

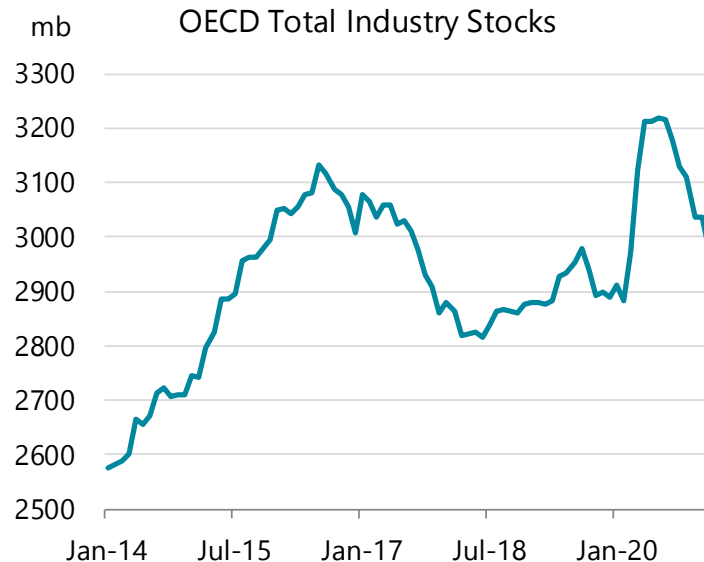
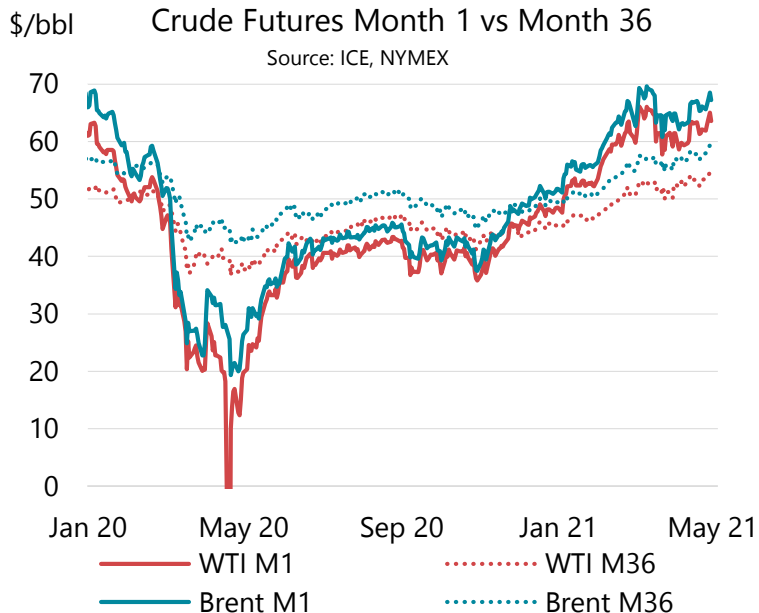


Oil 2021 – Analysis and forecast to 2026

IEEJ Global Energy Webinar, 19 March 2021

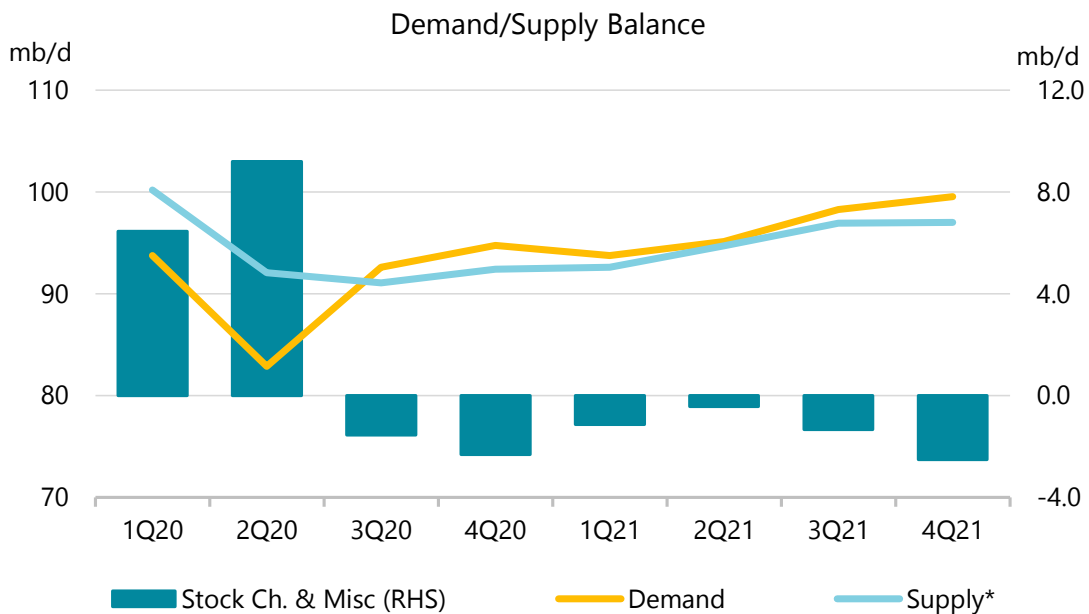
Toril Bosoni

Crude prices surge to \$70/bbl on tightening market, OPEC+ deal



**Crude futures have recovered to nearly \$70/bbl.
OECD stocks continue to fall as OPEC+ market management tightens market.**

