Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

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Feature article:

Recent global refining trends and winter oil market outlook

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OPEC Monthly Oil Market Report

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Oil Market Highlights

Crude Oil Price Movements

In July, the OPEC Reference Basket (ORB) value dropped by $6.76/b, m-o-m, to average $82.99/b. The ICE Brent front-month dropped by $0.46/b in July, m-o-m, to average $83.97/b, while the NYMEX WTI front-month contract dropped by $2.57/b to average $79.22/b. The GME Oman front-month contract dropped by $1.73/b, m-o-m, to average $77.52/b. The Brent–WTI futures spread widened by $2.11/b, m-o-m, to an average premium of $4.75/b in July. The forward curves of ICE Brent and GME Oman strengthened in July. Geopolitical risks and concerns about prompt supply availability supported prompt-month contracts, while oil market fundamentals remained robust. The NYMEX WTI structure flattened slightly but remained in firm backwardation as US crude stocks continued to decline in July. Hedge funds and other money managers raised their speculative net long positions in July.

World Economy

The global economic growth forecast for 2026 is revised down slightly to 3%, while the forecast for 2027 remains unchanged at 3.2%. The US economic growth forecast remains unchanged at 2.2% for 2026 and 2% for 2027. In the Eurozone, the 2026 economic growth forecast is revised down slightly to 0.8% and to 1% for 2027. Japan's economic growth forecasts are revised down slightly to 0.7% and 0.8% for 2026 and 2027, respectively. The economic growth forecasts for China remain unchanged at 4.6% for 2026 and 4.5% for 2027. India's economic growth forecast remains unchanged at 6.6% for 2026 and 6.5% for 2027. Brazil's economic growth forecasts remain unchanged at 2% for 2026 and 2.2% for 2027. Russia's economic growth forecast for 2026 is revised down slightly to 1.1% and remains unchanged at 1.5% for 2027.

World Oil Demand

Global oil demand is forecast to grow by 0.6 mb/d in 2026, y-o-y, following a slight downward revision from last month's assessment. The OECD is forecast to slightly decline by about 40 tb/d, while the non-OECD is forecast to grow by about 0.6 mb/d. Global oil demand in 2027 is forecast to grow by about 2.2 mb/d, y-o-y, following an upward revision from last month's assessment. The OECD is forecast to grow by about 0.3 mb/d, while the non-OECD is forecast to grow by about 1.8 mb/d.

World Oil Supply

Non-DoC liquids production (i.e., liquids production from countries not participating in the Declaration of Cooperation) is forecast to grow by about 0.6 mb/d, y-o-y, in 2026, unchanged from last month's assessment. The main drivers of liquids production growth are expected to be Brazil, the US, Canada, and Argentina. In 2027, non-DoC liquids production is forecast to grow by about 0.6 mb/d, also unchanged from last month's assessment. This growth will mainly be driven by Qatar, Canada, Brazil, and Argentina. Natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to increase by about 0.1 mb/d, y-o-y, to average 8.8 mb/d in 2026. Additional growth of about 0.1 mb/d, y-o-y, is forecast for 2027, to average about 8.9 mb/d. In July, crude oil production by countries participating in the DoC increased by 1.42 mb/d, m-o-m, to average about 37.66 mb/d, according to available secondary sources.

Product Markets and Refining Operations

Refining margins extended their upward trend across all three main trading hubs, driven by a distillate-led rally as refinery outages, a diesel export ban in Eastern Europe and geopolitical developments tightened global middle distillate balances. On the US Gulf Coast (USGC), refining margins reached their highest level since October 2022, while Rotterdam posted the largest m-o-m gain among the three hubs, as European diesel and gasoline stocks remained low. In Singapore, margins also strengthened, supported by constrained Asian refinery throughputs and a decline in crude prices.

Tanker Market

Dirty tanker spot freight rates were mixed across vessel classes in July. VLCC rates declined on average, m-o-m, but remained at historically elevated levels amid trade flow disruptions. On the West Africa-to-East route, VLCC spot freight rates slipped 3% on average in July, m-o-m, but remained some 188% higher than in the same month last year. In contrast, Suezmax and Aframax spot freight rates showed gains across all monitored routes. On the USGC-to-Europe route, Suezmax rates rose 28%, m-o-m. Aframax rates showed the strongest average gains, supported by tightness in the US Gulf Coast and Mediterranean. On the Cross-Mediterranean route, Aframax dirty spot rates rose 60%, m-o-m. In the clean tanker market, spot freight rates showed divergent trends in July. East of Suez rates fell 13% on average, m-o-m, while West of Suez spot rates edged up by 2% on average, m-o-m, in July.

Crude and Refined Product Trade

US crude imports recovered, m-o-m, in July to average 5.7 mb/d, while crude exports continued to fall from elevated levels to average 3.5 mb/d, according to preliminary weekly data. In June, crude imports into OECD Europe are likely to have moved seasonally lower, as elevated US inflows returned to more typical levels. Meanwhile, Japan's crude imports rebounded, returning to the five-year average of 2.1 mb/d in June, supported by a return of inflows from the Middle East. Japan's product exports rose, supported by gains in all major products except jet fuel. China's crude imports fell further in June to average 7.1 mb/d as refiners continued to limit runs. China's product imports also remained constrained by reduced feedstock demand, while product exports picked up amid an easing of government restrictions. India's crude imports declined in June, largely in line with seasonal trends and following strong inflows in the previous month, to average 4.8 mb/d. Low LPG and fuel oil imports continued to weigh on India's product imports, while product exports rose 5% as higher exports of gasoline and fuel oil offset declines in diesel oil and naphtha.

Commercial Stock Movements

Preliminary June 2026 data shows that OECD commercial oil inventories dropped by 26.4 mb, m-o-m, to stand at 2,729 mb. At this level, OECD commercial stocks were 59.6 mb lower, y-o-y, 66.5 mb below the latest five-year average and 218.5 mb below the 2015–2019 average. Within the components, crude stocks decreased by 15.3 mb, while product stocks decreased by 11.1 mb, m-o-m. OECD commercial crude oil stocks stood at 1,296 mb. This was 33.6 mb lower, y-o-y, 54.2 mb below the latest five-year average and 169.3 mb below the 2015–2019 average. OECD total product stocks stood at 1,433 mb in June. This was 26.0 mb lower, y-o-y, 12.3 mb below the latest five-year average and 49.3 mb below the 2015–2019 average. In terms of days of forward cover, OECD commercial stocks fell by 1.0 days, m-o-m, in June, to 58.7 days. This was 1.2 days lower, y-o-y, 1.9 days below the latest five-year average and 3.0 days below the 2015–2019 average.

Balance of Supply and Demand

The demand for DoC crude (i.e., crude from countries participating in the DoC) in 2026 is revised down from last month's assessment to 42.1 mb/d, 0.2 mb/d lower than the 2025 level. The demand for DoC crude in 2027 remains unchanged from the previous month's assessment to stand at 43.6 mb/d, which is about 1.4 mb/d above the 2026 forecast.

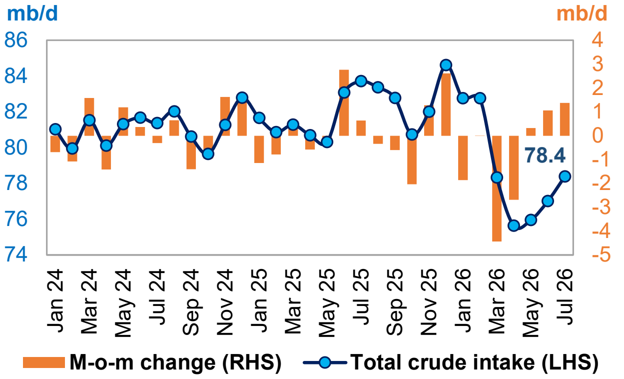
Feature Article

Recent global refining trends and winter oil market outlook

In recent months, global refinery operations have gradually recovered as seasonal maintenance has eased across several regions, though refining capacity remains constrained by geopolitical disruptions and operational outages. Preliminary data indicates that global refinery intake increased by 1.4 mb/d, m-o-m, in July (***Graph 1***).

The recovery was supported by the completion of maintenance programmes in North America and Europe and the gradual restart of refining capacity in parts of the Middle East. However, refinery outages remained above historical levels due to continued disruptions in Eastern Europe and the Middle East, as well as elevated maintenance activity in Asia, particularly in China. Despite these constraints, refiners continued to operate at high utilization rates where capacity was available, supported by favourable refining economics. Global refinery utilization exceeded 78% in July 2026. Strong middle-distillate demand, supply disruptions and relatively low product stocks sustained refinery margins and encouraged refiners to maximize crude processing.

Graph 1: Global refinery intake



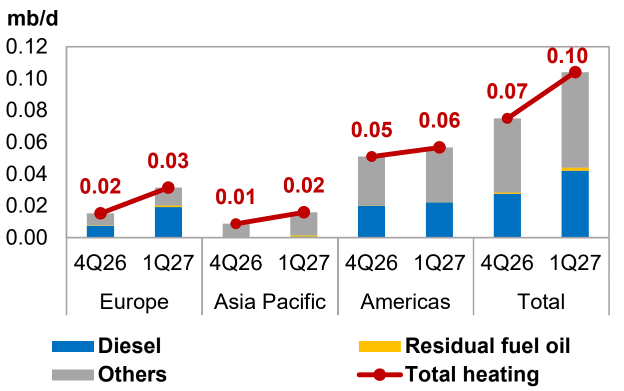
Source: OPEC.

Throughput remained particularly robust in North America and Europe, where limited maintenance and high operating rates partly offset supply losses in other regions. In Asia, refinery activity recovered, although maintenance programmes and feedstock constraints moderated the rebound in some countries.

Looking ahead, global refinery operations are expected to strengthen further as seasonal maintenance concludes and additional capacity gradually returns to service. Improving refinery availability in Asia, prospects for operational recovery in Eastern Europe and the gradual restoration of refinery operations in the Middle East should support higher refinery runs. Although geopolitical developments remain a key source of uncertainty, resilient demand for refined products and favourable refining margins are expected to encourage refiners to maintain high operating rates.

Amid the pickup in refinery, winter demand is expected to provide further support for market conditions. OECD heating fuel demand in 4Q26 is forecast to increase by about 70 tb/d, y-o-y (***Graph 2***). In OECD Americas and Europe, heating fuel is forecast to drive demand in 4Q26, while in OECD Asia Pacific, 'other fuels,' primarily LPG and kerosene, are forecast to provide further support. OECD Americas is expected to see the largest increase, at about 50 tb/d, y-o-y, in 4Q26, followed by OECD Europe with approximately 20 tb/d, y-o-y. Heating fuel demand in OECD Asia Pacific in 4Q26 is forecast to rise by about 10 tb/d, y-o-y. In 1Q27, heating fuel demand in the OECD is forecast to grow by 100 tb/d, y-o-y. Larger increases are forecast in the Americas and Europe, with a marginal increase expected in the Asia Pacific. However, it should be noted that weather conditions associated with the expected super El Niño may affect oil demand in the winter months.

Graph 2: Heating fuel demand in OECD, y-o-y change



Note: 4Q26-1Q27 = Forecast. Source: OPEC.

In addition, requirements for petrochemical feedstock also typically rise during the winter months, boosting demand for NGLs/LPG and naphtha. In the OECD, the main growth is expected to come from OECD Americas. NGLs/LPG consumption in the region is forecast to grow by 50 tb/d, y-o-y, in 4Q26 and by another 60 tb/d, y-o-y, in 1Q27. Naphtha demand is not expected to grow in the OECD Americas during this period. In the non-OECD, demand for NGLs/LPG in China is forecast to increase by 90 tb/d, y-o-y, in 4Q26, and naphtha demand is forecast to grow by around 50 tb/d over the same period. In 1Q27, demand for NGLs/LPG is forecast to grow by 90 tb/d, y-o-y, while demand for naphtha is forecast to increase by around 20 tb/d, y-o-y. In Other Asia, demand for NGLs/LPG is expected to grow by around 10 tb/d, y-o-y, in 4Q26, while naphtha consumption is expected to increase by around 50 tb/d, y-o-y. In 1Q27, demand for NGLs/LPG in the region is expected to grow by around 80 tb/d, y-o-y, while demand for naphtha is expected to soften somewhat, y-o-y. Meanwhile, in India, NGLs/LPG are largely used year-round for domestic purposes, while naphtha accounts for only around 5% of the country's total oil demand.

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Crude Oil Price Movements

In July, the OPEC Reference Basket (ORB) value dropped by $6.76/b, m-o-m, to average $82.99/b.

The ICE Brent front-month contract dropped by $0.46/b in July, m-o-m, to average $83.97/b, while the NYMEX WTI front-month contract dropped by $2.57/b to average $79.22/b. The GME Oman front-month contract dropped by $1.73/b, m-o-m, to average $77.52/b.

The forward curves of ICE Brent and GME Oman strengthened in July, with the front end of the curves moving into steeper backwardation. Geopolitical risks and concerns about prompt supply availability supported prompt-month contracts, while oil market fundamentals remained robust. Speculative buying, particularly in ICE Brent, also contributed to the strengthening of the backwardation structure. The NYMEX WTI structure flattened slightly but remained in firm backwardation as US crude stocks continued to decline during July.

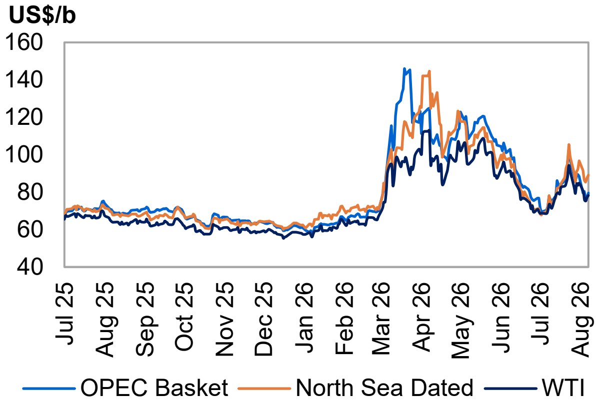
Hedge funds and other money managers raised their speculative net long positions in July, although positioning showed mixed movements amid uncertainty over developments in the Middle East, which fuelled price volatility. Speculative buying was stronger in the ICE Brent market as geopolitical tensions increased and money managers looked to anticipate potential oil supply disruptions.

Crude spot prices

Crude oil spot prices dropped on average in July, m-o-m, amid elevated volatility in futures markets. This was despite supportive market fundamentals, including declining global oil stocks, a continued recovery in global refinery throughput, and renewed geopolitical tensions.

Spot prices continued to decline in the first week of July, extending the sharp drop registered in late June, as expectations of improving crude availability and higher Middle Eastern exports eased concerns over prompt supply tightness. Selling pressure in futures markets added to the downward momentum. Moreover, softer buying interest in the spot market weighed on spot prices.

Graph 1 - 1: Crude oil price movements



Sources: Argus and OPEC.

Spot prices rebounded in the second half of July, as renewed tensions in the Middle East raised concerns about oil flows in the region. Disruptions to CPC Blend loadings added worries elsewhere. Strong refinery demand – underpinned by exceptionally elevated middle-distillate margins – also lifted spot prices. In the final week of July, prices fell sharply as signs of easing geopolitical tensions prompted a partial unwinding of the risk premium.

North Sea Dated and Dubai first-month prices dropped by $1.78/b and $2.79/b, respectively, m-o-m, to average $83.39/b and $77.18/b. The WTI first-month price dropped by $2.69/b to average $78.97/b.

Crude differentials showed mixed movements across regional spot markets. In the North Sea, ample supply availability pressured light sweet grades, while medium sour values received some support from strong refinery demand and high middle-distillate margins. Renewed disruptions to CPC operations also sustained caution among buyers. Forties and Ekofisk crude differentials eased by $0.02/b and $0.71/b, respectively, m-o-m, to premiums of $0.10/b and $2.02/b against North Sea Dated. Johan Sverdrup also weakened against North Sea Dated, declining by $0.38/b to a premium of $2.39/b.

West African crude differentials softened amid subdued buying interest, particularly from Asian buyers, and competition from alternative Atlantic Basin supplies. An overhang of unsold Nigerian cargoes persisted late into the trading cycle. However, concerns about Middle Eastern supply renewed some demand for alternatives, as Asian refiners assessed replacement options. Bonny Light, Forcados and Qua Iboe crude differentials to North Sea Dated decreased by $3.25/b, $4.24/b and $3.13/b, respectively, m-o-m, to premiums of $0.05/b, $0.08/b and $0.01/b. The Cabinda crude differential also fell by $5.43/b, m-o-m, to a discount of $7.82/b.

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

OPEC Reference Basket (ORB)	Jun 26	Jul 26	*Change* Jul 26/Jun 26	*Year-to-date* 2025	2026
ORB	**89.75**	**82.99**	***-6.76***	**71.88**	**92.04**
Arab Light	96.89	87.88	*-9.01*	73.42	95.50
Basrah Medium	85.10	78.37	*-6.73*	71.27	91.24
Bonny Light	90.44	86.45	*-3.99*	72.30	94.08
Djeno	77.87	75.94	*-1.93*	64.09	83.99
Es Sider	86.47	83.09	*-3.38*	70.73	92.72
Iran Heavy	90.77	82.07	*-8.70*	72.04	92.37
Kuwait Export	92.28	82.02	*-10.26*	72.71	93.12
Merey	71.13	67.36	*-3.77*	59.42	70.64
Murban	81.80	79.15	*-2.65*	71.80	87.54
Rabi Light	84.86	82.93	*-1.93*	71.08	90.98
Sahara Blend	87.27	83.79	*-3.48*	72.18	94.16
Zafiro	84.97	82.80	*-2.17*	73.35	90.63
Other Crudes					
North Sea Dated	85.17	83.39	*-1.78*	71.54	91.42
Dubai	79.97	77.18	*-2.79*	71.71	89.12
Isthmus	82.89	78.99	*-3.90*	67.41	82.17
LLS	83.45	80.16	*-3.29*	70.26	84.58
Mars	82.80	77.81	*-4.99*	68.57	84.09
Minas	93.79	92.95	*-0.84*	74.83	99.76
Urals	60.69	56.32	*-4.37*	58.40	64.24
WTI	81.66	78.97	*-2.69*	67.68	82.17
Differentials					
North Sea Dated/WTI	3.51	4.42	*0.91*	3.87	9.24
North Sea Dated/LLS	1.72	3.23	*1.51*	1.29	6.84
North Sea Dated/Dubai	5.20	6.21	*1.01*	-0.17	2.29

Sources: Argus, Direct Communication, and OPEC.

In the Mediterranean, crude differentials strengthened after CPC Blend loadings were suspended for several days. European refiners sought prompt alternative barrels, including North African grades of similar quality, to maintain high crude runs and benefit from strong refining margins. Azeri BTC and CPC Blend crude differentials rose by $1.90/b and $0.83/b, respectively, m-o-m, to a premium of $5.08/b and a discount of $2.77/b relative to North Sea Dated. The Saharan Blend crude differential eased by $0.07/b, m-o-m, to a premium of $1.73/b against North Sea Dated.

In the Middle East, crude differentials for the main regional grades eased further in July, as expectations of improving supply availability and higher exports continued to weigh on prompt crude values. The Oman crude differential to Dubai dropped by $0.49/b, m-o-m, to a premium of $1.00/b in July, following a decline of $7.08/b in the previous month.

In the US Gulf Coast (USGC), crude differentials for both light sweet and sour grades weakened amid ample supply availability and lower crude exports, m-o-m. However, US crude attracted interest from European refiners seeking alternatives to CPC Blend and from Asian buyers. Nevertheless, ample US and other Atlantic Basin crude availability limited upward pressure on differentials. Light Louisiana Sweet (LLS) dropped by $0.55/b, m-o-m, to a premium of $1.24/b against the WTI benchmark, while Mars sour decreased by $2.13/b to a discount of $0.99/b against WTI.

OPEC Reference Basket (ORB) value

In July, the ORB value dropped by $6.76/b, m-o-m, to average $82.99/b. The West and North African Basket components—Bonny Light, Djeno, Es Sider, Rabi Light, Saharan Blend and Zafiro—declined by an average of $2.81/b, m-o-m, to $82.50/b. Multiple-region destination grades, including Arab Light, Basrah Medium, Iran Heavy and Kuwait Export, fell by an average of $8.68/b, m-o-m, to $82.59/b. Murban crude declined by $2.65/b, m-o-m, to average $79.15/b, while the Merey component dropped by $3.77/b to average $67.36/b.

The oil futures market

Crude oil futures prices experienced elevated volatility in July, driven by mixed reports on geopolitical developments and their potential impact on global oil supply, while speculative activity further amplified price movements. Key crude oil futures prices declined on average, m-o-m. Earlier in the month, prices remained under pressure amid expectations of easing geopolitical tensions and a rapid increase in global oil supply, which eroded geopolitical risk premiums.

However, futures prices rallied sharply in the second half of July as renewed tensions in the Middle East and heightened concerns over regional oil supply, together with incidents involving vessels transiting the region, reignited concerns regarding disruptions to crude and petroleum product supplies. In addition, crude supply disruptions and refinery outages in Eastern Europe, together with a ban on Russian diesel exports, tightened middle-distillate markets. Strong middle-distillate crack spreads encouraged refiners to maximize crude runs, reinforcing demand for crude grades. Futures prices retreated in the final week of the month following signs of easing geopolitical tensions, which prompted a partial unwinding of the geopolitical risk premium.

The ICE Brent front-month contract fell by $0.46/b in July, m-o-m, to average $83.97/b, while the NYMEX WTI front-month contract declined by $2.57/b to average $79.22/b. The GME Oman front-month contract dropped by $1.73/b, m-o-m, to average $77.52/b.

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

Crude oil futures	Jun 26	Jul 26	*Change* Jul 26/Jun 26	*Year-to-date* 2025	2026
NYMEX WTI	81.79	79.22	-2.57	67.48	82.43
ICE Brent	84.43	83.97	-0.46	70.62	87.04
GME Oman	79.25	77.52	-1.73	71.70	88.90
Spread					
ICE Brent-NYMEX WTI	*2.64*	*4.75*	*2.11*	*3.14*	*4.61*

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

The Brent–WTI spread widened as the geopolitical risk premium for Brent-related markets increased, reflecting Brent's greater exposure to internationally traded crude and concerns about the availability of replacement barrels in Europe. Disruptions to CPC Blend loadings also supported Brent-related grades. Meanwhile, US oil market fundamentals softened. The Brent–WTI futures spread widened by $2.11/b, m-o-m, to an average premium of $4.75/b in July.

The spread between North Sea Dated and WTI Houston also widened, as signs of ample supply availability in the USGC and softer export demand weighed on WTI. The North Sea Dated–WTI Houston spread widened by $0.98/b, m-o-m, to an average premium of $4.14/b in July.

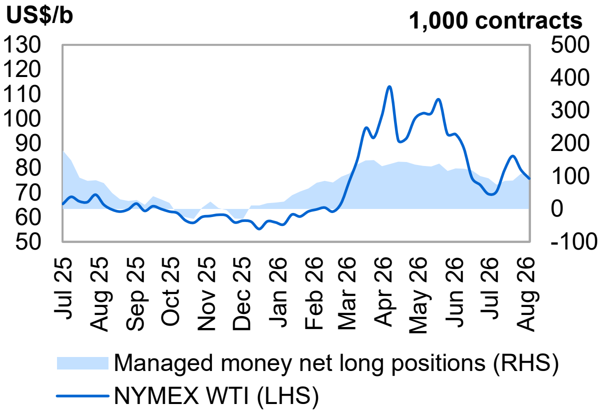
Hedge funds and other money managers raised their speculative net long positions in July, although positioning varied across markets amid uncertainty over developments in the Middle East, which fuelled price volatility. Speculative buying was stronger in the ICE Brent market as geopolitical tensions escalated and money managers positioned for potential oil supply disruptions.

Between late June and the week of 28 July, hedge funds and other money managers bought the equivalent of 144 mb across Brent and WTI futures and options. Buying was concentrated in ICE Brent, where net long positions rose by 232.7% over the period, while NYMEX WTI net long positions increased by 15.6%.

Money managers bought the equivalent of about 129 mb in ICE Brent contracts between the weeks of 30 June and 28 July. Combined futures and options net long positions related to Brent increased by 129,449 lots, or 232.7%, over the period, to stand at 185,083 contracts in the week of 28 July, according to ICE data. This reflected a decline in short positions of 60,601 lots, or 26.8%, to 165,290 contracts, while long positions increased by 68,848 lots, or 24.5%, to 350,373 contracts over the same period.

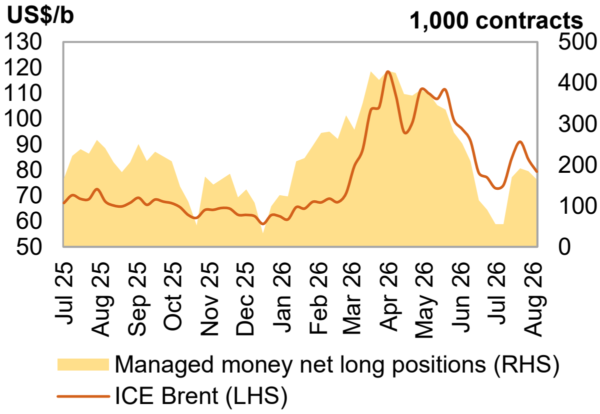
In NYMEX WTI, net long positions also increased, although at a slower rate than for Brent, buying the equivalent of 15 mb. This was mainly due to a reduction in short positions. Speculators raised net long positions by 14,594 lots, or 15.6%, between the weeks of 30 June and 28 July, to 108,307 contracts, according to the US Commodity Futures Trading Commission (CFTC). Short positions dropped by 18,916 lots, or 17.9%, to 86,728 contracts during the same period, while long positions fell by 4,322 lots, or 2.2%, to 195,035 contracts.

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



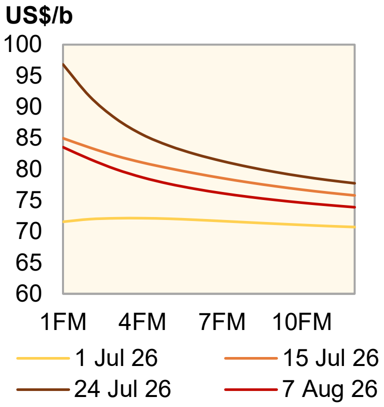
Sources: ICE and OPEC.

The long-to-short ratio of speculative positions in NYMEX WTI remained low at 2:1 in the week of 28 July, broadly unchanged from its June level. However, the ICE Brent long-to-short ratio rose to 2:1 in the week of 28 July, compared with 1:1 in the week of 30 June. Open interest related to NYMEX WTI futures and options fell by 1.3%, or 33,732 lots, between the weeks of 30 June and 28 July, to stand at 2.53 million contracts in the week ending 28 July. Open interest in ICE Brent futures and options decreased by 2.1%, or 77,162 contracts, over the same period, to 3.55 million contracts.

The futures market structure

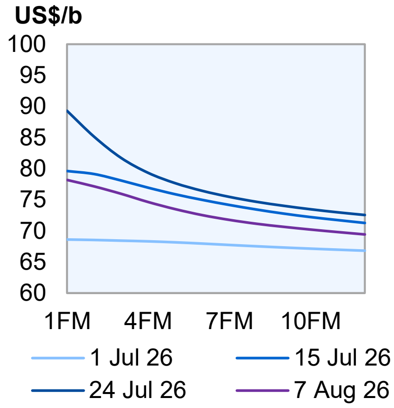
The forward curves for ICE Brent and GME Oman strengthened in July, with the front ends moving into steeper backwardation as prompt-month contracts outperformed forward-month contracts. Renewed geopolitical risks and concerns about prompt supply availability boosted nearby contracts, while oil market fundamentals remained robust. Speculative buying, particularly in ICE Brent, also contributed to the strengthening of backwardation. The NYMEX WTI structure flattened slightly but remained in firm backwardation as US crude stocks continued to decline over the month.

Graph 1 - 4: ICE Brent WTI forward curves



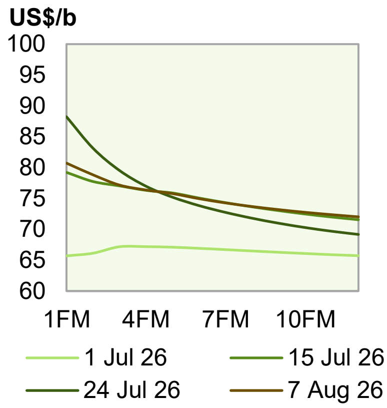
Sources: ICE and OPEC.

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 forward curve moved into stronger backwardation in July compared with the previous month, as heightened uncertainty about Middle Eastern oil flows and disruptions to Caspian supply increased competition for prompt Atlantic Basin crude. Strong refinery margins and replacement demand from European refiners further supported prompt-month contracts. The ICE Brent M1–M3 spread widened by $1.03/b, m-o-m, to a backwardation of $3.17/b. The ICE Brent M1–M6 spread also widened by $1.24/b to a backwardation of $6.11/b.

In the US, the NYMEX WTI forward curve flattened slightly from the previous month but remained in strong backwardation. High refinery throughput and further draws in US crude stocks continued to support prompt contracts. The NYMEX WTI M1–M3 spread narrowed by $0.09/b, m-o-m, to a backwardation of $2.85/b.

The GME Oman forward curve strengthened in July amid disruptions to oil flows in the Middle East, raising concerns about prompt regional crude availability. However, backwardation softened late in the month as prospects for easing tensions reduced immediate supply concerns. On a monthly average basis, the GME Oman M1–M3 backwardation widened by $0.69/b, m-o-m, to $2.33/b.

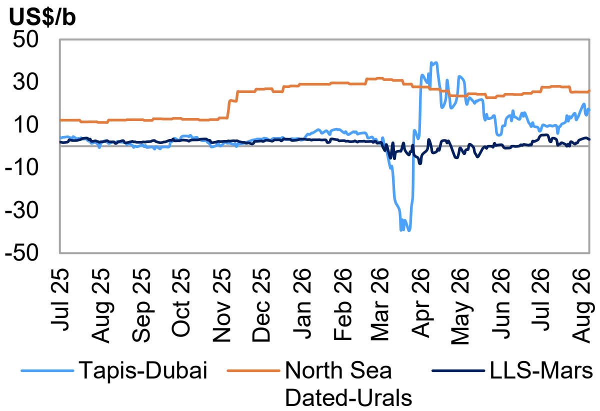
The North Sea Brent M1–M3 spread widened by $1.09/b, m-o-m, to a backwardation of $3.38/b in July, compared with $2.29/b in the previous month. However, the Dubai and WTI M1–M3 spreads narrowed by $0.75/b and $0.42/b, respectively, m-o-m, to backwardations of $1.81/b and $2.49/b.

Crude spreads

Light sweet crude differentials showed mixed movements relative to medium sour crude across regions in July, following the pattern observed in the previous month. The spread between light sweet and medium sour crudes narrowed further in Europe and Asia, with light sweet crude moving to a discount against medium sour crude in Europe while remaining at a premium in Asia. The narrowing was primarily driven by the relative strength of sour crude compared with light sweet crude. Ample availability of Atlantic Basin light sweet crudes, supported by US crude exports and softer buying interest, further pressured sweet crude values, while demand for sour grades East of Suez remained relatively firm. Strong middle-distillate margins, particularly for diesel and jet fuel, also supported medium sour grades. However, the Brent–Dubai spread remained at a substantial premium, widening by $1.01/b, m-o-m, to average $6.21/b. In contrast, the spread between light sweet and medium sour crudes widened in the USGC.

In Europe, light sweet crude values weakened relative to sour grades as ample availability of Atlantic Basin light sweet crude, particularly from the US, combined with softer Asian buying interest, weighed on sweet crude differentials. At the same time, medium sour crude values were supported by a sharp rise in gasoil margins, which increased more strongly than light-distillate margins. The Ekofisk–Johan Sverdrup differential narrowed by $0.33/b, m-o-m, to a discount of $0.37/b in July. Separately, Urals crude differentials to North Sea Dated in both the Baltic and Black Sea weakened further on softer demand from some Asia-Pacific buyers, declining by $2.58/b and $2.18/b, respectively, m-o-m, to discounts of $27.07/b and $26.21/b.

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



Sources: Argus and OPEC.

In Asia, the sweet–sour crude spread narrowed further, although Tapis maintained a substantial premium over Dubai. The narrowing reflected the relatively stronger performance of sour crude values, while light sweet grades came under pressure from weaker pricing for comparable Atlantic Basin crudes and softer regional demand. Renewed concerns about sour crude supply and strong gasoil margins further supported sour grades. The Tapis–Dubai spread narrowed by $0.61/b, m-o-m, to average a premium of $11.07/b in July.

In the USGC, sweet–sour crude differentials widened for a second consecutive month in July. The sour crude market came under pressure from sustained supply availability of sour grades from SPR releases and imports of Latin American sour crude, which kept the market adequately supplied. Lower margins for high-sulphur fuel oil (HSFO) and expectations of higher Middle Eastern crude supply added further downward pressure on sour crude values. Meanwhile, the stronger performance of naphtha and gasoline margins relative to heavy-distillate margins, particularly the HSFO–naphtha margin, supported light sweet crude values. The LLS–Mars differential widened by $1.58/b, m-o-m, to a premium of $2.23/b in July, compared with a premium of $0.65/b in June.

Commodity Markets

Commodity price indices showed mixed movement in July. The energy, base metal, precious metal and ‘other minerals’ indices declined, while the non-energy and agriculture indices advanced.

In the futures market, sentiment was cautious in July. Positioning across select commodities reflected recalibration amid the decline of combined open interest (OI) and money managers’ net length over the period.

Energy commodity prices showed mixed movement in July, with European natural gas prices increasing strongly, while US natural gas, coal and crude oil prices declined. In the non-energy group, price performance was generally weak during the period, with precious metals and base metals being the weakest performers.

Trends in select energy commodity markets

The energy price index declined in July, falling by 1.1%, m-o-m. The benchmark was dragged down by declines in US natural gas, Australian coal, US coal and average crude oil prices. Gains in European natural gas prices limited losses over the same period. The index was up by 18.5%, y-o-y, supported by higher prices across select energy commodities, except US natural gas.

Table 2 - 1: Select energy prices

Commodity	Unit	Monthly average			% Change		Year-to-date	
		May 26	Jun 26	Jul 26	Jul 26/ Jun 26	Jul 26/ Jul 25	2025	2026
Energy*	*Index*	**133.7**	**109.9**	**108.7**	**-1.1**	**18.5**	**93.4**	**116.4**
Coal, Australia	*US$/boe*	13.1	13.2	12.6	-4.8	16.8	10.3	12.3
Coal, US	*US$/boe*	7.6	7.3	7.2	-1.5	3.8	6.8	7.4
Crude oil, average	*US$/b*	100.4	81.7	79.8	-2.3	15.3	69.9	84.7
Natural gas, US	*US$/boe*	15.9	17.0	15.6	-8.3	-9.4	19.5	20.1
Natural gas, Europe	*US$/boe*	87.5	82.1	97.7	19.1	55.4	69.9	81.7

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

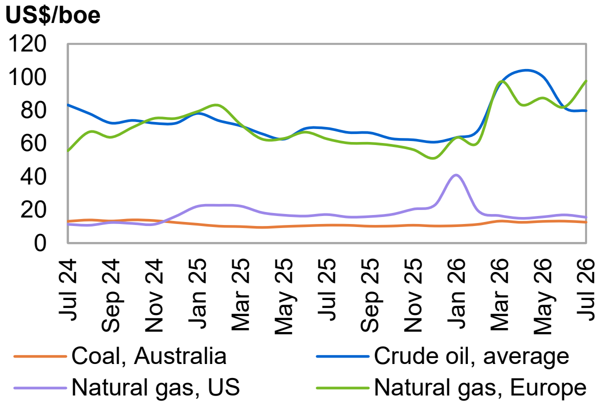
Australian thermal coal prices declined by 4.8%, m-o-m, in July. Australian, Indonesian, and South African coal markets remained under pressure as cautious Asian buying and comfortable regional inventories weighed on prices. However, heatwaves improved Chinese demand late in the period, partially mitigating price declines. Prices were up by 16.8%, y-o-y.

In the US, coal prices declined by 1.5%, m-o-m, in July, pressured by a combination of limited export capacity, higher logistics costs, and a challenging permitting environment. However, moderate industrial activity and potential medium-term export support from new infrastructure limited downside pressure on prices, which were 3.8% higher, y-o-y.

Average crude oil prices declined for a second consecutive month in July, falling by 2.3%, m-o-m. Prices remained under pressure from softer investor sentiment in the futures market. Nonetheless, they remained above the previous years’ levels, up by 15.3%, y-o-y.

Henry Hub’s natural gas prices declined in July by 8.3%, m-o-m. Prices were pressured by strong production and healthy storage levels amid mixed demand. According to data from the US Energy Information Administration (EIA), average weekly underground storage rose by 8.4%, m-o-m. However, regionally, strong power demand and heatwaves in parts of the US partially offset losses. Prices were down by 9.4%, y-o-y.

Graph 2 - 1: Select energy prices



Sources: World Bank, Haver Analytics and OPEC.

The average Title Transfer Facility (TTF) price increased by 19.1%, m-o-m, in July. Prices rose on the back of stronger LNG competition from Asia, weather-related demand and market sensitivity to global shipping developments. Heatwaves across South Korea and Northeast China helped preserve Asia's price advantage for flexible US LNG. Moreover, geopolitical risk premiums remained elevated amid supply constraints from the Middle East. However, higher European storage levels partially mitigated price increases. According to data from Gas Infrastructure Europe, EU gas storage rose to 56.7% in July, up from 48.9% in June. Prices were up by 55.4%, y-o-y.

Trends in select non-energy commodity markets

The non-energy price index increased in July by 0.3%, m-o-m. The index was supported by gains in the agriculture index, which rose 2.5%, m-o-m. However, a decline in the base metal index partially offset gains. Compared with the same period last year, the non-energy and agriculture indices were higher by 10.8% and 3.9%, y-o-y, respectively.

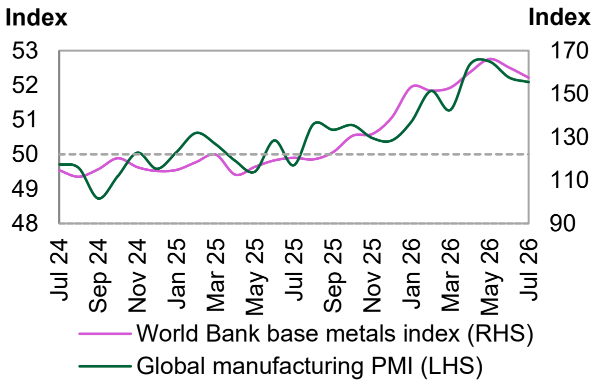
Base metals

The base metal index declined in July by 2.9%, m-o-m. Negative performance across most select metal prices, particularly aluminium, nickel and lead, weighed on the benchmark. However, zinc prices rose over the period, limiting index losses.

Metal prices were pressured by softer spot demand in China and rising uncertainty around trade restrictions as the market continued to assess the impact of the country's export control measures and changing regional trade rules. The base metal index was up by 30.8%, y-o-y.

At the London Metal Exchange (LME) warehouses, combined base metals stocks decreased by 2.4%, m-o-m; however, they were up 20.8%, 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.

Table 2 - 2: Non-energy commodity prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		May 26	Jun 26	Jul 26	Jul 26/ Jun 26	Jul 26/ Jul 25	2025	2026
Non-energy*	*Index*	**129.4**	**125.0**	**125.4**	**0.3**	**10.8**	**115.4**	**124.1**
Agriculture*	*Index*	**116.0**	**113.8**	**116.7**	**2.5**	**3.9**	**117.9**	**113.3**
Base metal*	*Index*	**166.1**	**162.2**	**157.5**	**-2.9**	**30.8**	**117.6**	**157.6**
Copper	*US$/mt*	13,567	13,574	13,559	-0.1	38.6	9,488	13,173
Aluminium	*US$/mt*	3,655	3,436	3,155	-8.2	21.0	2,551	3,348
Nickel	*US$/mt*	18,841	17,618	16,698	-5.2	10.7	15,357	17,613
Lead	*US$/mt*	1,991	1,945	1,853	-4.7	-7.2	1,970	1,934
Zinc	*US$/mt*	3,490	3,540	3,599	1.7	30.0	2,749	3,393
Iron Ore	*US$/mt*	109	100	98	-2.0	-1.0	101	104

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

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

Copper prices declined in July by 0.1%, m-o-m, though they were higher by 38.6%, y-o-y. At LME warehouses, stocks decreased by 18.3%, m-o-m, in July, though they were up by 156.4%, y-o-y.

Aluminium prices declined in July by 8.2%, m-o-m, though they were up by 21.0%, y-o-y. LME warehouse stocks decreased over the month by 11.9%, m-o-m, and were down by 31.8%, y-o-y.

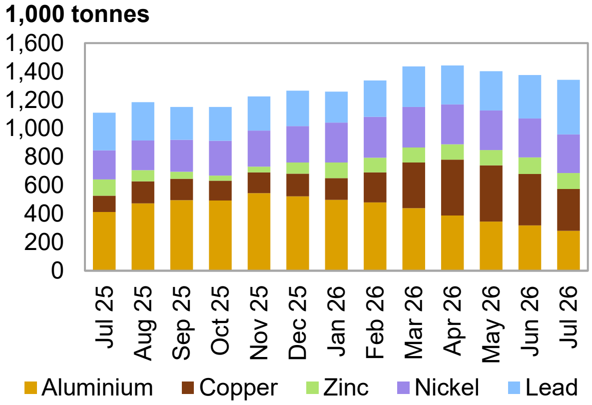
Nickel prices decreased by 5.2%, m-o-m, in July, though they were higher by 10.7%, y-o-y. At LME warehouses, stocks declined over the month by 1.1%, m-o-m, though they were higher by 32.4%, y-o-y.

