

CRUDE OIL PRICE PREDICTION

PROJECT KNOWLEDGE

1. Supply:

Oil prices started to rise as early as ahead of emergency OPEC+ meeting held on April 9 - the first meeting after Russia and Saudi Arabia failed in early March to reach an agreement on oil production cuts, sending oil prices to historic lows.

The oil market is currently dramatically oversupplied due to the price war between Russia and Saudi Arabia and contracting demand caused by the Coronavirus pandemic.

According to the latest estimate by the US Energy Information Administration (EIA), oil supply exceeded demand by around 6 million barrels per day in the first quarter of 2020 and the gap is expected to extend to 11.4 million barrels per day in the second quarter.

2. Demand:

In terms of barrels, India's oil consumption is forecast to rise from **4.05 MBPD in FY22 to 7.2 MBPD in 2030 and 9.2 MBPD in 2050**. Diesel demand in India is expected to double to 163 MT by 2029-30, with diesel and petrol covering 58% of India's oil demand by 2045.