Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

15 July 2025

Feature article:
Review of crude and product price movements in the first half of 2025

Organization of the Petroleum Exporting Countries

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Oil Market Highlights

Crude Oil Price Movements

In June, the OPEC Reference Basket (ORB) value increased by $6.11 month-on-month (m-o-m), to average $69.73/b. The ICE Brent front-month contract increased by $5.79, m-o-m, to average $69.80/b, while the NYMEX WTI front-month contract increased by $6.39, m-o-m, to average $67.33/b. The GME Oman front-month contract increased by $5.63, m-o-m, to average $69.49/b. Meanwhile, the ICE Brent-NYMEX WTI first-month spread contracted by 60¢, m-o-m, to average $2.47/b. The market structure for all major crude benchmarks, ICE Brent, NYMEX WTI, and GME Oman, steepened compared to the previous month and moved into stronger backwardation. Hedge funds and other money managers sharply raised their bullish positions amid substantial financial flows activities into the ICE Brent and NYMEX WTI futures contracts.

World Economy

The global economy maintained its stable growth trajectory, supported by the healthy growth seen in 1H25. The global economic growth forecasts remain unchanged at 2.9% for 2025 and 3.1% for 2026. The US economic growth forecasts remain at 1.7% for 2025 and 2.1% for 2026. Japan's economic forecasts remain at 1.0% for 2025 and 0.9% for 2026. Eurozone economic growth forecasts remain at 1.0% for 2025 and 1.1% for 2026. China's economic growth forecasts remain at 4.6% for 2025 and 4.5% for 2026. India's economic growth forecasts remain at 6.5% for both 2025 and 2026. Brazil's economic growth forecasts remain at 2.3% for 2025 and 2.5% for 2026. Russia's economic growth forecasts remain at 1.8% for 2025 and 1.5% for 2026.

World Oil Demand

The global oil demand growth forecast for 2025 remains at 1.3 mb/d, year-on-year (y-o-y), unchanged from last month's assessment. Some minor adjustments were made, mainly due to actual data for 1Q25 and 2Q25. In the OECD, oil demand is forecast to grow by about 0.1 mb/d in 2025, while non-OECD demand is forecast to grow by about 1.2 mb/d in 2025. In 2026, global oil demand is forecast to grow by 1.3 mb/d, y-o-y, unchanged from last month's assessments. The OECD is forecast to grow by about 0.1 mb/d, y-o-y, while the non-OECD is forecast to grow by 1.2 mb/d, y-o-y.

World Oil Supply

Non-DoC liquids production (i.e., liquids production from countries not participating in the Declaration of Cooperation) is forecast to grow by about 0.8 mb/d, y-o-y, in 2025, unchanged from last month's assessment. The main growth drivers are expected to be the US, Brazil, Canada, and Argentina. The non-DoC liquids production growth forecast for 2026 is also unchanged at 0.7 mb/d, with the US, Brazil, Canada, and Argentina as the main growth drivers. Meanwhile, natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to grow by 0.1 mb/d, y-o-y, in 2025, averaging 8.6 mb/d, followed by a similar increase of about 0.1 mb/d, y-o-y, in 2026, to average 8.8 mb/d. Crude oil production by countries participating in the DoC increased by 349 tb/d in June, m-o-m, to average about 41.56 mb/d, according to available secondary sources.

Product Markets and Refining Operations

In June, refinery margins declined in the Atlantic Basin, amid the end of the heavy refinery maintenance season and stronger product output. Additionally, a rise in feedstock prices in June contributed to pressure on refining economics. This downturn was mostly driven by gasoline and residual fuel. In Singapore, the strength associated with middle distillates, amid concerns about supply disruptions due to geopolitical factors, outweighed the weakness witnessed at the top and bottom sections of the barrel due to ample availability, leading to a slight improvement in Southeast Asian refining economics. Global refinery intake in June increased by 2.1 mb/d, m-o-m, to an average of 82.7 mb/d.

Tanker Market

Dirty tanker spot freight rates continued to see mixed movements in June. VLCC rates were volatile over the month due to geopolitical developments, although the mid-month spike in rates was matched by a decline near the end of the month, resulting in VLCC rates remaining broadly flat in monthly average. On the Middle East-to-East route, VLCC spot freight rates were unchanged, m-o-m. Suezmax rates declined on average in June, despite geopolitical-driven volatility, as activities remained sluggish. Spot rates on the US Gulf Coast-to-Europe route fell by 3%, m-o-m. Aframax rates showed slight gains, supported by improving activities East of Suez at the end of the month. In the clean tanker market, spot rates were also mixed. East of Suez rates rose by 11%, m-o-m, driven by geopolitical concerns mid-month and then a pick-up in activities by month's end. Sluggish activities weighed on West of Suez clean rates, which declined by 8%, m-o-m.

