

**Hamburg  
Commercial  
Bank**

# **Monitoring of OPEC quotas**

**Production stagnates**

Economics

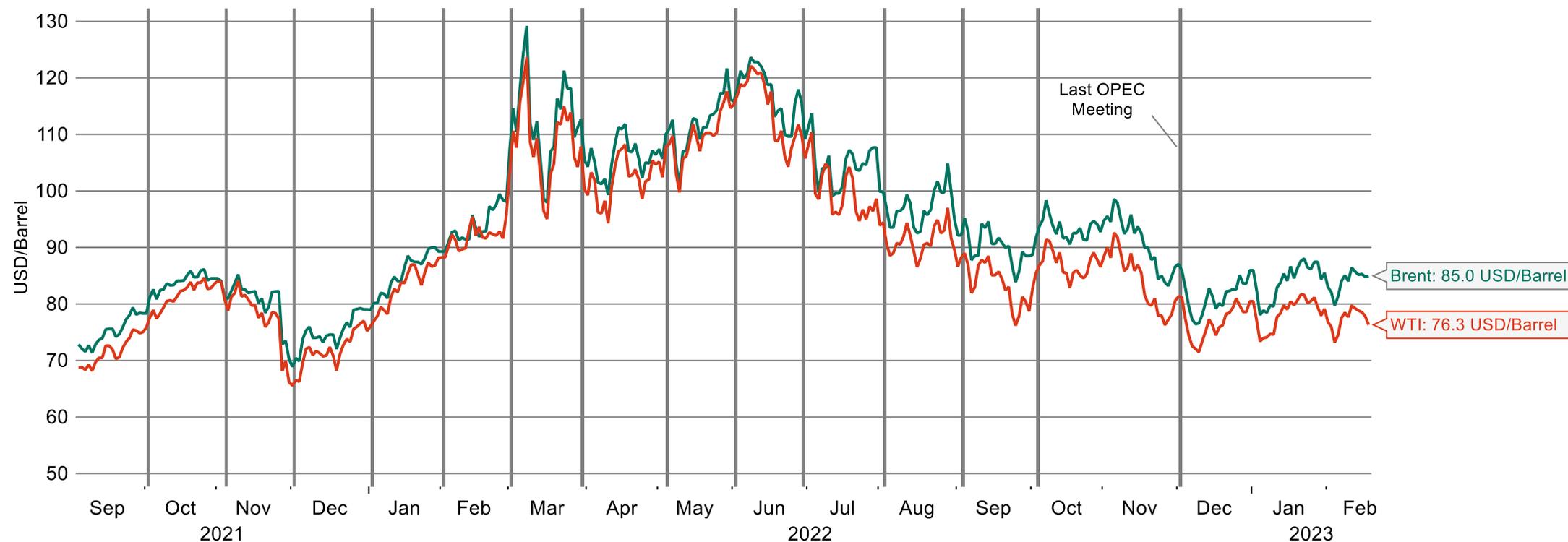
23. Februar 2023

# Executive summary

- In January, OPEC plus production levels remained virtually unchanged (+40,000 barrels/day). While OPEC countries expanded their production by about 110,000 barrels/day, the production of OPEC partner countries decreased by almost 70,000 barrels/day. OPEC countries' production increased in particular due to Nigeria and Congo, where maintenance work on oil fields was completed
- Russia continued to maintain its production at a stable level in January. The development of exports was striking. For example, crude oil exports increased by 300,000 barrels/day, although there was an export decline of 450,000 barrels/day to the EU. At the same time, however, Russia has announced a 500,000 barrel/day drop in production for March. According to Deputy Prime Minister Alexander Nowak, this is in response to the price cap on Russian oil or oil products decided by G7 countries.
- Inventories in the OECD countries fell slightly in December. A closer look shows that inventories rose for crude oil and fell for oil products. This trend may increase as the EU has not imported oil products from Russia since February 5.
- OPEC revised its 2023 oil demand forecast for China upward in January. The higher demand forecast for China is explained by expectations of a stronger economy due to the end of Covid restrictions.
- The next regular OPEC meeting is June 4, 2023. Furthermore, a nine-country OPEC+ Monitoring Committee will meet again on April 3 to discuss current market developments and make production adjustments as necessary. The committee is chaired by Saudi Arabia and Russia. Ad hoc meetings are possible at any time.

