Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

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Feature article:

World oil market prospects for the second half of 2025

Organization of the Petroleum Exporting Countries

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Oil Market Highlights

Crude Oil Price Movements

In May, the OPEC Reference Basket (ORB) value declined by $5.36, or 7.8%, month-on-month (m-o-m), to average $63.62/b. The ICE Brent front-month contract declined by $2.45, or 3.7%, m-o-m, to average $64.01/b, while the NYMEX WTI front-month contract declined by $2.02, or 3.2%, m-o-m, to average $60.94/b. GME Oman's front-month contract declined by $3.97, or 5.9%, m-o-m, to average $63.88/b. Meanwhile, the ICE Brent-NYMEX WTI first-month spread contracted by 43¢, m-o-m, to average $3.07/b. The ICE Brent, NYMEX WTI, and GME Oman forward curves flattened in May compared to the previous month, but remained in backwardation. Speculative activities displayed mixed trends in the two major futures and options contracts, ICE Brent and NYMEX WTI.

World Economy

The global economy maintained a stable growth trajectory, supported by healthy 1Q25 growth and tentative progress in US trade negotiations. The global economic growth forecasts remain unchanged at 2.9% for 2025 and 3.1% for 2026. The US economic growth forecasts remain at 1.7% for 2025 and 2.1% for 2026. Japan's economic forecasts remain at 1.0% for 2025 and 0.9% for 2026. Eurozone economic growth forecasts remain at 1.0% for 2025 and 1.1% for 2026. China's economic growth forecasts remain at 4.6% for 2025 and 4.5% for 2026. Following strong growth in 1Q25, India's economic growth forecast for 2025 is revised up slightly to 6.5%, the same level as anticipated for 2026. Brazil's economic growth forecasts remain at 2.3% for 2025 and 2.5% for 2026. Russia's 2025 economic growth forecast is revised down slightly to 1.8%, but remains unchanged at 1.5% for 2026.

World Oil Demand

The global oil demand growth forecast for 2025 remains at 1.3 mb/d, year-on-year (y-o-y), unchanged from last month's assessment. Some minor adjustments were made mainly to actual data for 1Q25. In the OECD, oil demand is forecast to grow by about 0.2 mb/d in 2025, while non-OECD demand is forecast to grow by more than 1.1 mb/d in 2025. In 2026, global oil demand is forecast to grow by 1.3 mb/d y-o-y, also unchanged from last month's assessments, with the OECD forecast to grow by around 0.1 mb/d, y-o-y, while the non-OECD is forecast to grow by 1.2 mb/d, y-o-y.

World Oil Supply

Non-DoC liquids supply (i.e., liquids supply from countries not participating in the Declaration of Cooperation) is forecast to grow by about 0.8 mb/d, y-o-y, in 2025, unchanged from last month's assessment. The main growth drivers are expected to be the US, Brazil, Canada, and Argentina. The non-DoC liquids supply growth forecast for 2026 is revised slightly down to 0.7 mb/d, with US, Brazil, Canada, and Argentina as the main growth drivers. Meanwhile, natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to grow by 0.1 mb/d, y-o-y, in 2025, averaging 8.4 mb/d, followed by a similar increase of about 0.1 mb/d, y-o-y, in 2026, to average 8.5 mb/d. Crude oil production by countries participating in the DoC increased by 180 tb/d in May, m-o-m, to average about 41.23 mb/d, according to available secondary sources.

Product Markets and Refining Operations

In May, refinery margins rose in all reported trading hubs, amid a decline in feedstock prices and continued strength in gasoline across regions. In the US Gulf Coast (USGC), regular grade gasoline and fuel oil 3.0% sulphur showed a seasonal improvement, despite rising refinery runs, which weighed on the performance of all other products. In Rotterdam, solid strength was seen across the barrel with gasoline, fuel oil and naphtha representing the main drivers for the monthly gain. In Singapore, margins increased as all products saw considerable gains. Significant refinery maintenance led to a contraction in product availability in Asia, which, coupled with lower feedstock prices, supported refining economics in the region. Global refinery intake rebounded in May, increasing by nearly 400 tb/d, m-o-m, to stand at 79.3 mb/d, which is 1.6 mb/d lower, y-o-y.

Tanker Market

Dirty tanker spot freight rates saw mixed movements in May, compared to the previous month. VLCC rates were flat to slightly lower, m-o-m, while Aframax and Suezmax rates experienced declines. On the Middle East-to-West and West Africa-to-East routes, VLCC spot rates remained unchanged, m-o-m, while rates on the Middle East-to-East route slipped by 2%. Ample availability, combined with limited long-haul demand, eased market sentiment over most of the month. Suezmax spot freight rates on the US Gulf Coast-to-Europe route fell by 22%, m-o-m, amid limited enquiries. In the Aframax market, spot freight rates on the Mediterranean-to-Northwest Europe route dropped by 20%, m-o-m, weighed down by softening supply-demand fundamentals. Spot rates in the clean tanker market were also mixed. East of Suez rates rose by 4%, m-o-m, as tonnage lists tightened, while thin enquiries caused West of Suez rates to decline by 9%, m-o-m.

Crude and Refined Product Trade

In May, US crude imports rose by 5%, m-o-m, to average 6.1 mb/d, while US crude exports fell by 8%, m-o-m, to average 3.8 mb/d. US product imports increased by 6%, m-o-m, while US product exports rose by 4%, m-o-m. Preliminary estimates indicate that OECD Europe's crude imports declined, m-o-m, in April, amid lower inflows from Kazakhstan and Nigeria. Product imports into OECD Europe rose by about 14%, m-o-m, in April, led by higher inflows of fuel oil. The latest official data for Japan shows crude imports remained relatively steady in April, m-o-m, at 2.5 mb/d, while product imports fell by nearly 20%, m-o-m, due to a sharp drop in LPG inflows. Japan's product exports partly recovered in April, driven by higher outflows of gasoil and jet fuel. China's crude imports declined in April, m-o-m, to average 11.7 mb/d. Preliminary May data shows a further decline to average 11.0 mb/d. China's product imports surged by 18%, m-o-m, in April, driven by a recovery in fuel oil and further supported by LPG. Product exports from China slipped by about 2% from the previous month's levels, as declines in diesel and gasoline outweighed gains in jet fuel and fuel oil. India's crude imports in April fell, m-o-m, averaging 5.2 mb/d. Product imports declined by 7%, m-o-m, due to lower LPG inflows, while product exports slumped by nearly 29%, m-o-m, amid lower outflows of gasoline and diesel.

Commercial Stock Movements

Preliminary data indicate that OECD commercial oil inventories stood at 2,739 mb in April, representing a m-o-m increase of 4.7 mb. Within the components, crude stocks rose by 7.2 mb, m-o-m, while product stocks declined by 2.5 mb, m-o-m. Compared to the 2015–2019 average, OECD commercial oil stocks were 188 mb lower. OECD commercial crude stocks stood at 1,344 mb, which is 129 mb below the 2015–2019 average. Total OECD product stocks stood at 1,395 mb, or 59 mb below the 2015–2019 average. In terms of days of forward cover, OECD commercial oil stocks fell by 0.4 days, m-o-m, to 59.7 days in April, which is 2.5 days below the 2015–2019 average.

Balance of Supply and Demand

Demand for DoC crude (i.e., crude from countries participating in the Declaration of Cooperation) is revised upward by 0.1 mb/d from the previous month, reaching 42.7 mb/d in 2025. This represents an increase of approximately 0.4 mb/d compared to the 2024 estimate. Demand for DoC crude in 2026 is also revised upward by 0.2 mb/d from the previous month, reaching 43.2 mb/d or about 0.4 mb/d higher than the 2025 projection.

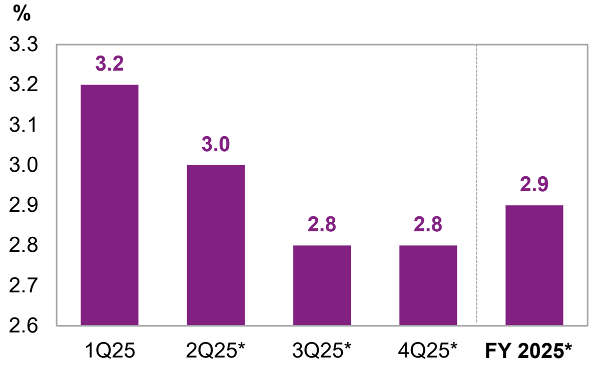
Feature Article

World oil market prospects for the second half of 2025

The global economy has outperformed expectations so far in 1H25, with data indicating better-than-expected growth in India, China and Brazil in 1Q25. In the US, underlying growth remained solid, while the Eurozone experienced a modest rebound from last year. This strong base from 1H25 is anticipated to provide support and sufficient momentum into a sound 2H25. However, the growth trend is expected to moderate slightly on a quarterly basis.

With these dynamics, global economic growth is forecast at 2.9% in 2025 (see ***Graph 1***).

Graph 1: World GDP growth, y-o-y changes



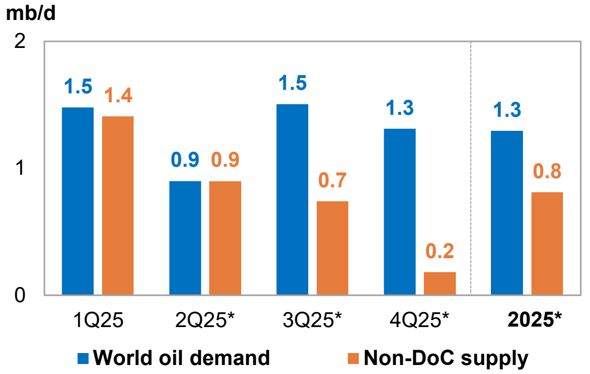
*Note: * Forecast. Source: OPEC.*

By 2H25, partial trade deals between the US and key partners are expected to be reached and thus reduce uncertainty. As trade patterns partially normalise, trade-related distortions in growth trends are expected to ease, with consumption and investment projected to remain firm. Nonetheless, some risks may persist on the tariff front, particularly given the scheduled expiration of the 90-day pause on reciprocal tariffs in July and August, including those targeting China. It should be noted that the acceleration of measures, such as consumption-boosting policies in China and fiscal support in Germany and the US, is expected to offset some of the potential drag from ongoing trade uncertainty.

Further support may come from accommodative monetary policies in the US, the Eurozone and China. The US Federal Reserve (Fed) is expected to continue easing in 2H25, after having held interest rates steady over its past three meetings. Moreover, both the European Central Bank (ECB) and the People's Bank of China (PBoC) are projected to extend their accommodative stance into 2H25.

With this, global oil demand is forecast to grow by an average of 1.4 mb/d, y-o-y, in 2H25. For the full year 2025, it is forecast to expand by 1.3 mb/d (see ***Graph 2***).

Graph 2: World oil demand and non-DoC supply, y-o-y changes



*Note: * Forecast. Source: OPEC.*

In the OECD, oil demand is estimated to increase by 90 tb/d, y-o-y, in 2H25. This is driven mostly by the US. In terms of products, jet kerosene and gasoline are set to be the main regional oil demand drivers, on the back of the summer driving season and continued healthy air travel activity. Diesel requirements, however, are anticipated to be subdued by softer economic and manufacturing activity, and demand for naphtha may be pressured by declining petrochemical margins. Overall, OECD oil demand is projected to average 160 tb/d in 2025.

In the non-OECD, Other Asia is expected to be the primary oil demand driver, with China and India providing substantial support. Oil demand is seen as underpinned by ongoing air travel recovery, healthy driving levels, as well as improvements in manufacturing sector activities. Non-OECD oil demand is forecast to grow on average by 1.3 mb/d, y-o-y, in 2H25. In terms of the main products, gasoline and jet fuel are set to lead regional oil demand growth, followed by diesel, LPG and naphtha. Overall, non-OECD oil demand is projected to average 1.1 mb/d in 2025.

Following y-o-y estimated growth of 1.2 mb/d in 1H25, non-DoC liquids supply is forecast to expand by 0.5 mb/d, y-o-y, in 2H25. As a result, non-DoC liquids supply in 2025 is anticipated to grow by 0.8 mb/d, y-o-y. On a regional basis, OECD liquids supply (excluding Mexico) is projected to rise by 0.2 mb/d, y-o-y, in 2H25, driven by the US, Norway and Canada. Liquids supply from the non-OECD region (excluding DoC participating countries) is forecast to increase by 0.3 mb/d, y-o-y, in 2H25. Latin America is expected to lead non-OECD production growth, contributing an increase of 0.3 mb/d, y-o-y, in 2H25, while supply output in Africa and Other Asia is projected to experience the largest declines.

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Crude Oil Price Movements

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The ICE Brent front-month contract in May fell by $2.45, or 3.7%, m-o-m, to average $64.01/b, the NYMEX WTI front-month contract declined by $2.02, or 3.2%, m-o-m, to average $60.94/b, and GME Oman's front-month contract dropped by $3.97, or 5.9%, m-o-m, to average $63.88/b.

The ICE Brent-NYMEX WTI front-month spread narrowed in May by an average of 43¢, m-o-m, to stand at $3.07/b.

Speculative activities showed mixed movement in May in the two major futures and options contracts, ICE Brent and NYMEX WTI. Speculators maintained a cautious view of the oil outlook, although total net long positions rose over the month. Hedge funds and other money managers accelerated the selling of bullish positions in the last two weeks of May, which weighed on market sentiment and oil prices, amid uncertainties about US-China trade negotiations. Between the weeks of 29 April and 27 May, speculators were net buyers of the equivalent of 16 mb. The drop in money managers' net long positions was mainly in futures and options related to NYMEX WTI.

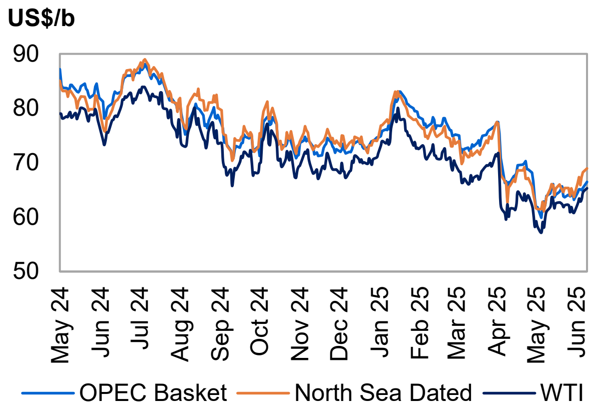
The forward curve of all three crude benchmarks ─ ICE Brent, NYMEX WTI and GME Oman ─ flattened in May compared with the previous month, with the nearest time spreads contracting, although remaining in backwardation. Diminishing supply-risk premiums, selling pressure in futures markets, and signs of a well-supplied crude market, specifically in the Atlantic Basin, weighed more on the first-month contract compared to forward contracts.

The premium of light sweet to medium sour crudes widened in May in the US Gulf Coast (USGC) and Asian markets, driven by the better performance of light sweet crudes compared to medium/heavy sour grades. Sour crudes came under downward pressure due to the prospect of increased supply and weaker HSFO crack spreads, particularly in East of Suez markets. However, sweet-sour crude differentials narrowed in Europe, amid an ample supply of light sweet crude in the Atlantic Basin, including Northwest Europe.

Crude spot prices

Crude spot prices declined in May, primarily driven by continued selloffs in the futures market. Spot prices also came under pressure, mainly due to weaker European refiners' demand, given refinery outages, easing geopolitical concerns about oil supply, and signs of a well-supplied crude market, including expectations of higher short-term supply from the US. Additional downward pressure came from higher US petroleum product inventories in May, the slow clearing of some loading programmes in the Atlantic Basin, and the availability of prompt-loading cargoes. However, the crude spot prices decline was partially offset by stronger refining margins in major refining hubs and renewed spot market demand during the second half of the month.

Graph 1 - 1: Crude oil price movements



Sources: Argus and OPEC.

Spot prices remained above futures prices, indicating supportive physical market fundamentals, especially for prompt-loading volumes. This was reflected in the North Sea Dated–ICE Brent spread, which remained at a premium. On a monthly average, the spread narrowed by 11¢ in May to a premium of 59¢/b.

In May, the Dubai first month contract declined the most, m-o-m, by $4.23, or 6.2%, to average $63.56/b, while North Sea Dated and WTI's first month fell respectively, m-o-m, by $3.68 and $2.00, or 5.4% and 3.2%, to settle at $64.07/b and $61.08/b.

Table 1 - 1: OPEC Reference Basket and selected crudes, US$/b

OPEC Reference Basket (ORB)	Apr 25	May 25	Change May 25/Apr 25	Year-to-date 2024	Year-to-date 2025
ORB	**68.98**	**63.62**	***-5.36***	**83.65**	**72.50**
Arab Light	70.92	65.00	*-5.92*	85.28	74.20
Basrah Medium	68.64	63.23	*-5.41*	81.67	71.82
Bonny Light	68.48	64.55	*-3.93*	86.29	72.49
Djeno	60.30	56.62	*-3.68*	76.79	64.25
Es Sider	67.00	63.52	*-3.48*	83.86	70.61
Iran Heavy	69.73	63.25	*-6.48*	83.41	72.89
Kuwait Export	70.28	63.94	*-6.34*	84.29	73.56
Merey	56.72	51.73	*-4.99*	70.06	60.21
Murban	67.73	63.63	*-4.10*	83.58	72.35
Rabi Light	67.29	63.61	*-3.68*	83.78	71.24
Sahara Blend	67.95	64.47	*-3.48*	85.48	72.28
Zafiro	70.08	64.98	*-5.10*	85.62	73.73
Other Crudes					
North Sea Dated	67.75	64.07	*-3.68*	84.22	71.71
Dubai	67.79	63.56	*-4.23*	83.41	72.40
Isthmus	63.65	61.57	*-2.08*	77.42	67.42
LLS	65.27	63.39	*-1.88*	81.67	70.33
Mars	64.18	62.05	*-2.13*	79.03	68.78
Minas	71.46	67.22	*-4.24*	87.63	74.84
Urals	54.14	51.07	*-3.07*	67.07	58.14
WTI	63.08	61.08	*-2.00*	78.90	67.70
Differentials					
North Sea Dated/WTI	4.67	2.99	*-1.68*	5.32	4.01
North Sea Dated/LLS	2.48	0.68	*-1.80*	2.55	1.38
North Sea Dated/Dubai	-0.04	0.51	*0.55*	0.81	-0.69

Sources: Argus, Direct Communication, and OPEC.

Crude differentials in the Atlantic Basin largely weakened in May, pressured by high supply from the US and soft buying interest from some European and Asian buyers.

North Sea crude differentials of light sweet grades weakened in May on the high availability of alternative grades, including US and West African light sweet crude, and a drop in gasoline and middle distillate product margins. The Forties and Ekofisk crude differentials declined m-o-m in May by $1.18 and 51¢, respectively, to settle at premiums of 5¢/b and $1.48/b. However, sour crude strengthened, with crude differentials for Johan Sverdrup rising against North Sea Dated on firm demand for the grade. Johan Sverdrup differentials in May rose by $1.66, m-o-m, to an average premium of 47¢/b.

West African crude differentials also weakened in May on soft demand from European and Asian buyers and ample availability of US light sweet crude in the Atlantic Basin. Slow selling of June-loading barrels weighed on crude differentials. On a monthly average, Bonny Light, Forcados, and Qua Iboe crude differentials to North Sea Dated declined by 13¢, 21¢ and 25¢, respectively, to stand at premiums of 28¢/b, $1.16/b and 29¢/b. Cabinda differentials also fell, m-o-m, by 81¢ on average, to a premium of 55¢/b, compared with a $1.36/b premium in April.

Similarly, in the Mediterranean, crude differentials of light sweet crude Saharan Blend and Azeri light weakened in May, dropping by 31¢ and 40¢, m-o-m, to stand at premiums of 21¢/b and $2.16/b. Caspian light sour CPC Blend crude remained at a deep discount to North Sea Dated in May, albeit little changed, m-o-m, rising marginally by 4¢ to stand at a $2.44/b discount.

In the Middle East spot market, several crude differentials fell against Dubai. The Oman crude differential declined by 56¢, m-o-m, to a premium of $1.21/b.

In the USGC, Light Louisiana Sweet (LLS) and Mars sour differentials against the WTI benchmark showed mixed movement. LLS crude differentials against WTI rose in May, m-o-m, increasing by 12¢ to stand at a premium of $2.31/b, while Mars sour crude differentials fell m-o-m by 10¢ to stand at a premium of $1.00/b.

OPEC Reference Basket (ORB) value

In May, the ORB value fell by $5.36, or 7.8%, m-o-m, to stand at $63.62/b. All ORB component values declined alongside their respective crude oil benchmarks. Lower official selling prices for most components in the three main markets also contributed to the drop. Year-to-date (y-t-d), the ORB value was down by $11.15, or 13.3%, compared to the previous year, at $72.50/b.

West and North African Basket components – Bonny Light, Djeno, Es Sider, Rabi Light, Sahara Blend and Zafiro – fell by an average of $3.89, or 5.8%, m-o-m, to $62.96/b, and multiple-region destination grades – Arab Light, Basrah Medium, Iran Heavy and Kuwait Export – dropped on average by $6.04, or 8.6%, m-o-m, to settle at $63.86/b. Murban crude fell on average by $4.10, or 6.1%, m-o-m, to settle at $63.63/b. The Merey component decreased by $4.99, or 8.8%, m-o-m, to settle at $51.73/b.

The oil futures market

Crude oil futures prices extended their decline in May, amid persistently elevated volatility and downward pressure from global macroeconomic headwinds and the continued unwinding of geopolitical supply risk premiums. Weaker sentiment was further exacerbated by trade and monetary policy-related developments that contributed to heightened market fluctuations.

In the first week of May, oil prices declined sharply, with front-month futures contracts for both ICE Brent and NYMEX WTI falling to their lowest levels since early 2021. This was largely attributed to increased speculative activity, particularly a build-up in short positions by money managers, notably in the NYMEX WTI market, reflecting bearish sentiment across futures markets. Selling pressure from speculators intensified the downward trajectory.

However, oil futures reversed part of their earlier losses mid-month, supported by a shift in market focus toward improving physical fundamentals and more optimistic economic signals. A temporary 90-day truce on the US-China tariff issue and encouraging progress in US-UK trade negotiations contributed to a more optimistic global economic outlook, bolstering expectations for oil demand growth. Additionally, data indicating a moderation in US inflation for April supported market sentiment, encouraging renewed buying interest.

Despite the mid-month rebound, crude prices remained volatile through the second half of May, as market participants weighed mixed signals regarding the trajectory of global trade dynamics. Uncertainty stemming from the mixed signals around US-China trade developments and ongoing US-EU tensions dampened sentiment, despite the US administration's announcement of a delay in implementing certain EU-directed tariffs until 9 July. Moreover, market participants remained cautious over the implications of evolving geopolitical developments in Eastern Europe and the Middle East.

On the fundamentals side, weaker Chinese refinery runs for April and a build in US petroleum product inventories, as reported in weekly EIA data, further pressured market sentiment. These factors collectively contributed to the persistence of price volatility and limited the extent of the mid-month recovery.

The ICE Brent front-month contract fell m-o-m in May by $2.45, or 3.7%, to average $64.01/b, and the NYMEX WTI front-month contract declined by $2.02, or 3.2%, m-o-m, to average $60.94/b. Y-t-d, ICE Brent was $12.49, or 15.0%, lower at $71.01/b, and NYMEX WTI was lower by $11.28, or 14.3%, at $67.56/b, compared with the same month a year earlier. GME Oman's front-month contract declined m-o-m in May by $3.97, or 5.9%, to settle at $63.88/b. Y-t-d, GME Oman was lower by $11.28, or 13.5%, at $72.25/b.

Table 1 - 2: Crude oil futures, US$/b

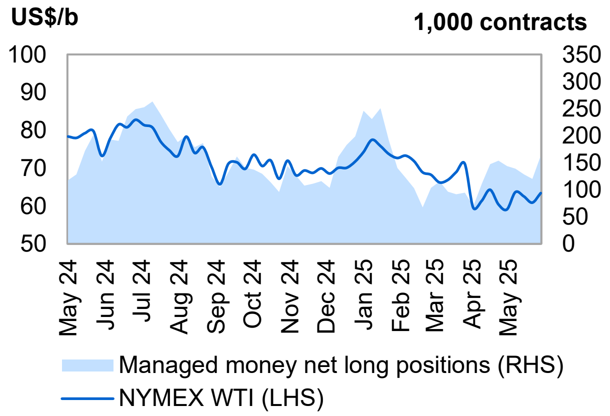
			Change	*Year-to-date*	
Crude oil futures	**Apr 25**	**May 25**	**May 25/Apr 25**	**2024**	**2025**
NYMEX WTI	62.96	60.94	-2.02	78.84	67.56
ICE Brent	66.46	64.01	-2.45	83.50	71.01
GME Oman	67.85	63.88	-3.97	83.53	72.25
Spread					
ICE Brent-NYMEX WTI	*3.50*	*3.07*	*-0.43*	*4.66*	*3.45*

Note: Totals may not add up due to independent rounding.
Sources: CME, ICE, GME and OPEC.

The value of the Brent front-month futures contract in May continued to drop more than the same month WTI futures contract at Cushing, which resulted in a third consecutive monthly contraction of the front-month ICE Brent-NYMEX WTI spread. ICE Brent came under more pressure given signs of ample crude supply in the Atlantic Basin and softer demand from refineries in Europe. Lower Brent-related risk premiums, as an international benchmark, also contributed to further declines. Meanwhile, lower crude stocks at the Cushing trading hub in May and a firm increase in US refinery crude runs across the month limited the decline of WTI NYMEX. The ICE Brent-NYMEX WTI spread narrowed in May, by an average of 43¢, m-o-m, to stand at $3.07/b. The North Sea Dated premium to WTI Houston also narrowed, contracting by $1.26 on a monthly average to stand at a premium of $2.16/b, reflecting a deterioration in the export arbitrage economics of WTI-related grades.

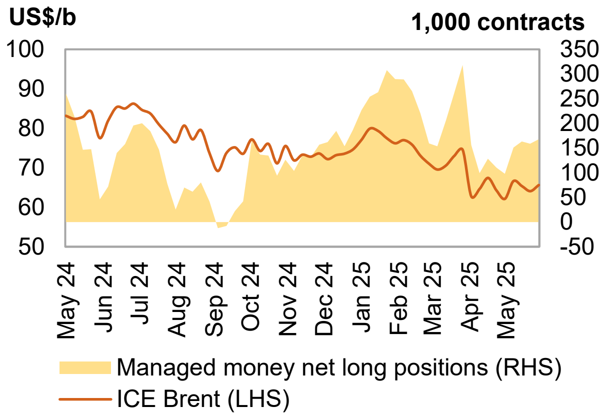
Speculative activity in the two major futures and options contracts, ICE Brent and NYMEX WTI, showed mixed movement in May. They maintained a largely bearish view, although total net long positions rose over the month. Hedge funds and other money managers accelerated the selling of bullish positions in the last two weeks of May, which weighed on market sentiment and oil prices amid uncertainties about US-China trade negotiations. Between the weeks of 29 April and 27 May, speculators slightly raised net long positions by 15,559 lots in the two major futures contracts, ICE Brent and NYMEX WTI and were net buyers of the equivalent of 16 mb. The drop in money managers' net long positions was mainly in futures and options related to NYMEX WTI, with the decline in WTI's related futures and options net long positions driven by the rise of short positions. In the second half of May, speculators recouped part of the ICE Brent-related net long positions, which earlier in the month, in the week ending 6 May, had fallen to their lowest level since October 2024.

Graph 1 - 2: NYMEX WTI vs. Managed Money net long positions



Sources: CFTC, CME and OPEC.

Graph 1 - 3: ICE Brent vs. Managed Money net long positions



Sources: ICE and OPEC.

Money managers were buyers of the equivalent of about 49 mb of the ICE Brent contract between the weeks of 29 April and 27 May, and combined futures and options net long positions related to Brent rose by 49,009 contracts, or 44.6%, to stand at 158,950 lots in the week of 27 May, according to the ICE Exchange. During the same period, gross short positions rose by 25,898 lots, or 24.9%, to 130,019 contracts, and gross long positions increased by 74,907 lots, or 35.0%, to 288,969 contracts.

However, NYMEX WTI futures and options net long positions fell by 33,450 lots, or 21.7%, between the weeks of 29 April and 27 May, to stand at 120,582 contracts, according to the US Commodity Futures Trading Commission (CFTC). During the same period, gross short positions rose by 18,577 lots, or 39.2%, to 65,972 contracts, and gross long positions declined by 14,873 lots, or 7.4%, to 186,554 contracts.

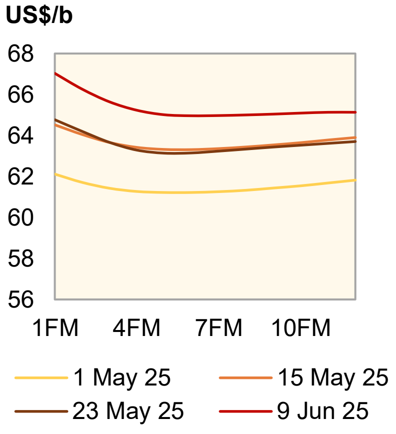
The long-to-short ratio of speculative positions in the ICE Brent contract stood at 2:1 in the week of 27 May, where it has been since mid-April. However, the NYMEX WTI long-to-short ratio fell to 3:1 in the week of 27 May, compared with 4:1 in the week of 29 April.

Total futures and options open interest volumes on the two exchanges fell between the weeks of 29 April and 27 May, dropping by 2.1%, or 131,743 contracts, m-o-m, to stand at 6.0 million contracts in the week ending 27 May. The decline in open interest was in both ICE Brent and NYMEX WTI futures and options contracts.

The futures market structure

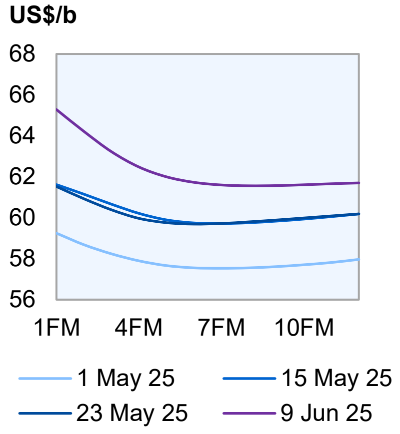
The forward curve of all three crude benchmarks ─ ICE Brent, NYMEX WTI and GME Oman ─ flattened in May compared with the previous month, with the nearest time spreads contracting, albeit remaining in backwardation. Diminishing supply-risk premiums, selling pressure in futures markets, and signs of a well-supplied crude market, specifically in the Atlantic Basin, weighed more on the first-month contract compared to forward contracts, which resulted in a flattening of the front end of the oil futures forward curves.

Graph 1 - 4: ICE Brent forward curves



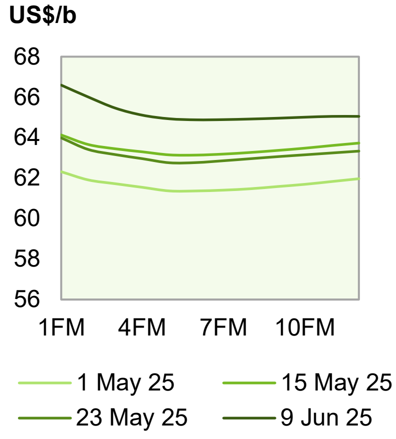
Sources: ICE and OPEC.

Graph 1 - 5: NYMEX WTI forward curves



Sources: CME and OPEC.

Graph 1 - 6: GME Oman forward curves



Sources: GME and OPEC.

The ICE Brent crude futures structure weakened in May, with the nearest time spreads contracting significantly in the first half of the month. This was due to signs of high light sweet crude availability in the Atlantic Basin, including from the US, and weak demand from European refiners for the June loading cycle, both of which weighed on the value of prompt contracts. US exports further pressured light sweet crude in the Atlantic Basin. In the second half of the month, the ICE Brent backwardation structure improved slightly, supported by a more positive oil supply/demand outlook. On a monthly average, the ICE Brent M1-M3 spread narrowed by 41¢, remaining at a backwardation of 98¢/b. However, the ICE Brent's M1-M6 spread strengthened to a backwardation of $2.49/b on average, rising by 44¢, m-o-m, from a backwardation of $2.05/b in April.

GME Oman remained in backwardation in May, although the first-to-third-month spread narrowed amid expectations of higher sour crude supplies. On a monthly average, the GME Oman M1-M3 backwardation narrowed, m-o-m, by 52¢ in May to 81¢/b on average, from a backwardation of $1.33/b in April.

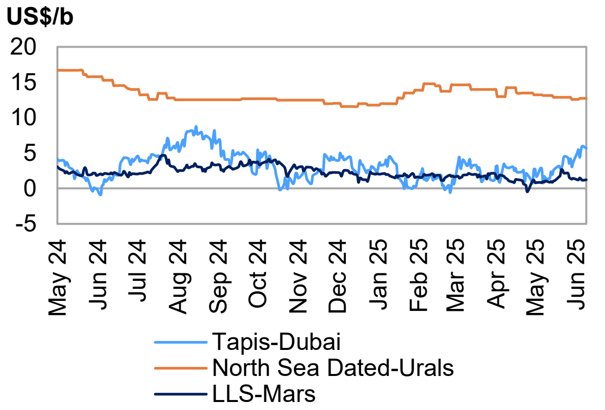
In the US, the NYMEX WTI backwardation structure flattened in May compared to April, albeit less than the other benchmarks, Brent and Dubai. This was due to low crude stocks at Cushing, expectations of further increases in US crude demand, and uncertainty about imports from Latin America. The NYMEX WTI M1-M3 backwardation stood on a monthly average at $1.03/b in May, narrowing by 6¢ from $1.09/b in April.

Regarding the M1/M3 structure, the North Sea Brent M1/M3 backwardation narrowed in May on a monthly average by 62¢ to $1.16/b, while the WTI M1/M3 backwardation narrowed 6¢ to $1.06/b, compared with a backwardation of $1.12/b in April. The Dubai M1/M3 monthly average spread was in a backwardation of $1.13/b in May, contracting from a backwardation of $1.69/b in April.

Crude spreads

The premium of light sweet to medium sour crudes widened in May in the USGC and Asian markets, driven by the better performance of light sweet crudes compared to heavy sour grades. Sour crude came under downward pressure due to the prospect of increased supply and weaker HSFO crack spreads, particularly in East of Suez markets. However, sweet-sour crude differentials narrowed in Europe amid ample supplies of light sweet crude in the Atlantic Basin, including Northwest Europe.

Graph 1 - 7: Differentials in Asia, Europe and USGC



Sources: Argus and OPEC.

In Europe, sweet-sour differentials narrowed as Brent-related light sweet crudes in the Atlantic Basin came under pressure from the high availability of prompt-loading cargoes and weaker margins for naphtha, gasoline and jet fuel. Meanwhile, sour crude values – represented by the main European stream, Johan Sverdrup – were supported by firm demand. As a result, the spread between light sweet Ekofisk and Johan Sverdrup narrowed by $2.17, averaging a premium of $1.02/b in May compared to $3.19/b in April. Urals crude differentials to North Sea Dated rose in both the Baltic and Black Sea markets, as reporting agencies assessed higher Urals values in May.

The Urals differential widened by $1.03 in the Baltic and 61¢ in the Black Sea, averaging $13.65/b and $13.00/b, respectively.

In the USGC, sweet-sour crude differentials remained narrow in May due to strong fundamentals in the sour crude market, supported by firm demand from US refiners, while light sweet crude supply remained high. On a monthly basis, however, the value of Mars sour declined more than that of light sweet LLS, amid uncertainty over sour crude supply from Latin America. Consequently, the LLS premium over medium sour Mars rose by 25¢ on average in May, reaching $1.34/b.

In Asia, the sweet-sour crude differential, represented by the Tapis-Dubai spread, widened in May, amid expectations of increased sour crude supply. The availability of prompt-loading sour cargoes weighed on sour crude values in East of Suez markets. Meanwhile, improved margins for naphtha, gasoline and diesel in Asia lent support to light sweet crudes, despite a wider Brent-Dubai Exchange of Futures for Swaps (EFS), which reflects a less favourable West-to-East arbitrage for light sweet grades. The Brent-Dubai EFS rose by $1.07, m-o-m, in May to $1.49/b. Accordingly, the Tapis-Dubai spread widened by 42¢ in May to $2.77/b, up from $2.35/b in April.

Commodity Markets

The performance of commodity price indices was mixed in May. The base and precious metals indices advanced, while the energy and “other mineral” indices declined.

In the futures markets, ongoing trade uncertainties continued to weigh on sentiment. Both combined money managers’ net length and open interest (OI) decreased in May.

Commodity prices remained under pressure due to concerns about the impact of trade tensions on the global economy. The 90-day trade truce announced by the US and China helped reduce price volatility, but sentiment remained cautious in the absence of a conclusive deal.

Trends in select energy commodity markets

The energy price index declined for the fourth consecutive month in May, dropping 4.4%, m-o-m. Lower average crude oil and US natural gas prices drove the decline, although these were partially offset by gains in Australian and US coal prices, as well as European natural gas prices. Y-o-y, the index was down by 18.1%, pressured by declines in Australian coal and average crude oil prices. However, higher prices for US coal, as well as for US and EU natural gas, partially offset losses over the period.

Table 2 - 1: Select energy prices

Commodity	Unit	*Monthly average*			*% Change*		*Year-to-date*	
		Mar 25	Apr 25	May 25	May 25/ Apr 25	May 25/ May 24	2024	2025
Energy*	*Index*	**95.1**	**87.9**	**84.1**	**-4.4**	**-18.1**	**104.0**	**93.9**
Coal, Australia	*US$/boe*	9.9	9.4	10.0	5.9	-26.5	12.6	10.2
Coal, US	*US$/boe*	6.7	6.9	6.9	0.5	4.9	6.6	6.8
Crude oil, average	*US$/b*	70.7	65.9	62.7	-4.8	-23.0	82.2	70.3
Natural gas, US	*US$/boe*	22.3	18.4	16.9	-8.4	46.2	11.0	20.5
Natural gas, Europe	*US$/boe*	71.6	62.7	63.1	0.6	15.2	49.2	71.9

*Note: * World Bank commodity price index (2010 = 100).*
Sources: World Bank and OPEC.

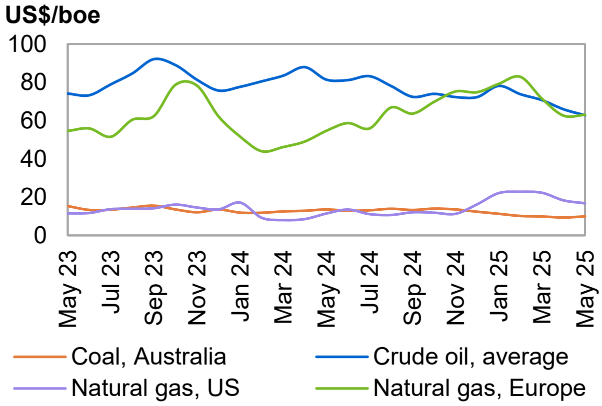
Australian thermal coal prices rebounded in May after six consecutive monthly declines. Prices rose by 5.9%, m-o-m, supported by higher demand from Asian countries, particularly China and India, and supply constraints in Australia due to weather-related disruptions. Elsewhere, in the EU, prices were supported by seasonal restocking from some utilities, ahead of the increase in summer demand for electricity. Prices were down by 26.5%, y-o-y.

In the US, coal prices rose for a second consecutive month in May, increasing by 0.5%, m-o-m. Prices experienced a moderate gain on the back of increased buying interest from European countries, while domestic demand remained stable, providing a floor to prices. Compared with the same period last year, prices were up by 4.9%, y-o-y.

Average crude oil prices fell for a fourth consecutive month in May, declining by 4.8%, m-o-m. Bearish sentiment remained a drag on prices amid global macroeconomic uncertainties. Prices were down by 23.0%, y-o-y.

Henry Hub's natural gas prices declined for the third consecutive month in May, falling by 8.4%, m-o-m. Softer demand due to mild weather reduced heating demand, thereby putting downward pressure on prices. At the same time, high storage levels during the injection season kept the market well supplied. Despite the monthly decline, prices were up by 46.2%, y-o-y.

Graph 2 - 1: Select energy prices



Sources: World Bank, Haver Analytics and OPEC.

The average Title Transfer Facility (TTF) experienced a moderate gain in May, increasing by 0.6%, m-o-m. Prices rose earlier in the month, supported by a combination of ongoing maintenance activities at key Norwegian facilities, which limited supply availability, and the geopolitical risk premium that continued to provide a floor to prices. However, lower seasonal demand and higher storage levels partially offset the gains. According to data from Gas Infrastructure Europe, EU storage levels rose to 48.4% as of the end of May, up from 39.5% in April, an 8.9 pp increase. Prices were up by 15.2%, y-o-y.

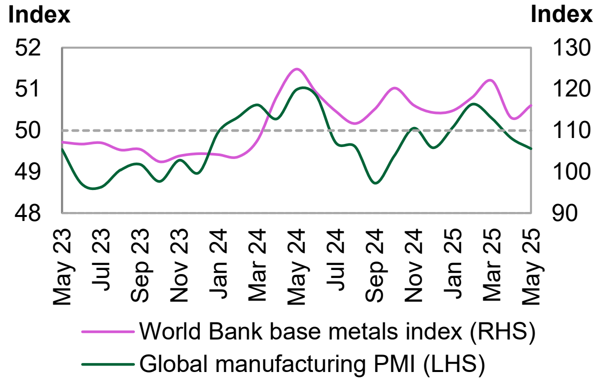
Trends in select non-energy commodity markets

The non-energy price index rebounded in May after trending downwards for the two previous months, increasing by 1.0%, m-o-m. A rebound in both agriculture and base metal indices over the period lifted the non-energy index, although it was down by 1.3%, y-o-y, mainly due to base metals. The agriculture index was up by 1.0%, y-o-y.

Base metals

The base metal index rose 3.1%, m-o-m, in May. Metal prices received support from Chinese stimulus measures aimed at supporting economic growth. Supply tightness in key metals, such as aluminium and copper, also contributed to the upward momentum. However, softer global industrial activity capped gains. Global manufacturing PMI contracted further in May. The benchmark fell to 49.6 in the period, down from 49.8 in April. The base metal index was down by 6.9%, y-o-y.

Graph 2 - 2: Global manufacturing PMI and World Bank base metals index



Sources: JP Morgan, IHS Markit, Haver Analytics, World Bank and OPEC.

At the London Metal Exchange (LME) warehouses, combined stocks of base metals declined for a fifth consecutive month in May, falling by 4.6%, m-o-m, and were down by 24.6%, y-o-y.

