

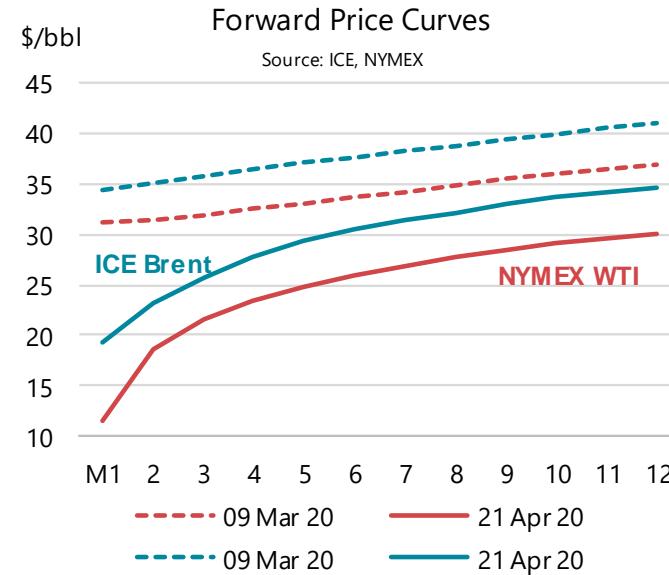
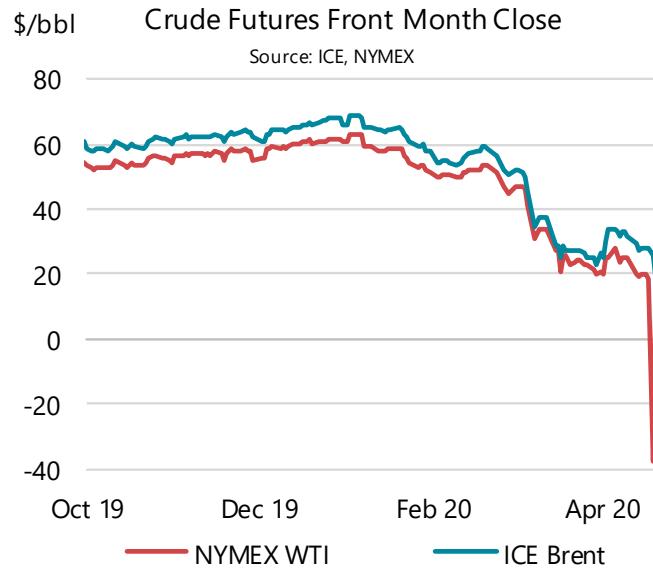