**Price development: Since the last OPEC meeting, the oil price has changed little on balance. There were upward and downward breakouts due to the end of the zero-covid policy in China and flared recession fears.**

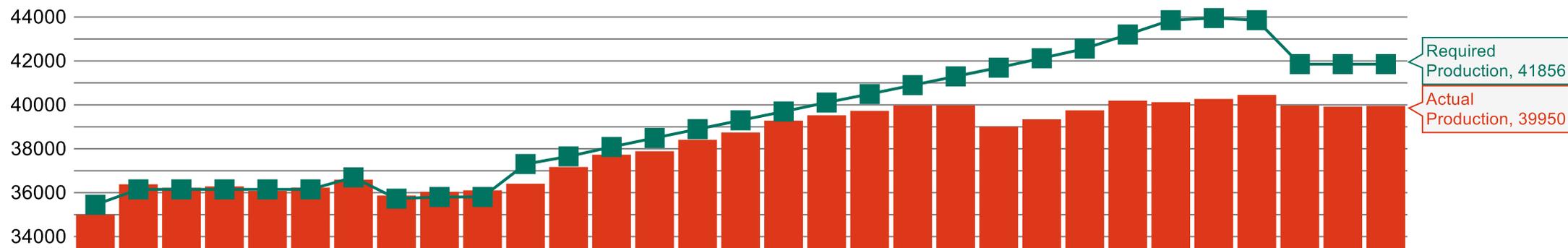
Oil price, Brent und WTI, US-Dollar/Barrel (lines indicate the OPEC/OPEC Plus meetings)



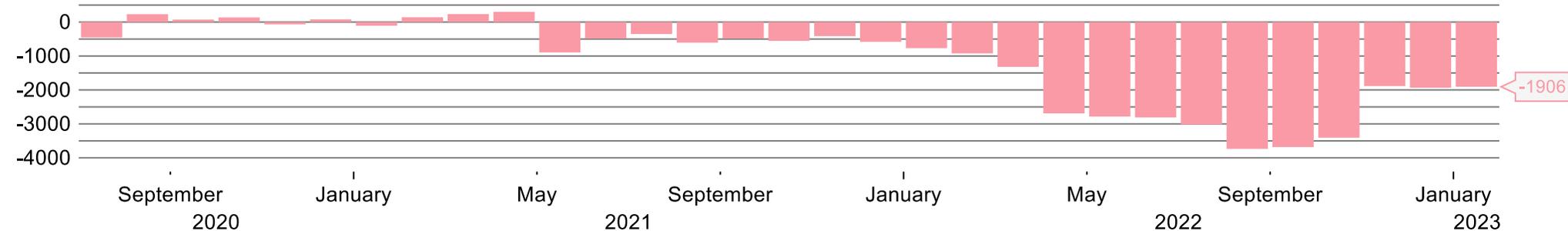
Source: Macrobond, Hamburg Commercial Bank Economics, Intercontinental Exchange (ICE)

# Production Quotas: Since the 2 million barrels/day production cut in November, OPEC Plus has maintained a steady level of production, with the output gap also remaining virtually unchanged.

Oil production compared to the required quota, 1000 barrel/day



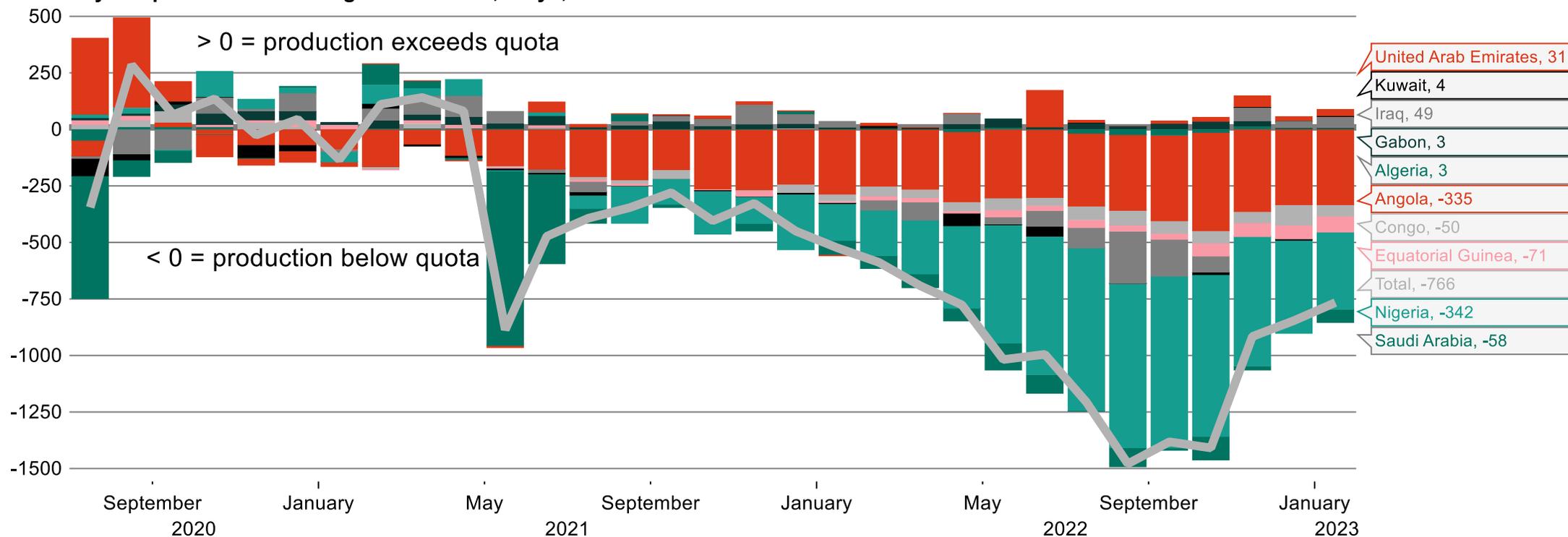
Deviation from quota (negative = lower production than required by the quota, positive: higher production), 1000 barrels/day