Combined cancelled warrants fell for a second consecutive month in May, dropping by 21.1%, m-o-m. They were down by 19.6%, y-o-y. At the same time, combined on-warrants rose by 5.6%, m-o-m, but were down by 26.7%, y-o-y.

Table 2 - 2: Base metal prices

Commodity	Unit	*Monthly average*			*% changes*		*Year-to-date*	
		Mar 25	Apr 25	May 25	May 25/ Apr 25	May 25/ May 24	2024	2025
Non-energy*	*Index*	**116.6**	**112.9**	**114.1**	**1.0**	**-1.3**	**111.2**	**116.0**
Base metal*	*Index*	**121.9**	**112.6**	**116.2**	**3.1**	**-6.9**	**111.7**	**116.8**
Copper	*US$/mt*	9,754	9,191	9,543	3.8	-6.0	9,011	9,372
Aluminium	*US$/mt*	2,650	2,382	2,451	2.9	-4.9	2,343	2,545
Nickel	*US$/mt*	16,086	15,160	15,379	1.4	-21.7	17,576	15,477
Lead	*US$/mt*	2,038	1,913	1,965	2.7	-12.0	2,126	1,962
Zinc	*US$/mt*	2,893	2,628	2,653	1.0	-10.7	2,617	2,762
Iron Ore	*US$/mt*	103	100	99	-1.0	-15.7	119	102

*Note: * World Bank commodity price indices (2010 = 100).*

Sources: LME, Haver Analytics, World Bank and OPEC.

Copper prices advanced in May, increasing by 3.8%, m-o-m, although they were down by 6.0%, y-o-y. At LME warehouses, stocks fell in May by 14.7%, m-o-m, but were up by 63.4%, y-o-y. Cancelled warrants declined by 12.3%, m-o-m, but were up by more than 100%, y-o-y. On-warrants fell by 16.5%, m-o-m, but were up by 6.8%, y-o-y.

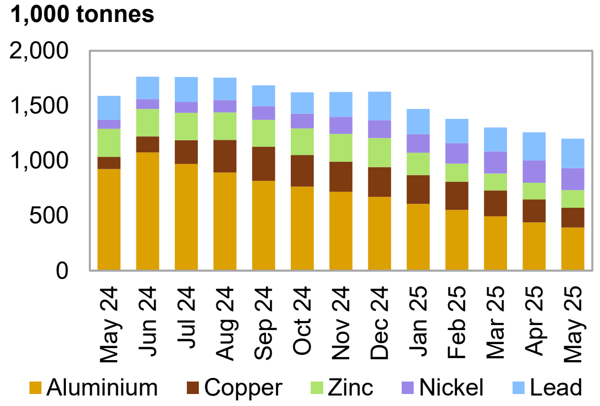
Aluminium prices in May rose by 2.9%, m-o-m, although they were down by 6.0%, y-o-y. LME warehouse stocks declined over the month by 10.1%, m-o-m, and were down by 57.4%, y-o-y. Cancelled warrants decreased in May by 42.9%, m-o-m, and were down by 68.9%, y-o-y. On-warrants rose by 15.9%, m-o-m, but were down by 50.1%, y-o-y.

Nickel prices rose in May by 1.4%, m-o-m, but were down by 21.7%, y-o-y. At LME warehouses, stocks decreased by 1.4%, m-o-m, although they were up by more than 100%, y-o-y. Cancelled warrants rose in May by 20.9%, m-o-m, and were higher by more than 100%, y-o-y. On-warrants decreased in May by 3.5%, m-o-m, but were up by more than 100%, y-o-y.

Lead prices advanced in May by 2.7%, m-o-m, but were down by 12.0%, y-o-y. At LME warehouses, stocks increased by 4.0%, m-o-m, and were up by 21.1%, y-o-y. Cancelled warrants fell in May by 19.9%, m-o-m, but were up by 61.7%, y-o-y. On-warrants rose by 29.8%, m-o-m, but were up by 3.7%, y-o-y.

Zinc prices in May increased by 1.0%, m-o-m; however, they were down by 10.7%, y-o-y. At LME warehouses, stocks increased by 6.1%, m-o-m, but were down by 36.7%, y-o-y. Cancelled warrants rose by 28.1%, m-o-m, but were down by more than 100%, y-o-y. On-warrants declined by 5.4%, m-o-m, and were down by 57.6%, y-o-y.

Graph 2 - 3: Inventories at the LME



Sources: LME, Thomson Reuters and OPEC.

Iron ore prices in May declined by 1.0%, m-o-m, and were down by 15.7%, y-o-y. Meanwhile, China's steel industry PMI retracted to below expansionary territory, falling to 46.4 in May, down from 50.6 in April, an 8.3%, m-o-m, decline.

Precious metals

The precious metals index continued its upward trajectory in May, increasing by 2.7%, m-o-m. All precious metal prices advanced in the period, with gold, silver and platinum rising by 2.9%, 1.7%, and 2.2%, m-o-m, respectively.

Table 2 - 3: Precious metal prices

Commodity	Unit	*Monthly average*			*% changes*		*Year-to-date*	
		Mar 25	Apr 25	May 25	May 25/ Apr 25	May 25/ May 24	2024	2025
Precious metals*	*Index*	**222.7**	**236.6**	**243.0**	**2.7**	**35.8**	**164.2**	**224.2**
Gold	*US$/Oz*	2,983	3,218	3,309	2.9	40.8	2,180	3,023
Silver	*US$/Oz*	33.2	32.2	32.8	1.7	11.6	25.4	32.1
Platinum	*US$/Oz*	980	959	980	2.2	-3.5	937	969

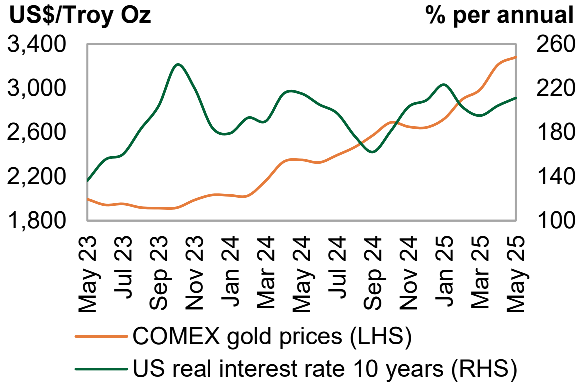
*Note: * World Bank commodity price index (2010 = 100).*

Sources: World Bank and OPEC.

Gold prices continued to benefit from safe-haven demand in May amid ongoing trade uncertainties. Prices were further supported by higher central bank buying and a weaker US dollar in the period. Meanwhile, gains for silver and platinum were capped by softer industrial activity.

The precious metals index was up by 35.8%, y-o-y; gold and silver were up by 40.8% and 11.6%, y-o-y, respectively, while platinum prices were down by 3.5%, y-o-y.

Graph 2 - 4: US real interest rate and gold price



Sources: Commodity Exchange Inc., Federal Reserve Board, Haver Analytics and OPEC.

Select other minerals

The other minerals price index receded in May after two consecutive months of gains, falling by 0.7%, m-o-m. Prices for cobalt and lithium decreased, while graphite prices remained unchanged over the month.

Table 2 - 4: Select other minerals prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Mar 25	Apr 25	May 25	May 25/ Apr 25	May 25/ May 24	2024	2025
Other minerals*	*Index*	**40.8**	**42.5**	**42.2**	**-0.7**	**5.2**	**40.3**	**37.9**
Cobalt	*US$/mt*	31,535	33,370	33,325	-0.1	21.4	28,190	28,741
Graphite	*US$/mt*	435	435	435	0.0	-10.3	519	435
Lithium	*US$/mt*	9,542	9,398	9,062	-3.6	-33.6	12,716	9,411

*Note: * OPEC price index (2022 = 100).*

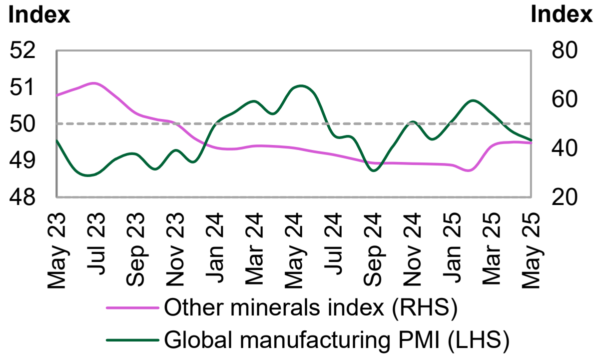
Sources: LME, Haver Analytics and OPEC.

Other mineral prices rose earlier in the month, supported by strategic stockpiling by manufacturers. However, ongoing trade uncertainties coupled with softer industrial activity weighed on prices.

Cobalt prices experienced a marginal decline, falling by 0.1%, m-o-m, in May. Lithium prices fell by 3.6%, m-o-m, while graphite prices were essentially flat over the same period.

The other minerals' price index was up by 5.2%, y-o-y. Cobalt prices were up by 21.4%, y-o-y, while graphite and lithium prices were down by 10.3% and 33.6%, y-o-y, respectively.

Graph 2 - 5: Global manufacturing PMI and other minerals index*



*Note: * OPEC price index (2022 = 100).*
Sources: JP Morgan, Haver Analytics, IHS Markit, LME and OPEC.

Investment flows into commodities

Combined money managers' net length fell for a fourth consecutive month in May, dropping by 18.6%, m-o-m. Net length declined across all commodities, except copper, with natural gas experiencing the largest decline. The combined net length was down by 41.4%, y-o-y.

Combined OI decreased in May by 2.5%, m-o-m. OI dropped across all commodities, with copper experiencing the largest drop. Combined OI was down by 1.1%, y-o-y.

Table 2 - 5: CFTC data on non-commercial positions, 1,000 contracts

Selected commodity	Open interest			Long		Short		Net length				
	Apr 25	May 25	May 25/ Apr 25	Apr 25	May 25	Apr 25	May 25	Apr 25	% OI	May 25	% OI	May 25/ Apr 25
Crude oil	2,465	2,421	***-1.8%***	207	206	54	59	153	6	147	6	***-3.9%***
Natural gas	1,540	1,527	***-0.9%***	153	136	164	187	-11	-1	-51	-3	***-346.5%***
Gold	876	828	***-5.4%***	169	150	40	36	129	15	115	14	***-11.2%***
Copper	253	231	***-8.8%***	51	51	35	28	16	6	23	10	***40.8%***
Total	**5,134**	**5,006**	***-2.5%***	**579**	**544**	**292**	**310**	**287**	**27**	**234**	**27**	***-18.6%***

Note: Data on this table is based on a monthly average.
Data on this table is based on commitments of traders futures and options.
Open interest includes both commercial and non-commercial positions.

Sources: CFTC and OPEC.

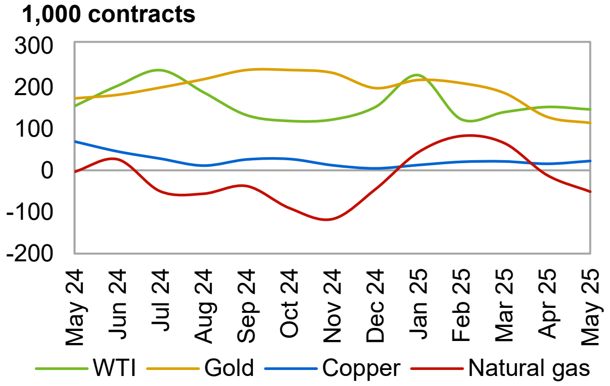
The crude oil (WTI) OI fell in May by 1.8%, m-o-m. Money managers reduced net length over the same period by 3.9%, m-o-m. OI was up by 8.7%, y-o-y, while the net length was down by 5.2%, y-o-y.

The natural gas (Henry Hub) OI decreased in May, falling by 0.9%, m-o-m. At the same time, money managers reduced net length by more than 100%, m-o-m. OI was down by 2.5%, y-o-y, and net length was down by more than 100%, y-o-y.

Gold's OI decreased in May by 5.4%, m-o-m. Money managers cut net length over the same period by 11.2%, m-o-m. Gold's OI was down by 0.8%, y-o-y, and its net length was down by 25.6%, y-o-y.

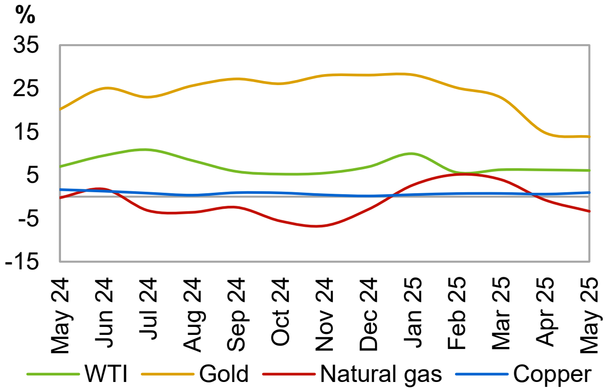
Copper's OI dropped by 8.8%, m-o-m, in May. Meanwhile, money managers increased net length over the same period by 40.8%, m-o-m. OI was down by 44.3%, y-o-y, and net length was down by 67.0%, y-o-y.

Graph 2 - 6: Money managers' activity in key commodities, net length



Note: Data on this graph is based on a monthly average.
Sources: CFTC and OPEC.

Graph 2 - 7: Money managers' activity in key commodities, as % of open interest



Note: Data on this graph is based on a monthly average.
Sources: CFTC and OPEC.

World Economy

The most recent economic growth figures from major economies indicate continued steady expansion in 1H25. Despite some minor adjustments to growth forecasts, offsetting factors kept the global economic growth outlook at healthy levels of 2.9% for 2025 and 3.1% for 2026. Data from 1Q25 shows that India, China, and Brazil outperformed expectations. In the United States, underlying growth remains solid, while the Eurozone is experiencing a modest rebound from last year. As a result, global economic growth has been well supported since the start of the year. Furthermore, assuming reasonable trade agreements are reached with most key trading partners of the US, global economic uncertainty is expected to decline.

In the US, economic growth in 1Q25 was weighed down by a rise in imports, reflecting frontloading ahead of expected tariff hikes. Despite this, domestic activity remained resilient, albeit with a slight moderation in momentum. Furthermore, the Eurozone outperformed expectations in 1Q25 and is expected to implement counter-measures, such as new trade agreements and supportive fiscal and monetary policies, to cushion the impact of US tariffs. Japan experienced a trade-related contraction during 1Q25 but is likely to offset some of the adverse effects through domestic stimulus and other policy responses. Elsewhere, while China may be affected by trade disputes to a certain extent, the economy has several means to limit the impact, including domestic stimulus measures and diversification of its export markets, as already seen in its most recent trade flows. India's robust growth trajectory is projected to continue, with only a limited impact from US tariffs. Following a strong performance in 1Q25, Brazil is expected to sustain steady growth, while Russia is also forecast to maintain a stable growth path through 2025 and 2026.

Table 3 - 1: Economic growth rate and revision, 2025–2026*, %

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2025	**2.9**	**1.7**	**1.0**	**1.0**	**4.6**	**6.5**	**2.3**	**1.8**
Change from previous month	0.0	0.0	0.0	0.0	0.0	0.2	0.0	-0.1
2026	**3.1**	**2.1**	**1.1**	**0.9**	**4.5**	**6.5**	**2.5**	**1.5**
Change from previous month	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Note: * 2025-2026 = Forecast. The GDP numbers are based on 2021 ppp.*

Source: OPEC.

Update on the latest global developments

The global economy continues to exhibit healthy underlying dynamics despite trade-related uncertainties. Confidence levels have begun to recover across major economies following the 90-day pause on US reciprocal tariffs and the provisional trade agreement between the US and China. Private consumption and monthly retail sales data indicate sustained consumer spending, which is expected to continue as trade-related clarity improves. However, uncertainty has not been fully resolved. Thus far, only the UK has finalised a trade agreement with the US, while Japan, the EU, China, and other major partners remain in talks. Against this backdrop, trade uncertainty shaped much of the 1Q25 economic growth figures. A slight contraction in the US and strong growth in China were both influenced by front-loading ahead of tariffs, which weighed on quarterly growth in the US while supporting it in China. Non-OECD economies continued to record solid economic growth over this period.

In the OECD economies, the US economy contracted by 0.2%, q-o-q, SAAR in 1Q25, according to the second estimate from the Bureau of Economic Analysis (BEA), following a 2.5% expansion in 4Q24. The decline was driven by a sharp rise in imports, though consumer spending and investment remained solid despite weakening confidence. The Eurozone recorded growth of 1.3%, q-o-q, SAAR in 1Q25, up from 1.0% in 4Q24. Japan's economy contracted by 0.7%, q-o-q, SAAR in 1Q25, following growth of 2.4% in 4Q24, with the decline largely attributed to a slowdown in exports.

Among non-OECD economies, China grew by 5.4%, y-o-y, in 1Q25, unchanged from 4Q24. This growth was supported by strong exports and ongoing fiscal and monetary support measures. Elsewhere, India's economy expanded by 7.4%, y-o-y, in 1Q25, up from 6.4% in 4Q24, driven by robust investment activity and continued private consumption. Russia's growth slowed to 1.4%, y-o-y, in 1Q25, down from 4.5% in 4Q24, as private spending and industrial production moderated. Brazil grew by 2.9%, y-o-y, in 1Q25, down from 3.6% in 4Q24, supported by continued strength in the agricultural sector.

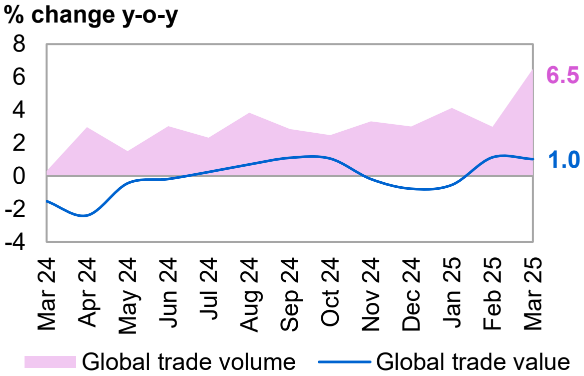
Inflation continues to ease across the major OECD economies. In the US, inflation saw a slight uptick to 2.4%, y-o-y, in May, up from 2.3% in April and returning to the same level as March. In the Eurozone, inflation slowed to 1.9%, y-o-y, in May, down from 2.2% in April. Japan recorded a slight decline in inflation to 3.5%, y-o-y, in April, down from 3.6% in March. In contrast, the UK saw inflation rise to 4.1%, y-o-y, in April, up from 3.4% in March and 3.7% in February. Amid easing inflation, the European Central Bank (ECB) cut interest rates by 25 basis points to 2.0% in its June meeting, continuing its accommodative monetary policy cycle. The US Federal Reserve (Fed) kept rates unchanged at its May meeting, maintaining its pause in the easing cycle. The Bank of Japan (BoJ) also held rates steady, pausing its tightening cycle at its meeting held from 30 May to 1 June. The Bank of England (BoE) cut rates by 25 basis points in May. The Fed, BoJ, and BoE are all scheduled to meet again later this month.

In non-OECD economies, China's consumer prices declined by 0.1%, y-o-y, in May, unchanged from March and April and an improvement from the steeper decline of 0.7% in February. India's inflation slowed to 3.2%, y-o-y, in April, down from 3.3% in March and 3.6% in February. Brazil's inflation remained at 5.5%, y-o-y, in April, the same level as in March and up from 5.1% in February. In Russia, inflation eased slightly to 10.2%, y-o-y, in April, down from 10.3% in March but still above the February level of 10.1%.

In terms of monetary policy decisions, the People's Bank of China (PBoC) lowered both the one-year and five-year Loan Prime Rates by 10 basis points to 3.0% and 3.5%, respectively, in late May. It also announced a 50 basis point reduction in the reserve requirement ratio (RRR). The Reserve Bank of India reduced its key policy rate by 50 basis points to 5.5% in June. The Central Bank of Russia (CBR) cut its key rate by 100 bp to 20.0% in its June meeting. The Banco Central do Brasil (BCB) raised the Selic rate by 50 basis points to 14.75% at its May meeting, following a 100 basis point increase in March.

Global trade expanded further in volume terms in March and remained relatively stable in value terms. Global trade volume increased by 6.5%, y-o-y, in March, up from 3.0% in February and 4.1% in January. Trade in value rose by 1.0%, y-o-y, in March, down slightly from 1.1% in February but above the contractionary levels recorded in the preceding three months. The volume growth continues to reflect front-loading ahead of the implementation of US tariffs in April.

Graph 3 - 1: Global trade



Sources: CPB Netherlands Bureau for Economic Policy Analysis and Haver Analytics.

Near-term global expectations

Trade-related uncertainties are expected to gradually normalise over the remainder of 2025. The 90-day agreement between the US and China signalled a willingness on both sides to adopt a more de-escalatory stance, while the US–UK trade deal highlighted the potential for further bilateral agreements. Nevertheless, risks of renewed tensions remain. The US decision to raise tariffs on steel and aluminium to 50% renews concerns of trade tensions, particularly within North America. At the same time, China's restrictions on rare earth mineral exports have added to broader uncertainty. While the US is expected to finalise trade agreements with key partners – including the EU, Japan, and South Korea – by year-end, most deals are unlikely to be concluded before the reciprocal tariff pause expires in early July, or in China's case, before the mid-August expiry of its 90-day arrangement. The structure of recent deals and ongoing negotiations points to a US trade policy centred on a global 10% tariff baseline, with higher tariff rates on China and continued sector-specific tariffs on steel, aluminium, and automobiles.

Despite these uncertainties, economic fundamentals remain resilient, with private consumption continuing to support growth across major economies. Fiscal and monetary measures will continue to counter-balance some of the trade-related slowdown. These include investment in infrastructure in Germany, consumption support in China, and proposed US tax cut extensions. Monetary policy is expected to remain accommodative across most advanced economies, except Japan, where further tightening is likely in 2H25. Brazil and Russia are also expected to maintain restrictive stances amid persistent inflationary pressures.

Inflation dynamics are likely to be impacted by higher input and import costs, though the broader trend of moderating headline inflation eases some concern. The ECB is expected to continue its easing cycle, and the Fed is expected to resume easing in 2H25. The BoJ, conversely, is expected to resume tightening after its recent pause. In the non-OECD, India and China are expected to continue monetary easing, while Brazil and Russia are likely to retain tight policy settings.

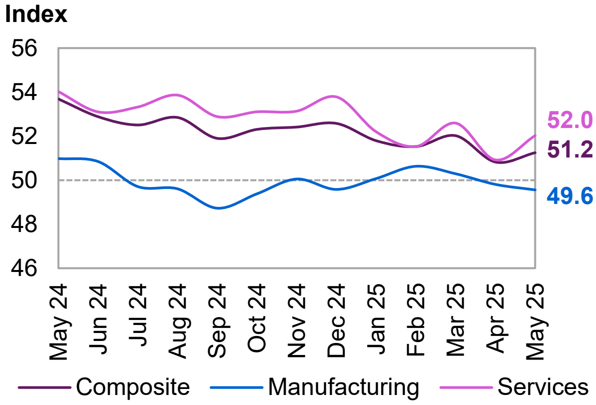
On the fiscal side, the US House of Representatives passed a budget bill that includes a permanent extension to parts of the 2017 tax cuts and increased defence spending. However, revisions are expected in the Senate, with a more moderate version likely given market concerns about deficit levels. Even with adjustments, the package is expected to deliver a fiscal stimulus to the US economy. In Germany, the new coalition government is expected to continue its plans for higher public investment in defence and infrastructure and announced additional corporate tax cuts aimed at supporting business activity. These measures are expected to support growth both in Germany and the wider Eurozone. Japan is set to continue fiscal stimulus introduced in late 2024. In the non-OECD, China is expanding domestic demand support to offset weaker exports, while India's fiscal agenda remains focused on industrial capacity and labour market measures. Brazil's fiscal consolidation continues to limit spending, while Russia's latest budget anticipates increased government expenditure through 2025.

In May, global purchasing managers' indices (PMIs) indicated an improved outlook in the services sector, while manufacturing remained slightly in contractionary territory.

The global Manufacturing PMI edged down to 49.6 in May, from 49.8 in April and 50.3 in March.

The global Services PMI rose to 52.0 in May, up from 50.1 in April but below 52.6 in March.

Graph 3 - 2: Global PMI



Sources: JP Morgan, S&P Global and Haver Analytics.

With expectations of trade normalisation and continued healthy momentum in emerging economies, the global economic growth forecast for 2025 stands at 2.9%, unchanged from the previous month's outlook.

For 2026, with further stabilisation in trade and partial agreements expected to reduce uncertainty, global economic growth is projected to accelerate to 3.1%, also unchanged from the previous month's outlook.

Table 3 - 2: World economic growth rate and revision, 2025–2026*, %

	World
2025	**2.9**
Change from previous month	0.0
2026	**3.1**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

OECD

US

Update on the latest developments

The US economy contracted slightly in 1Q25, with the second estimate from the BEA showing a decline of 0.2%, q-o-q, at a seasonally adjusted annualised rate (SAAR), a modest upward revision from the 0.3% contraction reported in the advance estimate. The contraction was primarily driven by a sharp increase in imports, which continued to weigh on overall growth. However, upward BEA revisions to the 1Q25 estimate related to private investment – particularly inventory accumulation – helped offset a slight downward revision to consumer spending. Exports were also revised upwards, showing moderate growth following a contraction in 4Q24. Government spending declined in 1Q25, though the contraction was less pronounced than initially reported. Overall, the updated data points to a slightly softer contraction than first estimated, but the surge in imports remained the dominant drag on growth.

On the trade front, the 90-day pause on reciprocal tariffs remains in effect and is scheduled to expire in early July. The UK was the first country to reach a trade agreement with the US, which included a tariff-quota allowing 100,000 automobiles to enter the US at a 10% tariff instead of the 25% rate, and an exemption from US steel tariffs. Trade negotiations are ongoing with several countries, including India, Japan, the EU, and Vietnam. During the pause, the 10% global tariff remains in place.

The 90-day agreement reducing tariffs on Chinese imports to 30% from 145% remains in force until mid-August. China has reduced tariffs on US imports to 10% from 125% during the same period. While trade negotiations between the two countries have commenced, no agreement has been finalised. In a separate move, the US raised steel and aluminium tariffs from 25% to 50% to support domestic production.

The US Court of International Trade ruled that the administration exceeded its authority under the International Emergency Economic Powers Act (IEEPA) in imposing reciprocal tariffs without congressional approval. A temporary stay from the Court of Appeals allows the tariffs to remain, pending appeal. The ruling does not affect tariffs under Section 232 (steel/aluminium) or Section 301 (10% on Chinese goods from February 2025). Exemptions persist for products like smartphones and semiconductors. The *de minimis* exemption was closed, affecting $65 billion in 2024 imports. Trade tensions with the EU eased after the US retracted a 50% tariff threat amid ongoing negotiations.

Inflation edged up to 2.4%, y-o-y, in May, returning to the same level seen in March, and up from 2.3% in April. Food inflation saw a slight uptick as well to 2.9%, y-o-y, in May from 2.8% in April but remained below the March level of 3.0%. Core inflation held steady at 2.8%, y-o-y, in May for a third consecutive month. The Personal Consumption Expenditures (PCE) Price Index, the Federal Reserve's preferred inflation gauge, declined to 2.1%, y-o-y, in April, from 2.3% in March and 2.6% in February. The Fed left interest rates unchanged at its May meeting for the third consecutive time, citing persistent inflation pressures and heightened policy uncertainty. The next meeting is scheduled for mid-June. Consumer confidence rebounded in May, with the Conference Board Consumer Confidence Index rising to 98.0, up from 85.7 in April, which had marked a near five-year low.

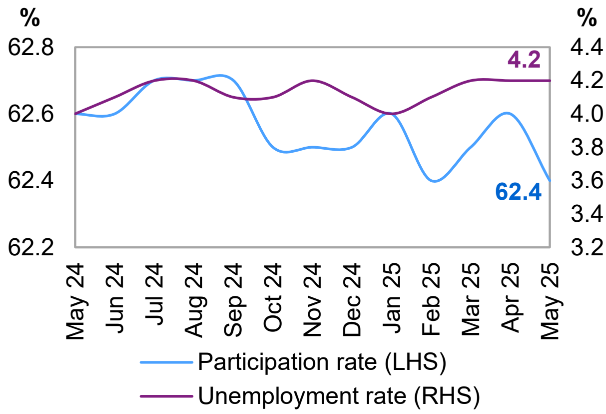
The US trade deficit narrowed sharply in April to $61.6 billion, from $138.3 billion in March and $122.0 billion in February. This marks a reversal from the record deficits seen in prior months, driven by tariff-related trade distortions. Imports increased by 3.4%, y-o-y, in April, down from rises of 26.4% in March, reaching $277.9 billion in April, down from $346.8 billion in March. Exports grew 8.6%, y-o-y, in April, up from 5.8% in March, reaching $190.5 billion, up from $184.3 billion in March. This sharp swing reflects the front-loading imports effect ahead of the early April tariff announcements.

In May, non-farm payroll employment increased by 139,000, following downward revisions from the April and March figures of 147,000 and 120,000, respectively.

However, the unemployment rate remained unchanged at 4.2% in May, holding steady from April and March. The labour force participation rate decreased to 62.4%.

Annual earnings growth stood at 3.9% in May, up slightly from 3.8% in April and down from 4.0% in March.

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

Near-term expectations

Early indicators suggest a rebound in the US economy following the trade-related disruptions and import surge driven by front-loading ahead of tariff implementation, which weighed on 1Q25 growth. Despite declining consumer confidence, retail sales have remained strong, pointing to solid underlying consumption. The expected normalisation of trade patterns amid ongoing negotiations is likely to support growth in 2Q25. This outlook assumes that partial resolutions will be reached with all major trading partners, including China. The limited scope and timeline of the current 90-day pause heighten the risk that tariffs could resume on some partners if agreements are not finalised before the deadline. While an extension of the pause remains possible, risks are skewed to the downside. The trade agreement with the UK offers a potential model for de-escalation, though domestic legal developments may influence the trajectory of US trade policy. However, even if the court upholds the lower ruling, the administration retains other legal pathways to impose tariffs.

On a quarterly basis, US real GDP is projected to return to 2.2%, q-o-q, SAAR in 2Q25, following the slight contraction in 1Q25, primarily driven by the expected slowdown in import growth and normalisation of trade flows. Growth is forecast to stabilise at around 2.0%, q-o-q, SAAR through 2H25 and into 1H26, before rising to 2.2% and 2.3% in 3Q26 and 4Q26, respectively. This trajectory is supported by resilient consumer demand, stabilising trade conditions, and an anticipated easing of monetary policy.

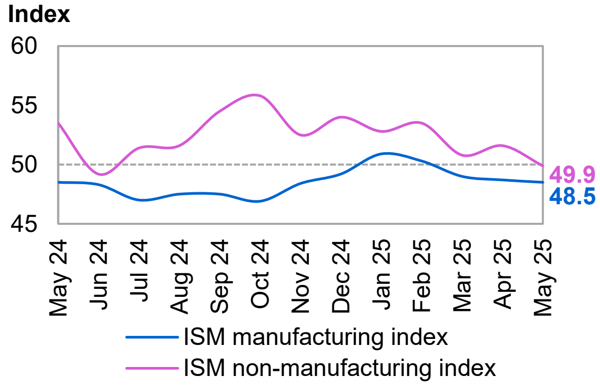
In terms of monetary policy, the Fed is expected to keep interest rates unchanged at its next meeting in mid-June and into early 3Q25, as the effects of recent trade policies remain unclear. The expectation remains that the Fed will begin cutting rates in 2H25 as uncertainty eases and inflation continues to moderate. The minutes from the May meeting highlighted the elevated uncertainty surrounding trade policy developments but noted that economic activity and labour market conditions remain solid. The main concern was near-term inflation risks stemming from the large tariff announcements, which are weighing on consumer sentiment and business investment. Meanwhile, the Federal Open Market Committee (FOMC) reaffirmed its commitment to the 2% inflation target while maintaining a cautious stance as it awaits clearer economic signals.

On fiscal policy, the House-passed One Big Beautiful Bill Act (OBBBA) combines permanent extensions of parts of the 2017 tax cuts with increased defence and border spending and tighter eligibility rules for social programmes. While the package may provide near-term fiscal stimulus, the projected increase in deficits – estimated at $3.8 trillion over the next decade – has contributed to a rise in long-term bond yields, reflecting growing market concerns over fiscal sustainability. With opposition emerging across several fronts in the Senate, the final version is expected to be more limited in scope, shaped both by political constraints and the need to address adverse market signalling.

According to the Institute for Supply Management (ISM), the manufacturing PMI declined to 48.5 in May, down from 48.7 in April and 49.0 in March, marking a third consecutive month of contraction. New orders remained subdued, although they continued to improve, reaching 47.6 in May, up from 47.2 in April and 45.2 in March, while cost pressures continued to weigh on input prices.

In the services sector, the PMI declined to 49.9 in May from 51.6 in April and 50.8 in March, marking the first contraction since June 2024. Uncertainties linked to tariffs and federal budget constraints remain a concern among respondents.

Graph 3 - 4: US-ISM manufacturing and non-manufacturing indices



Sources: Institute for Supply Management and Haver Analytics.

The economic growth forecast for the US in 2025 remains at 1.7%, unchanged from the previous month's report. Continued normalisation of trade patterns, along with resilient consumer spending and stable labour market conditions, is expected to support a recovery from the contraction recorded in 1Q25.

For 2026, the growth forecast remains at 2.1%, with expectations of further trade stabilisation and a gradual easing of monetary policy.

Table 3 - 3: US economic growth rate and revision, 2025–2026*, %

	US
2025	**1.7**
Change from previous month	0.0
2026	**2.1**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

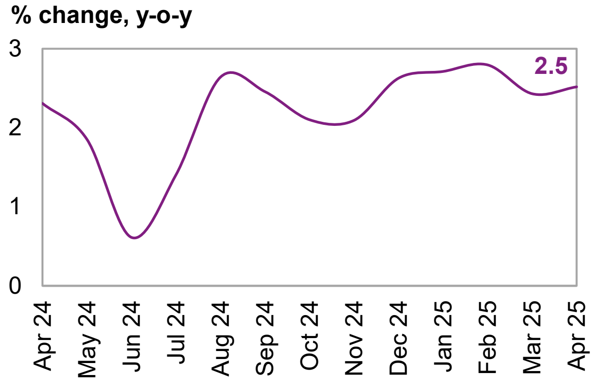
Eurozone

Update on the latest developments

Eurozone economic growth registered 1.3%, q-o-q, SAAR in 1Q25, up from 1.0% in 4Q24, according to Eurostat's second estimate. This marks a slight downward revision from the initial flash estimate of 1.4%, q-o-q, SAAR for 1Q25. Germany and France recorded modest growth rates of 0.8% and 0.4%, respectively, in 1Q25, both recovering from slight contractions in 4Q24. Spain posted a stronger growth rate of 2.4%, q-o-q, SAAR in 1Q25, continuing its solid momentum from 2H24. Ireland was the fastest-growing economy in the eurozone, with growth of 13.2%, q-o-q, SAAR in 1Q25, extending its expansion for a third consecutive quarter.

Consumer spending maintained positive growth, though retail sales slowed to 2.0%, y-o-y, in March, down from 2.8% in February and 2.9% in January. Consumer confidence edged up to 94.8 in May from 93.8 in April, following two consecutive months of decline. The unemployment rate declined slightly to 6.2% in April, down from 6.3% over the first three months of the year. The Eurostat IP index rose by 3.9%, y-o-y, in March, up from 0.9% in February and a contraction of 0.2% in January. In Germany, IP remained in contraction territory at 0.4%, y-o-y, in March, but this was nevertheless an improvement from a sharper decline of 4.1% in February.

Graph 3 - 5: Eurozone retail sales



Sources: Statistical Office of the European Communities and Haver Analytics.

Inflation eased to 1.9%, y-o-y, in May, according to Eurostat's flash estimate, down from 2.2% in April and March, and falling below the ECB's 2% inflation target for the first time since March 2021. Core inflation, excluding energy, food, alcohol, and tobacco, stood at an advanced estimate of 2.3%, y-o-y, in May, down from 2.7% in April. The ECB cut interest rates by 25 bp in its June meeting, marking the eighth cut in the past year. The ECB cited the continued disinflation trend and growing confidence that inflation is sustainably converging toward the target as the primary reasons for the decision.

On trade, negotiations between the US and EU are ongoing, though a resolution has yet to be reached. In late May, the US threatened to impose a 50% tariff on EU imports beginning in June, but this was postponed to early July to allow talks to continue. The EU offered zero-for-zero tariffs on industrial goods, including automobiles, but the proposal was not accepted by the US. In response to the US pause, the EU paused its planned retaliation on €21 billion of US imports but remains prepared to implement the measures, potentially expanding the list to cover up to €95 billion worth of goods if talks are unsuccessful. Separately, the EU has reportedly made progress on a bilateral trade deal with India, with an agreement reached on more than half of the items under discussion.

In Germany, the new coalition government released plans for an additional €46 billion corporate tax cut package, aimed partly at supporting IP. This is in addition to the previously announced €1 trillion investment plan over the next ten years focused on defence and infrastructure.

Near-term expectations

Eurozone economic activity is expected to moderate in 2Q25 and into 2H25 following the relatively strong growth in 1Q25. Consumer spending is likely to remain the primary driver of growth, supported by a strong summer tourism season, particularly in economies with large tourism sectors such as France, Italy, and Spain. Stable unemployment, rising real wages, softening inflation, and anticipated monetary easing are expected to reinforce this trend. A gradual recovery in consumer confidence, especially in spending on durable goods, is also expected to improve the outlook.

IP is showing signs of recovery, supported by government policy measures and expected increases in defence spending. However, the prospect of elevated US tariffs continues to weigh on the industrial sector, particularly automobile production in Germany. The planned increase in US tariffs on steel and aluminium to 50% adds further uncertainty to the outlook for industrial activity. Expectations remain that a trade deal with the US will eventually be reached, though the current 90-day pause may require extension beyond the July deadline. The US–UK agreement included tariff relief on automobile imports – up to 100,000 vehicles at a reduced tariff rate – and zero tariffs on steel and aluminium. A potential EU–US deal may include similar provisions, which would partially mitigate the impact of US tariffs on the European automobile sector. Separately, a trade agreement with India, excluding agricultural products, is reportedly nearing completion and could be finalised by year-end. While this agreement could help offset some effects of US trade disruptions, it is unlikely to fully compensate for them.

The ECB is expected to continue monetary easing following the decline in inflation below its 2% target. However, some Governing Council members have raised concerns that further rate cuts may not stimulate activity given the current conditions of heightened uncertainty. At the same time, according to the account of the April monetary policy meeting, several members proposed a steeper 50 bp cut, citing persistent downside risks to growth. Nonetheless, medium-term inflation risks remain a concern, particularly in the context of global supply chain fragmentation.

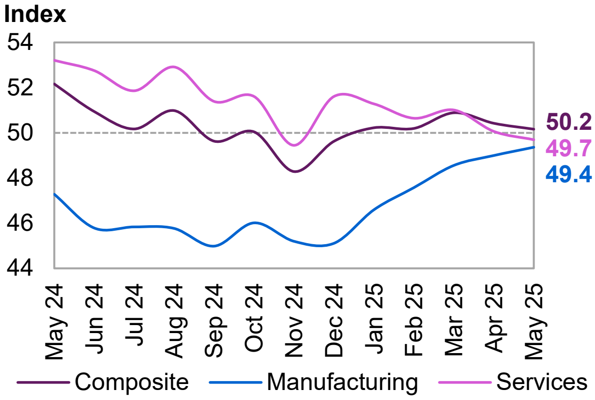
Fiscal policy is also expected to play a counter-cyclical role in mitigating trade-related disruptions. In Germany, the additional €46 billion corporate tax cut package has been approved alongside previously announced investments in defence and infrastructure totalling approximately €1 trillion over the next decade. Defence spending is also set to rise in other parts of Europe, providing further fiscal stimulus to the industrial sector.

Eurozone PMIs for May indicate continued improvement in the manufacturing sector, while services activity slipped into contraction.

The manufacturing PMI rose to 49.4 in May, up from 49.0 in April and 48.6 in March. Output growth remained steady, while declines in new export orders moderated.

The services PMI fell to 49.7 in May from 50.1 in April and 51.0 in March, edging into contractionary territory. The decline was driven by a continued slowdown in new business and lower business confidence as international demand weakened further. Despite this, employment in the services sector continued to rise, albeit at a slower pace.

Graph 3 - 6: Eurozone PMIs



Sources: S&P Global and Haver Analytics.

With the relatively strong economic growth in 1Q25, supported by continued monetary easing and stable unemployment levels sustaining consumer spending, the Eurozone economic growth forecast for 2025 stands at 1.0%, unchanged from the previous month's report.

For 2026, growth is expected to accelerate to 1.1% as trade-related uncertainties ease, which is also unchanged from the previous month's report.

Table 3 - 4: Eurozone economic growth rate and revision, 2025–2026*, %

	Eurozone
2025	**1.0**
Change from previous month	0.0
2026	**1.1**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Japan

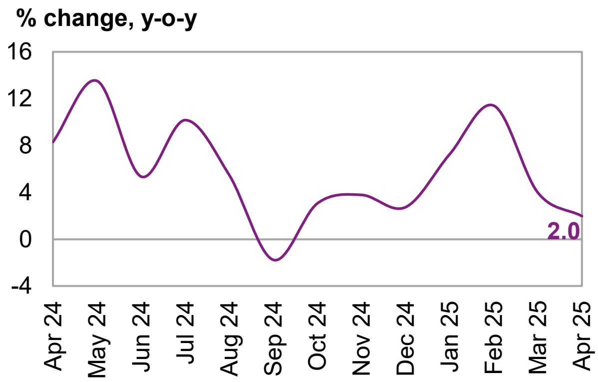
Update on latest developments

Japan's economy contracted by 0.7%, q-o-q, SAAR in 1Q25, following growth of 2.4%, q-o-q, SAAR in 4Q24. The decline was driven primarily by net exports, which contracted by 2.3%, q-o-q, SAAR in 1Q25, after expanding by 6.9% in 4Q24. Services exports, in particular, contributed -0.2 percentage points (pp) to overall growth. Goods exports contributed positively but were insufficient to offset the drag from services. Imports of goods and services rose by 12.1%, q-o-q, SAAR in 1Q25, reversing a contraction of 5.5% in 4Q24. Private consumption grew modestly by 0.2%, q-o-q, SAAR in 1Q25, compared with 0.3% in 4Q24, while government consumption remained broadly stable. Trade talks between the US and Japan have entered a third round, with no agreement yet reached. Agriculture and automobiles remain key sticking points.

