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## **OPEC OIL PRODUCTION ROSE IN MAY OWED TO UNEXPECTED BOOST FROM IRAQ**

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Market Watch (13 June 2017)

Crude and products stocks in industrialized OECD nations stood at a surplus above the seasonal norm of around 171 million barrels and 80 million barrels, respectively, OPEC said Tuesday.

The Organization of the Petroleum Exporting Countries said Tuesday it produced more crude oil in May, underscoring the fragility of the cartels agreement with other big producers to cut output and stabilize a slumping market.

OPECs output rose 1% to over 32.14 million barrels in May, led largely by increases from three of its 14 members: Libya, Nigeria and Iraq, according to the cartels closely watched monthly market report.

The increase from Libya and Nigeria wasnt a surprise because those countries were exempted from any obligation to cut as they try to come back from sabotage and violent disruptions to their supplies.

But Iraq agreed last December, and again in May, to some of the largest production cuts undertaken by the cartel. Instead its output increased over 44,000 barrels a day to over 4.4 million barrels a day.

OPECs members have agreed with 10 nations outside the cartel to cap their production at roughly 1.8 million barrels CLN7, -0.95% LCOQ7, -0.80% a day lower than levels in October 2016. Their goal is to draw down historically high amounts of oil in storage, which represent a global oil supply that has kept prices between \$45 and \$55 a barrel for much of the year.

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Kaynak/Source: