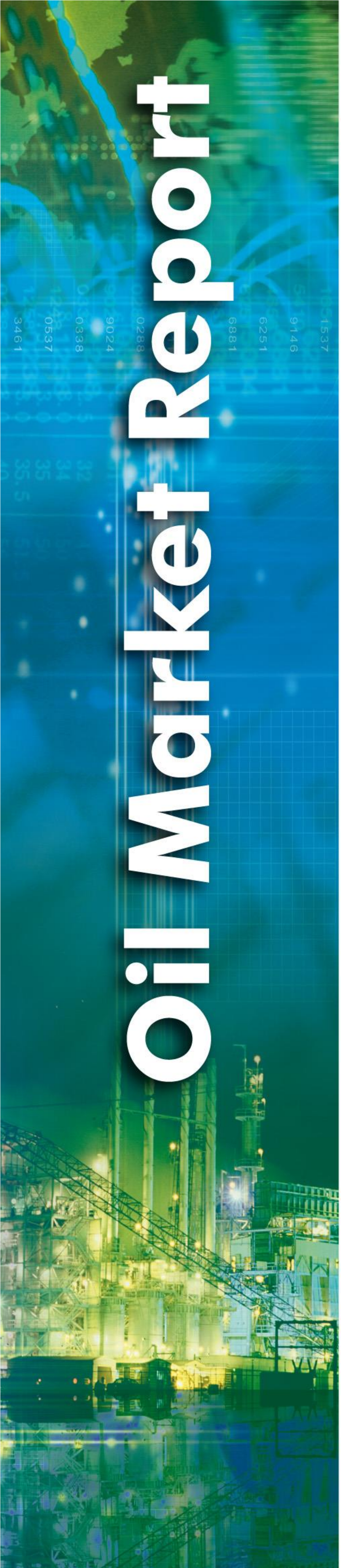

International Energy Agency

14 November 2014

HIGHLIGHTS

- **Oil's rout gained momentum in October and extended into November, with Brent at a four-year low below $80/bbl.** A strong US dollar and rising US light tight oil output outweighed the impact of a Libyan supply disruption. ICE Brent was last trading at $78.50/bbl – down 30% from a June peak. NYMEX WTI was at $75.40/bbl.

- **Global oil supply inched up by 35 kb/d in October to 94.2 mb/d.** Compared with one year ago, total supply was 2.7 mb/d higher as higher OPEC production added to non-OPEC supply growth of 1.8 mb/d. Non-OPEC production growth is forecast to ease to 1.3 mb/d for 2015 from this year's 1.8 mb/d high.

- **OPEC output eased by 150 kb/d in October to 30.60 mb/d,** remaining well above the group's official 30 mb/d supply target for a sixth month running. The group's oil ministers meet on 27 November against the backdrop of a 30% price decline since they last gathered in June.

- **Global oil demand estimates for 2014 and 2015 are unchanged since last month's *Report*, at 92.4 mb/d and 93.6 mb/d, respectively.** Projected growth will increase from a five-year annual low of 680 kb/d in 2014 to an estimated 1.1 mb/d next year as the macroeconomic backdrop is expected to improve.

- **OECD industry oil stocks built counter-seasonally by 12.6 mb in September.** Their deficit versus average levels, after ballooning earlier this year, fell to its narrowest since April 2013. Preliminary data show that despite a 4.2 mb draw, stocks swung into a surplus to average levels in October for the first time since March 2013.

- **Global refinery crude demand hit a seasonal low in October** amid peak plant maintenance and seasonally weak product demand. The 4Q14 throughput estimate is largely unchanged since last month's *Report*, at 77.5 mb/d, as robust Russian and Chinese throughputs offset a steeper-than-expected drop in US runs in October.

OMR PUBLISHING SCHEDULE 2015

Please find below the 2015 release dates for the ***Oil Market Report***:

Friday 16 January
Tuesday 10 February*
Friday 13 March
Wednesday 15 April
Wednesday 13 May
Thursday 11 June
Friday 10 July**
Wednesday 12 August
Friday 11 September
Tuesday 13 October
Friday 13 November
Friday 11 December

This information is also available at: **www.iea.org/oilmarketreport/schedule/**.

*The 2015 Edition of the ***Medium-Term Oil Market Report (MTOMR)*** will be released on 10 February. The February ***OMR*** will comprise the usual data and projections through end-2015, but with abridged text.

The ***OMR* of 10 July will contain projections through end-2016.

The IEA is recruiting its Head of Division - Oil Industry & Markets

The IEA is recruiting a dynamic and experienced energy expert as Editor of the IEA Oil Market Report as well as to lead its Oil Industry and Markets Division. Under the general supervision of the Director of Energy Markets and Security (EMS), the main responsibility of the chosen candidate will be to supervise and co-ordinate the IEA's work on the monitoring of and reporting on oil industry and market developments.

The Head of Division has line management responsibility for the budget and for a team of about ten enthusiastic professionals (oil market experts, statisticians and assistants). S/he will develop the Division's work programme to support wider Agency priorities in close collaboration with other senior colleagues across the Directorate and Agency.

Main responsibilities

Management & leadership

- Plan, lead and co-ordinate the preparation of the IEA's monthly ***Oil Market Report (OMR).*** OMR's release dates are fixed the previous year, and the team is required to work on tight production cycles with rigid deadlines.
- Plan, lead and co-ordinate the preparation of the IEA's annual ***Medium-Term Oil Market Report*** and Annual Statistical Supplement, the presentation of results for the Governing Board and the Standing Group on the Oil Market (SOM), and follow up with media, governments and the oil industry.
- Advise Governments on recent trends in the global oil market and medium-term developments and analysis on the role of physical and financial markets in oil price formation, particularly highlighting policy-related issues and recommending appropriate action; plan and co-ordinate SOM meetings.
- Manage a highly qualified, enthusiastic, multicultural team of energy analysts and accept accountability for the quality, timeliness and relevance of the Division's outputs. Contribute personally to these outputs through intellectual leadership, coaching and developing staff, as well as by winning and managing resources to support the Division's work. Build a collegial and productive working atmosphere.

Co-ordination, liaison, representation, dissemination

- Develop and maintain close contacts with government officials on important policy developments, as well as with oil companies and consultants.
- Contribute to the development of the IEA's key messages, particularly in relation to the oil industry and oil markets and communications strategies with key stakeholders, the media and the general public, in order to maximise the value, visibility and impact of the Division's work.
- Provide market information and expertise during oil emergencies and support and participate in exercises related to maintaining emergency response capabilities.
- Build collaborative and collegial working relationships with people inside and outside the Agency on cross-cutting projects, publications, policy reviews and conferences.

Ideal candidate's profile

- An advanced university degree in economics, energy, science, engineering, or a related discipline.
- More than ten years' experience in the international oil industry with extensive experience in the field of oil and energy policy.
- Specific areas of expertise include any or all of the following: oil production, refining and distribution, oil trade, oil stock policy or product quality issues.

The complete vacancy notice and application form can be found at www.oecd.org/careers/vacancies and on www.iea.org (vacancy reference **09550**). Please mention 'OMR' in the source field and in your cover letter. **All applications from OECD member country nationals should be submitted online (no paper application will be accepted) by midnight Paris time on 24 November 2014.** Please note that only candidates selected for interview will be contacted

The OECD is an equal opportunity employer and encourages applications from all qualified candidates.

OECD OCDE

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

Organisation de coopération et de développement économiques

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DOWNWARD PRICE PRESSURES CONTINUE

Oil prices extended their decline since the last *Report*, with Brent crashing through the $80/bbl mark in early November and WTI trading at the time of writing in the mid $70s. Since their June peak for the year in the wake of the ISIS offensive in Iraq, oil prices have declined by roughly 30%. While there has been some speculation that the high cost of unconventional oil production might set a new equilibrium for Brent prices in the $80 to $90 range, supply/demand balances suggest that the price rout has yet to run its course. Our supply and demand forecasts indicate that barring any new supply disruption, downward price pressures could build further in the first half of 2015.

Relatively weak oil demand since mid-2014, compounding the impact of a rising dollar and relentless growth in unconventional oil supply, had a lot to do with the recent price drops. It may well be that 2Q14 marked a low point for global oil deliveries and that oil demand growth will pick up from that point on. That is indeed what our forecast says, based on assumptions of economic growth which were recently trimmed, but which continue to predict an accelerating global recovery. A rebound in annual growth does not however preclude seasonally weaker demand. Thus, while our projections suggest that year-on-year demand growth will recover to 1 mb/d in 1Q15 and 1.2 mb/d in 2Q15 from 770 kb/d in 4Q14 (and a low of 340 kb/d in 2Q14), demand is nevertheless expected to fall steeply early next year from end-2014 levels, in line with seasonal patterns. That drop is the main factor behind an estimated 1.3 mb/d decline in the "Call on OPEC and stock changes" to 28.8 mb/d in 1Q15 from the previous quarter.

Meanwhile, production growth shows few signs of abating. While falling prices may well trim investment in US light tight oil, such potential cuts should not be misconstrued as a production drop, and indeed would likely pale in comparison with recent gains in LTO productivity. Cost reductions and efficiency gains in LTO production have been constant, and price pressures would only provide more impetus for producers to cut costs further. While some companies are re-thinking big-ticket projects from Canada to Angola, delays or spending cuts would affect the longer-term supply outlook rather than short-term production. Pressure on OPEC to reduce production is building, but at the time of writing there appeared to be no clear consensus on a formal supply cut ahead of its meeting in Vienna later this month.

With supply running ahead of demand, OECD stocks have rapidly rebuilt and are back near average levels. Further builds, past average levels, look on the cards, especially since Chinese strategic reserves, which have provided such an important outlet for excess barrels so far this year, seem to have run out of available storage space.

Nevertheless, supply risks remain extraordinarily elevated, and if anything will be exacerbated by falling prices. The two countries responsible for a recent recovery in OPEC supply growth, Iraq and Libya, are both in the throes of vicious conflicts. Price drops cast new doubt on Iraq's ability to fund capacity growth, compounding the impact of security risks on IOC investment in the country. Venezuela is reeling from the effects of falling production and plummeting prices. Russia suffers from both the oil price drop and a currency collapse, as well as uncertainty brought on by sanctions. As widely noted, many producer countries' "fiscal breakeven price" is well above current oil prices. While that will not necessarily make oil production at current or even lower prices uneconomical, it may take a toll on social stability, and thus indirectly affect production prospects.

Steep price declines tend to be self-correcting over the long run as spending is cut eventually or production is otherwise disrupted. Such cyclical factors take time to unfold, however, and should not blind us to the deep structural changes at work in the oil market. Economic development no longer spurs oil demand growth as it once did, especially in the absence of wage gains. China, the top source of incremental oil demand in recent years, has entered a less oil-intensive stage of development, while years of high prices have let innovative technologies unlock untold resources in North America and likely soon elsewhere. The steeper they are, the less sustainable oil price swings tend to be. But a return to previous price highs may not be a close prospect, as it is increasingly clear that we have begun a new chapter in the history of the oil markets.

DEMAND

Summary

- **Global oil deliveries are projected to show growth of 680 kb/d in 2014, a five-year annual low, to an estimated 92.4 mb/d.** Relatively weak Chinese demand growth, coupled with large absolute declines in both European and OECD Asia Oceania, curb the upside momentum otherwise provided by gains in other non-OECD economies and the US.

- **Having bottomed-out in 2Q14, demand growth is estimated to have picked up marginally in 3Q14,** to 0.6 mb/d year-on-year (y-o-y) as the declines in both Europe and North America eased. This modest relative 3Q14 improvement comes after quarterly growth had plummeted to a four-and-a-half year low of 0.3 mb/d in 2Q14, i.e. the 2Q14 was the weakest y-o-y quarter of growth since 3Q09. The 3Q14 demand estimate, at 93.1 mb/d, has been revised up modestly (+80 kb/d) compared to last month's *Report* as the latest data on Russia, China, France, Brazil and Germany surprised to the upside, more than offsetting sub-par releases for US, Argentina and Turkey.

- **Accelerating global momentum is foreseen in 2015, with demand forecast to rise by 1.1 mb/d** (or 1.2%) to 93.6 mb/d, supported by the International Monetary Fund's (IMF) assumption of a macroeconomic uptick. A particular product switch is anticipated in the bunker fuel market, from heavier sulphur fuel oil to marine gasoil.

Global Oil Demand (2013-2015)

(million barrels per day)

	1Q13	2Q13	3Q13	4Q13	2013	1Q14	2Q14	3Q14	4Q14	2014	1Q15	2Q15	3Q15	4Q15	2015
Africa	3.9	3.9	3.7	3.8	3.8	3.9	4.0	3.8	4.0	3.9	4.1	4.1	4.0	4.2	4.1
Americas	30.2	30.5	31.1	31.1	30.7	30.4	30.4	31.1	31.3	30.8	30.6	30.7	31.3	31.5	31.0
Asia/Pacific	30.7	29.8	29.7	30.9	30.3	31.2	30.1	30.0	31.3	30.6	31.6	30.6	30.6	31.8	31.1
Europe	13.8	14.5	14.6	14.2	14.3	13.7	14.1	14.6	14.3	14.1	13.8	14.1	14.4	14.1	14.1
FSU	4.5	4.6	4.9	4.9	4.7	4.6	4.8	5.0	4.9	4.8	4.6	4.8	5.1	5.0	4.9
Middle East	7.5	7.9	8.4	7.7	7.9	7.8	8.2	8.5	7.9	8.1	7.9	8.4	8.8	8.2	8.3
World	**90.5**	**91.2**	**92.5**	**92.8**	**91.8**	**91.6**	**91.5**	**93.1**	**93.5**	**92.4**	**92.6**	**92.7**	**94.2**	**94.7**	**93.6**
Annual Chg (%)	1.2	1.6	1.6	0.9	1.3	1.2	0.4	0.6	0.8	0.7	1.1	1.3	1.3	1.2	1.2
Annual Chg (mb/d)	1.1	1.5	1.5	0.8	1.2	1.1	0.3	0.6	0.8	0.7	1.0	1.2	1.2	1.1	1.1
Changes from last OMR (mb/d)	0.00	0.02	0.01	0.03	0.01	0.03	0.02	0.08	0.04	0.04	0.08	0.01	0.04	0.05	0.04

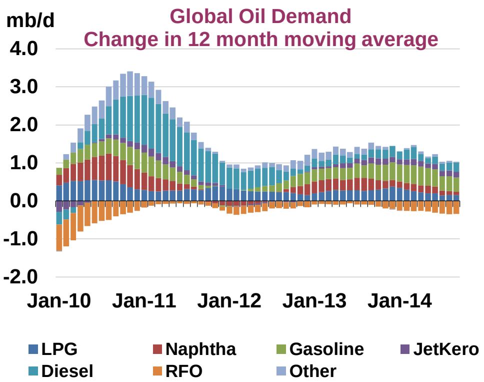
Global overview

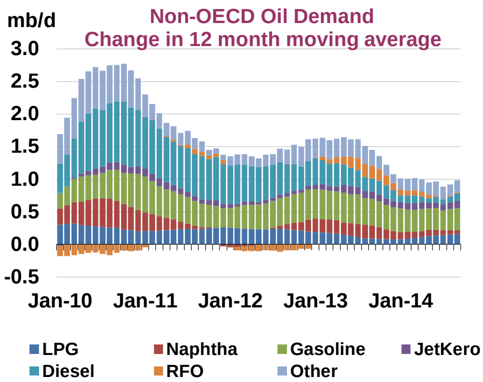
Falling-to-flat y-o-y demand conditions in both Europe and OECD Asia Oceania, coupled with subdued Chinese growth conditions, combined to see global oil demand growth fall to a near four-and-a-half year low of 0.3 mb/d in 2Q14, when measured on a y-o-y quarterly basis. A modest, relative, improvement in both Europe and North America then combined to support a global acceleration in 3Q14, as y-o-y demand growth climbed to 0.6 mb/d.

The 3Q14 demand estimate, of 93.1 mb/d, was revised up by around 80 kb/d on the previously cited forecast as overall the past month's data releases demonstrated a modest upside bias. Notable September revisions included China (+215 kb/d, although this is an "apparent demand" estimate, i.e. refinery throughputs plus net product imports minus product stock-builds, hence subject to heightened estimation error), Brazil (+125 kb/d), Germany (+110 kb/d), Russia (+105 kb/d) and France (+55 kb/d). Offsetting curtailments were applied to the September demand estimates for the US (-40 kb/d), Japan (-40 kb/d) and Mexico (-35 kb/d). Similarly the German (+120 kb/d), Saudi Arabian (+55 kb/d) and Indian (+55 kb/d) August demand numbers were revised up, versus offsetting downside adjustments to the US (-185 kb/d), Argentina (-55 kb/d) and Turkey (-50 kb/d) in August.

Jet/kerosene demand growth in particular turned notably higher in 3Q14, with global deliveries rising by 2.9% y-o-y on rapidly escalating air passenger demand. The International Air Transport Association (IATA), for example, reported a 5.3% y-o-y uptick in global air passenger numbers in September. Notable strength was reported by the Middle Eastern (up 15.8% y-o-y) and Latin America (+4.6%) carriers in September, more than offsetting declines for the European carriers (-3.9%).

The weakness in the overall global oil demand trend is less apparent when 12-month moving averages are utilised to smooth out the volatility that exists in the monthly delivery data. This also highlights the most intriguing development that has occurred over the past couple of years, the relative weakening in the non-OECD demand trend. Leading this correction has been the near eradication of non-OECD gasoil/diesel demand growth, with India and China the biggest downside contributors. Indian gasoil demand growth was all but eradicated by mid-2013, as reductions in diesel subsidies drove retail prices sharply higher (see *Report* dated 14 October 2014, *Indian diesel pricing reform*). The Chinese gasoil demand trend, meanwhile, really started to decelerate in 2012, before posting absolute declines in both 2013 and 2014, as tightening credit conditions and dramatically slower industrial output growth curbed diesel demand. Non-OECD gasoline demand growth held up better, supported by still strong gains in the passenger vehicle sector, while diesel subsidy reductions in India resulted in some product switching from diesel to gasoline. Emerging and newly industrialised economies continue to dominate global oil demand growth, albeit at a slower pace than in previous years, with the latest data pointing towards a 1.1 mb/d y-o-y increase in non-OECD oil demand in 3Q14, while OECD deliveries contract by around 0.5 mb/d.





An acceleration in global oil demand growth is envisaged for 2015, up by 1.1 mb/d to 93.6 mb/d. This additional momentum is forecast to build in line with underlying macroeconomic sentiment. The IMF, in its October *World Economic Outlook*, cited global economic growth rising to 3.8% in 2015, from 3.3% in 2014. Within this mildly accelerating oil demand environment, gasoil/diesel is likely to contribute the biggest growth-share, up by approximately 0.6 mb/d in 2015, with the additional product switching that is forecast as likely to occur in the bunker fuel market playing a key role (see *Tightening regulations shift shipping demand to gasoil from fuel oil*).

OECD

Reflecting the confirmed global demand situation, the relative performance of OECD deliveries bottomed-out in 2Q14 (down 1.8% y-o-y) with the latest 3Q14 data pointing towards a comparative improvement (down 1.1%). The relative OECD adjustment was largely consequential on gasoil/diesel demand picking up, driven by particular adjustments in Europe. The very latest, largely preliminary, data for September implied a further consolidation, with relative improvements occurring in both gasoline and gasoil demand.

OECD Demand based on Adjusted Preliminary Submissions - September 2014

(million barrels per day)

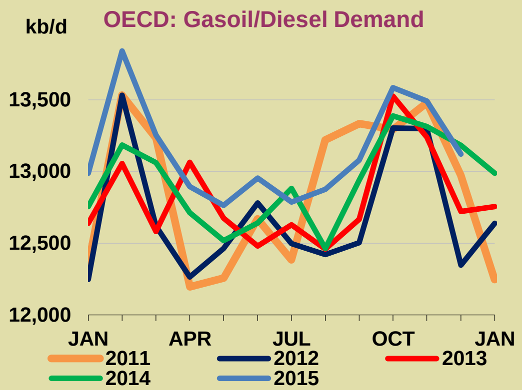
	Gasoline		Jet/Kerosene		Diesel		Other Gasoil		RFO		Other		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa
OECD Americas*	**10.59**	**-0.5**	**1.66**	**0.9**	**4.47**	**3.7**	**0.54**	**-14.4**	**0.65**	**-5.1**	**6.13**	**-1.75**	**24.04**	**-0.5**
US50	8.88	-0.8	1.43	0.9	3.63	3.5	0.13	-43.0	0.34	-7.6	4.69	-2.01	19.10	-0.8
Canada	0.85	-0.8	0.11	-1.6	0.29	2.0	0.34	0.3	0.06	11.9	0.78	0.44	2.44	0.3
Mexico	0.74	3.6	0.06	7.5	0.36	7.6	0.04	9.3	0.16	-4.5	0.55	-2.84	1.92	1.9
OECD Europe	**2.01**	**-0.1**	**1.35**	**0.3**	**4.67**	**3.5**	**1.55**	**0.7**	**0.89**	**-9.0**	**3.56**	**1.27**	**14.03**	**0.9**
Germany	0.46	1.0	0.20	1.3	0.76	5.1	0.39	-3.6	0.12	7.6	0.60	7.39	2.52	3.2
United Kingdom	0.31	-1.3	0.34	-3.2	0.49	3.4	0.13	3.4	0.03	-22.4	0.25	0.72	1.55	-0.1
France	0.18	2.1	0.16	-0.4	0.71	1.0	0.30	6.3	0.04	-17.7	0.38	1.06	1.77	1.3
Italy	0.22	0.9	0.11	8.1	0.48	5.0	0.11	-2.7	0.06	-28.3	0.33	-10.23	1.31	-2.2
Spain	0.11	1.3	0.12	0.9	0.43	3.6	0.13	2.8	0.16	-5.8	0.25	6.43	1.20	2.3
OECD Asia & Oceania	**1.57**	**-1.4**	**0.71**	**-1.7**	**1.25**	**4.0**	**0.46**	**-2.2**	**0.56**	**-15.7**	**3.07**	**-2.68**	**7.62**	**-2.4**
Japan	0.94	-2.6	0.37	-5.3	0.42	0.8	0.35	-5.5	0.31	-20.3	1.46	-7.67	3.85	-6.4
Korea	0.20	1.3	0.15	4.1	0.32	11.5	0.10	9.6	0.20	-11.9	1.34	3.48	2.30	3.1
Australia	0.32	-1.3	0.14	1.1	0.40	0.3	0.00	20.0	0.03	4.3	0.18	-0.82	1.07	-0.2
OECD Total	**14.17**	**-0.5**	**3.71**	**0.2**	**10.39**	**3.6**	**2.55**	**-3.4**	**2.11**	**-9.7**	**12.76**	**-1.16**	**45.69**	**-0.4**

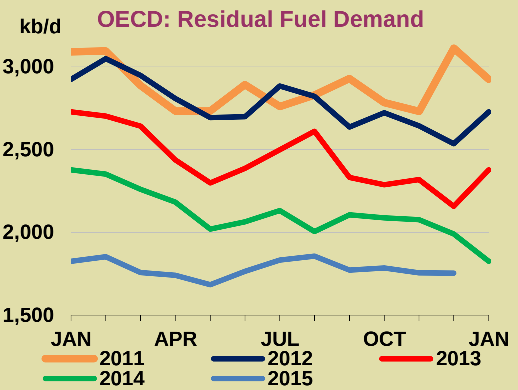
* Including US territories

Tightening regulations shift shipping demand to gasoil from fuel oil

An additional product swing, from heavier sulphur fuel oil over to gasoil, is foreseen in 1Q15 as water-borne vessels entering designated Emission Control Areas (ECA), which include the North Sea, the Baltic Sea and coastal areas off North America, are required to emit no more than 0.1% sulphur (from the current 1% ceiling), starting January 2015. In this year's *Medium-Term Oil Market Report*, we estimated a net adjustment from January's additional ECA regulations of 240 kb/d, from high-sulphur fuel oil to low-sulphur marine diesel.

Although many other factors, such as weak road diesel demand in OECD Europe and OECD Asia Oceania, cloud the simplicity of the short-term data analysis, an additional product-switch is forecast as likely to occur in January 2015. OECD fuel oil demand, for example, is forecast as contracting by 165 kb/d, December to January, whereas the previous seven-year average for this period is an increase of 85 kb/d. OECD gasoil deliveries, meanwhile, are projected to fall by 195 kb/d month-on-month in January 2015, a significantly shallower contraction than the seasonal norm (-420 kb/d, 2008-14).



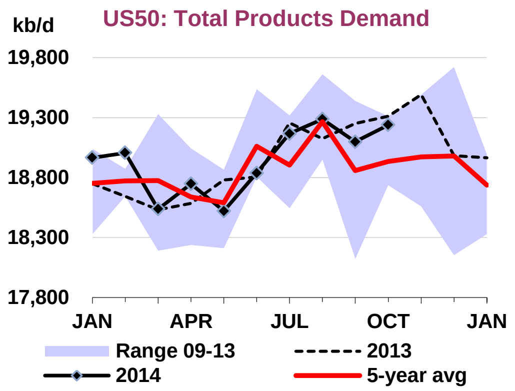


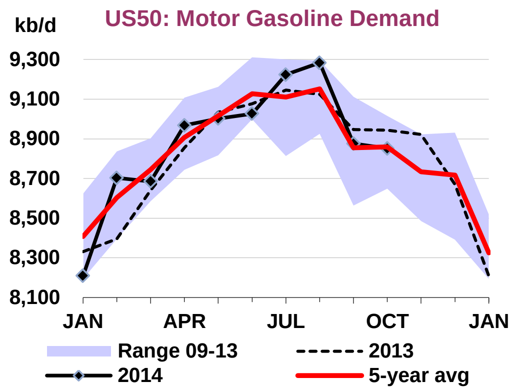
European bunker fuel demand, at an estimated 790 kb/d in 2014, approximately comprised 80% heavier sulphur fuel oil and 20% marine gasoil. The relative ratio changes to 70:30 in 2015, as tightening ECA sulphur regulations take effect. For the OECD Americas the relative market share switches from 50:50 in 2014 to 65:35 in 2015, with gasoil the dominant fuel. Potential compliance issues could, of course, slow the potential adjustment with European waters a particular concern as seas south of the Baltic are exempt, and without sufficient enforcement reduced compliance could ensue.

Americas

The latest **US** demand data, from the US Energy Information Administration (EIA), showed that 19.3 mb/d of oil products were delivered in August, roughly 0.9% up on the year earlier but 185 kb/d below the estimate that was carried in last month's *Report*. 'Other product' demand appears to have been over-estimated on underreported exports, and now looks roughly unchanged on the year earlier. Overall, the strongest August gains were confirmed to be in LPG (which includes ethane in the IEA definition), gasoil/diesel and gasoline, as growth momentum was supported by the recent US industrial strength offsetting absolute y-o-y declines in residual fuel oil and naphtha. The US Federal Reserve, for example, reported a 4.1% y-o-y gain in total US industrial output in August. Similarly, Markit's Manufacturing Purchasing Managers' Index (PMI) rose to a clearly 'optimistic', i.e. above 50, 57.9 in August.

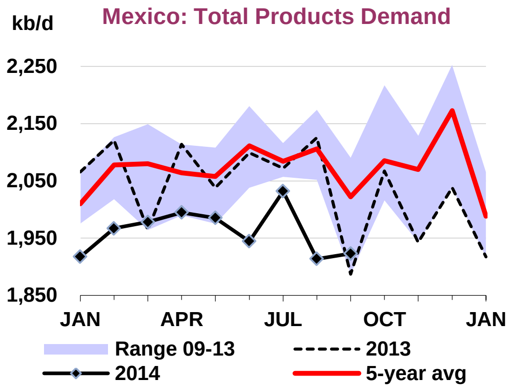
Despite the relative strength that is currently being depicted by the US economy, preliminary estimates of September US demand, at 19.1 mb/d, suggest a 0.8% decline on the year earlier with notable dips in gasoline and 'other product' deliveries. Weaker gasoline demand took hold as the increasingly more efficient US vehicle stock offset the positive influence that would otherwise have been provided by the relative robust new vehicle sales. At 1.25 million vehicles, September's sales were 9.4% up on the year earlier, with particularly sharp gains reported by the Japanese manufacturer of traditionally high-efficiency vehicles, Honda (+12% y-o-y). Annualised new vehicle sales came in at 16.43 million in September.

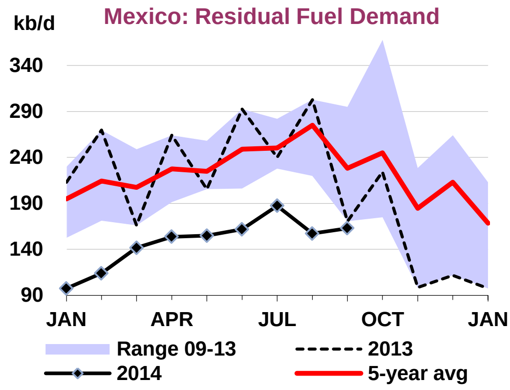




A similarly paced (-0.4%) decline is then envisaged for October, as preliminary estimates of total US product demand averaged roughly 19.2 mb/d, with deliveries of both gasoline and distillates forecast to fall in y-o-y terms. For the year as whole, an average gain of approximately 0.2% is foreseen, to 19.0 mb/d, as stronger distillate demand offsets lower residual fuel oil and 'other products', before modestly accelerating in 2015 as the underlying macroeconomic backdrop gathers pace. The recent price declines, although offering some modest support for demand, are unlikely to result in any significant reverse product switching, i.e. back to oil from natural gas, as the at $80/bbl crude the potential cost of generating electricity in the US is roughly four times the cost of natural gas at $4 per million British thermal units.

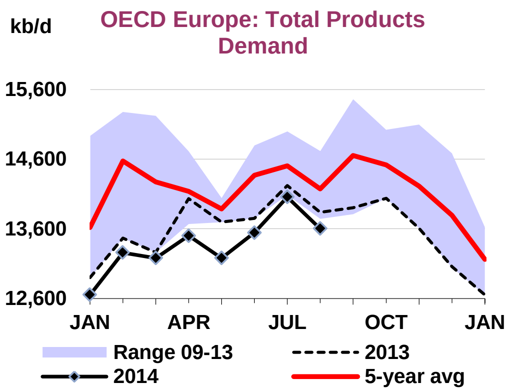
Official confirmation of **Mexican** oil product deliveries, at 1.9 mb/d in September, came out 35 kb/d below the estimate carried in last month's *Report*, with lower 'other product' demand the key change. September's revised estimate, however, marks the first time Mexican demand exceeds year-earlier levels since March, with both unusually strong gasoline demand (+3.6% y-o-y) and a non-repeat of September 2013's sharp decline in residual fuel oil driving the upside.

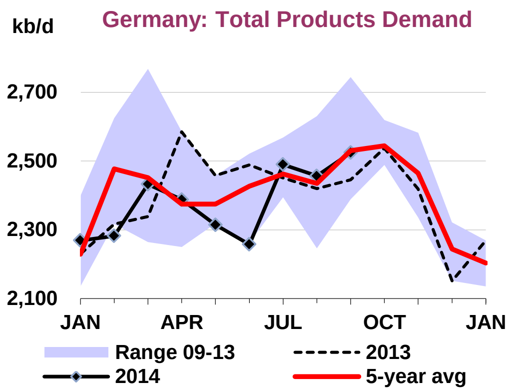




Europe

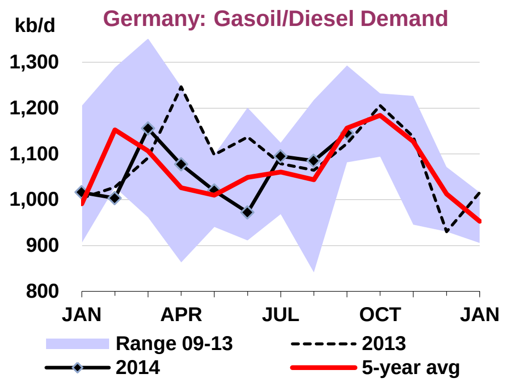
The macroeconomic backdrop in Europe remains weak, keeping oil demand figures for the region on a declining y-o-y path, with a 0.7% (or 95 kb/d) drop now assumed in 3Q14 to 13.9 mb/d. Although a modest improvement in the y-o-y trend is foreseen in 4Q14, to +0.1%, this is largely consequential on expectations of a return to normal seasonal weather patterns as 4Q13 was an unusually warm winter. The latest European weather forecasts, such as that released by MDA Information Systems, have cited colder temperatures than the year earlier for the remainder of the winter, implying additional oil product demand as heating fuel use rises.

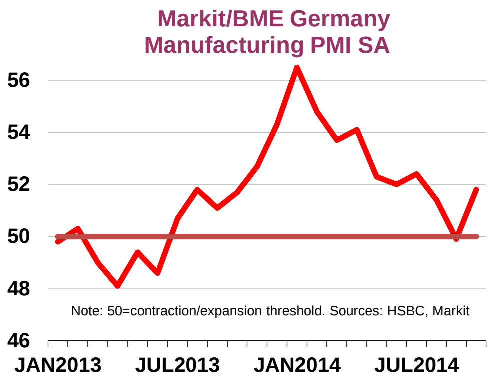




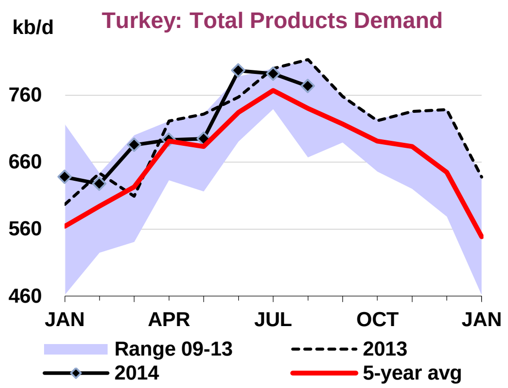
The underlying economic backdrop remains concerning, however, with manufacturing confidence indicators such as Markit's euro area PMI falling to a 14-month low in September and worries over deflationary conditions increasing becoming a concern. The world's oldest central bank, in Sweden for example, lowered its repo interest rate to zero, late-October, as retail prices across the whole economy fell in 16 of the past 24 months. The European Commission, in early November, cut its Eurozone GDP growth forecast to 1.1% for 2015 from 1.7% previously.

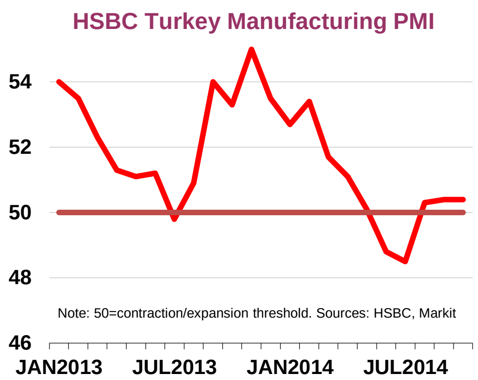
Despite such gloom, a number of notable upside revisions have been made, chiefly the **German** demand number for August, which at 2.5 mb/d is 120 kb/d over the preliminary estimate carried in last month's *Report*. German gasoil/diesel demand for August is assessed at 1.1 mb/d, approximately 100 kb/d above the prior estimate, and 2.0% up on the year earlier. This is the second consecutive month of rising y-o-y demand, a pattern that looks consistent with rebounding German business confidence indicators. Markit's Manufacturing PMI, for example, rose back into 'expanding' territory once again in October, reversing September's 'pessimism'. Preliminary estimates of September oil deliveries imply a further y-o-y gain, with notable gains once again posted in the key gasoil sub-sector. Large other September additions, compared to the forecasts carried in last month's *Report*, include France (+55 kb/d) and Italy (+30 kb/d).





