

Oil Market Report



International
Energy Agency

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HIGHLIGHTS

- **Benchmark crude futures were range-bound in September but by early October had breached the \$80/bbl mark.** Stronger demand, a rebound in financial markets, a weaker dollar and a major strike at French ports converged to propel prices higher. Benchmark Brent was last trading around \$83/bbl and WTI at \$81.50/bbl.
- **Global oil demand for 2010 and 2011 is revised up by 0.3 mb/d on average to 86.9 mb/d and 88.2 mb/d,** respectively, on new data showing much stronger-than-expected 3Q10 readings, notably in the OECD, and updated GDP and price assumptions. Yearly growth is now +2.1 mb/d in 2010 and +1.2 mb/d in 2011. If GDP growth were a third lower, demand growth would only reach 0.4 mb/d in 2011.
- **Global oil supply fell by 150 kb/d to 86.9 mb/d in September** on lower non-OPEC output, but was up by 1.5 mb/d year-on-year, shared equally between non-OPEC, OPEC crude and NGLs. Estimated 2011 non-OPEC supply is raised by 150 kb/d to 53.1 mb/d on stronger US, Canadian and Chinese output, growing from 52.6 mb/d in 2010.
- **OPEC crude oil supply rose by 40 kb/d, to 29.29 mb/d in September.** The 'call on OPEC crude and stock change' is raised to 29.8 mb/d in 3Q10 and 29.0 mb/d in 4Q10, after a large upward demand revision. The 2011 'call' averages 29.3 mb/d, up by 0.1 mb/d from 2010.
- **August OECD industry stocks rose by 15.8 mb to 2 790 mb,** or 61.1 days, reaching their highest level since August 1998. Preliminary data point to a sharp 31.7 mb draw in September, while oil in floating storage increased slightly.
- **Global refinery crude throughputs are revised up by 0.7 mb/d for 3Q10,** to 75.3 mb/d, or 1.8 mb/d above 3Q09. Stronger runs in North America and Europe, shadowing revisions to oil product demand, as well as record-high runs in Brazil and Russia contributed. 4Q10 runs are to fall seasonally to 73.8 mb/d, in line with the expected slowdown in oil demand growth.

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