



# July Upstream Report 2023

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# ABOUT US

## An Abode Of New Possibilities With Data Analytics & Solutions To Enhance Business Growth

WaterHouse is a data analytics company that offers innovative and cutting-edge analytics services to businesses, with a primary focus on the African market.



## Our Mission

At WaterHouse we are established to help businesses – large and small – recognize and utilize the power of data science and analytics.

With the interest of our clients and customers at heart, we customize solutions to address the unique business needs and challenges they face using latest trends, and technologies to meet needs of our clients.

## Our Vision

At WaterHouse, our vision is to transform businesses and organizations with the untapped power of data science and analytics, to offer solutions which help them stay ahead of the competition.

We harness the latest technologies, and the best practices to provide our clients with strategic and calculative information to achieve this.



# ■ WHAT WE DO?

Valuable insights that enable businesses to make informed decisions and manage risk effectively with a team of skilled data scientists and energy analysts working tirelessly to provide cutting-edge solutions to the energy industry.



## ■ Our Services

01

### **Data Acquisition**

We can assist you in acquiring relevant and reliable data for your business needs in the energy and environment, oil and gas, Renewables, or Net Zero sectors.

02

### **Data Analysis**

Once we have acquired the necessary data, our team of experienced data analysts will conduct a thorough analysis of the data to extract valuable insights.

03

### **Insight Delivery**

After the analysis, we will present the insights to the clients in a clear and concise report that highlights the key findings, recommendations, and visualizations.



# Executive Summary

In the dynamic landscape of the oil and gas sector, July 2023 witnessed noteworthy developments that have reverberated across the global market. The month was characterized by substantial price hikes and consequential shifts in supply and demand dynamics, alongside influential trends in the worldwide economy and refinery operations.

Notably, Nigeria, a significant player in the industry, experienced a dip in daily oil production by 12.56 during July, registering an average of 1.29 million bbl/day compared to the previous month's 1.48 million bbl/day. This decline led to a total liquid export of 40.12 million barrels, down from June's 44.40 million barrels. Consequently, daily average oil production contracted by 167.56 Kbpd, settling at 1.08 million bbl/day, notably beneath the 1.8 million bbl/day quota designated by the Organisation of Petroleum Exporting Countries (OPEC). Regrettably, Nigeria continues to grapple with the challenge of meeting its production targets within the OPEC framework.

A retrospective view of the year-to-date performance reveals that March held the distinction of the highest oil export, recording a substantial volume of 47.04 million barrels.

Notwithstanding these developments, July was marked by a remarkable surge in crude oil spot prices, catalyzed by elevated futures prices, robust demand, and a favorable interplay of supply and demand factors.



# Executive Summary

The OPEC Reference Basket (ORB) experienced an impressive upswing, with a month-on-month growth of \$5.87, translating to a 7.8% increase and a prevailing average of \$81.06 per barrel.

In parallel, the Brent and WTI crude oil prices exhibited remarkable ascents throughout July. Brent prices climbed by \$5.27 (7.04%) to reach an average of \$80.11 per barrel, while WTI prices surged by \$5.82 (8.28%) to an average of \$76.07 per barrel. In a similar vein, Bonnylight crude demonstrated resilience, advancing by 6.44% to attain an average price of \$82.27.

In conclusion, the oil and gas sector's performance in July 2023 presents a tableau of significant fluctuations. These include Nigeria's production challenges and the consequential impact on global oil supply. The concurrent surge in crude oil prices underscores the interplay of demand, supply, and geopolitical factors. As the industry navigates the intricacies of this evolving landscape, a comprehensive understanding of these dynamics will be pivotal for strategic decision-making in the months ahead.



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# Introduction



## **Navigating the Dynamics:** A Comprehensive Analysis of Nigeria's Upstream Oil and Gas Industry - July 2023

Welcome to our monthly report on upstream activities in the oil and gas sector for the month of July. The primary focus of this report is to conduct a comprehensive analysis of the production volumes of crude oil and condensate at various terminals or streams in Nigeria, specifically for the month of July 2023. By delving into the production data for this period, the report aims to provide a detailed understanding of the production dynamics and trends within the Nigerian oil and gas industry.

Throughout this report, we will highlight the total production volume for July 2023, examine the cumulative volume from January 2023 to July 2023, and analyze the month-to-month growth rates and trends in oil prices. Additionally, we will provide informed expectations for the upcoming month, August 2023.

Our objective is to equip stakeholders with valuable insights to aid in strategic decision-making and ensure a well-informed approach to navigate the dynamics of the Nigerian oil and gas sector effectively. As we progress, it is essential to emphasize the significance of continuous monitoring and assessment of market conditions to achieve optimal production results.

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# Background



In July 2023, Nigeria produced an average of 1.29 million bbl/day (bpd), a 12.56% decrease from the previous month's average of 1.48 million bbl/day (bpd).

The country boasts several significant onshore and offshore oil terminals and export facilities, including Bonny Terminal, Forcados Terminal (SPDC), Qua Iboe Terminal (ExxonMobil), and Escravos Terminal (Chevron) among others. As the ninth-largest oil exporter globally, Nigeria heavily relies on mineral fuels, oils, and distillation products, accounting for approximately 90% of its export value. European and Asian regions are the primary destinations for Nigerian crude oil exports.

The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) plays a crucial role in overseeing and monitoring the nation's oil and gas industry. It ensures compliance with relevant regulations and safety standards, including those related to petroleum product exportation and importation. Additionally, the NUPRC is responsible for managing both the upstream and downstream sectors of Nigeria's petroleum industry.

The data used for this background is based on the NUPRC's report for July 2023, providing valuable insights into the dynamics of Nigeria's oil and gas industry during that specific month. It is essential to acknowledge that fluctuations in the oil market and global economic conditions can influence Nigeria's production trends. Thus, regular monitoring of such data is critical for accurate analysis and informed decision-making in the energy sector. We must note that Waterhouse Analytics assumes no responsibility for any potential errors within the report.





# Purpose



## Analysis

This report aims to provide a comprehensive analysis of the production volumes of crude oil and condensate at various terminals or streams in Nigeria specifically for the month of July 2023.



## Dynamics and Trends

By examining the production data during this period, the report aims to offer a detailed understanding of the production dynamics and trends within the Nigerian oil and gas industry.

This report highlights the total production volume for June 2023, the cumulative volume from January 2023 to July 2023, month-to-month growth rates, and trends in oil prices, and provides expectations for the upcoming month – August 2023.

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# News in the Sector

## Global



### **Shell Hits Market With Multi-Year West Africa Rig Inquiry**

A report by Upstream Online reveals that Shell has hit the market with an inquiry for a multi-year drilling rig contract in West Africa. The company is looking for a rig that can operate in water depths of up to 10,000 feet and has a drilling depth of at least 30,000 feet. The contract is expected to start in 2024 and run for at least three years.

### **Russia's Economic Weapon Backfires as Oil and Gas Sanctions Bite**

According to Upstream Online, Russia's economic weapon of cutting gas supplies to Europe has backfired, as oil and gas sanctions have caused the country's currency to plummet and inflation to soar. The sanctions have also made it difficult for Russia to import essential goods. As a result, the Russian economy is in a recession and the country is facing a severe financial crisis.

### **EU Gas Consumption Falls 12% in June on Lower Industrial Demand**

Upstream Online reports that European gas consumption fell by 12% in June, the biggest monthly decline since records began in 2009. The decline was driven by lower industrial demand, as factories reduced production due to high energy prices. The drop in consumption is a sign that Europe is starting to adapt to the loss of Russian gas supplies.

### **Russia Earned EUR 158 Billion [approx USD 171.69 billion] from Fossil Fuel Exports in First 6 Months of War, EU Was Biggest Buyer**

A report by Russia Fossil Tracker reveals that Russia earned EUR 158 billion [approx USD 171.69 billion] from fossil fuel exports in the first six months of the war in Ukraine, up from EUR 110 billion [approx USD 119.51 billion] in the same period of 2021. The European Union was the largest importer of Russian fossil fuels, accounting for 54% of the total exports. The findings suggest that Russia's fossil fuel exports are helping to finance the war in Ukraine.

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# National



## **Workers Shut Down NUPRC Offices Nationwide, Threaten Upstream Operations**

According to several Nigerian dailies, workers of the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) on Tuesday shut down offices nationwide over poor welfare, inhumane treatment, and other concerns. The workers, under the aegis of the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASN), said they would not open the offices until their demands are met. The shutdown of the offices has put upstream operations in Nigeria at risk.

## **Nigeria Records 240 Crude Oil Theft Incidents in One Week**

The Nigerian National Petroleum Corporation (NNPCL) has disclosed that Nigeria recorded a total of 240 crude oil theft incidents in one week. The incidents were recorded at various parts of the Niger Delta. The company said it has destroyed 69 illegal refineries in its war against crude oil theft.

## **Nigeria's Oil Output Drops 5.5% to 1.249 mb/d as Oil Theft Persists**

Nigeria's oil production dropped by 5.5% to 1.249 million bbl/day in July 2023, according to the Organization of the Petroleum Exporting Countries (OPEC). The decline was attributed to oil theft and pipeline vandalism in the Niger Delta region.

Nigeria is a member of OPEC and is required to produce a certain amount of oil each month. However, the country has been struggling to meet its production quota due to the security challenges in the Niger Delta. The oil theft and pipeline vandalism have cost Nigeria billions of dollars in lost revenue.



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# FOCUS ON OPEC



## ***Analyzing OPEC's Upstream Endeavors in a Dynamic Market***

Amidst the intricate dynamics of the global oil and gas arena, the Organization of the Petroleum Exporting Countries (OPEC) stands as a pivotal influencer. Our focus on OPEC's upstream performance delves into its contributions and challenges in the present landscape.

## ***Unveiling the Complex Forces Shaping Crude Oil's Surge***

July witnessed a resolute upward trajectory in crude oil spot prices, a consequence of several influential drivers. Notably, a surge in futures prices, coupled with robust demand and harmonized supply and demand fundamentals, acted as prime catalysts for this ascent. This trend was fortified by vigorous buying activity within the spot market, particularly for imminent loading volumes. Furthermore, higher refinery intakes throughout July and the pivotal role played by Asian buyers, including significant Chinese refiners, further bolstered this upward momentum.