Short Term Oil Market Outlook

Presentation to the launch of Singapore International Energy Week

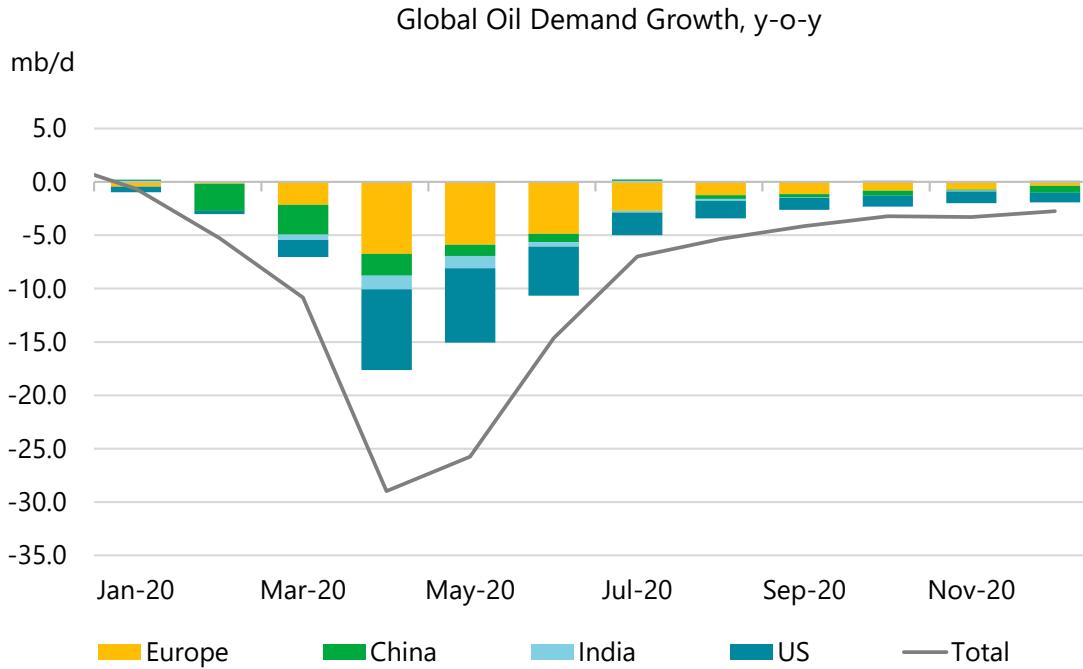
4 May 2020

Brent & WTI crude futures



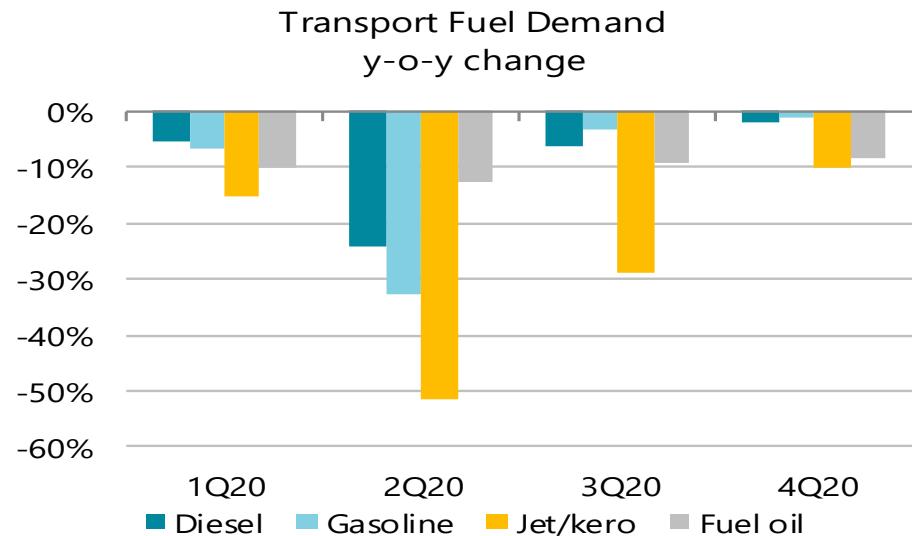
Prices down to 18-year lows, and negative! Forward curve shows massive contango – indicative of glutted market.

Global oil demand collapses as containment measures spread



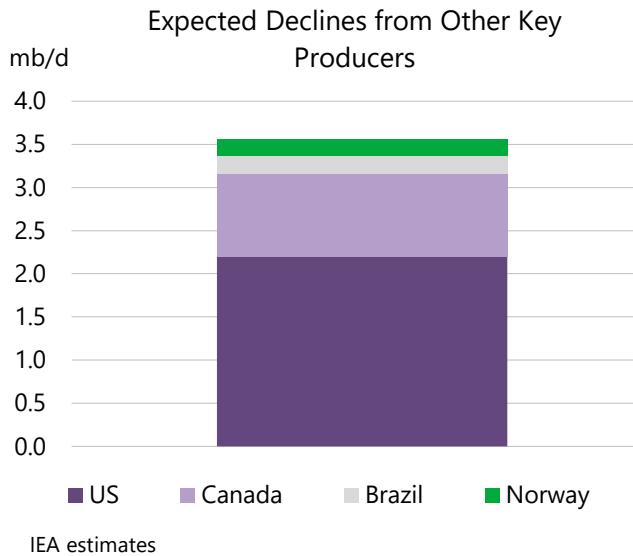
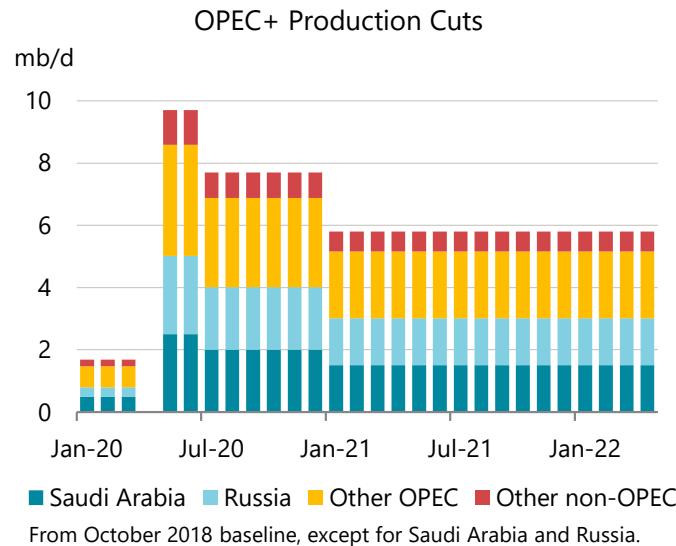
Year-on-year declines of 29 mb/d expected for April and 26 mb/d in May. Recovery in 2H20 depends on easing of containment measures. For 2020, demand 9.3 mb/d below 2019 and back to 2012 level.