Lead prices declined by 4.7%, m-o-m, in July, and were down by 7.2%, y-o-y. At LME warehouses, stocks grew by 26.0%, m-o-m, and were up by 45.0%, y-o-y.

Zinc prices rose in July by 1.7%, m-o-m, and were up by 30.0%, y-o-y. Stocks decreased by 4.9%, m-o-m, at LME warehouses, and were down by 2.3%, y-o-y.

Iron ore prices declined in July by 2.0%, m-o-m, and by 1.0%, y-o-y. Prices declined amid weak forward-looking signals from the steel PMI, though still-positive global manufacturing activity partially offset downward pressure.

Graph 2 - 3: Inventories at the LME



Sources: LME, Thomson Reuters and OPEC.

Precious metals

The precious metals index declined in July, falling by 5.2%, m-o-m. Price declines across all components dragged down the index, though it remained above year-ago levels, up by 26.7%, y-o-y.

Table 2 - 3: Precious metal prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		May 26	Jun 26	Jul 26	Jul 26/ Jun 26	Jul 26/ Jul 25	2025	2026
Precious metals*	*Index*	**368.7**	**334.7**	**317.2**	**-5.2**	**26.7**	**231.5**	**367.9**
Gold	*US$/Oz*	4,587	4,228	4,073	-3.7	21.9	3,115	4,605
Silver	*US$/Oz*	78.0	66.7	58.8	-11.8	56.0	33.5	75.9
Platinum	*US$/Oz*	1,998	1,726	1,622	-6.0	16.6	1,070	1,999

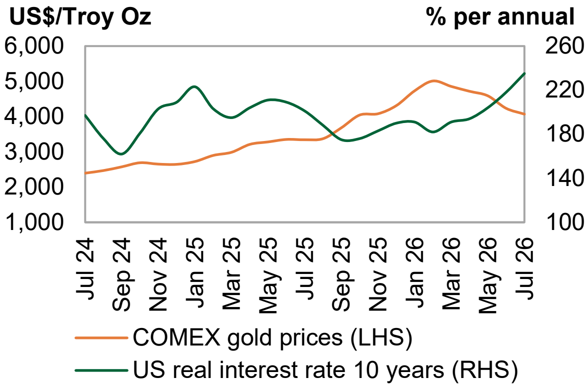
*Note: * World Bank commodity price index (2010 = 100).*

Sources: World Bank and OPEC.

Gold prices dropped by 3.7%, m-o-m, in July. Higher real interest rates, coupled with expectations of elevated US interest rates, diminished bullish sentiment in gold, as investor attention remained centred on the Fed's policy path. Financial repositioning in the futures markets limited losses amid a net positive flow of funds in the period. Prices were up by 21.9%, y-o-y.

Silver and platinum prices declined by 11.8% and 6.0%, m-o-m, in July, pressured by weakness in the broader precious metals complex. A slowdown in global manufacturing activity added more downward pressure. Silver and platinum prices were up by 56.0% and 16.6%, y-o-y, respectively.

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 declined in July, falling by 2.2%, m-o-m. A decline in lithium prices weighed on the index, while cobalt and graphite prices were broadly stable, m-o-m. The 'other minerals' price index was up by 77.4%, y-o-y.

Table 2 - 4: Select other minerals prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		May 26	Jun 26	Jul 26	Jul 26/ Jun 26	Jul 26/ Jul 25	2025	2026
Other minerals*	*Index*	**75.4**	**74.6**	**72.9**	**-2.2**	**77.4**	**38.9**	**73.5**
Cobalt	*US$/mt*	55,916	55,926	55,949	0.0	69.7	29,959	55,895
Graphite	*US$/mt*	430	425	425	0.0	-2.3	435	420
Lithium	*US$/mt*	24,180	23,025	20,797	-9.7	156.2	9,091	21,628

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

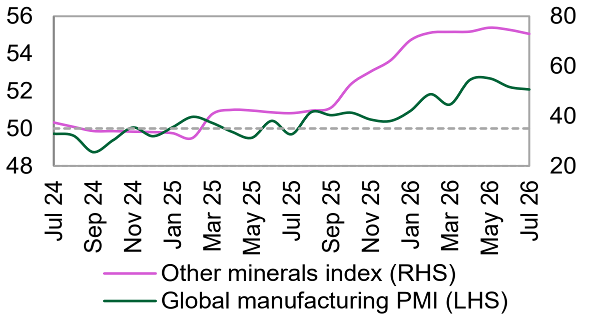
Sources: LME, Haver Analytics and OPEC.

Cobalt prices remained broadly flat, m-o-m, in July, as stable demand conditions and ongoing policy influence offset supply-chain concerns. Prices were up by 69.7%, y-o-y.

Graphite prices remained flat, m-o-m, in July. Stable pricing reflected balanced demand and supply conditions, while broader support for other minerals policy continued to back sentiment. Prices were down by 2.3%, y-o-y.

Lithium prices declined in July, falling by 9.7%, m-o-m, pressured by expectations of future supply. However, policy support coupled with continued demand from battery-related markets limited further losses. Prices were up by 156.2%, y-o-y.

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 and OI decreased in July by 9.4% and 0.6%, m-o-m, respectively. The decline in both categories was driven by crude oil and copper, while increases in natural gas and gold partially offset losses over the same period. Combined net length and OI were down by 32.6% and 1.3%, y-o-y, respectively.

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

Selected commodity	Open interest			Long		Short		Net length				
	Jun 26	Jul 26	Jul 26/ Jun 26	Jun 26	Jul 26	Jun 26	Jul 26	Jun 26	% OI	Jul 26	% OI	Jul 26/ Jun 26
Crude oil (WTI)	2,646	2,560	***-3.3%***	213	188	101	99	112	4	89	3	***-20.4%***
Natural gas (HH)	1,649	1,683	***2.1%***	201	235	295	328	-94	-6	-94	-6	***0.5%***
Gold	474	511	***7.8%***	130	137	18	18	112	24	119	23	***7.1%***
Copper	299	285	***-4.5%***	86	83	16	17	70	23	66	23	***-6.1%***
Total	**5,068**	**5,040**	***-0.6%***	**629**	**643**	**430**	**462**	**199**	**45**	**181**	**44**	***-9.4%***

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

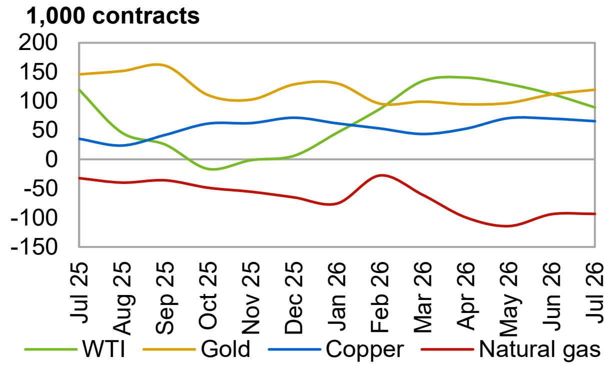
Crude oil's (WTI's) OI and money managers' net length fell in July by 3.3% and 20.4%, m-o-m, respectively. OI and net length were also down by 2.1% and 25.3%, y-o-y, respectively.

Natural gas (Henry Hub) OI and net length increased by 2.1% and 0.5%, m-o-m, in July. Compared with the same period last year, OI was up by 8.4%, y-o-y, while net length was down by 189.9%, y-o-y.

Gold's OI and net length increased in July by 7.8% and 7.1%, m-o-m. Compared with the same period last year, OI and net length were down by 25.2% and 18.0%, y-o-y, respectively.

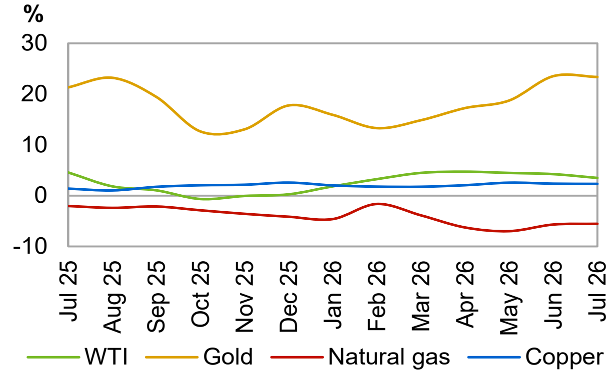
Copper's OI and money managers' net length decreased in July by 4.5% and 6.1%, m-o-m, respectively. Meanwhile, OI and net length were higher by 11.1% and 85.6%, y-o-y, respectively.

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 global economic growth dynamic in 1H26 has remained broadly resilient, with economic activities in several major economies holding up very well. Growth in non-OECD Asian economies has been particularly robust, supported by global investment in AI, a steady expansion in international trade and fiscal measures that have helped cushion the impact of higher energy costs. In China, growth moderated in 2Q26 but remained well supported by government-led stimulus, with the authorities signalling a further step-up in counter-cyclical measures for 2H26. The United States has continued to show solid underlying growth momentum, while headline output moderated in 2Q26; this largely reflected likely temporary trade and inventory dynamics, with private domestic demand positively accelerating markedly over the same period. The Eurozone recorded a modest expansion in 2Q26, slightly ahead of market expectations, although momentum remains uneven across member states. Brazil has maintained a steady growth path, supported by its commodities sector and domestic resilience, while Russia's economy contracted temporarily at the beginning of the year but already recovered in 2Q26 and is expected to maintain a steady growth dynamic over the remainder of 2026.

Looking ahead, this resilience is expected to be sustained through 2H26. Robust momentum in AI spending, coupled with consumer spending across the major economies, is anticipated to remain the principal driver, complemented in China by continued government-led stimulus. At the same time, potential moderations in geopolitical tensions may provide some upside for global growth in 2H26 if energy markets and trade flows stabilize further, although uncertainties remain. Reflecting the actual output levels recorded in 2Q26, the global economic growth forecast for 2026 has been marginally revised down to 3%, from 3.1% in last month's assessment. The revision is largely technical, reflecting selective output levels rather than a change in the underlying global growth dynamic, which continues to point to resilient momentum through the remainder of the year. Growth is expected to accelerate to 3.2% in 2027, unchanged from last month's assessment.

Table 3 - 1: Economic growth rate and revision, 2026–2027*, %

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2026	**3.0**	**2.2**	**0.8**	**0.7**	**4.6**	**6.6**	**2.0**	**1.1**
Change from previous month	-0.1	0.0	-0.2	-0.1	0.0	0.0	0.0	-0.2
2027	**3.2**	**2.0**	**1.0**	**0.8**	**4.5**	**6.5**	**2.2**	**1.5**
Change from previous month	0.0	0.0	-0.2	-0.1	0.0	0.0	0.0	0.0

*Note: * 2026 and 2027 = Forecast. The GDP numbers are based on 2021 ppp.*

Source: OPEC.

Update on the latest global developments

The global economy entered 2H26 with encouraging momentum, following a resilient and broadly steady performance in 1H26. This is despite re-emerging geopolitical tensions, particularly from the start of 3Q26 onwards, and the associated uncertainties. 2Q26 economic growth dynamics have since confirmed the resilience of major economies. The Eurozone expanded by 1.8%, q-o-q, SAAR, above expectations of most market observers. In the US, headline growth moderated to 1.5%, q-o-q, SAAR, but the composition was considerably firmer than the headline suggests, as private domestic demand accelerated to 3.2%. The softer headline reflects a widening trade deficit driven by imports of AI-related capital equipment, alongside a likely temporary inventory drawdown. China recorded sound growth of 4.3%, y-o-y, bringing 1H26 growth to 4.7% and ensuring the annual target is within reach. A key positive factor across all three has been continued investment in AI and digitalization, which has supported capital expenditure, high-value manufacturing, semiconductor-related trade, and steady private household consumption, particularly in the US. Growth in non-OECD Asia has remained particularly robust, with the AI investment cycle lifting the region's technology manufacturing and export base. China and India have performed well across various sectors. China's momentum has been carried primarily by exports and industrial output, including AI-related hardware, while domestic demand and property investment have remained subdued. India, by contrast, has been supported by a resilient domestic market and sound momentum in the services sector. Fiscal policy remains an important support factor, with targeted measures in major economies helping to cushion households and businesses from higher energy costs and broader uncertainty. These factors have helped offset challenges related to geopolitical tensions, particularly in the Middle East, as well as related energy price volatility and trade-policy uncertainty. The positive dynamic was also reflected in asset markets, with the S&P 500 posting its best quarter since the post-pandemic rebound in 2Q20, delivering a total return of more than 15%. That included an exceptional performance for chip and related tech stocks, reflecting the AI boom. Momentum faltered somewhat at the start of 3Q26, with the index recording a second consecutive monthly decline in July. Equity markets remained firmly in positive territory year to date, and chip-related stocks retained substantial cumulative gains despite a July correction. At the same time, challenges have remained and continue to carry over into 2H26. On trade policy, the 10% global blanket tariff introduced in February under Section 122 expired on 24 July and was replaced by a new framework of tariffs applied at differentiated rates across around 60 trading partners. In aggregate, the change has been broadly neutral. The trade-weighted average US tariff moved only marginally, increasing from around 11.0% to 11.2% of import value, according to Global Trade Alert.

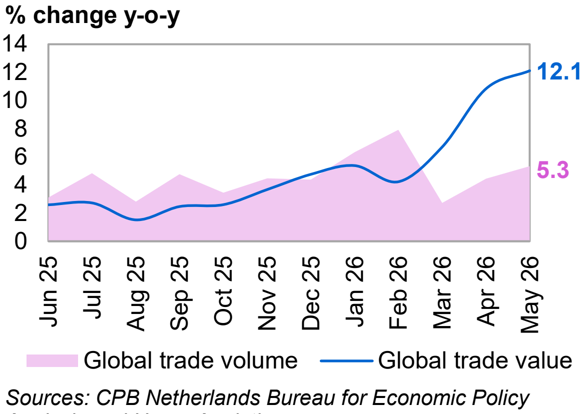
Inflation dynamics have remained mixed. Eurozone inflation has firmed again in the most recent flash estimates, standing at 2.9%, y-o-y, in July, following 2.8%, y-o-y, in June, while US headline inflation eased to 3.5%, y-o-y, in June, down from 4.2% in May. In Japan, consumer price developments remained relatively well contained at 1.7% in June, following 1.5% in May. Inflation has continued to ease gradually in China, while in India and Russia the latest readings point to renewed upward pressure. In Brazil, inflation eased slightly in June but remained at a persistent, almost unchanged level.

Global monetary policies have been broadly unchanged over the past month, and central banks are now largely focused on counterbalancing the inflationary impact of higher energy and food prices rather than on further easing. The US Federal Reserve (Fed) kept rates unchanged at its late-July meeting, maintaining a data-dependent stance amid resilient activity and elevated headline inflation, and the decision reflected a divided committee. The European Central Bank (ECB) held the key policy rate unchanged in July as well; however, following its earlier tightening, market pricing has continued to point to further action later in the year. The Bank of Japan (BoJ) also held, while revising its inflation projections and indicating a possible shift in policy rates in 2H26. The People's Bank of China (PBoC) left its benchmark lending rates unchanged, and the Reserve Bank of India (RBI) maintained a cautious stance amid higher energy costs. The Brazilian Central Bank (BCB) and Central Bank of Russia (CBR) both continued to ease, but at a reduced pace, each moving in smaller 25-basis-point increments than earlier in their respective cycles. In Russia's case, the smaller step was accompanied by downward revisions to the central bank's economic growth outlook and upward revisions to its inflation forecast. Currency markets have become a more important channel in this context. The yen weakened to a multi-decade low against the dollar before recovering following official intervention, underlining the tension between domestic monetary settings and external pressures. The Indian rupee has been among the weaker major emerging market currencies, reflecting the impact of higher energy import costs on the external balance. Long-term sovereign yields have firmed across several major markets, with German ten-year yields at their highest level in about 15 years.

Global trade continued to expand in both volume and value terms. Y-o-y trade volume growth rose by 5.3% in May, following 4.5% in April, and 2.7% in March.

In value terms, y-o-y global trade increased by 12.1% in May, following 10.8% in April and 6.7% in March.

Graph 3 - 1: Global trade



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

Near-term global expectations

The global economy enters 2H26 on a robust growth trajectory and is well-positioned to carry over the momentum built in 1H26. Steady growth in the US, the Eurozone rebound, and sound though decelerating expansion in China have provided a firm starting point, despite ongoing geopolitical tensions in the Middle East. Resilient domestic demand across key economies, steady global trade flows, solid output trends, fiscal support and continued technology-driven investment should help sustain this momentum in the near term. A central driver remains investment in AI and digitalization, which has underpinned capital expenditure, high-value manufacturing and semiconductor-related trade, and has been particularly supportive of growth across emerging Asia. The key condition for sustaining growth into 2H26 is the resilience of household consumption, which in turn depends on inflation continuing to slow gradually and on labour markets remaining robust, as they are currently. Fiscal policies across the key economies remain important pillars of support. In China, where consumer spending has been the principal laggard, the Politburo meeting at the end of July pledged targeted stimulus and a likely stepping up of counter-cyclical policy support, which should help underpin domestic demand over the remainder of the year, alongside continued backing for strategic investment. India should remain supported by public investment in its infrastructure, continued structural reforms and a robust domestic demand trend. Brazil continues to benefit from agriculture, commodities and resilient domestic consumption, while Russia has seen some support from strength in the commodity sector, although the near-term outlook has become more cautious amid capacity constraints and elevated domestic inflation.

Trade-policy developments continue to warrant close attention. The temporary US global import tariff of 10% under Section 122 expired on 24 July and was replaced by a new framework applying differentiated rates across around 60 trading partners. In aggregate, the change has so far been broadly neutral. The more meaningful shift has been in the different tariff levels applied to some trading partners, with tariff treatment now varying again across exporters, creating greater differences in competitive positions between suppliers of the same products. The USMCA has moved to an annual review process, while the US-China trade truce will need to be revisited later this year, and unresolved issues with several other trading partners remain open. Global trade has nonetheless proven resilient, partly because firms have adapted supply chains, redirected trade flows and used inventories to cushion disruptions, and partly because many economies have avoided broad-based retaliatory measures. This suggests that, while trade-policy risks remain, the global economy has shown a stronger capacity to absorb and redirect shocks.

Monetary policy settings have been broadly unchanged most recently, with central banks now largely focused on counterbalancing the inflationary impact of higher energy prices rather than on further easing. The path ahead will depend primarily on how far core inflation drivers like wages and salaries – the global services sector, in particular – and also energy prices feed through into underlying inflation, a risk most central banks have explicitly flagged. The Fed held the federal funds rate at 3.50–3.75%, with three dissents in favour of an increase, pointing to a tighter path over the remainder of the year. The Fed's annual Jackson Hole meeting in late August and the September meeting are the next reference points. The ECB held rates unchanged in July following its June increase to 2.25%, warning that the longer energy prices remain elevated, the greater the likelihood of second-round effects, with market pricing indicating a further step in the autumn. The BoJ left its policy rate at 1.0% but expects underlying inflation to run clearly above target in the second half of the fiscal year, keeping gradual normalization in view. In emerging markets, settings remain mixed and are expected to stay so. The PBoC remains comparatively accommodative, with the Politburo's commitment to timely monetary adjustments suggesting scope for further easing in 2H26, while the RBI held at 5.25% as higher oil prices and currency pressures shifted the balance away from further cuts. The BCB and CBR have both continued to ease, though at a reduced pace of 25 basis points, with the smaller Russian step accompanied by downward revisions to the growth outlook and upward revisions to the inflation forecast, indicating limited remaining room.

These increasingly differentiated policy paths have made foreign exchange a more prominent transmission channel. The yen fell to a multi-decade low against the dollar before recovering following official intervention, underlining the tension between domestic monetary settings and external conditions. With the BoJ expecting inflation above target in the second half of the fiscal year, further gradual normalization should, over time, provide some support, although the interest rate differential with the US is likely to remain a constraining factor in the near term. The Indian rupee weakened to record lows amid higher energy import costs, prompting the central bank to intervene. Should global energy prices remain at current levels, pressure on the external accounts of energy-importing emerging economies is likely to persist, and the resulting trade-off between supporting the currency and supporting growth will be an important consideration for policy in the coming months, while any moderation in energy prices or reassessment of the US policy path would relieve this channel.

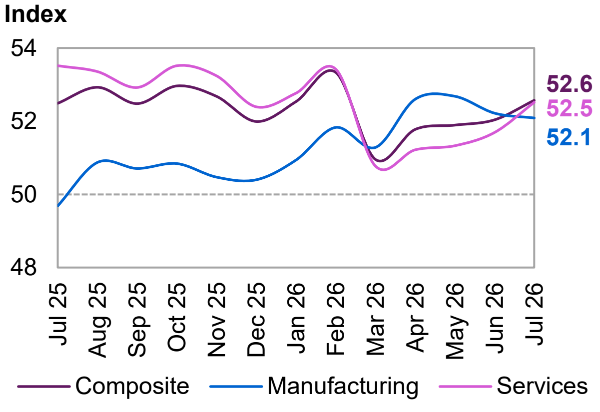
Positively, global PMIs remained in healthy expansionary territory across both manufacturing and services.

The global Manufacturing PMI retreated only slightly to stand at 52.1 in July, following 52.2 in June and 52.7 in May.

The global Services PMI increased to 52.5 in July, following 51.7 in June, up from 51.3 in May.

Overall, the global outlook remains resilient, with fiscal support, technology investment and trade adaptation providing support. While inflation may ease, some tariff uncertainty, financial conditions and geopolitical risks will continue to require monitoring.

Graph 3 - 2: Global PMI



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

Table 3 - 2: World economic growth rate and revision, 2026–2027*, %

	World
2026	**3.0**
Change from previous month	-0.1
2027	**3.2**
Change from previous month	0.0

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

Incorporating the second-quarter outturns, the 2026 global growth forecast has been adjusted only marginally, to 3% from 3.1% in last month's assessment.

In 2027, the prospect of further easing inflation and consequently relatively more accommodative monetary policies, alongside continued fiscal support, is anticipated to underpin global economic growth. Combined with a continued healthy dynamic in manufacturing and global trade, this is expected to lift global growth to 3.2%, unchanged from the previous month's assessment.

OECD

US

Update on the latest developments

The advance estimate for 2Q26 shows US real GDP growth at 1.5%, q-o-q, SAAR, following 2.1%, q-o-q, SAAR, in 1Q26. The headline figure understates the underlying momentum somewhat, as the underlying growth composition was considerably firmer than in the previous quarter. Private household consumption accelerated markedly to 3.2%, q-o-q, SAAR, contributing around 2.1 percentage points to growth, while real final sales to private domestic purchasers rose by 3.9%, q-o-q, SAAR, up from 1.7% in 1Q26. The softer headline mainly reflected a widening trade deficit, with imports subtracting around 1.4 percentage points, alongside a lower contribution from private inventories. Notably, much of the import increase consisted of capital goods related to AI and digital infrastructure, including telecommunications equipment, semiconductors and industrial machinery, which simultaneously supported the strong increase in equipment investment. A decline in federal non-defence spending also weighed on the headline, largely reflecting sales from the Strategic Petroleum Reserve, which are recorded as a deduction from government consumption expenditures. This was broadly offset by higher petroleum exports.

Trade policy has entered a new phase. The temporary 10% global import tariff under Section 122, introduced after the Supreme Court's February decision limiting the administration's use of tariffs, expired on 24 July and was replaced by a framework of tariffs applied at differentiated rates of 10% or 12.5% across around 60 trading partners, covering the large majority of US imports. In aggregate, the change has so far been broadly neutral, with the trade-weighted average US tariff moving only marginally. Moreover, goods entered duty-free under the USMCA are exempt, as are products already covered by sectoral measures. The more meaningful shift has been in the dispersion of treatment across exporters, which has widened considerably and altered relative competitive positions in the US market even as average protection has changed little. Meanwhile, the USMCA review has entered a more uncertain phase. On 1 July, the US declined to renew the agreement in its current form for another 16-year term, triggering the annual review process and starting a ten-year countdown towards possible expiry in 2036. The agreement remains fully in force, and the three parties can still agree to a new 16-year extension at any future review point.

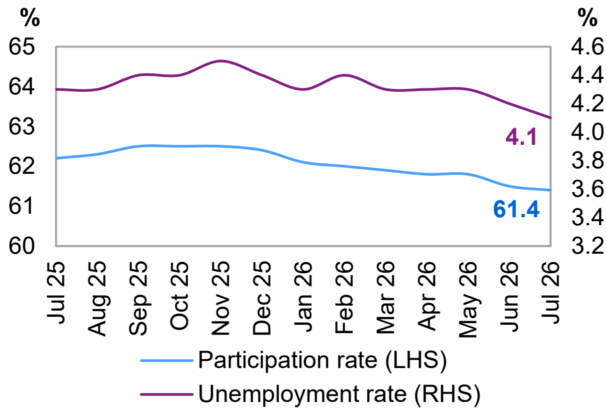
On the consumer side, household spending has remained the principal driver of growth, as reflected in the strong 2Q26 consumption figure. The combination of solid spending and moderating employment growth suggests consumption has so far been supported by real income gains. In the meantime, consumer confidence, as measured by the Conference Board, edged down by 1.4 points to 90.8 in July, down from an upwardly revised 92.2 in June. Households became less positive about current business conditions. More positively, twelve-month inflation expectations eased.

The Federal Open Market Committee kept the federal funds rate unchanged at 3.50–3.75% at its late July meeting, maintaining a data-dependent approach amid still-elevated uncertainty. In contrast to the unanimous decision in June, the vote was 9-3, with three regional presidents dissenting in favour of an increase. This marked a notably more divided outcome and a shift in the Committee's balance towards tighter settings. On inflation, the picture has been mixed. Headline CPI eased to 3.5%, y-o-y, in June, down from 4.2%, y-o-y, in May, with the index falling by 0.4% m-o-m, the largest monthly decline since April 2020. This was driven by a 5.7% drop in energy prices, while core CPI moderated to 2.6%, y-o-y, following 2.9%, y-o-y, in May. With energy prices growing strongly in July, the easing that was seen in June may prove temporary. Against this backdrop, the inflation data from July will be an important indication of whether the underlying disinflation trend remains intact or not.

On the fiscal side, the deficit has continued to widen, reaching around USD 1.37 trillion over the first nine months of fiscal year 2026. The path has been complicated by a Supreme Court decision, which obliged the Treasury to refund tariffs collected under the previous framework; refunds amounted to around USD 49 billion in June alone, with a total liability of approximately USD 166 billion, of which some 40% had been repaid by the end of June. Long-term yields have firmed in this context, with the 30-year Treasury trading above 5.1%, adding to financing costs and representing a factor to monitor.

The latest labour market report for July showed a softening in employment conditions. Nonfarm payrolls declined by 23,000, following a downwardly revised increase of 20,000 in June. Revisions to prior months were substantial, with May and June combined 103,000 lower than previously reported. The decline in July was concentrated in the public sector, with government employment falling by 53,000, led by a 50,000 decrease in local government education. The unemployment rate edged down to 4.1% in July, from 4.2% in June and 4.3% in May, although this again partly reflected a further decline in the labour force rather than stronger hiring. The labour force participation rate fell to 61.4%, its lowest in over five years, following 61.5% in June and 61.8% in May. The continued moderation in participation may also reflect the effects of the US administration's migration policies. Average hourly earnings rose by 3.2%, y-o-y, in July, after 3.5%, y-o-y, in June and 3.4%, y-o-y, in May, the slowest pace since May 2021, suggesting that wage growth is moderating alongside slower hiring.

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

Near-term expectations

Recent incoming data suggests that US activity remains resilient, and the underlying composition of 2Q26 growth points to firmer momentum than the headline implies. The Atlanta Fed's GDPNow model estimate for 3Q26 stood at 6.2%, q-o-q, SAAR, as of the beginning of August, up from an initial 5.0% by the end of July, reflecting stronger nowcasts for private consumption and investment. This should be interpreted with caution, however. Early-quarter estimates rest on very limited source data, contain no read on net exports and are usually moderated as the quarter progresses and more trade data becomes available. The current reading is therefore best viewed as indicating a firm start to the quarter. Growth is expected to remain robust in 2H26, with domestic demand, combined with AI-driven investments, the principal driver, and the trade drag likely to prove largely compositional rather than a signal of weakening demand.

Financial conditions and business investment remain important sources of support. Equity markets have retained substantial year-to-date gains despite a pullback in July, as large technology firms continue to signal substantial capex commitments for AI infrastructure, cloud computing and data centres. The latter should continue to underpin equipment and intellectual property investment into 2027. Energy-related risks have re-emerged, however. Although the US is a net energy exporter and remains better insulated from energy shocks than many other advanced economies, a sustained increase in retail fuel prices would weigh on real purchasing power in the coming months. The continuation of household spending remains a central condition for the current robust outlook.

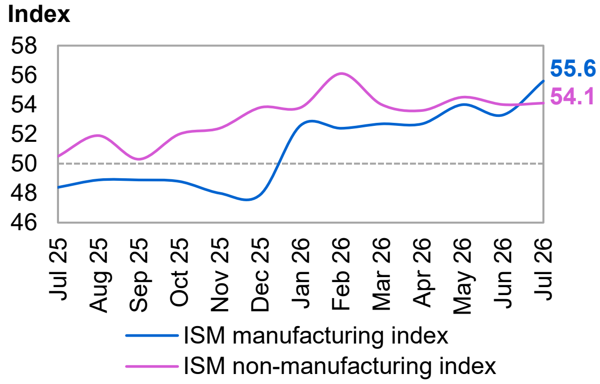
Monetary policy is likely to remain relatively restrictive in the near term, and the balance of risks has shifted towards tighter rather than looser settings. Market pricing has moved accordingly and now points to a firmer path over the remainder of the year. Fed communication has remained measured, with the Chairman reaffirming the commitment to the 2% inflation target and institutional independence while avoiding detailed forward guidance, indicating that decisions will be taken meeting by meeting. The Fed’s Jackson Hole symposium in late August and the September meeting, which will include an updated Summary of Economic Projections, are the next reference points, while the July and August inflation prints will be decisive for whether the current hold is sustained or gives way to renewed tightening.

Trade-policy developments continue to warrant close attention. Ongoing legal proceedings add further uncertainty, as the new tariff framework may be challenged in courts and further proceedings remain pending, while the Treasury continues to process refunds on duties collected under the previous regime. This may also lead to renewed front-loading of US-bound trade ahead of potential further changes, particularly in exposed sectors. Regarding the USMCA, the decision not to renew is more likely to represent a negotiating step than a signal of near-term termination, with negotiations expected to continue into late 2026 or early 2027 and the automotive sector, rules of origin, tariffs and Chinese content in North American supply chains anticipated to be central issues. Intra-regional trade has become increasingly important over the past decade, with the US and Canada's share of Mexican exports rising to more than 90% in 2025 from around 84% in 2016. This makes a full termination unlikely in the near term, given the agreement's importance for investment, production networks, and business certainty. Looking beyond North America, the late-2025 US-China trade truce will need to be extended or renegotiated before its 12-month term ends. Overall, trade policy is likely to remain an important source of uncertainty, but the baseline remains one of continued negotiation rather than abrupt fragmentation, with firms and supply chains likely to continue adapting through front-loading, rerouting and revised sourcing strategies.

According to the Institute for Supply Management (ISM), the Manufacturing PMI continued to strengthen, rising to 55.6 in July from 53.3 in June and 54.0 in May.

The Services sector PMI was almost unchanged to stand at 54.1 in July, after 54.0 in June and following 54.5 in May.

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



Sources: Institute for Supply Management and Haver Analytics.

Reflecting the 2Q26 outturn and against the backdrop of steady growth in 1H26, the economic growth forecast for 2026 remains at 2.2%, unchanged from the previous month's assessment. Resilient consumer spending, continued investment in the technology sector and a sound US energy sector are expected to remain the principal sources of support over the remainder of the year.

Table 3 - 3: US economic growth rate and revision, 2026–2027*, %

	US
2026	**2.2**
Change from previous month	0.0
2027	**2.0**
Change from previous month	0.0

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

For 2027, the growth forecast remains unchanged as well, standing at 2.0%. Consumer spending is expected to moderate slightly, and the support from stimulus measures and one-time effects, including trade distortions, is anticipated to fade. These effects are now expected to be offset by two factors. First, private inventories have subtracted from growth for five consecutive quarters, with the drawdown concentrated in the manufacturing and wholesale sectors. Stocks have now been reduced to levels that appear increasingly difficult to sustain given current demand, suggesting a shift towards replenishment is expected to begin in 2H26 and become a more meaningful contributor to growth in 1H27. Second, provided the energy-driven inflation impulse proves temporary, and headline rates resume their retracement, monetary policy is expected to move gradually towards a less restrictive setting over the course of 2027, supporting interest-rate-sensitive components of demand, particularly residential investment and business equipment spending.

Eurozone

Update on the latest developments

Eurozone real GDP grew by 1.8%, q-o-q, SAAR, in 2Q26, an acceleration from the previous quarter, when growth was stagnant. Around 0.5 percentage points of these reflected distortions arising from Ireland's negative growth rate, which is heavily influenced by the operations of multinational enterprises and tends to overstate underlying euro area momentum. Excluding Ireland, growth of 1.3%, q-o-q, SAAR, nonetheless, points to a notable degree of resilience in the face of the challenges the Eurozone faces from the energy sector. That said, performance across member states remains uneven. Spain continued to outperform, expanding by 2.8%, q-o-q, SAAR, while Germany, France and Italy each expanded by between 0.7% and 0.9%, q-o-q, SAAR. The comparatively subdued outturns in the larger northern economies reflect their greater exposure to energy-intensive manufacturing and to the trade-policy environment.

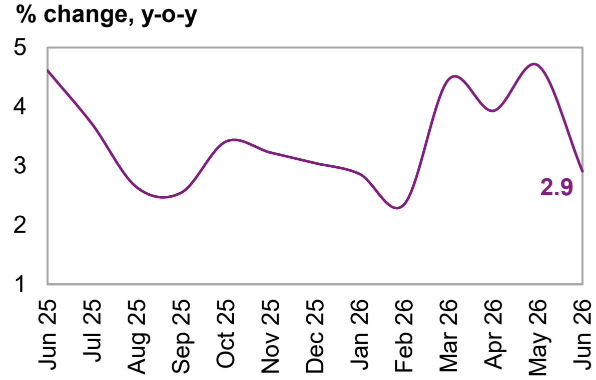
The labour market remains an important source of resilience and continues to underpin household spending. Employment has held up across most of the region despite the deterioration in terms of trade, supporting real incomes and helping to sustain consumption. Germany is the principal exception, where labour market conditions have been softer, reflecting weakness in energy-intensive manufacturing, particularly the automotive sector.

Inflation dynamics have re-emerged. Following an upside surprise in the July flash estimates, core inflation appears to be firming again, with core inflation's sequential momentum running at around 2.5%, y-o-y, following 2.4% in June and 2.6% in May and, hence, showing little sign of further moderation. Headline inflation stood at 2.9%, y-o-y, in July, after 2.8% in June. Country-level readings underline this trend. Spanish headline inflation rose to 3.5%, y-o-y, its highest since May 2024, with core inflation at 3.0%, while German inflation rebounded to around 2.7%, y-o-y, from 2.3%.

The ECB left policy unchanged in July following its June increase to 2.25%, but signalled that the longer energy prices remain elevated, the greater the likelihood of indirect and second-round effects on inflation. Long-term yields have firmed in this context, with German ten-year Bunds reaching their highest level in around fifteen years, reflecting both the shift in policy expectations and increased issuance related to defence and infrastructure spending.

Retail activity retracted in June in value terms. Eurozone retail trade expanded by 2.9%, y-o-y, in June, following 4.7%, y-o-y, in May and 3.9%, y-o-y, in April. Survey indicators point to an improving growth backdrop. The European Commission's Economic Sentiment Indicator rose by 1.5 points to 96.9, with the improvement broad-based across both sectors and member states, reinforcing the message from the flash PMI readings. This suggests that the drag from the energy shock, while still present, has not derailed the recovery in confidence, and provides some support for the expectation that momentum will be sustained into the second half of the year. In the meantime, industrial activity has again softened in the euro area, with IP declining by 1.2%, y-o-y, in May, after a small rise of 0.4%, y-o-y, in April.

Graph 3 - 5: Eurozone retail sales



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

Near-term expectations

The euro area's near-term growth dynamic is expected to maintain a moderate and steady pace, with the 2Q26 outturn suggesting a firm starting point. Headline growth of 1.8%, q-o-q, SAAR, points to genuine resilience in the face of challenges in the energy sector and even suggests upside potential for the 2H26 outlook, as indicated by improving PMIs and the European Commission's Economic Sentiment Indicator. The labour market remains an important source of support, with employment holding up across most of the region despite the deterioration in terms of trade, sustaining real incomes and underpinning household spending. Its continued resilience is the central condition for consumption to remain a reliable growth driver into 2027. The recovery nonetheless remains uneven, and the recent survey details suggest the pattern of the past year may be shifting, with Germany likely recording the strongest improvement among the larger economies on rapidly rising export orders, while France may return to lower growth and Italy may also lose some momentum.

Germany's growth prospects will depend importantly on whether new sources of expansion can offset the persistent weakness in its traditional core industries, where real turnover in the automotive, machinery and equipment, and chemical sectors currently stands below pre-pandemic peaks. In this respect, the current and ongoing shift towards the defence sector, in combination with rising IT services, provides upside potential. The defence industry, while still accounting for less than 0.5% of GDP, is expanding rapidly as the procurement and maintenance budget, which has already more than doubled since 2022, is set to at least double again to above EUR 100bn, or around 2% of GDP, by the end of the decade, with an emerging defence-technology start-up ecosystem adding to the innovation base. In this respect, IT services represent an even larger opportunity in macroeconomic terms, accounting for more than 3% of value added and reinforcing Germany's position as Europe's leading data-centre location, although high electricity prices remain a constraint on investment. Taken together, these sectors have already started to positively support economic growth, but these dynamics have thus far not been transformative enough to offset the structural adjustment underway in the traditional industrial base. In addition, the German government presented a reform agenda that includes proposals to ease the regulatory framework and introduce more flexible labour-market rules, and a proposal for pension reform, which could all be positive for medium-term growth. Furthermore, higher public investment in infrastructure spending and defence outlays are expected to support construction, industry and domestic demand. Germany's forward-looking ifo business climate indicator improved in July, driven by a marked pick-up in the expectations component, pointing to an expansionary dynamic.

In light of the EU-funded fiscal support, investment should also continue to support activity in parts of southern Europe, although the effect will gradually fade after 2026. Overall, fiscal policy should provide a modest positive impulse in 2026, before consolidation pressures re-emerge from 2027 onwards. Debt dynamics are anticipated to remain broadly manageable, as higher nominal GDP growth partly offsets the increase in borrowing costs, although the firming in long-term yields, with German ten-year Bunds at their highest level in around fifteen years, has raised financing costs and reflects, in part, the issuance associated with these programmes. Debt ratios are expected to rise in Germany and France, remain broadly stable in Italy and decline further in Spain.

External trade remains a potential source of volatility, although the immediate impact of the new US tariff framework introduced on 24 July appears contained. EU exports are subject to a duty applied net of existing most-favoured-nation rates, with an economy-specific exemption list, leaving the effective change relative to the preceding arrangement. The more material risks lie in the possibility of further sectoral measures by the US administration, particularly in relation to cars and trucks, which would remain especially relevant for Germany and, to some extent, for France and the Central and Eastern European economies integrated into automotive supply chains.

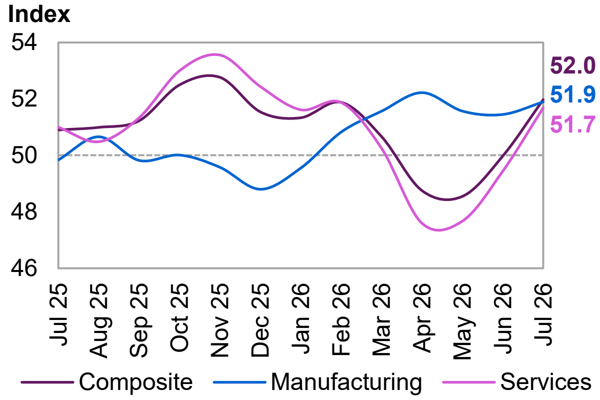
Monetary policy is expected to remain on a tightening bias in the near term. The renewed increase in energy prices in July, alongside persistently elevated refining margins for middle distillates, suggests that energy prices may continue to exert upward pressure on headline rates, with the risk of pass-through into services and other core components. Market pricing continues to point to a further increase, with September seen as the most likely juncture. The policy outlook remains closely tied to energy prices, and with core inflation proving stickier than anticipated and the growth backdrop improving rather than deteriorating, the risks appear skewed towards a further increase beyond September.

July PMI readings across the major euro area economies point to a steady pace of manufacturing and improvements in services activity.

The Eurozone's Manufacturing PMI saw a slight uptick in July to stand at 51.9, following 51.4 in June and after 51.6 in May.

Following a sharp decline in the Services PMI in April and a subdued reading in May, the index rebounded to stand at 49.4 in June and at 51.7 in July.

Graph 3 - 6: Eurozone PMIs



Sources: S&P Global and Haver Analytics.

Taking into account the 1H26 actual growth numbers reported by the EU's statistical office, Eurostat, the economic growth forecast for 2026 is slightly adjusted to 0.8%, down from the previous month's assessment of 1.0%. The Eurozone's growth dynamic has held up well so far, and the expectation of a continued moderate rebound in 3Q26 provides a basis for steady growth in 2H26.