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## ***ORB's Ascent Reflecting OPEC's Pricing Influence***

Analyzing OPEC's Upstream Endeavors in a Dynamic The OPEC Reference Basket (ORB) mirrored this momentum, climbing by \$5.87, a 7.8% increase, to \$81.06 per barrel. This increase was underpinned by gains in related crude benchmarks and higher official selling prices (OSP) for medium and heavy components exported to various markets, including Asia, Europe, and the US.

A closer look at specific components within the West and North African Basket - encompassing Bonny Light, Djeno, Es Sider, Girassol, Rabi Light, Sahara Blend, and Zafiro - collectively attested to a notable \$5.56 increase, translating to a 7.5% month-on-month upturn and stabilizing at an average of \$79.39 per barrel. A similar trend resonated across grades spanning multiple regions, such as Arab Light, Basrah Light, Iran Heavy, and Kuwait Export, collectively witnessing a robust \$6.04 increment, signifying an 8.0% month-on-month ascent and averaging at \$81.54 per barrel. Furthermore, Murban crude demonstrated a sturdy increase of \$5.26, marking a 7.0% month-on-month growth and achieving an average of \$80.78 per barrel. Similarly, Merey crude commanded attention with a significant \$5.91 increase, illustrating a 10.3% month-on-month surge and anchoring at an average of \$63.28 per barrel.

## ***Navigating Production Dynamics: OPEC's Complex Role***

Examining OPEC's oil output performance reveals a nuanced picture. In July, the collective crude oil production of OPEC-13 averaged 27.31 million barrels per day, a reduction of 836 thousand barrels per day from the previous month. Saudi Arabia, Libya, and Nigeria's decreased production contrasted with IR Iran, Angola, and Iraq's upward trends.

Notably, the portion of global crude oil production attributed to OPEC experienced a 0.8 percentage point decrease in July, settling at 27.1% in comparison to July.

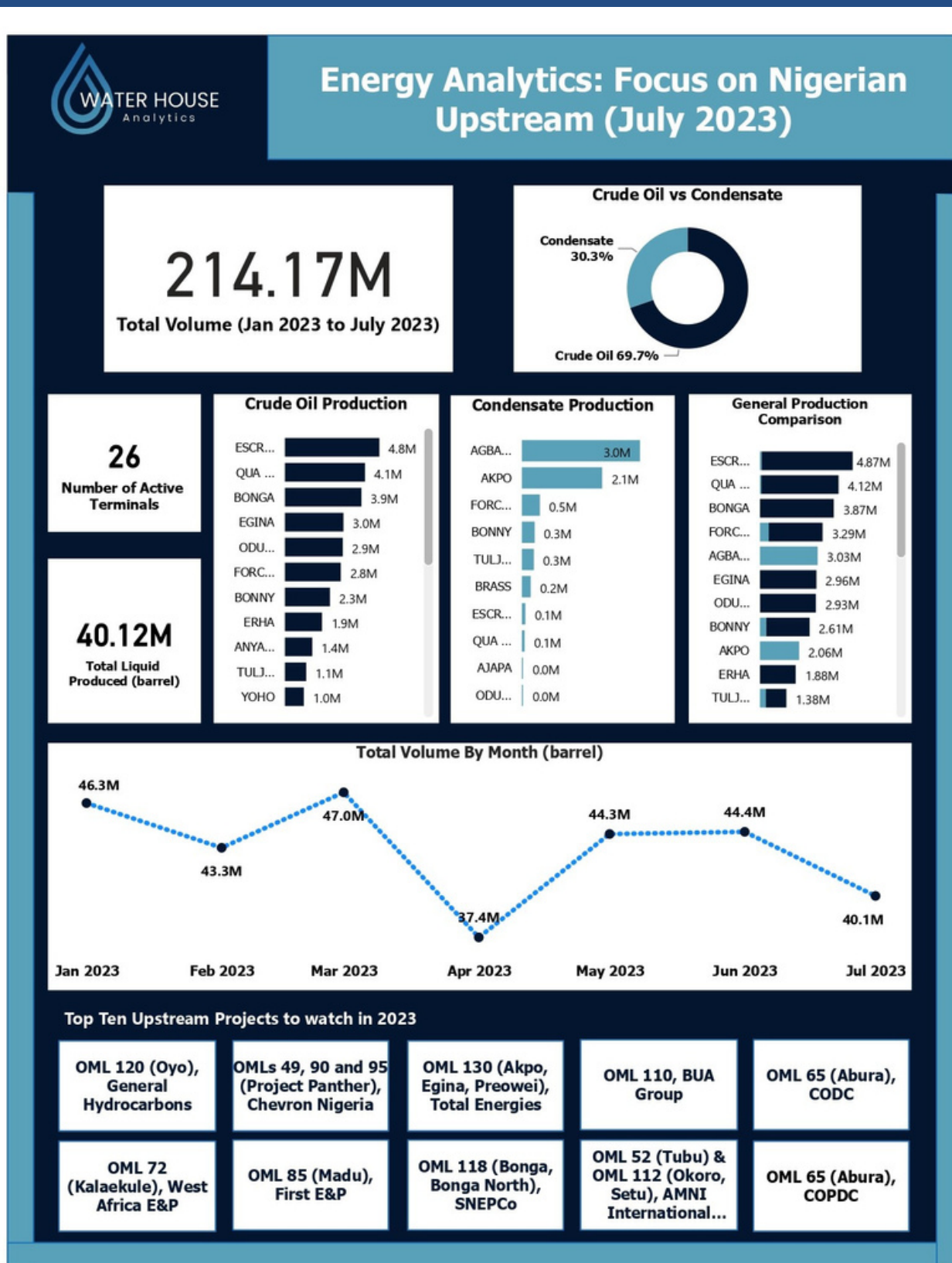


# Limitations

- The analysis is based on historical data. This means that it is not possible to say with certainty what will happen in the future. The analysis can only provide an estimate of what might happen based on what has happened in the past.
- The analysis does not take into account all of the factors that could affect production. There are many factors that could affect production, such as the global economy, and political events. The analysis does not take all of these factors into account, so it is possible that the actual production could be different from what is estimated.



# Nigerian Upstream Performance

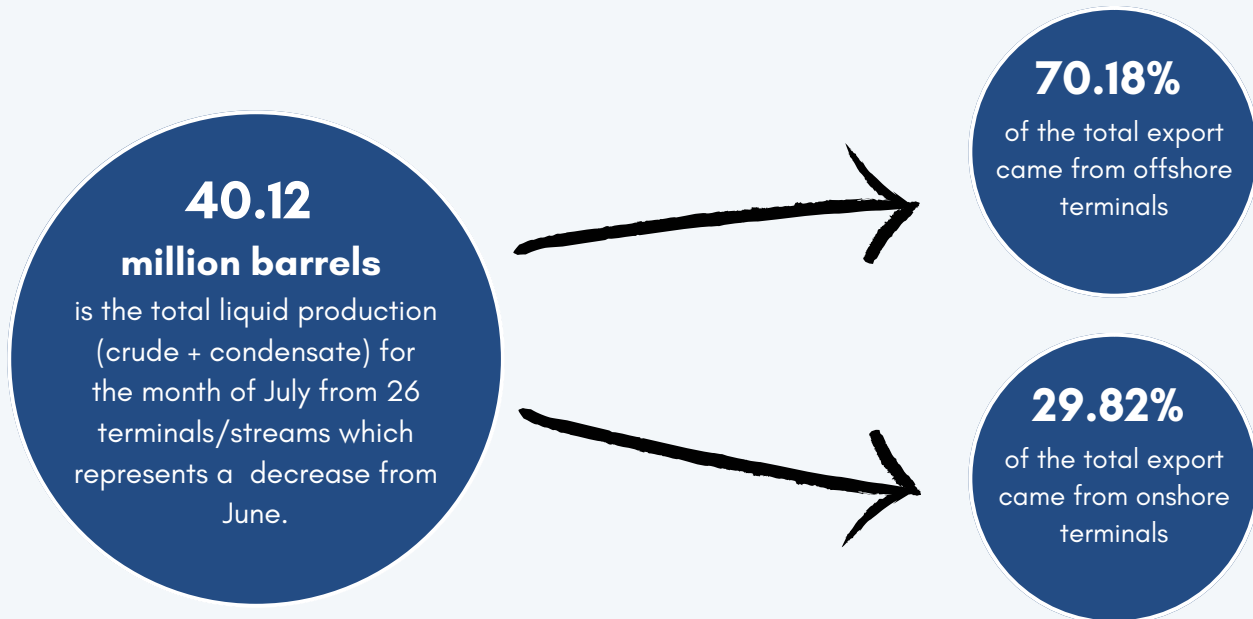


**Chart A:** Dashboard of Nigeria Upstream report for July 2023 by Waterhouse Analytics

**Data Source:** NUPRC oil production status report [Updated July 2023]



# Key Findings



- **Escravos** was the highest liquid-producing terminal/stream in July 2023. Crude export from the Escravos terminal was **4.78 million barrels** and condensate was **88.86K barrels**.
- Combined liquid export from them was **4.87 million barrels**, which accounts for **12.13%** of total liquid exports in July.
- **Qua Iboe** recorded the highest oil production/export among the onshore terminals, with a combined liquid export of **4.12 million barrels**, which accounts for **34.47%** of total onshore exports.
- The terminal/stream with the highest condensate production volume in July 2023 remains **Agbami** with a total production of **3.03 million barrels**.
- Year on date, **March** 2023 presented the highest liquid production volume in 2023 with a total liquid export of **47.04 million barrels**.
- Year on date, **April** 2023 presented the least liquid production volume in 2023 with a total liquid export of **37.35 million barrels**.