Transport fuel demand plunges on land, sea and air



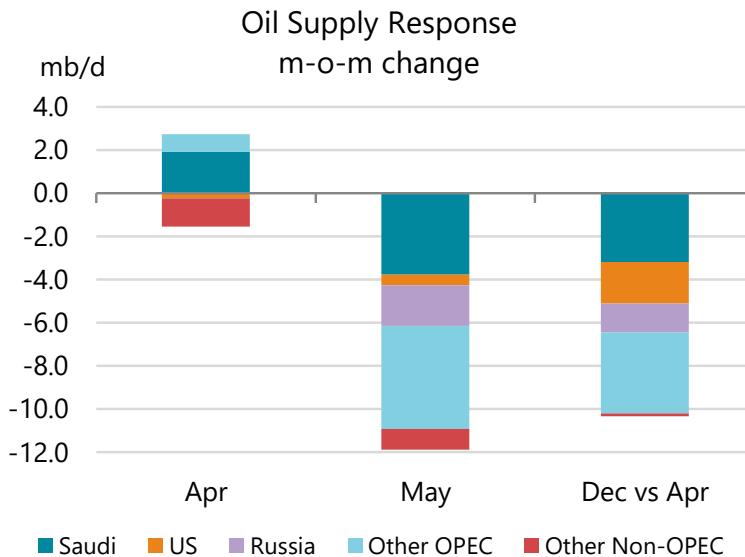
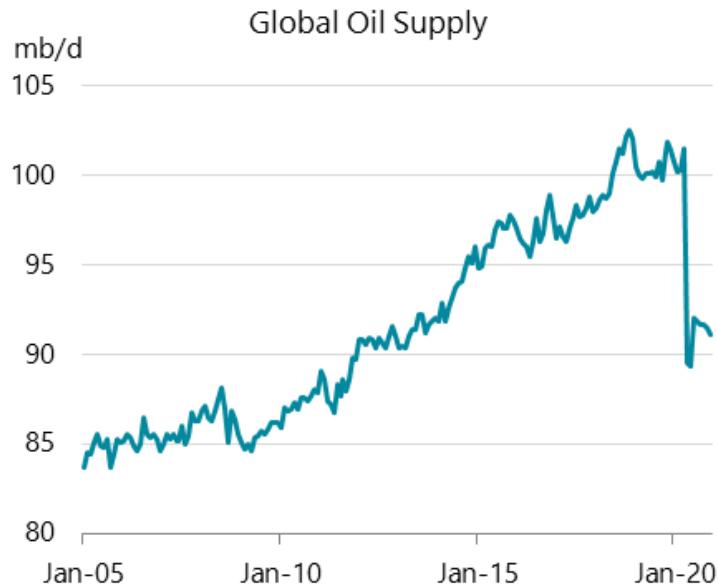
Jet fuel demand hammered most as aviation expected to recover only slowly. Maritime sector hit by fewer cruises and generally weak global trade.

OPEC+ agrees historic 9.7 mb/d cut to supply from May



US, Canada, Brazil and Norway expected to decline by 3.6 mb/d, but timing of curbs varies.

