe and sluggish 1Q21 oil demand data from the non-OECD region. As a result, global oil demand is expected to average about 96.5 mb/d in 2021.

World Oil Supply

Non-OPEC liquids supply in 2020 is estimated to average 62.9 mb/d, showing a contraction of 2.5 mb/d y-o-y, which is an upward revision of 0.04 mb/d m-o-m. The majority of the decline came from Russia and the US. Non-OPEC liquids supply for 2021 is revised down by 0.03 mb/d from last month and is now forecast to grow by 0.9 mb/d to an average of 63.8 mb/d. In the US, higher prices could potentially translate into a higher level of production in 2021, with the drilling and completion trend indicating possible future robust monthly growth. However, the US liquids supply forecast in 2021 is expected to remain unchanged at growth of 0.16 mb/d y-o-y. The other main drivers for supply growth in 2021 are expected to be Canada, Norway and Brazil. OPEC NGLs are forecast to grow by around 0.1 mb/d y-o-y in 2021 to average 5.2 mb/d, following an estimated contraction of 0.1 mb/d in 2020. OPEC crude oil production in March increased by 0.20 mb/d, m-o-m, to average 25.04 mb/d, according to secondary sources.

Product Markets and Refining Operations

Refining margins showed diverging trends in March. In the USGC margins jumped, as product markets continued to benefit from the recent rise in unplanned outages, as well as low refinery output levels due to heavy maintenance. This led to a tighter overall product balance and bullish product market sentiment, which helped keep fuel prices sustained. In Europe, refinery margins also rose, but rather moderately. On the other hand, margins in Asia performed negatively as refining economics saw losses as pressure came mainly from the middle of the barrel as the market remained well supplied.

Tanker Market

Dirty tanker spot freight rates picked up in March, as gains in Suezmax and Aframax outpaced a further slight decline in VLCCs. Increases in these vessel classes were driven by tighter tanker supply as the blockage of the Suez Canal kept ships waiting on both sides of the waterway amid uncertainties regarding when the disruption would be resolved. After the container ship 'Ever Given' was dislodged at the end of the month, rates fell back toward the lower levels seen at the start of the year. The impending emergence of 2Q refinery maintenance in Asia also reduced support by the end of the month. Clean tanker rates in March saw an improved performance East of Suez, while West of Suez routes around the Med eased from the higher levels seen last month.

Crude and Refined Products Trade

Preliminary data shows that US crude imports were flat in March at around 5.7 mb/d for the fourth month in a row, while US crude exports declined for the third month in a row, averaging 2.7 mb/d, the lowest since July 2019. US product imports surged in March to average 2.5 mb/d, the highest since July 2019, as weather disruptions supported inflows. Japan's crude imports were broadly stable at the stronger levels seen over the past two months, averaging 2.6 mb/d in February. Product imports were the highest in over three years, averaging 1.3 mb/d in February. China's crude imports achieved a four-month high in February, averaging 11.8 mb/d, impacted by the Lunar New Year Holidays and stronger buying by independent refiners. Product exports edged up 3% to average 1.5 mb/d, the highest since April 2020, driven by gasoil and jet fuel. India's crude imports declined sharply in February, averaging just under 4 mb/d, the lowest in four months, as COVID-19 impacts and higher prices weighed on demand. Product imports rebounded in February, to average 1.2 mb/d, the highest in 13 months, driven by LPG inflows, part of a government programme to promote clean cooking.

Commercial Stock Movements

Preliminary data shows that total OECD commercial oil stocks fell by 44.9 mb m-o-m in February. At 2,978 mb, inventories were 94.1 mb higher than the same month a year ago, 29 mb above the latest five-year average, and around 57 mb above the 2015-2019 average. Within the components, crude stocks rose by 6.1 mb, m-o-m, while product stocks fell by 51.0 mb. OECD crude stocks were 30.8 mb above the latest five-year average and 42.0 mb above the 2015-2019 average, while product stocks exhibited a deficit of 1.7 mb to the latest five-year average, but were 15.5 mb above the 2015-2019 average. In terms of days of forward cover, OECD commercial inventories declined m-o-m by 1.1 days in February to stand at 68.0 days. This is 6.7 days lower than the year-ago level, 2.6 days above the latest five-year average, and 5.6 days above the 2015-2019 average.

Balance of Supply and Demand

Demand for OPEC crude in 2020 is revised up by 0.1 mb/d from the previous month to stand at 22.5 mb/d. This is around 6.8 mb/d lower than in 2019. For 2021, demand for OPEC crude is revised up by 0.2 mb/d from the previous month to stand at 27.4 mb/d. This is 4.9 mb/d higher than in 2020.

Feature Article

Summer oil market outlook

Global oil demand in 2021 is forecast to grow by around 6.0 mb/d y-o-y. The year started with new waves of COVID-19 infections, necessitating renewed lockdown measures in many OECD economies. Therefore, the bulk of consumption growth is expected to take place in 2Q21 and 3Q21, with global demand y-o-y growth projected at 12.0 mb/d and 6.5 mb/d, respectively. Gasoline is projected to be the key driver for oil demand recovery beginning with the onset of the summer driving season. Diesel will also provide support, mostly based on economic improvements stemming from the implementation of fiscal stimulus programmes.

As the spread and intensity of the COVID-19 pandemic are expected to subside with the ongoing rollout of vaccination programmes, social distancing requirements and travel limitations are likely to be scaled back, offering increased mobility in various parts of the world, especially in OECD regions. In the US, data for 1Q21 showed that total gasoline consumption losses are smaller compared to previous months, implying that the impact of COVID-19 on gasoline demand is starting to fade, while data for jet fuel consumption remains far below normal levels. Moreover, the easing of restrictions and increased demand expected in the traditional summer driving season should lift global gasoline requirements even further. Despite projections

showing a marked improvement in gasoline demand compared to 2020, consumption in the summer months is still not expected to surpass 2019 levels due to COVID-19 related challenges. Global gasoline demand is estimated at 24.0 mb/d in 1Q21, forecast at 25.6 mb/d in 2Q21, 26.7 mb/d in 3Q21 and 25.4 mb/d in 4Q21.

On the other hand, diesel consumption is projected to be driven by positive developments supported by sizeable stimulus programmes in many economies, most notably the US. These programmes are expected to encourage growth in industry and infrastructure, particularly in Asian economies, including construction of buildings and roads along with increased demand for agricultural products. The demand for diesel is estimated at 26.3 mb/d in 1Q21 and projected at 26.6 mb/d in 2Q21, 27.4 mb/d in both 3Q21 and 4Q21 (**Graph 1**). Nonetheless, diesel consumption is also expected to remain below pre-COVID-19 levels for the entire year.

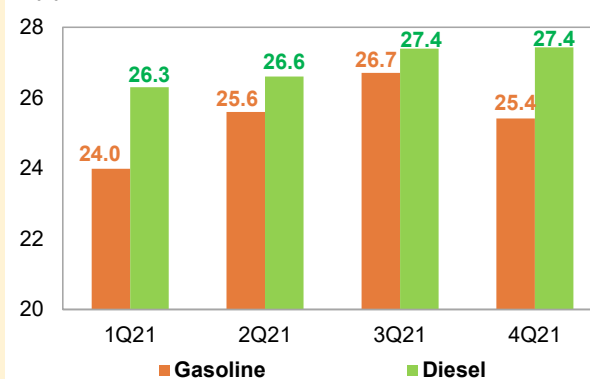
On the refining side, the recent crude run cuts due to cold weather and maintenance have supported refining margins, mainly in the US, while remaining more or less sustained in Europe (**Graph 2**). Following refinery turnarounds scheduled for April, transport fuel demand, particularly gasoline and on-road diesel, is expected to rise steadily over the summer months, causing refinery intakes to show significant improvement and move closer to pre-COVID-19 levels. Nevertheless, refining capacity continues to exceed demand and is expected to exert pressure on margins going forward.

With regard to global inventory levels, there have been sizeable drawdowns since the middle of 2020 and these are expected to continue in the coming

months, mainly due to the successful efforts undertaken by the OPEC and non-OPEC countries participating in the Declaration of Cooperation (DoC) to voluntarily adjust production in response to the unprecedented demand contraction witnessed since 1Q20. These reductions in surplus inventories as well as an expected pick up in product demand will pave the way for a cautious recovery of oil market balance in the summer months, supporting refining margins and throughputs.

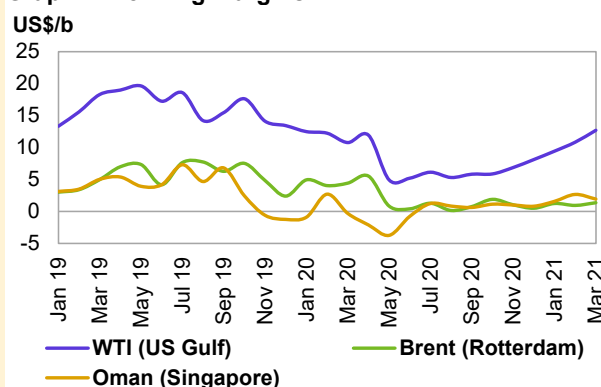
Nevertheless, the large uncertainty surrounding the fragile recovery from the unprecedented impact of COVID-19 continues to require vigilant monitoring of market developments, despite the wide-ranging stimulus measures and early signs of a return to normalcy as progress continues on vaccination programmes in many major economies. The joint efforts of the OPEC and non-OPEC countries participating in the DoC continue to contribute to market stability to ensure efficient, economic and secure supplies of oil to consumers, with a fair return on invested capital.

Graph 1: Global oil demand for gasoline and diesel
mb/d



Source: OPEC.

Graph 2: Refining margins
US\$/b



Source: Argus and OPEC.

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Crude Oil Price Movements

Spot crude prices increased for the fifth consecutive month in March on continuing supportive oil market fundamentals. North Sea Dated firmed to near \$66/b in March, its highest monthly average since December 2019.

The OPEC Reference Basket (ORB) value gained \$3.51 on average in March, an increase of 5.7% m-o-m, to settle at \$64.56/b, its highest level since January 2020. ORB component values rose on higher related crude oil futures and physical benchmarks, although their respective official selling price differentials were little changed for the month, particularly towards Asia, and crude differentials remained weak.

Crude oil futures prices were higher on average in March, extending the previous monthly gains after investors in late February and early March turned more optimistic about the global oil demand outlook and were anticipating a rapid tightening of oil market fundamentals amid a restrained global oil supply. Market sentiment strengthened further along with equity markets after the \$1.9-trillion US stimulus package was signed into law. The ICE Brent front month rose by \$3.42, or 5.5% m-o-m, in March to average \$65.70/b, and NYMEX WTI increased by \$3.30, or 5.6% m-o-m, to average \$62.36/b. ICE Brent was \$10.50 higher y-t-d, or 20.7%, at \$61.32/b, while NYMEX WTI was \$12.36 higher, or 27.0%, at \$58.14/b, compared to the same period a year earlier. DME Oman crude oil futures prices rose in March by \$3.34 m-o-m, or 5.5%, to settle at \$64.39/b. Y-t-d, DME Oman was higher by \$9.81, or 19.4%, at \$60.41/b.

Hedge funds and other money managers remained positive on oil price outlooks during the first half of March and kept their combined futures and options net long positions near to the high levels registered in mid-February. In the week to 23 March, however, money managers sharply liquidated their positions and reduced their net long positions by more than 9% to reach their lowest since mid-January this year.

The backwardation structure of the ICE Brent and NYMEX WTI markets eased over the month, specifically in the front of the forward curve, suggesting that the supply-demand balance outlook is softening. However, the backwardation structure of DME Oman and Dubai strengthened in March on restrained supply of sour crude in the East Suez market.

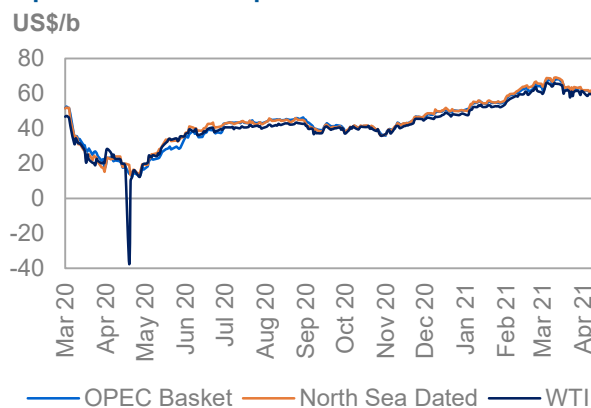
Despite the lower supply of sour crude in March and April, the sweet/sour crude differentials widened again in all main markets in March, particularly in Europe and Asia on better performance of light distillates compared to heavier products, while in the US Gulf Coast (USGC), the spread was little changed.

Crude spot prices

Spot crude prices increased for the fifth consecutive month in March, on continuing improvement in oil market fundamentals, with North Sea Dated gaining more than \$25/b, or about 64%, since the improvement began in November 2020. In March, North Sea Dated firmed to near \$66/b on monthly average, its highest since December 2019. WTI rose above \$62/b on monthly average to its highest level since April 2019, supported by positive sentiment in futures markets, specifically in the first half of March, amid rising optimism about the global oil demand recovery and restrained global oil supply. OECD oil stocks fell in February for the sixth consecutive month in a sign of tightening supply/demand fundamentals. February's strong conformity to crude production adjustments by the Declaration of Cooperation (DoC) participants was buoyed by the additional voluntary production adjustment of 1 mb/d from Saudi Arabia, providing further support to the oil market.

However, the overall physical crude market fundamentals remained weak in March, which was reflected in flattening price forward curves and low crude differentials. Several factors influenced crude differentials. These

Graph 1 - 1: Crude oil price movement



Sources: Argus, OPEC and Platts.

Crude Oil Price Movements

included high availability of crude volumes for March and April loadings, particularly in the Atlantic Basin; soft crude demand from refiners due to spring refinery maintenance in Asia; the slow recovery of US refinery operations from February outages; and weak demand in Europe partly due to reinstatement of mobility restrictions and local lockdowns. The blockage of the Suez Canal by the large container ship Ever Given disrupted the shipment of crude and oil products for several days, but had limited impact on the physical market as supplies remained plentiful.

Table 1 - 1: OPEC Reference Basket and selected crudes, US\$/b

	Feb 21	Mar 21	Change		Year-to-date	
			Mar/Feb	%	2020	2021
OPEC Reference Basket	61.05	64.56	3.51	5.7	51.39	60.22
Arab Light	61.49	65.20	3.71	6.0	52.87	60.71
Basrah Light	61.40	65.17	3.77	6.1	50.56	60.66
Bonny Light	62.24	65.57	3.33	5.4	52.19	61.16
Djeno	54.78	58.11	3.33	6.1	48.64	53.62
Es Sider	60.83	63.56	2.73	4.5	50.10	59.37
Girassol	62.99	66.04	3.05	4.8	51.53	61.83
Iran Heavy	60.66	64.30	3.64	6.0	49.32	60.00
Kuwait Export	61.31	64.86	3.55	5.8	51.92	60.55
Merey	42.87	46.47	3.60	8.4	36.89	42.45
Murban	60.99	64.33	3.34	5.5	52.79	60.29
Rabi Light	61.77	65.10	3.33	5.4	47.91	60.61
Sahara Blend	62.38	65.76	3.38	5.4	52.31	61.30
Zafiro	62.46	65.99	3.53	5.7	50.79	61.40
Other Crudes						
North Sea Dated	62.23	65.56	3.33	5.4	50.02	61.07
Dubai	60.83	64.40	3.57	5.9	50.60	60.21
Isthmus	58.90	61.88	2.98	5.1	42.32	57.82
LLS	61.23	64.53	3.30	5.4	48.00	60.21
Mars	59.37	62.64	3.27	5.5	45.68	58.57
Minas	59.84	63.63	3.79	6.3	49.17	59.05
Urals	61.47	64.29	2.82	4.6	48.97	60.41
WTI	59.08	62.35	3.27	5.5	45.87	58.06
Differentials						
North Sea Dated/WTI	3.15	3.21	0.06	-	4.14	3.00
North Sea Dated/LLS	1.00	1.03	0.03	-	2.02	0.86
North Sea Dated/Dubai	1.40	1.16	-0.24	-	-0.58	0.86

Sources: Argus, Direct Communication, OPEC and Platts.

The light sweet crude value in the Atlantic Basin fell further due to unfavourable west-to-east arbitrage and lower buying interest from China, as well as rising export volumes in the Mediterranean and the availability of large volumes of unsold cargoes in the West African market that added additional downward pressure on crude differential values. On a monthly average, crude differentials of Bonny Light, Forcados and Qua Iboe moved into deeper discount against the Brent benchmark in March, falling on monthly average to discounts of 55¢/b, 33¢/b and 65¢/b, respectively. The CPC Blend crude differential also tumbled in March to a deep discount of \$2.42/b on monthly average, and Saharan Blend fell to a discount of 98¢/b during the same period. Despite a lower loading programme from Angola, the crude differential of medium heavy sweet crude Cabinda fell further in March by 49¢ on average to a discount of 13¢/b. In the North Sea, crude differentials also mostly fell last month despite limited supplies of the five North Sea crude oil grades – Brent, Forties, Oseberg, Ekofisk and Troll – underpinning the North Sea Brent benchmark in April, which will average only about 780,000 b/d, according to Reuters. Forties and Ekofisk crude differentials declined by 19¢ and 4¢, respectively, on a monthly average in March to settle at a premium of 34¢/b and 73¢/b. However, in the USGC, Light Louisiana Sweet (LLS) and Mars crude differentials were little changed, rising by 2¢ and 1¢ m-o-m, respectively, to a premium of 2.18¢/b and 29¢/b on average in March. In the Middle East, the widening Brent-Dubai front-month exchange of futures for swaps (EFS) limited crude flow from west-to-east and gave additional support to Dubai-related crudes on the spot market. The sour market in East Suez markets also was supported by restrained supplies

from Middle East. The value of the Oman crude differential rose by 45¢ m-o-m in March to a premium of \$1.20/b, and the Upper Zakum crude differential rose slightly, by 5¢, to a premium of 2¢/b.

OPEC Reference Basket (ORB)

The **ORB** value gained \$3.51 on average in March, an increase of 5.7% m-o-m, to settle at \$64.56/b, its highest level since January 2020. ORB component values rose on higher related crude oil futures and physical benchmarks, although there was little monthly change in their respective official selling price differentials, particularly towards Asia, and crude differentials remained weak. The y-t-d ORB was up \$8.82, or 17.2% at \$60.22/b, compared to the same period in 2020. West and North African Basket components – Bonny Light, Djeno, Es Sider, Girassol, Rabi Light, Sahara Blend and Zafiro – rose \$3.24, or 5.3% m-o-m on average, in March to \$64.30/b. The multiple regions' destination grades – Arab Light, Basrah Light, Iran Heavy and Kuwait Export – increased by \$3.67, or 6.0% m-o-m on average, to settle at \$64.88/b. Murban crude rose by \$3.34, or 5.5% m-o-m on average, to settle at \$64.33/b, while the Merey component rose by \$3.60, or 8.4% m-o-m on average, to settle at 46.47/b.

The oil futures market

After a period of volatility, **crude oil futures prices** were higher on average in March, extending previous monthly gains after investors in late February and the first half of March turned more optimistic about the global oil demand outlook and were anticipating a rapid tightening of oil market fundamentals amid restrained global oil supplies. Positive market sentiment strengthened further amid signs that oil consumption is recovering in major economies along with improving mobility data in Europe and North America. The oil market was also driven by a firm US equity market after the \$1.9-trillion US stimulus bill was signed into law. This is expected to boost the economy and oil demand, as well as benefit global industrial production and trade. A US employment report in February provided further support. Oil prices rose further after an attack on large Saudi Arabia oil facilities at Ras Tanura raised geopolitical risk concerns. Nonetheless, worries eased after oil output appeared to remain uninterrupted. International crude benchmark ICE Brent rose to near \$70/b on a daily basis, its highest since May 2019, and US benchmark NYMEX WTI rose above \$66/b on a daily basis, its highest since April 2019. In the first half of March, oil prices also were supported by a large decline in US gasoline stocks for two consecutive weeks due to low refinery throughput following the deep freeze and power outages that caused the shutdown of several refineries in the US. According to the US Energy Information Administration (EIA) data, US gasoline stocks fell by about 25 mb between the weeks to 19 February and 5 March.

Table 1 - 2: Crude oil futures, US\$/b

	Feb 21	Mar 21	Change		Year-to-date	
			Mar/Feb	%	2020	2021
Future crude						
NYMEX WTI	59.06	62.36	3.30	5.6	45.78	58.14
ICE Brent	62.28	65.70	3.42	5.5	50.82	61.32
DME Oman	61.05	64.39	3.34	5.5	50.60	60.41
Spread						
ICE Brent-NYMEX WTI	3.22	3.34	0.12	3.9	5.04	3.18

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

Sources: CME, DME, ICE and OPEC.

In the second half of the month, the oil market witnessed a sharp sell-off. It was exacerbated by liquidation of their positions on signs of deteriorating near-term oil demand amid resurgent COVID-19 infections across Europe, India, Latin America and other countries, along with the spread of new variants. Meantime, the global vaccination programmes slowed due to distribution issues and the temporary suspension of the Oxford/AstraZeneca vaccine in several European countries over concerns about possible side effects, which weighed on market sentiment and raised the risk to near-term demand outlooks. US crude oil stocks increased for five consecutive weeks, which also weighed on oil prices. According to the EIA weekly data, US crude oil stocks rose by near 41 mb between the weeks ending on 12 February and 19 March. The physical market also showed signs of weakness amid plentiful crude availability and shy demand from refiners. Furthermore, in its monthly report, the International Energy Agency (IEA) signalled that global oil supplies are plentiful, excluding a supercycle in oil or a looming supply crunch, as global oil inventories still look high. Oil price volatility heightened after the Ever Given blocked the Suez Canal for several days, raising worries about potential global supply disruptions of crude and refined products. The **ICE Brent** front month rose by \$3.42, or 5.5%, in March

Crude Oil Price Movements

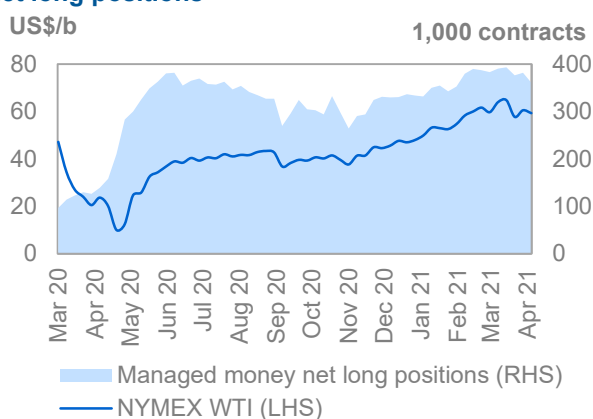
to average \$65.70/b, and **NYMEX WTI** increased by \$3.30, or 5.6%, to average \$62.36/b. ICE Brent was \$10.50 higher y-t-d, or 20.7%, at \$61.32/b, while NYMEX WTI was \$12.36 higher, or 27.0%, at \$58.14/b, compared to the same period a year earlier. **DME Oman** crude oil futures prices rose in March by \$3.34 m-o-m, or 5.5%, to settle at \$64.39/b. Y-t-d, DME Oman was higher by \$9.81, or 19.4%, at \$60.41/b.

On 12 April, ICE Brent stood at \$63.28/b and NYMEX WTI at \$59.70/b.

The **ICE Brent/NYMEX WTI spread** widened slightly in March compared to the previous month, as the ICE Brent value rose more than NYMEX WTI. In the first half of March, the ICE Brent value was supported by the excessive optimism about the outlook for global oil demand and tightening oil market fundamentals. But NYMEX WTI prices were weighed down by the relatively rapid return of US oil production, compared to the recovery in US refining operations, after the outages caused by the deep freeze. Sharp US crude oil stock builds and lower US crude oil exports also undermined the price of NYMEX WTI. The ICE Brent/NYMEX WTI spread widened 12¢ on average in March to \$3.34/b. The spread between the value of North Sea Dated and WTI Houston widened further in March by 43¢/b on average to \$2.06/b, compared to \$1.64/b in February. The value of WTI at Houston came under pressure on high crude stock levels in the US PADD3, low US refinery throughput, plentiful supply of similar crude in the Atlantic Basin, and soft demand from Europe and from Asia amid refinery maintenance. US crude oil exports remained low in the second half of February and in March averaging about 2.6 mb/d, compared to about 3.1 mb/d in January, according to EIA weekly data.

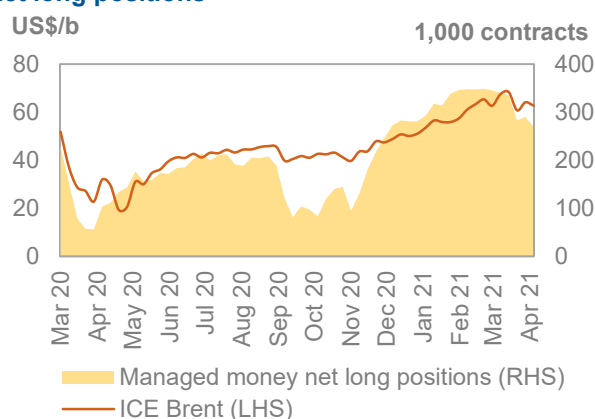
Hedge funds and other money managers remained optimistic on oil price outlooks during the first half of March and kept their combined futures and options net long positions linked to ICE Brent and NYMEX WTI near to their high levels registered in mid-February, the highest in a year, with ICE Brent settling at nearly \$70/b. However, in the week to 23 March, money managers sharply liquidated their positions by more than 9% to reach its lowest since mid-January, due to deteriorating global oil demand outlooks as well profit-taking after the rapid increase in oil prices earlier in the month. Between the weeks ending on 23 February and 23 March, money managers were net sellers of about 76 mb in both ICE Brent and NYMEX WTI. Speculators cut net long positions the most in ICE Brent compared to NYMEX WTI.

Graph 1 - 2: NYMEX WTI vs. Managed Money net long positions



Sources: CFTC, CME and OPEC.

Graph 1 - 3: ICE Brent vs. Managed Money net long positions



Sources: ICE and OPEC.

Between the weeks ending on 2 March and 30 March, money managers were net sellers of more than 55 mb in ICE Brent, liquidating most of their positions amassed since the beginning of this year. Combined futures and options net long positions in ICE Brent fell by 55,196 contracts, or 16.0%, to reach 289,779 lots in the week to 30 March, the lowest level since December 2020, according to the ICE Exchange. In the week ending 30 March, gross short positions rose by 20,065 lots, or 31.4%, to 83,976 contracts. Gross long positions fell by 35,131 lots, or 8.6%, to 373,755 contracts during the same period.

Hedge funds and other money managers also cut their positions related to NYMEX WTI in March, but at a slower rate compared to ICE Brent. Combined futures and options net long positions in NYMEX WTI decreased by 1,459 contracts, or 0.4%, to stand at 381,604 lots in the week to 30 March. This is due to a decline in short positions by 12,786 lots, or 26.5%, to 35,546 contracts, and long positions fell by 14,245 contracts, or 3.3%, to 417,150 contracts, according to the CFTC.

Nonetheless, the **long-to-short ratio** of speculative positions in the ICE Brent contract fell in March, declining from 6:1 early in the month to 4:1 in the week to 30 March. However, the NYMEX WTI long-to-short ratio rose to 12:1 in the week to 30 March, compared to 9:1 in early March. **Total futures and options open interest**

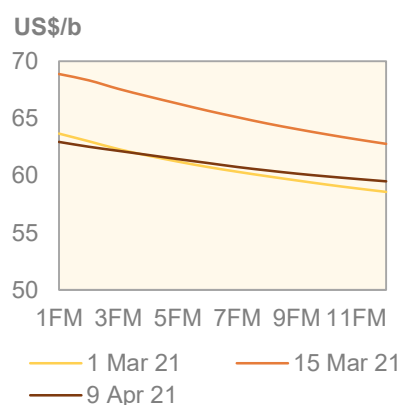
volumes on the two exchanges fell in March, declining by 4.0%, or 259,892 contracts, to stand at 6.2 million contracts in the week ending 30 March.

The futures market structure

The **backwardation structure** of ICE Brent and NYMEX WTI markets eased over the month, specifically in the front of the forward curve, suggesting that the supply-demand balance outlook is softening. Concerns about the recent surge of COVID-19 infections in several countries and reinstatement of lockdowns and mobility restrictions in parts of Europe raised concerns about short-term oil demand recovery, which weighed on near-month futures prices. However, the backwardation structure of DME Oman and Dubai strengthened in March on restrained supplies of sour crude in the East Suez market, while an unfavourable west-to-east arbitrage limited crude flows from other regions and supported the prompt prices of domestic crudes.

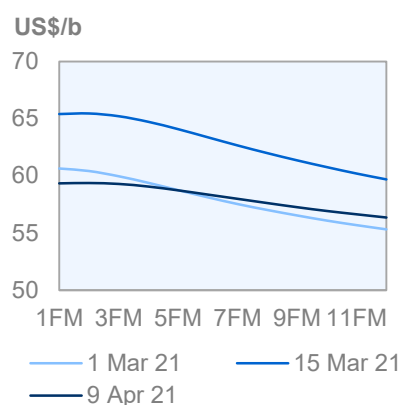
The Brent structure remained in backwardation in March. In the second half of the month, however, the Brent front month came under pressure and the forward curve flattened in the front amid a sharp sell-off as the demand outlook softened. The ICE Brent M1-M3 spread narrowed from a backwardation of more than \$1/b in the first half of March, to about 60¢/b backwardation. On a monthly average, the ICE Brent M1-M3 spread narrowed by 14¢, from a backwardation of \$1.12/b in March, to a backwardation of 98¢/b. The ICE Brent's first to sixth month also narrowed by 14¢ to \$2.53 backwardation, which makes it economically unfavourable to store crude oil.

Graph 1 - 4: ICE Brent forward curves



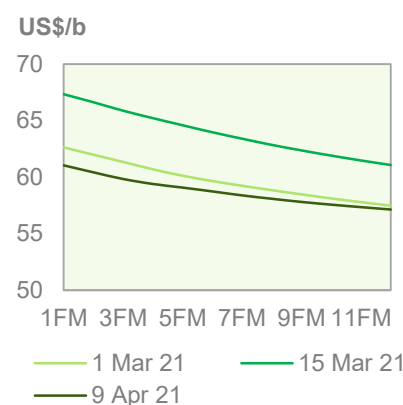
Sources: ICE and OPEC.

Graph 1 - 5: NYMEX WTI forward curves



Sources: CME and OPEC.

Graph 1 - 6: DME Oman forward curves



Sources: DME and OPEC.

In the **US**, the backwardation structure of NYMEX WTI also eased and the forward curve flattened on the front over the month, while the first-to-second month spread flipped into a shallow contango. First month prices fell more than forward on a sharp sell-off and large US stock builds in March and a slow recovery in US refinery throughputs following the February outages, while US oil production was rising. The NYMEX WTI first-to-third-month spread narrowed to a backwardation of 30¢/b on average in March, compared to a backwardation of 43¢/b one month earlier.

However, the backwardation structures of **DME Oman** steepened last month on prospect of tight sour crude supply in the East Suez market and healthy demand from Asia-Pacific refiners. On a monthly average, the DME Oman M1-M3 spread widened to a backwardation of \$1.18/b in March, from a backwardation of 72¢/b in February, or an increase of 46¢/b.

The physical Brent market showed a weaker structure last month, reflecting the slower demand and a well-supplied crude market. Regarding the **M1/M3 structure**, the North Sea Brent M1/M3 spread narrowed in March on a monthly average by 34¢ to a backwardation of 54¢/b, compared to 88¢/b in February. In the US, the WTI M1/M3 backwardation also narrowed in March by 8¢ to 27¢/b, compared to a backwardation of 36¢/b in February. However, amid a restrained supply of sour crude supply, the Dubai M1/M3 backwardation strengthened on average in March, widening by 48¢ to a backwardation of \$1.17/b.

Crude spreads

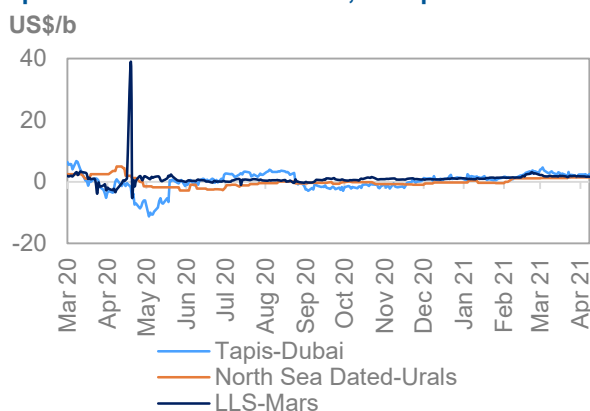
Despite lower supplies of sour crude in March and April, the **sweet/sour crude differentials** widened again in all main markets in March, particularly in Europe and Asia, while in the USGC, the spread was little changed. The sweet/sour spread widened on better performance of light distillates compared to heavier products, specifically gasoline, and the increase of the Brent benchmark, a light sweet reference, which was also driven by non-fundamental factors.

In **Europe**, the spread between North Sea Dated and sour crude Urals widened in March by 51¢ to average at \$1.27/b, as the value of Urals dipped on the availability of unsold cargoes for March loadings, and weak demand from European refiners and closed arbitrage to the Asian market as the Brent-Dubai EFS widened, making flow to the east unfavourable. Weak middle distillates and fuel oil margins also put downward pressure on Urals. The Urals crude differential in Northwest Europe fell in March to a discount of \$2.45/b on a daily basis against North Sea Dated, its lowest level since April 2020, reflecting a weak sour crude market in Europe. Crude differentials of light sweet grades in the Northwest Europe, Mediterranean and West African markets also weakened, but at lower pace.

In **Asia**, the previous month's widening trend of the Tapis/Dubai spread continued in March despite lower supplies of sour crude from the Middle East in March and April. Widening Brent-Dubai EFS made arbitrage of Brent-related light sweet crudes in the Atlantic Basin to Asia difficult, which limited east-to-east flows and consequently supported the value of similar Asian short-haul cargoes of light sweet crudes like Tapis. The Brent-Dubai front-month exchange of futures for swaps widened further on a monthly average, by 67¢, to \$2.57/b in March, compared to \$1.90/b in February. Furthermore, soft demand from Asia-Pacific refiners for Middle East sour crude due to maintenance contributed to widening the sweet/sour crude spread. The premium of light sweet crude Tapis against Dubai sour widened in March by 67¢ on a monthly average to stand at \$2.76/b.

In the **USGC**, the LLS-Mars spread was little changed in March, widening by only 3¢ m-o-m, to average \$1.86/b. Moreover, the crude differentials of both LLS and Mars to WTI light sweet benchmark at Cushing, Oklahoma, were little changed on average m-o-m in March. In the USGC, the value of LLS was supported by firm light distillate margins, specifically gasoline. The Mars sour value also was stable despite weaker middle distillates and fuel oil margin, and expectation of higher sour supplies in April and May after the US Department of Energy (DOE) announced an offer to sell about 10 mb of sour crude from its Strategic Petroleum Reserve.

Graph 1 - 7: Differential in Asia, Europe and USGC



Sources: Argus, OPEC and Platts.

Commodity Markets

Energy commodities were mixed in March. Crude oil prices rose for the fifth consecutive month, while natural gas declined across regions. The drop in natural gas prices was especially strong in the US on the arrival of milder weather, and the rapid recovery of lost production after February's extreme cold weather. Coal prices rose on concerns about limited Australian exports as a result of flooding.

The ascending price trend for base metals extended for the eleventh consecutive month driven by further expansion in global manufacturing, although increases in inventories and the rising US dollar weakened prices towards the end of March. Precious metals prices dropped in tandem with the rise in real interest rates in the US.

Trends in selected commodity markets

The **energy price index** advanced m-o-m by 0.9% in March, with increases in crude oil and coal and a drop in natural gas. The average index level was up by 26% in the period January-March 2021 compared with the same three months in 2020.

The **non-energy index** rose by 0.8% m-o-m, with base metals rising by 3.8%, but agriculture commodities retreated by 1.1%. The non-energy index was up by 27% in the January-March period, compared to the same period of 2020.

Table 2 - 1: Commodity prices

Commodity	Unit	Monthly averages			% Change	Year-to-date	
		Jan 21	Feb 21	Mar 21	Mar 21/Feb 21	2020	2021
Energy*	Index	69.3	79.3	80.0	0.9	60.5	76.2
Coal, Australia	US\$/mt	86.8	86.7	94.9	9.4	68.0	89.5
Crude oil, average	US\$/b	53.6	60.5	63.8	5.6	49.1	59.3
Natural gas, US	US\$/mbtu	2.7	5.1	2.6	-49.4	1.9	3.4
Natural gas, Europe	US\$/mbtu	7.3	6.2	6.1	-0.5	3.1	6.5
Non-energy*	Index	101.6	104.5	105.4	0.8	81.3	103.8
Base metal*	Index	99.7	105.0	109.0	3.8	75.7	104.6
Precious metals*	Index	145.1	142.9	135.6	-5.1	118.3	141.2

Note: * World Bank commodity price indices (2010 = 100).

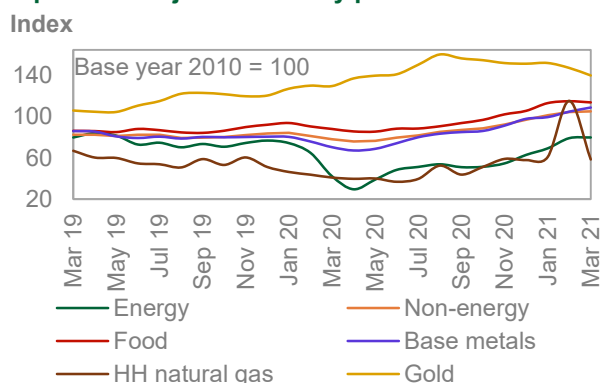
Sources: World Bank and OPEC.

In March, the **Henry Hub natural gas price** gave back most gains from the previous month, almost halving m-o-m to \$2.6/mmbtu. As mentioned in the previous MOMR, spot prices declined as production quickly returned in early March after the cold snap and warmer than average temperatures followed, resulting in spot prices falling to pre-spike levels. According to IHS Markit estimations, dry gas production during the month was down by around 3% y-o-y. According to the Energy Information Administration, utilities added 14 bcf to working gas underground storage during the week ending 26 March 2021. This build left total working gas in underground storage at 1,764 bcf, around 2.0% below the latest five-year average. At the end of February, stocks were 8.8% below the five-year average.

Natural gas prices in Europe retreated slightly in March with the average **Title Transfer Facility price** down by 0.5% m-o-m to 6.1/mmbtu, amid moderate temperatures. In the January-March 2021 period, average prices are twice the level seen in the same period last year. EU Inventories ended March around 30% full versus 36.7% at the end of the previous month, according to Gas Infrastructure Europe. This is significantly below the approximate 54% level witnessed at the same time last year. While these inventory levels are likely to be supportive of prices, the small LNG price differential between Europe and Asia favour exports to Europe over Asia, potentially preventing price spikes.