OPEC+ cut extension keeps market finely balanced in 2Q21

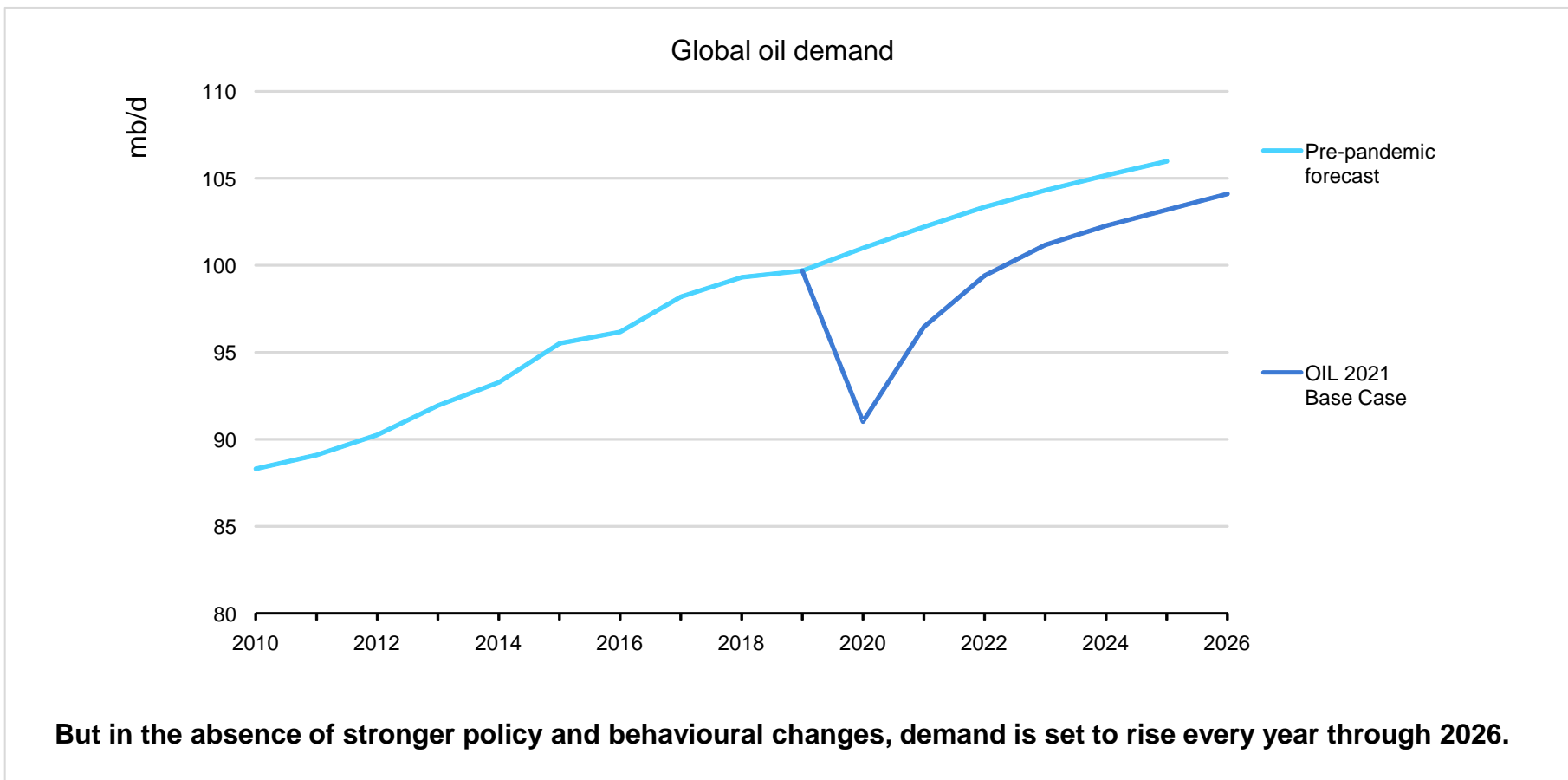


* Assumes 100% compliance with OPEC+ deal

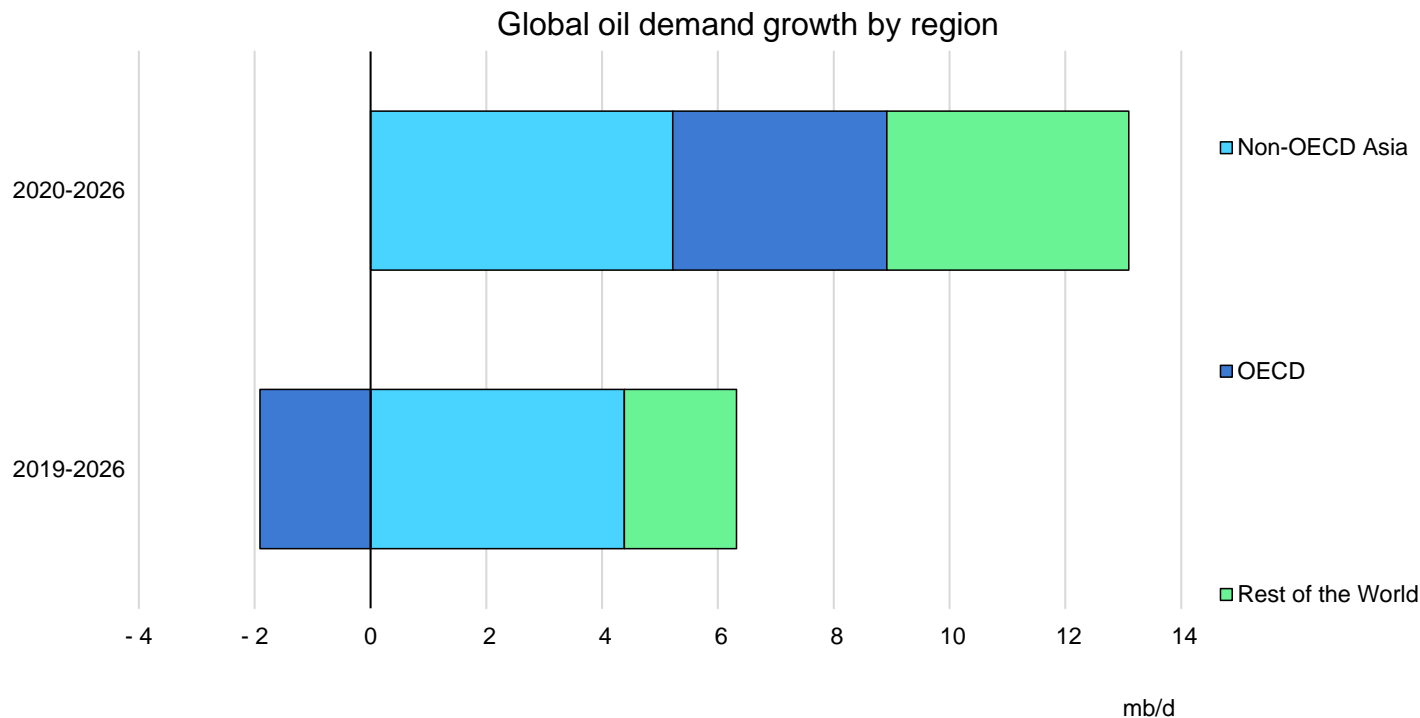
Expected demand recovery in 2H21 leaves room for higher than scheduled output boost.

OIL 2021

Global oil demand shifts lower after historic collapse

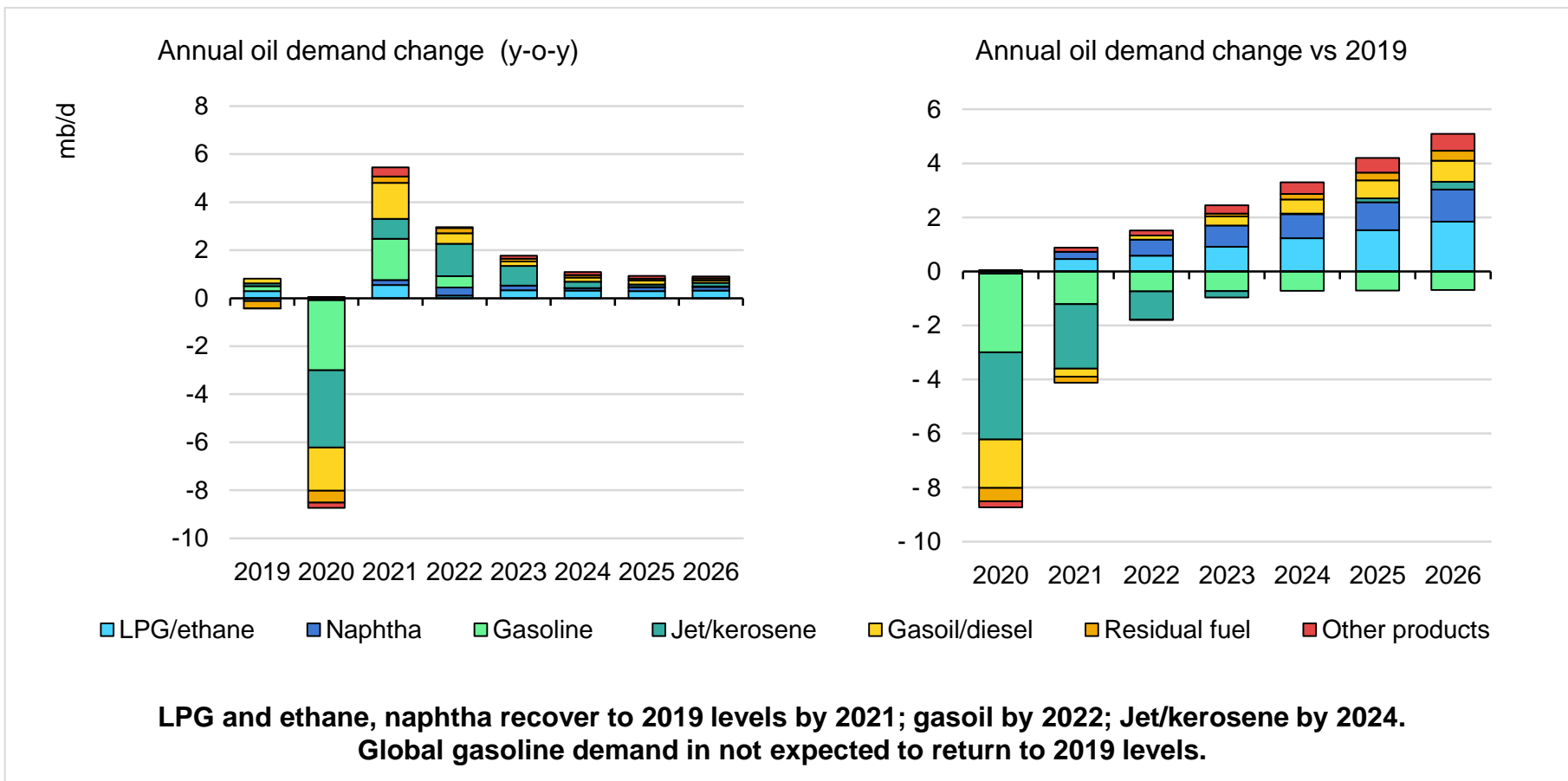


Oil demand now on track to grow by 13 mb/d by 2026 from 2020 low

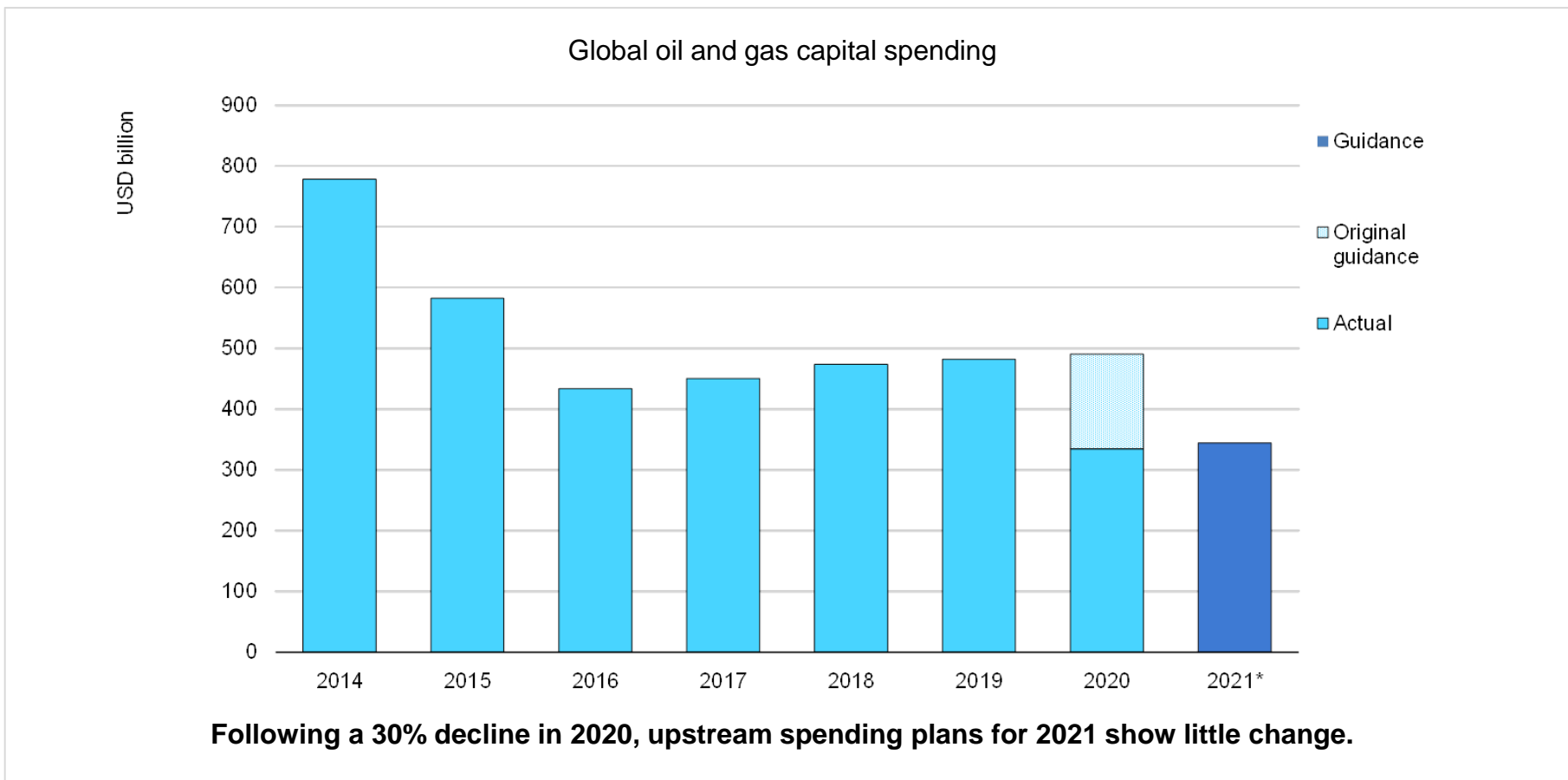


Compared with 2019 levels, demand will be 4.4 mb/d higher. Non-OECD Asia dominates growth.

