

# Oil Supply & Demand Dashboard

May 2022

Based on publicly available data, as of June 10, 2022

CONFIDENTIAL AND PROPRIETARY

Any use of this material without specific permission of McKinsey & Company  
is strictly prohibited

# Market overview

## Impact on oil prices

## Short-term signposts

## Changes in May against the prior month (unless otherwise stated)



### Oil prices

The average Brent crude oil spot price grew to \$113/bbl in May from \$105/bbl in April. Crude oil prices rose further as Shanghai and Beijing began easing COVID-19-related restrictions and the EU announced plans to cut its Russian oil imports by 90% by the end of the year



### Global oil demand

Global liquids demand increased by 0.9 MMb/d m-o-m in May to 98.6 MMb/d. Demand increased across most regions, except for Europe and Japan, which saw a decrease of 0.3 MMb/d each. Europe's oil demand is now 0.8 MMb/d lower compared to six months earlier



### Commercial inventories

Commercial inventories increased by 56 million barrels in May, to 4.2 billion barrels globally, mostly driven by an increase in non-OECD inventory



### OPEC 10 production (excl. Iran, Venezuela, Libya)

OPEC 10 production remained stable at 29.8 MMb/d. The slight production decrease of 0.1 MMb/d in Saudi Arabia was balanced by production increases in Kuwait, UAE, and other OPEC 10 countries. Overall, OPEC 10 output is up by 3.1 MMb/d y-o-y, however, it is still down by 0.4 MMb/d compared to January 2020



### Non-OPEC production (excl. US shale)

Non-OPEC production increased by almost 0.7 MMb/d m-o-m in May to 56.8 MMb/d. With this increase, non-OPEC production is up by 0.8 MMb/d y-o-y



### US shale oil production

US shale oil production continued to rise slightly in May, reaching 8.6 MMb/d. Although US shale output is up by 0.6 MMb/d y-o-y, it is still below pre-pandemic levels of 9.0 MMb/d. Saying that, a continued m-o-m increase in the number of actively-drilling onshore rigs indicates an ongoing rise in activity



### Iran, Venezuela, Libya production

Combined, production levels in Iran, Venezuela, and Libya decreased slightly by 0.3 MMb/d m-o-m to 4 MMb/d in May. This was mainly driven by Libya, where production output declined by 0.2 MMb/d m-o-m to 0.7 MMb/d

### Market sentiment

The sustained high crude oil price is having a negative impact on the global economy, with inflation rising to record-high levels in Europe and the US. If high energy prices are sustained for a longer period, it may lead to demand destruction

On the supply side, OPEC+ producers agreed to increase their collective production by 0.65 MMb/d in each of July and August, rather than by 0.4 MMb/d per month to September as per the previous targets