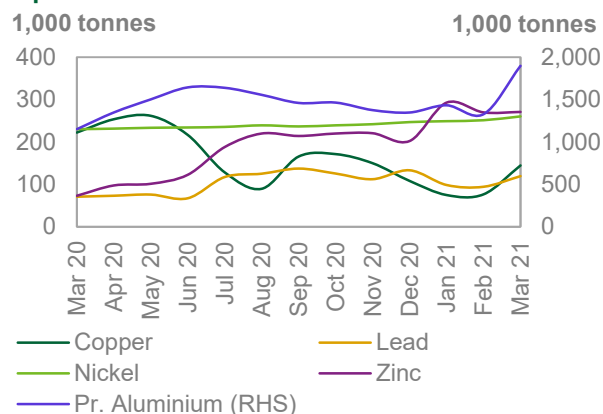
Australian thermal coal prices rose m-o-m by 9.4% in March to \$94.9/mt, its higher monthly average since February 2019. In the January-March period, prices have been around 31% higher than the same period last year. Prices weakened at the beginning of the month on the news of a slower pace of imports to major consumers China and India, as mentioned in the previous MOMR. However, in the second half of the month, prices rose significantly due to the flooding in the Australian state of New South Wales, which halted exports from the country's largest coal export port.

Graph 2 - 1: Major commodity price indices



Sources: World Bank, S&P Goldman Sachs, Haver Analytics and OPEC.

Graph 2 - 2: Inventories at the LME



Sources: LME, Thomson Reuters and OPEC.

The **base metal price index** rose m-o-m by 3.8% in March. While prices have been steadily supported by the expansion in global manufacturing, at the same time, some increases in inventory levels among selected metals and the higher US dollar value limited the upside for prices.

Average monthly copper prices rose m-o-m in March by 6.1%. Average prices in the January-March period were 51% higher than in the same period of 2020. Stock levels at the London Metal Exchange (LME) have recovered from very low levels over the last two months, preventing further price upside. In March, inventories at LME-designated warehouses almost doubled from 76,225 tonnes in February to 144,500 in March. According to International Copper Study Group (ICGS) latest estimates, the refined copper balance (adjusted for unreported Chinese inventories) in 2020 showed a deficit of 460,000 tonnes.

Iron ore prices rose m-o-m in March by 2.7% to a monthly average of \$168.2/mt. Average prices in the January-March period were 84% higher compared with the same period last year. World crude steel making activity rose by 4.1% in February 2021 compared to the same month last year, led by a 10.9% y-o-y increase in China, according to World Steel Association. However, there were y-o-y declines in India, the US and Japan.

In the group of **precious metals**, gold retreated by 5.0% m-o-m in March as real interest rates in US dollars increased further. Financial investors significantly reduced their bullish bets in gold during the month.

Investment flows into commodities

Money Managers' net length increased in crude oil and copper in absolute terms, while it increased in both absolute and as a share of open interest (OI) for natural gas. Net length was reduced in gold, both in absolute and relative terms.

Table 2 - 2: CFTC data on non-commercial positions, 1,000 contracts

Selected commodity	Open interest		Net length			
	Feb 21	Mar 21	Feb 21	% OI	Mar 21	% OI
Crude oil	3,028	3,078	377	12	385	13
Natural gas	1,187	1,222	106	9	35	3
Gold	676	664	95	14	52	8
Copper	274	253	81	29	50	20

Note: Data on this table is based on monthly average.

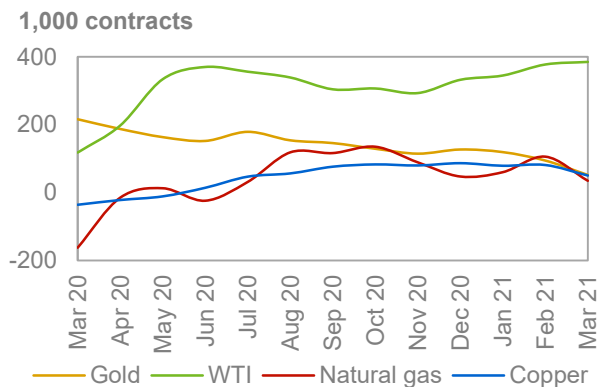
Sources: CFTC and OPEC.

Henry Hub's natural gas OI rose m-o-m by around 3% in March. Money managers' net long position dropped by more than 67% to 34,886 from 106,158 contracts the previous month, after temperatures moderated and production recovered.

Copper's OI dropped by 7.8% in March. Money managers' cut their net length by 38% m-o-m to 50,003 contracts from 80,812 the previous month mainly due to rising inventories. As a share of the open interest, the net length also decreased.

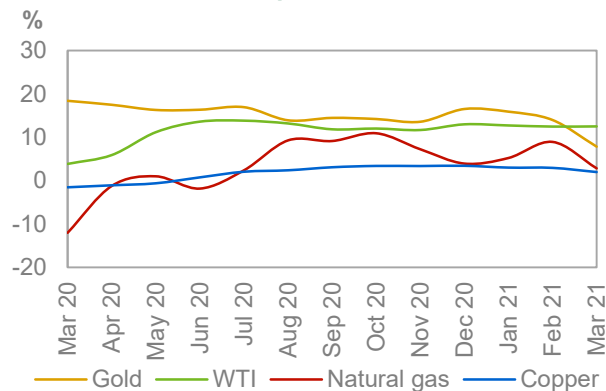
Gold OI decreased by 1.7% in March. Money managers' net length fell by around 45% to 52,193 lots from 94,665 contracts the previous month, amid a further rise in real interest rates in USD.

Graph 2 - 3: Money managers' activity in key commodities, net length



Note: Data on this graph is based on monthly average.
Sources: CFTC and OPEC.

Graph 2 - 4: Money managers' activity in key commodities, as % of open interest



Note: Data on this graph is based on monthly average.
Sources: CFTC and OPEC.

World Economy

The global economic recovery continues, significantly supported by unprecedented monetary and fiscal stimulus. The recovery is very much leaning towards 2H21. The base assumption of this forecast is that by the beginning of 2H21, COVID-19 will be largely contained in the sense that the majority of the population in the advanced economies will be vaccinated and that the pandemic will not pose a major obstacle for emerging and developing economies. In addition, forced private household savings during the lock-downs are forecast to accelerate global economic growth in 2H21 via pent-up demand, especially in the contact-intensive sectors. In the meantime, the impact from the pandemic continues, with the EU, Latin America and India seeing rising infections. Growth in 2021 is forecast to be unevenly spread, with the fiscal stimulus in the US and the recovery in China fuelling economic growth in these two economies. In the EU, a re-emerging wave of COVID-19 is dragging the recovery in 1H21, while the expectation of good progress in vaccinations in combination with ongoing monetary and fiscal stimulus are forecast to lift growth towards 2H21. At a lower scale, Japan's economy is forecast to gain pace towards 2H21. While India's stimulus measures and the expectation of containing the pandemic in 2H21 point at a high growth level as well for the full year, the current dynamic of the pandemic will need close monitoring. Similarly, Brazil and other Latin American economies are facing a new wave of COVID-19 infections which is likely to dampen growth in 1H21. With these counterbalancing forces, the 2021 global economic growth momentum was lifted to 5.4%, with most of the momentum to materialise in 2H21. Moreover, growth in 2020 was revised up to -3.5%, as numerous economies reported higher-than-expected growth rates.

Although most of the global recovery is expected to materialise later in the year, there are still some significant uncertainties. First and foremost, the path of the COVID-19 pandemic will be the overarching factor impacting the near-term pace of the recovery, particularly, COVID-19 variants. Moreover, sovereign debt in most economies has risen to levels at which a lift in interest rates could cause severe fiscal strain. While not imminent, a further rise in inflation, especially in the US and the Euro-zone, may cause some tightening of monetary policies, an area that will need to be watched in the short term. Additionally, trade-related disputes, especially between the US and China, may continue.

The OECD growth forecast for 2020 was revised up to -4.8%, after upward adjustments were seen in the UK and some smaller OECD economies. OECD growth in 2021 has been revised up to 4.6% from the previous month's 4.3%, lifted in particular by improving growth expectations for the OECD Americas.

In the emerging economies, India's growth forecast for 2021 was revised up to 9.8% from 9.0%. India's 2020 GDP growth was reported at -7.0%. Following growth of 2.3% in 2020, China's GDP is forecast to increase by 8.4% in 2021, revised up from 8% in the previous report. Brazil's forecast for 2021 remains at 3.0%, following a contraction of 4.1% in 2020. Russia's growth forecast for 2021 remains unchanged at 3.0% as well, after contracting by 3.1% in 2020.

Table 3 - 1: Economic growth rate and revision, 2020–2021*, %

	World	OECD	US	Euro-zone	UK	Japan	China	India	Brazil	Russia
2020	-3.5	-4.8	-3.5	-6.8	-9.9	-4.9	2.3	-7.0	-4.1	-3.1
Change from previous month	0.2	0.2	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0
2021	5.4	4.6	5.7	4.3	4.8	3.1	8.4	9.8	3.0	3.0
Change from previous month	0.3	0.3	0.9	0.0	0.7	0.0	0.4	0.8	0.0	0.0

Note: * 2020 = Estimate and 2021 = Forecast. The GDP numbers have been adjusted to reflect 2017 ppp.

Source: OPEC.

Global

Update on latest developments

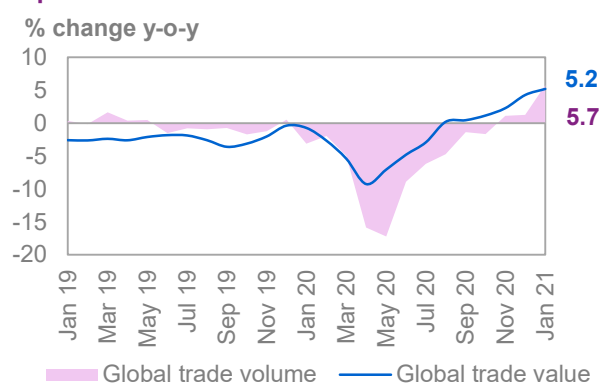
With some better than expected GDP growth rates, especially in OECD economies in 2H20, the GDP decline of last year was revised and now stands at -3.5% compared to -3.7% in the previous month's report. Only two months ago the decline was estimated to stand at -3.9%, and while this is merely backward looking GDP accounting, it also highlights that after the severe impairment of the global economy in 1H20, the quick adaption of the global economy to the new situation in 2H20 led to a better-than-expected performance. The ability of

the global economy to adjust to adverse situations should not be underestimated, also for the current year. In comparison to the financial crisis in 2008/2009, GDP global growth forecasts for 2010 stood at around 2% in mid-2009 and at around 3% at the beginning of 2010, but 2010 global economic growth was finally reported at 5.1%. Similarly the decline in 2009 was overestimated, but stood then finally at 0.7%.

Globally the two economies driving the recovery are the US and China. In the US, the exceptional fiscal stimulus of 1.9 trillion USD in combination with the 900 bn USD package from the turn of the year and the ongoing monetary stimulus should provide the base for an extraordinary recovery in 2021. In China, the successful containment of COVID-19 and the quick domestic recovery should also provide a strong base for recovery that will additionally benefit the global economic rebound. However, the impact from the pandemic will still be felt in 1H21, with the EU, Latin America and India seeing rising infections and consequently social distancing that is harming the economic dynamic of affected countries. Moreover, vaccination programmes continue to be delayed in the Euro-zone. With these most recent development, the contact-intensive services sector has been impaired in particularly 1Q21 and economies with considerable shares in the travel and tourism, hospitality and leisure sectors have been impacted significantly. On a global level, the recovery momentum in the manufacturing sector has been the driving force for recovery.

Global trade levels — an important motor for the ongoing recovery — have continued improving, according to data available up to January. This is thanks to the base effects from the large declines in the last year, but also due to the ongoing rebound in global economic activity. World trade volumes rose by 5.7% y-o-y in January, after a rise of 1.3% y-o-y in December, based on the CPB World Trade Index provided by the CPB Netherlands Bureau for Economic Policy Analysis. This marks the third monthly rise in global trade volumes since a very small uptick in December 2019. Trade improved in value terms as well, rising by 5.2% y-o-y in January, compared with 4.3% y-o-y in December.

Graph 3 - 1: Global trade



Sources: Netherlands Bureau for Economic Policy Analysis, Haver Analytics and OPEC.

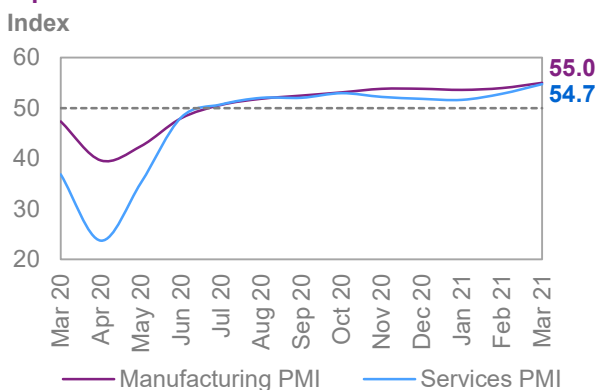
Near-term expectations

Global growth is forecast to be lifted out of the ongoing challenging situation by fiscal and monetary stimulus that will be accompanied by a successful vaccination drive in western economies. The base assumption of this forecast is that by the beginning of 2H21 COVID-19 will be largely contained in the sense that the majority of the population in the advanced economies will be vaccinated and that the pandemic will not pose a major obstacle for emerging and developing economies by that time. In addition forced private household savings during the periods of lock-downs are forecast to accelerate global economic growth in 2H21 via pent-up demand, especially in the contact-intensive sectors. Current pandemic-related challenges, as can be seen in lockdown measures in 1Q21 are considered to be temporary, as the distribution of vaccines is forecast to gain traction and this should lead to a vaccination rate in advanced economies of more than 50% towards the beginning of 2H21. In this base-scenario the two main GDP drivers will be a strong pickup in global consumption and investments. The two major economies that will lead this recovery will be the US and China

The recovery will be significantly supported by a rebound in contact-intensive sectors, especially travel and tourism, leisure and hospitality. The summer travel season in the northern hemisphere will add more support. Moreover, it is assumed that inflation will remain at reasonable levels so that central banks, particularly the US Federal Reserve will not raise interest rates unexpectedly. Moreover, new COVID-19 variants and concern that existing vaccines may be less effective against the new mutations are the major risks to the expected recovery.

Global purchasing managers' indices (PMIs) in February reflected a tender continuation of the global recovery. The global manufacturing PMI stood at 55 in March, after 53.9 in February and 53.6 in January. The global services sector PMI rose slightly as well, standing at 54.7 in March, after 52.8 in February, and 51.6 in January.

Graph 3 - 2: Global PMI



Sources: JP Morgan, IHS Markit, Haver Analytics and OPEC.

With further improvements seen in 2H20 in the UK and other smaller OECD economies the 2020, **GDP growth** forecast was revised up to stand at -3.5%, compared with -3.7% the previous month. Further improvements in 2H21 are anticipated to lift GDP growth for 2021, which was revised up to 5.4% from 5.1% the previous month. The main drivers are rising consumer and business confidence in the US, leading to higher consumption and investment growth rates. This is then consequently forecast to lead to a positive carry-over to major US economic partners, and an ongoing strong recovery in Asian economies. In a quarterly perspective, the somewhat muted growth momentum in 1Q21, is forecast to gain pace towards the end of 1H21, and to pick up especially in 2H21.

Table 3 - 2: World economic growth rate and revision, 2020–2021*, %

	World
2020	-3.5
Change from previous month	0.2
2021	5.4
Change from previous month	0.3

Note: * 2020 = Estimate and 2021 = Forecast.

Source: OPEC.

OECD

OECD Americas

US

Update on the latest developments

The **US economy** has built a sound base for a strong recovery in 2021. With the large fiscal stimulus measures at the turn of the year at a volume of 900 billion USD and the subsequent fiscal stimulus package by the new administration of 1.9 trillion USD, the financial support to the economy is large. The Fed has also continued its strong support, expanding its balance sheet by 326 billion USD in 1Q21.

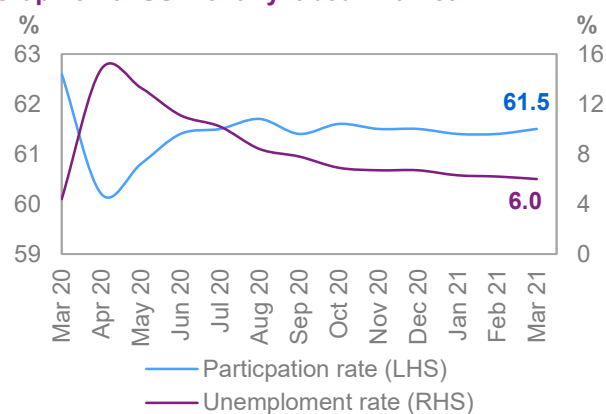
As the vaccination program is making swift progress, with more than one third in the US having been vaccinated and the expectation that in the coming weeks this will move to almost 50%, the base for a swift recovery is likely to gain pace. Some uncertainty remains as to how large the pickup in 1Q21 had been, given the ongoing COVID-19 related challenges and the cold-snap in Texas. It is currently estimated to have stood at 4.3% q-o-q seasonally adjusted annualised rate (SAAR), as estimated by the Secretariat. While some elements in GDP are currently rather volatile and challenging to measure, the 1Q21 estimate by the Atlanta Fed in its GDP projection stands at 6% growth q-o-q SAAR.

In the meantime, important lead-indicators are pointing at the continued improvement into 2Q21. **Consumer confidence** rose strongly to reach 109.7 in March, compared with 90.4 in February and 88.9 in January.

One important aspect for future consumption is that the important equity and housing markets continued to perform well, largely supported by monetary stimulus. Housing prices continued to rise in January, growing by 12% y-o-y in January, as reported by the Federal Housing Finance Agency (FHFA), the highest on record. This ties into the most recent discussion of potentially rising inflation and consequently rising interest rates. Most recently, inflation was still muted at 1.7% y-o-y in February. The gauge preferred by the Fed, the personal consumption expenditure (PCE) index, also stood at a relatively modest 1.6% y-o-y in January.

The labour market continued to improve in March, with the **unemployment rate** falling to 6.0% from 6.2% in February. Non-farm payroll additions showed a strengthening trend as well, adding 916,000, after an upwardly revised February number of 468,000 was seen. This positive trend comes after payrolls increased by only 233,000 in January and fell by 306,000 in December, which marked the first decline in non-farm payrolls since April 2020, when the COVID-19 pandemic caused the loss of almost 21 million jobs in the US.

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

Near-term expectations

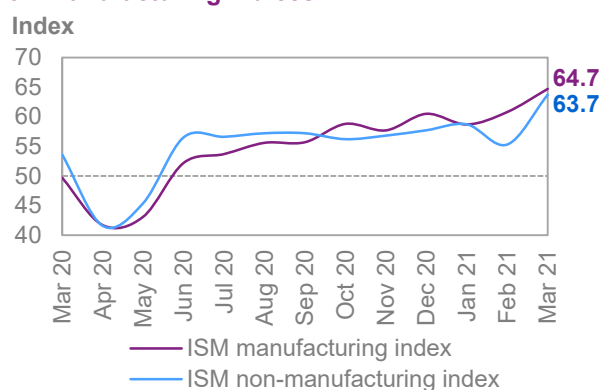
The latest fiscal stimulus package leans significantly towards lifting consumption with a \$1,400 payment to less affluent US citizens. That accounts to more than \$400 billion in the package. Another important lift to consumption should come from an increase of unemployment benefits, accounting to more than \$200 billion. Only these two measures are forecast to lift US growth by around 2.5% this year. It depends on the effectiveness of these and also the other measures how much US GDP growth will be lifted, but as it seems further measures could move US GDP growth up to 7% or slightly above in 2021.

Moreover, it is assumed that with the strong progress in vaccinations in the US, contact-intensive services sectors are likely to see a strong rebound in 2Q21. Given that the services sector constitutes more than two thirds of the US economy, this is likely to boost consumption going forward. Pent-up demand that is supported by the large fiscal and monetary stimulus is likely to lift the recovery. The fiscal measures and ongoing monetary stimulus are very likely to have already counterbalanced some negative impact of ongoing COVID-19-related challenges in 1Q21. While 1Q21 is forecast to remain impacted by social-distancing measures, holding GDP growth at 4.3% q-o-q SAAR, growth is forecast to accelerate to 7.2% q-o-q SAAR in 2Q21 and to around 6% SAAR on a quarterly average in 2H21, led by consumer spending and investment. While concern has come and may continue to come from inflation, price increases seem to be well anchored as especially the labour market does not show signs of overheating, which would lead to significant wage growth and quickly rising underlying inflation.

Hence, the main uncertainties in the forecast are either that COVID-19 will not be contained and/or that inflation will rise at such a pace that market rates will carry an unexpected dynamic, impairing the ongoing recovery. However, even with the ongoing low interest rate environment, rising debt levels and associated debt services may cause fiscal constraints going forward. These factors will require close monitoring, but are not expected to pose an imminent challenge.

The economy's recovery is reflected in **March's PMI** levels as provided by the Institute for Supply Management (ISM), indicating an ongoing pickup in the coming months. The manufacturing PMI rose to 64.7 in March, compared with 60.8 in February and 58.7 in January. The services sector index rose considerably to 60.7 in March after a level of 55.3 in February and 58.7 in January.

Graph 3 - 4: US-ISM manufacturing and non-manufacturing indices



Sources: Institute for Supply Management and Haver Analytics.

The current forecast anticipates that COVID-19 will increasingly be contained towards the end of 2Q21. Hence a strong rise in consumption and investment will provide the two main pillars for a solid recovery in 2021 and growth will gain pace towards 2H21. Supported by fiscal and monetary stimulus, growth is forecast at 5.7%, compared with the previous month's forecast of 4.8%. Growth prospects are further tilted towards the upside, but especially COVID-19-related uncertainties and to some extent also political challenges remain. The previous growth estimate for 2020 was confirmed by the US statistical offices at -3.5%.

Table 3 - 3: US economic growth rate and revision, 2020–2021*, %

	US
2020	-3.5
Change from previous month	0.0
2021	5.7
Change from previous month	0.9

Note: * 2020 = Estimate and 2021 = Forecast.

Source: OPEC.

OECD Europe

Euro-zone

Update on the latest developments

The Eurozone was faced with broad-based lockdown measures in most of its major economies in 1Q21, likely pushing 1Q21 growth back into negative territory. GDP is estimated to have declined by 0.4% q-o-q on a seasonally adjusted basis in 1Q21 - mainly impacted by significantly slowing domestic consumption and investments – as estimated by the Secretariat. Particularly those economies with a large tourism and travel sector have been most strongly affected. This slowing momentum is anticipated to have carried over into 2Q21, as lockdown measures were continued in some countries of the Euro-zone and became even tighter than at the beginning of the year. An important element of the worsening situation of the COVID-19 pandemic was the slow progress the EU vaccination campaign has made in the past weeks. While around a third of the population has received a first vaccination in the US, this number stood at only around 13% or slightly above in the major Euro-zone economies. Positively, the pace of vaccinating is forecast to gain significant pace in the coming weeks, which in combination with the 750 billion euro recovery fund, the NextGenerationEU, are considered to build a strong base for a 2H21 recovery.

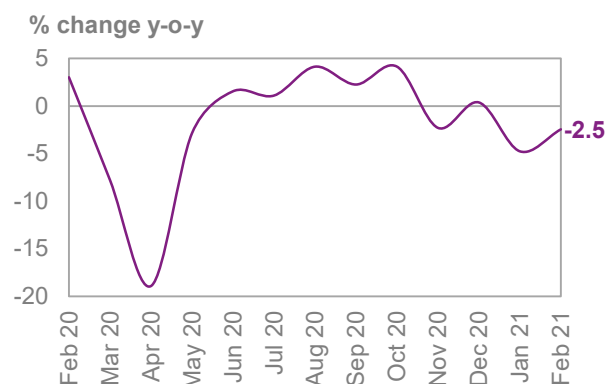
Ongoing considerable support measures enacted by Euro-zone governments, in combination with fiscal support from the EU and monetary support from the European Central Bank (ECB), have continued counterbalancing the negative effects from the pandemic to the economy. Only in March, the ECB announced that it would like to accelerate the pace of its bond buying programme over the next three months in response to rising borrowing costs and a continued fragile economic recovery.

The accommodative ECB monetary policies and the fiscally driven social welfare measures, have continued supporting the **labour market**. The latest available January numbers from Eurostat point to a stabilisation, as the unemployment rate was unchanged at 8.3%.

However, given the massive negative impact of lockdowns, **retail sales** growth in value terms declined further on a yearly basis in January and February, falling by 4.8% y-o-y and 2.5% y-o-y, respectively.

Industrial production (IP) declined by 0.5% y-o-y in January, after a slight uptick of 0.3% y-o-y in December.

Graph 3 - 5: Euro-zone retail sales



Sources: Statistical Office of the European Communities and Haver Analytics.

Near-term expectations

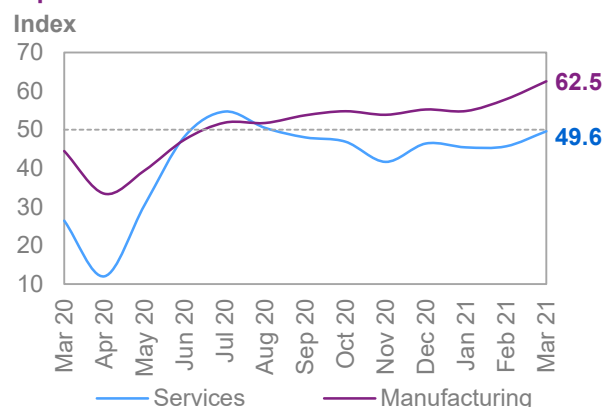
While lockdown measures in major Euro-zone economies have been extended into 2Q21, the vaccination program in the Euro-zone has gained pace and is forecast to continue to do so. By the summer, around more than 50% of the population are assumed to have been vaccinated. This in combination with those that unfortunately had already contracted COVID-19 will lead to sufficiently high immunity rates in the population,

which is likely to facilitate the reduction in lockdown measures over the course of 2Q21. Quarterly growth in 1Q21 will still be relatively low, though it is forecast to gain speed towards mid-year. In addition to the domestic progress, the Euro-zone is forecast to achieve in especially 2H21, the fiscal stimulus in the US will support exports from the Euro-zone to the US and hence will be an important element of the recovery going forward as well.

As 1Q21 is forecast to remain affected by lockdowns and other COVID-19-related social-distancing measures, GDP growth is forecast at -1.6% q-o-q SAAR. By 2Q21, growth is forecast to accelerate to 3.2% q-o-q SAAR and to around 10% SAAR on a quarterly average in 2H21. Growth is to be led by consumer spending, investment and a rise in exports. The expected normalisation of social activities will have a consequent positive effect on travel and transportation, leisure and the hospitality sector. Global trade is forecast to recover further. US stimulus will facilitate US-bound exports. The ongoing recovery in Asian economies — especially China, India and Japan — is anticipated to benefit growth in the Euro-zone as well.

The March **PMI** for the Euro-zone economy pointed to an ongoing improving situation in the manufacturing sector and also the services sector picked up considerably. The manufacturing PMI rose to 62.5 in March, compared with 57.9 in February and 54.8 in January. The PMI for services, the largest sector in the Euro-zone, rose to 49.6 in March, after 45.7 in February and 45.4 in January, however, still below the growth-indicating level of 50.

Graph 3 - 6: Euro-zone PMIs



Sources: IHS Markit and Haver Analytics.

Partial lockdown measures and voluntary social distancing are forecast to continue in 2Q21. However, the ongoing progress in the vaccination programme, in combination with fiscal and monetary stimulus among other factors, should all lift growth towards 2H21. By the end of 2Q21, growth should strongly have gained traction. While the prospect of successful containment of COVID-19 and further improvements in the global economy providing upside support, the 2021 **GDP growth** forecast remains at 4.3%, acknowledging the current challenges due to the COVID-19 pandemic. The GDP growth forecast for 2020 was confirmed at -6.8%.

Table 3 - 4: Euro-zone economic growth rate and revision, 2020–2021*, %

	Euro-zone
2020	-6.8
Change from previous month	0.0
2021	4.3
Change from previous month	0.0

Note: * 2020 = Estimate and 2021 = Forecast.

Source: OPEC.

OECD Asia Pacific

Japan

Update on latest developments

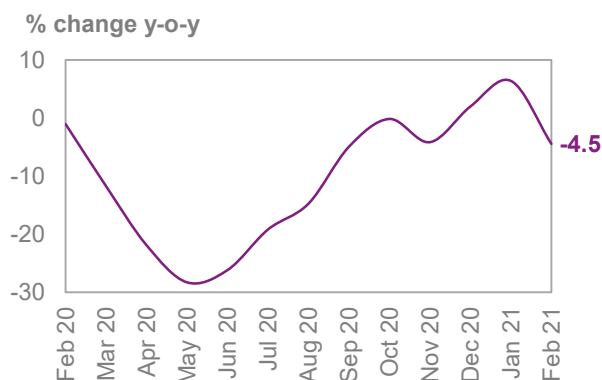
Impacted by the strong lockdown-measures during 1Q21, GDP growth is estimated to have declined by 2.5% q-o-q SAAR, as emergency measures for selective areas in Japan, including, importantly, Greater Tokyo, had been extended until 21 March. While the Japanese economy has been negatively impacted by the COVID-19 pandemic until that date, it started recovering in the past weeks up to mid-April. Mobility increased in the past weeks and this should also be a good base for an improving services sector. However, the situation remains challenging as new virus variants have led large prefectures to re-impose business restrictions, only three weeks after the emergency measures for the Tokyo area have been lifted. Consumer confidence and business sentiment have improved, confirming an improving pace, but the uptick needs to be thoroughly monitored. In the meantime, the Bank of Japan (BoJ) softened its monetary policy stance as it revealed its latest policy review, which implicitly concluded that it may not focus as much anymore on lifting inflation to the 2% target.

In a move to further mitigate negative implications of the aggressive monetary easing of past years, the central bank launched a scheme to subsidise bank profits to compensate the effects from negative interest rates.

Growth in industrial production (IP) remains negative. The IP fell by 2.6% y-o-y in February and by 4.3% y-o-y in January. This was very likely impacted by the lockdown measures at the beginning of the year. In addition, growth in manufacturing orders retracted as well, falling by 0.8% y-o-y in January, which however came after a strong pick-up in December, when orders rose by 18.6% y-o-y.

Growth in **exports** was impacted by the global slowdown at the beginning of the year, declining by 4.5% y-o-y in February on a non-seasonally adjusted base, following growth of 6.4% y-o-y in January and 2% y-o-y in December. Retail sales picked up, despite the impact of lockdown measures, expanding by 3.7% y-o-y in February, after a growth rate of 2.7% y-o-y in January. Positively, consumer sentiment recovered further, as reported by the Cabinet Office. It stood at 36.2 in March, after 33.9 in February and 30.1 in January.

Graph 3 - 7: Japan's exports



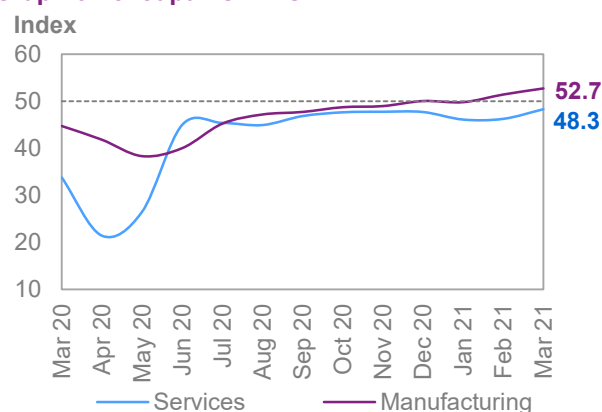
Sources: Ministry of Finance, Japan Tariff Association and Haver Analytics.

Near-term expectations

The situation remains uncertain in Japan. After COVID-19 emergency measures have been extended to 21 March, the strong enforcement of the rules under the emergency statute have led to an ongoing depressed level of mobility, keeping domestic economic activity at rather low levels. However, the situation has improved. New business restrictions had to be implemented in especially some important prefectures, including Osaka and Tokyo. It remains to be seen, what the mobility trend in the coming weeks will look like. In line with improving mobility, consumer confidence and business sentiment had improved, but the progress will now need to be carefully monitored. It is estimated that 1Q21 GDP declined by 2.5% q-o-q SAAR due to the negative impact from the services sector. As it assumed that the virus will be widely contained in Japan towards the end of 2Q21 a strong rebound is expected by then. Growth in 2Q21 is forecast to rise by 3.2% q-o-q SAAR and by 3.6% q-o-q SAAR in 3Q21, before slowing somewhat to reach 3% in 4Q21.

March's **PMIs** have highlighted the continuation of the two-speed recovery, with the manufacturing sector doing relatively much better than the service sector. The manufacturing PMI rose to 52.7 in March, compared to 51.4 in February and only 49.8 in January, when it even stood below the growth indicating level of 50. The PMI for the services sector, which constitutes around two-thirds of the Japanese economy, rose to 48.3, after 46.3 in February, still clearly below the growth indicating level of 50.

Graph 3 - 8: Japan's PMIs



Sources: IHS Markit, Nikkei and Haver Analytics.

GDP growth is expected to remain supported by stimulus measures, leading to a recovery in private household consumption and investment. As a result, 2021 GDP growth is forecast to recover to 3.1%, unchanged from last month's report. This assumes that COVID-19 will be largely contained in Japan and that there will be a global improvement towards, and especially after, 2Q21. 2020 **GDP growth** stood at -4.9%, based on official government data, with some acceleration towards 4Q20 on an annual base.

Table 3 - 5: Japan's economic growth rate and revision, 2020–2021*, %

	Japan
2020	-4.9
Change from previous month	0.0
2021	3.1
Change from previous month	0.0

Note: * 2020 = Estimate and 2021 = Forecast.

Source: OPEC.

Non-OECD

China

Update on the latest developments

China's activity indicators recorded notable improvements on a y-o-y basis in the first two months of 2021. It should be noted, however, that these growth signals compare to the very low base of the first two months of 2020 at the outset of the COVID-19 outbreak. Fixed asset investment and household consumption fell, driven by a short-lived wave of COVID-19 and the resulting caution, and a reduction in travel during the Chinese New Year holiday. Traditionally, economic activity in January and February is influenced by the Lunar New Year public holiday. COVID-19 added a negative layer as officials urged China's population this year to give up their traditional hometown journeys in order to prevent localised resurgences of the virus from spreading nationwide. Consequently, many services that would have benefited – such as travel, tourism and leisure – faced lower growth compared to pre-pandemic levels. Travel and logistics are expected to soften in the near future and some testing and quarantine requirements may remain. Moreover, household consumption is still expected to be a key driver of growth from 2Q21 onwards as consumer confidence and employment conditions improve despite delays in the production and logistics of the vaccination process. National Health Commission officials announced on 31 March that 120 million doses of COVID-19 vaccines had been administered in China.

The Chinese government set forth a growth target of “above 6%” in 2021. The target is consistent with the shift to lower but high-quality growth during the 14th Five-Year Plan. Household income and business support might be scaled back in an effort to make up for the fiscal losses in 2020. The government could continue its effort to keep macro leverage generally stable and expand credit in line with nominal GDP growth.

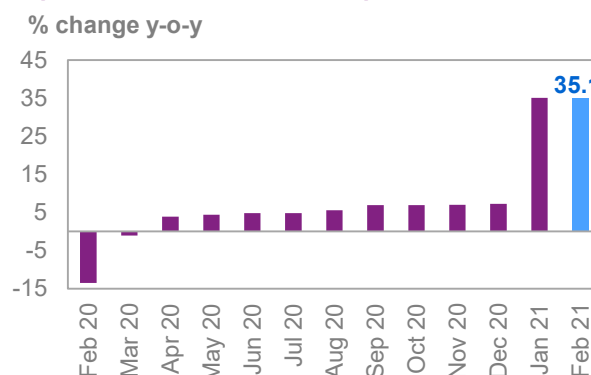
China's **industrial production** increased by a sharp 35.1% y-o-y in January-February 2021, following a 7.3% upturn in December. Consumer confidence increased to 122.80 points in January from 122.10 points in December 2020. Also, China's retail trade rose by 33.8% y-o-y in January-February 2021, following a 4.6% increase in December 2020 as consumption rebounded from last year's massive slump. In another positive development, foreign direct investment (FDI) in China increased 34.2% to \$26.07 billion in January-February 2021, with the EU accounting for 31.5% and ASEAN countries 28.1%.

China's **consumer price index (CPI)** declined 0.2% y-o-y in February 2021, following a 0.3% fall in January 2021. Food prices dropped 0.2%, the first drop in three months, with prices of pork declining sharply.

Near-term expectations

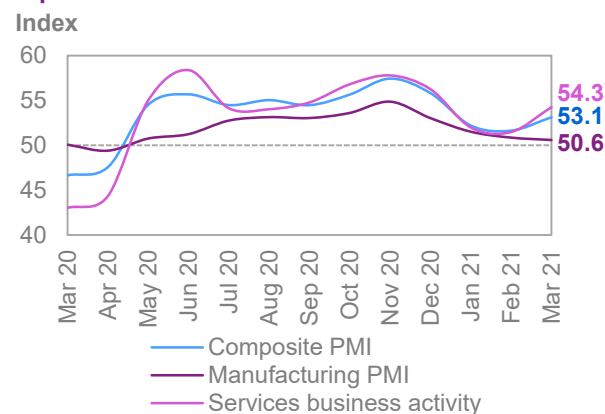
In 1Q21, China recovery might have been affected by the local New Year holiday travel restrictions and the ongoing lockdowns in Europe and North America, as reflected through the recent PMI indices. However, as the latest trade figures showed exports at record highs since December 2020 and the slow pace of growth in manufacturing activity might ease in 2Q21. China's exports surged 60.6% y-o-y in January-February 2021 combined, amid soaring global demand and improving manufacturing activity in the US and the EU as COVID-19 vaccinations accelerated.

Graph 3 - 9: China's industrial production



Sources: China National Bureau of Statistics and Haver Analytics.

Graph 3 - 10: China's PMI



Sources: Caixin, IHS Markit and Haver Analytics.

In the meantime, the Caixin China General Manufacturing PMI declined marginally to 50.6 in March 2021, from 50.9 in February, as both output and new orders grew at slower rates. In contrast to manufacturing, the services PMI rose to a three-month high of 54.3 in March 2021 from 51.5 in February as domestic demand continued to improve, with new orders expanding the most since December 2020. Overall, according to the IHS Markit survey, business sentiment in last month was among the highest seen over the past seven years. As the first country to go under a lockdown last year and then become the only major economy to achieve positive growth in 2020, China's economy is expected to post faster pace of growth this year, driven by strong external demand as well as the rebound of local demand. However, as many exports are related to COVID-19, the export boom might gradually dissipate. In addition, prolonged trade disputes with the US also mean that tariffs and technology restrictions could remain in place at least in the short term.

Despite uncertainties and the downside risks related to COVID-19, the short-term outlook is tilted to the upside considering the continuous improvement in external demand. The **GDP growth** forecast is, therefore, revised up to 8.4%, from 8.0% last month.

Table 3 - 6: China's economic growth rate and revision, 2020–2021*, %

	China
2020	2.3
Change from previous month	0.0
2021	8.4
Change from previous month	0.4

Note: * 2020 = Estimate and 2021 = Forecast.

Source: OPEC.