Crude and Refined Product Trade

In June, US crude imports were broadly unchanged m-o-m, averaging 6.1 mb/d. US crude exports declined for the third month in a row to average 3.6 mb/d. Product imports into the US declined by 4%, m-o-m, to average 1.7 mb/d, while US product exports rose by close to 2%, m-o-m, to average just under 7 mb/d. Preliminary estimates indicate that OECD Europe's crude imports picked up, m-o-m, in May, ahead of the summer season. Product imports into OECD Europe increased by 11%, m-o-m, led by fuel oil, while product exports rose by 11%, with gains across all major products except LPG. Japan's crude imports declined, m-o-m, in May, but remained well above last year's level at 2.4 mb/d. Japan's product imports recovered slightly following the sharp decline in the previous month, amid a rebound in LPG inflows. Product exports fell, driven lower by gasoil and gasoline outflows. In China, crude imports dropped further to an average of 11.0 mb/d in May, with inflows keeping in line with the five-year average. Product imports remained broadly flat but were still well above the five-year average, while China's product exports declined seasonally. India's crude imports in May remained above 5 mb/d for the fifth month in a row, despite a decline of 2%, m-o-m. Product imports recovered m-o-m, averaging 1.2 mb/d, with the increase driven primarily by fuel oil. Product exports surged by nearly 34%, m-o-m, to average 1.4 mb/d, as diesel and gasoline exports rebounded.

Commercial Stock Movements

Preliminary data indicate that OECD commercial oil inventories stood at 2,771 mb in May, representing a m-o-m increase of 34.5 mb. Within the components, crude and products stocks rose by 14.3 mb and 20.1 mb, m-o-m, respectively. Compared to the 2015–2019 average, OECD commercial oil stocks were 184 mb lower. OECD commercial crude stocks stood at 1,358 mb, which is 127 mb below the 2015–2019 average. Total OECD product stocks stood at 1,413 mb, or 57 mb below the 2015–2019 average. In terms of days of forward cover, OECD commercial oil stocks rose by 0.1 days, m-o-m, to 59.8 days in May, which is 2.2 days below the 2015–2019 average.

Balance of Supply and Demand

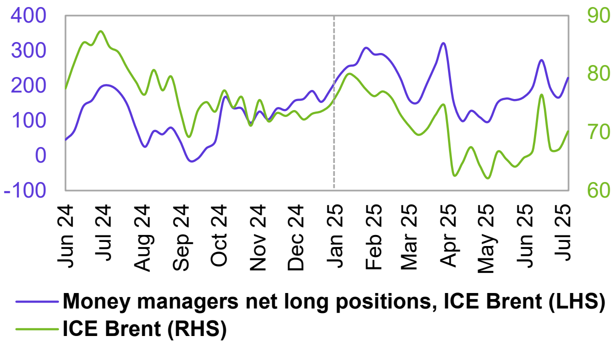
Demand for DoC crude (i.e., crude from countries participating in the Declaration of Cooperation) is revised down by 0.3 mb/d from the previous month, reaching 42.5 mb/d in 2025. This is mainly due to an upward revision in DoC NGLs historical baseline. However, the growth in demand for DoC crude remains unchanged from last month at 0.4 mb/d. Similarly, the demand for DoC crude in 2026 is also revised down by 0.3 mb/d from the previous month, given the updated DoC NGLs baseline number, reaching 42.9 mb/d, or about 0.4 mb/d higher than the 2025 projection, which is the same as last month's assessment.

Feature Article

Review of crude and product price movements in the first half of 2025

Crude oil prices experienced heightened volatility during 1H25, largely driven by geopolitical developments in the Middle East and Eastern Europe, as well as uncertainty surrounding US trade policy toward key economic partners. These developments weighed on market sentiment and contributed to fluctuating risk premiums across the oil complex. Volatility was further amplified in the oil futures market by elevated speculative activity (***Graph 1***). Hedge funds and other money managers frequently adjusted their net positions in response to evolving geopolitical news and signals regarding international trade policy, resulting in sharp price swings throughout the period.