On a monthly basis, export growth slowed to 2.0%, y-o-y, in April, down from 4.0% in March and 11.4% in February, as front-loading ahead of tariff implementation continued to subside. Imports declined by 2.2%, y-o-y, in April, following an increase of 1.9% in March and a contraction of 0.7% in February.

The trade deficit widened to JP¥409 billion ($2.8 billion) in April, from JP¥291 billion ($2.0 billion) in March. In February, the trade balance posted a surplus of JP¥156 billion ($1.0 billion).

Graph 3 - 7: Japan's exports



Sources: Ministry of Finance, Japan Tariff Association and Haver Analytics.

Headline inflation remained elevated but eased slightly to 3.5%, y-o-y, in April, down from 3.6% in March and February, and 4.0% in January. Core inflation edged up to 1.6%, y-o-y, in April, from 1.5% in March and February, returning to levels last seen in January and December. Consumer confidence recovered modestly in May, with the index rising to 32.6 from 31.1 in April, ending eight consecutive months of decline. The labour market remained stable, with the unemployment rate unchanged at 2.5% in April.

IP posted its fourth consecutive month of positive growth, following an upward revision to the March figure. In April, IP grew by 0.8%, y-o-y, SA, up from 0.7% in March, but below the 4.3% increase recorded in February.

The Bank of Japan held the policy rate unchanged at 0.5% at its May meeting, pausing its tightening cycle amid ongoing inflationary pressures. The Summary of Opinions indicated heightened concern over trade-related uncertainties, which informed the decision. However, members noted the need to remain flexible and open to policy adjustments in either direction as greater clarity emerges regarding the impact of trade disruptions on consumer behaviour, business sentiment and the yen.

Near-term expectations

Trade-related distortions are expected to normalise in Japan, following the easing of the front-loading effects seen in 1Q25. However, progress in US-Japan trade negotiations remains limited. While discussions have advanced into a third round, domestic political constraints ahead of Japan's upcoming elections reduce the government's flexibility in offering concessions that would make a trade deal possible. With the election scheduled after the expiration of the 90-day tariff pause in early July, Japan will likely need to secure an extension of the pause to avoid the reimposition of higher tariffs.

A partial deal remains possible before the election period, though it will likely avoid the sensitive agricultural and automobile sectors. A full agreement could involve increased agricultural imports from the US in exchange for tariff-rate quotas on automobile exports, similar to the terms recently secured by the UK. The US has agreed to tariff-rate quotas with Japan in the past, providing a precedent for how a final trade deal may be structured. Despite Japan being the first country to enter trade talks with the US, the outcome remains uncertain, and the risk of further trade disruptions persists.

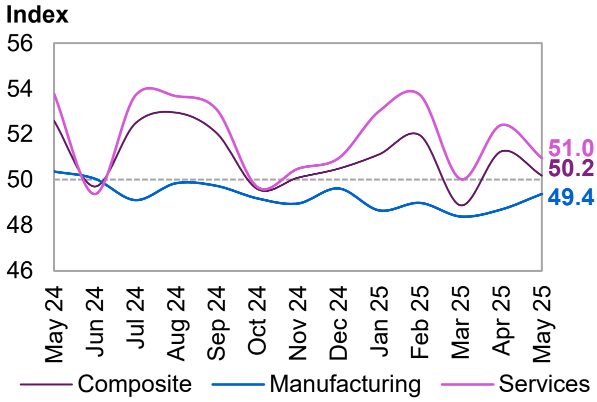
The BoJ is expected to continue its tightening cycle over the coming quarters, supported by relatively firm domestic inflation and stable labour market conditions. Policy adjustments will remain data-dependent, but the direction remains upward in the absence of a significant deterioration in external conditions.

May PMI data indicated an uptick in the manufacturing outlook, while the services outlook slowed but remained positive.

The manufacturing PMI rose slightly to 49.4 in May, up from 48.7 in April and 48.4 in March. The rate of contraction slowed as new work orders received declined at a slower pace.

The services PMI declined to 51.0 in May, down from 52.4 in April but up from 50.0 in March. The expansion was driven by improved customer numbers and a continued rise in new business, but slowed down due to weaker growth in new orders, subdued client spending, and softer hiring activity.

Graph 3 - 8: Japan's PMIs



Sources: S&P Global and Haver Analytics.

With the continued uncertainties on trade offset by positive underlying domestic indicators, the economic growth forecast for Japan stands at 1.0%, unchanged from the previous month's outlook.

In 2026, the Japanese economy is expected to decelerate slightly as the effects of further monetary tightening continue. The growth forecast stands at 0.9%, unchanged from the previous month's outlook.

Table 3 - 5: Japan's economic growth rate and revision, 2025–2026*, %

	Japan
2025	**1.0**
Change from previous month	0.0
2026	**0.9**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Non-OECD

China

Update on the latest developments

Following China's strong 1Q25 growth and amid the latest US tariff-related challenges, the economy seems to have continued its steady growth momentum in 1H25, showing an ongoing robust trend in exports and supportive domestic consumption. China's 1Q25 economic growth exceeded market expectations, expanding by 5.4%, y-o-y. This strong momentum was in part due to frontloading of exports in anticipation of forthcoming increases in US tariffs. While exports to the US declined in April, total exports remained at a high level, as exports to other destinations picked up, compensating for most of the US-related impact. This positive momentum is also supported by the latest strong performance in the industrial sector. Along with the most recent activity indicators, IP recorded a significant acceleration in March and April, supported by continued sound output in the manufacturing sector. Retail sales also registered a steady and continued improvement, largely attributable to ongoing demand in electronic goods, supported by the current consumer goods trade-in policy. Real estate activity continued improving, but remained subdued.

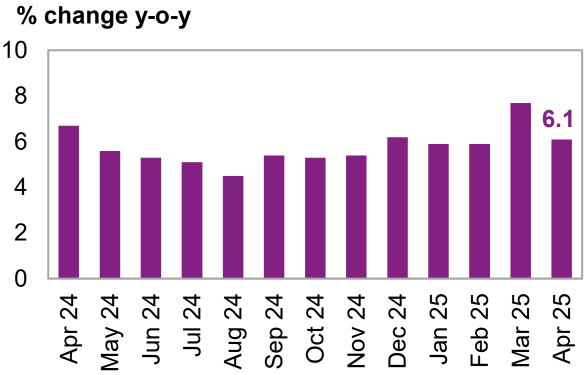
In the meantime, and in response to the growth-related impact from external headwinds, China's central bank unveiled a broad set of policy easing measures in May, including a 10 bp key policy rate cut, a 50 bp reduction in the reserve requirement ratio (RRR), and expanded lending quotas at lower rates to support its economy and financial markets. These moves suggest a firm, but at the same time cautious, policy stance. Fiscal policy remains the primary lever to mitigate any growth impact of rising US tariffs. The interim 90-day agreement from 12 May has raised the possibility of a further easing of trade tension beyond this period, potentially reducing the need for aggressive fiscal intervention. With inflation hovering around the 0% line, there is further flexibility not only for fiscal stimulus measures but also for additional monetary easing by the central bank, if needed.

Headline inflation held steady and remained slightly in deflationary territory after being impacted by seasonal distortions in the yearly comparisons in January and February, due to this year's earlier Lunar New Year. China's consumer prices declined by 0.1%, y-o-y, in May, the same level as in April and March. This follows a decline of 0.7%, y-o-y, in February and a rise of 0.5%, y-o-y, in January. Meanwhile, core inflation rose slightly to stand at 0.6%, y-o-y, in May, after standing at 0.5% in April and March, following a decline of 0.1%, y-o-y, in February and a rise of 0.6% in January.

Importantly, housing prices continued to stabilise through April, according to the 70-city price index provided by Haver Analytics, with a slowing decline of 5.5%, y-o-y, following a contraction of 6.2%, y-o-y, in March and 6.6%, y-o-y, in February. Retail sales also continued steadily expanding, rising by 4.1%, y-o-y, in April, following 4.9%, y-o-y, in March and 3%, y-o-y, in January and February.

IP continued expanding significantly too, rising by 6.1%, y-o-y, in April, 7.7%, y-o-y, in March, and 5.9%, y-o-y, in January and February. These gains were continuously supported by a robust export performance, despite current US tariff-related challenges. Particularly, the manufacturing sector was strong, expanding by 6.6%, y-o-y, in April, and 7.9%, y-o-y, in March. Manufacturing of communication equipment, computers and other electronic equipment expanded particularly strongly, rising by 10.8%, y-o-y, in April and 13.1%, y-o-y, in March. Moreover, the urban unemployment rate edged down slightly in April to stand at 5.1%, following 5.2% in March and 5.4% in February. Urban youth unemployment declined as well, reaching 15.8% in April, after 16.5% in March and 16.9% in February.

Graph 3 - 9: China's industrial production



Sources: China National Bureau of Statistics and Haver Analytics.

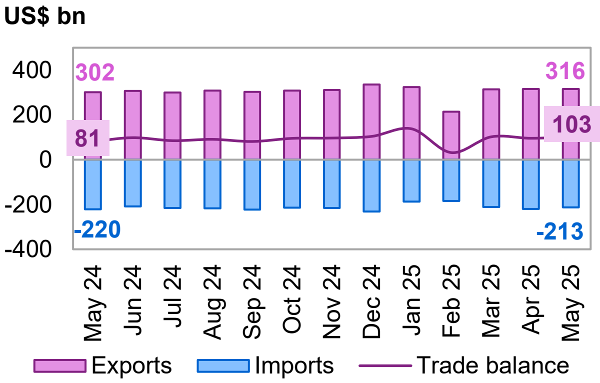
The latest trade data indicate that China's trade surplus continued at a robust pace in May. Although exports to the US declined further, increased trade with other regions largely offset the shortfall.

The trade balance reached $103.2 billion in May, following a level of $96.2 billion in February and $102.6 billion in March.

Exports reached $316.1 billion in May, following $315.7 billion in April and $313.9 billion in March.

Imports reached $212.9 billion in May, down from $219.5 billion in April but up from $211.3 billion in March.

Graph 3 - 10: China's trade balance



Sources: General Administration of Customs of China and Haver Analytics.

Near-term expectations

China's real GDP growth seems to be on track to reach around 5% in 1H25, largely due to stronger-than-expected exports. In addition, the government's consumer goods trade-in programme has also played a significant role in supporting domestic consumption. Introduced in April 2024 and substantially expanded in 2H24, the programme offers subsidies for replacing old appliances, vehicles, and electronics. These incentives have boosted retail sales, which were significantly above their pre-programme trend in the first four months of 2025. However, it remains to be seen to what extent the 1H25 momentum will extend into 2H25.

Positively, China and the US reached a 90-day agreement to reduce tariffs in May, with China lowering tariffs on US imports to 10% from 125% and the US cutting tariffs on Chinese imports to 30% from 145%, marking a significant de-escalation and a step toward a more lasting trade deal. This development has reinforced the economy's ability to achieve substantial growth this year. This comes in the wake of the 2025 National People's Congress (NPC), where the Government Work Report (GWR) set out key economic and fiscal objectives, including a GDP growth target of approximately 5%. However, the outcome of the ongoing trade negotiations remains uncertain, and the current 90-day period with lower tariffs from both the US and China expires on 10 August.

Following dual policy rate and reserve requirement ratio (RRR) cuts in May, an additional 20 bp policy rate cut is likely in 2H25, with another possible cut in 2026. A further 50 bp RRR reduction in 2025 may support fiscal expansion via increased bond issuance. Tariff impacts are expected to be mitigated through multiple channels, including limited currency adjustments, cost-cutting, margin compression, and export redirection supported by China's ongoing market diversification into Latin America, the Middle East, and Russia. As a result, export volumes are likely to remain resilient despite higher U.S. tariffs.

Meanwhile, continued policy support for the housing sector and domestic demand is expected to bolster consumer spending. With consumption below 40% of GDP and services under 50% of household spending – well below advanced economy norms – there remains substantial room to shift toward consumption and services-led growth.

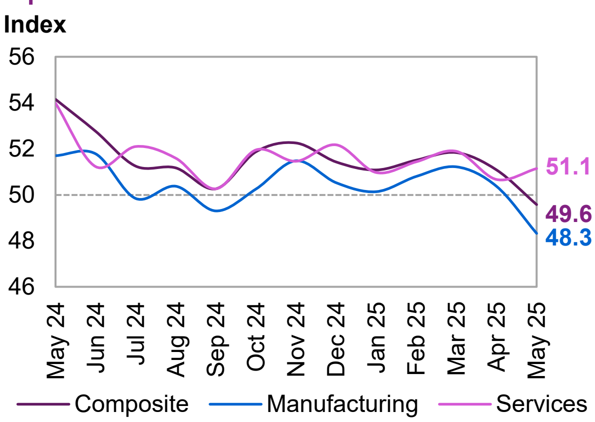
In the meantime, the latest PMI data for May indicates improving momentum in the services sector, but a continued slowdown in manufacturing.

The Manufacturing PMI retracted in May to stand at 48.3, following 50.4 in April, 51.2 in March and 50.8 in February.

The Services PMI indicated continued expansionary momentum, standing at 51.1 in May, following 50.7 in April and 51.9 in March.

Given China's continued strong economic growth early this year, the potential for a positive outcome in the ongoing US-China trade talks and the economy's capacity to partially offset the impact of US tariffs, the growth forecasts for 2025 and 2026 remain unchanged.

Graph 3 - 11: China's PMI



Sources: Caixin, S&P Global and Haver Analytics.

The economic growth forecast remains at 4.6% for 2025. However, trade-related issues must be closely monitored, as they could either provide upside or dampen the growth dynamic in the very near term.

For 2026, growth is expected to stay well supported, slowing only slightly, with the forecast unchanged from last month at 4.5%. Trade factors are also expected to have only a limited impact on next year's growth outlook, with counterbalancing measures supporting China's growth dynamic as well.

Table 3 - 6: China's economic growth rate and revision, 2025–2026*, %

	China
2025	**4.6**
Change from previous month	0.0
2026	**4.5**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

India

Update on the latest developments

India has maintained strong economic growth in 1Q25, and indicators are pointing to a continued robust growth trend in 2Q25. India's 1Q25 GDP growth stood at 7.4%, y-o-y, as reported by India's central statistics office. This growth level is up from a revised level of 6.4%, y-o-y, in 4Q24. In gross value added terms, 1Q25 growth was largely supported by a rise of 4.8%, y-o-y, in manufacturing, a rise of 7.3%, y-o-y, in the services sector, and a considerable rise of 10.8%, y-o-y, in construction, amid a sharp rise in public capital expenditures. Agriculture growth eased somewhat, standing at 5.4%, y-o-y, but remained strong, supporting the rural recovery. On the expenditure side, private consumption softened, and government consumption contracted due to lower current spending, while fixed investment jumped to 9.4%, y-o-y. The strong capex spike is seen as temporary, leading to more modest sequential growth expectations ahead. Central government capital expenditure surged by 68%, y-o-y. In light of the ongoing sound expansion, business sentiment indicators, including the PMIs for May, point to continued robust growth in India. Additionally, inflation fell further in April and has now moved further below the midpoint of the central bank's inflation target of 4%.

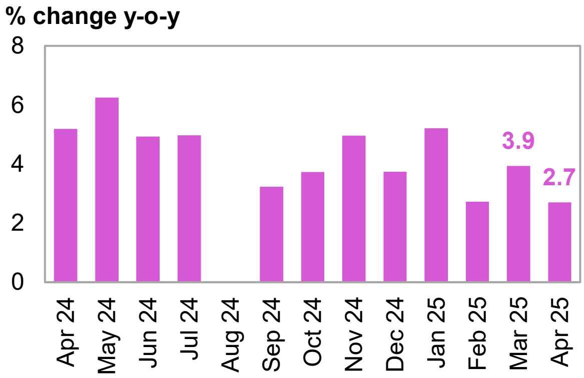
Moreover, government officials continued negotiations with the US to discuss a bilateral trade deal, and both sides indicated that tariffs could be negotiated lower in the near term. This comes after the US introduced a 10% global baseline tariff on 9 April, pausing its previously announced reciprocal tariffs on imports from India, among others, at a level of 26% for 90 days, providing temporary relief. However, these lower tariffs are still in addition to the 50% tariffs already announced on aluminium and steel, and the 25% tariffs on automobiles and auto parts. This compares with an average tariff rate of below 3% for India in 2024. Although US imports from India total less than $90 billion, slightly more than 2% of India's GDP, they remain relatively limited compared to the size of India's economy. However, the previously announced reciprocal tariffs of 26% could certainly be more impactful. Meanwhile, India agreed to increase its imports of energy from the US and has also put forward a proposal for a zero-for-zero tariff arrangement on specific items, including steel, auto parts and pharmaceuticals.

At the same time, the country is engaged in significant trade negotiations with the EU. Moreover, in May, India reached a trade agreement with the UK to further broaden and diversify its export markets.

Signs of continued robust growth in the industrial sphere continued in April, following already strong growth in 1Q25. IP expanded by 2.7%, y-o-y, in April, after 3.9%, y-o-y, in March, 2.7%, y-o-y, in February and 5.2%, y-o-y, in January.

The unemployment rate fell below 7% in May, standing at 6.9%, compared with 7.7% in April and 7.6% in March.

Graph 3 - 12: India's industrial production

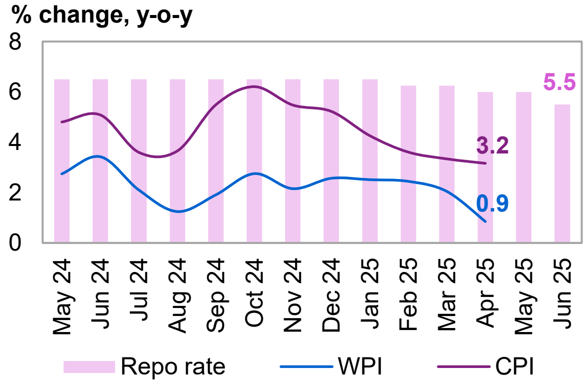


Sources: Ministry of Statistics and Program Implementation of India and Haver Analytics.

Headline inflation eased further to stand at 3.2%, y-o-y, in April, following a level of 3.3%, y-o-y, in March, and 3.6%, y-o-y, in February. The continued deceleration in vegetable prices has contributed to lowering prices overall. Contrary to the slowing price trend in headline inflation, core inflation rose to 4.3%, y-o-y, in April, following 4%, y-o-y, in March, and 4.1% in February. This was again mainly driven by continued high prices for precious metals, particularly gold and silver.

Given the somewhat slowing growth dynamic and the retraction in headline inflation, the RBI lowered the key policy rate by a further 50 bp to 5.5% at its latest June meeting, shifting to a "neutral" stance, following its previous "accommodative" stance, indicating that further rate cuts will depend on India's near-term growth-inflation dynamics.

Graph 3 - 13: Repo rate and inflation in India



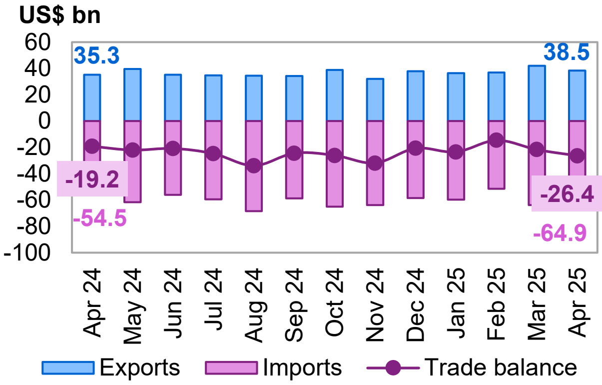
Sources: Ministry of Commerce and Industry, Reserve Bank of India and Haver Analytics.

India's trade deficit expanded in April to stand at \$26.4 billion, following \$21.7 billion in March and \$14.6 billion in February.

Imports rose to stand at \$64.9 billion in April, after \$63.8 billion in March and \$51.4 billion in February.

At the same time, exports declined, standing at \$38.5 billion in April, after \$42.1 billion in March and \$36.8 billion in February.

Graph 3 - 14: India's trade balance



Sources: Ministry of Commerce and Industry and Haver Analytics.

Near-term expectations

Following the strong 1Q25 economic growth dynamic, and amid a more moderate stance on tariffs by the US administration, India's growth outlook has improved. This, combined with solid underlying 1H25 US growth and the partial rollbacks of tariffs on China, is also supporting India's services export forecast. Domestic momentum has improved better than previously anticipated as well, with 1Q25 data pointing to resilient private consumption. The consumption recovery is being supported by easing credit conditions, steady rural demand, supported by a good harvest, slowing food inflation, welfare spending, and a mild urban uplift from income tax cuts. These 1H25 trends are likely to carry over into 2H25, and if capex-related government expenditures continue, combined with the improving dynamic in consumption, further upside potential to near-term growth may become visible. However, private sector capex remains subdued due to heightened policy uncertainty, particularly around US trade policy, which was previously estimated to reduce GDP growth by around 20 bp.

The strong economic growth from 1Q25 of 7.4% is projected to moderate somewhat throughout the year, with quarterly growth numbers standing at an estimated average of around 6.3%. In 2026, growth is projected to pick up to a quarterly average of 6.5%, y-o-y, with a modest acceleration from the first to the second half reflecting expectations that US tariffs will ease in the very near term and have only a limited impact on India's broader growth trajectory. In addition, new trade agreements, as recently announced with the UK, may also provide a solid basis for externally supported growth going forward.

Monetary easing is expected to play an important role in mitigating the tariff-related impact and supporting growth going forward as well. With inflation projected to remain below 4%, the Reserve Bank of India cut its key policy rate from 6% to 5.5% in June and will possibly lower rates further to around 5.25% by year-end. However, against the backdrop of its latest "neutral" stance, this will be data-dependent. Inflation projections have been revised down to 3.5% for 2025, though it is anticipated that base effects may push inflation higher in 2H26. On the external front, a narrower current account deficit of below 1% of GDP is now expected, thanks to strong services exports, with the Indian rupee projected to maintain its current level of around 85 against the USD in the near term.

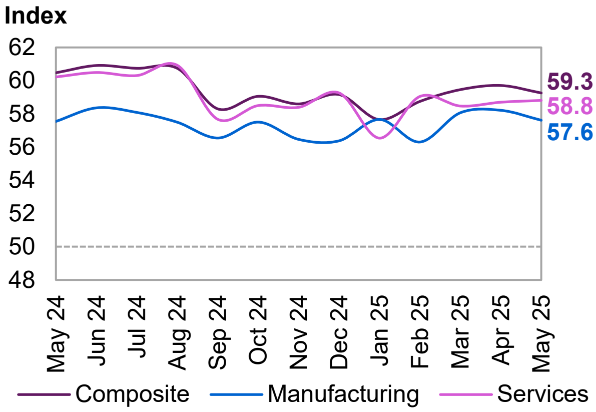
PMI figures for May support the ongoing robust growth trend, with solid expectations in the manufacturing sector, while the important services sector dynamic has improved again.

The manufacturing PMI declined slightly to a level of 57.6 in May, following 58.2 in April and 58.1 in March.

The services sector PMI remained strong in May, with the index rising to 58.8, almost unchanged from April, when it reached 58.7, and following a March level of 58.5.

Given the above-mentioned improvements stemming from the 1Q25 growth dynamic and in anticipation of a continued robust growth trend, economic growth for 2025 is revised up to stand at 6.5%, compared with 6.3% in the previous month. It remains to be seen how ongoing trade negotiations with the US will develop and to what extent further spill-over effects from global trade may impact the Indian economy. That said, it currently seems that the impact is limited.

Graph 3 - 15: India's PMIs



Sources: S&P Global and Haver Analytics.

By assuming that ongoing trade-related negotiations lead to reasonable US tariffs of around 10% and limit the trade impact for 2026, the Indian economy is expected to continue expanding, with policy continuity and inflation easing. Hence, economic growth is forecast at an unchanged 6.5%.

Table 3 - 7: India's economic growth rate and revision, 2025–2026*, %

	India
2025	**6.5**
Change from previous month	0.2
2026	**6.5**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Brazil

Update on latest developments

The Brazilian economy experienced a strong growth dynamic in 1Q25, supporting the trend from last year. GDP growth was reported to have stood at 2.9% y-o-y, albeit moderating somewhat following the exceptionally high growth dynamic in 2H25, when economic growth stood at 3.8%, y-o-y. Moreover, on a global level, some moderation in the commodity sector, an important sector for the Brazilian economy, has also contributed to a slowdown since the beginning of the year.

The momentum in 1Q25 was driven by sound growth in private household consumption, up 2.6%, y-o-y, and gross fixed capital formation, up by 9.1%, y-o-y. On the supply side, services expanded by 2.2%, y-o-y, industry edged up by 2.4%, y-o-y, but agriculture surged by 10.2%, y-o-y, contributing the majority to GDP growth. This strong agricultural sector dynamic was confirmed by the US Department of Agriculture (USDA), highlighting that Brazil is forecast to produce a record soybean crop in the 2024/25 season. As the world's leading soybean producer and exporter, accounting for around 40% of global output, Brazil's production is expected to rise from 169.5 million tonnes in 2024/25 to 173 million tonnes. However, one case of bird flu found in a commercial farm in southern Brazil in mid-May adds some downside risk to agricultural output and exports. Brazil is the world's third-largest producer of poultry, after the US and China, and the world's largest exporter. However, at the current stage, it is anticipated to only marginally impact the economy.

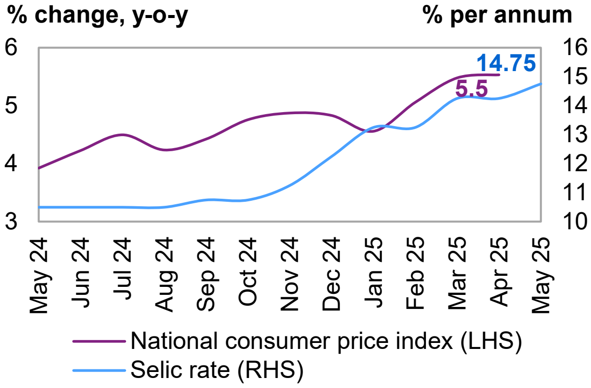
In the meantime, the government published its bi-monthly fiscal report at the end of May and revised its macroeconomic assumptions to align more closely with market expectations, leading to a projected primary deficit of 0.4% of GDP for 2025, down from a previously expected surplus. While the budget update included a spending freeze and a controversial hike in the tax on financial operations (IOF), challenges remain ahead. After the announced tax hike caused investor concerns, it was partially rolled back.

With this generally improving dynamic, the composite business confidence indicator improved in May, standing at 48.9, following a level of 48 in April and 49.2 in March, as provided by the Confederaçâo Nacional da Indústria. Similarly, the consumer confidence index increased slightly in May on a seasonally adjusted basis, standing at 85.4, following 83.8 in April and 84.6 in March.

The US tariffs introduced at the beginning of April on exports from Brazil to the US are expected to leave Brazil relatively unaffected. Brazilian exports to the US will likely face a 10% global blanket baseline tariff in the near term, albeit negotiations are ongoing. The US accounted for more than $40 billion, or more than 10% of Brazil's exports in 2024, but this amounts to just under 2% of Brazil's GDP. Moreover, exemptions on fuels, minerals, and certain intermediate goods like chemicals and wood products will help dampen the impact. However, the steel, aluminium, automobile and machinery sectors are facing higher tariffs.

The most recent rise in consumer goods prices and the continuation of this trend have provided some headwind to the current growth dynamic. Core inflation rose again in April, standing at 5.1%, y-o-y, compared with a March level of 4.9%, y-o-y, and following a rise of 4.5%, y-o-y, in February. Headline inflation remained steady at a high level of 5.5%, y-o-y, in April and March, after 5.1%, y-o-y, in February and 4.6%, y-o-y, in January. Several temporary factors contributed to the ongoing high level of inflation, including strong domestic consumption, the end of government subsidies on electricity bills, and higher gasoline and ethanol prices following the reinstatement of taxes on these fuels, among other elements.

Graph 3 - 16: Brazil's inflation vs. interest rate



Sources: Banco Central do Brasil, Instituto Brasileiro de Geografia e Estatística and Haver Analytics.

As a consequence of the rising inflationary pressures, the Banco Central do Brasil (BCB) raised the Selic rate, its monetary policy rate, at its latest policy meeting in May by 50 basis points (bp). In a statement following the meeting, the central bank acknowledged the potential for further hikes, if necessary.

Near-term expectations

Following the strong economic expansion of 2.9%, y-o-y, in 1Q25, the Brazilian economy is anticipated to maintain a robust growth trend this year, albeit at a slightly slower pace, after an exceptionally strong expansion of 3.6%, y-o-y, in the final quarter of last year and growth of 4.0%, y-o-y, in 3Q24. Economic growth is expected to slow gradually through 2025, with average GDP growth rates of around 2.2% in the remaining three quarters on average. This deceleration reflects the effects of ongoing tight monetary policy, as well as expected fiscal consolidation efforts aimed at stabilising public finances. Looking ahead, activity is expected to be supported by targeted fiscal transfers, rising real incomes, and new lending programmes, though these gains may be offset by tighter financial conditions, high household debt, and limited economic slack. The economic outlook is expected to improve in 2026, with growth projected to rise to around 2.3% in 1H26 and to accelerate further to approximately 2.6% by year-end. Also contributing to this uptick is anticipated monetary easing – likely to begin in 2026 – to prevent inflation from persistently undershooting the lower bound of the BCB's target range. Tax reform efforts may also begin to bear fruit, potentially boosting investor confidence and enhancing medium-term investment dynamics.

In addition to the strong output of the agricultural sector, which is expected to support 1H25 growth, the government introduced a measure to improve access to and expand the payroll credit line backed by workers' severance fund accounts. Aimed at easing the financial burden on heavily indebted consumers in the face of rapidly rising interest rates, the initiative is expected to provide short-term support for private consumption and possibly help sustain GDP growth.

Despite recent fiscal tightening, Brazil's long-term fiscal outlook remains challenging. With 91% of primary spending tied to mandatory outlays, there is little room for adjustment, and rising social expenditures continue to strain the budget. Public debt is projected to climb from 80% of GDP in 2025 to nearly 90% by 2029, suggesting ongoing fiscal sustainability risks under current policies.

Externally, new US tariffs may slightly dampen Brazilian exports, but the overall macroeconomic impact should be limited. Brazil could even benefit from global trade shifts, especially increased Chinese demand amid US-China tensions. Inflation is expected to stay elevated at around 5% in 2025, driven by a weaker currency, persistent services inflation, and real wage growth. As a result, the central bank is likely to maintain a tight policy stance with the possibility of further tightening to re-anchor inflation expectations, even at the risk of eventually undershooting the inflation target later.

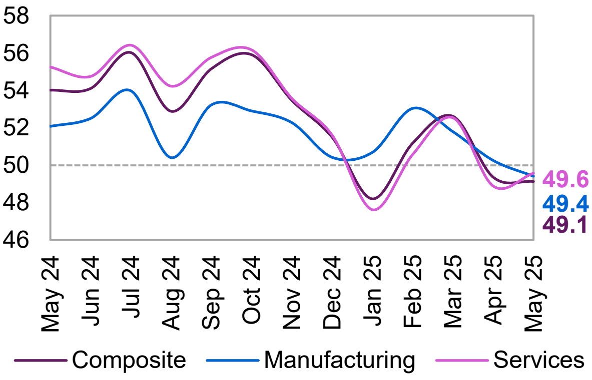
The PMI indices reflect a moderation in the economy's growth dynamic, with a slight retraction in the manufacturing sector's index and a slight improvement in the services sector. That said, both sector indices remain below the growth-indicating level of 50.

The Services PMI improved to stand at 49.6 in May, following 48.9 in April and 52.5 in March.

The Manufacturing PMI fell to a level of 49.4, compared with 50.3 in April and 51.8 in March.

Reflecting the ongoing deceleration in the Brazilian economy, the 2025 economic growth forecast remains at 2.3%. However, in the case of stronger growth in 2Q25, with potential continued support from the agricultural sector, economic growth may see some further upside this year.

Graph 3 - 17: Brazil's PMIs



Sources: HSBC, S&P Global and Haver Analytics.

For 2026, the economic growth forecast stands at 2.5%, also unchanged from the previous month. This reflects an anticipated acceleration driven by monetary easing, a positive impact from fiscal reforms and a consequent increase in domestic consumption and investments.

Table 3 - 8: Brazil's economic growth rate and revision, 2025–2026*, %

	Brazil
2025	**2.3**
Change from previous month	0.0
2026	**2.5**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Russia

Update on the latest developments

After Russia's 2024 GDP growth was reported at 4.3%, the most recent release of 1Q25 growth shows a significant deceleration, standing at 1.4%, y-o-y. This downturn comes despite continued government support. The slowdown partially reflects the rising impact of high interest rates, persistent inflation, a drop in revenues from commodities and external economic pressures. While the manufacturing sector remains well supported, consumer-focused sectors are appearing to soften, based on early indicators.

While slightly easing, the ongoing tight monetary policy is further constraining economic activity amid ongoing high inflation. In the meantime, budgetary challenges are intensifying as commodity-linked revenues have retracted, leading the finance ministry to triple its deficit projection to 1.7% of GDP. With limited fiscal space, the government may need to tap different revenue sources, including raising taxes, cutting government expenditures or accepting higher deficits.

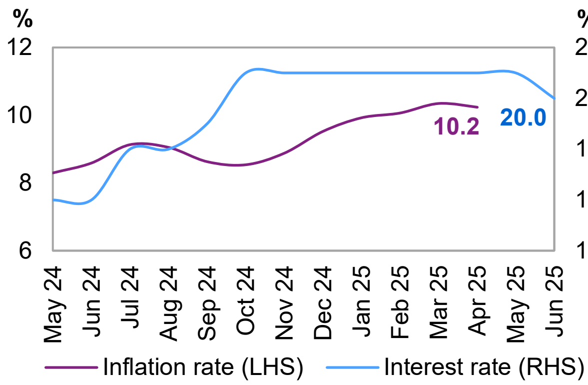
As the moderating growth trend continued into 2Q25, IP picked up marginally in April, expanding by 1.4%, y-o-y, following a March level of 0.3%, y-o-y, and a February level of 1.9%, y-o-y, all on a seasonally adjusted basis. This compares to the annual growth of 4.3% in 2024. Retail sales growth, on a volume basis, was steady, expanding by 1.7%, y-o-y, in April, following a rise of 1.2%. y-o-y, in March and 1.6%, y-o-y, in February.

Positively, the combination of a stronger rouble and weakening demand has dampened inflationary pressures.

The headline CPI edged down slightly to stand at 10.2%, y-o-y, in April, compared with 10.3%, y-o-y, in March and 10.1%, y-o-y, in February. M-o-m inflation eased to 0.4% in April from 0.7% in March and 0.8% in February. Core inflation also moderated slightly on a monthly basis, declining to 0.3% in April from 0.7% in March and 0.8% in February.

The central bank lowered its key policy rate by 1 pp to stand at 20% at its latest June meeting, mentioning that Russia is gradually returning to a more balanced growth path. However, it noted that it will maintain

Graph 3 - 18: Russia's inflation vs. interest rate



Sources: Federal State Statistics Service, Central Bank of Russian Federation and Haver Analytics.

monetary conditions as tight as necessary. It also maintained its view that inflationary pressures continue to outweigh disinflationary forces.

In the meantime, the labour market remains tight, with the unemployment rate unchanged at 2.3% in April, following a rate of 2.4% in February and January. This tight labour market continues to support accelerating wage growth and consumer spending. Russia's nominal average wages saw continued high growth in recent months, albeit the base effect in combination with the slowdown in the economy is pushing down the momentum. This may transpire positively into continued slowing of inflation levels in the near term. Wages expanded by 10.5%, y-o-y, in March, following a rise of 13.6%, y-o-y, in February and 17.1%, y-o-y, in January, indicating some disinflationary trend.

Near-term expectations

While an obvious moderation in growth levels has materialised, the Russian economy is projected to maintain steady growth momentum in 2025, with the normalisation of the exceptionally high growth levels from last year expected to continue toward year-end. Steady net exports, in combination with ongoing government-led support, provide a solid base for this year's growth dynamic. Moreover, the possibility of easing external pressures is paving the way for a gradual recovery in export volumes in the near term, albeit the current softening of global commodity markets may have a dampening effect in this respect if it continues.

At this stage, it is anticipated that the government may be able to offset the moderate effects of currently softening export revenues through targeted support measures. Despite these challenges, household consumption is expected to remain relatively strong, underpinned by continued solid wage growth. Additionally, government spending is likely to persist in the context of ongoing geopolitical tensions, further supporting both public consumption and investment. In recent years, government expenditure and fiscal stimulus have played a central role in driving economic activity, maintaining a positive output gap and adding to inflationary pressures. The current normalisation of Russian economic growth appears to be driven in part as well by the central bank's sustained tight monetary policy, ongoing efforts toward fiscal consolidation, and a labour market that is expected to stay tight through at least the first half of the year.

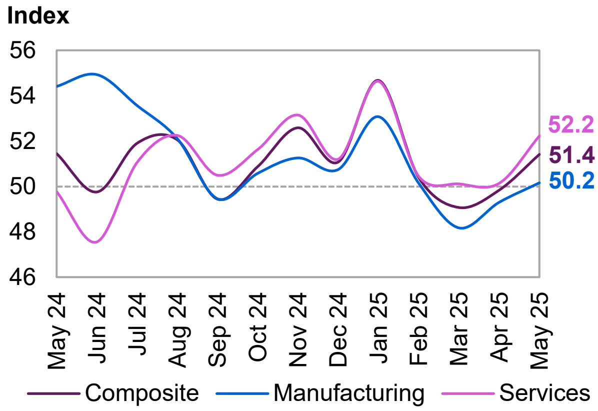
Following the restrictive monetary policies of the Central Bank of Russia, the rouble has strengthened further against the US dollar recently. While it still carries a degree of risk premium, the tight monetary policy, an improving fiscal framework, and the possibility of easing geopolitical tension could trigger further appreciation, which would also be supportive for inflation via lower import prices. In addition, the trade surplus expanded to $11.8 billion in March from $10.8 billion in February, driven by stronger goods exports, which rose by 3.8%, y-o-y. Imports also grew, but at a slower pace of 2.8%. The current account surplus likewise increased to $7.3 billion in March, up from $6.8 billion the previous month, reflecting continued resilience in external balances. However, challenges to this income stream may emerge. While US tariffs do not directly impact Russian exports, weaker global commodity prices are negatively affecting Russia's terms of trade, reducing the value of its export revenues. Preliminary figures suggest that the current account surplus narrowed in April, likely due to a sharp drop in commodity export values. That said, as domestic demand softens, import demand is expected to decline as well, helping to partially offset the impact of deteriorating external trade conditions.

The latest PMI figures from May show some improvement in the outlook for both the manufacturing and the services sectors.

The manufacturing PMI rose to 50.2 in May, after a level of 49.3 in April and after it had dropped considerably, standing at 48.2 in March.

The services PMI also improved significantly, reaching 52.2 in May, compared to 50.1 in both April and March.

Graph 3 - 19: Russia's PMI



Sources: HSBC, S&P Global and Haver Analytics.

Considering the somewhat more accentuated weakening of economic growth in 1Q25, the economic growth projection is revised down slightly to stand at 1.8%, compared with 1.9% from the previous month. Economic momentum is anticipated to continue at a slightly appreciating trend towards the end of the year, mainly supported by exports, government spending and prudent monetary policies.

In 2026, the Russian economy is projected to normalise further, with growth expected to reach 1.5%, unchanged from the previous month's estimate as well.

Table 3 - 9: Russia's economic growth rate and revision, 2025–2026*, %

	Russia
2025	**1.8**
Change from previous month	-0.1
2026	**1.5**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Africa

South Africa

Update on the latest developments

South Africa's GDP growth remained steady in 1Q25 on an annual basis, rising by 0.8%, at the same level as in 4Q24 and hence broadly aligned with the central bank's forecasts. On the demand side, private consumption growth stood at 2.8%, y-o-y, slightly up from 4Q24, when it expanded by 2.6%, y-o-y. Meanwhile, fixed investment continued contracting, falling by 3.2%, y-o-y. Net exports made a slightly negative contribution to growth, although inventory accumulation provided a modest offset. On the supply side, agriculture posted sound momentum, rising by 4.1%, y-o-y. In contrast, key sectors like mining, manufacturing, and construction all declined.

Headline inflation rose slightly from 2.7%, y-o-y, in March to 2.8% in April, while core inflation dipped marginally from 3.1%, y-o-y, to 3.0%. The upside dynamic was entirely due to sharp price increases in specific food items, while the rest of the food basket remained relatively stable. In terms of core inflation, price pressures in administered or regulated categories picked up, but demand-sensitive categories continued to show weakness, with sequential price declines over the past two months.

Consequently, the South African Reserve Bank (SARB) cut its key policy rate by 25 bp to 7.25% at its May meeting, aligning with market expectations. The central bank made notable forecast revisions, lowering GDP growth by a cumulative 1 pp and inflation by 0.8 pp between 2025 and 2027, driven by assumptions of a stronger rand, lower oil prices, and the removal of VAT-related inflation pressures.

Meanwhile, South Africa's trade with the US is likely to be negatively impacted by newly imposed tariffs – 25% on vehicle exports and 10% on a range of other products – along with the loss of preferential access under the African Growth and Opportunity Act. Although mining exports, particularly platinum group metals, remain unaffected, agricultural goods are now subject to these duties; negotiations are ongoing, but the outcome remains to be seen.

Near-term expectations

Recent economic data highlights a low growth dynamic amid ongoing challenges, including trade pressures and fiscal constraints. Underlying momentum is anticipated to remain supported by a projected improvement in domestic demand and continued structural reform efforts.

Most recently, core inflation has undershot expectations, leading to a more benign inflation outlook. With these developments, the SARB's tone was relatively dovish in its latest May meeting, including a muted outlook on global conditions. The monetary policy committee (MPC) flagged the potential for lower global rates due to weaker growth prospects, rising trade barriers, and subdued inflation driven by soft demand and lower energy prices. It also downgraded growth expectations for key trading partners. Given the SARB's tone, the revised outlook, and the analysts' more benign inflation view, another 25 bp rate cut is likely in July, with the possibility of further easing thereafter.

The US tariffs on South African exports remain a concern, though expectations of ongoing negotiations may help mitigate the long-term impact. Given limited fiscal space, any mitigation of tariff-related pressures will likely come from deeper structural reforms and supportive monetary policy rather than direct fiscal intervention.

April's S&P Global PMI reading offered a modest sign of improvement in business conditions, rising to 50.8 in May from 50 in April and 48.3 in March, indicating near-term improvements. The uptick suggests a likely improvement in private sector activity after several months of contraction.

However, ongoing uncertainty around domestic policy direction and trade dynamics, particularly with the US, continues to weigh on the broader outlook.

