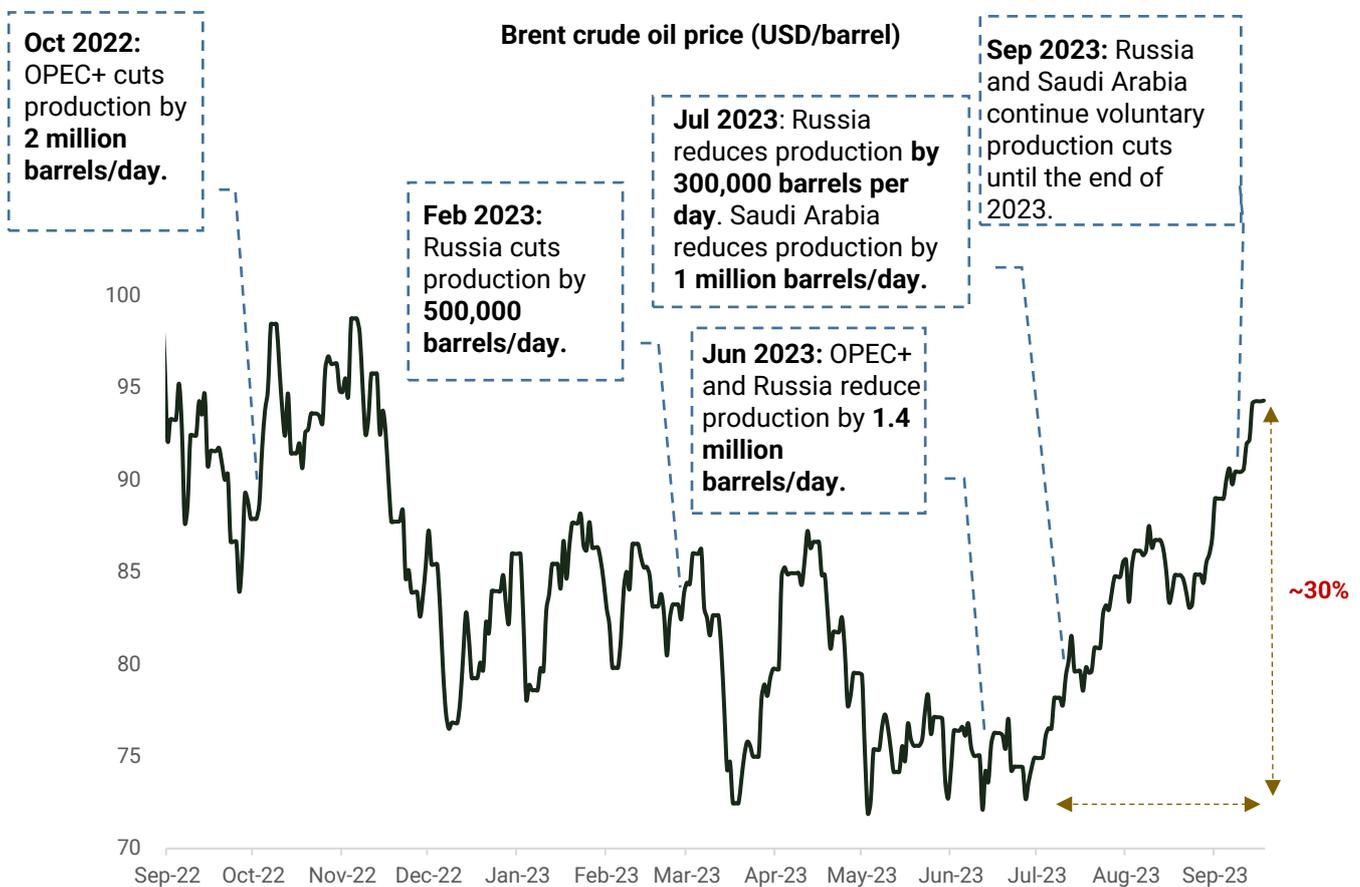


Updated: 25 September 2023

Industry overview

OPEC+ countries cut oil supply: In early September, Saudi Arabia and Russia announced an extension of their oil supply cuts for an additional 3 months. Accordingly, Saudi Arabia declared that it would continue to reduce daily output by 1 million barrels, and Russia also announced an extension of its 300,000 barrels per day cut in oil exports until December 2023. These actions represents the latest step by OPEC+ in their global oil supply reduction efforts since October 2022, aimed at tightening global oil supply.

Oil prices have reacted strongly to the aforementioned developments: The upward trend in crude oil prices from late June 2023 to the present is the most significant increase since the Russia-Ukraine war in late February 2022. Crude oil prices have rebounded by 30% from the low established in July 2023. The global oil supply-demand imbalance in the third quarter of 2023 recorded a deficit of -0.6 million barrels per day as the oil supply tightened, and oil consumption increased due to rising in travel and production demand, reflecting the stronger economic growth of majors countries. Brent crude oil prices have surged and are currently trading around USD95 per barrel.



(Source: Bloomberg, PHS compilation)