Graph 1: Money Managers' net long positions *vs.* ICE Brent price

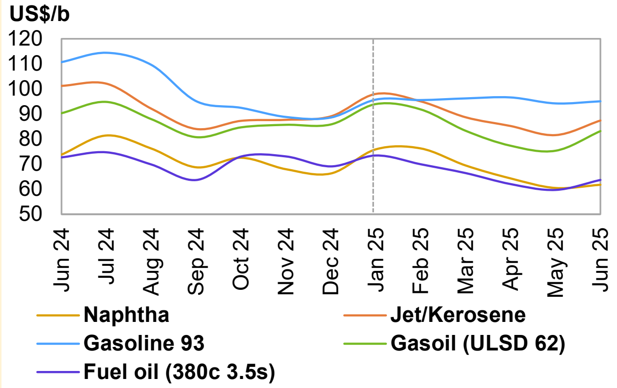


Sources: ICE and OPEC.

Despite the volatility, physical market fundamentals remained robust, with global oil supply and demand broadly balanced. OECD commercial oil stocks stood below the levels recorded during the same period in 2024, as well as the latest five-year average, reflecting sustained inventory drawdowns. Fundamentals showed further signs of strength in June, as refiners ramped up crude intake ahead of the anticipated seasonal increase in transportation fuel consumption during the summer holiday period. The physical market was supported by firm buying interests for prompt-loading volumes and resilient refining activities. Signs of progress in US trade negotiations with key counterparts bolstered sentiment surrounding the global economic outlook and demand for oil.

In general, key product prices showed a rebound in June, following five consecutive monthly declines. The notable January-to-May product price drop was caused by seasonally softer product consumption during the winter season and positive y-o-y product supply growth due to ramp-ups at newer refineries. These dynamics led to a lengthening product balance and pressured product prices.

Graph 2: Wholesale refined product prices in the USGC



Sources: Argus Media and OPEC.

During the first five months of the year, however, Atlantic basin gasoline prices were somewhat resistant to general product price weakness. They remained relatively more stable, with limited losses, and also witnessed an early rise that saw gasoline become the highest priced product, particularly in the US. This development was due to the weather-related unplanned refinery outages during the first quarter of 2025 and firm gasoline outflows that led to a tighter gasoline balance. This kept gasoline prices relatively well sustained, while those of other key products underwent a downturn.

In June, a combination of a rise in crude prices, seasonal improvements in mobility, and a contraction in product availability following the most recent refinery maintenance season led to a rebound in product prices. This was a reflection of a tighter product balance, increasing road and air travel, stronger power generation demand in East of Suez, and a positive market expectation, particularly for transport fuels. Nonetheless, despite the product price rise observed in June, average product prices remained lower y-o-y, as new product flows continue to enter the market with newer refineries gradually increasing their utilisation rates. In the US Gulf Coast (USGC) and Northwest Europe, this y-o-y decline in product prices was mostly driven by gasoline, jet/kerosene and naphtha, while in Southeast Asia, the largest price drop was seen associated with middle distillates and gasoline. Average product prices (across the barrel) were down by $11.55/b, $8.98/b, and $10.50/b in the USGC, Rotterdam and Singapore, respectively.

Looking ahead, refinery intakes globally, and particularly in the US, are expected to keep throughputs elevated to meet the seasonal uptick in transport fuel demand, especially that of gasoline, jet/kerosene and residual fuel, which are expected to benefit from a seasonal boost in consumption.

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Crude Oil Price Movements

In June, the OPEC Reference Basket (ORB) value increased by $6.11, m-o-m, to average $69.73/b, as all ORB component values increased alongside their respective crude benchmarks.

The ICE Brent front-month contract increased in June by $5.79, m-o-m, to average $69.80/b, the NYMEX WTI front-month contract increased by $6.39, m-o-m, to average $67.33/b, and the GME Oman front-month contract increased by $5.63, m-o-m, to average $69.49/b.

The ICE Brent and NYMEX WTI spread narrowed further in June, as the NYMEX WTI benchmark continued to outperform ICE Brent. The ICE Brent and NYMEX WTI spread narrowed by 60¢, m-o-m, to average $2.47/b.

Hedge funds and other money managers sharply raised their bullish positions amid substantial financial flows into the ICE Brent futures contract. Net long positions in ICE Brent and NYMEX WTI rose by 28% throughout June, and speculators bought an equivalent of 78 mb during the same period.