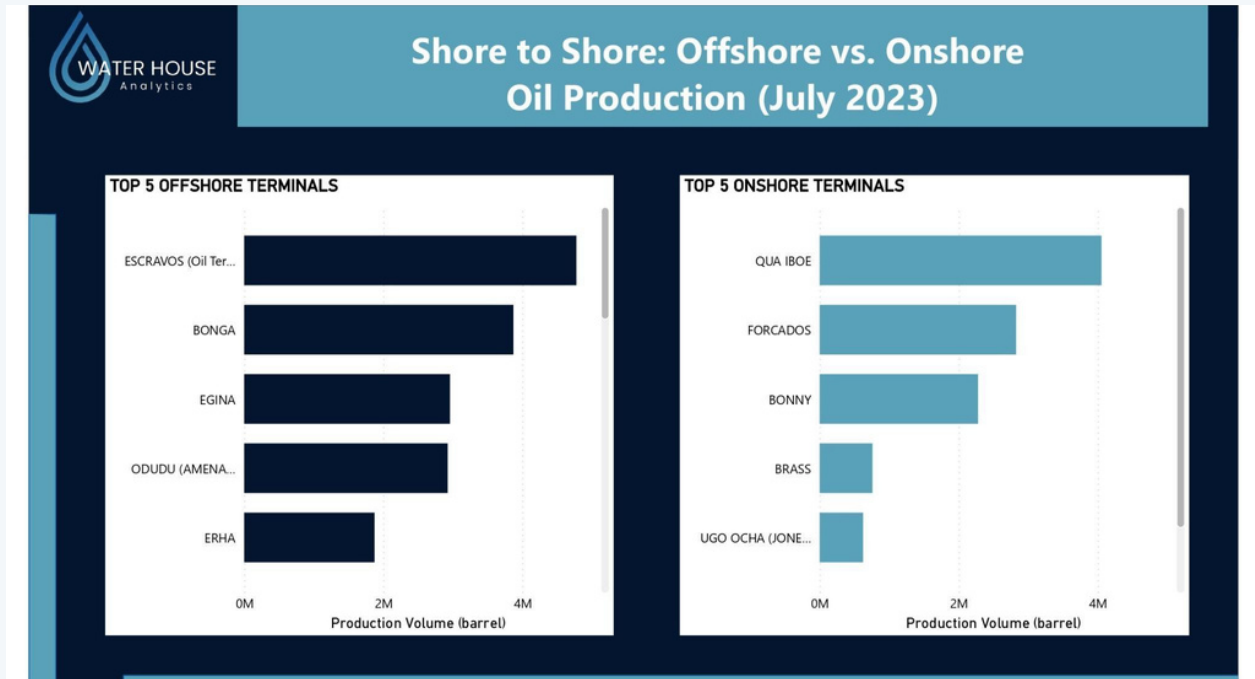
# Discussion

## Key insights on Production

- The production volume of 26 active terminals/streams in Nigeria was analyzed. The Offshore/shallow waters terminals analyzed were Escravos (Oil Terminal), Bonga, Erha, Usan, Egina, Abo, Sea Eagle (EA), Anyala Madu (CJ Blend), Agbami, Akpo, Odudu (Amenam Blend), Tulja - Okwuibome, Okoro (Ex Ima Terminal), Otakpipo (Ex-Ima Terminal), Antan, Okono, Yoho, Okwori, Ebok, and Ajapa.
- The Onshore terminals analyzed were Bonny, Brass, Qua Iboe, Forcados, Pennington, and Ugo Ocha (Jones Creek).
- The total liquid production for the month of July from 26 terminals/streams was 40.12 million barrels, which represents a 9.65% decrease from June.
- Generally, Escravos was the highest-producing terminal/stream, producing a total liquid (crude oil + condensate) volume of 4.87 million bbl, which is an 8.73% increase in their total liquid production volume compared to June 2023.
- As seen in Chart A, the terminal/stream with the highest **crude oil** production volume for the month of July 2023 was Escravos with a total production of 4.78 million bbl, which is an 8.74% increase in their oil production volume compared to June 2023.
- The terminal/stream with the highest **condensate** production volume for the month of July 2023 is Agbami with a total production of 3.03 million bbl, which is an 11.61% increase in their condensate production volume compared to June 2023.
- Compared to June 2023, Forcados had a deficit crude production of 4.26 million barrels, which was a significant decline of 60.17%.



# Key insights on Production



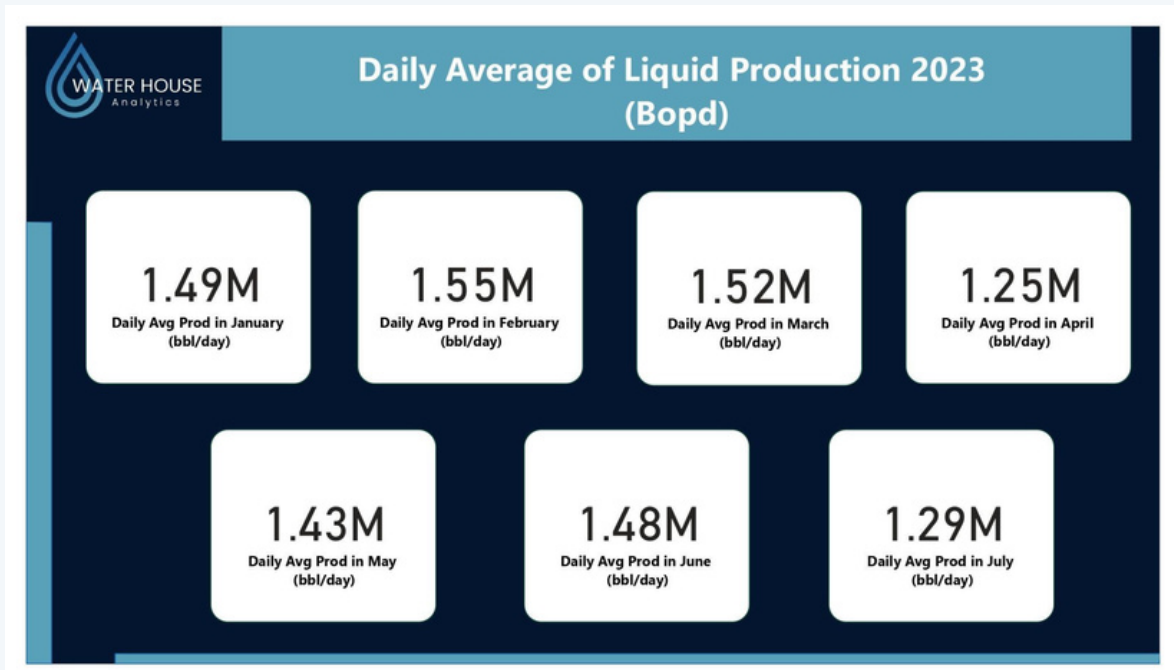
**Chart B:** Offshore vs. Onshore Oil Production in July 2023

**Data Source:** NUPRC oil production status report [Updated July 2023]

- Out of the 40.12 million barrels of total liquid (crude + condensate) exported, 70.18% of the total export came from offshore terminals and the other 29.82% was from the onshore. The top 5 oil-exporting offshore terminals for the month of July 2023 as seen in Chart B above are Escravos, Bonga, Egina, Odudu, and Erha.
- The top 5 oil-exporting onshore terminals for the month of July 2023 are Qua Iboe, Forcados, Bonny, Brass, and Ugo Ocha.

# Key insights on Production

From January 2023 to July 2023, the daily average production volumes of liquid exhibited some variations.



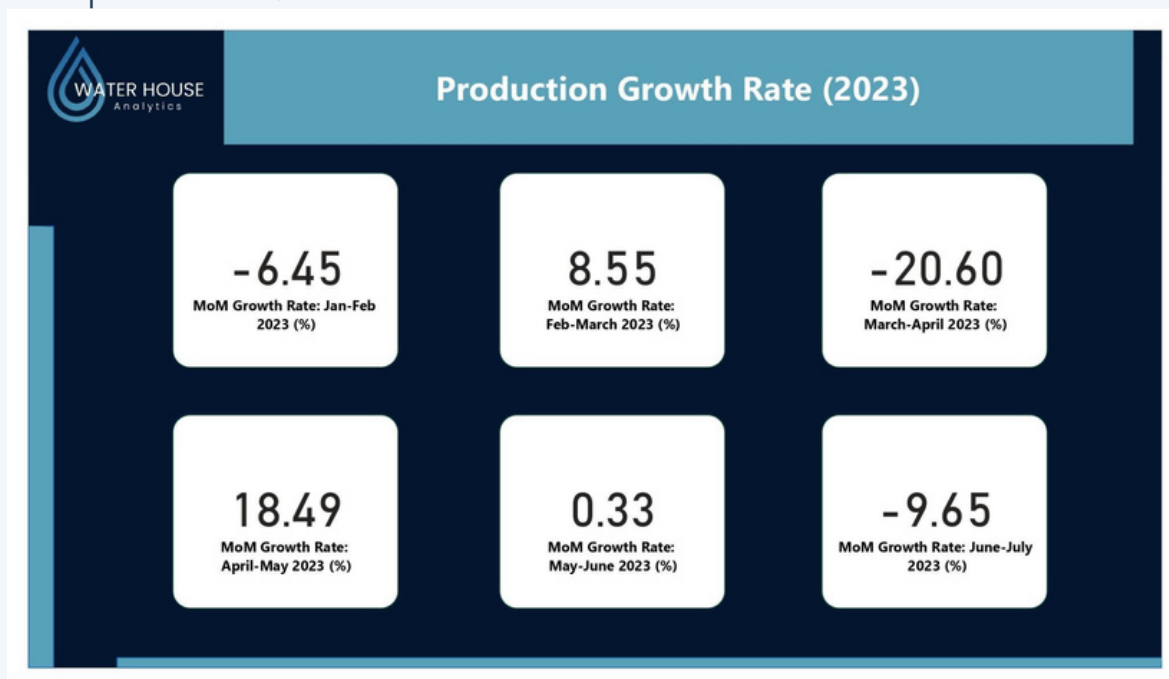
**Chart C: Daily average liquid production (bbl/day) between January 2023 and July 2023**

**Data Source:** NUPRC oil production status report [Updated June 2023]

- As shown in Chart C, the period from January 2023 to July 2023 reveals changing daily average liquid production volumes. The journey began positively in January, with an average daily production of 1.49 million bbl/day.
- February saw a slight increase, with daily production averaging 1.55 million bbl/day. This growth continued into March, with steady production at 1.52 million bbl/day.
- April marked a temporary dip, with daily production at 1.25 million bbl/day. May 2023 showed recovery, averaging 1.43 million bbl/day (a 14.4% increase).
- June brought a daily average liquid production rise of 52,462 bbl/day (a 3.67% increase), signaling Nigeria's oil production recovery. July 2023 shifted the trend, with daily average production at 1.29 million bbl/day, down 12.56% from the prior month. This decline prompts questions about its causes, highlighting oil production's dynamic nature. Yet, July's production still remains below Nigeria's OPEC quota of 1.8 million bbl/day.

