

OPEC NOV. CRUDE OUTPUT RISES 40,000 B/D TO 33.08 MIL B/D, IRAN FALLS BELOW 3 MIL B/D MARK: PLATTS SURVEY

BY S&P GLOBAL PLATTS

- US sanctions hammer Iran output
- Saudi Arabia pumps 11.02 million b/d
- OPEC meets Thursday on oil cuts

US sanctions pushed Iran's crude oil production to below 3 million b/d in November, but a massive 350,000 b/d increase by Saudi Arabia and a 130,000 b/d surge by the UAE -- both of whom hit record highs -- kept OPEC's collective output from falling, an S&P Global Platts survey of shipping data, analysts and industry officials found.

OPEC's 15 members produced 33.08 million b/d in November, a 40,000 b/d rise from October, according to the survey. That is the highest since July 2017, when barrels from the Republic of Congo, which joined the organization in June, are not included.

The producer bloc meets Thursday in Vienna for fraught talks on new output cuts for 2019, with 10 key non-OPEC partners led by Russia joining the negotiations Friday.

Saudi Arabia, OPEC's largest producer, pumped 11.02 million b/d in the month -- just over 1 million b/d more than it did in May, when it began ramping up output under pressure from the US to keep oil prices low. This is the second month in a row the kingdom has set an all-time high in production, according to survey data. Close ally the UAE, meanwhile, also set a record for a second straight month, boosting production to 3.30 million b/d in November, up 430,000 b/d from May, the survey found.

Iran took a 310,000 b/d hit in the month to average 2.98 million b/d in November, dropping the country behind the UAE to become OPEC's fourth largest producer. This is the first time Iran's output has fallen below 3 million b/d since January 2016, when the US sanctions were suspended by the nuclear deal. The US re-imposed the sanctions on November 5, though US President Donald Trump has issued waivers to eight countries to continue buying Iranian oil through early May, leading many analysts to expect Iran's production to rebound somewhat in the next few months.

Iraq, OPEC's second largest producer, pumped 4.57 million b/d in November. That was a 50,000 b/d drop from October, despite the resumption of federally controlled exports through the Kurdistan Regional Government's pipeline, as bad weather affected loadings from the southern port of Basra. Crisis-wracked Venezuela's production dropped slightly to 1.17 million b/d in November. The country, which is suffering from high debt, hyperinflation and crumbling infrastructure, has seen its output plunge 630,000 b/d in a year and 900,000 b/d in two years.

Qatar, which produced 610,000 b/d in November, announced Monday it is withdrawing from OPEC, effective January 2019. Overall, compliance among the 12 OPEC members with quotas under a production cut deal in force since January 2017 fell to 109% in November from 118% in October. ■

OPEC GUIDE

OPEC CRUDE OIL OUTPUT

OPEC production (million b/d)

Country	Nov	Oct	Change
Algeria	1.06	1.06	0.00
Angola	1.51	1.53	-0.02
Congo	0.31	0.32	-0.01
Ecuador	0.52	0.53	-0.01
Equatorial Guinea	0.12	0.12	0.00
Gabon	0.18	0.18	0.00
Iran	2.98	3.29	-0.31
Iraq	4.57	4.62	-0.05
Kuwait	2.79	2.76	+0.03
Libya	1.05	1.10	-0.05
Nigeria	1.89	1.89	0.00
Qatar	0.61	0.62	-0.01
Saudi Arabia	11.02	10.67	+0.35
UAE	3.30	3.17	+0.13
Venezuela	1.17	1.18	-0.01
Total	33.08	33.04	+0.04

OPEC production vs. allocations (million b/d)

Country	Nov	Allocation	Over/under
Algeria	1.06	1.04	+0.02
Angola	1.51	1.67	-0.16
Congo *	0.31	N/A	N/A
Ecuador	0.52	0.52	0.00
Equatorial Guinea	0.12	0.13	-0.01
Gabon	0.18	0.19	-0.01
Iran	2.98	3.80	-0.82
Iraq	4.57	4.35	+0.22
Kuwait	2.79	2.76	+0.03
Libya**	1.05	1.00	+0.05
Nigeria**	1.89	1.80	+0.09
Qatar	0.61	0.62	-0.01
Saudi Arabia	11.02	10.06	+0.96
UAE	3.30	2.87	+0.43
Venezuela	1.17	1.97	-0.80
Total***	33.08	32.73	+0.35

* Congo has not been given an allocation

* Libya and Nigeria were given an unofficial combined 2.80 million b/d cap, near their presumptive maximum sustained production capacities of 1.00 million b/d and 1.80 million b/d, respectively

* Total allocation does not include Congo

Notes:

The estimate for Iraq includes volumes from semi-autonomous Iraqi Kurdistan. The Republic of Congo joined OPEC in June, becoming the organization's 15th member. Qatar has announced it is withdrawing from OPEC effective January 2019.

The next OPEC meeting is December 6.