

# Oil Market Report



International  
Energy Agency

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## HIGHLIGHTS

- **Crude oil prices** rose to their highest level in more than a year in October with WTI and Brent futures up an average of \$6/bbl, to \$75.82/bbl and \$73.93/bbl, respectively. Growing expectations for economic recovery boosted markets, with WTI reaching over \$81/bbl before settling in a \$75-80/bbl range by early November.
- **Global oil supply** in October rose by 635 kb/d to 85.6 mb/d. OPEC production attained its highest level since January 2009, up by 110 kb/d to 29.0 mb/d. The 'call on OPEC crude and stock change' for 2010 is revised up 100 kb/d to 28.5 mb/d, on higher demand and a 300 kb/d downward revision to OPEC NGLs. The 2009 call averages 28.7 mb/d.
- **Non-OPEC supply** is revised up 130 kb/d for 2009 and 350 kb/d for 2010 on stronger US GOM, Norway and Russia estimates. Output is forecast at 51.1 mb/d in 2009 and 51.9 mb/d in 2010. Production rose 380 kb/d in October to 51.4 mb/d as North Sea maintenance ended. Tropical Storm Ida shut-in 560 kb/d (43%) of US GOM output in early November, though reports indicate no lasting damage.
- **Global oil demand** is revised up 210 kb/d for 2009 and 140 kb/d for 2010, on stronger preliminary data in OECD North America and buoyant demand in non-OECD Asia/Middle East. Global demand is on track for year-on-year growth in 4Q09 for the first time since 2Q08 and is now seen averaging 84.8 mb/d in 2009 (-1.5 mb/d year-on-year) and 86.2 mb/d in 2010 (+1.3 mb/d versus 2009).
- **OECD industry stocks** rose by 1.6 mb in September to 2,774 mb, 4.3% above last year's level. Gasoline and distillates built in North America while crude and distillates drew in the Pacific and Europe, respectively. End-September forward demand cover fell to 60.0 days from 60.9 days, but remained 3.8 days higher than a year ago.
- **Global refinery crude throughput** in 4Q09 is reduced by 0.3 mb/d to 72.8 mb/d as higher crude oil prices, falling OECD demand and high middle distillate inventories continued to undermine margins. Higher China and Other Asia estimates, following stronger 3Q09 data, only partly offset downward revisions from lower reported OECD runs.

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