# Trends on Production

Based on the historical month-to-month growth rates, we can observe varying trends in the production volumes.



**Chart D: Liquid production growth rate (%) between January 2023 and July 2023**

**Data Source:** NUPRC oil production status report [Updated June 2023]

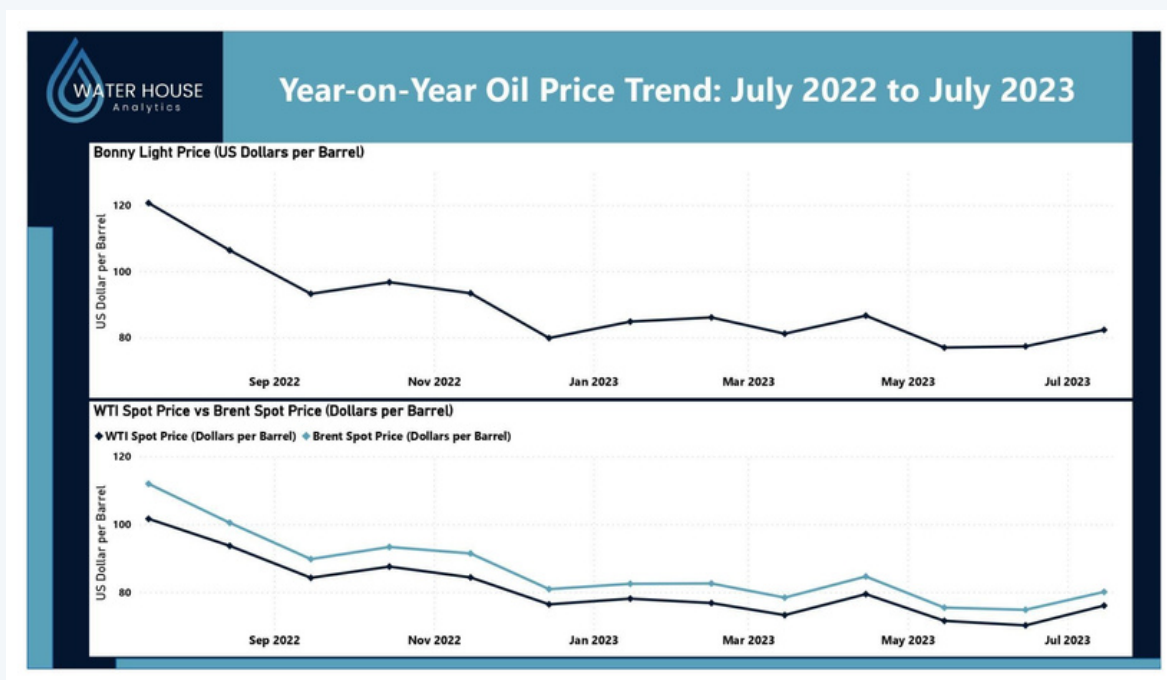
- Analyzing the trends depicted in Chart D unveils an array of fluctuations and dynamics that influence the oil production landscape. These trends provide valuable insights into the month-to-month changes in production volumes.
- February emerges as a month marked by a notable dip, as production experienced a decline of 6.45% compared to the preceding month. This downward shift raised questions about the potential factors contributing to this contraction.

## Trends on Production

- The narrative takes a positive turn in March when the production stage recovers with an impressive growth rate of 8.55%. This upsurge suggests a remarkable capacity for recovery within the industry, hinting at its inherent resilience and adaptability to changing conditions.
- April introduces an element of volatility as production takes a significant hit, plummeting by 20.60%. The suddenness of this decline raises curiosity about the catalysts behind such a drastic drop.
- The subsequent month, May, brings a swift and substantial reversal, witnessing a robust recovery with a growth rate of 18.49% compared to April. This recovery is a testament

# Trends in Oil Price: Bonnylight Nigerian Vrude vs. WTI/Brent Crude

In July 2023, the price of Bonnylight Nigerian crude stood at \$82.27, which was higher than that of WTI and Brent by \$6.2/bbl and \$2.16/bbl respectively. Overall, the high price of Bonnylight is due to a combination of factors, including its high quality, limited supply, and high demand.



**Chart E:** Trend in Bonnylight Nigeria oil, WTI oil, and Brent oil prices between July 2022 and July 2023  
**Data Source:** Central Bank of Nigeria (CBN); US Energy Information Administration

From July 2022 to July 2023, Bonnylight Nigerian crude fell by 31.80% (\$120.63 to \$82.27). In June–July 2023, prices rose by 6.05% (\$77.29 to \$82.27).

Comparatively, WTI and Brent followed similar trends but at different scales.

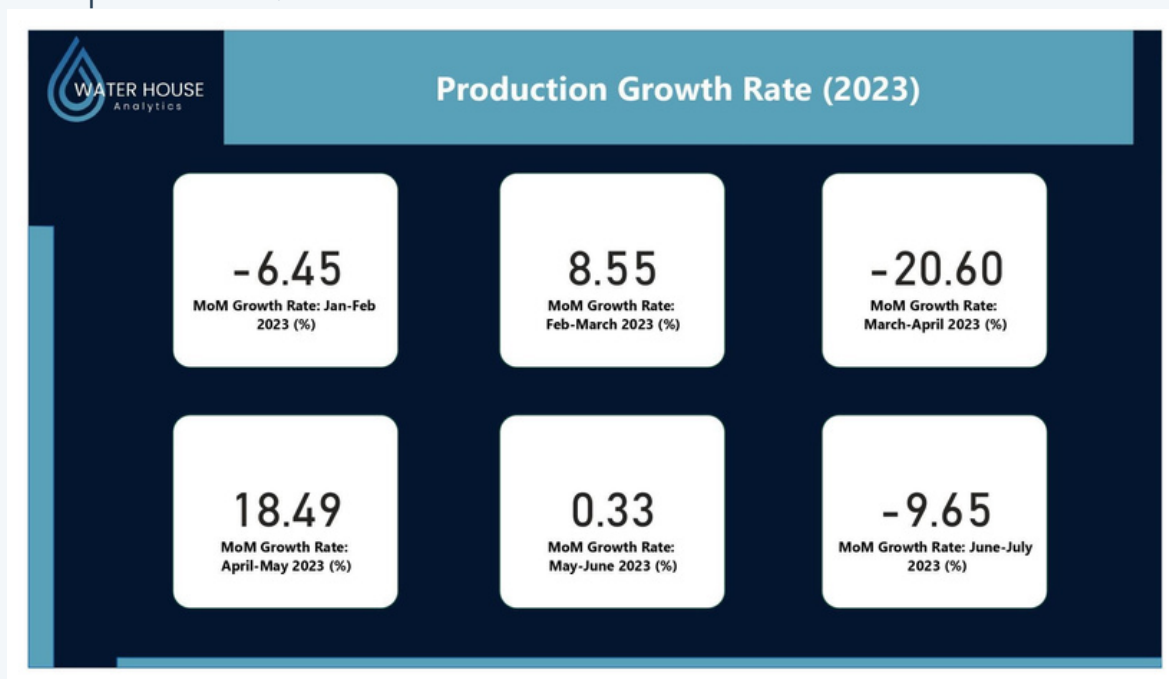
Comparing July 2022 to July 2023, WTI prices dropped 25.14% (\$101.62 to \$76.07). From June to July 2023, prices rose 8.28% (\$70.25 to \$76.07).

Likewise, Brent's year-over-year trend, July 2022 to July 2023, saw a 28.43% drop (\$111.93 to \$80.11). Comparing June to July 2023, prices climbed 7.04% (\$74.84 to \$80.11).



# Trends on Production

Based on the historical month-to-month growth rates, we can observe varying trends in the production volumes.



**Chart D: Liquid production growth rate (%) between January 2023 and July 2023**

**Data Source:** NUPRC oil production status report [Updated June 2023]

- Analyzing the trends depicted in Chart D unveils an array of fluctuations and dynamics that influence the oil production landscape. These trends provide valuable insights into the month-to-month changes in production volumes.
- February emerges as a month marked by a notable dip, as production experienced a decline of 6.45% compared to the preceding month. This downward shift raised questions about the potential factors contributing to this contraction.

# Evaluating Stock Price Performance of Key Upstream Companies in Nigeria (January - July 2023)

This concise report provides an analysis of the average stock prices and the all-time high stock price recorded between January and July 2023 for five key internationally-owned and four locally-owned upstream companies operating in Nigeria.

The internationally-owned companies under scrutiny are ENI S.p.A, Exxon Mobil, Total Energies, Chevron Corporation, and Shell Plc. Meanwhile, the locally-owned companies include Conoil Plc, Seplat Energy, Eterna Plc, and Oando Plc.

## **INTRODUCTION:**

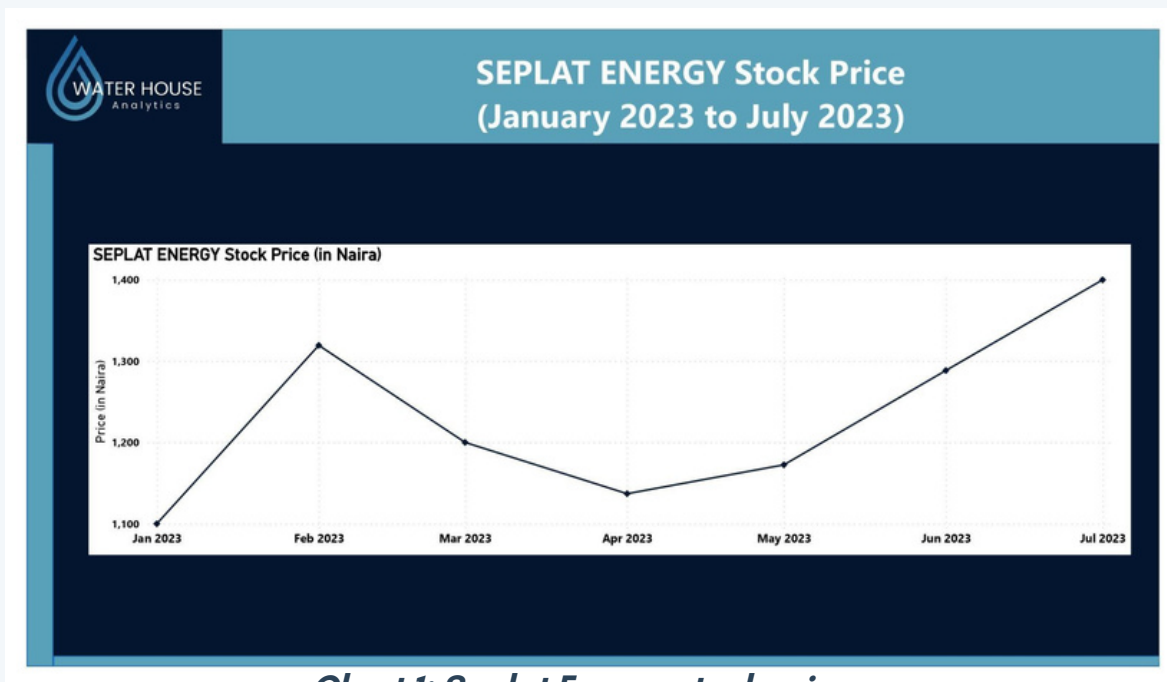
Amidst the intricate dynamics of Nigeria's upstream sector, this report delves into a vital aspect of corporate performance – the fluctuation in stock prices. This meticulous analysis scrutinizes the trends in stock prices of five globally established upstream giants and four indigenous companies that collectively shape Nigeria's energy realm.