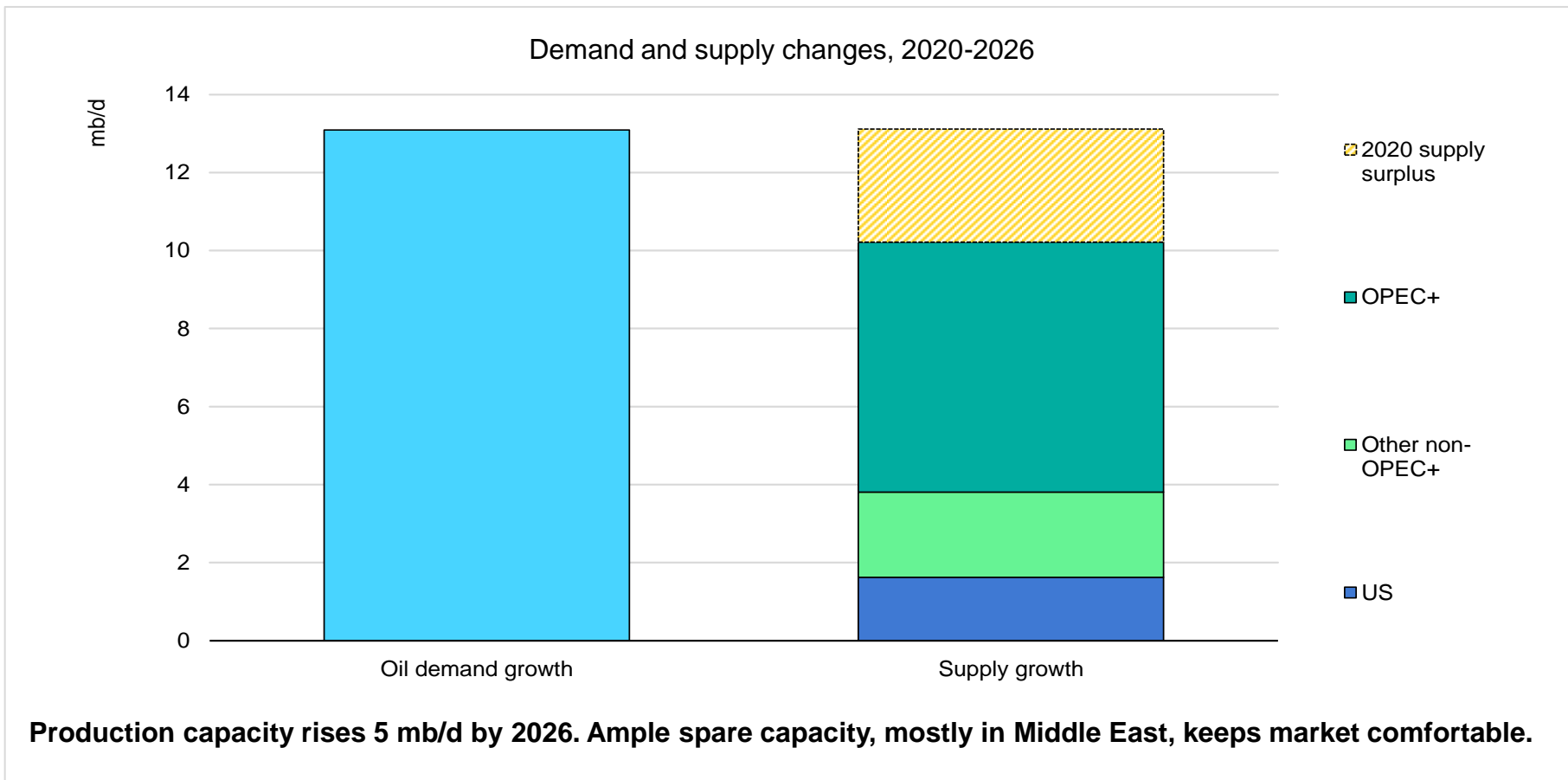
Petrochemical feedstocks drive demand growth, gasoline to fall



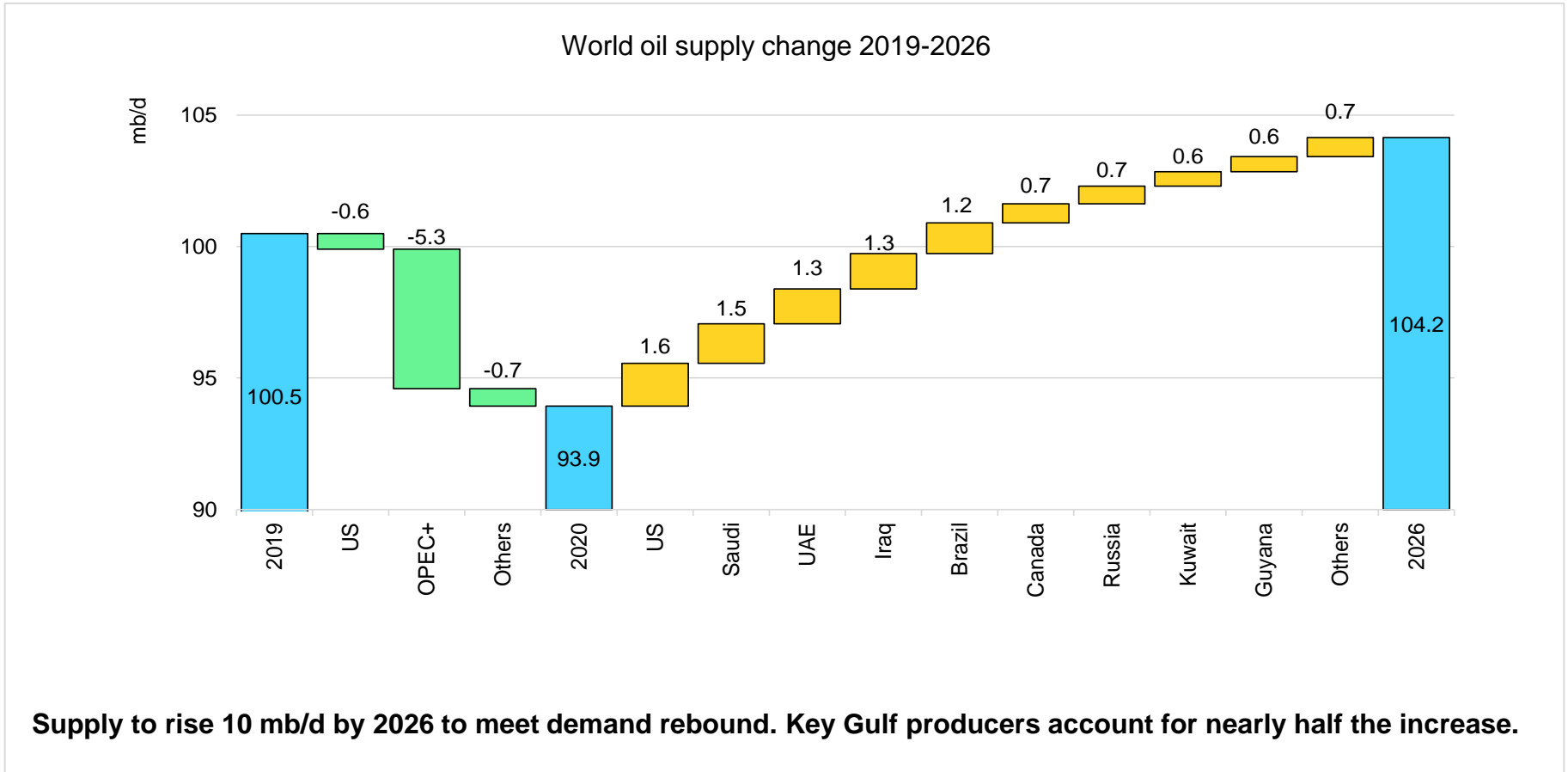
Industry cuts spending on uncertain outlook