Nonetheless, South Africa's economic outlook remains unchanged, with growth forecasts for both 2025 and 2026 standing at 1.2% and 1.5%, respectively. This reflects expectations of a gradual recovery despite persistent headwinds.

Table 3 - 10: South Africa's economic growth rate and revision, 2025–2026*, %

	South Africa
2025	**1.2**
Change from previous month	0.0
2026	**1.5**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Saudi Arabia

Saudi Arabia's economy grew by 2.7%, y-o-y, in 1Q25, mainly driven by a 4.2% y-o-y increase in non-oil activities, highlighting strong domestic momentum in line with the government's 5.2% full-year growth forecast. Moreover, government activities accelerated, rising by 3.2%, y-o-y, while oil activities contracted by 1.4%, y-o-y. The General Authority for Statistics rebased national accounts to 2023, resulting in a 14.1% upward revision to GDP and a greater weight for non-oil sectors. Construction and trade/hospitality saw significant upgrades, reinforcing the country's Vision 2030 diversification goals. High-frequency indicators suggest domestic demand in Saudi Arabia remains strong, despite a slight dip in point-of-sale transactions in April, with year-to-date growth showing a sustained, robust trend. The May PMI increased slightly to stand at 55.8, compared with 55.6 in April. This significant expansionary index level reflects ongoing strong private sector growth. Moreover, the government has revised its fiscal strategy to prioritise sustainability, lowering spending and revenue projections for 2025. Labour market conditions continued to improve, with unemployment among Saudi nationals falling to 7.0% in 4Q24, down from 7.8% the previous quarter. Overall, the combination of fiscal prudence, steady reform momentum, and easing oil output restrictions is expected to support economic growth and private investment.

Nigeria

Nigeria's growth outlook remains positive, as inflation eased to 23.7% in April from 24.2% in March, with food price growth cooling marginally. Core inflation was down as well. In the meantime, the Central Bank of Nigeria (CBN) kept its policy rate unchanged at 27.5% and the cash reserve ratio at 50% during its meeting held on 19 and 20 May, citing persistent inflation and currency weakness as key concerns. Although inflation had briefly eased following a rebase of the consumer price index in January, it has since remained high. The CBN is successfully aiming to restore policy credibility and stabilise the naira. The decision to hold rates suggests a coherent policy stance and a commitment to positive real interest rates. With rising fiscal challenges and a likely higher-than-targeted 2025 budget deficit, the central bank's ability to sustain its strict anti-inflation stance will be tested. The May 2025 Stanbic IBTC Bank Nigeria PMI eased to stand at 52.7, compared with 54.2 in April and the one-year high of 54.3 registered in March, but still marked the sixth consecutive month of private sector expansion. Despite inflationary pressures and other challenges, businesses remained optimistic about the near-term outlook.

United Arab Emirates (UAE)

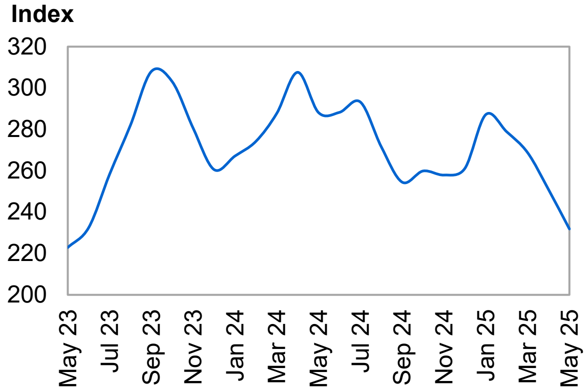
The UAE's non-oil economy remains on solid ground with a 53.3 May PMI signalling continued expansion, despite some deceleration in momentum. The April PMI stood at 54.0. The country is actively deepening international partnerships to support investment and economic diversification. An important development includes new agreements on the launch of a US-UAE AI cooperation framework, underscoring a shared focus on innovation, investment, and strategic knowledge transfer. Tourism continues to be a key economic driver and is expected to contribute a significant share of GDP. Dubai welcomed 5.31 million international visitors between January and March, reflecting an increase of 3%, y-o-y. Economic resilience is also being strengthened through reforms allowing 100% foreign ownership, streamlined business setup, and enhanced visa policies. Industrial development is also gaining traction, with ADNOC committing more than $5 billion across its supply chain and the Emirates Development Bank pledging more than $1 billion in new funding for priority sectors, including manufacturing, renewables, and advanced technology. These efforts are part of broader national strategies to position the country as a global centre for innovation and sustainable economic growth.

The impact of the USD and inflation on oil prices

The US dollar (USD) index continued its downward trajectory, falling for a fourth consecutive month in May. The USD fell by 0.6%, m-o-m, a lower rate than the previous month. Although the USD found support earlier in the month from improved safe-haven demand and risk sentiment, which attracted capital inflows from global investors, lingering macroeconomic uncertainties amid ongoing trade tensions continued to weigh on it. Compared with the same period last year, the index was down by 4.6%, y-o-y.

On developed market currencies, the USD declined against the euro and pound by 0.6% and 1.7%, m-o-m, respectively. At the same time, it rose against the yen by 0.3%, m-o-m. Compared with the same period last year, the USD was down against all major currencies. It was down against the euro, yen and pound by 4.1%, 7.2%, and 5.5%, y-o-y, respectively.

Graph 3 - 20: The Modified Geneva I + US$ Basket (base June 2017 = 100)



Sources: IMF and OPEC.

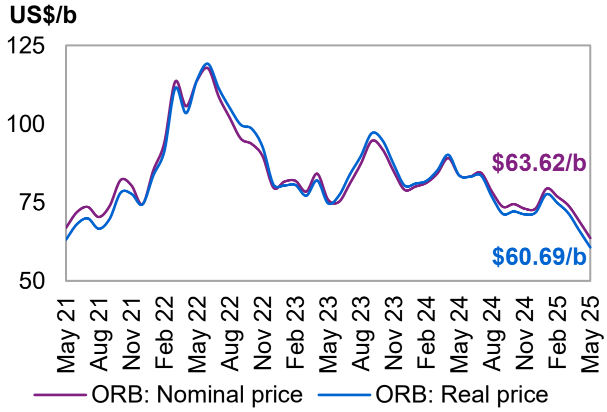
In terms of emerging markets' currencies, the USD fell against all major currencies. It fell against the rupee, yuan and real by 0.5%, 1.3%, and 2.0%, m-o-m, respectively. Compared with the same period last year, the USD was up against the rupee and real by 2.0% and 10.4%, y-o-y, respectively; however, it was down against the yuan by 0.3%, y-o-y, over the same period.

The differential between nominal and real ORB prices narrowed in May. Inflation (nominal price minus real price) decreased by 0.7%, m-o-m.

In nominal terms, accounting for inflation, the ORB price declined by 7.8%, m-o-m, in May, and was down by 23.9%, y-o-y.

In real terms (excluding inflation), the ORB price declined by 8.1%, m-o-m, and was down by 27.4%, y-o-y.

Graph 3 - 21: Impact of inflation and currency fluctuations on the spot ORB price (base June 2017 = 100)



Source: OPEC.

World Oil Demand

Global oil demand growth for 2025 is forecast at 1.3 mb/d, year-on-year (y-o-y), unchanged from the previous month's assessment. Upward adjustments due to better-than-expected actual data for 1Q25 in OECD Americas and OECD Europe were offset by lower expectations for oil demand growth, particularly for 2Q25 in key countries of the non-OECD region – China and India – largely due to the likely impact of US trade policy. In the OECD, oil demand is projected to expand by around 160 tb/d, y-o-y, in 2025, driven by OECD Americas. In the non-OECD, oil demand is forecast to grow by more than 1.1 mb/d, y-o-y, driven by Other Asia, China and India.

In terms of products, world oil demand in 2025 is expected to continue to be driven by strong air travel demand with a projected growth of around 450 tb/d in jet kerosene and healthy road mobility, with gasoline demand forecast to grow by around 380 tb/d, y-o-y. Similarly, capacity additions in the petrochemical industry, particularly in non-OECD countries, mostly in China and the Middle East, are expected to contribute considerably to oil demand growth, with a projected growth of around 500 tb/d for both LPG/NGLs and naphtha.

The forecast for global oil demand growth in 2026 again shows robust growth of about 1.3 mb/d, y-o-y. The OECD is expected to grow by around 0.1 mb/d, y-o-y, with OECD Americas expected to lead oil demand growth in the region. In the non-OECD, oil demand is forecast to increase by 1.2 mb/d, led by Other Asia, and followed by India and China.

In terms of products, transportation fuels, jet/kerosene and gasoline are projected to continue to drive oil demand growth in 2026 by around 370 tb/d, y-o-y, each. Similarly, LPG/NGLs and naphtha, as key petrochemical feedstocks, are forecast to support global oil demand growth with a combined y-o-y increase of around 370 tb/d, accounting for approximately 30% of total demand growth in 2026.

Table 4 - 1: World oil demand in 2025*, mb/d

World oil demand	2024	1Q25	2Q25	3Q25	4Q25	2025	*Change 2025/24*
Americas	24.94	24.89	24.94	25.32	25.20	25.09	0.14
of which US	*20.42*	*20.44*	*20.46*	*20.67*	*20.72*	*20.57*	*0.15*
Europe	13.51	12.93	13.56	14.06	13.52	13.52	0.00
Asia Pacific	7.21	7.53	7.01	6.95	7.41	7.22	0.01
Total OECD	**45.67**	**45.35**	**45.51**	**46.32**	**46.13**	**45.83**	**0.16**
China	16.65	16.86	16.56	17.03	17.04	16.87	0.22
India	5.55	5.70	5.78	5.50	5.91	5.72	0.17
Other Asia	9.66	9.86	10.23	9.75	9.75	9.90	0.24
Latin America	6.77	6.79	6.91	6.98	6.93	6.90	0.13
Middle East	8.85	8.79	8.73	9.28	9.15	8.99	0.14
Africa	4.64	4.86	4.50	4.68	5.06	4.78	0.13
Russia	3.98	4.01	3.85	4.04	4.19	4.02	0.04
Other Eurasia	1.26	1.41	1.29	1.18	1.32	1.30	0.04
Other Europe	0.80	0.82	0.83	0.77	0.87	0.82	0.02
Total Non-OECD	**58.17**	**59.09**	**58.68**	**59.21**	**60.23**	**59.31**	**1.13**
Total World	**103.84**	**104.44**	**104.19**	**105.53**	**106.36**	**105.13**	**1.29**
Previous Estimate	103.70	104.14	104.26	105.39	106.19	105.00	1.30
Revision	0.14	0.30	-0.07	0.14	0.18	0.14	0.00

*Note: * 2025 = Forecast. Totals may not add up due to independent rounding.*

Source: OPEC.

Table 4 - 2: World oil demand in 2026*, mb/d

World oil demand	2025	1Q26	2Q26	3Q26	4Q26	2026	*Change 2026/25*
Americas	25.09	24.97	24.96	25.44	25.24	25.15	0.06
of which US	*20.57*	*20.47*	*20.48*	*20.80*	*20.74*	*20.62*	*0.05*
Europe	13.52	12.96	13.55	14.09	13.51	13.53	0.01
Asia Pacific	7.22	7.55	7.01	6.94	7.41	7.23	0.01
Total OECD	**45.83**	**45.47**	**45.52**	**46.47**	**46.16**	**45.91**	**0.08**
China	16.87	17.00	16.81	17.30	17.23	17.09	0.21
India	5.72	5.91	6.04	5.74	6.18	5.97	0.25
Other Asia	9.90	10.10	10.47	10.05	10.04	10.17	0.27
Latin America	6.90	6.92	7.04	7.10	7.06	7.03	0.13
Middle East	8.99	8.93	8.89	9.47	9.24	9.13	0.14
Africa	4.78	4.97	4.63	4.80	5.14	4.88	0.11
Russia	4.02	4.06	3.89	4.09	4.23	4.07	0.04
Other Eurasia	1.30	1.47	1.31	1.20	1.34	1.33	0.03
Other Europe	0.82	0.83	0.83	0.80	0.90	0.84	0.02
Total Non-OECD	**59.31**	**60.20**	**59.91**	**60.55**	**61.36**	**60.51**	**1.20**
Total World	**105.13**	**105.68**	**105.43**	**107.01**	**107.52**	**106.42**	**1.28**
Previous Estimate	105.00	105.38	105.50	106.87	107.35	106.28	1.28
Revision	0.14	0.30	-0.07	0.14	0.18	0.14	0.00

*Note: * 2025-2026 = Forecast. Totals may not add up due to independent rounding.*
Source: OPEC.

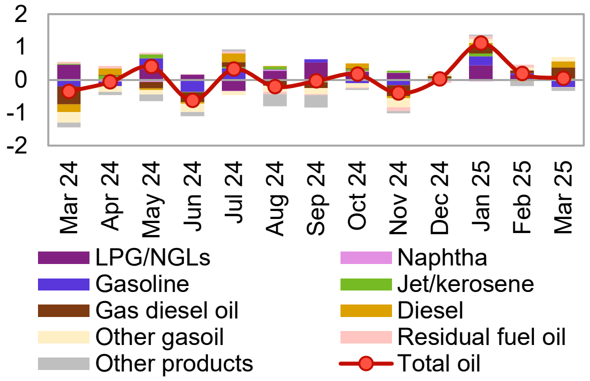
OECD

OECD Americas

Update on the latest developments

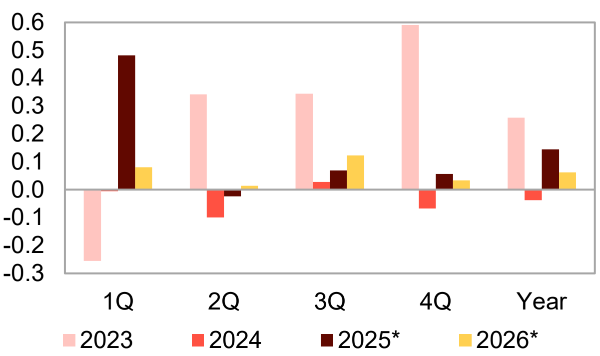
In March, oil demand in OECD Americas increased by 50 tb/d, y-o-y, following growth of 193 tb/d, y-o-y, seen in February. Within the region, oil demand in the US increased by 73 mb/d, y-o-y. However, this was partly offset by y-o-y declines of 9 tb/d in Canada and 28 tb/d in Mexico. In terms of petroleum products, diesel led oil demand growth by 325 tb/d, y-o-y, due to a weak baseline effect.

Graph 4 - 1: OECD Americas' oil demand by main petroleum product category, y-o-y change



Sources: IEA, JODI, OPEC and national sources.

Graph 4 - 2: OECD Americas' oil demand, y-o-y change



*Note: * 2025-2026 = Forecast.*
Source: OPEC.

US

In March, US oil demand expanded by 73 tb/d, y-o-y, down from the y-o-y growth of 276 tb/d observed in February. In terms of product demand, diesel, including transportation diesel, saw the largest increase of 220 tb/d, y-o-y, up from the 78 tb/d y-o-y increase registered in February. Diesel was partly supported by a weak baseline. LPG/NGLs demand expanded by 73 tb/d, y-o-y, which was lower than the 217 tb/d y-o-y increase observed in the previous month.

Gasoline saw the largest decline of 122 tb/d, y-o-y, in March, down from the 80 tb/d y-o-y increase observed in February. Despite this observed decline in gasoline demand, the March data for vehicle miles travelled indicates an increase of 1.1%, y-o-y. It should be noted that gasoline demand in the US is likely facing pressure from efficiency improvements in ICE vehicles, as EV penetration in the total vehicle fleet is still very limited. The demand for 'other products', notably petroleum coke, widely used in aluminium and steel manufacturing, decreased by 69 tb/d, y-o-y, showing an improvement from the 80 tb/d y-o-y decline observed in the previous month. The demand for residual fuel oil fell by 19 tb/d, y-o-y, down from the 52 tb/d y-o-y increase observed in February. Demand for jet/kerosene slipped by 6 tb/d, y-o-y, and naphtha demand inched down by 4 tb/d, y-o-y.

Table 4 - 3: US oil demand, mb/d

US oil demand By product	Mar 24	Mar 25	Change Mar 25/Mar 24
LPG/NGLs	3.60	3.67	0.07
Naphtha	0.15	0.14	0.00
Gasoline	8.89	8.77	-0.12
Jet/kerosene	1.66	1.65	-0.01
Diesel	3.67	3.89	0.22
Fuel oil	0.31	0.30	-0.02
Other products	1.89	1.82	-0.07
Total	**20.17**	**20.24**	**0.07**

Note: Totals may not add up due to independent rounding.

Sources: EIA and OPEC.

Near-term expectations

In the near term, there are indications that the US economy is holding up relatively well, albeit with slight moderation. Domestic consumption has been robust over the last few months. Similarly, US inflation has been on a downward trend, easing to 2.3% in April, after registering 2.4% in March, 2.8% in February and 3.0% in January. US GDP is projected to remain in positive territory in 2025. Despite some uncertainties regarding the likely impact of the new US Administration's tariffs on its trading partners, the overall trajectory continues to point toward gradual de-escalation as seen with China and the UK. Successful negotiations between the US and its trading partners could provide support in the months to come. In 3Q25, oil demand is projected to increase by an average of 54 tb/d, y-o-y, up from the 12 tb/d y-o-y contraction in 2Q25. Transportation fuels, gasoline and jet/kerosene, are expected to be the main drivers of product demand growth, particularly during the summer driving season.

US EV uptake is expected to run into obstacles due to policy uncertainties and potential tariff implementations, which could dampen investor confidence and slow market growth. This development is expected to support the US sales of ICE vehicles in the short term. Moreover, from January to April 2025, North America reportedly saw only a 5% rise in EV sales, compared to an increase of 35% in sales in China and 25% in EU countries.

In 2025, US demand is expected to grow by 152 tb/d, y-o-y, to average 20.6 mb/d. In terms of products, LPG/NGLs is expected to drive 2025 oil demand growth with an increase of around 80 tb/d, y-o-y; gasoline demand is expected to rise by around 30 tb/d, y-o-y; and demand for jet/kerosene is projected to expand by about 20 tb/d, y-o-y. Diesel demand is expected to remain flat, y-o-y. The demand for naphtha is projected to contract by 10 b/d, y-o-y, and 'other products' are expected to decline by 20 tb/d, y-o-y.

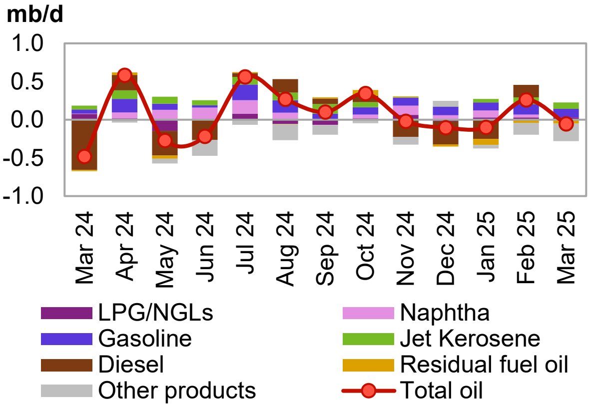
In 2026, US GDP growth is expected to surpass the growth seen in 2025. Furthermore, there are some expectations of some trade normalisation between the US and its trading partners, with a potential positive impact on the US economy. The US is expected to drive oil demand in the OECD with an increase of 49 tb/d, y-o-y, largely in terms of transportation fuels and petrochemical feedstock. While gasoline demand is expected to expand by about 50 tb/d, y-o-y, jet/kerosene demand should see growth of 30 tb/d, y-o-y, and the demand for diesel is projected to expand by 20 tb/d, y-o-y. LPG/ethane demand is anticipated to increase by 20 tb/d, y-o-y. However, demand for residual fuel oil, the ´other products´ category and naphtha is projected to contract. Overall, oil product demand in the US is forecast to average 20.6 mb/d in 2026.

OECD Europe

Update on the latest developments

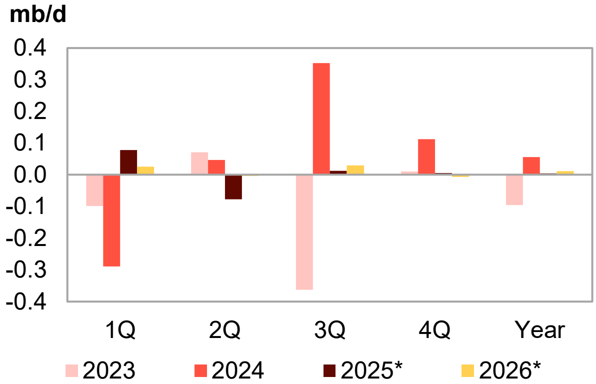
Oil demand in OECD Europe in March softened by 52 tb/d, y-o-y, down from the 262 tb/d y-o-y increase seen the previous month. This monthly regional oil demand decline emanates from the UK and Italy, which more than offset increases seen in Germany, France, and Spain. A large decline in the demand for ´other products´ category and residual fuel oil more than offset the y-o-y increase in demand for gasoline, jet/kerosene and LPG.

Graph 4 - 3: OECD Europe's oil demand by main petroleum product category, y-o-y change



Sources: IEA, JODI, OPEC and national sources.

Graph 4 - 4: OECD Europe's oil demand, y-o-y change



*Note: * 2025-2026 = Forecast.*
Source: OPEC.

Regarding product categories, demand for the ´other products´ category, which includes bitumen, lube oil and petroleum coke, posted the largest y-o-y decline of 231 tb/d, registering a progressive contraction from the 155 tb/d y-o-y decline seen in the previous month. The demand for residual fuel oil declined by 44 tb/d, y-o-y, similar to the y-o-y decline seen in February. The demand for diesel was broadly flat, y-o-y, down from the y-o-y increase of 163 tb/d registered in February.

In terms of petrochemical feedstock, while the demand for LPG/NGLs increased by 32 tb/d, y-o-y, naphtha slightly slipped by 3 tb/d, y-o-y. In terms of transportation fuels, demand for gasoline posted the largest increase of 111 tb/d, y-o-y, and jet/kerosene expanded by 83 tb/d, y-o-y.

Near-term expectations

Looking ahead, economic activity in OECD Europe has shown signs of gradual improvements in 1Q25, with y-o-y inflation remaining unchanged in April compared to March at 2.2%, down from the 2.3% registered in February and 2.5% in January. Consumer spending is projected to remain steady, supported by stable unemployment levels and rising real wages. A forward-looking signal of an expansion in the services sector. The manufacturing PMI rose to 49.0 in April, up from 48.6 in March, indicating a slower pace of contraction. In the near term, the outlook for oil demand sees oil product demand increasing marginally by an average of 13 tb/d, y-o-y, in 3Q25, up from a 78 tb/d y-o-y decline in 2Q25. Expanded air travel and driving mobility amid slower EV penetration are expected to drive gasoline and jet/kerosene demand in the region during the summer driving season.

Jet/kerosene is expected to lead overall oil demand growth in 2025 by around 70 tb/d, y-o-y, supported by the summer holidays, including inter-regional travels. Gasoline demand is projected to inch up by 50 tb/d, y-o-y, supported by driving mobility amid slower EV penetration and a switch from diesel-powered to gasoline-powered ICE vehicles in the region. However, petrochemical feedstock, LPG/ethane and naphtha are projected to decline marginally. Diesel, residual fuel oil and ´other products´ are projected to decline at different rates.

Trade risks remain a key uncertainty as the 90-day truce on the 20% reciprocal tariffs imposed by the US is set to expire in July. While the EU has expressed willingness to negotiate, it remains uncertain whether a trade agreement will be reached by the deadline. Some de-escalation appears likely, as indicated by the EU's suspension of retaliatory tariffs and the UK's exemption from the 50% steel and aluminium tariffs. However, uncertainties remain high.

Additional downside risks are associated with new Mediterranean European Emission Control Area (ECA) regulations, effective May 2025, which are likely to subdue low-sulphur fuel oil demand. OECD Europe oil demand growth is forecast to marginally increase by 4 tb/d, y-o-y, to average 13.5 mb/d in 2025.

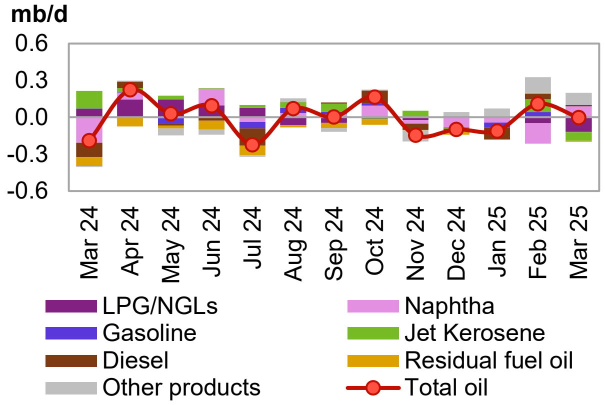
Looking ahead to 2026, economic activity is expected to improve slightly from 2025. Accordingly, the region is projected to see a minor growth of 11 tb/d, y-o-y, to average 13.5 mb/d in 2026.

OECD Asia Pacific

Update on the latest developments

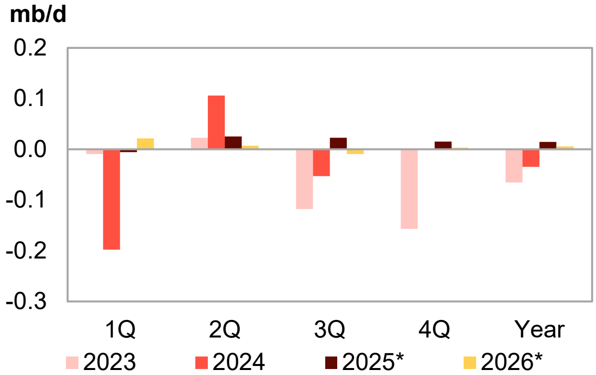
Oil demand in the OECD Asia Pacific in March was broadly flat, y-o-y, down from the growth of 109 tb/d, y-o-y, observed in February. A large decline of 162 tb/d, y-o-y, in Japan was offset by the y-o-y oil demand increases in South Korea and Australia.

Graph 4 - 5: OECD Asia Pacific oil demand by main petroleum product category, y-o-y change



Sources: IEA, JODI, OPEC and national sources.

Graph 4 - 6: OECD Asia Pacific oil demand, y-o-y change



Note: * 2025-2026 = Forecast.
Source: OPEC.

In terms of petroleum products, LPG/NGLs demand saw the largest contraction of 119 tb/d, y-o-y, in March, down from a decline of 49 tb/d, y-o-y, observed the previous month. Demand for jet/kerosene contracted by 70 tb/d, y-o-y, down from an increase of 106 tb/d, y-o-y, seen in the previous month. The y-o-y decline in jet/kerosene demand is consistent with the drop in air traffic in the region in March. Demand for residual fuel oil inched down by 8 tb/d, y-o-y, down from an increase in the same amount in February. Gasoline demand was broadly flat, y-o-y, down from the growth of 41 tb/d, y-o-y, seen in the last month.

Demand for ´other products´ saw the largest increase of 99 tb/d, y-o-y, down from the growth of 127 tb/d, y-o-y, seen in February. Demand for naphtha increased by 88 tb/d, y-o-y, up from a decline of 167 tb/d, y-o-y, seen in the previous month. Diesel demand saw an uptick of 11 tb/d, y-o-y, down from growth of 43 tb/d, y-o-y, seen a month earlier.

Near-term expectations

Looking ahead, South Korea's economy, while robust, is undergoing some challenges, including slowing growth and rising inflation amid weak domestic demand. Japan is showing signs of a gradual economic rebound, with both private and public consumption exhibiting solid momentum. The outlook for oil demand in the region sees growth for transportation fuels, jet/kerosene and gasoline, which account for the largest increases. Furthermore, the petrochemical sector requirements for naphtha are expected to support oil demand as operations in petrochemical plants rise further. Accordingly, oil demand is projected to increase by 23 tb/d, y-o-y, in 3Q25.

In Japan, the government has announced the introduction of a new subsidy policy to lower petroleum product prices, particularly those of gasoline, gasoil, kerosene, fuel oil and jet fuel, starting from May. This is expected to lend some support to consumers as part of the country's response to US tariffs. However, uncertainties associated with recently announced tariffs on goods exported from countries in the region remain. Japan and South Korea are the US's largest regional trading partners, and new tariffs could have negative consequences on the activity of their manufacturing sectors as well as diesel and (to a lesser extent) bunker fuel demand.

Overall, oil demand in the region is projected to expand by 14 tb/d, y-o-y, to an average of 7.2 mb/d in 2025. In terms of the contribution of specific oil products, steady improvements in petrochemical feedstock requirements, particularly in South Korea, are expected to support a 10 tb/d y-o-y expansion in naphtha demand, while demand for LPG/NGLs is projected to slightly decline, y-o-y. Gasoline, diesel and jet/kerosene are each anticipated to grow by 10 tb/d, y-o-y. Demand for residual fuels and 'other products' is anticipated to be weak.

In 2026, the region is forecast to see marginal growth of 5 tb/d, y-o-y, to average 7.23 mb/d. In terms of products, jet/kerosene demand is projected to grow by 20 tb/d, y-o-y, as air travel continues to expand. Gasoline is expected to expand by 10 tb/d, y-o-y. In terms of petrochemical feedstock demand, both naphtha and LPG/NGLs are forecast to grow by 10 tb/d, y-o-y. Diesel and residual fuel oil demand is expected to remain subdued by weak manufacturing and environmental policy-related constraints.

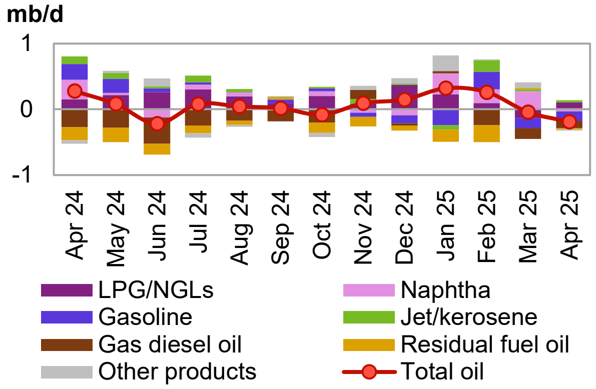
Non-OECD

China

Update on the latest developments

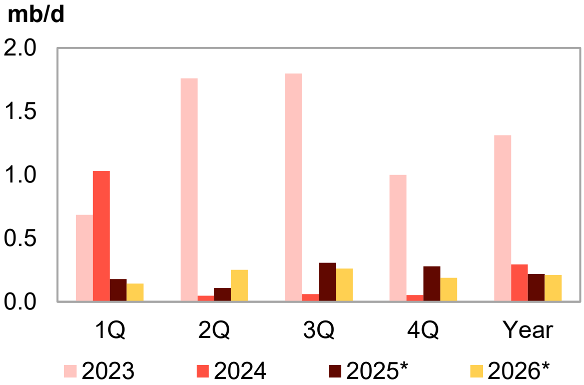
China's oil demand in April contracted by 189 tb/d, y-o-y, down from a decline of 42 tb/d, y-o-y, observed the previous month. A decline in gasoline and diesel demand more than offset the increases in LPG/NGLs and jet/kerosene demand during the month.

Graph 4 - 7: China's oil demand by main petroleum product category, y-o-y change



Sources: Argus Media, Chinese Customs, Chinese National Bureau of Statistics, JODI and OPEC.

Graph 4 - 8: China's oil demand, y-o-y change



*Note: * 2025-2026 = Forecast.*
Source: OPEC.

In terms of product demand, gasoline demand saw the largest y-o-y contraction of 144 tb/d in April, compared with the 152 tb/d y-o-y decline observed in the previous month. Diesel demand contracted by 110 tb/d, y-o-y, compared to the 165 tb/d y-o-y decline observed in March. Diesel has been under pressure from weak manufacturing activity on the back of the ongoing penetration of LNG trucks into the trucking fleet. Demand for naphtha fell by 33 tb/d, y-o-y, down from the 272 tb/d y-o-y growth seen in March. Residual fuel oil demand inched down by 19 tb/d, y-o-y, down from the increase of 15 tb/d, y-o-y, observed in March. The demand for ´other products´ declined by 18 tb/d, y-o-y, compared to the increase of 90 tb/d, y-o-y, seen in March.

LPG/NGLs saw the largest demand increase, growing by 104 tb/d, y-o-y, up from the 135 tb/d y-o-y decline seen in the previous month. The demand for jet/kerosene also increased by 32 tb/d, y-o-y, similar to the 33 tb/d, y-o-y, increase seen in March.

Table 4 - 4: China's oil demand*, mb/

China's oil demand By product	Apr 24	Apr 25	Change Apr 25/Apr 24
LPG/NGLs	2.60	2.71	0.10
Naphtha	1.82	1.79	-0.03
Gasoline	4.14	3.99	-0.14
Jet/kerosene	1.05	1.08	0.03
Diesel	3.40	3.29	-0.11
Fuel oil	0.79	0.77	-0.02
Other products	2.60	2.58	-0.02
Total	**16.41**	**16.22**	**-0.19**

*Note: * Apparent oil demand. Totals may not add up due to independent rounding.*

Sources: Argus Media, Chinese Customs, Chinese National Bureau of Statistics, JODI and OPEC.

Near-term expectations

In the near term, ongoing sound economic dynamics are anticipated to continue in 3Q25. Moreover, government support for the housing sector is expected to continue boosting household budgets, consequently resulting in increased consumer spending. Moreover, the US and China have agreed in principle on a framework to implement their trade truce, after concluding two days of talks in London. Furthermore, China is looking to increasingly diversify its export markets and is therefore likely to sustain robust export volumes, even amid higher US tariffs. Indications have shown that in the past two months, total Chinese exports to the US fell by 28%, which was more than offset by increases in shipments to other regions, including Africa, Latin America, the ASEAN region, and the EU.

The near-term outlook points to steady oil demand in China, with ongoing healthy petrochemical feedstock requirements and demand for transportation fuels expected to offer support, despite diesel demand likely remaining soft. Accordingly, Chinese oil demand is projected to increase by 307 tb/d, y-o-y, in 3Q25.

Petrochemical feedstocks are expected to drive 2025 oil demand, followed by transportation fuels. Naphtha is expected to show growth of 120 tb/d, y-o-y, and LPG/NGLs are expected to grow by around 70 tb/d, y-o-y. Similarly, jet/kerosene demand is projected to grow by 70 tb/d, y-o-y, and gasoline is anticipated to increase by 10 tb/d. Diesel, including transportation diesel demand, is projected to contract, y-o-y, by 30 tb/d. Overall, in 2025, oil demand in China is projected to expand by about 220 tb/d, y-o-y, to average 16.9 mb/d.

Although the US-China 90-day trade truce has temporarily eased trade tensions, uncertainty regarding ongoing negotiations remains. Furthermore, structural shifts in the transportation sector, including the penetration of EVs and improved efficiency in ICEs, as well as LNG trucks, are expected to weigh on diesel and gasoline demand. Additionally, high-speed rail is in serious competition with domestic air travel. These developments will need to be carefully monitored in the near term.

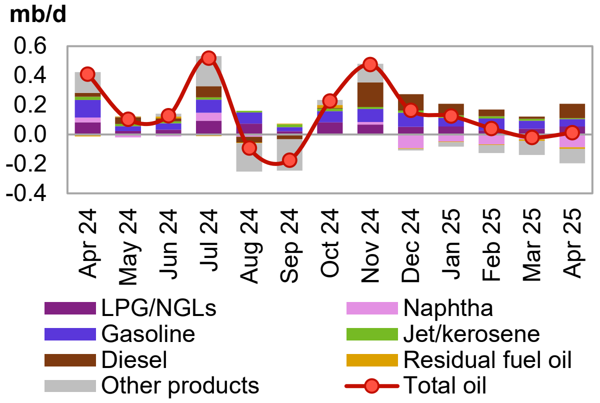
In 2026, economic activity in China is expected to remain well supported but is anticipated to decelerate slightly. Accordingly, oil product demand is projected to grow by 212 tb/d, y-o-y. In terms of products, petrochemical feedstocks and transportation fuels are expected to lead demand growth, with LPG/NGLs and naphtha projected to grow by around 55 tb/d and 50 tb/d, y-o-y, respectively. Healthy air travel is expected to support a jet/kerosene demand increase of 80 tb/d, y-o-y, and steady driving mobility is anticipated to support a gasoline demand increase of around 30 tb/d. Diesel, including transportation diesel, is forecast to grow by around 10 tb/d, y-o-y. The demand for residual fuel oil is expected to be weak. With this, oil demand in China is forecast to average 17.2 mb/d in 2026.

India

Update on the latest developments

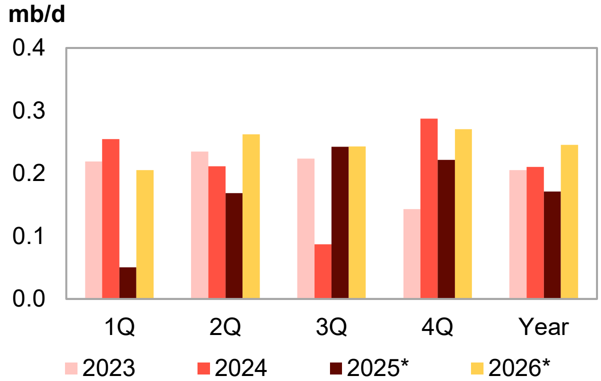
In April, India's oil demand saw an uptick of 12 tb/d, y-o-y, registering a slight improvement from the 19 tb/d y-o-y decline seen in the previous month. The largest monthly increase in oil product demand was recorded in diesel and LPG/NGLs.

Graph 4 – 9: India's oil demand by main petroleum product category, y-o-y change



Sources: PPAC, JODI and OPEC.

Graph 4 – 10: India's oil demand, y-o-y change



*Note: * 2025-2026 = Forecast.*
Source: OPEC.

In terms of specific products, diesel demand in April posted the largest increase of 97 tb/d, y-o-y, up from the 15 tb/d y-o-y growth seen in the previous month. With diesel accounting for about 45% of India's oil product demand, the agriculture sector, including harvesting and sowing of crops in some regions, was what contributed to most of the diesel consumption growth during the month. Gasoline demand saw an increase of 49 tb/d, y-o-y, broadly in line with the 54 tb/d y-o-y growth observed in March. Gasoline consumption in April was supported by an increase in domestic vehicle sales, which increased by 5.5%, y-o-y, in April. Demand for jet/kerosene inched up by 8 tb/d, y-o-y, slightly below the 15 tb/d y-o-y March growth. Demand for LPG/NGLs rose by 55 tb/d, y-o-y, driven largely by household requirements, largely driven by higher consumption from a government-launched programme, which accounts for 88.3% of LPG/NGLs consumption in India.

However, the demand for ´other products´ saw the largest contraction of 99 tb/d, y-o-y. This was largely due to a decline in demand for petroleum coke in the cement, iron and steel industries. Naphtha demand contracted by 88 tb/d, y-o-y, down from a decline of 34 tb/d seen in the previous month. Most of the naphtha demand comes from India's refiners, which typically use naphtha as a blend stock for gasoline production. Excess naphtha is exported for use as a petrochemical feedstock. Residual fuel oil slipped by 10 tb/d, y-o-y, with the same decline seen in the previous month.

Table 4 - 5: India's oil demand, mb/d

India's oil demand By product	Apr 24	Apr 25	*Change* *Apr 25/Apr 24*
LPG/NGLs	0.92	0.97	0.05
Naphtha	0.36	0.27	-0.09
Gasoline	0.94	0.98	0.05
Jet/kerosene	0.20	0.21	0.01
Diesel	1.98	2.08	0.10
Fuel oil	0.12	0.11	-0.01
Other products	1.07	0.97	-0.10
Total	**5.59**	**5.60**	**0.01**

Note: Totals may not add up due to independent rounding.

Sources: JODI, Petroleum Planning and Analysis Cell of India and OPEC.

Near-term expectations

Looking ahead, India's economy is anticipated to continue expanding steadily, and the current momentum of strong economic growth is expected to persist, driven by ongoing consumer spending, investment, and government support for key sectors. These factors, along with fiscal and monetary stimulus measures, are expected to dampen any likely impact that US tariffs may have on Indian GDP growth. India's inflation has been on a declining trend since January, standing at 3.16% in April, well below the Reserve Bank of India's (RBI) target of 4%. Moreover, forward-looking indicators are pointing towards strong economic dynamics, with the manufacturing PMI rising to a level of 61.2 in May. Similarly, the services sector PMI in May maintained a strong index level of 61.2. In a new development, the Noida International Airport in Uttar Pradesh is expected to begin commercial operations in June this year.

Accordingly, the outlook for the near term provides further positive signals for steady oil demand in India. Diesel is projected to continue to be the main driver of demand growth, followed by the 'other products' category, bitumen in particular. Additionally, robust growth in transport and manufacturing fuels is expected to support overall 3Q25 oil demand growth in reaching 242 tb/d, y-o-y. Overall, in 2025, oil product demand in India is expected to grow by 171 tb/d, y-o-y, to average 5.7 mb/d.

India's strong economic momentum in 2025 is expected to continue in 2026 on the back of strong manufacturing and service sector activities, bolstered by sustained government support in key sectors amid inflation easing. Accordingly, transportation fuels are projected to drive oil demand growth. Gasoline and diesel are projected to increase by 50 tb/d and 40 tb/d, y-o-y, respectively. Jet/kerosene demand is forecast to expand by around 40 tb/d, y-o-y, supported by strong international and domestic air travel demand. The ´other products' category is projected to expand by around 100 tb/d, y-o-y, supported by bitumen and petroleum coke demand from road construction and iron and steel industries. LPG/NGLs and naphtha demand are expected to increase by 25 tb/d and 10 tb/d, y-o-y. However, demand for residual fuel oil is anticipated to decline in the manufacturing and shipping industries due to environmental regulations.

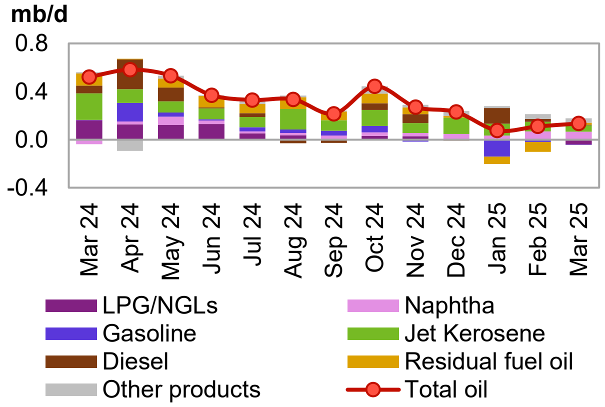
Accordingly, in 2026, India is projected to surpass China to become the largest country in the world in terms of oil demand growth. In line with this, oil demand is projected to grow by 246 tb/d, y-o-y, to average 6.0 mb/d.