# Oil market fundamentals



### Oil price (USD)

● Brent spot price



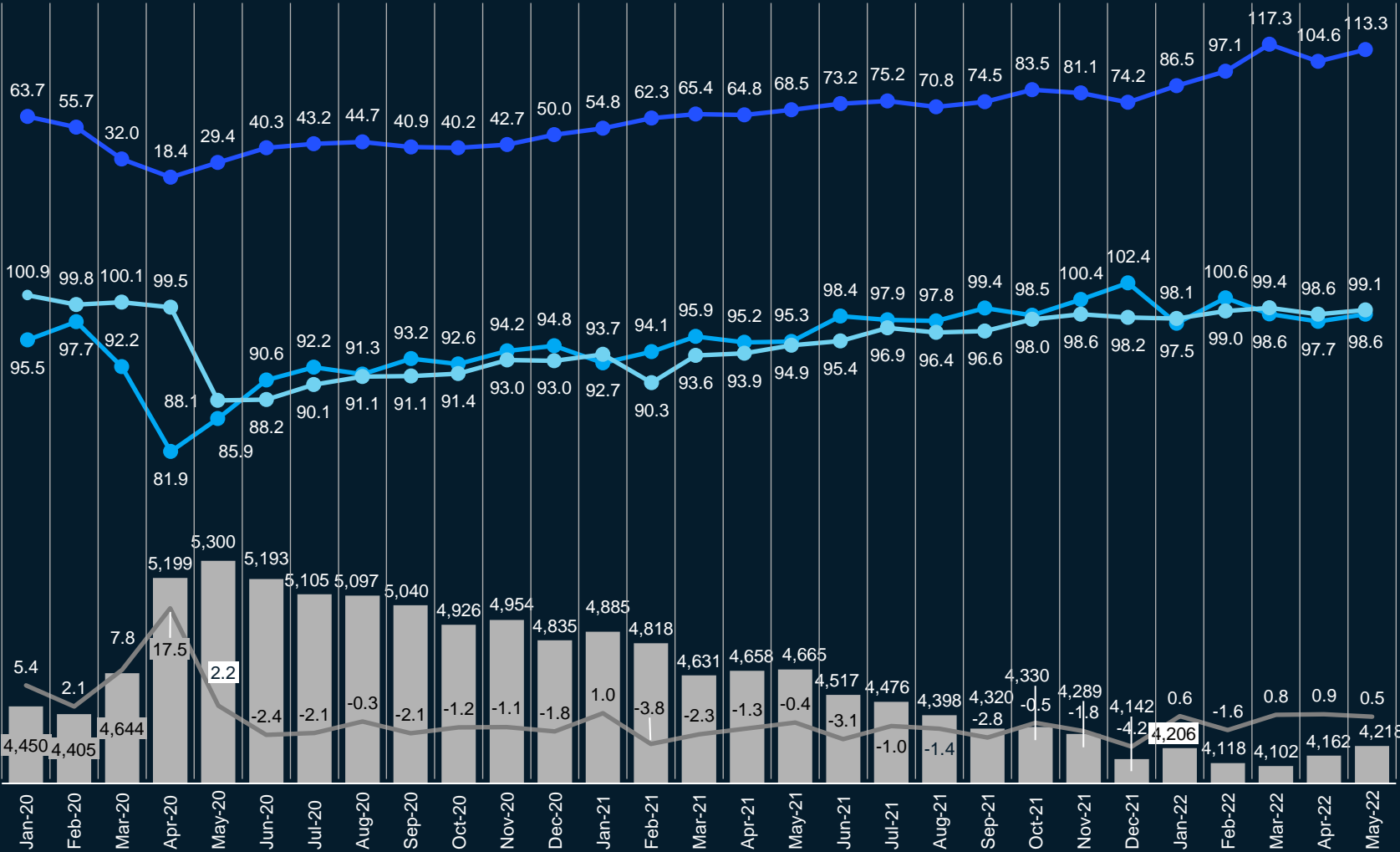
### Demand & supply (MMb/d)

● Global liquids demand  
● Global liquids supply



### Inventories (Bn bbl) & stock change (MMb/d)

■ Global commercial inventories  
— Implied stock change



Source: U.S. Energy Information Administration (June 2022)