Other Asia

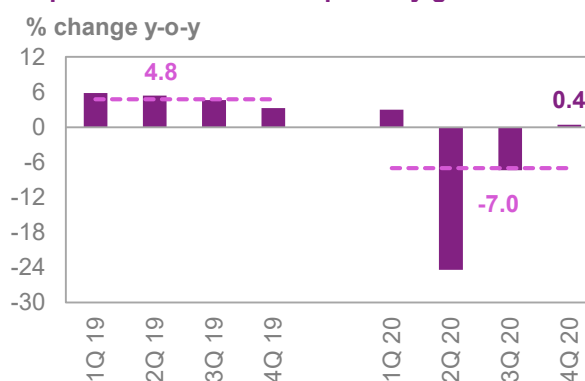
India

Update on the latest developments

Following the contraction of almost 7.0% y-o-y in 2020, **India's economy** is expected to rebound in 2021. The positive growth in 4Q20 has brightened the short-term economic outlook. However, the latest COVID-19 wave could threaten India's economic recovery, especially on the consumption end, which could be affected by the re-introduction of tight social distancing measures and other COVID-19-related developments. The state Maharashtra, home to the financial hub Mumbai, recently ordered work from home and closed shopping malls. The most recent Reserve Bank of India (RBI) consumer confidence survey dropped to 53.1 in March from 55.5 in January amid deteriorating sentiment about the general global economic situation. On the investment side, capital goods production, a proxy for investment growth, declined 9.6% y-o-y in January 2021, implying that the anticipated investment growth might yet manifest itself. Nevertheless, examining recent official vehicle sales figures as a segment of private spending, passenger vehicle sales grew by 17.9% y-o-y in February, from 11.1% y-o-y in January. Car sales rose 4.4%, while utility vehicle sales surged 45.3%. Tractor sales growth, a segment for rural private consumption, increased 31%.

Retail price inflation surged to 5.03% y-o-y in February 2021 from 4.06% y-o-y in January, recording the highest rate in three months. Food inflation jumped to 3.9% y-o-y in February from 1.89% y-o-y in January. According to the RBI, the median inflation expectations for one-year forward might also record an elevated level. India is one of the few emerging Asian economies with an inflation rate above the midpoint of its central bank target because of rising food prices. Consequently, the RBI maintained the benchmark repurchase rate at 4% during its April meeting, the reverse repo rate at which RBI borrows from banks at 3.35% and the marginal standing facility (MSF) rate and the bank rate at 4.25%.

Graph 3 - 11: India's GDP quarterly growth



Sources: National Informatics Centre (NIC) and Haver Analytics.

As an additional monetary policy move to reduce the volatility in bond market, the RBI recently announced the new **Government Securities Acquisition Programme** to purchase 1 trillion rupees (\$14 billion) in government securities in the secondary market during 2Q21. The move might help the Central Bank management of the government borrowing programme. The anticipated increase in liquidity as a result of the securities buying has been an important factor behind the recent decline in the rupee.

On the fiscal policy front, the union budget unveiled in February is expected to provide more support for economic growth as it proposes a considerable boost in public spending in 1Q21. According to official statements, India's fiscal deficit is expected to remain around 6.8% of GDP in fiscal year (FY) 2021-2022, while it stands at 9.5% of GDP in the period 2Q21-1Q22.

India's **industrial production** shrank 3.6% y-o-y in February 2021, following a drop of 1.6% y-o-y in January 2021. This was the biggest contraction in the industrial output since August 2020, which reflects the fragility of the recovery given the rise in COVID-19 infections in major Indian states. During the April-January period of the 2021 fiscal year, India's factory output contracted 12.2%, compared with 0.5% expansion over the same period in the previous fiscal year.

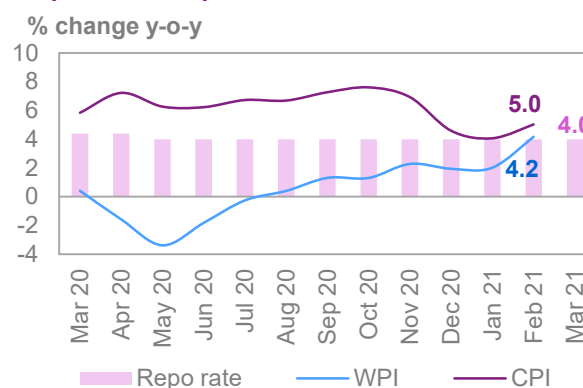
On external demand, India's **trade deficit** widened to \$14.11 billion in March 2021 from \$9.76 billion in March 2020.

Exports soared to \$34 billion in March, as non-petroleum sales increased by 62.3%, while **imports** surged 52.9% to \$48.12 billion.

Near-term expectations

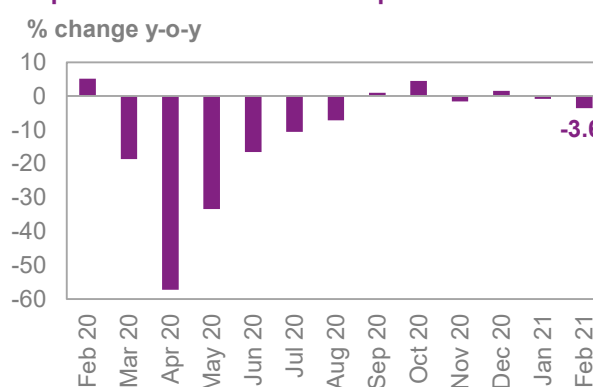
India's economy is widely expected to experience strong growth in 2021. However, the COVID-19 resurgence and the increasing food, fuel and commodity prices could pose risks to the recovery. In the meantime, the business expectations index (BEI) in India rose to 114.1 in the fourth quarter of the 2020-21 fiscal year from 111.4 in the previous period.

Graph 3 - 12: Repo rate and inflation in India



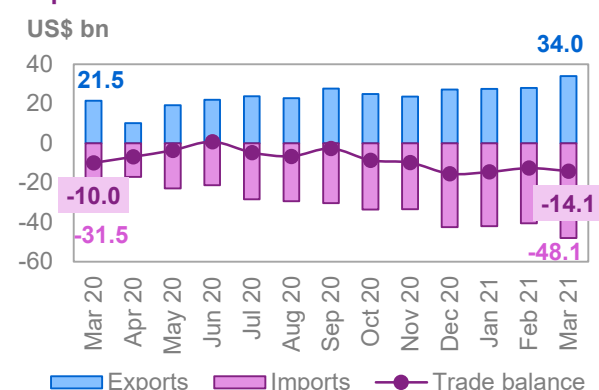
Sources: Ministry of Commerce and Industry, Reserve Bank of India and Haver Analytics.

Graph 3 - 13: India's industrial production



Sources: Ministry of Statistics and Program Implementation of India and Haver Analytics.

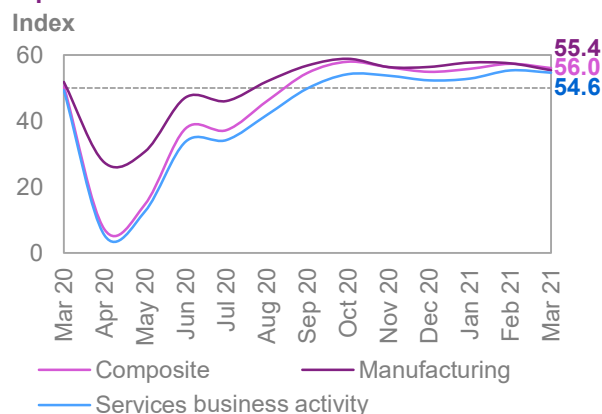
Graph 3 - 14: India's trade balance



Sources: Ministry of Commerce and Industry and Haver Analytics.

In contrast, the **Composite PMI** declined to 56.0 points in March 2021, from 57.30 points in February, signalling a slower growth rate in the manufacturing and service sectors. The **Manufacturing PMI** decreased to 55.4 in March 2021, from 57.5 in February. According to IHS Markit survey, the recent reading signalled a substantial y-o-y improvement in the health of the sector, even though it was at its lowest since August 2020. The **Services PMI** dropped to 54.6 in March 2021 from 55.3 in February 2021. Although the rate of expansion has slowed, this reading reflected the sixth straight month of expansion in the services sector, due to growth in both service output and new orders.

Graph 3 - 15: India's PMIs



Sources: Nikkei, IHS Markit and Haver Analytics.

The economic recovery in India is highly dependent on the success of the vaccination efforts and containment measures. The vaccination rate needs to increase considerably to meet the government goal of reaching 300 million Indians by the end of 1H21.

India's economy is forecast to grow by 9.8%y-o-y in 2021, an upward revision from 9.0% in the previous month, following signs of a broader recovery in 4Q20 and the first two months of 2021 – in particular the gradual expansion of services sector activity which accounts for more than 50% of India's GDP, adding to that the expansion in external demand. Nevertheless, the uncertainty associated with this forecast remains high as several downside risk factors exist, such as the stressed financial market and rising financial vulnerabilities; limited monetary easing space amid rising inflationary pressures; and concerns about another COVID-19 wave on both global and local levels.

Table 3 - 7: India's economic growth rate and revision, 2020–2021*, %

	India
2020	-7.0
Change from previous month	0.0
2021	9.8
Change from previous month	0.8

Note: * 2020 = Estimate and 2021 = Forecast.

Source: OPEC.

Latin America

Brazil

Update on latest developments

Brazil's recent macroeconomic indicators suggest that the economy continues to recover, though at a slow pace amid the deterioration in public health conditions due to recent rise of COVID-19 infections. The economy may contract in 1Q21 given tighter mobility restrictions. Retail sales recorded the first contraction in eight months and fell by 0.3% in January 2021, after an upwardly revised 1.3% expansion in December 2020. However, as individual savings rose to 12% of GDP since the beginning of the pandemic, household spending would be key to the short-term economic outlook.

Pressures on the labour market continue to ease. The unemployment rate (three-month moving average) declined to 14.2% in three months to January 2021 from 14.3% in the August-October period of 2020. This was, however, the highest jobless rate on a quarterly basis for a quarter up to January. On another positive note, the labour force participation rate rose by 0.7 pp to 56.8%.

On the fiscal policy front, the government approved a new round of support known as the "corona voucher", which should contribute to the economic recovery.

On the monetary policy front, the Central Bank of Brazil (BCB) increased the benchmark interest rate by 75 basis points from an all-time low of 2%. The move followed the continuing increasing commodities prices, measured in local currency which lead to higher inflation, mainly through fuel prices amid a weaker currency. The annual **consumer price inflation** rate surged to 6.9% in March 2021, the highest rate since December 2016, and above the upper limit of the BCB target of 5.25%.

On a monthly basis, **consumer prices** rose 0.93%, the highest for the month of March since 2015. At the beginning of April, the **Brazilian real depreciated** more than 1% to 5.64 per \$1, amid risk appetite driven by a stronger dollar and rising Treasury yields.

Brazil's **trade surplus** shrank to \$1.48 billion in March 2021, from \$3.83 billion in March 2020. Exports rose by 27.8% y-o-y to \$24.50 billion. Meantime, imports increased by 51.7% to \$23.02 billion, as the purchases of manufactured products rose. Among the main trading partners, imports increased from China by 54.4%, the EU by 11.7% and the US by 21.9%. In 1Q21, the trade surplus dropped to \$1.6 billion from \$4.5 billion in 1Q20.

Near-term expectations

Considering the recent deterioration in public health conditions, there is extremely high uncertainty surrounding Brazil's economic short term outlook with the real GDP likely to contract in 1Q21. Reflecting the spike in COVID-19 cases and the reintroduction of new restrictions caused a sharper decline in business activity, which fell at the fastest pace since mid-2020. Consequently, the Brazil **Composite PMI** dropped sharply to 45.1 in March 2021 from 49.6 in February 2021, recording the third straight contraction in private sector activity. **Manufacturing PMI** eased to 52.8 in March of 2021 from 58.4 in February, pointing to a weaker expansion in the manufacturing sector. The **Services PMI** dropped as well, to 44.1 in March 2021 from 47.1 in February 2021.

Brazil's 2021 **GDP forecast** is unchanged at 3.0%. Risks to this forecast are tilted to the downside, considering the concerns over the pandemic crisis and the slow pace of vaccinations, alongside the overall political tensions which continue to weigh on the economic recovery.

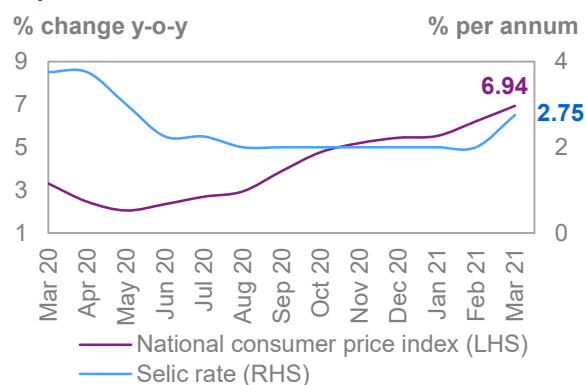
Africa

South Africa

Update on the latest developments

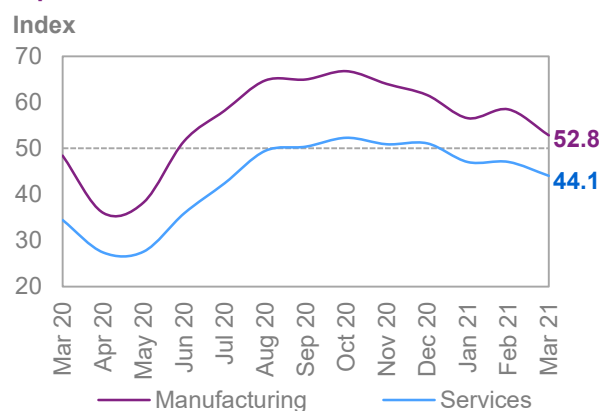
South Africa's economy contracted by 4.1% y-o-y in 4Q20, following an upwardly revised 16.2% slump in 3Q20. The FNB/BER consumer confidence index (CCI) increased by 3 points to -9 in 1Q21, the same reading as in 1Q20, which implies that the index returned to pre-pandemic levels. Moreover, according to the latest Quarterly Bulletin of the South African Reserve Bank, the current account recorded a rare surplus in 2020 of

Graph 3 - 16: Brazil's inflation vs. interest rate



Sources: Banco Central do Brasil, Instituto Brasileiro de Geografia e Estatística and Haver Analytics.

Graph 3 - 17: Brazil's PMIs



Sources: IHS Markit and Haver Analytics.

Table 3 - 8: Brazil's economic growth rate and revision, 2020–2021*, %

	Brazil
2020	-4.1
Change from previous month	0.0
2021	3.0
Change from previous month	0.0

Note: * 2020 = Estimate and 2021 = Forecast.

Source: OPEC.

2.2% of GDP. This was the first surplus since 2002, driven mainly by the surge in the merchandise trade surplus and a marginal invisible trade deficit decline. In 2020, exports rose by 7% to R1.4 trillion, but in US dollar terms, exports fell by 5.2% y-o-y due to the rand depreciation. Imports slumped in both currencies in 2020, by 12.1% to R1.1 trillion and by 22.2% to \$68 billion thanks to cheap oil and weak demand. The trade surplus therefore surged to R285 billion in 2020 from R39.3 billion in 2019.

On the policy front, the South African Reserve Bank kept its **benchmark repo rate** unchanged at 3.5% at its March 2021 meeting. The central bank raised its 2021 growth forecasts to 3.8% from an earlier 3.6%, but maintained its projections of 2.4% and 2.5% for 2022 and 2023, respectively. Meanwhile, a tax relief plan for consumers and a tax reduction for corporations were announced recently and could lead to increased economic activity in the medium term. Moreover, following the commitments made to the International Monetary Fund (IMF) in return for rapid financing, the government's post pandemic plan would prioritise investment, job creation and power supply.

In the **labour market**, South Africa's unemployment rate rose to 32.5% in 4Q20 from 30.8% in 3Q20, the highest jobless rate since quarterly data became available in 2008. Meantime, the annual inflation rate eased to 2.9% y-o-y in February 2021 from 3.2% y-o-y in January, below the South African Reserve Bank's target range of 3.6% due to the decline in prices of food and non-alcoholic beverages.

Near-term expectations

Following the deep contraction in real GDP in 2020, South Africa's economy is expected to slowly recover investor confidence and activity across key sectors. Needless to say, the recovery depends very much on COVID-19 vaccinations, which is well behind the government's target of reaching herd immunity by the end of 2021. For now, South Africa's Absa Manufacturing **PMI** rose to 57.4 in March of 2021 from 53 in February. Manufacturing activity grew at the fastest pace since last October, according to an IHS Markit survey, as all five sub-indexes of the survey improved. In contrast, the RMB/BER business confidence index in South Africa fell to 35 in 1Q21 from 40 in 4Q20 due to weaker-than-expected Black Friday and holiday sales. Additionally, manufacturers were probably less optimistic about business conditions amid concerns over the slow pace of the vaccination rollout.

Overall, the near-term outlook for economic activity is less positive, and fiscal and debt risks might remain elevated, though they trend downwards as growth recovers. The 2021 **GDP forecast** is revised down to 3.1% from 3.3% the previous month.

Table 3 - 9: South Africa's economic growth rate and revision, 2020–2021*, %

	South Africa
2020	-7.0
Change from previous month	0.7
2021	3.1
Change from previous month	-0.2

Note: * 2020 = Estimate and 2021 = Forecast.

Source: OPEC.

Russia and Central Asia

Russia

Update on the latest developments

Russia's real GDP contracted by 1.8% y-o-y in 4Q20, following the revised 3.5% y-o-y contraction in 3Q20 and a 7.8% y-o-y slump in 2Q20. The less severe contraction, in comparison to most published forecasts, is attributed to the relatively small share of sectors directly affected by the COVID-19 restrictions, a relatively higher contribution from the public sector and the government's COVID-19 policy support. The GDP decline was mainly pronounced in the hospitality sector which contracted 20.7% y-o-y. Mining and quarrying shrank 10.4% while utility output fell 3.0% y-o-y. Manufacturing production expanded 2.0%. Considering 2020 as a whole, the economy contracted 3.0% y-o-y compared with 2.0% y-o-y growth in 2019.

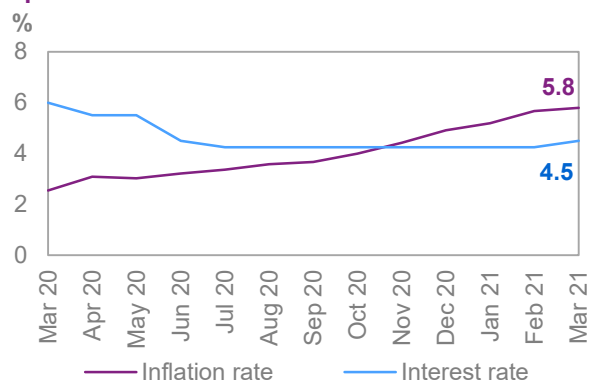
Following the considerable recovery in consumer spending in January, February's retail sales dropped by 1.3% y-o-y in February, compared to a 0.1% decline in January. This was the eleventh month of contraction in retail activity amid the pandemic crisis.

Labour market pressure eased despite the spike in COVID-19 infections. Russia's unemployment rate dropped to 5.7% in February 2021, down from 5.8% in the previous month. This was the lowest since April 2020 but remained well above pre-pandemic levels.

The **inflation rate** in Russia surged to 5.8% in March 2021 from 5.7% in February, and well above the central bank's 4% target. On a monthly basis, consumer prices increased 0.7%, following a 0.8% gain in February.

In response, during its March 2021 meeting the Bank of Russia shifted to policy tightening by increasing the **benchmark interest rate** by 25 bp to 4.50%, as inflation expectations remained elevated and the balance of risks had shifted towards pro-inflationary levels. In 2020, the budget deficit was 3.8% of GDP, which is less severe than anticipated, driven by improved oil prices and revenue collection as well as lower spending.

Graph 3 - 18: Russia's inflation vs. interest rate



Sources: Federal State Statistics Service, Central Bank of Russia and Haver Analytics.

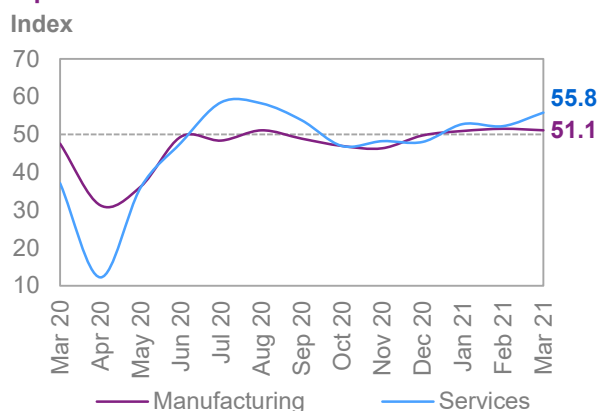
Industrial production shrank by 3.7% y-o-y in February 2021, following a downwardly revised 1.9% drop in the January and the biggest decline in industrial activity since October. On a monthly basis, industrial production declined 1.4%, extending a 20.6 % slump in January.

Near-term expectations

The progress on COVID-19 vaccinations could still be the main factor impacting the short-term economic outlook.

The improvement in oil prices has far been more supportive to the ongoing recovery. Business sentiment remained positive, as the Russia **composite PMI** increased to 54.6 in March 2021 from 52.6 in February 2021 registering the steepest rise in private sector business activity since August 2020. The **services PMI** increased to 55.8 in March 2021 from 52.2 in February, marking the third straight month of expansion in the sector. However, the **manufacturing PMI** decreased to 51.1 in March 2021 from 51.5 in the previous month. This marked the third straight month of expansion in the manufacturing sector.

Graph 3 - 19: Russia's PMIs



Sources: IHS Markit and Haver Analytics.

Considering the mix of macroeconomic indicators, Russia's **GDP growth** forecast for 2021 kept unchanged at 3.0%.

Table 3 - 10: Russia's economic growth rate and revision, 2020–2021*, %

	Russia
2020	-3.1
Change from previous month	0.0
2021	3.0
Change from previous month	0.0

Note: * 2020 = Estimate and 2021 = Forecast.

Source: OPEC.

OPEC Member Countries

Saudi Arabia

Saudi Arabia's 4Q20 GDP data showed a contraction of 3.8% y-o-y, following a 4.6% fall in 3Q20. This was the sixth straight quarter of contraction in the economy, however the smallest decline in three quarters, due to the easing of lockdown measures. The oil sector contracted by 8.5% y-o-y, amid demand concerns due to the COVID-19 pandemic. Non-oil sector contracted by 0.8%, with transport, storage and communication recording the biggest drop of 5.8% y-o-y. On a seasonally adjusted quarterly basis, the GDP expanded 2.5%, following upwardly revised 2.0% expansion in 3Q20. For 2020 the economy is estimated to have contracted by 4.1% y-o-y.

Looking ahead, the PMI shows steady growth in non-oil private sectors, although falling to 53.3 in March 2021 from 53.9 a month earlier. The reading reflects the impact of the new wave of COVID-19 infections. Real GDP is forecast to grow steadily from 2021 onward, also driven by government efforts to achieve greater economic diversification and increased foreign investment supported by the new draft of corporate law and an increased focus on privatisations.

Nigeria

Nigeria's inflation surged to 17.3% in February 2021 from 16.5% in January 2021, the highest reading since February of 2017, as the COVID-19 crisis led to a weaker naira, raising food and transportation costs. Food inflation topped 21.8%, the highest since October of 2005 and transportation surged 14.1%. In response, the government plans to cut import duty on tractors and mass transit vehicles to lower transportation costs and reduce food prices. For the time being, the second wave of COVID-19 infections has been reduced from late-January levels, and optimism has arisen following the arrival of a first batch of vaccines in early March. This has been reflected in the total economy Nigeria Composite PMI, which rose from 51.2 in February 2021 to 52.9 in March 2021.

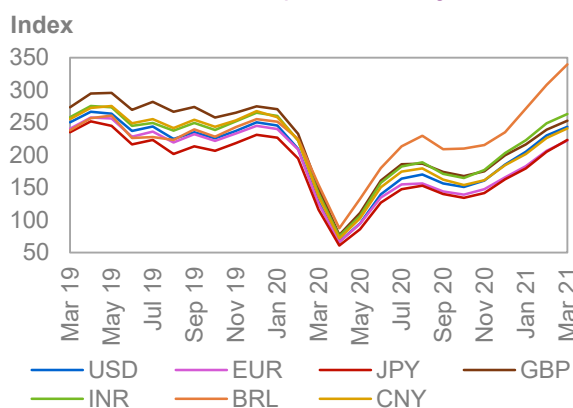
The United Arab Emirates (UAE)

COVID-19 infections cases in the **UAE** have begun to drop, responding to the tighter lockdowns and rapid roll-out of vaccines. Overall business sentiment is expected to continue improving, especially in Dubai, driven by the tourism sector, and increased traveller arrivals. According to official reports, the non-oil private sector has seen a stronger-than-anticipated performance in 2020. The postponement of the Expo 2020 ended hopes of a rebound in 2H20, but is expected to contribute to growth in 2H21. The IHS Markit United Arab Emirates PMI recorded its strongest reading since July 2019, surging to 52.6 in March 2021 from 50.6 in February. The recent reading reflects a solid improvement in business conditions, as the COVID-19 vaccine roll-out reportedly boosted economic confidence.

The impact of the US dollar (USD) and inflation on oil prices

The **US dollar (USD)** rose for the second consecutive month in March against other major currencies, supported by relatively stronger US growth expectations compared to other major developed economies. The dollar rose by 1.7% against the euro m-o-m as the euro weakened following the European Central Bank (ECB) decision to accelerate the pace of bond buying. The dollar rose by 3.6% against the Swiss franc and by 3.1% against the yen, supported by receding risk aversion. Against the pound sterling, the dollar was stable on average during the month.

Graph 3 - 20: ORB crude oil price index compared with different currencies (base January 2016 = 100)



Sources: IMF and OPEC.

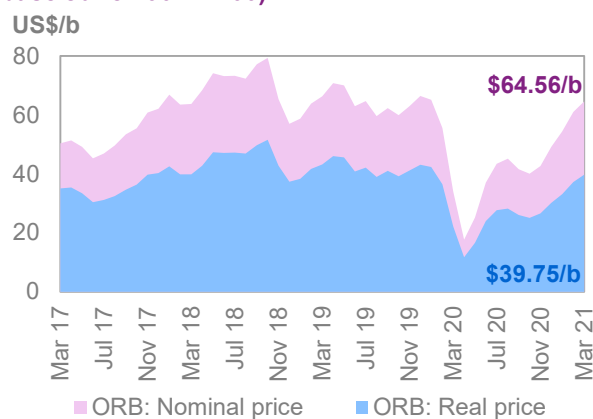
The dollar generally strengthened against emerging market currencies. It advanced by 0.7% against the Chinese yuan. Against the Brazilian real it rose by 4.2% amid concerns about the economic outlook as the COVID-19 situation deteriorated. Against the Mexican peso, the dollar rose by 2.1% during the month. But the dollar was relatively stable against the Indian rupee and the Russian ruble.

In **nominal terms**, the price of the ORB increased by \$3.51, or 5.7% from \$61.00/b in February to reach \$64.56/b in March.

In **real terms**, after accounting for inflation and currency fluctuations, the ORB increased to \$39.75/b in March from a revised \$37.19/b (base June 2001=100) the previous month.

Over the same period, the **USD** advanced by 1.2% against the import-weighted modified Geneva I + USD basket, while inflation rose by 0.1% m-o-m.

Graph 3 - 21: Impact of inflation and currency fluctuations on the spot ORB price (base June 2001 = 100)



Source: OPEC.

World Oil Demand

The contraction in global oil demand in 2020 is revised lower by about 0.1 mb/d to now show a decline of about 9.5 mb/d. Total global oil demand is now estimated to have averaged 90.5 mb/d.

In the OECD, the contraction in demand is revised marginally lower with most of the improvement occurring in the 4Q20. Oil demand is estimated to have declined by 5.6 mb/d in 2020. Lower than expected declines in OECD Americas and Europe, supported by healthier demand from the petrochemical sector were the factors behind the revisions.

In the non-OECD, contraction is revised lower by 0.1 mb/d compared with last month, to now show a decline of around 3.9 mb/d in 2020. The latest available data for China indicates better demand than originally estimated.

In 2021, oil demand growth is revised higher by 0.1 mb/d compared with the previous month's estimates. Global demand is now anticipated to increase by about 6.0 mb/d, reaching the level of 96.5 mb/d. The upward revision mainly takes into account a stronger economic rebound than assumed last month, impacting primarily OECD oil demand in the 2H21, supported by stimulus programmes and a further relaxation in COVID-19 measures, amid an accelerated vaccination rollout. Oil demand is adjusted lower in 1H21 mainly to take into account recent developments related to COVID-19 measures in OECD Europe and sluggish 1Q21 oil demand data from the non-OECD region.

Gasoline is anticipated to record the highest gains y-o-y, as economic activity recovers globally and unemployment rates improved in the US. Diesel is anticipated to have the second largest growth y-o-y, amid an improved economic outlook for 2021. Furthermore, light distillates will be largely supported by strong petrochemical demand in countries such as China, the US and India. The reduction in international and domestic flight traffic due to uncertainty around COVID-19 pandemic developments will continue to cap jet fuel growth in 2021. In terms of the regions, OECD Americas is anticipated to be the main contributor to oil demand growth as transportation fuel demand recovers. In the non-OECD region, transportation and industrial fuels are anticipated to be the drivers for demand growth, along with petrochemical feedstock, with growth concentrated in China and India.

Risks will remain high during 2021, subject to COVID-19 developments, and the pace of reaching herd immunity targets. Developments in labour markets, the structural impact of the pandemic on demand, new energy policies and the effectiveness of the large scale monetary and fiscal stimulus measures are factors that will further impact oil demand in the short term.

World oil demand in 2020 and 2021

Table 4 - 1: World oil demand in 2020*, mb/d

	2019	1Q20	2Q20	3Q20	4Q20	2020	Change 2020/19	
							Growth	%
World oil demand								
Americas	25.65	24.35	20.01	22.72	23.15	22.56	-3.09	-12.06
<i>of which US</i>	20.86	19.67	16.38	18.67	19.04	18.44	-2.42	-11.60
Europe	14.25	13.34	11.03	12.85	12.56	12.45	-1.80	-12.64
Asia Pacific	7.79	7.75	6.54	6.69	7.34	7.08	-0.71	-9.11
Total OECD	47.69	45.44	37.58	42.27	43.05	42.09	-5.61	-11.75
China	13.48	11.34	13.25	13.87	14.28	13.19	-0.29	-2.18
India	4.91	4.84	3.58	4.01	5.15	4.40	-0.52	-10.54
Other Asia	9.04	8.30	7.79	8.11	8.33	8.13	-0.91	-10.06
Latin America	6.59	6.11	5.61	6.20	6.12	6.01	-0.58	-8.83
Middle East	8.20	7.88	6.91	7.94	7.65	7.60	-0.60	-7.37
Africa	4.45	4.37	3.77	3.95	4.28	4.09	-0.35	-7.94
Russia	3.61	3.44	3.04	3.20	3.43	3.28	-0.33	-9.20
Other Eurasia	1.24	1.07	0.99	1.01	1.23	1.07	-0.16	-13.04
Other Europe	0.76	0.71	0.55	0.64	0.69	0.65	-0.12	-15.33
Total Non-OECD	52.29	48.05	45.49	48.94	51.16	48.42	-3.87	-7.40
Total World	99.98	93.49	83.07	91.21	94.21	90.51	-9.48	-9.48
Previous Estimate	99.98	93.10	83.07	91.20	94.13	90.39	-9.60	-9.60
Revision	0.00	0.40	0.00	0.00	0.08	0.12	0.12	0.12

Note: * 2020 = Estimate. Totals may not add up due to independent rounding. Source: OPEC.

Table 4 - 2: World oil demand in 2021*, mb/d

	2020	1Q21	2Q21	3Q21	4Q21	2021	Change 2021/20	
							Growth	%
World oil demand								
Americas	22.56	23.84	24.45	24.54	24.58	24.36	1.80	7.98
<i>of which US</i>	18.44	19.38	19.86	20.09	20.28	19.91	1.47	7.95
Europe	12.45	12.12	12.71	13.59	13.74	13.05	0.60	4.81
Asia Pacific	7.08	7.39	7.18	7.17	7.55	7.32	0.24	3.45
Total OECD	42.09	43.34	44.34	45.30	45.87	44.73	2.64	6.28
China	13.19	12.95	14.27	14.93	15.05	14.30	1.11	8.43
India	4.40	4.94	4.56	4.83	5.61	4.99	0.59	13.48
Other Asia	8.13	8.33	8.96	8.57	8.47	8.58	0.45	5.54
Latin America	6.01	6.15	6.19	6.46	6.40	6.30	0.29	4.79
Middle East	7.60	7.87	7.62	8.30	7.97	7.94	0.35	4.57
Africa	4.09	4.41	3.97	4.18	4.49	4.26	0.17	4.10
Russia	3.28	3.57	3.37	3.37	3.58	3.47	0.19	5.93
Other Eurasia	1.07	1.18	1.19	1.14	1.28	1.20	0.12	11.31
Other Europe	0.65	0.69	0.62	0.68	0.74	0.68	0.04	5.44
Total Non-OECD	48.42	50.09	50.75	52.45	53.58	51.73	3.31	6.83
Total World	90.51	93.43	95.09	97.75	99.45	96.46	5.95	6.58
Previous Estimate	90.39	93.04	95.61	97.43	98.91	96.27	5.89	6.51
Revision	0.12	0.40	-0.52	0.32	0.54	0.19	0.07	0.06

Note: * 2020 = Estimate and 2021 = Forecast. Totals may not add up due to independent rounding. Source: OPEC.

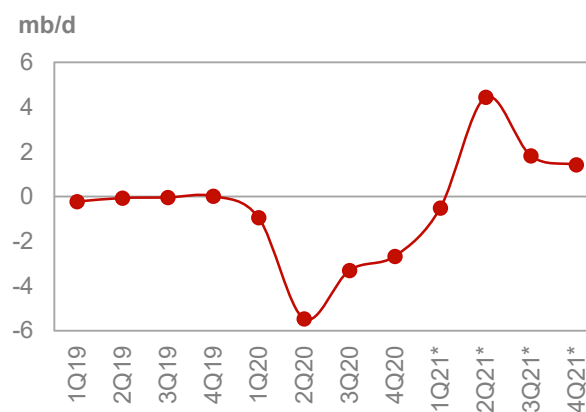
OECD

OECD Americas

Update on the latest developments

In **OECD Americas**, most available data imply a decline in requirements of 1.9 mb/d, y-o-y, in **January**, on top of a 2.6 mb/d, y-o-y, drop in December. The patterns observed in oil demand in recent months continued into the first month of this year. Light distillates and diesel remained in a positive trajectory y-o-y in January, primarily in the US and Canada, while demand for all other products declined, particularly for gasoline and jet/kerosene in line with mobility limitations amid the COVID-19 pandemic. Requirements for both fuels declined by 2.2 mb/d, y-o-y, in January, remaining close to the losses recorded in December. Demand in the US seems to have improved slightly, declining by 1.3 mb/d y-o-y. These improvements were mainly due to rising demand for light distillates, in line with the y-o-y increase in manufacturing activities during the same month.

Graph 4 - 1: OECD Americas oil demand, y-o-y change



Note: * 1Q21-4Q21 = Forecast. Source: OPEC.

The industrial production index, as reported by the Federal Reserve Board, posted 107.0 in January, higher than the 104.2 recorded in December and substantially higher during the historical low of 93 index points during 2Q20.

In **Mexico**, oil demand in January was down by more than 0.3 mb/d y-o-y, with gasoline, jet/kerosene and diesel accounting for the bulk of the decline.

Canadian oil demand in January shrank by approximately 0.3 mb/d, as a result of bearish gasoline and jet/kerosene requirements. Heating fuels demand was also weak due to warmer weather conditions.

Oil demand in the **US** fell by 1.3 mb/d y-o-y in January, after sharply declining by 1.6 mb/d, y-o-y, in December. Declines were due to large losses in the demand for transportation fuels, as a result of the COVID-19 pandemic, partly offset by higher requirements for lighter distillates. The COVID-19 pandemic reduced tourist arrivals by almost 82% y-o-y and miles travelled by more than 9%, according to the National Travel and Tourism Offices and the Federal Highway Administration, respectively. Vehicle sales declined slightly, by just over 1% y-o-y according to Autodata. Lockdowns and restriction measures across the majority of states during January 2021 impacted economic developments, mobility and consequently oil demand.

Table 4 - 3: US oil demand, mb/d

By product	Jan 21	Jan 20	Change 2021/20	
			mb/d	%
LPG	3.64	3.31	0.33	10.0
Naphtha	0.18	0.22	-0.04	-18.3
Gasoline	7.67	8.76	-1.10	-12.5
Jet/kerosene	1.14	1.70	-0.56	-32.8
Diesel	3.93	4.00	-0.06	-1.6
Fuel oil	0.24	0.26	-0.02	-6.2
Other products	2.08	1.95	0.13	6.8
Total	18.89	20.20	-1.31	-6.5

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

Sources: EIA and OPEC.

Near-term expectations

Uncertainty regarding the COVID-19 pandemic remains the fundamental underlying factor for the 2021 oil demand outlook in OECD Americas, impacting the general economy and, particularly, the transportation and industrial sectors. Current signals for the short term point at risks skewed to the upside. A comprehensive

stimulus package in the US is anticipated to provide strong support for oil the demand recovery, primarily in 2H21, while the fast vaccine rollout is already showing significant results in containing the COVID-19 pandemic. Additional support is anticipated from a recovery in vehicle miles travel, in combination with improving unemployment figures and the healthy petrochemical industry. However, oil demand is not projected to reach 2019 levels during the course of the year, as the recovery in jet/kerosene demand depends on increased international travel and the pace of vaccination rollouts in other regions. Consequently, while the transportation sector is foreseen to gain the most over the year, demand will remain below pre-COVID-19 levels.

OECD Europe

Update on the latest developments

Oil demand in OECD Europe fell strongly by 2.4 mb/d, y-o-y, in **January**, following a decline of more than 1.4 mb/d, y-o-y, in December 2020. Demand for most petroleum product categories posted large y-o-y losses, as a result of renewed restrictions in almost all countries in the region aimed at controlling a further increase in COVID-19 infections. Demand for naphtha remained higher y-o-y, and recorded healthy growth of more than 0.2 mb/d.

Naphtha demand in Europe has been strong since 4Q20 and supported the region's petrochemical industry, which experienced a revival during the COVID-19 pandemic, in line with the increasing use of plastics as well as healthy petrochemical margins. In contrast, demand for transportation fuels lagged diesel, gasoline and jet/kerosene demand, registering a decline similar to December, falling in total by an astonishing 2.3 mb/d, y-o-y. Increases in COVID-19 infection cases, in combination with substantial challenges in vaccine rollouts forced governments to re-introduce strict measures and policies to contain the spread of the virus.

Demand in **Germany** fell the most, dropping by 0.6 mb/d y-o-y, followed by **the UK** with 0.4 mb/d and **Italy** and **France** with 0.2 mb/d each. Substantial oil demand declines were also observed in all other countries of the region, coupled with strong increases in related stringency indexes. Travelling across country borders and within the region became restrictive both on road as well as in the air, sharply reducing leisure activities. Colder weather in large parts of the region prevented even larger oil demand declines. The industrial production index, which excludes construction, fell slightly as compared to the same month in 2020, as reported by Eurostat and Haver Analytics. New passenger car registrations declined by almost 25% y-o-y, while unemployment rates rose.