Table 3 - 4: Eurozone economic growth rate and revision, 2026–2027*, %

	Eurozone
2026	**0.8**
Change from previous month	-0.2
2027	**1.0**
Change from previous month	-0.2

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

In 2027, the continued expansionary fiscal dynamics in Germany, France, and other economies, along with the implementation of EU trade deals, are expected to sustain growth momentum. The growth dynamic at the beginning of 2027 is now anticipated to be slightly lower than foreseen in last month's assessment. Hence, economic growth is slightly adjusted for the coming year to 1.0%, compared with 1.2% in the previous month's assessment.

Japan

Update on latest developments

Japan's economy continued to expand at a moderate pace at the start of 2026. This was confirmed by the latest 1Q26 economic growth number released by the Ministry of Economic, Trade and Industry (METI), which stood at 1.8%, q-o-q, SAAR. This follows 4Q25 growth of 0.7%, q-o-q, SAAR. The expansion remained supported by private consumption, public demand, and exports, although capital expenditure was revised down into negative territory, suggesting a more cautious investment backdrop than the preliminary estimate indicated. Private consumption continued to increase, supported by robust increases in employment compensation and consequently resilient services spending, while external demand remained an important contributor, led by stronger goods exports.

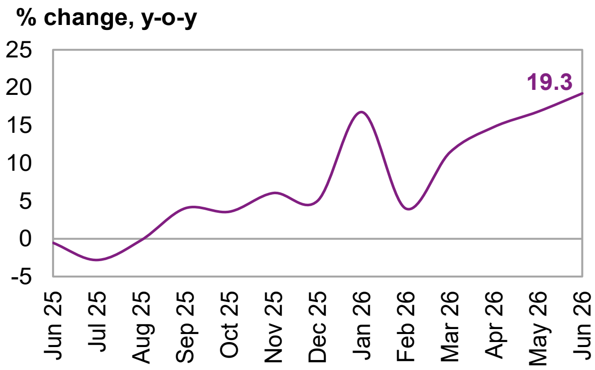
More recent activity indicators have continued diverging between the industrial and household sectors. Industrial production rebounded strongly in June, rising by 4.2%, y-o-y, and reversing a 2.1% decline in May, the strongest annual increase in almost four years. On a sequential basis, output rose by 1.3%, m-o-m, following 0.1% in May, a third consecutive monthly gain and the fastest since January, with transport equipment and electronic parts and devices the principal contributors. Household spending moved in the opposite direction. Retail sales slowed sharply to 0.5%, y-o-y, in June, down from 5.0%, y-o-y, in May, the weakest reading since February. The deceleration was driven by a 4.1% monthly decline, the largest since 2020, which reversed May's 1.7% gain. The monthly series has been unusually volatile throughout 2026, possibly reflecting the pull-forward effects of earlier fiscal support measures, so the June figure is best read as a correction from an elevated May level rather than as evidence of a durable turn in consumption. Consumer confidence improved further to 34.6 in July, up from 33.5 in June and 32.9 in May. This is also supported by the labour market, which remains tight, with the unemployment rate unchanged at 2.5% in June for a third consecutive month.

The fiscal policy stance has continued to affect both the bond market and the yen, as the government's push for growth-oriented spending interacts with expectations for BoJ policy. Pressure on the currency intensified further over the period, with the yen reaching a multi-decade low near 164 against the dollar before recovering to below 158 following official intervention by the Ministry of Finance, together with support from the US. The episode underlines the tension between domestic monetary settings and external conditions, and the market reaction suggests investors remain sensitive to the balance between fiscal expansion, monetary policy independence and macroeconomic stability.

Inflation has begun to firm, though it remains below target at the headline level. Headline CPI rose to 1.7%, y-o-y, in June, from 1.5% in May, the highest reading since December. Transport inflation accelerated to 2.4%, y-o-y, from 1.9%, while food and beverage inflation eased to 3.2% from 3.5% as rice prices fell for a second consecutive month. Core CPI excluding fresh food rose to 1.5%, y-o-y, from 1.4%, the highest since March but below the BoJ's 2% target for a fifth consecutive month. Against this backdrop, the BoJ left its policy rate unchanged at 1.0% at its meeting at the end of July, following the 25 bp increase in June that took rates to their highest level since September 1995. The decision was not unanimous, with one board member dissenting in favour of an increase to 1.25%. In its accompanying Outlook Report, the Bank lowered its FY2026 core CPI projection to 2.5% from 2.8%, reflecting government measures to ease household energy costs, while raising its growth forecast. Importantly, it expects underlying inflation to run clearly above 2% in the second half of the fiscal year, citing wage pass-through, higher crude prices and yen depreciation. Overall, policy is becoming less accommodative, and further gradual normalization remains in view, though the pace is likely to stay cautious and data-dependent given the balance between building price pressures, higher energy costs and the recent softness in household spending.

On a non-seasonally adjusted basis, exports continued to expand at a solid pace through June. Exports rose by 19.3%, y-o-y, in June. This follows strong monthly gains since the start of the year, with a rise of 16.8%, y-o-y, in January, 4.0%, y-o-y, in February, 11.5%, y-o-y, in March, 14.8%, y-o-y, in April and 16.8%, y-o-y, in May. Export performance remained supported by robust external demand for high-value-added goods, with AI-related products, including semiconductors, electronic components and semiconductor production equipment, continuing to provide key support. Demand from China was strong, alongside automobile shipments to the EU.

Graph 3 - 7: Japan's exports



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

However, part of the export increase continued to reflect price effects associated with the weaker yen, as export volumes rose by a comparatively smaller margin. Imports increased more rapidly, rising by 25.4%, y-o-y, in June to ¥11.336 trillion. This was associated with higher procurement costs in the energy sphere, rather than volumes, driving the increase in the import bill. With Japan meeting over 87% of its energy needs through imports, elevated crude prices and a weak yen have kept the trade balance under pressure and, in turn, reinforced the pressure on the currency.

Near-term expectations

Following 1Q26 economic growth, Japan's moderate growth dynamic remains intact. The industrial sector has provided fresh evidence of this momentum, with production rebounding sharply in June to its strongest annual rate in almost four years. The government's fiscal expansion continues, with a further round of electricity and gas subsidies covering July to September following the expiry of the winter programme in March. Moreover, the government has approved the 2026 Basic Policies and the Japan Growth Strategy. Investment projects will move from single-year to multi-year budgeting, funded through the initial budget, with supplementary budgets reserved for emergencies such as disaster response and economic crises. More consequentially, the fiscal consolidation target of achieving a primary surplus is replaced by an objective of steadily reducing the debt-to-GDP ratio through economic growth. The document also commits the government and the BoJ to working together towards the 2% price stability target, while preserving the Bank's independence over the choice of instruments. A decision on reducing consumption tax was deferred until early August, and a defence spending target has yet to be specified. This implies structurally larger initial budgets from FY2027 onwards.

While a more growth-supportive fiscal stance could strengthen investment and domestic demand, it also risks raising concerns about inflation, fiscal sustainability and yen weakness if markets perceive monetary policy as constrained. Recent developments indicate that the policy mix is now creating greater volatility in bond and currency markets, and the intervention in the foreign exchange market in late July, following the yen's fall to a multi-decade low near 164, illustrates how acute that tension has become. Household consumption will need to be monitored as the fall in retail sales in June, coinciding with the withdrawal of the winter energy subsidies, suggests that spending has become closely tied to the timing of fiscal transfers, and the volatility of the monthly series through 2026 points to demand being repeatedly pulled forward rather than durably strengthened.

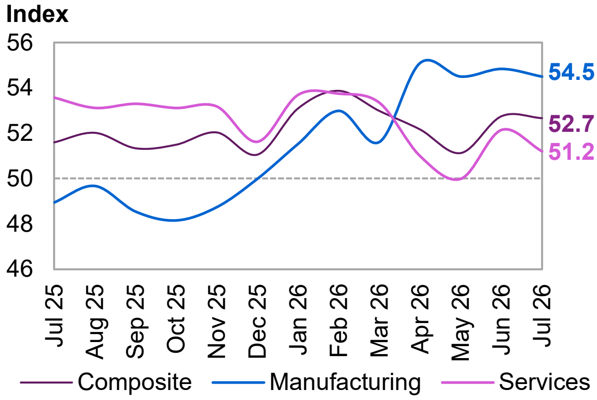
The BoJ has indicated that it will continue to adjust the degree of monetary accommodation, and its July Outlook Report expects underlying inflation to run clearly above 2% in the second half of the fiscal year, citing wage pass-through, higher crude prices and yen depreciation. It nevertheless lowered its FY2026 core CPI projection, reflecting the summer energy support measures, illustrating how far the headline path now depends on fiscal decisions. Uncertainty around the timing of the next increase remains high, and the balance of considerations has become more finely tuned. The dissenting view in the latest policy rate decision in favour of an immediate move, together with the firming of inflation, points to likely earlier monetary policy tightening. Even small changes, such as further yen depreciation, could materially raise the risk of inflation settling above 2%. Close coordination between the BoJ and the government will therefore remain important, particularly as the currency has become the most sensitive transmission channel. Moreover, the combination of an elevated import bill and a weak currency may continue to weigh on the trade balance and corporate margins, another factor to be considered.

Japan's latest July PMI data indicates that momentum has become somewhat uneven between manufacturing and services.

The Manufacturing PMI eased slightly to 54.5 in July, from 54.8 in June and 54.5 in May, remaining at a firm level and marking a seventh consecutive month of expansion.

The Services PMI, by contrast, eased to 51.2 in July, from 52.2 in June and 50.0 in May.

Graph 3 - 8: Japan's PMIs



Sources: S&P Global and Haver Analytics.

Following steady growth in 1H26, the 2026 economic growth forecast remains well supported. By taking into account the anticipated somewhat slowing growth dynamic from 1H26, the 2026 economic growth forecast is revised down slightly to stand at 0.7%, compared with 0.8% in the previous month's assessment. Positively, government measures are expected to sustain private household consumption, while most indicators point to a continued steady growth dynamic.

In 2027, growth is expected to remain at around this year's level, albeit gradually increasing to stand at 0.8%, reflecting a slight adjustment in the economic growth forecast from the previous month's assessment of 0.9%. The growth dynamic in the coming year is expected to be supported by an expansionary fiscal stance, a gradual recovery in manufacturing and a further normalization of monetary policy.

Table 3 - 5: Japan's economic growth rate and revision, 2026–2027*, %

	Japan
2026	**0.7**
Change from previous month	-0.1
2027	**0.8**
Change from previous month	-0.1

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

Non-OECD

China

Update on the latest developments

China's 2Q26 economic growth stood at 4.3%, y-o-y, following 5.0% in 1Q26. Average growth of 4.7% in 1H26 nonetheless leaves the full-year target of around 5.0% within reach. The slowdown reflected some consequences of challenges in the energy sector, slower government spending, and adverse weather. Nominal GDP growth accelerated to 5.9%, y-o-y, from 4.9%, as the GDP deflator turned positive at 1.6% on higher producer price inflation, ending twelve consecutive quarters of negative readings. The underlying picture remains highly uneven. Exports and manufacturing held up well, led by electric machinery, general equipment and metal products, while property construction and consumer spending remained weak. The tertiary sector, which accounts for almost 60% of the economy and represents the services sector, continued to outperform, with the services output index growing more rapidly than retail sales, indicating that services consumption is holding up better than goods consumption.

Reflecting the gradual slowdown in 2Q26, a Politburo meeting on 30 July signalled a stronger counterbalancing policy stance for 2H26. The tone was notably more cautious than at the April meeting, when major indicators were described as better than expected: policymakers in July called for close attention to the economy's difficulties and challenges, while remaining comfortable with the ongoing structural transition towards innovation-led growth. They also supported unleashing the efficacy of existing policies, stepping up counter-cyclical adjustments, introducing pragmatic incremental policies in a timely manner, and making greater efforts to expand domestic demand and optimize supply, while reiterating a more proactive fiscal policy and a moderately loose monetary policy. The emphasis, however, is on faster implementation of measures already planned rather than the near-term rollout of new stimulus.

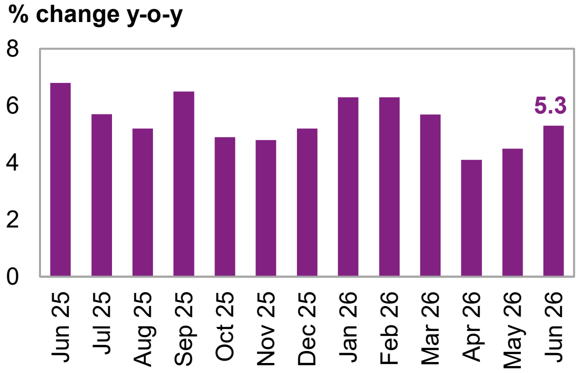
China appears to be managing energy-supply challenges relatively successfully. While domestic fuel prices rose by 15.3%, y-o-y, in June, nominal retail sales of petroleum and related products declined by 5.1%, y-o-y, implying a contraction of roughly 18% in volume terms. The property sector continues to be a drag on domestic demand and confidence. Adjustment indicators deteriorated further in June, with floor space sold down 14.2%, y-o-y, new home starts down 26.0%, real estate investment down 24.2% and downward pressure on prices persisting. The adjustment has so far been absorbed without broader financial instability, although it continues to weigh on private investment, household sentiment and local-government-related activity.

Following the Politburo meeting on 30 July, monetary policy settings remain targeted. The PBoC has maintained an accommodative stance, emphasizing ample liquidity, stable credit conditions and targeted support rather than broad-based stimulus. Policymakers signalled a stepping up of counter-cyclical adjustment, though the emphasis is on accelerating the implementation of measures already planned rather than the near-term introduction of new stimulus, with fiscal instruments expected to carry the principal burden.

Inflation dynamics have moderated across both consumer and producer prices. Headline CPI eased to 0.5%, y-o-y, in July from 1.0% in June, the softest reading since January. The moderation was driven primarily by gasoline, where annual price growth slowed to 1.0% from a rate some 16 percentage points higher in June, as global pressures eased. Food prices continued to decline too. Core CPI, which excludes volatile food and energy items, eased to 0.9%, y-o-y, from 1.0% in June, though it rose 0.3% on the month, with services providing the main support. Producer prices also moderated, with the PPI rising 3.5%, y-o-y, in July, from 4.1% in June, the slowest pace since April. The continued softness in consumer prices points to continued weak domestic demand, with the authorities noting that this leaves scope for pro-consumption policies in 2H26.

IP growth in China continued to expand at a healthy pace. Industrial output expanded by 5.3%, y-o-y, in June from 4.5% in May and 4.1%, y-o-y, in April, suggesting that the industrial sector remains a key source of support despite softer domestic demand. The urban unemployment rate edged down to 5.0% in June, although conditions for younger and migrant workers remain more difficult. This follows 5.1% in May and 5.2% in April. Retail sales returned to modest growth of 1.0%, y-o-y, in June from -0.6% in May, largely on base effects. Services consumption continued to outperform goods, with the services output index rising 4.7%, y-o-y. Notably, retail fuel volumes are estimated to have contracted by around 21%, y-o-y, in June against a 21% increase in domestic pump prices.

Graph 3 - 9: China's industrial production



Sources: China National Bureau of Statistics and Haver Analytics.

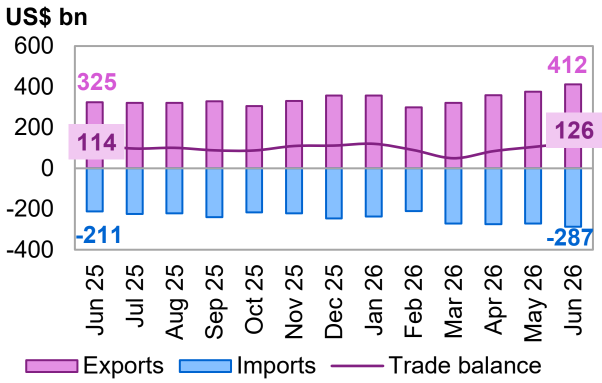
Momentum in trade strengthened markedly in May and June, supported by robust exports of high-tech goods, semiconductors, automobiles and AI-related products, alongside some front-loading of shipments ahead of anticipated changes to US tariffs.

China's trade surplus widened further in June to USD 125.6 billion, following USD 105.2 billion in May and USD 84.6 billion in April, the second-largest monthly surplus on record.

Exports stood at a record USD 412.4 billion in June, after USD 376.4 billion in May and USD 359.2 billion in April. In y-o-y terms, exports rose by 27.0% in June, after 19.4%, y-o-y, in May, the strongest rate since October 2021.

Imports stood at USD 286.8 billion in June, after USD 271.2 billion in May and USD 274.6 billion in April. In y-o-y terms, imports increased by 36.0% in June, following 27.4%, y-o-y, in May, the fastest pace in five years.

Graph 3 - 10: China's trade balance



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

Near-term expectations

China's growth momentum moderated through 2Q26. The growth dynamic in 2H26 is expected to remain stable, supported by the acceleration of fiscal spending, resilient external demand and some improvements in the energy sector. A strong export dynamic implies that China's current account surplus could stay elevated, with spillover effects for trading partners facing stronger Chinese export competition.

The consumer outlook remains soft, although higher input costs are more likely to be absorbed through margins, wages, bonuses and investment plans than fully passed on to consumer prices. The property sector continues to weigh on sentiment, with activity indicators deteriorating further in June and prices still under downward pressure, so the negative wealth effect from housing is likely to persist for longer. Policy support through income-boosting measures should help prevent a sharper slowdown, and further gradual easing of local housing policies is expected in larger cities, but these channels are likely to work slowly.

Policy settings are expected to remain supportive but targeted, with fiscal instruments carrying the principal burden. The Politburo meeting of 30 July struck a more cautious tone than in April, calling for greater attention to difficulties in the near-term economic dynamic and pledging to step up counter-cyclical adjustment, though the emphasis is on accelerating the implementation of already planned measures rather than introducing new near-term stimulus. In terms of fiscal policy, this implies an acceleration of expenditure and the spending of bond proceeds, alongside faster execution of strategically important investment projects and consumer goods trade-in and equipment upgrade programmes.

On the demand side, the emphasis remained largely on the supply of goods and services, including expanding higher-quality supply adapted to the needs of different consumer groups and tapping the potential of services consumption, alongside continued infrastructure development across water, power, computing, communication, urban pipeline and logistics networks. Policymakers also reiterated their focus on high-tech manufacturing and AI supply chains, and on addressing excessive competition, local government debt, property-market stabilization and employment. The Fifth Plenum of the 20th Central Committee was announced for October.

On monetary policy, the base case remains for no policy-rate or reserve requirement reductions in 2026, with the PBoC keeping liquidity ample through its various management instruments and targeted credit easing, though more prominent easing would become more likely should growth slow further. A significant broad-based stimulus appears less likely while exports remain resilient and the full-year growth target remains within reach.

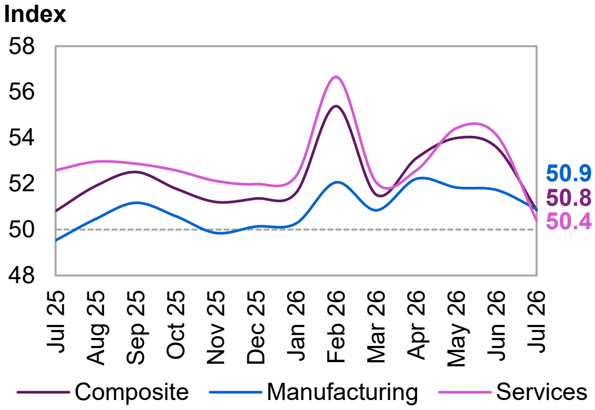
Exports are expected to remain a key pillar of growth. China has continued to gain global export market share, supported by cost competitiveness, scale advantages and its deep integration into global supply chains, with export growth accelerating markedly in June. AI-linked electronics demand, clean-energy products and price-sensitive global consumption should continue to support export momentum this year, and China's stronger position in critical minerals and rare-earth processing reinforces its strategic role in global supply chains. Part of the recent strength reflected front-loading ahead of anticipated changes to US tariffs, however, which may reduce export momentum somewhat in the coming months. At the same time, yuan appreciation is likely to continue on the back of large external surpluses, exporter repatriation of dollar balances and improved market positioning. Even so, China's price advantage may be preserved if global competitor prices rise faster because of energy and input-cost pressures. Given the divergence between a resilient external sector and subdued domestic demand, the near-term growth composition will depend importantly on the extent to which the announced policy support translates into a recovery in investment and household spending.

July's PMI data indicated some deceleration, underscoring the need for the expected fiscal and monetary support measures.

The Manufacturing PMI fell slightly to stand at 50.8 in July, following 51.7 in June and 51.8 in May.

However, the Services PMI fell more sharply, easing to 50.4 in July, after 54.1 in June and 54.4 in May.

Graph 3 - 11: China's PMI



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

Following a steady economic performance in 1H26, China's expansion is forecast to remain healthy. The broader outlook remains supported by advanced manufacturing, exports and targeted policy support. Notably, the latest fiscal and monetary policy support measures suggest continued near-term momentum. Economic growth in 2026 is expected to remain unchanged at a solid 4.6%.

Table 3 - 6: China's economic growth rate and revision, 2026–2027*, %

	China
2026	**4.6**
Change from previous month	0.0
2027	**4.5**
Change from previous month	0.0

*Note: * 2026–2027 = Forecast.*
Source: OPEC.

Continued export diversification, combined with an improving domestic consumption outlook, will also shape the economic growth dynamic in 2027. In addition, ongoing fiscal and monetary support is expected to underpin a steady growth path next year. As a result, China's economic expansion is projected to remain resilient in 2027, maintaining robust growth at 4.5%, also unchanged from last month's assessment.

India

Update on the latest developments

The most recent data for 2Q26 suggests that the Indian economy remains on a resilient footing overall. Consumption indicators held up, unemployment was broadly stable, industrial production growth remained firm and non-food credit growth strengthened further, while the services sector continued to provide steady momentum. Renewed geopolitical tensions have nonetheless revived external downside risks via the energy import bill and the currency. The rupee has been among the weaker major emerging-market currencies, weakening to record lows against the dollar as higher energy costs weighed on the external balance. Inflation risks have risen accordingly, while a weak monsoon and second-round cost pressures point to rising food and core inflation, although the retreat in precious-metals prices has provided a partial offset.

The Reserve Bank left the repo rate unchanged at 5.25% at its most recent meeting at the beginning of August, maintaining a cautious stance as higher energy prices and currency pressures complicated the outlook.

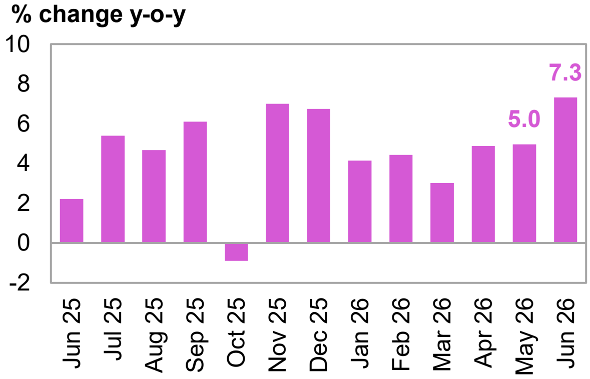
On trade, India was placed in the lower 10% band under the new US tariff framework introduced on 24 July, a relatively favourable outcome that follows the bilateral agreement earlier in the year that reduced tariffs on Indian goods to 18%. Indian refiners have also benefited from the exceptional strength in global product cracks, including through seaborne gasoline sales to Russia.

Consumption indicators remain broadly supportive. Fuel consumption and vehicle sales have remained relatively firm, helped by income growth, earlier goods and services tax (GST)-related support, and continued rural demand. Two-wheeler sales point to resilient rural consumption, while passenger vehicle sales suggest that urban discretionary demand has not yet weakened materially. Vehicle sales also remained healthy in July, continuing to benefit from last year's tax reform, with vehicle sales rising by 25.9%, y-o-y, following a rise of 21.8%, y-o-y, in June and 9.5%, y-o-y, in May.

India's unemployment rate fell again in July to 6.2%, down from 6.6% in June and 6.9% in May. Urban unemployment fell to 5.9%, following 7.2% in June and 8.0% in May. At the same time, the rural unemployment rate was almost steady, standing at 6.4% in July, after 6.3% in June and 6.2% in May.

Other high-frequency indicators point to a strengthening in industrial momentum through the second quarter. Industrial production accelerated to 7.3%, y-o-y, in June, following a revised 5.0%, y-o-y, in May and growth of 4.9%, y-o-y, in April. Manufacturing output expanded by 7.8%, y-o-y, while electricity and gas supply rose by 10.6% and mining and quarrying recorded a more modest 1.0%. Capital goods production continued to rise strongly, increasing by 14.2%, y-o-y, in June. The June data also showed solid gains in intermediate goods, up 9.3%, infrastructure and construction goods, up 7.5%, and consumer durables, up 7.7%, while consumer non-durables grew more modestly at 4.9%. Intermediate, primary, and capital goods were the largest contributors to overall growth, pointing to continued momentum in investment-related activity.

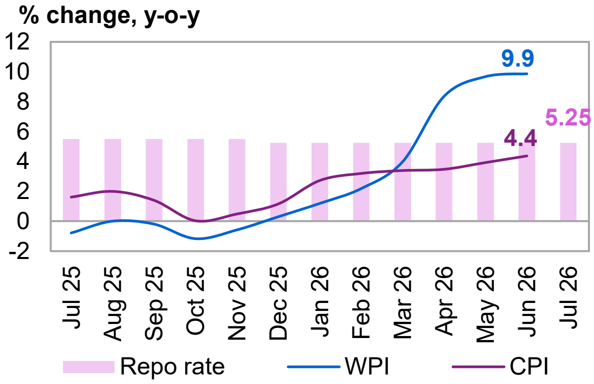
Graph 3 - 12: India's industrial production



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

Inflation in India has continued to rise and has now moved above the RBI's 4% target for the first time in around eighteen months. Headline CPI inflation increased to 4.4%, y-o-y, in June, following an upwardly revised 4.0%, y-o-y, in May, and 3.7%, y-o-y, in April. Food and beverage inflation rose more visibly to 5.1%, y-o-y, in June, following 4.6%, y-o-y, in May, and 4.1% in April, pointing to renewed pressure on food prices amid heatwaves and a delayed monsoon affecting agricultural supplies. Price pressures were markedly stronger in rural areas, where headline inflation reached 4.7%, compared with 3.9% in urban centres, with rural food and beverage inflation at 5.2%. Transport inflation rebounded to 4.3%, y-o-y, after a marginal rise of 1.8% in May, suggesting that the energy shock has begun its delayed transmission to Indian consumer prices. The pass-through from higher global prices has so far remained partly contained by administered prices, tax adjustments and policy measures aimed at cushioning households and firms. However, second-round risks have increased, particularly through food prices, transport costs, fertiliser, logistics and services. Core inflation remained at 3.9%, y-o-y, in June, the same level as in May and following 3.7% in April.

Graph 3 - 13: Repo rate and inflation in India

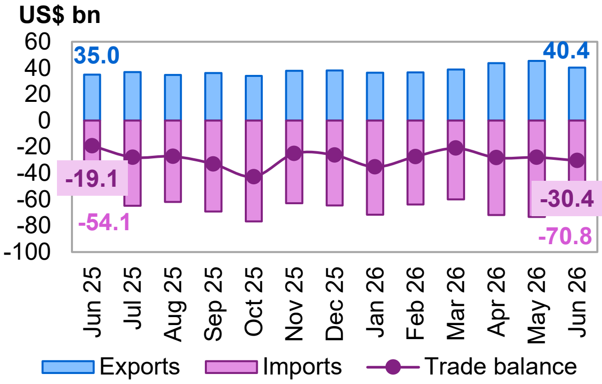


Sources: Ministry of Commerce and Industry, Reserve Bank of India and Haver Analytics.

In terms of trade, India's merchandise trade deficit widened to $30.4 billion in June, a five-month high, following $28.0 billion in May and $28.2 billion in April.

Imports eased slightly to $70.8 billion in June, following $73.4 billion in May and $71.9 billion in April, but remained 31% above their year-earlier level, with the sharper pace of increase relative to exports being the principal driver of the wider deficit. The increase in imports was concentrated in petroleum and crude oil, up 23%, y-o-y, electronic goods, up 43.8%, and gold, up 47.1%, together accounting for around $20 billion of the June deficit. Official commentary attributed the rise in petroleum and precious metals imports to higher global prices rather than volumes, while the increase in electronics was linked to domestic demand, though elevated global semiconductor prices are likely to have contributed as well.

Graph 3 - 14: India's trade balance



Sources: Ministry of Commerce and Industry and Haver Analytics.

Goods exports fell to $40.4 billion in June, after $45.4 billion in May and $43.7 billion in April, though they remained 15.5% above a year earlier.

Near-term expectations

India's near-term outlook remains robust, supported by a resilient services sector, steady momentum in investment and firm industrial activity, with industrial production accelerating in June and capital goods output being particularly strong. External conditions have become less supportive. The renewed increase in energy prices in July has reversed part of the earlier relief, restoring the risk of further and second-round price increases and renewed pressure on core goods inflation, while adding to fiscal constraints. Fiscal consolidation is likely to slow temporarily. The central government deficit is expected to rise to around 4.6% of GDP in FY2026/2027, above the initial 4.3% target, as weaker revenue momentum, subsidy needs and the need to protect capital expenditure have limited the scope for faster adjustment. Further upside may come from additional structural reforms, with the GST reform from 2025 suggesting that the authorities may target other business-friendly measures.

The inflation outlook has deteriorated relative to last month, and risks remain tilted to the upside. Headline inflation moved above the RBI's 4% target in June for the first time in around eighteen months, and is now expected to average more than 4.0%, y-o-y, in 2026, with a possible further increase in 2027. The composition is more reassuring than the headline. Underlying inflation, excluding precious metals, remains subdued at close to 3%, indicating that demand-side pressures are still contained, and the retreat in precious metal prices has provided a partial offset. Second-round effects will nonetheless be the decisive factor. The current baseline assumes two 25 bp repo rate increases later in the year, taking the repo rate to 5.75%, although the timing will depend on inflation pass-through, rupee stability and broader financial conditions; should underlying inflation remain benign, the RBI retains scope to delay tightening.

The monsoon is the principal domestic risk. Rainfall improved after a weak start, but El Niño continues to threaten crop yields, rural incomes and food prices. Reservoir storage is an important indicator to watch in this respect, since it determines both irrigation capacity for the coming sowing season and the buffer against deficient rainfall. Storage entering the season has been low, and a further shortfall would weigh on sowing decisions and rural demand. June inflation data already shows this channel opening, with rural inflation at 4.7%, exceeding the urban rate of 3.9%, and rural food inflation running higher still, reversing the historical pattern.

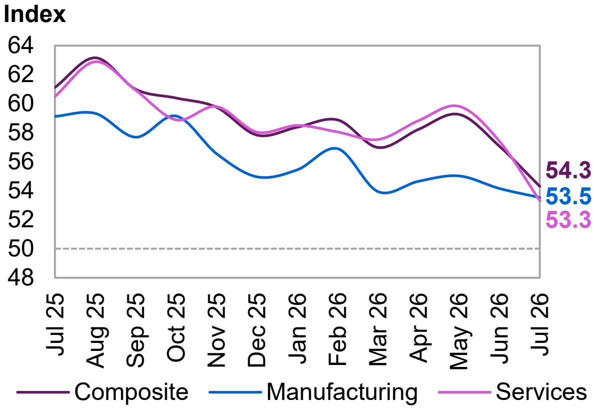
The country's external position remains sensitive to capital flows and energy price developments and has come under renewed pressure. The merchandise trade deficit widened to a five-month high in June, driven by higher petroleum, electronics and gold imports, and current account projections have widened, with estimates now clustering between 1.0% and 1.5% of GDP for FY27. The rupee has weakened to record lows against the dollar, prompting central bank intervention, and is likely to remain sensitive to oil prices, global risk appetite, and portfolio flows, particularly with the Fed's policy path shifting towards a firmer stance.

July PMI indicators point to continued expansion in both manufacturing and services, though momentum has moderated noticeably from the strong readings earlier in the year.

The Manufacturing PMI eased to 53.5 in July, from 54.2 in June and 55.0 in May, reflecting more challenging domestic market conditions and competitive pressures, though export demand remained resilient and firms continued precautionary stockpiling to buffer against supply-side uncertainties.

The Services PMI declined more sharply to 53.3 in July, from 57.4 in June and 59.8 in May, with new business growth slowing to its weakest pace since February 2022 amid softer demand conditions. Overseas demand remained a key support, with new export orders growing faster than overall new business.

Graph 3 - 15: India's PMIs



Sources: S&P Global and Haver Analytics.

The Indian economy remains well supported by steady domestic demand, as reflected in the latest domestic data, and benefits in part from government-led support measures, alongside continued prudent monetary policies. The latest inflationary trend may have a limited dampening effect on consumption. Against the backdrop of already robust growth in 1H26, the 2026 economic growth forecast for India remains unchanged at 6.6% from the previous month's assessment.

With steady momentum projected through the end of 2026, the Indian economy is expected to maintain its robust expansion in 2027. This forecast is supported by prospects for continued structural reforms, further expansion of the manufacturing sector, and fiscal and monetary policy support. As a result, economic growth for 2027 is projected to remain broadly stable at 6.5%, unchanged from the previous month's assessment.

Table 3 - 7: India's economic growth rate and revision, 2026–2027*, %

	India
2026	**6.6**
Change from previous month	0.0
2027	**6.5**
Change from previous month	0.0

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

Brazil

Update on latest developments

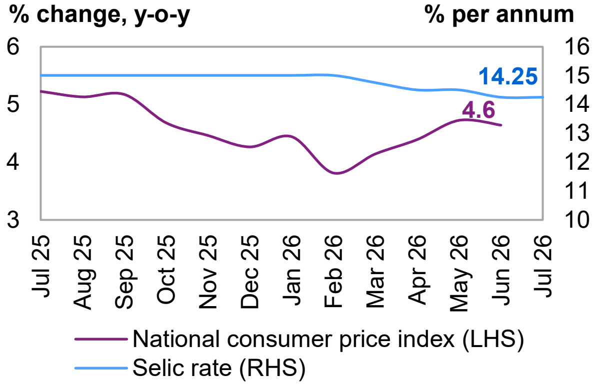
The Brazilian economy has remained resilient, following steady growth in 1Q26. Economic growth stood at 1.8%, y-o-y, in 1Q26. Activity was supported by agriculture, household consumption and a quarterly recovery in investment. Services remained resilient, while mining and construction supported the industry, though manufacturing remained weaker. On this basis, the central bank recently raised its 2026 growth projection from 1.6% to 2.0%. While the economy continues to expand, the pace of growth has moderated from the stronger trend seen in previous years. Household consumption remains supported by a firm labour market, with the unemployment rate falling and the central bank pointing to historically low unemployment and rising wages. High household indebtedness, slower credit growth and elevated borrowing costs are nonetheless areas that will need monitoring in the near term.

Against this backdrop, the central bank cut the Selic rate by 25 bp in both August and June, to stand at 14.0%. The rate-setting committee provided no explicit forward guidance, reaffirming that the magnitude of the easing cycle will be determined by incoming data. The aim is ultimately to ensure convergence towards the inflation target of around 3%. The central bank also drew attention to an expected economic trajectory of deceleration in 2026, describing a gradual moderation from a still-resilient level with mixed signals across sectors and a tight labour market. It also noted that headline inflation has decelerated but remains above the upper limit of the target, and that underlying measures have eased to slightly below it. The central bank sees headline inflation at 5.1% at the end of 2026 under the reference scenario, 3.8% by 4Q27 and 3.2% in 1Q28. The balance of risks remained unchanged, with both upside and downside risks assessed as higher than usual, and the balance retaining an upside bias.

The Consumer Confidence Index improved slightly again in July, standing at 87.7, following 87.3 in June and 86.5 in May. The composite business confidence index declined slightly, standing at 91.6 in July, following 92.8 in June and 91.6 in May.

Price pressures remain broad-based rather than confined to food and energy. In addition to energy prices, resilient domestic demand, a tight labour market and still-elevated services inflation continue to exert upward pressure on prices. Headline inflation nonetheless eased to 4.6%, y-o-y, in June, from 4.7%, y-o-y, in May, and 4.4%, y-o-y, in April. The moderation was broad-based, with price growth easing for food and beverages, housing, clothing, transport and education. Energy and fuel inflation remained elevated at 7.7%, y-o-y, but also fell from 8.9% in May and 8.8% in April. Inflationary pressures in services nevertheless remain pronounced, with core services inflation still at elevated levels. The central bank has identified this as an upside risk should the output gap prove more positive than assumed.

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



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

At the same time, the labour market remains relatively healthy, with unemployment declining further in June. This continues to support wage income and consumption, although the scope for further employment-led growth is narrowing. The three-month moving average unemployment rate fell to 5.4% in the quarter ending June, down from 5.6% in May, 5.8% in April and 6.1% in March. Average nominal monthly earnings stood at R$3,738 in 2Q26, following R$3,722 in 1Q26, indicating that real income gains are continuing.

Near-term expectations

Recent data suggests that Brazil carried healthy momentum through 2Q26, broadly in line with the growth level recorded in 1Q26. Both manufacturing and services PMIs have eased in recent months, pointing to a normalization of momentum. The government's introduction of income tax reforms has supported household purchasing power, with real disposable income up 5.0%, y-o-y, on average between January and May. There remains some scope for consumption to improve as financing conditions ease, though restrictive credit and high household indebtedness will continue to weigh on durable goods demand. The composition of growth is expected to shift materially, with investment taking a larger role. As households rebuild savings, the resulting credit surplus should help market rates fall more quickly, supporting capital formation, while investment should also benefit from a clearer political outlook after the October elections.

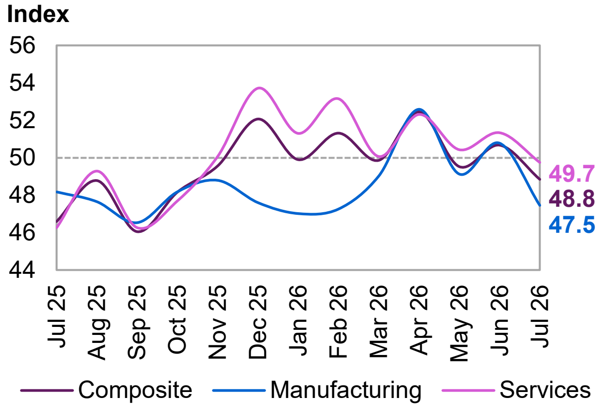
The trade environment has become clearer and less supportive following the introduction of the new US framework on 24 July. Brazilian exports face a 12.5% duty on top of existing country-specific Section 301 measures, placing Brazil in the higher tier. The country's average applied US tariff is estimated to have risen to close to 18%, among the highest faced by any major supplier, representing a marked competitive disadvantage. Commodity exports should nonetheless remain supported by agriculture, mining and demand outside the US.

The country's fiscal position has also become more challenging and will need close monitoring in the near term. The overall deficit has exceeded 8% of GDP in every year of the current administration. Gross general government debt rose 90 bp to 81.9% of GDP, up from 71.7% at the end of 2022, and is expected to keep climbing. Weak spending control has made fiscal targets more challenging to achieve, while this dynamic has also raised risk premia and left short- and medium-term inflation expectations at risk. Reversing the debt trajectory would require structural primary surpluses above 2% of GDP, which appear unlikely in the near term but may be targeted by the new administration in 2027. In this respect, the October elections are a key factor for the fiscal path. Debt is climbing towards roughly 95% of GDP under the IMF definition, and the government is projected to miss its primary balance target by around 0.5 percentage points of GDP this year. Meanwhile, income tax relief, minimum-wage increases and debt renegotiation programmes continue to support consumption, with election-year spending representing an additional upside risk to inflation expectations. Monetary easing is expected to remain gradual and conditional, especially given the central bank's indication that its monetary cycle calibration will remain data-dependent. Further easing in 2H26 remains the baseline, supported by June's deceleration in headline and underlying inflation, but July's crude price recovery is a material risk.

Following a renewed loss of momentum, the Services PMI weakened in July, standing at 49.7. This follows 51.3 in June and 50.4 in May.

The Manufacturing PMI also weakened. After standing at 50.8 in June, 49.1 in May and 52.6 in April, the July reading of 47.5 pointed to renewed weakness.

Graph 3 - 17: Brazil's PMIs



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

Following solid growth in 1H26 and the anticipated carry-over into 2H26, economic activity remains well supported. However, the global inflationary trend driven by higher commodity prices is likely to continue feeding into domestic price dynamics. At the same time, robust commodity prices are expected to support income in affected sectors, mainly energy and agriculture, and possibly generate stronger investment as well. Against this backdrop, the 2026 economic growth forecast remains at 2.0%, unchanged from last month's assessment.

Table 3 - 8: Brazil's economic growth rate and revision, 2026–2027*, %

	Brazil
2026	**2.0**
Change from previous month	0.0
2027	**2.2**
Change from previous month	0.0

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

Looking ahead to 2027, economic growth is expected to remain positive, supported by monetary easing, investment and continued robust domestic activity. That said, some uncertainties remain, including the lagged impact of tight monetary policy and the possibility of tighter fiscal policy. Taking these uncertainties into account, while also considering the economy's continued expansion, the 2027 economic growth forecast stands at 2.2%, unchanged from the previous month's assessment.

Russia

Update on the latest developments

Russia's economic decline was confirmed at 0.2% on an annual basis in 1Q26, its first annual contraction in three years, following a 1.0%, y-o-y, increase in 4Q25. The sectoral breakdown released by Rosstat confirmed that reduced construction activity, caused by the harsh winter, was the largest drag on growth, with the sector declining by 7.3%, y-o-y, and weak manufacturing activity representing the second-largest drag. Government spending made the largest contribution to growth, consistent with front-loaded spending in 1Q26, with the first-quarter federal deficit exceeding the full-year budget plan. The quarterly weakness was mainly concentrated in January and February, while March showed a rebound. The central bank has since characterized the economy as growing at a moderate pace in 2Q26, and monthly estimates point to a modest recovery, suggesting that activity has moved away from the sharper weakness seen at the start of the year.