Source: Macrobond, HCOB Economics, S&P Global Platts, IEA

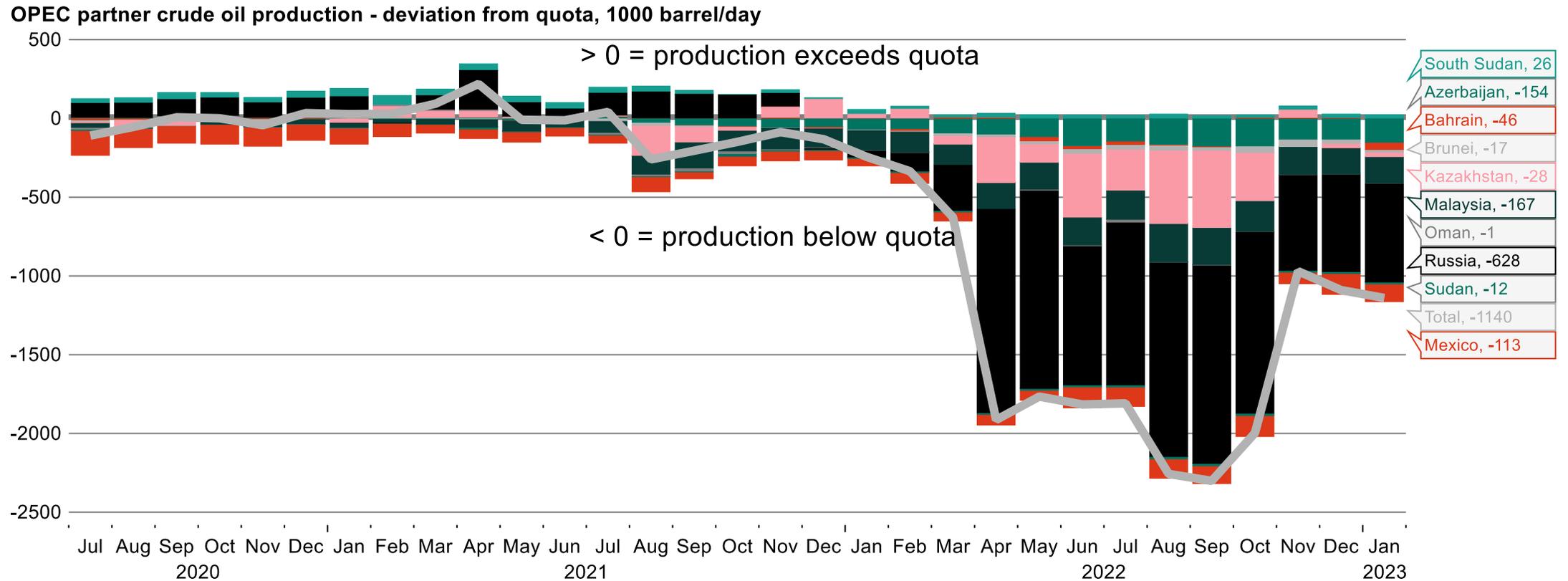
# Compliance from OPEC: Compared to the previous month, OPEC was able to increase its production. Nigeria reached its production high since April, DR Congo also increased production due to completed maintenance work.