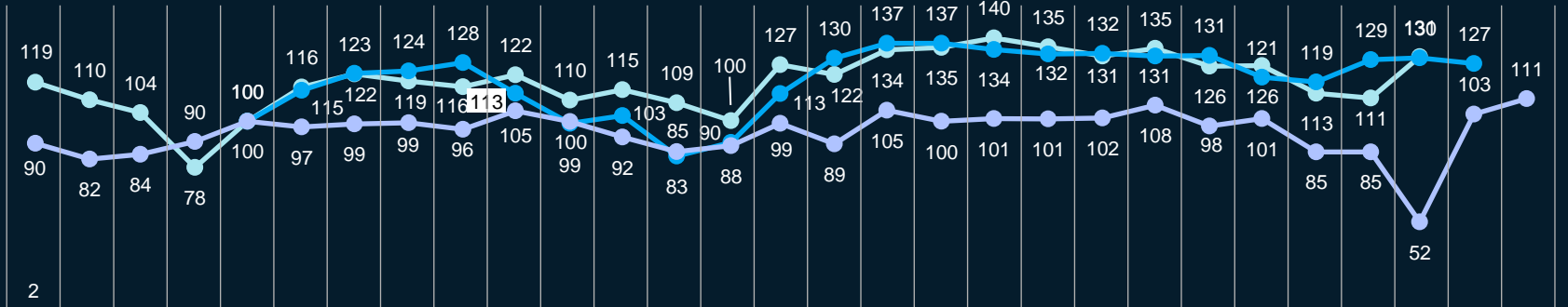
# Demand



## Selected major OECD countries road transport mobility trend

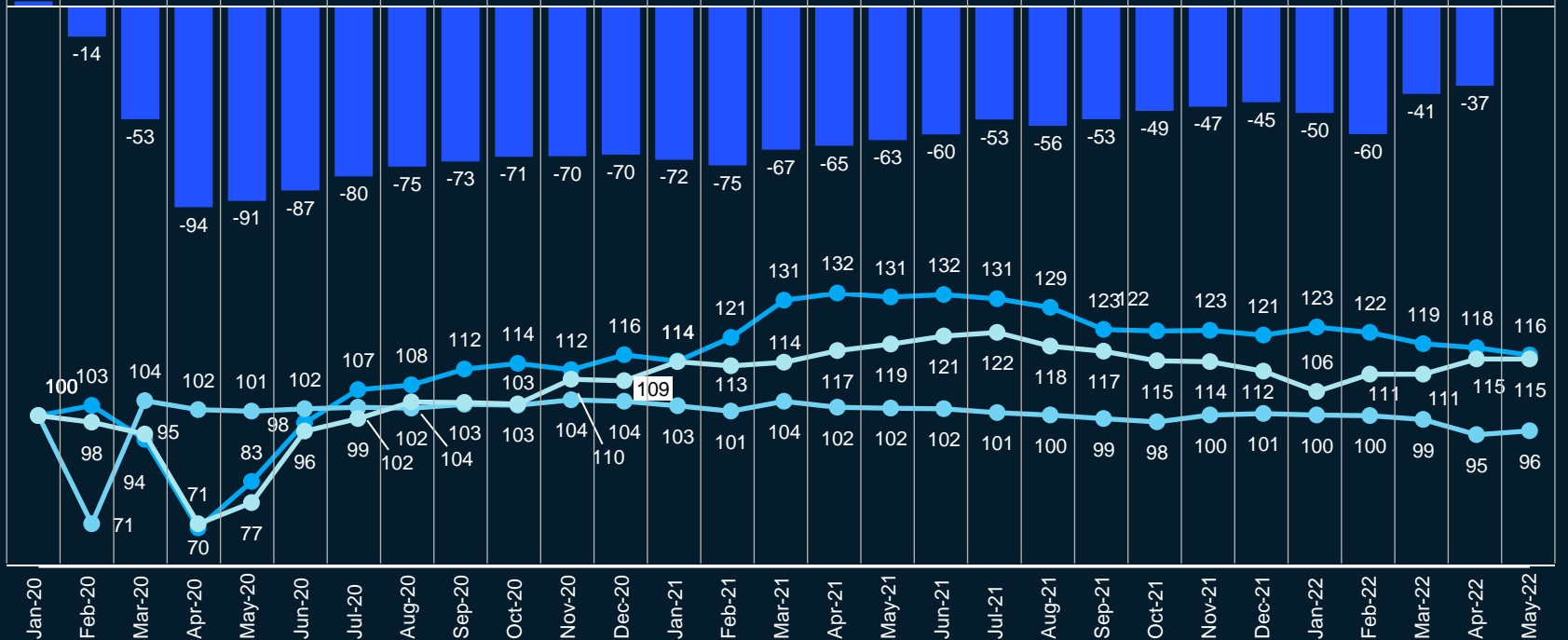
(Indexed from May 2020)

- US
- UK
- Korea



## Global aviation traffic (RPK<sup>1</sup>) change (%) vs same month in 2019

- Global aviation traffic (RPK) change



## Purchasing Managers Index (PMI)

(Jan 2020 indexed)

- Eurozone Manufacturing PMI
- China Manufacturing PMI
- US Manufacturing PMI

1. Revenue Passenger Kilometers

Source: IATA Economics, Korea Expressway Corporation, UK Office for National Statistics, US Department of Transportation, Investing.com Fusion Media

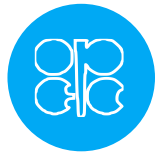
# Supply (MMb/d)