Other Asia

Update on the latest developments

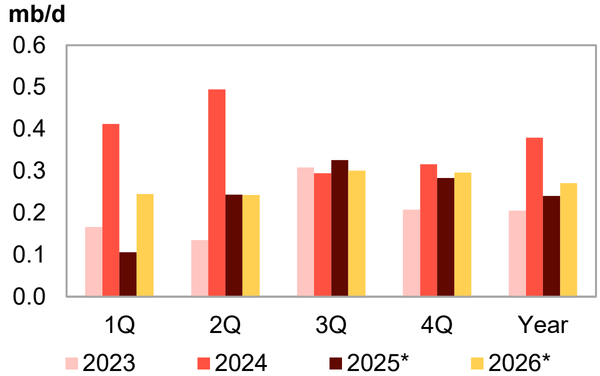
Oil demand in Other Asia expanded by 134 tb/d, y-o-y, in March, up from an increase of 111 tb/d, y-o-y, observed the previous month, demonstrating increasing oil requirements in the major countries of the region. The increase in oil demand mostly emanates from naphtha and jet/kerosene, which more than offset a decline in LPG/NGLs.

Graph 4 - 11: Other Asia's oil demand by main petroleum product category, y-o-y change



Sources: JODI, National sources, and OPEC.

Graph 4 – 12: Other Asia's oil demand, y-o-y change



*Note: * 2025-2026 = Forecast.*
Source: OPEC.

In terms of specific products, naphtha saw the largest increase of 66 tb/d, y-o-y, in March, slightly below the 69 tb/d y-o-y growth seen the previous month. Jet/kerosene demand increased by 52 tb /d, y-o-y, down from an increase of 80 tb/d, y-o-y, seen in February. The demand for the 'other products' category increased by 37 tb/d, y-o-y, down from the growth of 40 tb/d, y-o-y, observed the previous month. Residual fuel oil demand grew by 15 tb/d, y-o-y, registering an improvement from the 84 tb/d y-o-y decline seen in February. Demand for diesel increased by 8 tb/d, y-o-y, compared to the 23 tb/d y-o-y increase observed in the previous month.

However, the demand for LPG/NGLs saw the largest decline of 39 tb/d, y-o-y, down from being unchanged, y-o-y, in February. Gasoline slipped by a marginal 4 tb/d, y-o-y, demonstrating an improvement over the 18 tb/d y-o-y decline seen in the previous month.

Near-term expectations

Looking ahead, the economic activity in major oil-consuming countries in the region is expected to remain robust, mostly driven by the services sector. Furthermore, the ongoing robust recovery in air travel, combined with healthy road mobility, is expected to be sustained against a backdrop of healthy manufacturing and agricultural activity. These factors are expected to bolster oil product demand in the region, with y-o-y growth reaching an average of 326 tb/d in 3Q25.

Transportation fuels are projected to drive oil product demand in 2025, with jet/kerosene expected to increase by 90 tb/d, y-o-y, followed by gasoline and diesel growing by 40 tb/d and 50 tb/d, y-o-y, respectively. On the back of healthy petrochemical feedstock requirements, LPG/ethane and naphtha demand are expected to increase by 15 tb/d and 30 tb/d, y-o-y, respectively. Demand for ´other products´ is forecast to expand by around 30 tb/d, y-o-y, while residual fuel oil demand is forecast to decrease by 10 tb/d, y-o-y. Overall, oil demand in the region is projected to expand by 240 tb/d, y-o-y, to average 9.9 mb/d in 2025, mostly driven by requirements from Singapore, Thailand, Hong Kong, Malaysia and Indonesia.

Downside risks are associated with the likely impact of newly announced US tariffs on exports from major oil-consuming countries in the region, including Thailand, Indonesia, Singapore and Malaysia, among others; however, the extent of the tariffs' impact on various regional economies and oil demand remains to be seen. With that said, there are reports of ongoing bilateral negotiations between the US and some of the country's regional trading partners aimed at reducing or postponing the implementation of tariffs or even gaining exemptions for specific products.

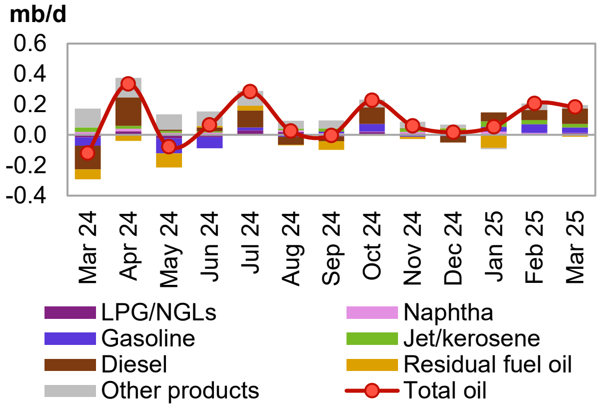
Economic activity in major oil-consuming countries of the region is expected to remain well supported in 2026, albeit at a slightly lower level than 2025 growth rates. Ongoing healthy air travel and strong driving mobility are projected to continue in 2026. Accordingly, oil demand in the region is forecast to increase by 271 tb/d, y-o-y, to average 10.2 mb/d.

Latin America

Update on the latest developments

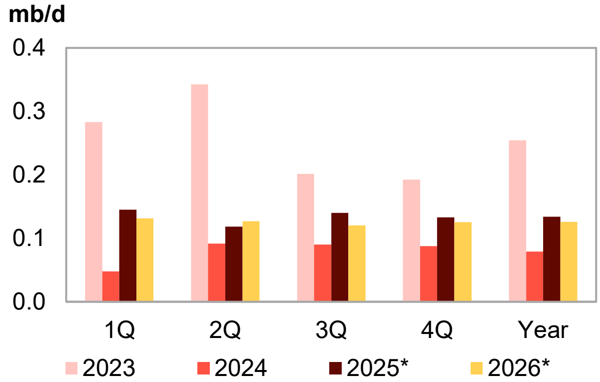
Oil demand in Latin America expanded by 183 tb/d, y-o-y, in March, slightly below the 207 tb/d y-o-y growth seen the previous month. The y-o-y oil demand increase in the region came from Brazil, Argentina, Ecuador, and Colombia, and more than offset minor declines in other countries of the region.

Graph 4 - 13: Latin America's oil demand by main petroleum product category, y-o-y change



Sources: JODI, OPEC and national sources.

Graph 4 - 14: Latin America's oil demand, y-o-y change



Note: * 2025-2026 = Forecast.
Source: OPEC.

In terms of specific products, transportation fuels led oil demand in March. Diesel, including transportation diesel, registered the largest demand increase for the third consecutive month with 99 tb/d y-o-y growth, up from the 69 tb/d y-o-y increase seen the previous month. Diesel was mostly supported by requirements from Brazil stemming from strong economic activity, particularly in agriculture, mining and industrial production. Gasoline demand saw an increase of 36 tb/d, down from the 57 tb/d y-o-y growth observed the previous month, and jet/kerosene demand expanded by 23 tb/d, y-o-y, slightly below the 27 tb/d y-o-y growth registered in February. The demand for the 'other products' category, which includes ethanol, expanded by 23 tb/d, y-o-y, down from the 42 tb/d y-o-y growth seen in February.

In terms of petrochemical feedstock, while LPG/NGLs demand increased by 11 tb/d, y-o-y, up from the 7 tb/d y-o-y growth seen in February, naphtha saw an uptick of 2 tb/d, y-o-y, slightly below the 5 tb/d y-o-y increase seen the previous month. Demand for residual fuel oil saw a contraction of 12 tb/d, y-o-y, down from being unchanged, y-o-y, in February.

Near-term expectations

Looking ahead, the economic activity in Brazil, the largest economy in the region, is projected to moderate gradually in 2025, following strong growth in the final quarter of 2024. Nevertheless, Brazil's economy is expected to maintain solid momentum supported by strong agricultural output, resilient consumer spending and public investment. Despite the expectations of some dampening effects of the recently introduced US tariffs in some countries of the region, it is currently expected that the impact will be negligible or even positive, as Brazil may benefit competitively from the current dynamics. Furthermore, the agricultural sector is projected to remain strong on the back of the summer harvesting season, boosting diesel demand. Moreover, the ongoing tensions between the US and China could drive greater Chinese demand for Brazilian agricultural and mineral exports. Furthermore, Argentina's economy is gradually rebounding, which is expected to support oil demand in Latin America, driving it to grow by 140 tb/d, y-o-y, in 3Q25, to an average of 7.0 mb/d.

Overall, in 2025, oil demand in the region is expected to increase by 134 tb/d, y-o-y, to average 6.9 mb/d. Transportation fuels, including gasoline, jet/kerosene and diesel, are expected to drive demand growth, supported by an uptick in demand for LPG/NGLs and residual fuels. Gasoline is expected to gain additional support due to a shift in the ethanol-gasoline price ratio.

Monetary easing, along with fiscal reforms and a pickup in domestic consumption and investments, are expected in Brazil in 2026. Similarly, ongoing gradual improvements in Argentina's economy are expected to continue as well. Overall, the regional economy is projected to maintain strong momentum, building on expected robust performance in 2025. Healthy agricultural and manufacturing activity is expected to bolster oil demand in the region, which is forecast to grow by 126 mb/d, to average 7.0 mb/d. However, there is a downside risk associated with announced US tariffs, which are expected to have a dampening effect on some regional economies.

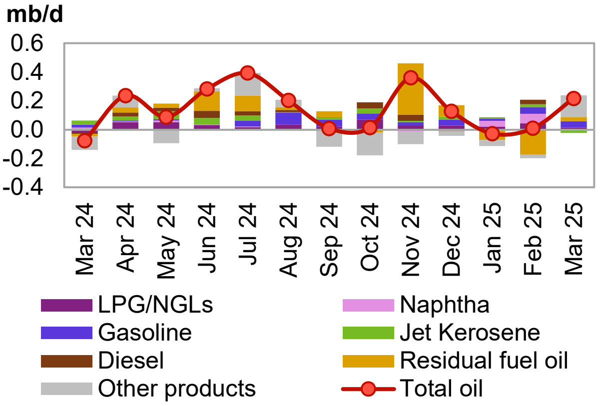
Middle East

Update on the latest developments

Oil demand in the Middle East in March surged by 218 tb/d, y-o-y, up from the 10 tb/d y-o-y growth observed in the previous month. Large y-o-y increases of 107 tb/d in Iraq and 106 tb/d in Saudi Arabia more than offset the 34 tb/d and 21 tb/d declines in Kuwait and the UAE, respectively.

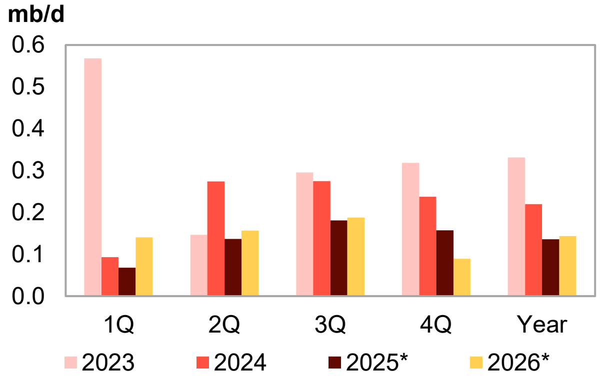
Demand for ´other products´ category (including direct crude burning) posted the largest increase of 152 tb/d, y-o-y, in March, up from the 25 tb/d y-o-y decline seen the previous month. ´Other products´ oil demand in the region was supported by requirements from the power sectors in Iraq and Saudi Arabia.

Graph 4 - 15: Middle East's oil demand by main petroleum product category, y-o-y change



Sources: JODI, OPEC and national sources.

Graph 4 - 16: Middle East's oil demand, y-o-y change



*Note: * 2025-2026 = Forecast.*
Source: OPEC.

In terms of petrochemical feedstock demand, LPG/NGLs expanded by 16 tb/d, y-o-y, down from the 45 tb/d y-o-y increase seen in the previous month, while naphtha demand was broadly flat, y-o-y. In terms of transportation fuels, demand for gasoline expanded by 38 tb/d, y-o-y, which was slightly below the 46 tb/d y-o-y growth observed in the previous month. Jet/kerosene demand softened by 22 tb/d, y-o-y, compared to the 21 tb/d y-o-y increase observed in February. Diesel demand saw a marginal uptick of 4 tb/d, y-o-y, below the 31 tb/d y-o-y increase observed in the previous month. Demand for residual fuel oil increased by 29 tb/d, y-o-y, up from the 174 tb/d y-o-y decline registered in February.

Near-term expectations

In the near term, the economic activity in the region is expected to remain strong, underpinned by the non-oil sector being one of the key drivers of regional GDP growth, reflecting ongoing diversification efforts. Moreover, the latest US tariffs are expected to have a limited impact on the region due to the exemptions made for oil and gas, as well as the region's limited exposure to US trading. Additionally, current robust travel and tourism is expected to continue, with gasoline, transportation diesel and jet kerosene projected to lead oil demand growth, which is forecast to reach 181 tb/d, y-o-y, in 3Q25.

In 2025, demand for major oil products, including petrochemical feedstock, LPG/NGLs and naphtha, is expected to remain robust with some new capacity additions, as many countries in the region are turning their attention to petrochemicals and taking advantage of higher margins. Furthermore, transportation fuels, including gasoline, diesel, jet/kerosene, are expected to be supported by heightened driving mobility and air travel. Diesel oil demand is projected to benefit from construction activities in Saudi Arabia. Residual fuel oil demand is also expected to be steady, with support from the power sectors of Saudi Arabia and Iraq. Overall, oil demand in the region is projected to increase by 136 tb/d, y-o-y, to average 9.0 mb/d in 2025. The bulk of demand growth is expected to come from Iraq, Saudi Arabia and the UAE.

In 2026, the ongoing contribution of non-oil activity to regional GDP is expected to continue, including through government infrastructure-related spending. These factors, combined with solid petrochemical industry requirements and healthy mobility, are forecast to support y-o-y oil demand growth of 143 tb/d. In terms of products, demand for LPG/NGLs is expected to drive oil product demand growth with an increase of 45 tb/d, y-o-y. Gasoline and diesel demand are expected to increase by around 60 tb/d and 30 tb/d, y-o-y, respectively. Jet/kerosene is forecast to increase by 20 tb/d, y-o-y, and naphtha is projected to see an uptick of 15 tb/d, y-o-y. However, the ´other products' category is forecast to remain weak due to the strong baseline effect. The demand for residual fuel oil is projected to see a marginal growth of 5 tb/d, y-o-y. Overall, oil demand in the Middle East is projected to average 9.1 mb/d in 2026.

World Oil Supply

Non-DoC liquids supply (i.e. liquids supply from countries not participating in the DoC) is expected to expand by about 0.8 mb/d in 2025 to average 54.0 mb/d. Growth is set to be driven by the US, Brazil, Canada and Argentina, with the main decline anticipated in Angola.

In 2026, non-DoC liquids supply is forecast to grow by 0.7 mb/d to average 54.7 mb/d. The main liquids supply growth drivers are also set to be the US, Brazil, Canada and Argentina.

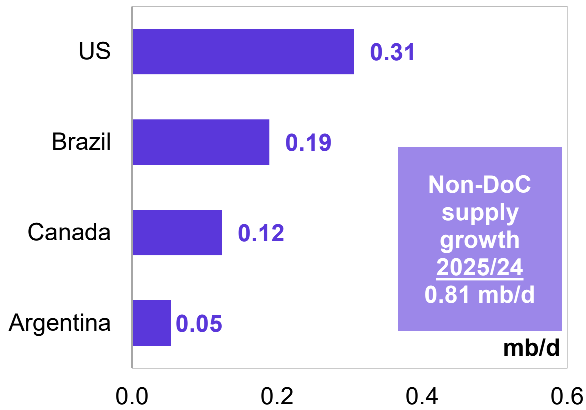
DoC NGLs and non-conventional liquids in 2025 are expected to expand by 0.1 mb/d to average 8.4 mb/d. In 2026, the DoC NGLs and non-conventional liquids are forecast to grow by about 130 tb/d to average 8.5 mb/d. OPEC NGLs and non-conventional liquids production are set to increase by 0.1 mb/d in 2025 to average 5.6 mb/d and by 150 tb/d in 2026, to average 5.8 mb/d.

DoC crude oil production in May increased by 180 tb/d, m-o-m, averaging 41.23 mb/d, as reported by available secondary sources.

Key drivers of growth and decline

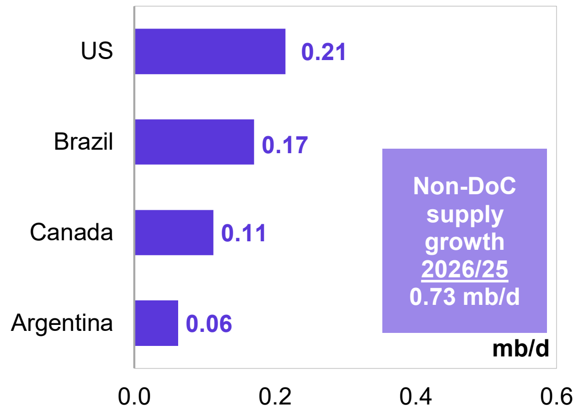
In 2025, non-DoC liquids supply growth is expected at about 0.8 mb/d. Overall, this is unchanged from last month's assessment. Annual growth is set to be driven mainly by the US, Brazil, Canada and Argentina.

Graph 5 - 1: Annual liquids production changes, y-o-y, for selected countries in 2025*



*Note: * 2025 = Forecast. Source: OPEC.*

Graph 5 - 2: Annual liquids production changes, y-o-y, for selected countries in 2026*



*Note: * 2026 = Forecast. Source: OPEC.*

Non-DoC liquids supply in 2026 is forecast to grow by 0.7 mb/d, which is revised down from last month's assessment. The main growth drivers are also expected to be the US, Brazil, Canada and Argentina.

Non-DoC liquids production in 2025 and 2026

Table 5 - 1: Non-DoC liquids production in 2025*, mb/d

Non-DoC liquids production	2024	1Q25	2Q25	3Q25	4Q25	2025	*Change 2025/24*
Americas	27.71	28.04	28.08	28.15	28.29	28.14	0.43
of which US	*21.76*	*21.84*	*22.15*	*22.15*	*22.14*	*22.07*	*0.31*
Europe	3.53	3.59	3.62	3.53	3.61	3.59	0.05
Asia Pacific	0.44	0.40	0.43	0.43	0.43	0.42	-0.01
Total OECD	**31.68**	**32.04**	**32.12**	**32.11**	**32.34**	**32.15**	**0.47**
China	4.56	4.69	4.61	4.52	4.53	4.59	0.02
India	0.80	0.83	0.82	0.82	0.80	0.82	0.02
Other Asia	1.61	1.62	1.61	1.56	1.57	1.59	-0.02
Latin America	7.22	7.42	7.47	7.49	7.64	7.50	0.28
Middle East	1.99	2.01	2.02	2.00	1.99	2.00	0.01
Africa	2.33	2.32	2.31	2.33	2.32	2.32	-0.01
Other Eurasia	0.37	0.36	0.36	0.37	0.37	0.36	0.00
Other Europe	0.10	0.09	0.10	0.10	0.10	0.10	0.00
Total Non-OECD	**19.00**	**19.34**	**19.29**	**19.18**	**19.32**	**19.28**	**0.29**
Total Non-DoC production	50.68	51.38	51.41	51.29	51.66	51.44	0.76
Processing gains	2.52	2.57	2.57	2.57	2.57	2.57	0.05
Total Non-DoC liquids production	**53.20**	**53.95**	**53.98**	**53.86**	**54.23**	**54.01**	**0.81**
Previous estimate	53.20	53.80	53.93	53.95	54.32	54.00	0.81
Revision	0.00	0.15	0.05	-0.09	-0.09	0.00	0.00

*Note: * 2025 = Forecast. Totals may not add up due to independent rounding.*

Source: OPEC.

Table 5 - 2: Non-DoC liquids production in 2026*, mb/d

Non-DoC liquids production	2025	1Q26	2Q26	3Q26	4Q26	2026	*Change 2026/25*
Americas	28.14	28.23	28.24	28.54	28.86	28.47	0.33
of which US	*22.07*	*22.00*	*22.25*	*22.35*	*22.52*	*22.28*	*0.21*
Europe	3.59	3.61	3.50	3.48	3.58	3.54	-0.04
Asia Pacific	0.42	0.43	0.40	0.41	0.40	0.41	-0.01
Total OECD	**32.15**	**32.26**	**32.15**	**32.42**	**32.84**	**32.42**	**0.27**
China	4.59	4.64	4.63	4.54	4.53	4.59	0.00
India	0.82	0.83	0.82	0.82	0.83	0.82	0.00
Other Asia	1.59	1.59	1.57	1.55	1.56	1.57	-0.02
Latin America	7.50	7.83	7.87	7.93	8.05	7.92	0.42
Middle East	2.00	2.02	2.04	2.05	2.06	2.04	0.04
Africa	2.32	2.31	2.29	2.29	2.37	2.31	-0.01
Other Eurasia	0.36	0.36	0.37	0.37	0.37	0.37	0.00
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00
Total Non-OECD	**19.28**	**19.68**	**19.68**	**19.66**	**19.85**	**19.72**	**0.43**
Total Non-DoC production	51.44	51.94	51.83	52.08	52.69	52.14	0.70
Processing gains	2.57	2.60	2.60	2.60	2.60	2.60	0.03
Total Non-DoC liquids production	**54.01**	**54.54**	**54.43**	**54.68**	**55.29**	**54.74**	**0.73**
Previous estimate	54.00	54.66	54.48	54.75	55.33	54.81	0.80
Revision	0.00	-0.12	-0.05	-0.07	-0.04	-0.07	-0.07

*Note: * 2025 and 2026 = Forecast. Totals may not add up due to independent rounding.*

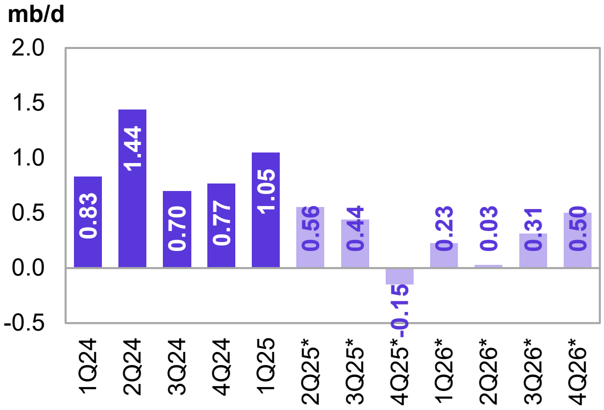
Source: OPEC.

OECD

For 2025, OECD liquids production (excluding DoC participating country Mexico) is expected to expand by about 0.5 mb/d to average 32.2 mb/d. OECD Americas leads the growth, with an expected rise of 0.4 mb/d to average 28.1 mb/d. Yearly OECD Europe liquids production is anticipated to grow by 0.1 mb/d to average 3.6 mb/d, while OECD Asia Pacific is set to drop by a minor 12 tb/d to average 0.4 mb/d.

In 2026, OECD liquids production is set to expand by 0.3 mb/d to average 32.4 mb/d. OECD Americas is forecast to be the primary growth driver, with an increase of 0.3 mb/d to average 28.5 mb/d. Yearly liquids production in OECD Europe is expected to drop by about 44 tb/d to average 3.5 mb/d, while OECD Asia Pacific is anticipated to fall by about 14 tb/d, y-o-y, to average 0.4 mb/d.

Graph 5 - 3: OECD quarterly liquids supply, y-o-y changes



*Note: * 2Q25-4Q26 = Forecast. Source: OPEC.*

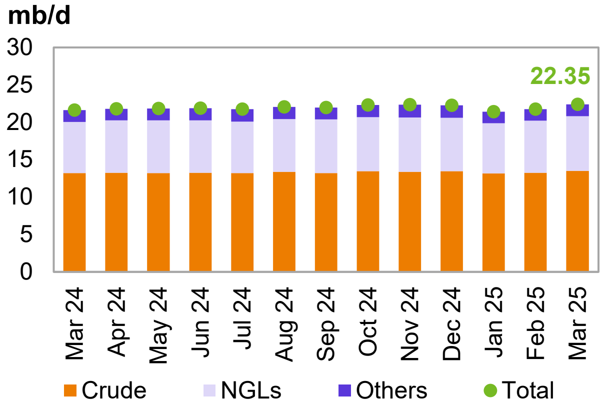
US

US liquids production in March rose by 0.6 mb/d, m-o-m, to average 22.4 mb/d. This was 0.7 mb/d higher than in March 2024.

Crude oil and condensate production rose m-o-m by 0.2 mb/d to an all-time high of 13.5 mb/d in March and up by about 0.3 mb/d, y-o-y.

In terms of the crude and condensate production breakdown by region (PADDs), production increased on the US Gulf Coast (USGC) (PADD 3) by 181 tb/d to average 9.9 mb/d. Output in the Midwest (PADD 2) and Rocky Mountain (PADD 4) regions rose by 59 tb/d and 12 tb/d, m-o-m, respectively. Production on the East and West Coasts (PADD 1 and 5) remained largely unchanged, m-o-m.

Graph 5 - 4: US monthly liquids output by key component



Sources: EIA and OPEC.

The m-o-m production increase in the main producing regions can primarily be attributed to higher output from wells in New Mexico, Texas and North Dakota, as well as from offshore platforms in the Gulf of Mexico (GoM). However, these gains were marginally offset by losses in Alaska.

NGLs production jumped by 0.4 mb/d, m-o-m, to average 7.3 mb/d in March. This was 0.5 mb/d higher, y-o-y. According to the US Department of Energy (DoE), the production of non-conventional liquids (mainly ethanol) remained largely unchanged, m-o-m, at an average of 1.5 mb/d. Preliminary estimates show non-conventional liquids averaged about 1.5 mb/d in April, down by about 20 tb/d, m-o-m.

GoM production increased by 29 tb/d, m-o-m, to average 1.8 mb/d in March, with the region witnessing a partial recovery from previous low levels. In the coming months, output is expected to be supported by project ramp-ups and several new projects, including the Ballymore field that began production in April. In the onshore Lower 48, crude and condensate production increased by 0.2 mb/d, m-o-m, to average 11.3 mb/d in March.

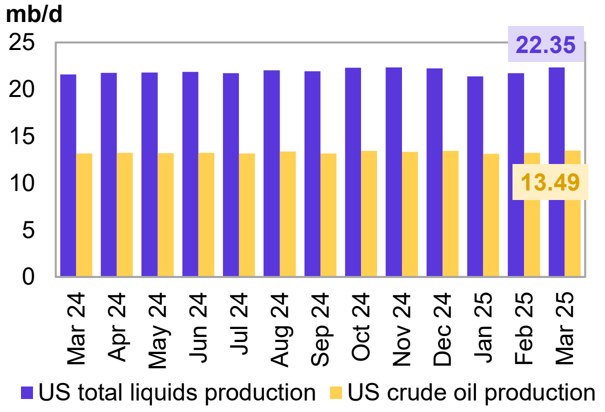
Table 5 - 3: US crude oil production by selected state and region, tb/d

State	Mar 24	Feb 25	Mar 25	Change m-o-m	y-o-y
Texas	5,583	5,661	5,711	50	128
New Mexico	2,013	2,157	2,257	100	244
Gulf of Mexico (GoM)	1,815	1,764	1,793	29	-22
North Dakota	1,215	1,132	1,162	30	-53
Colorado	475	468	471	3	-4
Alaska	433	438	433	-5	0
Oklahoma	400	382	399	17	-1
Total	**13,171**	**13,240**	**13,488**	**248**	**317**

Sources: EIA and OPEC.

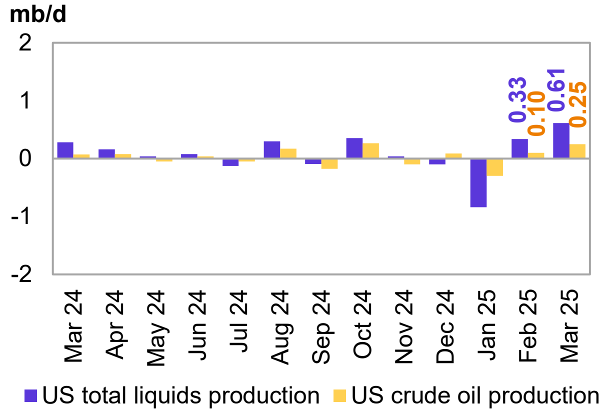
From the perspective of individual states, New Mexico's oil production rose by 100 tb/d, m-o-m, to average 2.3 mb/d, which is 244 tb/d higher than a year ago. Production in Texas was up by 50 tb/d, m-o-m, to average 5.7 mb/d, which is 128 tb/d higher than a year ago. In the Midwest, North Dakota's production increased by 30 tb/d, m-o-m, to average 1.2 mb/d, albeit down by 53 tb/d, y-o-y. Oklahoma's production rose by 17 tb/d, m-o-m, to average 0.4 mb/d. Production in Colorado increased by 3 tb/d, m-o-m, while output in Alaska fell by a minor 5 tb/d, m-o-m.

Graph 5 - 5: US monthly crude oil and total liquids supply



Sources: EIA and OPEC.

Graph 5 - 6: US monthly crude oil and total liquids supply, m-o-m changes



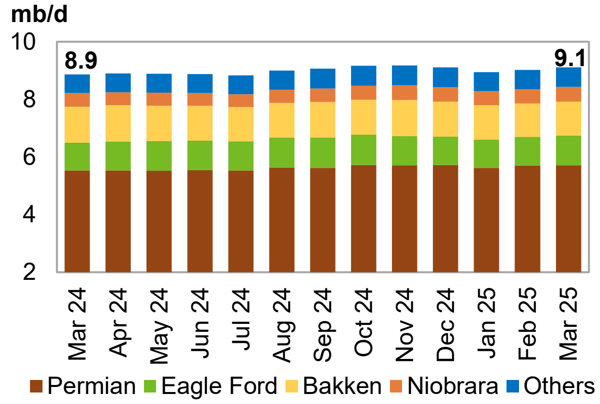
Sources: EIA and OPEC.

US tight crude output in March is estimated to have increased by 90 tb/d, m-o-m, to average 9.1 mb/d, according to the latest US Energy Information Administration (EIA) estimates. This was 252 tb/d higher than in the same month last year.

The m-o-m production from shale and tight formations using horizontal wells from the Permian in Texas and New Mexico rose by 18 tb/d to average 5.7 mb/d. Y-o-y, this was up by 181 tb/d.

In the Williston Basin, Bakken shale oil output rose by 21 tb/d, m-o-m, to average 1.2 mb/d. However, this was down by about 68 tb/d, y-o-y. Tight crude production at Eagle Ford in Texas rose by 25 tb/d to average 1.0 mb/d. This was up by 63 tb/d, y-o-y. Production at Niobrara-Codell in Colorado and Wyoming was higher by 15 tb/d, m-o-m, to about 509 tb/d.

Graph 5 - 7: US tight crude output breakdown

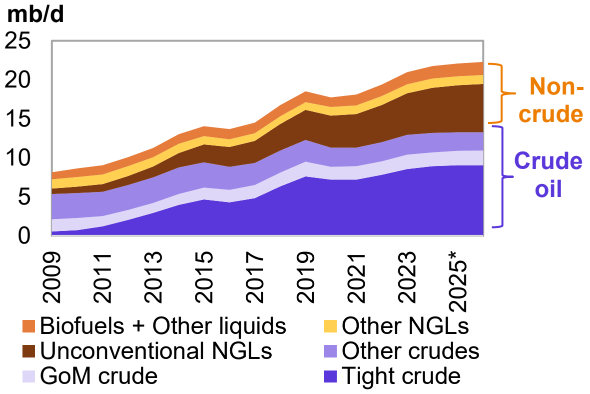


Sources: EIA and OPEC.

In 2025, US liquids production, excluding processing gains, is expected to expand by about 0.3 mb/d, y-o-y, to average 22.1 mb/d. This anticipates a continuous improvement in well productivity and operational efficiency across the major shale basins.

Crude oil and condensate output is set to jump by 0.1 mb/d, y-o-y, to average 13.3 mb/d. At the same time, NGLs production is projected to increase by 0.2 mb/d, y-o-y, to average 7.2 mb/d and non-conventional liquids, in particular ethanol, are set to increase by about 20 tb/d, y-o-y, to average 1.6 mb/d. Tight crude output in 2025 is forecast to average 9.1 mb/d, up by 0.1 mb/d, y-o-y.

Graph 5 - 8: US liquids supply developments by component



*Note: * 2025-2026 = Forecast.*
Source: OPEC.

In 2026, US liquids production, excluding processing gains, is expected to grow by around 0.2 mb/d, y-o-y, to average 22.3 mb/d. Crude oil and condensate output is set to drop by about 20 tb/d, y-o-y, to average 13.3 mb/d. At the same time, NGLs production is projected to increase by 0.2 mb/d to average 7.3 mb/d and non-conventional liquids are set to increase by about 50 tb/d, y-o-y, to average 1.7 mb/d. Average tight crude output in 2026 is set to remain at 9.1 mb/d, which is unchanged, y-o-y. The 2026 forecast assumes sustained capital discipline, further drilling and completion efficiency gains, weaker momentum in drilling activities and increased associated gas production in key shale oil regions.

Table 5 - 4: US liquids production breakdown, mb/d

US liquids	2024	Change 2024/23	2025*	Change 2025/24	2026*	Change 2026/25
Tight crude	8.92	0.36	9.05	0.14	9.05	0.00
GoM crude	1.77	-0.10	1.86	0.09	1.90	0.04
Conventional crude oil	2.53	0.02	2.38	-0.15	2.32	-0.06
Total crude	**13.21**	**0.27**	**13.28**	**0.08**	**13.27**	**-0.02**
Unconventional NGLs	5.78	0.41	6.01	0.23	6.21	0.20
Conventional NGLs	1.16	0.03	1.14	-0.02	1.12	-0.02
Total NGLs	**6.94**	**0.44**	**7.16**	**0.21**	**7.34**	**0.18**
Biofuels + Other liquids	1.61	0.07	1.63	0.02	1.68	0.05
US total supply	**21.76**	**0.79**	**22.07**	**0.31**	**22.28**	**0.21**

*Note: * 2025-2026 = Forecast.*

Sources: EIA, OPEC and Rystad Energy.

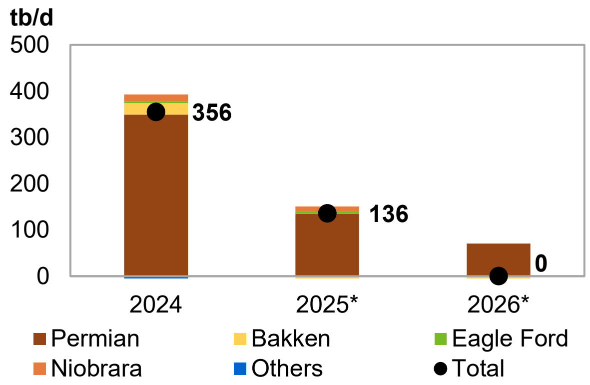
US tight crude production in the Permian Basin during 2025 is expected to increase by 0.1 mb/d, y-o-y, to average 5.7 mb/d. In 2026, it is forecast to grow by just 70 tb/d, y-o-y, to average 5.8 mb/d.

In North Dakota, Bakken shale production is expected to see only a decline of 10 tb/d, remaining at around 1.2 mb/d in 2025. However, this is still below its pre-pandemic average of 1.4 mb/d. An anticipated drop of approximately 30 tb/d in 2026 is an indication that the basin may be transitioning into a mature phase.

Output in the Eagle Ford Basin in Texas is estimated to have averaged 1.0 mb/d in 2024. In 2025, modest growth of just 5 tb/d is expected, while production is forecast to drop by 10 tb/d in 2026.

In the Niobrara region, production in 2024 is estimated to have increased by 16 tb/d, y-o-y, reaching an average of 465 tb/d. With expected growth of 11 tb/d in 2025 and a marginal drop in 2026, output is projected to remain around 0.5 mb/d.

Graph 5 - 9: US tight crude output by shale play, y-o-y changes



*Note: * 2025-2026 = Forecast.*
Sources: EIA and OPEC.

In the other tight oil plays, production is estimated to have dropped by 37 tb/d in 2024. Due to a lower rate of drilling and completion activities, output is expected to drop by 5 tb/d and 25 tb/d in 2025 and 2026, respectively.

Table 5 - 5: US tight oil production growth, mb/d

US tight oil	2024	Change 2024/23	2025*	Change 2025/24	2026*	Change 2026/25
Permian tight	5.57	0.35	5.70	0.13	5.77	0.07
Bakken shale	1.22	0.03	1.21	-0.01	1.18	-0.03
Eagle Ford shale	1.00	0.00	1.01	0.01	1.00	-0.01
Niobrara shale	0.47	0.02	0.48	0.01	0.47	-0.01
Other tight plays	0.66	-0.04	0.66	-0.01	0.63	-0.03
Total	**8.92**	**0.36**	**9.05**	**0.14**	**9.05**	**0.00**

*Note: * 2025-2026 = Forecast.*

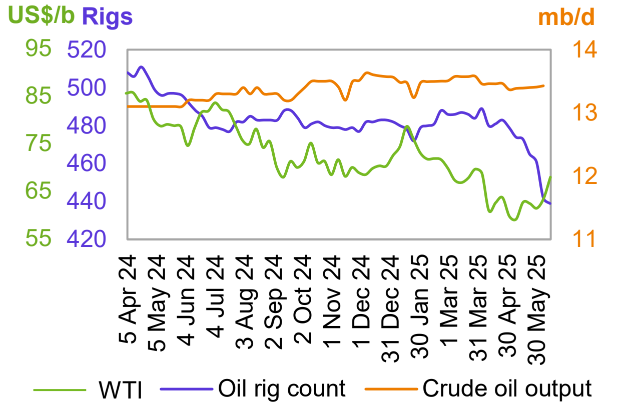
Source: OPEC.

US rig count, spudded, completed, DUC wells and fracking activity

The total number of active US oil and gas drilling rigs in the week ending 13 June 2025 dropped by four, w-o-w, to 555, according to Baker Hughes. This is 35 fewer rigs than a year ago. The number of active offshore rigs fell by three, w-o-w, to 10. This is 11 less than in the same month a year earlier. The number of onshore oil and gas rigs fell by one, w-o-w, to 543, with two rigs in inland waters. This is down by 26 rigs, y-o-y.

The US horizontal rig count fell by three, w-o-w, to 502, compared with 527 horizontal rigs a year ago. The number of drilling rigs for oil dropped by three, w-o-w, to 439, while the number of gas drilling rigs fell by one, w-o-w, to 113.

Graph 5 - 10: US weekly rig count vs. US crude oil output and WTI price



Sources: Baker Hughes, EIA and OPEC.

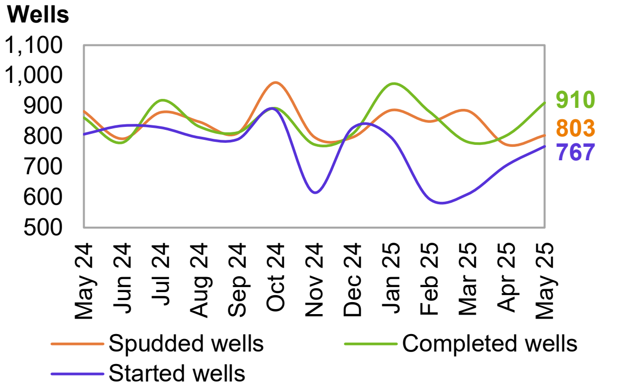
The Permian's rig count fell by two, w-o-w, to 273. The rig count in the Williston, Eagle Ford, Cana Woodford and DJ-Niobrara Basins remained unchanged, w-o-w, at 31, 40, 20 and five, respectively.

Per preliminary data, drilling and completion activities for oil-producing wells in all US shale plays include 773 horizontal wells spudded in April. This is down by 111, m-o-m, and is about 10% lower than in April last year.

Preliminary April data indicates a higher number of completed wells, m-o-m, at 802, although this is down by about 6%, y-o-y. The number of started wells is estimated at 704, which is about 20% lower than a year earlier.

Preliminary data for May sees 803 spudded, 910 completed, and 767 started wells, according to Rystad Energy data.

Graph 5 - 11: Spudded, completed and started wells in US shale plays

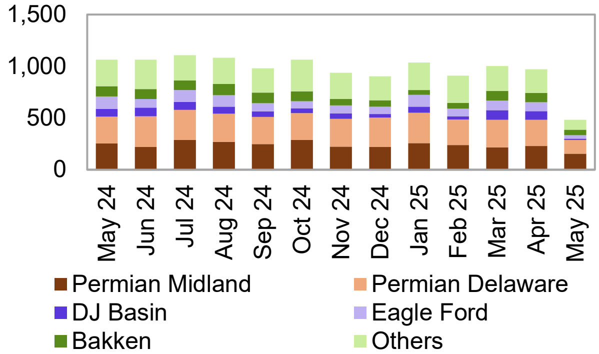


Note: Apr 25-May 25 = Preliminary data.
Sources: Rystad Energy and OPEC.

In terms of identifying US oil and gas fracking operations, Rystad Energy reported that 1,001 wells began fracking in March. In April and May, it stated that 969 and 480 wells had begun fracking, respectively, according to preliminary numbers based on an analysis of high-frequency satellite data.

In regional terms, preliminary April 2025 data for the Permian Midland and Permian Delaware regions show that 227 and 255 wells started fracking, respectively. There was a gain of 11 wells in the Midland region and a loss of 11 in Delaware, compared with March. Data also indicates that 83 wells began fracking in the DJ Basin, 87 in the Eagle Ford and 90 in the Bakken during April.

Graph 5 - 12: Started fracs per month by region



Note: Apr 25-May 25 = Preliminary data.
Sources: Rystad Energy Shale Well Cube and OPEC.

Canada

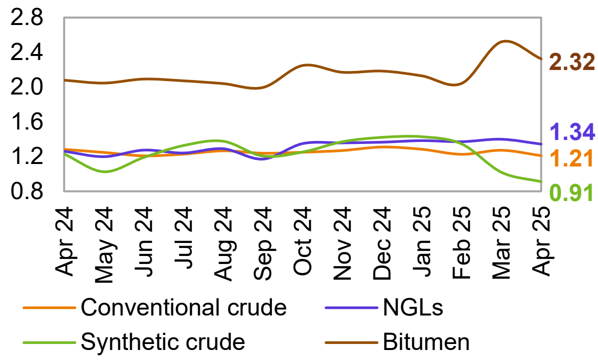
Canada's April liquids production is estimated to have dropped by 0.4 mb/d, m-o-m, to an average of 5.8 mb/d. This is mainly due to maintenance activities in several oil sand projects.