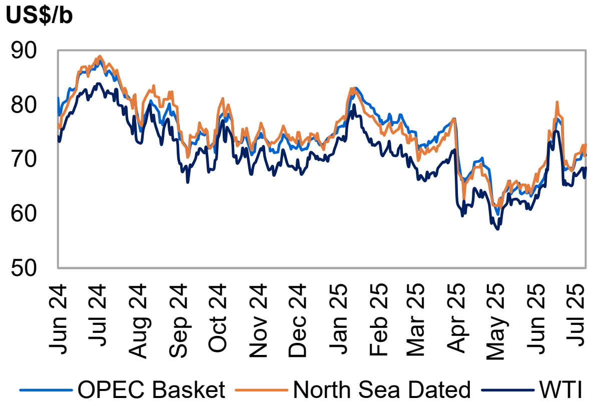
The forward curve of major crude futures contracts steepened in June, and the spreads between the nearest futures contracts moved into stronger backwardation. Front-month prices rose more than forward contracts, amid the escalation of geopolitical tensions in the Middle East, signs of robust physical market fundamentals, and a positive short-term outlook for the supply/demand balance. The expectation of solid oil demand during the summer holiday season and improving demand for prompt crude from European, Asian, and US refiners also contributed to the steepening of futures forward curves.

The premium of light-sweet to medium-sour crudes showed mixed movements in the three main spot markets. The sweet-sour crude differentials widened in Asia Pacific, but narrowed both in Europe and the US Gulf Coast (USGC).

Crude spot prices

Crude spot prices rebounded in June, supported by a combination of geopolitical risk premiums and strengthening physical market fundamentals. The North Sea Dated benchmark led the gains, rising by over $7/b, m-o-m, marking the strongest increase among the major spot benchmarks. Spot prices were bolstered by concerns over short-term supply availability amid escalating geopolitical tensions in the Middle East and Eastern Europe. Renewed buying interest, particularly for prompt-loading cargoes, contributed to upward pressure, as refiners sought to secure volumes ahead of the anticipated seasonal increase in demand for transportation fuels during the summer driving season.

Graph 1 - 1: Crude oil price movements



Sources: Argus and OPEC.

Strengthening physical market fundamentals were further reflected in a sharp m-o-m increase of 2.1 mb/d in global refinery crude intake, as refiners returned from maintenance, particularly in key consuming regions. The bullish market sentiment was further reinforced by a substantial drawdown in US crude stocks. Additionally, short covering by speculative participants in the futures market added to the upward momentum.

Spot crude prices strengthened relative to futures, widening their premium, supported by potential supply outages and strong market fundamentals. North Sea Dated stayed at a premium to ICE Brent's first-month contract on a monthly basis in June, with the spread rising by $1.49/b, m-o-m, to $1.55/b. In June, North Sea Dated and WTI's first-month contract increased respectively by $7.28 and $6.78, m-o-m, to settle at $71.35/b and $67.86/b. The Dubai first-month contract rose the least, up $5.63 to average $69.19/b.

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

OPEC Reference Basket (ORB)	May 25	Jun 25	Change Jun 25/May 25	Year-to-date 2024	2025
ORB	**63.62**	**69.73**	***6.11***	**83.58**	**72.04**
Arab Light	65.00	70.83	*5.83*	85.29	73.65
Basrah Medium	63.23	69.24	*6.01*	81.71	71.39
Bonny Light	64.55	71.73	*7.18*	85.83	72.36
Djeno	56.62	63.90	*7.28*	76.50	64.19
Es Sider	63.52	71.00	*7.48*	83.44	70.67
Iran Heavy	63.25	69.13	*5.88*	83.45	72.27
Kuwait Export	63.94	69.83	*5.89*	84.39	72.94
Merey	51.73	56.86	*5.13*	69.93	59.66
Murban	63.63	69.81	*6.18*	83.41	71.93
Rabi Light	63.61	70.89	*7.28*	83.49	71.18
Sahara Blend	64.47	71.40	*6.93*	85.02	72.13
Zafiro	64.98	71.67	*6.69*	85.31	73.39
Other Crudes					
North Sea Dated	64.07	71.35	*7.28*	83.94	71.65
Dubai	63.56	69.19	*5.63*	83.29	71.87
Isthmus	61.57	67.42	*5.85*	77.33	67.42
LLS	63.39	70.39	*7.00*	81.70	70.34
Mars	62.05	69.08	*7.03*	79.16	68.83
Minas	67.22	74.64	*7.42*	87.55	74.81
Urals	51.07	58.90	*7.83*	67.16	58.26
WTI	61.08	67.86	*6.78*	78.92	67.73
Differentials					
North Sea Dated/WTI	2.99	3.49	*0.50*	5.01	3.92
North Sea Dated/LLS	0.68	0.96	*0.28*	2.24	1.31
North Sea Dated/Dubai	0.51	2.16	*1.65*	0.65	-0.22

Sources: Argus, Direct Communication, and OPEC.