**Non-OPEC excl. US shale (liquids)**



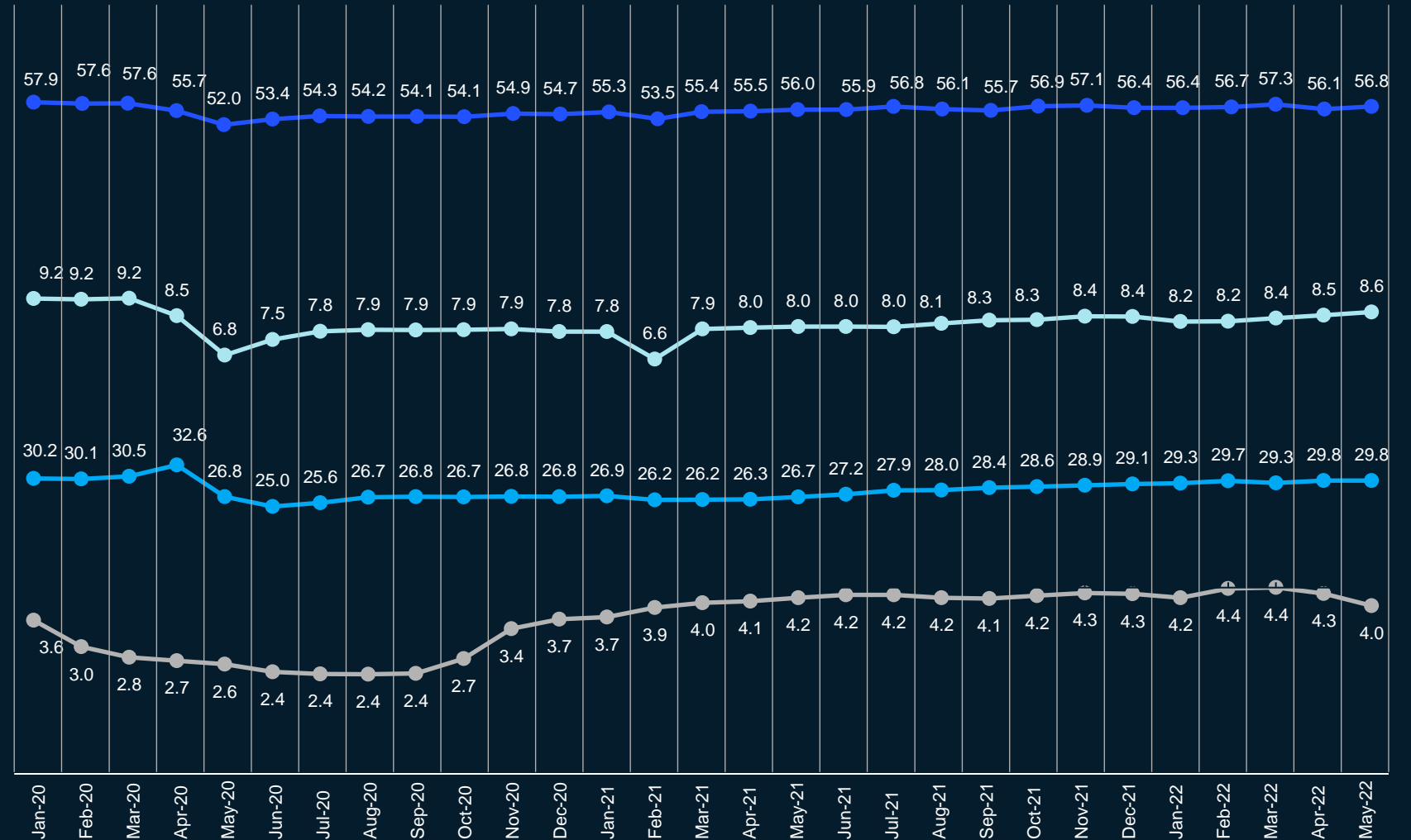
**US shale oil (crude)**



**OPEC 10 excl. Iran, Venezuela, Libya (liquids)**



**Iran, Venezuela, Libya (crude)**



---

# Appendix

# Demand (MMb/d)



## Global

- 2022