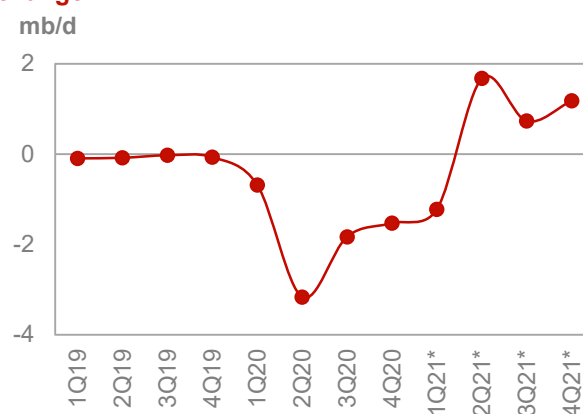
Table 4 - 4: Europe's Big 4* oil demand, mb/d

By product	Jan 21	Jan 20	Change 2021/20	
			mb/d	%
LPG	0.39	0.47	-0.08	-16.9
Naphtha	0.65	0.55	0.10	18.1
Gasoline	0.76	1.12	-0.36	-32.4
Jet/kerosene	0.36	0.78	-0.42	-54.3
Diesel	2.54	3.06	-0.52	-17.1
Fuel oil	0.14	0.14	0.01	5.2
Other products	0.35	0.47	-0.12	-24.8
Total	5.19	6.58	-1.40	-21.2

Note: * Germany, France, Italy and the UK. Totals may not add up due to independent rounding.

Sources: JODI, UK Department for Business, Energy & Industrial Strategy, Unione Petrolifera and OPEC.

Graph 4 - 2: OECD Europe's oil demand, y-o-y change



Note: * 1Q21-4Q21 = Forecast. Source: OPEC.

Near-term expectations

The outlook for the region's oil demand in 2021 was adjusted lower in 1H21, taking into consideration the latest gloomy COVID-19 related containment efforts in the region. The slow pace of vaccination rollouts and lack of sufficient vaccine counts in several countries inevitably implied the re-introduction of stringent measures in an effort to control increasing cases. These developments and continued increases in infection cases pose a downside risk in the region's 2021 oil demand outlook. Any short term 2021 oil demand improvements would result from growing economic activity and consequently a successful COVID-19 containment. The current outlook assumes that herd immunity will most likely not be achieved before the 4Q21. In addition, fuel efficiency gains, reduced international travel, teleworking enhancements, and limitations in petroleum product demand will partly remain, capping oil demand going forward.

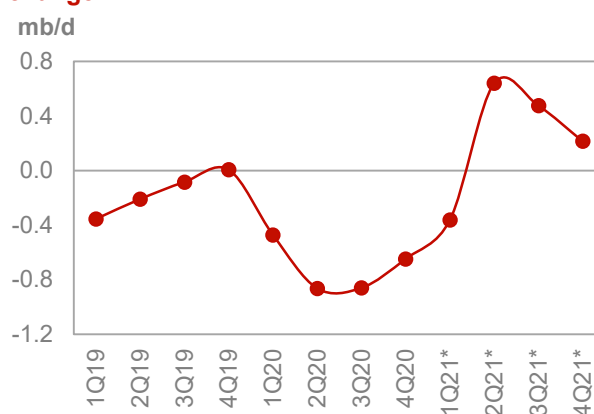
OECD Asia Pacific

Update on the latest developments

OECD Asia Pacific oil demand improved y-o-y although still showed a decline in **January**, contracting by 0.4 mb/d, less than the corresponding decline of 0.9 mb/d recorded in December. Losses were largely attributed to less light distillate requirements in South Korea and Japan, mainly due to extended naphtha cracker shutdowns. More recent data shows that the recovery may have started in February as naphtha crackers returned to normal operation, in line with preliminary data. Demand for light distillates in Asia Pacific during January fell by almost 0.4 mb/d, y-o-y, after declining by 0.5 mb/d in December 2020.

Transportation fuels in OECD Asia Pacific declined by 0.2 mb/d, y-o-y, in January, slightly improving from December's losses. Oil demand in Japan grew marginally, y-o-y, while South Korean oil demand fell by almost 0.2 mb/d. Following the re-introduction of restrictive measures in Japan, infection cases are on a downward trend. Preliminary data from by Japan's Ministry of Economy, Trade and Industry (METI), indicate a y-o-y decline of more than 0.2 mb/d in February 2021.

Graph 4 - 3: OECD Asia Pacific oil demand, y-o-y change



Note: * 1Q21-4Q21 = Forecast. Source: OPEC.

Table 4 - 5: Japan's oil demand, mb/d

By product	Feb 21	Feb 20	Change 2021/20	
			mb/d	%
LPG	0.41	0.42	-0.01	-2.6
Naphtha	0.71	0.76	-0.05	-6.5
Gasoline	0.75	0.82	-0.07	-8.2
Jet/kerosene	0.66	0.68	-0.02	-2.9
Diesel	0.79	0.82	-0.03	-3.1
Fuel oil	0.23	0.24	-0.01	-2.7
Other products	0.14	0.20	-0.06	-29.4
Total	3.70	3.94	-0.24	-6.1

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

Sources: JODI, METI and OPEC.

Near-term expectations

Efficient containment measures in Japan and South Korea seemed to have curbed the further increase in COVID-19 cases. Consequently, transportation fuel demand in 2021 is expected to recover in addition to rising requirements for industrial fuels and petrochemical feedstock. Overall demand in 2021 is projected to rebound strongly in the region, mainly in 2H21, on the back of historically-low consumption in 2020 as well as a recovery in economic activities which would support industrial fuels. Risks are currently seen to be skewed to the upside, as a result of successful measures to tackle the COVID-19 pandemic on the one hand and the healthy

economic outlook on the other. Petrochemical feedstock consumption remains one of the main contributors to oil demand growth in 2021 while jet/kerosene demand is projected to continue lagging 2019 levels, as international business and leisure travel is anticipated to remain under pressure.

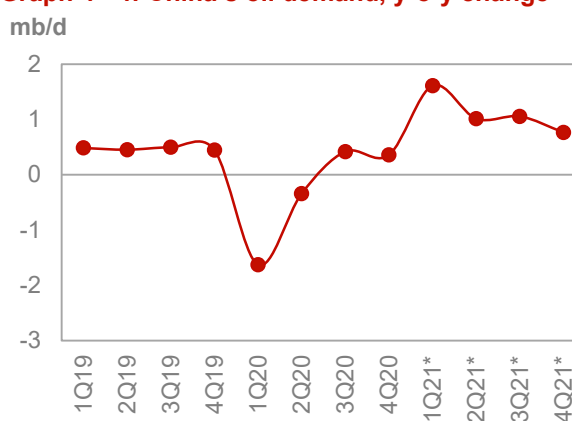
Non-OECD

China

Update on the latest developments

China oil demand has been recovering since April 2020 posting y-o-y monthly increases ever since. **February** demand showed a strong increase of more than 2.5 mb/d y-o-y, after rising by around 0.5 mb/d y-o-y in January. February increases are mainly related to the historically-low base line of February 2020 and steady development in the main economic sectors. Light distillates continued to record steady growth. LPG and naphtha added more than 0.5 mb/d y-o-y collectively, after increasing by around 0.4 mb/d y-o-y in January. Demand for LPG was supported by strong residential demand and firm propylene dehydrogenation (PDH) margins and utilization rates. PDH plant utilization rates hovered around 93% in February, following 95% in January and 88% in December.

Graph 4 - 4: China's oil demand, y-o-y change



Note: * 1Q21-4Q21 = Forecast. Source: OPEC.

Healthy plastic demand as well as new capacity additions are projected to further support demand going forward. Transportation fuel has also increased sharply in February despite some restrictions on travel during the Lunar New Year holidays. Demand for gasoline and jet fuel turned into growth after recording declines in January. February data indicate an increase of around 1.0 mb/d y-o-y from gasoline and jet fuel demand. The substantial decrease in transportation requirements due to the onset of COVID-19 pandemic during February 2020 and the steady increase in mobility supported demand growth. Furthermore, diesel rose solidly by 0.8 mb/d y-o-y in February, after posting growth of around 0.2 mb/d y-o-y in January. Gains are in line with expanding manufacturing activity, as reflected in the manufacturing PMI, which registered 50.6 in February and 51.3 in January.

Table 4 - 6: China's oil demand*, mb/d

By product	Feb 21	Feb 20	Change 2021/20	
			mb/d	%
LPG	1.89	1.50	0.39	26.1
Naphtha	1.25	1.10	0.15	13.6
Gasoline	3.03	2.34	0.69	29.4
Jet/kerosene	0.72	0.40	0.33	82.0
Diesel	3.52	2.73	0.79	28.8
Fuel oil	0.62	0.62	0.00	0.8
Other products	1.10	0.90	0.20	22.2
Total	12.13	9.58	2.54	26.6

Note: * Apparent oil demand. Totals may not add up due to independent rounding.

Sources: Argus Global Markets, China OGP (Xinhua News Agency), Facts Global Energy, JODI, National Bureau of Statistics China and OPEC.

Near-term expectations

Risks to China oil demand growth are currently balanced over the short term. Uncertainties around global COVID-19 developments remain high. The economic recovery of international trading partners, particularly the US, as well as that country's future policy towards China, are providing some downside momentum to the other forecast. On the other hand, as economic momentum continued, supported by healthy exports and China's strict policies in controlling domestic COVID-19 cases, downside risks were offset. Overall oil demand in China is projected to record solid y-o-y gains in 2021. Solid GDP projections and progressing industrial demand

remain the main contributing assumptions to the current year's forecast. Petrochemical demand is anticipated to drive growth as was the case in the first two months of 2021. Transportation fuels are projected to show respectable gains as well. Jet fuel is estimated to remain impacted by sluggish international air traffic and lag pre-crisis levels, mainly due to a slow recovery in leisure and business travel.

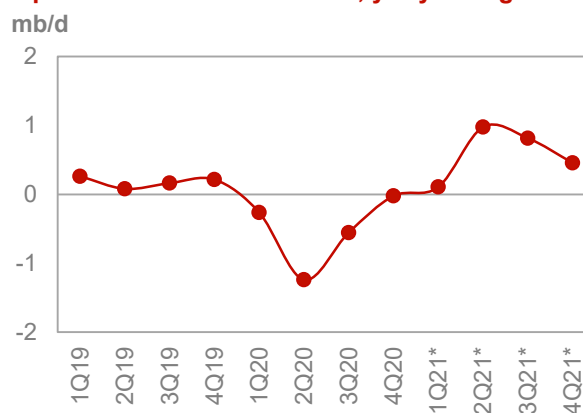
India

Update on the latest developments

Indian oil demand continued to decline in **February**. Data showed a drop of more than 0.2 mb/d y-o-y, similar to the decline recorded in January. Lower demand was seen mainly for diesel, gasoline and jet/kerosene, while light distillates increased y-o-y. Diesel suffered the most, declining by around 0.2 mb/d y-o-y on the back of limited demand for on-road diesel, despite improvements in economic conditions due to an ease in COVID-19 restrictions as the vaccination programme expands.

The India's composite PMI increased to 57.30 points in February compared to 55.80 points in January, while manufacturing PMI dropped marginally from 57.7 in January to 57.5 in February.

Graph 4 - 5: India's oil demand, y-o-y change



Note: * 1Q21-4Q21 = Forecast. Source: OPEC.

Furthermore, India's services PMI increased to 55.3 in February 2021 from 52.8 in the previous month. Gasoline demand flipped into negative territory for the first time since August on the back of higher retail prices, curbing demand and high base line demand during the same month in 2020. Jet/kerosene consumption has been negatively impact from the reduction in international flights for jet fuel as well as the substitution with LPG for kerosene in residential sector. On the other hand, LPG demand increased y-o-y amid higher demand for cooking fuel, while naphtha demand also inched up in February due to healthy petrochemical margins.

Table 4 - 7: India's oil demand, mb/d

By product	Feb 21	Feb 20	Change 2021/20	
			mb/d	%
LPG	0.87	0.80	0.07	8.4
Naphtha	0.39	0.39	0.00	0.3
Gasoline	0.75	0.77	-0.02	-3.0
Jet/kerosene	0.20	0.27	-0.08	-28.5
Diesel	1.88	2.03	-0.15	-7.5
Fuel oil	0.29	0.30	-0.01	-4.9
Other products	0.45	0.46	-0.01	-1.8
Total	4.82	5.03	-0.21	-4.1

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

Sources: JODI, Petroleum Planning and Analysis Cell of India and OPEC.

Near-term expectations

Uncertainty remains high mainly due to a renewed COVID-19 wave – which has been increasing in recent days – as well as the pace of the vaccination rollout. Additionally, the high retail prices and the government policy towards excise tax are also additional to the uncertainty factors going forward. Oil demand growth is anticipated to pick up in the coming months supported by a low baseline and an uptick in diesel demand in various sectors such as construction and agriculture. The recovery in transportation fuel demand is projected to be largely dependent on developments in the COVID-19 front as well as from counter measures that the government is expected to put in place. Oil demand is anticipated to gain momentum in light of positive policy measures encouraging private consumption and investment. Supported by the low 2020 baseline decline, oil demand is foreseen to record respectable growth in 2021. Demand for transportation fuels will lead product demand followed by middle distillates, with most of the gains appearing the 2H21.

Latin America

Update on the latest developments

January's oil demand in Latin America showed a decrease of around 0.1 mb/d y-o-y, similar to the decline levels witnessed in December 2020. Most of the declines occurred in Brazil and Argentina, which dropped by around 0.1 mb/d y-o-y cumulatively, following relatively flat growth in December in both countries.

Demand in the transportation sector softened as jet fuel declined. Jet fuel in the region remained in the negative zone, dropping by around 0.1 mb/d y-o-y, similar to the decline levels in the previous months. The aviation sector in Latin America remains nearly 50% below pre-crisis levels. The road transportation fuels, gasoline and ethanol, have continued to post y-o-y monthly declines since early 2020, declining by a cumulative 0.1 mb/d y-o-y. Diesel demand flipped back to the negative in response to slower manufacturing activity. PMI indices have increased, reflecting improvements in major economic activities.

According to IHS Markit and Haver analytics, manufacturing PMI recorded 56.5 in January, following a strong 61.5 reading in December.

The latest available monthly oil demand data for Brazil shows a decline of around 0.1 mb/d in February. Most of the decline can be attributed to slower transportation requirements as both gasoline and jet fuel fell y-o-y. Government decision to delay this year's carnival festivities together with COVID-19 containment measures in certain parts of the country have contributed to the decline. Consequently, both fuels dropped by a combined 0.1 mb/d y-o-y in February, following a decline of around 0.05 mb/d, in January.

Table 4 - 8: Brazil's oil demand*, mb/d

By product	Feb 21	Feb 20	Change 2021/20	
			mb/d	%
LPG	0.23	0.22	0.01	3.0
Naphtha	0.14	0.15	0.00	-2.0
Gasoline	0.62	0.67	-0.05	-7.1
Jet/kerosene	0.07	0.12	-0.05	-43.0
Diesel	0.99	0.98	0.01	1.0
Fuel oil	0.10	0.09	0.01	14.3
Other products	0.59	0.60	-0.01	-2.2
Total	2.73	2.82	-0.09	-3.1

Note: * = Inland deliveries. Totals may not add up due to independent rounding.

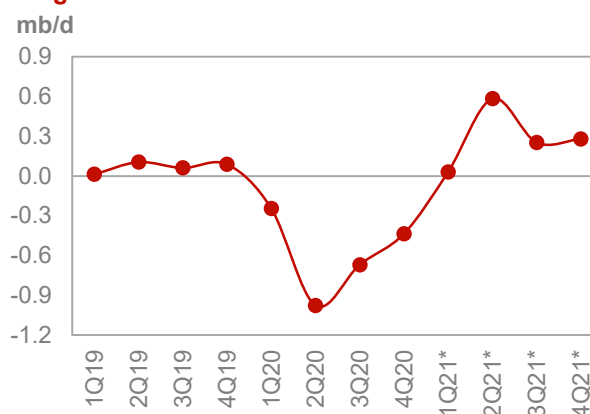
Sources: JODI, Agencia Nacional do Petroleo, Gas Natural e Biocombustiveis and OPEC.

Near-term expectations

Looking ahead, the oil demand forecast for 2Q21 remains dependent on developments in the current wave of COVID-19 infections and its impact on mobility and the overall economic performance. Latin America's 2021 oil demand estimates remain largely unchanged from last month's MOMR, with marginal revisions to the 2020 and 2021 oil demand estimations, despite rising COVID-19 infection cases in various countries in the region. Risks appear to be slightly tilted to the downside in light of development on the COVID-19 front and the vaccinations rollout. Positive economic developments supported by fiscal stimulus programs are anticipated to offset most of the negative risks.

Transportation fuels are estimated to lead the recovery in 2021 followed by industrial fuel demand, including diesel and fuel oil. Oil demand is projected to record steady growth supported by recovering economic activities and a low base line of consumption last year. As the Brazilian economy continues its recovery trajectory, oil demand in Brazil is projected to lead oil demand growth in the region supported by fiscal stimulus programmes.

Graph 4 - 6: Latin America's oil demand, y-o-y change



Note: * 1Q21-4Q21 = Forecast. Source: OPEC.

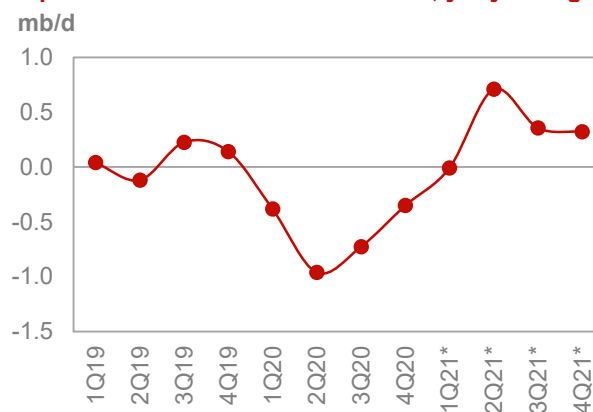
Middle East

Update on the latest developments

According to complete data for the month of **January**, **oil demand in the Middle East** shrunk by around 0.6 mb/d y-o-y, compared to a drop of around 0.1 mb/d y-o-y in December. Oil demand fell sharply in Saudi Arabia and Iraq during January 2021. In Saudi Arabia, oil demand fell by 0.4 mb/d y-o-y with transportation fuels accounting for most of the declines. A continuation of home learning in addition to moderate development in mobility negatively impacted gasoline demand. Industrial fuels, diesel and fuel oil, also showed declines of around 0.2 mb/d y-o-y collectively. Cement deliveries – an indicator of construction activity in the Kingdom – rose by 5.6% y-o-y in January, the lowest increase since June 2020, according to Yamama Cement Company and Haver Analytics. In Iraq, January oil demand data also posted a drop of around 0.2 mb/d, after exhibiting a flat performance in December.

In **February**, oil demand fell by 0.3 mb/d y-o-y in Saudi Arabia, and by around 0.2 mb/d y-o-y in Iraq, indicating a continuation of lower y-o-y oil demand requirements in the whole region. Data from other countries are not yet available. Transportation fuel remains the most affected, as gasoline and jet fuel accounted for most of the declines in Saudi Arabia while lower fuel oil demand accounted for most of the decrease in Iraq. Gasoline and jet fuel shed a combined 0.1 mb/d y-o-y in Saudi Arabia amid reduced mobility compared to previous year levels and limitations in international flights. Looking at industrial fuel demand, the picture remains similar to January with marginal improvements. Diesel and fuel oil showed a combined drop of around 0.2 mb/d y-o-y, following a similar decrease in January. Seasonally lower air-conditioning requirements as well as moderate development in construction impacted demand negatively.

Graph 4 - 7: Middle East's oil demand, y-o-y change



Note: * 1Q21-4Q21 = Forecast. Source: OPEC.

Table 4 - 9: Saudi Arabia's oil demand, mb/d

By product	Feb 21	Feb 20	Change 2021/20	
			mb/d	%
LPG	0.05	0.05	0.00	1.7
Gasoline	0.47	0.56	-0.09	-16.8
Jet/kerosene	0.05	0.10	-0.04	-46.1
Diesel	0.49	0.52	-0.04	-7.0
Fuel oil	0.40	0.53	-0.12	-23.0
Other products	0.43	0.40	0.02	6.1
Total	1.89	2.16	-0.27	-12.5

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

Sources: JODI and OPEC.

Near-term expectations

With the lower-than-expected oil demand data for the first two months of the year, the 1Q21 performance is now projected to be lower than initially anticipated, with some possible spill over into the 2Q21. However, further easing of restriction measures are projected to lend support to overall oil demand especially when buoyed by an expected improvement in the overall health of the economy in 2H21. The effective rollout of COVID-19 vaccination programs and a recovery in oil prices are expected to provide an upside potential to oil demand going forward. On the other hand, any additional measures in response to increases in COVID-19 infection cases, together with slower vaccination rates, will provide a downside risk to oil demand in the near term. Transportation fuels are projected to recover as restriction measures ease. In terms of products, middle distillates are projected to return to solid growth during the current year, supported by an uptick in industrial fuel demand.

World Oil Supply

Non-OPEC liquids supply for 2020 is revised up by 42 tb/d and estimated to have declined by 2.52 mb/d y-o-y to average 62.89 mb/d. US crude and condensate output declined by 0.94 mb/d y-o-y to average 11.3 mb/d, while liquids production dropped by 0.8 mb/d y-o-y to average 17.62 mb/d. Oil supply also declined in Russia by 1.0 mb/d, to average 10.59 mb/d. Moreover, production declined in Canada, Colombia, Kazakhstan, Malaysia, the UK and Azerbaijan, while oil supply is estimated to have increased in Norway, Brazil, China and Guyana.

Non-OPEC liquids supply for 2021 is also revised up by 24 tb/d to average 63.83 mb/d, but in terms of growth, it was revised down by a slight 18 tb/d and is now forecast to grow by 0.93 mb/d y-o-y. The pandemic-driven crash in oil prices in 2020 caused investors to shy away from the shale industry, forcing companies to look at asset sales and mergers for survival. However, while most drillers continue to focus on paying off debt and returning capital to shareholders instead of pursuing growth, higher prices could translate into higher production levels. The drilling and completion trend indicates upcoming robust monthly growth. Active drilling rigs in the US climbed by 13 rigs, reaching 430 rigs for the 17th increase in the past 19 weeks. The US liquids supply growth forecast remained unchanged at 0.16 mb/d, however, tight crude output is forecast to decline y-o-y by 0.1 mb/d, while uncertainties persist. Activity and spending in US oil fields is rising this year as the industry recovers from last year's pandemic-driven price crash, according to energy company executives polled by the Federal Reserve Bank of Dallas in a recent survey. Nevertheless, following a drop of \$144 billion y-o-y in capital expenditure in oil and gas upstream (E&P) sectors in non-OPEC countries, upstream capital spending in 2021 is expected to remain well below 2019 levels. The main drivers for supply growth for 2021 are expected to be Canada, the US, Norway and Brazil.

OPEC NGLs and non-conventional liquids production in 2020 is estimated to have declined by 0.13 mb/d y-o-y to 5.13 mb/d. For 2021, OPEC NGLs are forecast to grow by 0.08 mb/d y-o-y to average 5.21 mb/d.

OPEC crude oil production in March was up by 0.20 mb/d m-o-m to average 25.04 mb/d, according to secondary sources. Preliminary non-OPEC liquids output in March, including OPEC NGLs, is estimated to have increased by 0.93 mb/d m-o-m, mainly in the US, due to production recovery after heavy declines in February. As a result, preliminary data indicates that global oil supply increased in March by 1.22 mb/d m-o-m to average 93.23 mb/d, down by 7.22 mb/d y-o-y.

Table 5 - 1: Non-OPEC liquids production forecast comparison in 2020–2021*, mb/d

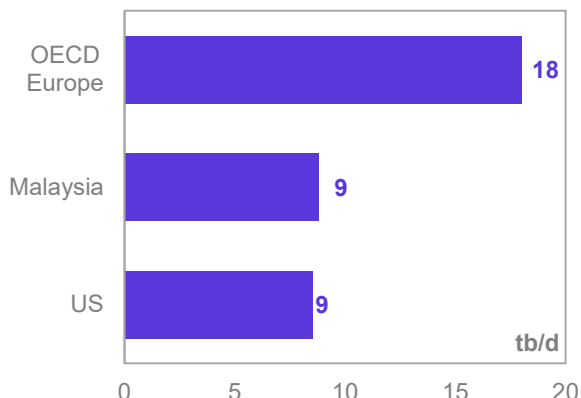
Non-OPEC liquids production	2020	Change 2020/19	2021	Change 2021/20
Americas	24.72	-1.05	25.19	0.47
<i>of which US</i>	17.62	-0.80	17.78	0.16
Europe	3.91	0.20	4.03	0.12
Asia Pacific	0.53	0.01	0.55	0.02
Total OECD	29.16	-0.84	29.77	0.61
China	4.12	0.07	4.16	0.04
India	0.77	-0.06	0.75	-0.02
Other Asia	2.51	-0.18	2.46	-0.05
Latin America	6.06	-0.03	6.29	0.23
Middle East	3.17	-0.03	3.21	0.04
Africa	1.41	-0.08	1.34	-0.07
Russia	10.59	-1.02	10.60	0.01
Other Eurasia	2.91	-0.16	2.94	0.02
Other Europe	0.12	0.00	0.11	-0.01
Total Non-OECD	31.66	-1.49	31.86	0.20
Total Non-OPEC production	60.82	-2.33	61.63	0.81
Processing gains	2.07	-0.19	2.20	0.13
Total Non-OPEC liquids production	62.89	-2.52	63.83	0.93

Note: * 2020 = Estimate and 2021 = Forecast. Source: OPEC.

Main monthly revisions

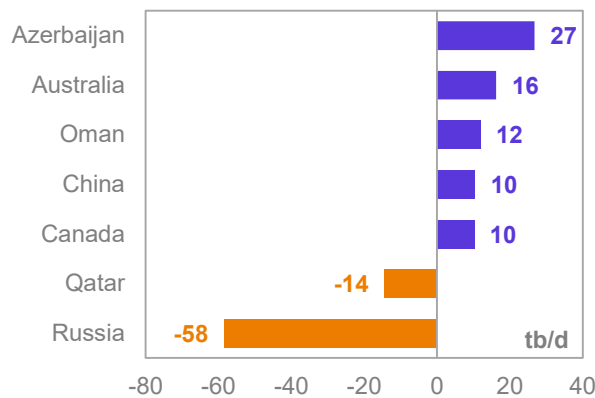
Non-OPEC liquids supply in 2020 was revised up by 42 tb/d m-o-m, due to higher-than-expected production in 4Q20 in the US, other OECD Europe, and Malaysia, and is now forecast to contract by 2.52 mb/d (including processing gains) to average 62.89 mb/d.

Graph 5 - 1: Revisions to annual supply growth forecast in 2020*, MOMR Mar 21/Feb 21



Note: * 2020 = Estimate. Source: OPEC.

Graph 5 - 2: Revisions to annual supply growth forecast in 2021*, MOMR Mar 21/Feb 21



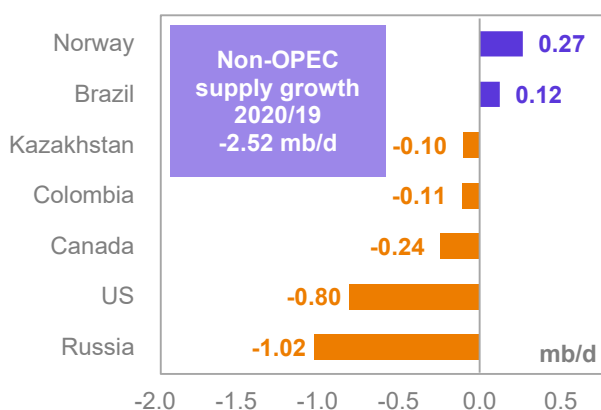
Note: * 2021 = Forecast. Source: OPEC.

Non-OPEC liquids absolute supply in 2021 was also revised up, by 24 tb/d, to average 63.83 mb/d, but in terms of growth, it was revised down by 18 tb/d, and is now forecast to grow by 0.93 mb/d (including processing gains). While the oil supply growth forecasts were revised up in Canada, the UK, Australia, China, Oman, Azerbaijan and Kazakhstan, the forecasts in Qatar, Malaysia, other OECD Europe and Norway were revised down. With regard to the oil supply forecast in non-OPEC countries participated in the Declaration of Cooperation (DoC), the total supply of non-OPEC-10 (including Mexico) will see a contraction of 0.03 mb/d to average 17.16 mb/d, following implementation of the new required voluntary adjustment that was decided at the 15th OPEC-non-OPEC Ministerial Meeting.

Key drivers of growth and decline

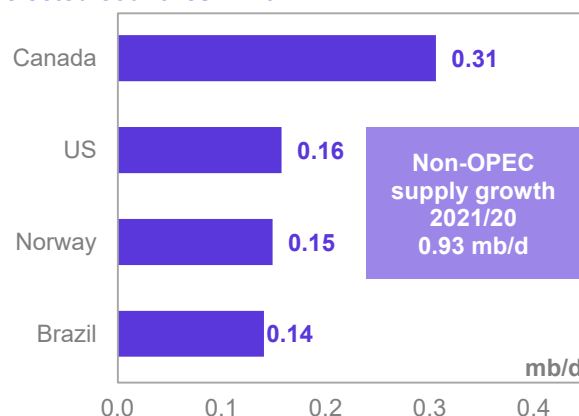
The **non-OPEC countries** showing the largest liquids supply declines in 2020 were Russia, the US, Canada, Colombia, Kazakhstan, the UK, Malaysia, Azerbaijan, India and Ecuador, while oil production increases were forecast mainly in Norway, Brazil, China and Guyana.

Graph 5 - 3: Annual liquids production changes for selected countries in 2020*



Note: * 2020 = Estimate. Source: OPEC.

Graph 5 - 4: Annual liquids production changes for selected countries in 2021*



Note: * 2021 = Forecast. Source: OPEC.

For **2021**, the key drivers for non-OPEC supply growth are forecast to be Canada, the US, Norway, Brazil, Ecuador, China, Azerbaijan, Qatar, Guyana and other OECD Europe, while oil production mainly in the UK, Sudans and Malaysia is forecast to decline.

Non-OPEC liquids production in 2020 and 2021

Table 5 - 2: Non-OPEC liquids production in 2020*, mb/d

Non-OPEC liquids production	2019	1Q20	2Q20	3Q20	4Q20	2020	Change 2020/19	
							Growth	%
Americas	25.77	26.59	23.55	24.10	24.65	24.72	-1.05	-4.08
<i>of which US</i>	18.43	19.05	16.81	17.34	17.30	17.62	-0.80	-4.35
Europe	3.71	4.05	3.90	3.80	3.89	3.91	0.20	5.32
Asia Pacific	0.52	0.53	0.54	0.54	0.52	0.53	0.01	1.61
Total OECD	30.01	31.17	27.99	28.43	29.06	29.16	-0.84	-2.82
China	4.04	4.13	4.12	4.13	4.08	4.12	0.07	1.76
India	0.82	0.79	0.76	0.76	0.76	0.77	-0.06	-6.74
Other Asia	2.69	2.61	2.47	2.46	2.50	2.51	-0.18	-6.70
Latin America	6.09	6.35	5.83	6.14	5.91	6.06	-0.03	-0.51
Middle East	3.20	3.19	3.20	3.15	3.17	3.17	-0.03	-0.83
Africa	1.50	1.44	1.44	1.40	1.37	1.41	-0.08	-5.51
Russia	11.61	11.68	10.38	10.01	10.31	10.59	-1.02	-8.78
Other Eurasia	3.07	3.16	2.92	2.73	2.85	2.91	-0.16	-5.13
Other Europe	0.12	0.12	0.12	0.11	0.11	0.12	0.00	-3.27
Total Non-OECD	33.14	33.46	31.23	30.90	31.06	31.66	-1.49	-4.48
Total Non-OPEC production	63.15	64.63	59.22	59.34	60.12	60.82	-2.33	-3.69
Processing gains	2.26	2.15	1.85	2.15	2.15	2.07	-0.19	-8.47
Total Non-OPEC liquids production	65.42	66.77	61.07	61.48	62.27	62.89	-2.52	-3.86
Previous estimate	65.41	66.76	61.05	61.45	62.17	62.85	-2.56	-3.92
Revision	0.00	0.02	0.02	0.03	0.10	0.04	0.04	0.06

Note: * 2020 = Estimate. Totals may not add up due to independent rounding. Source: OPEC.

Table 5 - 3: Non-OPEC liquids production in 2021*, mb/d

Non-OPEC liquids production	2020	1Q21	2Q21	3Q21	4Q21	2021	Change 2021/20	
							Growth	%
Americas	24.72	24.58	24.52	25.51	26.15	25.19	0.47	1.90
<i>of which US</i>	17.62	17.15	17.50	17.94	18.52	17.78	0.16	0.90
Europe	3.91	4.02	3.95	3.97	4.17	4.03	0.12	3.13
Asia Pacific	0.53	0.54	0.56	0.55	0.55	0.55	0.02	3.12
Total OECD	29.16	29.14	29.02	30.04	30.87	29.77	0.61	2.09
China	4.12	4.21	4.13	4.13	4.18	4.16	0.04	1.07
India	0.77	0.76	0.75	0.74	0.73	0.75	-0.02	-2.62
Other Asia	2.51	2.45	2.46	2.47	2.46	2.46	-0.05	-2.00
Latin America	6.06	6.01	6.31	6.32	6.51	6.29	0.23	3.87
Middle East	3.17	3.18	3.21	3.23	3.24	3.21	0.04	1.24
Africa	1.41	1.36	1.35	1.34	1.32	1.34	-0.07	-5.14
Russia	10.59	10.47	10.59	10.67	10.67	10.60	0.01	0.09
Other Eurasia	2.91	2.91	2.93	2.95	2.95	2.94	0.02	0.71
Other Europe	0.12	0.11	0.11	0.11	0.11	0.11	-0.01	-6.92
Total Non-OECD	31.66	31.46	31.83	31.96	32.17	31.86	0.20	0.62
Total Non-OPEC production	60.82	60.59	60.86	61.99	63.03	61.63	0.81	1.32
Processing gains	2.07	2.20	2.20	2.20	2.20	2.20	0.13	6.17
Total Non-OPEC liquids production	62.89	62.79	63.06	64.19	65.23	63.83	0.93	1.48
Previous estimate	62.85	62.62	63.02	64.21	65.33	63.80	0.95	1.51
Revision	0.04	0.17	0.04	-0.01	-0.10	0.02	-0.02	-0.03

Note: * 2020 = Estimate and 2021 = Forecast. Totals may not add up due to independent rounding. Source: OPEC.

OECD

OECD liquids production in 2020 is estimated to have declined by 0.84 mb/d y-o-y to average 29.16 mb/d. While OECD Americas production is estimated to have declined by 1.05 mb/d to average 24.72 mb/d, oil supply in OECD Europe and OECD Asia Pacific is estimated to have risen by 0.20 mb/d to average 3.91 mb/d and by 0.01 mb/d to average 0.53 mb/d, respectively.

For **2021**, OECD liquids production growth is forecast at 0.61 mb/d to average 29.77 mb/d, revised up by 0.02 mb/d m-o-m. Fracking activity in the US and Canada has recovered almost completely from the temporary disruption caused by extreme weather in Texas and the Mid-Continent region in February, FracFocus filings and Rystad Energy analysis of high-frequency satellite data reveal. OECD Americas is expected to grow by 0.47 mb/d to average 25.19 mb/d, an upward revision of 0.02 mb/d m-o-m. Oil supply in OECD Europe is anticipated to grow by 0.12 mb/d y-o-y to average 4.03 mb/d, and OECD Asia Pacific is forecast to grow by 0.02 mb/d to average 0.55 mb/d, mainly due to the upward revision in Australia's production.

OECD Americas

US

US liquids production in 2020 is estimated to have declined by 0.80 mb/d to average 17.62 mb/d, revised up from last month's assessment.

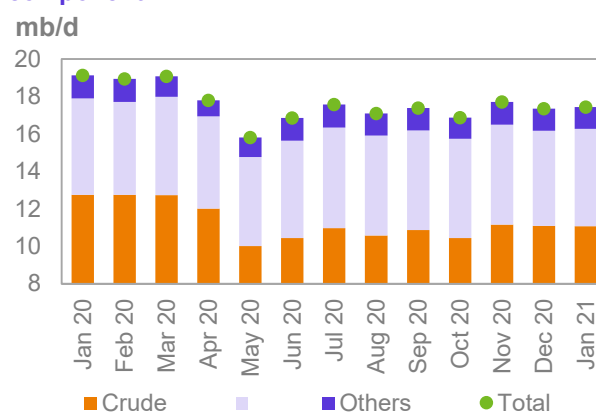
US liquids production in January 2021 was higher by 0.09 mb/d m-o-m to average 17.44 mb/d, mainly due to higher NGL production by 0.13 mb/d to average 5.19 mb/d. Liquids output in January was down by 1.69 mb/d compared to a year earlier.

Crude oil and condensate production in January 2021 fell by 21 tb/d m-o-m to average 11.08 mb/d, which is 1.68 mb/d lower than a year ago.

Non-conventional liquids, particularly ethanol, dropped by 22 tb/d m-o-m in December to average 1.19 mb/d, according to official data. Preliminary data for **January** is expected to see a decrease of 19 tb/d m-o-m to average 1.17 mb/d, lower by 59 tb/d compared to a year ago.

In terms of regions (PADDs), the main decline was in the Midwest, by 60 tb/d – mainly in North Dakota by 45 tb/d, to average 1,109 tb/d, down by 0.29 mb/d, y-o-y. Oil production in the USGC (PADD 3), increased by 35 tb/d to average 7.69 mb/d. While oil output increased in Texas and New Mexico by 25 tb/d and 21 tb/d, respectively, production in the GoM dropped by 11 tb/d to average 1.78 mb/d, down by 0.2 mb/d y-o-y. In the Rocky Mountains (PADD 4), oil output in Colorado, home of the Niobrara shale, dropped by 8 tb/d to 0.37 mb/d.

Graph 5 - 5: US monthly liquids output by key component



Source: OPEC.

Table 5 - 4: US crude oil production by state, tb/d

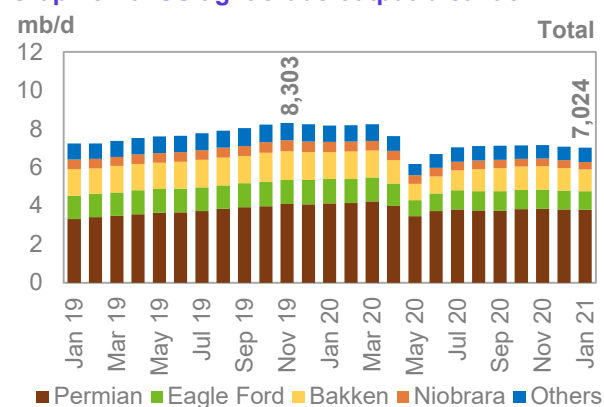
State	Change		
	Dec 20	Jan 21	Jan 21/Dec 20
Colorado	381	373	-8
Oklahoma	437	426	-11
Alaska	463	464	1
New Mexico	1,069	1,090	21
North Dakota	1,154	1,109	-45
Gulf of Mexico (GoM)	1,795	1,784	-11
Texas	4,638	4,663	25
Total	11,101	11,080	-21

Sources: EIA and OPEC.

