Figure 4: Oil Supply-Demand Forecast

	2013	2014e	Nov-14	2015e	2016e	2014/13	2015/14	2016/15	2015/Nov-14	Considerations
OECD	46.1	45.6		45.6	45.5	-0.5	0.0	-0.1		US vs Europe GDP outlook
Non-OECD	45.7	46.8		47.8	49.3	1.1	1.0	1.4		How resilient is China demand?
Oil Demand	**91.7**	**92.4**		**93.4**	**94.8**	**0.7**	**0.9**	**1.3**		Will lower oil price prompt upgrades?
US	10.2	11.7		12.7	13.3	1.5	1.0	0.7		Pace & magnitude of supply response
Other non-OPEC	44.4	44.8		45.1	45.5	0.4	0.3	0.6		Risk of delays, disruption & capex cuts
Non-OPEC Supply	**54.6**	**56.5**		**57.8**	**58.8**	**1.9**	**1.3**	**1.3**		
OPEC NGLs	**6.3**	**6.4**		**6.7**	**6.8**	**0.1**	**0.3**	**0.1**		
Libya	0.9	0.4	0.7	0.7	0.9	-0.5	0.3	0.0	0.0	Is there further downside supply?
Iran	2.7	2.8	2.8	2.8	2.8	0.1	0	0.0	0.0	Possibility of mid-15 nuclear deal
Iraq	3.1	3.3	3.4	3.4	3.3	0.2	0.1	0.0	0.0	
Other	24.2	23.2	23.4	22.0	22.5	-1.0	-1.2	-0.3	-1.4	Will Saudi add supply if non-OPEC falls?
Call on OPEC	**30.9**	**29.5**	**30.3**	**28.9**	**29.2**	**-1.4**	**-0.6**	**-0.3**	**-1.4**	**1.4mb/d reduction needed vs Nov-14**

Source: DB Equity Research

Looking at this simplified supply and demand outlook for oil sums up our thoughts on a longer term recovery. Given no expectation for a call on OPEC in 2015, we believe oil prices will persist at lower levels through 2015, especially in 1H 15 as the market is currently 1.4 million b/d oversupplied. The basic levers that could improve the supply and demand dynamics in the next year are the following in our minds: (i) better than expected economic growth (ie demand), (ii) more volatile seasonal weather patterns, (iii) faster than expected Non-OPEC production declines, (iv) a sooner-than-scheduled OPEC meeting (June currently), (iv) a sooner than scheduled OPEC meeting (June currently), or (v) unexpected geopolitically-related production declines.

Figure 5: GDP Forecast & Revision (% yoy)

	Forecast level Dec' 14 WO			Forecast change since Sep' 14 WO*		
	2014F	2015F	2016F	2014F	2015F	2016F
G7	1.8	2.5	2.4	-0.1	0.0	0.0
US	2.4	3.5	3.1	0.1	0.1	-0.1
Japan	0.5	1.4	1.6	-0.6	0.1	0.2
Euro area	0.8	1.0	1.3	0.0	-0.1	-0.1
Asia (ex-Japan)	6.0	6.2	6.1	-0.3	-0.7	-0.7
China	7.3	7.0	6.7	-0.5	-1.0	-1.3
India	5.5	6.5	6.5	0.0	0.0	0.0
EEMEA	2.3	1.9	2.5	0.4	-0.8	-0.4
Russia	0.5	-0.9	-0.4	0.0	-1.9	-1.8
Latin America	0.8	1.5	2.9	-0.2	-0.6	-0.1
Brazil	0.1	0.7	1.9	-0.2	-0.5	0.0
Advanced economies	1.7	2.4	2.3	0.0	0.0	0.0
EM economies	4.4	4.5	4.9	-0.2	-0.7	-0.6
Global	3.2	3.6	3.8	0.0	-0.3	-0.2

Source: Deutsche Bank Economics
*Note: *September World Outlook forecasts have been recalculated using IMF October WEO PPP weights*