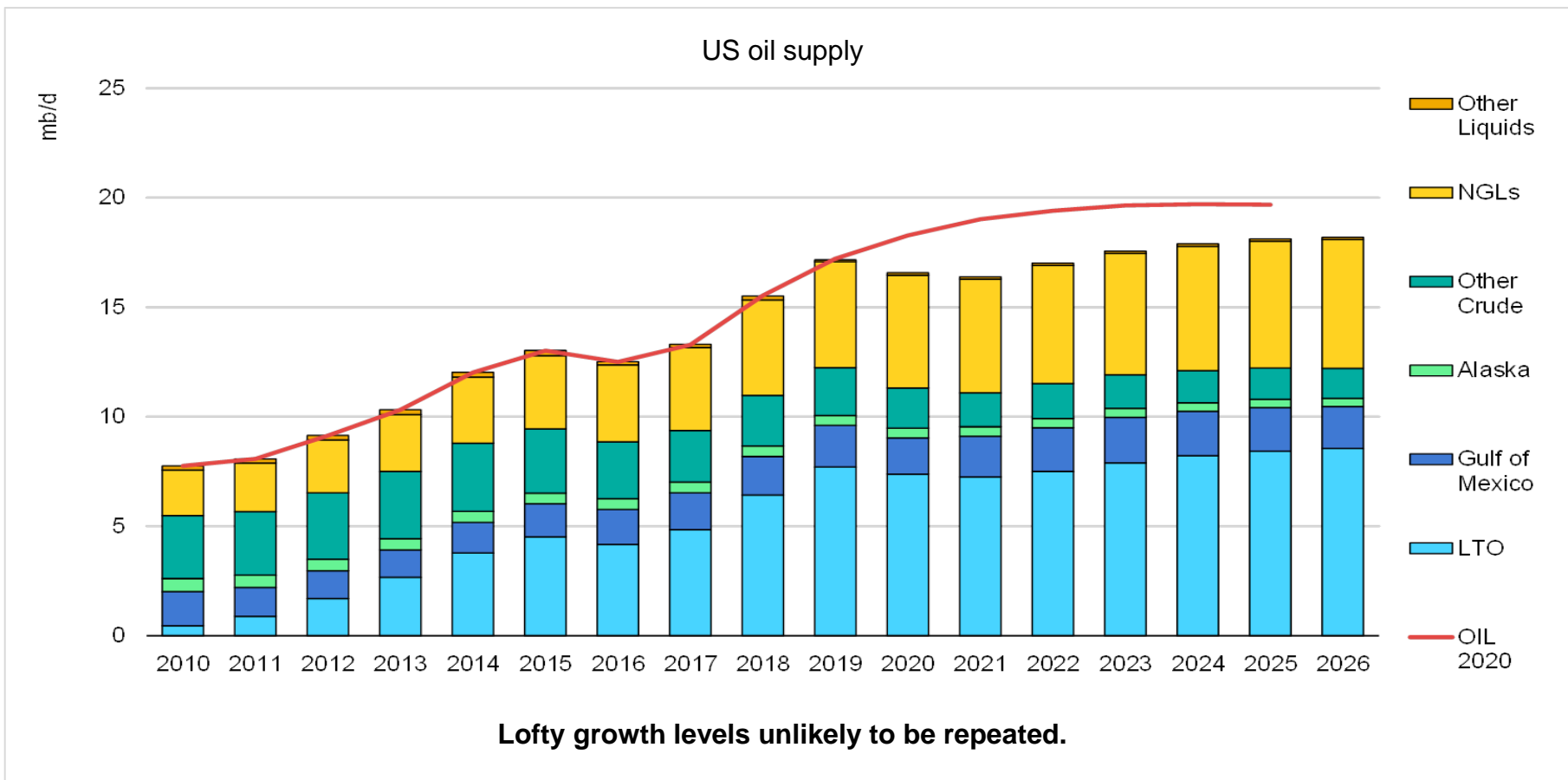
Oil capacity building slows, hefty spare cushion helps cover demand



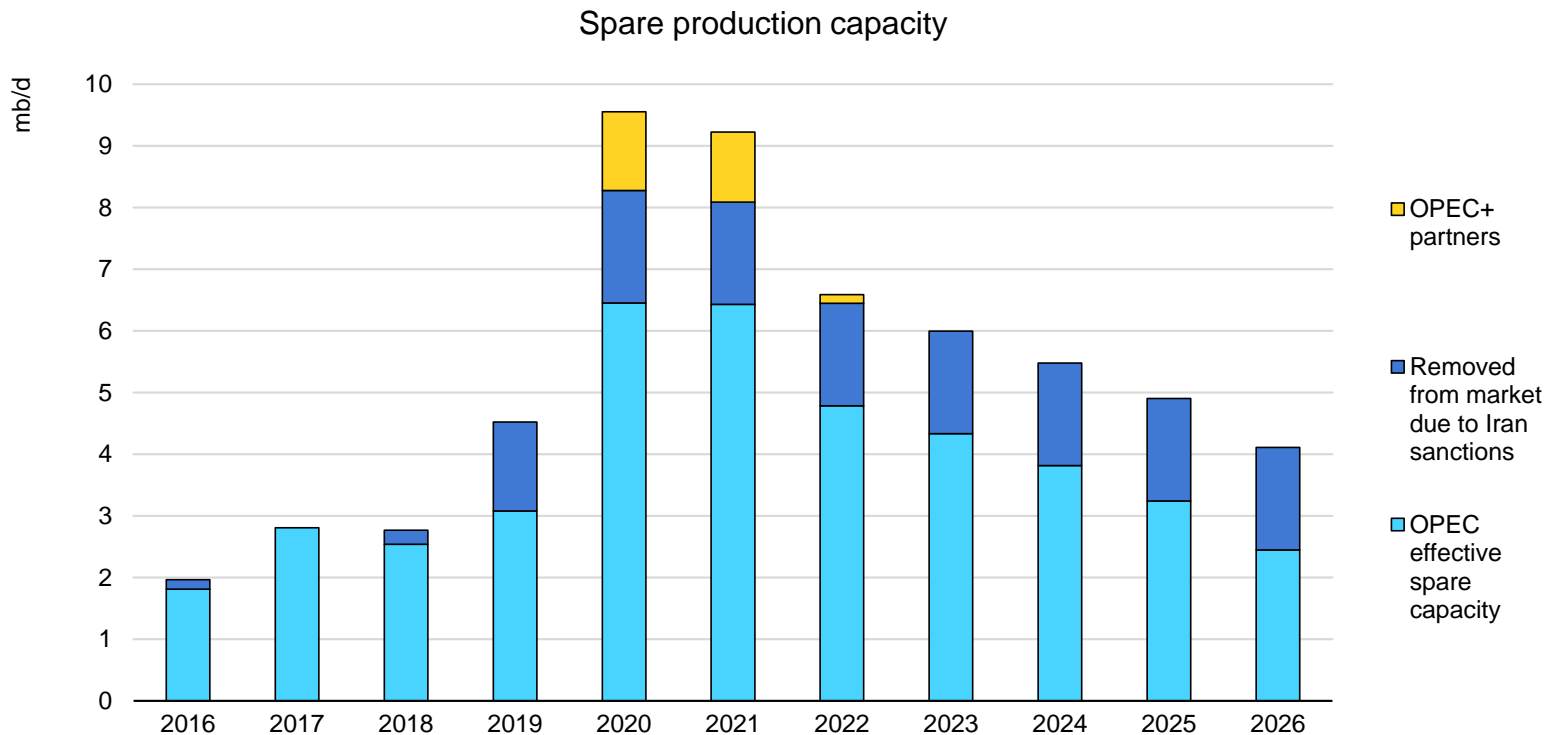
Middle East dominates global oil supply increase