The strength of physical crude market fundamentals was also reflected in the rise of almost all crude differentials. Crude differentials in the Atlantic Basin rebounded firmly in June, supported by renewed buying interest from European refiners. North Sea crude differentials for both light-sweet and medium-sour grades firmed in June. The Forties and Ekofisk crude differentials increased, m-o-m, in June by 82¢ and 79¢, respectively, to settle at premiums of 87¢/b and $2.27/b. Sour crude also strengthened, with crude differentials for Johan Sverdrup rising against North Sea Dated on persistent firm demand for the grade. Johan Sverdrup differentials in June rose by $2.28, m-o-m, to an average premium of $2.74/b.

West African crude differentials also strengthened in June on renewed demand from European and Asian buyers for July-loading cargoes. The high value of similar grades in other regions also helped to lend support to West African grades. On a monthly average, Bonny Light, Forcados, and Qua Iboe crude differentials to North Sea Dated rose by $1.07, $1.28 and $1.42, respectively, to stand at premiums of $1.35/b, $2.43/b and $1.70/b. Cabinda differentials also rose, m-o-m, by 29¢ on average, to a premium of 84¢/b, compared with a 55¢/b premium in May.

Similarly, in the Mediterranean, crude differentials of light sweet crudes, Saharan Blend and Azeri light strengthened in June, increasing by 37¢ and $1.51, m-o-m, to stand at premiums of 58¢/b and $3.67/b. Caspian light-sour CPC Blend crude remained at a discount to North Sea Dated in June, but increased by $1.00, m-o-m to stand at a $1.44/b discount.

In the Middle East spot market, most crude differentials rose against Dubai. The Oman crude differential increased by 78¢, m-o-m, to a premium of $1.99/b.

In the USGC, Light Louisiana Sweet (LLS) and Mars sour differentials against the WTI benchmark also increased on demand from the refiners in US PADD3. LLS crude differentials against WTI rose in June by 22¢, m-o-m, to stand at a premium of $2.53/b, and Mars sour differentials rose by 21¢, m-o-m, to a premium of $1.21/b.

OPEC Reference Basket (ORB) value

In June, the ORB value increased by $6.11, m-o-m, to settle at $69.73/b. All ORB component values rose in line with gains in their respective crude benchmarks. On a year-to-date (y-t-d) basis, the ORB value averaged $72.04/b.

West and North African Basket components – Bonny Light, Djeno, Es Sider, Rabi Light, Sahara Blend and Zafiro – rose by an average of $7.14, m-o-m, to $70.10/b, and multiple-region destination grades – Arab Light, Basrah Medium, Iran Heavy and Kuwait Export – increased on average by $5.90, m-o-m, to settle at $69.76/b. Murban crude increased on average by $6.18, m-o-m, to settle at $69.81/b. The Merey component rose by $5.13, m-o-m, to settle at $56.86/b.

The oil futures market

Crude oil futures prices rebounded firmly in June. The recovery was driven by heightened geopolitical tensions, a rising supply-risk premium, and improving sentiment surrounding trade discussions between the US and its key economic partners. Supportive market fundamentals, reflected in a substantial draw in US crude stocks, further underpinned prices. However, market volatility was elevated.

Crude futures began to recover at the beginning of the month, buoyed by a shift in market sentiment, as participants focused on tighter supply expectations amid growing geopolitical uncertainty in Eastern Europe and unplanned supply outages. Wildfires in Canada led to the temporary shut-in of around 350 tb/d of production, contributing to a more bullish outlook for near-term supply. A weakening US dollar added support to the positive momentum during the first trading week. However, persistent concerns over the trajectory of US-China trade negotiations capped upward momentum.

Crude futures prices extended gains in the second week as optimism surrounding global trade improved, with signals of progress in US-China talks emerging, lending support to the broader economic and oil demand outlooks. At the same time, tensions in the Middle East and Eastern Europe added to market concerns over potential supply disruptions. Nevertheless, the price rally was somewhat moderated by weak crude import figures from China, which declined to a four-month low in May, and additional builds in US petroleum product inventories.

The price momentum continued into the third week of the month, with futures prices surging by nearly 10% on a weekly basis amid heightened volatility. Escalating geopolitical tensions in the Middle East raised the risk of supply outages, prompting a steepening of the front end of the futures forward curve. Market sentiment was further supported by renewed optimism over trade negotiations and a larger-than-expected draw in US crude stocks, reinforcing expectations of robust demand for transportation fuels with the start of the summer holiday season.