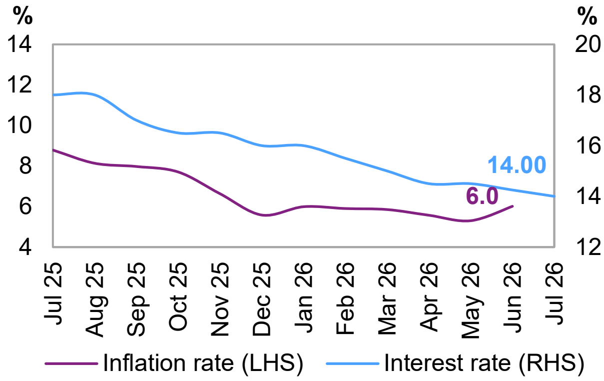
The sectoral picture remains uneven. Industrial activity and parts of the manufacturing sector continue to support growth, while private household demand is constrained by high interest rates, labour shortages, and tax increases. The domestic fuel market has become the most visible constraint. Disruptions to refinery operations and fuel logistics linked to the conflict in Eastern Europe have tightened supply, leading to shortages in several regions. These developments are weighing on transport, agriculture, retail logistics and parts of industrial supply chains. Lending growth decelerated slightly in June, and companies have reduced their expectations regarding future demand and output.

Inflation has reversed course and is now rising. Headline inflation accelerated to 6.0%, y-o-y, in June from 5.3% in May and 5.6% in April, the highest level since January and in contrast to most major economies, where price pressures had eased through June. Petroleum products inflation reached 19.7%, y-o-y, reflecting the severity of the fuel shortage, while services inflation remained elevated at 10.5%. Food inflation was comparatively contained at 3.4%. Core inflation stood at 5.0%, y-o-y, in June, following 4.9%, y-o-y, in May and April.

Against this backdrop, the CBR cut the key policy rate by a further 25 bp to 14.00% at the end of July, following the 25 bp reduction in June to 14.25% and the larger 50 bp cut in April. The Bank simultaneously revised its projections materially: the 2026 GDP growth forecast was lowered to a range of 0.0%–1.0% from 0.5%–1.5%, while the inflation forecast was raised to 6.0%–7.0% from 4.5%–5.5%, explicitly citing the increase in fuel prices. The baseline now assumes an average key rate of 14.5%–14.6% in 2026 and 10.5%–12.5% in 2027.

The non-seasonally adjusted industrial production series remained resilient, though it softened in May before recovering somewhat in June. Output rose by 4.1%, y-o-y, in June, following 3.4%, y-o-y, in May, 6.1%, y-o-y, in April and 6.6%, y-o-y, in March. The moderation in May reflected weaker mining, utilities and some manufacturing segments, while the June recovery was driven almost entirely by manufacturing, where growth accelerated; mining, electricity and gas supply and water and waste management all continued to contract. Growth in industrial activity remains narrowly based, concentrated in manufacturing industries linked to the military-industrial complex. At the same time, retail sales volumes have remained resilient, increasing by 7.4%, y-o-y, in June, following 8.0%, y-o-y, in May and 6.6%, y-o-y, in April.

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



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

Elsewhere, the labour market remains very tight. The unemployment rate remained almost unchanged at 2.2% in June, following a record low of 2.1% in May and 2.2% in April, and remained close to historical lows. Tight labour-market conditions continue to support household income and consumer spending, but also add to wage and service-price pressures. Nominal wage growth rose by 10.9%, y-o-y, in May, after 12.0%, y-o-y, in April, and 15.4%, y-o-y, in March. Persistent labour shortages remain an important supply-side constraint, supporting consumption but also limiting disinflation and adding to capacity pressures.

Near-term expectations

Following the contraction in 1Q26, the Russian economy rebounded in 2Q26. Growth is expected to recover gradually over the remainder of the year, supported by continued wage growth and resilient household spending. However, the challenges affecting energy and industrial infrastructure may have a more meaningful impact on activity in the near term. Refinery outages represent the most consequential channel, and the response of the economy is likely to be non-linear.

Higher global commodity prices continue to provide an external and fiscal buffer. Stronger oil prices have supported export revenues, the current account and budget receipts, while energy self-sufficiency, administrative controls and domestic supply-management tools have limited the direct pass-through of global prices into local inflation, though this insulation has been undermined by domestic fuel supply shortages.

The fiscal impulse is expected to turn negative in 2H26 under the current plan. Spending has been more front-loaded than last year, with the government rushing to fulfil military orders in the first half and will therefore need to be trimmed over the remainder of the year, repeating last year's pattern. In mid-July, the finance ministry published updated projections indicating that spending is likely to exceed the target by around 0.4% of GDP, without revising its revenue projections. On that basis, the authorities may raise the annual deficit target from the current 1.6%, an outcome that appears realistic given the recovery in global energy prices. The government has decided not to change the cut-off Urals price for this year's budget, set at US$59 per barrel, and will likely continue applying the fiscal rule in its current form until year-end. The baseline assumes that budget consolidation proceeds in 2027 as previously intended, though at a slower pace than earlier announced. The draft 2027–2029 budget is due to be published in September.

On monetary policy, the assumption remains that the CBR will continue easing, but the most recent inflationary trend has tilted inflation risks to the upside, and the central bank is now expected to pause from time to time to gauge the impact of new shocks on prices and demand. The CBR has raised its 2026 inflation forecast to 6.0%–7.0%, from 4.5%–5.5%. Large fluctuations in the exchange rate are not anticipated in the baseline, as the fiscal rule should smooth its path, and capital controls are expected to remain in place over the medium term, with scope for tightening should the currency come under sustained pressure.

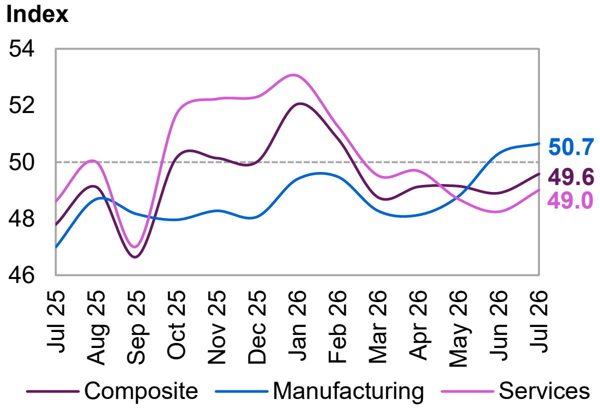
Overall, the outlook remains supported by commodity revenues and resilient household income, but constrained by tight policy settings, limited capacity, labour shortages, a fading fiscal impulse and elevated inflation risks. The principal uncertainties are the future of the refining and logistics infrastructure and the extent to which Russia can offset the current supply shocks.

The latest July PMI figures show continued improvement in manufacturing, alongside persistent, though improving, weakness in services.

The Manufacturing PMI rose to 50.7 in July from 50.3 in June, 48.8 in May and 48.1 in April, marking the strongest improvement in operating conditions since January 2025, albeit at a modest pace overall. New orders increased for a second consecutive month, at the fastest rate since May 2025, as firms reported better demand conditions.

The Services PMI stood at 49.0 in July, following 48.2 in June, 48.7 in May, and 49.7 in April, indicating a further, but less pronounced, contraction.

Graph 3 - 19: Russia's PMI



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

Following the 1Q26 contraction, the improving external trade situation and domestic support from government and private household spending are expected to support a rebound in the remainder of the year. At the same time, fiscal and monetary constraints remain, and current challenges in the refinery and industrial infrastructure have led to a slight downward revision in the economic growth forecast. Hence, the economic growth projection for Russia in 2026 is revised down slightly to 1.1%, from 1.3% in the previous month's assessment.

Table 3 - 9: Russia's economic growth rate and revision, 2026–2027*, %

	Russia
2026	**1.1**
Change from previous month	-0.2
2027	**1.5**
Change from previous month	0.0

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

In 2027, the Russian economy is projected to grow by 1.5%, unchanged from the previous month's assessment.

Africa

South Africa

Update on the latest developments

South Africa's economic momentum has continued to rebound following soft growth levels recorded in 2025, albeit with uneven sectoral dynamics. Economic growth stood at 1.9%, y-o-y, in 1Q26, marking the sixth consecutive quarter of sequential expansion, with financial services, agriculture, trade, and transport accounting for the bulk of the contribution on the production side. On the expenditure side, growth was underpinned by higher private and government consumption, as well as a positive net export contribution. Preliminary trade data indicate that the external sector has remained supportive, reflecting resilient commodity exports. Structural labour market weaknesses nonetheless persist. The unemployment rate rose to 32.7% in 1Q26, with youth unemployment exceeding 60%, constraining the transmission of the recovery to household incomes.

Fiscal outcomes have exceeded budgeted projections by a significant margin. The FY2025/26 deficit is estimated at approximately 4.3% of GDP, marginally below the budgeted outcome. Budget execution data for June, which captures semi-annual corporate income tax receipts and is therefore particularly informative, point to material revenue outperformance. Main budget revenue amounted to ZAR 228 billion, an increase of ZAR 22 billion or 10.7%, y-o-y, equivalent to 0.2% of GDP. Corporate income tax receipts, which are volatile and highly sensitive to commodity price developments, reached ZAR 102 billion, exceeding the corresponding month of 2025 by ZAR 20 billion. On a six-month annualized basis, such receipts now stand at ZAR 385 billion, compared with ZAR 345 billion in FY2025/26 and a budgeted ZAR 364 billion for the current fiscal year. This implies full-year revenue outperformance of at least 0.2% of GDP, attributable to robust export performance driven by commodity prices in the preceding year, particularly for precious metals, with receipts timing reflecting lags in tax payment schedules. Value-added and personal income tax collections each expanded by 10%, y-o-y, over the April to June period, substantially exceeding the 5.3% annual revenue growth assumed in the February budget.

These developments carry implications for the sovereign credit outlook. Both Moody's and S&P currently maintain positive outlooks, and sustained fiscal outperformance would be consistent with upgrades from both agencies over the coming year, implying a shift in the ratings.

Inflation developments have assumed greater policy significance. Headline inflation rose to 5.0%, y-o-y, in June, from 4.5% in May and 4.0% in April, exceeding expectations and reflecting increases in transport, housing and utility costs. Following the 25 bp increase in the policy rate to 7.0% in late May, the South African Reserve Bank maintained the rate in July. The decision was not unanimous, with two of six committee members favouring a further increase. The Governor characterized the stance as directed towards achieving inflation of 3% overtime and preventing the prevailing supply shock from de-anchoring inflation expectations.

Near-term expectations

The rebound in economic growth from 1Q26 is forecast to continue in the near term. This moderate growth level is also currently suggested by the S&P Global composite index, which eased to 50.3 in July from 50.5 in June, remaining marginally above the neutral threshold, with output expanding for the first time in three months as lower fuel prices moderated input cost inflation and reduced second-round wage effects. The Absa manufacturing index declined to 46.8 from 47.3, a second consecutive month of contraction, although the headline reading overstates underlying weakness: the business activity component rose for a second month to 48.8 from 45.6, and new sales orders recovered the greater part of June's decline on the strength of domestic demand, notwithstanding a pronounced deterioration in export sales. Employment remained weak at 42.2, and expectations regarding conditions six months ahead deteriorated markedly to 49.3 from 56.6, which respondents attributed to the renewed escalation of tensions in the Middle East and associated increases in energy prices. Input cost pressures continued to moderate, with the purchasing price index declining to 67.2 from 71.3.

Domestic demand is expected to remain the principal source of support to activity, though elevated unemployment, subdued household income growth and high living costs will continue to constrain the strength of private consumption. The fiscal position now constitutes a more supportive factor than previously assessed, with revenue outperformance, a credible commitment to consolidation and the prospect of ratings upgrades supporting investor confidence, notwithstanding continued constraints on fiscal space arising from high debt-service costs, weak trend growth and expenditure pressures. Monetary policy is expected to remain cautious and data-dependent, with the balance of risks having shifted towards further tightening at the September meeting. Although input price pressures moderated in both the June and July surveys, the Reserve Bank is likely to prioritize the anchoring of inflation expectations and exchange-rate stability.

Following this assessment and taking into account the country's robust 1Q26 economic growth level, South Africa's 2026 economic growth forecast remains at 1.5%, unchanged from the previous month's assessment.

The 2027 economic growth forecast remains at 1.6%, also unchanged from last month's assessment.

Table 3 - 10: South Africa's economic growth rate and revision, 2026–2027*, %

	South Africa
2026	**1.5**
Change from previous month	0.0
2027	**1.6**
Change from previous month	0.0

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

OPEC Member Countries

Saudi Arabia

Recent data presents a sound, albeit somewhat diverging growth trend, with the oil sector very much impacted by the geopolitical developments in the Middle East, while non-oil activity remains resilient. According to the General Authority for Statistics, real GDP contracted by 4.8%, y-o-y, in 2Q26, the first quarterly decline since 2023, following growth of 3.0%, y-o-y, in 1Q26. The fall was driven almost entirely by oil activity, down around 25% as disruptions to regional shipping constrained export volumes, while non-oil activity continued to expand, though growth slowed to 0.6%, y-o-y, from 5.4% a year earlier, also impacted by the geopolitical situation. The fiscal position held up better than the activity data suggests, as the 2Q26 deficit narrowed to SAR 34.3 billion. More timely indicators point to continued momentum in non-oil sectors. The Riyad Bank Saudi Arabia PMI eased only marginally to 53.1 in July from 53.3 in June and 52.8 in May, a fourth consecutive month of expansion, supported by strengthening domestic demand as conditions normalized after the regional disruptions. Inflation remains contained, with the headline CPI standing at 1.8%, y-o-y, in both June and May, after 1.7%, y-o-y, in April. Hence, Saudi Arabia's near-term outlook remains supported by low inflation, strong external buffers, moderate public debt, the riyal's dollar peg and continued investment in the non-oil economy, while the pace of growth remains highly sensitive to the resolution of the regional situation.

Nigeria

Nigeria's economic outlook remains supported by improved macroeconomic stability, steady oil production, recovering private-sector activity and continued reform momentum. The economy expanded by 3.9%, y-o-y, in 1Q26, only slightly below the 4Q25 pace of 4.0%, confirming that growth remains close to recent highs. The non-oil economy continues to provide the main support, with activity driven by agriculture, manufacturing, construction, trade, finance and insurance, while higher oil output has improved fiscal revenues, foreign-exchange inflows and external buffers. Survey indicators point to continued, though moderating, momentum. The Stanbic IBTC Bank Nigeria PMI eased to 52.5 in July, from 53.4 in June and 54.1 in May, the weakest reading since March but still signalling a sixth consecutive monthly improvement in private-sector conditions. Firms again reported a marked increase in new orders, supported by improved customer demand, better pricing and new product launches, while output and employment rose modestly. Higher domestic refining capacity, including improved fuel supply from the Dangote refinery, should continue to support energy availability and reduce some import-related pressures. Inflationary pressures have begun to soften. Headline inflation stood at 15.9%, y-o-y, in both June and May. The July PMI pointed to softening input costs, despite higher fuel and raw material costs. Overall, Nigeria's near-term outlook remains positive, supported by oil production, progress on reforms, infrastructure investment, and stronger business activity.

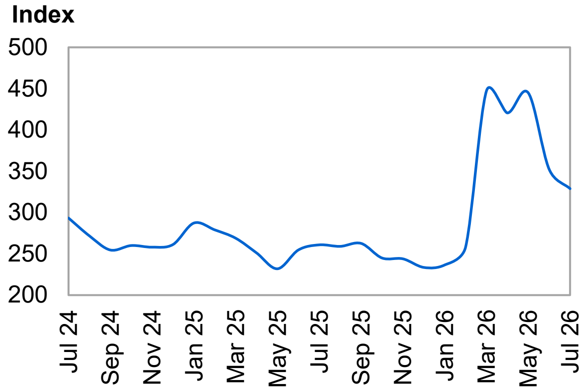
United Arab Emirates (UAE)

Following its robust expansion in 2025, the United Arab Emirates' economy continues to demonstrate underlying resilience, with recent data suggesting that the moderation in non-oil momentum during 2Q26 has begun to reverse. The economy grew by 3.0%, y-o-y, in 1Q26 despite the impact of the regional conflict, with non-oil activity remaining the main driver of diversification. Momentum weakened sharply thereafter, with the S&P Global UAE PMI falling to 50.8 in June from 52.6 in May, the weakest reading in more than five years, reflecting softer business activity, weaker new orders, intense competition and disruptions to transport and supply chains. July brought a marked recovery, however, with the headline index rising to 52.7, a four-month high, as new orders grew at their fastest pace since February, driven by improving customer confidence and the expectation of an end to hostilities. Export orders increased for the first time since March, and at the fastest rate in a year, associated with a pick-up in regional activity, while employment returned to growth after the first decline in headcount in fifteen months during June. The broader macroeconomic framework remains sound. Strong fiscal buffers, low public debt, a stable exchange-rate regime and continued investment in trade, tourism, logistics, real estate, finance and technology should continue to support activity, while inflation remains comparatively contained.

The impact of the USD and inflation on oil prices

The US dollar (USD) index increased in July by 0.6%, m-o-m. Elevated expectations of a higher-for-longer US interest rate environment, coupled with relatively higher US interest rates compared to those of other major economies, supported investor demand for dollar-denominated assets. According to the Federal Reserve's July 2026 Monetary Policy Report, inflation remained elevated relative to the 2% objective, and the Fed maintained the federal funds target range at 3.50% to 3.75%. However, concerns about growth moderation and the dollar's already strong real level limited further upside. Compared with the same period last year, the index was up by 3.1%, y-o-y.

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



Sources: IMF and OPEC.

On select developed market currencies, in July, the USD advanced against the euro and yen, though it declined against the pound. It rose against the euro and yen by 0.9% and 1.2%, m-o-m, respectively, while it declined against the pound by 0.3%, m-o-m. Compared with the same period last year, the USD was higher against the euro, yen and pound by 2.2%, 10.8% and 0.9%, y-o-y, respectively.

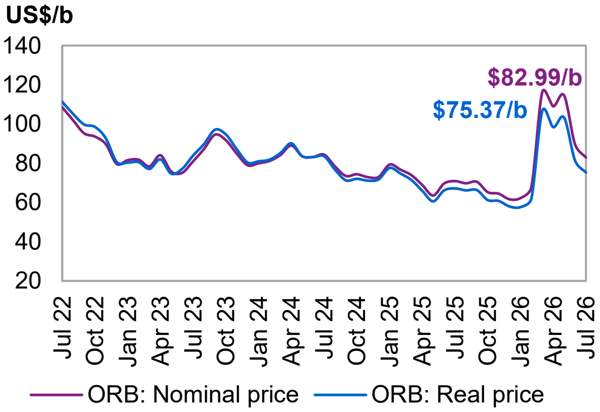
In terms of select emerging markets' currencies, in July, the USD rose against the rupee by 0.9%, m-o-m. Meanwhile, it remained flat against the yuan, m-o-m, but declined against the real by 0.3%, m-o-m, over the same period. Compared with the same period last year, the USD was up against the rupee by 11.3%, y-o-y; meanwhile, it was lower against the yuan and real by 5.5% and 7.7%, y-o-y, respectively.

The differential between nominal and real ORB prices narrowed in July. Inflation, measured as nominal price minus real price, declined by 8.0%, m-o-m.

In nominal terms, accounting for inflation, the ORB price dropped by 7.5%, m-o-m, in July, though it was higher by 16.9%, y-o-y.

In real terms, excluding inflation, the ORB fell by 7.5%, m-o-m, in July, but was up by 12.1%, 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

In 2026, world oil demand is forecast to grow by about 0.6 mb/d, y-o-y, following a slight downward revision from last month's assessment. Overall, oil demand in the OECD is projected to ease by about 40 tb/d in 2026, while non-OECD oil demand is expected to grow by about 0.6 mb/d, y-o-y.

Global oil demand in 2027 is forecast to rebound and grow by about 2.2 mb/d, y-o-y, reflecting an upward revision from last month's assessment. OECD demand is forecast to grow by around 0.3 mb/d, while demand from non-OECD countries is forecast to expand by about 1.8 mb/d.

Table 4 - 1: World oil demand in 2026*, mb/d

World oil demand	2025	1Q26	2Q26	3Q26	4Q26	2026	*Change 2026/25*
Americas	25.43	25.52	25.47	26.10	25.61	25.68	0.25
of which US	*20.74*	*20.80*	*20.91*	*21.30*	*20.85*	*20.96*	*0.23*
Europe	13.43	12.92	13.35	13.62	13.34	13.31	-0.12
Asia Pacific	7.10	7.29	6.38	6.75	7.31	6.93	-0.17
Total OECD	**45.95**	**45.73**	**45.20**	**46.47**	**46.25**	**45.91**	**-0.04**
China	16.88	17.24	16.20	17.16	17.28	16.97	0.09
India	5.65	5.85	5.40	5.53	6.08	5.71	0.06
Other Asia	9.85	10.15	10.06	9.90	9.97	10.02	0.17
Latin America	6.94	6.94	7.08	7.13	7.09	7.06	0.12
Middle East	8.82	8.65	8.40	8.92	9.10	8.77	-0.05
Africa	4.92	5.07	4.75	5.00	5.39	5.05	0.14
Russia	4.01	4.07	3.87	4.06	4.21	4.05	0.05
Other Eurasia	1.31	1.46	1.33	1.20	1.37	1.34	0.03
Other Europe	0.83	0.83	0.82	0.82	0.92	0.85	0.02
Total Non-OECD	**59.21**	**60.26**	**57.91**	**59.72**	**61.40**	**59.82**	**0.61**
Total World	**105.16**	**105.98**	**103.11**	**106.18**	**107.66**	**105.74**	**0.58**

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

Table 4 - 2: World oil demand in 2027*, mb/d

World oil demand	2026	1Q27	2Q27	3Q27	4Q27	2027	*Change 2027/26*
Americas	25.68	25.59	25.54	26.23	25.72	25.77	0.10
of which US	*20.96*	*20.88*	*20.98*	*21.39*	*20.93*	*21.05*	*0.08*
Europe	13.31	13.00	13.55	13.76	13.47	13.45	0.14
Asia Pacific	6.93	7.34	6.58	6.84	7.39	7.04	0.11
Total OECD	**45.91**	**45.93**	**45.67**	**46.83**	**46.58**	**46.26**	**0.34**
China	16.97	17.43	16.60	17.54	17.62	17.30	0.33
India	5.71	6.15	6.03	5.85	6.39	6.11	0.39
Other Asia	10.02	10.47	10.56	10.23	10.29	10.38	0.37
Latin America	7.06	7.07	7.23	7.25	7.22	7.19	0.14
Middle East	8.77	8.97	8.77	9.30	9.37	9.10	0.34
Africa	5.05	5.23	4.89	5.18	5.55	5.21	0.16
Russia	4.05	4.12	3.92	4.10	4.26	4.10	0.05
Other Eurasia	1.34	1.50	1.36	1.24	1.40	1.37	0.03
Other Europe	0.85	0.85	0.84	0.84	0.94	0.87	0.02
Total Non-OECD	**59.82**	**61.78**	**60.20**	**61.54**	**63.03**	**61.64**	**1.82**
Total World	**105.74**	**107.71**	**105.87**	**108.37**	**109.61**	**107.90**	**2.16**

*Note: * 2026 and 2027 = Forecast. Totals may not add up due to independent rounding. Source: OPEC.*

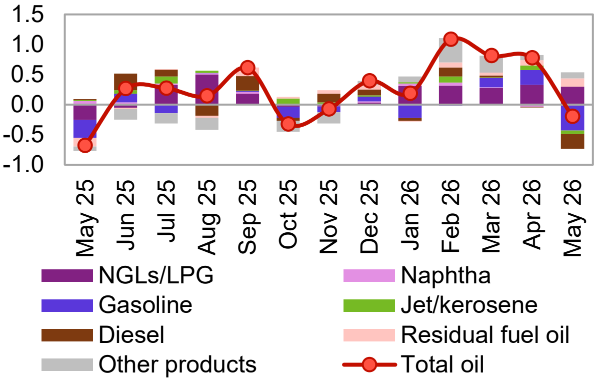
OECD

OECD Americas

Update on the latest developments

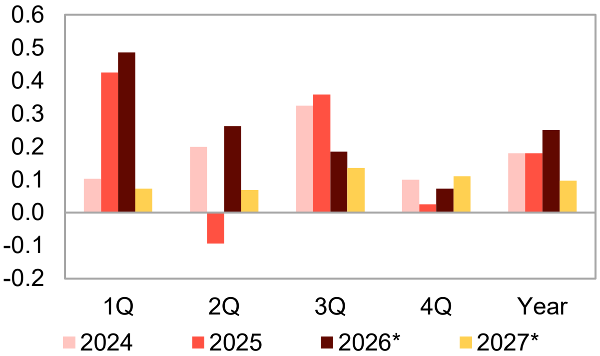
OECD Americas' oil demand in May contracted by around 200 tb/d, y-o-y, after an increase of about 780 tb/d, y-o-y in April. This is the first y-o-y decline since November 2025. US-led oil demand declined by around 250 tb/d, y-o-y, combined with a 60 tb/d, y-o-y, decline from Canada, which more than offset an increase of about 130 tb/d from Mexico. Oil demand in the region was subdued by a decline of about 410 tb/d, y-o-y, for gasoline, a drop of about 250 tb/d in diesel demand and a 60 tb/d, y-o-y, contraction in jet/kerosene requirements. Demand for NGLs/LPG increased by about 300 tb/d, y-o-y, residual fuel requirements increased by 140 tb/d, y-o-y, and demand for the 'other products' category saw a rise of about 100 tb/d y-o-y.

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: * 2026-2027 = Forecast.*
Source: OPEC.

US

In May, US oil demand contracted by about 250 tb/d, y-o-y, down from growth of about 600 tb/d, y-o-y, seen in April, the first y-o-y decline since January 2026. Regarding specific products, demand for gasoline saw the largest contraction by about 380 tb/d, y-o-y, down from an increase of about 210 tb/d, y-o-y, observed the previous month. Gasoline demand was subdued by rising pump prices, even as vehicle fleet fuel efficiency improved.

Demand for diesel declined by 220 tb/d, y-o-y, in May, marking the lowest level since June 2020. Diesel consumption was affected by a price surge amid a slowdown in trucking activity during the month. Data from the American Trucking Associations (ATA) shows that trucking activity in the US contracted by 2%, m-o-m, in May, after strong growth was seen in 1Q26. Jet/kerosene demand slipped by around 60 tb/d, y-o-y. Demand for naphtha marginally declined by about 10 tb/d, y-o-y, though this was an improvement compared with a 20 tb/d, y-o-y, decline seen in April.

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

US oil demand By product	May 25	May 26	Change May 26/May 25
NGLs/LPG	3.48	3.74	0.26
Naphtha	0.16	0.15	-0.01
Gasoline	9.06	8.68	-0.38
Jet/kerosene	1.77	1.71	-0.06
Diesel	3.79	3.57	-0.22
Fuel oil	0.20	0.30	0.10
Other products	2.16	2.21	0.05
Total	**20.61**	**20.36**	**-0.25**

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

Sources: EIA and OPEC.

Meanwhile, NGLs/LPG saw the greatest increase of about 260 tb/d, y-o-y, up from an increase of about 250 tb/d, y-o-y, seen the previous month. Residual fuel requirements saw an increase of 100 tb/d, y-o-y, up from an increase of about 80 tb/d, y-o-y, seen the previous month. Demand for the 'other products' category increased by around 50 tb/d, y-o-y, up from a marginal increase of 10 tb/d, y-o-y, seen the previous month.

Near-term expectations

In the near term, the US economy continued to show remarkable resilience amid increased policy uncertainty. Real private-sector business investment and a resilient consumer demand continue to support the US economy. High-frequency forward-looking indicators, including PMIs, point to a positive trajectory. The US Institute for Supply Management (ISM) manufacturing PMI recorded 53.9 points in July, 2.3 percentage points above June – the seventh consecutive month of expansion and the highest reading since May 2022. The services PMI was steady in July and remains in an expansion trajectory. Meanwhile, the annual inflation rate in the US fell to 3.5% in June, compared with 4.2% in May and below forecasts of 3.8% for the month. Similarly, gasoline prices in the US continued easing from a historical high of $4.6/gallon in May to an average of $4.0/gallon by the end of July.

In 3Q26, economic activity in the region is expected to remain stable amid growth in real wages, which is projected to provide important support for consumer spending. Furthermore, as the US summer driving season is in full force, gasoline consumption is expected to rise in accordance with seasonal norms. This year's domestic travel forecast surpasses last year's record of 71.8 million travellers. Similarly, FIFA World Cup events saw a nearly 20% increase in US airline bookings in June and July. Canada and Mexico saw an increase of about 10% each. Accordingly, oil demand in the US is forecast to increase by about 190 tb/d, y-o-y, in 3Q26.

The US economy is expected to remain resilient in 2026, driven by robust consumer spending, supported by potential tax adjustments that are expected to boost consumer income, and combined with low unemployment. However, a downside risk arises from renewed trade tensions between the US and its trading partners, including the European Union, Brazil and Canada. Oil demand in OECD Americas is forecast to grow by about 250 tb/d, y-o-y, to average 25.7 mb/d in 2026, while oil demand in the US is forecast to grow by about 230 tb/d, y-o-y, to average 21.0 mb/d.

Regarding oil demand products in OECD Americas, LPG and ethane are expected to drive growth in 2026, supported by petrochemical feedstock demand and heating requirements. Gasoline demand is forecast to remain healthy amid increased mobility, particularly during the summer months. Jet/kerosene demand is also expected to show a healthy y-o-y increase, driven by stable economic activity and business travel. Naphtha demand is also projected to increase, albeit moderately. Demand for the 'other products' category is forecast to remain flat, y-o-y. However, diesel demand is projected to soften marginally, y-o-y, and residual fuel requirements are expected to decline y-o-y.

In 2027, economic activity in the region is projected to remain robust, with gross domestic product (GDP) growth expected to slightly exceed 2026 levels, largely driven by improvements in Canada. The US economy is expected to remain at 2026 growth rates, supported by consumer spending and steady employment. US inflation is also projected to significantly slow by next year, leading to an expected increase in OECD Americas' oil demand of about 100 tb/d, y-o-y, to average 25.8 mb/d. The US is forecast to drive regional oil demand growth with an increase of about 80 tb/d, y-o-y, to average 21.1 mb/d.

OECD Europe

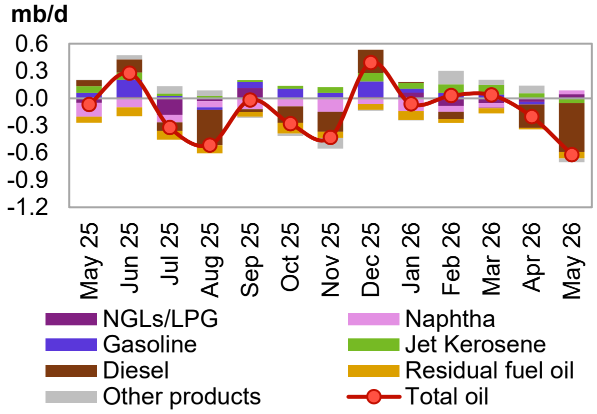
Update on the latest developments

Oil demand in OECD Europe in May contracted by about 620 tb/d, y-o-y, following a decline of 820 tb/d, y-o-y, in April. The declines were seen across almost all countries of the region. Germany, France, Italy and the UK combined accounted for about 80% of the y-o-y declines in May.

In terms of products, diesel accounted for about 80% of the overall y-o-y decline, with demand for the product contracting by about 540 tb/d, slightly below the decline of 560 tb/d, y-o-y, seen the previous month. The largest y-o-y declines were observed in Germany and France, which combined accounted for 52% of the y-o-y decline. Diesel was subdued by surging pump prices due to supply chain disruptions, as the Middle East supplies roughly 30% to 50% of diesel imports into OECD Europe. Record-high costs and physical supply shortages subdued logistics fleets, while long-term shifts toward gasoline-driven and electric vehicles (EVs) have been reducing the diesel passenger car fleet in the region.

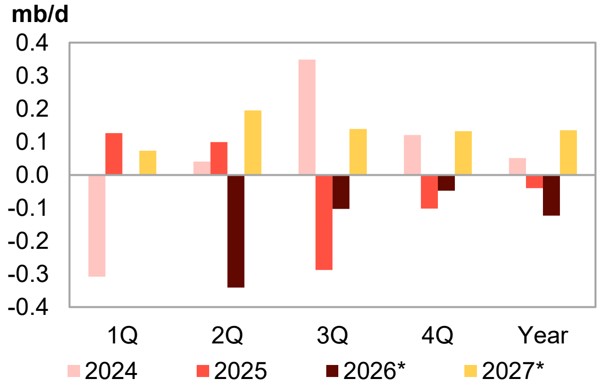
Demand for residual fuel declined by 70 tb/d, y-o-y, in May, slightly below the 80 tb/d, y-o-y, decline observed the previous month. Demand for jet/kerosene declined by around 50 tb/d, y-o-y, while that for the 'other products' category contracted by about 40 tb/d, y-o-y, slightly below the decline of about 50 tb/d, y-o-y, of the previous month. Gasoline demand was broadly flat, y-o-y, although this was an improvement compared with a decline of 90 tb/d, y-o-y, seen a month earlier. Meanwhile, NGLs/LPG and naphtha demand increased by about 40 tb/d, y-o-y, each.

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: * 2026-2027 = Forecast.*
Source: OPEC.

Near-term expectations

In the near term, economic activity in the region is projected to experience sluggish growth amid renewed inflationary pressures, remaining well above the European Central Bank's 2.0% target. Meanwhile, the region's composite PMI improved notably to 51.9 points in July, up from 50.0 in June. The rise in PMI was propelled by stronger readings in Spain, France and Germany. The services PMI services sector also returned to growth, rising to 51.6 in July from 49.4 in June. Accordingly, oil demand in the region is projected to decline by about 100 tb/d, y-o-y, in 3Q26, following a 340 tb/d decline in 2Q26. Despite this projected contraction in total oil demand, transportation fuels, gasoline and jet/kerosene are expected to show some growth due to an expected increase in driving mobility and air travel during the holiday season. Preliminary data from various sources indicates that UK road fuel consumption picked up in June, as softening pump prices increased consumer purchasing power ahead of the summer holiday season. Similarly, European jet supplies are expected to remain healthy throughout the summer, supporting air travel demand, as the EU has successfully stabilized the market by boosting domestic refinery kerosene yields amid temporary authorization for US Jet A fuel imports, as well as sourcing supplies from Nigeria, India and South Korea.

For 2026, economic activity is expected to remain moderate. However, a near-term downside risk is associated with weak industrial activity, supply tightness due to current oil market disruptions, and supply chain challenges affecting some product imports from the Middle East. Moreover, there is a risk associated with regional trade relations with the US, as the US Administration is threatening to impose new tariffs on US imports from the EU, just a month after the European Parliament approved the economic bloc's trade agreement with the US. Overall, oil demand is projected to decline by around 120 tb/d, y-o-y, in 2026, to average 13.3 mb/d.

In terms of oil demand by product, air travel activity and road mobility are predicted to support transportation fuels, which are expected to account for all the oil demand growth in the region, with jet/kerosene having the strongest demand outlook among key products. Gasoline is also expected to grow. Regarding petrochemical feedstock, demand for NGLs/LPG and naphtha is projected to moderate, y-o-y. Demand for diesel, residual fuel oil and the 'other products' category is projected to decline, y-o-y.

Looking ahead, the region is predicted to see a moderate recovery in 2027, with GDP slightly surpassing 2026 growth rates. Consumption is expected to remain the main driver of growth, and inflation is expected to decline. Germany's fiscal spending is predicted to continue supporting public investment and stimulating external demand with a multiplier effect across the region. Furthermore, road mobility and air travel are projected to remain relatively healthy. Accordingly, these factors are anticipated to support oil demand in the region, which is forecast to rebound and grow by about 140 tb/d, y-o-y, in 2027, to average 13.5 mb/d.

OECD Asia-Pacific

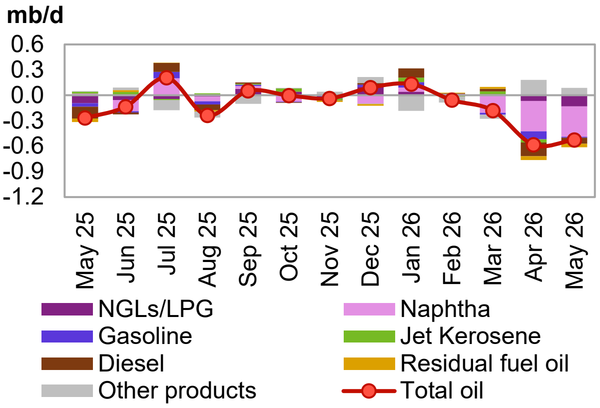
Update on the latest developments

Oil demand in the OECD Asia-Pacific region declined by about 530 tb/d, y-o-y, in May, although this was an improvement compared with the drop of 900 tb/d, y-o-y, seen in April. Within the region, declines emanated from a 390 tb/d, y-o-y, fall in South Korea and a 150 tb/d drop in Japan, although Australia saw a marginal uptick of 10 tb/d, y-o-y.

Regarding specific oil product demand in May, naphtha demand saw the largest y-o-y decline by about 360 tb/d, compared with a 480 tb/d contraction a month earlier. Demand for NGLs/LPG declined by around 130 tb/d, y-o-y, down from a reduction of around 70 tb/d, y-o-y, seen the previous month.

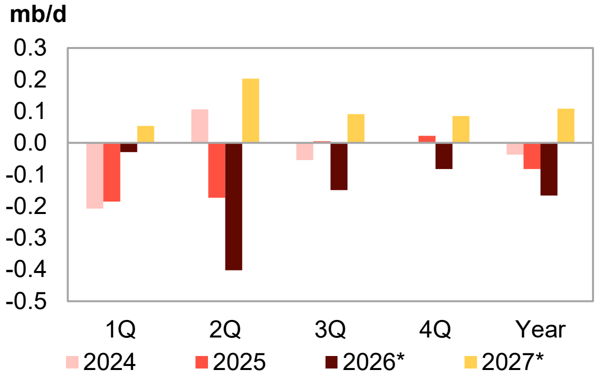
Diesel demand contracted by about 70 tb/d, y-o-y, although this was an improvement compared with a decline of about 160 tb/d, y-o-y, observed a month earlier. Residual fuel demand slipped by about 40 tb/d, y-o-y, compared with a decline of 50 tb/d, y-o-y, seen the previous month. Gasoline requirements eased by around 10 tb/d, y-o-y, although this was an improvement compared with a decline of about 100 tb/d, y-o-y, from the previous month.

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: * 2026-2027 = Forecast.*
Source: OPEC.

Meanwhile, demand for the 'other products' category saw an increase of 80 tb/d, y-o-y, up from a decline of 20 tb/d, y-o-y, seen in April. Jet/kerosene demand inched up by about 10 tb/d, y-o-y, up from a decline of about 40 tb/d, y-o-y, seen the previous month.

Near-term expectations

In the near term, the region's economy is expected to remain on a moderate recovery trajectory, driven by domestic demand and low unemployment, which are supporting continued wage growth amid stable inflation. The economy continues to face pressure from elevated energy and material costs, driven by oil-market-induced supply chain challenges. Accordingly, in 3Q26, oil product demand in the region is projected to decline by 150 tb/d, y-o-y, compared with a 400 tb/d, y-o-y, decline in 2Q26.

In 2026, economic activity in Japan is projected to grow moderately but steadily, supported by favourable income conditions and consumer demand. Forward-looking, high-frequency data for Japan's manufacturing PMI remained strong at 54.5 in July, slightly below the 54.8 points seen in June. Japan's services PMI remained on an expansion trajectory at 51.9 in July, though it eased from 52.2 in June. Japan's core inflation rate hovered around 1.6% for June, remaining below the Bank of Japan's (BoJ's) target of 2%. Meanwhile, Japan raised its fuel subsidy for oil products to Yen 7.5/liter for the week of 16–22 July, from Yen 2.8/liter the previous week, due to higher crude prices.

The South Korean economy is expected to remain robust, with strong domestic demand serving as the primary engine of expansion. Private consumption is also expected to rise, as inflation stabilizes and interest rates fall amid expansionary fiscal policy, which is supporting a rise in consumer incomes. Industrial production also turned positive, with the manufacturing purchasing managers' index (PMI) standing at 52 points in June, though this is a retraction from 54.8 points seen in May. Meanwhile, in semi-annual economic policy plans released earlier, the finance ministry projected this year's economic growth at 3.0%, the strongest since 2021, up from the previous forecast of 2.0%, and above last year's 1.1%. However, the inflation rate in South Korea increased to 3.2% in June 2026, marking the fastest pace since December 2023 and up from 3.1% the previous month; this is also above the Bank of Korea's medium-term target of 2.0%. Accordingly, oil demand in the region is projected to ease by about 170 tb/d, y-o-y, to average 6.9 mb/d in 2026. Regarding specific products, while demand for the 'other products' category is projected to account for all of the y-o-y oil demand growth in the region, it is projected to increase only moderately.

In 2027, economic growth in Japan is expected to remain steady, supported by a gradual recovery in manufacturing activity, normalising monetary policy and ongoing fiscal support, starting in fiscal year 2027. These measures are expected to support private demand and increase public investment, lending some economic support to the country's economy. Accordingly, Japanese economic growth is projected to slightly surpass 2026 rates. The South Korean economy is projected to be on a growth trajectory, albeit slightly moderating compared with 2026. The proposed increase in budget spending by at least 10%, prioritising mega projects, is expected to aggressively stimulate the economy through national investments and direct consumer spending. Accordingly, these factors are expected to support a regional rebound in oil demand of about 110 tb/d, y-o-y, to average 7.0 mb/d.