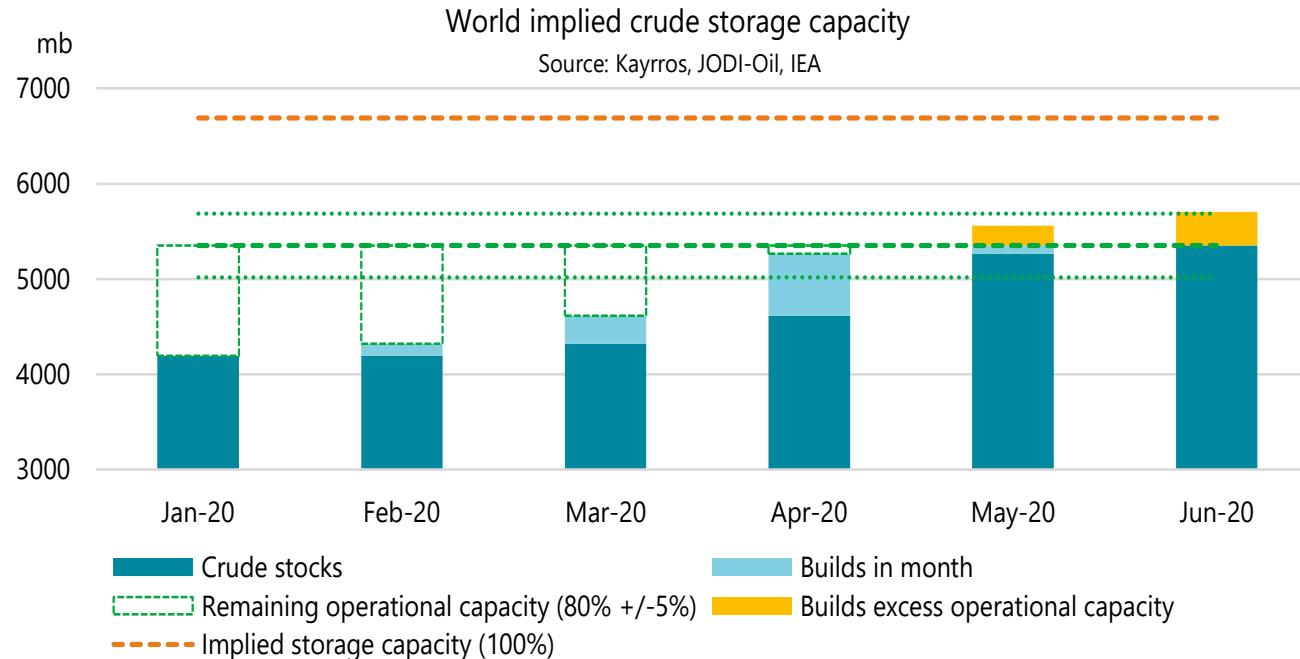
Global supply set to plunge by record 12 mb/d in May.....



*Apr is early indication; May/Dec assumes 100% compliance with OPEC+ cuts

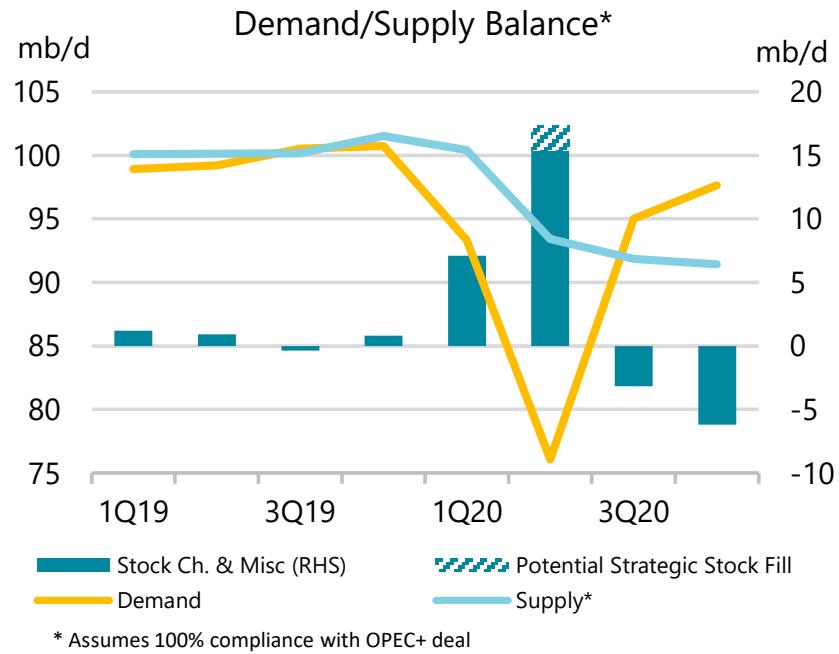
Supply tumbles below 90 mb/d in May and June, the lowest since 2011. As OPEC+ cuts ease later in 2020, declines in US and elsewhere accelerate.

..... But storage capacity is filling up



Our estimated crude stock builds for 1H20 would lift inventories to within their operational capacity limits (80% +/-5%) by mid-year.

Massive implied stock build in 1H20, stock draws thereafter



In 2Q20, supply cuts nowhere close to offsetting collapsing demand. Implied stock build of 17.4 mb/d. Assuming demand recovers and OPEC+ discipline maintained, stocks could draw by 4.7 mb/d in 2H20.

A ministerial dialogue on integrating renewables at SIEW

- The 2020 IEA SIR ministerial will be jointly hosted by the IEA and Singapore's EMA on **27 October 2020**.
- Following the success of the inaugural 2019 SIR Ministerial in Germany, the 2020 edition will cover key topics including **investment, climate resilience, and cyber security**.
- **Ministers, senior policy makers, and executives** will highlight success stories and innovative solutions to scale-up variable renewable energy integration in power systems globally.
- In addition, the IEA will launch its **2020 Electricity Security Report**, one of the Agency's flagship publications for 2020.



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