

Wire: Bloomberg First Word (BFW) Date: Aug 1 2018 15:31:17

## **Iran Likely To Export ~1.5m b/d Crude After Sanctions: Citi**

By Erin Douglas

(Bloomberg) -- Iran will probably export ~1.5m b/d of crude or more after sanctions, even without waivers, Citigroup group analysts including Ed Morse write.

- \* Other countries will likely be able to replace the 2.2m b/d of Iranian crude cut off
- \* Iran's YTD crude output at ~3.8-3.9m b/d
- \* China, Turkey, Iraq could provide avenue for Iran oil exports
- \* China in "good position" to raise imports from Iran by 350k b/d to 1m b/d
- \* Growth in refining capacity
- \* Incentive to internationalize the petro-yuan
- \* China could sharply reduce recent ~300-400k b/d imports of U.S. crude
- \* Saudi Arabia looks capable of replacing "lion's share" of lost Iranian crude oil "for a good while"
- \* Saudi supply can be bolstered through running down oil stockpiles in country and around the world
- \* Saudi may be holding up to 300m bbls; ~235m bbls of Saudi crude oil inventories reported to JODI
- \* Drawing down inventories could mean additional 1m b/d of exports for several quarters
- \* Russia could raise output by another 300k b/d over next 12 months, and more beyond that
- \* Russia oil production "practically back" to pre-cut levels now
- \* Plans could mean 1m b/d growth by 2020
- \* Other non-OPEC supply can grow quickly
- \* U.S., Brazil and Canada are growing oil production at rapid rate
- \* Not likely to be major disruptions in Strait of Hormuz and Bab el-Mandab

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