Non-OECD

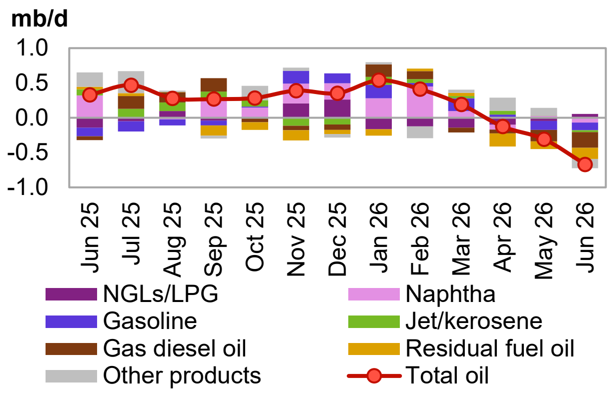
China

Update on the latest developments

China's oil demand in June contracted by 820 tb/d, y-o-y. Most petroleum products saw declines at varying rates, except for LPG, which increased marginally by about 50 tb/d, y-o-y.

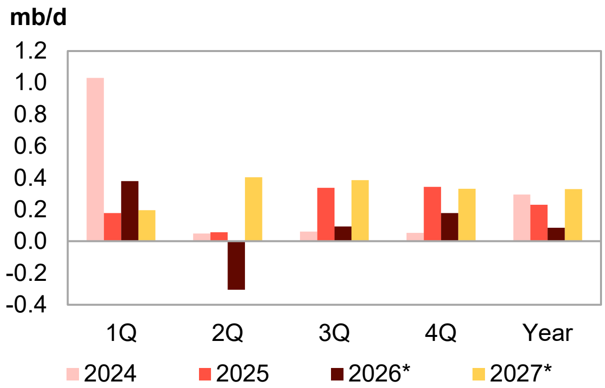
Regarding demand for specific products, diesel requirements saw the largest decline of around 330 tb/d, y-o-y, down from a contraction of 170 tb/d, y-o-y, in May. Gasoline demand declined by 110 tb/d, y-o-y, slightly below a decline of 130 tb/d, y-o-y, observed the previous month. Despite a slight downward adjustment in retail prices to $0.95/liter by the National Development and Reform Commission, soft holiday traffic and growing EV usage subdued Chinese gasoline demand. Official data show daily highway vehicle flows fell by 2.1%, y-o-y, during China's Dragon Boat Festival holidays from 19–21 June, the first y-o-y decline in public holiday travel since 2025. Meanwhile, demand for residual fuels declined by around 210 tb/d, y-o-y, and the 'other products' category requirement contracted by about 130 tb/d, y-o-y. Jet/kerosene requirement slipped by about 30 tb/d, y-o-y.

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: * 2026-2027 = Forecast.*
Source: OPEC.

In terms of petrochemical feedstock, demand for naphtha decreased by around 70 tb/d, y-o-y, down from an increase of about 30 tb/d, y-o-y, seen in May. Demand for LPG saw an increase of around 50, y-o-y, up from a decline of 110 tb/d, y-o-y, observed the previous month.

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

China's oil demand By product	Jun 25	Jun 26	*Change* *Jun 26/Jun 25*
NGLs/LPG	2.96	3.02	0.05
Naphtha	1.84	1.77	-0.07
Gasoline	3.67	3.56	-0.11
Jet/kerosene	0.85	0.82	-0.03
Diesel	3.65	3.32	-0.33
Fuel oil	0.86	0.65	-0.21
Other products	2.99	2.86	-0.13
Total	**16.82**	**16.00**	**-0.82**

*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, China's economy is projected to remain stable. According to preliminary indicators, the country's economy shows that industrial production has remained firm, growing by 5.3%, y-o-y, in June. The manufacturing PMI has been broadly on an expansionary trajectory since April. However, the services PMI fell into contraction in July 2026, dropping to 49.3 from 50.4 in June. Chinese foreign trade maintained a strong performance in the first half of 2026, with exports jumping by 27%, y-o-y, in June. Most of these factors highlighted a positive near-term outlook for China's economy and oil demand. Accordingly, oil demand is projected to grow by about 0.1 mb/d, y-o-y, in 3Q26. Meanwhile, China's electric vehicle (EV) sales reached 4.72 million units in the first half of 2026, accounting for 54% of new cars sales, according to the China Passenger Car Association (CPCA).

In 2026, economic activity in China is expected to remain supported by resilient exports amid strong industrial output. Ongoing property-sector weakness amid sluggish domestic demand and soft private investment continues to pose downside risks to the country's economy. Meanwhile, the outcome of China's Politburo meeting in July included a decision to stimulate domestic economic activity through accelerating fiscal spending. The plan aims to increase retail sales by roughly 205 from 2025 levels to 2030. With this, oil demand in China is expected to increase by about 0.1 mb/d, y-o-y, in 2026, to average 17.0 mb/d.

Regarding specific products, naphtha is projected to drive demand growth, with the average utilization rate at China's propene dehydration units expected to continue rising, after reaching a five-month high in June, with more plants ready to restart operations. The average utilization rate at China's PDH plants rose 8.1 pp m-o-m to 64.4% in June. The demand for transportation fuels, particularly jet/kerosene and gasoline, is projected to grow. Demand for the 'other products' category is also projected to inch up. However, diesel and residual fuel requirements are projected to be subdued.

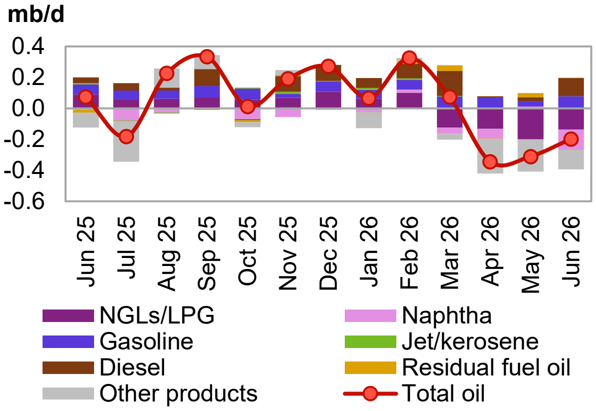
In 2027, economic activity in China is expected to rebound amid a newly unveiled increase in fiscal spending and monetary support, improved household consumption, and robust global trade. Similarly, transportation activity is expected to remain healthy, supported by strong demand from the petrochemical sector. This is expected to support oil product demand growth of about 0.3 mb/d, y-o-y, bringing the average to about 17.3 mb/d.

India

Update on the latest developments

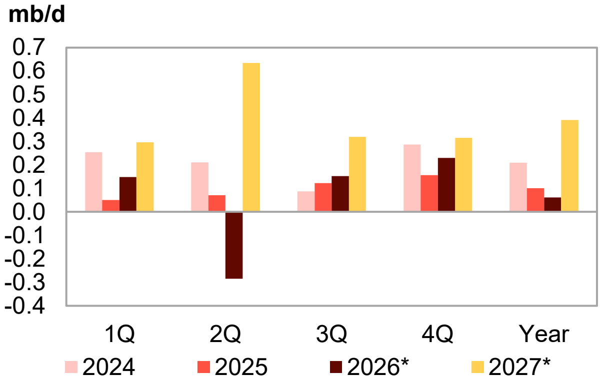
In June, India's oil demand contracted by about 200 tb/d, y-o-y, though this is an improvement from the decline of about 300 tb/d, y-o-y, seen the previous month. The y-o-y decline in June stems from subdued demand for petrochemical feedstock and bitumen, driven by supply constraints resulting from global oil market disruptions. Y-o-y declines in petrochemical feedstock and bitumen more than offset the observed y-o-y increase in diesel and gasoline demand.

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: * 2026-2027 = Forecast.*
Source: OPEC.

Regarding specific products, demand for LPG saw the largest decline of about 140 tb/d, y-o-y, a slight improvement from the drop of 200 tb/d seen in May. LPG consumption was pressured by several factors, including supply constraints stemming from Middle East disruptions. India buys about 90% of its LPG imports – mainly used for cooking – from the Middle East. Naphtha requirements contracted by 130 tb/d, y-o-y, down from an increase of 10 tb/d, y-o-y, seen the previous month. Naphtha demand was subdued by the Indian government's Essential Commodities Act, directing domestic refiners to prioritize propane and butane streams for LPG production rather than naphtha cracking. This led to a reduction in naphtha availability for the petrochemical sector.

Furthermore, demand for the 'other products' category contracted by about 120 tb/d, y-o-y, although this was an improvement compared with a decline of about 210 tb/d, y-o-y, seen in May. Within this category, bitumen registered the largest decline, y-o-y, due to the early onset of monsoon rains halting road construction, combined with supply-chain disruptions and escalating procurement costs.

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

India's oil demand			*Change*
By product	**Jun 25**	**Jun 26**	***Jun 26/Jun 25***
NGLs/LPG	0.99	0.85	-0.14
Naphtha	0.29	0.16	-0.13
Gasoline	1.00	1.08	0.08
Jet/kerosene	0.20	0.20	0.00
Diesel	2.04	2.15	0.12
Fuel oil	0.11	0.11	0.00
Other products	1.07	0.94	-0.12
Total	**5.70**	**5.50**	**-0.20**

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

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

Meanwhile, diesel requirements saw the largest y-o-y increase of 120 tb/d, up from growth of about 30 tb/d, y-o-y, in May. Diesel was supported by agricultural sector activities, including requirements for tractors and irrigation pumps, as well as greater long-haul freight movements and increased industrial production, both of which rely heavily on diesel. Gasoline demand increased by 80 tb/d, y-o-y, up from growth of about 40 tb/d, y-o-y, seen in May. Gasoline demand was supported by strong passenger vehicle sales, which grew by 28.6%, y-o-y, in June. Residual fuel and jet/kerosene demand were both broadly flat, y-o-y, in June.

Near-term expectations

In the near term, India's economic growth is expected to slightly moderate in 3Q26 compared with 2Q26. In line with this, the country's Manufacturing Purchasing Managers' Index fell to 53.5 in July from 54.2 in June, its lowest reading since August 2021. The Services PMI also dropped to 53.1 in July from 57.4 in June. Indian inflation increased to 4.4% in June from 3.9% in May, with the current rate slightly above the Reserve Bank of India's medium-term target range of 4%. Despite this, economic expansion in the country is anticipated to continue steadily, driven by ongoing consumer spending, investment and government support for key sectors. Meanwhile, in line with a 2025 sales agreement between India and the US for LPG, the US is expected to emerge as India's largest LPG supplier, accounting for about 55% of India's imports. This is expected to offset some of the losses from the Middle East due to supply bottlenecks that severely restricted both LPG and bitumen demand in the country. Accordingly, in 3Q26, the country's oil demand is projected to increase by about 0.2 mb/d, y-o-y. Meanwhile, preliminary data from the Indian Petroleum Planning & Analysis Cell (PPAC) indicates a rebound in oil demand in July after three months of consecutive declines.

In 2026, India's economy is expected to remain one of the fastest-growing major economies in the world, supported by robust domestic demand, consumption driven by income tax and Goods and Services Tax (GST) cuts, and a strong services sector, despite global trade uncertainties and geopolitical headwinds. Investment is also expected to strengthen, as private investment continues to respond to easing financial conditions, including falling interest rates, complementing an increase in public capital expenditure to further support the growth outlook in 2026. In addition, the Indian economy may be affected by the upcoming El Niño weather event, which is expected to boost demand for diesel used for irrigation. Overall, oil demand in India is projected to grow by about 0.1 mb/d, y-o-y, to average 5.7 mb/d in 2026.

Regarding specific products, transportation fuel, gasoline and diesel are expected to drive oil demand in 2026. Gasoline is expected to be supported by heightened road mobility amid robust vehicle sales. Diesel demand is anticipated to gain additional support from strong manufacturing and agricultural activity. Demand for residual fuel and jet/kerosene is expected to increase marginally. However, demand for LPG and naphtha is expected to ease.

Looking ahead to 2027, India's GDP is expected to remain strong, supported by steady domestic consumption, a vibrant service sector, and infrastructure investment. Fiscal policy is also expected to be expansionary, while inflation is predicted to moderate. Furthermore, ongoing government support for households and expected new petrochemical capacity additions are expected to support oil demand growth of about 0.4 mb/d, y-o-y, bringing the average to 6.1 mb/d.

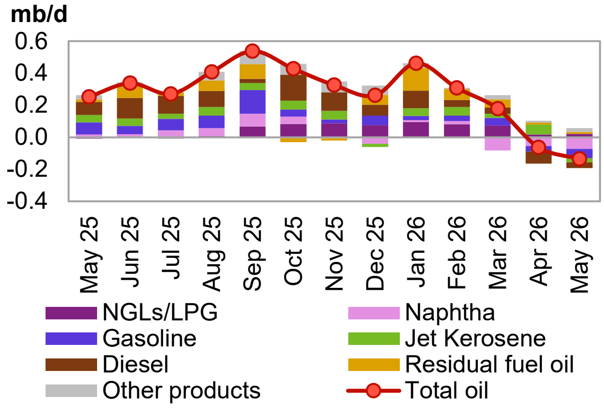
Other Asia

Update on the latest developments

Oil demand in Other Asia contracted in May by around 140 tb/d, y-o-y, down from a decline of around 60 tb/d, y-o-y, seen the previous month. Regarding specific products, naphtha requirements saw the largest contraction of about 70 tb/d, y-o-y, down from a decline of about 60 tb/d, y-o-y, seen the previous month. Demand for gasoline declined by about 60 tb/d, down from a contraction of around 30 tb/d, y-o-y, observed a month earlier. Jet/kerosene requirements inched down by about 30 tb/d, y-o-y, down from an increase of 60 tb/d, y-o-y, seen the previous month. Diesel demand slipped by around 30 tb/d, y-o-y, although this was an improvement compared with a decline of 80 tb/d, y-o-y, seen a month earlier

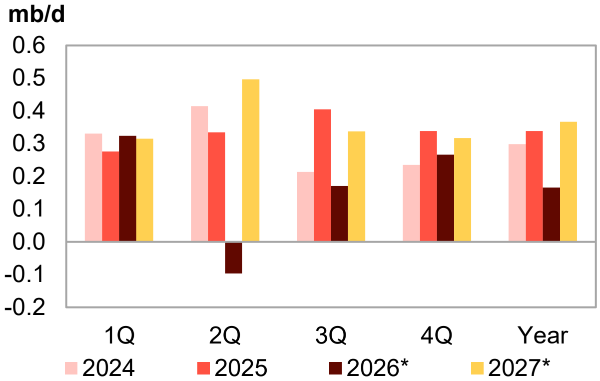
Meanwhile, demand for the 'other products' category increased further, by about 20 tb/d, y-o-y, up from a marginal increase of 10 tb/d, y-o-y, seen a month earlier. LPG demand also increased by about 20 tb/d, y-o-y. Residual fuel requirement increased by 10 tb/d, y-o-y, for the second consecutive month.

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: * 2026-2027 = Forecast.*
Source: OPEC.

Near-term expectations

In the near term, economic activity in the region's major oil-consuming countries is estimated to grow steadily but moderately in 3Q26, driven primarily by resilient household consumption amid contained inflation and structural investments, which are expected to support a regional increase in oil demand of about 0.2 mb/d, y-o-y.

In 2026, economic activity in major oil-consuming countries is expected to remain robust, albeit unevenly, across the region's major economies, driven by strong domestic consumption, private investment and public infrastructure spending. Malaysia's economy is anticipated to maintain strong growth momentum. Private consumption is expected to remain robust, underpinned by favourable labour market conditions, which will support steady household spending and domestic demand. Meanwhile, Malaysia's annual inflation rate slowed to 1.9% in June from 2.0% in May, though it remains relatively moderate and below market forecasts of 2.1%. Similarly, the Malaysian manufacturing PMI slightly increased to 51 points in June from 50 points in May. Indonesia's economy is expected to remain healthy, driven by resilient domestic consumption, a robust services sector, and ongoing investment inflows. Other countries in the region, including Pakistan and Thailand, are also projected to see variable but steady growth rates. Overall, in the region, healthy road mobility and air travel activity are projected to continue amid strong manufacturing and agricultural output. These factors are expected to support oil demand growth of about 0.2 mb/d, y-o-y, in 2026, bringing the average to 10.0 mb/d.

Specific products in the 'other products' category, including bitumen, petroleum coke and lubricant, are projected to drive oil demand growth in the category in 2026. Jet/kerosene is expected to grow on the back of strong international and domestic air travel demand. Gasoline and diesel are also expected to grow, supported by road mobility and robust industrial and agricultural activity. The NGLs/LPG category is also projected to grow robustly. Meanwhile, residual fuel requirements are expected to increase moderately, while naphtha oil demand is anticipated to ease, y-o-y.

Looking ahead to 2027, economic activity in the region's major oil-consuming countries is expected to rebound, with regional GDP surpassing 2026 levels. Furthermore, consumer spending, low inflation and robust private and public investment are anticipated to continue supporting economic activity. These factors are forecast to lead to oil demand growth in the region of about 0.4 mb/d, y-o-y, to average 10.4 mb/d.

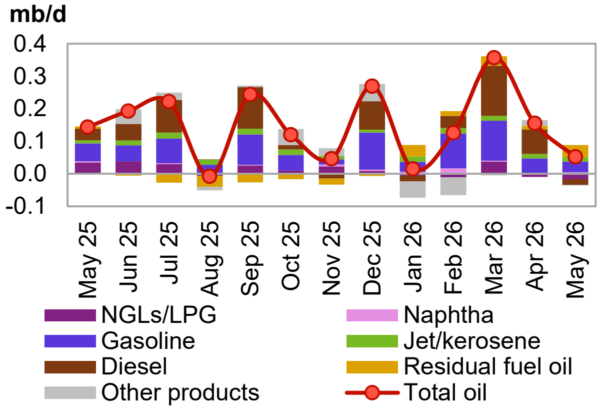
Latin America

Update on the latest developments

Oil demand in Latin America inched up by about 50 tb/d, y-o-y, in May, down from growth of about 160 tb/d, y-o-y, seen the previous month. Regarding specific products, residual fuel demand rose by about 40 tb/d, y-o-y, in May, up from an increase of about 10 tb/d, y-o-y, seen a month earlier. Regional demand for gasoline also increased by about 30 tb/d, y-o-y, though this was below y-o-y growth of about 50 tb/d seen the previous month. Jet/kerosene demand rose by about 10 tb/d, y-o-y, down marginally from an increase of about 20 tb/d, y-o-y, seen in the previous four months.

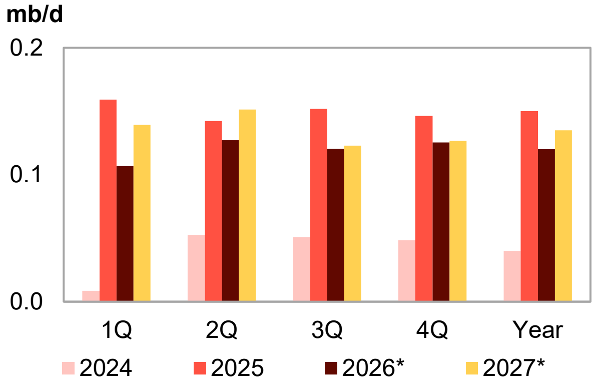
In terms of petrochemical feedstock, naphtha demand was broadly flat, y-o-y, for the third consecutive month. Demand for NGLs/LPG slipped by 20 tb/d, y-o-y, below the 10 tb/d, y-o-y, decrease seen the previous month. Meanwhile, demand for the ‘other products’ category, including ethanol, was broadly flat, y-o-y.

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: * 2026-2027 = Forecast.*
Source: OPEC.

Near-term expectations

In the near-term, Brazil’s economy is expected to continue growing, albeit moderately. Resilient household consumption in 1Q26 is expected to carry some momentum into 3Q26. Household consumption is expected to remain supported by a firm labour market, with unemployment still low by historical standards. The manufacturing PMI inched up to 50.62 points in June from 48 points in May. Similarly, services and business activity also improved to 50.4 points in June, slightly above the 49.8 points seen in May. Meanwhile, the 2026 El Niño is expected to affect agricultural yields of crops like sugarcane and soybeans, potentially subduing biofuel production and leading to higher gasoline and diesel consumption, depending on regional harvest outcomes. However, there is downside risk from rising inflation, with current inflation at 4.5%, above the central bank’s target of 3%. Accordingly, Brazil’s government raised its inflation forecast for this year to 5.1% in July from its 4.5% May projection. Similarly, Argentina’s economy is experiencing a moderate improvement, with significant divergence across sectors and regions. The underlying improvement is driven mostly by exports from the energy, mining and agricultural sectors. Private investment is also benefiting from broader economic reforms aimed at creating jobs, attracting investment into infrastructure, and improving financial inclusion for smaller businesses amid modest private consumption. Accordingly, these factors are set to remain the main drivers of economic activity in the region, supporting oil demand growth of about 0.1 mb/d, y-o-y, in 3Q26.

In 2026, Latin American economies are expected to remain resilient, driven by macroeconomic stabilization amid economic and structural reforms in Brazil and Argentina. This is expected to support household consumption and strong investor confidence amid healthy agricultural sector performance. Accordingly, growth is expected to remain modest but steady, with unemployment rates across the region continuing to decline. Therefore, oil demand in Latin America is forecast to grow by about 0.1 mb/d, y-o-y, in 2026, to average 7.1 mb/d.

Regarding specific oil products, transportation fuels, gasoline, diesel and jet/kerosene are expected to drive demand growth in the region in 2026. Demand for residual fuel oil is also expected to grow. Regarding petrochemical feedstock, while the NGLs/LPG category is projected to increase only marginally, naphtha is projected to remain flat, y-o-y. However, demand for the 'other product' category is expected to ease.

In 2027, Latin America's economy is expected to experience a moderate rebound, supported by a gradual improvement from 2026 growth rates, driven by stable economic activity amid monetary policy easing, reviving domestic demand, and continued strategic investments in the region's energy, mining and agricultural sectors. Both Brazil's and Argentina's economies are expected to improve further in 2027, building on anticipated positive performance in 2026. Together, these factors are forecast to support oil demand in the region, which is projected to grow by about 0.1 mb/d, y-o-y, to average 7.2 mb/d.

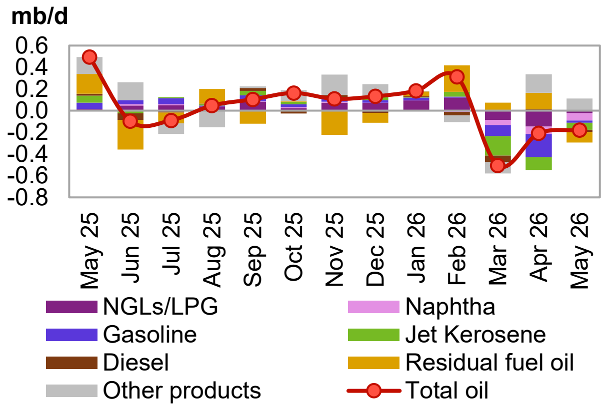
Middle East

Update on the latest developments

Oil demand in the Middle East in May contracted by 180 tb/d, y-o-y, after a lesser decline of about 40 tb/d, y-o-y, was seen in April. Declines in residual fuel demand, along with declines in petrochemical feedstock and transportation fuel requirements, more than offset a y-o-y increase in direct crude burning.

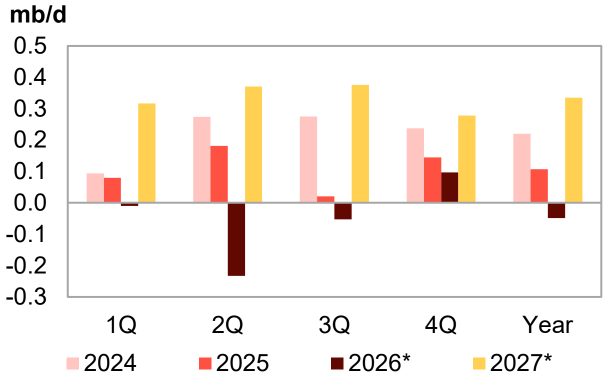
Regarding specific product demand in May, residual fuel demand saw the largest contraction of about 100 tb/d, y-o-y, down from a 150 tb/d, y-o-y, increase seen in April. Naphtha and jet/kerosene demand contracted by about 70 tb/d, y-o-y, each. Meanwhile, demand for LPG, gasoline and diesel requirements eased by about 20 tb/d, y-o-y, each. Demand for the 'other products' category, including direct crude oil burning, increased by 110 tb/d, y-o-y, with Saudi Arabia accounting for the largest increase in demand for the product.

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: * 2026-2027 = Forecast.*
Source: OPEC.

Near-term expectations

Looking ahead, the region's major consuming countries' GDPs are expected to moderate in 3Q26 but remain supported by the non-oil economy. Despite ongoing headwinds, economic activity in the region is expected to see a gradual stabilization and improvements towards the end of the year. Accordingly, oil demand in the region is forecast to decline slightly by about 50 tb/d, y-o-y, in 3Q26. Downside risk is ongoing due to the current oil market situation, depending on the speed of gradual stabilization.

In 2026, the region is expected to remain cautiously resilient, supported by the non-oil economy amid steady private consumption and slowing inflation. Meanwhile, the latest PMI readings from the region's largest economies point to a steady pace of non-oil economic activity. The non-oil economy PMI in Saudi Arabia increased to 53 points in June from 52 in May and 51.5 in April. In the UAE, the non-oil PMI contracted slightly but remained in expansion, with a reading of 51 points in June, down from 52.3 in May. Meanwhile, the annual inflation rate in Saudi Arabia held steady at 1.8% in June 2026, unchanged from May and in line with market expectations. These factors are expected to support oil demand in the region, which is projected to ease overall by around 50 tb/d, y-o-y, to average 8.8 mb/d in 2026.

In terms of products, residual fuel is projected to drive y-o-y growth in oil demand in 2026, while diesel is also projected to show some growth. Gasoline is projected to marginally decline. However, in the 'other products' category, LPG, naphtha and jet/kerosene are expected to decline, y-o-y.

In 2027, the region's economy is expected to rebound and economic activity to fully recover, supported by a resilient non-oil sector and robust domestic demand. Furthermore, infrastructure spending, strong labour market conditions, and moderating inflation are expected to support the region's economies. Strong international air traffic and driving mobility are forecast to support oil demand. Growth in the region's petrochemical industry is projected to continue through 2027. Overall, oil demand in the region is forecast to rebound and grow by about 0.3 mb/d, y-o-y, to average 9.1 mb/d.

World Oil Supply

Non-DoC liquids production (i.e. liquids production from countries not participating in the DoC) is forecast to expand by about 0.6 mb/d in 2026 to average 54.8 mb/d. This is unchanged from last month's assessment. The main drivers of growth in liquids production are expected to be Brazil, the US, Canada, and Argentina.

In 2027, non-DoC liquids production is forecast to grow by about 0.6 mb/d, to average 55.5 mb/d. The forecast has remained unchanged from last month's assessment. The main drivers of growth in liquids production are expected to be Qatar, Canada, Brazil and Argentina.

DoC NGLs and non-conventional liquids are forecast to rise by about 0.1 mb/d in 2026 to average 8.8 mb/d. Further growth of about 0.1 mb/d is expected in 2027, with production forecast to average 8.9 mb/d.

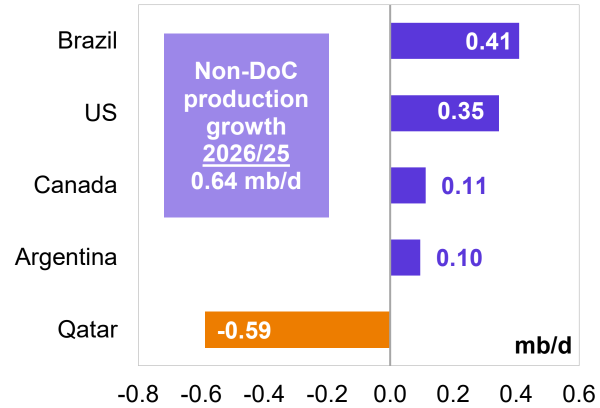
According to available secondary sources, DoC crude oil production in July increased by 1.42 mb/d, m-o-m, to average 37.66 mb/d.

Key drivers of growth and decline

Non-DoC liquids production in 2026 is expected to grow by about 0.6 mb/d. This is unchanged from last month's assessment. The main growth drivers are expected to be Brazil, the US, Canada and Argentina.

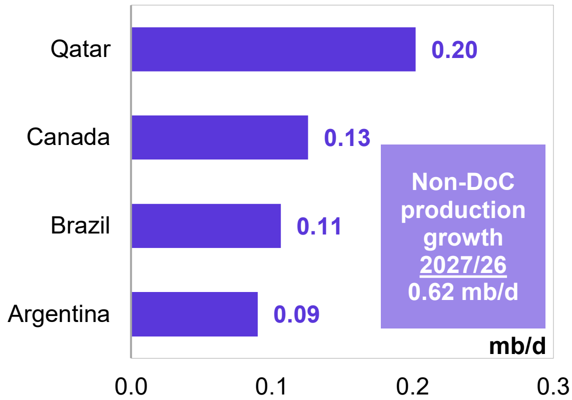
In 2027, liquids supply from non-DoC countries is forecast to expand by about 0.6 mb/d. This month's forecast is maintained at the same level as last month's assessment. Growth is expected to be led by Qatar, Canada, Brazil and Argentina.

Graph 5 - 1: Annual liquids production changes, y-o-y, for selected countries in 2026*



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

Graph 5 - 2: Annual liquids production changes, y-o-y, for selected countries in 2027*



*Note: * 2027 = Forecast. Source: OPEC.*

Non-DoC liquids production in 2026 and 2027

Table 5 - 1: Non-DoC liquids production in 2026*, mb/d

Non-DoC liquids production	2025	1Q26	2Q26	3Q26	4Q26	2026	*Change 2026/25*
Americas	28.29	28.15	28.73	28.98	29.13	28.75	0.46
of which US	*22.22*	*21.98*	*22.72*	*22.77*	*22.78*	*22.57*	*0.35*
Europe	3.63	3.76	3.59	3.54	3.65	3.64	0.01
Asia Pacific	0.41	0.39	0.38	0.39	0.38	0.39	-0.02
Total OECD	**32.32**	**32.30**	**32.71**	**32.91**	**33.17**	**32.77**	**0.45**
China	4.62	4.74	4.68	4.57	4.57	4.64	0.02
India	0.82	0.82	0.82	0.82	0.83	0.82	0.00
Other Asia	1.64	1.66	1.66	1.62	1.62	1.64	0.00
Latin America	7.55	8.20	8.32	8.23	8.34	8.27	0.72
Middle East	1.99	1.53	0.75	1.67	1.72	1.42	-0.58
Africa	2.27	2.24	2.23	2.24	2.31	2.25	-0.01
Other Eurasia	0.36	0.35	0.35	0.36	0.36	0.36	0.00
Other Europe	0.09	0.09	0.09	0.09	0.09	0.09	0.00
Total Non-OECD	**19.34**	**19.64**	**18.90**	**19.60**	**19.83**	**19.49**	**0.16**
Total Non-DoC production	51.66	51.94	51.61	52.51	53.00	52.27	0.61
Processing gains	2.54	2.57	2.57	2.57	2.57	2.57	0.03
Total Non-DoC liquids production	**54.20**	**54.51**	**54.18**	**55.08**	**55.57**	**54.84**	**0.64**

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

Table 5 - 2: Non-DoC liquids production in 2027*, mb/d

Non-DoC liquids production	2026	1Q27	2Q27	3Q27	4Q27	2027	*Change 2027/26*
Americas	28.75	28.69	28.73	28.98	29.23	28.91	0.16
of which US	*22.57*	*22.37*	*22.61*	*22.65*	*22.75*	*22.60*	*0.03*
Europe	3.64	3.62	3.52	3.46	3.58	3.55	-0.09
Asia Pacific	0.39	0.38	0.36	0.38	0.38	0.38	-0.01
Total OECD	**32.77**	**32.70**	**32.61**	**32.82**	**33.19**	**32.83**	**0.06**
China	4.64	4.67	4.65	4.56	4.58	4.62	-0.02
India	0.82	0.81	0.80	0.80	0.81	0.81	-0.01
Other Asia	1.64	1.62	1.61	1.61	1.63	1.62	-0.02
Latin America	8.27	8.51	8.54	8.65	8.82	8.63	0.36
Middle East	1.42	1.61	1.62	1.63	1.65	1.63	0.21
Africa	2.25	2.29	2.28	2.27	2.27	2.28	0.02
Other Eurasia	0.36	0.36	0.36	0.36	0.36	0.36	0.00
Other Europe	0.09	0.10	0.10	0.10	0.10	0.10	0.00
Total Non-OECD	**19.49**	**19.96**	**19.96**	**19.98**	**20.22**	**20.03**	**0.54**
Total Non-DoC production	52.27	52.66	52.57	52.80	53.41	52.86	0.60
Processing gains	2.57	2.59	2.59	2.59	2.59	2.59	0.02
Total Non-DoC liquids production	**54.84**	**55.25**	**55.16**	**55.39**	**56.00**	**55.45**	**0.62**

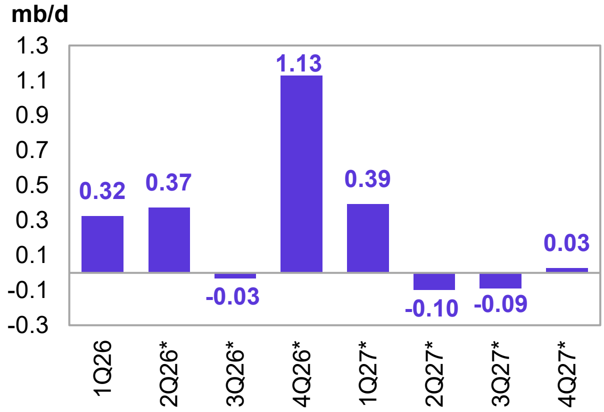
*Note: * 2026 and 2027 = Forecast. Totals may not add up due to independent rounding.*
Source: OPEC.

OECD

In 2026, OECD liquids production (excluding DoC participating country, Mexico) is forecast to increase by 0.4 mb/d to average 32.8 mb/d. OECD Americas is forecast to be the primary growth driver, with an increase of 0.5 mb/d, to average 28.8 mb/d. OECD Europe liquids production is expected to rise by just 10 tb/d, y-o-y, to average 3.6 mb/d, while OECD Asia Pacific is set to drop by about 18 tb/d to average 0.4 mb/d.

In 2027, OECD liquids production (excluding DoC participating country, Mexico) is forecast to increase by 0.1 mb/d to average 32.8 mb/d. Growth is forecast to be led once again by OECD Americas, with an expected increase of 0.2 mb/d, to average 28.9 mb/d. OECD Europe liquids production is expected to drop by about 90 tb/d to average 3.5 mb/d, while OECD Asia Pacific is expected to fall by about 10 tb/d, y-o-y, to average 0.4 mb/d.

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



*Note: * 2Q26-4Q27 = Forecast. Source: OPEC.*

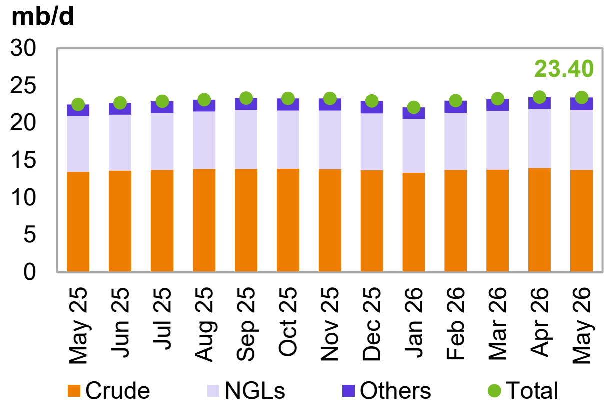
US

US liquids production in May 2026 dropped by 57 tb/d, m-o-m, to average 23.4 mb/d, according to the US Energy Information Administration (EIA). This mainly reflected a decline in the offshore crude oil output. The May 2026 level was around 0.9 mb/d higher than the same month last year.

Crude oil and condensate production fell by 253 tb/d, m-o-m, to 13.7 mb/d. This was up by about 0.3 mb/d, y-o-y.

In terms of the regional breakdown of crude oil and condensate production by Petroleum Administration for Defence District (PADD), production on the US Gulf Coast (USGC) (PADD 3) dropped by 223 tb/d, m-o-m, to average 10.2 mb/d. Production on the East and West Coasts (PADD 1 and PADD 5) remained largely unchanged, m-o-m. Crude oil output in the Midwest and Rocky Mountain regions (PADD 2 and PADD 4) dropped by 12 tb/d and 9 tb/d, m-o-m, respectively.

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



Sources: EIA and OPEC.

The m-o-m decline in output across the main producing regions is primarily reflected in lower production from offshore platforms in the Gulf of Mexico (GoM) and wells in Texas and North Dakota. However, these losses were partially offset by gains in other regions, such as New Mexico.

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

State	May 25	Apr 26	May 26	*Change* m-o-m	y-o-y
Texas	5,711	5,854	5,802	*-52*	*91*
New Mexico	2,197	2,353	2,394	*41*	*197*
Gulf of Mexico (GoM)	1,845	2,109	1,897	*-212*	*52*
North Dakota	1,121	1,133	1,118	*-15*	*-3*
Colorado	463	460	455	*-5*	*-8*
Alaska	434	422	416	*-6*	*-18*
Oklahoma	407	384	386	*2*	*-21*
Total	**13,447**	**13,967**	**13,714**	***-253***	***267***

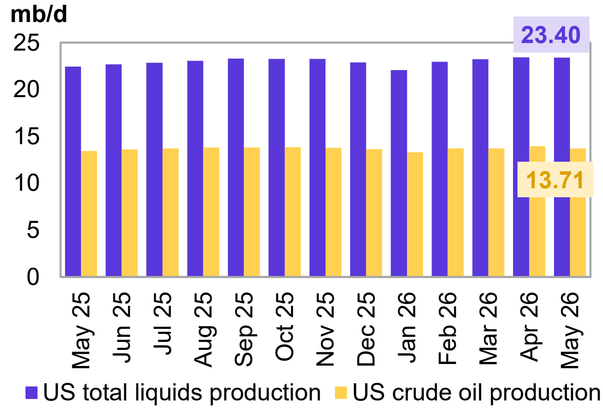
Sources: EIA and OPEC.

According to the US Department of Energy (DoE), NGLs production rose by 84 tb/d, m-o-m, to average 8.0 mb/d in May. This was 0.5 mb/d higher, y-o-y. Non-conventional liquids production of (mainly ethanol) increased by 112 tb/d, m-o-m, to average 1.7 mb/d. Preliminary estimates indicate that non-conventional liquids production was about 70 tb/d lower, m-o-m, averaging about 1.6 mb/d in June.

GoM production dropped by 212 tb/d, m-o-m, to average 1.9 mb/d in May. This was higher by about 52 tb/d, y-o-y. However, progress at the Shenandoah, Leon Castile, Monument and Longclaw developments is expected to support robust GoM production in the near term. For the onshore Lower 48, crude and condensate production dropped by about 35 tb/d, m-o-m, to average 11.4 mb/d in May.

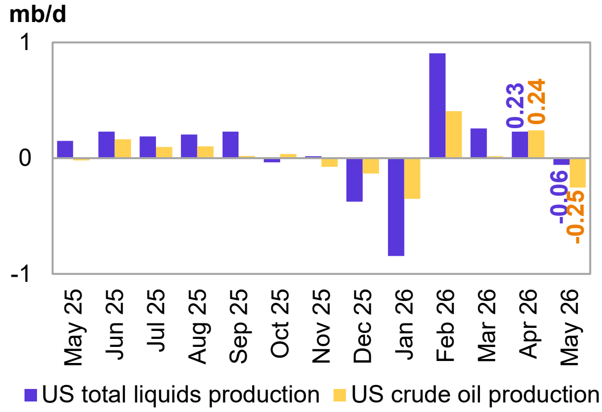
In terms of individual states, New Mexico's oil production rose by 41 tb/d, m-o-m, to average 2.4 mb/d. This is 197 tb/d higher than a year ago. Texas production decreased by 52 tb/d, m-o-m, to average 5.8 mb/d, which is 91 tb/d higher than a year ago. In the Midwest, North Dakota's production fell by 15 tb/d, m-o-m, to an average of 1.1 mb/d. This was lower by just 3 tb/d, y-o-y. Conversely, production in Oklahoma rose by a marginal 2 tb/d, m-o-m, to an average of 0.4 mb/d. Production in Colorado and Alaska decreased by a minor 5 tb/d and 6 tb/d, m-o-m, respectively.

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



Sources: EIA and OPEC.

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



Sources: EIA and OPEC.

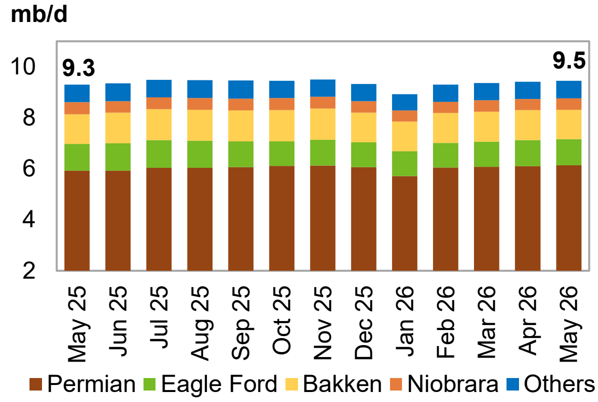
US tight crude production in May is estimated to have risen by 36 tb/d, m-o-m, to average 9.4 mb/d. This draws on data provided by the latest EIA estimates. The figure was 151 tb/d higher than in May 2025.