Modest US growth expected as investment strategy shifts

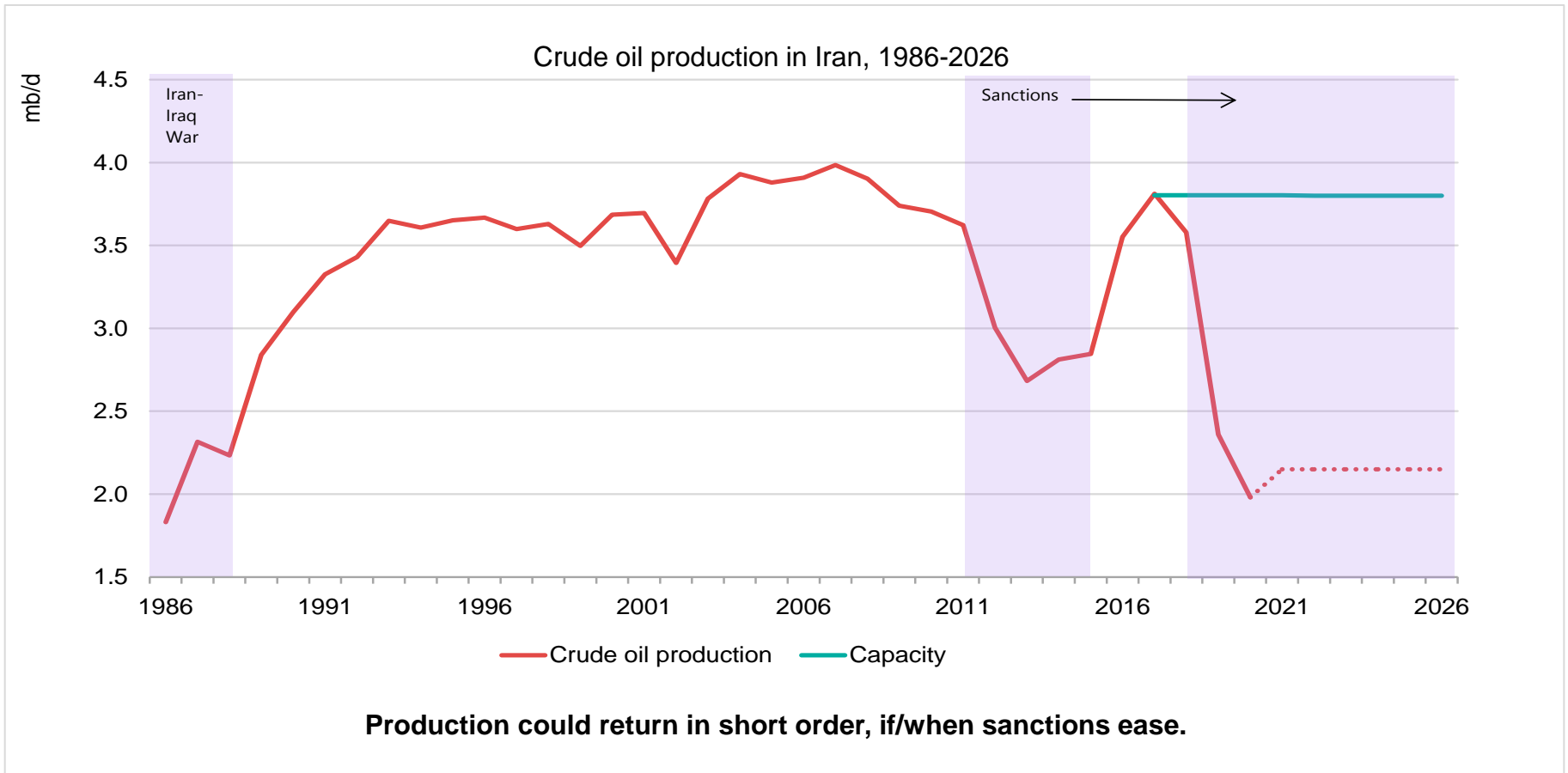


OPEC spare capacity looks comfortable through medium-term

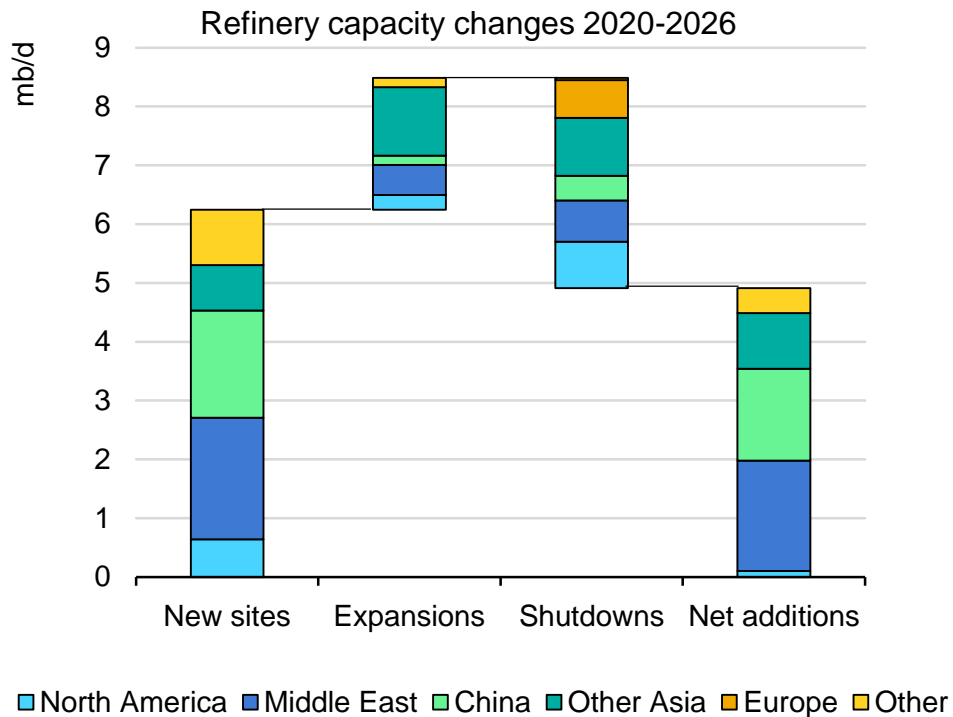


An additional 1.7 mb/d of crude supply could be brought to market if sanctions on Iran ease.

