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International

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## **Economic Alert: OPEC invites non-members to Vienna talks.**

- OPEC has invited 14 other crude producers, who collectively pump about a fifth of the world's oil, to talks on 10 December 2016.
- Attention is now shifting to which other non-OPEC producers will reduce output when they meet in Vienna on Saturday. OPEC is hoping they will cut a further 300,000 barrels a day.
- Invitees included key producers such as Mexico and Kazakhstan along with minor producers like Bolivia, Trinidad and Tobago and Uzbekistan.
- Other invitees to the meeting include Oman, Bahrain, Colombia, Egypt, Turkmenistan, Azerbaijan and Brunei. Altogether, the 14 nations pumped about 18.8 million barrels a day of oil last year, equivalent to 20 percent of global supply, according to data from BP Plc.
- On the market, oil retreated from the highest close in 16 months as OPEC pumped a record amount of crude in November, partly led by members exempt from cutting output as part of last week's deal to curb supply.
- Futures slid as much as 1.7% in New York after advancing 15% over the previous four sessions.
- The Organization of Petroleum Exporting Countries increased production to 34.16 million barrels a day last month, according to a Bloomberg News survey, with Angola, Libya and Nigeria leading the gains.
- After Russia, Mexico is the largest producer invited to Vienna. While the nation's output is expected to fall by about 150,000 barrels a day next year to 1.94 million due to the natural decline in production at aging fields, the country doesn't plan any further cuts, a Pemex official said last week.

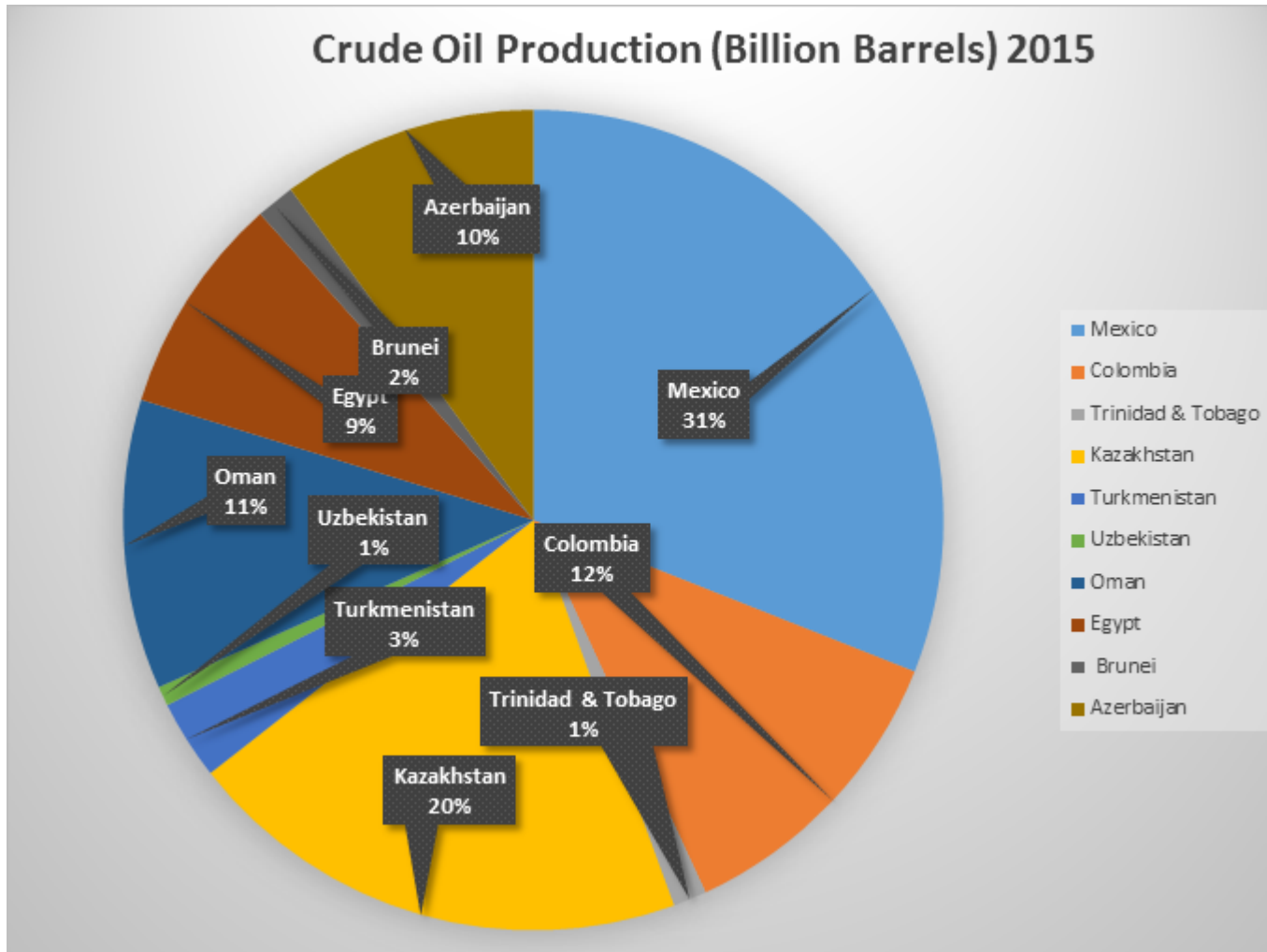
- Kazakhstan, the next-largest producer with daily output of about 1.7 million barrels, will decide on whether to cut output after talks with OPEC. According to Kazakhstan's Deputy Energy Minister, the country is not ready to freeze or cut production while the \$50 billion Kashgan project is still starting up.
- Sources stated that Oman has committed to matching any-oil output cut agreed by OPEC up to a maximum of 10%.

#### Crude oil price projections

Period	Q4 16	Q1 17	Q2 17	Q3 17	2016	2017	2018	2019
	USD	USD	USD	USD	USD	USD	USD	USD
NYMEX WTI \$/BBL	49.27	53.95	55.28	55.57	52.06	55.11	55.41	55.41
	USD	USD	USD	USD	USD	USD	USD	USD
ICE Brent \$/BBL	51.06	56.06	57.02	57.29	54.97	56.95	57.63	58.06

Source: Bloomberg

## Crude Oil Production (Billion Barrels) 2015



Source: Bloomberg, Research & Analytics Department



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