US tight crude production in January 2021 declined by 110 tb/d to average 6.96 mb/d, down by 1.22 mb/d y-o-y.

Declines were seen in the main four key plays. In the Permian, production declined by 12 tb/d m-o-m to average 3.79 mb/d, down by 355 tb/d y-o-y. In the Eagle Ford, oil output declined by 25 tb/d to average 0.96 mb/d (down by 0.3 mb/d y-o-y) and in the Bakken declined by 42 tb/d to average 1.13 mb/d (down by 0.28 mb/d y-o-y). Tight crude output in the Niobrara dropped by 15 tb/d to average 0.39 mb/d (down by 0.14 mb/d y-o-y) and in other shale regions by 16 tb/d to average 0.68 mb/d, respectively.

Graph 5 - 6: US tight crude output breakdown



Sources: EIA, Rystad Energy and OPEC.

Table 5 - 5: US tight oil production breakdown, mb/d

	2019	Change 2019/18	2020*	Change 2020/19	2021*	Change 2021/20
US tight oil	7.76	1.24	7.31	-0.45	7.20	-0.11
Permian tight	3.73	0.88	3.87	0.14	4.10	0.23
Bakken shale	1.42	0.16	1.18	-0.24	1.25	0.07
Eagle Ford shale	1.23	0.05	1.06	-0.18	1.02	-0.04
Niobrara shale	0.51	0.07	0.46	-0.06	0.35	-0.11
Other tight plays	0.87	0.08	0.74	-0.12	0.48	-0.27

Note: * 2020 = Estimate and 2021 = Forecast. Source: OPEC.

Following a decline of 0.94 mb/d y-o-y in 2020, **US crude oil production in 2021** is forecast to decline by 0.07 mb/d y-o-y to average 11.24 mb/d. Production from the GoM is expected to grow by 0.12 mb/d to average 1.77 mb/d, while onshore conventional crude is estimated to decline by 0.08 mb/d to average 2.27 mb/d, largely due to mature oil fields. The latest forecast for tight crude production in 2021 shows a contraction by 0.11 mb/d y-o-y to average 7.20 mb/d.

Table 5 - 6: US liquids production breakdown, mb/d

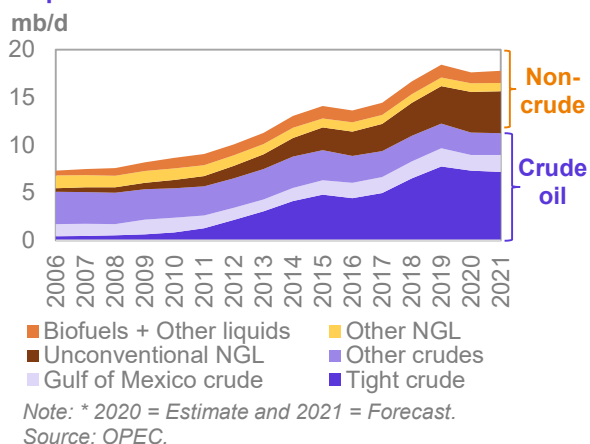
	2019	Change 2019/18	2020*	Change 2020/19	2021*	Change 2021/20
US liquids	18.43	1.74	17.62	-0.80	17.78	0.16
Tight crude	7.76	1.24	7.31	-0.45	7.20	-0.11
Gulf of Mexico crude	1.90	0.14	1.66	-0.24	1.77	0.12
Conventional crude oil	2.59	-0.10	2.35	-0.25	2.27	-0.08
Unconventional NGLs	3.92	0.46	4.26	0.33	4.40	0.14
Conventional NGLs	0.90	-0.01	0.90	0.00	0.86	-0.04
Biofuels + Other liquids	1.35	0.00	1.15	-0.20	1.28	0.13

Note: * 2020 = Estimate and 2021 = Forecast. Sources: EIA, OPEC and Rystad Energy.

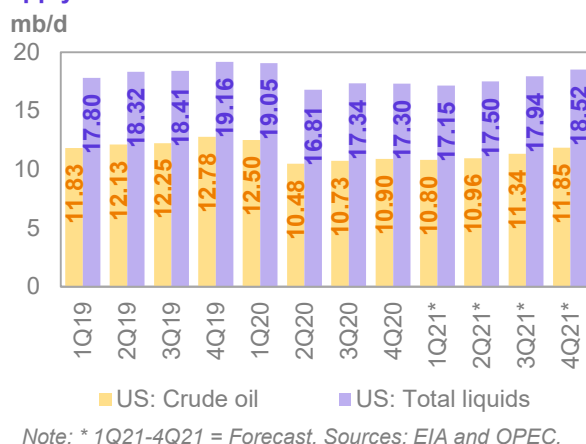
US NGL production in 2020 showed growth of 0.34 mb/d y-o-y to average 5.16 mb/d, of which 4.26 mb/d refers to unconventional NGLs.

For **2021**, production growth is forecast at 0.10 mb/d to average 5.26 mb/d.

Graph 5 - 7: US liquids supply developments by component and forecast of 2020 and 2021

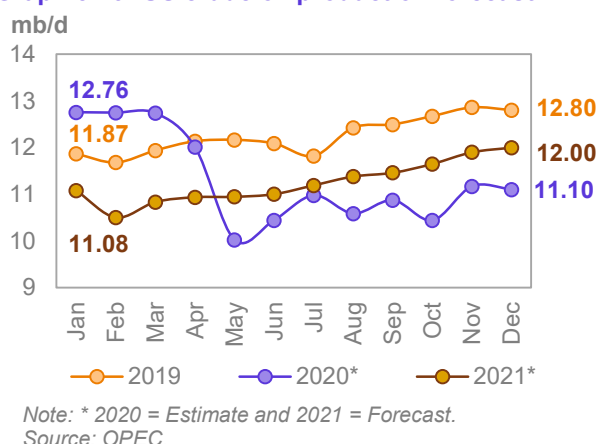


Graph 5 - 8: US crude and total liquids quarterly supply

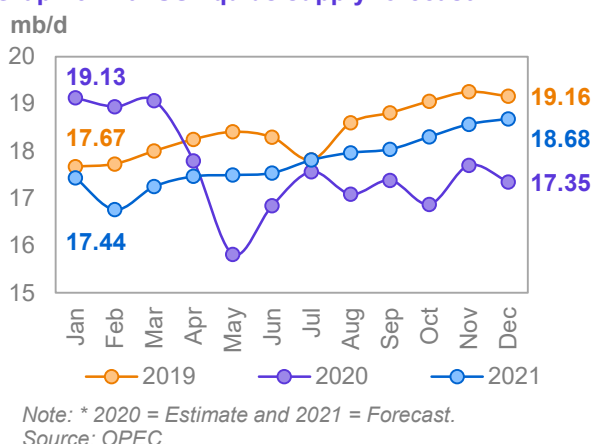


Biofuels and other non-conventional liquids are forecast to increase by 0.13 mb/d to average 1.28 mb/d. **US liquids production** is projected to grow by 0.16 mb/d y-o-y in 2021 to average 17.78 mb/d, but in terms of absolute supply levels, remains 0.66 mb/d below the 2019 level.

Graph 5 - 9: US crude oil production forecast



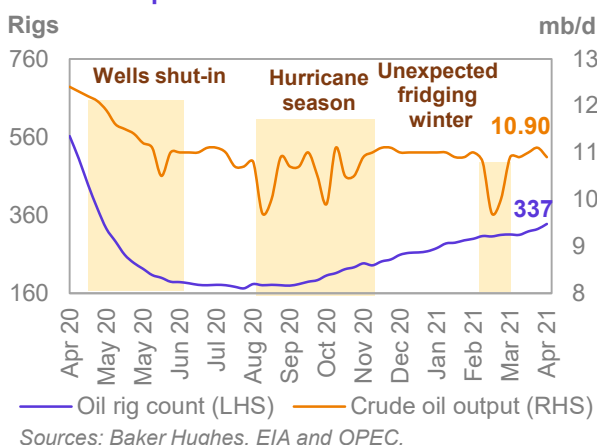
Graph 5 - 10: US liquids supply forecast



US rig count, spudded, completed, DUC wells and fracking activity

Since mid-September 2020, the **US oil rig count** has increased every month by an average of 24 rigs to 337 oil rigs, still lower by 225 y-o-y, while gas rigs fell by 1 rig per month to 91 gas rigs in the same period. The US total rig count increased by 13 rigs w-o-w to 430 rigs according to the Baker Hughes report for the week ending 1 April 2021. This has led to an increase of the total US rig count to 430 rigs, consisting of around 78% oil rigs and 22% of gas rigs. This represents the highest number of total rigs since April 2020. In terms of trajectory, active rigs in drilling of horizontal wells for both oil and gas were up from 214 to 391 since mid-September 2020, an addition of 177 horizontal rigs. It seems that operators are able to profitably drill a new well across major US onshore basins at current oil prices.

Graph 5 - 11: US weekly rig count vs US weekly crude oil output



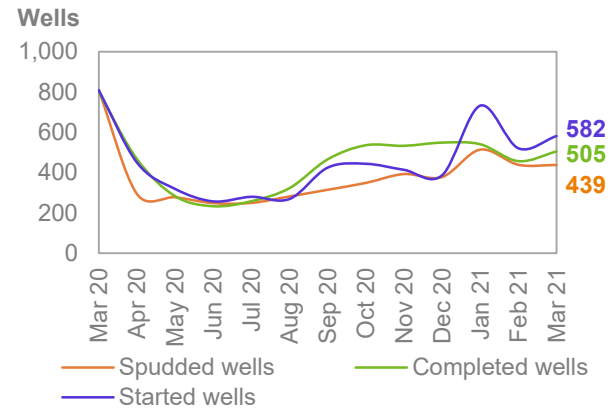
In this regard, Respondents in a quarterly survey by the Federal Reserve Bank of Dallas said the average price they need was \$52/b, a level much lower than the current WTI level despite some recent weakness. According to Rystad Energy, across regions, average prices to profitably drill a new well range between \$46/b and \$58/b. The Permian Midland and south Texas' Eagle Ford are at the lower end of the range, followed by

Permian Delaware at \$49/b, whereas the average for other US shale regions was \$58/b. The Permian Midland has been the lowest-cost region for the past five years.

In terms of the **major basins**, in the week ended 1 April, 223 oil rigs were active in the Permian Basin, with 2 rigs added w-o-w, albeit still lower by 128 rigs, or 36%, y-o-y. At the same time, the number of active oil rigs in the Eagle Ford Basin was 31, down by 44% y-o-y. The Williston Basin reported 14 active oil rigs, down by 67% y-o-y, and finally 7 units were reported in the DJ-Niobrara Basin, down by 61% y-o-y.

With regard to **spudding, completion and started wells** in all US shale plays, as reported by Rystad Energy, 439 horizontal wells were spudded in March (as per preliminary information), down from 808 wells a year earlier. The preliminary number of completed wells is estimated at 505 in March, lower by 295 wells y-o-y. At the same time, the number of started wells was pegged at 582 units, compared to 810 wells y-o-y.

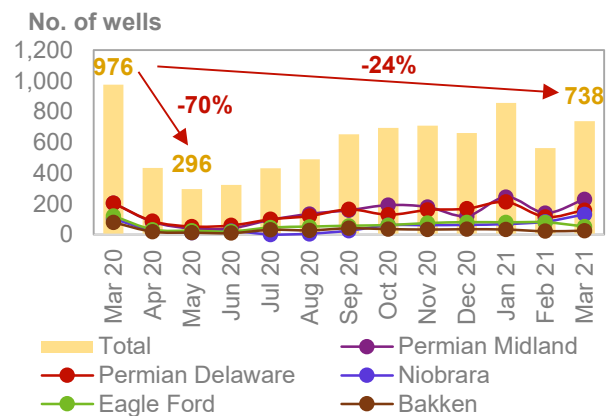
Graph 5 - 12: Spudded, completed and started wells in the US shale plays



Sources: Rystad Energy and OPEC.

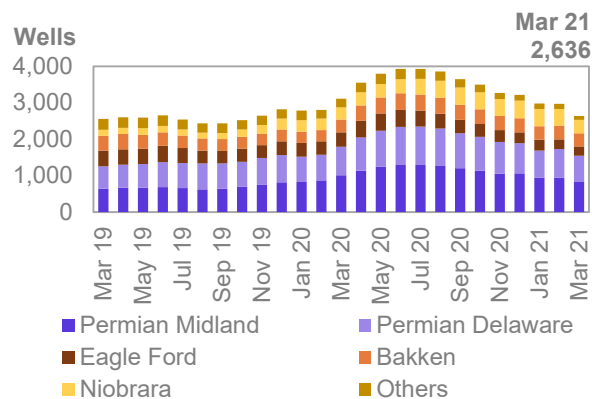
Regarding the **US core oil identified fracking operations** by region as of 31 March, Rystad Energy has already identified 738 started fracking operations in the US for March, up by 174 m-o-m (preliminary) of which around 97% is based exclusively on analysis of high-frequency satellite data. The final number of started fracking jobs per month in March is expected to be higher by about 8% than the January level at 856 fracked wells. In comparison, the number of wells being fracked was 231 in the Permian Midland tight compared to 141 wells in February, while the Permian Delaware tight rose by 44 to 160. In the DJ Basin, in the Niobrara shale, fracking operations rose by 21, yet dropped in the Eagle Ford shale by 27, to only 53 fracking jobs in March. Only 4 wells were fracked m-o-m in the Bakken shale to reach 27 in March.

Graph 5 - 13: Fracked wells count per month



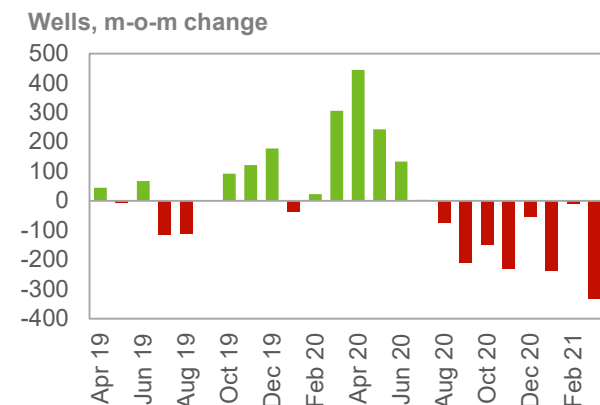
Sources: Rystad Energy Shale Well Cube and OPEC.

Graph 5 - 14: US horizontal DUC count by shale play



Sources: Rystad Energy and OPEC.

Graph 5 - 15: Withdrawal of uncompleted wells from DUC inventories since July 2020



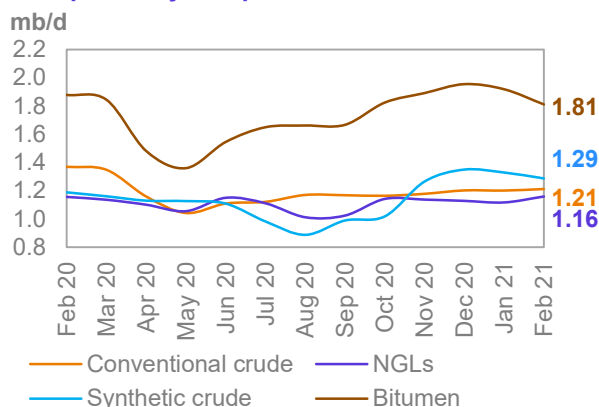
Sources: Rystad Energy and OPEC.

Increased fracking would likely help sustain US onshore production as operators bring online their **drilled, but uncompleted (DUC) wells**. There has been a m-o-m drop in the number of DUCs in US shale plays since July 2020. This continued in March with a drop of 333 wells m-o-m to 2,636 live wells. Since July 2020, 1,297 DUCs have been completed and put on production so far.

Canada

Canada's liquids production in February — despite the provincial government of Alberta's announcement that it would lift production curtailments starting from January 2021 — declined by 0.09 mb/d m-o-m to average 5.51 mb/d. According to the Alberta Energy Regulator, the production of crude bitumen and synthetic crude shows a drop of 0.15 mb/d m-o-m to average 3.10 mb/d, albeit being up by 32 tb/d y-o-y. With regard to the breakdown, the output of crude bitumen and synthetic crude declined by 107 tb/d and 42 tb/d to average 1.81 mb/d and 1.29 mb/d, respectively. The production of conventional crude oil is likely to continue at 1.21 mb/d in 1Q21 (preliminary), while the NGL output trend indicates a decline in January to average 1.12 mb/d and 1.16 mb/d in February (preliminary).

Graph 5 - 16: Canada monthly liquids production development by component



Sources: National Energy Board and OPEC.

Reuters reported that “Mergers and acquisitions in Canada's oil and gas sector had a record start to the year in 2021 as companies took advantage of improved oil price expectations amid the pandemic recovery, and many industry participants expect the trend to continue.”

In line with the usual seasonal maintenance, Canadian oil production is expected to be shuttered temporarily as of March by around 0.4 mb/d in 2Q21 compared to 1Q21.

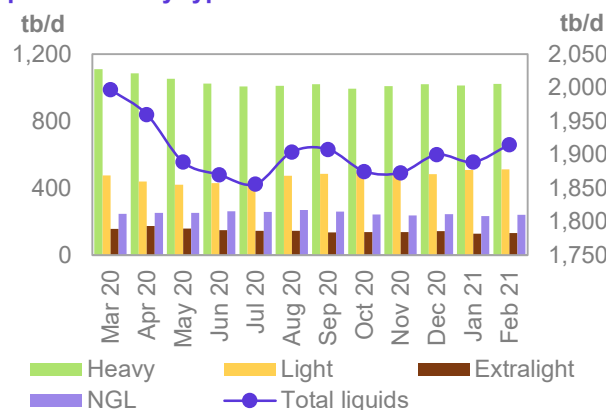
Following heavy declines in Canada's oil production in 2020 due to shut-in wells by 0.24 mb/d y-o-y to average 5.17 mb/d, supply is forecast to grow by 0.31 mb/d y-o-y in **2021** to average 5.48 mb/d.

Mexico

Mexico's liquids output in February was up by 0.03 mb/d m-o-m to average 1.92 mb/d. Crude oil output rose by 18 tb/d to average 1.67 mb/d, while NGL production was up by 8 tb/d m-o-m to average 242 tb/d, according to Pemex.

In mid-March, Pemex announced the discovery of a billion-barrel oil field in Tabasco state located at the southern part of the Gulf of Mexico. This discovery, along with the recently discovered Quesqui gas and condensate field with 900 million barrels of oil equivalent and Ixachi with 1.9 billion barrels, aims to reverse a decade of production declines. While Pemex has discovered significant volumes in recent years, even more production is needed to offset natural declines.

Graph 5 - 17: Mexico's monthly liquids and crude production by type



Sources: PEMEX and OPEC.

Mexico's liquids production in 2H21 is forecast to increase by 0.04 mb/d over 1H21 to average 1.94 mb/d, due to the start-up of the first phase of the Pokoch-Ichalkil fields with peak capacity of 0.10 mb/d. Therefore, Mexico's oil supply is forecast to grow by 0.01 mb/d in **2021** and average 1.92 mb/d.

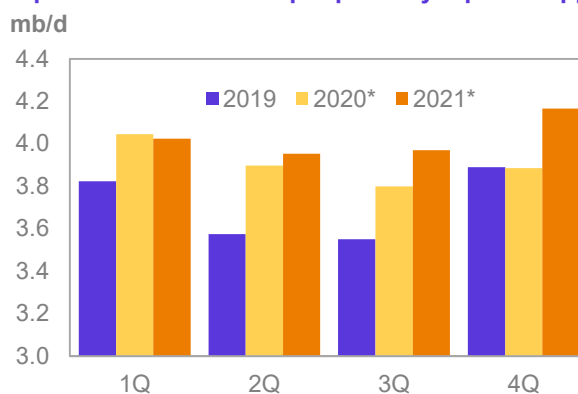
OECD Europe

OECD Europe's liquids production in 2020 is estimated to have grown by 0.20 mb/d to average 3.91 mb/d, revised up by 0.02 mb/d m-o-m. Higher oil production in Norway was the main reason for growth in the last year.

The **2021 OECD Europe** supply forecast is expected to show y-o-y growth of 0.12 mb/d to average 4.03 mb/d due mainly to expected growth in Norway.

However, planned maintenance on a major pipeline in the North Sea is expected to have a substantial impact on exports of North Sea benchmark crudes for May, Bloomberg reported. The combined loadings of Brent, Forties, Oseberg, Ekofisk and Troll crudes, which are used to set benchmark Dated Brent, are anticipated to drop to 639,000 b/d, the lowest level since at least August 2007.

Graph 5 - 18: OECD Europe quarterly liquids supply

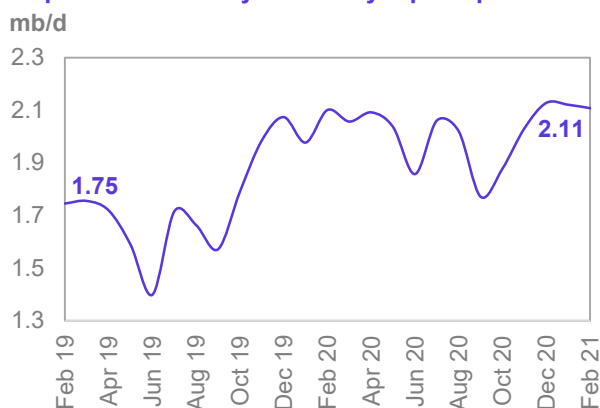


Note: * 2020 = Estimate and 2021 = Forecast.
Source: OPEC.

Norway

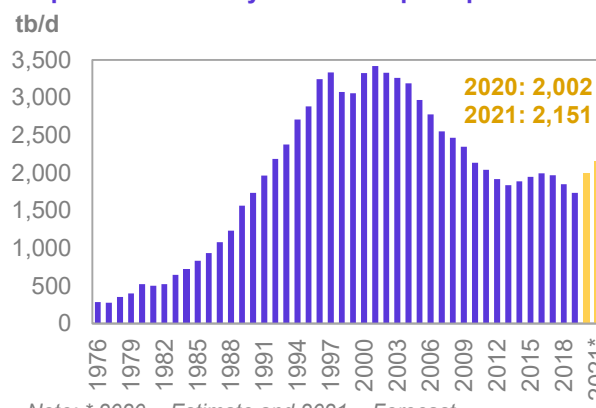
Norwegian liquids production in February decreased by a minor 0.01 mb/d m-o-m to average 2.11 mb/d. Crude oil production declined by 10 tb/d m-o-m to average 1.79 mb/d, but was higher by 0.03 mb/d y-o-y. Production of condensates and NGLs decreased by a minor 3 tb/d m-o-m to average 316 tb/d, lower by 25 tb/d y-o-y, according to official data from the Norwegian Petroleum Directorate (NPD).

Graph 5 - 19: Norway's monthly liquids production



Sources: NPD and OPEC.

Graph 5 - 20: Norway's annual liquids production



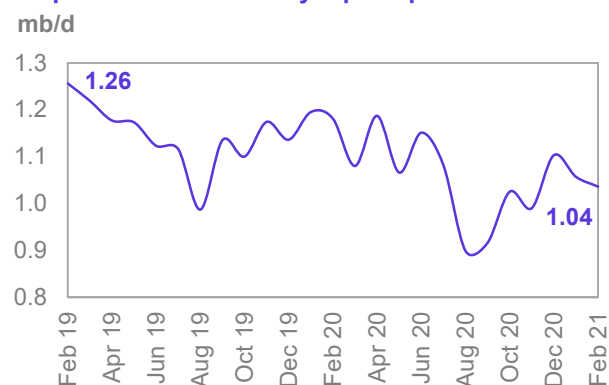
Note: * 2020 = Estimate and 2021 = Forecast.
Source: OPEC.

Norway's oil supply in **2020** is now estimated to have grown by 0.27 mb/d to average 2.00 mb/d, while in **2021**, growth is forecast to slow to 0.15 mb/d y-o-y for an average of 2.15 mb/d, revised down by a minor 0.01 mb/d m-o-m in absolute supply. This forecast also has some upside, with new projects having incremental potential, particularly if global oil demand rises more than currently anticipated. Norwegian oil production is forecast to rise in 2H21 through the ramp-up of the Njord field in the Norwegian Sea, the Fenja project, the Gjøa P1 tie-in project in the North Sea and the Wintershall Dea's Duva tieback to the Neptune-operated Gjøa platform, which is expected to be delayed by up to six months to 3Q21.

UK

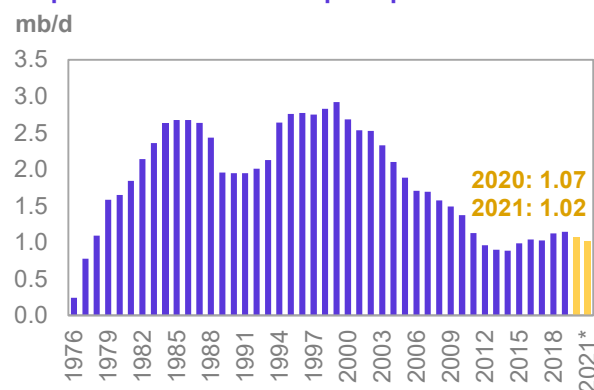
Following a drop of 0.04 mb/d in January m-o-m, **UK liquids production in February** fell by another 0.02 mb/d m-o-m to average 1.04 mb/d, owing to a decline of 22 tb/d in crude oil production m-o-m to average 895 tb/d, according to national source. Output of NGLs was almost flat m-o-m at an average of 94 tb/d.

Graph 5 - 21: UK monthly liquids production



Sources: Department of Energy & Climate Change and OPEC.

Graph 5 - 22: UK annual liquids production



Note: * 2020 = Estimate and 2021 = Forecast. Source: OPEC.

UK oil supply in **2020** is estimated to have declined by 0.07mb/d to average 1.07 mb/d.

In **2021**, the UK's oil and gas industry is anticipated to struggle to recover from an investment crunch due to the COVID-19 pandemic and, in the longer term, will have to manage a prolonged decline in output. Hence, some projects have reportedly been deferred, such as the Seagull project, which was deferred to late 2022. According to the CEO of Oil & Gas UK (OGUK), "Production may decline further this year and next, following a 5% decrease in 2020, that follows a plunge in development and operations spending in the sector, which slumped 23% year-on-year to 11.6 billion pounds (about \$16 billion), the lowest since 2004 in real terms. 2021 is likely to remain highly challenging as companies continue to navigate the operational issues associated with the pandemic along with repairing finances." Hence, UK oil supply is expected to decline by 0.05 mb/d y-o-y to average 1.02 mb/d.

Non-OECD

Non-OECD liquids production for 2020 was revised up by 0.02 mb/d and is now estimated to have declined by 1.49 mb/d y-o-y to average 31.66 mb/d.

China's liquids supply is estimated to have grown by 0.07 mb/d y-o-y to average 4.12 mb/d. The impact of COVID-19 lockdowns and the consequent lower demand dampened India's crude oil production in 2020, with output estimated to have contracted by 0.06 mb/d y-o-y to average 0.77 mb/d. Oil production in Other Asia was also revised up by 0.01 mb/d to average 2.51 mb/d and is now estimated to have declined by 0.18 mb/d, y-o-y. Malaysia recorded the deepest yearly decline of 0.07mb/d in the region, followed by Thailand (-0.05 mb/d) and Vietnam (-0.03 mb/d). Meanwhile, Latin America is estimated to have declined by 0.03 mb/d y-o-y to average 6.06 mb/d, with growth in Brazil and Guyana offset by heavy declines in Colombia by 0.11 mb/d, in Ecuador by 0.05 mb/d and in Argentina by 0.04 mb/d, mainly due to the shutting of wells in costly oil fields. Oil production in the Middle East is estimated to have declined by 0.03 mb/d y-o-y to average 3.17 mb/d, while Africa is estimated to have declined by 0.08 mb/d y-o-y to average 1.41 mb/d. Oil production in Russia is estimated to have declined by 1.02 mb/d y-o-y to average 10.59 mb/d, while liquids production in other Eurasia declined by 0.16 mb/d to average 2.91 mb/d.

For **2021**, liquids production in non-OECD countries is forecast to grow by 0.20 mb/d y-o-y to average 31.86 mb/d, revised down by 0.02 mb/d m-o-m.

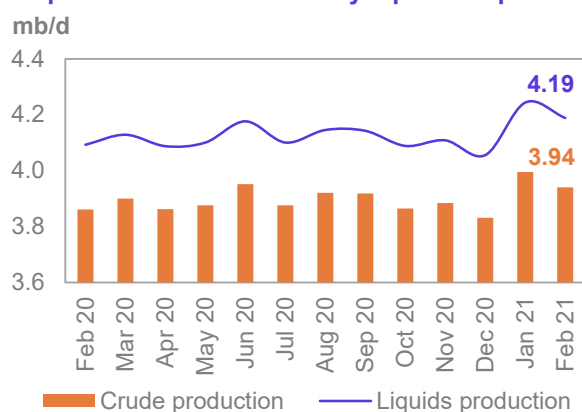
China is forecast to grow by 0.04 mb/d y-o-y to average 4.16 mb/d, while India is projected to decline by 0.02 mb/d y-o-y to average 0.75 mb/d. Oil supply is projected to decline in Other Asia by 0.05 mb/d y-o-y to average 2.46 mb/d. Latin America remains the key driver in non-OECD with y-o-y growth forecast of 0.23 mb/d to average 6.29 mb/d. In the Middle East, oil production is forecast to grow by 0.04 mb/d y-o-y to average 3.21 mb/d, mainly in Qatar. Production in Africa is forecast to decline by 0.07 mb/d y-o-y, to average 1.34 mb/d. Oil production in Russia is expected to inch up by 0.01 mb/d to average 10.60 mb/d, while other Eurasia is projected to show an increase of 0.02 mb/d y-o-y to average 2.94 mb/d.

China

China's crude oil production in February fell by 45 tb/d m-o-m to average 3.94 mb/d, which was up by 0.08 mb/d y-o-y, according to official data. Hence, liquids output decreased by 0.05 mb/d m-o-m to average 4.19 mb/d, up by 0.1 mb/d y-o-y.

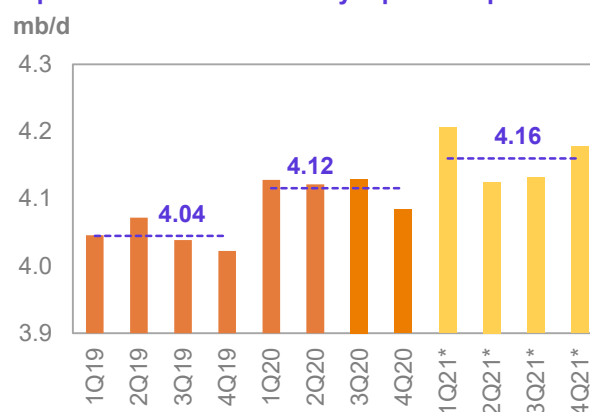
According to Offshore magazine, CNOOC has produced first oil from the Caofeidian 6-4 field in shallow offshore eastern China, as reported on 15 March 2021. Production is planned to reach the plateau at around 15 tb/d of crude in 2023, and CNOOC plans to drill 42 development wells comprising 30 producing wells and 12 water injector and water source wells.

Graph 5 - 23: China's monthly liquids output



Sources: CNPC and OPEC.

Graph 5 - 24: China's monthly liquids output



Note: * 1Q21-4Q21 = Forecast. Sources: CNPC and OPEC.

In **2020**, China was one of the few countries that showed oil supply growth by 0.07 mb/d y-o-y despite the COVID-19 pandemic.

For **2021**, with lower expected spending in the upstream E&P sector and more allocated capex in natural gas production, oil supply growth is forecast to slow to 0.04 mb/d y-o-y to average 4.16 mb/d, revised up by 0.01 mb/d compared to the previous forecast.

Latin America

Latin America's total liquids supply in February fell by 0.04 mb/d m-o-m to average 5.94 mb/d, down by 0.36 mb/d y-o-y.

Total liquids supply in the region for **2020** is estimated to have declined by 0.03 mb/d to average 6.06 mb/d. This is mainly due to lower-than-expected oil output in all countries of the region following the shut in of wells on the back of COVID-19 and a slowdown in drilling and operations, as well as prolonged maintenance in Brazil. Liquids production in 2020 is estimated to have grown in Brazil by 0.12 mb/d to average 3.68 mb/d and in Guyana by 0.07 mb/d to average 0.07 mb/d. Meanwhile, oil production in other countries in the region has declined.

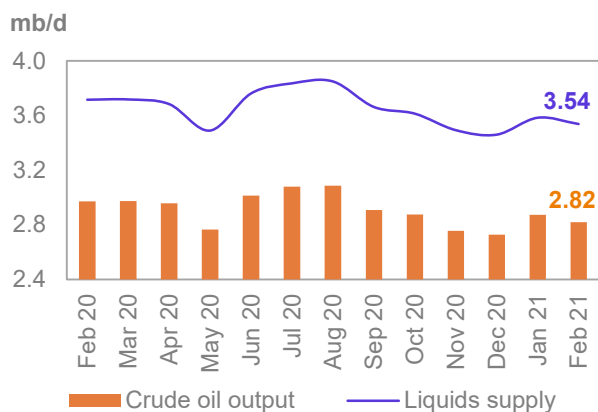
For **2021**, oil production is projected to grow by 0.23 mb/d y-o-y to average 6.30 mb/d, revised down by 0.01 mb/d m-o-m. Oil production in Brazil, Ecuador, Guyana, Argentina and Peru is forecast to increase, owing to production ramp-ups in fields that started in 2019 and 2020. Production in Ecuador is projected to recover by 0.06 mb/d from outages seen in 2020 to average 0.55 mb/d. Oil production is likely to decline in Colombia by a minor 0.01 mb/d.

Brazil

Brazil's crude oil production in February was down by 54 tb/d m-o-m to average 2.82 mb/d due to a decision by Petrobras to temporarily reduce production at the Marlim Sul offshore field due to COVID-19-related safety measures. However, production from late March began to increase, and crude oil output is expected to reach 2.99 mb/d in April, although maintenance is still continuing at the Peregrino field. Production of NGLs increased m-o-m in February by 8 tb/d to average 104 tb/d and is expected to have remained flat in March. According to official data, biofuels production was down by 23 tb/d to average 614 tb/d in January, and preliminary data shows that it remained flat in February and March.

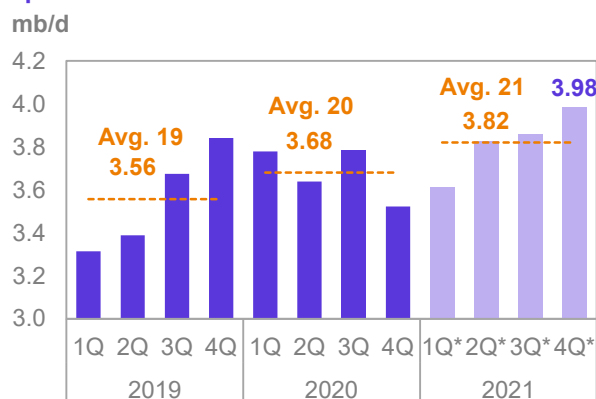
In February, Brazil liquids production, including biofuels, fell by 0.04 mb/d, m-o-m, to average 3.54 mb/d.

Graph 5 - 25: Brazil's crude oil and liquids output



Sources: ANP, Petrobras and OPEC.

Graph 5 - 26: Brazil's quarterly and annual liquids output



Note: * 1Q21-4Q21 = Forecast. Sources: ANP and OPEC.

In **2020**, liquids supply is estimated to have grown by 0.12 mb/d y-o-y to average 3.68 mb/d.

For **2021**, despite weaker-than-expected production performance in 1Q21, higher growth of 0.2 mb/d in 2H21 is anticipated in Brazil compared to 1H21. Crude oil production from two large projects – Sepia and Mero I – each having a 180 tb/d peak capacity are both scheduled to start in 2H21. The Sepia field is an ultra-deep water offshore oil field located at water depths of up to 2,200 m in the pre-salt Santos Basin. The Mero offshore field is said to be Brazil's third largest pre-salt discovery and has been undergoing test production since 2017. Liquids supply in 2021 is forecast to grow by 0.14 mb/d to average 3.82 mb/d, unchanged from last month's assessment.

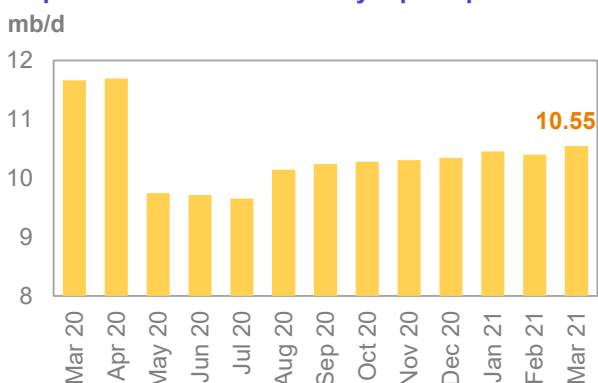
Russia

Russia's liquids production in March increased m-o-m to average 10.55 mb/d, as per preliminary data, but was lower by 1.11 mb/d y-o-y. With this, Russia's liquids production in 1Q21 is estimated to have increased by 0.16 mb/d q-o-q to average 10.47 mb/d.

Annual liquids production in **2020** is estimated to have declined by 1.02 mb/d y-o-y to average 10.59 mb/d.

For **2021**, Russian total liquids production is forecast to grow by 0.01 mb/d y-o-y to average 10.60 mb/d.

Graph 5 - 27: Russia's monthly liquids production



Sources: Nefte Compass, The Ministry of Energy of the Russian Federation and OPEC.

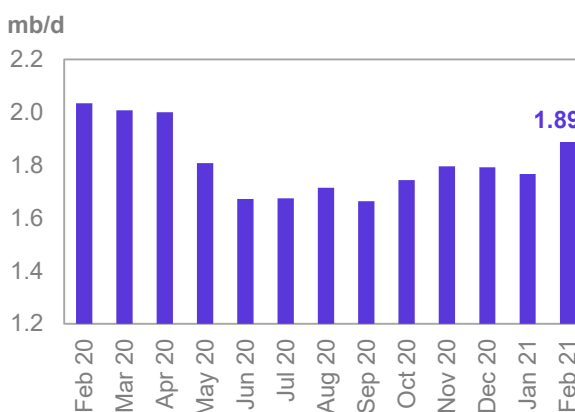
Caspian

Kazakhstan

Kazakhstan's liquids production in February increased by around 120 tb/d m-o-m to reach 1.89 mb/d. In March, preliminary data indicates a drop of around 0.13 mb/d to average 1.75 mb/d.

Kazakhstan's liquids production in **2020** is estimated to have declined by 0.10 mb/d to average 1.83 mb/d, while for **2021**, production is forecast to grow by a minor 0.01 mb/d.

Graph 5 - 28: Kazakhstan monthly crude and total liquids output



Sources: Nefte Compass and OPEC.

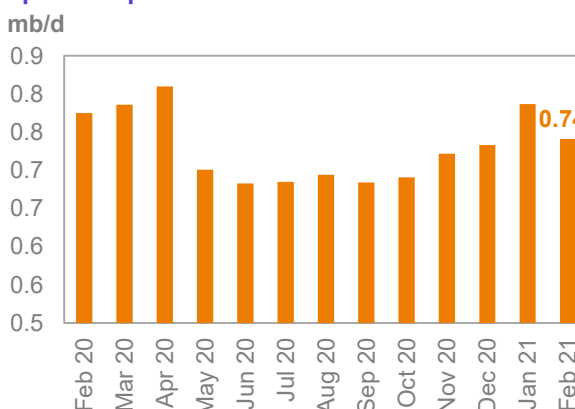
Azerbaijan

Azerbaijan's liquids supply in February declined slightly m-o-m to 0.74 mb/d and is expected to continue at the same level in March.