- 2021
- 2020
- 5Y range



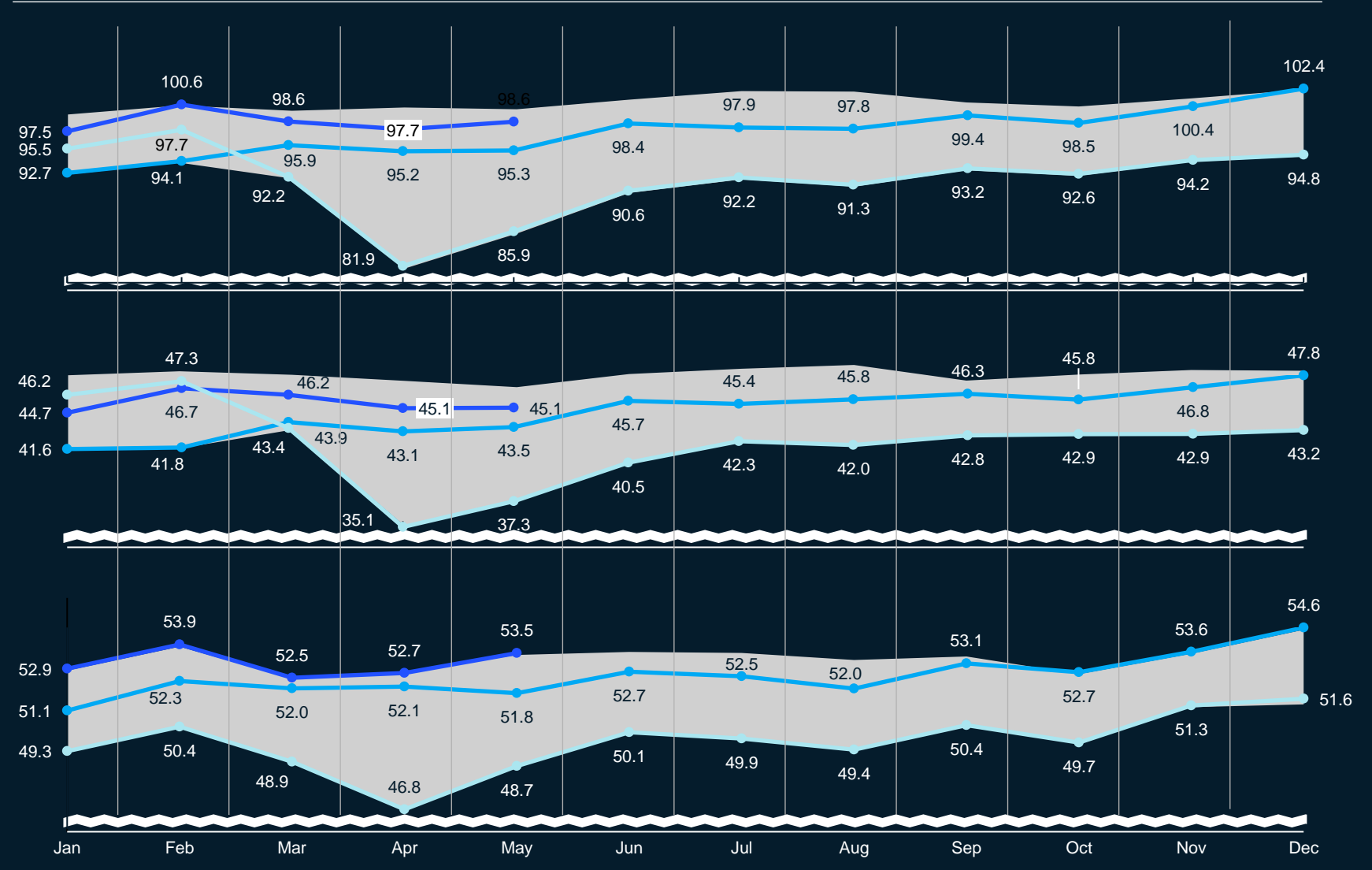
## OECD

- 2022
- 2021
- 2020
- 5Y range



## Non-OECD

- 2022
- 2021
- 2020
- 5Y range



# Demand (MMb/d)



## US

- 2022
- 2021
- 2020
- 5Y range



## Europe

- 2022