Conventional crude production fell in April by 60 tb/d, m-o-m, to average 1.2 mb/d. NGLs output was down by 56 tb/d, m-o-m, to average 1.3 mb/d.

Crude bitumen production output fell by 195 tb/d in April, m-o-m, while synthetic crude production decreased by 109 tb/d. Taken together, crude bitumen and synthetic crude production averaged 3.2 mb/d in April.

Liquids production estimation in 1Q25 is slightly revised down compared with the previous assessment to an average of around 6.2 mb/d. Furthermore, the outbreak of wildfires in Alberta have prompted some oil and gas producers to cut production in recent weeks.

Graph 5 - 13: Canada's monthly liquids production development by type

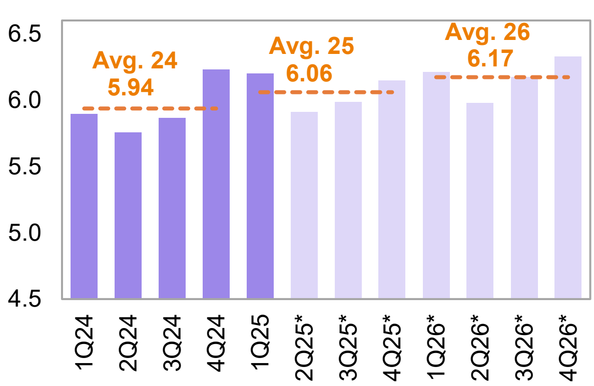


Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

In 2025, Canada's liquids production is forecast to grow by 0.1 mb/d to average 6.1 mb/d. Additional production is expected to come from expanding oil sands projects, optimisation, as well as additional well pads coming online at several facilities. Sources of further production are primarily expected from the Athabasca, Kearl, Horizon, Christina Lake, Suncor and Foster Creek oil sands projects. The main 2025 start-ups are expected to be Syncrude Mildred Lake/Aurora, Narrows Lake, Cold Lake Oil Sands, Mannville Heavy Oil and the Montney Play.

In 2026, Canada's liquids production is forecast to grow by 0.1 mb/d to average 6.2 mb/d. Oil sands production is anticipated to be largely driven by brownfield growth from various projects, with a focus on asset expansion and the broader use of new drilling technologies.

Graph 5 - 14: Canada's quarterly liquids production and forecast



*Note: * 2Q25-4Q26 = Forecast. Source: OPEC.*

Principal production sources are expected from the Montney play, Athabasca, Syncrude Mildred Lake, Kearl, Horizon, Christina Lake, Suncor, Foster Creek, Firebag and Fort Hills projects. The main start-ups in 2026 are expected to be Leismer, Foster Creek, White Rose Extension, Horizon Oil Sands Project, Christina Lake Regional Project, Meota SAGD, Lindbergh (Strathcona) and Reford SAGD projects.

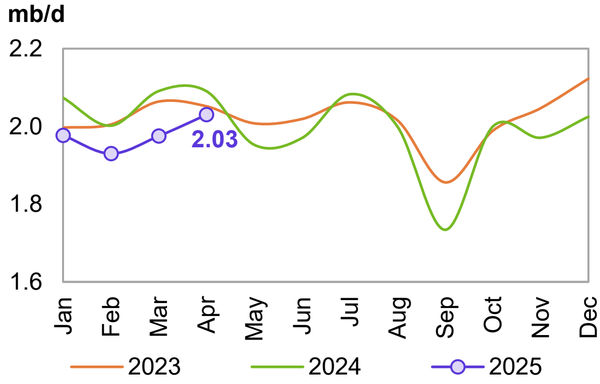
Norway

Norwegian liquids production in April rose by 55 tb/d, m-o-m, to average 2.0 mb/d. Norway's crude production increased by 71 tb/d, m-o-m, to average 1.8 mb/d. This was lower by around 11 tb/d, y-o-y. Monthly oil production was 3.5% higher than the Norwegian Offshore Directorate's (NOD) forecast.

NGLs and condensate production dropped by 16 tb/d, m-o-m, to average 0.2 mb/d in April, according to NOD data.

In 2025, Norwegian liquids production is forecast to grow by 40 tb/d to average 2.0 mb/d. This is unchanged from the previous assessment.

Graph 5 - 15: Norway's monthly liquids production development



Sources: The Norwegian Offshore Directorate (NOD) and OPEC.

Several small-to-large-scale projects are scheduled to ramp up this year, including Kristin, Eldfisk and Balder/Ringhorne. At the same time, start-ups are expected at the Balder/Ringhome, Norne floating, production, storage and offloading (FPSO) platform, Maria and Kvitebjorn oil field projects. The Johan Castberg oil field in the Barents Sea, which started production in March, is set to be the main driver of crude oil production growth this year. Additionally, according to Norway's Var Energi, the refurbished FPSO vessel for the Balder X project is now in place and expected to start production in 2Q25.

Norwegian liquids production is forecast to drop by about 40 tb/d to average 2.0 mb/d in 2026. Some projects at different scales are scheduled to ramp up across the year, such as Johan Castberg, Edvard Grieg, Balder/Ringhorne, Heidrun, Grane, Valhall and Ivar Aasen. Simultaneously, start-ups are expected to have limited assets, such as the Symra and Edvard Grieg oil field projects.

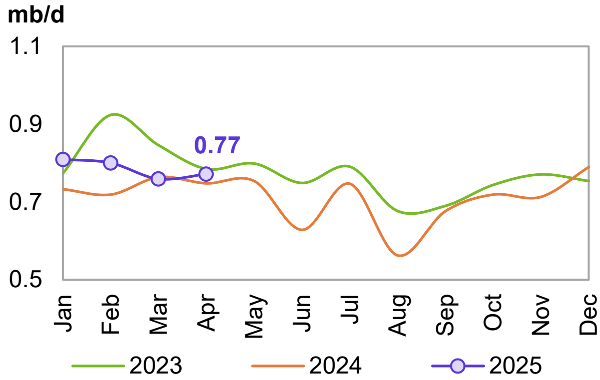
UK

In April, UK liquids production rose by 13 tb/d, m-o-m, to average 0.8 mb/d. Crude oil output increased by 24 tb/d, m-o-m, to average 0.6 mb/d. This was higher by about 30 tb/d, y-o-y, according to official data. NGLs output fell by 11 tb/d, m-o-m, to average 63 tb/d.

In 2025, UK liquids production is forecast to rise by about 10 tb/d to average 0.7 mb/d. Production ramp-ups are expected at the Clair sites, Penguins, Buzzard, ETAP, Magnus and Schiehallion projects. Elsewhere, project start-ups are anticipated at the Victory, Janice and Murlach (Skua redevelopment) assets. However, the additional volumes are expected to be largely offset by declining rates from the UK's ageing reservoirs over the year.

Furthermore, repairs on the Triton FPSO, which was offline due to technical issues, have now been completed, with an expected production restart by the end of June.

Graph 5 - 16: UK monthly liquids production development

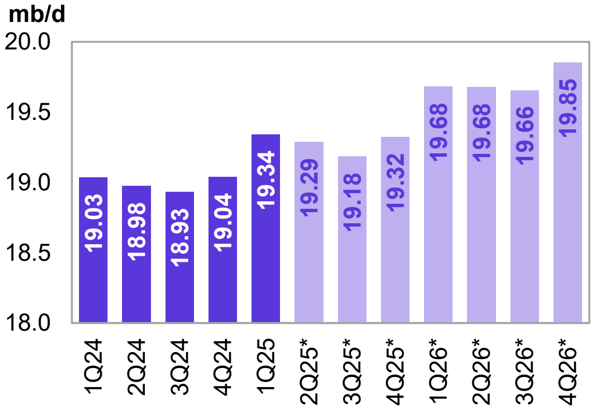


Sources: UK Department for Business, Energy and Industrial Strategy and OPEC.

In 2026, UK liquids production is forecast to drop by about 10 tb/d, y-o-y, to average 0.7 mb/d. Minor production ramp-ups are forecast at the Clair and Kraken sites. However, natural decline rates in mature oil fields are again expected to counterbalance any additional production volumes.

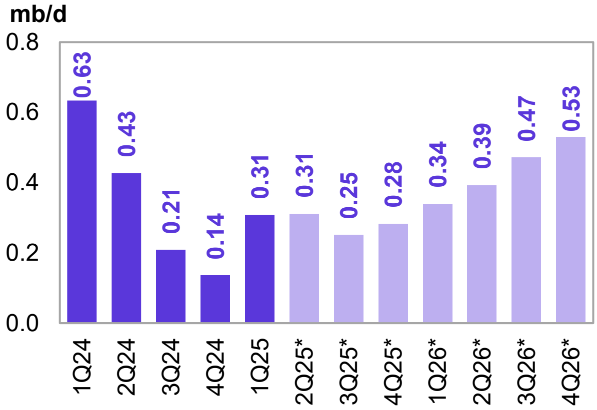
Non-OECD

Graph 5 - 17: Non-OECD quarterly liquids production and forecast



*Note: * 2Q25-4Q26 = Forecast. Source: OPEC.*

Graph 5 - 18: Non-OECD quarterly liquids supply, y-o-y changes



*Note: * 2Q25-4Q26 = Forecast. Source: OPEC.*

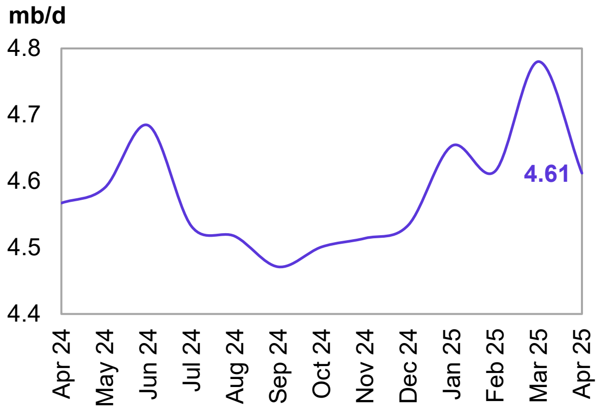
China

China's liquids production fell by 168 tb/d, m-o-m, to average 4.6 mb/d in April. According to official data, this is up by 45 tb/d, y-o-y. April crude oil output averaged 4.3 mb/d, down by 167 tb/d from March. This was higher by 63 tb/d, y-o-y.

NGLs production remained largely unchanged, m-o-m, at an average of 26 tb/d. This was consistent with the same month last year.

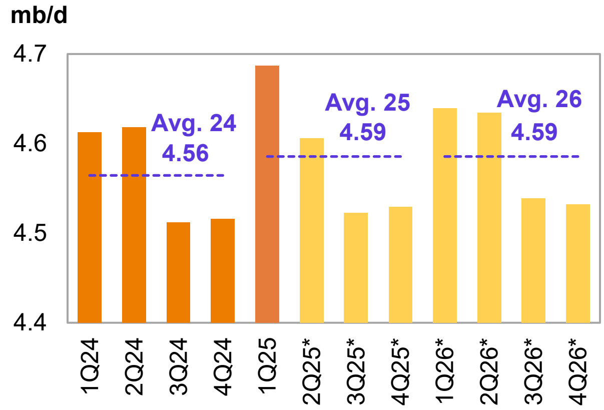
In 2025, Chinese liquids production is expected to increase by around 20 tb/d, y-o-y, to average 4.6 mb/d. The offshore sector is anticipated to drive supply growth given significant recent exploration investments in Bohai Bay, northern China, as well as the South China Sea. Additional infill wells and enhanced oil recovery (EOR) projects are expected to mostly offset decline rates at mature fields. For this year, oil and gas condensate projects such as Songliaho, Peng Lai 19-9, Kenli 10-2, Shengli, Liaodong Bay West, Tianjin – operated by CNOOC, PetroChina and Sinopec – are expected to come on stream. In addition, key ramp-ups are planned for Shengli, Xibei, Jilin, Peng Lai 19-3 and Tarim.

Graph 5 - 19: China's monthly liquids production development



Sources: CNPC and OPEC.

Graph 5 - 20: China's quarterly liquids production and forecast



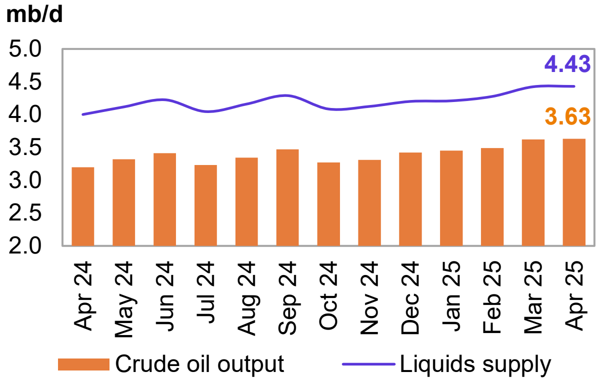
*Note: * 2Q25-4Q26 = Forecast. Sources: CNPC and OPEC.*

In 2026, Chinese liquids production is expected to remain unchanged, y-o-y, to average 4.6 mb/d. Several oil and gas condensate projects are set to come on stream, namely Jinzhou 25-1 and 25-3 in Tianjin, Weizhou 11-4 and 11-12 in Zhanjiang, Jinxian JX1-1 in Tianjin, Wenchang 16-2 in Zhanjiang, Liaohe and Jianghan. Most of these are operated by CNOOC, Sinopec or PetroChina. At the same time, key ramp-ups are expected from the Daqing, Shengli, Xinjiang and Dagang projects.

Brazil

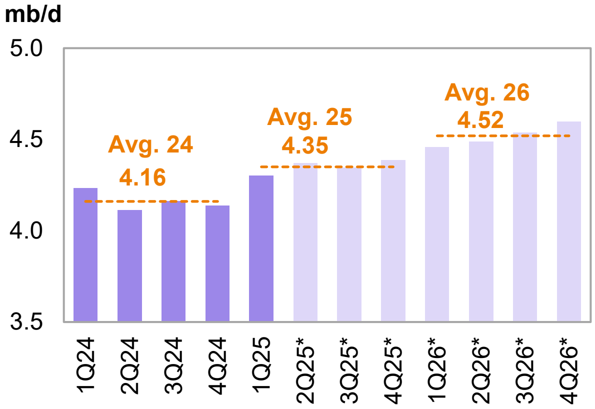
Brazil's crude output in April increased by just 9 tb/d, m-o-m, to average 3.6 mb/d, driven by strong production in the Buzios and Mero fields. NGLs production remained largely unchanged at an average of around 71 tb/d, and this is expected to remain flat in May. Biofuel output (mainly ethanol) is estimated to have been largely unchanged, m-o-m, at an average of 0.7 mb/d, with preliminary May data showing a stable trend. The country's total liquids production rose by a minor 6 tb/d in April to average 4.4 mb/d, which is higher by 0.4 mb/d, y-o-y.

Graph 5 - 21: Brazil's monthly liquids production development by type



Sources: Brazilian National Agency of Petroleum, Natural Gas and Biofuels (ANP) and OPEC.

Graph 5 - 22: Brazil's quarterly liquids production



*Note: * 2Q25-4Q26 = Forecast. Sources: ANP and OPEC.*

In 2025, Brazil's liquids supply, including biofuels, is forecast to increase by 0.2 mb/d, y-o-y, to average 4.4 mb/d. Crude oil output is expected to expand through production ramp-ups at the Buzios (Franco), Mero (Libra NW), Tupi (Lula), Marlim, Peregrino, Atlanta and Parque das Baleias fields. Oil project start-ups are expected at the Buzios, Bacalhau (x-Carcara), Mero (Libra NW), Wahoo and Lapa (Carioca) fields. Nevertheless, operational issues and unplanned disruptions could potentially delay output. It should be noted that the Mero-4 FPSO – Alexandre de Gusmão – started producing oil in Brazil's pre-salt Santos Basin on May 24. This is over two months ahead of its schedule based on Petrobras' business plan.

In 2026, Brazil's liquids supply, including biofuels, is forecast to increase by 0.2 mb/d, y-o-y, to average 4.5 mb/d. Upstream liquids output is expected to increase through production ramp-ups at the Buzios (Franco), Mero (Libra NW), Marlim and Bacalhau (x-Carcara) projects. Oil project start-ups are expected at the Buzios, Albacora Leste and Pampo-Enchova Clusters. However, increasing costs associated with offshore projects, coupled with inflation, have the potential to hinder timely execution.

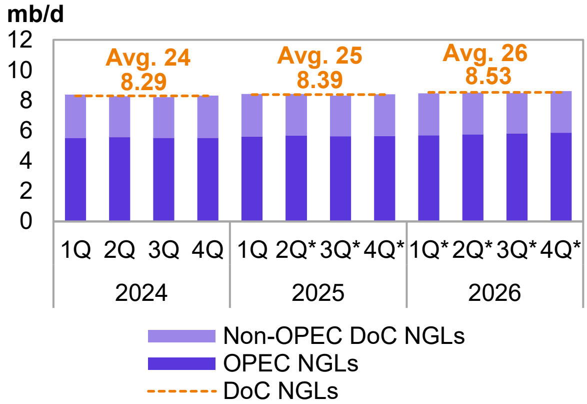
DoC NGLs and non-conventional liquids

DoC NGLs and non-conventional liquids are expected to expand by 0.1 mb/d in 2025 to average 8.4 mb/d.

Preliminary data show that NGLs and non-conventional liquids output in 1Q25 averaged 8.4 mb/d. According to preliminary April data, OPEC Member Countries and non-OPEC DoC countries are estimated to have produced 5.7 mb/d and 2.8 mb/d, respectively, of NGLs and non-conventional liquids.

The 2026 forecast points toward a combined increase of about 130 tb/d for an average of 8.5 mb/d. For OPEC Member Countries, NGLs and non-conventional liquids production is projected to expand by 150 tb/d to average 5.8 mb/d. However, a drop of about 20 tb/d is forecast for non-OPEC DoC countries, to an average of 2.7 mb/d.

Graph 5 - 23: DoC NGLs and non-conventional liquids quarterly production and forecast



*Note: * 2Q25-4Q26 = Forecast. Source: OPEC.*

Table 5 - 6: DoC NGLs + non-conventional liquids, mb/d

DoC NGLs and non-coventional liquids	2024	Change 24/23	2025	Change 25/24	1Q26	2Q26	3Q26	4Q26	2026	Change 26/25
OPEC	5.53	0.06	5.64	0.11	5.70	5.77	5.82	5.85	5.79	0.15
Non-OPEC DoC	2.77	0.03	2.76	-0.01	2.77	2.75	2.67	2.77	2.74	-0.02
Total	8.29	0.09	8.39	0.10	8.48	8.51	8.49	8.62	8.53	0.13

Note: 2025-2026 = Forecast.

Source: OPEC.

DoC crude oil production

Total DoC crude oil production averaged 41.23 mb/d in May 2025, which is 180 tb/d higher, m-o-m.

Table 5 - 7: DoC crude oil production based on *secondary sources*, tb/d

Secondary sources	2023	2024	3Q24	4Q24	1Q25	Mar 25	Apr 25	May 25	Change May/Apr
Algeria	969	905	903	904	909	912	912	921	9
Congo	261	254	254	255	258	258	259	253	-6
Equatorial Guinea	57	57	58	59	59	58	55	62	7
Gabon	213	224	222	231	226	225	221	233	12
IR Iran	2,884	3,257	3,316	3,290	3,307	3,323	3,328	3,303	-25
Iraq	4,265	4,163	4,217	4,015	3,998	3,988	3,979	3,930	-50
Kuwait	2,595	2,429	2,433	2,422	2,415	2,422	2,418	2,424	6
Libya	1,153	1,092	904	1,183	1,285	1,272	1,265	1,302	36
Nigeria	1,337	1,425	1,427	1,485	1,518	1,483	1,522	1,544	22
Saudi Arabia	9,618	8,979	8,977	8,962	8,949	8,962	9,006	9,183	177
UAE	2,954	2,950	2,970	2,947	2,939	2,938	2,946	2,973	27
Venezuela	760	868	892	908	926	933	928	896	-32
Total OPEC	27,065	26,603	26,573	26,661	26,789	26,774	26,838	27,022	183
Azerbaijan	504	482	483	487	467	468	462	462	0
Bahrain	185	176	165	182	185	181	186	184	-2
Brunei	70	79	88	82	88	86	86	86	-1
Kazakhstan	1,598	1,534	1,554	1,413	1,752	1,864	1,824	1,803	-21
Malaysia	374	347	321	346	351	358	348	345	-3
Mexico	1,651	1,578	1,588	1,519	1,455	1,450	1,452	1,450	-2
Oman	819	766	765	761	755	753	759	761	2
Russia	9,596	9,193	9,058	9,015	8,972	8,970	8,981	8,984	3
Sudan	56	30	28	26	24	24	25	23	-2
South Sudan	146	72	55	55	71	79	89	111	22
Total Non-OPEC DoC	14,999	14,256	14,104	13,887	14,121	14,234	14,212	14,209	-3
Total DoC	42,064	40,859	40,678	40,548	40,910	41,007	41,050	41,230	180

Notes: Totals may not add up due to independent rounding, given available secondary sources to date.

Source: OPEC.

OPEC crude oil production

OPEC crude oil production for May, as reported by OPEC Member Countries, is shown in ***Table 5 - 8*** below.

Table 5 - 8: OPEC crude oil production based on *direct communication*, tb/d

Direct communication	2023	2024	3Q24	4Q24	1Q25	Mar 25	Apr 25	May 25	*Change May/Apr*
Algeria	973	907	909	908	909	909	912	920	*8*
Congo	271	260	264	265	260	263	270	268	*-2*
Equatorial Guinea	55	57	57	58	56	53	48	45	*-3*
Gabon	223	..	..	..	..	..	..	..	..
IR Iran	..	..	..	..	..	..	..	..	..
Iraq	4,118	3,862	3,897	3,731	3,667	3,637	3,664	3,605	*-59*
Kuwait	2,590	2,411	2,413	2,404	2,406	2,413	2,413	2,420	*7*
Libya	1,189	1,138	936	1,252	1,386	1,373	1,367	1,366	*-1*
Nigeria	1,187	1,344	1,344	1,435	1,468	1,401	1,486	1,453	*-33*
Saudi Arabia	9,606	8,955	8,970	8,935	8,941	8,958	9,005	9,184	*179*
UAE	2,944	2,916	2,933	2,884	2,906	2,903	2,911	2,930	*19*
Venezuela	783	921	933	982	1,035	1,048	1,051	1,066	*15*
Total OPEC	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**

Notes: .. Not available. Totals may not add up due to independent rounding.

Source: OPEC.

Product Markets and Refinery Operations

In May, refinery margins rose in all reported trading hubs along with a decline in feedstock prices and continued gasoline strength across regions. In the US Gulf Coast (USGC), the seasonal improvement in regular grade gasoline and fuel oil 3.0% sulphur supported US product markets, despite rising refinery runs weighing on the performance of all other products.

In Rotterdam, solid strength was seen across the barrel with gasoline, fuel oil and naphtha representing the main drivers of the monthly gain. Elevated gasoline exports, rising naphtha demand for gasoline blending, and tightening residual fuel availability underpinned European product crack spreads.

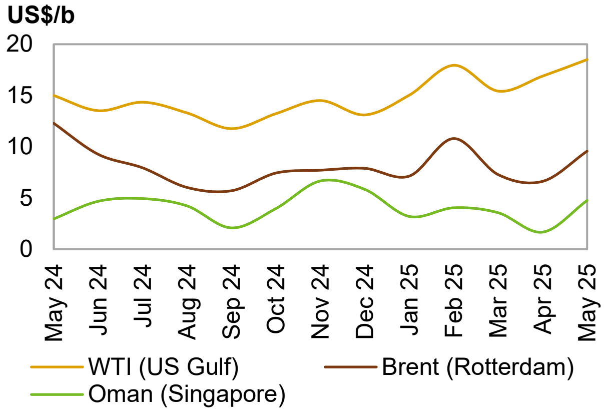
In Singapore, margins increased with solid gains seen for all key products across the barrel. Significant refinery maintenance led to a contraction in product availability within the region, which, coupled with lower feedstock prices, supported Asian refining economics.

Global refinery intake showed a rebound in May, increasing by nearly 400 tb/d, m-o-m. Global intake averaged 79.3 mb/d in May, which is 1.6 mb/d lower, y-o-y.

Refinery margins

USGC refining margins against WTI continued to trend upwards, rising for the second consecutive month and reaching a three-month high in May. Robust gasoline markets continued to lift margins on the back of improving demand, in line with seasonality. Regular gasoline represented the strongest positive contributor, backed by improving demand, despite a monthly decline in premium gasoline crack spreads. Additionally, fuel oil 3.0% sulphur further added to the upside as fuel oil demand for feedstock blending and for conversion units increased with the end of repair works. The gasoline upside came against the backdrop of rising product inventories, with supply-side driven weakness associated with all other US products. This pressure was completely overshadowed by the gasoline and residual fuel demand-side driven gains.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

According to preliminary data, refinery intake in the USGC added 500 tb/d to the previous month's increase, averaging 16.64 mb/d in May. USGC margins against WTI averaged $18.49/b in May, up by $1.61, m-o-m, and up $3.52, y-o-y.

Refinery margins in Rotterdam against Brent showed a strong recovery following the previous month's downturn, reaching a three-month high. Strong gasoline outflows to Canada and a modest rise in gasoline flows to the US contributed to the gains. Additionally, a contraction in fuel oil availability amid lower inflows from East of Suez and lower global supply further underpinned European product markets. Moreover, improvement in naphtha volume requirements for gasoline blending added to the upside in refining economics for the month of May.

An interruption in power supply led to power outages affecting refinery operations in Spain and Portugal in early May. This further contributed to the pressure on refinery product output, which was otherwise expected to show a larger upturn in line with seasonal patterns.

Refinery runs in May showed a modest rise, gaining 30 tb/d, m-o-m, and averaging 9.25 mb/d in EU-14 plus Norway and the UK. Refinery margins against Brent in Europe averaged $9.56/b in May, which was $2.95 higher, m-o-m, but $2.72 lower, y-o-y.

Singapore's refining margins against Oman rebounded sharply to show the largest m-o-m rise relative to the USGC and NWE, reaching a five-month high. This was a reflection of tighter product supplies resulting from intense refinery maintenance interventions in Asia despite the monthly rise in refinery runs. This provided relief to the product oversupply that the regions were experiencing during the previous months. The contraction in regional product balances and the decline in feedstock prices provided considerable support to all product crack spreads in Southeast Asia.

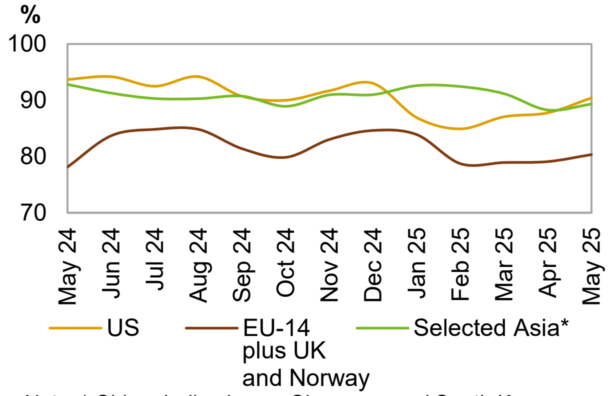
The combined May refinery intake for Japan, China, India, Singapore, and South Korea registered an increase of 310 tb/d, m-o-m, averaging 26.41 mb/d, according to preliminary data. Refinery margins against Oman in Singapore increased $3.08, m-o-m, to an average of $4.74/b, which was $1.79 higher, y-o-y.

Refinery operations

US refinery utilisation rates showed a 2.7 pp rise to an average of 90.41% in May, corresponding to a throughput of 16.64 mb/d. This represents a 500 tb/d rise relative to the level registered in the previous month. Compared with the previous year, the May refinery utilisation rate was 3.3 pp lower, with throughput showing a 529 tb/d decrease.

EU-14 plus the UK and Norway refinery utilisation averaged 80.32% in May, corresponding to a throughput of 9.25 mb/d. This represents a 1.2 pp, or 30 tb/d, rise, m-o-m. On a yearly basis, the utilisation rate was up by 2.2 pp, and throughput was 141 tb/d higher.

Graph 6 - 2: Refinery utilisation rates



*Note: * China, India, Japan, Singapore and South Korea.*
Sources: Argus, EIA, PAJ and OPEC.

In Selected Asia – Japan, China, India, Singapore, and South Korea – refinery utilisation rates increased to an average of 89.32% in May, corresponding to a throughput of 26.41 mb/d. Compared with the previous month, utilisation rates were up 1.1 pp, and throughput was higher by 310 tb/d. Relative to the previous year, utilisation rates were 3.5 pp lower, while throughput was 56 tb/d lower.

Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				Refinery utilization, %			
	Mar 25	Apr 25	May 25	Change May/Apr	Mar 25	Apr 25	May 25	Change May/Apr
US	**16.15**	**16.14**	**16.64**	**0.50**	**87.06**	**87.76**	**90.41**	**2.7 pp**
Euro-14, plus UK and Norway	**9.21**	**9.23**	**9.25**	**0.03**	**78.91**	**79.07**	**80.32**	**1.2 pp**
France	0.91	0.86	0.90	0.04	79.33	74.84	78.47	3.6 pp
Germany	1.73	1.81	1.84	0.03	84.38	88.25	89.57	1.3 pp
Italy	1.19	1.22	1.26	0.03	65.64	67.22	69.15	1.9 pp
UK	0.80	0.82	0.77	-0.05	68.11	70.00	75.16	5.2 pp
Selected Asia	**26.96**	**26.09**	**26.41**	**0.31**	**91.17**	**88.25**	**89.32**	**1.1 pp**
China	14.85	14.12	14.28	0.15	86.34	82.11	83.00	0.9 pp
India	5.64	5.32	5.44	0.12	111.51	105.21	107.51	2.3 pp
Japan	2.37	2.38	2.30	-0.08	76.25	76.58	74.12	-2.5 pp
South Korea	2.50	2.65	2.70	0.05	82.78	88.08	89.74	1.7 pp

Sources: Argus Media, EIA, NBS, PAJ and OPEC.

Table 6 - 2: Refinery crude throughput, mb/d

Refinery crude throughput	2022	2023	2024	2Q24	3Q24	4Q24	1Q25	2Q25
OECD Americas	**18.68**	**18.71**	**18.96**	**19.17**	**19.44**	**19.04**	**18.45**	**18.95**
of which US	*16.48*	*16.50*	*16.62*	*16.96*	*16.95*	*16.81*	*15.93*	*16.51*
OECD Europe	**11.44**	**11.38**	**11.28**	**11.07**	**11.37**	**11.25**	**11.15**	**10.55**
of which:								
France	*0.84*	*0.93*	*0.92*	*0.89*	*0.98*	*1.00*	*0.93*	*0.91*
Germany	*1.83*	*1.62*	*1.76*	*1.81*	*1.75*	*1.73*	*1.68*	*1.74*
Italy	*1.32*	*1.30*	*1.21*	*1.16*	*1.19*	*1.21*	*1.20*	*1.16*
UK	*1.04*	*0.97*	*0.98*	*0.98*	*0.95*	*1.02*	*0.92*	*0.84*
OECD Asia Pacific	**6.08**	**5.83**	**5.68**	**5.61**	**5.47**	**5.73**	**5.48**	**5.53**
of which Japan	*2.71*	*2.56*	*2.37*	*2.27*	*2.19*	*2.47*	*2.43*	*2.30*
Total OECD	**36.21**	**35.92**	**35.92**	**35.85**	**36.28**	**36.02**	**35.08**	**35.03**
Latin America	**3.44**	**3.54**	**3.69**	**3.70**	**3.72**	**3.70**	**3.75**	**3.70**
Middle East	**7.24**	**7.53**	**7.96**	**8.06**	**7.99**	**7.90**	**7.98**	**7.91**
Africa	**1.77**	**1.76**	**1.94**	**1.85**	**1.98**	**2.12**	**2.07**	**2.23**
India	**5.00**	**5.18**	**5.30**	**5.36**	**5.18**	**5.30**	**5.62**	**5.40**
China	**13.49**	**14.78**	**14.25**	**14.25**	**14.04**	**14.08**	**14.78**	**14.36**
Other Asia	**4.97**	**5.00**	**5.05**	**4.90**	**5.20**	**5.14**	**5.14**	**5.12**
Russia	**5.46**	**5.50**	**5.35**	**5.28**	**5.47**	**5.31**	**5.28**	**5.33**
Other Eurasia	**1.02**	**1.02**	**1.04**	**1.04**	**1.05**	**1.01**	**0.96**	**0.93**
Other Europe	**0.52**	**0.48**	**0.52**	**0.49**	**0.58**	**0.56**	**0.50**	**0.51**
Total Non-OECD	**42.91**	**44.78**	**45.09**	**44.94**	**45.20**	**45.13**	**46.07**	**45.49**
Total world	**79.12**	**80.70**	**81.01**	**80.79**	**81.47**	**81.15**	**81.15**	**80.52**

Note: Totals may not add up due to independent rounding.

Sources: AFREC, APEC, EIA, IEA, PAJ, Ministry data, including Ministry of Energy of the Russian Federation, Ministry of Petroleum and Natural Gas of India, OPEC and JODI.

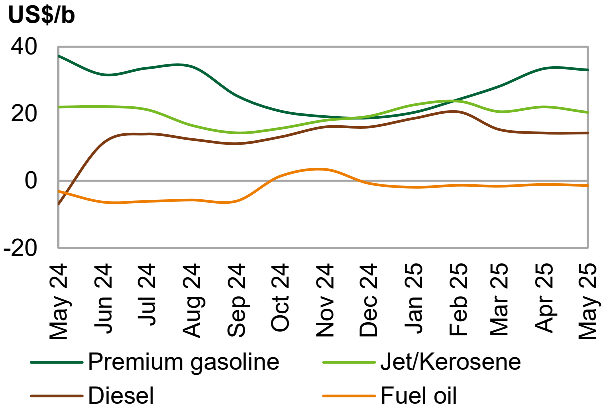
Product markets

US market

The USGC gasoline crack spread against WTI continued to perform positively, although performance was mixed among gasoline grades. Regular grade gasoline 87 and 89 price differentials to WTI, each showed a m-o-m rise of $3.08 and $1.86, respectively, while premium gasoline 93 price differentials declined 39¢, m-o-m.

With the end of the heavy refinery maintenance season, expectations of added upside potential for gasoline consumption levels are set to keep gasoline margins sustained in the near term. The USGC gasoline crack spread lost 40¢, m-o-m, reaching an average of $33.14/b in May, but was $4.15 lower, y-o-y.

Graph 6 - 3: US Gulf crack spread vs. WTI



Sources: Argus and OPEC.

The USGC jet/kerosene crack spread against WTI declined, losing all the gains attained in the previous month and was the second strongest negative performer compared to all other key products in NWE. Weekly US kerosene-type jet fuel inventories rose considerably at the end of May compared to the level registered at the end of April. This indicates rising jet/kerosene availability in the US in line with rising refinery runs as the peak turnaround season approached its end. The USGC jet/kerosene crack spread lost $1.65, m-o-m, registering an average of $20.44/b in May, which was $1.60 lower, y-o-y.

The USGC gasoil crack spread against WTI declined only marginally from the six-month low reached in the previous month. Strong refinery gasoil output, stock builds, and subdued demand kept gasoline markets under pressure. The US gasoil crack spread against WTI averaged $14.28/b, which was nearly unchanged (only 1¢ lower), m-o-m, but was up by $21.21, y-o-y.

The USGC fuel oil 3.5% crack spread against WTI showed a slight decline but managed to keep some of the previous month's gains. However, fuel oil 3.0%s margins rose, m-o-m. According to EIA data, weekly US distillate fuel oil inventories continued to fall and reached a multi-year low in May, indicating an increasingly tight residual fuel balance. This is attributed to rising demand for fuel oil conversion and feedstock blending, while global fuel oil balances experience a contraction due to rising refining complexity. In May, the US fuel oil crack spread against WTI lost 34¢, m-o-m, to average negative $1.38/b, but was $1.71 higher, y-o-y.

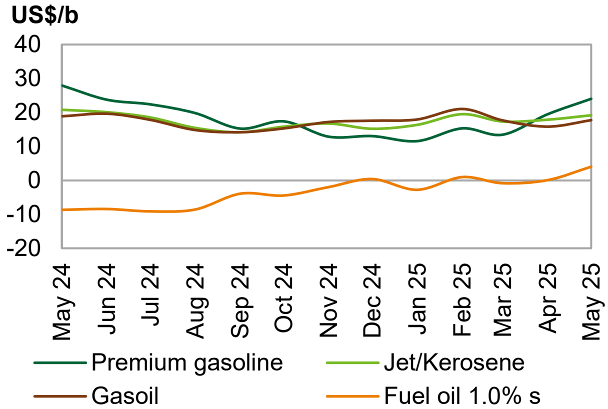
European market

The gasoline crack spread in Rotterdam against Brent rose further to reach a twelve-month high as fundamentals continued to improve, outperforming all other key products for the second consecutive month. This upside led to a wider gasoline-middle distillate margin gap in May and was a reflection of strong gasoline flows to Canada amid a modest rise in exports to the US. The gasoline crack spread against Brent averaged $23.99/b, which was $4.54 higher, m-o-m, but $3.93 lower, y-o-y.

In May, the jet/kerosene crack spread in Rotterdam against Brent increased for the second consecutive month to reach a three-month high. Although most of this improvement is attributed to a decline in jet/kerosene production and a contracting balance, improving air travel activities in Europe at the onset of the summer season should provide upside potential for jet/kerosene markets going forward. The Rotterdam jet/kerosene crack spread against Brent averaged $19.17/b, up by $1.29, m-o-m, but down by $1.61, y-o-y.

The gasoil crack spread in Rotterdam against Brent reversed course to recover the previous month's losses despite being continuously outperformed by jet/kerosene. Subdued demand continued to weigh on gasoil markets across regions amid signs of limited manufacturing activity. Moreover, the end of the winter season and eroding heating oil demand likely contributed further to market weakness. The less optimistic outlook for the European gasoil market, as well as the May decline in crude prices, led to a $1.77 drop in European gasoil prices, m-o-m, which was considerably lower compared to the $6.63 decline seen in April, signalling a less bearish European gasoil market. The gasoil crack spread against Brent averaged $17.72/b, up $1.90, m-o-m, but down $1.14, y-o-y.

Graph 6 - 4: Rotterdam crack spreads vs. Brent



Sources: Argus and OPEC.

At the bottom of the barrel, fuel oil 1.0% crack spreads in Rotterdam against Brent rose further due to a global tightening balance stemming from rising conversion capacity impacted by improving fundamentals pressuring residual flows from the East of Suez to Europe. The fuel oil 1.0% crack spread averaged $3.98 in May, which represented a $3.93 increase, m-o-m, and a $12.66 gain, y-o-y.

Asian market

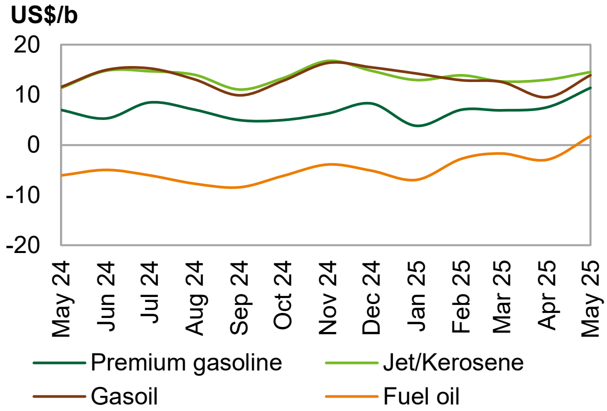
The Southeast Asia gasoline 92 crack spread against Dubai rose with elevated refinery maintenance activities in the region and lower gasoline arrivals in Singapore. However, the recovery in refinery runs could put pressure on gasoline margins going forward. The product's margin averaged $11.38/b in May, up $3.86, m-o-m, and $4.39, y-o-y.

The Asian naphtha crack spread changed course to register solid gains and reach a seven-month high. Improving naphtha demand for gasoline blending in the northern hemisphere could lend support going forward. US-China trade tariffs were initially expected to boost naphtha markets in Asia, as flexible steam crackers were expected to switch from US propane to naphtha-based feedstock. However, progress in tariff de-escalation and the ongoing US-China negotiations could incentivise some Asian petrochemical operators to continue to rely on US feedstock, should this option remain economically viable. The Singapore naphtha crack spread against Dubai averaged negative $2.03/b, which was $3.60 higher, m-o-m, and $9.79 higher, y-o-y.

In the middle of the barrel, the jet/kerosene crack spread exhibited the smallest gain among all reported key products. Nevertheless, jet/kerosene crack spreads in absolute terms remained the main margin contributor in May, although gasoil crack spreads came close to matching it. The weakness witnessed in the past months associated with gasoil markets likely prompted Asian refiners to increase jet kerosene yields at the cost of lower gasoil yields due to the opportunity to capitalise on a more optimistic outlook for jet fuel markets stemming from an expected increase in air travel activity over the summer months. This jet/kerosene yield adjustment likely contributed to lower gasoil availability vs. jet/kerosene, and consequently, limited the monthly upside in jet/kerosene margins compared to gasoil. The Singapore jet/kerosene crack spread against Dubai averaged $14.53/b, up $1.55, m-o-m, and $3.19, y-o-y.

The Singapore gasoil crack spread reached a four-month high in May. Moreover, gasoil margins nearly matched those of jet/kerosene as the crack spread gap between the two products practically eroded in May. Subdued gasoil exports from China, elevated refinery maintenance activities between April and May, and relatively limited gasoil imports into Singapore contributed to the positive outcome. The upcoming monsoon season in Asia does point to further downside risk in gasoil consumption and crack spreads, as intense rainfalls could slow agricultural activities. The Singapore gasoil crack spread against Dubai averaged $13.92/b, up $4.41, m-o-m, and $2.36, y-o-y.

Graph 6 - 5: Singapore crack spreads vs. Dubai



Sources: Argus and OPEC.

The Singapore fuel oil 3.5% crack spread jumped in May, reaching positive territory for the first time since April 2020, and showed the strongest m-o-m increase compared to other key products in Southeast Asia. According to Kpler, HSFO sales in Fujairah and Singapore were reported higher, y-o-y, in April. With the strength in HSFO markets expected to extend in the near term in line with seasonal trends amid expectations of stronger demand for power generation in the Middle East, HSFO crack spreads in Singapore are set to remain well supported going forward. Singapore's HSFO crack spread against Dubai averaged $1.74/b, up $4.71, m-o-m, and $7.83, y-o-y.