## **Internationally-Owned Powerhouses and Local Entities:**

The internationally-owned conglomerates, namely ENI S.p.A, Exxon Mobil, Total Energies, Chevron Corporation, and Shell Plc, are placed under the analytical lens, illuminating their stock price trajectories during the initial seven months of 2023. Concomitantly, our focus extends to four locally-owned enterprises – Conoil Plc, Seplat Energy, Eterna Plc, and Oando Plc – encapsulating their pivotal role within the domestic landscape.

This report embarks on an expedition to unveil the stock market's response to the activities and decisions of these entities. By exploring the highs and averages of their stock prices, we aim to glean insights into the financial pulse of these key players, facilitating a more comprehensive understanding of their contribution to Nigeria's upstream sector.

## Seplat Energy's Stock Performance Analysis (January - July 2023)



**Chart 1: Seplat Energy stock price**  
**Data source: Market Watch**

Charting Seplat Energy's stock averages Jan-Jul 2023, a distinct pattern emerges. Starting at NGN **1,100 [approx USD 1.42]** in Jan, subsequent months reflect market dynamics.

**Feb 2023** marks an upswing to **NGN 1,319.25 [approx USD 1.71]**, signaling investor interest. Months after exhibit volatility within NGN 1,200 to 1,300 range [approx USD 1.55 to 1.68].

**April 2023** sees a dip to **NGN 1,136.99 [approx USD 1.47]**, influenced by sentiment or indicators. Rebounding, **May** records **NGN 1,172.42 [approx USD 1.52]**.

**June 2023** shines with **NGN 1,288.40 [approx USD 1.67]**, renewed growth. **July** peaks at **NGN 1,399.80 [approx USD 1.81]**, Seplat Energy's stock zenith.

## Conoil Plc's Stock Performance Analysis (January - July 2023)

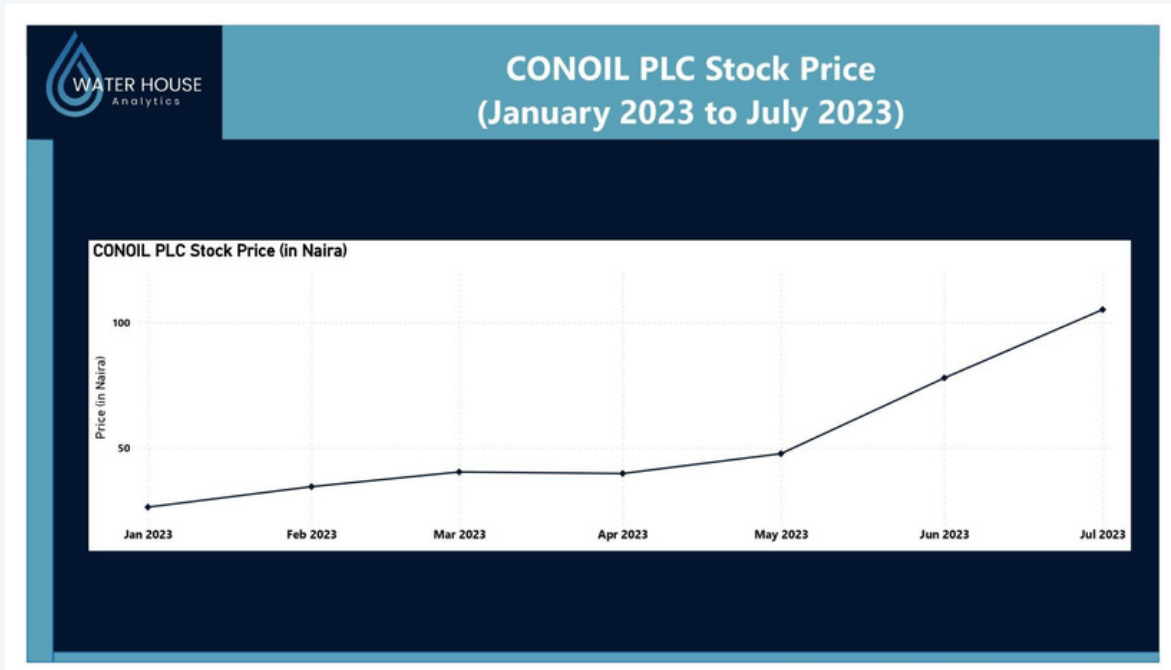


Chart 2: Conoil Plc stock price  
Data source: Market Watch

Conoil PLC's stock journey Jan-Jul 2023 displays a promising upward trajectory, reflecting adept navigation of the dynamic market landscape and value delivery to stakeholders. Starting at **NGN 26.50 [approx USD 0.034]** in **Jan**, Conoil steadily progressed with successive monthly increments.

**June 2023** marked a significant surge, reaching **NGN 77.89 [approx USD 0.10]**, reflecting robust growth and investor confidence.

**July 2023**, the pinnacle, witnessed Conoil's all-time high average of **NGN 105.09 [approx USD 0.14]**. This achievement underscores its market presence and investor appeal.

***A compelling snapshot of Conoil PLC's notable stock journey.***

## Oando Plc's Stock Performance Analysis (January - July 2023)

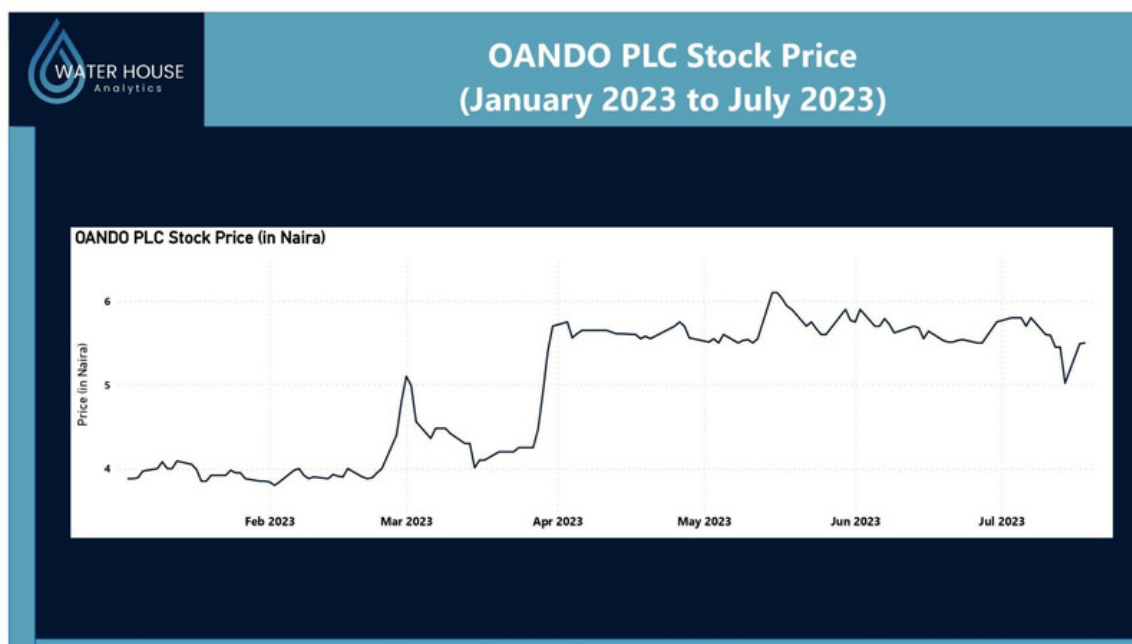


Chart 3: Oando Plc stock price  
Data source: Market Watch

Oando Plc's average stock price analysis Jan-Jul 2023 unveils a gradual yet consistent uptrend in stock value. Starting at **NGN 3.49 [approx USD 0.0045]** in **Jan**, Oando observed steady growth in the following months.

**Feb** 2023 marked a notable rise to **NGN 3.98 [approx USD 0.0051]**, followed by a further increase to **NGN 4.50 [approx USD 0.0058]** in **March**. **April** continued the climb, reaching **NGN 5.63 [approx USD 0.0073]**, reflecting positive momentum and investor confidence.

While **May** and **June** saw slight fluctuations around **NGN 5.71 [approx USD 0.0074]** and **NGN 5.64 [approx USD 0.0073]** respectively, **July** witnessed a marginal dip to **NGN 5.58 [approx USD 0.0072]**.

***A clear snapshot of Oando Plc's incremental stock journey.***



## Eterna Plc's Stock Performance Analysis (January - July 2023)



Chart 4: Eterna Plc stock price  
Data source: Market Watch

Eterna Plc's average stock price analysis Jan-Jul 2023 unveils a dynamic stock performance pattern. Starting at **NGN 7.17** in **Jan**, Eterna witnessed fluctuations in the ensuing months.

**Feb** saw a slight decline to **NGN 6.94**, remaining stable at **6.90 naira** in **March**. **April** noted a further dip to **5.73 naira**, possibly influenced by market dynamics or internal factors.