For the year as a whole, European oil deliveries are forecast to fall by around 1.2%, as demand averages roughly 13.5 mb/d in 2014. The extended closure of Shell's Moerdijk petrochemical plant in the Netherlands from 2 October-through-mid-2015, will keep European naphtha demand under additional downside pressure, as it potentially removes 45 kb/d of naphtha demand. Looking ahead to 2015, for the region as a whole, a relative improvement is foreseen, as the forecast decline rate in total OECD European oil deliveries eases to 0.4%. The eased decline rate is foreseen consequential on the IMF's October assumption that GDP growth, measured in constant prices, for the EU accelerates to 1.8% in 2015 (from 1.4% in 2014).

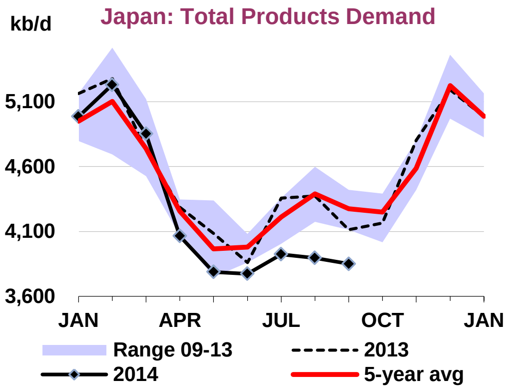


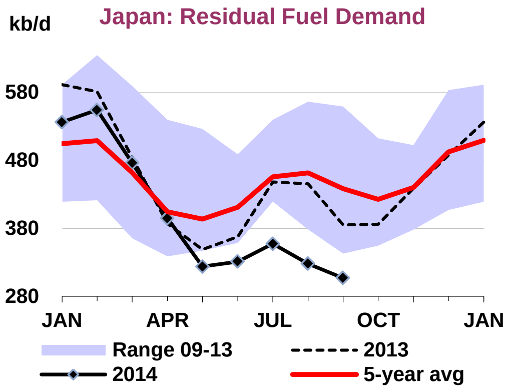


A number of notable downside curtailments were also seen in the 3Q14 European data, compared to last month's *Report*, such as the downgrades applied to Turkey, Poland and Ireland. The latest **Turkish** delivery data, for example, at 0.8 mb/d in August is 50 kb/d below the previously cited forecast and now amounts to a 4.9% y-o-y decline as weak industrial demand dented LPG, naphtha and 'other product' demand. Having enjoyed strongly 'expansionary' conditions through most of 2H13 and 1H14, i.e. a reading above 50 on HSBC's Manufacturing PMI, the index fell back into 'contracting' territory once again in June and has since remained subdued.

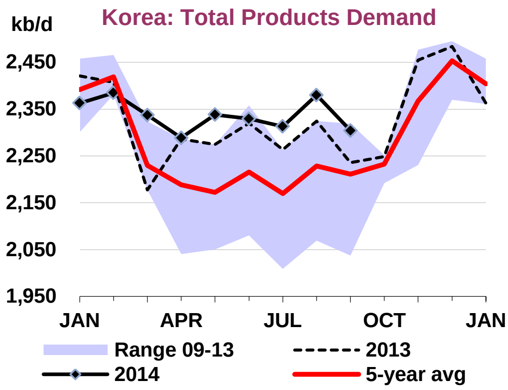
Asia Oceania

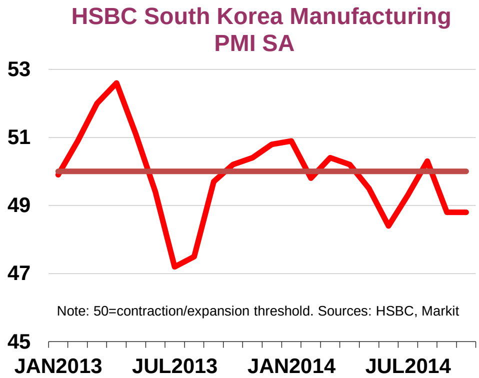
The latest data suggest that OECD Asia Oceania offers the greatest downside momentum, with a 2.4% decline (y-o-y) assumed in September to 7.6 mb/d, as sharply lower deliveries in Japan took effect. Both preliminary estimates of September demand and confirmed August deliveries, for **Japan**, carried respective discrepancies of 40 kb/d and 35 kb/d over the estimates carried in last month's *Report*. The already weak Japanese demand trend saw downside momentum build to a near four-year low of -9.2% in 3Q14. Heavy drops were seen right across the product spectrum although residual fuel oil and 'other products' led the downside on account of sharp curtailments in power sector use. Curbed electricity generating demand came about as relatively plentiful supplies of alternative power generational fuels, such as coal, compounded the effect of milder weather conditions compared to the year earlier. Warmer weather also reduced jet/kerosene demand, while naphtha demand fell on heavy cracker maintenance. Next year's forecast, down 3.1% to 4.2 mb/d, came under additional downside pressure as Sumitomo Chemical announced plans to mothball its Chiba plant mid-2015. Closing the Chiba facility potentially removes 30 kb/d of naphtha demand from 2H15.





At 2.3 mb/d in September, confirmed **Korean** demand came out as forecast in last month's *Report*, up 3.1% on the year earlier as strong gains in both gasoil/diesel and naphtha more than offset declines in residual fuel oil use. The latest economic data, up 3.2% on the year earlier in 3Q14, continue to provide support for the relatively robust oil data that have predominated since mid-year, but we envisage a slowdown in 4Q14 as forward-looking manufacturing sentiment indicators have once again turned bearish. HSBC's Manufacturing PMI eased to 48.7 in October, well below the traditional 50-breakeven point between "expansionary" and "contracting" confidence.





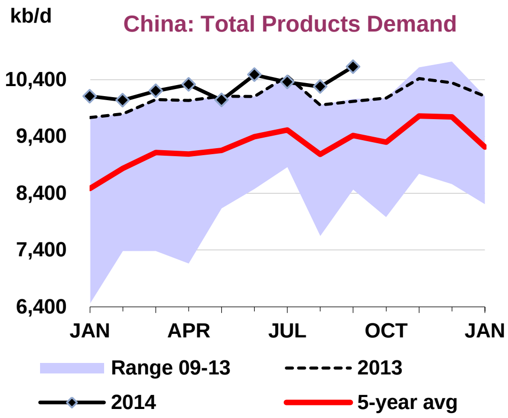
Non-OECD: Demand by Product

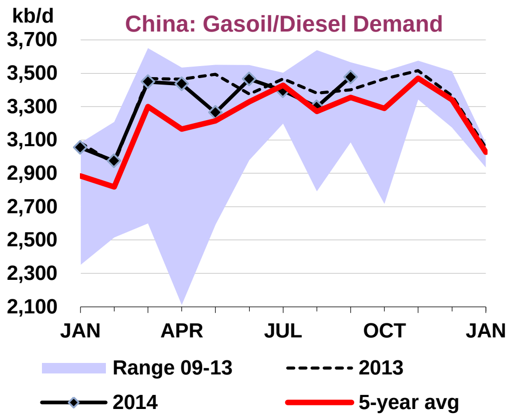
(thousand barrels per day)

	Demand			Annual Chg (kb/d)		Annual Chg (%)	
	1Q14	2Q14	3Q14	2Q14	3Q14	2Q14	3Q14
LPG & Ethane	5,112	5,124	5,129	203	158	4.1	3.2
Naphtha	3,247	3,097	3,137	66	74	2.2	2.4
Motor Gasoline	9,463	9,656	9,804	381	335	4.1	3.5
Jet Fuel & Kerosene	2,906	2,897	3,002	137	152	5.0	5.3
Gas/Diesel Oil	13,667	14,278	14,208	62	149	0.4	1.1
Residual Fuel Oil	5,419	5,470	5,411	45	73	0.8	1.4
Other Products	6,050	6,314	6,566	263	136	4.4	2.1
Total Products	**45,863**	**46,835**	**47,257**	**1,157**	**1,076**	**2.5**	**2.3**

Non-OECD

The latest data show non-OECD demand growing by 1.1 mb/d (or +2.3%) y-o-y in 3Q14 to 47.3 mb/d. This amounted to a modest deceleration on 2Q14, when it rose by 2.5% y-o-y, as deliveries of both gasoline and LPG (includes ethane) rose by a slower clip, although both still notably rose y-o-y. On a regional basis, slower 3Q14 gains were seen in the former Soviet Union, Latin America and the Middle East, which more than offset the more rapid growth depicted in non-OECD Asia and Africa. The 3Q14 deceleration is, however, much reduced from the estimate cited in last month's *Report* (when the projected expansion was 2.0%, as 185 kb/d has since been added to 3Q14 estimate), as notable upside revisions were applied to China (+75 kb/d), Brazil (+60 kb/d) and Russia (+70 kb/d). Such 3Q14 non-OECD additions more than offset the number of notable 3Q14 downside revisions, such as Argentina (-35 kb/d), Chinese Taipei (-25 kb/d), Iraq (-10 kb/d) and Thailand (-10 kb/d).





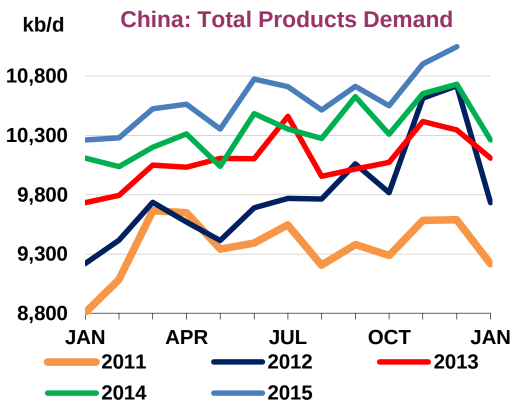
After a long run of weak-to-falling **Chinese** y-o-y demand growth, September's upwardly revised 10.6 mb/d "apparent demand" estimate amounts to a near 6.1% gain on the year earlier. Sharply higher refinery throughput numbers, which according to China's National Bureau of Statistics rose by 9.1% y-o-y in September, played a key role supporting the stronger September Chinese apparent demand estimate, as did reports that net product imports (at 1.5 mb/d in September) rose to a five-month high. It needs to be reemphasised here, however, that these are strictly apparent demand estimates, not actuals, and that momentum is forecast as slowing considerably in 4Q14, to a 2.8% y-o-y growth rate. October, as it saw record net product exports, likely heralded a return of the traditional seasonal fall back, i.e. October apparent demand below September.

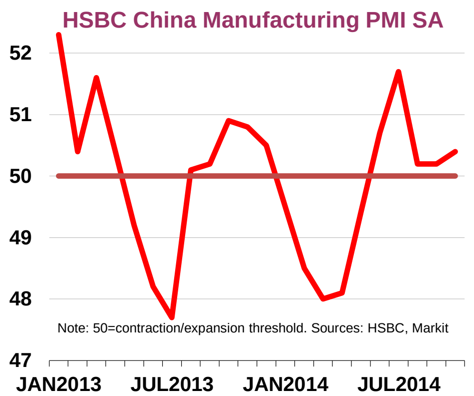
China: Demand by Product

(thousand barrels per day)

	Demand			Annual Chg (kb/d)		Annual Chg (%)	
	2013	2014	2015	2014	2015	2014	2015
LPG & Ethane	789	841	899	52	58	6.6	6.9
Naphtha	1,129	1,179	1,200	50	21	4.4	1.8
Motor Gasoline	2,059	2,196	2,327	137	131	6.7	6.0
Jet Fuel & Kerosene	449	509	518	59	9	13.2	1.8
Gas/Diesel Oil	3,372	3,342	3,365	-30	23	-0.9	0.7
Residual Fuel Oil	425	368	358	-57	-10	-13.5	-2.7
Other Products	1,869	1,910	1,934	41	24	2.2	1.3
Total Products	**10,093**	**10,345**	**10,601**	**252**	**256**	**2.5**	**2.5**

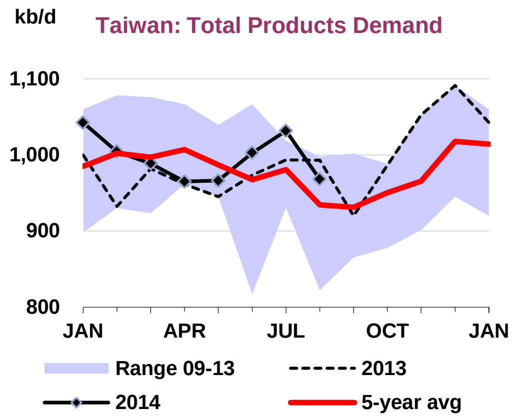
Underpinning September's relatively robust Chinese delivery numbers were the comparatively strong gains seen in the gasoline, jet/kerosene, LPG and naphtha product categories, which more than offset the absolute declines envisaged in residual fuel oil. Indeed, even the long-suffering Chinese gasoil product segment posted y-o-y growth in September, as diesel demand spiked supported by additional agricultural usage and a mild strengthening in manufacturing sentiment. Although below its recent peak, HSBC's Manufacturing PMI remains above its key 'expansionary' threshold, coming in at 50.2 in September and 50.4 in October. This mildly supportive economic data came as reports also confirmed 3Q14 GDP rose by 7.3%, while industrial production growth accelerated to 8% y-o-y in September after August's near six-year low of 6.9%.

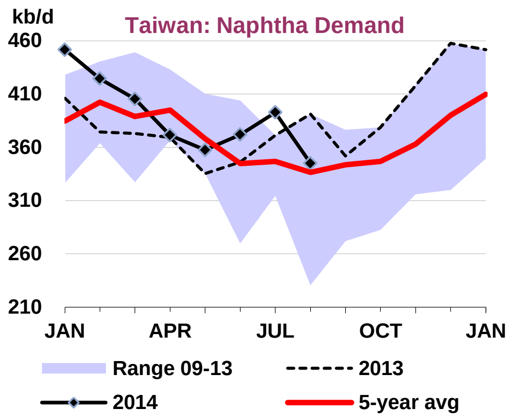




Reflecting this additional September demand, the overall Chinese demand estimate for the year as a whole remains rooted at 10.3 mb/d, equivalent to a gain of 2.5% (or 250 kb/d) on the year. Suppressing forecast momentum come the latest reports from the China Association of Automobile Manufacturers that in September new passenger car sales rose by their weakest y-o-y growth rate in 19-months (+6.4%). Such a weakening impetus, if it is maintained, is important as it could curb growth in what was previously one of the strongest components within the Chinese demand equation, i.e. transportation fuels.

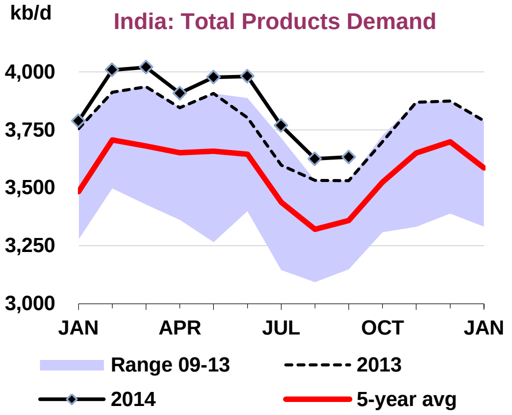
A sharp climb-down in naphtha demand played a key role pulling-back the overall consumption trend in **Chinese Taipei**, which in August posted its sharpest y-o-y reversal in over one year. The decline should prove temporary, however, as it is largely a consequence of maintenance closures (notably Formosa Petrochemical's 1.1 million tonne per year Mailiao plant, from mid-August). Absolute y-o-y gains are then forecast to resume once again in 4Q14, taking average deliveries up to around 1.0 mb/d for the year as a whole, equivalent to a gain of 2.4% on the year earlier.

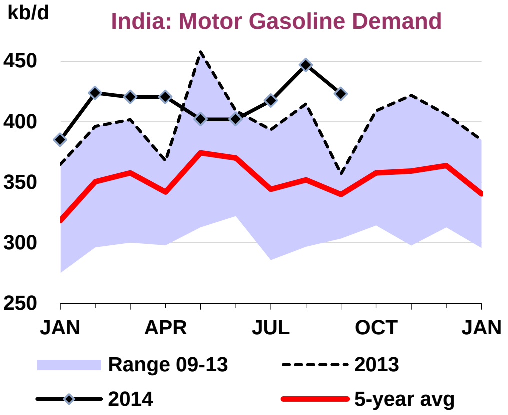




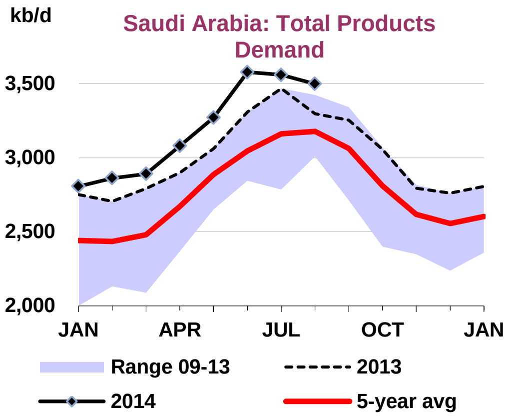
Preliminary estimates of **Indian** oil product demand in September, at 3.6 mb/d, perfectly matched the forecast outlined in last month's *Report*. Digging a little deeper into the numbers, however, showed that gasoline demand (at 425 kb/d in September) had some surprising strength (+18.5% y-o-y and 20 kb/d above our previous estimate), largely at the expense of diesel (-0.1%). The relative switch provides further evidence that Indian consumers are adjusting demand patterns in response to falling diesel subsidies (see in *Indian diesel pricing reform* in *OMR* dated 14 October 2014). The Indian gasoil/diesel number in September posted its first y-o-y decline in five months as plentiful rains, since mid-August, resulted in a reduced irrigation requirement. Up by around 3.4% y-o-y in 3Q14, the overall

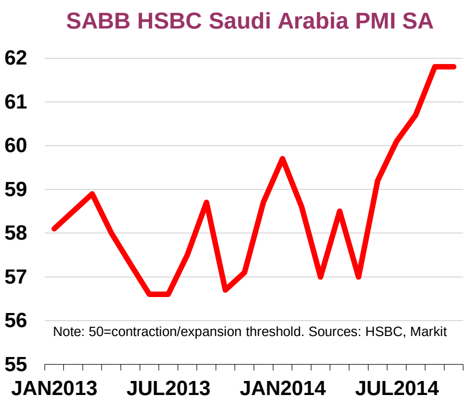
Indian demand trend is its strongest since the latter stages of 2012, supported by notable upticks in gasoline and jet/kerosene. The relative strength shown in jet/kerosene demand, which rose by 2.7% y-o-y in 3Q14 having fallen (on a y-o-y basis) in each and every previous quarter dating back to 3Q11, arose as IATA reported a sharp uptick in domestic air passengers (+26.3% y-o-y in September).



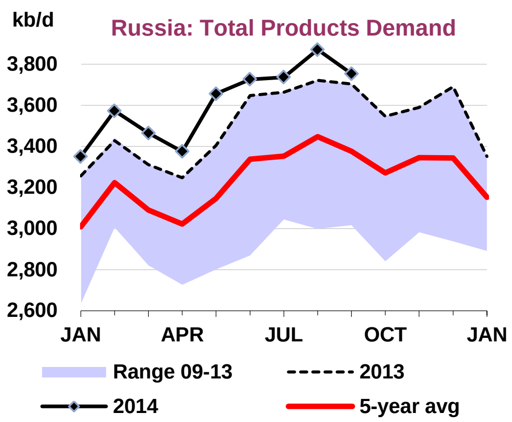


Boosted by relatively robust gasoil/diesel deliveries in August, the **Saudi Arabian** demand trend returned to the heady clip seen prior to July's slowdown. Having risen by an average y-o-y growth rate of 6.6% in the three-months before this, July's pull-back (+2.2% y-o-y) now appears to have been a temporary phenomenon, as the timing of Ramadan in 2014 concentrated this traditional slowdown in transport fuel demand to July, as opposed to July and August in 2013. Growth of both gasoline and diesel deliveries returned at a strong pace in August and are expected to remain supportive through to the end of 2014. Strengthening manufacturing sentiment in the second half of 2014 is conducive of an accelerating gasoil demand trend. The Saudi British Bank (SABB) reported that business sentiment in the non-oil producing sector rose to a three-year high of 61.8 in September, with notable increases cited in the "new work and output" sub-categories reported. Having risen by a y-o-y average of around 1.7% over the first eight months of 2014, gasoil/diesel demand growth is forecast to accelerate to an average of around 2.4% September-December.





The latest **Russian** oil product demand data continues to surprise on the upside, with deliveries rising at their fastest y-o-y clip since February 2013 despite ongoing concerns about the health of the sanctions-hit economy. Indeed, preliminary estimates of September demand, based upon the latest data from consultants Petromarket RG, show deliveries at approximately 3.8 mb/d, 105 kb/d up on the projection carried in last month's *Report* with industrial fuels benefiting from the 'expansionary' manufacturing bias seen since July. After a gain of 2.5% in 3Q14, the forecast for the year as a whole is for a gain of 2.1%, as Russian deliveries average 3.6 mb/d in 2014.

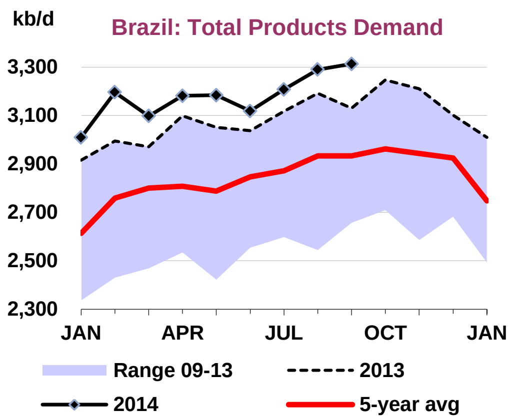


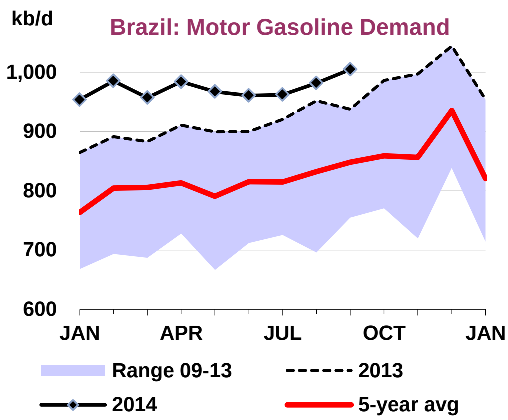
Non-OECD: Demand by Region

(thousand barrels per day)

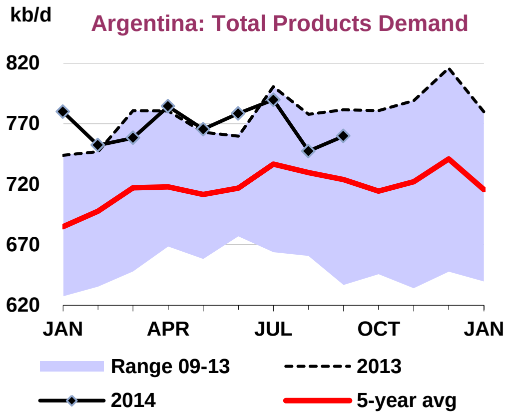
	Demand			Annual Chg (kb/d)		Annual Chg (%)	
	1Q14	2Q14	3Q14	2Q14	3Q14	2Q14	3Q14
Africa	3,926	3,959	3,841	69	108	1.8	2.9
Asia	22,313	22,451	22,288	482	563	2.2	2.6
FSU	4,593	4,797	5,035	161	110	3.5	2.2
Latin America	6,580	6,766	6,915	170	161	2.6	2.4
Middle East	7,803	8,207	8,506	269	120	3.4	1.4
Non-OECD Europe	648	655	672	6	14	0.9	2.1
Total Products	**45,863**	**46,835**	**47,257**	**1,157**	**1076**	**2.5**	**2.3**

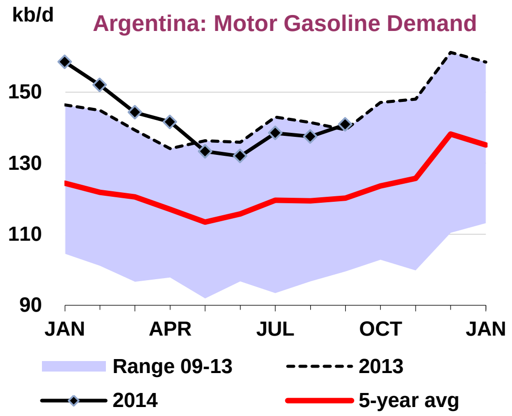
September's higher than previously anticipated **Brazilian** oil demand number was driven by sharp gains in the key transport fuels. At 3.3 mb/d the total Brazilian delivery estimate for September came out 125 kb/d above the forecast carried in last month's *Report* and was equivalent to a 5.9% gain on the year earlier. Transport fuel demand continues to rise across Brazil, despite the otherwise weak macroeconomic backdrop, as consumer confidence has remained relatively robust throughout the year. Indeed, in October the Confederacao Nacional da Industria reported that consumer confidence rose to a nine-month high of 112, well above the 100-threshold that signifies the inflection point between 'pessimism' and 'optimism'. In response to this relatively robust consumer confidence trend, the 2015 Brazilian oil demand growth forecast has been raised to +2.1%, compared to last month's 1.8%, taking average oil product deliveries up to around 3.3 mb/d in 2015. Consequential on reports that wholesale gasoline prices were raised by 3%, effective 7 November, in line with efforts to bring down increasingly restrictive fuel subsidies, the 4Q14 gasoline demand estimate is for a modest deceleration, to +2.2% in 4Q14.





In contrast to Brazil, the latest official **Argentinian** demand data depict a very weak 3Q14, with absolute y-o-y declines in all the transport fuels, residual fuel oil and 'other products'. With the economy showing clear signs of corroding, the 4Q14 forecast has also be clawed back, to -2.0%, compared to the previous estimate of +1.4%. Total industrial output, as tracked by the Instituto Nacional de Estadistica y Censos, posted its seventh consecutive negative y-o-y comparison in September, down 1.7% y-o-y in September after a drop of 2.9% in August. Cramped by further projections of an economic contraction in 2015, down 1.5% according to the IMF's October *World Economic Outlook*, average oil product deliveries are forecast to fall by a further 0.3% in 2015 to 770 kb/d.





SUPPLY

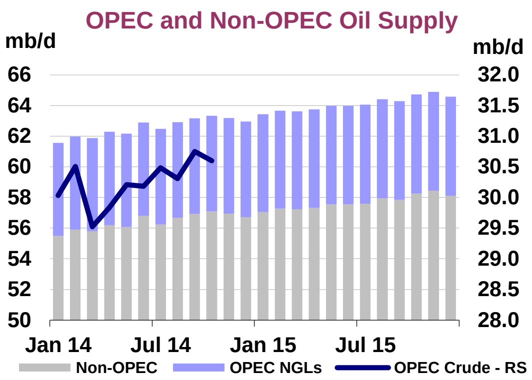
Summary

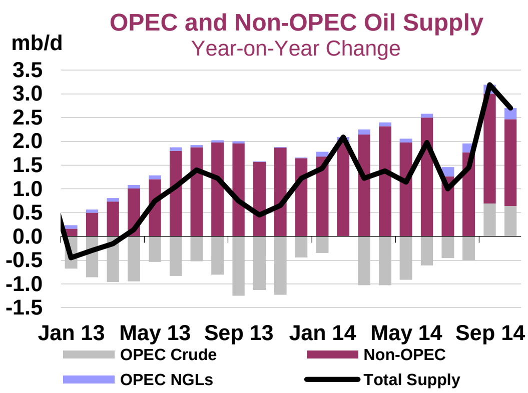
- **Global supply rose by 35 kb/d in October to 94.2 mb/d.** Compared with one year ago, total supply was 2.7 mb/d higher as OPEC production added to non-OPEC supply growth of 1.8 mb/d. October non-OPEC supply increased by 165 kb/d month-on-month to 57.1 mb/d. Non-OPEC output in 4Q14 will average 56.9 mb/d, 1.1 mb/d higher compared with 4Q13.

- **OPEC output eased by 150 kb/d in October to 30.60 mb/d, but remained well above the group's official 30 mb/d supply target for a sixth month running.** Oil ministers hold a scheduled meeting on 27 November against the backdrop of a 30% price decline since they last gathered in June. Pressure is building on OPEC to reduce output, but there appeared to be no clear consensus on a formal supply cut at the time of writing.

- **A four-month recovery in Libyan output partly offset dips elsewhere in OPEC and helped the group turn in a second month of year-on-year supply growth.** But early November's escalating conflict in the North African producer threatened to reverse its gains. The 'call on OPEC crude and stock change' for 2015 is estimated at 29.2 mb/d and declines seasonally by 1.3 mb/d from 4Q14 to 1Q15.

- **Record-high growth in non-OPEC production of nearly 2 mb/d** in the first 10 months of the year pushed global oil supply to an average 93 mb/d, offsetting declines from OPEC over the same period. Non-OPEC supply growth is projected to ease from this year's exceptional level of 1.8 mb/d to 1.3 mb/d in 2015, still a high rate of expansion compared with historical trends.





All world oil supply data for October discussed in this report are IEA estimates. Estimates for OPEC countries, Alaska, Mexico and Russia are supported by preliminary October supply data.

Note: Random events present downside risk to the non-OPEC production forecast contained in this report. These events can include accidents, unplanned or unannounced maintenance, technical problems, labour strikes, political unrest, guerrilla activity, wars and weather-related supply losses. Specific allowance has been made in the forecast for scheduled maintenance in all regions and for typical seasonal supply outages (including hurricane-related stoppages) in North America. In addition, from May 2011, a nationally allocated (but not field-specific) reliability adjustment has also been applied for the non-OPEC forecast to reflect a historical tendency for unexpected events to reduce actual supply compared with the initial forecast. This totals approximately -200 kb/d to -400 kb/d for non-OPEC as a whole.

OPEC crude oil supply

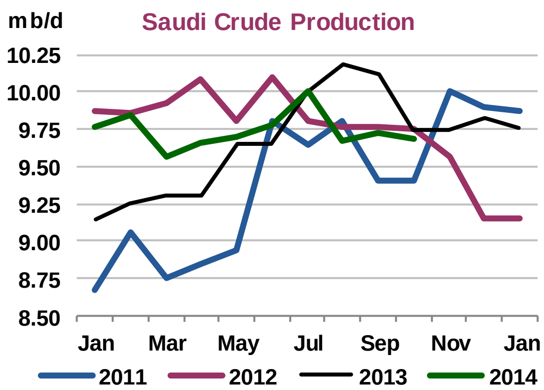
OPEC output eased by 150 kb/d in October, with marginal declines from a number of producers including Saudi Arabia, Kuwait, Iraq and the UAE. Libyan output rose towards 900 kb/d, but disruptions at oil fields and terminals in early November threatened to derail the country's four-month recovery. Thanks largely to Libya's comeback, OPEC output of 30.60 mb/d in October stood 640 kb/d higher than a year ago. October marked the sixth consecutive month with OPEC supply running well in excess of the group's official 30 mb/d target, which has been in place since January 2012.

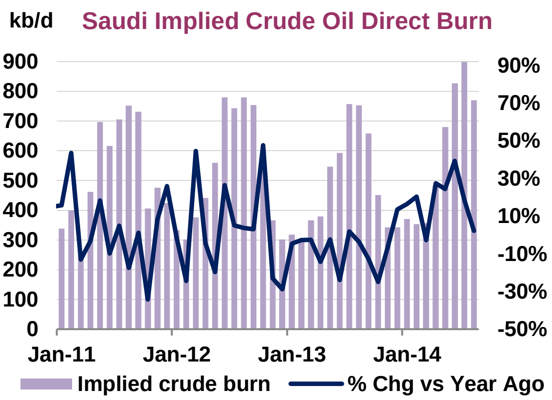
OPEC oil ministers are to gather in Vienna on 27 November to take stock of supply-demand balances and Brent crude has tumbled 30% since they last met in June. Our forecast has the 2015 'call on OPEC crude and stock change' at 29.2 mb/d and sees the 'call' decline seasonally by 1.3 mb/d from 4Q14 to 1Q15 to 28.8 mb/d. At the time of writing, there appeared to be no clear consensus on a formal OPEC supply cut.

The OPEC meeting coincidentally takes place three days after the deadline for Tehran and world powers to reach a long-term settlement over Iran's disputed nuclear programme. An agreement between Iran and the five permanent UN Security Council members plus Germany (P5+1) could lead to a gradual removal of rigorous economic sanctions and pave the way for higher supply from Iran. To date there have been no reports of any breakthrough after talks in Oman earlier this week between Iran and Western powers. A number of issues must reportedly be resolved if a deal is to be clinched this month.

OPEC's 'effective' spare capacity was estimated at 3.25 mb/d in October compared with 3.05 mb/d in September, with Saudi Arabia holding 84% of the surplus.

Supply from **Saudi Arabia** eased by 50 kb/d in October to 9.68 mb/d due mostly to an anticipated seasonal decline in domestic demand for crude for power generation. Riyadh burned 900 kb/d in domestic power plants during July, but the requirement eased to 770 kb/d during August, the most recent month of data submitted by Saudi Arabia to the Joint Organisations Data Initiative (JODI).





Riyadh's October production dip followed a modest rise in September, while tanker tracking data show exports to world markets held steady. According to latest JODI figures, Saudi crude exports in August fell to 6.66 mb/d versus 6.99 mb/d in July – the lowest since March 2011. Exports of products, however, hit a record 1.02 mb/d in August – lifting total Saudi oil exports, excluding condensates and NGLs, to 7.69 mb/d. That figure, however, is some distance below the 8.42 mb/d level of August 2013.

Exports of refined products are rising after the Satorp refinery, a joint venture with France's Total, reached full capacity during the summer. A second joint venture refinery with China's Sinopec at Yanbu is due to reach its full 400 kb/d capacity by the end of this year.

With just weeks before OPEC oil ministers gather, markets seized on Riyadh's latest monthly crude oil formula prices – released in early November – for signals on output policy. State oil marketer

Saudi Aramco cut official selling prices to the US for a fourth straight month and raised levels to Asia for the first time in five. It also increased prices to Europe. Analysts suggested the price adjustments signalled Saudi's determination to defend market share (see *Prices*).