OPEC crude oil production - deviation from quota, 1000 barrel/day  
 Currently not part of the OPEC agreement: Iran, Libya, Venezuela



Source: Macrobond, Hamburg Commercial Bank Economics, Bloomberg, S&P Global Platts

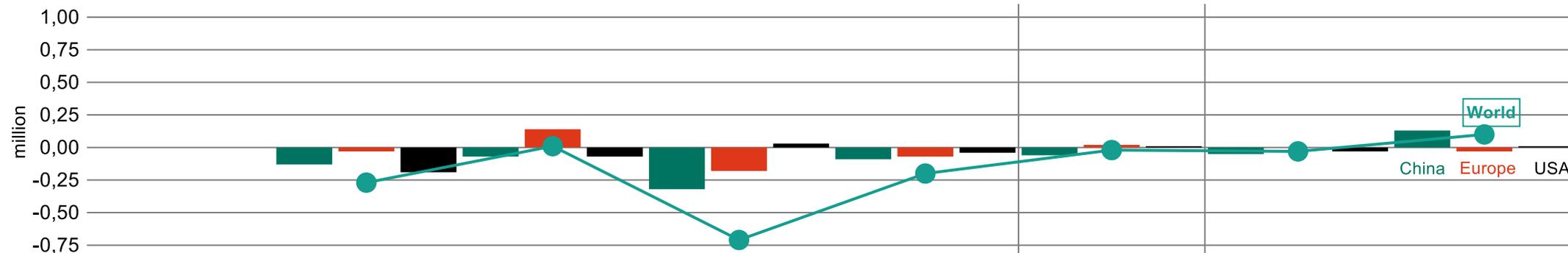
# Compliance of OPEC partners: In January, OPEC partner production fell slightly, but it was announced in March that Russia would cut its production by 500,000 barrels/day.



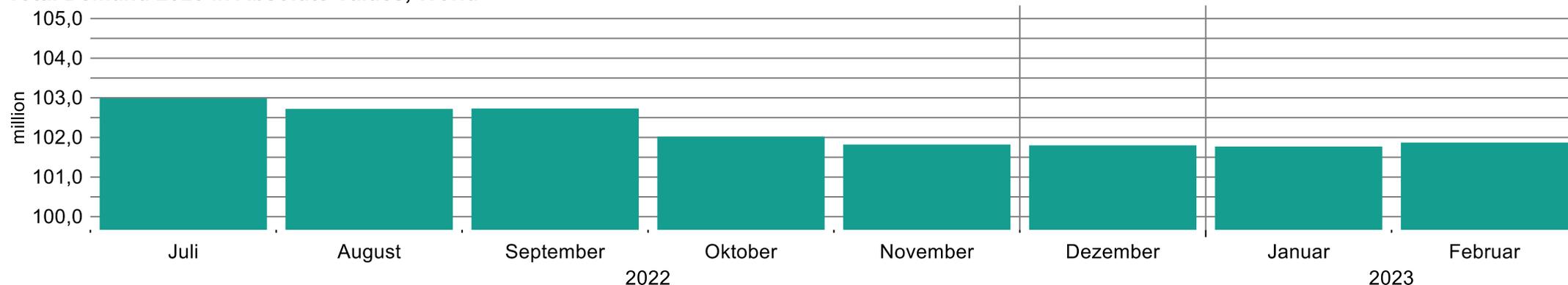
Source: Macrobond, Hamburg Commercial Bank Economics, S&P Global Platts, IEA

# Oil demand forecast 2023: The forecast for China has been adjusted slightly upward, as stronger economic growth is expected from China due to the end of the zero-covid policy.