**May** marked a notable recovery, with the average stock price climbing to **6.74 naira**, reflecting positive investor sentiment.

A remarkable surge ensued in **June** 2023, reaching an average of **13.90 naira**. **July** sustained this momentum, soaring to **27.45 naira**.

***Eterna Plc's stock journey: A dynamic evolution.***

## Eterna Plc's Stock Performance Analysis (January - July 2023)



Chart 5: Eni S.p.A. stock price  
Data source: Yahoo Finance

Analyzing Eni S.p.A's average stock price Jan-Jul 2023 reveals a fluctuating pattern, as depicted in Chart 5. The year began at **GBP 30.55 [approx USD 38.86]** in **Jan**, followed by mild fluctuations in subsequent months.

**Feb 2023** saw a decline to **GBP 30.21 [approx USD 30.21]**, followed by a further decrease to **GBP 27.41 [approx USD 34.86]** in **March**.

April witnessed a slight recovery, averaging **GBP 30.10 [approx USD 38.29]**. **May** saw a decline to **GBP 28.89 [approx USD 36.75]**, followed by **GBP 28.09 [approx USD 35.73]** in **June**.

**July 2023** noted a modest increase, reaching **GBP 29.45 [approx USD 37.46]**. While minor, this uptick might signal potential stabilization or shifts in market sentiment.

***Eni S.p.A's stock journey: A dynamic interplay of market forces.***

## Chevron Corporation's Stock Performance Analysis (January - July 2023)

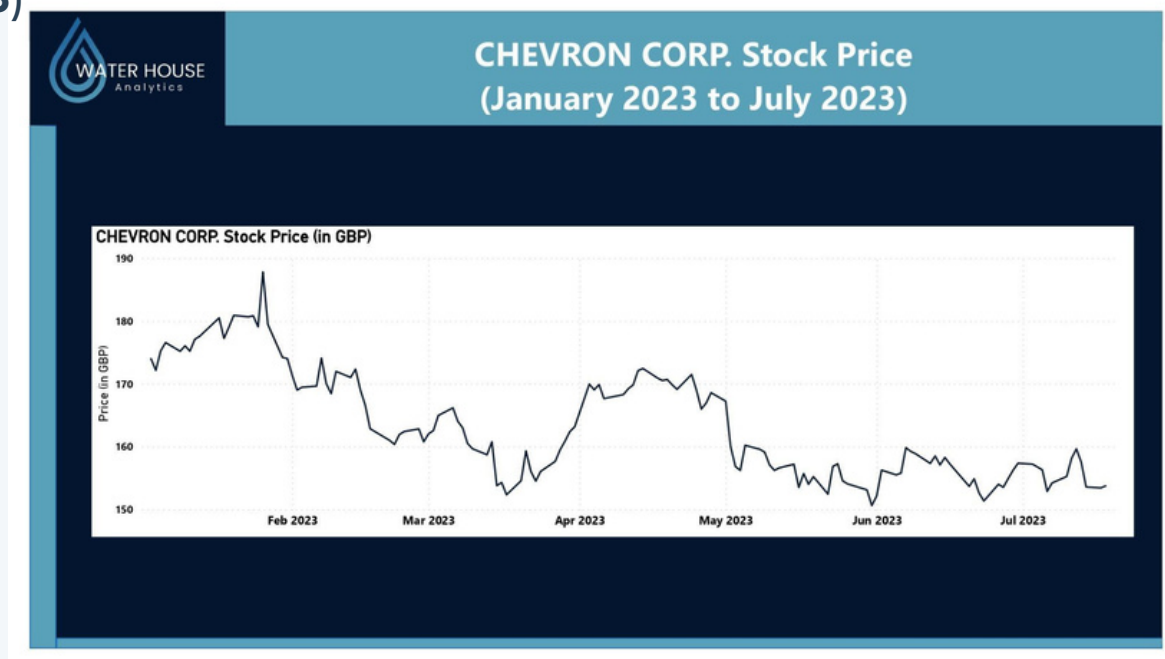


Chart 6: Chevron Corporation stock price

Data source: Yahoo Finance

The average stock price analysis of Chevron Corporation from January to July 2023 reveals a fluctuating trend, evident in Chart 6. Beginning at GBP 177.63 [approx USD 225.94] in Jan, Chevron experienced a gradual decline in the ensuing months.

Feb 2023 saw a decrease to GBP 167.11 [approx USD 212.56], followed by GBP 159.43 [approx USD 202.79] in March.

April marked a modest recovery, averaging GBP 169.55 [approx USD 215.66]. However, May witnessed a decline to GBP 156.53 [approx USD 199.10], followed by GBP 155.94 [approx USD 198.35] in June.

July 2023 noted a slight decrease, reaching GBP 155.63 [approx USD 197.95].

Chevron Corporation's stock journey: A reflection of dynamic market movements.

## Exxon Mobil's Stock Performance Analysis (January - July 2023)



Chart 7: Exxon Mobil stock price  
Data source: Yahoo Finance

Examining Chart 7, the average stock price analysis of Exxon Mobil Jan-Jul 2023 unveils a dynamic and fluctuating trajectory. Starting at GBP 2,240.30 [approx USD 2849.56] in Jan, Exxon Mobil experienced varied fluctuations in subsequent months.

Feb 2023 saw a decrease to GBP 2,152.05 [approx USD 2737.31], followed by a notable increase in March to GBP 2,465.43 [approx USD 3135.92].

April marked a decline to GBP 2,205.33 [approx USD 2805.08], followed by GBP 2,345.23 [approx USD 2983.03] in May.

June 2023 noted a decrease to GBP 2,214.19 [approx USD 2816.35].

The most significant fluctuation emerged in July 2023, as Exxon Mobil's average stock price declined remarkably to GBP 1,145.38 [approx USD 1456.87].

Exxon Mobil's stock journey: A testament to market dynamics' impact.

## Shell Plc's Stock Performance Analysis (January - July 2023)

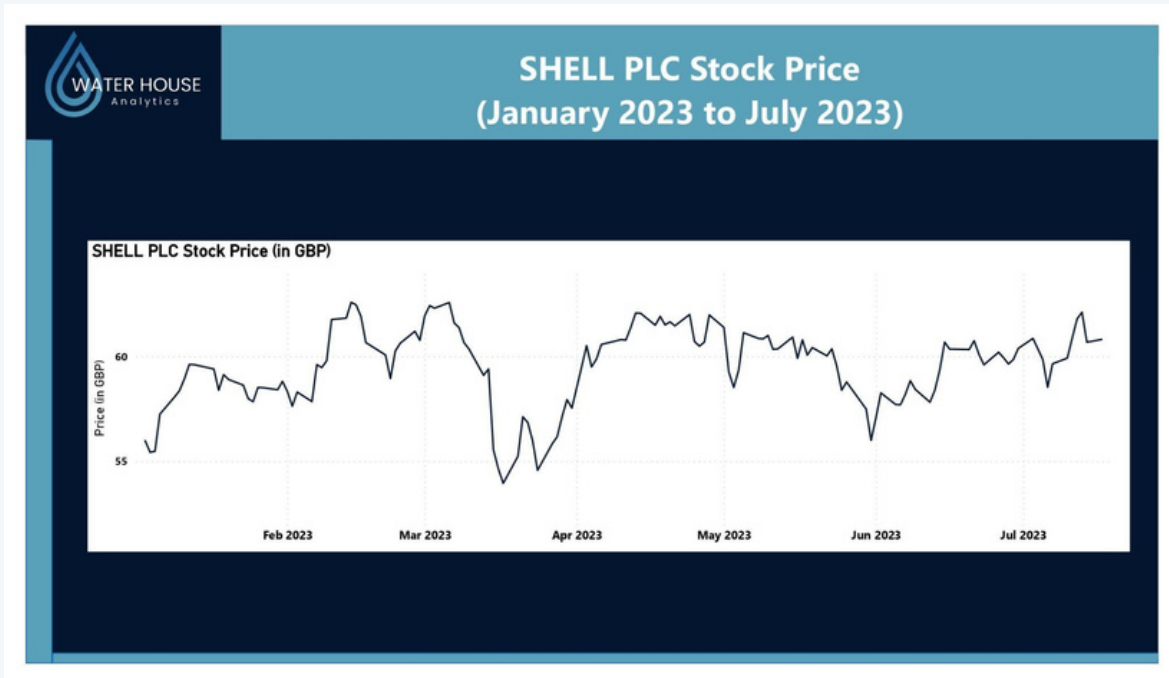


Chart 8: Shell Plc stock price  
Data source: Yahoo Finance

Examining Chart 8, the average stock price analysis of Shell Plc Jan-Jul 2023 reveals a consistent and stable trajectory. Commencing at GBP 58.16 [approx USD 73.98] in Jan, Shell Plc exhibited modest fluctuations in subsequent months.

Feb 2023 saw a slight increase to GBP 60.21 [approx USD 76.58], followed by GBP 58.27 [approx USD 74.12] in March.

April 2023 marked a modest recovery, reaching GBP 61.13 [approx USD 77.75], implying renewed market interest and potential positive developments.

Minor fluctuations persisted in May and June, with averages of GBP 59.81 [approx USD 76.08] and GBP 59.22 [approx USD 75.33] respectively, sustaining Shell Plc's stability.

July 2023 continued the trend, with a slight increase to GBP 60.51 [approx USD 76.97].

Shell Plc's stock journey: A testament to steadfast performance.