OPEC Crude Production

(million barrels per day)

	Aug 2014 Supply	Sep 2014 Supply	Oct 2014 Supply	Sustainable Production Capacity[1]	Spare Capacity vs Oct 2014 Supply	Jan-Oct average
Algeria	1.15	1.13	1.13	1.17	0.04	1.12
Angola	1.71	1.72	1.72	1.80	0.08	1.65
Ecuador	0.56	0.56	0.54	0.57	0.03	0.55
Iran	2.80	2.78	2.76	2.90	0.14	2.81
Iraq	3.14	3.36	3.32	3.40	0.08	3.28
Kuwait[2]	2.85	2.87	2.82	2.85	0.04	2.81
Libya	0.53	0.78	0.87	0.85	-0.02	0.44
Nigeria	1.88	1.89	1.88	2.00	0.12	1.91
Qatar	0.73	0.69	0.69	0.73	0.04	0.71
Saudi Arabia[2]	9.68	9.73	9.68	12.40	2.72	9.74
UAE	2.82	2.78	2.74	2.90	0.16	2.76
Venezuela[3]	2.48	2.48	2.46	2.60	0.14	2.47
Total OPEC	**30.31**	**30.75**	**30.60**	**34.17**	**3.57**	**30.08**
(excluding Iraq, Nigeria, Libya and Iran)					**3.25**	

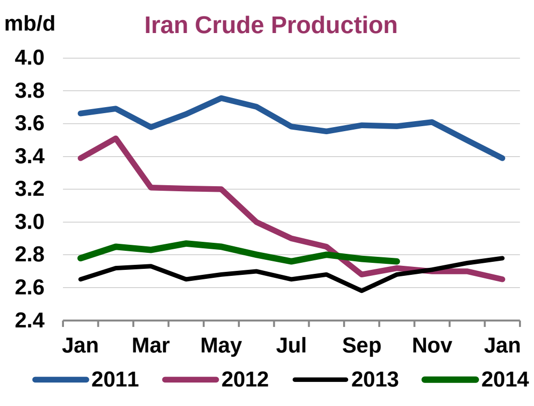
1 Capacity levels can be reached within 30 days and sustained for 90 days.

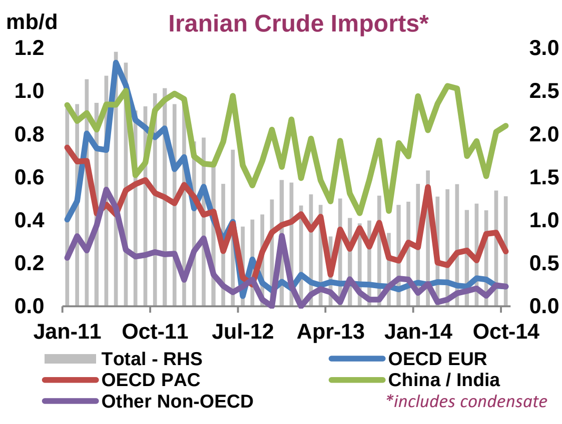
2 Includes half of Neutral Zone production.

3 Includes upgraded Orinoco extra-heavy oil assumed at 440 kb/d in October.

Output from **Iran** slipped marginally to 2.76 mb/d in October on slower exports, but average supply this year has been more robust than in 2013. For the first nine months of this year, Iran pumped on average an estimated 2.81 mb/d, up 130 kb/d on a year ago. Western oil experts say the country's oil fields are capable of producing much more – up to an additional 500 kb/d to 800 kb/d within months – if, and when, sanctions are lifted.

Senior officials from world powers and Iran are working to secure a permanent deal to end a decade-long dispute over Tehran's nuclear programme by a 24 November deadline. But there was no sign of a breakthrough after talks in Oman earlier this week between Iran, the US and the EU and there are reportedly still issues to resolve. A comprehensive agreement could lead to the removal of stringent oil and financial measures imposed by the US and EU that have cut Iran's crude exports by more than half since early 2012.





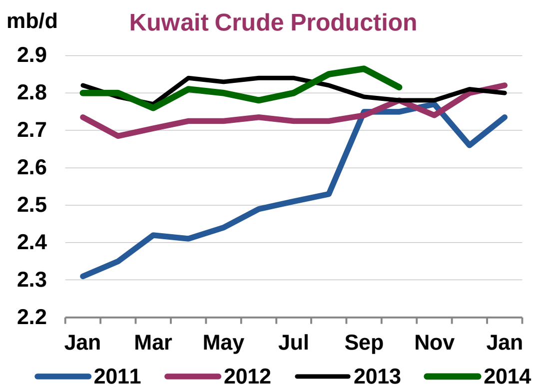
A preliminary deal was agreed in November last year that eased US and EU sanctions and capped Iran's crude oil exports at a nominal 1 mb/d. Since then, sales to Iran's biggest Asian buyers – China and India – have risen, with purchases during the first 10 months of 2014 – at 1.11 mb/d – about 110 kb/d higher than the same period a year ago. Shipments of condensate – ultra light oil from Iran's South Pars gas project - averaged about 195 kb/d from January through October this year, up around 110 kb/d on the first 10 months of 2013.

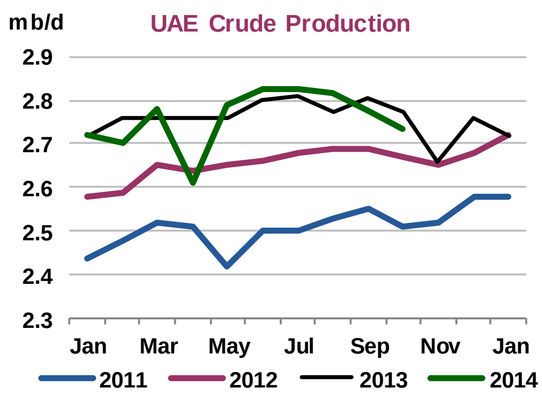
During October, preliminary figures show deliveries of Iranian crude to regular buyers in Asia were – at 1.06 mb/d – close to the 1 mb/d limit set by world powers. These figures are subject to revision. The receipt of more complete data showed September crude oil deliveries were 1.2 mb/d, up from August purchases of 900 kb/d – the lowest so far this year.

After a jump in September, top buyer China appears to have slowed imports, according to revised data, which show deliveries slipping to 480 kb/d in October versus 570 kb/d the previous month. Iran's second biggest customer, India, raised its purchases to 355 kb/d in October versus 240 kb/d in September. There were no apparent deliveries into the UAE during October. It had taken in 65 kb/d during September, presumably for re-export. Korea imported about 60 kb/d, down from 135 kb/d in September while Japan's purchases slipped 15 kb/d to 190 kb/d in October. Import volumes are based on data submitted by OECD countries, non-OECD statistics from customs agencies, tanker movements and news reports.

Kuwaiti production eased by 50 kb/d to 2.82 mb/d in October following Saudi Arabia's closure of the Khafji oil field in the Neutral Zone, run jointly with Kuwait, apparently for environmental and technical reasons. The offshore field had been pumping close to 300 kb/d before it was shut down in late October.

The onshore portion of the Neutral Zone, the Wafra field, continues to produce at around 200 kb/d. It is not clear at this stage when Khafji will return to full production. Neutral Zone output had been declining before Riyadh's unilateral closure: production had slumped towards 350 kb/d in August, but recovered to 400 kb/d in September. Kuwait's share of the Neutral Zone accounts for nearly 10% of its total capacity and is crucial to meeting production targets. By contrast, the Neutral Zone accounts for only 2% of Saudi capacity.



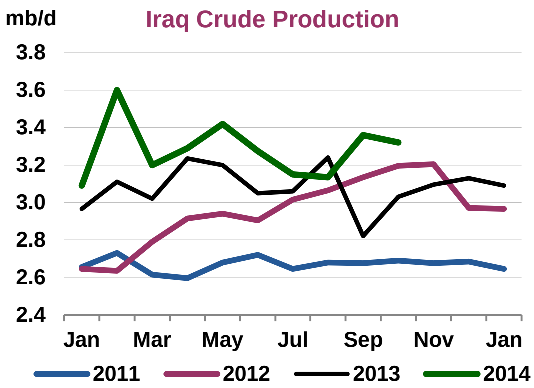


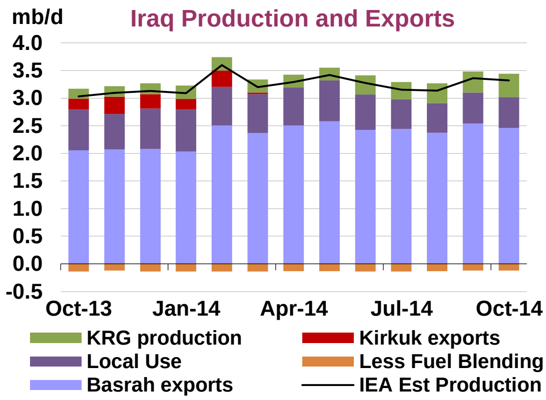
Qatari output was steady in October at 690 kb/d, while supply from the **UAE** slipped 40 kb/d to 2.735 mb/d due partly to reported maintenance. Abu Dhabi National Oil Co. (ADNOC) has meanwhile renewed and expanded a crude storage deal with Japan. The three-year deal allows the UAE to store up to 6.3 million barrels of crude, 43% more than under a previous contract that expired at the end of June.

Despite its ongoing battle against Islamist forces, **Iraq** has managed to post annual production growth of roughly 200 kb/d so far this year. The militants' advance has set back oil operations in northern Iraq, but the country's giant southern oil fields - hundreds of kilometres from the line of fire – are keeping up a robust rate of exports. Supply in October, including volumes from the Kurdistan Regional Government (KRG), ran at 3.32 mb/d – down 40 kb/d on the previous month.

Higher flows from the KRG – estimated at 420 kb/d in October, up 40 kb/d - helped to offset a decline in exports from southern Iraq. Flows through the KRG's independent pipeline to Turkey rose to about 250 kb/d in October after additional oil was pumped from northern fields that had been run for decades by the federal government's North Oil Co. (NOC). Bai Hassan and the Kirkuk field's Avana dome – now effectively controlled by the KRG and linked by a spur to the KRG pipeline – pumped about 120 kb/d in October, with rates of around 160 kb/d expected this month. The additional barrels would boost pipeline exports to around 300 kb/d and put the KRG in control of at least 500 kb/d of production. As this *Report* went to press, there were news reports of headway between Baghdad and the KRG towards resolving a long-running dispute over oil exports and revenue sharing.

Since January, the KRG has exported 34.5 mb of oil worth almost $3 billion, despite Baghdad's opposition to the region's independent oil sales. The KRG said it has sold 21.5 mb through the Turkish Mediterranean port of Ceyhan, with the remainder trucked to the Turkish port of Mersin. The region received $2.1 billion in cash for the exported oil and $775 million in kind for product swaps. By the end of this year, the KRG aims to increase its pipeline exports to about 400 kb/d. Baghdad has disputed the legality of these shipments, saying only it has the sole right to sell Iraqi crude.





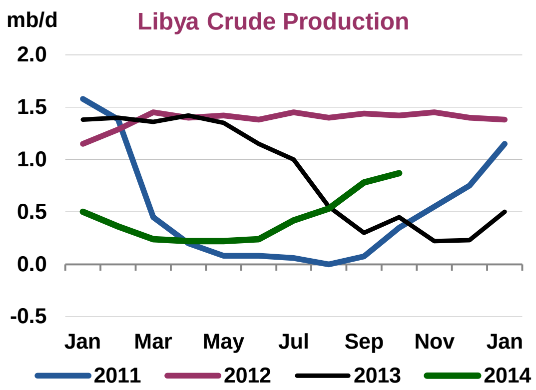
Although flows along the KRG pipeline to Turkey reached 250 kb/d during October, exports from the Ceyhan terminal in the Mediterranean were about 160 kb/d, slightly lower than September, according to shipping sources. The additional barrels apparently moved into storage.

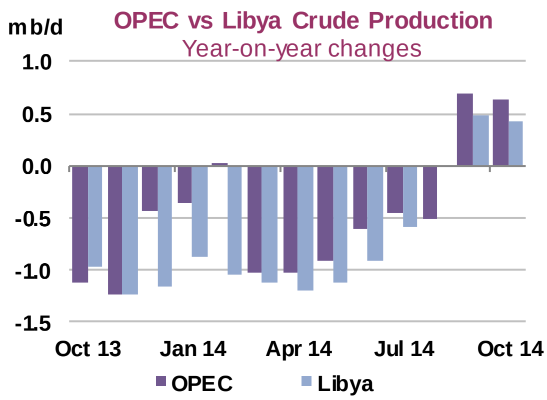
In southern Iraq, weather-related loading disruptions in the Gulf slowed Basra Light shipments to 2.46 mb/d in October versus 2.54 mb/d in September. Baghdad earned $6.24 billion from its October oil sales – down from $7 billion in September. Deliveries of roughly 250 kb/d of northern Kirkuk crude have been shut in since early March due to repeated sabotage of the Baghdad-controlled Iraq-Turkey pipeline. Iraqi sources reckon it will take years to repair the damage.

The Islamist militants have also kept the refinery at Baiji, Iraq's biggest facility, under siege since June - forcing it off line and sharply decreasing output from the northern oil fields of Kirkuk by closing this major domestic outlet. Iraqi military forces were attempting to regain control of the plant, which has capacity of around 300 kb/d.

Libya's four-month production recovery was under threat early in November after flows had scaled the 1 mb/d mark at the end of last month. The North African producer's comeback had continued in October, with flows climbing 90 kb/d to an average 870 kb/d – the highest rate since last July – even amid deepening turmoil. Its strong performance has pushed OPEC's total supply into year-on-year growth for two consecutive months.

By the time of writing, however, output had dropped towards 500 kb/d following the closure of Libya's biggest oil field, El Sharara, by gunmen, and that of the neighbouring El Feel, or Elephant. The closures were also creating loading delays at the western export terminals of Zawiya and Mellitah which are fed by the fields. El Sharara had been pumping close to 300 kb/d, while Elephant – shut in because it shares power supply with El Sharara – has capacity of 130 kb/d. The country's oil fields were producing 1.4 mb/d in early 2013 before protests and civil unrest caused output to sink below 200 kb/d.



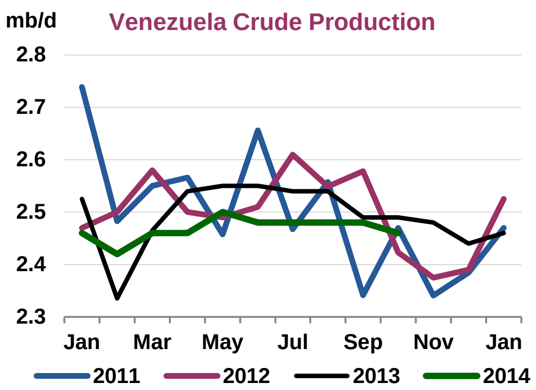


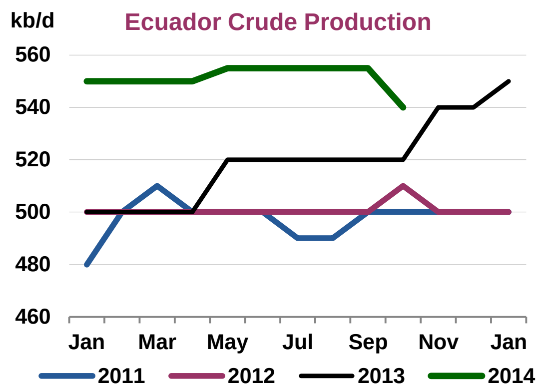
Adding to Libya's woes, crude loadings were disrupted in early November by bad weather and strikes at the eastern terminal at Marsa al-Hariga. Exports in October had risen to about 760 kb/d from roughly 600 kb/d in September. Buyers of Libyan oil had grown more confident of stable supplies after protesters lifted their blockade of the strategic terminals of Es Sider and Ras Lanuf in August.

Libya has spiralled towards chaos as rival political factions jostle for control. An Islamist government took over the capital in August and appointed its own oil minister, Mashallah al-Zawi. The elected and internationally recognised government, which fled to the eastern city of Tobruk, has Mustafa Sanallah – the chairman of Libya's National Oil Corp. (NOC) – as its acting oil minister. Adding yet more uncertainty, Libya's Supreme Court - which is in Tripoli and under the influence of the government there – ruled that the election of the parliament in Tobruk was unconstitutional. Western powers' opposition to the government in Tripoli could trigger sanctions on Libyan oil if Islamist groups seize control of oil operations. NOC has tried to remain neutral.

In Algeria, OPEC's other North African producer, flows held steady at 1.13 mb/d in October. Algiers is preparing for a new oil and gas auction after its last tender in September failed to drum up much interest. Elsewhere in Africa, Nigerian production slipped 10 kb/d to 1.88 mb/d in October and Angolan output held steady at 1.72 mb/d. Oil's price plunge has meanwhile led Denmark's Maersk Oil to rethink investment in its deepwater Chissonga project. Angola has substantial amounts of offshore output that has high production costs.

Oil below $81/bbl is also causing strife for Latin American producers **Venezuela** and **Ecuador** where supply eased to a respective 2.46 mb/d and 540 kb/d. The two countries want OPEC to cut supply to stabilise prices. Ecuador, OPEC's smallest producer, said it is cutting some low-priority oil investments due to oil's rout. Venezuela's President Nicolas Maduro said the US shale boom is the cause of oil's slump. Lower oil prices are coming at a sensitive time for Caracas, which needs to build up its cash to cover multibillion-dollar bond payments and mounting private sector debt.



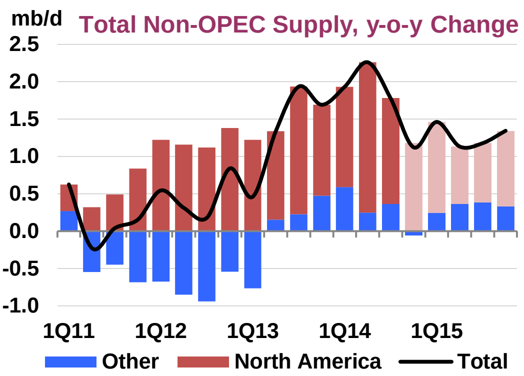


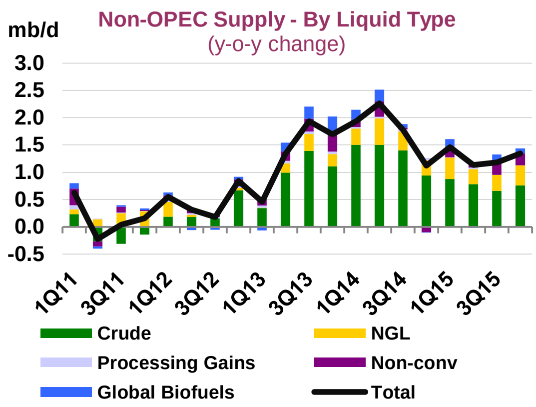
Non-OPEC Overview

Non-OPEC supply rose by about 165 kb/d in October to 57.1 mb/d, and remained a robust 1.8 mb/d higher year-on-year (y-o-y). The US, Canada and the UK led the gains with a combined increase of nearly 470 kb/d month-on-month (m-o-m) as volumes returned from planned and unplanned outages. In the UK in particular, oil output in October seems to have returned to the pre-maintenance levels seen in the early summer period.

Other countries saw declines. Russian production fell by roughly 30 kb/d while Kazakhstan and Azerbaijan fell on maintenance-related outages affecting a combined 60 kb/d in October. China also declined by 70 kb/d m-o-m. Seasonal declines in Brazil's ethanol production, which dropped by about 130 kb/d, have more than offset the increase in petroleum liquids fuel output.

Non-OPEC production growth is expected to average 1.1 mb/d y-o-y in 4Q14, with growth for 2014 as a whole projected at 1.8 mb/d, led by the US and Canada. Forecast growth in Russia, China, Brazil and Norway will also contribute to the overall increase.





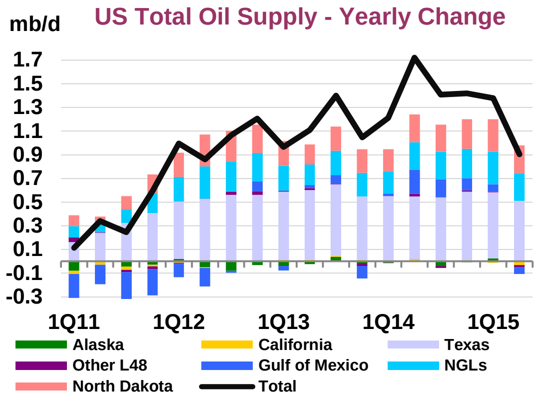
With US WTI has dropping below $80/bbl, at least three companies that operate in North America have announced revisions to their budget and capital expenditure plans for 2015. Continental Resources, a trailblazer in the Bakken Shale, reportedly will cut its planned spending next year in response to lower prices, leaving it roughly flat with 2014 capex levels. Oasis Petroleum also reported that it may scale back some of its development in the Bakken should WTI remain below $80/bbl. Producers in Canada, too, are reacting to continued lower prices. Cenovus plans to adjust its 2015 capital expenditure so it can generate more near-term cash flow while Canadian Natural Resources plans to reduce its capex to reflect WTI below $81/bbl.

Nonetheless, cuts in investment do not necessarily translate to a decrease in production as continued efficiency gains and cost reductions likely will make up for the fall in investment in the short-term. Should prices continue to fall, however, medium- and long-term production may fall as companies forego development of costly projects.

OECD

North America

US – October preliminary, Alaska actual, other states estimated: Overall US petroleum liquids output (which includes crude oil, condensate and NGLs) is estimated to have averaged 12.2 mb/d in October, breaking the 12.0 mb/d threshold for the first time. Crude oil production rose to 8.9 mb/d, an increase of nearly 150 kb/d m-o-m. Estimated light tight oil (LTO) production averaged 3.9 mb/d in October, up by nearly 100 kb/d on the month. NGL production bounced back up to 3.0 mb/d in October as output recovered from seasonal declines in the previous month. Alaska's crude oil fell to 520 kb/d due to an outage at the Lisburne field from 12-27 October, partly offsetting the increases in crude oil output elsewhere, most notably in North Dakota and Texas.



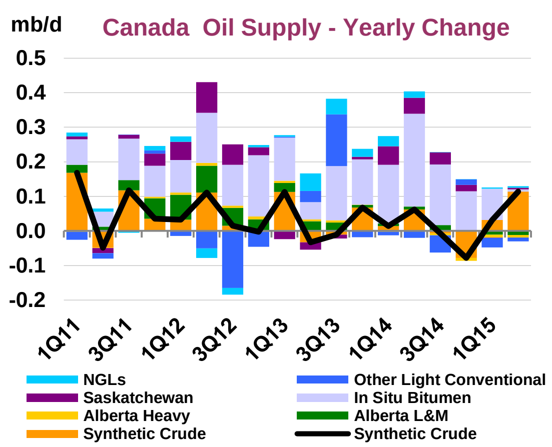
Final August data show that production totalled 11.8 mb/d of which 8.6 mb/d was crude oil. Production in August stood 1.4 mb/d higher than one year ago, with increases in crude oil output accounting for 1.2 mb/d of the growth. Forecast total oil output will rise 1.4 mb/d in 2014 followed by a 955 kb/d growth in 2015.

Recent price drops have put a spotlight on the issue of potential price effects on non-OPEC supply in general and US LTO output in particular. As last month's *Report* outlined, based on Rystad Energy data we estimated that about 4% of LTO output has a breakeven price of $80/bbl or higher. A recently published report by the State of North Dakota implied that there are five counties where the breakeven price is above the current price of oil. Production in Burke and Divide counties, which combined produced roughly 53 kb/d of oil, may already have become notionally uneconomical at the current price. This production figure includes both LTO and conventional production.

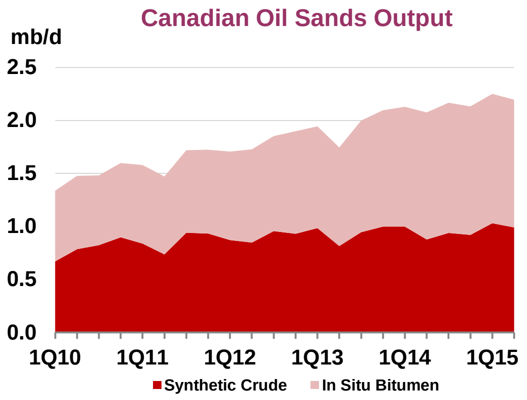
However, most of North Dakota's LTO production in the Bakken play remains profitable at or below $42 per barrel. The breakeven price in McKenzie County, the most productive county in the state is only $28 per barrel, remaining comfortably below the current $70-per-barrel price for Bakken sweet crude oil. Bakken oil traded at an average of $77.63/barrel in October and price fell to $70.22/barrel on average so far in November. North Dakota's oil production averaged 1.2 mb/d in October, of which all but 60 kb/d was LTO. The state's LTO output grew by about 25 kb/d in October, roughly the average growth for the year thus far.

As production continues to rise in the US, increasing volumes are finding an outlet to international markets, albeit they continue to be limited to condensates aside of the exports to Canada and shipments of crude from Alaska. The US EIA reported that US exports of condensates surged in August to 700 kb/d, from 400 kb/d in July. The US Department of Commerce allowed Enterprise Product Partners and Pioneer Natural Resources to export lightly processed condensate without a licence. Dozens of other companies are awaiting similar provisions by the Department of Commerce.

Canada – October estimated: Total liquids supply in Canada was estimated at over 4.0 mb/d in October, increasing roughly 50 kb/d m-o-m. Production of crude oil and condensate (including bitumen but excluding synthetic crude) rose by about 45 kb/d to 2.5 mb/d, partly due to the return of production following completion of some maintenance projects. NGL production rose by about 15 kb/d on the month to 625 kb/d.



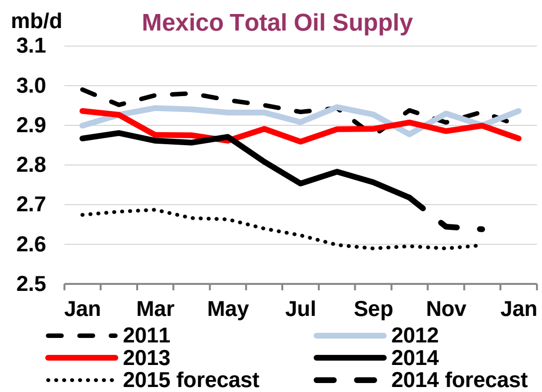
Although Canada's production is expected to rise throughout the forecast period, lower crude oil prices appear to be weighing on new projects and investment decisions for 2015. Statoil reported that it is delaying the development of the Corner SAGD project in northern Alberta by at least three years in favour of more economically competitive projects as material and labour costs render the project unattractive. Pipeline constraints also reportedly contributed to the project delay. Cenovus, the operator of the Foster Creek and Christina Lake oil sands project is shifting its 2015 capital expenditures towards projects that will result in near-term cash flow as the West Canadian Select crude oil price trades at around $62/bbl so far in November, roughly $16/bbl below WTI.



Despite the lower prices, overall forecast production for this year will average 4.1 mb/d of total liquids of which 2.5 mb/d will be in the form of crude oil. The y-o-y increase in production of 145 kb/d in 2014 is at least in part due to the start-up of Husky Energy's new oil sands project due to begin before the end of this year. Phase 1 of the Sunrise project will produce 60 kb/d and design capacity is expected to reach 200 kb/d in later phases. Sunrise, a joint venture with BP, is a steam-assisted, gravity-drainage project (SAGD) and is the first oil-sands project for Husky. Cenovus' Foster Creek Phase F came online earlier than forecast, although production volumes remained marginal during the month. We expect that additional volumes will come from Imperial Oil's Cold Lake project by the end of this year. Other producers are also reportedly remaining on track with their capital expenditures and project investments. Suncor, which reported record-high oil sands production of more than 410 kb/d in 3Q14, reaffirmed its plan to boost oil sands output in Alberta to 500 kb/d within three years. Suncor's planning is based on the company's per-barrel operating cost of $31.10 that has seen a decrease compared with last year.

Canada's growth rate for 2014 has been revised downward slightly since last month's *Report* due to Imperial Oil's Kearl project shut-in. The company announced on 10 November that the oil sands mine will unexpectedly remain offline for several weeks due to a vibration issue in the facility's ore-crushing unit, reportedly a critical part of the operation. Given the nature of the outage, we expect that Kearl will restart production in January.

Mexico – September actual, October preliminary: Mexico's production resumed its slide in September and October, falling by 30 kb/d and 40 kb/d, respectively, reversing a temporary uptick in August. Overall, Mexico's production averaged 2.8 mb/d in September with crude oil output falling to below 2.4 mb/d, the lowest level in decades as the KMZ and Canterell fields, the mainstay fields of Mexico's production, continue to decline.



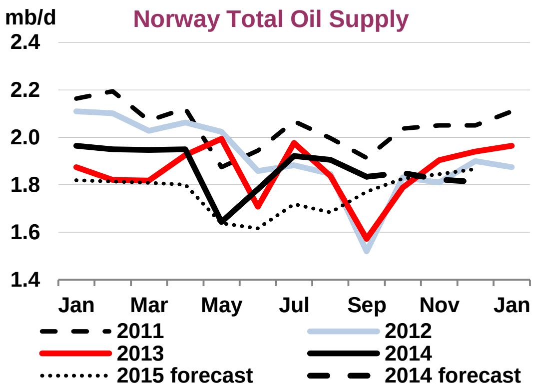
Lower oil prices are pushing the balance sheet of Mexican state oil company Petroleos Mexicanos (PEMEX) further into the red. PEMEX reported a loss of $4.4 billion for 3Q14 at the end of October, its eighth consecutive quarterly net loss, which it attributed to a high tax burden, falling production and lower oil prices. According to the company, tax payments accounted for more than 48% of its total sales as Mexico's government heavily relies on royalties, duties and other fees from oil production to fund the federal budget. This tax burden comes at a time when oil production continues to decline. With little hope that new fields brought online by PEMEX will be able to offset accelerated decline rates, Mexico's production prospects largely rest with international oil companies, which will take part in the country's promising upstream following the historic change in Mexico's hydrocarbons law. This is particularly the case in the areas where PEMEX lacks expertise, such as deepwater and unconventional resources.

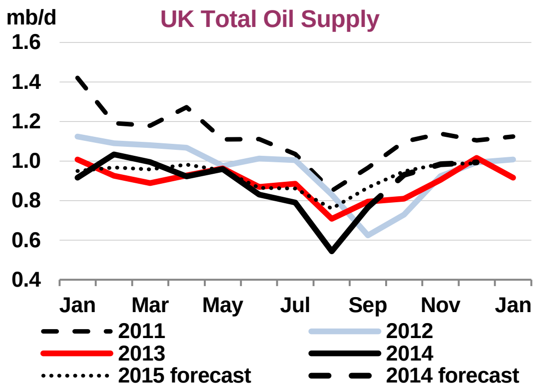
North Sea

Total North Sea production continued its post-maintenance recovery in October, averaging 2.9 mb/d during the month, and rising 190 kb/d m-o-m. With nearly all of the 3Q14 data reported, North Sea producers saw an average production level of 2.7 mb/d, roughly unchanged compared with 3Q13. The forecast 2014 North Sea production is approximately 2.9 mb/d.

BFOE November loadings are scheduled at 960 kb/d, roughly 50 kb/d higher than the October revised loadings of 910 kb/d. Brent and Forties volumes are expected to be higher than in October, with Brent loadings of 140 kb/d for the month. BFOE production is expected to average 930 kb/d, approximately 85 kb/d lower m-o-m.

Norway – August actual, September preliminary: Average production in September fell by about 70 kb/d m-o-m due to a decrease in crude oil output. NGLs and condensates production rose on the month to a total of 439 kb/d, up from 417 kb/d. The September output declines occurred amid maintenance and technical problems at the Alvheim, Draugen, Ekofisk, Oseberg Sør, Sklud, Svalin, Valhall, Vilje and Volund fields.





UK – August actual, September preliminary: UK total oil production in September recovered to 765 kb/d from the recent historical low of 544 kb/d reached in August, when an extended Forties outage and Buzzard field production problems caused an output decline of more than 31% m-o-m. We estimate that output in October reached an average of 930 kb/d due to continued return of production from planned and unplanned outages as well as some new production starts.

The CNOOC-owned Nexen, operator of UK's largest field Buzzard, reported that the field is ending its plateau period of production and is entering the decline phase. The planned Phase 2 of the field development will only partly offset the declines and is not expected to take place for at least three more years. Buzzard's production averaged 170 kb/d between January and July (most recent field-level data available), about 20 kb/d lower than its output last year. So far this year, the field produced more than 200 kb/d only in March this year, falling far short of its planned production capacity of approximately 210 kb/d.

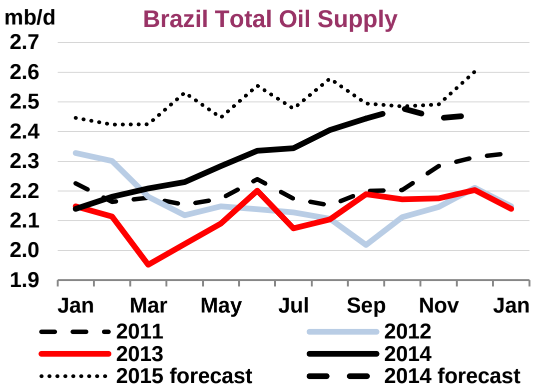
While the recent news about Buzzard weighs on Nexen and UK production, the operator announced that it has started production at the Golden Eagle development, which is expected to peak at 70 kb/d in 2015. Production from two wells at the field began in early November at 18 kb/d and eventually there will be 15 production wells. Transportation and processing of the Golden Eagle oil will take place through the Flotta terminal.

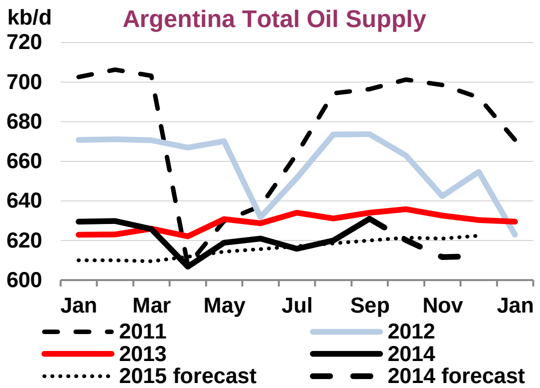
Non-OECD

Latin America

Brazil – September actual: Brazil's total oil production growth continued apace in September, rising roughly 40 kb/d m-o-m, with crude oil production increasing by approximately the same amount and setting a new output record. Production was boosted as new wells came online and production from the pre-salt fields continued to rise. So far in 2014, Brazil has seen liquid fuels production rise every month with the exception of January, a trend which occurred on the back of increasing crude oil output (NGLs and condensate account for less than 5% of total production). Petrobras connected new wells to offshore platforms and FPSOs during the month, but other producers boosted output as well. OGX began production from its Tubarao Martelo field in September at 17.5 kb/d, which is expected to peak at 30 kb/d in 2016.

Estimated crude production in October averaged 2.4 mb/d, including new commercial production at the Cidade de Mangaratiba FPSO, which began operating at the Iracema Sul area of the Lula field. The FPSO is expected to reach full production capacity of 150 kb/d sometime in 2016 but it remains limited to 10 kb/d of production until December.



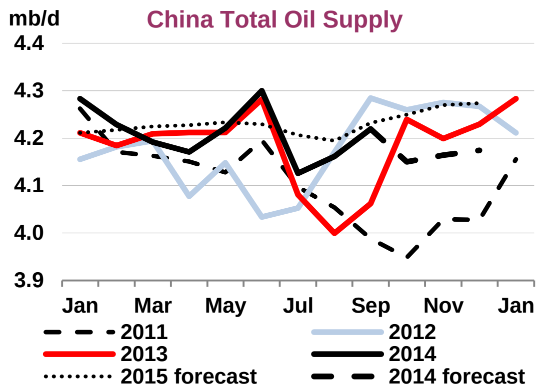


Argentina – September actual: Oil production in Argentina totalled an estimated 630 kb/d in September, roughly unchanged on August. Crude output stood at 525 kb/d with the remainder produced as NGLs. Preliminary data for October indicate that production averaged slightly lower at 620 kb/d. We expect that Argentina's output will fall y-o-y in 2014 and average 620 kb/d for total liquids. YPF, Argentina's state oil company, saw its production increase to 225 kb/d in September, accounting for 43% of total output, a share that has been steadily increasing since last year. Although we expect that Argentina's production will fall this year, the 2015 output is expected to remain flat as the declines are offset by new production in the Neuquen province and increased volumes from the Vaca Muerta shale formation. Recent drilling data indicate that Argentina is enjoying somewhat of a renaissance as an attractive oil prospect. Rigs drilling in Argentina have increased by to the highest level in at least two decades recently, reaching 107 rigs in July but have since decreased to 101, remaining at historically high level. In fact, the number of rigs operating in Argentina is among the highest outside of North America, trailing only Saudi Arabia and India.