Total Demand 2023 - Shift in Estimates



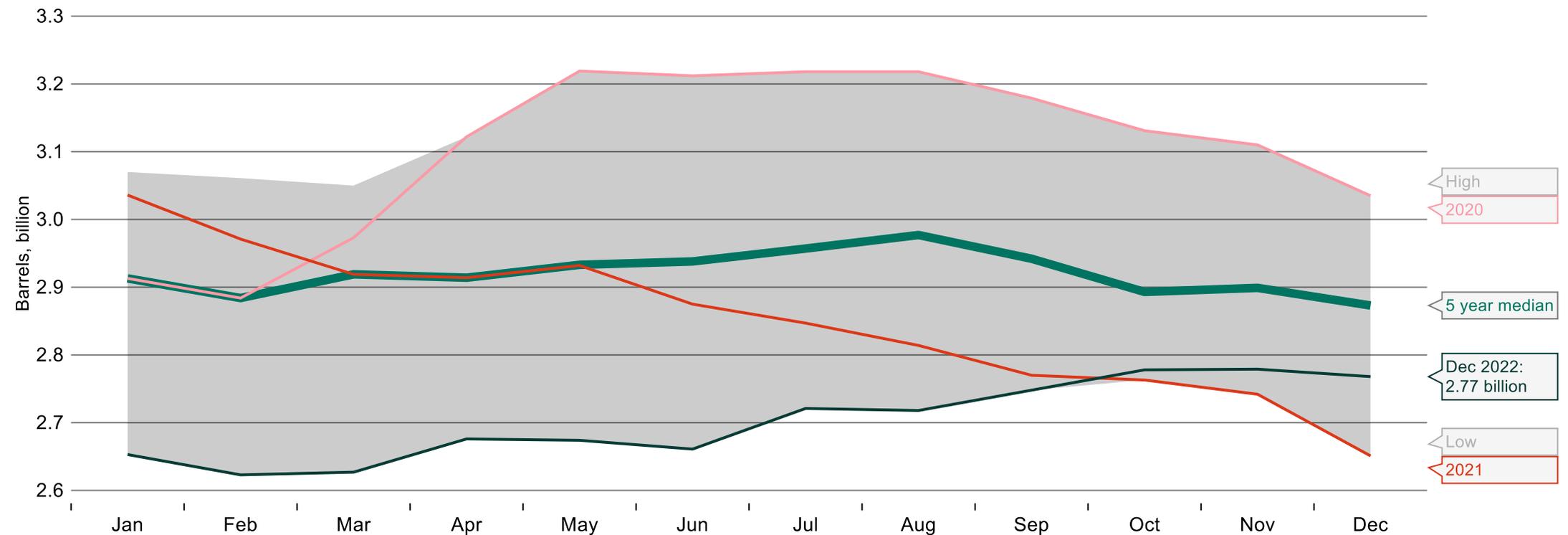
Total Demand 2023 in Absolute Values, World



Source: Macrobond, HCOB Economics, OPEC

# OECD inventories: Inventories decreased slightly in December. A closer look shows that inventories rose for crude oil and fell for oil products.

Oil inventories (crude and products) of OECD countries according to the data of OPEC, most recent development and five year average



Source: Macrobond, HCOB Economics, OPEC

# Background: OPEC Countries and OPEC Partners

## OPEC

- Algeria
- Angola
- Congo
- Equatorial Guinea
- Gabon
- Iraq
- Kuwait
- Nigeria
- Saudi Arabia
- United Arab Emirates

Excluded from the agreement due to political difficulties:

- Libya
- Iran
- Venezuela

## OPEC Partner

- Azerbaijan
- Bahrain
- Brunei
- Kazakhstan
- Malaysia
- Mexico
- Oman
- Russia
- Sudan
- South Sudan

# Oil markets calendar 2023

OIL MARKET CALENDAR 2023																															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
JANUARY																					IEA Oil Market Report OPEC Monthly Report*										
FEBRUARY	Feb: Joint Ministerial Monitoring Committee (JMMC)*										OPEC Monthly Report*										IEA Oil Market Report										
MARCH																					IEA Oil Market Report OPEC Monthly Report*										
APRIL	Apr: JMMC										OPEC Monthly Report*										IEA Oil Market Report										
MAY											OPEC Monthly Report*										IEA Oil Market Report										
JUNE	JMMC & OPEC+ meeting																				IEA Oil Market Report OPEC Monthly Report*										
JULY	8th OPEC International Seminar																				IEA Oil Market Report OPEC Monthly Report*										
AUGUST	Aug: JMMC																				IEA Oil Market Report OPEC Monthly Report*										
SEPTEMBER																					IEA Oil Market Report OPEC Monthly Report*										
OCTOBER	Oct: JMMC																				IEA Oil Market Report OPEC Monthly Report*					OPEC World Oil Outlook*					
NOVEMBER																					IEA Oil Market Report OPEC Monthly Report*										
DECEMBER	Dec: JMMC																				IEA Oil Market Report OPEC Monthly Report*										

\* Data are an indication and derived from this years publication data.

\*\* The JMMC has the power to call a OPEC production meeting and to make recommendations

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