Iran awaits market return; sanctions shut in 1.7 mb/d of crude supply

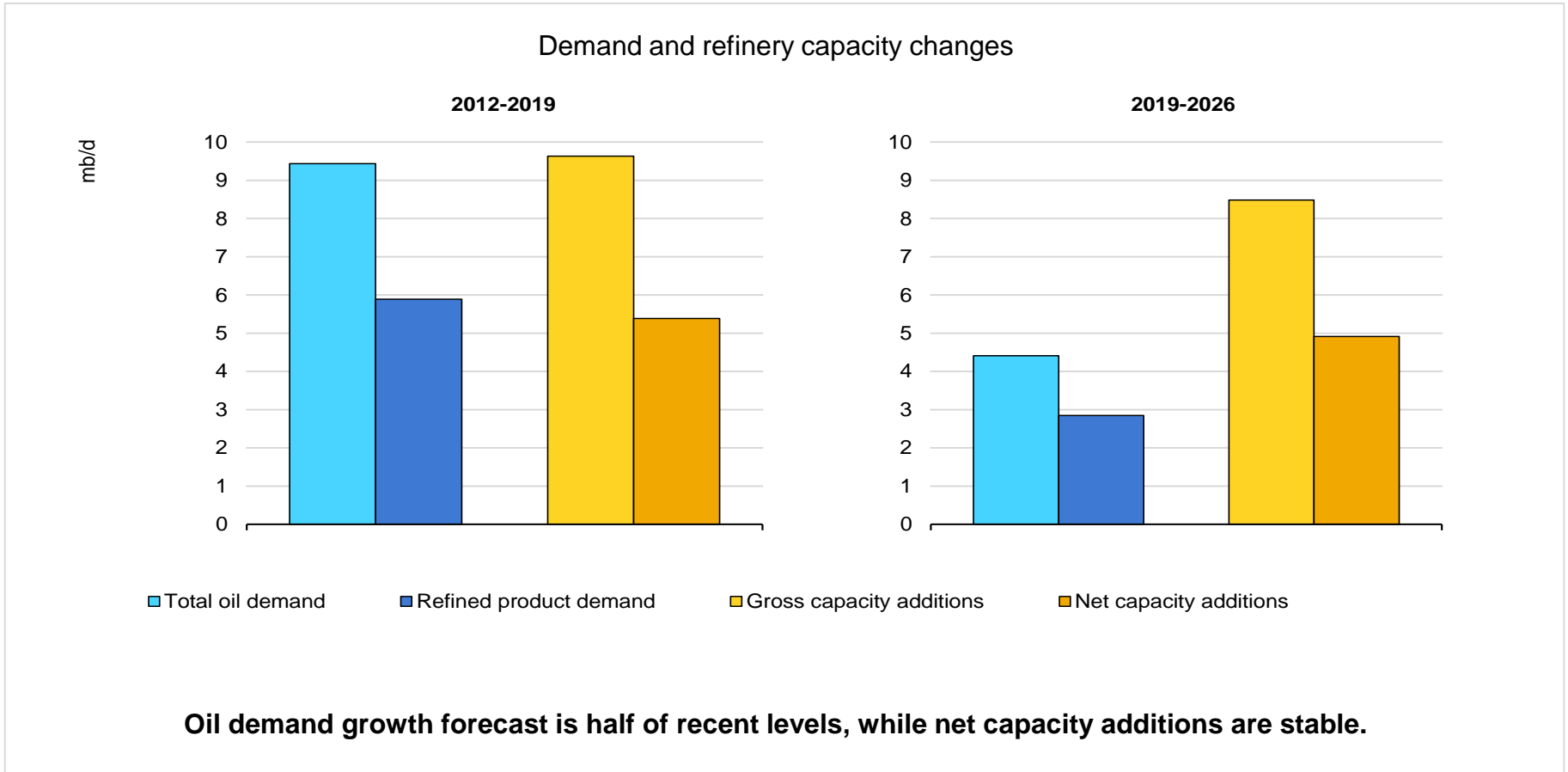


Great downstream migration continues

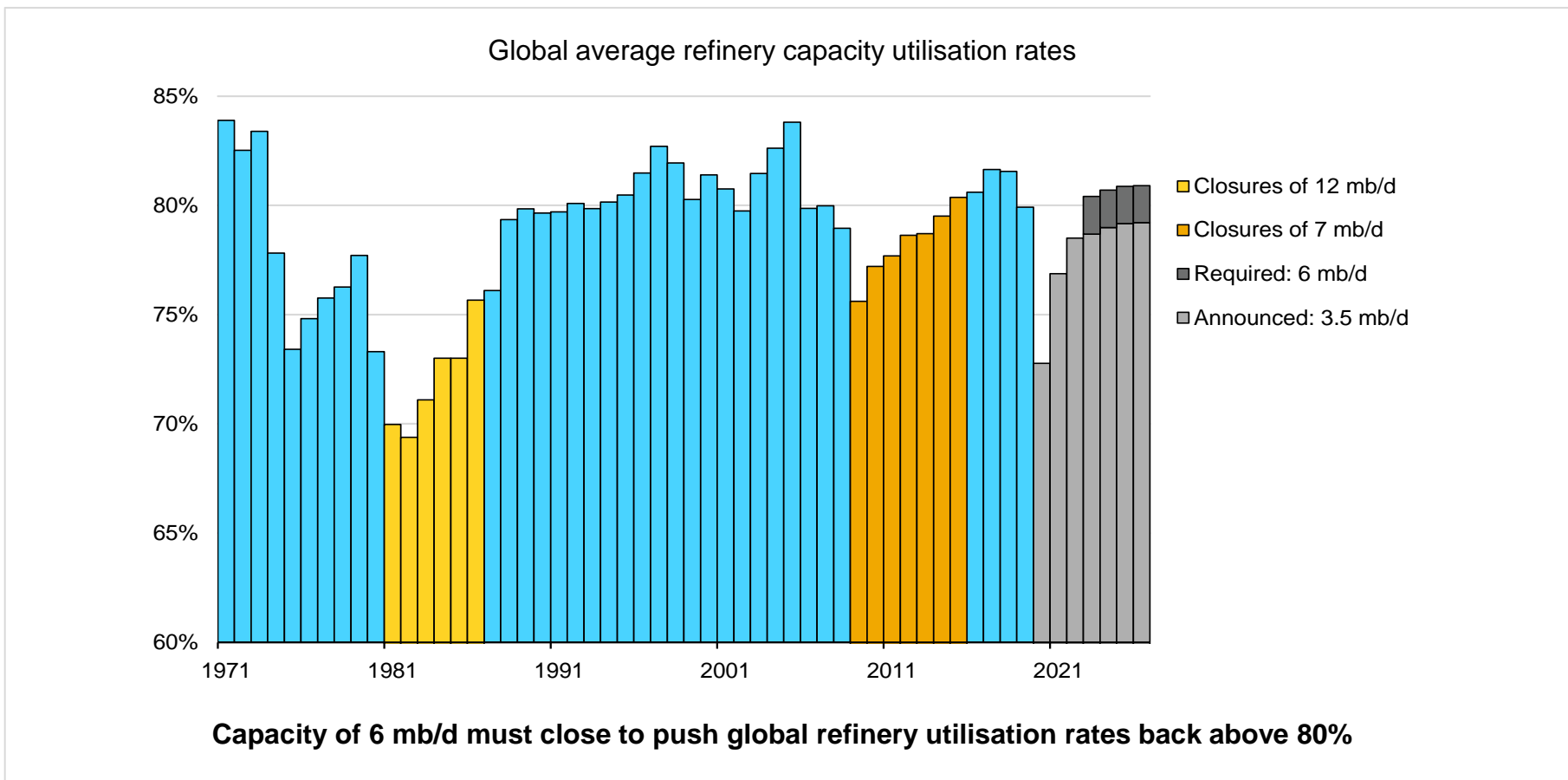


East of Suez accounts for 90% of net capacity additions by 2026

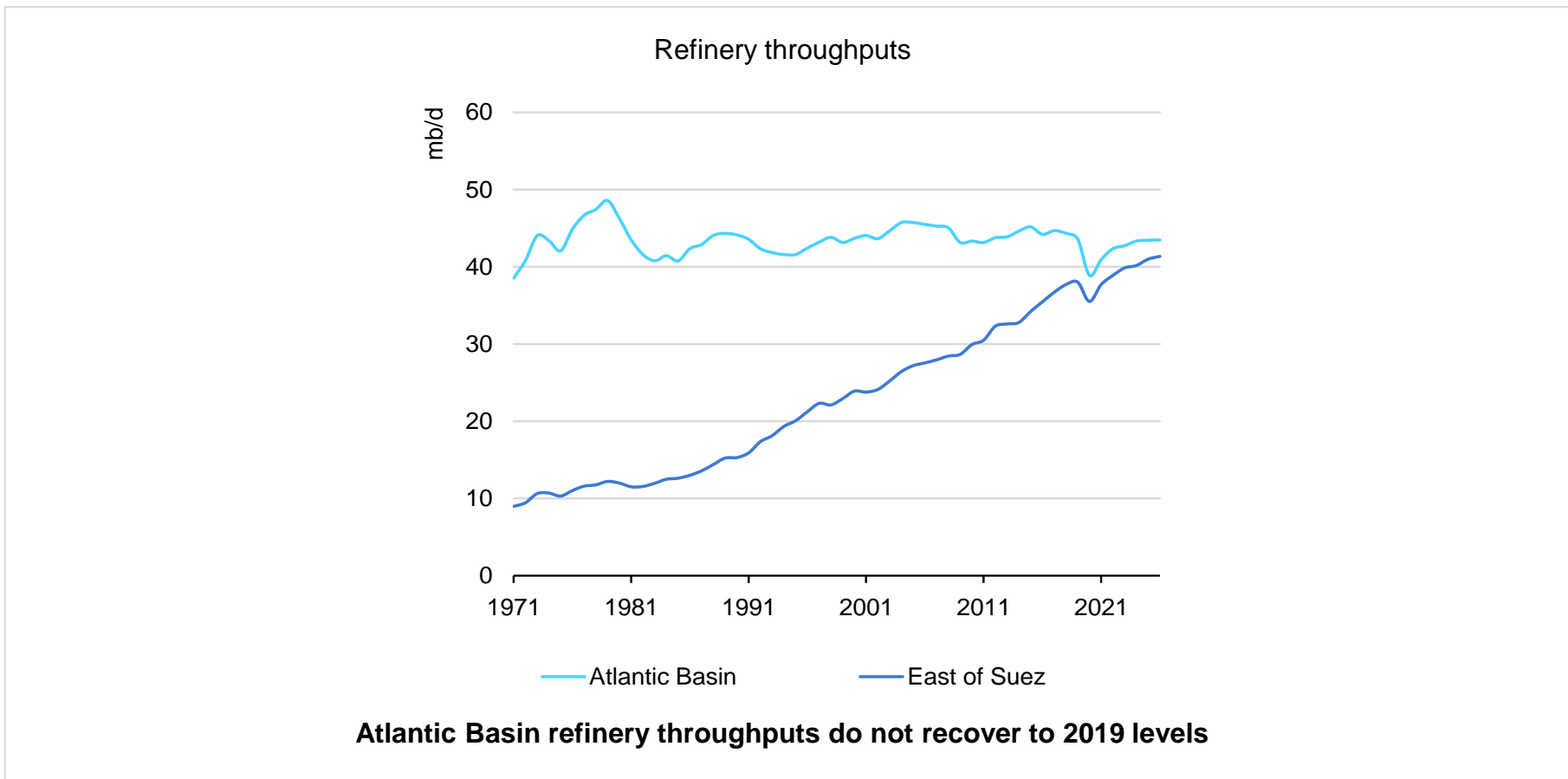
Sharp decline in oil demand growth and call on refineries