Meanwhile, Argentina's congress has approved a new hydrocarbons law that aims to boost upstream investment by creating a standard framework for all oil and gas contracts in the country along with a standard royalty rate of 12% for all oil and gas production while also extending shale blocks and offshore concessions by ten years. Furthermore, it allows companies that invest at least $250 million over a three-year period in the country to sell 20% of their production internationally without incurring any export taxes.

Asia

China – September actual: China's oil production rose by approximately 60 kb/d in September to 4.2 mb/d. Although production increased roughly 160 kb/d higher y-o-y, the growth is low given China's depressed production one year ago, which was depressed due to flooding. The September production increase was mainly due to rising offshore output, with CNOOC's newly started Wenchang 13-6 field providing a further boost to total production. The mainstay of China's production at the Daqing and Changqing fields was roughly unchanged m-o-m.



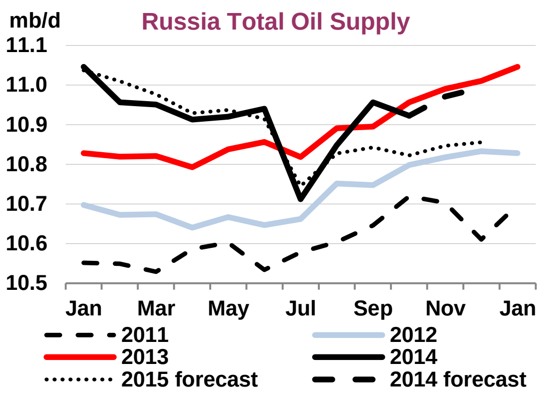
Total oil production, nearly all of which is crude oil, is expected to average 4.2 mb/d in 2014, approximately 20 kb/d higher compared with 2013. China has revamped the upstream tax regime, introducing tax rebates on some unconventional and deep-water (water depths of over 300 meters) resources. However, the government also introduced a 1% increase in the resource tax with the aim to boost energy conservation. Tax rebates also apply to fields undergoing enhanced oil recovery as well as heavy oil fields. However, we do not expect that these tax rebates will materially affect China's production. Oil producers operating in the country face a whole gamut of levies, including business taxes, value added tax, consumption taxes and crude oil special gain tax.

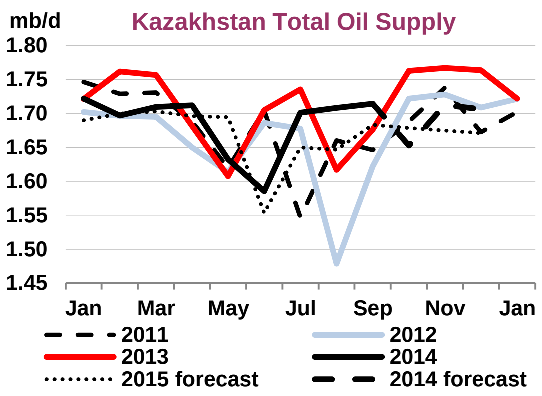
Former Soviet Union

Russia – September actual, October preliminary: Total liquids output in Russia averaged slightly over 10.9 mb/d in October, falling by about 30 kb/d m-o-m. With 3Q14 data complete, Russia's production averaged 10.9 mb/d January through September, about 80 kb/d higher y-o-y. Despite continuing difficulties in stemming declines at its brownfields, Rosneft was Russia's only producer to see an increase in production in October due to an uptick in greenfield output while virtually all other producers registering declines. Lukoil launched production at the Imilorskoye field in Western Siberia in October ahead of schedule, but the field's contribution to output was only marginal as the initial production rate is estimated at 10 kb/d. Overall, Lukoil's production was flat compared with September. Meanwhile, the company reported that it expects Russia's output to decline about 200 kb/d in 2015 due to sanctions. We expect that Russia's total production will decline in 2015 by about 30 kb/d due to underlying trends, and not as a result of sanctions.

Although US and EU sanctions imposed in September specifically targeted the development of unconventional resources Russian state-run companies are reportedly making some progress with fracking operations. Rosneft, for one, has achieved some success using fracking techniques in gas wells while Gazpromneft has drilled a horizontal well in an effort to explore the Bazhenov shale. However, both the number and length of these hydraulic fractures are negligible compared to the fracking operations taking place in US and Canada.

Russia's Parliament is in the process of approving a major tax overhaul that will shift federal tax revenues from oil exports to crude production. The tax manoeuvre, which still needs a final review prior to approval, will increase the Mineral Extraction Tax by 93%, but this will be at least in part offset by decreases in export duties for crude and lighter products. Russia's downstream will see added pressure in the face of these changes: export duties of fuel oil will be equalised with crude oil and less complex refineries in Russia will therefore become less economical. These changes may further weaken investor confidence in the country. Recently imposed sanctions and high financial burden make it difficult for companies to develop sound investment strategies, with the ever-changing tax regime adding further uncertainties.





Kazakhstan – August actual: Final data for August show that Kazakhstan's total liquids output averaged 1.7 mb/d, roughly unchanged m-o-m. Of this, crude oil accounted for 1.6 mb/d. While the estimated September overall production level remained flat compared with August, maintenance at the Tengiz field resulted in a decrease in production of about 60 kb/d in October. Although the Tengiz maintenance only materially affected the October output, Kazakhstan continues to struggle to maintain its oil output, particularly in the absence of new production. The 2014 projected output will average 1.7 mb/d, a decrease of about 25 kb/d y-o-y, and we expect that this decline will be followed by a further 20 kb/d drop in 2015.

Azerbaijan – August actual: Azerbaijan's crude oil production reached 880 kb/d in August, including approximately 50 kb/d of Shah Deniz condensate. Estimates of September and October production data indicate that both months saw production declines averaging 10 kb/d. The October production estimate was revised upwards compared with last month's *Report* as BP postponed maintenance on the ACG Block from mid-October to November. We expect that maintenance will result in a decrease of roughly 130 kb/d of oil production from the ACG Block in November, bringing total Azerbaijan production to 735 kb/d, the lowest total oil output since October 2008. Overall 2014 forecast production will average 870 kb/d, about 15 kb/d lower y-o-y and we expect a further drop to 855 kb/d in 2015. At 870 kb/d, Azerbaijan's production would be the lowest annual average production since 2007.

FSU Net Exports of Crude & Petroleum Products

(million barrels per day)

	2012	2013	4Q2013	1Q2014	2Q2014	3Q2014	Jul 14	Aug 14	Sep 14	Latest month vs. Aug 14	Sep 13
Crude											
Black Sea	1.81	1.78	1.78	1.74	1.65	1.59	1.61	1.47	1.67	0.20	-0.08
Baltic	1.67	1.57	1.58	1.33	1.46	1.32	1.30	1.29	1.36	0.07	-0.28
Arctic/FarEast	0.65	0.80	0.82	0.88	1.18	1.23	1.17	1.19	1.33	0.14	0.50
BTC	0.66	0.64	0.61	0.58	0.59	0.68	0.74	0.68	0.63	-0.04	0.06
Crude Seaborne	**4.79**	**4.80**	**4.79**	**4.53**	**4.88**	**4.82**	**4.82**	**4.63**	**5.00**	**0.36**	**0.20**
Druzhba Pipeline	1.08	1.03	1.05	1.01	1.00	1.03	0.98	1.00	1.09	0.09	0.02
Other Routes	0.52	0.56	0.60	0.71	0.38	0.38	0.44	0.35	0.34	-0.01	-0.24
Total Crude Exports	**6.39**	**6.39**	**6.44**	**6.26**	**6.26**	**6.22**	**6.24**	**5.99**	**6.43**	**0.44**	**-0.01**
Of Which: Transneft[1]	4.22	4.07	4.07	3.95	4.02	3.90	3.80	3.75	4.15	0.41	-0.11
Products											
Fuel oil[2]	1.72	1.62	1.44	1.63	1.75	1.79	1.70	1.86	1.80	-0.06	0.25
Gasoil	0.79	0.84	0.73	1.04	1.00	0.88	0.91	0.87	0.87	0.00	0.12
Other Products	0.44	0.50	0.53	0.64	0.61	0.55	0.53	0.56	0.56	0.00	0.06
Total Product	**2.95**	**2.97**	**2.70**	**3.31**	**3.37**	**3.22**	**3.14**	**3.29**	**3.22**	**-0.06**	**0.43**
Total Exports	**9.34**	**9.36**	**9.14**	**9.56**	**9.63**	**9.44**	**9.38**	**9.28**	**9.66**	**0.38**	**0.42**
Imports	0.09	0.08	0.09	0.07	0.07	0.09	0.08	0.10	0.08	-0.02	-0.02
Net Exports	**9.25**	**9.29**	**9.05**	**9.49**	**9.56**	**9.35**	**9.30**	**9.18**	**9.58**	**0.40**	**0.44**

Sources: Argus Media Ltd, IEA estimates

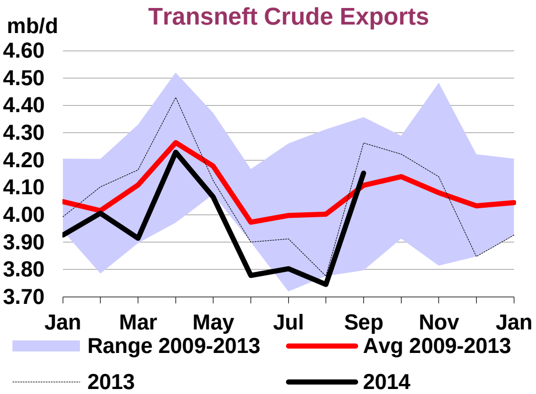
[1]Transneft data exclude Russian CPC volumes.

[2]Includes Vacuum Gas Oil

FSU net exports rebounded by a significant 400 kb/d to 9.58 mb/d in September with crude oil accounting for all of the increase after exports soared by 440 kb/d, their highest monthly increase since April 2013. The increase was led by Transneft deliveries which rose to 4.15 mb/d (+410 kb/d m-o-m) after Russian refinery throughputs fell by 340 kb/d on the month which reduced domestic demand for crude and freed up more for export.

September saw a large recovery in Russian Urals shipped via the Black Sea (+200 kb/d m-o-m) after cargoes from Novorossiysk increased by 145 kb/ upon maintenance at refineries in southern Russia. Meanwhile CPC volumes hit 910 kb/d (+55 kb/d m-o-m) to equal record flows. Preliminary data imply that, despite planned maintenance on the line, flows will stay high during October with reports suggesting that, upon the completion of said maintenance, volumes could exceed a record 950 kb/d in November.

In the east, deliveries via Kozmino, the end-point of the ESPO pipeline hit a record 620 kb/d, the first time the terminal had shipped more than its 600 kb/d notional capacity. Tanker tracking data point to South Korea taking three times more of distillate-rich ESPO crude in September (150 kb/d) than it did in August as refiners ramp up heating fuel production. Nonetheless, China remained the largest buyer of the grade receiving a combined 420 kb/d through Kozmino and the Amur spur over the month. Shipments of Sokol crude from the De Kastri terminal rose to 170 kb/d, its highest in a year as the grade's premium versus Dubai weakened steadily over the month, making it more attractive for buyers.

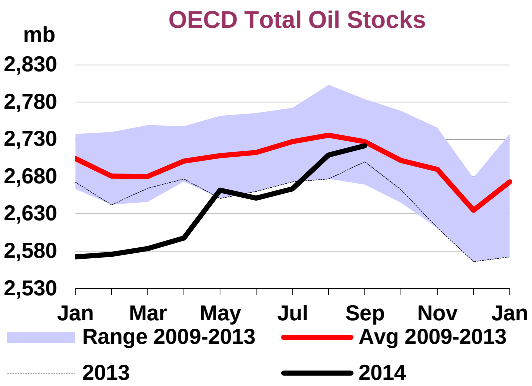


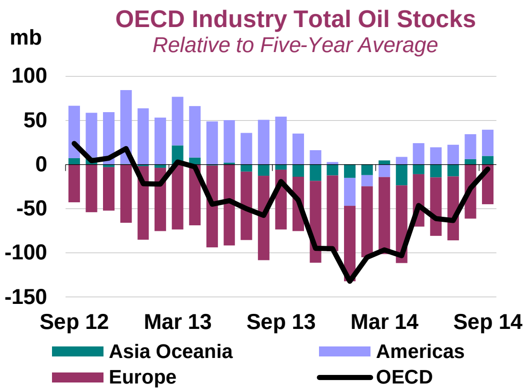
As Russian runs fell, refined product shipments were clipped by 60 kb/d accounted for by falling fuel oil exports while deliveries of gasoil and 'other products' remained flat. Nonetheless, with refinery runs posting healthy y-o-y growth, product deliveries to non-FSU customers remained a significant 430 kb/d above one year earlier with fuel oil (250 kb/d) and gasoil (120 kb/d) accounting for the lion's share of the increase.

OECD STOCKS

Summary

- **Commercial oil stocks in OECD countries extended recent builds in September** adding 12.6 mb over the month. Since this defied seasonal trends, the deficit versus average levels fell to 5.3 mb at end-month, its narrowest since April 2013.
- **Led by builds in middle distillates and 'other products', refined product holdings increased counter-seasonally by 2.8 mb in September.** On a days-of-forward-demand basis, they covered 30.5 days, 0.1 days above end-August.
- **The August build in middle distillates has been revised upwards by 8.8 mb to 28.0 mb, the steepest build since August 2008**. By end-September, middle distillates lagged average levels by 32 mb, the narrowest since March 2013.
- **Preliminary data for October indicate that, despite drawing by 4.2 mb on the month, OECD inventories flipped to stand in surplus to the five-year average for the first time since March 2013**.
- **Data indicate that the Chinese administration has added up to 24 mb to its strategic petroleum reserve over August and September** with up to 105 mb likely added to the reserve so far in 2014.





OECD inventory position at end-September and revisions to preliminary data

Commercial oil stocks in OECD countries extended recent builds in September by adding 12.6 mb to stand at 2 721 mb by end-month. This build was in stark contrast to the 8.9 mb five-year average draw for the month, consequently the deficit of inventories versus seasonal levels narrowed to 5.3 mb from 26.7 mb at end-August, its smallest since April 2013. At end-September, European inventories continued to lag seasonal levels by 45 mb, while those in the Americas and Asia Oceania stood 30 mb and 10 mb in surplus, respectively.

OECD inventories have now posted builds for eight of the previous nine months. Following increases of 17.4 mb (190 kb/d) and 67.9 mb (750 kb/d) in the first and second quarters, respectively, inventories added 70.3 mb over 3Q14 at a rate of 760 kb/d and have now more than reversed the exceptional 134 mb which was drawn over 4Q13.

Preliminary Industry Stock Change in September 2014 and Third Quarter 2014

	September 2014 (preliminary)								Third Quarter 2014			
	(million barrels)				(million barrels per day)				(million barrels per day)			
	Am	Europe	As. Ocean	Total	Am	Europe	As. Ocean	Total	Am	Europe	As. Ocean	Total
Crude Oil	**-0.5**	**7.5**	**0.1**	**7.1**	**-0.02**	**0.25**	**0.00**	**0.24**	**-0.20**	**-0.08**	**0.02**	**-0.26**
Gasoline	-1.6	-2.2	0.6	-3.2	-0.05	-0.07	0.02	-0.11	-0.10	0.01	-0.01	-0.10
Middle Distillates	5.9	-3.5	0.5	2.9	0.20	-0.12	0.02	0.10	0.14	0.16	0.17	0.48
Residual Fuel Oil	-0.8	-3.6	-1.0	-5.4	-0.03	-0.12	-0.03	-0.18	0.00	-0.02	0.02	0.01
Other Products	3.3	0.9	4.4	8.5	0.11	0.03	0.15	0.28	0.34	0.05	0.11	0.50
Total Products	**6.7**	**-8.4**	**4.5**	**2.8**	**0.22**	**-0.28**	**0.15**	**0.09**	**0.38**	**0.20**	**0.29**	**0.88**
Other Oils[1]	0.6	-0.5	2.5	2.6	0.02	-0.02	0.08	0.09	0.10	0.00	0.04	0.14
Total Oil	**6.9**	**-1.4**	**7.1**	**12.6**	**0.23**	**-0.05**	**0.24**	**0.42**	**0.29**	**0.12**	**0.35**	**0.76**

1 Other oils includes NGLs, feedstocks and other hydrocarbons.

Refinery maintenance and a steepening contango in the ICE Brent market in September, as prompt prices tumbled to below $100/bbl, incentivised stockholders in OECD Europe to refill their crude tanks. OECD European crude inventories soared counter-seasonally by 7.2 mb. In contrast, North American crudes, notably WTI, remained in backwardation over September with regional holdings slipping by a weak 0.5 mb. In Asia Oceania crude stocks inched up by 0.1 mb

OECD refined product inventories ended September 2.8 mb higher than one month earlier. 'Other products' accounted for the lion's share of the build (8.5 mb) while middle distillates inched up counter-seasonally by 2.9 mb. On the downside, residual fuel oil and motor gasoline drew by 5.4 mb and 3.2 mb, respectively. All told, at end-September, refined product holdings covered 30.5 days, 0.1 days above one month earlier.

Revisions versus 14 October 2014 Oil Market Report
(million barrels)

	Americas		*Europe*		*Asia Oceania*		*OECD*	
	Jul-14	Aug-14	Jul-14	Aug-14	Jul-14	Aug-14	Jul-14	Aug-14
Crude Oil	**-0.6**	**-3.0**	**-0.3**	**0.0**	**0.0**	**1.0**	**-0.9**	**-2.1**
Gasoline	1.5	-2.5	0.0	0.1	0.0	0.7	1.6	-1.6
Middle Distillates	0.4	2.4	0.0	5.3	0.0	1.1	0.4	8.8
Residual Fuel Oil	0.1	-0.5	0.0	2.7	0.0	0.0	0.1	2.3
Other Products	0.5	-2.4	0.0	-0.9	0.0	-0.8	0.5	-4.2
Total Products	**2.6**	**-2.9**	**0.0**	**7.2**	**0.1**	**1.0**	**2.6**	**5.4**
Other Oils[1]	0.4	4.8	1.4	3.3	0.0	-0.2	1.7	7.9
Total Oil	**2.4**	**-1.1**	**1.0**	**10.5**	**0.1**	**1.8**	**3.5**	**11.2**

1 Other oils includes NGLs, feedstocks and other hydrocarbons.

Following the receipt of revised data, OECD inventories were adjusted upwards by 3.5 mb and 11.2 mb in July and August, respectively. Therefore, the 37.7 mb build presented in last month's *Report* is now seen steeper at 45.4 mb, more than five times the 8.7 mb five-year average build for the month. The upward adjustments in August stemmed from higher middle distillates (+8.8 mb) and 'other oils' (+7.9 mb). The August build in middle distillates is now seen at 28.0 mb, the steepest since August 2008. It is now evident that market participants built middle distillates stocks in Europe at a faster clip than first assessed after a 5.3 mb upward correction was made to European inventories. This occurred against a backdrop of a year-on-year increase in regional refinery runs and a steepening contango in the ICE gasoil forward curve.

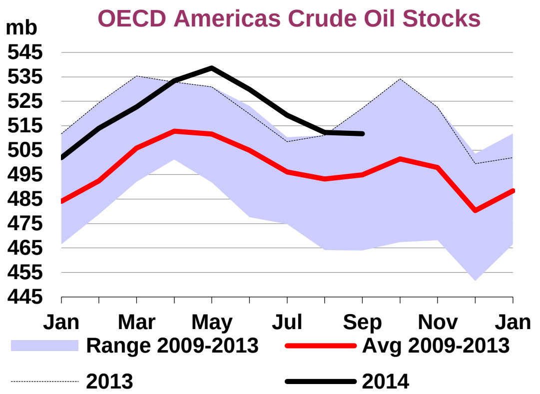
Preliminary data for October indicate that, despite drawing by 4.2 mb on the month, OECD inventories flipped to stand in surplus to the five-year average for the first time since March 2013. A steep 20.5 mb surge in crude oil holdings, centred in OECD Americas, provided upward pressure. Refined products (-25.0 mb) also drew by less than the 32.5 mb seasonal draw for the month with decreases in middle distillates (-12.2 mb) and 'other products' (-7.6 mb) holdings weaker than their seasonal draws while fuel oil rose counter-seasonally by 0.8 mb.

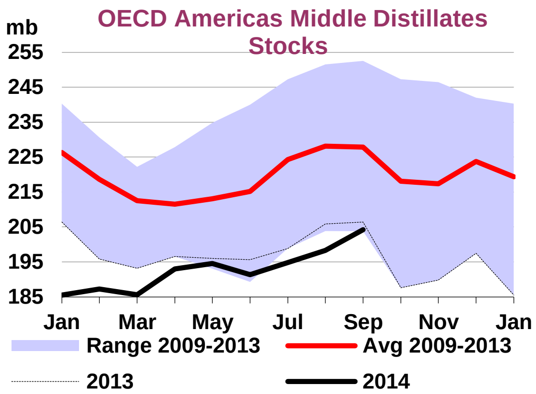
Recent OECD industry stock changes

OECD Americas

Commercial inventories in the OECD Americas adhered to seasonal patterns, rising by 6.9 mb in September. As such, their surplus to seasonal levels remained close to 30 mb. Refined products led the build while crude oil inventories inched down by 0.5 mb on lower imports, despite high production and refinery runs contracting on a both year-on-year and month-on-month basis.

Middle distillates accounted for the bulk of a 6.7 mb rise in refined product stocks, as inventories replenished ahead of the peak winter heating demand season. The build came from a low base, though, and by end-September middle-distillate stocks remained 2.2 mb and 23.6 mb in deficit to year earlier levels and the five-year average, respectively. Inventories of 'other products' defied seasonality to add 3.3 mb despite propane heating demand beginning its seasonal rise. With preliminary October data indicating a draw, it is likely that these inventories peaked for 2014 in September at 227 mb, 15.5 mb and 31.7 mb above a year earlier and the five-year average respectively. By end-month, regional refined product inventories covered 29.5 days of forward demand, a rise of 0.2 days on the previous month.

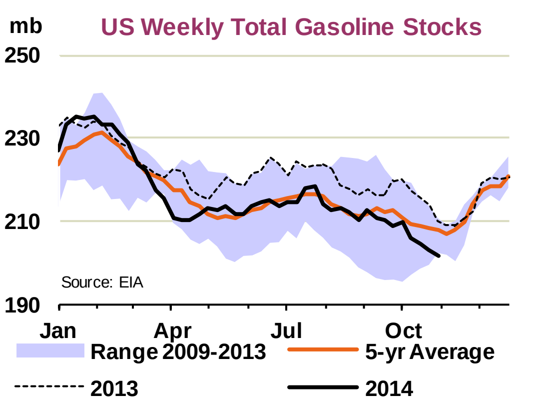


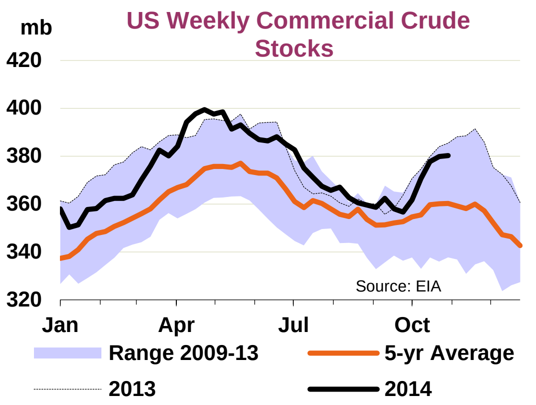


Recent reports confirm that New York State is close to establishing a state-controlled upstate strategic fuel reserve containing gasoline and ULSD to mitigate against regional disruptions experienced in the wake of Hurricane Sandy. The 60 000 barrel reserve will be operated by Buckeye Terminals LLC at six existing terminals in upstate New York with the aim of facilitating distribution, notably to emergency services and vehicles operated by utility companies, in the event of a state-declared emergency. This reserve is separate to the government-controlled Northeast Regional Refined Petroleum Product Reserve containing 1 mb of gasoline and the Northeast Home Heating Oil Reserve containing 1 mb of ULSD.

Preliminary weekly data from the US EIA suggest that inventories slipped by 3.8 mb in October, considerably weaker than the 16.6 mb five-year average draw for the month. If this drop is confirmed by subsequent monthly data, it would see the country's surplus versus the five-year average balloon to 30.3 mb from 17.8 mb at end-September. However, crude and products did not adhere to seasonal trends with the former posting a steep 20.7 mb rise and the latter posting a steep 25.0 mb draw as planned and unplanned outages saw US crude runs slip. The bulk of the draw came from motor gasoline (-7.4 mb) and middle distillates (-9.9 mb). US gasoline markets appear to have tightened in recent weeks as stocks have descended to the bottom of the five-year range, although this could be a short-term phenomenon as stockholders run down inventories of summer grade product before the switch to winter grade gasoline.

October crude stocks built by 20.7 mb, more than three times the 6.5 mb five-year average build for the month. While production continued its almost relentless rise, domestic demand for crude fell while, despite a steep fall at the end of October, imports remained on a par with a month earlier.

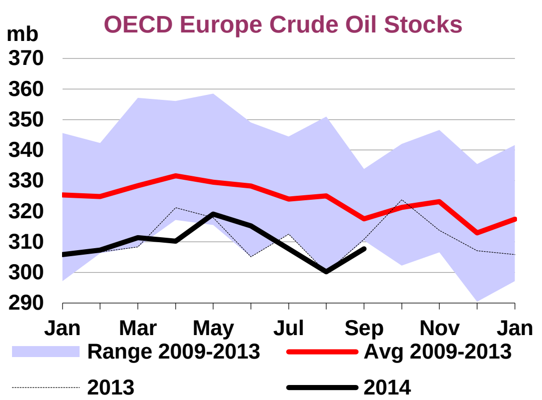


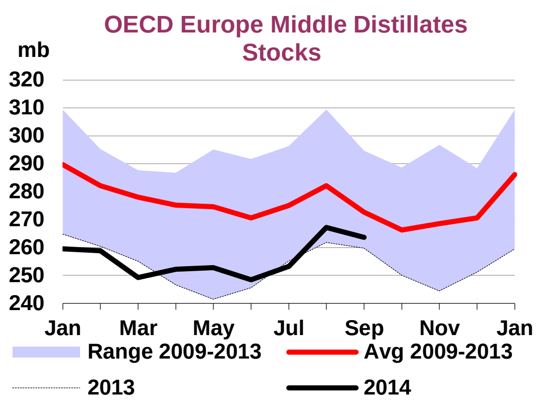


OECD Europe

OECD European oil industry oil inventories slipped marginally by 1.4 mb in September, significantly less that the 17.7 mb seasonal draw for the month. Total inventories were buttressed by crude oil stocks which surged by 7.5 mb in stark contrast to the 7.5 mb five-year average draw for the month. This occurred amid rising regional crude production as maintenance continues to abate, while imports, notably of Middle Eastern grades, also increased. Additionally, the steepening contango in the ICE Brent futures contract also made it profitable for market participants to hold inventory.

A 430 kb/d m-o-m drop in refinery throughputs saw refined product inventories fall along seasonal lines. Fuel oil, middle distillates and motor gasoline decreased by 3.6 mb, 3.5 mb and 2.2 mb, respectively, while a 0.9 mb build in 'other products' provided some offset. All told, refined products fell by 8.4 mb. Nonetheless, refined product cover reached 37.6 days, a rise of 0.1 days on a month earlier as regional demand is projected to decline during 4Q14.





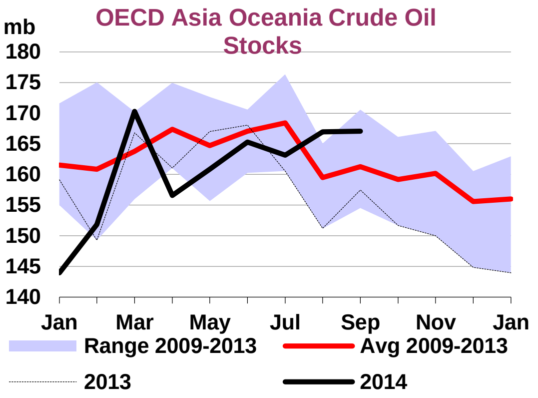
Recently revised data indicate that European middle distillates inventories replenished at a quicker pace than first assessed over the summer. It is now apparent that inventories were boosted by refinery activity remaining above year-ago levels while market participants were also induced to increase inventories as the contango in European gasoil markets steepened in tandem with weakening prompt prices. In August, stocks posted their steepest rise in over two and a half years (13.9 mb). Despite falling in September, by end-month they still remained above year-ago levels and within the seasonal range. Additionally, weak spot prices and warmer than usual weather limiting demand have prompted German consumers to maintain their restocking. By early-October tank fill had reached 65% of capacity, the highest since 2009.

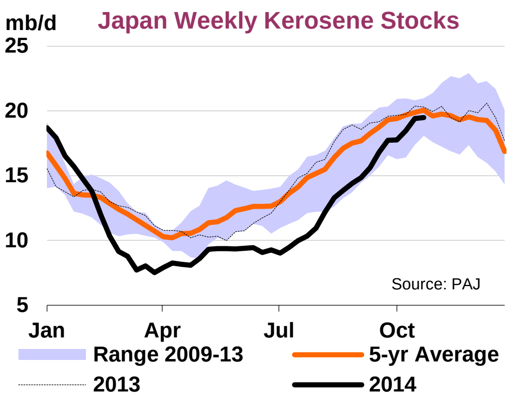
Preliminary data from Euroilstock point to a small 0.3 mb rise in European inventories in October. Refined products drew by a weak 3.1 mb, less than a third of the 10.2 mb five-year average draw for the month. Fuel oil inventories inched up counter-seasonally by 0.3 mb while both middle distillates

(-4.1 mb m-o-m) and 'other products' (-0.4 mb) posted weak draws. Crude oil holdings followed seasonal trends, rising by 3.4 mb as refinery runs fell seasonally.

OECD Asia Oceania

Inventories in OECD Asia Oceania maintained their surplus to the five-year average in September as they rose seasonally by 7.1 mb. Crude oil stocks remained flat as a decrease in refinery throughputs was likely matched by crude imports falling back. NGLs and other feedstocks increased by 2.5 mb centred on Japan where imports from Iran and Qatar hit their highest levels since January. Despite the fall in throughputs, refined products built by 4.5 mb, led by a steep 4.4 mb rise in 'other products', while motor gasoline and middle distillates added 0.6 mb and 0.5 mb, respectively. Fuel oil provided some offset, decreasing by 1.0 mb. In days-of-forward-demand terms, refined product cover dropped by 0.7 days to 22.0 days at end-September, resulting from higher demand projections for the fourth quarter.



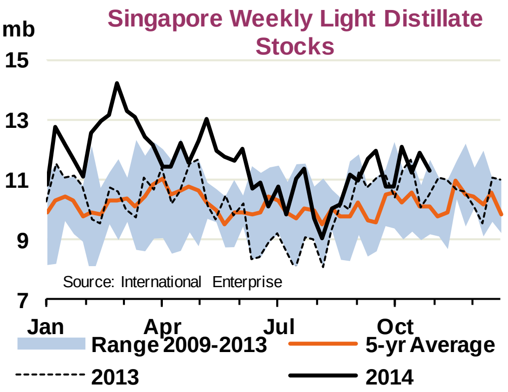


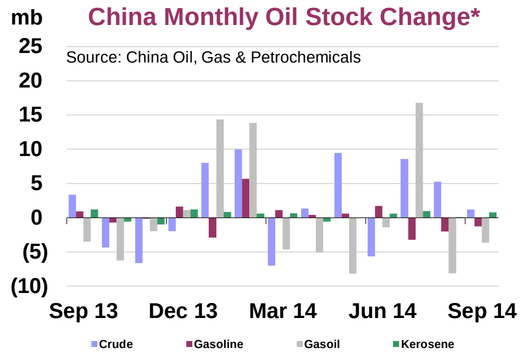
Weekly data from the Petroleum Association of Japan point to a weak 0.7 mb draw in commercial Japanese inventories in October. Crude oil (-3.6 mb) led stocks downwards despite a drop in refinery activity, while all products posted builds. Middle distillate stocks defied seasonal trends, rising by 1.7 mb, led by kerosene, the Japanese liquid heating fuel of choice.

Recent developments in Singapore and China stocks

Weekly data from International Enterprise indicate that on-land refined product inventories in Singapore posted their second consecutive monthly (+1.3 mb) rise in October. Inventories now stand at 42.8 mb. Although the exact working clean and dirty product storage capacity (the difference between maximum safe fill level and tank bottoms) of the territory is unknown, total capacity is understood to be in the region of 50-60 mb. Breaking the data down, current levels on light and middle distillates sit at 80% and 60% of their maximum reported levels, respectively, while residual fuel oil stands at 83% of its maximum levels. It would therefore appear that tanks in the territory are not yet brimming. Nonetheless, reports are circulating indicating that a number of market participants have begun to store refined products on tankers in the region, however, this may be for logistical reasons – since the oil can be quickly shipped to its destination once a buyer is found.

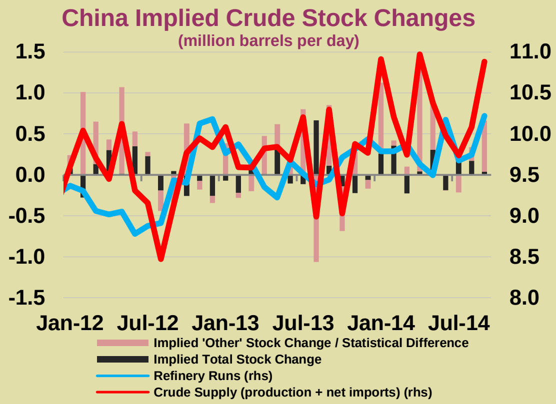
Data from *China Oil, Gas and Petrochemicals* (*China OGP*) indicate that Chinese commercial crude inventories rose by 1.2 mb over September marking a third consecutive monthly build totalling 15.1 mb added over the third quarter (data do not include stock changes to China's crude SPR). Refined products drew by 4.1 mb as, despite refinery throughput increasing by nearly 300 kb/d, holdings of gasoline and gasoil fell by 1.3 mb and 3.6 mb, respectively, while kerosene inventories inched up by 0.8 mb. Considering higher refinery runs and the recent curtailing of gasoil exports as refiners refocus on the domestic market, the gasoil stock draw is likely correlated with an uptick in domestic demand, which returned to positive year-on-year growth in September.





*Since August 2010, COGP only reports percentage stock change

China adds more to its strategic petroleum reserve



Recent data suggest that the Chinese administration has taken advantage of the recent near-25% decrease in benchmark crude prices to fill another tranche of its Strategic Petroleum Reserve (SPR). Over the past few months crude supply, calculated as domestic production plus net imports, has outpaced refinery runs. In August, the implied unreported stock build was 5.2 mb (170 kb/d) which rose sharply to 18.7 mb (620 kb/d) in September as extra cargoes from Saudi Arabia, Kuwait, Iraq and Oman were imported. This would bring the total unreported stock build to 105 mb so far in 2014, well above the 89 mb posted in 2012 when a portion of Phase 2 SPR capacity was filled.