## Total Energies' Stock Performance Analysis (January - July 2023)

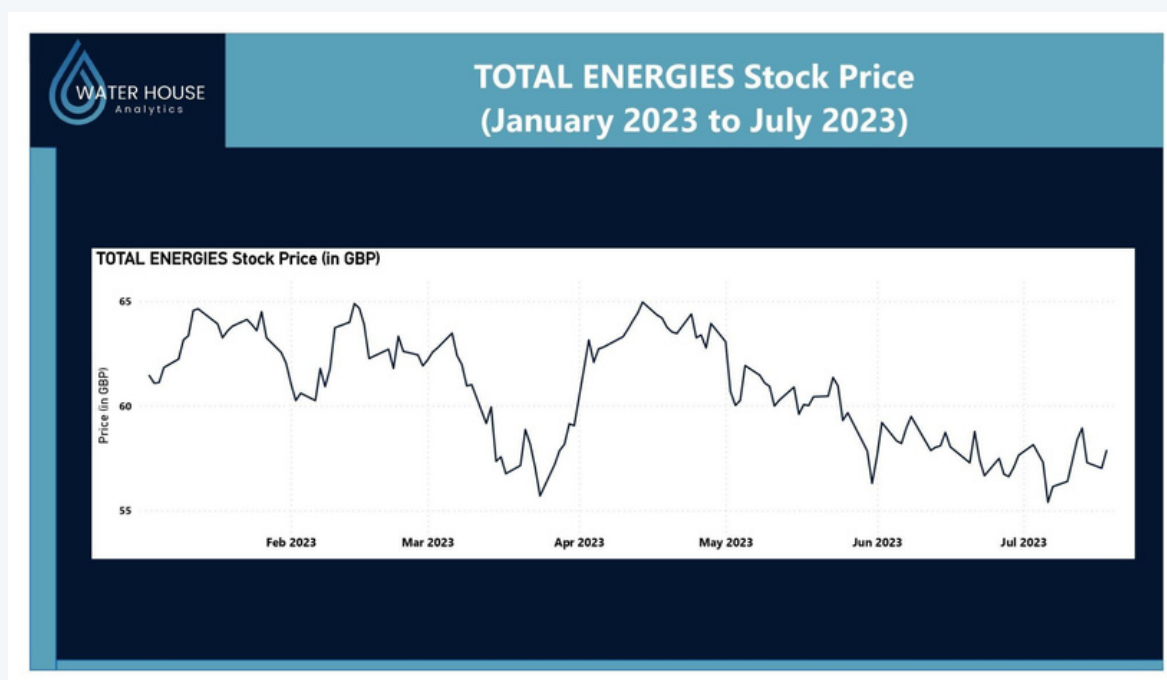


Chart 9: Total Energies stock price  
Data source: Yahoo Finance

The average stock price analysis of Total Energies Jan-Jul 2023, showcased in Chart 9, depicts a stable and unwavering performance of the company's stock value. Initiated at GBP 58.16 [approx USD 73.98] in Jan, Total Energies demonstrated modest fluctuations in the following months.

Feb 2023 witnessed a minor increase to GBP 60.21 [approx USD 76.58], trailed by GBP 58.27 [approx USD 74.12] in March.

April 2023 presented a moderate recovery, with the average stock price ascending to GBP 61.13 [approx USD 77.75].

Though experiencing minor fluctuations in May and June, with averages of GBP 59.81 [approx USD 76.08] and GBP 59.22 [approx USD 75.33] respectively, Total Energies' stock value remained consistently stable.

July 2023 perpetuated this trend, with a slight increase to GBP 60.51 [approx USD 76.97].

Total Energies' stock trajectory: A testament to steadfast and steady performance.

# WHO IS BUYING RUSSIAN OIL?

Russia, the world's second-largest oil exporter after Saudi Arabia, partnered with Saudi Arabia to cut oil output by one million barrels daily from July, extended to September. This move significantly impacted global oil prices, notably raising the Brent crude oil benchmark from about \$76 to over \$83 per barrel.



The report focuses on Russian crude oil exports from January to July 2023 amidst these market developments.

## From Conflict to Commerce: Analyzing Changes in Russia's Oil Exports

Amid the intricate geopolitics, Russia's oil revenue offers a lens into its economic resilience. From the onset of conflict on February 24th, 2022, to the present, these USD-denominated figures illustrate the financial shifts amidst geopolitical complexities. Navigating these trends reveals how Russia's oil sector adeptly manages in a changing global context.

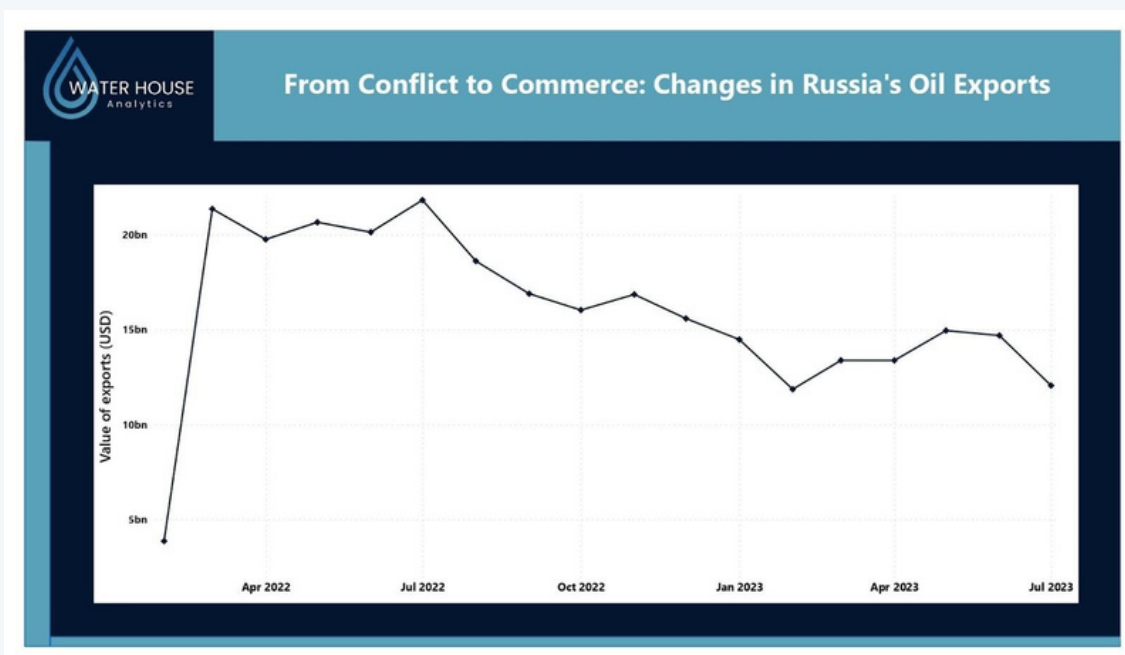


Figure 1: Russian Oil Revenue between February 24 2022 and July 2023  
Source: Centre for Research on Energy and Clean Air (CREA)

As seen in Figure 1, starting in February 2022, the conflict initiated a revenue drop to \$3.86 billion. March's leap to \$21.36 billion highlighted the sector's strength. From April, May, and June 2022, revenue remained steady at \$19.75 billion, \$20.66 billion, and \$20.13 billion respectively, reflecting industry stability.

July peaked at \$21.82 billion, followed by a declining trend in August, September, and October—reflecting external pressures.

The new year, 2023, began with \$14.48 billion in January, while February hit \$11.86 billion. March and April's upswing brought \$13.38 billion and \$13.378 billion, respectively. May and June 2023 marked \$14.95 billion and \$14.69 billion. July 2023, with \$12.056 billion, showcased persistence amidst change.

The fluctuations in Russia's oil revenue from the onset of the conflict in February 2022 to the present day paint a vivid picture of an industry undeterred by geopolitical complexities. Amidst uncertainty, these revenue trends stand as a testament to Russia's economic adaptability and resilience. As global dynamics continue to shift, the oil sector's steadfastness reinforces the nation's ability to chart a course through challenging waters, safeguarding its economic interests and positioning itself for continued growth and stability.

### **Russia's Oil Import Partners**

Russia's prominence as a key player in the oil industry extends beyond its production prowess, encompassing its strategic relationships with top oil import partners.

Russia's oil import partners provide a panoramic view of the intricate web of relationships that define the modern energy trade. From China and India to Turkey and beyond, these partnerships not only contribute to Russia's economic resilience but also influence the geopolitical balance and energy security on a global scale. As the world continues to shift towards cleaner energy sources, these partnerships will remain instrumental in shaping the future of the energy landscape.

## Top 10 Ural Importers (in US\$)

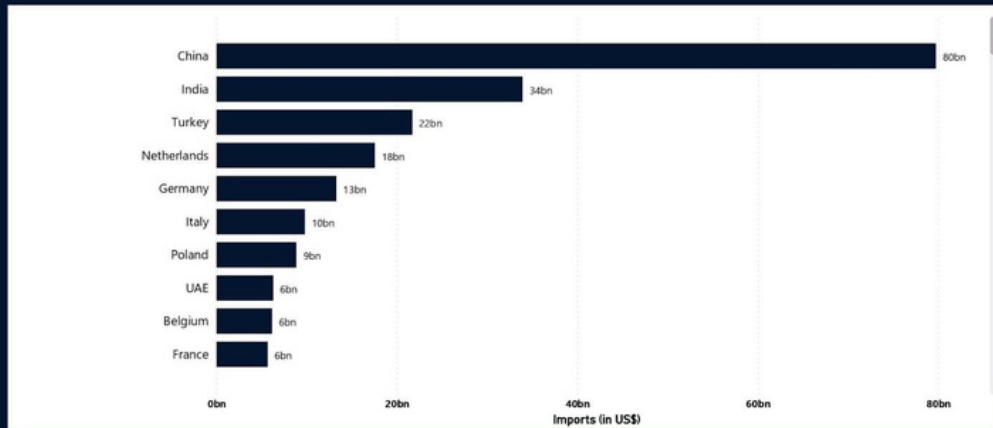


Figure 2: Top 10 Russian Oil Importers between February 24 2022 and July 2023  
Source: Centre for Research on Energy and Clean Air (CREA)



### CHINA

- Total Imports: **\$79.74B**
- Symbiotic energy relationship
- Influences regional & global oil dynamics



### INDIA

- Total Imports: **\$33.92B**
- Strengthening trade nexus
- Emphasizes energy security & collaboration



### GERMANY

- Total Imports: **\$13.28B**
- Energy security & economic cooperation
- Supports Germany's energy transition



### TURKEY

- Total Imports: **\$21.71B**
- Strategic energy bridge: Europe & Asia
- Enhances energy diversification strategy



### NETHERLANDS

- Total Imports: **\$17.56B**
- Key European trading partner
- Transshipment hub for energy distribution