In the final week of June, crude futures prices reversed part of the earlier gains, with volatility remaining elevated. Selling pressure intensified following signs of easing tensions in the Middle East, which prompted the unwinding of some risk premiums. Nonetheless, losses were limited by continued weakness in the US dollar and supportive US stock data, with the EIA reporting draws across both crude and refined product stocks.

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

Crude oil futures	May 25	Jun 25	*Change* Jun 25/May 25	*Year-to-date* 2024	2025
NYMEX WTI	60.94	67.33	6.39	78.81	67.52
ICE Brent	64.01	69.80	5.79	83.42	70.81
GME Oman	63.86	69.49	5.63	83.35	71.85
Spread					
ICE Brent-NYMEX WTI	*3.07*	*2.47*	*-0.60*	*4.61*	*3.29*

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

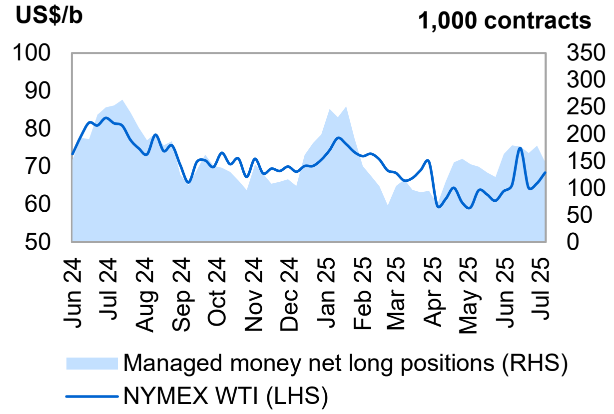
The ICE Brent front-month contract rose in June by $5.79, m-o-m, to average $69.80/b, and the NYMEX WTI front-month contract increased by $6.39, m-o-m, to average $67.33/b. On a y-t-d basis, ICE Brent was $12.61 lower at $70.81/b, and NYMEX WTI was lower by $11.29 at $67.52/b, compared with the same month a year earlier. The GME Oman front-month contract rose, m-o-m, in June by $5.63 to settle at $69.49/b. Y-t-d, GME Oman was lower by $11.50 at $71.85/b.

The ICE Brent and NYMEX WTI spread narrowed further in June as the NYMEX WTI benchmark continued to outperform ICE Brent. On a monthly average, the ICE Brent and NYMEX WTI spread narrowed by 60¢, m-o-m, in June to stand at $2.47/b, its lowest level since October 2021. This makes the arbitrage economics of WTI-related crude less attractive than those of other similar crudes in both Europe and Asia. US crude exports fell below 3 mb/d in the first three weeks of June. Traders were more optimistic about the NYMEX WTI benchmark on the prospect of strengthening supply/demand fundamentals in the US market and a large drawdown in crude stocks, including in the trading hub of Cushing, Oklahoma, amid expectations of further strengthening of US oil demand. Crude stocks at Cushing fell by 1.9 mb between the weeks of 30 May and 20 June, according to weekly EIA data.

Although the spread between the value of North Sea Dated and WTI Houston widened in June, it remained narrow below $3/b. The spread widened by 79¢ on a monthly average to stand at $2.96/b, compared to $2.16/b in May. Crude value in the USGC was supported by robust crude demand from domestic refiners, as refinery intakes continued to recover in PADD2 and PADD3. According to EIA data, the weekly US refiner net input of crude oil rose to 17.0 mb/d in the week to 20 June, and the weekly US utilisation of refinery operable capacity increased to 94.7%.

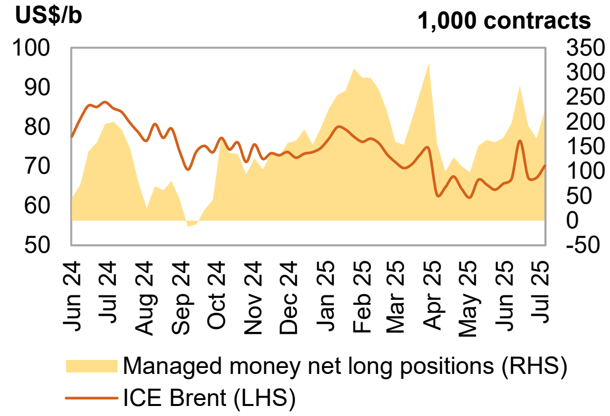
Hedge funds and other money managers sharply raised their bullish positions amid substantial financial flows into the ICE Brent futures contract, specifically in the third week of the month. ICE Brent open interest rose to a historically high level in the week ending 17 June. Net long positions in ICE Brent and NYMEX WTI rose by 27.8% over June. Speculators bought an equivalent of 78 mb during the same period. Escalating geopolitical tensions in the Middle East prompted speculators to raise bullish wagers, betting on potential supply disruption, which, in turn, fuelled oil price momentum. However, in the week of 24 June, speculators reduced net long positions amid signs of easing geopolitical tensions as global oil supply remained unaffected.