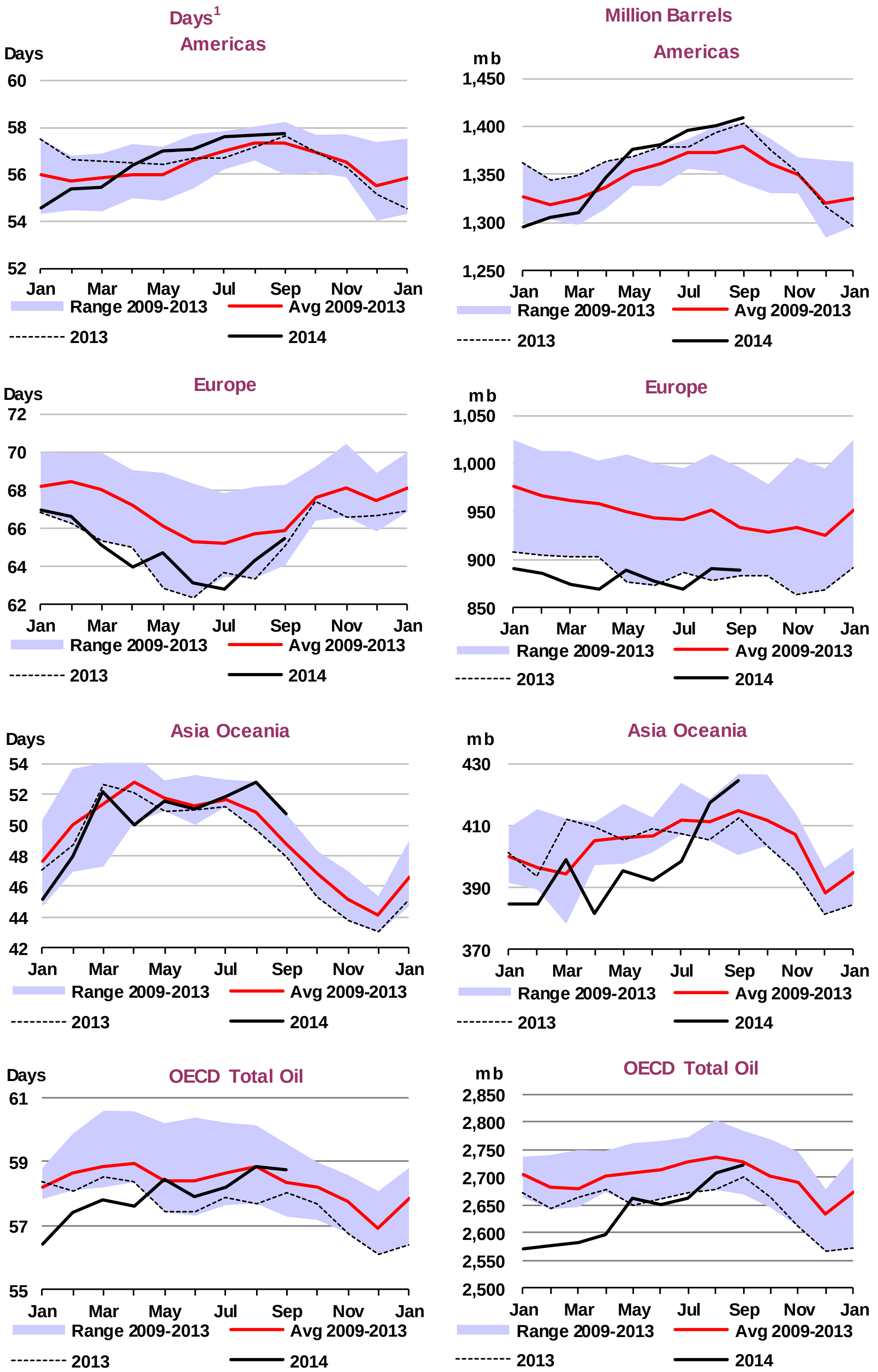
Despite data indicating that China has been adding more oil to its crude inventories than the commercial stock changes reported by China OGP are indicating, it is worth noting that there is a degree of opacity surrounding the SPR. The Chinese administration does not routinely disclose information on the SPR and thus little up-to-date official information is available concerning specific volumes, sites and timescales. A particular uncertainty concerns the division between commercial and government storage with state oil companies CNPC, CNOOC and Sinopec, responsible for the day-to-day running of the SPR with certain sites, holding both commercial and government stocks. It is therefore possible that some of the unreported stock building could be occurring at unreported commercial sites such as teapot refineries which are not operated by the state oil companies. Nonetheless, it is doubtful whether these sites could account for a large proportion of the implied near-24 mb unreported build over late-summer.

Customs data indicate that crude imports fell month-on-month in October but remained historically high, with industry reports and shipping data suggesting that SPR filling could well have continued into the fourth quarter. Tanker tracking data indicate that a large number of Middle Eastern cargoes were imported by China during October, with this expected to continue throughout November and December.

In the July 2014 issue of this *Report* we estimated that 90 mb of completed SPR capacity could be filled over 2H14. New information indicates that the actual available completed SPR capacity is likely to be lower, in the region of 50 mb. This lower assessment is based on reports that a number of Phase 2 SPR sites, originally scheduled to be completed in 2013 or 2014 have been beset by construction delays and are now likely not to be ready to receive oil until 2015 at the earliest. However, if crude prices remain relatively low by recent historical standards this could incentivise the Chinese government to speed up construction and start filling the remaining Phase-2 SPR sites.

Regional OECD End-of-Month Industry Stocks

(in days of forward demand and million barrels of total oil)



1 Days of forward demand are based on average demand over the next three months

PRICES

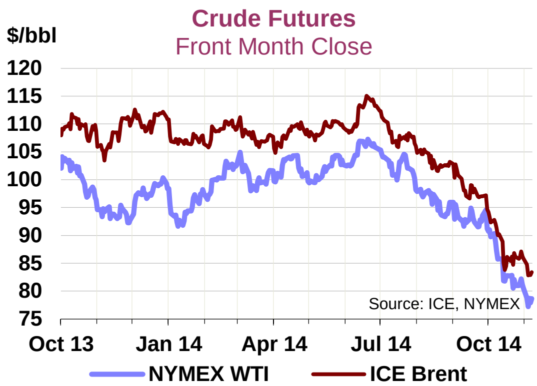
Summary

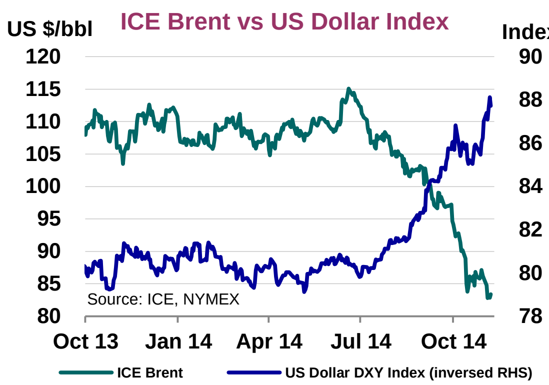
- **Oil's rout gained momentum in October with prices falling still further in November as plentiful supply outpaced demand and pushed Brent below $80/bbl.** A strong US dollar and rising US light tight oil output outweighed the impact of a fresh Libyan supply outage in early November. ICE Brent was at a four-year low of $78.50/bbl, down 30% from a June peak. NYMEX WTI was at $75.40/bbl.

- **Markets looked to Saudi Arabia's latest monthly prices, released in early November, for clues to supply policy ahead of a 27 November OPEC meeting. After Riyadh cut prices to the US for a fourth month running, crude futures fell sharply.** The market appeared to respond to analysts' reading of the reduction as a sign that Saudi Arabia is set to preserve its market share as US shale output rises.

- **Hedge funds' long position on ICE Brent crude oil futures appears to have bottomed out.** Rapidly falling oil prices saw the funds' long-to-short positions ratio drop from historical highs to all-time lows in less than three months.

- **Spot product prices weakened across the board in October and by early-November they had sunk to their lowest levels in over four years.** The scale of the losses were mixed; with middle distillates supported ahead of the peak winter heating demand season.





Market overview

Supply overtook demand to pummel prices, with global benchmarks Brent and WTI posting month-on-month (m-o-m) declines of more than 10% in October. Brent slumped below $80/bbl in early November, with a robust dollar and rising US light tight oil output more than offsetting a disruption in Libyan supply. With Brent down 30% from a June peak above $115/bbl, market participants are firmly focused on what, if any, action OPEC oil ministers will take to support prices when they meet later this month to review supply-demand balances for 2015.

Markets are sensitive to OPEC-related developments and crude futures dropped by more than $2/bbl after Saudi Arabia on 3 November cut its monthly formula prices to US customers for December loadings. Markets appeared to react to analysts' reading of the decrease, the fourth in a row, as a sign that Riyadh is out to defend its market share amid relentless growth in US light tight oil supply.

A loosening world oil market balance piled pressure on crude oil futures during October, with global benchmarks posting a fourth straight month of declines. Oil also continued to feel the pressure from a firm US dollar. A stronger dollar makes oil and other commodities priced in dollars more expensive for buyers using other currencies, which can dampen demand. Many investment funds also use oil as a currency hedge, building long positions in oil futures when the dollar weakens and unwinding them when it strengthens.

ICE Brent futures plunged $10.52/bbl from September to an average $88.05/bbl in October, for an 11.9% m-o-m loss. NYMEX WTI sank by $8.69/bbl to average $84.34/bbl in October, for a m-o-m loss of 10.3%. ICE Brent was last at $78.50/bbl, a four-year low. NYMEX WTI was at $75.40/bbl.

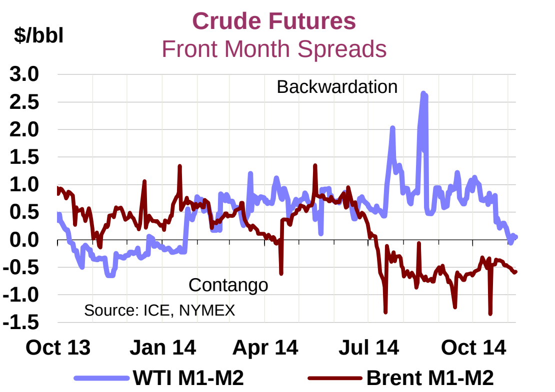
Prompt Month Oil Futures Prices

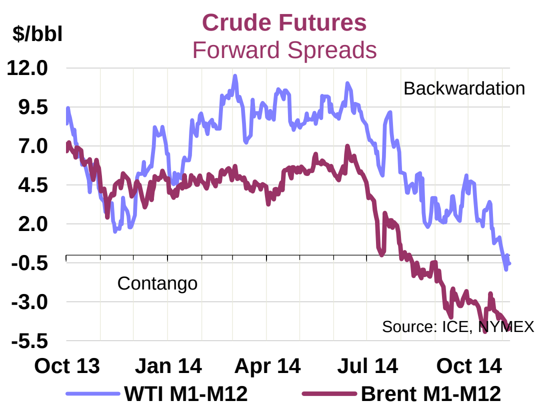
(monthly and weekly averages, $/bbl)

	Aug	Sep	Oct	Oct-Sep	%	Week Commencing:				
				Avg Chg	Chg	06 Oct	13 Oct	20 Oct	27 Oct	03 Nov
NYMEX										
Light Sweet Crude Oil	96.08	93.03	84.34	-8.69	-10.3	87.62	82.96	81.83	81.26	78.24
RBOB	114.80	108.80	94.61	-14.19	-15.0	97.71	92.63	92.05	92.00	88.60
No.2 Heating Oil	119.78	115.29	106.37	-8.92	-8.4	108.37	104.63	104.61	105.26	103.57
No.2 Heating Oil ($/mmbtu)	21.12	20.33	18.76	-1.57	-8.4	19.11	18.45	18.45	18.56	18.27
Henry Hub Natural Gas ($/mmbtu)	3.90	3.92	3.80	-0.12	-3.2	3.88	3.82	3.66	3.73	4.24
ICE										
Brent	103.40	98.57	88.05	-10.52	-11.9	91.31	85.67	85.86	86.22	83.36
Gasoil	116.66	111.73	101.19	-10.54	-10.4	103.56	99.35	98.95	99.94	98.46
Prompt Month Differentials										
NYMEX WTI - ICE Brent	-7.32	-5.54	-3.71	1.83		-3.69	-2.71	-4.03	-4.96	-5.12
NYMEX No.2 Heating Oil - WTI	23.70	22.26	22.03	-0.23		20.75	21.67	22.78	24.00	25.33
NYMEX RBOB - WTI	18.72	15.77	10.27	-5.50		10.09	9.67	10.22	10.74	10.36
NYMEX 3-2-1 Crack (RBOB)	20.38	17.93	14.19	-3.74		13.64	13.67	14.40	15.16	15.35
NYMEX No.2 - Natural Gas ($/mmbtu)	17.23	16.41	14.96	-1.45		15.23	14.63	14.79	14.84	14.03
ICE Gasoil - ICE Brent	13.26	13.16	13.14	-0.02		12.25	13.68	13.09	13.72	15.10

Source: ICE, NYMEX.

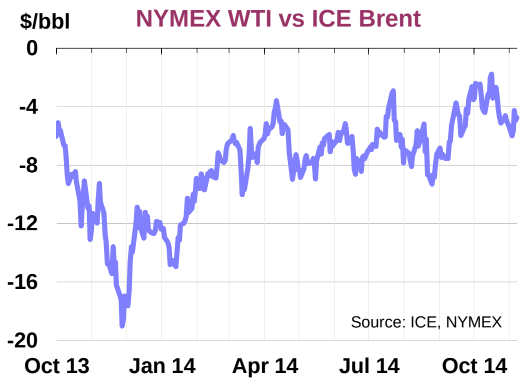
Building stockpiles of crude at the trading hub of Cushing, Oklahoma during the autumn refinery turnaround season helped briefly push NYMEX WTI into contango – where prompt oil is cheaper than barrels for future delivery – on 3 November for the first time since January. While Brent has been in solid contango since July, strong US refinery demand and dwindling Cushing stocks had been supporting the US benchmark. By the first week in November, however, the NYMEX WTI M1-M2 spread had virtually disappeared at just $0.02/bbl versus an average $0.60/bbl in October.

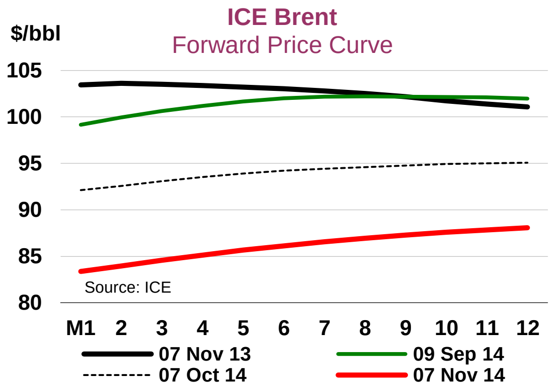




The ICE Brent M1-M2 contract spread narrowed to -$0.48/bbl in October versus -$0.68/bbl in September. The forward Brent curve widened in October to -$3.50/bbl versus -$2.50/bbl for the M1-M-12 contract spread during September. For the first time since February 2013, the forward WTI curve fipped into contango with WTI M1-M12 at -$0.60/bbl in early November. The WTI M1-M12 contract spread averaged $2.45/bbl during October.

A sharper decline on ICE Brent pulled in the front-month spread with NYMEX WTI in October to an average $3.71/bbl versus $5.54/bbl in September. But by early November, the spread had widened out to over $5/bbl as the US benchmark declined more sharply.

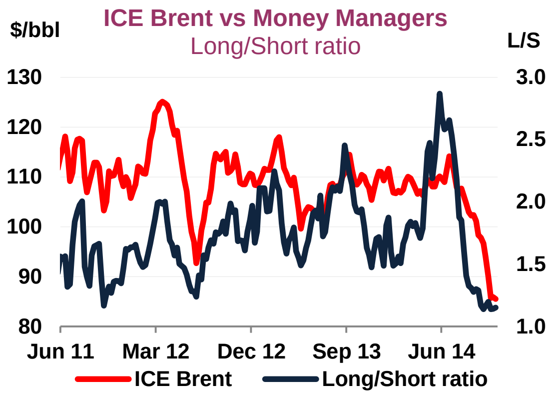


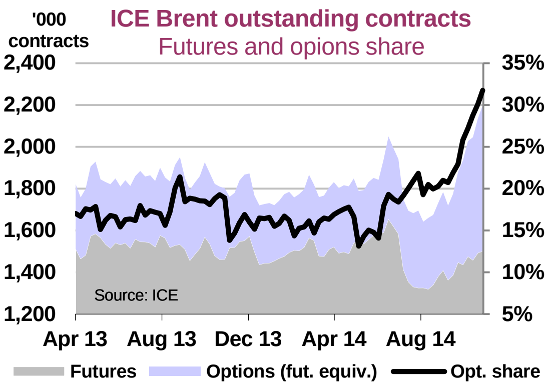


Futures markets

Hedge funds' position on ICE Brent crude futures appears to have stabilised after a recent dramatic reversal. After oil prices fell sharply, the *long-to-short positions* ratio – an indicator of funds' overall buying and selling – plunged from historical highs (where a higher ratio signals stronger buying in anticipation of a higher price) to all-time lows in less than three months.

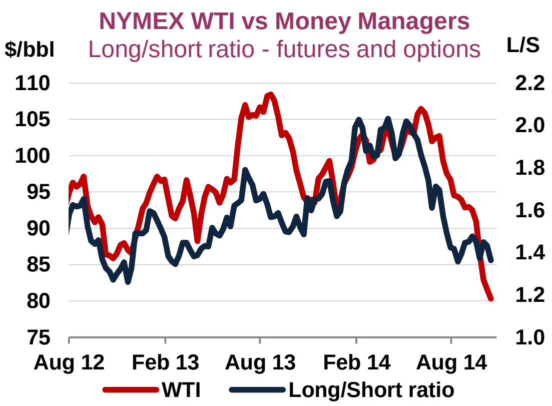
Overall traders of Brent benchmark also appear to have shifted from futures into options. The share of option contracts, which constituted most of the recent recovery in open interest, jumped to more than 30% over the last few months, from an average of 16% between January and July. In absolute terms, the number of future-equivalent option contracts almost doubled from 16 September to 4 November, from 356 000 to a record 698 000 contracts.

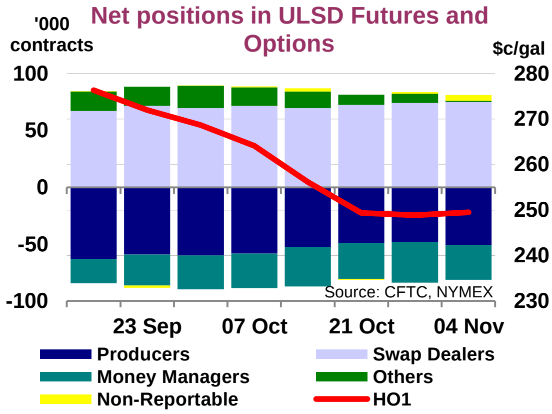




Money managers' positioning in NYMEX WTI also seems to have found a floor, although the overall swing was less dramatic than for Brent. Both crude benchmarks saw very robust global trading volumes that were up on the year by 31% and 12% for Brent and WTI, respectively.

On the product side, weakness in the New York Harbour-based ultra-low-sulphur-diesel contract continued, with record-levels short selling by hedge funds. Funds also kept selling ICE Gasoil, anticipating prices to remain weak.





Positions on Light Sweet Crude Oil (WTI) Futures and Options

Thousand Contracts

04 November 2014	Long	Short	Net	Long/Short	Δ Net from Prev. Week	Δ Net Vs Last Month
Producers' Positions	295.5	349.7	-54.2	*Short*	↓ -6.6	↓ -15.4
Swap Dealers' Positions	555.4	805.9	-250.5	*Short*	↑ 0.6	↑ 38.0
Money Managers' Positions	630.4	462.5	167.9	*Long*	↓ -14.6	↓ -34.0
Others' Positions	798.5	681.5	116.9	*Long*	↑ 17.0	↑ 15.7
Non-Reportable Positions	94.0	74.1	19.9	*Long*	↑ 3.6	↓ -4.3
Open Interest			**2373.9**		↑ 127.7	↑ 303.1

Source: CFTC

Positions on ICE Brent Crude Futures and Options

Thousand Contracts

04 November 2014	Long	Short	Net	Long/Short	Δ Net from Prev. Week	Δ Net Vs Last Month
Producers' Positions	553.9	863.1	-309.2	*Short*	↑ 14.0	↓ -26.3
Swap Dealers' Positions	852.7	499.3	353.4	*Long*	↑ 1.2	↑ 48.0
Money Managers' Positions	478.0	421.2	56.9	*Long*	↑ 2.1	↑ 20.1
Others' Positions	285.9	364.2	-78.2	*Short*	↓ -5.0	↓ -23.4
Non-Reportable Positions	29.0	51.8	-22.8	*Short*	↓ -12.3	↓ -18.5
Open Interest			**2199.6**		↑ 64.8	↑ 321.5

Source: ICE

Financial regulation

The European Securities and Markets Authority (ESMA) launched a public consultation on 29 September on future guideline to clarify the definition of derivatives as financial instruments, now regulated under the Markets in Financial Instruments Directive (MiFID). The guidelines aim to ensure a consistent application of new derivatives rules among EU members, leaving no scope for interpretation between the different national legislations.

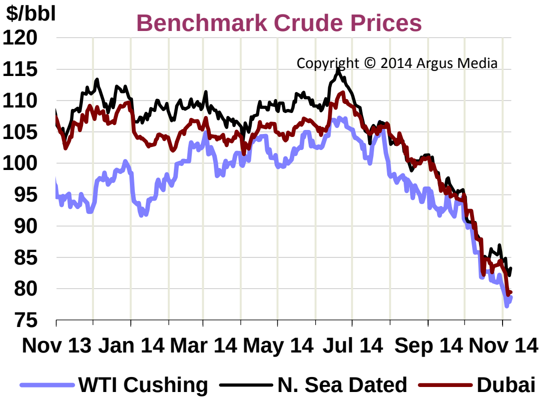
The EU regulator also released its final draft technical standards for off-exchange swaps clearing on 1 October and published comments from its public consultation on 7 November. The start-up date for mandatory clearing is expected to be in early 2015, depending on the timing of the approval from the European Commission and the European Parliament. The phase-in will last six months, extended to three years for large energy and industrial groups.

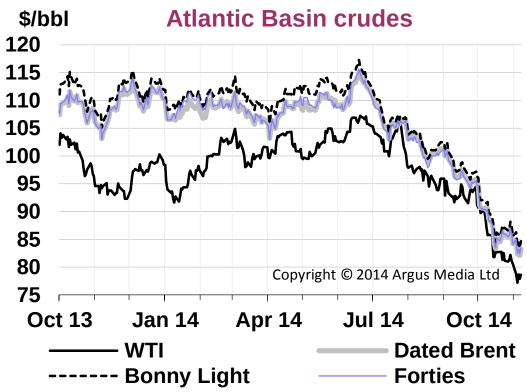
US regulator the Commodity Futures Trading Commission (CFTC) relaxed its technical standards for smaller derivative traders, including energy firms and farmers. Later in 2014, the regulator could finalise its debated position limits rule.

Spot crude oil prices

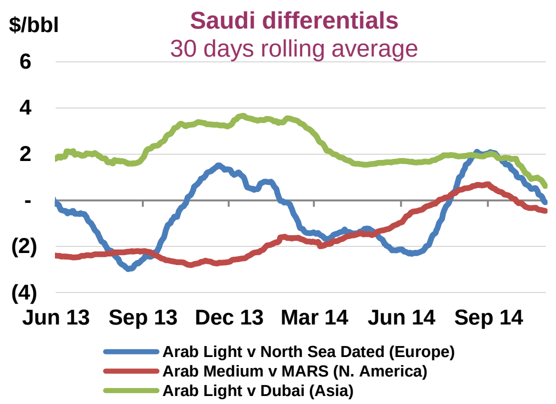
Higher exports from Libya and steady shipments out of southern Iraq, despite worsening conflicts in these OPEC producers, weighed on spot crude oil prices during October. Markets remained well supplied in early November, even as Libyan supplies suffered new disruptions (*see Supply*). Benchmark Dated Brent fell to a four-year low of just above $80/bbl in early November, with loadings of Brent, Forties, Oseberg and Ekofisk due to rise to a nine-month high in December. Grades from Algeria and the Caspian, which compete with Libyan barrels, were also in abundance.

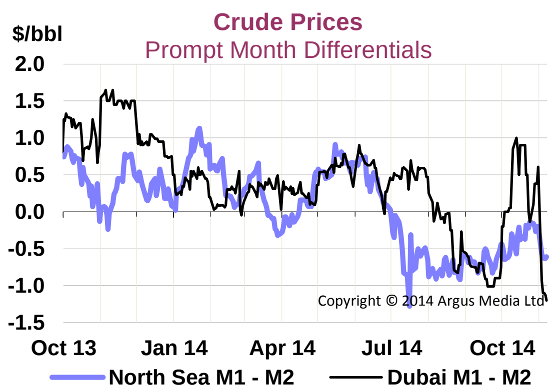
Plentiful supplies, which outstripped demand, pounded global benchmarks in October. North Sea Dated Brent sank $9.87/bbl to average $87.42/bbl – a 10.1% m-o-m loss. Middle East Dubai took a similar hit, losing $10.02/bbl to average $86.53/bbl. Russian Urals fell to an average $86.68/bbl, down $8.97/bbl on September, while US WTI shed $8.80/bbl to average $84.40/bbl.





At the start of November, oil markets were keenly awaiting the release of Saudi Arabia's monthly crude oil formula prices, which tend to track market trends. State oil company Saudi Aramco is also aiming to keep its pricing competitive, especially in the core Asian market. Though still China's largest supplier, Riyadh's share of total imports dropped to 16% in the first three quarters of 2014, down from 19% in 2013, while producers such as Iraq, Russia and Colombia have gained market share.



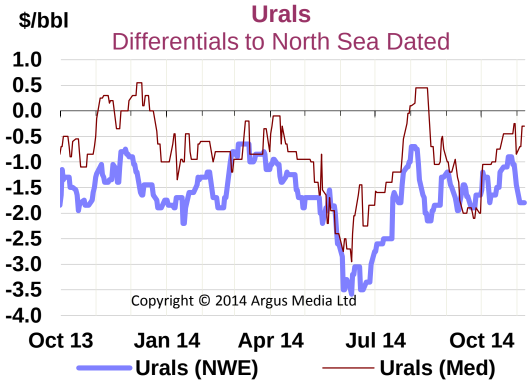


In Asia, Saudi Arabia raised price differentials for the first time in five months, apparently in response to a stronger Dubai market after a buying spree by Chinaoil, the trading unit of state-controlled oil major PetroChina. Saudi Aramco lifted the December price for its flagship Arab Light grade by $0.95/bbl versus

November to a discount of $0.10/bbl to the Oman/Dubai average. The increase was broadly in line with trader expectations and partly reversed steep cuts made the previous month.

By early November, the bullish mood on the Dubai market had faded with the forward Dubai M1-M2 spread shifting back into negative territory at -$1.09/bbl. The Dubai M1-M2 spread had widened to $0.39/bbl during October versus -$0.81/bbl the previous month after Chinaoil reportedly snapped up more than 700 kb/d of December-loading Middle East crude.

Saudi Arabia's move to deepen the discount on its monthly formula prices to US customers was read by analysts as a bid to protect Riyadh's market share from the relentless rise of non-OPEC supply. Saudi Aramco set its Arab Light official selling price at a premium of $1.60/bbl to the Argus Sour Crude Index (ASCI) for December, down $0.45/bbl from the previous month. The price cuts were the fourth in a row and followed steep price increases during the second quarter. Saudi exports to the US have fallen from 1.5 mb/d at the start of 2014 to less than 900 kb/d in August.



Aramco's increase in the Arab Light price to Europe may have partly reflected the strengthening price of sour Russian Urals. As refiners returned from maintenance and discovered tighter Russian supplies, the discount of Urals to Dated Brent narrowed. By early November, Urals was trading at Dated minus $0.45/bbl compared to an average of Dated minus $0.70/bbl during October.

Spot Crude Oil Prices and Differentials

Table Unavailable

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Spot product prices

Spot product prices weakened across the board in October and by early-November they had sunk to their lowest levels in over four years. Prices retreated on plentiful product supply which overshot demand, after refiners increased production amid high margins. The scale of the losses were mixed; middle distillates received support ahead of the peak winter heating demand season, products in the middle of the barrel held their prices better than those at the top and bottom of the barrel. In Northern Europe, cracks in the middle of the barrel strengthened while those light and heavy product cracks softened. In general, cracks in the Mediterranean, US and Singapore weakened over October.

Spot Product Prices

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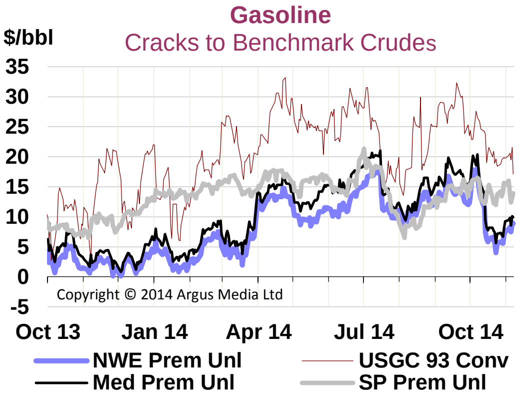
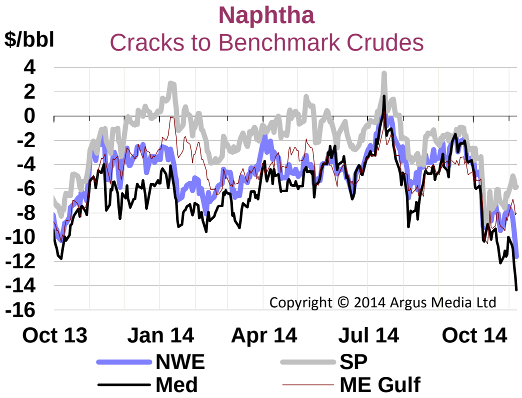
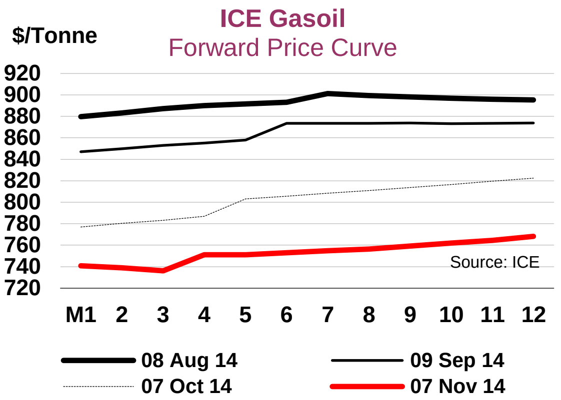
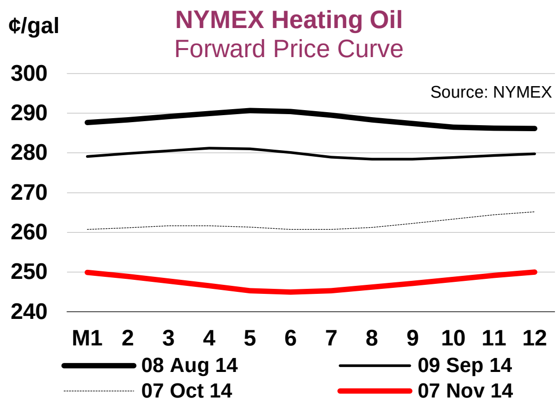




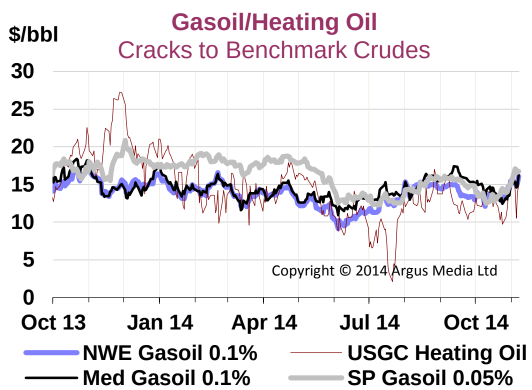
In percentage terms, gasoline spot prices posted double digit losses across all markets apart from Singapore where healthy regional demand combined with tight supply amid a number of unscheduled refinery outages. Consequently, the Singapore gasoline crack improved on a monthly average basis with additional upward momentum coming from Dubai crude which weakened at a faster clip than gasoline. European gasoline cracks arrested their sharp declines in mid-October after the arbitrage to ship product to the West Africa and US Atlantic Coast widened. In the US Gulf, cracks remained higher than elsewhere as a number of refinery outages and demand from the Atlantic Coast tightened supplies and drew stocks.

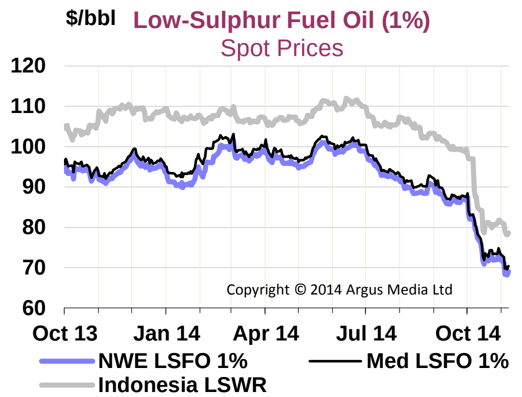
Naphtha cracks posted the steepest losses on a monthly average basis across all surveyed markets in October. By late October, the Singapore naphtha crack had turned a corner and began to strengthen after Dubai crude retreated further and combined with healthy Korean petrochemical demand to offset the negative impact from a flotilla of cargoes arriving from Europe. However, European cracks plummeted in early-November as the relative strength of Brent weighed heavy, supply rose as refineries returned from maintenance and amid weak demand from gasoline blenders and the petrochemical sector, where LPG remains a more competitively priced feedstock.





On a monthly average basis, middle distillates prices weakened at a slower pace than for other products as supplies tightened as refiners entered turnarounds ahead of the peak Northern Hemisphere winter demand season. By early-November, spot prices in Europe and Singapore had rebounded with the latter posting highs not seen since the second quarter. In the US, gasoil prices rebounded on refinery problems in Venezuela which saw the arbitrage to move product across the Atlantic narrow with US cargoes heading to Latin America instead.





The European gasoil market has flipped into contango over the past few months in anticipation of the incoming tighter ECA bunker fuel specifications. This legislation, due to be implemented from 1 January 2015, will see 240 kb/d of demand switch from residual fuel oil to gasoil. At the time of writing, the ICE gasoil forward curve implies that prices are set to increase by $15/tonne (2%) upon the introduction of the legislation. Curiously this has not been replicated in the US market. The NYMEX heating oil contract (based on ULSD) flipped into backwardation in November which suggests that regional supplies are sufficient to cover the switch.