Condensate and NGL output from gas-condensate offshore fields saw a record high in January at 193 tb/d, mainly from the Shah-Deniz field in the Caspian. However, preliminary average production data in February and March shows a decline of 45 tb/d to average 148 tb/d.

Following a decline of 0.06 mb/d in Azeri liquids output in **2020**, liquids supply is forecast to grow by 0.03 mb/d to average 0.76 mb/d in **2021**.

Graph 5 - 29: Azerbaijan monthly crude and total liquids output



Sources: Nefte Compass and OPEC.

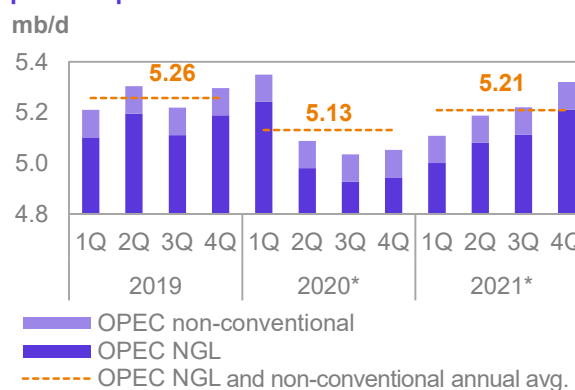
OPEC NGL and non-conventional oils

OPEC NGLs and non-conventional liquids are estimated to increase in 1Q21 by 0.06 mb/d q-o-q to average 5.11 mb/d, down by 0.24 mb/d y-o-y. Production of OPEC NGLs and non-conventional liquids has been in decline since 1Q21, from 5.35 mb/d to 5.05 mb/d in 4Q20. Preliminary output of NGLs in the first quarter of the year is estimated to be flat at 5.00 mb/d, while production of non-conventional liquids was steady at 0.11 mb/d.

In **2020**, OPEC NGL production are estimated to have contracted by 0.13 mb/d to average 5.13 mb/d.

For **2021**, OPEC NGLs and non-conventional liquids are expected to grow by 0.08 mb/d y-o-y to average 5.21 mb/d.

Graph 5 - 30: OPEC NGLs and non-conventional liquids output



Note: * 2020 = Estimate and 2021 = Forecast.
Source: OPEC.

Table 5 - 7: OPEC NGL + non-conventional oils, mb/d

OPEC NGL and non-conventional oils	Change		Change		1Q21	2Q21	3Q21	4Q21	Change	
	2019	19/18	2020	20/19					2021	21/20
OPEC NGL	5.15	-0.08	5.02	-0.13	5.00	5.08	5.11	5.21	5.10	0.08
OPEC non-conventional	0.11	0.00	0.11	0.00	0.11	0.11	0.11	0.11	0.11	0.00
Total	5.26	-0.08	5.13	-0.13	5.11	5.19	5.22	5.32	5.21	0.08

Note: 2020 = Estimate and 2021 = Forecast. Source: OPEC.

OPEC crude oil production

According to secondary sources, total **OPEC-13 crude oil production** averaged 25.04 mb/d in March 2021, up by 0.20 mb/d m-o-m. Crude oil output increased mainly in IR Iran, Angola, Libya and Iraq, while production decreased primarily in Saudi Arabia.

OPEC crude oil production based on direct communication is shown in **Table 5 – 9**.

Table 5 - 8: OPEC crude oil production based on secondary sources, tb/d

Secondary sources	2019	2020	3Q20	4Q20	1Q21	Jan 21	Feb 21	Mar 21	Change Mar/Feb
Algeria	1,022	897	840	857	871	866	875	873	-2
Angola	1,401	1,247	1,205	1,164	1,150	1,161	1,123	1,163	40
Congo	324	289	287	273	269	267	270	271	1
Equatorial Guinea	117	112	109	109	108	115	103	107	4
Gabon	208	195	191	191	180	180	180	182	2
Iran, I.R.	2,356	1,985	1,948	1,993	2,190	2,098	2,167	2,304	137
Iraq	4,678	4,049	3,697	3,817	3,881	3,837	3,892	3,914	23
Kuwait	2,687	2,434	2,245	2,293	2,327	2,322	2,333	2,327	-6
Libya	1,097	368	121	916	1,172	1,150	1,170	1,196	26
Nigeria	1,786	1,585	1,468	1,444	1,426	1,328	1,474	1,481	8
Saudi Arabia	9,771	9,182	8,766	8,962	8,440	9,077	8,123	8,090	-33
UAE	3,094	2,802	2,617	2,515	2,611	2,611	2,611	2,610	-1
Venezuela	796	500	362	408	513	490	524	525	1
Total OPEC	29,337	25,645	23,858	24,941	25,138	25,503	24,842	25,042	201

Notes: Totals may not add up due to independent rounding. Source: OPEC.

Table 5 - 9: OPEC crude oil production based on direct communication, tb/d

Direct communication	2019	2020	3Q20	4Q20	1Q21	Jan 21	Feb 21	Mar 21	Change Mar/Feb
Algeria	1,023	899	843	862	874	874	878	870	-8
Angola	1,373	1,277	1,253	1,186	1,136	1,133	1,137	1,138	1
Congo	329	300	296	285	280	278	279	283	3
Equatorial Guinea	110	114	115	106	104	105	103	103	0
Gabon	218	207	201	178	183	184	183	183	0
Iran, I.R.	..	..	..	..	..	..	..	..	..
Iraq	4,576	3,998	3,625	3,796	3,846	3,807	3,867	3,865	-2
Kuwait	2,678	2,438	2,245	2,293	2,327	2,325	2,329	2,327	-2
Libya	..	..	..	..	1,214	1,172	1,183	1,283	100
Nigeria	1,737	1,477	1,351	1,283	1,404	1,361	1,424	1,429	5
Saudi Arabia	9,808	9,213	8,813	8,975	8,473	9,103	8,147	8,138	-9
UAE	3,058	2,779	2,525	2,501	2,610	2,609	2,612	2,608	-4
Venezuela	1,013	557	395	450	533	484	538	578	40
Total OPEC	..	..	..	..	..	..	..	..	..

Notes: .. Not available. Totals may not add up due to independent rounding. Source: OPEC.

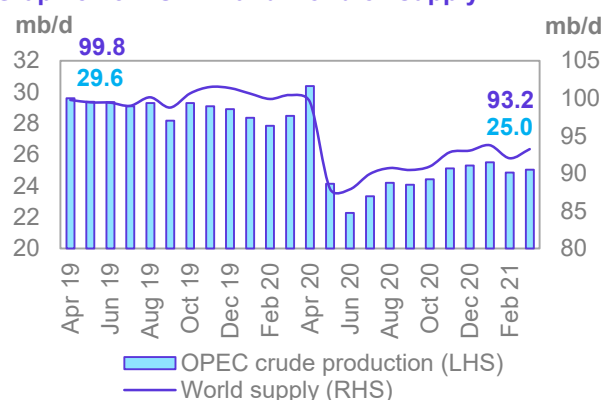
World oil supply

Preliminary data indicates that **global liquids production in March** increased by 1.22 mb/d to average 93.23 mb/d compared with the previous month, but was lower by 7.22 mb/d y-o-y.

Non-OPEC liquids production (including OPEC NGLs) increased in March by 1.02 mb/d compared with the previous month to average 68.19 mb/d, lower by 3.79 mb/d y-o-y. The preliminary estimated increase in production in March 2020 came mainly from the US by 0.93 mb/d, due to a return of drilling and completion operations following the extreme cold temperatures experienced particularly in Texas a month earlier.

The **share of OPEC crude oil in total global production** was down by 0.1% in March to 26.9% compared with the previous month. Estimates are based on preliminary data from direct communication for non-OPEC supply, OPEC NGLs and non-conventional oil, while estimates for OPEC crude production are based on secondary sources.

Graph 5 - 31: OPEC and world oil supply



Source: OPEC.

Product Markets and Refinery Operations

In March, refinery margins showed diverging trends. In the USGC, margins jumped, while in Europe, they rose only moderately as product markets continued to benefit from the recent rise in unplanned outages recorded in the previous month in the US as well as the low refinery output levels due to heavy maintenance. This led to a tighter overall product balance and bullish product market sentiment, which helped keep fuel prices sustained.

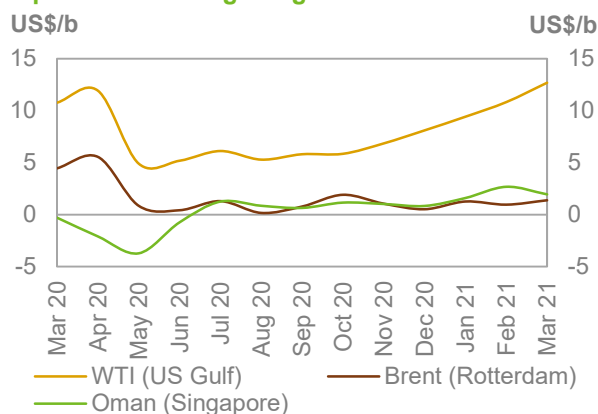
On the other hand, margins in Asia performed negatively as refining economics showed losses with pressure coming mainly from the mid-section of the barrel as the market there remained well supplied.

Refinery margins

USGC refining margins exhibited solid gains as refinery outages caused by extreme winter weather witnessed in the previous month contributed to lower product supplies. Although the refineries affected by the frigid temperatures have fully recovered during the month, gasoline inventory levels declined considerably in response to February's product output cuts and provided massive support to US refining economics.

In addition, continued improvement in mobility indicators with growing domestic requirements for transportation fuels further strengthening the US product market. US refinery margins for WTI averaged \$12.68/b in March, up by \$1.86/b m-o-m but down by \$1.92 y-o-y.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

Refinery margins in **Europe** increased slightly, supported by robust gasoline strength, mainly due to exports, which, in turn, helped boost margins for complex set ups. All other products across the barrel failed to show any upside as the fuel market within the region remained considerably suppressed despite slight m-o-m improvements in mobility and fuel consumption levels. However, renewed government restrictions and slow vaccine uptake are set to complicate a speedy recovery in the region and point to further weakness in the coming month.

The Suez Canal blockage witnessed during the month affected product markets and triggered bullish sentiment as east/west naphtha, diesel price differentials provided temporary support to crack spreads for the same product in Europe. In addition, the option to take longer routes to bypass the blockage around the Suez Canal represented another supportive factor for fuel oil markets due to higher bunker fuel requirements. However, the quick and successful alleviation of the oil product blockage kept this support limited, which, on a wider spectrum, was of insignificant impact on the monthly figures. Refinery margins for Brent in Europe averaged \$1.38/b in March, up by 42¢ compared with a month earlier and down by \$3.07 y-o-y.

Asian product markets, contrary to what was observed in other regions, showed losses as all product cracks, with the exception of gasoline, performed poorly, contributing to margin weakness. Crude processing rates in the region remained relatively constrained, however, ample product availability hindered any upside from the middle and bottom sections of the barrel.

Offline refining capacity in the region is expected to rise in April amid peak turnaround season, however, product market performances could face further weakness if the consumption side outlook for the coming month does not become more optimistic. Refinery margins for Oman in Asia lost 73¢ m-o-m to average \$1.95/b in March, which was lower by \$2.24 y-o-y.

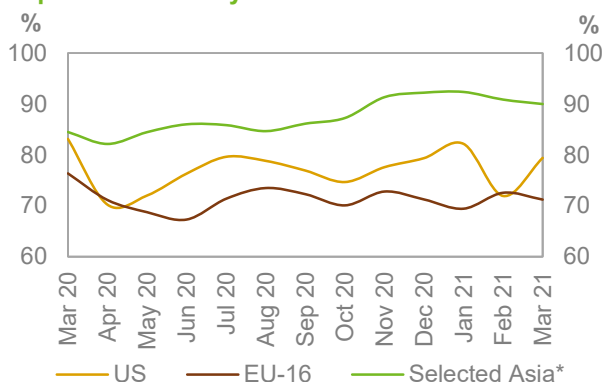
Refinery operations

US refinery utilization rates increased in March to average 79.38%, which corresponds to a throughput of 14.60 mb/d. This represented a rise of 7.5 pp and 1.4 mb/d, respectively, compared with the previous month. Y-o-y, the March refinery utilization rate was down by 3.7 pp, with throughputs showing a drop of 1.2 mb/d.

European refinery utilization averaged 71.23%, corresponding to a throughput of 8.6 mb/d. This is a m-o-m decline of 1.3 pp or 230 tb/d. On a y-o-y basis, utilization rates fell by 5.1 pp, while throughput was down by 850 tb/d.

In **selected Asia** – comprising Japan, China, India, Singapore and South Korea – refinery utilization rates rose, averaging 90.0% in March, corresponding to a throughput of 25.9 mb/d. Compared with the previous month, throughputs were down by 0.9 pp and by 110 tb/d. Meanwhile, y-o-y they were up by 5.5 pp and by 1.9 mb/d.

Graph 6 - 2: Refinery utilization rates



Note: * China, India, Japan, Singapore and South Korea.
Sources: Argus, EIA, Euroilstock, PAJ and OPEC.

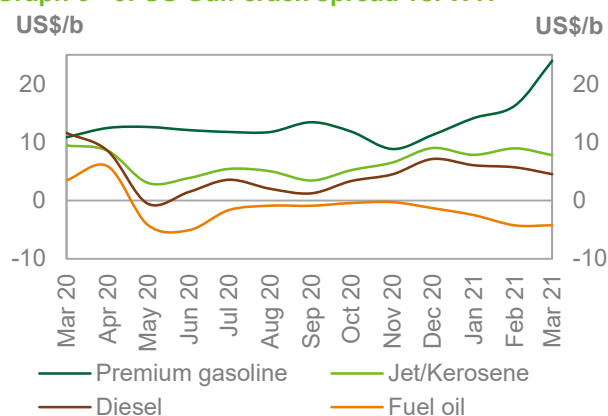
Product markets

US market

US gasoline crack spreads witnessed solid gains as gasoline prices continued to climb and reached a twelve-month high, the highest level seen since March 2020. This extended improvement was attributed to considerable supply disruption within the country, which led to a tighter market and provided a boost in prices. The rise in gasoline prices was exacerbated by stronger crude oil prices witnessed over the month.

Continued improvement in travel activity, drove overall mobility indicators higher. This led to considerable gasoline drawdowns, which provided large support to gasoline crack spreads US gasoline crack spreads gained \$7.70 m-o-m to average \$23.98 in March, down by \$13.13/b y-o-y.

Graph 6 - 3: US Gulf crack spread vs. WTI



Sources: Argus and OPEC.

USGC jet/kerosene crack spreads reversed trends and showed loss as imports for the same product were higher while consumption recovery trends from the pandemic-lows remained slow. Going forward, the start of heavy maintenance works should reinforce supply side support even further, which, combined with projections of rising air travel activities as the weather gets warmer, should sustain the upward trend in US jet/kerosene margins in the near term. The US jet/kerosene crack spread against WTI averaged \$7.78/b, down by \$1.16 m-o-m and down by \$1.66 y-o-y.

US gasoil crack spreads against WTI lost some ground, pressured by ample product availability evidenced by significant stock builds in US gasoil inventory levels and a significant y-o-y surplus. The US gasoil crack spread against WTI averaged \$4.54/b, down by \$1.17 m-o-m and by \$7.06 y-o-y.

US fuel oil crack spreads against WTI extended its downward trend in response to stronger crude prices. In addition, the fulfilment of pre-established contract arrivals amid the decline in processing rates resulted in ample fuel oil availability in the country and contributed to the weakness registered over the month. In March, the US fuel oil crack spread against WTI averaged minus \$4.23/b, moderately up by 2¢ m-o-m but down by \$7.71 y-o-y.

European market

Gasoline crack spreads moved up only moderately as strong exports to West Africa served as a much-needed outlet for gasoline volumes and helped boost European gasoline margins. In addition, the start of trading activities for summer grade gasoline amid the relatively low gasoline production levels due to heavy turnarounds provided additional support, despite the domestic market weakness linked to mobility restrictions within the region. The gasoline crack spread against Brent averaged \$11.27/b in March, up by \$2.79 m-o-m and by \$2.46 y-o-y.

Jet/kerosene crack spreads against Brent declined slightly over the month, affected by slow inventory drawdowns as jet fuel demand from the aviation sector remained weak.

Naphtha was reported to have priced at a heavy premium relative to jet/kerosene, which, given the current weakness of the latter, could incentivise refiners to shift yields from jet/kerosene to the naphtha pool to achieve more favourable economics. The Rotterdam jet/kerosene crack spread against Brent averaged \$3.10/b, down by \$1.12 m-o-m and by \$5.68 y-o-y.

Gasoil crack spreads moved downwards, pressured by lower gasoil barrel requirements from the US. Moreover, the mobility restriction over Easter holidays within the region weighed further on transport fuel consumption levels and ultimately gasoil crack spreads during the month. The gasoil crack spread against Brent averaged \$4.37/b, which was lower by \$1.29 m-o-m by \$10.28 y-o-y.

At the bottom of the barrel, **fuel oil 1.0% crack spreads** took a downturn and suffered from a rise in prices, as they climbed up for the sixth consecutive month affected by stronger crude prices. In Europe, fuel oil cracks averaged minus \$8.25/b in March, having lost 40¢ m-o-m, but gained \$2.34 y-o-y.

Asian market

The **Asian gasoline 92-crack spreads** jumped, extending their upward trend for the fourth consecutive month, boosted by robust gasoline exports to other regions. Gasoline deliveries were reported to have increased sharply in the last week of March backed by higher volume flows to Africa, as well as to Central and South America. In addition, healthy consumption levels from within the region, particularly from India, provided further support to Asian gasoline markets. The Singapore gasoline crack spread against Oman in February averaged \$5.53/b, up by \$1.37¢ m-o-m but down by \$2.84 y-o-y.

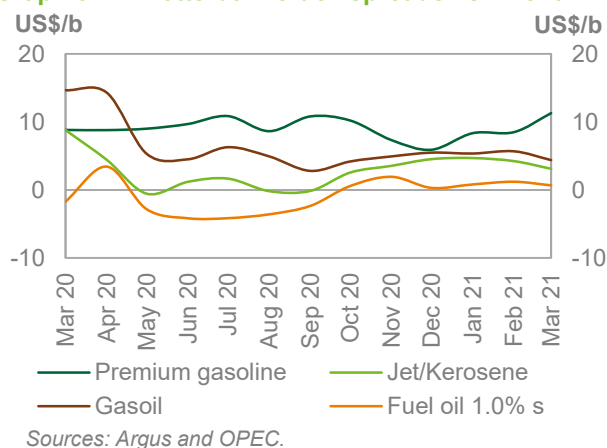
Singapore **light distillate naphtha crack spreads** lost ground with the gasoline/naphtha barrel spread, moving into double digits. This spread has reached a 13-month high and inched closer to the 5-year average for the first time since the beginning of the COVID-19 pandemic.

Petrochemical margins in the region remain firm, nevertheless, the soon-approaching Asian steam cracker maintenance season could exert some pressure on naphtha demand in the near term.

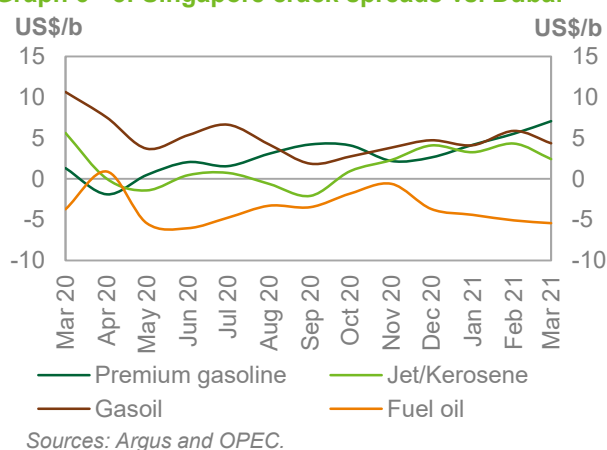
The Singapore naphtha crack spread against Oman averaged \$1.02/b, having decreased by 5¢ m-o-m, but increased by \$2.71 y-o-y.

In the middle of the barrel, **jet/kerosene crack spreads** in Asia reversed trends and moved downwards due to low exports and low regional requirements. The upcoming end of the winter season in Northeast Asia and subsequent decline in kerosene consumption for heating amid moderated air travel activities in the region contributed to the negative performance witnessed over the month.

Graph 6 - 4: Rotterdam crack spreads vs. Brent



Graph 6 - 5: Singapore crack spreads vs. Dubai



The Singapore jet/kerosene crack spread against Oman averaged \$4.32/b, up by \$1.06 m-o-m but down by \$4.48 y-o-y.

The Singapore **gasoil crack spreads** weakened, pressured by limited regional demand as well as lower exports to the West. Travel activities over the Chinese Lunar New Year holidays as well as travel activities in other Asian countries remain lower compared to pre pandemic levels and therefore failed to provide any significant support. The Singapore gasoil crack spread against Oman averaged \$5.87/b, down by \$1.76/b m-o-m and by \$4.54 y-o-y.

The Singapore **fuel oil 3.5% crack spreads** continued to trend downwards, heading deeper into negative territory to reach the lowest level seen since June 2020. The poor performance was attributed to weak domestic consumption levels within the region as well a rise in high sulphur fuel oil prices reflective of stronger feedstock prices registered over the month. Singapore fuel oil cracks against Oman averaged minus \$5.09/b, down by 68¢ m-o-m but up by \$4.82 y-o-y.

Table 6 - 1: Short-term prospects for product markets and refinery operations

Event	Time frame	Asia	Europe	US	Observations
Renewed lockdowns	April 21	↓ Negative impact on product markets	↓ Negative impact on product markets	↓ Negative impact on product markets	Seasonality as well as hard lockdowns due to concerns over the spread of the new COVID-19 variants could pressure fuel markets in the immediate near term.
Refinery closures	2Q21–3Q21	↑ Positive impact on product markets	↑ Positive impact on product markets	↑ Positive impact on product markets	In the immediate near term, no impact is expected. However, once markets recover and consumption levels are fully restored to pre-pandemic levels, the product deficit could support the market, particularly during summer months.
COVID-19 vaccine	Summer 2021	↑ Positive impact on product markets	↑ Positive impact on product markets	↑ Positive impact on product markets	Product markets are expected to show y-o-y improvement in product cracks, mainly during the 2021 driving season.

Source: OPEC.

Table 6 - 2: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				Refinery utilization, %			
	Jan 21	Feb 21	Mar 21	Change Mar/Feb	Jan 21	Feb 21	Mar 21	Change Mar/Feb
US	14.98	13.22	14.60	1.37	82.14	71.91	79.38	7.5 pp
Euro-14, UK and Norway	8.61	8.84	8.62	-0.23	69.44	72.57	71.23	-1.3 pp
France	0.55	0.56	0.60	0.04	43.61	48.74	52.13	3.4 pp
Germany	1.61	1.56	1.53	-0.03	78.43	76.24	74.63	-1.6 pp
Italy	1.04	1.10	1.10	0.01	54.95	57.63	58.13	0.5 pp
UK	0.84	0.72	0.66	-0.06	67.53	57.91	53.23	-4.7 pp
Selected Asia*	26.26	25.84	25.95	0.11	92.37	90.88	90.00	-0.9 pp

Note: * Includes Japan, China, India, Singapore and South Korea.

Sources: Argus Media, EIA, Euroilstock, NBS, PAJ and OPEC.

Table 6 - 3: Refinery crude throughput, mb/d

	2018	2019	2020	1Q20	2Q20	3Q20	4Q20	1Q21
Refinery crude throughput								
OECD Americas	19.31	18.96	16.55	18.27	15.31	16.35	16.27	16.10
<i>of which US</i>	17.31	16.99	14.72	16.36	13.65	14.55	14.32	14.27
OECD Europe	12.17	12.13	10.65	11.64	9.90	10.65	10.39	10.49
<i>of which:</i>								
<i>France</i>	1.10	1.00	0.67	0.65	0.58	0.76	0.71	0.57
<i>Germany</i>	1.80	1.78	1.72	1.80	1.69	1.72	1.67	1.57
<i>Italy</i>	1.35	1.35	1.11	1.22	0.99	1.15	1.08	1.08
<i>UK</i>	1.06	1.08	0.92	1.11	0.81	0.87	0.89	0.74
OECD Asia Pacific	6.98	6.79	5.89	6.67	5.53	5.50	5.88	5.93
<i>of which Japan</i>	3.11	3.02	2.48	2.94	2.23	2.25	2.51	2.70
Total OECD	38.46	37.88	33.08	36.58	30.74	32.50	32.54	32.52
Latin America	4.31	4.07	3.77	4.04	4.00	3.30	3.90	3.89
Middle East	6.97	6.83	5.81	6.47	6.01	5.09	5.99	6.16
Africa	2.16	2.16	2.06	2.27	2.28	1.90	1.98	2.09
India	4.89	5.04	4.42	5.01	5.09	3.86	4.00	4.73
China	12.03	13.02	13.48	13.68	12.04	13.76	14.00	14.14
Other Asia	5.18	4.95	4.54	4.84	5.43	4.15	4.12	4.46
Russia	5.72	5.70	5.39	5.83	5.88	5.10	5.28	5.29
Other Eurasia	1.32	1.30	1.20	1.27	1.15	1.13	1.21	1.32
Other Europe	0.63	0.62	0.49	0.65	0.56	0.43	0.46	0.50
Total Non-OECD	43.22	43.69	41.16	44.05	42.44	38.72	40.93	42.57
Total world	81.68	81.57	74.24	81.46	79.02	69.46	73.43	75.11

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

Sources: AFREC, APEC, EIA, IEA, Euroilstock, PAJ, Ministry data, including Ministry of Energy of the Russian Federation, Ministry of Petroleum and Natural Gas of India, OPEC and JODI.

Table 6 - 4: Refined product prices, US\$/b

	Feb 21	Mar 21	Change Mar/Feb	Annual avg. 2020	Year-to-date 2021
US Gulf (Cargoes FOB)					
Naphtha*	63.02	65.52	2.50	38.31	61.75
Premium gasoline (unleaded 93)	75.36	86.33	10.97	51.89	75.98
Regular gasoline (unleaded 87)	72.56	82.36	9.80	47.72	72.82
Jet/Kerosene	68.02	70.13	2.11	46.83	66.03
Gasoil (0.2% S)	64.79	66.89	2.10	44.92	63.29
Fuel oil (3.0% S)	52.90	54.40	1.50	34.72	51.76
Rotterdam (Barges FoB)					
Naphtha	61.37	63.36	1.99	39.00	59.98
Premium gasoline (unleaded 98)	70.71	76.83	6.12	51.34	70.20
Jet/Kerosene	66.45	68.66	2.21	45.72	64.84
Gasoil/Diesel (10 ppm)	67.89	69.93	2.04	49.17	65.96
Fuel oil (1.0% S)	63.42	66.22	2.80	40.87	61.72
Fuel oil (3.5% S)	55.27	58.71	3.44	37.71	54.89
Mediterranean (Cargoes FOB)					
Naphtha	60.28	62.59	2.31	37.58	59.13
Premium gasoline**	66.86	73.63	6.77	45.41	66.47
Jet/Kerosene	63.87	66.24	2.37	43.06	62.59
Diesel	67.12	69.40	2.28	48.55	65.47
Fuel oil (1.0% S)	64.62	67.48	2.86	43.54	62.85
Fuel oil (3.5% S)	53.13	55.71	2.58	33.31	52.21
Singapore (Cargoes FOB)					
Naphtha	61.85	65.03	3.18	40.66	60.90
Premium gasoline (unleaded 95)	67.83	73.43	5.60	46.59	67.10
Regular gasoline (unleaded 92)	66.36	71.47	5.11	44.99	65.58
Jet/Kerosene	65.15	66.82	1.67	44.75	63.33
Gasoil/Diesel (50 ppm)	67.73	69.54	1.81	49.19	65.69
Fuel oil (180 cst)	66.45	68.39	1.94	47.86	64.54
Fuel oil (380 cst 3.5% S)	55.74	58.97	3.23	36.75	55.02

Note: * Barges. ** Cost, insurance and freight (CIF).

Sources: Argus and OPEC.

Tanker Market

Dirty tanker rates picked up in March, as gains in Suezmax and Aframax rates outpaced a further slight decline in VLCCs. Increases in these vessel classes were driven by tighter tanker supply as the blockage of the Suez Canal kept ships waiting on both sides of the waterway amid uncertainties regarding when the disruption would be resolved. After the container ship 'Ever Given' was dislodged at the end of the month, rates fell back toward levels seen at the start of the year. The upcoming 2Q seasonal refinery maintenance in Asia also reduced support by the end of the month.

Clean tanker rates in March saw an improved performance East of Suez, while West of Suez routes around the Med eased from the higher levels seen last month.

Spot fixtures

Global spot fixtures declined m-o-m in March, falling around 1.4 mb/d, or more than 8%, to average 14.7 mb/d. Spot fixtures were around 5.2 mb/d, or 26%, lower than the same month last year. Uncertainties about the duration and impact of the Suez Canal shutdown encouraged charterers to delay bookings, amid an environment of ample tonnage availability, certainly once the situation was resolved. An increase in Middle East to East fixtures were more than offset by declines to the West and outside the Middle East.

Table 7 - 1: Spot fixtures, mb/d

	Jan 21	Feb 21	Mar 21	Change Mar 21/Feb 21
All areas	15.00	16.04	14.69	-1.35
OPEC	10.05	9.99	9.75	-0.24
Middle East/East	5.98	5.37	5.92	0.55
Middle East/West	0.90	0.93	0.56	-0.37
Outside Middle East	3.17	3.69	3.27	-0.42

Sources: Oil Movements and OPEC.

OPEC spot fixtures fell m-o-m in March, down by 0.2 mb/d, or more than 2%, to average 9.75 mb/d. Compared with the same month last year, OPEC spot fixtures were more than 29% lower, down by almost 4.1 mb/d.

Fixtures from the **Middle East-to-East** were the only bright spot, averaging 5.9 mb/d in March, representing an increase of almost 0.6 mb/d, or 10%, m-o-m. Y-o-y, fixtures on the route declined 2.1 mb/d, or almost 26%.

In contrast, **Middle East-to-West** fixtures dropped, declining around 40%, or almost 0.4 mb/d m-o-m, to average around 0.6 mb/d. This was 2.4 mb/d or 81% lower compared with the same month last year.

Outside Middle East fixtures fell by almost 0.4 mb/d, or over 11% m-o-m, to average 3.3 mb/d. Y-o-y, fixtures were more than 13% or just under 0.4 mb/d, higher.

Sailings and arrivals

Sailings improved m-o-m in March, with **OPEC sailings** averaging 21.3 mb/d. This represented a gain of 1.0 mb/d, or almost 5%, m-o-m. Y-o-y, OPEC sailings fell 2.5 mb/d, or over 10%.

Middle East sailings increased 0.5 mb/d, or more than 3% m-o-m, to average 15.9 mb/d. Y-o-y, sailings from the region were down 1.2 mb/d, or 7%, compared with the same month last year.

Crude arrivals were higher y-o-y on most routes in March, but experienced mixed movements compared with the previous month. On the positive side, arrivals in Europe increased m-o-m by 0.4 mb/d, or close to 4%, to average 11.4 mb/d, and were similarly 0.4 mb/d, or almost 4%, higher compared with March 2020. Arrivals in West Asia were also higher m-o-m, up 0.3 mb/d, or close to 6%, averaging 5.8 mb/d. Y-o-y, West Asia arrivals were 1.8 mb/d, or 43%, higher. M-o-m declines were seen in the Far East, where arrivals fell 1.8 mb/d or 14% to average 10.7 mb/d, although that was still 1.9 mb/d or 21% higher than the same month last year. North American arrivals also fell, averaging 7.9 mb/d, representing a decline of close to 0.2 mb/d, or more than 2% and a slight gain 0.1 mb/d or over 1% y-o-y.

Table 7 - 2: Tanker sailings and arrivals, mb/d

	Jan 21	Feb 21	Mar 21	Change Mar 21/Feb 21
Sailings				
OPEC	21.21	20.33	21.33	1.00
Middle East	15.86	15.40	15.90	0.50
Arrivals				
North America	7.91	8.07	7.90	-0.17
Europe	10.78	10.98	11.38	0.40
Far East	11.92	12.48	10.69	-1.79
West Asia	5.32	5.51	5.82	0.31

Sources: Oil Movements and OPEC.

Dirty tanker freight rates

Very large crude carriers (VLCCs)

After declining the month before, **VLCC** spot rates slipped in March, down just 1% m-o-m, although were 75% lower compared to the same month last year. Rates were less impacted by uncertainties regarding the closure of the Suez Canal and more by the decline in taker demand with the onset of 2Q seasonal maintenance in Asia. The massive y-o-y decline is due more to the unusual conditions seen last year amid outbreak in the COVID-19 pandemic.

Rates on the **Middle East-to-East** route declined slightly m-o-m, falling 4% to average WS31 points. Y-o-y, rates were 76% lower compared with the same month last year.

Rates on the **Middle East-to-West** route were broadly flat m-o-m, averaging WS22 points in March. Y-o-y, rates were 76% lower.

The **West Africa-to-East** route experienced a marginal gain of 1% m-o-m to average WS36 points. Rates were 71% lower compared with March 2020.

Table 7 - 3: Dirty VLCC spot tanker freight rates, Worldscale (WS)

	Size 1,000 DWT	Jan 21	Feb 21	Mar 21	Change Mar 21/Feb 21
VLCC					
Middle East/East	230-280	35	32	31	-1
Middle East/West	270-285	24	22	22	0
West Africa/East	260	36	35	36	0

Sources: Argus and OPEC.

Suezmax

The **Suezmax** class rose for the fourth month in a row in March to show a gain of 17%. Compared with the same month last year, average Suezmax rates were 45% lower.

The further m-o-m gains were triggered by uncertainty caused by the disruption of the Suez Canal. On the morning of 23 March, the 220,000-tonne container ship 'Ever Given' ran aground in the canal, blocking all traffic through a waterway that carries about 12% of global trade. By the time the vessel was finally dislodged on 30 March, some 367 ships were awaiting transit through the canal, up from 14 immediately after the ship's grounding, according to Egypt's Leth Agencies. These included an estimated 35 crude and 14 product tankers, as well as 16 LNG and 10 LPG carriers. Suezmax tankers are the primary vessels used to carry crude through the canal, averaging around 45 per month. Uncertainty regarding the impact and duration of the disruption temporarily boosted rates for this class and at the same time delayed some cargoes as charterers awaited a clearer picture on how long flows would be disrupted. With the blockage resolved, Suezmax rates fell back from higher levels.

While the routes listed in the chart below were not directly impacted by the Suez Canal disruption, they did see some support from an overall tighter market, on the principle that rising tides lift all boats. Suezmax rates

Tanker Market

averaged WS62 points in March on the **West Africa-to-US Gulf Coast (USGC)** route, representing a 23% gain from the month before. Y-o-y, rates were still 50% lower than in March 2020.

Meanwhile, spot freight rates on the **USGC-to-Europe** route rose 12% m-o-m to average WS60 points but remained 39% lower compared with the same month last year.

Table 7 - 4: Dirty Suezmax spot tanker freight rates, WS

	Size	Jan 21	Feb 21	Mar 21	Change
	1,000 DWT				Mar 21/Feb 21
Suezmax					
West Africa/US Gulf Coast	130-135	43	51	62	12
US Gulf Coast/ Europe	150	41	53	60	7

Sources: Argus and OPEC.

Aframax

Aframax rates showed the best performance m-o-m in March relative to the larger classes. Gains were seen across all routes, with average rates rising 32% m-o-m. However, rates were still 17% lower compared with the previous year. Support came from the disruption in the Suez Canal, picking up rates from very low levels.

Table 7 - 5: Dirty Aframax spot tanker freight rates, WS

	Size	Jan 21	Feb 21	Mar 21	Change
	1,000 DWT				Mar 21/Feb 21
Aframax					
Indonesia/East	80-85	58	64	90	25
Caribbean/US East Coast	80-85	86	98	137	39
Mediterranean/Mediterranean	80-85	72	98	125	27
Mediterranean/Northwest Europe	80-85	63	96	121	25

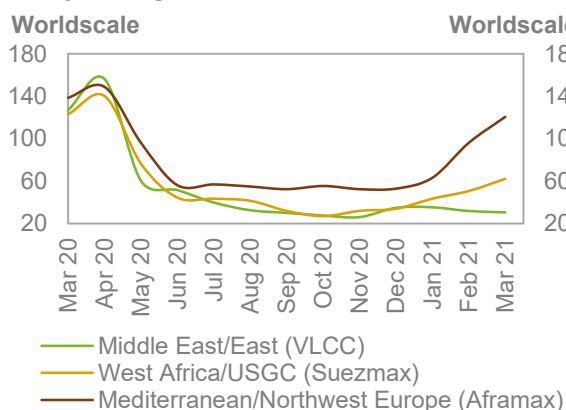
Sources: Argus and OPEC.

The largest monthly gains were seen in Asia and the Americas. The **Indonesia-to-East** route rose 39% to average WS90, which was some 26% lower y-o-y. Higher refinery run rates in the region just ahead of the April maintenance season provided some support to rates.

The **Caribbean-to-US East Coast (USEC)** route also enjoyed a 39% m-o-m increase to average WS137. A return from disruptions caused by the closure of US Gulf ports due to freezing weather in February supported the recovery. Y-o-y, rates on the route were still 17% lower.

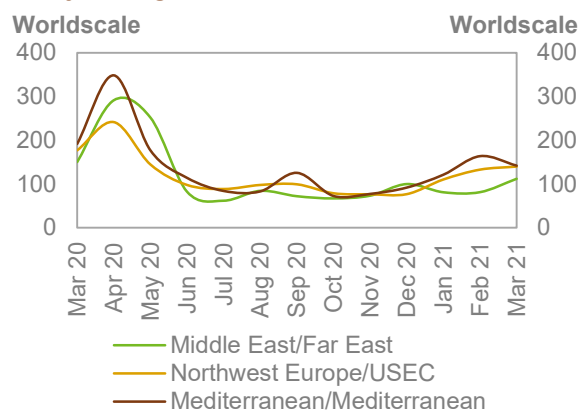
More directly impacted by the situation in the Suez, Med routes experienced increases in March, having been previously supported by weather disruptions in the Turkish straits. The **Mediterranean-to-Northwest Europe (NWE)** route rose 25% m-o-m to average WS121, which still represented a decline of 13% y-o-y. The **Cross-Med** route rose 27% m-o-m to average WS125, representing a 12% drop y-o-y.

Graph 7 - 1: Crude oil spot tanker freight rates, monthly average



Sources: Argus and OPEC.

Graph 7 - 2: Products spot tanker freight rates, monthly average



Sources: Argus and OPEC.

Clean tanker freight rates

Clean spot freight rates moved higher m-o-m in March, increasing by 3%, driven solely by East of Suez gains, as rates West of Suez declined. Compared to the same month last year, clean spot freight rates were 21% lower.