Table 6 - 3: Short-term prospects for product markets and refinery operations

Event	Time frame	Observations	Asia	Europe	US
Mediterranean Sea bunker fuel sulphur limit	Jun 25 onwards	As of 1 May 2025, the sulphur limit for bunker fuel in the Mediterranean was reduced from 0.5% to 0.1%, prompting ship operators to switch to VLSFO or other economically viable alternatives.	↓ Pressure LSFO markets	↓ Pressure LSFO markets	↓ Pressure LSFO markets
US/China tariffs	Jun 25 onwards	The tariffs imposed on all US imports could pressure Chinese petrochemical margins and operating rates. However, recent progress in US-China negotiations on tariff de-escalation is expected to provide substantial relief.	↑ Upward pressure on LPG/propane/ naphtha prices and crack spreads	↑ Upward pressure on LPG/propane/ naphtha prices and crack spreads	↓ LPG/ propane markets are under pressure amid expectations of increased availability and supply potential
End of the heavy refinery maintenance season	Jun 25	Product prices, crack spreads, and refining margins are expected to come under pressure as product availability rises following the end of major turnarounds.	↓ Pressure on the product crack spread	↓ Pressure on the product crack spread	↓ Pressure on the product crack spread
Summer season	Jun 25–Oct 25	Projections of increased demand for transport fuels—particularly for gasoline and jet fuel—driven by higher road traffic and air travel, are expected to support product markets over the summer months.	↑ Support transport fuel crack spreads	↑ Support transport fuel crack spreads	↑ Support transport fuel crack spreads

Event *(cont.)*	Time frame	Observations	Asia	Europe	US
Impact of the most recent refinery capacity additions	Apr 25 onwards	The potential influx of new product volumes into international markets—particularly from Yulong Petrochemical, Olmeca, and Dangote refineries—is expected to lengthen product balances, especially for gasoline.	↓ Pressure on product markets	↓ Pressure on product markets	↓ Pressure on product markets

Source: OPEC.

Table 6 - 4: Refined product prices, US$/b

		Apr 25	May 25	*Change* May/Apr	*Annual avg.* 2024	*Year-to-date* 2025
US Gulf (Cargoes FOB)						
Naphtha*		64.26	60.42	-3.84	74.02	69.26
Premium gasoline	(unleaded 93)	96.61	94.22	-2.39	106.21	95.67
Regular gasoline	(unleaded 87)	84.34	85.42	1.08	94.42	86.49
Jet/Kerosene		85.16	81.52	-3.64	98.81	89.67
Gasoil	(0.2% S)	77.35	75.36	-1.99	84.13	84.35
Fuel oil	(3.0% S)	61.06	59.80	-1.26	69.05	64.61
Rotterdam (Barges FOB)						
Naphtha		60.51	60.36	-0.15	72.52	66.48
Premium gasoline	(unleaded 98)	87.19	88.06	0.87	106.14	88.48
Jet/Kerosene		85.62	83.24	-2.38	100.61	89.80
Gasoil/Diesel	(10 ppm)	83.56	81.79	-1.77	100.70	89.78
Fuel oil	(1.0% S)	67.79	68.05	0.26	73.78	72.01
Fuel oil	(3.5% S)	65.53	65.11	-0.42	72.12	68.66
Mediterranean (Cargoes FOB)						
Naphtha		58.56	58.68	0.12	70.43	64.54
Premium gasoline**		79.04	80.58	1.54	95.24	83.37
Jet/Kerosene		82.49	80.68	-1.81	97.31	86.79
Diesel		82.24	80.98	-1.26	99.64	88.46
Fuel oil	(1.0% S)	71.64	72.26	0.62	78.25	75.36
Fuel oil	(3.5% S)	61.58	61.37	-0.21	69.17	65.11
Singapore (Cargoes FOB)						
Naphtha		62.16	61.53	-0.63	72.73	67.79
Premium gasoline	(unleaded 95)	76.66	76.63	-0.03	92.98	81.45
Regular gasoline	(unleaded 92)	75.31	74.94	-0.37	88.33	79.80
Jet/Kerosene		80.77	78.09	-2.68	95.20	85.85
Gasoil/Diesel	(50 ppm)	81.45	79.09	-2.36	95.98	86.62
Fuel oil	(180 cst)	80.15	77.37	-2.78	94.56	85.47
Fuel oil	(380 cst 3.5% S)	64.82	65.30	0.48	71.16	69.92

*Note: * Barges. ** Cost, insurance and freight (CIF).*
Sources: Argus and OPEC.

Tanker Market

Dirty tanker spot freight rates saw mixed movements in May. Aframax and Suezmax rates experienced declines, while VLCC rates were flat to slightly lower.

Suezmax spot freight rates on the US Gulf Coast to Europe route declined 22%, m-o-m, amid limited enquiries. In the Aframax market, spot freight rates on the Mediterranean-to-Northwest Europe route fell 20%, m-o-m, weighed down by softening supply-demand fundamentals.

On the Middle East-to-West and West Africa-to-East routes, VLCC spot rates were unchanged, m-o-m, while rates on the Middle East-to-East route slipped 2%. Ample availability combined with limited long-haul demand eroded market sentiment over most of the month.

Spot rates in the clean tanker market were also mixed. East of Suez rates rose 4%, m-o-m, as tonnage lists tightened. West of Suez rates declined by 9%, m-o-m.

Dirty tanker freight rates

Very large crude carriers (VLCC)

VLCC spot freight rates were broadly stable, m-o-m, in May, although marginally softer rates on the Middle East-to-East route pushed down the overall average. VLCC spot freight rates slipped 2%, m-o-m, on average, and were down 15% compared with the same month last year.

On the Middle East-to-East route, rates averaged WS60 in May, representing a 2% drop compared to the previous month. Rates were 12% lower, y-o-y.

Spot freight rates on the Middle East-to-West route were unchanged, m-o-m, to average WS33. Compared with the same month in 2024, rates were down 25%.

On the West Africa-to-East route, spot freight rates were also unchanged, m-o-m, to average WS62. Compared with the same month in 2024, rates were down 11%.

Table 7 - 1: Dirty VLCC spot tanker freight rates, Worldscale (WS)

VLCC	Size *1,000 DWT*	Mar 25	Apr 25	May 25	*Change* May 25/Apr 25
Middle East/East	230-280	60	61	60	-1
Middle East/West	270-285	34	33	33	0
West Africa/East	260	61	62	62	0

Sources: Argus and OPEC.

Suezmax

Spot freight rates for Suezmax vessels declined in May, falling 21% on average, m-o-m, and were down 17% from the previous year's level.

On the West Africa-to-USGC route, spot freight rates in May averaged WS80, representing a loss of 20%, m-o-m. Compared with the same month in 2024, spot rates on the route were 22% lower. Rates on the USGC-to-Europe route erased the previous month's gains, falling 22% to average WS74. Compared with the same month in 2024, rates were down 12%.

Table 7 - 2: Dirty Suezmax spot tanker freight rates, WS

Suezmax	Size *1,000 DWT*	Mar 25	Apr 25	May 25	*Change* May 25/Apr 25
West Africa/US Gulf Coast	130-135	87	100	80	-20
US Gulf Coast/Europe	150	82	95	74	-21

Sources: Argus and OPEC.

Aframax

Aframax spot freight rates saw the strongest declines among the monitored vessel classes in May. On average, Aframax rates fell 25%, m-o-m, and were down 27%, y-o-y.

Rates on the Indonesia-to-East route fell 15%, m-o-m, to an average of WS116 in May. Y-o-y, rates on the route were down 31%.

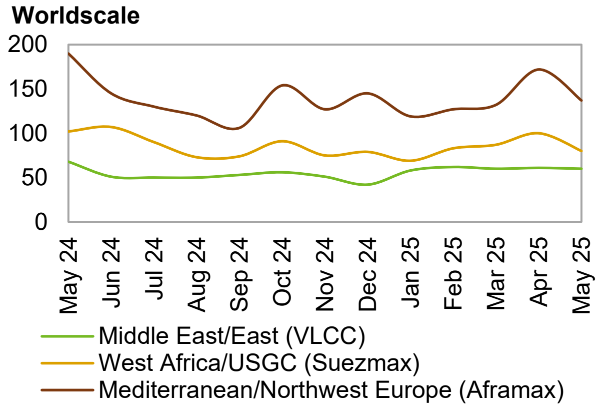
Table 7 - 3: Dirty Aframax spot tanker freight rates, WS

Aframax	Size *1,000 DWT*	Mar 25	Apr 25	May 25	*Change* May 25/Apr 25
Indonesia/East	80-85	131	136	116	-20
Caribbean/US East Coast	80-85	137	211	135	-76
Mediterranean/Mediterranean	80-85	137	178	138	-40
Mediterranean/Northwest Europe	80-85	132	172	137	-35

Sources: Argus and OPEC.

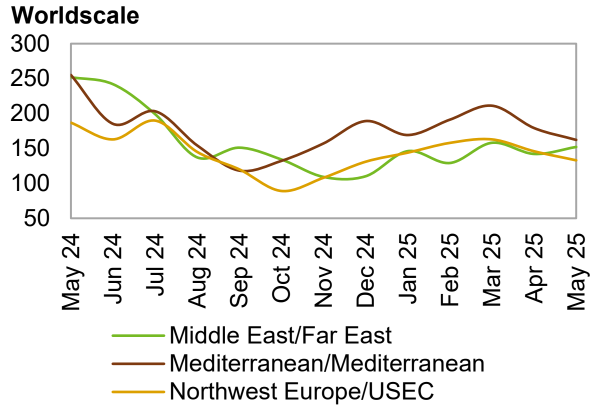
Following a surge the month before, Caribbean-to-USEC spot freight rates fell 36%, m-o-m, to average WS135. Compared with the same month last year, rates were down 14%. Cross-Med spot freight rates fell 22%, m-o-m, to average WS138. Y-o-y, spot rates on the route were 32% lower. Meanwhile, rates on the Med-to-NWE route declined 20%, m-o-m, to average WS137. Compared with the same month in 2024, rates were down 28%.

Graph 7 - 1: Crude oil spot tanker freight rates, monthly average



Sources: Argus and OPEC.

Graph 7 - 2: Products spot tanker freight rates, monthly average



Sources: Argus and OPEC.

Clean tanker freight rates

Clean spot freight rates were mixed in May, with East of Suez rates rising 4%, on average, and West of Suez rates down by 9%, m-o-m. Compared to the previous year, East of Suez and West of Suez rates were down by 41% and 34%, respectively.

Table 7 - 4: Clean spot tanker freight rates, WS

East of Suez	Size *1,000 DWT*	Mar 25	Apr 25	May 25	*Change* May 25/Apr 25
Middle East/East	30-35	158	142	152	10
Singapore/East	30-35	184	156	158	2
West of Suez					
Northwest Europe/US East Coast	33-37	163	146	133	-13
Mediterranean/Mediterranean	30-35	211	179	162	-17
Mediterranean/Northwest Europe	30-35	221	189	172	-17

Sources: Argus and OPEC.

Rates on the Middle East-to-East route rose 7%, m-o-m, to average WS152. Compared with the same month in 2024, rates were still down 40%. Clean spot freight rates on the Singapore-to-East route also saw gains in May, up 1%, m-o-m, to average WS158. This represents a 42% decline compared with the same month in 2024.

In the Atlantic basin, clean rates on the NWE-to-USEC route averaged WS133, representing a loss of 9%, m-o-m, and 29%, y-o-y. Rates around the Mediterranean also fell by 9%, m-o-m, with the Cross-Med averaging WS162 and the Med-to-NWE route averaging WS172. Y-o-y, spot freight rates on these two routes were down 36% and 35%, respectively.

Crude and Refined Products Trade

In May, US crude imports averaged 6.1 mb/d, according to preliminary estimates based on weekly data. This represents an increase of 269 tb/d, or 5%, m-o-m. US crude exports averaged 3.8 mb/d, following a decline of 330 tb/d, or 8%, m-o-m. US product imports rose by 6%, m-o-m, averaging 1.8 mb/d, while US product exports increased by more than 4%, m-o-m, to average just under 7 mb/d.

Preliminary estimates indicate that OECD Europe's crude imports declined, m-o-m, in April, amid lower inflows from Kazakhstan and Nigeria. Product imports into OECD Europe rose by about 14%, m-o-m, in April, led by higher inflows of fuel oil.

The latest official data for Japan shows crude imports in April edged down 1%, m-o-m, but still remain at 2.5 mb/d. Japan's product imports fell by about 20%, m-o-m, amid a sharp fall in LPG inflows. After three months of gains, product exports rose, boosted by higher flows of gasoil and jet fuel.

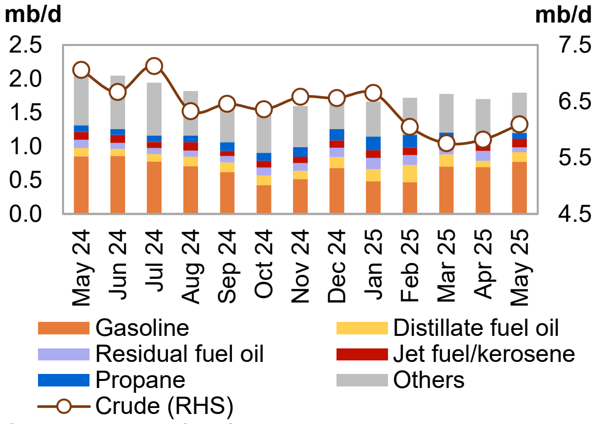
China's crude imports declined, m-o-m, averaging 11.7 mb/d in April. Product imports surged 18% in April, driven by a recovery in fuel oil, with further support from LPG. Exports slipped by about 2% as declines in diesel and gasoline outweighed gains in jet fuel and fuel oil.

India's crude imports fell, m-o-m, to average 5.2 mb/d in April. Product imports fell 7%, m-o-m, on lower inflows of LPG. Product exports slumped by almost 29%, m-o-m, in April, amid lower outflows of gasoline and diesel.

US

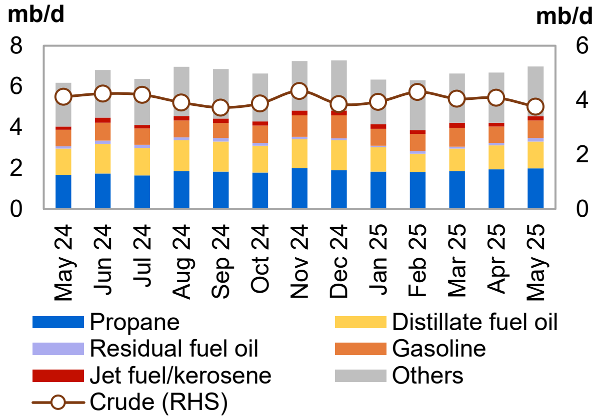
US crude imports averaged 6.1 mb/d in May, following an increase of 269 tb/d, or about 5%, m-o-m. According to preliminary EIA weekly data, gains were driven by higher inflows from Canada, Saudi Arabia and Brazil, partly offset by declines from Venezuela, Nigeria and Mexico. Compared with the same month last year, crude imports were down by 965 tb/d, or 14%.

Graph 8 - 1: US imports of crude and products



Sources: EIA and OPEC.

Graph 8 - 2: US exports of crude and products



Sources: EIA and OPEC.

US crude exports averaged 3.8 mb/d in May, indicating a m-o-m decline of 330 tb/d, or about 8%. According to tanker tracking estimates, declines were led by Europe amid lower flows to the UK and Spain, which were partly offset by higher flows to Japan. Crude outflows were 366 tb/d, or almost 9%, lower than the same month last year.

Table 8 - 1: US crude and product net imports, mb/d

US	Mar 25	Apr 25	May 25	Change May 25/Apr 25
Crude oil	1.71	1.74	2.34	0.60
Total products	-4.86	-4.99	-5.18	-0.20
Total crude and products	**-3.14**	**-3.24**	**-2.84**	**0.40**

Note: Totals may not add up due to independent rounding.

Sources: EIA and OPEC.

In May, US net crude imports averaged 2.3 mb/d, compared with 1.7 mb/d the month before and 2.9 mb/d in the same month last year.

On the products side, imports rose by 96 tb/d, or about 6%, m-o-m, to average over 1.8 mb/d. Gasoline and distillate fuel oil led gains, which were partly offset by a decline in residual fuel oil. Compared with the same month of 2024, product inflows were down by 306 tb/d, or about 15%.

Product exports averaged just under 7.0 mb/d in May, representing an increase of 293 tb/d, or over 4%. Gains were seen across all major products, led by distillate fuel oil and gasoline. Compared with the same month last year, product exports jumped by 792 tb/d, or about 13%.

As a result, net product exports averaged 5.2 mb/d in May, up from 5.0 mb/d the month before. In May 2024, net product exports averaged 4.1 mb/d. Combined net crude and product exports average 2.8 mb/d in May, compared with 3.2 mb/d the month before and 1.1 mb/d in the same month last year.

OECD Europe

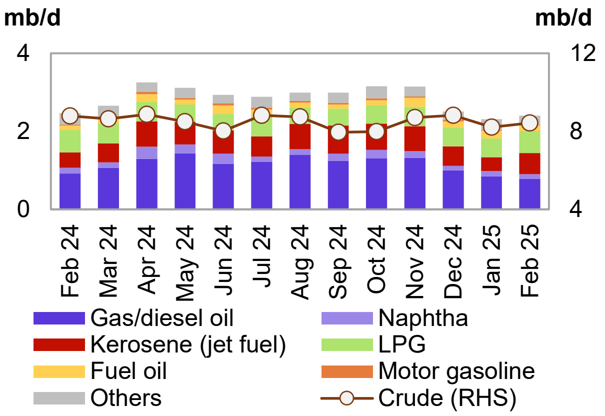
The latest official regional data for OECD Europe shows that crude imports rose by 0.2 mb/d, or 3%, in February 2025 to average 8.4 mb/d. Compared to a year ago, crude imports were down by 359 tb/d, or 4%.

In terms of import sources from outside the region, the US provided the highest contribution in February with around 1.6 mb/d, up slightly from the month before. Kazakhstan was second with just under 1.0 mb/d, followed closely by Libya.

Crude exports averaged 321 tb/d in February, compared to 100 tb/d the month before. In the same month of the previous year, crude oil outflows averaged 36 tb/d. China was the top destination for crude exports from the OECD Europe region, taking in 141 tb/d.

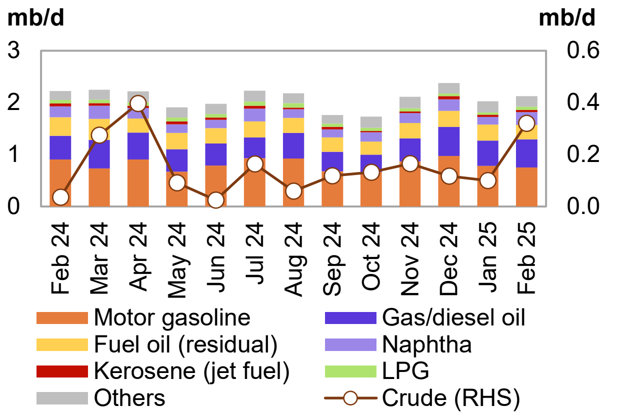
Net crude imports averaged 8.1 mb/d in February, negligibly higher compared to the previous month. In the same month of 2024, net crude imports averaged 8.8 mb/d.

Graph 8 - 3: OECD Europe's imports of crude and products



Sources: IEA and OPEC.

Graph 8 - 4: OECD Europe's exports of crude and products



Sources: IEA and OPEC.

Product imports averaged 2.4 mb/d in February, recovering from a two-year low in the previous month. M-o-m, product imports rose by 89 tb/d, or about 4%, driven by higher inflows of kerosene and LPG. Gasoil and fuel oil saw declines. Compared with February 2024, product inflows were 65 tb/d, or 3%, lower.

Product exports averaged 2.1 mb/d in February, representing an increase of 95 tb/d, or 5%, m-o-m, led by naphtha and gasoil. Compared with the same month last year, product exports were 98 tb/d, or more than 4%, lower.

Table 8 - 2: OECD Europe's crude and product net imports, mb/d

OECD Europe	Dec 24	Jan 25	Feb 25	Change Feb 25/Jan 25
Crude oil	8.71	8.11	8.12	0.00
Total products	0.13	0.29	0.28	-0.01
Total crude and products	**8.84**	**8.40**	**8.40**	**-0.01**

Note: Totals may not add up due to independent rounding.

Sources: IEA and OPEC.

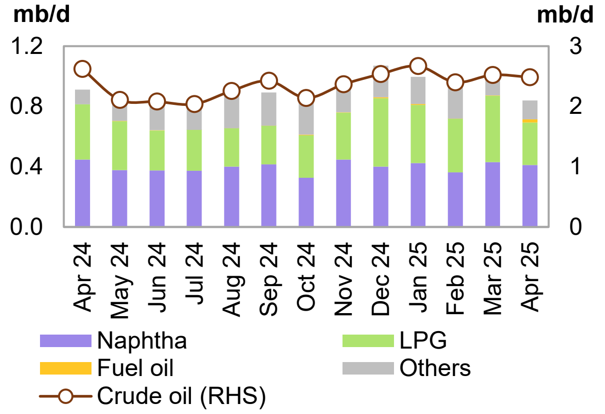
Net product imports averaged 283 tb/d in February, compared with 289 tb/d the month before and 250 tb/d in February 2024. Combined net crude and product imports averaged 8.4 mb/d in February, broadly unchanged from the month before and compared with 9.0 mb/d in February 2024.

Japan

Japan's crude imports averaged 2.5 mb/d in April, following a slight decline of 37 tb/d, or around 1%, compared with the previous month. Y-o-y, crude imports were down by 135 tb/d, or about 5%.

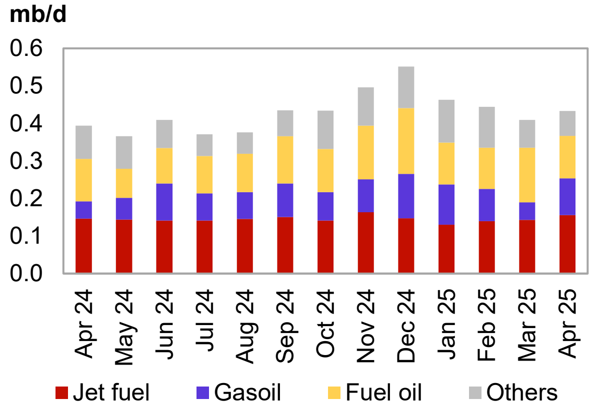
The United Arab Emirates remained at the top spot in April in terms of crude supplies, with a share of almost 46%, up from 41% the month before. Saudi Arabia was second with 36%, down from almost 40% the month before, followed by Qatar with 7%.

Graph 8 - 5: Japan's imports of crude and products



Sources: METI and OPEC.

Graph 8 - 6: Japan's exports of products



Sources: METI and OPEC.

Product imports, including LPG, erased the gains seen in the previous month, falling by 206 tb/d, or almost 20%, m-o-m in April to average 840 tb/d. Declines were led by LPG and kerosene, with further contributions from naphtha and jet fuel. Compared with April 2024, product imports were 71 tb/d, or almost 8%, lower.

Product exports, including LPG, increased following three months of losses. Exports averaged 434 tb/d in April, an increase of 24 tb/d, or about 6%, m-o-m. The increase in gasoil and jet fuel outflows offset declines in fuel oil and gasoline. Product outflows rose 40 tb/d, or 10%, compared to the same month last year.

Consequently, Japan's net product imports, including LPG, averaged 406 tb/d in April. This compares with 636 tb/d the month before and 517 tb/d in April 2024.

Table 8 - 3: Japan's crude and product net imports, mb/d

Japan	Feb 25	Mar 25	Apr 25	Change Apr 25/Mar 25
Crude oil	2.40	2.52	2.49	-0.04
Total products	0.49	0.64	0.41	-0.23
Total crude and products	**2.89**	**3.16**	**2.89**	**-0.27**

Note: Totals may not add up due to independent rounding.
Sources: METI and OPEC.

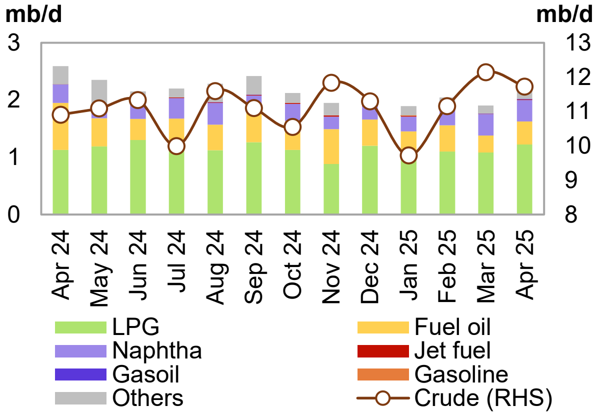
China

After reaching a 19-month high in March, China's crude imports declined in April to average 11.7 mb/d. Compared with the month before, April crude imports were down by 413 tb/d, or over 3%. However, y-o-y, crude imports were up by 817 mb/d, or over 7%.

In terms of crude imports by source, Russia remained in the top spot in April with 16.8%, down from 17.2% in the previous month. Malaysia was second with 16.5%, down from 17.0% in February, followed by Saudi Arabia with 11.5% and Iraq with 9.6%.

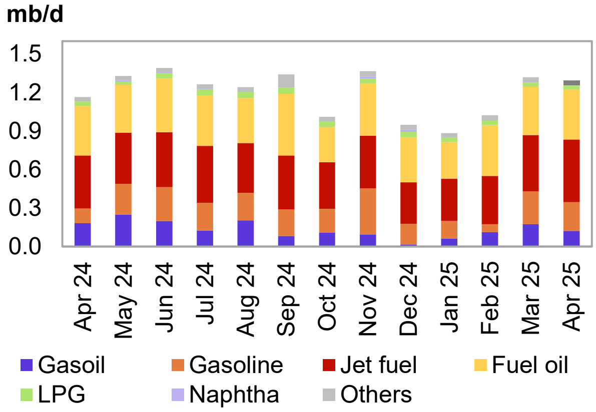
Product imports, including LPG, rebounded in April. Inflows averaged 2.2 mb/d for the month, an increase of 335 tb/d, or almost 18%, m-o-m. Fuel oil recovered from the previous month's sharp decline, with further support coming from higher LPG inflows. Compared to the same period in 2024, product imports were still down by 349 tb/d, or over 13%.

Graph 8 - 7: China's imports of crude and total products



Sources: GACC and OPEC.

Graph 8 - 8: China's exports of total products



Sources: GACC and OPEC.

Product exports, including LPG, slipped by 27 tb/d, or about 2%, m-o-m, in April to average 1.29 mb/d, down from a four-month high the month before. Declines in diesel oil and gasoline outweighed higher outflows of jet fuel and fuel oil. Compared to the same month in 2024, product exports were up by 125 tb/d, or close to 11%.

Net product imports averaged 951 tb/d in April, compared with 589 tb/d the month before. In the same month last year, net product imports averaged 1.4 mb/d.

Table 8 - 4: China's crude and product net imports, mb/d

China	Feb 25	Mar 25	Apr 25	Change Apr 25/Mar 25
Crude oil	10.95	12.04	11.68	-0.37
Total products	1.02	0.59	0.95	0.36
Total crude and products	**11.97**	**12.63**	**12.63**	**0.00**

Note: Totals may not add up due to independent rounding.

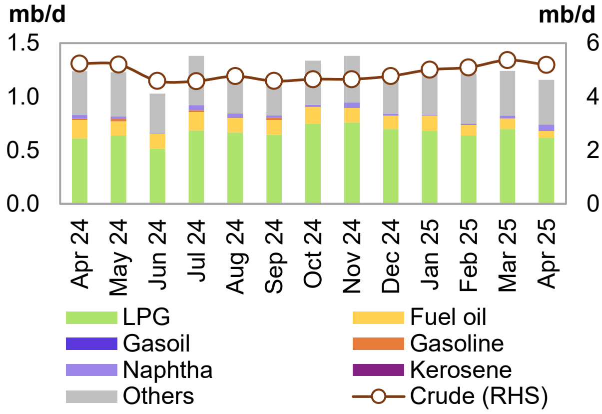
Sources: GACC and OPEC.

India

India's crude imports fell back from a record high of 5.4 mb/d to average 5.2 mb/d in April. This represents a 179 tb/d, or 3%, decline from the previous month. Y-o-y, crude imports were down by 51 tb/d, or 1%.

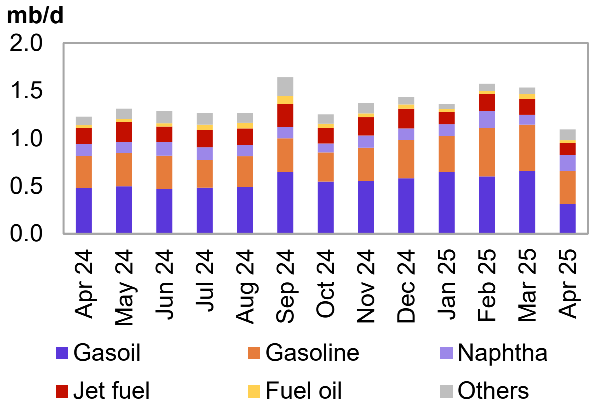
In terms of crude imports by source, Kpler data shows Russia had a 40% share of India's total crude imports in April, up from 36% in the previous month. Iraq was second with 17%, followed by Saudi Arabia with 11%.

Graph 8 - 9: India's imports of crude and products



Sources: PPAC and OPEC.

Graph 8 - 10: India's exports of products



Sources: PPAC and OPEC.

For products, imports decreased by 83 tb/d, or about 7%, m-o-m, to average 1.2 mb/d. The decline was driven by LPG, with additional support from fuel oil, while naphtha imports saw a slight increase. Y-o-y, product imports fell by 79 tb/d, or about 6%.

Product exports fell in April, decreasing by 441 tb/d, or nearly 29%, m-o-m, to average 1.1 mb/d. Gasoline and diesel exports were the primary contributors to the decline, slightly countered by a rise in naphtha exports. Y-o-y, product exports were down by 136 tb/d, or about 11%.

Net product flows flipped to net imports in April, averaging 64 tb/d, compared with net exports of 294 tb/d the month before and net imports of just 7 tb/d in April 2024.

Table 8 - 5: India's crude and product net imports, mb/d

India	Feb 25	Mar 25	Apr 25	Change Apr 25/Mar 25
Crude oil	5.09	5.36	5.18	-0.18
Total products	-0.36	-0.29	0.06	0.36
Total crude and products	**4.73**	**5.07**	**5.24**	**0.18**

Note: Totals may not add up due to independent rounding.

India data table does not include information for crude import and product export by Reliance Industries.

Sources: PPAC and OPEC.

Eurasia

Total crude oil exports from Russia and Central Asia remained unchanged in April compared to the previous month, averaging 6.6 mb/d. Higher flows from the ports of Kozmino on the Pacific and Primorsk in the Baltic were offset by declines from the Varandey platform and from the ports of Aniva Bay and De Kastri in Russia's far east. Compared to the same month last year, total crude exports were down 32 tb/d, or less than 1%, in April 2025.

In the Transneft system, crude exports gained 119 tb/d, or about 3%, m-o-m, in April, to average 3.9 mb/d. Y-o-y, exports were down by 155 tb/d, or about 4%. Exports through Novorossiysk on the Black Sea fell by 42 tb/d, or about 7%, m-o-m, to average 550 tb/d. Crude exports via Baltic Sea ports increased with flows from Primorsk up by 51 tb/d, or about 4%, m-o-m, to average 869 tb/d. Exports via Ust-Luga were negligibly higher, m-o-m, to average 577 tb/d. Combined, crude exports via Transneft's Baltic Sea terminals were up by 53 tb/d, or almost 4%, to average 1.4 mb/d. Y-o-y, combined Baltic Sea flows were down by 304 tb/d, or over 17%.

Shipments via the Druzhba pipeline increased by 30 tb/d, or about 13%, m-o-m, to average 270 tb/d. Compared to the same month of 2024, exports via the pipeline were up by 73 tb/d, or 37%. Eastern exports to inland China via the ESPO pipeline slipped by 9 tb/d, or about 2%, from March, and showed a 7% gain, y-o-y, averaging 621 tb/d. Exports from the Pacific port of Kozmino showed further gains, increasing by 87 tb/d, or over 9%, m-o-m, to mark a new record high of 1.0 mb/d. Compared to the same month last year, exports via Kozmino were 48 tb/d, or 5%, higher.

In the Lukoil system, exports via the Varandey offshore platform in the Barents Sea fell by 79 tb/d, or 77%, m-o-m, in April to average 23 tb/d. The decline came as Lukoil redirected flows to Russian refineries. Compared with the same month last year, crude exports from the platform were down by 110 tb/d, or around 83%.

On other routes, exports from Russia's far east port of Aniva Bay fell by 20 tb/d, or about 21%, m-o-m, while flows from De Kastri fell by 44 tb/d, or about 27%, over the same period. Combined, the two ports exported 194 tb/d of crude, on average, in April.

Central Asian exports averaged 235 tb/d in April, following a rise of 30 tb/d, or 15%, m-o-m. Compared with the same month last year, exports were down by 3 tb/d, or about 1%.

Total Black Sea exports from the CPC terminal dropped by 30 tb/d, or about 2%, m-o-m, in April, to average 1.7 mb/d. Y-o-y, exports were up by 296 tb/d, or about 22%. Exports via the BTC pipeline rose 23 tb/d, or 4%, to average 605 tb/d. This was down 15 tb/d, or 2%, compared with the same month last year.

Total product exports from Russia and Central Asia increased by 32 tb/d, or just over 1%, m-o-m, to average 2.5 mb/d in April. Gains were driven by fuel oil and naphtha. Y-o-y, total product exports rose by 216 tb/d, or about 10%, on higher flows across all major products except gasoil and VGO.

Commercial Stock Movements

Preliminary April 2025 data show that OECD commercial inventories stood at 2,739 mb, which is 4.7 mb higher than the previous month. At this level, OECD commercial stocks were 94.9 mb lower than the same month last year, 135.3 mb lower than the latest five-year average, and 187.8 mb below the 2015–2019 average. Within the components, crude stocks went up by 7.2 mb, while product stocks fell by 2.5 mb, m-o-m.

OECD crude oil commercial stocks stood at 1,344 mb. This was 60.3 mb lower than a year ago, 73.7 mb below the latest five-year average, and 128.6 mb less than the 2015–2019 average.

OECD total product stocks stood at 1,395 mb. This is 34.7 mb lower than a year ago, 61.6 mb less than the latest five-year average, and 59.2 mb below the 2015–2019 average.

In terms of days of forward cover, OECD commercial oil stocks fell by 0.4 days, m-o-m, in April to stand at 59.7 days. This is 1.9 days lower than the level registered in April 2024, 5.5 days less than the latest five-year average, and 2.5 days lower than the 2015–2019 average.

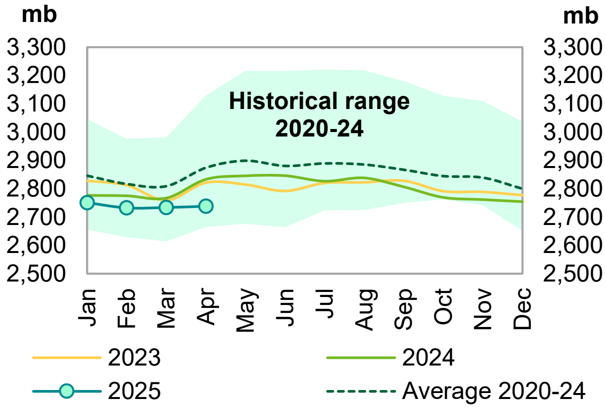
OECD

Preliminary April 2025 data shows that OECD commercial inventories stood at 2,739 mb, an increase of 4.7 mb from the previous month. At this level, OECD commercial stocks were 94.9 mb less than the same time last year, 135.3 mb lower than the latest five-year average, and 187.8 mb below the 2015–2019 average.

Within the components, crude stocks rose by 7.2 mb, while product stocks fell by 2.5 mb, m-o-m.

Within the OECD regions, OECD America, OECD Asia Pacific and OECD Europe saw a crude stock build in April, while OECD America stocks remained unchanged when compared to the previous month.

Graph 9 - 1: OECD commercial oil stocks



Sources: EIA, IEA, METI, OilX and OPEC.

OECD commercial crude stocks rose by 7.2 mb, m-o-m, ending April at 1,344 mb. This was 60.3 mb lower than the same time a year ago, 73.7 mb below the latest five-year average, and 128.6 mb less than the 2015–2019 average.

Within the OECD regions, OECD America and OECD Europe saw a crude stock build of 6.7 mb and 1.3 mb, respectively, while crude stocks in OECD Asia-Pacific fell by 0.8 mb, m-o-m, in April.

By contrast, OECD total product stocks decreased by 2.5 mb, m-o-m, in April to stand at 1,395 mb. This is 34.7 mb lower than the same time a year ago, 61.6 mb less than the latest five-year average, and 59.2 mb below the 2015–2019 average.

Within the OECD regions, product stocks in OECD America witnessed a draw of 6.7 mb, while OECD Asia Pacific and OECD Europe crude stocks saw a build of 3.8 mb and 0.4 mb, m-o-m, respectively.

Table 9 - 1: OECD commercial stocks, mb

OECD stocks	Apr 24	Feb 25	Mar 25	Apr 25	*Change* Apr 25/Mar 25
Crude oil	1,404	1,312	1,336	1,344	*7.2*
Products	1,430	1,421	1,398	1,395	*-2.5*
Total	**2,834**	**2,733**	**2,734**	**2,739**	***4.7***
Days of forward cover	**61.6**	**60.6**	**60.1**	**59.7**	***-0.4***

Note: Totals may not add up due to independent rounding.

Sources: EIA, IEA, METI, OilX and OPEC.

In terms of days of forward cover, OECD commercial stocks fell by 0.4 days, m-o-m, in April, to stand at 59.7 days. This is 1.9 days lower than the level registered in April 2024, 5.5 days less than the latest five-year average, and 2.5 days lower than the 2015–2019 average.

Within the OECD regions, OECD Americas stood at 5.9 days below the latest five-year average, at 58.1 days. OECD Europe was 6.6 days below its five-year average, at 67.8 days. OECD Asia Pacific was 2.7 days lower than the latest five-year average, standing at 49.6 days.

OECD Americas

OECD Americas' total commercial stocks remained unchanged, m-o-m, in April, to settle at 1,462 mb. This is 70.8 mb lower than the same month in 2024, and 75.0 mb below the latest five-year average.

Commercial crude oil stocks in OECD Americas increased in April by 6.7 mb, m-o-m, to stand at 759 mb, which is 45.6 mb lower than in April 2024, and 39.1 mb below the latest five-year average.

In contrast, total product stocks in OECD Americas decreased by 6.7 mb, m-o-m, in April to stand at 703 mb. This is 25.2 mb lower than the same month in 2024, and 35.9 mb below the latest five-year average. Higher consumption in the region was behind the product stock draw.

OECD Europe

OECD Europe's total commercial stocks rose in April by 1.7 mb, m-o-m, to settle at 934 mb. This is 22.4 mb lower than the same month in 2024, and 45.8 mb below the latest five-year average.

OECD Europe's commercial crude stocks increased by 1.3 mb, m-o-m, to end April at 411 mb. This is 6.1 mb lower than one year ago, and 16.8 mb less than the latest five-year average.

Total product stocks also rose by 0.4 mb, m-o-m, to end April at 523 mb. This is 16.3 mb lower than the same time a year ago, and 28.9 mb below the latest five-year average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks went up in April by 2.9 mb, m-o-m, to stand at 343 mb. This is 1.8 mb lower than the same time a year ago, and 14.6 mb below the latest five-year average.

OECD Asia Pacific's crude stocks fell by 0.8 mb, m-o-m, to end April at 174 mb. This is 8.5 mb lower than one year ago, and 17.8 mb below the latest five-year average.

In contrast, OECD Asia Pacific's product stocks rose by 3.8 mb, m-o-m, to end April at 169 mb. This is 6.8 mb higher than one year ago, and 3.2 mb above the latest five-year average.

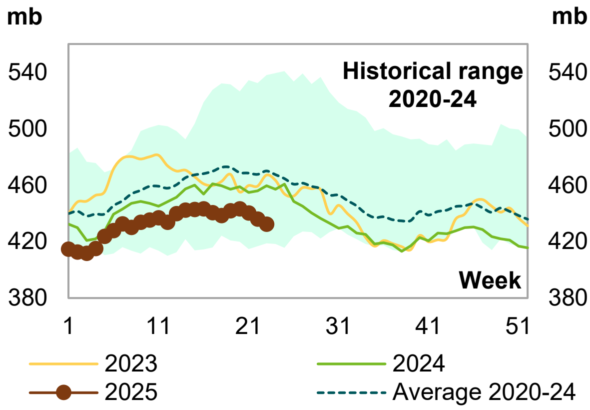
US

Preliminary data for May 2025 shows that total US commercial oil stocks rose by 22.1 mb, m-o-m, to stand at 1,235 mb. This is 37.4 mb, or 2.9%, lower than the same month in 2024 and 52.9 mb, or 4.1%, below the latest five-year average. Crude stocks fell by 2.3 mb, while products stocks rose by 24.4 mb, m-o-m.

US commercial crude stocks in May stood at 436.1 mb. This is 18.5 mb, or 4.1%, less than the same month in 2024 and 29.7 mb, or 6.4%, below the latest five-year average. The monthly draw in crude oil stocks was seen on the back of higher crude runs, which increased by around 600 tb/d, m-o-m, to stand at 16.7 mb/d.

In contrast, total product rose in May to stand at 799.3 mb. This is 18.9 mb, or 2.3%, lower than May 2024, and 23.2 mb, or 2.8%, below the latest five-year average. The product stock build can be attributed to lower product consumption.

Graph 9 - 2: US weekly commercial crude oil inventories



Sources: EIA and OPEC.

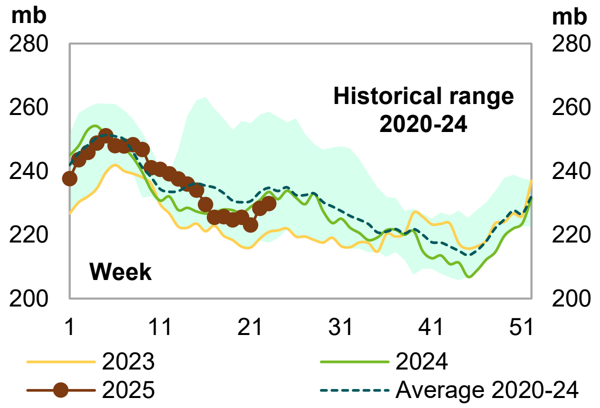
Gasoline stocks rose in May by 2.6 mb, m-o-m, to settle at 228.3 mb. This is 2.2 mb, or 1.0%, lower than the same month in 2024, and 6.2 mb, or 2.6%, below the latest five-year average.