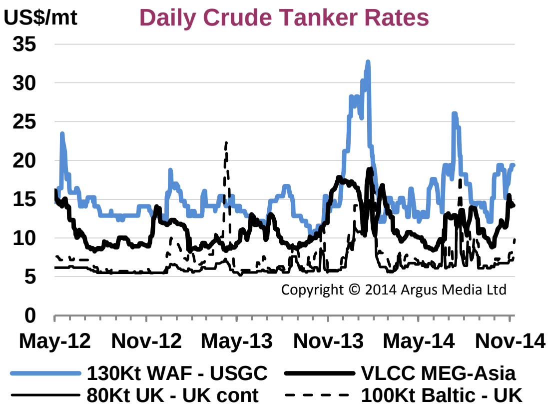
Fuel oil cracks remained under pressure across all surveyed markets. In Europe the arbitrage to export product to Asia remained closed for much of October but lower supplies from the FSU, as refineries there underwent maintenance, helped to limit losses. In Singapore, the LSWR crack posted the steepest fall of surveyed heavy products as demand from Japanese refiners remained underwhelming while LSFO prices remained depressed on lacklustre bunkering demand.

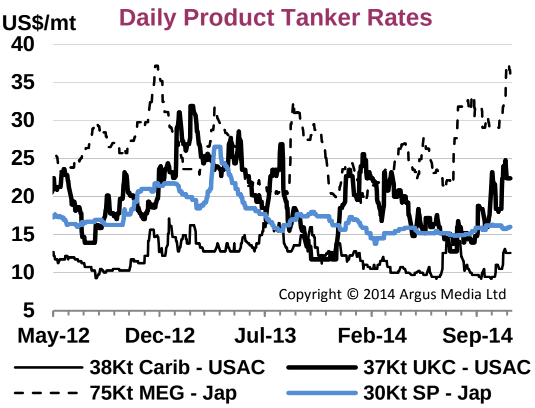
Freight

Rates for larger classes of crude carriers had a strong month, posting an average gain of $5/mt, while smaller vessels showed only a modest uptick.

Very large crude carrier (VLCC) rates on the benchmark Middle East Gulf – Asia route gained momentum to reach highs of February 2014 as spot loadings, mostly directed towards China, reached the highest in 10 months. A flurry of fixtures on Suezmaxes leaving West Africa, especially towards Europe, pushed the benchmark West Africa – US Gulf Coast rate to its highest since July.

Smaller Aframaxes on the UK – UK Continent and Baltic – UK routes remained subdued throughout October, as loadings stayed flat, although there were signs of strengthening in early November, reportedly due to a tighter position list.





Surveyed rates for product tankers also posted month-on-month gains across the board except for the Singapore – Japan route. The 75Kt Arab Gulf – Japan route jumped to highs not seen since November 2008, on strong October demand reportedly for naphtha. Monthly inquiries for spot cargoes alone touched levels unseen in more than six years.

The 37Kt UK – US Atlantic rate trended up to close the month at $7.00/mt as gasoline arbitrage opportunities opened and prompted traders to ship more gasoline from North West Europe to the US East Coast.

The 38Kt Caribbean – US Atlantic route traded within a narrow $2/mt range before receiving support towards end-October from higher volumes of gasoline being moved from the US Gulf to the East Coast as the Colonial pipeline underwent unplanned maintenance on 27 October.

REFINING

Summary

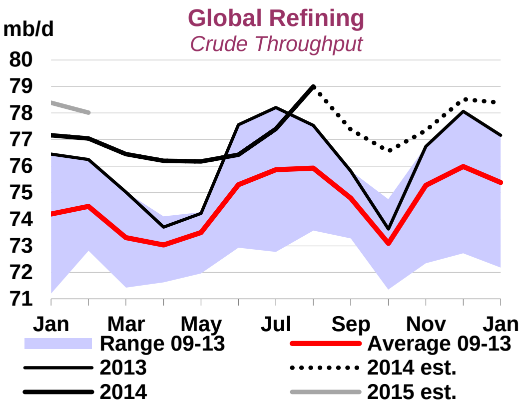
- **Global refinery crude demand hit a seasonal low in October amid peak plant maintenance** and seasonally weak product demand. The estimate of 4Q14 global throughput is largely unchanged since last month's *Report*, at 77.5 mb/d, as robust Russian and Chinese throughputs offset a steeper than expected cut in US operating rates in October. Estimates for 3Q14 were adjusted downwards by 140 kb/d, to 77.9 mb/d, on slightly lower estimates for the Middle East.

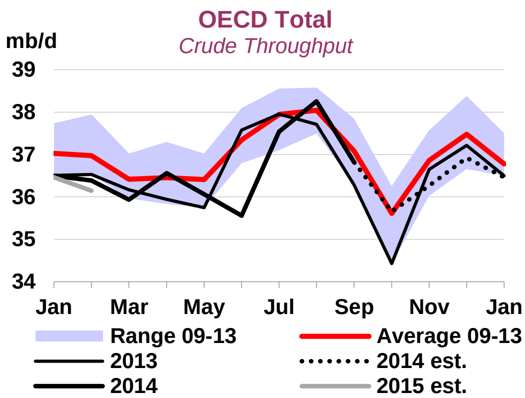
- **OECD refinery crude throughputs came off their summer peak in September, falling 1.4 mb/d month-on-month, to average 36.8 mb/d**. Seasonal maintenance intensified in October but robust margins supported runs, particularly in Europe, where throughputs remained sharply above year-earlier levels. Deteriorating margins from October, compounding the effect of non-OECD capacity start-ups, look set to undermine OECD throughputs again in 4Q14.

- **Global refinery margins fell in all surveyed regions in October, as product price declines caught up with crude oil losses.** US refiners suffered the steepest losses as gasoline cracks plummeted, but, with the exception of cracking margins on the US Gulf Coast, continued to enjoy better returns than their counterparts elsewhere. October maintenance outages and the shutdown of Venezuela's largest refinery in early November tightened product markets providing renewed support.

- **The start-up of almost 1 mb/d of new distillation capacity in 4Q14 is set to put renewed pressure on margins and refining capacity in mature markets.** New capacity includes Yasref's 400 kb/d plant in Saudi Arabia and the UAE's 420 kb/d expansion of Ruwais, as well as Brazil's new refinery in Pernambuco state. The commissioning of Indian Oil Corporation's much delayed 300 kb/d Paradip refinery project seems to have slipped again, to early 2015, from an earlier December start-up target.

- **European capacity attrition continues.** Murphy's 135 kb/d Milford Haven refinery in Wales became Europe's 15th plant to face permanent closure since 2008, after a sales agreement with Switzerland's Klesch Group fell through in early November. A plan to restart Hovensa's St. Croix refinery in the US Virgin Islands under new ownership could, if successfully completed, reduce the capacity shut in the Americas in the same period to 1.1 mb/d, from 1.4 mb/d previously.

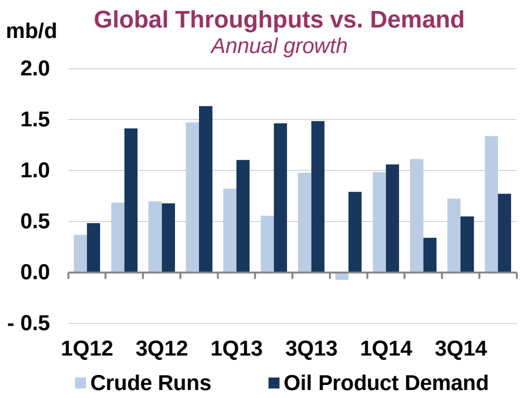


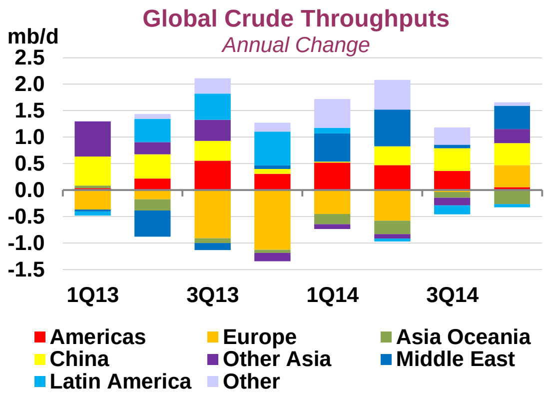


Global refinery overview

Global refinery crude demand hit a seasonal low in October, as scheduled maintenance took runs lower in both OECD and non-OECD regions, extending month-earlier declines. OECD throughputs are estimated to have fallen 1.2 mb/d m-o-m (month-on-month), following a drop of 1.4 mb/d in September. Curbs in

US refinery activity in October were steeper than expected, as unscheduled outages compounded planned shutdowns and as some refiners likely curbed runs in response to sharply deteriorating margins from end September. In contrast, European refiners pushed rates above expectations as margins remained supportive and product supplies tightened with a closed arbitrage from the US. In the non-OECD region, Asian refinery throughputs recovered in August from recent lows and are set to rise further towards year-end. Chinese and Russian refiners posted robust annual gains in September and October, respectively. Middle Eastern refinery runs likely rose further from October as new capacity ramped up. In all, our 4Q14 global crude run forecast is largely unchanged since last month's *Report*, at 77.5 mb/d, as higher Russian and Chinese throughputs offset slightly lower US and Middle Eastern estimates.





Year-on-year growth is expected to gain momentum in 4Q14, to 1.3 mb/d, from 0.7 mb/d in 3Q14 on average. The non-OECD region accounts for the majority of the gains, led by the Middle East, Asia and the FSU, though Europe also contributes. European throughputs have posted robust annual gains over the past few months, from an exceptionally weak baseline in 2013. Structural weakness persists, however, and we expect European runs to resume its declining trend over the coming months, especially as new product supplies come from new refineries in the Middle East.

Global Refinery Crude Throughput[1]

(million barrels per day)

	2Q2014	Jul 14	Aug 14	Sep 14	**3Q2014**	Oct 14	Nov 14	Dec 14	**4Q2014**	Jan 15	Feb 15
Americas	**18.9**	19.6	19.5	18.8	**19.3**	18.1	18.6	19.0	**18.6**	18.4	18.1
Europe	**11.1**	11.5	12.0	11.5	**11.7**	11.3	11.2	11.3	**11.3**	11.4	11.4
Asia Oceania	**6.1**	6.5	6.8	6.5	**6.6**	6.2	6.5	6.7	**6.4**	6.7	6.7
Total OECD	**36.1**	37.5	38.3	36.8	**37.5**	35.7	36.3	36.9	**36.3**	36.5	36.1
FSU	**7.0**	7.1	7.3	6.9	**7.1**	6.9	7.1	7.0	**7.0**	7.1	7.2
Non-OECD Europe	**0.5**	0.5	0.5	0.5	**0.5**	0.5	0.5	0.5	**0.5**	0.5	0.5
China	**9.8**	9.7	9.7	10.2	**9.9**	10.2	10.2	10.3	**10.2**	10.2	10.1
Other Asia	**9.6**	9.4	9.9	9.8	**9.7**	9.9	9.9	10.0	**9.9**	10.1	10.2
Latin America	**4.8**	4.7	4.8	4.7	**4.7**	4.8	4.7	4.9	**4.8**	5.0	5.0
Middle East	**6.3**	6.2	6.2	6.2	**6.2**	6.5	6.6	6.8	**6.6**	6.8	6.7
Africa	**2.3**	2.2	2.2	2.2	**2.2**	2.2	2.2	2.2	**2.2**	2.2	2.2
Total Non-OECD	**40.2**	39.9	40.7	40.6	**40.4**	40.9	41.1	41.6	**41.2**	41.9	41.9
Total	**76.3**	77.4	79.0	77.4	**77.9**	76.6	77.3	78.5	**77.5**	78.4	78.0

1 Preliminary and estimated runs based on capacity, known outages, economic run cuts and global demand forecast

Saudi Arabian throughputs already reached new record highs in August, contributing to a drop in crude exports but a corresponding increase in product exports from the Kingdom. This trend is expected to continue in coming months as Aramco's Yasref refinery in Yanbu, on the Red Sea, its second joint venture refinery to be commissioned this year, starts operating. Nearly 1 mb/d of new distillation capacity is expected to be commissioned in 4Q14 in the Middle East. In addition to the Yasref plant already in commissioning phase, the UAE's 420 kb/d Ruwais expansion also will start before year-end. After numerous delays, Brazil's new Abreu e Lima refinery was reportedly ready to start runs in the second half of November. Commissioning of Indian Oil Corporation's much delayed 300 kb/d Paradip refinery project, meanwhile, seems to have slipped again, to early 2015, from an earlier December start-up target.

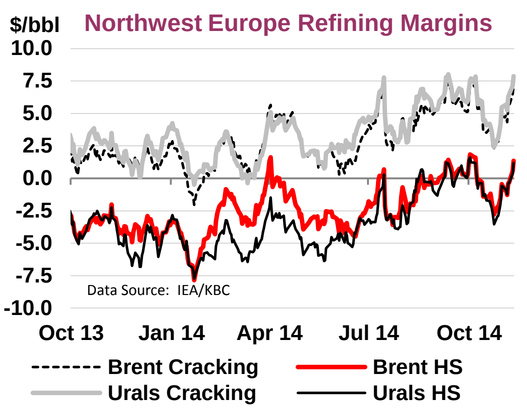
The new product supplies from the Middle East are expected to put renewed pressure on both European and Asia-Pacific refiners. In Europe, Murphy's 135 kb/d Milford Haven refinery in Wales became the region's 15th plant to have had to be permanently shut since 2008, after a sales agreement with the Swiss-based Klesch Group fell through in early November. Eni also reportedly reached an agreement with labour unions to invest 2.2 billion Euros in its Gela refinery to make it eco-friendly in an effort to stem downstream losses, while Kuwait's KPI cancelled plans to upgrade its Rotterdam refinery. In Australia, Caltex's Kurnell refinery was converted into an oil terminal in October.

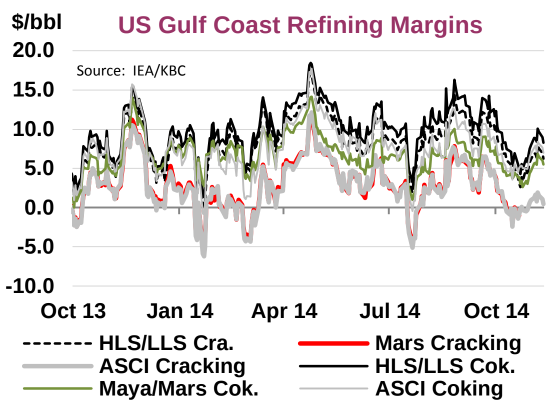
Refiners with access to discounted feedstock or energy, as in the US, continue to fare better and prompt new investments. Newly created Atlantic Basin Refining, which recently agreed in principle to purchase, reconfigure and restart Hovensa's St. Croix refinery in the US Virgin Islands, is a case in point. The restart, if agreement is reached, will reduce the capacity closures in the Americas since 2008 to 1.1 mb/d, from 1.4 mb/d previously.

Refinery margins

Refining margins fell across the board in October as declines in product prices amid seasonal weakness in global oil demand caught up with and even outstripped drops in crude prices. In Northwest Europe, margins retreated somewhat from their September highs as Brent and Urals prices had stabilised by mid-October, while regional product prices continued to plummet, sinking to their lowest levels in over four years by early-November. On a monthly average basis, complex refiners suffered steeper declines in margins than simple ones, which were less exposed than the former to a selloff in gasoline markets amid plentiful regional supply. Nonetheless, while margins at complex refineries remained comfortably in positive territory, those for simple refiners fell back into the red during October.

US refiners suffered the steepest margin losses due to weakening product prices, while their feedstock prices were buttressed somewhat compared to other global benchmarks. By early November, margins for US Gulf Coast refiners had begun to rebound on the back of regional refinery maintenance and an outage at Venezuela's largest refinery, which drew in US products.





Margins in Singapore posted the smallest declines of all surveyed markets after Dubai and Tapis crudes weakened against other benchmark grades. Regional refiners running light, sweet Tapis also benefitted from their higher light-end yields. Healthy southeast Asian demand and a number of unexpected outages at regional refiners provided some relative strength at the top of the barrel.

IEA/KBC Global Indicator Refining Margins[1]

($/bbl)

	Monthly Average				Change		Average for week ending:				
	Jul 14	Aug 14	Sep 14	Oct 14		Oct 14-Sep 14	10 Oct	17 Oct	24 Oct	31 Oct	07 Nov
NW Europe											
Brent (Cracking)	3.96	4.55	5.86	4.56	↓	-1.30	6.29	3.94	3.09	3.53	4.98
Urals (Cracking)	4.53	5.28	6.42	5.04	↓	-1.38	6.76	4.70	3.41	3.89	5.85
Brent (Hydroskimming)	-1.94	-1.02	0.38	-0.69	↓	-1.07	0.58	-1.19	-1.88	-1.66	-0.75
Urals (Hydroskimming)	-2.79	-1.07	0.05	-1.01	↓	-1.06	0.31	-1.19	-2.47	-2.14	-0.73
Mediterranean											
Es Sider (Cracking)	5.20	6.85	8.11	6.90	↓	-1.21	7.97	6.37	5.67	5.96	6.94
Urals (Cracking)	4.74	5.22	7.37	5.89	↓	-1.48	6.92	5.63	4.57	5.11	6.21
Es Sider (Hydroskimming)	-0.02	1.60	3.18	1.78	↓	-1.39	2.98	1.18	0.48	0.64	1.17
Urals (Hydroskimming)	-3.41	-2.31	0.20	-1.36	↓	-1.56	-0.09	-1.66	-2.90	-2.52	-1.92
US Gulf Coast											
50/50 HLS/LLS (Cracking)	6.94	10.49	10.63	5.62	↓	-5.01	6.95	4.83	3.34	5.21	7.14
Mars (Cracking)	0.51	3.99	4.59	0.19	↓	-4.39	0.77	-0.74	-0.80	0.10	1.77
ASCI (Cracking)	0.40	3.92	4.72	0.24	↓	-4.48	0.73	-0.89	-0.54	0.18	1.43
50/50 HLS/LLS (Coking)	8.46	12.44	12.41	7.22	↓	-5.19	8.36	6.50	5.04	6.84	9.16
50/50 Maya/Mars (Coking)	4.98	7.34	7.24	4.32	↓	-2.91	4.70	4.13	3.36	3.80	6.02
ASCI (Coking)	5.39	8.83	9.01	5.59	↓	-3.43	5.68	4.71	5.05	5.76	7.82
US Midcon											
WTI (Cracking)	9.88	15.31	16.84	12.65	↓	-4.19	13.77	13.14	11.79	11.43	15.84
30/70 WCS/Bakken (Cracking)	17.66	21.67	20.36	15.88	↓	-4.47	16.23	16.40	16.16	14.83	19.79
Bakken (Cracking)	19.81	24.70	24.11	20.36	↓	-3.76	20.73	21.18	20.60	19.29	24.96
WTI (Coking)	11.62	17.57	19.13	14.93	↓	-4.20	15.83	15.57	14.24	13.75	18.97
30/70 WCS/Bakken (Coking)	20.70	24.79	23.35	20.10	↓	-3.25	19.93	20.95	20.72	19.51	26.20
Bakken (Coking)	20.28	25.42	24.88	21.14	↓	-3.74	21.41	22.05	21.48	20.11	26.21
Singapore											
Dubai (Hydroskimming)	-4.30	-3.13	-0.72	-1.98	↓	-1.27	-1.95	-2.69	-2.01	-1.96	-0.58
Tapis (Hydroskimming)	0.96	2.54	3.42	1.97	↓	-1.45	1.91	1.58	0.92	1.76	2.18
Dubai (Hydrocracking)	2.14	2.23	4.50	3.66	↓	-0.84	3.43	3.11	3.79	3.98	5.22
Tapis (Hydrocracking)	4.14	4.68	5.81	5.58	↓	-0.24	5.58	5.46	4.76	5.69	5.79

1 Global Indicator Refining Margins are calculated for various complexity configurations, each optimised for processing the specific crude(s) in a specific refining centre. Margins include energy cost, but exclude other variable costs, depreciation and amortisation. Consequently, reported margins should be taken as an indication, or proxy, of changes in profitability for a given refining centre. No attempt is made to model or otherwise comment upon the relative economics of specific refineries running individual crude slates and producing custom product sales, nor are these calculations intended to infer the marginal values of crude for pricing purposes.

Source: IEA, KBC Advanced Technologies (KBC)

OECD refinery throughputs

OECD refinery crude runs plummeted by 1.4 mb/d, to 36.8 mb/d, in September as seasonal maintenance got under way. Throughputs fell in all OECD regions, though declines were particularly steep in North America, where runs fell by 700 kb/d. In Europe too, refinery throughputs came off their August highs. At 11.5 mb/d, regional runs stood 430 kb/d above year-earlier levels on the back of improved margins. In the Pacific, meanwhile, all countries reduced throughputs, on weak regional demand and as some plants were taken offline for turnarounds. Preliminary data indicate OECD runs fell another 1.2 mb/d in October. Steeper-than expected cuts in US throughputs, and lower exports of products to Europe, provided additional support to European margins and throughput rates. The latter is estimated to have averaged 11.3 mb/d in October, a massive 1 mb/d above a year earlier. In OECD Asia Oceania, runs continued to slide in October as maintenance peaked and Australia's Kurnell refinery was shut.

Refinery Crude Throughput and Utilisation in OECD Countries
(million barrels per day)

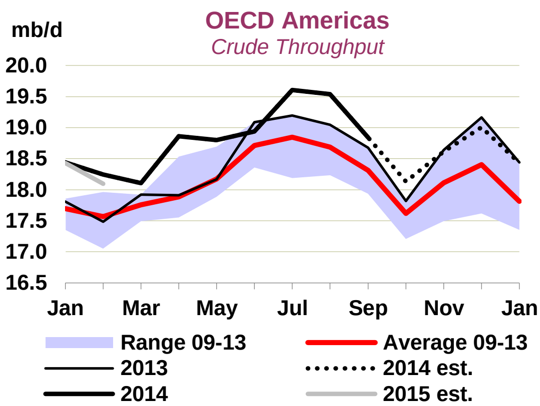
	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Change from Aug 14	Change from Sep 13	Utilisation rate[1] Sep 14	Utilisation rate[1] Sep 13
US[2]	15.87	15.94	15.82	16.53	16.46	16.02	-0.44	0.38	0.89	0.87
Canada	1.56	1.54	1.73	1.73	1.75	1.45	-0.30	-0.27	0.79	0.90
Chile	0.18	0.18	0.17	0.17	0.18	0.18	0.00	-0.01	0.78	0.83
Mexico	1.25	1.13	1.22	1.18	1.15	1.19	0.04	0.07	0.72	0.68
OECD Americas	**18.86**	**18.80**	**18.94**	**19.60**	**19.54**	**18.84**	**-0.70**	**0.17**	**0.87**	**0.86**
France	1.08	1.01	1.05	1.16	1.21	1.16	-0.06	0.09	0.83	0.76
Germany	1.95	1.80	1.63	1.80	1.99	1.90	-0.09	0.04	0.94	0.92
Italy	1.08	1.17	1.19	1.25	1.31	1.21	-0.10	-0.05	0.65	0.66
Netherlands	1.01	0.98	0.90	0.95	0.98	1.09	0.11	0.18	0.84	0.70
Spain	1.13	1.25	1.23	1.17	1.27	1.10	-0.16	-0.03	0.73	0.75
United Kingdom	1.17	1.14	1.05	1.13	1.14	1.15	0.01	0.01	0.73	0.73
Other OECD Europe	3.85	3.89	3.76	4.03	4.06	3.92	-0.14	0.19	0.79	0.75
OECD Europe	**11.26**	**11.25**	**10.81**	**11.49**	**11.96**	**11.53**	**-0.43**	**0.43**	**0.79**	**0.76**
Japan	3.16	2.80	2.52	2.96	3.14	3.09	-0.05	-0.12	0.76	0.71
South Korea	2.35	2.41	2.43	2.59	2.70	2.52	-0.18	0.12	0.79	0.79
Other Asia Oceania	0.93	0.80	0.86	0.90	0.92	0.87	-0.04	-0.04	0.71	0.75
OECD Asia Oceania	**6.44**	**6.02**	**5.81**	**6.45**	**6.76**	**6.48**	**-0.28**	**-0.04**	**0.77**	**0.74**
OECD Total	**36.56**	**36.07**	**35.56**	**37.54**	**38.25**	**36.85**	**-1.40**	**0.56**	**0.82**	**0.80**

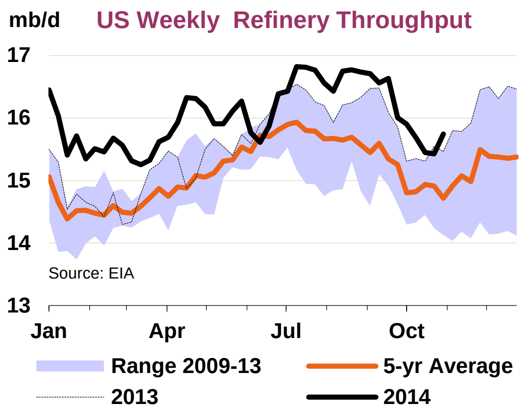
1 Expressed as a percentage, based on crude throughput and current operable refining capacity

2 US50

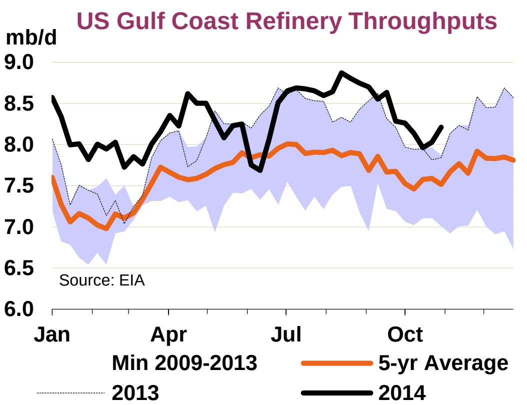
3 OECD Americas includes Chile and OECD Asia Oceania includes Israel. OECD Europe includes Slovenia and Estonia, though neither country has a refinery

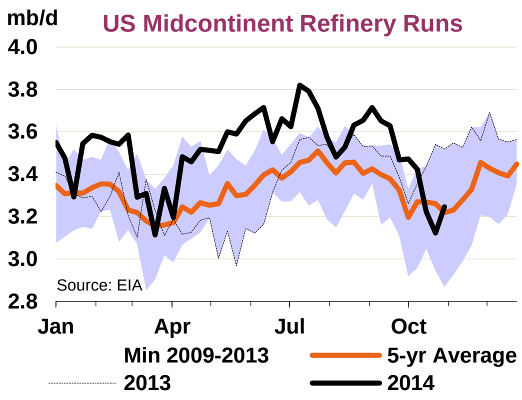
After two months of exceptionally high throughputs, **North American** refiners scaled back runs to 18.8 mb/d in September. The 700 kb/d monthly decline stemmed both from US refiners, which began maintenance, and Canadian ones, which, according to weekly data from the National Energy Board (NEB), lowered crude intake by a combined 300 kb/d from a month earlier, and by 270 kb/d from the previous year. Suncor Energy had announced maintenance at two of its refineries in Canada in September, the 142 kb/d Edmonton plant and the 85 kb/d Sarnia refinery in Ontario, while Shell was said to have shut its 98 kb/d Scotford refinery. Irving Oil's Saint John, New Brunswick, refinery was also producing at its lowest levels in several years due to operational problems. The company was reportedly making repairs to the gasoline-making RFCC unit and performing maintenance on a 150 kb/d crude distillation unit.





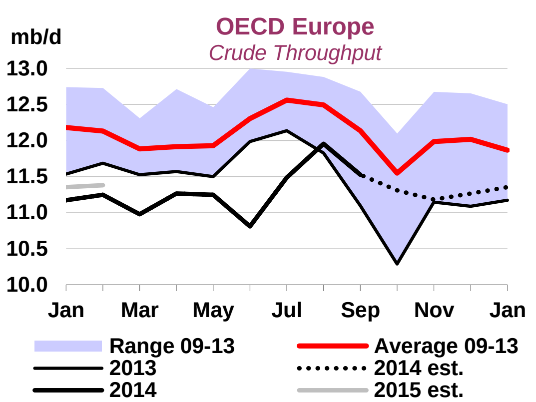
In the US, meanwhile, refinery runs fell by 440 kb/d m-o-m in September, due mostly to a dip in the Gulf Coast. Weekly data from the US EIA show that refinery runs plunged by more than 700 kb/d m-o-m in October, a steeper drop than expected that was almost evenly split between the Midwest and the Gulf Coast. Citgo's and Flint Hills' refineries in Corpus Christi, Texas lost steam supply in October, forcing them to temporarily close down. Total had also shut a 175 kb/d crude unit at its Port Arthur, Texas refinery on 20 September for six weeks of planned work. BP's Whiting, Indiana, and Toledo, Ohio refineries had to shut secondary units for maintenance. Husky said its Lima, Ohio refinery was running at reduced rates due to unplanned interruptions on third-party feedstock pipelines in October. Phillips 66 also reported work at its Wood River, Illinois refinery in October. Lower margins also played a part. US Gulf Coast cracking margins turned negative in early October, as gasoline cracks plummeted on ample supplies.

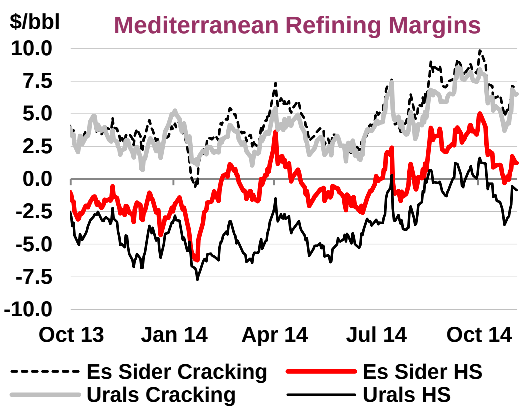




In early November, newly created Atlantic Basin Refining agreed to buy the shuttered Hovensa refinery in St. Croix and restart it with a 300 kb/d capacity to handle crude from the US according to a company statement. The plant, which has been shut since January 2012, was amongst the world's largest with a capacity to process 500 kb/d of heavy Venezuelan crude.

European refinery crude throughputs dropped 430 kb/d in September, as refinery maintenance got underway. At 11.5 mb/d, regional refinery activity nevertheless posted y-o-y (year-on-year) growth for a second month running on the back of significantly improved refinery margins. Benchmark refinery margins in both the Mediterranean and in Northwest Europe had surged to near two-year highs in September, on lower crude prices, and improved gasoline cracks. While margins came down somewhat in October, the unwinding of seasonal maintenance kept runs relatively elevated. Statoil's Mongstad refinery in Norway and Portugal's Oporto refinery resumed full operations after maintenance in September. On the other hand, Total's La Mede refinery in France was reported to shut a 153 kb/d crude unit in early October. Ineos' Grangemouth, Essar's Stanlow and Murphy's Milford Haven refineries in the UK were amongst other plants partly of fully shut during that month.

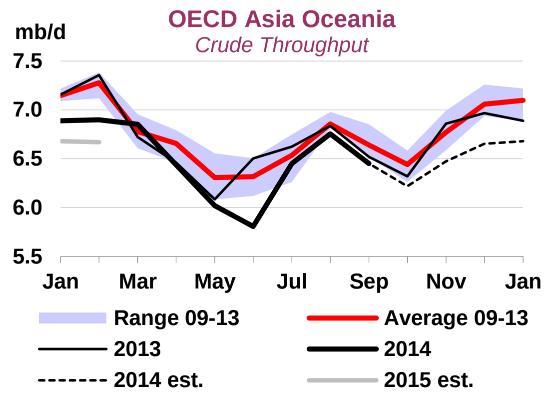


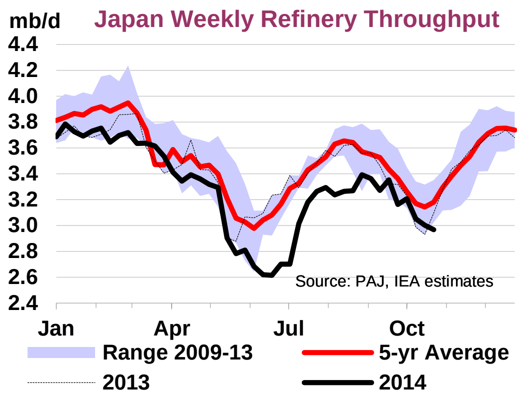


Despite the recent improvement in European downstream sentiment, regional industry consolidation continues apace. The UK's Milford Haven refinery is now looking at permanent shutdown after a deal between Murco Petroleum, a subsidiary of the US-based Murphy Oil Corp and Klesch Refining Limited collapsed in early November, forcing operator Murphy Oil to decommission the 135 kb/d refinery. In Italy, ENI reached an agreement with labour unions in early November to invest €2.2 bn in its 100 kb/d Gela refinery to make it eco-friendly. Eni already converted its Venice refinery into a "green refinery", processing biofuels, earlier this year. Furthermore, Kuwait Petroleum International cancelled a $1.4 billon planned investment at its 88 kb/d Rotterdam refinery in October, and is instead looking to sell or convert the plant into a terminal. The investment plans had included a hydrocracker and new vacuum unit and several storage tanks.

In **OECD Asia Oceania**, refinery throughputs declined by 305 kb/d in September, to 6.5 mb/d on average. The bulk of the decline stemmed from South Korea, who had reported record-high runs, of 2.7 mb/d, a month earlier when two new condensate splitters were commissioned. On 10 September, SK Energy reportedly halted a 60 kb/d crude unit for maintenance at its massive 840 kb/d Ulsan plant. Despite the lower throughputs, South Korean product exports stood 7.45% higher than a year earlier, at 1.3 mb/d and slightly above August's levels.

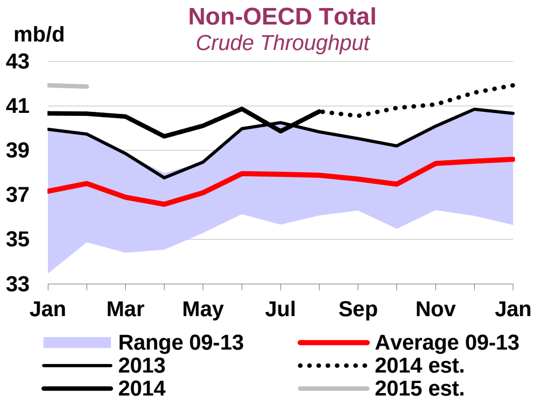
Japanese refinery runs fell by a modest 50 kb/d in September, to 3.1 mb/d. Japanese refinery maintenance normally peaks in October, and this year, Cosmo's Chiba and Yokkaichi plants, Showa Shell's Yokkaichi and Tonen General's Wakayama refineries were to shut some units. While JX Energy and Idemitsu Kosan were not planning any maintenance shutdowns this autumn, both were reporting increased product export plans in 4Q14, compared with both the previous year and 3Q14. Preliminary data from the Petroleum Association of Japan suggest that Japanese refinery runs fell another 240 kb/d in October, to a seasonal low-point. Australian throughputs, meanwhile, fell to 510 kb/d in September from 580 kb/d in August, ahead of the conversion of Caltex' 135 kb/d Kurnell refinery in mid-October.