Table 7 - 6: Clean spot tanker freight rates, WS

	Size 1,000 DWT	Jan 21	Feb 21	Mar 21	Change Mar 21/Feb 21
East of Suez					
Middle East/East	30-35	81	81	112	31
Singapore/East	30-35	140	121	146	25
West of Suez					
Northwest Europe/US East Coast	33-37	110	133	140	7
Mediterranean/Mediterranean	30-35	121	163	142	-22
Mediterranean/Northwest Europe	30-35	138	173	150	-23

Sources: Argus and OPEC.

East of Suez rates rose by 27% in March but still showed a 15% loss y-o-y. The **Middle East-to-East** route rose 38% in March to average WS112. This represented a 26% decline compared with the same month last year. On the **Singapore-to-East** route, clean freight rates recovered from the previous month's losses, up 20% m-o-m in March. With an average of WS146, rates were still 5% lower compared with March 2020.

West of Suez experienced an 8% decline m-o-m in March and was 24% lower y-o-y. Declines were seen on the **Cross-Med** and **Med-to-NWE** routes, which fell 13% each to average WS142 and WS150 points, respectively. In contrast, rates on the **NWE-to-USEC** route increased 5% m-o-m, to average WS140 points, but remained around 25% lower compared with the same month last year. The monthly gains were driven by increased demand for European product exports to the US East Coast, particularly for gasoline. This has been a longstanding trade pattern for decades and one that was more accentuated in March due to disruptions from once-in-a-generation freezing temperatures in the US Gulf Coast, home to the country's refining complex.

Crude and Refined Products Trade

Preliminary data shows that US crude imports were broadly flat in March at around 5.7 mb/d for the fourth consecutive month. US crude exports declined for the third month in a row, averaging 2.7 mb/d, the lowest level since July 2019. More recent weekly data shows US crude imports trending higher into April, above 6.0 mb/d while exports have exceeded 3 mb/d for the second week in a row, as the Gulf Coast recovers from February's freeze. US product imports surged in March to average 2.5 mb/d, the highest since July 2019, as weather disruptions supported inflows.

China's crude imports achieved a four-month high in February, averaging 11.8 mb/d, impacted by the Lunar New Year Holidays and stronger purchasing by independent refiners. Crude inflows are expected to remain at elevated levels in March before falling over the course of 2Q21, as refiners head into the maintenance season. Product exports edged up 3% to average 1.5 mb/d, the highest since April 2020, driven by gasoil and jet fuel.

India's crude imports declined sharply in February, averaging just under 4 mb/d, the lowest in four months, as COVID-19 impacts and higher product prices weighed on demand. Secondary sources point to a pickup in crude imports in March to around 4.2 mb/d. Product imports recovered in February, to average 1.2 mb/d, the highest amount in 13 months, driven by LPG inflows, which are part of a government program to support clean cooking.

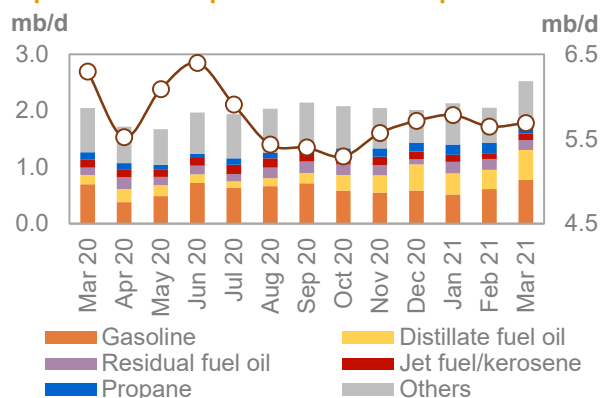
Japan's crude imports were broadly stable in February remaining near the improved levels seen in the previous two months, averaging 2.6 mb/d in February, compared to the 2.2 mb/d trough seen in 3Q20. March imports are expected to remain around recent levels. Product imports including LPG were the highest in over three years, averaging 1.3 mb/d in February, as uneven product demand encourages increased imports of specific products.

The most recent official data shows OECD Europe crude imports declined m-o-m in December 2020 to average just under 8 mb/d. Crude exports averaged 0.7 mb/d, the highest level in eight months, with increased exports from Norway supported by higher output from the Johan Sverdrup field. Product imports rose to a nine-month high of close to 2.7 mb/d in the last month of the year, driven by outflows of gasoline.

US

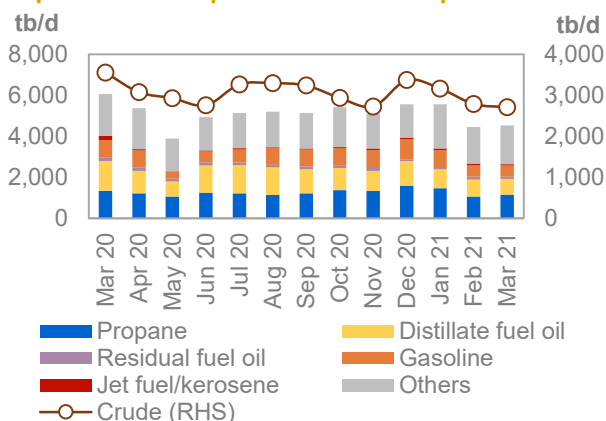
Preliminary data shows that **US crude imports** were broadly flat in March at 5.7 mb/d, keeping close to that level for the fourth consecutive month. Higher crude inflows to the US East Coast offset recovering flows into the US Gulf Coast, which had been impacted by February's harsh winter freeze. While less than 1% higher m-o-m, crude imports were almost 10%, or 0.6 mb/d, lower compared to the same month last year when inflows were boosted with the arrival of long-haul tankers carrying crude purchased before the onset of the pandemic. More recent weekly data shows US crude imports trending higher above 6.0 mb/d at the end of March and into April.

Graph 8 - 1: US imports of crude and products



Sources: EIA and OPEC.

Graph 8 - 2: US exports of crude and products



Sources: EIA and OPEC.

US crude exports in March slipped for the third month in a row, averaging 2.7 mb/d, the lowest since July 2019. Month-on-month, crude outflows were 80 tb/d or 3% lower. More recent weekly data shows US crude exports picking up at the end of March and into April, exceeding 3 mb/d for two weeks in a row. Crude exports were almost 0.9 mb/d lower in March compared with the same month last year when crude exports reached the second-highest on record.

The latest monthly data for **US crude exports by destination** shows reduced outflows to the Asian region in January. China's purchases of US crude averaged 0.4 mb/d in January, compared to 0.7 mb/d the month before. Over the same period, crude exports to India averaged 0.5 mb/d, down from 0.6 mb/d the month before.

US net crude imports averaged just under 3.0 mb/d in March, compared to 2.9 mb/d the month before and 2.7 mb/d in the same month last year.

On the product side, preliminary data shows **US product imports** jumped in March to average 2.5 mb/d, a gain of 0.5 mb/d m-o-m and the highest since July 2019 when the US Gulf refinery complex was impacted by Hurricane Barry. This represents an increase of 0.5 mb/d over the previous month as well as the same month last year.

US product exports improved but remained depressed following the power outage that struck the US Gulf Coast in the previous month. Product exports averaged 4.5 mb/d in March, representing a slight gain of around 2% compared to the previous month, but around 1 mb/d lower than in January 2021 and 1.5 mb/d lower than the same month last year. In fact, product exports remained close to the low seen in May 2020 at onset of the pandemic in the Americas, which disrupted both supply and the export demand side.

As a result, **US net product exports** averaged 2.0 mb/d in March, compared with 2.4 mb/d the month before and 4.0 mb/d in March 2020.

Preliminary data indicates that the US was a **net crude and product importer** in March, with net inflows of almost 1.0 mb/d. This compares with net imports of around 0.5 mb/d the month before and net exports of 1.3 mb/d in March 2020. It was the highest net import level since the hurricane-related disruptions experience in July 2019.

Table 8 - 1: US crude and product net imports, tb/d

	Jan 21	Feb 21	Mar 21	Change Mar 21/Feb 21
US				
Crude oil	2,618	2,860	2,981	121
Total products	-3,432	-2,400	-2,007	394
Total crude and products	-814	459	975	515

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

Sources: EIA and OPEC.

China

After taking a short pause in December around a still impressive level of 9.1 mb/d, **China's crude oil imports** continued moving higher over the next two months to average 11.8 mb/d in February, the fourth-highest level on record. The increase was driven by a combination of factors, including distortions caused by the Lunar New Year holiday at the start of the month and increased buying by independent refiners armed with fresh quotas, as well as an overall context of expanding refinery capacity in China.

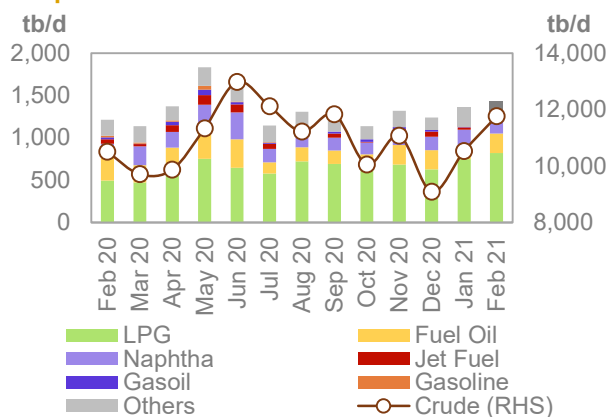
Compared to the previous month, China's crude inflows in February were up by 1.2 mb/d or almost 12%, while compared to the same month last year, imports were 1.3 mb/d or 12% higher.

Crude inflows are expect to remain at elevated levels in March before falling over the course of 2Q21, as refiners head into maintenance.

In terms of **crude imports by source**, Saudi Arabia remained in the top position in February 2021, with a share of almost 17%. Russia came in second with 16% followed by Iraq and Oman with 13% and 9% respectively.

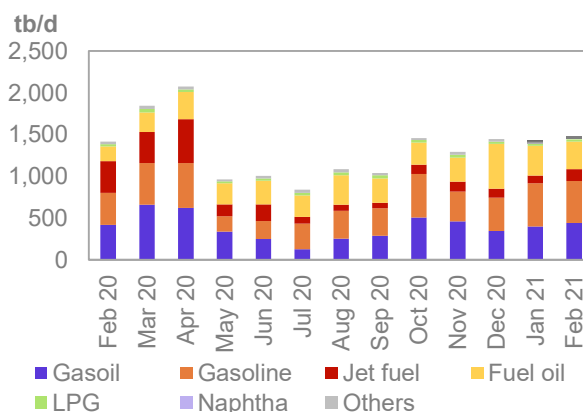
Crude and Refined Products Trade

Graph 8 - 3: China's imports of crude and total products



Sources: China, Oil and Gas Petrochemicals and OPEC.

Graph 8 - 4: China's exports of total products



Sources: China, Oil and Gas Petrochemicals and OPEC.

Product imports reached an eight-month high in February, averaging 1.4 mb/d, up 80 tb/d or 6% over the previous month and around 0.2 mb/d or almost 19% over the same month last year. Gains were driven by industrial fuels, as travel restrictions dampened the usual Lunar New Year holiday exodus, allowing factories to return quickly.

China's **product exports** edged up over 3% to average almost 1.5 mb/d in February, driven by outflows of gasoil and jet fuel. This was the highest since April 2020, when the refining sector managed to restart after having been disrupted by stringent government lockdown measures following the outbreak of the pandemic.

Taken together, China's **net product exports** stood near balance in February, at a shallow 38 tb/d. This compares to net exports of 72 mb/d the month before and 0.2 mb/d in the same month last year.

Table 8 - 2: China's crude and product net imports, tb/d

China	Dec 20	Jan 21	Feb 21	Change Feb 21/Jan 21
Crude oil	9,024	10,521	11,673	1,152
Total products	-208	-72	-38	34
Total crude and products	8,816	10,449	11,635	1,186

Note: Totals may not add up due to independent rounding. Jan 21-Feb 21 data released in aggregation.

Sources: China, Oil and Gas Petrochemicals and OPEC.

India

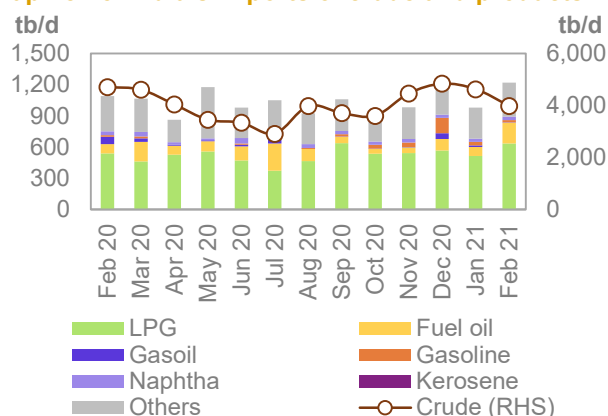
India's crude imports continued to decline sharply in February, averaging just under 4 mb/d, the lowest in four months, as renewed COVID-19 impacts and increased prices weighed on demand for crude imports. Crude inflows were down 0.6 mb/d from the previous month and have fallen by a cumulative 0.8 mb/d after marking the second-highest on record in December 2020 at 4.8 mb/d. Compared to the same month last year, crude imports declined 0.7 mb/d. Secondary sources point to a pickup in crude imports in March to around 4.2 mb/d.

The latest available data for **crude imports by source** shows Iraq remained the top crude exporter to India in January with a share of 19%. Saudi Arabia was second with over 16%, followed by the UAE, the United States, and Nigeria, with 13%, 11%, and 7% respectively. Imports from the US were sharply higher at 0.5 mb/d compared to 0.3 mb/d the month before.

Product imports rebounded in February, to average 1.2 mb/d, the highest in 13 months, driven by LPG inflows, which served as a source for clean cooking. This represents a 0.2 mb/d, or 25%, increase m-o-m and a 0.1 mb/d, or 12% gain, y-o-y.

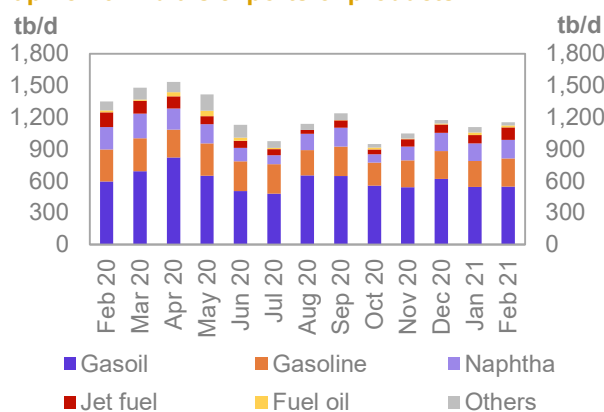
Product exports edged higher m-o-m, increasing 4% to average just shy of 1.2 mb/d in February. Increases were led by gasoline and jet fuel amid lower domestic demand, partially offset by a decline in fuel oil.

Graph 8 - 5: India's imports of crude and products



Sources: PPAC and OPEC.

Graph 8 - 6: India's exports of products



Sources: PPAC and OPEC.

India was a **net product importer** in February, with net inflows of 66 tb/d. This compares to net exports of 127 tb/d in the previous month and outflows of 258 tb/d in February 2020.

Table 8 - 3: India's crude and product net imports, tb/d

India	Dec 20	Jan 21	Feb 21	Change Feb 21/Jan 21
Crude oil	4,838	4,627	3,983	-644
Total products	35	-127	66	193
Total crude and products	4,873	4,500	4,049	-451

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

India data table does not include information for crude import and product export by Reliance Industries.

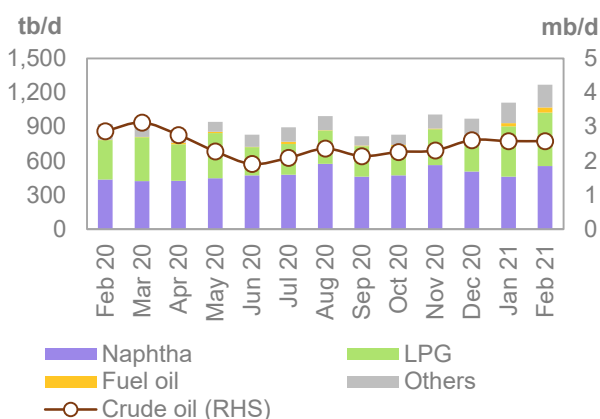
Sources: PPAC and OPEC.

Japan

Japan's crude imports were broadly stable in February at the improved levels seen over the past two months, averaging 2.6 mb/d, compared to the lower 2.2 mb/d trough seen in 3Q20. While unchanged m-o-m, crude inflows were still 10% or 0.3 mb/d lower than the same month last year. Looking ahead, March levels are expected to remain around recent levels, as refiners are content to keep runs low to avoid having to manage high inventory levels of unwanted products.

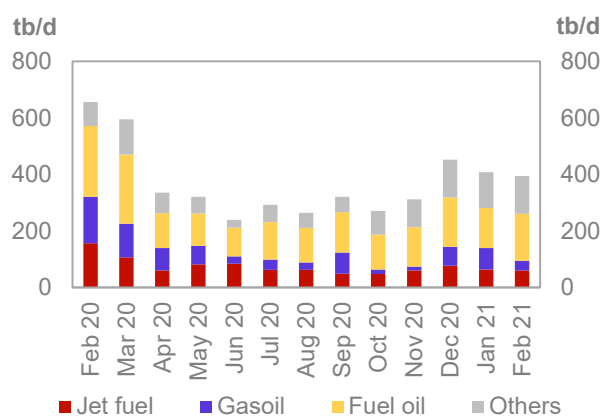
Saudi Arabia remained the **top supplier of crude** to Japan in February, maintaining that position for the second month in a row with a share of more than 45%. The UAE was second, followed by Kuwait, Qatar and Russia, with shares of 26%, 10% and 9% respectively.

Graph 8 - 7: Japan's imports of crude and products



Sources: METI and OPEC.

Graph 8 - 8: Japan's exports of products



Sources: METI and OPEC.

Product imports including LPG were the highest in over three years, averaging 1.3 mb/d in February, as uneven product demand encourages increased imports of needed products, particularly naphtha, LPG and fuel oil. Kerosene imports declined m-o-m but were still at notably high levels for the third month in a row due

Crude and Refined Products Trade

to heating demand. Compared to the previous year, product inflows into Japan were almost 0.4 mb/d or 38% higher.

Product exports including LPG continued to decline from the relatively high levels seen two months before, slipping 3% to average slightly below 0.4 mb/d in February. This represents a 40% decline from the same month last year. Declines were seen in kerosene due to domestic heating demand and gasoil, while gasoline and fuel oil outflows increased.

As a consequence, Japan's **net product imports** averaged 0.9 tb/d in February, representing an increase of 0.2 mb/d, or around 24% m-o-m. Net product imports were more than double the levels seen in February 2020.

Table 8 - 4: Japan's crude and product net imports, tb/d

Japan	Dec 20	Jan 21	Feb 21	Change Feb 21/Jan 21
Crude oil	2,612	2,581	2,580	-1
Total products	519	706	876	170
Total crude and products	3,131	3,286	3,455	169

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

Sources: METI and OPEC.

OECD Europe

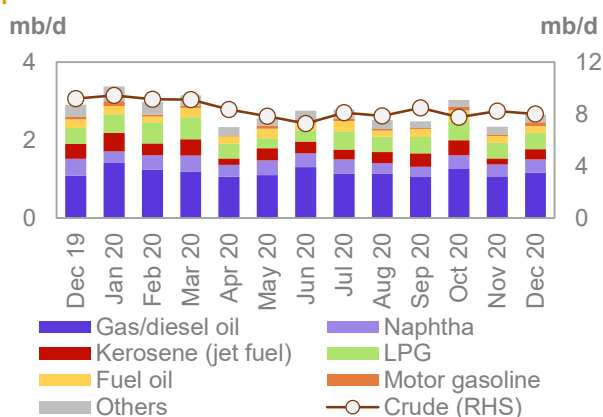
The most recent official data shows OECD Europe **crude imports** declined 0.2 mb/d m-o-m in December to average just under 8 mb/d. Compared to the same month last year crude inflows were 1.2 mb/d lower.

Crude exports to the OECD averaged 0.7 mb/d, the highest level in eight months, with increased exports from Norway supported by higher output from the Johan Sverdrup field.

As a result, **net crude imports** averaged 7.3 mb/d in December, down from 7.6 mb/d the month before and 8.8 mb/d in the same month of 2019.

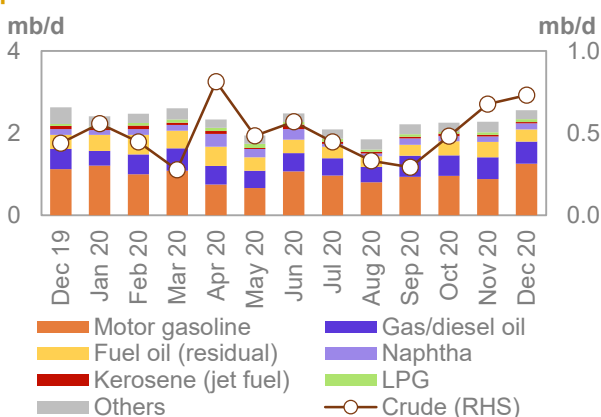
On the **product** side, **imports** increased 0.3 mb/d m-o-m to average 2.7 mb/d, with gains seen across the board, except in fuel oil.

Graph 8 - 9: OECD Europe imports of crude and products



Sources: IEA and OPEC.

Graph 8 - 10: OECD Europe exports of crude and products



Sources: IEA and OPEC.

Product exports increased for the fourth month in a row, adding 0.3 mb/d or over 12%, to average 2.6 mb/d. Gains were led by gasoline and naphtha to a lesser extent, partially offset by a decline in fuel oil.

As a result, **net product imports** averaged 87 tb/d in December, compared to 58 tb/d the month before and almost 0.3 mb/d in December 2019.

Table 8 - 5: OECD Europe's crude and product net imports, tb/d

OECD Europe	Oct 20	Nov 20	Dec 20	Change Dec 20/Nov 20
Crude oil	7,279	7,551	7,268	-284
Total products	778	58	87	29
Total crude and products	8,057	7,609	7,355	-254

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

Sources: IEA and OPEC.

Combined, **net crude and product imports** averaged just under 7.4 mb/d in December, compared to 7.6 mb/d the month before and 9.0 mb/d in December 2019.

Eurasia

Total crude oil exports from Russia and Central Asia increased 0.5 mb/d, or 8%, to average 6.3 mb/d in February. Y-o-y, total crude exports from the region were 0.9 mb/d, or 12%, lower.

Crude exports through the **Transneft system** were broadly unchanged at 3.3 mb/d, representing a minor decline of 32 tb/d, or around 1%. Compared to the same month last year, exports were 0.9 mb/d, or 22% lower.

Total shipments from the Black Sea rose 176 tb/d m-o-m, or just over 82%, to average 388 tb/d in February. In contrast, total Baltic Sea exports declined 163 tb/d m-o-m, or almost 15%, to average 0.9 mb/d in February, with shipments from Primorsk down 8% to 616 tb/d and Ust-Luga exports falling 24% to 334 mb/d. Meanwhile, shipments via the Druzhba pipeline edged up 44 tb/d m-o-m, or 6%, to average 690 tb/d in February. Kozmino shipments increased 61 tb/d m-o-m, or almost 10%, to average 697 tb/d. Exports to China via the ESPO pipeline slipped 61 tb/d m-o-m to average 576 tb/d in February.

In the **Lukoil system**, exports via the Barents Sea increased 27 tb/d to average 129 tb/d in February, while those from the Baltic Sea were broadly unchanged.

On other routes, **Russia's Far East** exports declined by 2% m-o-m to average 380 tb/d and were around 4% lower compared with the same month last year.

Central Asia's total exports averaged 214 tb/d in February, up by about 5% compared with the month before and 6% higher than the same month last year.

Black Sea total exports rose 509 tb/d m-o-m, or almost 45%, to average 1.6 mb/d in February, with Novorossiysk responsible for the bulk of the gains, although Supsa port also saw an increase. Y-o-y, Black Sea flows were 225 tb/d or 16% higher. Meanwhile, exports via the **Baku-Tbilisi-Ceyhan (BTC) pipeline** fell 10% m-o-m to 536 tb/d, representing a drop of 22% y-o-y.

Total product exports from Russia and Central Asia increased 12% m-o-m to average 3.3 mb/d in February. Gains were seen across the board, except for gasoline. Gasoil and fuel oil enjoyed the biggest volume gains, up 12% and 11%, respectively. Y-o-y, total product exports were 75 tb/d, or 2%, lower in February, with declines gasoline and naphtha partially offset by increased exports of fuel oil and jet fuel.

Commercial Stock Movements

Preliminary data shows that total OECD commercial oil stocks fell m-o-m by 44.9 mb in February. At 2,978 mb, inventories were 94.1 mb higher than the same month a year ago, 29.0 mb above the latest five-year average and around 57 mb above the 2015-2019 average. Within the components, crude stocks rose m-o-m by 6.1 mb, while product stocks fell by 51.0 mb. OECD crude stocks stood at 30.8 mb above the latest five-year average, and 42.0 mb above the 2015-2019 average, while product stocks exhibited a deficit of 1.7 mb above the latest five-year average, but were 15.5 mb above the 2015-2019 average.

In terms of days of forward cover, OECD commercial inventories declined m-o-m by 1.1 days in February to stand at 68.0 days. This is 6.7 days lower than the year-ago level, 2.6 days above the latest five-year average and 5.6 days above the 2015-2019 average.

Preliminary data for March showed that total US commercial oil stocks rose m-o-m by 8.3 mb to stand at 1,290 mb. This is 30.4 mb, or 2.3%, lower than the same month a year ago, but 5.5 mb, or 0.4%, higher than the latest five-year average. Crude stocks rose by 17.2 mb, while product stocks fell by 8.9 mb.

OECD

Preliminary February data sees **total OECD commercial oil stocks** dropping by 44.9 mb m-o-m. At 2,978 mb, they were 94.1 mb higher than the same time one year ago and 29 mb above the latest five-year average.

Within the components, crude stocks rose m-o-m by 6.1 mb, while product stocks fell by 51 mb. Total commercial oil stocks in February fell m-o-m in all three OECD regions.

OECD **commercial crude stocks** rose in February by 6.1 mb to stand at 1,498 mb. This is 88.4 mb higher than the same time a year ago and 30.8 mb above the latest five-year average. Compared with the previous month, OECD America and OECD Asia Pacific registered stock builds, while OECD Europe witnessed a stock draw.

In contrast, **total product inventories** fell sharply by 51.0 mb m-o-m in February to stand at 1,479 mb. This is 5.6 mb above the same time a year ago, but 1.7 mb lower than the latest five-year average.

Within the OECD regions, product stocks in OECD Americas fell by 45.8 mb, while OECD Europe and OECD Pacific dropped by 2.5 mb and 2.7 mb, respectively.

In terms of **days of forward cover**, OECD commercial stocks fell m-o-m by 1.1 days in February to stand at 68.0 days. This is 6.7 days below February 2020 levels, but 2.6 days above the latest five-year average. OECD America and OECD Europe were above the latest five-year averages: the Americas by 0.3 days at 64.5 days and Europe by 9.1 days at 84.2 days. Asia Pacific, however, is in deficit of 0.4 days at 51.6 days.

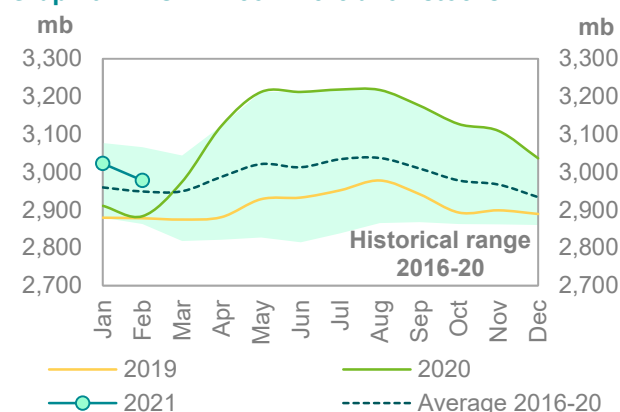
Table 9 - 1: OECD's commercial stocks, mb

	Feb 20	Dec 20	Jan 21	Feb 21	Change Feb 21/Jan 21
OECD stocks					
Crude oil	1,410	1,507	1,492	1,498	6.1
Products	1,474	1,530	1,530	1,479	-51.0
Total	2,884	3,037	3,023	2,978	-44.9
Days of forward cover	74.7	70.1	69.1	68.0	-1.1

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

Sources: Argus, EIA, Euroilstock, IEA, METI and OPEC.

Graph 9 - 1: OECD commercial oil stocks



Sources: Argus, EIA, Euroilstock, IEA, METI and OPEC.

OECD Americas

OECD Americas total commercial stocks fell by 37.1 mb m-o-m in February to settle at 1,554 mb. This is 30.2 mb above the same month last year and 12.4 mb higher than the latest five-year average.

Commercial crude oil stocks in OECD Americas rose by 8.8 mb m-o-m in February to stand at 850 mb, which is 51.1 mb higher than in February 2020 and 45.2 mb above the latest five-year average. The build came on the back of lower crude runs, which fell m-o-m by around 1.9 mb/d to stand at 13.2 mb/d.

In contrast, **total product stocks** in OECD Americas fell sharply m-o-m by 45.8 mb in February, the third consecutive monthly drop, to stand at 704 mb. This was 20.9 mb lower than the same month one year ago and 32.8 mb below the latest five-year average. Lower refinery throughput was behind the stock draw.

OECD Europe

OECD Europe total commercial stocks fell by 6.2 mb m-o-m in February to settle at 1,052 mb. This is 52.2 mb above the same month last year and 43.3 mb higher than the latest five-year average.

OECD Europe's **commercial crude stocks** fell m-o-m by 3.7 mb in February to end the month at 444 mb, which is 19.2 mb higher than one year ago and 12.7 mb above the latest five-year average. The drop in February crude oil inventories came on the back of higher m-o-m refinery throughputs in the EU-14 plus UK and Norway, which increased by around 100 tb/d to 8.70 mb/d

OECD Europe's **commercial product stocks** fell m-o-m by 2.5 mb to end February at 608 mb. This is 33.0 mb higher than a year ago and 30.6 mb above the latest five-year average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks fell m-o-m by 1.7 mb in February to stand at 372 mb. This is 11.7 mb higher than a year ago, but 26.7 mb below the latest five-year average.

OECD Asia Pacific's **crude inventories** rose by 1.1 mb m-o-m to end February at 204 mb, which is 18.2 mb higher than one year ago, but 27.2 mb below the latest five-year average.

In contrast, OECD Asia Pacific's **total product inventories** fell by 2.7 mb m-o-m to end February at 167 mb. This is 6.4 mb lower than the same time a year ago, but 0.5 mb above than the latest five-year average.

US

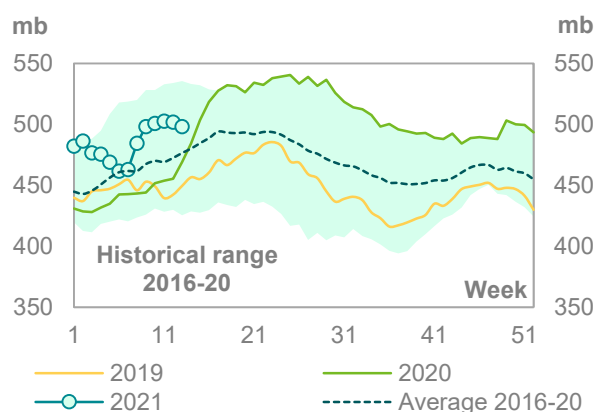
Preliminary data for March showed that **total US commercial oil stocks** rose m-o-m by 8.3 mb to stand at 1,290 mb. This is 30.4 mb, or 2.3%, lower than the same month a year ago, but 5.5 mb, or 0.4%, higher than the latest five-year average. Crude stocks rose by 17.2 mb, while product stocks fell by 8.9 mb

US commercial crude stocks rose by 17.2 mb m-o-m in March to stand at 502 mb. This is 19.4 mb, or 4.0%, higher than the same month last year, and 19.9 mb, or 4.1%, above the latest five-year average. The stock build came despite higher March crude runs, which increased by 1.4 mb/d to stand at 14.6 mb/d.

Total product stocks in March fell m-o-m, dropping by 8.9 mb to stand at 788 mb. This is 49.8 mb, or 5.9%, below March 2020 levels, and 14.4 mb, or 1.8%, below the latest five-year average. The drop was mainly driven by higher consumption.

Gasoline stocks fell by 12.9 mb m-o-m in March to settle at 231 mb. This is 30.3 mb, or 11.6%, below the same month last year, and 13.5 mb, or 5.5%, lower than the latest five-year average. The monthly stock draw came mainly on the back of lower gasoline production combined with improvements in gasoline demand.

Graph 9 - 2: US weekly commercial crude oil inventories



Sources: EIA and OPEC.

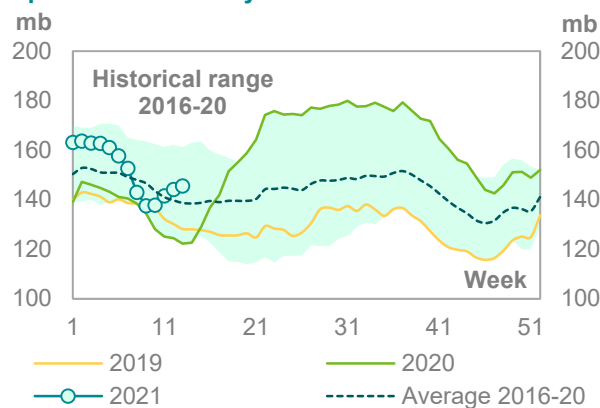
Commercial Stock Movements

In contrast, **distillate stocks** rose by 1.1 mb m-o-m in March to stand at 144 mb. This is 17.4 mb, or 13.7%, higher than a year ago, and 3.8 mb, or 2.7%, lower than the latest five-year average.

Residual fuel oil stocks also rose m-o-m in March, increasing by 0.6 mb. At 32.3 mb, this was 2.1 mb, or 6.2%, lower than a year ago, and 3.9 mb, or 10.7%, below the latest five-year average.

Jet fuel rose m-o-m by 0.3 mb, ending March at 39.0 mb. This is 0.8 mb, or 2.1%, lower than the same month last year, and 2.7 mb, or 6.5%, below the latest five-year average.

Graph 9 - 3: US weekly distillate inventories



Sources: EIA and OPEC.

Table 9 - 2: US commercial petroleum stocks, mb

	Mar 20	Jan 21	Feb 21	Mar 21	Change Mar 21/Feb 21
US stocks					
Crude oil	482.5	475.9	484.6	501.8	17.2
Gasoline	260.8	255.1	243.5	230.5	-12.9
Distillate fuel	126.7	162.8	143.0	144.1	1.1
Residual fuel oil	34.4	32.0	31.6	32.3	0.6
Jet fuel	39.9	42.6	38.7	39.0	0.3
Total products	838.3	854.2	797.4	788.5	-8.9
Total	1,320.8	1,330.1	1,282.0	1,290.3	8.3
SPR	635.0	638.1	637.8	637.8	0.0

Sources: EIA and OPEC.

Japan

In **Japan**, **total commercial oil stocks** in February fell by 1.7 mb m-o-m to settle at 123.2 mb. This is 1.0 mb, or 0.8%, lower than the same month last year and 11.8 mb, or 8.7%, below the latest five-year average. Crude stocks rose m-o-m by 1.1 mb, while products stocks fell m-o-m by 2.7 mb.

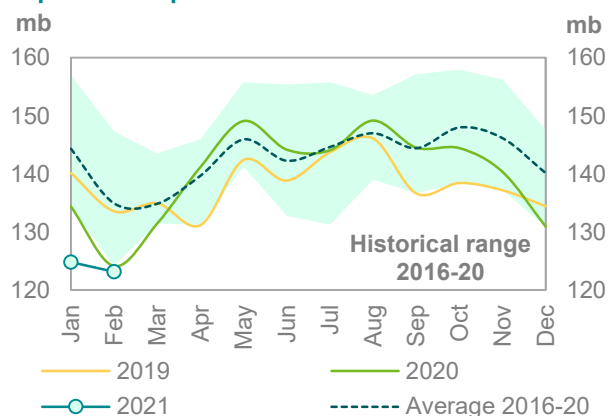
Japanese **commercial crude oil stocks** rose in February to stand at 63.3 mb. This is 4.9 mb, or 7.1%, below the same month a year ago, and 15.5 mb, or 19.7%, lower than the latest five-year average. The build came on the back of lower crude throughput, which fell m-o-m by 185 tb/d, or 6.8%, to stand at 2.54 mb/d.

In contrast, Japan's **total product inventories** fell m-o-m by 2.7 mb to end February at 59.9 mb. This is 3.9 mb, or 6.9% lower than the same month last year, and 3.8 mb, or 6.8%, higher than the latest five-year average.

Gasoline stocks in February fell m-o-m by 0.5 mb to stand at 13.1 mb. This was 1.8 mb, or 16.0%, higher than a year ago, and 2.3 mb, or 21.2%, above the latest five-year average. Lower domestic gasoline sales were behind the build in gasoline stocks.

Distillate stocks fell by 3.0 mb m-o-m to end February at 25.7 mb. This is 1.7 mb, or 7.3%, higher than the same month a year ago, and 2.5 mb, or 11.0%, above the latest five-year average. Within distillate components, **kerosene and gasoil stocks** fell m-o-m by 16.3% and 10.7%, respectively, while jet fuel stocks rose by 7.8%.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

Table 9 - 3: Japan's commercial oil stocks*, mb

	Feb 20	Dec 20	Jan 21	Feb 21	Change Feb 21/Jan 21
Japan's stocks					
Crude oil	68.2	66.4	62.2	63.3	1.1
Gasoline	11.3	12.6	13.6	13.1	-0.5
Naphtha	8.5	10.4	8.3	9.2	0.9
Middle distillates	24.0	29.8	28.7	25.7	-3.0
Residual fuel oil	12.2	11.7	12.0	11.9	-0.2
Total products	56.0	64.5	62.6	59.9	-2.7
Total**	124.2	130.9	124.8	123.2	-1.7

Note: * At the end of the month. ** Includes crude oil and main products only.

Sources: METI and OPEC.

EU-14 plus UK and Norway

Preliminary data for February showed that **total European commercial oil stocks** fell m-o-m by 6.2 mb to stand at 1,154.2 mb. At this level, they were 48.3 mb, or 4.4%, above the same month a year ago, and 20.9 mb, or 1.8%, higher than the latest five-year average. Crude and products stocks fell by 3.7 mb and 2.5 mb, respectively.

European **crude inventories** fell in February to stand at 481.9 mb. This is 16.1 mb, or 3.4%, higher than the same month a year ago, and 0.8 mb, or 0.2%, above the latest five-year average. The fall in February crude oil inventories came on the back of higher m-o-m refinery throughputs in the EU-14 plus UK and Norway, which increased by around 100 tb/d to 8.70 mb/d.

European **total product stocks** fell m-o-m by 2.5 mb to end February at 672.3 mb. This is 32.2 mb, or 5.0%, higher than the same month a year ago, and 20.2 mb, or 3.1%, above the latest five-year average.

Gasoline stocks rose m-o-m by 0.8 mb in February to stand at 121.2 mb. This is 1.6 mb, or 1.3 %, higher than the level registered the same time a year ago, but 4.6 mb, or 3.7 %, below the latest five-year average.

Residual fuel stocks rose m-o-m by 0.6 mb in February to 66.0 mb. This is 2.3 mb, or 3.4 %, lower than the same month one year ago, and 5.0 mb, or 7.0%, below the latest five-year average.