Distillate stocks in May also increased by 0.9 mb, m-o-m, to stand at 107.6 mb. This is 12.6 mb, or 10.5%, lower than the same month in 2024, and 24.2 mb, or 18.3%, below the latest five-year average.

Jet fuel stocks went up by 3.6 mb, m-o-m, ending May at 43.7 mb. This is 1.3 mb, or 3.1%, higher than the same month in 2024, and 1.7 mb, or 4.0%, above the latest five-year average.

By contrast, residual fuel oil stocks in May dropped by 1.9 mb, m-o-m. At 23.3 mb, they were 5.8 mb, or 19.9%, less than a year earlier, and 9.2 mb, or 28.3%, below the latest five-year average.

Graph 9 - 3: US weekly gasoline inventories



Sources: EIA and OPEC.

Table 9 - 2: US commercial petroleum stocks, mb

US stocks	May 24	Mar 25	Apr 25	May 25	*Change* May 25/Apr 25
Crude oil	**454.5**	**431.7**	**438.4**	**436.1**	***-2.3***
Gasoline	230.5	233.8	225.7	228.3	*2.6*
Distillate fuel	120.3	116.8	106.7	107.6	*0.9*
Residual fuel oil	29.0	24.8	25.1	23.3	*-1.9*
Jet fuel	42.3	41.7	40.0	43.7	*3.6*
Total products	**818.2**	**773.0**	**774.9**	**799.3**	***24.4***
Total	**1,272.7**	**1,204.7**	**1,213.3**	**1,235.3**	***22.1***
SPR	**370.2**	**396.7**	**399.1**	**401.8**	***2.7***

Sources: EIA and OPEC.

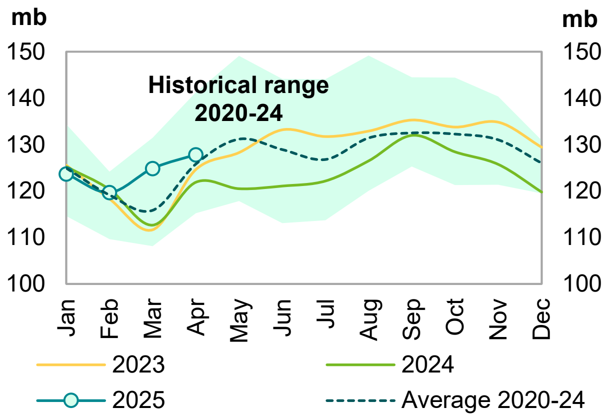
Japan

In Japan, total commercial oil stocks in April 2025 rose by 2.9 mb, m-o-m, to settle at 127.8 mb. This is 5.9 mb, or 4.9%, higher than the same month in 2024, and 2.0 mb, or 1.6%, above the latest five-year average. Crude stocks fell by 0.8 mb, while product stocks rose by 3.8 mb, m-o-m.

Japanese commercial crude oil stocks dropped in April by 0.8 mb, m-o-m, to stand at 70.5 mb. This is 2.8 mb, or 4.2%, higher than the same month in 2024, and 0.4 mb, or 0.5%, higher than the latest five-year average. The drop in crude oil stocks could be attributed to higher crude runs, which increased by around 170 tb/d, or 7.4%, m-o-m, to stand at 2.5 mb/d. Lower crude imports, which dropped by 37 tb/d, or 1.4%, to stand at 2.5 mb/d, also supported the fall in crude oil stocks.

Gasoline stocks rose in April by 1.0 mb, m-o-m, to stand at 11.1 mb. This is 0.6 mb, or 5.3%, higher than a year earlier at the same period, but 0.4 mb, or 3.7%, below the latest five-year average. The built-in gasoline stocks came on the back of lower gasoline consumption, which decreased by 5.3%.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

Middle distillate stocks also went up by 2.6 mb, m-o-m, to end April at 25.1 mb. This is 3.4 mb, or 15.5%, higher than the same month in 2024, and 2.5 mb, or 10.9%, above the latest five-year average. Within the distillate components, jet fuel oil and gasoil stocks went up by 16.4% and 28.8%, respectively, while kerosene stocks went down by 4.0%, m-o-m.

Total residual fuel oil stocks rose by 1.0 mb, m-o-m, to end April at 12.8 mb. At this level, they are in line with the same month in 2024, but 0.8 mb, or 6.5%, higher than the latest five-year average. Within the components, fuel oil A and fuel B.C stocks rose by 2.4% and 12.1%, m-o-m, respectively.

Table 9 - 3: Japan's commercial oil stocks*, mb

Japan's stocks	Apr 24	Feb 25	Mar 25	Apr 25	*Change Apr 25/Mar 25*
Crude oil	**67.7**	**65.8**	**71.4**	**70.5**	***-0.8***
Gasoline	10.5	10.0	10.1	11.1	*1.0*
Naphtha	9.2	9.4	9.2	8.4	*-0.8*
Middle distillates	21.7	22.7	22.5	25.1	*2.6*
Residual fuel oil	12.8	11.8	11.8	12.8	*1.0*
Total products	**54.2**	**53.9**	**53.5**	**57.3**	***3.8***
Total**	**121.9**	**119.7**	**124.9**	**127.8**	***2.9***

*Note: * At the end of the month. ** Includes crude oil and main products only.*

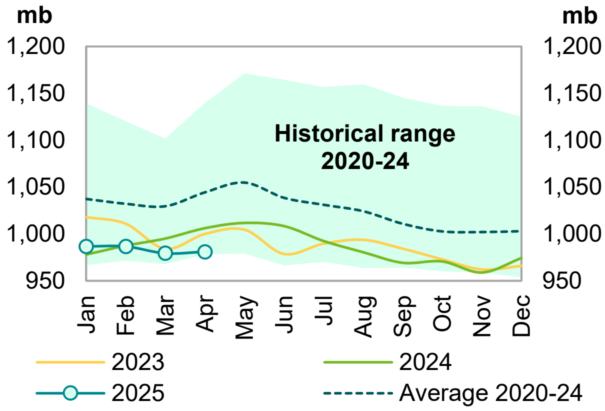
Sources: METI and OPEC.

EU-14 plus the UK and Norway

Preliminary data for April 2025 showed that total European oil stocks rose by 1.7 mb, m-o-m, to stand at 980.9 mb. At this level, they were 25.3 mb, or 2.5%, lower than the same month in 2024, and 63.4 mb, or 6.1%, below the latest five-year average. Crude stocks and product stocks rose by 1.3 mb and 0.4 mb, m-o-m, respectively.

European crude stocks stood at 390.1 mb in April. This is 15.7 mb, or 3.9%, lower than the same month in 2024, and 28.8 mb, or 6.9%, less than the latest five-year average. The build in crude oil stocks came despite a slight increase in refinery throughput in the EU-14, plus the UK and Norway.

Graph 9 - 5: EU-14 plus the UK and Norway total oil stocks



Sources: OilX and OPEC.

Total European product stocks also rose by 0.4 mb, m-o-m, to end April at 590.8 mb. This is 9.6 mb, or 1.6%, lower than the same month in 2024, and 34.6 mb, or 5.5%, below the latest five-year average. The stock build can be attributed to lower demand in the region.

Gasoline stocks fell in April by 1.6 mb, m-o-m, to stand at 108.4 mb, which is 2.7 mb, or 2.6%, higher than the same time in 2024, but 5.2 mb, or 4.6%, below the latest five-year average.

By contrast, middle distillate stocks rose in April by 1.2 mb, m-o-m, to stand at 386.5 mb. This is 11.5 mb, or 2.9%, lower than the same month in 2024, and 27.5 mb, or 6.6%, less than the latest five-year average.

Residual fuel stocks in April were up by 0.3 mb, m-o-m, to stand at 60.8 mb. This is 2.5 mb, or 4.0%, lower than the same month in 2024, and 4.8 mb, or 7.4%, below the latest five-year average.

Naphtha stocks also rose in April by 0.5 mb, m-o-m, ending the month at 35.1 mb. This is 1.6 mb, or 4.8%, higher than the same month in 2024, and 2.7 mb, or 8.2%, above the latest five-year average.

Table 9 - 4: EU-14 plus UK and Norway's total oil stocks, mb

EU stocks	Apr 24	Feb 25	Mar 25	Apr 25	*Change Apr 25/Mar 25*
Crude oil	**405.8**	**388.9**	**388.8**	**390.1**	***1.3***
Gasoline	105.7	112.4	110.0	108.4	*-1.6*
Naphtha	33.5	33.3	34.6	35.1	*0.5*
Middle distillates	398.0	392.0	385.4	386.5	*1.2*
Fuel oils	63.3	60.0	60.5	60.8	*0.3*
Total products	**600.5**	**597.7**	**590.5**	**590.8**	***0.4***
Total	**1,006.3**	**986.5**	**979.2**	**980.9**	***1.7***

Sources: OilX and OPEC.

Singapore, Amsterdam-Rotterdam-Antwerp (ARA) and Fujairah

Singapore

In April, total product stocks in Singapore fell by 2.2 mb, m-o-m, to stand at 44.4 mb. This is 0.6 mb, or 1.2%, lower than the same month in 2024, and 2.5 mb, or 5.4%, less than the latest five-year average.

Light distillate stocks fell in April by 2.6 mb, m-o-m, to stand at 13.2 mb. This is 2.4 mb or 15.1% lower than the same month in 2024, and 1.3 mb, or 9.1%, below the latest five-year average.

Middle distillate stocks also went down in April by 0.7 mb, m-o-m, to stand at 8.7 mb. This is 2.7 mb or 23.5% lower than the level of April 2024, and 2.0 mb, or 19.0%, below the latest five-year average.

By contrast, residual fuel oil stocks rose by 1.1 mb, m-o-m, ending April at 22.5 mb. This is 4.5 mb, or 25.0%, higher than in April 2024, and 0.8 mb or 3.8%, above the latest five-year average.

ARA

Total product stocks in ARA in April fell by 0.7 mb, m-o-m. At 45.9 mb, they were 1.4 mb, or 3.1%, below the same month in 2024, but 0.6 mb, or 1.4%, higher than the latest five-year average.

Gasoline stocks dropped by 1.8 mb, m-o-m, ending April at 10.4 mb. This is 1.6 mb, or 17.9%, higher than in April 2024, and they are in line with the latest five-year average.

Gasoil stocks in April decreased by 0.2 mb, m-o-m, to stand at 15.8 mb. This is 0.9 mb, or 5.2%, lower than the same month in 2024, but 0.1 mb, or 0.4%, above the latest five-year average.

Jet oil stocks fell by 0.5 mb, m-o-m, to stand at 6.9 mb in April. This is 0.3 mb, or 4.2%, higher than the level seen in April 2024 and 0.1 mb, or 1.6%, above the latest five-year average.

By contrast, fuel oil stocks went up in April by 0.9 mb, m-o-m, to stand at 7.7 mb. This is 2.5 mb, or 24.3%, lower than in April 2024, and 1.2 mb, or 13.6%, less than the latest five-year average.

Fujairah

During the week ending 2 June, total oil product stocks in Fujairah fell by 2.28 mb, w-o-w, to stand at 15.62 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 5.96 mb lower than at the same time a year ago.

Light distillate stocks increased by 0.43 mb, w-o-w, to stand at 7.73 mb, which is 0.58 mb higher than the same time a year ago.

By contrast, middle distillate stocks decreased by 0.35 mb, w-o-w, to stand at 0.65 mb, which is 3.07 mb less than the same time last year.

Heavy distillate stocks also went down by 2.36 mb, w-o-w, to stand at 7.24 mb, which is 3.47 mb lower than the same time a year ago.

Balance of Supply and Demand

Demand for DoC crude (i.e., crude from countries participating in the Declaration of Cooperation) is revised upward by 0.1 mb/d from the previous month, to stand at 42.7 mb/d in 2025. This represents an increase of approximately 0.4 mb/d compared to the 2024 estimate.

The demand for DoC crude in 2026 is also revised upward by 0.2 mb/d from the previous month, to stand at 43.2 mb/d—about 0.4 mb/d higher than the 2025 projection.

Balance of supply and demand in 2025

Demand for DoC crude

Demand for DoC crude has been revised upward by 0.1 mb/d from the previous month, reaching 42.7 mb/d in 2025. This represents an increase of approximately 0.4 mb/d compared to the 2024 estimate.

Table 10 - 1: DoC supply/demand balance for 2025*, mb/d

	2024	1Q25	2Q25	3Q25	4Q25	2025	*Change 2025/24*
(a) World oil demand	**103.8**	**104.4**	**104.2**	**105.5**	**106.4**	**105.1**	***1.3***
Non-DoC liquids production	53.2	53.9	54.0	53.9	54.2	54.0	*0.8*
DoC NGL and non-conventionals	8.3	8.4	8.4	8.3	8.4	8.4	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**61.5**	**62.4**	**62.4**	**62.2**	**62.6**	**62.4**	***0.9***
Difference (a-b)	**42.4**	**42.1**	**41.8**	**43.4**	**43.7**	**42.7**	***0.4***
DoC crude oil production	**40.9**	**40.9**					
Balance	**-1.5**	**-1.1**					

*Note: * 2025 = Forecast. Totals may not add up due to independent rounding.*

Source: OPEC.

Balance of supply and demand in 2026

Demand for DoC crude

The demand for DoC crude in 2026 has also been revised upward by 0.2 mb/d from the previous month, reaching 43.2 mb/d—about 0.4 mb/d higher than the 2025 projection.

Table 10 - 2: DoC supply/demand balance for 2026*, mb/d

	2025	1Q26	2Q26	3Q26	4Q26	2026	*Change 2026/25*
(a) World oil demand	**105.1**	**105.7**	**105.4**	**107.0**	**107.5**	**106.4**	***1.3***
Non-DoC liquids production	54.0	54.5	54.4	54.7	55.3	54.7	*0.7*
DoC NGL and non-conventionals	8.4	8.5	8.5	8.5	8.6	8.5	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**62.4**	**63.0**	**62.9**	**63.2**	**63.9**	**63.3**	***0.9***
Difference (a-b)	**42.7**	**42.7**	**42.5**	**43.8**	**43.6**	**43.2**	***0.4***

*Note: * 2025-2026 = Forecast. Totals may not add up due to independent rounding.*

Source: OPEC.

Appendix

Table 11 - 1: World oil demand and supply balance, mb/d

World oil demand and supply balance	2022	2023	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026
World demand													
Americas	24.7	25.0	24.9	24.9	24.9	25.3	25.2	25.1	25.0	25.0	25.4	25.2	25.2
of which US	*20.2*	*20.4*	*20.4*	*20.4*	*20.5*	*20.7*	*20.7*	*20.6*	*20.5*	*20.5*	*20.8*	*20.7*	*20.6*
Europe	13.6	13.5	13.5	12.9	13.6	14.1	13.5	13.5	13.0	13.6	14.1	13.5	13.5
Asia Pacific	7.3	7.2	7.2	7.5	7.0	6.9	7.4	7.2	7.5	7.0	6.9	7.4	7.2
Total OECD	**45.6**	**45.7**	**45.7**	**45.3**	**45.5**	**46.3**	**46.1**	**45.8**	**45.5**	**45.5**	**46.5**	**46.2**	**45.9**
China	15.0	16.4	16.7	16.9	16.6	17.0	17.0	16.9	17.0	16.8	17.3	17.2	17.1
India	5.1	5.3	5.6	5.7	5.8	5.5	5.9	5.7	5.9	6.0	5.7	6.2	6.0
Other Asia	9.1	9.3	9.7	9.9	10.2	9.7	9.7	9.9	10.1	10.5	10.0	10.0	10.2
Latin America	6.4	6.7	6.8	6.8	6.9	7.0	6.9	6.9	6.9	7.0	7.1	7.1	7.0
Middle East	8.3	8.6	8.9	8.8	8.7	9.3	9.2	9.0	8.9	8.9	9.5	9.2	9.1
Africa	4.5	4.6	4.6	4.9	4.5	4.7	5.1	4.8	5.0	4.6	4.8	5.1	4.9
Russia	3.8	3.8	4.0	4.0	3.9	4.0	4.2	4.0	4.1	3.9	4.1	4.2	4.1
Other Eurasia	1.2	1.2	1.3	1.4	1.3	1.2	1.3	1.3	1.5	1.3	1.2	1.3	1.3
Other Europe	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.8	0.8	0.9	0.8
Total Non-OECD	**54.2**	**56.7**	**58.2**	**59.1**	**58.7**	**59.2**	**60.2**	**59.3**	**60.2**	**59.9**	**60.5**	**61.4**	**60.5**
(a) Total world demand	**99.8**	**102.4**	**103.8**	**104.4**	**104.2**	**105.5**	**106.4**	**105.1**	**105.7**	**105.4**	**107.0**	**107.5**	**106.4**
Y-o-y change	***2.5***	***2.6***	***1.5***	***1.5***	***0.9***	***1.5***	***1.3***	***1.3***	***1.2***	***1.2***	***1.5***	***1.2***	***1.3***
Non-DoC liquids production													
Americas	25.0	26.7	27.7	28.0	28.1	28.1	28.3	28.1	28.2	28.2	28.5	28.9	28.5
of which US	*19.4*	*21.0*	*21.8*	*21.8*	*22.2*	*22.2*	*22.1*	*22.1*	*22.0*	*22.3*	*22.4*	*22.5*	*22.3*
Europe	3.6	3.6	3.5	3.6	3.6	3.5	3.6	3.6	3.6	3.5	3.5	3.6	3.5
Asia Pacific	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total OECD	**29.1**	**30.7**	**31.7**	**32.0**	**32.1**	**32.1**	**32.3**	**32.2**	**32.3**	**32.2**	**32.4**	**32.8**	**32.4**
China	4.4	4.5	4.6	4.7	4.6	4.5	4.5	4.6	4.6	4.6	4.5	4.5	4.6
India	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Other Asia	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Latin America	6.3	6.9	7.2	7.4	7.5	7.5	7.6	7.5	7.8	7.9	7.9	8.0	7.9
Middle East	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.0
Africa	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.4	2.3
Other Eurasia	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other Europe	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Non-OECD	**17.9**	**18.6**	**19.0**	**19.3**	**19.3**	**19.2**	**19.3**	**19.3**	**19.7**	**19.7**	**19.7**	**19.9**	**19.7**
Total Non-DoC production	47.0	49.4	50.7	51.4	51.4	51.3	51.7	51.4	51.9	51.8	52.1	52.7	52.1
Processing gains	2.4	2.5	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Total Non-DoC liquids production	**49.4**	**51.9**	**53.2**	**53.9**	**54.0**	**53.9**	**54.2**	**54.0**	**54.5**	**54.4**	**54.7**	**55.3**	**54.7**
DoC NGLs	7.9	8.2	8.3	8.4	8.4	8.3	8.4	8.4	8.5	8.5	8.5	8.6	8.5
(b) Total Non-DoC liquids production and DoC NGLs	**57.3**	**60.1**	**61.5**	**62.4**	**62.4**	**62.2**	**62.6**	**62.4**	**63.0**	**62.9**	**63.2**	**63.9**	**63.3**
Y-o-y change	***2.0***	***2.7***	***1.4***	***1.5***	***1.1***	***0.8***	***0.3***	***0.9***	***0.6***	***0.5***	***1.0***	***1.3***	***0.9***
OPEC crude oil production (secondary sources)	27.7	27.1	26.6	26.8									
Non-OPEC DoC crude production	15.2	15.0	14.3	14.1									
DoC crude oil production	**42.9**	**42.1**	**40.9**	**40.9**									
Total liquids production	**100.2**	**102.1**	**102.3**	**103.3**									
Balance (stock change and miscellaneous)	*0.5*	*-0.2*	*-1.5*	*-1.1*									
OECD closing stock levels, *mb*													
Commercial	2,781	2,778	2,754	2,734									
SPR	1,214	1,207	1,245	1,246									
Total	**3,995**	**3,984**	**4,000**	**3,980**									
Oil-on-water	1,546	1,438	1,373	1,436									
Days of forward consumption in OECD, *days*													
Commercial onland stocks	61	61	60	60									
SPR	27	26	27	27									
Total	**87**	**87**	**87**	**87**									
Memo items													
(a) - (b)	**42.4**	**42.3**	**42.4**	**42.1**	**41.8**	**43.4**	**43.7**	**42.7**	**42.7**	**42.5**	**43.8**	**43.6**	**43.2**

Note: Totals may not add up due to independent rounding.

Source: OPEC.

Table 11 - 2: World oil demand and supply balance: changes from last month's table*, mb/d

World oil demand and supply balance	2022	2023	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026
World demand													
Americas	-	-	-	0.1	0.1	-	-	0.0	0.1	0.1	-	-	0.0
of which US	*-*	*-*	*-*	*0.2*	*0.1*	*-*	*-*	*0.1*	*0.2*	*0.1*	*-*	*-*	*0.1*
Europe	-	-	0.0	0.1	-0.1	-	0.0	0.0	0.1	-0.1	-	0.0	0.0
Asia Pacific	-	-	-	-0.1	0.0	0.0	0.0	-	-0.1	0.0	0.0	0.0	-
Total OECD	**-**	**-**	**0.0**	**0.2**	**0.0**	**0.0**	**0.1**	**0.1**	**0.2**	**0.0**	**0.0**	**0.1**	**0.1**
China	-	-	-	-	-0.1	-	-	0.0	-	-0.1	-	-	0.0
India	-	-	-	-	-0.1	-	-	0.0	-	-0.1	-	-	0.0
Other Asia	-	-	-	0.0	-0.1	-	-	0.0	0.0	-0.1	-	-	0.0
Latin America	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Middle East	-	-	0.1	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1
Africa	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Russia	-	-	-	0.0	-	-	-	-	0.0	-	-	-	-
Other Eurasia	-	-	-	0.0	-	-	-	0.0	0.0	-	-	-	0.0
Other Europe	-	-	-	0.0	-	-	-	0.0	0.0	-	-	-	0.0
Total Non-OECD	**0.1**	**0.1**	**0.1**	**0.1**	**-0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**-0.1**	**0.1**	**0.1**	**0.1**
(a) Total world demand	**0.1**	**0.1**	**0.1**	**0.3**	**-0.1**	**0.1**	**0.2**	**0.1**	**0.3**	**-0.1**	**0.1**	**0.2**	**0.1**
Y-o-y change	***-***	***-***	***0.0***	***0.2***	***-0.2***	***0.0***	***0.0***	***-***	***-***	***-***	***-***	***-***	***-***
Non-DoC liquids production													
Americas	-	-	-	0.1	-0.1	-0.1	-0.1	0.0	-0.2	-0.1	-0.1	-0.1	-0.1
of which US	*-*	*-*	*-*	*0.2*	*-0.1*	*-0.1*	*-0.1*	*0.0*	*-0.2*	*-0.1*	*-0.1*	*-0.1*	*-0.1*
Europe	-	-	-	0.0	0.1	0.0	0.0	-	-	-	-	-	-
Asia Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	**-**	**-**	**-**	**0.2**	**-0.1**	**-0.1**	**-0.1**	**0.0**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**
China	-	-	-	-	-	-	-	-	-	-	-	-	-
India	-	-	-	-	0.0	-	-	-	-	-	-	-	-
Other Asia	-	-	-	0.0	0.0	-	-	-	-	-	-	-	-
Latin America	-	-	-	0.0	0.1	-	-	0.0	0.0	0.0	0.0	0.0	0.0
Middle East	-	-	-	-	0.0	-	-	-	-	-	-	-	-
Africa	-	-	-	0.0	0.0	-	-	0.0	0.0	0.0	0.0	0.0	0.0
Other Eurasia	-	-	-	-	0.0	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**-**	**-**	**0.1**	**-**	**-**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Total Non-DoC production	-	-	-	0.2	0.1	-0.1	-0.1	-	-0.1	-0.1	-0.1	0.0	-0.1
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-DoC liquids production	**-**	**-**	**-**	**0.2**	**0.1**	**-0.1**	**-0.1**	**-**	**-0.1**	**-0.1**	**-0.1**	**0.0**	**-0.1**
DoC NGLs	-	-	-	0.0	0.0	-	-	-	-	-	-	-	-
(b) Total Non-DoC liquids production and DoC NGLs	**-**	**-**	**-**	**0.1**	**0.0**	**-0.1**	**-0.1**	**-**	**-0.1**	**-0.1**	**-0.1**	**0.0**	**-0.1**
Y-o-y change	***-***	***-***	***-***	***0.1***	***0.0***	***-0.1***	***-0.1***	***0.0***	***-0.3***	***-0.1***	***0.0***	***0.1***	***-0.1***
OPEC crude oil production (secondary sources)	-	-	-	-									
Non-OPEC DoC crude production	-	-	-	-									
DoC crude oil production	**-**	**-**	**-**	**-**									
Total liquids production	**-**	**-**	**-**	**0.1**									
Balance (stock change and miscellaneous)	*-0.1*	*-0.1*	*-0.2*	*-0.2*									
OECD closing stock levels, *mb*													
Commercial	-	-	-	-6									
SPR	-	-	-	-									
Total	**-**	**-**	**-**	**-6**									
Oil-on-water	-	-	-	-									
Days of forward consumption in OECD, *days*													
Commercial onland stocks	-	-	-	-									
SPR	-	-	-	-									
Total	**-**	**-**	**-**	**-**									
Memo items													
(a) - (b)	**0.1**	**0.1**	**0.1**	**0.2**	**-0.1**	**0.2**	**0.3**	**0.1**	**0.4**	**0.0**	**0.2**	**0.2**	**0.2**

*Note: * This compares Table 11 - 1 in this issue of the MOMR with Table 11 - 1 in the May 2025 issue.*
This table shows only where changes have occurred.
Source: OPEC.

Table 11 - 3: OECD oil stocks and oil on the water at the end of the period

OECD oil stocks and oil on water	2022	2023	2024	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25
Closing stock levels, mb											
OECD onland commercial	**2,781**	**2,778**	**2,754**	**2,793**	**2,829**	**2,778**	**2,767**	**2,847**	**2,807**	**2,754**	**2,734**
Americas	1,492	1,518	1,496	1,513	1,539	1,518	1,499	1,552	1,530	1,496	1,462
Europe	936	906	925	921	925	906	934	949	920	925	932
Asia Pacific	353	353	333	359	365	353	334	345	357	333	340
OECD SPR	**1,214**	**1,207**	**1,245**	**1,206**	**1,209**	**1,207**	**1,219**	**1,226**	**1,235**	**1,245**	**1,246**
Americas	374	357	395	349	353	357	366	374	384	395	398
Europe	461	466	466	470	471	466	470	468	467	466	463
Asia Pacific	378	384	384	387	384	384	383	384	383	384	386
OECD total	**3,995**	**3,984**	**4,000**	**3,999**	**4,038**	**3,984**	**3,986**	**4,072**	**4,042**	**4,000**	**3,980**
Oil-on-water	**1,546**	**1,438**	**1,373**	**1,449**	**1,367**	**1,438**	**1,459**	**1,394**	**1,373**	**1,373**	**1,436**
Days of forward consumption in OECD, days											
OECD onland commercial	**61**	**61**	**60**	**61**	**61**	**62**	**61**	**62**	**61**	**61**	**60**
Americas	60	61	60	60	61	62	60	61	61	60	59
Europe	70	67	69	67	69	71	68	68	68	72	68
Asia Pacific	49	49	46	51	49	47	48	50	48	44	49
OECD SPR	**27**	**26**	**27**	**26**	**26**	**27**	**27**	**27**	**27**	**28**	**27**
Americas	15	14	16	14	14	15	15	15	15	16	16
Europe	34	34	35	34	35	36	35	33	35	36	34
Asia Pacific	52	53	53	55	52	51	55	55	52	51	55
OECD total	**87**	**87**	**87**	**87**	**88**	**89**	**87**	**88**	**88**	**89**	**88**

Sources: Argus, EIA, IEA, JODI, METI, OilX and OPEC.

Table 11 - 4: Non-DoC liquids production and DoC natural gas liquids, mb/d*

Non-DoC liquids production and DoC NGLs	2024	*Change* 24/23	1Q25	2Q25	3Q25	4Q25	2025	*Change* 25/24	1Q26	2Q26	3Q26	4Q26	2026	*Change* 26/25
US	21.8	*0.8*	21.8	22.2	22.2	22.1	22.1	*0.3*	22.0	22.3	22.4	22.5	22.3	*0.2*
Canada	5.9	*0.3*	6.2	5.9	6.0	6.1	6.1	*0.1*	6.2	6.0	6.2	6.3	6.2	*0.1*
Chile	0.0	*0.0*	0.0	0.0	0.0	0.0	0.0	*0.0*	0.0	0.0	0.0	0.0	0.0	*0.0*
OECD Americas	**27.7**	***1.0***	**28.0**	**28.1**	**28.1**	**28.3**	**28.1**	***0.4***	**28.2**	**28.2**	**28.5**	**28.9**	**28.5**	***0.3***
Norway	2.0	*0.0*	2.0	2.0	2.1	2.1	2.0	*0.0*	2.0	2.0	2.0	2.0	2.0	*0.0*
UK	0.7	*-0.1*	0.8	0.8	0.6	0.7	0.7	*0.0*	0.7	0.7	0.7	0.7	0.7	*0.0*
Denmark	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
Other OECD Europe	0.8	*0.0*	0.8	0.8	0.8	0.8	0.8	*0.0*	0.8	0.8	0.8	0.8	0.8	*0.0*
OECD Europe	**3.5**	***-0.1***	**3.6**	**3.6**	**3.5**	**3.6**	**3.6**	***0.1***	**3.6**	**3.5**	**3.5**	**3.6**	**3.5**	***0.0***
Australia	0.4	*0.0*	0.3	0.4	0.4	0.4	0.4	*0.0*	0.4	0.3	0.3	0.3	0.3	*0.0*
Other OECD Asia Pacific	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
OECD Asia Pacific	**0.4**	***0.0***	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***
Total OECD	**31.7**	***0.9***	**32.0**	**32.1**	**32.1**	**32.3**	**32.2**	***0.5***	**32.3**	**32.2**	**32.4**	**32.8**	**32.4**	***0.3***
China	**4.6**	***0.1***	**4.7**	**4.6**	**4.5**	**4.5**	**4.6**	***0.0***	**4.6**	**4.6**	**4.5**	**4.5**	**4.6**	***0.0***
India	**0.8**	***0.0***	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	***0.0***	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	***0.0***
Indonesia	0.8	*0.0*	0.8	0.8	0.8	0.8	0.8	*0.0*	0.8	0.8	0.8	0.8	0.8	*0.0*
Thailand	0.4	*0.0*	0.4	0.4	0.4	0.4	0.4	*0.0*	0.4	0.4	0.4	0.4	0.4	*0.0*
Vietnam	0.2	*0.0*	0.2	0.2	0.2	0.2	0.2	*0.0*	0.2	0.2	0.2	0.2	0.2	*0.0*
Asia others	0.2	*0.0*	0.2	0.2	0.2	0.2	0.2	*0.0*	0.2	0.2	0.2	0.2	0.2	*0.0*
Other Asia	**1.6**	***0.0***	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	***0.0***	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	***0.0***
Argentina	0.9	*0.1*	0.9	0.9	0.9	0.9	0.9	*0.1*	1.0	1.0	1.0	1.0	1.0	*0.1*
Brazil	4.2	*0.0*	4.3	4.4	4.3	4.4	4.4	*0.2*	4.5	4.5	4.5	4.6	4.5	*0.2*
Colombia	0.8	*0.0*	0.8	0.8	0.8	0.8	0.8	*0.0*	0.8	0.8	0.8	0.8	0.8	*0.0*
Ecuador	0.5	*0.0*	0.5	0.5	0.5	0.5	0.5	*0.0*	0.5	0.5	0.4	0.4	0.5	*0.0*
Latin America others	0.9	*0.2*	0.9	0.9	1.0	1.1	1.0	*0.1*	1.2	1.2	1.2	1.2	1.2	*0.2*
Latin America	**7.2**	***0.3***	**7.4**	**7.5**	**7.5**	**7.6**	**7.5**	***0.3***	**7.8**	**7.9**	**7.9**	**8.0**	**7.9**	***0.4***
Qatar	1.9	*0.0*	1.9	1.9	1.9	1.9	1.9	*0.0*	1.9	1.9	1.9	1.9	1.9	*0.0*
Middle East others	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
Middle East	**2.0**	***0.0***	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	***0.0***	**2.0**	**2.0**	**2.1**	**2.1**	**2.0**	***0.0***
Angola	1.2	*0.0*	1.1	1.1	1.1	1.1	1.1	*-0.1*	1.1	1.1	1.0	1.0	1.1	*0.0*
Chad	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
Egypt	0.6	*0.0*	0.5	0.5	0.6	0.6	0.6	*0.0*	0.5	0.5	0.5	0.5	0.5	*0.0*
Ghana	0.1	*0.0*	0.1	0.1	0.2	0.2	0.1	*0.0*	0.2	0.1	0.1	0.1	0.1	*0.0*
South Africa	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
Africa others	0.3	*0.1*	0.4	0.3	0.3	0.3	0.3	*0.1*	0.3	0.3	0.4	0.4	0.4	*0.0*
Africa	**2.3**	***0.1***	**2.3**	**2.3**	**2.3**	**2.3**	**2.3**	***0.0***	**2.3**	**2.3**	**2.3**	**2.4**	**2.3**	***0.0***
Other Eurasia	**0.4**	***0.0***	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***
Other Europe	**0.1**	***0.0***	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	***0.0***	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	***0.0***
Total Non-OECD	**19.0**	***0.3***	**19.3**	**19.3**	**19.2**	**19.3**	**19.3**	***0.3***	**19.7**	**19.7**	**19.7**	**19.9**	**19.7**	***0.4***
Non-DoC production	50.7	*1.3*	51.4	51.4	51.3	51.7	51.4	*0.8*	51.9	51.8	52.1	52.7	52.1	*0.7*
Processing gains	2.5	*0.0*	2.6	2.6	2.6	2.6	2.6	*0.0*	2.6	2.6	2.6	2.6	2.6	*0.0*
Non-DoC liquids production	**53.2**	***1.3***	**53.9**	**54.0**	**53.9**	**54.2**	**54.0**	***0.8***	**54.5**	**54.4**	**54.7**	**55.3**	**54.7**	***0.7***
DoC NGLs	**8.3**	***0.1***	**8.4**	**8.4**	**8.3**	**8.4**	**8.4**	***0.1***	**8.5**	**8.5**	**8.5**	**8.6**	**8.5**	***0.1***
Non-DoC liquids production and DoC NGLs	**61.5**	***1.4***	**62.4**	**62.4**	**62.2**	**62.6**	**62.4**	***0.9***	**63.0**	**62.9**	**63.2**	**63.9**	**63.3**	***0.9***

Note: Totals may not add up due to independent rounding.
Source: OPEC.

Table 11 - 5: World rig count, units

World rig count	2022	2023	2024	*Change 2024/23*	3Q24	4Q24	1Q25	Apr 25	May 25	*Change May/Apr*
US	722	688	599	*-89*	586	586	588	586	573	*-13*
Canada	174	177	188	*11*	209	195	216	138	116	*-22*
Mexico	47	55	50	*-5*	49	43	21	20	25	*5*
OECD Americas	**945**	**921**	**839**	***-82***	**846**	**826**	**827**	**746**	**716**	***-30***
Norway	17	17	13	*-4*	12	13	15	15	14	*-1*
UK	10	12	8	*-4*	9	8	8	9	9	*0*
OECD Europe	**65**	**66**	**64**	***-2***	**63**	**65**	**66**	**69**	**66**	***-3***
OECD Asia Pacific	**24**	**25**	**25**	***0***	**26**	**25**	**20**	**15**	**15**	***0***
Total OECD	**1,034**	**1,012**	**928**	***-84***	**935**	**916**	**912**	**830**	**797**	***-33***
Other Asia*	186	204	212	*8*	205	211	200	200	202	*2*
Latin America	119	120	104	*-16*	104	100	107	107	107	*0*
Middle East	62	61	62	*1*	62	63	63	62	60	*-2*
Africa	64	67	52	*-15*	46	47	46	46	44	*-2*
Other Europe	10	11	9	*-2*	9	9	10	12	12	*0*
Total Non-OECD	**441**	**463**	**439**	***-24***	**426**	**430**	**425**	**427**	**425**	***-2***
Non-OPEC rig count	**1,475**	**1,475**	**1,367**	***-108***	**1,361**	**1,346**	**1,338**	**1,257**	**1,222**	***-35***
Algeria	32	36	42	*6*	43	42	43	42	43	*1*
Congo	1	1	1	*0*	1	1	1	1	1	*0*
Equatorial Guinea**	0	0	0	*0*	0	0	0	1	1	*0*
Gabon	3	3	4	*1*	5	3	3	3	3	*0*
Iran**	117	117	117	*0*	117	117	117	117	117	*0*
Iraq	51	61	62	*1*	62	62	62	62	62	*0*
Kuwait	27	24	31	*7*	33	32	30	31	28	*-3*
Libya	7	14	18	*4*	18	18	18	18	18	*0*
Nigeria	10	14	15	*1*	14	11	11	11	9	*-2*
Saudi Arabia	73	83	81	*-2*	79	75	81	70	69	*-1*
UAE	47	57	66	*9*	68	70	73	72	71	*-1*
Venezuela	3	2	2	*0*	2	1	2	2	3	*1*
OPEC rig count	**371**	**412**	**439**	***27***	**442**	**432**	**441**	**430**	**425**	***-5***
World rig count* **	**1,846**	**1,887**	**1,806**	***-81***	**1,803**	**1,778**	**1,778**	**1,687**	**1,647**	***-40***
of which:										
Oil	1,463	1,498	1,439	*-59*	1,443	1,415	1,414	1,349	1,303	*-46*
Gas	352	357	320	*-37*	311	311	312	286	294	*8*
Others	31	32	47	*15*	50	53	52	52	49	*-2*

*Note: * Other Asia includes India and offshore rigs for China.*
*** Estimated data when Baker Hughes Incorporated did not reported the data.*
**** Data excludes onshore China as well as Russia and other Eurasia.*
Totals may not add up due to independent rounding.
Sources: Baker Hughes and OPEC.

Glossary of Terms

Abbreviations

b	barrels
b/d	barrels per day
bp	basis points
bb	billion barrels
bcf	billion cubic feet
cu m	cubic metres
mb	million barrels
mb/d	million barrels per day
mmbtu	million British thermal units
mn	million
m-o-m	month-on-month
mt	metric tonnes
q-o-q	quarter-on-quarter
pp	percentage points
tb/d	thousand barrels per day
tcf	trillion cubic feet
y-o-y	year-on-year
y-t-d	year-to-date

Acronyms

ARA	Amsterdam-Rotterdam-Antwerp
BoE	Bank of England
BoJ	Bank of Japan
BOP	Balance of payments
BRIC	Brazil, Russia, India and China
CAPEX	capital expenditures
CCI	Consumer Confidence Index
CFTC	Commodity Futures Trading Commission
CIF	cost, insurance and freight
CPI	consumer price index
DoC	Declaration of Cooperation
DCs	developing countries
DUC	drilled, but uncompleted (oil well)
ECB	European Central Bank
EIA	US Energy Information Administration
Emirates NBD	Emirates National Bank of Dubai
EMs	emerging markets
EV	electric vehicle

FAI	fixed asset investment
FCC	fluid catalytic cracking
FDI	foreign direct investment
Fed	US Federal Reserve
FID	final investment decision
FOB	free on board
FPSO	floating production storage and offloading
FSU	Former Soviet Union
FX	Foreign Exchange
FY	fiscal year
GDP	gross domestic product
GFCF	gross fixed capital formation
GoM	Gulf of Mexico
GTLs	gas-to-liquids
HH	Henry Hub
HSFO	high-sulphur fuel oil
ICE	Intercontinental Exchange
IEA	International Energy Agency
IMF	International Monetary Fund
IOCs	international oil companies
IP	industrial production
ISM	Institute of Supply Management
JODI	Joint Organisations Data Initiative
LIBOR	London inter-bank offered rate
LLS	Light Louisiana Sweet
LNG	liquefied natural gas
LPG	liquefied petroleum gas
LR	long-range (vessel)
LSFO	low-sulphur fuel oil
MCs	(OPEC) Member Countries
MED	Mediterranean
MENA	Middle East/North Africa
MOMR	(OPEC) Monthly Oil Market Report
MPV	multi-purpose vehicle
MR	medium-range or mid-range (vessel)
NBS	National Bureau of Statistics
NGLs	natural gas liquids
NPC	National People's Congress (China)
NWE	Northwest Europe
NYMEX	New York Mercantile Exchange
OECD	Organisation for Economic Co-operation and Development
OPEX	operational expenditures
OIV	total open interest volume
ORB	OPEC Reference Basket
OSP	Official Selling Price
PADD	Petroleum Administration for Defense Districts
PBoC	People's Bank of China
PMI	purchasing managers' index
PPI	producer price index
PPP	purchasing power parity

RBI	Reserve Bank of India
REER	real effective exchange rate
ROI	return on investment
SAAR	seasonally-adjusted annualized rate
SIAM	Society of Indian Automobile Manufacturers
SRFO	straight-run fuel oil
SUV	sports utility vehicle
ULCC	ultra-large crude carrier
ULSD	ultra-low sulphur diesel
USEC	US East Coast
USGC	US Gulf Coast
USWC	US West Coast
VGO	vacuum gasoil
VLCC	very large crude carriers
WPI	wholesale price index
WS	Worldscale
WTI	West Texas Intermediate
WTS	West Texas Sour

OPEC Basket average price *US$/b*

Down 5.36 in May

May 2025	63.62
April 2025	68.98
Year-to-date	**72.50**

May OPEC crude production *mb/d, according to secondary sources*

Up 0.18 in May

May 2025	27.02
April 2025	26.84

May Non-OPEC DoC crude production *mb/d, according to secondary sources*

Unchanged 0.00 in May

May 2025	14.21
April 2025	14.21

Economic growth rate *per cent*

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2025	2.9	1.7	1.0	1.0	4.6	6.5	2.3	1.8
2026	3.1	2.1	1.1	0.9	4.5	6.5	2.5	1.5

Supply and demand *mb/d*

2025		**25/24**	**2026**		**26/25**
World demand	105.1	1.3	World demand	106.4	1.3
Non-DoC liquids production	54.0	0.8	Non-DoC liquids production	54.7	0.7
DoC NGLs	8.4	0.1	DoC NGLs	8.5	0.1
Difference	**42.7**	**0.4**	**Difference**	**43.2**	**0.4**

OECD commercial stocks *mb*

	Feb 25	Mar 25	Apr 25	Apr 25/Mar 25
Crude oil	1,312	1,336	1,344	7.2
Products	1,421	1,398	1,395	-2.5
Total	**2,733**	**2,734**	**2,739**	**4.7**
Days of forward cover	60.5	60.1	59.7	-0.4

Next report to be issued on 15 July 2025.