## Top Importers of Russian Oil (Feb 2022 - Jul 2023)

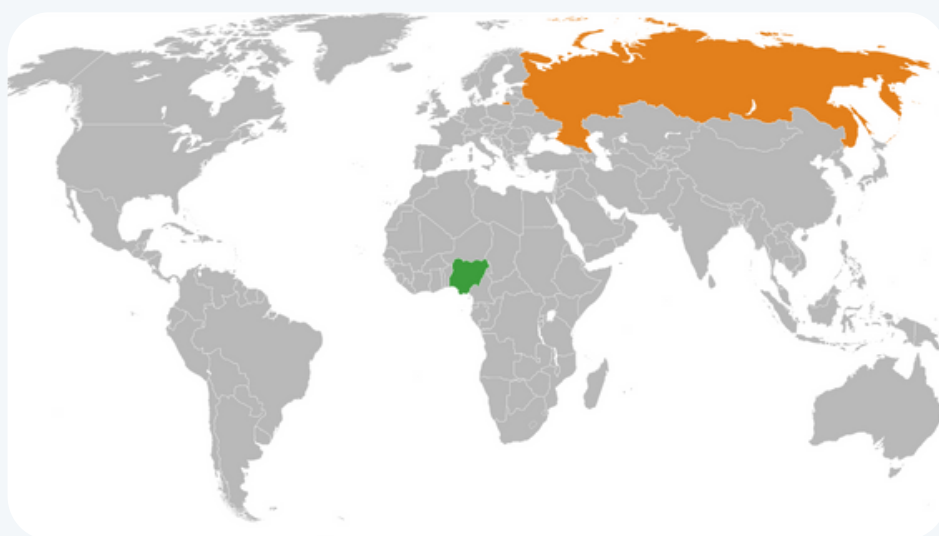
Russia's oil import partnerships weave a complex narrative of interconnectedness and strategic collaboration. From China's pivotal role and India's growing nexus to Turkey's cross-continental bridging, the Netherlands' European hub status, and Germany's energy transition maneuvering, each partnership contributes uniquely to the global energy fabric.

However, the comprehensive partner list extends further, embracing countries like Italy, Poland, the UAE, Belgium, and France, among others. Together, these relationships showcase Russia's pragmatic energy trade approach and its knack for fostering diverse economic, diplomatic, and geopolitical ties globally.

### **Nigeria's Oil Import Trends from Russia**

The trade relationship between Nigeria and Russia in the oil sector has undergone significant changes since the commencement of the war.

Nigeria's oil import trends from Russia since the start of the war till July 2023 demonstrate a dynamic trade relationship that responds to geopolitical and economic shifts. The recovery and growth observed after periods of stagnation underscore Nigeria's strategic approach to securing oil resources. As both nations continue to navigate complex geopolitical landscapes, these insights contribute to a better understanding of their evolving trade dynamics.





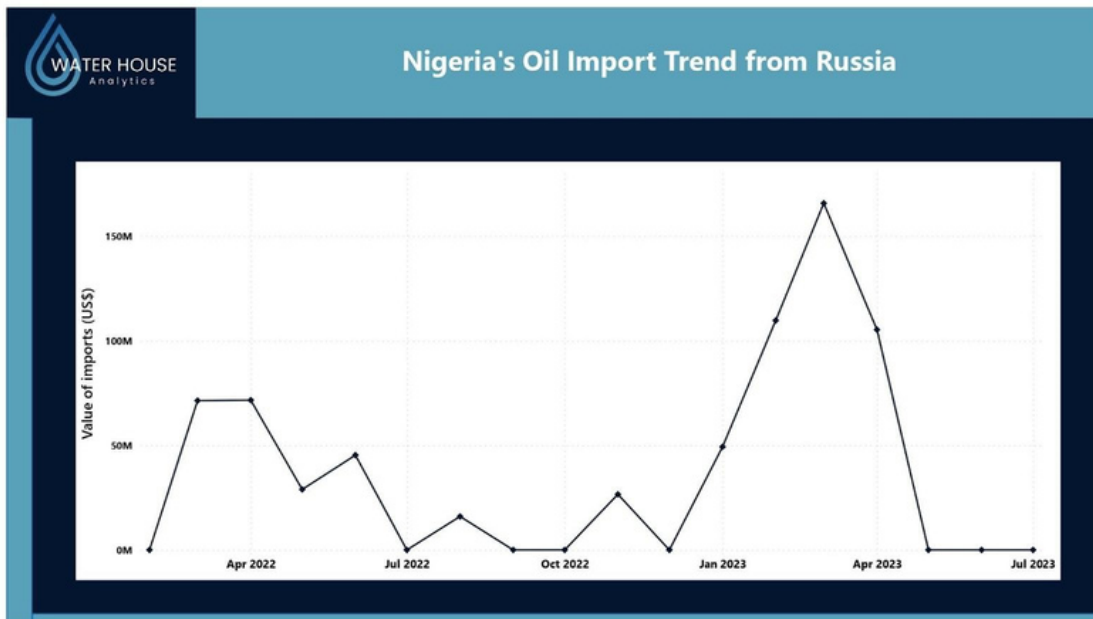


Figure 3: Russia Oil revenue of Russian crude between February 24 2022 and July 2023  
 Source: Centre for Research on Energy and Clean Air (CREA)

As seen in Figure 3 above, Nigeria imported oil from Russia between January 2023 and April 2023 possibly because the sanctions on Russia had not yet been fully implemented. The sanctions were announced on February 24, 2022, but they took some time to go into effect. In the meantime, Nigeria continued to import oil from Russia.

It is also possible that Nigeria was able to get a good deal on oil from Russia during this time. Russia was eager to sell its oil, and Nigeria was able to take advantage of this. However, it is also possible that Nigeria was simply unaware of the sanctions when it imported oil from Russia between January 2023 and April 2023.

Whatever the reason, Nigeria's imports of oil from Russia have decreased significantly since the start of the war in Ukraine. This is likely due to the full implementation of the sanctions, as well as Nigeria's own decision to stop importing oil from Russia.

## **Unveiling Connections: How Russia's Oil Trade Analysis Sheds Light on Global Price Dynamics**

The Russian invasion of Ukraine has had a significant impact on the global oil market. Russia is a major oil producer, and the invasion has disrupted its oil exports. This has led to a decrease in global oil supply, which has driven up oil prices. The high oil prices have had a negative impact on the global economy, and they have also contributed to inflation.

The impact of the Russian invasion on the global oil market is likely to continue for some time. The sanctions on Russia are making it difficult for the country to export oil, and it is unclear when these sanctions will be lifted. In the meantime, the global oil market is likely to remain volatile, and oil prices are likely to remain high.

The analysis of Russia's oil trade can provide valuable insights into global price dynamics. Russia is a swing producer, meaning it can significantly increase or decrease its oil exports depending on market conditions. This makes Russia a powerful player in the global oil market, and its oil exports can have a significant impact on global oil prices.

The analysis of Russia's oil trade can also help to identify the countries that are most vulnerable to changes in global oil prices. The countries that are most dependent on Russian oil imports are the most vulnerable to price shocks. These countries are likely to experience economic hardship if oil prices remain high for an extended period of time.

The conflict has highlighted the importance of energy security. The global economy is increasingly reliant on oil imports, and this makes it vulnerable to shocks caused by political instability or natural disasters. The need for energy security is likely to become even more important in the years to come, as the global economy continues to grow and demand for oil increases.

This analysis can help policymakers to develop strategies to mitigate the impact of oil price volatility and to ensure energy security. By understanding the factors that influence Russian oil exports, policymakers can better manage the risks associated with the global oil market.

# AUGUST OUTLOOK

As we turn our gaze to August's prospects within the Nigerian upstream sector, a concise analysis of the data yields meaningful insights:

**Production Landscape:** The prevailing low oil production trend, a result of challenges like oil theft and pipeline vandalism in the Niger Delta region, is poised to persist in August. These ongoing factors are anticipated to continue influencing production dynamics in the upcoming month.

**Price Trajectory:** On a different note, oil prices are set to sustain their upward trajectory, mirroring July's trend. Anchored by robust demand and favorable supply dynamics, these factors are poised to uphold elevated oil prices throughout August.

In summation, August presents a nuanced juncture for the Nigerian upstream sector. While the projection for oil production remains restrained, the landscape is marked by high oil prices, offering a dual perspective.

## **Influential Factors on the Horizon:**

- **Global Economic Outlook:** The resilience of the global economy holds the potential to impact oil demand and prices, with weaker economic conditions potentially exerting downward pressure.
- **OPEC Decision Dynamics:** OPEC's deliberations on production levels could influence market sentiment and, consequently, oil prices.
- **Weather Dynamics:** Unforeseen weather disruptions could amplify oil prices by affecting production and transportation.

Importantly, this outlook is characterized by its inherent uncertainty, making it susceptible to shifts. These multifaceted factors provide a glimpse into the complex landscape that August holds in store.



# Conclusion

This report provides valuable insights into the performance of crude oil and condensate production over the analyzed period. By examining the production volumes, growth rates, and trends, we can gain a better understanding of the dynamics within the industry.

It is important to note that this report offers an estimation based on historical data. It is essential to continually assess the market conditions and adapt strategies accordingly to ensure optimal production outcomes.

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# Glossary

- **Barrels:** A unit of measurement used to quantify the volume of crude oil and petroleum products. It represents approximately 159 liters or 42 gallons.
- **Condensate:** A light hydrocarbon liquid that is produced along with natural gas during upstream operations. It can be separated from the gas and processed further to obtain valuable products.
- **Crude Oil:** Unrefined petroleum, typically found underground, consisting of a mixture of hydrocarbons. It is the primary raw material for the production of various petroleum products.
- **KTPA:** Thousand Tons Per Annum. It is a unit of measurement used to express production capacity or annual throughput for petrochemicals and other industries.
- **NLNG:** Nigerian Liquefied Natural Gas. It refers to the Nigerian company that operates the Bonny Liquefied Natural Gas (LNG) plant, which is a major player in the LNG industry.
- **OPEC:** Organization of the Petroleum Exporting Countries. It is an intergovernmental organization consisting of several oil-producing nations. OPEC aims to coordinate and unify the petroleum policies of its member countries to stabilize oil markets.
- **OPEC-13:** Refers to the group of 13 member countries within the Organization of the Petroleum Exporting Countries. These countries collaborate on decisions related to oil production, prices, and market stability.
- **SPDC:** Shell Petroleum Development Company. It is a major oil and gas company operating in Nigeria, engaged in exploration, production, and development activities in the country's upstream sector.
- **Upstream:** The initial phase of the oil and gas industry that involves activities such as exploration, drilling, and production, focusing on locating and extracting natural resources.

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