In contrast, **distillate stocks** fell m-o-m by 2.9 mb in February to stand at 456.2 mb. This is 34.3 mb, or 8.1%, higher than the same month last year, and 29.4 mb, or 6.9%, higher than the latest five-year average.

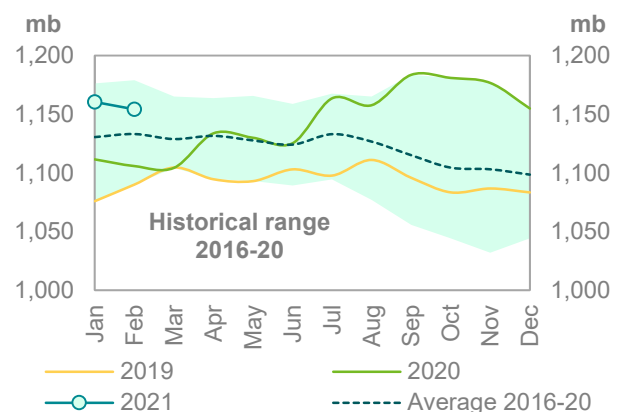
Naphtha stocks fell by 1.0 mb m-o-m in February, ending the month at 29.0 mb. This is 1.4 mb, or 4.6%, below February 2020 levels, and 0.3 mb, or 1.2%, higher than the latest five-year average.

Table 9 - 4: EU-14 plus UK and Norway's total oil stocks, mb

	Feb 20	Dec 20	Jan 21	Feb 21	Change Feb 21/Jan 21
EU stocks					
Crude oil	465.8	487.3	485.6	481.9	-3.7
Gasoline	119.6	117.0	120.4	121.2	0.8
Naphtha	30.4	31.2	29.9	29.0	-1.0
Middle distillates	421.8	454.6	459.1	456.2	-2.9
Fuel oils	68.3	64.9	65.4	66.0	0.6
Total products	640.1	667.7	674.8	672.3	-2.5
Total	1,105.9	1,154.9	1,160.4	1,154.2	-6.2

Sources: Argus, Euroilstock and OPEC.

Graph 9 - 5: EU-14 plus UK and Norway's total oil stocks



Sources: Argus, Euroilstock and OPEC.

Singapore, Amsterdam-Rotterdam-Antwerp (ARA) and Fujairah

Singapore

At the end of February, **total product stocks in Singapore** had risen by 1.6 mb m-o-m, reversing the fall registered a month earlier to stand at 51.9 mb. This is 1.4 mb, or 2.8%, higher than the same month a year ago.

Light distillate stocks rose m-o-m by 0.6 mb in February to stand at 15.7 mb. This is 2.3 mb, or 17.0%, higher than the same month one year ago.

Middle distillate stocks a rose by 0.8 mb in February to stand at 14.9 mb. This is 3.3 mb, or 28.7%, higher than a year ago.

Residual fuel oil stocks rose by 0.1 mb, ending February at 21.3 mb, which is 4.2 mb, or 16.5 %, lower than in February 2020.

ARA

Total product stocks in ARA rose m-o-m by 1.2 mb in February, reversing the drop witnessed last month. They now stand at 51.7 mb, which is 13.4 mb, or 35.1%, higher than the same month a year ago.

Gasoline stocks in February rose m-o-m by 0.3 mb to stand at 11.1 mb, which is 1.2 mb, or 12.6 %, above the same month one year ago.

Residual fuel stocks also rose m-o-m by 1.4 mb to end February at 10.7 mb. This is 3.5 mb, or 49.3%, above the level registered one year ago.

Jet oil stocks rose m-o-m by 0.5 mb to end February at 7.7mb. This is 4.4 mb, or 131%, above the level seen one year ago.

In contrast, **gasoil stocks** fell by 0.3 mb m-o-m in February to stand at 19.2 mb, which is 3.3 mb, or 21.1%, higher than in February 2020.

Fujairah

During the week ending 5 April, **total oil product stocks in Fujairah** rose by 1.5 mb w-o-w to stand at 20.77 mb, according to data from FEDCom and S&P Global Platts. At this level, total oil stocks were 2.93 mb lower than the same time a year ago. Within products, light and middle distillate stocks declined, while heavy distillates saw a stock build.

Light distillate stocks declined by 1.32 mb w-o-w to stand at 6.21 mb, which is 0.49 mb higher than the same period a year ago. In contrast, **middle distillate stocks** fell by 0.18 mb to stand at 3.35 mb, which is 0.82 mb higher than a year ago. **Heavy distillate stocks** rose by 2.98 mb to stand at 11.21 mb, which is 4.23 mb lower than the same time last year.

Balance of Supply and Demand

Demand for OPEC crude in 2020 has been revised up by 0.1 mb/d from the previous month to stand at 22.5 mb/d. This is around 6.8 mb/d lower than in 2019.

According to secondary sources, OPEC crude production averaged 28.2 mb/d in 1Q20, which was 6.9 mb/d higher than demand for OPEC crude. In 2Q20, OPEC crude production averaged 25.6 mb/d, which was 8.7 mb/d higher than demand. In 3Q20, OPEC crude production averaged 23.9 mb/d, which was 0.8 mb/d lower than demand, while in 4Q20 it averaged 24.9 mb/d, around 1.9 mb/d below demand. For the full year 2020, OPEC crude production averaged 25.6 mb/d, around 3.2 mb/d higher than demand.

Demand for OPEC crude in 2021 has been revised up by 0.2 mb/d from the previous month to stand at 27.4 mb/d. This is 4.9 mb/d higher than in 2020.

According to secondary sources, OPEC crude production averaged 25.1 mb/d in 1Q21, which was 0.4 mb/d lower than demand for OPEC crude.

Balance of supply and demand in 2020

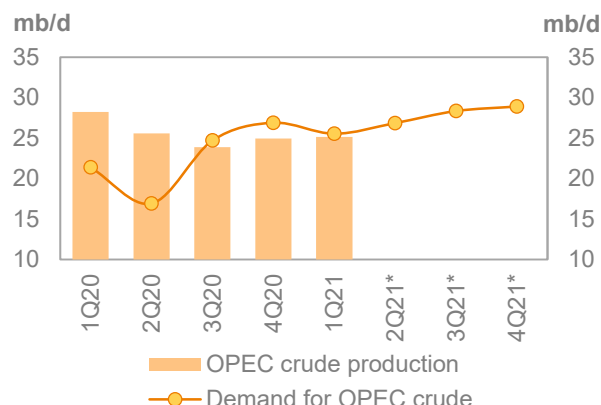
Demand for OPEC crude in 2020 has been revised up by 0.1 mb/d from the previous month to stand at 22.5 mb/d. This is around 6.8 mb/d lower than in 2019.

Demand for OPEC crude in 1Q20 has been revised up 0.4 mb/d, while 2Q20, 3Q20 and 4Q20 remained unchanged from the previous monthly assessment.

Compared with the same quarters in 2019, demand for OPEC crude in 1Q20 and 2Q20 indicates a decline of 7.7 mb/d and 12.0 mb/d, respectively. Demand in 3Q20 showed a decline of 5.8 mb/d, while 4Q20 saw a drop of 1.9 mb/d.

According to secondary sources, OPEC crude production averaged 28.2 mb/d in 1Q20, which was 6.9 mb/d higher than demand for OPEC crude. In 2Q20, OPEC crude production averaged 25.6 mb/d, which was 8.7 mb/d higher than demand. In 3Q20, OPEC crude production averaged 23.9 mb/d, which was 0.8 mb/d lower than demand, while in 4Q20 it averaged 24.9 mb/d, around 1.9 mb/d below demand. For the full year 2020, OPEC crude production averaged 25.6 mb/d, around 3.2 mb/d higher than demand.

Graph 10 - 1: Balance of supply and demand, 2020–2021*



Note: * 2Q21-4Q21 = Forecast. Source: OPEC.

Table 10 - 1: Supply/demand balance for 2020*, mb/d

	2019	1Q20	2Q20	3Q20	4Q20	2020	Change 2020/19
(a) World oil demand	99.98	93.49	83.07	91.21	94.21	90.51	-9.48
Non-OPEC liquids production	65.42	66.77	61.07	61.48	62.27	62.89	-2.52
OPEC NGL and non-conventionals	5.26	5.35	5.09	5.04	5.05	5.13	-0.13
(b) Total non-OPEC liquids production and OPEC NGLs	70.67	72.12	66.16	66.52	67.32	68.02	-2.65
Difference (a-b)	29.31	21.37	16.91	24.69	26.89	22.48	-6.83
OPEC crude oil production	29.34	28.23	25.57	23.86	24.94	25.64	-3.69
Balance	0.03	6.86	8.66	-0.83	-1.95	3.16	3.14

Note: * 2020 = Estimate. Totals may not add up due to independent rounding. Source: OPEC.

Balance of supply and demand in 2021

Demand for OPEC crude in 2021 has been revised up by 0.2 mb/d from the previous month to stand at 27.4 mb/d. This is 4.9 mb/d higher than in 2020.

Demand for OPEC crude in 1Q21, 3Q21 and 4Q21 has been revised up by 0.2 mb/d, 0.3 mb/d and 0.6 mb/d, respectively, while 2Q21 demand has been revised down by 0.6 mb/d. from the previous month,

Compared with the same quarters in 2020, demand for OPEC crude in 1Q21 and 2Q21 is forecast to be 4.2 mb/d and 9.9 mb/d higher, respectively. An increase of 3.6 mb/d y-o-y is projected for 3Q21, and 4Q21 demand y-o-y is expected to be higher by 2.0 mb/d.

According to secondary sources, OPEC crude production averaged 25.1 mb/d in 1Q21, which was 0.4 mb/d lower than demand for OPEC crude.

Table 10 - 2: Supply/demand balance for 2021*, mb/d

	2020	1Q21	2Q21	3Q21	4Q21	2021	Change 2021/20
(a) World oil demand	90.51	93.43	95.09	97.75	99.45	96.46	5.95
Non-OPEC liquids production	62.89	62.79	63.06	64.19	65.23	63.83	0.93
OPEC NGL and non-conventionals	5.13	5.11	5.19	5.22	5.32	5.21	0.08
(b) Total non-OPEC liquids production and OPEC NGLs	68.02	67.90	68.24	69.41	70.55	69.04	1.01
Difference (a-b)	22.48	25.53	26.85	28.33	28.90	27.42	4.94
OPEC crude oil production	25.64	25.14					
Balance	3.16	-0.39					

Note: * 2020 = Estimate and 2021 = Forecast. Totals may not add up due to independent rounding. Source: OPEC.

Appendix

Table 11 - 1: World oil demand and supply balance, mb/d

	2017	2018	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021
World oil demand and supply balance													
World demand													
Americas	25.11	25.73	25.65	24.35	20.01	22.72	23.15	22.56	23.84	24.45	24.54	24.58	24.36
<i>of which US</i>	20.27	20.82	20.86	19.67	16.38	18.67	19.04	18.44	19.38	19.86	20.09	20.28	19.91
Europe	14.41	14.32	14.25	13.34	11.03	12.85	12.56	12.45	12.12	12.71	13.59	13.74	13.05
Asia Pacific	8.15	7.95	7.79	7.75	6.54	6.69	7.34	7.08	7.39	7.18	7.17	7.55	7.32
Total OECD	47.68	47.99	47.69	45.44	37.58	42.27	43.05	42.09	43.34	44.34	45.30	45.87	44.73
China	12.47	13.01	13.48	11.34	13.25	13.87	14.28	13.19	12.95	14.27	14.93	15.05	14.30
India	4.53	4.73	4.91	4.84	3.58	4.01	5.15	4.40	4.94	4.56	4.83	5.61	4.99
Other Asia	8.69	8.91	9.04	8.30	7.79	8.11	8.33	8.13	8.33	8.96	8.57	8.47	8.58
Latin America	6.51	6.53	6.59	6.11	5.61	6.20	6.12	6.01	6.15	6.19	6.46	6.40	6.30
Middle East	8.23	8.13	8.20	7.88	6.91	7.94	7.65	7.60	7.87	7.62	8.30	7.97	7.94
Africa	4.20	4.33	4.45	4.37	3.77	3.95	4.28	4.09	4.41	3.97	4.18	4.49	4.26
Russia	3.48	3.55	3.61	3.44	3.04	3.20	3.43	3.28	3.57	3.37	3.37	3.58	3.47
Other Eurasia	1.17	1.21	1.24	1.07	0.99	1.01	1.23	1.07	1.18	1.19	1.14	1.28	1.20
Other Europe	0.72	0.74	0.76	0.71	0.55	0.64	0.69	0.65	0.69	0.62	0.68	0.74	0.68
Total Non-OECD	49.99	51.14	52.29	48.05	45.49	48.94	51.16	48.42	50.09	50.75	52.45	53.58	51.73
(a) Total world demand	97.67	99.13	99.98	93.49	83.07	91.21	94.21	90.51	93.43	95.09	97.75	99.45	96.46
<i>Y-o-y change</i>	<i>1.79</i>	<i>1.46</i>	<i>0.85</i>	<i>-5.61</i>	<i>-15.91</i>	<i>-9.71</i>	<i>-6.69</i>	<i>-9.48</i>	<i>-0.06</i>	<i>12.02</i>	<i>6.54</i>	<i>5.24</i>	<i>5.95</i>
Non-OPEC liquids production													
Americas	21.51	24.05	25.77	26.59	23.55	24.10	24.65	24.72	24.58	24.52	25.51	26.15	25.19
<i>of which US</i>	14.42	16.69	18.43	19.05	16.81	17.34	17.30	17.62	17.15	17.50	17.94	18.52	17.78
Europe	3.83	3.84	3.71	4.05	3.90	3.80	3.89	3.91	4.02	3.95	3.97	4.17	4.03
Asia Pacific	0.39	0.41	0.52	0.53	0.54	0.54	0.52	0.53	0.54	0.56	0.55	0.55	0.55
Total OECD	25.73	28.30	30.01	31.17	27.99	28.43	29.06	29.16	29.14	29.02	30.04	30.87	29.77
China	3.97	3.98	4.04	4.13	4.12	4.13	4.08	4.12	4.21	4.13	4.13	4.18	4.16
India	0.86	0.86	0.82	0.79	0.76	0.76	0.76	0.77	0.76	0.75	0.74	0.73	0.75
Other Asia	2.80	2.72	2.69	2.61	2.47	2.46	2.50	2.51	2.45	2.46	2.47	2.46	2.46
Latin America	5.72	5.79	6.09	6.35	5.83	6.14	5.91	6.06	6.01	6.31	6.32	6.51	6.29
Middle East	3.14	3.21	3.20	3.19	3.20	3.15	3.17	3.17	3.18	3.21	3.23	3.24	3.21
Africa	1.50	1.50	1.50	1.44	1.44	1.40	1.37	1.41	1.36	1.35	1.34	1.32	1.34
Russia	11.33	11.52	11.61	11.68	10.38	10.01	10.31	10.59	10.47	10.59	10.67	10.67	10.60
Other Eurasia	3.01	3.08	3.07	3.16	2.92	2.73	2.85	2.91	2.91	2.93	2.95	2.95	2.94
Other Europe	0.13	0.12	0.12	0.12	0.12	0.11	0.11	0.12	0.11	0.11	0.11	0.11	0.11
Total Non-OECD	32.45	32.78	33.14	33.46	31.23	30.90	31.06	31.66	31.46	31.83	31.96	32.17	31.86
Total Non-OPEC production	58.18	61.08	63.15	64.63	59.22	59.34	60.12	60.82	60.59	60.86	61.99	63.03	61.63
Processing gains	2.22	2.25	2.26	2.15	1.85	2.15	2.15	2.07	2.20	2.20	2.20	2.20	2.20
Total Non-OPEC liquids production	60.40	63.33	65.42	66.77	61.07	61.48	62.27	62.89	62.79	63.06	64.19	65.23	63.83
OPEC NGL + non-conventional oils	5.18	5.33	5.26	5.35	5.09	5.04	5.05	5.13	5.11	5.19	5.22	5.32	5.21
(b) Total non-OPEC liquids production and OPEC NGLs	65.58	68.66	70.67	72.12	66.16	66.52	67.32	68.02	67.90	68.24	69.41	70.55	69.04
<i>Y-o-y change</i>	<i>0.88</i>	<i>3.09</i>	<i>2.01</i>	<i>2.14</i>	<i>-3.96</i>	<i>-3.95</i>	<i>-4.78</i>	<i>-2.65</i>	<i>-4.22</i>	<i>2.08</i>	<i>2.90</i>	<i>3.23</i>	<i>1.01</i>
OPEC crude oil production (secondary sources)	31.48	31.34	29.34	28.23	25.57	23.86	24.94	25.64	25.14				
Total liquids production	97.06	100.01	100.01	100.36	91.74	90.37	92.26	93.67	93.04				
Balance (stock change and miscellaneous)	-0.61	0.88	0.03	6.86	8.66	-0.83	-1.95	3.16	-0.39				
OECD closing stock levels, mb													
Commercial	2,860	2,875	2,889	2,974	3,212	3,176	3,037	3,037					
SPR	1,569	1,552	1,535	1,537	1,561	1,551	1,541	1,541					
Total	4,428	4,427	4,425	4,511	4,774	4,728	4,578	4,578					
Oil-on-water	1,025	1,058	1,011	1,186	1,329	1,174	1,148	1,148					
Days of forward consumption in OECD, days													
Commercial onland stocks	60	60	69	79	76	74	70	68					
SPR	33	33	36	41	37	36	36	34					
Total	92	93	105	120	113	110	106	102					
Memo items													
(a) - (b)	32.09	30.47	29.31	21.37	16.91	24.69	26.89	22.48	25.53	26.85	28.33	28.90	27.42

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

Source: OPEC.

Table 11 - 2: World oil demand and supply balance: changes from last month's table*, mb/d

	2017	2018	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021
World oil demand and supply balance													
World demand													
Americas	-	-	-	-	-	-	0.11	0.03	-0.02	-0.10	0.20	0.46	0.14
of which US	-	-	-	-	-	-	0.21	0.05	-0.02	-0.10	0.15	0.51	0.14
Europe	-	-	-	-0.01	-	-	0.06	0.01	-0.03	-0.30	0.03	0.11	-0.05
Asia Pacific	-	-	-	-	-	-	-0.08	-0.02	0.09	-	-	-0.08	-
Total OECD	-	-	-	-	-	-	0.08	0.02	0.04	-0.40	0.23	0.48	0.09
China	-	-	-	0.40	-	-	-	0.10	0.40	-	-	-	0.10
India	-	-	-	-	-	-	-	-	-0.02	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-0.02	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	0.01	-0.08	-	-	-0.02
Middle East	-	-	-	-	-	-	-	-	-0.02	-0.02	0.02	0.04	0.01
Africa	-	-	-	-	-	-	-	-	-	-0.02	0.02	0.02	0.01
Russia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Eurasia	-	-	-	-	-	-	-	-	-	-	0.05	-	0.01
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	0.40	-	-	-	0.10	0.35	-0.12	0.09	0.06	0.10
(a) Total world demand	-	-	-	0.40	-	-	0.08	0.12	0.40	-0.52	0.32	0.54	0.19
Y-o-y change	-	-	-	0.40	-	-	0.08	0.12	-	-0.52	0.32	0.46	0.07
Non-OPEC liquids production													
Americas	-	-	-	-	-	-	0.03	0.01	0.05	0.01	0.01	0.02	0.02
of which US	-	-	-	-	-	-	0.03	0.01	0.01	0.01	0.01	0.01	0.01
Europe	-	-	-	0.01	0.02	0.02	0.01	0.02	0.01	-	-	-	-
Asia Pacific	-	-	-	-	-	-	-	-	-	0.03	0.02	0.03	0.02
Total OECD	-	-	-	0.01	0.02	0.02	0.04	0.03	0.06	0.04	0.03	0.05	0.04
China	-	-	-	-	-	-	-	-	0.04	-	-	-	0.01
India	-	-	-	-	-	-	0.01	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	0.04	0.01	-0.02	-	0.01	0.01	-
Latin America	-	-	-	-	-	-	-	-	-0.02	-	-	-	-0.01
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	0.02	-	-	-	0.01
Russia	-	-	-	-	-	-	-	-	0.04	-0.02	-0.07	-0.17	-0.06
Other Eurasia	-	-	-	-	0.01	0.01	0.01	0.01	0.06	0.02	0.03	0.02	0.03
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	0.01	0.01	0.05	0.02	0.11	-	-0.04	-0.14	-0.02
Total Non-OPEC production	-	-	-	0.02	0.02	0.03	0.10	0.04	0.17	0.04	-0.01	-0.10	0.02
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC liquids production	-	-	-	0.02	0.02	0.03	0.10	0.04	0.17	0.04	-0.01	-0.10	0.02
OPEC NGL + non-conventional oils	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Total non-OPEC liquids production and OPEC NGLs	-	-	-	0.02	0.02	0.03	0.10	0.04	0.17	0.04	-0.01	-0.10	0.02
Y-o-y change	-	-	-	0.01	0.02	0.03	0.10	0.04	0.16	0.01	-0.05	-0.19	-0.02
OPEC crude oil production (secondary sources)	-	-	-	-0.01	-0.01	-	-	-	-	-	-	-	-
Total liquids production	-	-	-	0.01	0.02	0.03	0.09	0.04	-	-	-	-	-
Balance (stock change and miscellaneous)	-	-	-	-0.39	0.02	0.03	0.01	-0.08	-	-	-	-	-
OECD closing stock levels, mb													
Commercial	-	-	-	-3	-2	-2	-27	-27	-	-	-	-	-
SPR	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-3	-2	-2	-26	-26	-	-	-	-	-
Oil-on-water	-	-	-	-	-	-	-	-	-	-	-	-	-
Days of forward consumption in OECD, days													
Commercial onland stocks	-	-	-	-	-	-	-1	-1	-	-	-	-	-
SPR	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-1	-1	-	-	-	-	-
Memo items													
(a) - (b)	-	-	-	0.38	-0.02	-0.03	-0.01	0.08	0.22	-0.56	0.34	0.64	0.16

Note: * This compares Table 11 - 1 in this issue of the MOMR with Table 11 - 1 in the March 2021 issue.

This table shows only where changes have occurred.

Source: OPEC.

Table 11 - 3: OECD oil stocks and oil on water at the end of period

	2018	2019	2020	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
OECD oil stocks and oil on water												
Closing stock levels, mb												
OECD onland commercial	2,875	2,889	3,037	2,875	2,875	2,932	2,942	2,889	2,974	3,212	3,176	3,037
Americas	1,544	1,518	1,615	1,544	1,504	1,559	1,553	1,518	1,575	1,713	1,687	1,615
Europe	930	978	1,042	930	989	983	988	978	1,033	1,099	1,078	1,042
Asia Pacific	402	394	380	402	381	391	401	394	366	400	411	380
OECD SPR	1,552	1,535	1,541	1,552	1,557	1,549	1,544	1,535	1,537	1,561	1,551	1,541
Americas	651	637	640	651	651	647	647	637	637	658	644	640
Europe	481	482	487	481	488	485	482	482	484	487	490	487
Asia Pacific	420	416	414	420	417	417	416	416	416	416	417	414
OECD total	4,427	4,425	4,578	4,427	4,432	4,481	4,486	4,425	4,511	4,774	4,728	4,578
Oil-on-water	1,058	1,011	1,148	1,058	1,013	995	1,012	1,011	1,186	1,329	1,174	1,148
Days of forward consumption in OECD, days												
OECD onland commercial	60	69	68	60	61	61	61	64	79	76	74	70
Americas	60	67	66	61	59	60	60	62	79	75	73	68
Europe	65	79	80	66	70	67	70	73	94	85	86	86
Asia Pacific	52	56	52	49	51	52	50	51	56	60	56	51
OECD SPR	33	37	35	33	33	32	32	34	41	37	36	36
Americas	26	30	27	26	26	25	25	26	32	29	28	27
Europe	34	39	37	34	34	33	34	36	44	38	39	40
Asia Pacific	54	60	58	51	56	55	52	54	64	62	57	56
OECD total	94	107	104	93	94	93	94	97	120	113	110	106

Sources: Argus, EIA, Euroilstock, IEA, JODI, METI and OPEC.

Table 11 - 4: Non-OPEC liquids production and OPEC natural gas liquids, mb/d*

	2017							2018							2019							2020							2021																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
	2017	2018	2019	3Q20	4Q20	2020	Change 20/19	1Q21	2Q21	3Q21	4Q21	2021	Change 21/20	2017	2018	2019	3Q20	4Q20	2020	Change 20/19	1Q21	2Q21	3Q21	4Q21	2021	Change 21/20	2017	2018	2019	3Q20	4Q20	2020	Change 20/19	1Q21	2Q21	3Q21	4Q21	2021	Change 21/20																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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US	14.4	16.7	18.4	17.3	17.3	17.6	-0.8	17.2	17.5	17.9	18.5	17.8	0.2	4.9	5.3	5.4	4.9	5.5	5.2	-0.2	5.5	5.1	5.6	5.7	5.5	0.3	2.2	2.1	1.9	1.9	1.9	1.9	0.0	1.9	1.9	1.9	1.9	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.5	24.0	25.8	24.1	24.7	24.7	-1.1	24.6	24.5	25.5	26.1	25.2	0.5	2.0	1.9	1.7	2.0	2.0	2.0	0.3	2.1	2.1	2.1	2.3	2.2	0.1	1.0	1.1	1.1	1.0	1.0	1.1	-0.1	1.1	1.0	1.0	1.0	1.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.7	0.7	0.7	0.8	0.8	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	3.8	3.8	3.7	3.8	3.9	3.9	0.2	4.0	4.0	4.0	4.2	4.0	0.1	0.3	0.3	0.5	0.5	0.5	0.5	0.0	0.5	0.5	0.5	0.5	0.5	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.4	0.4	0.5	0.5	0.5	0.5	0.0	0.5	0.6	0.6	0.6	0.6	0.5	0.0	25.7	28.3	30.0	28.4	29.1	29.2	-0.8	29.1	29.0	30.0	30.9	29.8	0.6	4.0	4.0	4.0	4.1	4.1	4.1	0.1	4.2	4.1	4.1	4.2	4.2	0.0	0.9	0.9	0.8	0.8	0.8	0.8	-0.1	0.8	0.8	0.7	0.7	0.7	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.9	0.9	0.9	0.9	0.9	0.9	0.0	0.9	0.9	0.9	0.9	0.9	0.0	0.7	0.7	0.7	0.6	0.6	0.6	-0.1	0.6	0.6	0.6	0.6	0.6	0.0	0.5	0.5	0.5	0.5	0.5	0.5	-0.1	0.5	0.5	0.5	0.4	0.5	0.0	0.3	0.3	0.3	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	2.8	2.7	2.7	2.5	2.5	2.5	-0.2	2.4	2.5	2.5	2.5	2.5	-0.1	0.7	0.7	0.7	0.7	0.7	0.7	0.0	0.7	0.7	0.7	0.7	0.7	0.0	3.3	3.3	3.6	3.8	3.5	3.7	0.1	3.6	3.8	3.9	4.0	3.8	0.1	0.9	0.9	0.9	0.8	0.8	0.8	-0.1	0.8	0.8	0.8	0.8	0.8	0.0	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.5	0.6	0.6	0.6	0.5	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.4	0.4	0.4	0.3	0.3	0.3	0.0	0.3	0.3	0.4	0.4	0.3	0.0	5.7	5.8	6.1	6.1	5.9	6.1	0.0	6.0	6.3	6.3	6.5	6.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	1.0	1.0	1.0	0.9	0.9	0.9	0.0	1.0	1.0	1.0	1.0	1.0	0.0	1.9	1.9	1.9	1.9	1.9	1.9	0.0	2.0	2.0	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0	3.1	3.2	3.2	3.1	3.2	3.2	0.0	3.2	3.2	3.2	3.2	3.2	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.7	0.7	0.7	0.6	0.6	0.6	0.0	0.6	0.6	0.6	0.6	0.6	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	1.5	1.5	1.5	1.4	1.4	1.4	-0.1	1.4	1.3	1.3	1.3	1.3	-0.1	11.3	11.5	11.6	10.0	10.3	10.6	-1.0	10.5	10.6	10.7	10.7	10.6	0.0	1.8	1.9	1.9	1.7	1.8	1.8	-0.1	1.8	1.8	1.8	1.8	1.8	0.0	0.8	0.8	0.8	0.7	0.7	0.7	-0.1	0.8	0.8	0.8	0.8	0.8	0.0	0.4	0.4	0.4	0.4	0.4	0.4	0.0	0.4	0.3	0.3	0.3	0.3	0.0	3.0	3.1	3.1	2.7	2.8	2.9	-0.2	2.9	2.9	3.0	2.9	2.9	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	32.5	32.8	33.1	30.9	31.1	31.7	-1.5	31.5	31.8	32.0	32.2	31.9	0.2	58.2	61.1	63.2	59.3	60.1	60.8	-2.3	60.6	60.9	62.0	63.0	61.6	0.8	2.2	2.3	2.3	2.1	2.1	2.1	-0.2	2.2	2.2	2.2	2.2	2.2	0.1	Non-OPEC liquids production	60.4	63.3	65.4	61.5	62.3	62.9	-2.5	62.8	63.1	64.2	65.2	63.8	0.9	OPEC NGL	5.1	5.2	5.1	4.9	4.9	5.0	-0.1	5.0	5.1	5.1	5.2	5.1	0.1	OPEC Non-conventi	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	OPEC (NGL+NCF)	5.2	5.3	5.3	5.0	5.1	5.1	-0.1	5.1	5.2	5.2	5.3	5.2	0.1	Non-OPEC & OPEC (NGL+NCF)	65.6	68.7	70.7	66.5	67.3	68.0	-2.6	67.9	68.2	69.4	70.6	69.0	1.0
Non-OPEC liquids production	60.4	63.3	65.4	61.5	62.3	62.9	-2.5	62.8	63.1	64.2	65.2	63.8	0.9	OPEC NGL	5.1	5.2	5.1	4.9	4.9	5.0	-0.1	5.0	5.1	5.1	5.2	5.1	0.1	OPEC Non-conventi	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	OPEC (NGL+NCF)	5.2	5.3	5.3	5.0	5.1	5.1	-0.1	5.1	5.2	5.2	5.3	5.2	0.1	Non-OPEC & OPEC (NGL+NCF)	65.6	68.7	70.7	66.5	67.3	68.0	-2.6	67.9	68.2	69.4	70.6	69.0	1.0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
OPEC NGL	5.1	5.2	5.1	4.9	4.9	5.0	-0.1	5.0	5.1	5.1	5.2	5.1	0.1	OPEC Non-conventi	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	OPEC (NGL+NCF)	5.2	5.3	5.3	5.0	5.1	5.1	-0.1	5.1	5.2	5.2	5.3	5.2	0.1	Non-OPEC & OPEC (NGL+NCF)	65.6	68.7	70.7	66.5	67.3	68.0	-2.6	67.9	68.2	69.4	70.6	69.0	1.0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
OPEC Non-conventi	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	OPEC (NGL+NCF)	5.2	5.3	5.3	5.0	5.1	5.1	-0.1	5.1	5.2	5.2	5.3	5.2	0.1	Non-OPEC & OPEC (NGL+NCF)	65.6	68.7	70.7	66.5	67.3	68.0	-2.6	67.9	68.2	69.4	70.6	69.0	1.0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
OPEC (NGL+NCF)	5.2	5.3	5.3	5.0	5.1	5.1	-0.1	5.1	5.2	5.2	5.3	5.2	0.1	Non-OPEC & OPEC (NGL+NCF)	65.6	68.7	70.7	66.5	67.3	68.0	-2.6	67.9	68.2	69.4	70.6	69.0	1.0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
Non-OPEC & OPEC (NGL+NCF)	65.6	68.7	70.7	66.5	67.3	68.0	-2.6	67.9	68.2	69.4	70.6	69.0	1.0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												

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

Source: OPEC.

Appendix

Table 11 - 5: World rig count, units

	2018	2019	2020	Change 2020/19	2Q20	3Q20	4Q20	1Q21	Feb 21	Mar 21	Change Mar/Feb
World rig count											
US	1,031	944	436	-508	396	254	311	393	397	408	11
Canada	191	134	90	-44	25	49	89	145	171	108	-63
Mexico	27	37	41	4	43	36	38	46	46	44	-2
OECD Americas	1,251	1,116	567	-549	464	339	438	585	616	561	-55
Norway	15	17	16	-1	16	16	17	16	18	14	-4
UK	7	15	6	-9	4	5	7	8	9	9	0
OECD Europe	62	74	59	-15	57	56	55	54	56	55	-1
OECD Asia Pacific	21	29	22	-7	22	17	18	16	16	18	2
Total OECD	1,334	1,219	648	-571	543	412	511	656	688	634	-54
Other Asia*	222	221	187	-34	190	184	160	161	157	166	9
Latin America	129	128	58	-70	26	40	60	76	77	80	3
Middle East	64	68	57	-11	59	50	48	57	61	59	-2
Africa	46	55	43	-12	46	35	32	33	32	34	2
Other Europe	13	14	12	-2	11	12	12	12	12	11	-1
Total Non-OECD	474	486	357	-129	332	321	312	338	339	350	11
Non-OPEC rig count	1,808	1,705	1,005	-700	875	733	823	994	1,027	984	-43
Algeria	50	45	31	-14	33	27	25	22	22	25	3
Angola	4	4	3	-1	2	1	3	4	4	4	0
Congo	3	3	1	-2	1	0	0	0	0	0	0
Equatorial Guinea**	0	1	0	-1	0	0	0	0	0	0	0
Gabon	3	7	3	-4	2	0	0	1	1	1	0
Iran**	157	117	117	0	117	117	117	117	117	117	0
Iraq	59	74	47	-27	54	30	28	32	31	34	3
Kuwait	51	46	45	-1	52	44	29	28	28	27	-1
Libya	5	14	12	-2	11	11	10	12	12	12	0
Nigeria	13	16	11	-5	11	8	7	6	7	6	-1
Saudi Arabia	117	115	93	-22	108	87	63	62	63	60	-3
UAE	55	62	54	-8	58	50	40	43	44	44	0
Venezuela	32	25	24	-1	21	25	25	25	25	25	0
OPEC rig count	549	529	441	-88	470	400	347	352	354	355	1
World rig count***	2,357	2,234	1,446	-788	1,345	1,133	1,170	1,346	1,381	1,339	-42
of which:											
Oil	1,876	1,788	1,125	-663	1,034	866	896	1,044	1,074	1,040	-34
Gas	448	415	275	-140	254	232	238	269	278	263	-15
Others	33	31	46	15	57	35	36	33	29	36	7

Note: * Other Asia includes India and offshore rigs for China.

** Estimated data when Baker Hughes Incorporated did not reported the data.

*** Data excludes onshore China as well as Russia and other Eurasia.

Totals may not add up due to independent rounding.

Sources: Baker Hughes Incorporated and OPEC Secretariat's estimates.

Glossary of Terms

Abbreviations

b	barrels
b/d	barrels per day
bp	basis points
bb	billion barrels
bcf	billion cubic feet
cu m	cubic metres
mb	million barrels
mb/d	million barrels per day
mmbtu	million British thermal units
mn	million
m-o-m	month-on-month
mt	metric tonnes
q-o-q	quarter-on-quarter
pp	percentage points
tb/d	thousand barrels per day
tcf	trillion cubic feet
y-o-y	year-on-year
y-t-d	year-to-date

Acronyms

ARA	Amsterdam-Rotterdam-Antwerp
BoE	Bank of England
BoJ	Bank of Japan
BOP	Balance of payments
BRIC	Brazil, Russia, India and China
CAPEX	capital expenditures
CCI	Consumer Confidence Index
CFTC	Commodity Futures Trading Commission
CIF	cost, insurance and freight
CPI	consumer price index
DoC	Declaration of Cooperation
DCs	developing countries
DUC	drilled, but uncompleted (oil well)
ECB	European Central Bank
EIA	US Energy Information Administration
Emirates NBD	Emirates National Bank of Dubai
EMs	emerging markets
EV	electric vehicle

Glossary of Terms

FAI	fixed asset investment
FCC	fluid catalytic cracking
FDI	foreign direct investment
Fed	US Federal Reserve
FID	final investment decision
FOB	free on board
FPSO	floating production storage and offloading
FSU	Former Soviet Union
FX	Foreign Exchange
FY	fiscal year
GDP	gross domestic product
GFCF	gross fixed capital formation
GoM	Gulf of Mexico
GTLs	gas-to-liquids
HH	Henry Hub
HSFO	high-sulphur fuel oil
ICE	Intercontinental Exchange
IEA	International Energy Agency
IMF	International Monetary Fund
IOCs	international oil companies
IP	industrial production
ISM	Institute of Supply Management
JODI	Joint Organisations Data Initiative
LIBOR	London inter-bank offered rate
LLS	Light Louisiana Sweet
LNG	liquefied natural gas
LPG	liquefied petroleum gas
LR	long-range (vessel)
LSFO	low-sulphur fuel oil
MCs	(OPEC) Member Countries
MED	Mediterranean
MENA	Middle East/North Africa
MOMR	(OPEC) Monthly Oil Market Report
MPV	multi-purpose vehicle
MR	medium-range or mid-range (vessel)
NBS	National Bureau of Statistics
NGLs	natural gas liquids
NPC	National People's Congress (China)
NWE	Northwest Europe
NYMEX	New York Mercantile Exchange
OECD	Organisation for Economic Co-operation and Development
OPEX	operational expenditures
OIV	total open interest volume
ORB	OPEC Reference Basket
OSP	Official Selling Price
PADD	Petroleum Administration for Defense Districts
PBoC	People's Bank of China
PMI	purchasing managers' index
PPI	producer price index

RBI	Reserve Bank of India
REER	real effective exchange rate
ROI	return on investment
SAAR	seasonally-adjusted annualized rate
SIAM	Society of Indian Automobile Manufacturers
SRFO	straight-run fuel oil
SUV	sports utility vehicle
ULCC	ultra-large crude carrier
ULSD	ultra-low sulphur diesel
USEC	US East Coast
USGC	US Gulf Coast
USWC	US West Coast
VGO	vacuum gasoil
VLCC	very large crude carriers
WPI	wholesale price index
WS	Worldscale
WTI	West Texas Intermediate
WTS	West Texas Sour

OPEC Basket average price

US\$/b



up 3.51 in March

March 2021	64.56
February 2021	61.05
Year-to-date	60.22

March OPEC crude production

mb/d, according to secondary sources



up 0.20 in March

March 2021	25.04
February 2021	24.84

Economic growth rate

per cent

	World	OECD	US	Euro-zone	Japan	China	India
2020	-3.5	-4.8	-3.5	-6.8	-4.9	2.3	-7.0
2021	5.4	4.6	5.7	4.3	3.1	8.4	9.8

Supply and demand

mb/d

2020		20/19	2021		21/20
World demand	90.5	-9.5	World demand	96.5	6.0
Non-OPEC liquids production	62.9	-2.5	Non-OPEC liquids production	63.8	0.9
OPEC NGLs	5.1	-0.1	OPEC NGLs	5.2	0.1
Difference	22.5	-6.8	Difference	27.4	4.9

OECD commercial stocks

mb

	Feb 20	Dec 20	Jan 21	Feb 21	Feb 21/Jan 21
Crude oil	1,410	1,507	1,492	1,498	6
Products	1,474	1,530	1,530	1,479	-51
Total	2,884	3,037	3,023	2,978	-45
Days of forward cover	74.7	70.1	69.1	68.0	-1.1

Next report to be issued on 11 May 2021.