Permian production from shale and tight formations using horizontal wells in Texas and New Mexico is estimated to have increased by 31 tb/d, m-o-m, to average 6.1 mb/d. Y-o-y, this was up by 213 tb/d.

In the Williston Basin, Bakken shale oil production is estimated to have dropped by 20 tb/d, m-o-m, to an average of 1.2 mb/d. Y-o-y, however, this was also down by a minor 3 tb/d.

Tight crude production from the Eagle Ford in Texas held steady at an average of 1.0 mb/d. This was down by 31 tb/d, y-o-y. Production from the Niobrara-Codell formations in Colorado and Wyoming increased by 15 tb/d, m-o-m, to about 445 tb/d.

Graph 5 - 7: US tight crude production breakdown

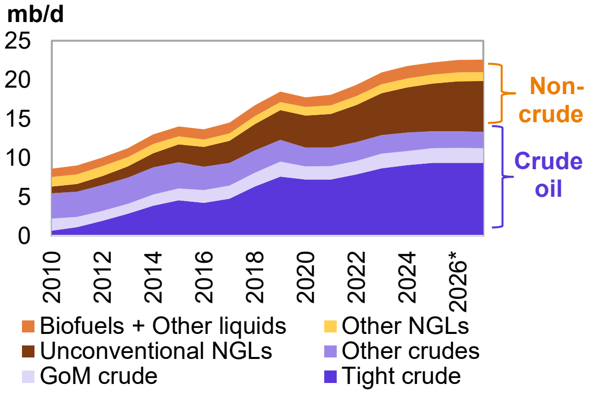


Sources: EIA and OPEC.

In 2026, US liquids production, excluding processing gains, is expected to increase by around 350 tb/d, y-o-y, to average 22.6 mb/d. Crude oil and condensate production is set to rise by about 20 tb/d, y-o-y, to average 13.4 mb/d. Conversely, NGLs production is forecast to increase by 0.3 mb/d to average 7.5 mb/d, and non-conventional liquids production is set to increase by about 50 tb/d, y-o-y, to average 1.6 mb/d. Average tight crude production in 2026 is set to remain unchanged, y-o-y, at average 9.3 mb/d.

The 2026 outlook reflects sustained prudence in capital deployment, measured expansion in drilling programs, progressive gains in completion efficiency, and continued growth in associated gas production across principal shale basins.

Graph 5 - 8: US liquids production developments by component



*Note: * 2026 and 2027 = Forecast.*
Source: OPEC.

In 2027, US liquids production, excluding processing gains, is forecast to grow by just 30 tb/d, y-o-y, to average 22.6 mb/d. Crude oil and condensate output is expected to drop by 0.1 mb/d, y-o-y, to average 13.3 mb/d. Conversely, NGLs production is projected to increase by 0.1 mb/d, y-o-y, to average 7.7 mb/d, while non-conventional liquids output is forecast to remain largely unchanged at 1.6 mb/d. Average tight crude output in 2027 is expected to hold steady, y-o-y, to average of 9.3 mb/d.

The 2027 outlook highlights disciplined spending, modest efficiency gains, and rising associated gas output across major shale oil plays.

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

US liquids	2025	Change 2025/24	2026*	Change 2026/25	2027*	Change 2027/26
Tight crude	9.34	0.25	9.34	0.00	9.34	0.00
GoM crude	1.89	0.10	1.95	0.06	1.91	-0.04
Conventional crude oil	2.18	-0.17	2.14	-0.05	2.07	-0.07
Total crude	**13.42**	**0.18**	**13.44**	**0.02**	**13.33**	**-0.11**
Unconventional NGLs	6.08	0.31	6.37	0.29	6.54	0.17
Conventional NGLs	1.15	0.00	1.14	-0.01	1.11	-0.03
Total NGLs	**7.24**	**0.30**	**7.51**	**0.28**	**7.65**	**0.14**
Biofuels + Other liquids	1.57	-0.03	1.62	0.05	1.62	0.00
US total production	**22.22**	**0.46**	**22.57**	**0.35**	**22.60**	**0.03**

*Note: * 2026 and 2027 = Forecast.*

Sources: EIA and OPEC.

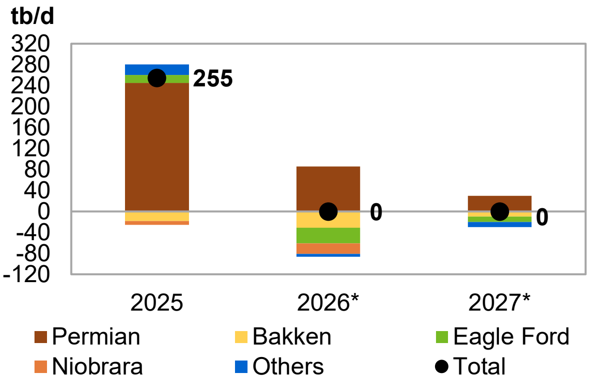
US tight crude production in the Permian Basin during 2026 is expected to increase by 86 tb/d, y-o-y, to average 6.0 mb/d. In 2027, production is forecast to increase slightly, by about 30 tb/d, y-o-y.

In North Dakota, Bakken shale production is forecast to decline by about 30 tb/d, y-o-y, to stand at about 1.2 mb/d in 2026. This is still below its pre-pandemic average of 1.4 mb/d. A further decline of about 10 tb/d in 2027 would be consistent with the basin's transition towards a later-stage development profile.

Production in the Eagle Ford Basin in Texas is expected to drop by about 30 tb/d in 2026 to average 1.0 mb/d. Production is forecast to decline by 10 tb/d in 2027, y-o-y.

In the Niobrara region, production in 2026 is forecast to drop by about 20 tb/d, y-o-y, to an average of 446 tb/d. Given the expectation of stable output in 2027, regional production is anticipated to remain broadly unchanged in the short term.

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



*Note: * 2026 and 2027 = Forecast.*
Sources: EIA and OPEC.

In other tight oil plays, y-o-y output is forecast to drop by just 5 tb/d in 2026 to average about 680 tb/d. Production is expected to drop by approximately 10 tb/d again in 2027, due to the limited availability of high-quality acreage and a potential slowdown in drilling and completion activities.

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

US tight oil	2025	Change 2025/24	2026*	Change 2026/25	2027*	Change 2027/26
Permian tight	5.96	0.25	6.05	0.09	6.08	0.03
Bakken shale	1.20	-0.02	1.17	-0.03	1.16	-0.01
Eagle Ford shale	1.03	0.02	1.00	-0.03	0.99	-0.01
Niobrara shale	0.47	-0.01	0.45	-0.02	0.45	0.00
Other tight plays	0.69	0.02	0.68	-0.01	0.67	-0.01
Total	**9.34**	**0.26**	**9.34**	**0.00**	**9.34**	**0.00**

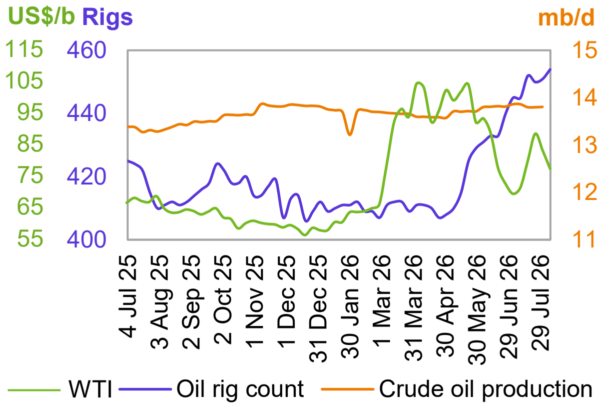
*Note: * 2026 and 2027 = Forecast.*

Sources: EIA and OPEC.

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

According to Baker Hughes, the total number of active US oil and gas drilling rigs in the week ending 7 August 2026 remained unchanged, w-o-w, at 588. The total was 49 rigs higher than a year ago. The number of active offshore rigs increased by one, w-o-w, to 14. This is higher by one than the level recorded in the same month of 2025. The number of onshore oil and gas rigs remained unchanged, w-o-w, at 572, with two rigs in inland waters. This was up by 48 rigs, y-o-y.

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



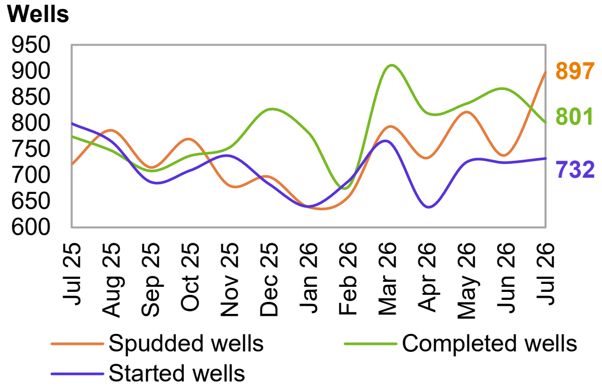
Sources: Baker Hughes, EIA and OPEC.

The US horizontal rig count rose by three, w-o-w, to 526. This compares with 471 horizontal rigs a year ago. The number of drilling rigs for oil rose by three, w-o-w, to 454, while the number of gas drilling rigs dropped by three, w-o-w, to 124.

The Permian rig count rose by three, w-o-w, to 263. The rig counts in the Eagle Ford, Williston, Cana Woodford and DJ-Niobrara Basins remained unchanged, w-o-w, at 49, 27, 20 and 11, respectively.

Based on preliminary data, drilling and completion activities for oil-producing wells across all US shale plays included 739 horizontal wells spudded in June. This is down by 82, m-o-m, albeit 20% higher than the same month a year earlier.

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



Note: Jun 26-Jul 26 = Preliminary data.
Sources: Rystad Energy and OPEC.

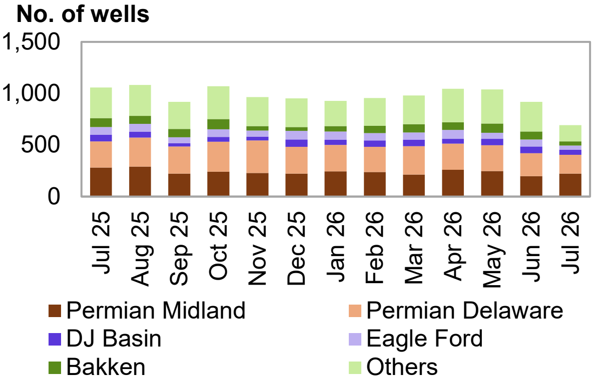
The preliminary June 2026 data indicate a higher number of completed wells, m-o-m, at 865. This is up by about 8%, y-o-y. The number of started wells is estimated at 724, which is approximately 6% lower than the same period in 2025.

Preliminary data for July show 897 spudded, 801 completed, and 732 started wells, according to Rystad Energy.

Regarding identifying US oil and gas fracking operations, 1,040 wells began fracking in May 2026. In June and July, 917 and 692 wells began fracking, respectively, according to preliminary numbers based on an analysis of high-frequency satellite data.

In regional terms, preliminary June data for the Permian Midland and Permian Delaware regions indicate that 196 and 225 wells, respectively, began fracking. This represents declines of 50 wells in the Midland and a drop of 27 wells in the Delaware, m-o-m. Preliminary data also indicates that during June, 64 wells began fracking in the DJ Basin, 69 in the Eagle Ford and 76 in the Bakken.

Graph 5 - 12: Started fracs per month by region



Note: Jun 26-Jul 26 = Preliminary data.
Sources: Rystad Energy and OPEC.

Canada

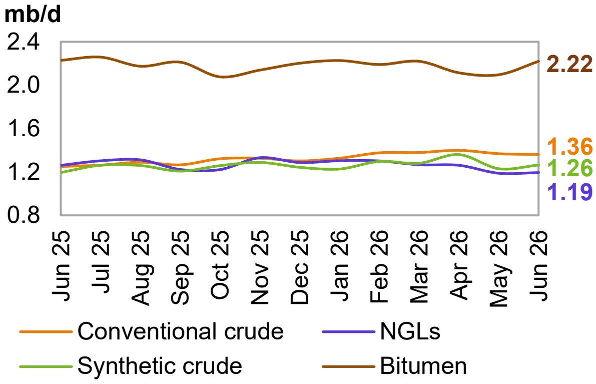
Canada's June liquids production is estimated to have increased by about 0.2 mb/d, m-o-m, to average 6.1 mb/d. Conventional crude production fell by a minor 8 tb/d, m-o-m, to average 1.4 mb/d. NGLs production rose by just 6 tb/d, m-o-m, to an average of 1.2 mb/d.

Crude bitumen production in June rose by about 125 tb/d, m-o-m, while synthetic crude production increased by around 34 tb/d. Taken together, crude bitumen and synthetic crude production averaged 3.5 mb/d during the month.

Overall, second-quarter output is estimated to have declined, q-o-q, reflecting scheduled maintenance and wildfire-related interruptions across Canadian assets.

In 2026, Canada's liquids production is forecast to expand by 0.1 mb/d to average 6.2 mb/d. Oil sands production is expected to be primarily driven by asset extensions, brownfield developments, debottlenecking and the extensive implementation of advanced drilling technologies.

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

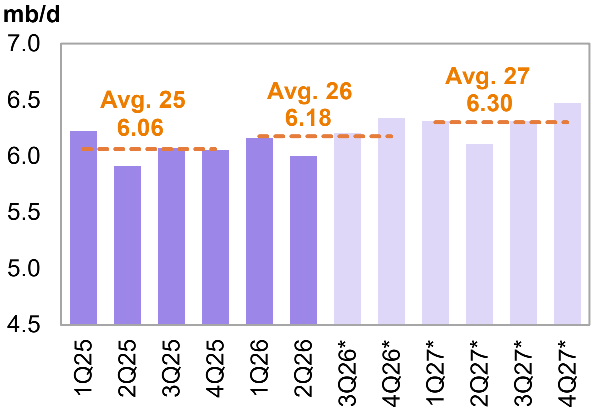


Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

Incremental output is expected from the Montney play, Athabasca, Syncrude Mildred Lake, Kearl, Horizon, Christina Lake, Suncor, Foster Creek, Firebag, Fort Hills, Duvernay and Cold Lake developments. Key start-ups in 2026 include the Foster Creek, Leismer, Charlie Lake, Blackrod, Reford SAGD and Meota SAGD projects. Cenovus's White Rose Extension is expected to come on stream in the coming weeks, supporting incremental Canadian Atlantic output.

In 2027, Canada's liquids production is forecast to expand by a further 0.1 mb/d to average 6.3 mb/d. Further production is expected from the Montney play, Athabasca oil sands, Syncrude Mildred Lake/Aurora, Kearl, Duvernay, Foster Creek, Horizon oil sands, Suncor oil sands, Clearwater heavy oil and Christina Lake. The key start-ups in 2027 are expected at the Aspen, Kirby-Pike, and Horizon oil sands developments.

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



*Note: * 3Q26-4Q27 = Forecast. Source: OPEC.*

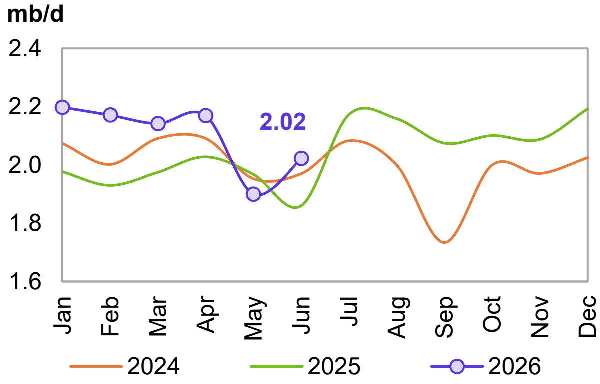
Norway

Norwegian liquids production in June increased by 122 tb/d, m-o-m, to average 2.0 mb/d. Crude production rose by 111 tb/d, m-o-m, to average 1.8 mb/d. This was around 150 tb/d higher, y-o-y, and monthly oil production was 1.8% higher than the Norwegian Offshore Directorate's (NOD) forecast.

NGLs and condensate production in June rose by 11 tb/d, m-o-m, averaging about 0.2 mb/d, according to NOD data.

Norwegian liquids production is forecast to rise by about 15 tb/d to average 2.1 mb/d in 2026. This remains unchanged from last month's assessment. Several projects are scheduled to ramp up throughout the year, including the Balder/Ringhorne, Heidrun, Gina Krog, Maria and Snohvit developments. Additional contributions are expected from assets such as the Norne and Aasgard floating, production, storage, and offloading (FPSO) platforms, the Syrma and Edvard Grieg oil fields, and the Irpa (Asterix) and Dvalin gas condensate projects.

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



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

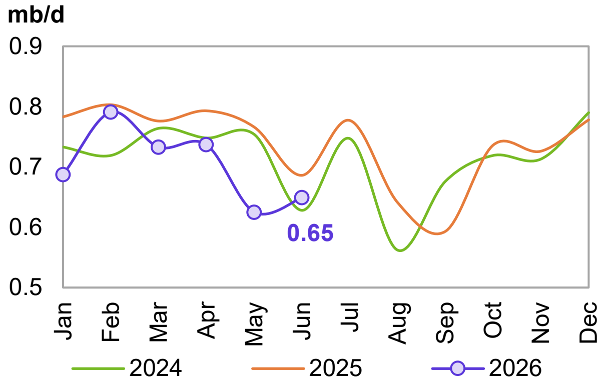
In 2027, Norwegian liquids production is forecast to drop by around 70 tb/d to average 2.0 mb/d. Production is set to strengthen progressively over the year, with Valhall, Snorre and Edvard Grieg expected to deliver steady ramp-ups. Conversely, several new start-ups are likely to contribute only modest initial volumes. The broader development portfolio also includes the Yggdrasil project, which is planned to advance through the North of Alvheim, Krafla/Askja and Lille Frigg assets together with the Symra and Bestla projects.

UK

In June, UK liquids production is estimated to have increased by 24 tb/d, m-o-m, to average 0.6 mb/d. Crude oil production rose by 20 tb/d, m-o-m, to average 0.5 mb/d. The June crude level was about 29 tb/d lower, y-o-y, based on preliminary national data. NGLs production increased by just 4 tb/d, m-o-m, to average 64 tb/d.

In 2026, UK liquids production is forecast to drop by approximately 13 tb/d, y-o-y, to average 0.7 mb/d. Production ramp-ups are forecast at the Clair, Triton, and Murlach (Skua redevelopment) assets, along with a Captain enhanced oil recovery (EOR) phase. Additional volume is also expected from the project at Anasuria and Triton. Ongoing reductions from mature upstream assets are assumed to offset the projected increases.

Graph 5 - 16: UK monthly liquids production development



Sources: UK Department for Energy Security and Net Zero and OPEC.

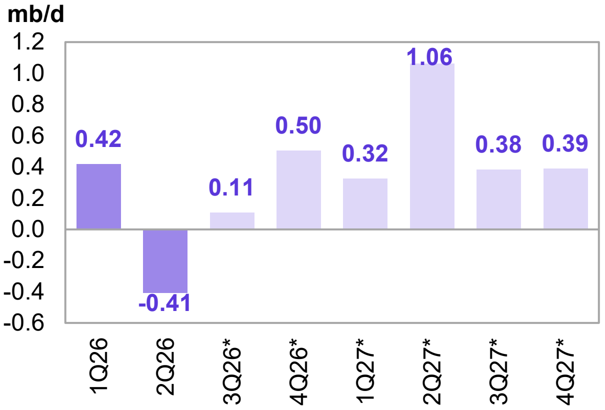
UK liquids production is forecast to drop by about 30 tb/d, y-o-y, to average 0.7 mb/d in 2027. Slight production increases are projected at Clair, Buzzard, Penguins, J-Area, and Anasuria, with Rosebank expected to be the principal asset to come online. However, ongoing declines across ageing fields are likely to absorb much of the incremental output again.

Non-OECD

In 2026, non-OECD liquids production (excluding countries participating in the DoC) is forecast to increase by 0.2 mb/d to average 19.5 mb/d.

In 2027, non-OECD liquids production (excluding countries participating in the DoC) is forecast to expand by 0.5 mb/d to average 20.0 mb/d.

Graph 5 - 17: Non-OECD quarterly liquids production, y-o-y changes



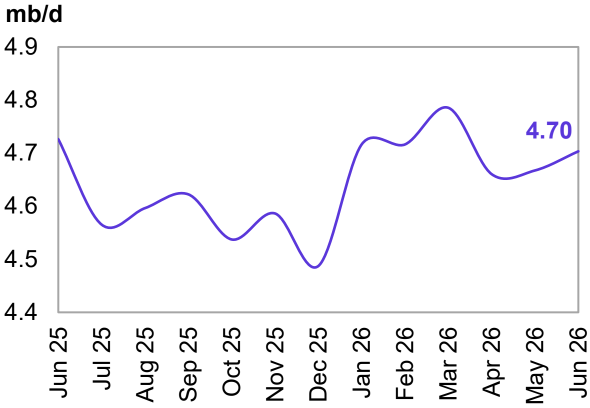
*Note: * 3Q26-4Q27 = Forecast. Source: OPEC.*

China

China's liquids production rose by 36 tb/d, m-o-m, to average 4.7 mb/d in June. According to official data, this is down by 23 tb/d, y-o-y. June crude oil production averaged 4.4 mb/d. This was up by 36 tb/d from the previous month, albeit lower by 20 tb/d, y-o-y.

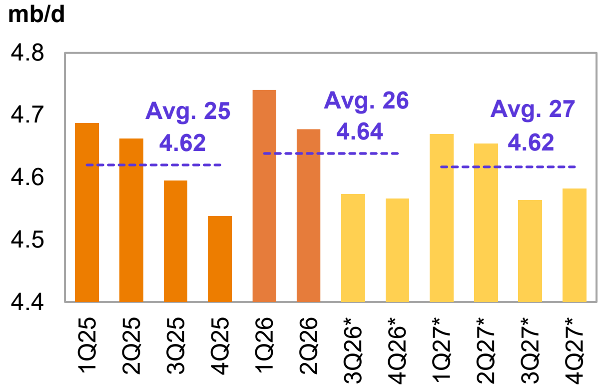
NGLs production remained largely unchanged, m-o-m, at an average of about 22 tb/d. This was largely consistent with the same month last year.

Graph 5 - 18: China's monthly liquids production development



Sources: National Bureau of Statistics of China and OPEC.

Graph 5 - 19: China's quarterly liquids production and forecast



*Note: * 3Q26-4Q27 = Forecast.*
Sources: National Bureau of Statistics of China and OPEC.

In 2026, Chinese liquids production is expected to rise by about 20 tb/d, y-o-y, to average 4.6 mb/d. This is unchanged from the previous assessment. Persistent infill drilling and EOR programmes are expected to continue moderating decline rates across mature onshore wells in the near term, sustaining the stability of China's legacy basins. Offshore activity, particularly in Bohai Bay and the South China Sea, remains the principal engine of production growth, supported by expanded E&P investment and a steady pipeline of new project start-ups.

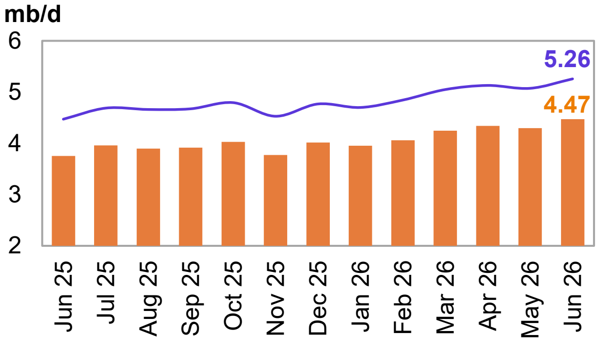
Several oil and gas condensate projects are set to come online, namely Peng Lai 19-3 and Kenli 9-1. Most of the upcoming projects are operated by the China National Offshore Oil Corporation (CNOOC), Sinopec and PetroChina. Simultaneously, key ramp-ups are expected from the Weizhou 11-4, Weizhou 10-3W, Peng Lai 19-3/19-9, Wushi 17-2, Xijiang 30-2, Kenli 10-2 and Huizhou 26-6 projects.

In 2027, Chinese liquids production is expected to drop by about 20 tb/d, y-o-y, to average 4.6 mb/d. The year is set to see the launch of several additional oil and gas condensate projects, such as Bozhong 25-1, Bozhong 34-1W, Bozhong 19-6, Bozhong 34-9, Xijiang 24-1, Panyu 10-4, Shengli and Jinzhou 25-3. Simultaneously, further ramp-ups are expected at the Kenli 9-1, Yanchang, Baikouquan tight oil (Xinjiang), Bozhong 25-1 and East China Sea projects.

Brazil

Brazil's crude production in June rose by 172 tb/d, m-o-m, to average 4.5 mb/d. NGLs production increased by 11 tb/d, m-o-m, averaging around 90 tb/d, and is expected to remain at a similar level in July. Biofuel production (mainly ethanol) is estimated to have remained steady, m-o-m, at an average of 0.7 mb/d, with preliminary July data indicating a further stable trend. The country's total liquids production rose by about 183 tb/d, m-o-m, to average 5.3 mb/d. This is higher by 0.8 mb/d, y-o-y.

Graph 5 - 20: Brazil's monthly liquids production development by type



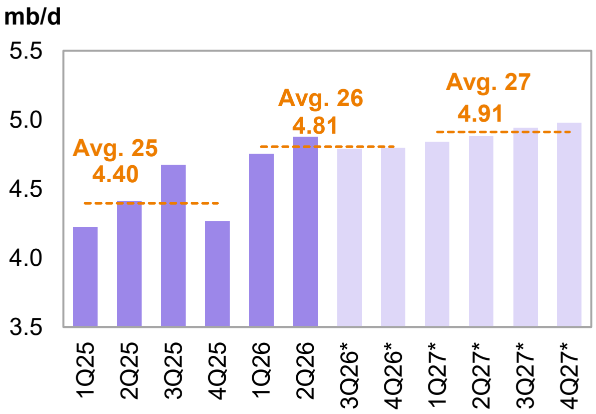
Sources: Brazilian National Agency of Petroleum, Natural Gas and Biofuels (ANP) and OPEC.

In 2026, Brazil's liquids production, including biofuels, is forecast to rise by about 410 tb/d, y-o-y, to average 4.8 mb/d. Upstream liquids production is set to increase through production ramp-ups at the Buzios (Franco), Mero (Libra NW), Marlim, Bacalhau (x-Carcara) and Wahoo projects. Additional oil project start-ups are expected at the Albacora Leste Cluster. Petrobras has accelerated the Buzios 8 schedule, with P-79 now reported to have come online in early May 2026. In parallel, Brazil's pre-salt additions continue to broaden, with PRIO having recently brought new Wahoo and Frade wells online and TotalEnergies having started up the Lapa South-West project in March 2026. Together, these projects form a tightly sequenced pipeline of near-term offshore growth.

In 2027, Brazil's liquids supply, including biofuels, is forecast to increase by about 110 tb/d, y-o-y, to average 4.9 mb/d. Upstream liquids output is expected to rise as production scales up at the Buzios (Franco), Bacalhau and Wahoo projects. Oil project start-ups are anticipated at the Buzios field and the Pampo-Enchova Cluster assets.

Despite promising start-up plans in offshore Brazil, rising development costs and incurred cost inflation could tighten offshore project economics, leading to delays in assumed final investment decisions.

Graph 5 - 21: Brazil's quarterly liquids production



*Note: * 3Q26-4Q27 = Forecast. Sources: ANP and OPEC.*

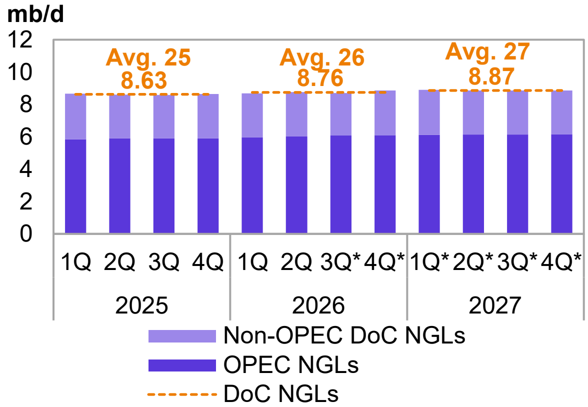
DoC NGLs and non-conventional liquids

Preliminary data show that NGLs and non-conventional liquids production in 2Q26 averaged 8.8 mb/d. According to preliminary data, OPEC Member Countries and non-OPEC DoC countries are estimated to have produced 6 mb/d and 2.7 mb/d of NGLs and non-conventional liquids, respectively.

The 2026 forecast indicates a combined increase of approximately 0.1 mb/d, bringing the average to 8.8 mb/d. For OPEC Member Countries, NGLs and non-conventional liquids production is projected to rise by around 150 tb/d to an average of 6.0 mb/d. However, a drop of about 20 tb/d is forecast for non-OPEC DoC countries, with an average of 2.7 mb/d.

In 2027, the forecast shows collective growth of 0.1 mb/d, bringing the average to 8.9 mb/d. NGLs and non-conventional liquids for OPEC Member Countries are forecast to grow by about 100 tb/d, bringing the average to 6.1 mb/d. Non-OPEC DoC countries are expected to witness limited growth of about 10 tb/d.

Graph 5 - 22: DoC NGLs and non-conventional liquids quarterly production and forecast



*Note: * 3Q26-4Q27 = Forecast. Source: OPEC.*

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

DoC NGLs and non-conventional liquids	2025	Change 25/24	2026	Change 26/25	2027	Change 27/26
OPEC	5.90	0.13	6.05	0.15	6.15	0.10
Non-OPEC DoC	2.73	-0.03	2.71	-0.02	2.73	0.01
Total	8.63	0.09	8.76	0.13	8.87	0.12

Note: 2026 and 2027 = Forecast.

Source: OPEC.

DoC crude oil production

Total DoC crude oil production averaged 37.66 mb/d in July 2026, which is about 1.42 mb/d higher, m-o-m.

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

Secondary sources	2024	2025	4Q25	1Q26	2Q26	May 26	Jun 26	Jul 26	*Change Jul/Jun*
Algeria	905	935	965	972	983	982	987	995	*8*
Congo	253	260	262	268	281	281	278	274	*-4*
Equatorial Guinea	57	53	48	51	49	51	46	56	*10*
Gabon	222	227	222	214	216	214	222	207	*-14*
IR Iran	3,257	3,263	3,208	3,142	2,532	2,278	2,451	2,478	*26*
Iraq	4,163	4,011	4,094	3,313	1,628	1,525	1,957	2,621	*665*
Kuwait	2,429	2,475	2,564	2,100	857	573	1,452	1,845	*393*
Libya	1,092	1,296	1,294	1,272	1,310	1,303	1,322	1,362	*40*
Nigeria	1,429	1,510	1,482	1,453	1,552	1,554	1,583	1,546	*-37*
Saudi Arabia	8,978	9,471	10,043	9,278	6,822	6,946	6,762	7,352	*590*
UAE	2,969	3,161	3,389	2,898	2,668	2,167	3,810	3,780	*-30*
Venezuela	867	941	952	920	1,089	1,100	1,104	1,117	*13*
Total OPEC	**26,623**	**27,603**	**28,523**	**25,880**	**19,988**	**18,973**	**21,973**	**23,632**	***1,659***
Azerbaijan	481	461	458	454	457	455	457	453	*-4*
Bahrain	176	179	161	102	46	43	53	57	*4*
Brunei	79	86	90	89	79	67	84	85	*1*
Kazakhstan	1,539	1,778	1,674	1,451	1,886	1,882	1,893	1,670	*-223*
Malaysia	347	346	345	332	341	346	335	332	*-3*
Mexico	1,578	1,458	1,452	1,452	1,462	1,463	1,458	1,453	*-5*
Oman	766	777	803	813	917	931	928	926	*-3*
Russia	9,197	9,129	9,346	9,185	8,974	8,989	8,893	8,887	*-6*
Sudan	29	24	22	21	24	24	23	23	*0*
South Sudan	71	109	124	126	131	131	135	139	*4*
Total Non-OPEC DoC	**14,263**	**14,347**	**14,476**	**14,024**	**14,316**	**14,329**	**14,259**	**14,024**	***-235***
Total DoC	**40,885**	**41,950**	**42,999**	**39,905**	**34,304**	**33,302**	**36,232**	**37,655**	***1,424***

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 July, 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	2024	2025	4Q25	1Q26	2Q26	May 26	Jun 26	Jul 26	*Change Jul/Jun*
Algeria	907	936	968	972	984	982	990	995	*5*
Congo	260	271	275	291	288	286	286	..	*..*
Equatorial Guinea	57	46	43	46	..	..	..	..	*..*
Gabon	..	..	..	..	..	..	..	..	*..*
IR Iran	..	..	..	..	..	..	..	..	*..*
Iraq	3,862	3,775	4,047	3,356	1,781	1,759	2,090	2,901	*811*
Kuwait	2,411	2,470	2,569	2,105	926	578	1,650	1,971	*321*
Libya	1,136	1,372	1,362	1,322	1,389	1,389	1,394	1,391	*-3*
Nigeria	1,345	1,432	1,415	1,388	1,525	1,530	1,555	1,505	*-50*
Saudi Arabia	8,955	9,480	10,045	9,298	6,844	7.010*	6,637*	7,420*	*783*
UAE	2,916	3,119	3,364	2,877	2,644	2,111	3,818	..	*..*
Venezuela	921	1,081	1,131	1,013	1,167	1,179	1,187	1,200	*14*
Total OPEC	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	***..***

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

** Saudi Arabia's supply to the market was 7,010 tb/d in May 2026, 6,637 tb/d in June 2026, and 7,420 tb/d in July 2026.*

** Saudi Arabia's production was 6,561 tb/d in May 2026, 7,122 tb/d in June 2026, and 8,202 tb/d in July 2026.*

Source: OPEC.

Product Markets and Refinery Operations

Refining margins strengthened sharply across all major trading hubs in July, supported by very strong middle-distillate crack spreads amid tightening global product balances.

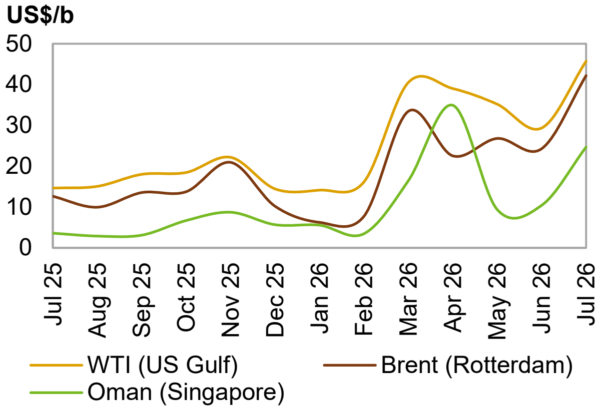
On the US Gulf Coast (USGC) and in Rotterdam, margins rose to multi-year highs as disruptions to refining operations in Eastern Europe, lower diesel exports and continued geopolitical uncertainty in the Middle East tightened diesel availability and supported transportation fuel cracks. Strong seasonal gasoline demand and relatively low inventories in the US and Europe provided additional support to refinery economics in the Atlantic Basin.

In Singapore, refining margins also increased, underpinned by concerns over crude and product flows through the Strait of Hormuz, firm middle-distillate markets and stronger naphtha cracks, although higher refinery runs across parts of Asia partly moderated m-o-m gains.

Refinery margins

USGC refining margins against WTI strengthened significantly in July, reaching their highest level since October 2022. The increase was driven primarily by diesel, followed by jet/kerosene and gasoline, as robust market fundamentals and tight global middle-distillate balances supported crack spreads. Renewed concerns over disruptions to product flows from the Middle East, strong export demand for diesel and low domestic stocks further reinforced refining economics, despite high refinery utilization. Gasoline also benefited from resilient seasonal demand and relatively low inventories, with gains accelerating towards the end of the month. Strong light distillate cracks, particularly naphtha, further supported refining margins.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

According to preliminary data, US refinery intake increased by 139 tb/d, m-o-m, to average 17.42 mb/d in July. The USGC refining margin against WTI averaged $45.70/b, up $16.35/b, m-o-m, and $31.07/b, y-o-y.

Rotterdam refinery margins against Brent increased sharply in July, recording the largest monthly gain among the three major trading hubs. The rally was led by middle distillates, with diesel crack spreads reaching high levels amid declining inventories, continued disruptions to refining capacity in Eastern Europe, diesel export restrictions, and uncertainty surrounding product flows through the Strait of Hormuz. Strong seasonal gasoline demand, relatively tight regional balances and steady exports to West Africa and the Mediterranean provided additional support. Lower feedstock costs added further upside.

According to preliminary data, refinery intake in Europe recovered as maintenance programmes were completed, increasing by 319 tb/d, m-o-m, to average 10.05 mb/d in July. Rotterdam refining margins against Brent averaged $42.13/b, up $17.88/b, m-o-m, and $29.52/b higher, y-o-y.

Singapore refining margins against Oman also strengthened in July, although gains remained more moderate than in the Atlantic Basin. Strong diesel, jet fuel and naphtha crack spreads were supported by tighter global middle-distillate balances, uncertainty over Middle Eastern exports and constrained regional product availability. Refinery utilization remained reduced due to elevated maintenance activity, particularly in China, as well as limited crude availability and evolving export policies.

According to preliminary data, combined refinery intake for Japan, China, India, Singapore and South Korea increased by 572 tb/d, m-o-m, to average 24.51 mb/d in July, although Chinese refinery runs remained well below year-ago levels. Singapore refining margins against Oman averaged $24.65/b, up $14.29/b, m-o-m, and $21.12, y-o-y.

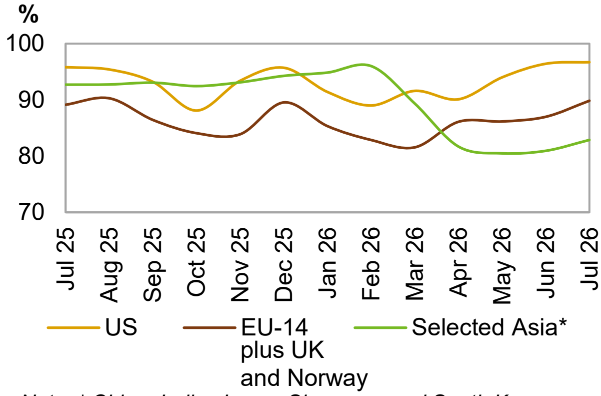
Refinery operations

US refinery utilization rates rose 0.3 pp, m-o-m, to average 96.69% in July. This corresponds to a throughput of 17.42 mb/d, an increase of 139 tb/d relative to the June level. Compared to the previous year, the July refinery utilization rate was 0.9 pp higher, with throughput showing a 34 tb/d increase.

EU-14 plus the UK and Norway refinery utilization averaged 89.82% in July, corresponding to a throughput of 10.05 mb/d. This represents a 2.9 pp, or 319 tb/d, rise, m-o-m. Y-o-y, the utilization rate was up by 0.7 pp, with throughput showing an 80 tb/d increase. Several major turnaround programmes have concluded or are progressing toward completion.

In Selected Asia – Japan, China, India, Singapore and South Korea – refinery utilization rates increased to an average of 82.87% in July, corresponding to a throughput of 24.51 mb/d. Compared with the previous month, utilization rates were up 1.9 pp, while throughput was higher by 572 tb/d. Relative to last year, utilization rates were 9.8 pp lower, while throughput was 2.6 mb/d lower. Japan posted the largest gain in the region, with utilization up 6.3 pp, m-o-m, followed by South Korea, up 4.8 pp. China's refinery runs increased only marginally, m-o-m.