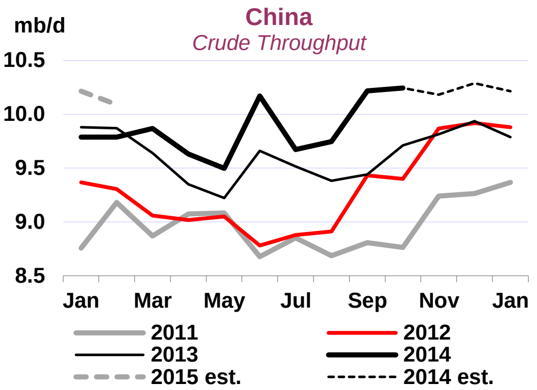




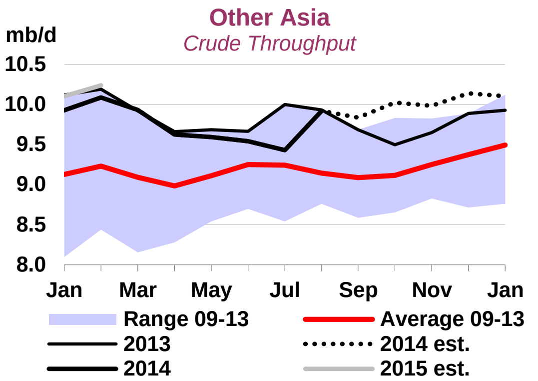
Non-OECD refinery throughputs

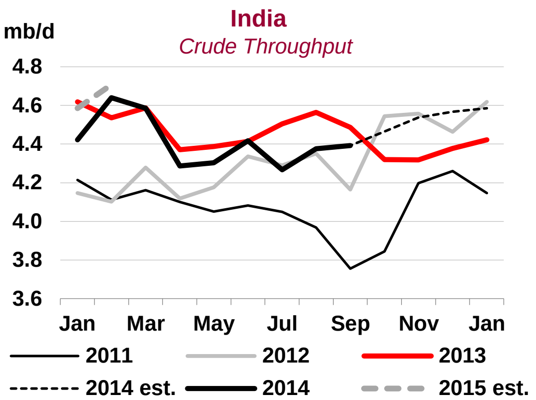
Non-OECD refinery crude throughputs recovered in August, surging almost 0.9 mb/d from a month earlier, to 40.7 mb/d. A slew of refinery outages had sharply curtailed non-OECD runs in July, taking total non-OECD throughputs below year-earlier levels for the first time in 15 months. Throughputs are expected to see further increases towards year-end as not only shuttered plants come back on line, but also as new capacity starts up. Saudi Arabia's second 400 kb/d grassroots refinery to start up over the past 12 months is currently in commissioning phase, with full rates expected by the end of the year. The UAE's 420 kb/d Ruwais refinery is expected to follow shortly thereafter, with production to start in the second half of November. Across the Atlantic, the first phase of Brazil's downstream expansion program equally nears completion, with Petrobras reportedly ready to start up the first train of its much-delayed Abreu e Lima refinery as soon as it receive its operating licence. Chinese refinery runs surged to a new high in September of 10.2 mb/d – some 775 kb/d above a year earlier, their highest annual growth rate in 15 months. Runs inched higher still in October, prompting a revision to our 4Q14 outlook. Russian refiners also posted healthy annual gains of more than 400 kb/d in October, as seasonal maintenance curbs were shallower than usual. Operational outages in Venezuela in early November could provide a slight downside, however.





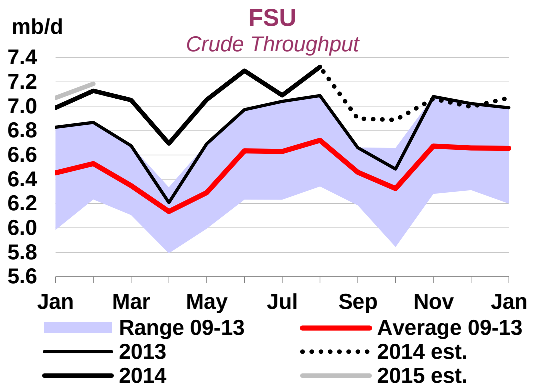
Chinese refinery throughputs surged to new highs in September, up 470 kb/d from August, some 200 kb/d above expectations. At 10.2 mb/d, crude intake posted its highest annual gains in 15 months, of almost 0.8 mb/d, compared with annual gains averaging only 0.2 mb/d over the first eight months this year. The rise in throughputs mirrors an increase in crude oil imports in recent months. According to customs data, Chinese crude oil imports surged to 6.74 mb/d in September, their second highest level on record. Throughputs rose another 25 kb/d in October. Trade reports suggest Chinese crude purchases remained high in October for delivery through end-year and early 2015. While the increased imports could in part be opportunistic and in part be put in storage (please see *Prices* and *Stocks*), it will likely also support higher runs, and as such we have lifted our outlook for Chinese runs in 4Q14 by 190 kb/d since last month's *Report*. According to trade press reports, PetroChina and Sinopec plan to increase throughputs by a combined 630 kb/d in the fourth quarter from a year earlier to replenish transport-fuel inventories. We maintain a slightly lower forecast, with runs averaging 10.2 mb/d, up 420 kb/d y-o-y. Maintenance shutdowns, including those of Sinopec's 260 kb/d Gaoqiao plant for two months starting early September and CNOOC's 240 kb/d Huizhou refinery from mid-October for 60 days, were expected to take around 600 kb/d of crude distillation capacity offline in September and October.

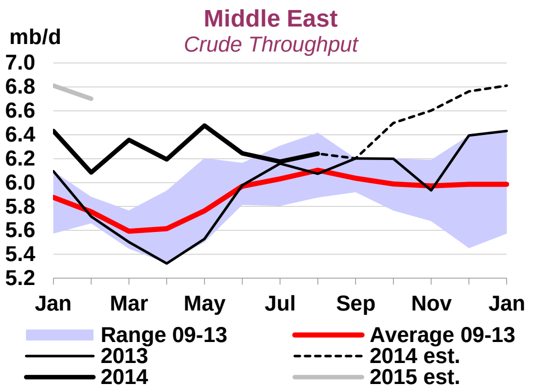




In '**Other Asia**', refinery runs recovered from recent lows in August, on the back of higher throughputs in Thailand, India, Chinese Taipei and Vietnam. Vietnam's sole refinery, the 130 kb/d Dung Quat plant, resumed operations after a full shutdown in mid-July. In Thailand, refinery runs rose by 200 kb/d in August, as its largest refinery, the 275 kb/d plant in Sriracha resumed full rates after extensive turnarounds. In India, refinery throughputs remained subdued through September, averaging 4.4 mb/d, some 2.1% lower than a year earlier. HMEL's 180 kb/d Bathinda refinery remained closed for most of the month. The plant, which had been offline since a fire at the end of June, reached full rates in mid-October. Indian Oil Corporation reportedly curbed runs at several of its plants as heavy rains across the country cut domestic demand in September. Rainfall in India lowers the need for diesel demand to power irrigation pumps.

Russian refinery throughputs slipped by 340 kb/d in September, to 5.7 mb/d, as seasonal maintenance got under way. In particular, Gazprom's Salavat plant, Rosneft's Angarsk and Syrzan plants and the privately held TAIF plant saw lower throughputs due to maintenance work. By the end of the month, Rosneft had restarted its Achinsk refinery, which had been shut by a deadly fire in June. Preliminary data show a weaker-than-expected seasonal dip in Russian refinery runs in October. In fact, crude processed by Russian plants was steady from a month earlier, at close to 5.7 mb/d. Russian refinery runs were up 8%, or 420 kb/d y-o-y. For the year to date, throughputs are up 335 kb/d on average.





Middle Eastern refinery throughputs continued to trend below recent levels in August, despite the start-up of new capacity. The shutdown of Iraq's largest refinery at Baiji since June and a drop in reported refinery intake in Iran has kept runs at bay. Iraq's crude supply to domestic refineries, excluding crude processed in the KRG region, had slipped to only around 400 kb/d since July, from closer to 600 kb/d prior to the ISIS offensive. Despite reports that the army had regained full control over the plant in early November, fighting around the refinery continues. Saudi Arabia reported crude throughputs to JODI averaging 2.17 mb/d in August, its highest yet and some 350 kb/d above a year earlier. Throughputs are on the rise after the 400 kb/d Satorp refinery, a joint venture with Total, became fully operational earlier in the year. Aramco's second greenfield refinery, a joint venture with Sinopec, is in commissioning phase ahead of ramp up to its 400 kb/d by the end of the year. The UAE's new Ruwais refinery is reportedly on track to start production in the second half of November. The expansion will more than double the plant's capacity from 415 kb/d currently. Fuel exports will likely only be forthcoming in early 2015, though most products are aimed at meeting domestic demand.

In **Latin America**, Brazilian refinery runs declined slightly in September, to 2.1 mb/d. The first phase of Petrobras's new 230 kb/d Abreu e Lima refinery could start up this month, after the company received a state environmental license on 30 October to start processing 45 kb/d of low sulphur crude until it can show it meet pollution standards. The company said it expected to receive the permit, allowing it to start commercial operations by mid-November. The second 115 kb/d and secondary units will only be commissioned in 2015. Venezuela's PDVSA reportedly sought to buy several cargoes of gasoline and ULSD in early November, after power outages forced it to close its largest refinery, the 995 kb/d Paraguana Refining Center (including the Amuay and Cardon plants) in early November. Venezuela does not report its refinery operating rates on a monthly basis.

Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	2011	2012	1Q13	2Q13	3Q13	4Q13	2013	1Q14	2Q14	3Q14	4Q14	2014	1Q15	2Q15	3Q15	4Q15	2015
OECD DEMAND																	
Americas[1]	24.0	23.6	23.8	23.9	24.3	24.3	24.1	23.9	23.6	24.2	24.4	24.0	23.9	23.8	24.2	24.4	24.1
Europe[2]	14.3	13.8	13.2	13.8	14.0	13.6	13.6	13.0	13.4	13.9	13.6	13.5	13.2	13.4	13.7	13.4	13.4
Asia Oceania[3]	8.2	8.5	8.9	7.8	8.0	8.6	8.3	8.8	7.7	7.7	8.4	8.1	8.6	7.5	7.7	8.2	8.0
Total OECD	46.4	45.9	45.9	45.5	46.3	46.5	46.1	45.7	44.7	45.8	46.3	45.6	45.7	44.7	45.7	46.1	45.5
NON-OECD DEMAND																	
FSU	4.5	4.6	4.5	4.6	4.9	4.9	4.7	4.6	4.8	5.0	4.9	4.8	4.6	4.8	5.1	5.0	4.9
Europe	0.7	0.6	0.6	0.6	0.7	0.7	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
China	9.4	9.8	9.9	10.1	10.1	10.3	10.1	10.1	10.3	10.4	10.6	10.3	10.4	10.6	10.6	10.8	10.6
Other Asia	11.2	11.6	11.9	11.9	11.6	12.0	11.9	12.2	12.2	11.9	12.4	12.2	12.6	12.5	12.3	12.7	12.5
Americas	6.2	6.4	6.4	6.6	6.8	6.8	6.6	6.6	6.8	6.9	6.9	6.8	6.7	6.9	7.0	7.0	6.9
Middle East	7.5	7.7	7.5	7.9	8.4	7.7	7.9	7.8	8.2	8.5	7.9	8.1	7.9	8.4	8.8	8.2	8.3
Africa	3.6	3.8	3.9	3.9	3.7	3.8	3.8	3.9	4.0	3.8	4.0	3.9	4.1	4.1	4.0	4.2	4.1
Total Non-OECD	43.1	44.6	44.7	45.7	46.2	46.3	45.7	45.9	46.8	47.3	47.2	46.8	47.0	48.0	48.5	48.6	48.0
Total Demand[4]	**89.5**	**90.5**	**90.5**	**91.2**	**92.5**	**92.8**	**91.8**	**91.6**	**91.5**	**93.1**	**93.5**	**92.4**	**92.6**	**92.7**	**94.2**	**94.7**	**93.6**
OECD SUPPLY																	
Americas[1,7]	14.6	15.8	16.8	16.6	17.3	17.8	17.1	18.1	18.6	18.7	19.0	18.6	19.3	19.4	19.5	20.0	19.5
Europe[2]	3.8	3.5	3.4	3.4	3.2	3.4	3.3	3.5	3.3	3.2	3.4	3.3	3.3	3.2	3.1	3.4	3.2
Asia Oceania[3]	0.6	0.6	0.4	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.5	0.5
Total OECD	18.9	19.8	20.6	20.5	21.0	21.6	20.9	22.1	22.4	22.4	22.9	22.4	23.2	23.1	23.2	23.9	23.3
NON-OECD SUPPLY																	
FSU	13.6	13.7	13.9	13.8	13.8	14.0	13.9	14.0	13.8	13.8	13.9	13.9	14.0	13.9	13.7	13.8	13.8
Europe	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
China	4.1	4.2	4.2	4.2	4.0	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.3	4.2
Other Asia[5]	3.7	3.6	3.6	3.5	3.4	3.5	3.5	3.5	3.4	3.4	3.4	3.4	3.5	3.5	3.5	3.5	3.5
Americas[5,7]	4.2	4.2	4.1	4.2	4.2	4.2	4.2	4.2	4.3	4.4	4.5	4.4	4.5	4.7	4.7	4.7	4.6
Middle East	1.7	1.5	1.4	1.3	1.4	1.3	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Africa[5]	2.5	2.2	2.2	2.3	2.3	2.4	2.3	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Total Non-OECD	29.9	29.5	29.5	29.4	29.3	29.9	29.5	29.8	29.6	29.6	29.7	29.6	30.0	29.9	29.8	29.9	29.9
Processing gains[6]	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Global Biofuels[7]	1.9	1.9	1.5	2.0	2.4	2.2	2.0	1.7	2.2	2.4	2.1	2.1	1.8	2.2	2.6	2.2	2.2
Total Non-OPEC[5]	52.8	53.3	53.8	54.1	54.8	55.8	54.6	55.7	56.3	56.6	56.9	56.4	57.2	57.5	57.8	58.3	57.7
OPEC																	
Crude[8]	29.9	31.3	30.5	30.9	30.6	29.8	30.5	30.0	30.1	30.5							
NGLs	5.9	6.2	6.2	6.3	6.3	6.3	6.3	6.3	6.3	6.5	6.5	6.4	6.7	6.7	6.7	6.7	6.7
Total OPEC[5]	35.8	37.5	36.7	37.2	36.9	36.1	36.7	36.3	36.4	37.0							
Total Supply[9]	**88.6**	**90.8**	**90.5**	**91.3**	**91.8**	**91.9**	**91.3**	**92.0**	**92.8**	**93.6**							
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	-0.2	0.2	0.2	0.0	0.4	-1.5	-0.2	0.2	0.7	0.8							
Government	-0.1	0.0	0.1	-0.1	0.1	0.0	0.0	0.0	0.0	0.0							
Total	-0.3	0.2	0.3	-0.1	0.5	-1.4	-0.2	0.2	0.7	0.8							
Floating storage/Oil in transit	-0.1	0.0	0.2	-0.1	0.2	0.3	0.1	0.3	-0.3	0.3							
Miscellaneous to balance[10]	-0.6	0.1	-0.5	0.3	-1.4	0.3	-0.3	0.0	0.9	-0.6							
Total Stock Ch. & Misc	**-0.9**	**0.2**	**-0.1**	**0.1**	**-0.8**	**-0.9**	**-0.4**	**0.4**	**1.2**	**0.6**							
Memo items:																	
Call on OPEC crude + Stock ch.[11]	30.8	31.1	30.5	30.9	31.4	30.7	30.9	29.6	28.9	30.0	30.1	29.6	28.8	28.5	29.7	29.7	29.2

3 As of August 2012 OMR, OECD Asia Oceania includes Israel.
4 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply.
5 Other Asia includes Indonesia throughout. Latin America excludes Ecuador throughout. Africa excludes Angola throughout.
Total Non-OPEC excludes all countries that were members of OPEC at 1 January 2009.
Total OPEC comprises all countries which were OPEC members at 1 January 2009.
6 Net volumetric gains and losses in the refining process and marine transportation losses.
7 As of the July 2010 OMR, Global Biofuels comprise all world biofuel production including fuel ethanol from the US and Brazil.
8 As of the March 2006 OMR, Venezuelan Orinoco heavy crude production is included within Venezuelan crude estimates. Orimulsion fuel remains within the OPEC NGL and non-conventional category, but Orimulsion production reportedly ceased from January 2007.
9 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply.
10 Includes changes in non-reported stocks in OECD and non-OECD areas.
11 Equals the arithmetic difference between total demand minus total non-OPEC supply minus OPEC NGLs.

Table 1a
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1
(million barrels per day)

	2011	2012	1Q13	2Q13	3Q13	4Q13	2013	1Q14	2Q14	3Q14	4Q14	2014	1Q15	2Q15	3Q15	4Q15	2015
OECD DEMAND																	
Americas	-	-	-	-	-	-	-	-	-	-0.1	-	-	-0.1	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	0.1	-	-	0.1	-	-	-	-
Asia Oceania	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-0.1	-0.1	-	-
NON-OECD DEMAND																	
FSU	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Americas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	-	-	-	-	-	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Demand	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.1**	**-**	**-**	**0.1**	**-**	**-**	**-**	**-**
OECD SUPPLY																	
Americas	-	-	-	-	-	-	-	-	-	0.1	-0.1	-	-0.1	-0.1	-0.1	-0.1	-0.1
Europe	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Asia Oceania	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-
NON-OECD SUPPLY																	
FSU	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1	0.1	0.1	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	0.1	0.1
Americas	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.1
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Global Biofuels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC	-	-	-	-	-	-	-	-	-	0.3	0.2	0.1	0.1	0.1	0.2	0.1	0.1
OPEC																	
Crude	-	-	-	-	-	-	-	-	-	0.1							
NGLs	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-
Total OPEC	-	-	-	-	-	-	-	-	-	0.1							
Total Supply	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.4**							
STOCK CHANGES AND MISCELLANEOUS																	
REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-	-								
Government	-	-	-	-	-	-	-	-	-								
Total	-	-	-	-	-	-	-	-	-								
Floating storage/Oil in transit	-	-	-	-	-	-	-	-	-								
Miscellaneous to balance	-	-	-	-	-	-	-	-	-								
Total Stock Ch. & Misc	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.3**							
Memo items:																	
Call on OPEC crude + Stock ch.	-	-	-	-	-	-	-	-	-	-0.3	-0.2	-0.1	-	-0.2	-0.2	-0.1	-0.1

When submitting their monthly oil statistics, OECD Member countries periodically update data for prior periods. Similar updates to non-OECD data can occur.

Table 2
SUMMARY OF GLOBAL OIL DEMAND

	2012	1Q13	2Q13	3Q13	4Q13	2013	1Q14	2Q14	3Q14	4Q14	2014	1Q15	2Q15	3Q15	4Q15	2015
Demand (mb/d)																
Americas[1]	23.60	23.80	23.86	24.32	24.34	24.08	23.86	23.65	24.21	24.39	24.03	23.89	23.84	24.23	24.43	24.10
Europe[2]	13.80	13.20	13.83	13.99	13.57	13.65	13.02	13.41	13.89	13.58	13.48	13.17	13.42	13.74	13.38	13.43
Asia Oceania[3]	8.52	8.86	7.83	8.02	8.60	8.33	8.85	7.65	7.69	8.36	8.13	8.61	7.48	7.74	8.25	8.02
Total OECD	45.92	45.86	45.52	46.32	46.51	46.06	45.73	44.71	45.80	46.32	45.64	45.67	44.73	45.71	46.06	45.54
Asia	21.42	21.81	21.97	21.73	22.32	21.96	22.31	22.45	22.29	22.93	22.50	22.94	23.10	22.90	23.56	23.13
Middle East	7.75	7.54	7.94	8.39	7.74	7.90	7.80	8.21	8.51	7.85	8.09	7.94	8.38	8.80	8.18	8.33
Americas	6.42	6.37	6.60	6.75	6.77	6.62	6.58	6.77	6.92	6.89	6.79	6.73	6.90	7.03	7.03	6.92
FSU	4.61	4.45	4.64	4.92	4.93	4.74	4.59	4.80	5.03	4.87	4.83	4.62	4.82	5.06	4.98	4.87
Africa	3.78	3.89	3.89	3.73	3.83	3.84	3.93	3.96	3.84	4.00	3.93	4.08	4.12	4.04	4.19	4.11
Europe	0.65	0.62	0.65	0.66	0.68	0.65	0.65	0.65	0.67	0.68	0.66	0.66	0.68	0.68	0.69	0.68
Total Non-OECD	44.63	44.68	45.68	46.18	46.26	45.70	45.86	46.84	47.26	47.22	46.80	46.97	47.99	48.51	48.63	48.03
World	**90.55**	**90.54**	**91.20**	**92.50**	**92.77**	**91.76**	**91.60**	**91.54**	**93.06**	**93.55**	**92.44**	**92.64**	**92.72**	**94.22**	**94.69**	**93.58**
of which: US50	18.52	18.64	18.72	19.21	19.26	18.96	18.83	18.70	19.19	19.26	19.00	18.88	18.87	19.19	19.34	19.07
Europe 5*	8.36	8.05	8.33	8.31	8.10	8.20	7.90	7.93	8.25	8.07	8.04	7.97	7.95	8.08	7.90	7.97
China	9.82	9.86	10.08	10.15	10.28	10.09	10.12	10.28	10.42	10.56	10.35	10.36	10.56	10.65	10.83	10.60
Japan	4.69	5.05	4.08	4.28	4.72	4.53	5.02	3.87	3.89	4.44	4.30	4.71	3.74	3.91	4.32	4.17
India	3.75	3.87	3.85	3.55	3.81	3.77	3.94	3.96	3.68	3.92	3.87	4.06	4.09	3.82	4.03	4.00
Russia	3.40	3.33	3.43	3.70	3.61	3.52	3.46	3.59	3.79	3.54	3.59	3.46	3.59	3.79	3.65	3.62
Brazil	2.97	2.96	3.06	3.15	3.19	3.09	3.10	3.16	3.27	3.27	3.20	3.17	3.24	3.32	3.34	3.27
Saudi Arabia	2.97	2.75	3.09	3.33	2.87	3.01	2.85	3.29	3.46	2.92	3.13	2.93	3.35	3.60	3.08	3.24
Canada	2.35	2.45	2.41	2.44	2.42	2.43	2.42	2.36	2.45	2.43	2.42	2.38	2.35	2.43	2.41	2.39
Korea	2.32	2.33	2.29	2.27	2.40	2.32	2.36	2.32	2.33	2.41	2.36	2.42	2.26	2.33	2.41	2.36
Mexico	2.09	2.05	2.08	2.03	2.02	2.04	1.95	1.97	1.96	2.05	1.99	1.97	1.99	1.98	2.04	1.99
Iran	1.79	1.79	1.80	1.80	1.81	1.80	1.85	1.81	1.82	1.83	1.83	1.87	1.87	1.87	1.87	1.87
Total	**63.03**	**63.13**	**63.24**	**64.22**	**64.48**	**63.77**	**63.79**	**63.24**	**64.50**	**64.71**	**64.07**	**64.17**	**63.86**	**64.97**	**65.22**	**64.56**
% of World	69.6%	69.7%	69.3%	69.4%	69.5%	69.5%	69.6%	69.1%	69.3%	69.2%	69.3%	69.3%	68.9%	69.0%	68.9%	69.0%
Annual Change (% per annum)																
Americas[1]	-1.7	2.0	1.3	2.5	2.4	2.0	0.3	-0.9	-0.4	0.2	-0.2	0.1	0.8	0.1	0.2	0.3
Europe[2]	-3.2	-4.0	-0.2	0.8	-1.1	-1.1	-1.3	-3.0	-0.7	0.1	-1.2	1.1	0.1	-1.1	-1.4	-0.4
Asia Oceania[3]	4.5	-2.7	-2.1	-2.8	-1.5	-2.3	-0.2	-2.3	-4.1	-2.9	-2.3	-2.6	-2.2	0.6	-1.4	-1.4
Total OECD	-1.07	-0.71	0.25	1.03	0.60	0.30	-0.28	-1.79	-1.13	-0.41	-0.90	-0.14	0.06	-0.19	-0.57	-0.21
Asia	4.0	3.6	3.4	2.4	0.7	2.5	2.3	2.2	2.6	2.7	2.5	2.8	2.9	2.8	2.8	2.8
Middle East	3.7	4.9	2.3	1.1	-0.1	2.0	3.5	3.4	1.4	1.5	2.4	1.7	2.1	3.5	4.1	2.9
Americas	3.3	3.0	3.5	3.4	2.7	3.2	3.3	2.6	2.4	1.8	2.5	2.2	1.9	1.7	2.0	2.0
FSU	1.4	0.6	2.0	3.9	4.3	2.7	3.2	3.5	2.2	-1.2	1.9	0.5	0.5	0.5	2.2	0.9
Africa	5.5	3.9	3.6	-0.1	-1.1	1.6	0.8	1.8	2.9	4.4	2.5	4.0	4.0	5.1	4.8	4.5
Europe	-3.4	-4.3	-0.6	2.7	4.4	0.6	5.2	0.9	2.1	0.9	2.2	2.2	3.6	0.9	1.9	2.1
Total Non-OECD	3.59	3.31	3.05	2.25	1.13	2.42	2.66	2.53	2.33	2.08	2.40	2.41	2.46	2.66	2.98	2.63
World	**1.2**	**1.2**	**1.6**	**1.6**	**0.9**	**1.3**	**1.2**	**0.4**	**0.6**	**0.8**	**0.7**	**1.1**	**1.3**	**1.3**	**1.2**	**1.2**
Annual Change (mb/d)																
Americas[1]	-0.40	0.46	0.31	0.59	0.56	0.48	0.07	-0.22	-0.10	0.05	-0.05	0.03	0.19	0.02	0.05	0.07
Europe[2]	-0.46	-0.55	-0.03	0.11	-0.15	-0.15	-0.18	-0.42	-0.09	0.01	-0.17	0.15	0.01	-0.16	-0.20	-0.05
Asia Oceania[3]	0.37	-0.24	-0.17	-0.23	-0.13	-0.19	-0.02	-0.18	-0.33	-0.25	-0.19	-0.23	-0.17	0.05	-0.11	-0.12
Total OECD	-0.49	-0.33	0.11	0.47	0.28	0.14	-0.13	-0.82	-0.53	-0.19	-0.42	-0.06	0.03	-0.09	-0.26	-0.10
Asia	0.82	0.75	0.73	0.51	0.15	0.53	0.50	0.48	0.56	0.61	0.54	0.63	0.65	0.62	0.63	0.63
Middle East	0.28	0.35	0.18	0.09	-0.01	0.15	0.27	0.27	0.12	0.12	0.19	0.13	0.17	0.30	0.32	0.23
Americas	0.21	0.18	0.22	0.22	0.18	0.20	0.21	0.17	0.16	0.12	0.17	0.15	0.13	0.12	0.14	0.13
FSU	0.07	0.02	0.09	0.18	0.20	0.13	0.14	0.16	0.11	-0.06	0.09	0.02	0.02	0.02	0.11	0.04
Africa	0.20	0.15	0.14	0.00	-0.04	0.06	0.03	0.07	0.11	0.17	0.10	0.16	0.16	0.20	0.19	0.18
Europe	-0.02	-0.03	0.00	0.02	0.03	0.00	0.03	0.01	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01
Total Non-OECD	1.55	1.43	1.35	1.01	0.51	1.08	1.19	1.16	1.08	0.96	1.10	1.11	1.15	1.26	1.41	1.23
World	**1.05**	**1.10**	**1.46**	**1.49**	**0.79**	**1.21**	**1.06**	**0.34**	**0.55**	**0.77**	**0.68**	**1.05**	**1.18**	**1.17**	**1.14**	**1.13**
Revisions to Oil Demand from Last Month's Report (mb/d)																
Americas[1]	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	-0.12	-0.05	-0.04	-0.06	-0.04	-0.03	-0.01	-0.04
Europe[2]	0.00	-0.01	-0.01	-0.01	0.00	-0.01	0.00	-0.01	0.06	0.03	0.02	0.10	-0.02	-0.01	0.01	0.02
Asia Oceania[3]	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.04	-0.02	-0.02	-0.02	-0.03	-0.04	-0.03	-0.03
Total OECD	0.00	-0.01	0.00	0.00	0.01	0.00	0.00	-0.01	-0.10	-0.04	-0.04	0.02	-0.09	-0.08	-0.03	-0.05
Asia	0.00	0.00	0.01	0.00	0.02	0.01	0.01	0.01	0.08	0.05	0.04	0.01	0.03	0.06	0.04	0.03
Middle East	0.00	0.01	0.01	0.00	0.01	0.01	0.01	0.00	0.02	-0.01	0.00	0.01	0.02	0.01	0.01	0.01
Americas	0.00	0.00	0.00	-0.01	0.01	0.00	0.00	0.01	0.03	0.04	0.02	0.03	0.02	0.02	0.02	0.02
FSU	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.02	0.07	0.01	0.02	0.01	0.03	0.03	0.02	0.02
Africa	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	-0.01	-0.01	-0.01	-0.01	0.00	0.01	0.00	-0.01	0.00
Europe	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Non-OECD	0.00	0.01	0.02	0.01	0.03	0.02	0.03	0.03	0.18	0.08	0.08	0.06	0.11	0.12	0.08	0.09
World	**0.00**	**0.00**	**0.02**	**0.01**	**0.03**	**0.01**	**0.03**	**0.02**	**0.08**	**0.04**	**0.04**	**0.08**	**0.01**	**0.04**	**0.05**	**0.04**
Revisions to Oil Demand Growth from Last Month's Report (mb/d)																
World	0.00	0.00	0.02	0.01	0.03	0.01	0.03	0.00	0.07	0.01	0.03	0.05	-0.01	-0.04	0.01	0.00

1 As of the August 2012 OMR, includes Chile.
2 As of the August 2012 OMR, includes Estonia and Slovenia.
3 As of the August 2012 OMR, includes Israel.
* France, Germany, Italy, Spain and UK

Table 2a
OECD REGIONAL OIL DEMAND[1]
(million barrels per day)

	2012	2013	3Q13	4Q13	1Q14	2Q14	Jun 14	Jul 14	Aug 14 [2]	Latest month vs. Jul 14	Latest month vs. Aug 13
Americas[3]											
LPG and ethane	3.11	3.34	3.09	3.62	3.54	2.86	2.83	2.83	3.10	0.26	0.07
Naphtha	0.34	0.38	0.39	0.37	0.36	0.34	0.34	0.38	0.34	-0.04	-0.05
Motor gasoline	10.38	10.55	10.81	10.55	10.21	10.72	10.76	11.00	11.03	0.03	0.16
Jet and kerosene	1.62	1.66	1.74	1.66	1.63	1.69	1.78	1.79	1.77	-0.02	-0.02
Gasoil/diesel oil	4.98	5.08	4.91	5.20	5.44	5.14	5.12	5.13	5.06	-0.07	0.13
Residual fuel oil	0.78	0.69	0.78	0.57	0.54	0.56	0.58	0.59	0.55	-0.04	-0.33
Other products	2.40	2.38	2.60	2.37	2.15	2.33	2.39	2.57	2.47	-0.10	0.01
Total	**23.60**	**24.08**	**24.32**	**24.34**	**23.86**	**23.65**	**23.82**	**24.29**	**24.31**	**0.02**	**-0.04**
Europe[4]											
LPG and ethane	0.94	1.04	1.04	0.98	1.01	1.08	1.06	1.11	1.09	-0.01	0.06
Naphtha	1.21	1.18	1.21	1.14	1.31	1.20	1.21	1.19	1.18	-0.01	-0.05
Motor gasoline	2.01	1.95	2.08	1.92	1.81	1.97	2.00	2.05	2.00	-0.05	-0.10
Jet and kerosene	1.21	1.21	1.32	1.19	1.12	1.23	1.28	1.37	1.43	0.06	0.11
Gasoil/diesel oil	5.95	5.97	5.96	6.12	5.73	5.76	5.79	6.04	5.75	-0.30	-0.07
Residual fuel oil	1.11	1.00	0.98	0.95	0.96	0.90	0.88	0.92	0.90	-0.02	-0.08
Other products	1.38	1.29	1.39	1.26	1.09	1.26	1.33	1.37	1.25	-0.12	-0.11
Total	**13.80**	**13.65**	**13.99**	**13.57**	**13.02**	**13.41**	**13.55**	**14.06**	**13.60**	**-0.45**	**-0.24**
Asia Oceania[5]											
LPG and ethane	0.89	0.85	0.79	0.85	0.88	0.82	0.83	0.82	0.75	-0.07	-0.04
Naphtha	1.80	1.84	1.83	1.93	1.97	1.74	1.63	1.74	1.90	0.16	0.06
Motor gasoline	1.63	1.61	1.68	1.60	1.54	1.51	1.53	1.55	1.67	0.12	-0.11
Jet and kerosene	0.89	0.89	0.70	1.01	1.13	0.71	0.70	0.67	0.66	-0.01	-0.04
Gasoil/diesel oil	1.76	1.76	1.71	1.84	1.82	1.72	1.73	1.71	1.65	-0.05	-0.06
Residual fuel oil	0.90	0.76	0.72	0.74	0.83	0.63	0.60	0.62	0.55	-0.07	-0.20
Other products	0.67	0.62	0.58	0.63	0.67	0.53	0.54	0.61	0.55	-0.06	-0.05
Total	**8.52**	**8.33**	**8.02**	**8.60**	**8.85**	**7.65**	**7.56**	**7.72**	**7.74**	**0.02**	**-0.42**
OECD											
LPG and ethane	4.93	5.23	4.92	5.46	5.43	4.76	4.72	4.76	4.94	0.18	0.09
Naphtha	3.35	3.40	3.43	3.44	3.64	3.28	3.18	3.31	3.41	0.10	-0.03
Motor gasoline	14.01	14.11	14.58	14.06	13.56	14.20	14.30	14.60	14.70	0.09	-0.05
Jet and kerosene	3.72	3.77	3.76	3.87	3.88	3.63	3.76	3.83	3.86	0.03	0.05
Gasoil/diesel oil	12.68	12.81	12.58	13.16	12.99	12.62	12.64	12.88	12.46	-0.42	0.01
Residual fuel oil	2.78	2.45	2.48	2.25	2.33	2.09	2.06	2.13	2.00	-0.13	-0.61
Other products	4.44	4.29	4.57	4.27	3.90	4.12	4.26	4.54	4.27	-0.28	-0.15
Total	**45.92**	**46.06**	**46.32**	**46.51**	**45.73**	**44.71**	**44.92**	**46.06**	**45.65**	**-0.41**	**-0.70**

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. North America comprises US 50 states, US territories, Mexico and Canada.
2 Latest official OECD submissions (MOS).
3 As of the August 2012 OMR, includes Chile.
4 As of the August 2012 OMR, includes Estonia and Slovenia.
5 As of the August 2012 OMR, includes Israel.