- 2021
- 2020
- 5Y range



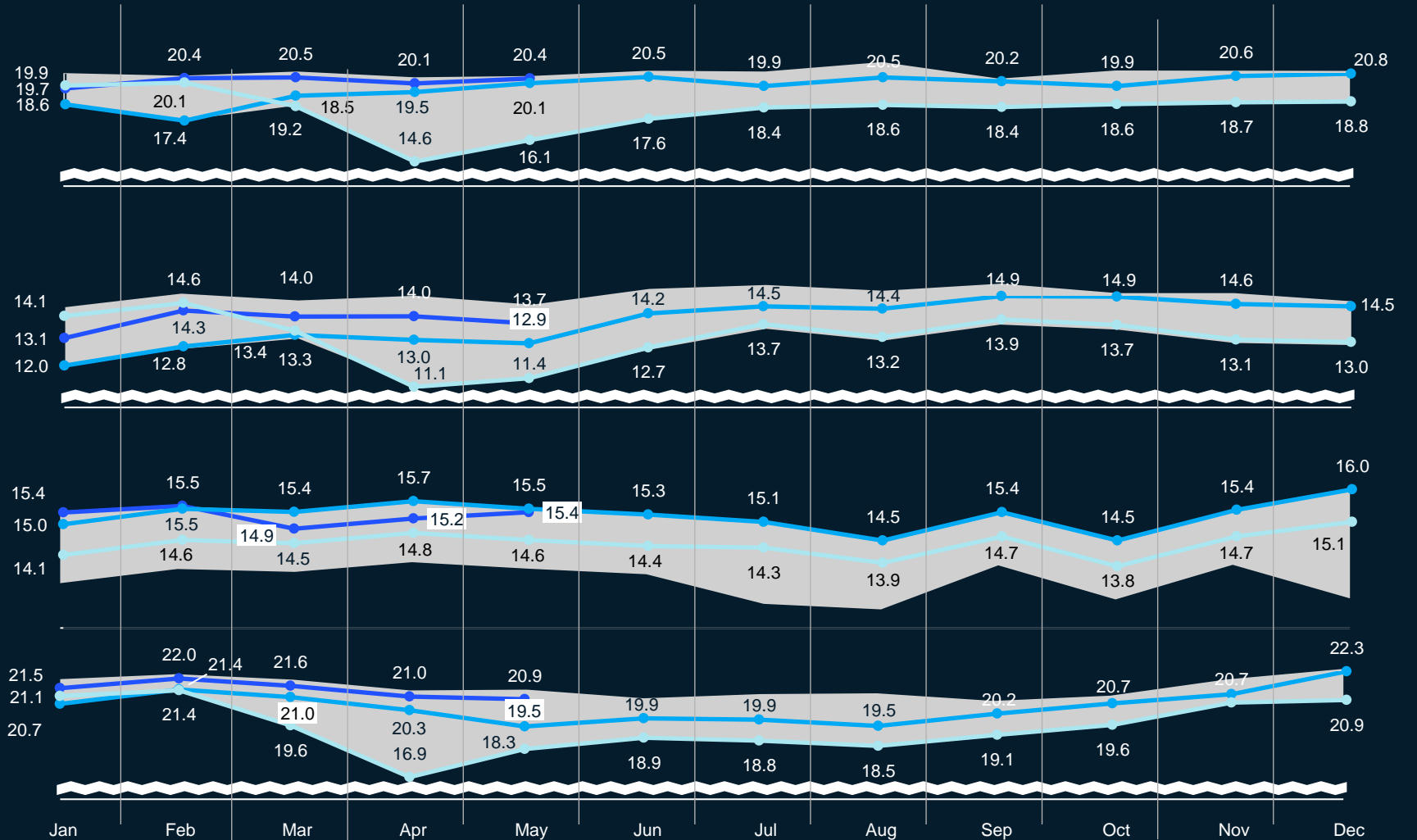
## China

- 2022
- 2021
- 2020
- 5Y range



## Asia & Oceania excl. China

- 2022
- 2021
- 2020
- 5Y range



Source: U.S. Energy Information Administration (June 2022)