Covid-19 speeds up third round of global refinery closures

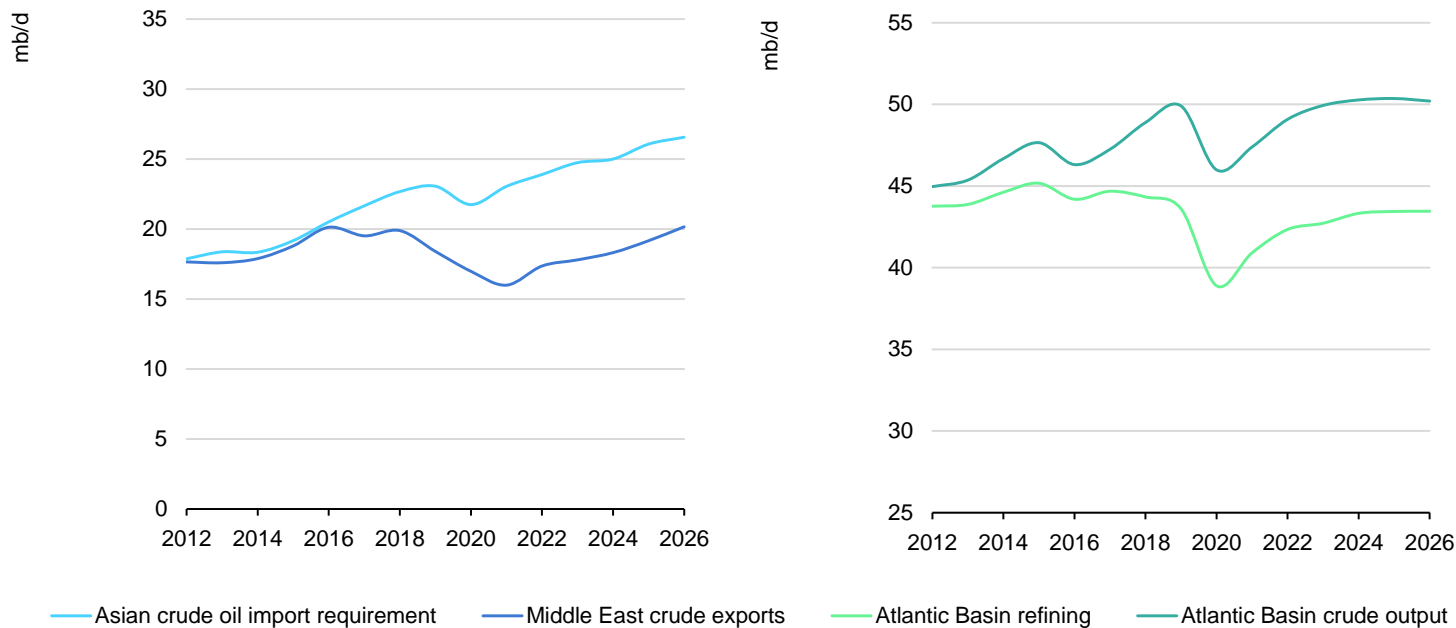


East of Suez drives increase in global refining throughput



Asian crude oil imports reach 27 mb/d

Atlantic Basin and East of Suez crude oil fundamentals



Average net oil import dependence reaches 82% in 2026, up from 77% in 2019

The centre of gravity for products trade shifts to Asia