Table 2b
OIL DEMAND IN SELECTED OECD COUNTRIES[1]
(million barrels per day)

	2012	2013	3Q13	4Q13	1Q14	2Q14	Jun 14	Jul 14	Aug 14 [2]	Latest month vs. Jul 14	Latest month vs. Aug 13
United States[3]											
LPG and ethane	2.26	2.44	2.25	2.71	2.64	2.04	2.05	2.07	2.31	0.24	0.13
Naphtha	0.24	0.27	0.28	0.26	0.24	0.20	0.20	0.25	0.22	-0.02	-0.05
Motor gasoline	8.69	8.84	9.07	8.84	8.53	9.00	9.03	9.22	9.28	0.06	0.16
Jet and kerosene	1.41	1.44	1.50	1.44	1.41	1.47	1.56	1.56	1.52	-0.03	0.00
Gasoil/diesel oil	3.74	3.83	3.68	3.94	4.16	3.92	3.87	3.86	3.82	-0.04	0.12
Residual fuel oil	0.37	0.32	0.38	0.27	0.24	0.25	0.26	0.24	0.21	-0.02	-0.20
Other products	1.82	1.82	2.06	1.80	1.62	1.82	1.86	1.98	1.91	-0.07	0.00
Total	**18.52**	**18.96**	**19.21**	**19.26**	**18.83**	**18.70**	**18.84**	**19.17**	**19.29**	**0.12**	**0.16**
Japan											
LPG and ethane	0.53	0.50	0.44	0.50	0.56	0.47	0.46	0.45	0.41	-0.05	-0.03
Naphtha	0.72	0.77	0.76	0.82	0.81	0.65	0.57	0.67	0.71	0.04	-0.05
Motor gasoline	0.98	0.96	1.03	0.96	0.92	0.88	0.91	0.91	1.01	0.09	-0.09
Jet and kerosene	0.55	0.54	0.37	0.64	0.77	0.37	0.37	0.34	0.32	-0.02	-0.05
Diesel	0.42	0.42	0.43	0.45	0.44	0.41	0.42	0.42	0.40	-0.02	-0.02
Other gasoil	0.40	0.40	0.36	0.42	0.46	0.35	0.35	0.33	0.31	-0.01	-0.02
Residual fuel oil	0.55	0.45	0.43	0.44	0.52	0.35	0.33	0.36	0.33	-0.03	-0.12
Other products	0.55	0.49	0.47	0.49	0.54	0.40	0.38	0.45	0.41	-0.04	-0.09
Total	**4.69**	**4.53**	**4.28**	**4.72**	**5.02**	**3.87**	**3.77**	**3.92**	**3.90**	**-0.03**	**-0.48**
Germany											
LPG and ethane	0.10	0.11	0.11	0.10	0.09	0.10	0.10	0.10	0.10	0.00	-0.01
Naphtha	0.38	0.40	0.38	0.39	0.43	0.41	0.41	0.45	0.42	-0.03	0.03
Motor gasoline	0.43	0.43	0.45	0.42	0.41	0.43	0.44	0.47	0.44	-0.03	-0.01
Jet and kerosene	0.19	0.18	0.20	0.18	0.17	0.19	0.20	0.21	0.23	0.02	0.02
Diesel	0.67	0.68	0.73	0.69	0.68	0.71	0.69	0.77	0.74	-0.03	0.02
Other gasoil	0.40	0.41	0.36	0.40	0.38	0.31	0.28	0.32	0.34	0.02	0.00
Residual fuel oil	0.13	0.13	0.12	0.12	0.12	0.10	0.08	0.11	0.12	0.01	0.00
Other products	0.08	0.07	0.09	0.07	0.05	0.06	0.06	0.06	0.06	0.00	-0.03
Total	**2.39**	**2.40**	**2.44**	**2.37**	**2.33**	**2.32**	**2.26**	**2.49**	**2.46**	**-0.03**	**0.04**
Italy											
LPG and ethane	0.10	0.11	0.09	0.11	0.10	0.09	0.09	0.09	0.08	-0.01	0.00
Naphtha	0.08	0.08	0.07	0.06	0.07	0.06	0.06	0.06	0.07	0.02	0.00
Motor gasoline	0.22	0.21	0.23	0.22	0.20	0.21	0.20	0.21	0.20	-0.01	-0.03
Jet and kerosene	0.09	0.09	0.11	0.09	0.08	0.10	0.10	0.11	0.12	0.01	0.01
Diesel	0.47	0.45	0.45	0.45	0.44	0.48	0.51	0.55	0.45	-0.10	0.03
Other gasoil	0.10	0.11	0.11	0.12	0.08	0.06	0.05	0.05	0.05	-0.01	-0.05
Residual fuel oil	0.11	0.08	0.08	0.08	0.07	0.06	0.07	0.07	0.07	0.00	-0.02
Other products	0.21	0.19	0.20	0.20	0.15	0.16	0.16	0.17	0.15	-0.02	-0.03
Total	**1.37**	**1.32**	**1.35**	**1.33**	**1.21**	**1.22**	**1.23**	**1.32**	**1.19**	**-0.13**	**-0.09**
France											
LPG and ethane	0.11	0.11	0.08	0.11	0.12	0.09	0.08	0.08	0.08	0.00	0.00
Naphtha	0.14	0.15	0.16	0.11	0.17	0.16	0.17	0.17	0.17	0.01	0.00
Motor gasoline	0.18	0.17	0.19	0.17	0.16	0.18	0.19	0.20	0.18	-0.01	-0.01
Jet and kerosene	0.15	0.15	0.16	0.15	0.14	0.15	0.16	0.17	0.17	0.00	0.01
Diesel	0.69	0.69	0.71	0.70	0.66	0.70	0.72	0.75	0.64	-0.11	-0.02
Other gasoil	0.27	0.29	0.26	0.29	0.28	0.21	0.22	0.23	0.22	-0.01	-0.02
Residual fuel oil	0.07	0.06	0.06	0.06	0.05	0.05	0.04	0.05	0.05	0.00	-0.01
Other products	0.15	0.15	0.16	0.13	0.11	0.14	0.16	0.19	0.15	-0.04	0.00
Total	**1.77**	**1.77**	**1.79**	**1.71**	**1.69**	**1.69**	**1.73**	**1.84**	**1.68**	**-0.16**	**-0.05**
United Kingdom											
LPG and ethane	0.11	0.11	0.11	0.09	0.12	0.12	0.12	0.12	0.09	-0.03	0.00
Naphtha	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.03	0.04	0.00	0.01
Motor gasoline	0.32	0.31	0.31	0.30	0.29	0.31	0.32	0.29	0.31	0.02	0.00
Jet and kerosene	0.31	0.31	0.32	0.33	0.32	0.29	0.29	0.29	0.33	0.04	0.03
Diesel	0.45	0.46	0.46	0.48	0.46	0.49	0.50	0.47	0.49	0.02	0.02
Other gasoil	0.13	0.12	0.13	0.11	0.11	0.12	0.12	0.12	0.12	0.00	-0.01
Residual fuel oil	0.05	0.04	0.04	0.04	0.03	0.03	0.03	0.03	0.03	0.00	-0.01
Other products	0.14	0.13	0.13	0.12	0.12	0.13	0.14	0.14	0.12	-0.02	-0.02
Total	**1.53**	**1.51**	**1.52**	**1.48**	**1.47**	**1.51**	**1.54**	**1.50**	**1.53**	**0.04**	**0.02**
Canada											
LPG and ethane	0.40	0.45	0.40	0.46	0.44	0.39	0.35	0.33	0.36	0.03	-0.05
Naphtha	0.09	0.09	0.09	0.08	0.09	0.10	0.09	0.10	0.10	0.00	0.02
Motor gasoline	0.79	0.82	0.86	0.80	0.81	0.85	0.89	0.90	0.88	-0.02	0.03
Jet and kerosene	0.10	0.10	0.12	0.10	0.10	0.09	0.09	0.11	0.12	0.01	-0.02
Diesel	0.30	0.29	0.29	0.27	0.29	0.29	0.30	0.28	0.27	-0.01	-0.02
Other gasoil	0.27	0.31	0.30	0.34	0.34	0.29	0.31	0.32	0.34	0.02	0.04
Residual fuel oil	0.06	0.06	0.05	0.05	0.07	0.05	0.05	0.06	0.06	0.00	0.01
Other products	0.34	0.32	0.31	0.33	0.29	0.29	0.32	0.35	0.34	-0.01	0.03
Total	**2.35**	**2.43**	**2.44**	**2.42**	**2.42**	**2.36**	**2.41**	**2.45**	**2.46**	**0.01**	**0.03**

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils.
2 Latest official OECD submissions (MOS).
3 US figures exclude US territories.

Table 3
WORLD OIL PRODUCTION
(million barrels per day)

	2013	2014	2015	2Q14	3Q14	4Q14	1Q15	2Q15	Aug 14	Sep 14	Oct 14
OPEC											
Crude Oil											
Saudi Arabia	9.40			9.50	9.62				9.50	9.53	9.58
Iran	2.68			2.84	2.78				2.80	2.78	2.76
Iraq	3.08			3.33	3.21				3.14	3.36	3.32
UAE	2.76			2.74	2.81				2.82	2.78	2.74
Kuwait	2.55			2.58	2.65				2.68	2.67	2.72
Neutral Zone	0.52			0.43	0.38				0.35	0.40	0.20
Qatar	0.73			0.71	0.72				0.73	0.69	0.69
Angola	1.72			1.63	1.71				1.71	1.72	1.72
Nigeria	1.95			1.91	1.89				1.88	1.89	1.88
Libya	0.90			0.23	0.57				0.53	0.78	0.87
Algeria	1.15			1.14	1.15				1.15	1.13	1.13
Ecuador	0.52			0.55	0.56				0.56	0.56	0.54
Venezuela	2.50			2.48	2.48				2.48	2.48	2.46
Total Crude Oil	30.46			30.08	30.51				30.31	30.75	30.60
Total NGLs[1]	6.26	6.42	6.71	6.34	6.49	6.51	6.66	6.70	6.49	6.49	6.51
Total OPEC	**36.72**			**36.42**	**37.00**				**36.80**	**37.24**	**37.11**
NON-OPEC[2]											
OECD											
Americas[6]	17.11	18.60	19.54	18.61	18.72	18.96	19.31	19.38	18.81	18.70	18.96
United States[5]	10.24	11.68	12.63	11.68	11.83	12.19	12.37	12.59	11.82	11.94	12.19
Mexico	2.89	2.79	2.63	2.85	2.76	2.67	2.68	2.66	2.78	2.76	2.72
Canada	3.97	4.13	4.27	4.08	4.11	4.09	4.25	4.12	4.20	3.99	4.04
Chile	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Europe[7]	3.35	3.33	3.25	3.25	3.17	3.38	3.34	3.17	3.05	3.17	3.36
UK	0.89	0.89	0.92	0.90	0.70	0.97	0.96	0.93	0.54	0.77	0.93
Norway	1.85	1.86	1.77	1.79	1.89	1.83	1.81	1.68	1.90	1.83	1.85
Others	0.61	0.57	0.56	0.56	0.58	0.58	0.57	0.56	0.60	0.57	0.58
Asia Oceania[8]	0.48	0.50	0.54	0.49	0.51	0.52	0.53	0.55	0.50	0.52	0.51
Australia	0.40	0.42	0.46	0.41	0.43	0.44	0.45	0.47	0.42	0.44	0.43
Others	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
Total OECD	**20.93**	**22.43**	**23.34**	**22.36**	**22.40**	**22.86**	**23.19**	**23.10**	**22.37**	**22.39**	**22.84**
NON-OECD											
Former USSR	13.88	13.89	13.83	13.84	13.83	13.89	13.98	13.85	13.86	13.95	13.85
Russia	10.88	10.93	10.89	10.92	10.84	10.96	11.01	10.93	10.85	10.96	10.92
Others	3.00	2.96	2.94	2.91	2.99	2.93	2.98	2.93	3.01	2.99	2.93
Asia	7.67	7.62	7.71	7.66	7.55	7.58	7.69	7.69	7.52	7.62	7.54
China	4.18	4.20	4.23	4.23	4.17	4.16	4.22	4.23	4.16	4.22	4.15
Malaysia	0.64	0.65	0.69	0.66	0.63	0.66	0.69	0.69	0.62	0.65	0.63
India	0.88	0.87	0.87	0.87	0.86	0.87	0.87	0.87	0.84	0.86	0.87
Indonesia	0.87	0.83	0.80	0.84	0.83	0.81	0.81	0.78	0.83	0.82	0.82
Others	1.10	1.07	1.12	1.06	1.06	1.08	1.10	1.12	1.07	1.06	1.07
Europe	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Americas	4.17	4.36	4.64	4.28	4.44	4.50	4.54	4.65	4.44	4.48	4.53
Brazil[5]	2.12	2.33	2.50	2.28	2.40	2.46	2.43	2.51	2.41	2.44	2.48
Argentina	0.63	0.62	0.62	0.62	0.62	0.61	0.61	0.61	0.62	0.63	0.62
Colombia	1.01	0.99	1.11	0.97	1.00	1.00	1.08	1.11	1.00	1.00	1.01
Others	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.41	0.41	0.43
Middle East[3]	1.35	1.32	1.28	1.32	1.30	1.30	1.29	1.28	1.31	1.30	1.30
Oman	0.95	0.95	0.94	0.95	0.95	0.94	0.95	0.94	0.95	0.95	0.94
Syria	0.06	0.03	0.03	0.03	0.04	0.04	0.03	0.03	0.04	0.04	0.04
Yemen	0.15	0.15	0.11	0.15	0.13	0.13	0.12	0.12	0.13	0.13	0.13
Others	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19
Africa	2.30	2.32	2.33	2.31	2.30	2.30	2.35	2.33	2.29	2.30	2.30
Egypt	0.73	0.70	0.68	0.70	0.69	0.68	0.68	0.68	0.69	0.69	0.68
Gabon	0.24	0.24	0.23	0.24	0.23	0.24	0.23	0.23	0.22	0.24	0.24
Others	1.33	1.38	1.41	1.36	1.38	1.39	1.43	1.41	1.38	1.37	1.38
Total Non-OECD	**29.52**	**29.64**	**29.93**	**29.56**	**29.55**	**29.70**	**29.99**	**29.94**	**29.55**	**29.79**	**29.67**
Processing gains[4]	2.18	2.21	2.22	2.19	2.24	2.22	2.22	2.22	2.24	2.24	2.22
Global Biofuels[5]	2.00	2.12	2.20	2.24	2.42	2.14	1.79	2.22	2.52	2.51	2.38
TOTAL NON-OPEC	**54.63**	**56.40**	**57.68**	**56.34**	**56.61**	**56.92**	**57.18**	**57.48**	**56.68**	**56.93**	**57.10**
TOTAL SUPPLY	**91.35**			**92.77**	**93.62**				**93.48**	**94.17**	**94.21**

1 Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. Venezuelan Orimulsion (but not Orinoco extra-heavy oil), and non-oil inputs to Saudi Arabian MTBE. Orimulsion production reportedly ceased from January 2007.
2 Comprises crude oil, condensates, NGLs and oil from non-conventional sources
3 Includes small amounts of production from Jordan and Bahrain.
4 Net volumetric gains and losses in refining and marine transportation losses.
5 As of the July 2010 OMR, Global Biofuels comprise all world biofuel production including fuel ethanol from the US and Brazil.
6 As of the August 2012 OMR, includes Chile.
7 As of the August 2012 OMR, includes Estonia and Slovenia.
8 As of the August 2012 OMR, includes Israel.

Table 4
OECD INDUSTRY STOCKS[1] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	May2014	Jun2014	Jul2014	Aug2014	Sep2014*	Sep2011	Sep2012	Sep2013	4Q2013	1Q2014	2Q2014	3Q2014
OECD Americas												
Crude	538.5	529.8	519.3	512.2	511.8	468.9	512.6	522.1	-0.25	0.26	0.08	-0.20
Motor Gasoline	252.4	252.6	251.9	245.1	243.4	250.6	236.1	253.9	0.08	-0.02	-0.07	-0.10
Middle Distillate	194.6	191.3	194.8	198.3	204.2	230.2	203.8	206.4	-0.10	-0.13	0.06	0.14
Residual Fuel Oil	47.8	44.8	44.6	46.0	45.1	43.3	45.3	43.0	0.03	-0.03	0.01	0.00
Total Products[3]	674.2	684.5	703.2	713.1	719.8	703.3	695.6	714.9	-0.47	-0.37	0.51	0.38
Total[4]	1376.7	1381.5	1395.2	1401.5	1408.4	1340.7	1384.8	1403.6	-0.95	-0.06	0.78	0.29
OECD Europe												
Crude	319.1	315.2	307.7	300.2	307.7	310.4	311.1	310.8	-0.04	0.05	0.04	-0.08
Motor Gasoline	86.3	83.4	81.9	86.5	84.3	89.8	93.6	89.7	-0.02	0.05	-0.10	0.01
Middle Distillate	252.8	248.4	253.2	267.1	263.6	262.2	265.0	259.7	-0.09	-0.03	-0.01	0.16
Residual Fuel Oil	71.1	68.3	66.8	70.1	66.5	78.7	77.3	72.2	-0.06	-0.06	0.08	-0.02
Total Products[3]	502.8	492.2	495.2	519.3	510.9	539.4	539.6	511.5	-0.16	-0.04	-0.01	0.20
Total[4]	889.5	877.4	869.8	890.1	888.7	914.5	917.0	883.6	-0.16	0.05	0.04	0.12
OECD Asia Oceania												
Crude	160.8	165.3	163.2	167.0	167.0	157.8	170.6	157.5	-0.14	0.28	-0.05	0.02
Motor Gasoline	25.2	24.4	23.2	22.6	23.2	24.8	27.5	24.5	-0.01	0.02	-0.01	-0.01
Middle Distillate	58.6	53.8	58.6	69.2	69.7	69.0	68.8	69.8	-0.02	-0.13	-0.02	0.17
Residual Fuel Oil	22.5	21.1	23.0	24.2	23.2	20.3	21.4	20.0	-0.01	0.02	0.00	0.02
Total Products[3]	163.8	156.9	165.4	179.3	183.7	182.8	184.1	182.1	-0.14	-0.10	-0.04	0.29
Total[4]	395.5	392.2	398.5	417.3	424.4	414.0	426.6	412.5	-0.34	0.20	-0.07	0.35
Total OECD												
Crude	1018.4	1010.3	990.2	979.3	986.5	937.1	994.2	990.4	-0.42	0.59	0.07	-0.26
Motor Gasoline	363.8	360.5	357.0	354.1	351.0	365.1	357.1	368.2	0.05	0.04	-0.18	-0.10
Middle Distillate	506.0	493.5	506.7	534.6	537.5	561.4	537.6	535.9	-0.21	-0.29	0.03	0.48
Residual Fuel Oil	141.4	134.1	134.4	140.2	134.8	142.3	144.0	135.2	-0.03	-0.07	0.09	0.01
Total Products[3]	1340.8	1333.5	1363.7	1411.7	1414.4	1425.4	1419.3	1408.5	-0.78	-0.51	0.46	0.88
Total[4]	2661.7	2651.1	2663.5	2708.9	2721.5	2669.2	2728.3	2699.7	-1.46	0.19	0.75	0.76

OECD GOVERNMENT-CONTROLLED STOCKS[5] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	May2014	Jun2014	Jul2014	Aug2014	Sep2014*	Sep2011	Sep2012	Sep2013	4Q2013	1Q2014	2Q2014	3Q2014
OECD Americas												
Crude	691.0	691.0	691.0	691.0	691.0	696.0	695.0	696.0	0.00	0.00	-0.05	0.00
Products	1.0	1.0	1.0	1.0	1.0	0.0	1.0	1.0	0.00	0.00	0.00	0.00
OECD Europe												
Crude	207.2	207.8	209.1	209.1	209.0	183.0	195.3	204.6	0.01	-0.03	0.05	0.01
Products	262.0	259.0	258.0	258.8	258.7	239.8	236.3	263.0	-0.03	0.03	-0.05	0.00
OECD Asia Oceania												
Crude	387.7	387.6	387.7	387.6	387.6	390.7	393.5	384.9	0.02	0.01	0.00	0.00
Products	30.5	31.0	31.0	31.0	31.0	18.7	20.0	28.3	0.02	0.00	0.00	0.00
Total OECD												
Crude	1285.9	1286.5	1287.7	1287.7	1287.6	1269.6	1283.8	1285.4	0.03	-0.01	-0.01	0.01
Products	293.6	291.0	290.0	290.8	290.7	258.5	257.3	292.3	-0.01	0.04	-0.04	0.00
Total[4]	1583.5	1581.3	1582.0	1582.7	1582.5	1529.5	1542.3	1581.9	0.02	0.02	-0.05	0.01

* estimated
1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.
2 Closing stock levels.
3 Total products includes gasoline, middle distillates, fuel oil and other products.
4 Total includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.
5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

Table 5
TOTAL STOCKS ON LAND IN OECD COUNTRIES[1]

('millions of barrels' and 'days')

	End September 2013		End December 2013		End March 2014		End June 2014		End September 2014 [3]	
	Stock Level	Days Fwd[2] Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
OECD Americas										
Canada	182.9	75	170.0	70	174.2	75	178.8	-	-	-
Chile	11.2	35	9.8	30	9.5	30	10.6	-	-	-
Mexico	50.0	25	48.7	25	47.6	24	47.3	-	-	-
United States[4]	1834.4	95	1762.4	94	1754.0	94	1814.7	-	-	-
Total[4]	2100.6	86	2013.0	84	2007.5	85	2073.5	86	2100.4	86
OECD Asia Oceania										
Australia	36.6	33	36.8	34	36.8	34	36.3	-	-	-
Israel	-	-	-	-	-	-	-	-	-	-
Japan	590.7	125	575.3	115	585.8	151	585.1	-	-	-
Korea	190.7	80	177.8	75	186.5	80	180.3	-	-	-
New Zealand	7.6	48	8.3	51	8.1	55	9.2	-	-	-
Total	825.7	96	798.2	90	817.3	107	810.9	105	843.0	101
OECD Europe[5]										
Austria	20.6	79	21.6	91	22.3	82	20.8	-	-	-
Belgium	39.4	66	41.0	66	42.5	70	43.7	-	-	-
Czech Republic	20.3	103	20.0	110	19.3	95	18.9	-	-	-
Denmark	21.3	138	23.7	157	19.6	126	23.1	-	-	-
Estonia	1.4	47	1.6	55	1.7	56	1.7	-	-	-
Finland	41.0	206	39.0	211	37.9	194	39.0	-	-	-
France	166.1	97	167.5	99	167.2	99	168.1	-	-	-
Germany	286.3	121	289.9	124	289.2	125	291.7	-	-	-
Greece	26.7	95	25.6	101	24.9	92	25.6	-	-	-
Hungary	15.9	113	15.6	123	15.2	110	15.6	-	-	-
Ireland	10.7	76	10.0	70	11.0	80	9.6	-	-	-
Italy	130.8	99	125.1	104	122.5	100	121.6	-	-	-
Luxembourg	0.7	11	0.7	13	0.7	12	0.8	-	-	-
Netherlands	120.7	122	115.5	121	122.5	119	127.4	-	-	-
Norway	27.9	121	28.7	123	28.6	121	27.4	-	-	-
Poland	61.9	118	60.4	129	60.2	119	58.5	-	-	-
Portugal	22.1	89	23.1	105	23.8	98	22.5	-	-	-
Slovak Republic	8.3	104	8.8	127	9.6	136	8.8	-	-	-
Slovenia	4.9	89	4.7	103	4.9	102	4.8	-	-	-
Spain	120.3	99	111.6	93	117.4	99	118.2	-	-	-
Sweden	25.8	94	28.2	104	27.5	90	26.4	-	-	-
Switzerland	37.2	129	35.9	165	36.4	159	36.2	-	-	-
Turkey	63.2	87	62.3	98	62.7	87	62.5	-	-	-
United Kingdom	81.8	55	77.9	53	76.6	51	75.2	-	-	-
Total	1355.3	100	1338.5	103	1344.2	100	1348.0	97	1360.6	100
Total OECD	**4281.6**	**92**	**4149.7**	**91**	**4169.0**	**93**	**4232.4**	**92**	**4303.9**	**93**
DAYS OF IEA Net Imports[6]	**-**	**161**	**-**	**157**	**-**	**158**	**-**	**170**	**-**	**-**

1 Total Stocks are industry and government-controlled stocks (see breakdown in table below). Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) they include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.
2 Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used for the calculation of IEA Emergency Reserves.
3 End September 2014 forward demand figures are IEA Secretariat forecasts.
4 US figures exclude US territories. Total includes US territories.
5 Data not available for Iceland.
6 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions (see www.iea.org/netimports.asp). Net exporting IEA countries are excluded.

TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government[1] controlled	Industry	Total	Government[1] controlled	Industry
		Millions of Barrels			*Days of Fwd. Demand[2]*	
3Q2011	4199	1529	2669	90	33	57
4Q2011	4141	1536	2605	90	33	56
1Q2012	4193	1536	2657	92	34	59
2Q2012	4226	1539	2687	92	34	59
3Q2012	4271	1542	2728	92	33	59
4Q2012	4210	1547	2663	92	34	58
1Q2013	4246	1581	2664	93	35	59
2Q2013	4237	1577	2660	91	34	57
3Q2013	4282	1582	2700	92	34	58
4Q2013	4150	1584	2566	91	35	56
1Q2014	4169	1586	2583	93	35	58
2Q2014	4232	1581	2651	92	35	58
3Q2014	4304	1582	2721	93	34	59

1 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.
2 Days of forward demand calculated using actual demand except in 3Q2014 (when latest forecasts are used).

Table 6
IEA MEMBER COUNTRY DESTINATIONS OF SELECTED CRUDE STREAMS[1]
(million barrels per day)

	2011	2012	2013	3Q13	4Q13	1Q14	2Q14	Jun 14	Jul 14	Aug 14	Year Earlier Aug 13	Year Earlier change
Saudi Light & Extra Light												
Americas	0.69	0.76	0.74	0.85	0.76	0.79	0.75	0.77	0.50	0.43	0.72	-0.29
Europe	0.83	0.85	0.79	0.86	0.77	0.73	0.87	0.75	0.80	0.98	0.75	0.23
Asia Oceania	1.24	1.26	1.21	1.16	1.25	1.27	1.17	1.01	1.07	1.05	1.24	-0.19
Saudi Medium												
Americas	0.37	0.44	0.45	0.44	0.47	0.44	0.40	0.30	0.39	0.32	0.44	-0.11
Europe	0.02	0.05	0.01	0.02	0.02	0.01	0.01	0.01	0.03	0.02	0.03	-0.01
Asia Oceania	0.40	0.45	0.43	0.43	0.45	0.45	0.40	0.39	0.57	0.47	0.40	0.08
Iraqi Basrah Light[2]												
Americas	0.29	0.49	0.38	0.40	0.31	0.37	0.33	0.40	0.60	0.57	0.43	0.15
Europe	0.11	0.26	0.25	0.34	0.22	0.29	0.51	0.62	0.49	0.51	0.36	0.15
Asia Oceania	0.34	0.33	0.31	0.30	0.24	0.28	0.20	0.21	0.15	0.26	0.29	-0.04
Kuwait Blend												
Americas	0.08	0.22	0.28	0.30	0.30	0.33	0.29	0.32	0.32	0.25	0.34	-0.09
Europe	0.08	0.09	0.10	0.12	0.07	0.07	0.12	0.12	0.05	0.06	0.13	-0.07
Asia Oceania	0.57	0.65	0.64	0.63	0.65	0.71	0.56	0.58	0.60	0.63	0.54	0.09
Iranian Light												
Americas	-	-	-	-	-	-	-	-	-	-	-	-
Europe	0.23	0.12	0.08	0.06	0.05	0.10	0.06	0.06	0.12	0.12	0.06	0.06
Asia Oceania	0.04	0.02	0.00	0.01	-	0.01	-	-	-	0.05	0.02	0.03
Iranian Heavy[3]												
Americas	-	-	-	-	-	-	-	-	-	-	-	-
Europe	0.55	0.16	0.03	0.04	0.03	0.00	0.04	0.03	0.01	0.01	0.04	-0.04
Asia Oceania	0.51	0.33	0.30	0.31	0.24	0.33	0.26	0.33	0.26	0.28	0.26	0.03
Venezuelan 22 API and heavier												
Americas	0.76	0.69	0.61	0.61	0.62	0.62	0.62	0.60	0.70	0.74	0.52	0.23
Europe	0.05	0.08	0.07	0.10	0.04	0.08	0.08	0.07	0.09	0.11	0.09	0.03
Asia Oceania	-	-	-	-	-	-	-	-	-	-	-	-
Mexican Maya												
Americas	0.82	0.73	0.70	0.70	0.79	0.64	0.66	0.62	0.61	0.73	0.72	0.01
Europe	0.12	0.14	0.14	0.14	0.13	0.15	0.13	0.13	0.13	0.13	0.15	-0.02
Asia Oceania	-	-	-	-	-	-	-	-	-	-	-	-
Canada Heavy												
Americas	1.25	1.41	1.49	1.44	1.53	1.56	1.67	1.49	1.76	1.73	1.41	0.33
Europe	-	-	-	-	-	0.00	0.01	0.02	-	-	-	-
Asia Oceania	0.00	-	-	-	-	-	-	-	-	-	-	-
BFOE												
Americas	0.06	0.02	0.03	0.02	0.01	0.02	-	-	-	-	0.03	-
Europe	0.64	0.55	0.47	0.52	0.46	0.53	0.58	0.39	0.45	0.56	0.42	0.14
Asia Oceania	0.02	0.07	0.06	0.02	0.05	0.16	0.07	0.07	-	-	-	-
Russian Urals												
Americas	0.01	0.00	0.00	-	-	-	-	-	-	-	-	-
Europe	1.69	1.86	1.79	1.64	1.76	1.74	1.68	1.87	1.66	1.50	1.60	-0.10
Asia Oceania	-	-	-	-	-	-	-	-	-	-	-	-
Kazakhstan												
Americas	0.06	0.07	0.06	0.09	0.05	0.02	-	-	-	-	0.10	-
Europe	0.62	0.53	0.59	0.59	0.57	0.60	0.71	0.71	0.63	0.45	0.56	-0.10
Asia Oceania	-	-	0.00	-	-	0.02	0.01	-	0.03	0.04	-	-
Libya Light and Medium												
Americas	-	0.03	0.00	-	-	-	-	-	-	-	-	-
Europe	0.29	0.88	0.57	0.42	0.22	0.23	0.13	0.12	0.09	0.27	0.44	-0.18
Asia Oceania	0.01	0.04	0.03	0.02	0.02	-	0.02	-	0.01	0.05	0.04	0.02
Nigerian Light[4]												
Americas	0.53	0.24	0.07	0.01	-	0.01	-	-	-	-	0.03	-
Europe	0.45	0.58	0.53	0.46	0.57	0.58	0.51	0.52	0.61	0.64	0.37	0.27
Asia Oceania	0.05	0.04	0.03	0.03	0.02	0.03	0.04	0.03	0.03	0.04	0.03	0.01

1 Data based on monthly submissions from IEA countries to the crude oil import register (in '000 bbl), subject to availability. May differ from Table 8 of the Report.
IEA Americas includes United States and Canada.
IEA Europe includes all countries in OECD Europe except Estonia, Hungary and Slovenia.
IEA Asia Oceania includes Australia, New Zealand, Korea and Japan.
2 Iraqi Total minus Kirkuk.
3 Iranian Total minus Iranian Light.
4 33° API and lighter (e.g., Bonny Light, Escravos, Qua Iboe and Oso Condensate).

Table 7
REGIONAL OECD IMPORTS[1,2]
(thousand barrels per day)

	2011	2012	2013	3Q13	4Q13	1Q14	2Q14	Jun 14	Jul 14	Aug 14	Year Earlier Aug 13	Year Earlier % change
Crude Oil												
Americas	6870	6101	5130	5509	4670	4385	4308	4083	4592	4370	5595	-22%
Europe	8988	9346	8921	9112	8399	8201	8480	8243	8812	9043	9046	0%
Asia Oceania	6609	6761	6553	6465	6519	6954	5931	5966	6284	6352	6371	0%
Total OECD	22468	22208	20604	21086	19588	19541	18718	18292	19688	19766	21012	-6%
LPG												
Americas	30	20	17	4	14	19	9	7	8	3	5	-42%
Europe	318	287	382	361	412	386	410	397	405	502	392	28%
Asia Oceania	568	620	546	524	517	544	532	549	565	519	478	9%
Total OECD	916	927	945	890	942	949	950	953	979	1024	875	17%
Naphtha												
Americas	42	20	17	16	11	28	23	18	19	14	18	-23%
Europe	298	381	313	305	323	342	360	382	318	285	286	-1%
Asia Oceania	884	900	927	866	949	1040	891	852	877	862	880	-2%
Total OECD	1224	1301	1257	1187	1284	1410	1274	1252	1214	1160	1184	-2%
Gasoline[3]												
Americas	762	730	659	637	583	550	746	668	710	683	708	-3%
Europe	222	212	106	121	92	152	124	147	85	70	141	-51%
Asia Oceania	95	86	83	73	72	89	95	80	56	63	66	-4%
Total OECD	1079	1028	848	831	747	791	965	895	851	816	915	-11%
Jet & Kerosene												
Americas	77	73	81	93	99	81	114	100	80	52	120	-57%
Europe	397	398	446	509	512	384	454	451	619	511	566	-10%
Asia Oceania	58	62	74	53	82	57	50	39	38	43	68	-38%
Total OECD	532	533	602	655	693	521	618	589	737	605	755	-20%
Gasoil/Diesel												
Americas	72	59	58	46	21	200	44	6	19	39	68	-43%
Europe	1044	984	1120	1170	1278	1095	1097	1103	1144	1109	1033	7%
Asia Oceania	147	185	162	137	170	152	221	215	214	135	118	14%
Total OECD	1263	1227	1340	1352	1468	1447	1362	1324	1376	1284	1219	5%
Heavy Fuel Oil												
Americas	268	206	165	193	155	162	102	127	91	76	206	-63%
Europe	537	521	552	613	539	595	648	543	613	740	601	23%
Asia Oceania	153	224	242	221	290	304	205	175	186	198	292	-32%
Total OECD	958	951	959	1027	985	1061	955	845	890	1014	1099	-8%
Other Products												
Americas	871	813	812	902	746	619	726	639	726	678	834	-19%
Europe	700	636	792	764	800	755	796	876	637	777	822	-5%
Asia Oceania	366	356	385	404	382	461	353	309	407	398	377	6%
Total OECD	1937	1805	1989	2070	1928	1835	1875	1824	1769	1853	2033	-9%
Total Products												
Americas	2122	1921	1810	1891	1629	1659	1765	1564	1652	1544	1959	-21%
Europe	3516	3419	3710	3843	3955	3708	3888	3898	3820	3993	3842	4%
Asia Oceania	2271	2432	2420	2279	2463	2646	2347	2220	2344	2218	2279	-3%
Total OECD	7909	7773	7940	8013	8048	8013	8000	7682	7816	7755	8079	-4%
Total Oil												
Americas	8993	8022	6940	7400	6300	6044	6072	5648	6244	5914	7554	-22%
Europe	12504	12765	12632	12955	12354	11909	12368	12141	12632	13037	12888	1%
Asia Oceania	8880	9194	8973	8744	8982	9600	8278	8185	8628	8570	8650	-1%
Total OECD	30377	29981	28544	29099	27635	27554	26718	25974	27504	27520	29092	-5%

1 Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes and converted to barrels.
2 Excludes intra-regional trade.
3 Includes additives.

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User's Guide and Glossary to the IEA *Oil Market Report*

For information on the data sources, definitions, technical terms and general approach used in preparing the *Oil Market Report (OMR)*, *Medium-Term Oil Market Report (MTOMR)* and *Annual Statistical Supplement* (current issue of the Statistical Supplement dated 12 August 2014), readers are referred to the *Users' Guide* at www.oilmarketreport.org/glossary.asp. It should be noted that the spot crude and product price assessments are based on daily Argus prices, converted when appropriate to US$ per barrel according to the Argus specification of products (Copyright © 2014 Argus Media Limited - all rights reserved).

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