Graph 6 - 2: Refinery utilization rates



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

Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				Refinery utilization, %			
	May 26	Jun 26	Jul 26	Change Jul/Jun	May 26	Jun 26	Jul 26	Change Jul/Jun
US	**16.94**	**17.28**	**17.42**	**0.14**	**94.00**	**96.41**	**96.69**	**0.3 pp**
Euro-14, plus UK and Norway	**9.64**	**9.73**	**10.05**	**0.32**	**86.13**	**86.97**	**89.82**	**2.9 pp**
France	0.87	0.76	0.97	0.21	75.42	65.91	84.36	18.5 pp
Germany	1.72	1.67	1.68	0.01	100.40	97.48	98.15	0.7 pp
Italy	1.29	1.29	1.31	0.02	70.81	71.23	72.26	1.0 pp
UK	0.84	0.88	0.90	0.02	81.52	85.18	87.39	2.2 pp
Selected Asia	**23.80**	**23.94**	**24.51**	**0.57**	**80.49**	**80.94**	**82.87**	**1.9 pp**
China	12.70	12.52	12.67	0.15	75.15	74.07	74.98	0.9 pp
India	5.19	5.42	5.49	0.07	96.93	101.13	102.52	1.4 pp
Japan	2.25	2.17	2.36	0.20	72.27	69.68	75.96	6.3 pp
South Korea	2.33	2.47	2.61	0.15	77.17	81.82	86.64	4.8 pp

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

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

Refinery crude throughput	2023	2024	2025	3Q25	4Q25	1Q26	2Q26	3Q26
OECD Americas	**18.71**	**18.96**	**19.13**	**19.68**	**19.31**	**18.98**	**19.43**	**19.99**
of which US	*16.50*	*16.62*	*16.70*	*17.21*	*16.69*	*16.42*	*16.82*	*17.18*
OECD Europe	**11.38**	**11.28**	**11.28**	**11.71**	**11.24**	**10.87**	**11.34**	**11.54**
of which:								
France	*0.93*	*0.92*	*0.96*	*1.04*	*1.04*	*0.97*	*0.87*	*1.00*
Germany	*1.62*	*1.76*	*1.69*	*1.74*	*1.71*	*1.65*	*1.64*	*1.67*
Italy	*1.30*	*1.21*	*1.22*	*1.32*	*1.13*	*1.10*	*1.26*	*1.31*
UK	*0.97*	*0.98*	*0.93*	*0.91*	*0.89*	*0.88*	*0.86*	*0.85*
OECD Asia Pacific	**5.86**	**5.71**	**5.73**	**5.69**	**5.93**	**5.92**	**5.13**	**5.35**
of which Japan	*2.56*	*2.37*	*2.39*	*2.31*	*2.53*	*2.56*	*2.21*	*2.39*
Total OECD	**35.95**	**35.96**	**36.14**	**37.07**	**36.48**	**35.77**	**35.90**	**36.88**
Latin America	**3.54**	**3.69**	**3.68**	**3.75**	**3.65**	**3.54**	**3.42**	**3.48**
Middle East	**7.53**	**7.95**	**8.06**	**8.28**	**7.97**	**7.69**	**6.40**	**7.20**
Africa	**1.74**	**1.88**	**2.19**	**2.22**	**2.26**	**2.08**	**2.26**	**2.34**
India	**5.18**	**5.30**	**5.44**	**5.29**	**5.44**	**5.61**	**5.27**	**5.42**
China	**14.77**	**14.25**	**14.80**	**15.08**	**14.88**	**15.03**	**12.86**	**13.53**
Other Asia	**5.16**	**5.18**	**5.03**	**4.89**	**5.13**	**4.89**	**4.16**	**4.76**
Russia	**5.50**	**5.35**	**5.21**	**5.08**	**5.16**	**5.18**	**4.31**	**3.88**
Other Eurasia	**1.03**	**1.04**	**1.06**	**1.08**	**1.05**	**1.06**	**0.88**	**0.95**
Other Europe	**0.48**	**0.51**	**0.48**	**0.54**	**0.44**	**0.44**	**0.47**	**0.49**
Total Non-OECD	**44.92**	**45.15**	**45.96**	**46.21**	**45.97**	**45.51**	**40.02**	**42.05**
Total world	**80.87**	**81.11**	**82.09**	**83.29**	**82.45**	**81.28**	**75.92**	**78.93**

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

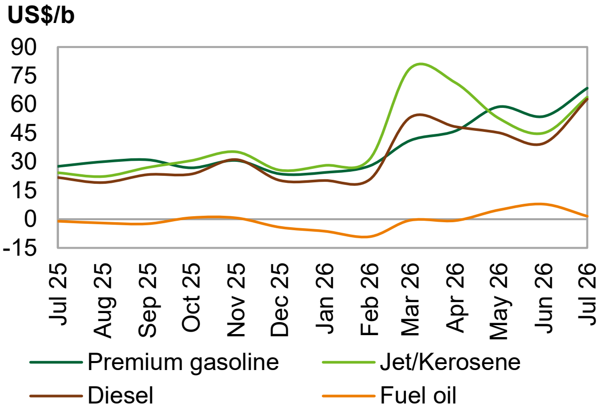
Sources: AFREC, APEC, EIA, IEA, PAJ, Ministry data, including Ministry of Energy of the Russian Federation, Ministry of Petroleum and Natural Gas of India, OPEC and JODI.

Product markets

US market

The USGC gasoline crack spread against WTI surged in July, outperforming jet/kerosene for the third consecutive month and reaching the highest level since June 2022. Gasoline remained the largest margin contributor in absolute terms. This performance is attributed to strong gasoline market fundamentals, specifically strong demand during the driving season and robust export demand. Continued draws in US gasoline inventories, including low stock levels in the USGC, added upward pressure to margins. Cracks are expected to remain supported in August during peak driving season. The USGC gasoline crack spread increased $14.76/b, m-o-m, to reach an average of $68.49/b in July, and was $40.87/b higher, y-o-y.

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



Sources: Argus and OPEC.

The USGC jet/kerosene crack spread against WTI rose firmly, supported by tight global supply even as domestic jet inventories rose in July. Jet/kerosene was the second-largest contributor to margin, behind gasoline. The USGC jet/kerosene crack spread rose by $18.76/b, m-o-m, to average $63.81/b in July, and was $39.52/b higher, y-o-y.

The USGC gasoil crack spread against WTI posted the largest monthly gain across the barrel, underpinned by renewed Middle East tensions and a rise in USGC distillate fuel exports, including to Latin America, as Eastern European supplies continued to decline. The USGC gasoil market is expected to remain well-supported in the near term amid relatively low inventories and the anticipated onset of the refinery maintenance season. The US gasoil crack spread against WTI averaged $62.77/b, which was $23.13/b higher, m-o-m, and $40.99/b higher, y-o-y.

The USGC fuel oil 3.5% crack spread against WTI declined, making it the only product in the USGC to weaken over the month, as concerns about sour crude supply eased and demand for residual fuel softened. In July, the US fuel oil crack spread against WTI decreased $6.31/b, m-o-m, to average $1.56/b, but was $2.60/b higher, y-o-y.

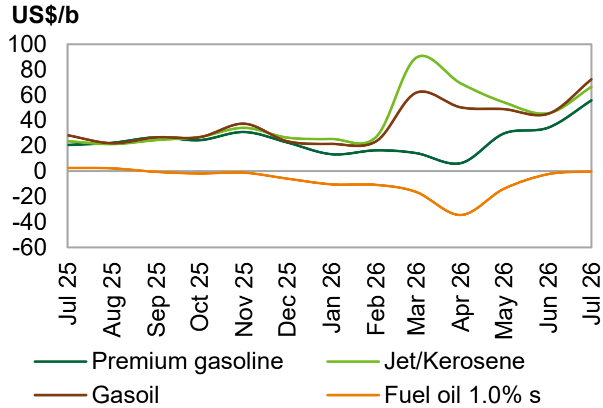
European market

The gasoline crack spread in Rotterdam against Brent rose sharply, supported by peak summer driving demand and relatively tight regional balances. Demand remained firm across Northwest Europe, while limited product availability and logistical constraints tightened prompt supplies. Low ARA inventories, firm US gasoline prices and steady exports provided additional support. The gasoline crack spread against Brent averaged $55.88/b, which was $21.43/b higher, m-o-m, and $35.12/b higher, y-o-y.

The jet/kerosene crack spread in Rotterdam against Brent surged, as seasonal aviation demand remained robust and relatively low ARA inventories added to the impact of Middle East tensions that raised concerns about jet/kerosene supplies from the region. Nevertheless, diesel continued to outperform jet fuel owing to significantly tighter gasoil fundamentals. The Rotterdam jet/kerosene crack spread against Brent averaged $66.46/b, up $20.75/b, m-o-m, and up $42.70/b, y-o-y.

The gasoil crack spread in Rotterdam against Brent posted the largest gain across the barrel and registered the strongest performance of any product across the three reported hubs, as Russia's diesel export ban and escalating refining outages reduced supplies in an already-tightened European market. ARA gasoil stocks fell to multi-year lows during the month. The gasoil crack spread against Brent averaged $72.45/b, up $27.17/b, m-o-m, and up $44.14/b, 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 improved modestly but remained in negative territory. Reduced supply from some exporting regions and stronger bunker demand provided support to the fuel oil market. The fuel oil 1.0% crack spread averaged negative $0.30/b in July, representing a $2.05/b m-o-m increase, but a $2.77/b y-o-y decline.

Asian market

The Southeast Asia gasoline crack spread against Dubai posted a modest gain compared to other light and middle distillates, supported by expectations of lower Chinese gasoline exports, firm seasonal demand and tighter regional balances. However, improving regional availability weighed on crack spreads later in July. The gasoline crack spread against Dubai rose in July to the highest level since June 2022. The margin averaged $29.64/b, up $1.91/b, m-o-m, and up $22.56/b, y-o-y.

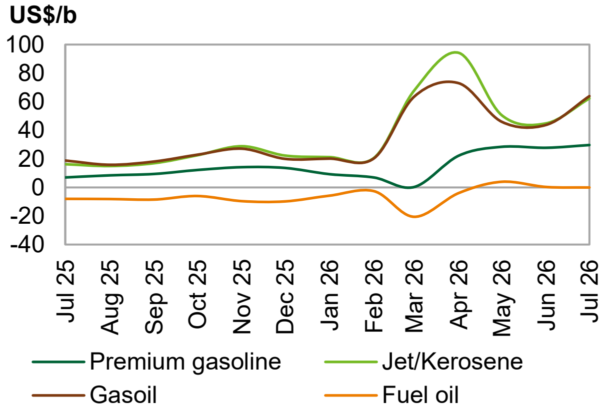
The Asian naphtha crack spread strengthened as the market structure flipped to backwardation on the back of Middle East supply concerns and constrained exports from Eastern Europe. Firmer Asian petrochemical demand provided additional support. The Singapore naphtha crack spread against Dubai averaged $11.23/b, which was $15.88/b higher, m-o-m, and $19.16/b higher, y-o-y.

In the middle of the barrel, the jet/kerosene crack spread widened amid tightening global middle-distillate balances and uncertainty over regional exports. Seasonal demand in the region added support. The Singapore jet/kerosene crack spread against Dubai averaged $62.34/b, up $17.40/b, m-o-m, and up $46.02/b, y-o-y.

The Singapore gasoil crack spread rose sharply, tracking closely with jet/kerosene, supported by Russia's diesel export ban and reduced Chinese product exports, which tightened global middle distillate fundamentals and pushed Western distillate prices higher. Strong arbitrage opportunities towards the Atlantic Basin also supported regional prices. The Singapore gasoil crack spread against Dubai averaged $63.99/b, up $20.10/b, m-o-m, and up $45.09/b, y-o-y.

The Singapore fuel oil 3.5% crack spread weakened marginally as feedstock demand eased amid the heavy maintenance season in China. Higher Middle East crude flows earlier in July also contributed to curbing HSFO prices. HSFO crack spread against Dubai averaged negative $0.05/b, down $0.36/b, m-o-m, but up $7.93/b, y-o-y.

Graph 6 - 5: Singapore crack spreads vs. Dubai



Sources: Argus and OPEC.

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

Event	Time frame	Observations	Asia	Europe	US
Seasonal rise in air and road mobility	Aug 26–Oct 26	The expected seasonal uptick in mobility could support product markets in the near term.	↑ Upward pressure on product crack spreads	↑ Upward pressure on product crack spreads	↑ Upward pressure on product crack spreads
Refinery outages in Eastern Europe	3Q26	Ongoing refinery unplanned outages in Eastern Europe are expected to keep the product markets tight, specifically middle distillates.	↑ Upward pressure on product crack spreads	↑ Upward pressure on product crack spreads	↑ Upward pressure on product crack spreads
Impact of the 2025/2026 refinery closures	2026	Approximately 1.1 mb/d of global refining capacity losses in 2025 and 138 tb/d of US refinery closures in 2026 contribute to reduced product balances, especially during the maintenance season through 3Q26.	↑ Support for product markets	↑ Support for product markets	↑ Support for product markets
Impact of the 2025/2026 refinery capacity expansions	2026–2027	New product volumes entering international markets amid refinery capacity additions (995 tb/d in 2025 and 740 tb/d in 2026) are expected to enhance product balances, especially in 4Q26 and 2027.	↓ Pressure on product markets	↓ Pressure on product markets	↓ Pressure on product markets

Source: OPEC.

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

		Jun 26	Jul 26	*Change* Jul/Jun	*Annual avg.* 2025	*Year-to-date* 2026
US Gulf (Cargoes FOB)						
Naphtha*		84.62	92.91	8.29	63.91	85.57
Premium gasoline	(unleaded 93)	135.40	147.46	12.06	93.01	127.90
Regular gasoline	(unleaded 87)	123.20	133.59	10.39	84.97	116.08
Jet/Kerosene		126.72	142.78	16.06	89.46	135.17
Gasoil	(0.2% S)	121.31	141.74	20.43	84.74	123.57
Fuel oil	(3.0% S)	74.58	69.33	-5.25	62.27	72.93
Rotterdam (Barges FOB)						
Naphtha		76.17	82.81	6.64	62.64	82.23
Premium gasoline	(unleaded 98)	119.63	139.27	19.64	90.08	115.95
Jet/Kerosene		130.89	149.85	18.96	91.34	145.44
Gasoil/Diesel	(10 ppm)	130.46	155.84	25.38	91.98	137.74
Fuel oil	(1.0% S)	82.83	83.09	0.26	68.85	78.85
Fuel oil	(3.5% S)	75.94	72.51	-3.43	63.54	77.88
Mediterranean (Cargoes FOB)						
Naphtha		74.30	80.97	6.67	60.81	78.37
Premium gasoline**		115.27	126.94	11.67	84.16	111.48
Jet/Kerosene		128.61	148.01	19.40	88.32	141.83
Diesel		131.15	157.09	25.94	90.87	136.96
Fuel oil	(1.0% S)	88.13	87.71	-0.42	72.66	84.80
Fuel oil	(3.5% S)	75.40	71.60	-3.80	61.75	77.02
Singapore (Cargoes FOB)						
Naphtha		75.32	88.41	13.09	64.73	90.46
Premium gasoline	(unleaded 95)	109.83	109.95	0.12	80.73	110.22
Regular gasoline	(unleaded 92)	107.70	106.82	-0.88	78.83	106.77
Jet/Kerosene		124.91	139.52	14.61	86.48	140.66
Gasoil/Diesel	(50 ppm)	124.27	141.91	17.64	87.38	139.34
Fuel oil	(180 cst)	115.30	132.62	17.32	86.03	132.42
Fuel oil	(380 cst 3.5% S)	80.28	77.13	-3.15	64.21	84.86

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

Tanker Market

Dirty tanker spot freight rates were mixed across vessel classes in July. VLCC rates declined on average, m-o-m, but remained at historically elevated levels amid trade flow disruptions. On the West Africa-to-East route, VLCC spot freight rates slipped 3% on average in July, m-o-m, still some 188% higher than in the same month last year.

In contrast, Suezmax and Aframax spot freight rates showed gains across all monitored routes. On the USGC-to-Europe route, Suezmax rates rose 28%, m-o-m. Aframax rates showed the strongest average gains. On the Mediterranean-to-Northwest Europe route, Aframax dirty spot rates rose 61%, m-o-m.

In the clean tanker market, spot freight rates showed divergent trends in July. East of Suez rates fell 13% on average, m-o-m, while West of Suez spot rates edged up by 2% on average, m-o-m, in July.

Dirty tanker freight rates

Very large crude carriers (VLCC)

VLCC spot freight rates remained strong in July, despite declines across all monitored routes. On average, VLCC spot freight rates declined a further 18%, m-o-m, but remained considerably elevated compared with year-ago levels, some 432% higher, y-o-y.

On the Middle East-to-East route, rates averaged WS399 in July. This represents a m-o-m drop of 21% but is still 731% higher, y-o-y. On the Middle East-to-West route, spot freight rates were assessed at WS156. This indicates a similar drop of 20%, m-o-m, while y-o-y rates were 373% higher.

Rates on the West Africa-to-East route averaged WS147 in July, down just 3%, m-o-m, although 188% higher compared to July 2025.

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

VLCC	Size *1,000 DWT*	May 26	Jun 26	Jul 26	*Change* Jul 26/Jun 26
Middle East/East	230-280	587	507	399	-108
Middle East/West	270-285	224	195	156	-39
West Africa/East	260	137	151	147	-4

Sources: Argus and OPEC.

Suezmax

In contrast to VLCCs, Suezmax spot freight rates experienced upward momentum in July, recovering from a decline in the previous month. On average, Suezmax spot freight rates rose 28%, m-o-m. Compared with the same month last year, Suezmax rates were 203% higher.

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

Suezmax	Size *1,000 DWT*	May 26	Jun 26	Jul 26	*Change* Jul 26/Jun 26
West Africa/US Gulf Coast	130-135	183	178	228	50
US Gulf Coast/Europe	150	170	154	197	43

Sources: Argus and OPEC.

On the West Africa-to-USGC route, spot freight rates averaged WS228 in July, representing an increase of 28%, m-o-m. Compared with year-ago levels, rates were 212% higher. Rates on the USGC-to-Europe route averaged WS197, reflecting a similar 28% increase, m-o-m. Y-o-y, rates were 194% higher.

Aframax

Aframax spot freight rates exhibited the strongest gains during the month. On average, rates were 44% higher, m-o-m, with Mediterranean routes showing particular strength. Compared with the same month in 2025, Aframax rates were about 110% higher.

Spot freight rates on the Indonesia-to-East route were broadly steady, m-o-m, averaging WS163 for a 1% gain. Y-o-y, rates on the route were up 39%.

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

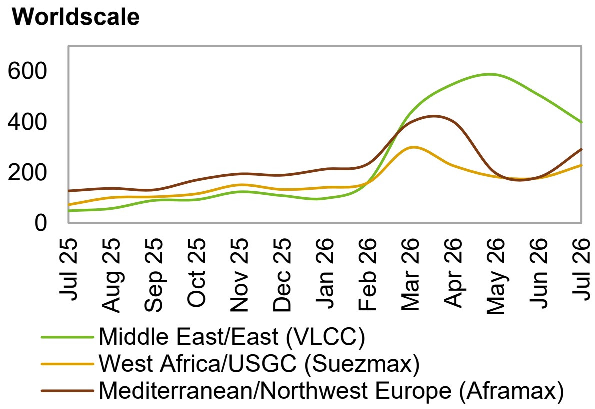
Aframax	Size *1,000 DWT*	May 26	Jun 26	Jul 26	*Change* Jul 26/Jun 26
Indonesia/East	80-85	221	162	163	1
Caribbean/US East Coast	80-85	299	204	303	99
Mediterranean/Mediterranean	80-85	204	188	300	112
Mediterranean/Northwest Europe	80-85	197	181	291	110

Sources: Argus and OPEC.

Rates were stronger West of Suez. On the Caribbean-to-US East Coast (USEC) route, rates rose 49%, m-o-m, to average W303. Compared with the same month last year, rates were up 133%.

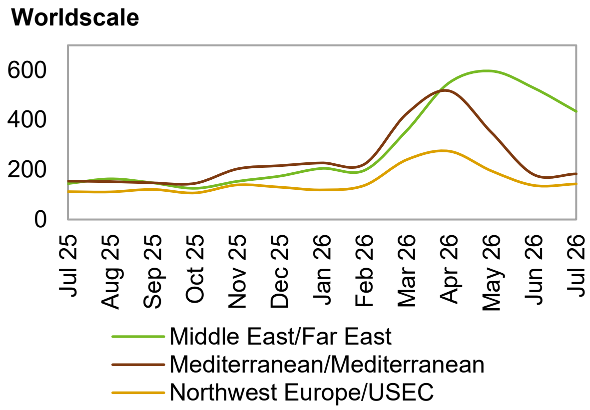
Rates in the Med registered the strongest performance of all monitored routes. Cross-Med rates rose 60%, m-o-m, to average WS300 in July. Rates on the Med-to-Northwest Europe (NWE) route followed a similar dynamic, rising 61%, m-o-m, to average WS291. Compared with the same month in 2025, rates were 129% higher.

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

In the clean tanker market, spot freight rates showed divergent trends in July. East of Suez rates fell 13% on average from the previous month's levels, while West of Suez spot rates edged up by 2% over the same period. Compared with the same month in 2025, West of Suez rates were 21% higher, while East of Suez rates were notably higher, up 118%.

Rates on the Middle East-to-East route were assessed at WS434, down 18%, m-o-m. Compared with July 2025, rates were up 201%. Clean spot freight rates on the Singapore-to-East route declined by 2%, m-o-m, to average WS233. Y-o-y, rates on the route were up 44%.

Rates on the NWE-to-USEC route also increased slightly, rising 4%, m-o-m, to average WS143. This represents a 28% gain from the same month last year. Rates on the Cross-Med and Med-to-NWE routes were up 2%, m-o-m, to average WS183 and WS193, respectively. Y-o-y, spot freight rates on both routes were up by about 18%.

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

East of Suez	Size *1,000 DWT*	May 26	Jun 26	Jul 26	*Change* Jul 26/Jun 26
Middle East/East	30-35	596	528	434	-94
Singapore/East	30-35	302	237	233	-4
West of Suez					
Northwest Europe/US East Coast	33-37	195	137	143	6
Mediterranean/Mediterranean	30-35	349	180	183	3
Mediterranean/Northwest Europe	30-35	359	190	193	3

Sources: Argus and OPEC.

Crude and Refined Products Trade

US crude imports recovered, m-o-m, in July to average 5.7 mb/d, while crude exports continued to fall from elevated levels to average 3.5 mb/d. Product imports remained sluggish in July, averaging 1.5 mb/d, as the strengthening in jet fuel inflows offset a notable decline in gasoline imports.

Crude imports into OECD Europe are seen edging seasonally lower in June, as US inflows returned to more typical levels. Product imports picked up from low levels, supported by higher inflows of jet fuel and fuel oil.

Japan's crude imports rebounded in June, returning to the five-year average at 2.1 mb/d, supported by a return of inflows from the Middle East. Product imports into Japan declined, led by reduced inflows of LPG, naphtha and gasoline. Product exports rose, supported by gains in all major products except jet fuel.

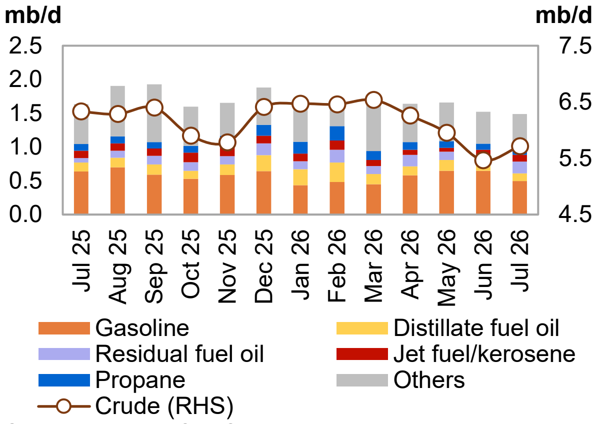
China's crude imports fell further in June to average 7.1 mb/d as refiners continued to limit runs. China's product imports also remained constrained on reduced feedstock demand, averaging 1.3 mb/d. Product exports picked up amid an easing of government restrictions to average 1.0 mb/d.

India's crude imports declined in June, largely in line with seasonal trends and amid strong inflows the month before. Crude inflows averaged 4.8 mb/d. Low LPG and fuel oil imports continued to weigh on India's product imports, which averaged 0.8 mb/d. Product exports rose by 5% as higher exports of gasoline and fuel oil offset declines in diesel oil and naphtha.

US

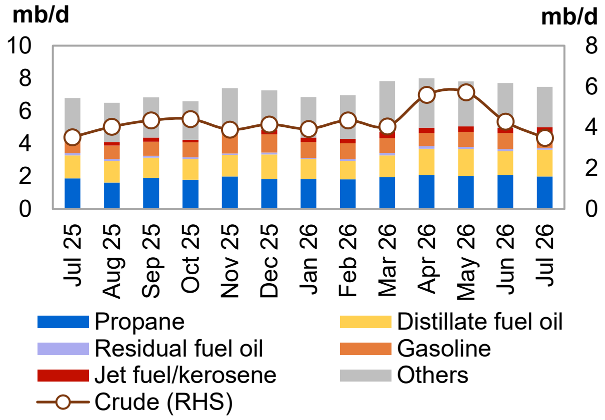
US crude imports recovered, m-o-m, to average 5.7 mb/d in July, preliminary EIA weekly data showed. This was still below the range seen over the last five years. Compared with the previous month, US crude imports increased by 253 tb/d, or almost 5%. Higher inflows from Latin America were sufficient to offset declines in Middle East imports. On a y-o-y basis, crude imports were down 614 tb/d, or about 10%.

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 continued to fall back from high levels to return to the five-year range in July. During the month, US crude outflows averaged 3.5 mb/d, representing a decline of 794 tb/d, or almost 19%, m-o-m. The m-o-m declines came as flows to East Asia returned to more typical levels. Compared with the same month last year, US crude oil exports were down 38 tb/d, or close to 1%.

As a result, US net crude imports in July averaged 2.2 mb/d, compared with 1.2 mb/d the month before and 2.8 mb/d in July 2025.

In the oil products trade, US imports remained sluggish in July, down by 31 tb/d, or 2%, m-o-m. Strength in jet fuel and residual fuel oil offset a notable decline in gasoline imports, m-o-m. Compared with the same month a year earlier, product inflows were down by 145 tb/d, or about 9%.

Product exports declined for the third month in a row but remained well above the five-year range. Outflows averaged 7.5 mb/d in July, down 218 tb/d, or about 3%, m-o-m. Declines in propane/propylene, gasoline and other products outpaced strong outflows of distillate fuel oil. Compared with the same month last year, product exports were up by 686 tb/d, or 10%.

As a result, net product exports averaged 6.0 mb/d in July, compared with over 6.2 mb/d in June. A year earlier, net product exports averaged 5.2 mb/d. Combined net crude and product exports averaged 3.8 mb/d in July, compared with 5.0 mb/d the month before. In the same month last year, net crude and product exports averaged 2.4 mb/d.

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

US	May 26	Jun 26	Jul 26	*Change* Jul 26/Jun 26
Crude oil	0.23	1.19	2.23	1.05
Total products	-6.15	-6.19	-6.00	0.19
Total crude and products	**-5.93**	**-5.00**	**-3.77**	**1.23**

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

Sources: EIA and OPEC.

OECD Europe

Estimates based on tanker-tracking data indicate that crude imports into OECD Europe edged lower seasonally in June. The decline came as elevated US inflows returned to more typical levels, although this was partly offset by a return of volumes from the UAE, Kazakhstan and Iraq. Product imports are seen picking up from low levels in June, supported by higher inflows of jet fuel and fuel oil. Product exports from the OECD Europe region rose, with all major products registering gains, led by gasoline outflows.

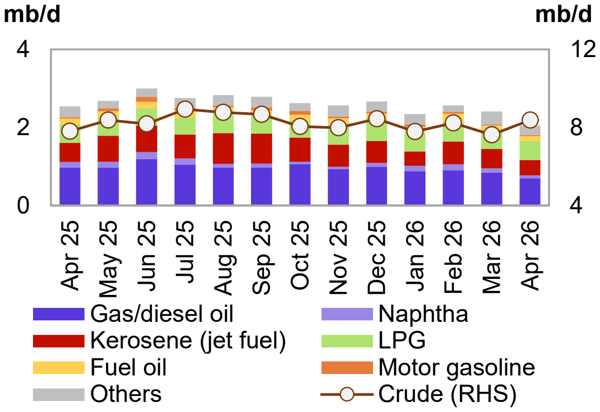
The latest available official data for OECD Europe shows that crude imports into the region in April averaged 8.4 mb/d. This represented an increase of 751 tb/d, or almost 10%, m-o-m. Y-o-y, crude imports were up 569 tb/d, or over 7%.

The US was the top crude supplier from outside the region, providing 1.7 mb/d in April, up from 1.6 mb/d in March. Kazakhstan was second with 1.4 mb/d, followed by Libya with 926 tb/d.

Crude exports from OECD Europe averaged just 12 tb/d in April, compared with 87 tb/d the month before. In the same month last year, crude exports averaged 179 tb/d.

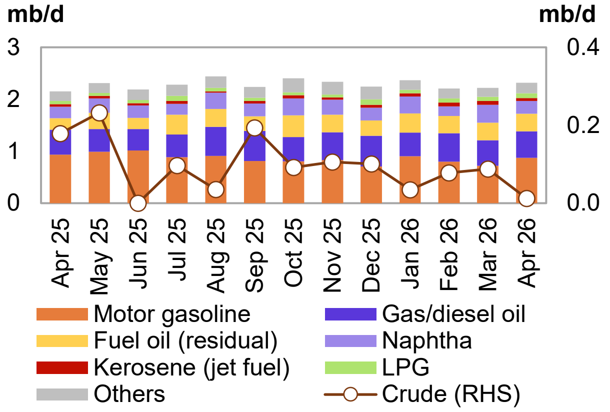
Net crude imports averaged 8.4 mb/d in April, compared with almost 7.5 mb/d a month earlier and 7.6 mb/d in April 2025.

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 2.0 mb/d in April, representing a decline of 365 tb/d, or around 15%, m-o-m. Gasoil and kerosene-type jet fuel were the main drivers of the lower inflows, although most products decreased except LPG, which saw a slight increase. Y-o-y, product inflows fell 491 tb/d, or 19%.

Product exports rose further in April to average 2.3 mb/d, an increase of 96 tb/d, or around 4%, m-o-m. Higher outflows of gasoline contributed the lion's share of the increase, while naphtha showed the largest decline, down 100 tb/d, m-o-m. Compared with April 2025, product exports were up 167 tb/d, or about 8%.

As a result, net product exports stood at an average of 267 tb/d in April. This compares with net imports of 194 tb/d the month before and 392 tb/d in April 2025. Combined net crude and product imports averaged 8.1 mb/d in April 2026, compared with 7.7 mb/d a month earlier and 8.0 mb/d a year ago.

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

OECD Europe	Feb 26	Mar 26	Apr 26	Change Apr 26/Mar 26
Crude oil	8.16	7.54	8.37	0.83
Total products	0.36	0.19	-0.27	-0.46
Total crude and products	**8.52**	**7.74**	**8.10**	**0.37**

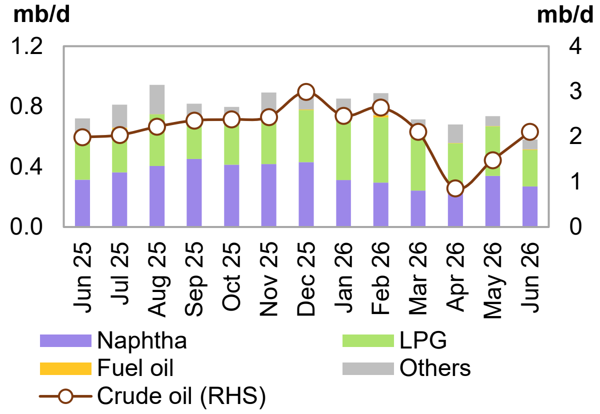
Note: Totals may not add up due to independent rounding.

Sources: IEA and OPEC.

Japan

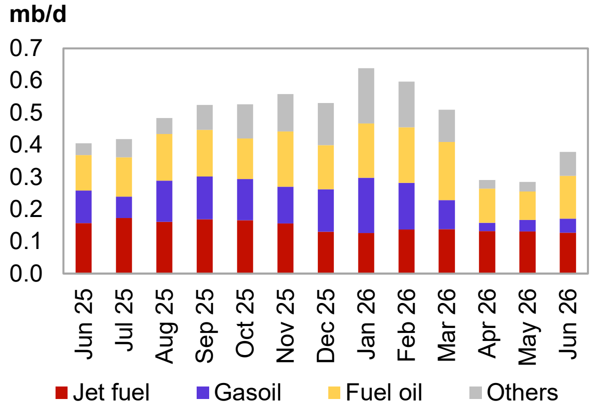
Japan's crude imports returned to the five-year average in June, with inflows averaging 2.1 mb/d. This represented a gain of 624 tb/d, or 42%, m-o-m. Crude imports from the Middle East rebounded by 19% to 1.3 mb/d, while inflows from the US more than doubled to average 680 tb/d. Y-o-y, crude imports increased by 117 tb/d, or around 6%.

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, retreated in June to average 580 tb/d. Compared with the previous month, imports declined by 155 tb/d, or 21%. M-o-m declines were led by a drop in LPG, naphtha and gasoline. Compared with June 2025, product imports fell 142 tb/d, or almost 20%.

Product exports, including LPG, rebounded in June to 378 tb/d, in line with the five-year average. Compared with the previous month, exports were 93 tb/d, or almost 33%, higher. Except for jet fuel, all major products contributed to the increase, with gasoline showing a particularly strong increase. Compared with June 2025, product outflows fell 27 tb/d, or almost 7%.

As a result, Japan's net product imports, including LPG, averaged 202 tb/d in June, compared with 450 tb/d in the previous month and 316 tb/d a year earlier.

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

Japan	Apr 26	May 26	Jun 26	Change Jun 26/May 26
Crude oil	0.85	1.48	2.10	0.62
Total products	0.39	0.45	0.20	-0.25
Total crude and products	**1.24**	**1.93**	**2.30**	**0.38**

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

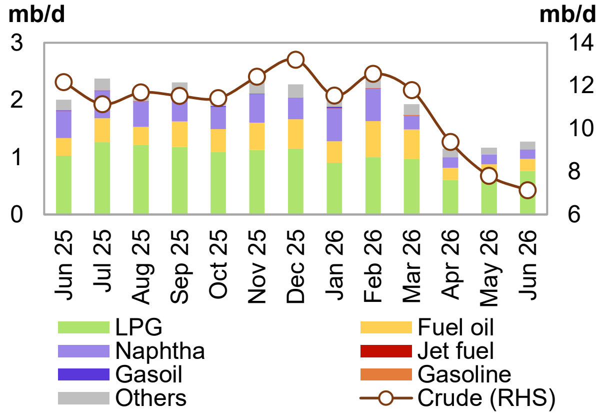
China

China's crude oil imports fell further in June as refinery runs remained limited amid high feedstock prices. China brought in 7.1 mb/d of crude during the month, representing a decline of 669 tb/d, or almost 9%, m-o-m. Russia remained the top crude supplier at 28%, up from 25% the month before, followed by Brazil at over 14% and Saudi Arabia at close to 12%. Compared with the same month in 2025, China's crude imports were down by over 5 mb/d, or by about 41%.

Product imports, including LPG, also remained constrained at 1.3 mb/d, despite an increase of 113 tb/d, or 10%, m-o-m. Y-o-y, product imports were down by 732 tb/d or around 36%, amid reduced inflows of naphtha, LPG and fuel oil.

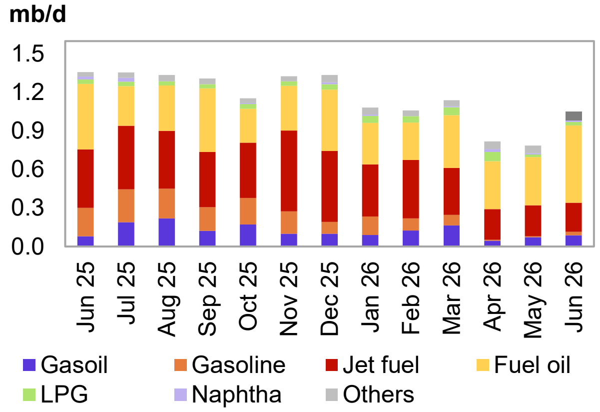
China's product exports, including LPG, averaged 1.0 mb/d in June. This represented a gain of 263 tb/d, or 33%, m-o-m, as a recovery in fuel oil outflows lifted product exports back into the five-year range. Compared with the same month last year, product outflows were 308 tb/d, or 23%, lower.

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.

Net product imports averaged 227 tb/d in June, down from 376 tb/d the month before and 649 tb/d a year ago.

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

China	Apr 26	May 26	Jun 26	Change Jun 26/May 26
Crude oil	9.32	7.72	7.08	-0.64
Total products	0.33	0.38	0.23	-0.15
Total crude and products	**9.65**	**8.10**	**7.31**	**-0.79**

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

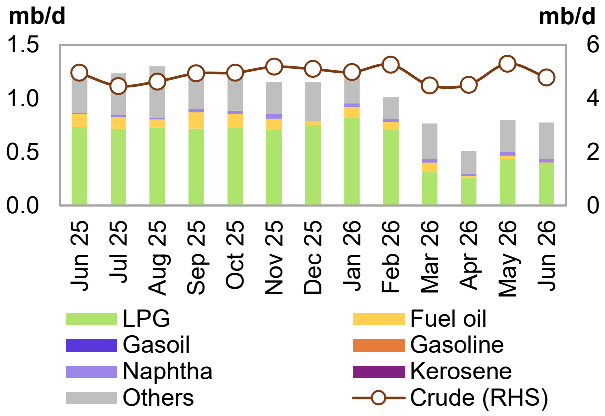
Sources: GACC and OPEC.

India

India's crude imports declined in June, after registering record-high inflows the month before. Crude imports averaged 4.8 mb/d for the month, representing a decline of 514 tb/d, or about 10%, m-o-m. Regarding import sources, India's imports of Russian crude rose to 2.2 mb/d in June, according to Kpler data, up from 2.1 mb/d the month before. The UAE was second with 574 tb/d, followed by Saudi Arabia with 441 tb/d and Brazil with 264 tb/d.

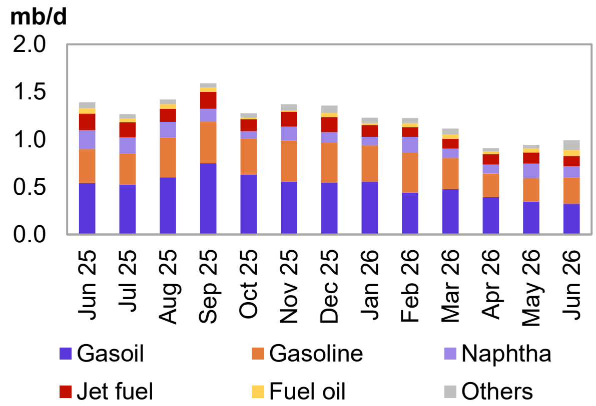
Compared with the same month last year, crude imports were 176 tb/d, or about 4% lower.

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.

India's product imports moved sideways in June, averaging 774 tb/d, compared with 798 tb/d in May. Low LPG and fuel oil imports continued to weigh on product imports, keeping them below the five-year range. Y-o-y, product imports were down by 450 tb/d, or 37%.

Product exports averaged 990 tb/d in June, representing a m-o-m increase of 47 tb/d, or 5%. Higher exports of gasoline and fuel oil offset declines in diesel oil and naphtha. Y-o-y, India's product exports fell by 399 tb/d, or 29%.

Consequently, India's net product exports averaged 216 tb/d. This compares with net exports of 145 tb/d in the previous month and 165 tb/d in the same month of 2025.

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

India	Apr 26	May 26	Jun 26	Change Jun 26/May 26
Crude oil	4.51	5.29	4.78	-0.51
Total products	-0.40	-0.14	-0.22	-0.07
Total crude and products	**4.10**	**5.15**	**4.56**	**-0.58**

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 surged in June, as unplanned refinery outages diverted higher volumes of crude to the export market. During the month, total crude oil exports from the region averaged 7.6 mb/d, representing a jump of 504 tb/d, or 7%, m-o-m. Gains came primarily through the Transneft system, where Black Sea flows were up 348 tb/d or over 45%, while Baltic exports increased by 96 tb/d, or around 6%. Y-o-y, total crude exports from Russia and Central Asia increased by 1.2 mb/d, or over 18% higher.

In total, flows through the Transneft system increased by 449 tb/d, or more than 10%, m-o-m, in June. Compared with the same month in 2025, crude outflows via the Transneft system were 1.1 mb/d, or almost 29%, higher, y-o-y. Flows from Transneft's Black Sea port were up by 664 tb/d, or more than 136%, y-o-y. In the Baltic Sea, Transneft's crude flows from Primorsk were up 294 tb/d, or 35%, y-o-y, while flows from Ust-Luga were around 1% lower, y-o-y.

Shipments via the Druzhba pipeline were unchanged from the previous month at 197 tb/d. This represents a decline of 41 tb/d, or about 17%, compared with the same month last year.

Exports to inland China via the ESPO pipeline edged down a further 15 tb/d, or about 2%, m-o-m, to average 617 tb/d. Flows on the pipeline were 14 tb/d, or about 2%, higher, y-o-y. Exports from the Pacific port of Kozmino rose by 20 tb/d, or just under 2%, m-o-m, to average 1.1 mb/d. Flows via the port were 164 tb/d, or over 18% higher than a year ago.

In the Lukoil system, exports via the Varandey offshore platform in the Barents Sea averaged 137 tb/d, representing an increase of 65 tb/d, or almost 90%, m-o-m, and an increase of 39 tb/d, or almost 40%, compared with the same month last year.

In Russia's Far East, exports from Aniva Bay declined by 21 tb/d, or 22%, m-o-m, while flows via De Kastri dropped by 22 tb/d, or 11%, m-o-m. Combined, the two ports exported an average of 256 tb/d in June, down 44 tb/d, or about 15%, y-o-y. Meanwhile, Central Asian exports averaged 221 tb/d for the month, representing a decline of less than 2%, m-o-m, but were up by 17 tb/d, or 7%, y-o-y.

Crude flows via the CPC terminal on the Black Sea were broadly unchanged at 1.7 mb/d, m-o-m. This represented a gain of 69 tb/d, or about 4%, y-o-y.

Exports via the BTC pipeline recovered in June, up by 48 tb/d, or almost 10%, m-o-m, to average 547 tb/d. This was still 31 tb/d, or about 5%, lower, y-o-y.

Total product exports from Russia and Central Asia showed a sharp drop of 486 tb/d, or about 25%, m-o-m, amid unplanned refinery outages. In total, product exports from the region averaged 1.5 mb/d. Gasoil, naphtha, and fuel oil led the declines, partly offset by slightly higher outflows of jet fuel and VGO. Y-o-y, total product exports were 918 tb/d, or about 38%, lower, with gasoline and fuel oil leading declines.

Commercial Stock Movements

According to preliminary June 2026 data, OECD commercial oil inventories dropped by 26.4 mb, m-o-m, to stand at 2,729 mb. At this level, OECD commercial stocks were 59.6 mb lower, y-o-y, 66.5 mb below the latest five-year average, and 218.5 mb below the 2015–2019 average. Within the components, crude stocks decreased by 15.3 mb, m-o-m, while product stocks decreased by 11.1 mb.

OECD commercial crude oil stocks stood at 1,296 mb in June. This is 33.6 mb lower, y-o-y, 54.2 mb below the latest five-year average and 169.3 mb below the 2015–2019 average.

OECD total product stocks stood at 1,433 mb in June. This is 26.0 mb lower, y-o-y, 12.3 mb below the latest five-year average and 49.3 mb below the 2015–2019 average.

In terms of days of forward cover, OECD commercial stocks fell by 1.0 days, m-o-m, in June, to 58.7 days. This is 1.2 days lower, y-o-y, 1.9 days below the latest five-year average and 3.0 days below the 2015–2019 average.