# Supply (MMb/d)



## Global Supply

- 2022
- 2021
- 2020
- 5Y range



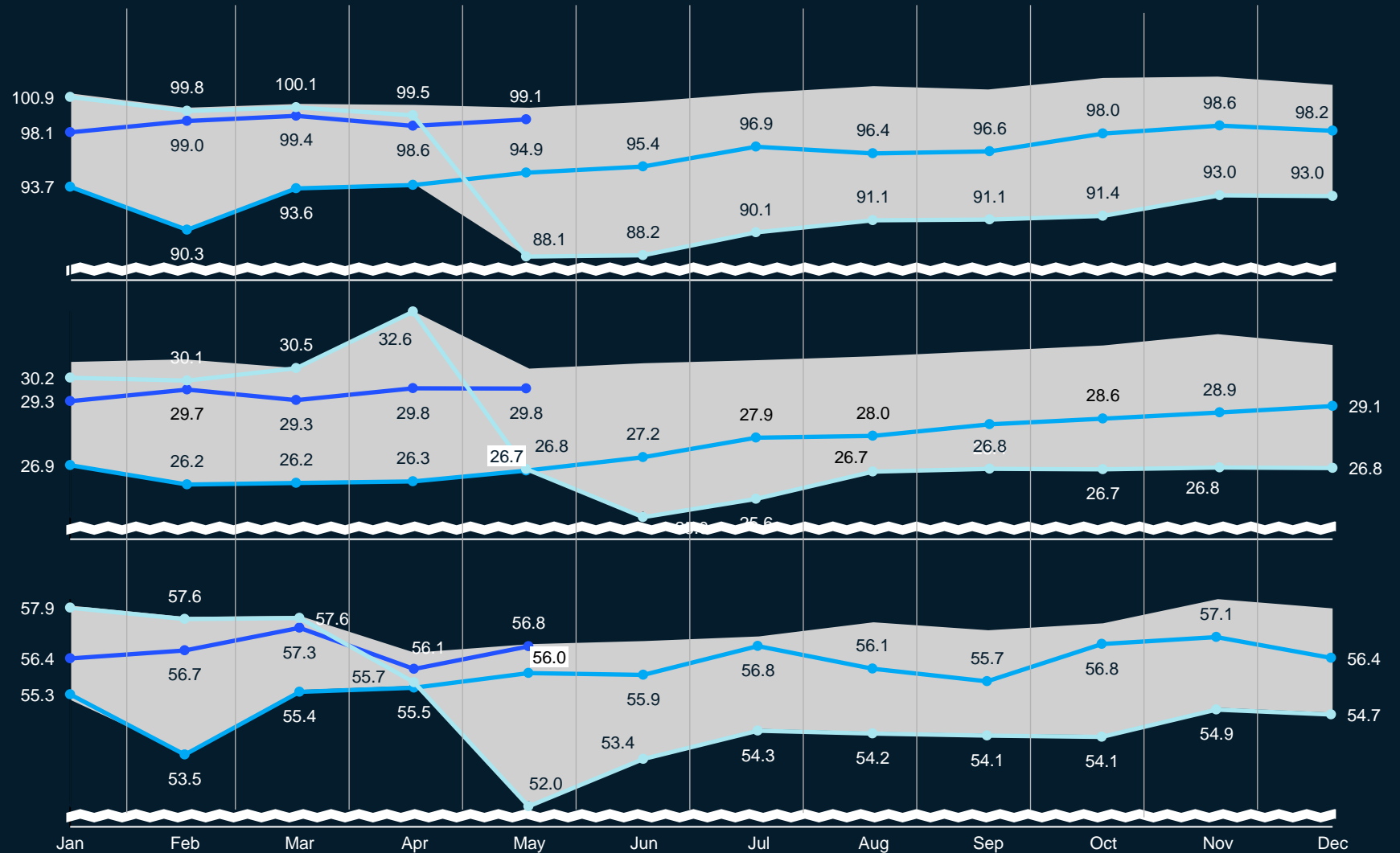
## OPEC 10

- 2022
- 2021
- 2020
- 5Y range



## Non-OPEC (excl. US shale)

- 2022
- 2021
- 2020
- 5Y range



Source: U.S. Energy Information Administration (June 2022)

# Supply (MMb/d)



## US Shale Oil

- 2022
- 2021
- 2020
- 5Y range



## Iran, Venezuela, Libya

- 2022
- 2021
- 2020
- 5Y range



## Russia

- 2022
- 2021
- 2020
- 5Y range