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



Sources: CFTC, CME and OPEC.

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



Sources: ICE and OPEC.

Money managers turned more optimistic about ICE Brent futures prices in the first half of June, buying an equivalent of about 114 mb in ICE Brent contracts between the weeks of 27 May and 17 June. The combined futures and options net long positions related to Brent increased by 114,225 lots, or 71.9%, over the same period, to stand at 273,175 contracts in the week ending 17 June, according to the ICE Exchange. However, net long positions fell in the week ending 24 June to 192,598 lots. Over the four weeks of June, long positions increased by 18,477 lots, or 6.4%, to stand at 307,446 contracts while short positions fell by 15,171 lots, or 11.7%, to stand at 114,848 contracts over the same period.

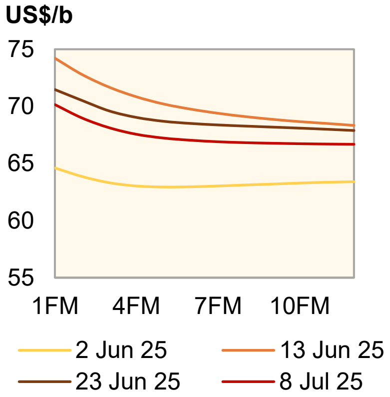
WTI-related net long positions also rose in June but underwent frequent adjustments over the month, which contributed to rising price volatility. Between the weeks of 27 May and 24 June, NYMEX WTI futures and options net long positions increased by 43,977 lots, or 36.5%, to stand at 164,559 contracts, according to the US Commodity Futures Trading Commission (CFTC). During the same period, gross long positions rose by 21,484 lots, or 11.5%, to 208,038 contracts, and gross short positions fell by 22,493 lots, or 34.1%, to 43,479 contracts.

The ICE Brent long-to-short ratio of speculative positions rose to 5:1 in June, compared with about 3:1 in May. The NYMEX WTI long-to-short ratio also increased to 3:1 in June, compared with about 2:1 in May. Total open interest volumes related to ICE Brent and NYMEX WTI futures and options increased in June by 406,394 lots, or 6.8%, to stand at 6.4 million contracts as of the week ending 24 June. Open interest volumes related to ICE Brent futures and options rose by 253,077 contracts, or 7.1%, m-o-m, to stand at 3.8 million contracts as of the week ending 24 June. Open interest volumes related to NYMEX WTI futures and options increased by 153,317 lots, or 6.2%, to stand at 2.6 million contracts in the last week of June.

The futures market structure

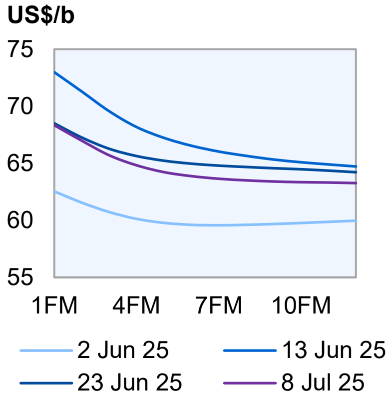
In June, the forward curve of the major crude futures contracts steepened, and the spreads between the nearest futures contracts moved into stronger backwardation. Front-month prices rose more than forward contracts, amid the escalation of geopolitical tensions in the Middle East, signs of robust physical market fundamentals and a positive supply/demand balance outlook in the short term. Expectation of solid oil demand in the summer holiday season and improving prompt crude demand from European, Asian and US refiners also contributed to steepening the futures forward curves.

Graph 1 - 4: ICE Brent forward curves



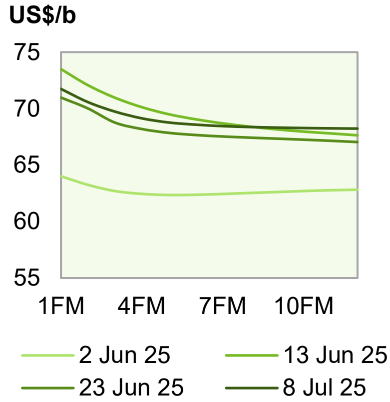
Sources: ICE and OPEC.