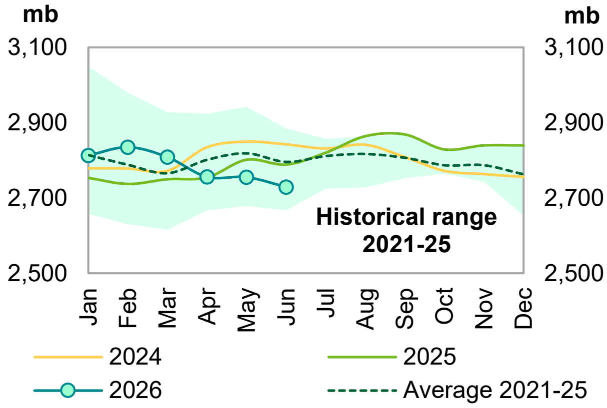
OECD

Preliminary June 2026 data show OECD commercial inventories fell by 26.4 mb, m-o-m, to 2,729 mb, 59.6 mb below June 2025, 66.5 mb below the latest five-year average and 218.5 mb below the 2015–2019 average. Within the components, crude stocks decreased by 15.3 mb, while product stocks fell by 11.1 mb, m-o-m.

Within the OECD regions, OECD Europe and OECD America experienced stock draws in June, m-o-m, while OECD Asia Pacific recorded a stock build.

OECD commercial crude stocks decreased by 15.3 mb, m-o-m, to end June at 1,296 mb. This is 33.6 mb lower than a year earlier, 54.2 mb below the latest five-year average and 169.3 mb below the 2015–2019 average.

Graph 9 - 1: OECD commercial oil stocks



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

Within the OECD regions, crude stocks in OECD America and OECD Europe fell by 16.8 mb and 4.0 mb, m-o-m, respectively, while crude stocks in OECD Asia Pacific increased by 5.5 mb.

OECD total product stocks fell by 11.1 mb, m-o-m, to 1,433 mb. This is 26.0 mb lower than the same time a year ago, 12.3 mb below the latest five-year average and 49.3 mb below the 2015–2019 average.

Within the OECD regions, product stocks in OECD America and OECD Europe experienced draws of 4.3 mb and 8.3 mb, m-o-m, respectively, while OECD Asia Pacific product stocks rose by 1.5 mb, m-o-m.

Table 9 - 1: OECD commercial stocks, mb

OECD stocks	Jun 25	Apr 26	May 26	Jun 26	*Change Jun 26/May 26*
Crude oil	1,330	1,327	1,312	1,296	*-15.3*
Products	1,459	1,429	1,444	1,433	*-11.1*
Total	**2,789**	**2,756**	**2,756**	**2,729**	***-26.4***
Days of forward cover	**59.9**	**60.6**	**59.7**	**58.7**	***-1.0***

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 1.0 days, m-o-m, in June, to 58.7 days. This is 1.2 days lower than June 2025, 1.9 days below the latest five-year average and 3.0 days below the 2015–2019 average.

Regionally, OECD America was 4.1 days below the latest five-year average, at 55.8 days. OECD Europe was 0.6 days above the latest five-year average, at 67.9 days. OECD Asia Pacific was 1.5 days above the latest five-year average, at 51.6 days.

OECD Americas

OECD Americas' total commercial stocks decreased by 21.1 mb, m-o-m, in June, to settle at 1,456 mb. This is 48.1 mb lower than the same month in 2025, 56.0 mb below the latest five-year average and 93.6 mb below the 2015–2019 average.

Commercial crude oil stocks in the OECD Americas fell by 16.8 mb, m-o-m, in June, to 720 mb. This is 11.8 mb lower than in June 2025, 36.7 mb below the latest five-year average and 67.1 mb below the 2015–2019 average.

OECD Americas' total product stocks fell by 4.3 mb, m-o-m, to 736 mb in June. This is 36.3 mb lower than a year earlier, 19.3 mb below the latest five-year average and 26.5 mb below the 2015–2019 average.

OECD Europe

OECD Europe's total commercial stocks fell by 12.2 mb, m-o-m, in June, to settle at 925 mb. This is 5.8 mb higher than the same month in 2025, 9.6 mb below the latest five-year average and 58.7 mb below the 2015–2019 average.

OECD Europe's commercial crude stocks decreased by 4.0 mb, m-o-m, to end June at 406 mb. This is 1.4 mb higher than one year earlier, 8.9 mb below the latest five-year average and 29.2 mb below the 2015–2019 average.

OECD Europe's total product stocks decreased by 8.3 mb, m-o-m, to end June at 519 mb. This is 4.3 mb higher than at the same time a year earlier, 0.7 mb below the latest five-year average and 29.5 mb below the 2015–2019 average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks increased by 7.0 mb, m-o-m, in June, to stand at 348 mb. This is 17.2 mb lower than at the same time a year earlier, 0.8 mb below the latest five-year average and 66.2 mb below the 2015–2019 average.

OECD Asia Pacific's crude stocks increased by 5.5 mb, m-o-m, to end June at 171 mb. This is 23.2 mb lower than the level recorded in the same month one year earlier, 8.6 mb below the latest five-year average and 73.0 mb below the 2015–2019 average.

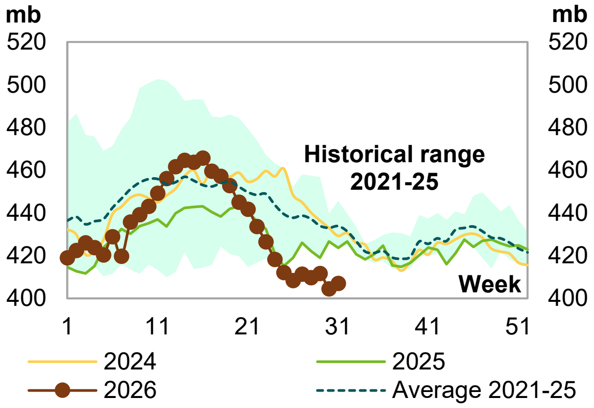
OECD Asia Pacific's product stocks increased by 1.5 mb, m-o-m, to end June at 177 mb. This is 5.9 mb higher than one year earlier, 7.7 mb above the latest five-year average and 6.8 mb above the 2015–2019 average.

US

Preliminary data for July 2026 show that total US commercial oil stocks increased by 17.1 mb, m-o-m, to stand at 1,219 mb. This is 46.3 mb, or 3.7%, lower than the same month in 2025 and 44.4 mb below the latest five-year average. Crude stocks were down by 3.9 mb, m-o-m, while product stocks increased by 21.0 mb, m-o-m.

US commercial crude stocks in July stood at 405 mb. This is 15.7 mb, or 3.7%, lower than the same month in 2025 and 25.6 mb, or 6.0%, below the latest five-year average. The monthly draw in crude oil stocks was driven primarily by higher crude runs despite a slowdown in crude exports.

Graph 9 - 2: US weekly commercial crude oil inventories



Sources: EIA and OPEC.

Commercial Stock Movements

Total product stocks increased by 21.0 mb in July, m-o-m, to 814 mb. This is 30.7 mb, or 3.6%, lower than at the same time last year and 18.8 mb, or 2.3%, below the latest five-year average.

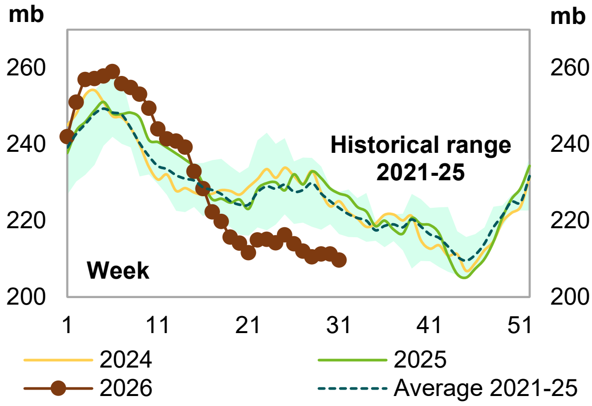
Gasoline stocks dropped in July by 2.7 mb, m-o-m, to settle at 211 mb. This is 18.2 mb, or 7.9%, lower than the same month in 2025 and 14.8 mb, or 6.6%, below the latest five-year average.

Distillate stocks increased by 2.0 mb, m-o-m, to 111 mb. This is 1.9 mb, or 1.7%, lower than the same month a year earlier and 12.8 mb, or 10.3%, below the latest five-year average.

Residual fuel oil stocks increased by 1.1 mb, m-o-m. At 22 mb, they were 1.7 mb, or 8.6%, higher than last year's level, but 4.9 mb, or 18.4%, below the latest five-year average.

Jet fuel stocks decreased by 1.2 mb, m-o-m, ending July at 47 mb. This is 2.5 mb, or 5.7%, higher than the same month in 2025 and 3.3 mb, or 7.6%, above 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	Jul 25	May 26	Jun 26	Jul 26	*Change* *Jul 26/Jun 26*
Crude oil	**420.2**	**425.2**	**408.4**	**407.0**	***-1.4***
Gasoline	229.5	220.4	214.0	209.7	*-4.3*
Distillate fuel	112.6	106.3	108.6	107.2	*-1.4*
Residual fuel oil	20.0	22.6	20.6	21.4	*0.8*
Jet fuel	44.3	46.0	48.0	46.9	*-1.1*
Total products	**844.8**	**802.0**	**793.2**	**813.7**	***20.5***
Total	**1,265.0**	**1,227.2**	**1,201.6**	**1,220.7**	***19.2***
SPR	**403.0**	**355.4**	**325.7**	**304.8**	***-20.8***

Sources: EIA and OPEC.

Japan

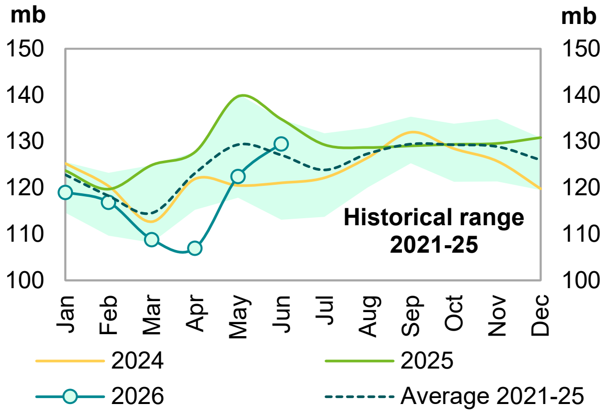
In Japan, total commercial oil stocks in June 2026 increased by 7.0 mb, m-o-m, to 129.5 mb. This is 5.3 mb, or 4.0%, lower than the same month in 2025 and 2.4 mb, or 1.9%, above the latest five-year average. Crude stocks increased by 5.5 mb, while product stocks increased by 1.5 mb, m-o-m.

Japanese commercial crude oil stocks increased by 5.5 mb, m-o-m, to stand at 69.3 mb. This is 5.9 mb, or 7.8%, lower than the same month in 2025 and in line with the latest five-year average.

Gasoline stocks decreased in June by 0.8 mb, m-o-m, to stand at 10.2 mb. This is 0.2 mb, or 2.2%, lower than the level recorded a year earlier and 1.0 mb, or 8.7%, below the latest five-year average. The draw in gasoline stocks was driven by lower imports.

Middle distillate stocks increased by 2.1 mb, m-o-m, to end June at 27.6 mb. This is 0.4 mb, or 1.4%, lower than the same month in 2025 and 2.3 mb, or 9.3%, above the latest five-year average. Among distillate components, jet fuel oil stocks increased by 11.4%, kerosene stocks decreased by 14.4%, and gasoil stocks decreased by 1.3%, m-o-m.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

Total residual fuel oil stocks increased by 0.3 mb, m-o-m, to end June at 12.8 mb. At this level, they are 0.5 mb, or 4.0%, higher than the same month a year ago and 0.6 mb, or 5.2%, above the latest five-year average. Within the components, fuel oil A stocks were down by 0.6%, while fuel oil B.C stocks were up by 6.8%, m-o-m.

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

Japan's stocks	Jun 25	Apr 26	May 26	Jun 26	Change Jun 26/May 26
Crude oil	**75.2**	**54.9**	**63.8**	**69.3**	***5.5***
Gasoline	10.4	11.4	10.9	10.2	*-0.8*
Naphtha	8.8	7.8	9.6	9.5	*-0.1*
Middle distillates	28.0	21.0	25.5	27.6	*2.1*
Residual fuel oil	12.3	11.9	12.5	12.8	*0.3*
Total products	**59.6**	**52.1**	**58.6**	**60.1**	***1.5***
Total**	**134.8**	**106.9**	**122.5**	**129.5**	***7.0***

*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 June 2026 show that total European oil stocks dropped by 12.2 mb, m-o-m, to stand at 982.9 mb. At this level, they were 13.5 mb, or 1.3%, lower than the same month in 2025, and 21.1 mb, or 2.1%, below the latest five-year average. Crude stocks decreased by 4.0 mb, m-o-m, while product stocks fell by 8.3 mb, m-o-m.

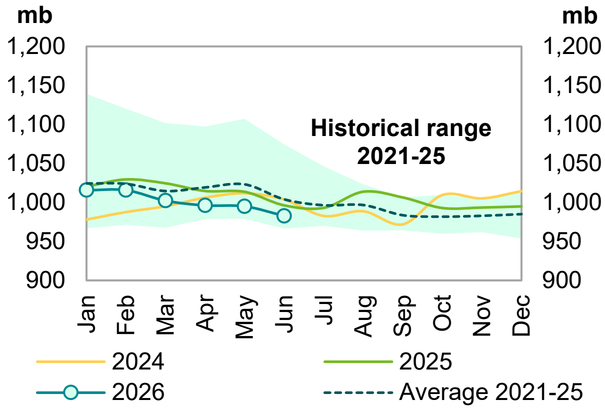
European crude stocks stood at 421.9 mb in June. This is 5.0 mb, or 1.2%, lower than the same month in 2025, but 7.8 mb, or 1.9%, above the latest five-year average. The decrease in crude oil stocks came in line with a 2.2 mb/d increase in refinery throughput.

Total European product stocks fell by 8.3 mb, m-o-m, to end June at 561 mb. This is 8.5 mb, or 1.5%, lower than the same month in 2025, and 28.9 mb, or 4.9%, below the latest five-year average. The product stock draw may be attributed to higher demand in 2Q26.

Gasoline stocks decreased in June by 3.7 mb, m-o-m, to stand at 105.4 mb. This is 1.4 mb, or 1.3%, lower than at the same time in 2025 and 0.1 mb, or 0.1%, below the latest five-year average.

Middle distillate stocks also fell in June by 4.6 mb, m-o-m, to 371.6 mb. This is 1.3 mb, or 0.3%, lower than the same month in 2025 and 20.8 mb, or 5.3%, below the latest five-year average.

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



Sources: OilX and OPEC.

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

EU stocks	Jun 25	Apr 26	May 26	Jun 26	Change Jun 26/May 26
Crude oil	**426.9**	**429.7**	**425.9**	**421.9**	***-4.0***
Gasoline	106.8	110.6	109.1	105.4	*-3.7*
Naphtha	29.0	28.5	29.2	29.3	*0.2*
Middle distillates	372.9	373.0	376.1	371.6	*-4.6*
Fuel oils	60.8	54.4	54.9	54.7	*-0.2*
Total products	**569.4**	**566.5**	**569.2**	**561.0**	***-8.3***
Total	**996.3**	**996.3**	**995.1**	**982.9**	***-12.2***

Sources: OilX and OPEC.

Residual fuel stocks decreased by 0.2 mb, m-o-m, in June, to 54.7 mb. This is 6.1 mb, or 10.1%, lower than the same month in 2025, and 6.7 mb, or 10.9%, below the latest five-year average.

By contrast, naphtha stocks increased by 0.2 mb, m-o-m, in June, ending the month at 29.3 mb. This is 0.3 mb, or 1.1%, higher than the same month in 2025, but 1.3 mb, or 4.2%, below the latest five-year average.

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

Singapore

In June, total product stocks in Singapore decreased by 6.4 mb, m-o-m, to 34 mb. This is 11.4 mb, or 24.9%, lower than the same month in 2025 and 10.8 mb, or 23.9%, below the latest five-year average.

Light distillate stocks decreased by 0.2 mb, m-o-m, in June, to 13 mb. This is broadly unchanged from the same month a year earlier and 1.4 mb, or 9.9%, below the latest five-year average.

Middle distillate stocks decreased by 1.1 mb, m-o-m, in June, to 7 mb. This is 3.1 mb, or 31.1%, lower than the same month in 2025 and 2.7 mb, or 28.3%, below the latest five-year average.

Fuel oil stocks decreased by 5.1 mb, m-o-m, ending June at 15 mb. This is 8.3 mb, or 35.8%, lower than a year ago and 6.7 mb, or 31.1%, below the latest five-year average.

ARA

Total product stocks in ARA in June increased by 0.7 mb, m-o-m. At 35 mb, they were 6.8 mb, or 16.2%, lower than the same month in 2025 and 8.7 mb, or 20.0%, below the latest five-year average.

Gasoline stocks fell by 1.0 mb, m-o-m, ending June at 8 mb. This is 1.2 mb, or 13.1%, lower than in June 2025 and 1.7 mb, or 17.2%, below the latest five-year average.

Fuel oil stocks increased by 1.3 mb, m-o-m, in June, to 5 mb. This is 1.6 mb, or 24.7%, lower than the June 2025 level and 3.7 mb, or 43.1%, below the latest five-year average.

Gasoil stocks fell by 0.2 mb, m-o-m, in June, to 13 mb. This is 0.7 mb, or 4.8%, lower than the same month in 2025 and 1.4 mb, or 9.6%, below the latest five-year average.

Jet oil stocks increased by 0.5 mb, m-o-m, to stand at 5 mb in June. This is 1.7 mb, or 26.3%, lower than the June 2025 level and 2.3 mb, or 32.2%, below the latest five-year average.

Fujairah

During the week ending 3 August 2026, total oil product stocks in Fujairah increased by 0.49 mb, w-o-w, to stand at 7.00 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 12.07 mb lower than at the same time in 2025.

Light distillate stocks increased by 0.04 mb, w-o-w, to stand at 1.62 mb, 5.52 mb lower, y-o-y. Middle distillate stocks increased by 0.15 mb, w-o-w, to 1.59 mb, 0.68 mb lower, y-o-y, while heavy distillate stocks increased by 0.30 mb, w-o-w, to stand at 3.79 mb, 5.87 mb below year-earlier levels.

Balance of Supply and Demand

The demand for DoC crude (i.e., crude from countries participating in the DoC) in 2026 is revised down from last month's assessment to 42.1 mb/d, 0.2 mb/d lower than the 2025 level.

The demand for DoC crude in 2027 remains unchanged from the previous month's assessment to stand at 43.6 mb/d, which is about 1.4 mb/d above the 2026 forecast.

Balance of supply and demand in 2026

Demand for DoC crude

The demand for DoC crude (i.e., crude from countries participating in the DoC) in 2026 is revised down from last month's assessment to 42.1 mb/d, 0.2 mb/d lower than the 2025 level.

Table 10 - 1: DoC production/demand balance for 2026*, mb/d

	2025	1Q26	2Q26	3Q26	4Q26	2026	Change 2026/25
(a) World oil demand	**105.2**	**106.0**	**103.1**	**106.2**	**107.7**	**105.7**	***0.6***
Non-DoC liquids production	54.2	54.5	54.2	55.1	55.6	54.8	*0.6*
DoC NGL and non-conventionals	8.6	8.7	8.8	8.7	8.9	8.8	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**62.8**	**63.2**	**62.9**	**63.8**	**64.4**	**63.6**	***0.8***
Difference (a-b)	**42.3**	**42.8**	**40.2**	**42.4**	**43.2**	**42.1**	***-0.2***
DoC crude oil production	**42.0**	**39.9**	**34.3**				
Balance	**-0.4**	**-2.9**	**-5.8**				

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

Source: OPEC.

Balance of supply and demand in 2027

Demand for DoC crude

The demand for DoC crude in 2027 remains unchanged from the previous month's assessment to stand at 43.6 mb/d, which is about 1.4 mb/d above the 2026 forecast.

Table 10 - 2: DoC production/demand balance for 2027*, mb/d

	2026	1Q27	2Q27	3Q27	4Q27	2027	Change 2027/26
(a) World oil demand	**105.7**	**107.7**	**105.9**	**108.4**	**109.6**	**107.9**	***2.2***
Non-DoC liquids production	54.8	55.2	55.2	55.4	56.0	55.5	*0.6*
DoC NGL and non-conventionals	8.8	8.9	8.9	8.9	8.9	8.9	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**63.6**	**64.1**	**64.0**	**64.3**	**64.9**	**64.3**	***0.7***
Difference (a-b)	**42.1**	**43.6**	**41.8**	**44.1**	**44.7**	**43.6**	***1.4***

*Note: * 2026 and 2027 = Forecast. Totals may not add up due to independent rounding.*

Source: OPEC.

Appendix

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

World oil demand and production balance	2023	2024	2025	1Q26	2Q26	3Q26	4Q26	2026	1Q27	2Q27	3Q27	4Q27	2027
World demand													
Americas	25.1	25.2	25.4	25.5	25.5	26.1	25.6	25.7	25.6	25.5	26.2	25.7	25.8
of which US	*20.4*	*20.6*	*20.7*	*20.8*	*20.9*	*21.3*	*20.9*	*21.0*	*20.9*	*21.0*	*21.4*	*20.9*	*21.0*
Europe	13.4	13.5	13.4	12.9	13.4	13.6	13.3	13.3	13.0	13.5	13.8	13.5	13.4
Asia Pacific	7.2	7.2	7.1	7.3	6.4	6.7	7.3	6.9	7.3	6.6	6.8	7.4	7.0
Total OECD	**45.7**	**45.9**	**46.0**	**45.7**	**45.2**	**46.5**	**46.3**	**45.9**	**45.9**	**45.7**	**46.8**	**46.6**	**46.3**
China	16.4	16.7	16.9	17.2	16.2	17.2	17.3	17.0	17.4	16.6	17.5	17.6	17.3
India	5.3	5.6	5.7	5.9	5.4	5.5	6.1	5.7	6.1	6.0	5.9	6.4	6.1
Other Asia	9.2	9.5	9.9	10.2	10.1	9.9	10.0	10.0	10.5	10.6	10.2	10.3	10.4
Latin America	6.7	6.8	6.9	6.9	7.1	7.1	7.1	7.1	7.1	7.2	7.3	7.2	7.2
Middle East	8.5	8.7	8.8	8.6	8.4	8.9	9.1	8.8	9.0	8.8	9.3	9.4	9.1
Africa	4.7	4.7	4.9	5.1	4.7	5.0	5.4	5.1	5.2	4.9	5.2	5.5	5.2
Russia	3.8	3.9	4.0	4.1	3.9	4.1	4.2	4.1	4.1	3.9	4.1	4.3	4.1
Other Eurasia	1.2	1.3	1.3	1.5	1.3	1.2	1.4	1.3	1.5	1.4	1.2	1.4	1.4
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	0.9
Total Non-OECD	**56.7**	**58.0**	**59.2**	**60.3**	**57.9**	**59.7**	**61.4**	**59.8**	**61.8**	**60.2**	**61.5**	**63.0**	**61.6**
(a) Total world demand	**102.4**	**103.8**	**105.2**	**106.0**	**103.1**	**106.2**	**107.7**	**105.7**	**107.7**	**105.9**	**108.4**	**109.6**	**107.9**
Y-o-y change	***2.5***	***1.5***	***1.3***	***1.7***	***-1.1***	***0.7***	***1.1***	***0.6***	***1.7***	***2.8***	***2.2***	***2.0***	***2.2***
Non-DoC liquids production													
Americas	26.7	27.7	28.3	28.1	28.7	29.0	29.1	28.8	28.7	28.7	29.0	29.2	28.9
of which US	*21.0*	*21.8*	*22.2*	*22.0*	*22.7*	*22.8*	*22.8*	*22.6*	*22.4*	*22.6*	*22.7*	*22.7*	*22.6*
Europe	3.6	3.5	3.6	3.8	3.6	3.5	3.7	3.6	3.6	3.5	3.5	3.6	3.5
Asia Pacific	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
Total OECD	**30.7**	**31.7**	**32.3**	**32.3**	**32.7**	**32.9**	**33.2**	**32.8**	**32.7**	**32.6**	**32.8**	**33.2**	**32.8**
China	4.5	4.6	4.6	4.7	4.7	4.6	4.6	4.6	4.7	4.7	4.6	4.6	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	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Latin America	7.0	7.2	7.5	8.2	8.3	8.2	8.3	8.3	8.5	8.5	8.6	8.8	8.6
Middle East	2.0	2.0	2.0	1.5	0.7	1.7	1.7	1.4	1.6	1.6	1.6	1.7	1.6
Africa	2.2	2.3	2.3	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.3	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	**18.6**	**19.0**	**19.3**	**19.6**	**18.9**	**19.6**	**19.8**	**19.5**	**20.0**	**20.0**	**20.0**	**20.2**	**20.0**
Total Non-DoC production	49.4	50.7	51.7	51.9	51.6	52.5	53.0	52.3	52.7	52.6	52.8	53.4	52.9
Processing gains	2.5	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	**51.9**	**53.2**	**54.2**	**54.5**	**54.2**	**55.1**	**55.6**	**54.8**	**55.2**	**55.2**	**55.4**	**56.0**	**55.5**
DoC NGLs	8.4	8.5	8.6	8.7	8.8	8.7	8.9	8.8	8.9	8.9	8.9	8.9	8.9
(b) Total Non-DoC liquids production and DoC NGLs	**60.2**	**61.7**	**62.8**	**63.2**	**62.9**	**63.8**	**64.4**	**63.6**	**64.1**	**64.0**	**64.3**	**64.9**	**64.3**
Y-o-y change	***2.8***	***1.5***	***1.1***	***0.8***	***0.2***	***0.2***	***1.9***	***0.8***	***1.0***	***1.1***	***0.5***	***0.4***	***0.7***
OPEC crude oil production (secondary sources)	27.1	26.6	27.6	25.9	20.0								
Non-OPEC DoC crude production	15.0	14.3	14.3	14.0	14.3								
DoC crude oil production	**42.1**	**40.9**	**42.0**	**39.9**	**34.3**								
Total liquids production	**102.3**	**102.6**	**104.8**	**103.1**	**97.3**								
Balance (stock change and miscellaneous)	*-0.1*	*-1.2*	*-0.4*	*-2.9*	*-5.9*								
OECD closing stock levels, *mb*													
Commercial	2,780	2,756	2,840	2,808	2,729								
SPR	1,207	1,245	1,249	1,240	1,069								
Total	**3,987**	**4,001**	**4,088**	**4,049**	**3,798**								
Oil-on-water	1,391	1,310	1,546	1,257	1,461								
Days of forward consumption in OECD, *days*													
Commercial onland stocks	61	60	62	62	59								
SPR	26	27	27	27	23								
Total	**87**	**87**	**89**	**90**	**82**								
Memo items													
(a) - (b)	**42.1**	**42.1**	**42.3**	**42.8**	**40.2**	**42.4**	**43.2**	**42.1**	**43.6**	**41.8**	**44.1**	**44.7**	**43.6**

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

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

World oil demand and production balance	2023	2024	2025	1Q26	2Q26	3Q26	4Q26	2026	1Q27	2Q27	3Q27	4Q27	2027
World demand													
Americas	-	-	-	-	-	-	-	-	-	-	-	-	-
of which US	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Europe	-	-	-	-	-0.1	-	-	-	-	-	-	-	-
Asia Pacific	-	-	-	-	-0.2	-	-	-0.1	-	-	-	-	-
Total OECD	**-**	**-**	**-**	**-**	**-0.2**	**-**	**-**	**-0.1**	**-**	**-**	**-**	**-**	**-**
China	-	-	-	-	-0.1	-	-	-	-	-	-	-	-
India	-	-	-	-	-0.1	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-0.1	-0.1	-	-0.1	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-0.1	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-
Russia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Eurasia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**-**	**-**	**-0.3**	**-0.1**	**-**	**-0.1**	**-**	**-**	**-**	**-**	**-**
(a) Total world demand	**-**	**-**	**-**	**-**	**-0.6**	**-0.2**	**-0.1**	**-0.2**	**-**	**-**	**-**	**-**	**-**
Y-o-y change	***-***	***-***	***-***	***-***	***-0.6***	***-0.2***	***-0.1***	***-0.2***	***-***	***0.6***	***0.2***	***-***	***0.2***
Non-DoC liquids production													
Americas	-	-	-	-	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
of which US	*-*	*-*	*-*	*-*	*0.2*	*0.2*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Asia Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	**-**	**-**	**-**	**-**	**0.2**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
China	-	-	-	-	-	-	-	-	-	-	-	-	-
India	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Middle East	-	-	-	-	-0.4	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Eurasia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**-**	**-**	**-0.2**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**
Total Non-DoC production	-	-	-	-	-	-	-	-	-	-	-	-	-
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-DoC liquids production	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
DoC NGLs	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Total Non-DoC liquids production and DoC NGLs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Y-o-y change	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***
OPEC crude oil production (secondary sources)	-	-	-	-	-								
Non-OPEC DoC crude production	-	-	-	-	-0.2								
DoC crude oil production	**-**	**-**	**-**	**-**	**-0.2**								
Total liquids production	**-**	**-**	**-**	**-**	**-0.2**								
Balance (stock change and miscellaneous)	*-*	*-*	*-*	*-*	*0.4*								
OECD closing stock levels, *mb*													
Commercial	-	-	-	-1									
SPR	-	-	-	-									
Total	**-**	**-**	**-**	**-**									
Oil-on-water	-	-	-	-									
Days of forward consumption in OECD, *days*													
Commercial onland stocks	-	-	-	-									
SPR	-	-	-	-									
Total	**-**	**-**	**-**	**1**									
Memo items													
(a) - (b)	**-**	**-**	**-**	**-**	**-0.6**	**-0.2**	**-**	**-0.2**	**-**	**-**	**-**	**-**	**-**

*Note: * This compares Table 11 - 1 in this issue of the MOMR with Table 11 - 1 in the July 2026 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	2023	2024	2025	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Closing stock levels, mb											
OECD onland commercial	**2,780**	**2,756**	**2,840**	**2,809**	**2,756**	**2,750**	**2,789**	**2,869**	**2,840**	**2,808**	**2,729**
Americas	1,520	1,497	1,549	1,531	1,497	1,460	1,504	1,561	1,549	1,542	1,456
Europe	907	925	925	920	925	941	920	950	925	939	925
Asia Pacific	353	334	366	357	334	349	365	358	366	328	348
OECD SPR	**1,207**	**1,245**	**1,249**	**1,235**	**1,245**	**1,244**	**1,241**	**1,238**	**1,249**	**1,240**	**1,069**
Americas	357	395	414	384	395	398	404	408	414	416	327
Europe	466	466	454	467	466	461	457	453	454	446	444
Asia Pacific	384	384	380	383	384	386	380	377	380	379	298
OECD total	**3,987**	**4,001**	**4,088**	**4,043**	**4,001**	**3,994**	**4,029**	**4,106**	**4,088**	**4,049**	**3,798**
Oil-on-water	**1,391**	**1,310**	**1,546**	**1,309**	**1,310**	**1,364**	**1,383**	**1,461**	**1,546**	**1,257**	**1,461**
Days of forward consumption in OECD, days											
OECD onland commercial	**61**	**60**	**62**	**61**	**61**	**60**	**60**	**62**	**62**	**62**	**59**
Americas	60	59	60	60	60	58	58	61	61	61	56
Europe	67	69	69	68	72	69	67	71	72	70	68
Asia Pacific	49	47	53	48	46	51	53	48	50	51	52
OECD SPR	**26**	**27**	**27**	**27**	**28**	**27**	**27**	**27**	**27**	**27**	**23**
Americas	14	16	16	15	16	16	16	16	16	16	13
Europe	35	35	34	35	36	34	33	34	35	33	33
Asia Pacific	53	54	55	52	53	57	55	51	52	59	44
OECD total	**87**	**87**	**89**	**87**	**88**	**87**	**87**	**89**	**89**	**90**	**82**

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	2025	*Change 25/24*	1Q26	2Q26	3Q26	4Q26	2026	*Change 26/25*	1Q27	2Q27	3Q27	4Q27	2027	*Change 27/26*
US	22.2	*0.5*	22.0	22.7	22.8	22.8	22.6	*0.3*	22.4	22.6	22.7	22.7	22.6	*0.0*
Canada	6.1	*0.1*	6.2	6.0	6.2	6.3	6.2	*0.1*	6.3	6.1	6.3	6.5	6.3	*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	**28.3**	***0.6***	**28.1**	**28.7**	**29.0**	**29.1**	**28.8**	***0.5***	**28.7**	**28.7**	**29.0**	**29.2**	**28.9**	***0.2***
Norway	2.0	*0.0*	2.2	2.0	2.0	2.0	2.1	*0.0*	2.0	1.9	2.0	2.0	2.0	*-0.1*
UK	0.7	*0.0*	0.7	0.7	0.7	0.7	0.7	*0.0*	0.7	0.7	0.6	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	**3.6**	***0.1***	**3.8**	**3.6**	**3.5**	**3.7**	**3.6**	***0.0***	**3.6**	**3.5**	**3.5**	**3.6**	**3.5**	***-0.1***
Australia	0.3	*0.0*	0.3	0.3	0.3	0.3	0.3	*0.0*	0.3	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	**32.3**	***0.6***	**32.3**	**32.7**	**32.9**	**33.2**	**32.8**	***0.4***	**32.7**	**32.6**	**32.8**	**33.2**	**32.8**	***0.1***
China	**4.6**	***0.1***	**4.7**	**4.7**	**4.6**	**4.6**	**4.6**	***0.0***	**4.7**	**4.7**	**4.6**	**4.6**	**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	0.9	*0.0*	0.8	0.9	0.8	0.9	0.9	*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***	**1.7**	**1.7**	**1.6**	**1.6**	**1.6**	***0.0***	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	***0.0***
Argentina	1.0	*0.1*	1.0	1.1	1.1	1.1	1.1	*0.1*	1.1	1.1	1.2	1.2	1.2	*0.1*
Brazil	4.4	*0.2*	4.8	4.9	4.8	4.8	4.8	*0.4*	4.8	4.9	4.9	5.0	4.9	*0.1*
Colombia	0.8	*0.0*	0.8	0.8	0.8	0.8	0.8	*0.0*	0.8	0.7	0.8	0.7	0.8	*0.0*
Ecuador	0.4	*-0.1*	0.4	0.4	0.4	0.4	0.4	*0.0*	0.4	0.4	0.4	0.4	0.4	*0.0*
Latin America others	1.0	*0.1*	1.2	1.2	1.2	1.3	1.2	*0.2*	1.3	1.4	1.3	1.5	1.4	*0.2*
Latin America	**7.5**	***0.3***	**8.2**	**8.3**	**8.2**	**8.3**	**8.3**	***0.7***	**8.5**	**8.5**	**8.6**	**8.8**	**8.6**	***0.4***
Qatar	1.9	*0.0*	1.4	0.6	1.5	1.6	1.3	*-0.6*	1.5	1.5	1.5	1.5	1.5	*0.2*
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***	**1.5**	**0.7**	**1.7**	**1.7**	**1.4**	***-0.6***	**1.6**	**1.6**	**1.6**	**1.7**	**1.6**	***0.2***
Angola	**1.1**	***-0.1***	**1.1**	**1.1**	**1.0**	**1.0**	**1.0**	***0.0***	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	***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	0.5	*0.0*	0.5	0.5	0.5	0.5	0.5	*0.0*	0.5	0.5	0.5	0.5	0.5	*0.0*
Ghana	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*
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*	0.3	0.3	0.4	0.5	0.4	*0.0*	0.4	0.4	0.4	0.4	0.4	*0.1*
Africa	**2.3**	***-0.1***	**2.2**	**2.2**	**2.2**	**2.3**	**2.3**	***0.0***	**2.3**	**2.3**	**2.3**	**2.3**	**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	**19.3**	***0.3***	**19.6**	**18.9**	**19.6**	**19.8**	**19.5**	***0.2***	**20.0**	**20.0**	**20.0**	**20.2**	**20.0**	***0.5***
Non-DoC production	51.7	*1.0*	51.9	51.6	52.5	53.0	52.3	*0.6*	52.7	52.6	52.8	53.4	52.9	*0.6*
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	**54.2**	***1.0***	**54.5**	**54.2**	**55.1**	**55.6**	**54.8**	***0.6***	**55.2**	**55.2**	**55.4**	**56.0**	**55.5**	***0.6***
DoC NGLs	**8.6**	***0.1***	**8.7**	**8.8**	**8.7**	**8.9**	**8.8**	***0.1***	**8.9**	**8.9**	**8.9**	**8.9**	**8.9**	***0.1***
Non-DoC liquids production and DoC NGLs	**62.8**	***1.1***	**63.2**	**62.9**	**63.8**	**64.4**	**63.6**	***0.8***	**64.1**	**64.0**	**64.3**	**64.9**	**64.3**	***0.7***

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

Source: OPEC.

Table 11 - 5: World rig count, units

World rig count	2023	2024	2025	Change 2025/24	4Q25	1Q26	2Q26	Jun 26	Jul 26	Change Jul/Jun
US	688	599	562	*-37*	548	548	555	566	585	*19*
Canada	177	188	177	*-11*	185	201	151	183	198	*15*
Mexico	55	50	25	*-25*	27	31	26	27	26	*-1*
OECD Americas	**921**	**839**	**765**	***-74***	**761**	**781**	**732**	**777**	**811**	***34***
Norway	17	13	16	*3*	15	16	14	13	14	*1*
UK	12	8	8	*0*	6	6	8	8	9	*1*
OECD Europe	**66**	**64**	**66**	***2***	**64**	**66**	**67**	**72**	**80**	***8***
OECD Asia Pacific	**25**	**25**	**18**	***-7***	**18**	**19**	**20**	**20**	**21**	***1***
Total OECD	**1,012**	**927**	**849**	***-78***	**842**	**866**	**818**	**869**	**912**	***43***
Other Asia*	204	212	201	*-11*	199	195	194	197	201	*4*
Latin America	120	104	107	*3*	101	105	109	102	107	*5*
Middle East	61	62	62	*0*	61	61	58	59	62	*3*
Africa	67	52	44	*-8*	43	42	48	47	47	*0*
Other Europe	11	9	11	*2*	11	11	9	9	9	*0*
Total Non-OECD	**463**	**439**	**425**	***-14***	**415**	**414**	**417**	**414**	**426**	***12***
Non-OPEC rig count	**1,475**	**1,367**	**1,274**	***-93***	**1,257**	**1,280**	**1,236**	**1,283**	**1,338**	***55***
Algeria	36	42	43	*1*	42	40	42	42	42	*0*
Congo	1	1	1	*0*	1	2	2	2	2	*0*
Equatorial Guinea**	0	0	0	*0*	0	0	0	0	0	*0*
Gabon	3	4	3	*-1*	4	5	5	5	4	*-1*
Iran**	117	117	117	*0*	117	117	117	117	117	*0*
Iraq	61	62	62	*0*	63	59	14	10	12	*2*
Kuwait	24	31	34	*3*	40	42	39	41	40	*-1*
Libya	14	18	18	*0*	18	18	22	30	27	*-3*
Nigeria	14	15	13	*-2*	16	16	16	18	18	*0*
Saudi Arabia***	83	295	248	*-47*	232	252	266	269	274	*5*
UAE	57	66	74	*8*	77	72	72	74	74	*0*
Venezuela	2	2	1	*-1*	1	2	2	2	2	*0*
OPEC rig count	**412**	**653**	**615**	***-38***	**612**	**624**	**597**	**610**	**612**	***2***
World rig count****	**1,887**	**2,019**	**1,890**	***-129***	**1,869**	**1,903**	**1,832**	**1,893**	**1,950**	***57***
of which:										
Oil	1,498	1,559	1,425	*-134*	1,395	1,412	1,352	1,403	1,444	*41*
Gas	357	413	409	*-4*	414	433	427	434	442	*8*
Others	32	47	56	*9*	60	58	54	56	64	*8*

*Note: * Other Asia includes India and offshore rigs for China.*
*** Estimated data when Baker Hughes Incorporated did not reported the data.*
**** Since January 2024, Baker Hughes counts all operating rigs in Saudi Arabia; other countries reflect only active rigs.*
***** Data excludes onshore China, as well as Russia and other Eurasian countries.*
Totals may not add up due to independent rounding.
Sources: Baker Hughes Incorporated 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 annualised 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 6.76 in July

July 2026	82.99
June 2026	89.75
Year-to-date	**92.04**

July OPEC crude production

mb/d, according to secondary sources

Up 1.66 in July

July 2026	23.63
June 2026	21.97

July Non-OPEC DoC crude production

mb/d, according to secondary sources

Down 0.24 in July

July 2026	14.02
June 2026	14.26

Economic growth rate

per cent

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2026	3.0	2.2	0.8	0.7	4.6	6.6	2.0	1.1
2027	3.2	2.0	1.0	0.8	4.5	6.5	2.2	1.5

Supply and demand

mb/d

2026		**26/25**	**2027**		**27/26**
World demand	105.7	0.6	World demand	107.9	2.2
Non-DoC liquids production	54.8	0.6	Non-DoC liquids production	55.5	0.6
DoC NGLs	8.8	0.1	DoC NGLs	8.9	0.1
Difference	**42.1**	**-0.2**	**Difference**	**43.6**	**1.4**

OECD commercial stocks

mb

	Apr 26	May 26	Jun 26	Jun 26/May 26
Crude oil	1,327	1,312	1,296	-15.3
Products	1,429	1,444	1,433	-11.1
Total	**2,756**	**2,756**	**2,729**	**-26.4**
Days of forward cover	60.6	59.7	58.7	-1.0

Next report to be issued on 10 September 2026.