Graph 1 - 5: NYMEX WTI forward curves



Sources: CME and OPEC.

Graph 1 - 6: GME Oman forward curves



Sources: GME and OPEC.

The backwardation structure of Brent futures strengthened last month, with the first-to-third-month spread rising by nearly $1/b, mirroring short-term supply concerns and higher risk premiums. Signs of improving short-term supply/demand fundamentals in the Atlantic Basin added support to front-month prices. On a monthly average, the ICE Brent M1/M3 spread widened to a backwardation of $1.91/b in June, compared to 98¢/b in May. On a monthly average, the ICE Brent M1/M3 spread rose to its highest level since October 2023. The ICE Brent M1/M6 spread widened last month by $1.65, with backwardation standing on average at $3.03/b compared with a backwardation of $1.38/b in May.

The NYMEX WTI forward curve strengthened the most as prompt prices surged, driven by strong demand and concerns over crude oil imports from Canada due to unplanned outages. Adding to the upward pressure, a large draw in US crude inventories, including at Cushing, Oklahoma, provided further support to front-month prices. The NYMEX WTI first-to-third month spread widened by $1.39 to a backwardation of $2.42/b on average in June, compared with a backwardation of $1.03/b in May.

The market structure of GME Oman also strengthened amid concerns about a potential supply disruption, which raised demand in the spot market from Asia Pacific buyers, including China and India. An improving demand outlook in the coming months added support. On a monthly average, the GME Oman M1/M3 spread widened by 88¢ to stand at a backwardation of $1.73/b in June, from a backwardation of 86¢/b in May.

The North Sea Brent M1/M3 spread increased on a monthly average by $1.13 in June to stand at a backwardation of $2.29/b, compared to $1.16/b the month before. In the US, the WTI M1/M3 backwardation widened by $1.42 to $2.48/b, compared to a backwardation of $1.06/b in May. The Dubai M1/M3 backwardation rose by 68¢ on average in June, to stand at a backwardation of $1.82/b.

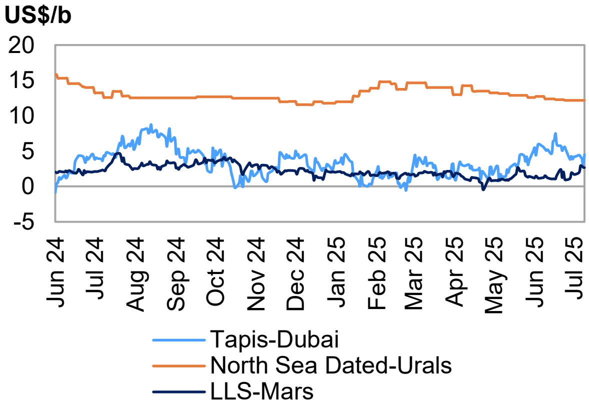
Crude spreads

The premium of light-sweet to medium-sour crudes showed mixed movements among the three main spot markets. The sweet-sour crude differentials widened in Asia Pacific, while they narrowed in both Europe and the USGC markets.

In Europe, sweet-sour crude differentials contracted, driven by stronger sour crude prices, while light sweet gains were capped by ample supply. The sour market was supported by concerns about potential supply outages due to geopolitical tensions in the Middle East, along with stronger High Sulphur Fuel Oil (HSFO) margins in Northwest Europe. The Ekofisk–Johan Sverdrup spread declined in June by $1.49, m-o-m, flipping to a discount of 47¢/b, the lowest since June 2024, on a daily basis. Johan Sverdrup medium-sour crude surged amid firm demand for prompt-loading cargoes, coupled with lower sour crude availability in Europe and rising prices of similar grades in the Middle East. Meanwhile, a decline in naphtha margins limited gains in the value of light-sweet crudes. The value of Urals against North Sea Dated also rose, with Urals crude differentials to North Sea Dated in the Black and Baltic Seas increasing by 55¢ and 93¢, m-o-m, in June to stand at discounts of $12.45 and $12.72/b, respectively.

In the USGC, the light sweet-sour spread narrowed further, reflecting strengthening fundamentals in the sour crude market. Demand for sour grades rose due to solid refinery intake and limited import availability, particularly from Latin America, where lower exports from Mexico and wildfire-related supply concerns in Canada tightened supply. Meanwhile, light-sweet crude availability remained elevated amid weak arbitrage export economics. Additionally, a sharp decline in gasoline and naphtha crack spreads weighed on the value of light sweet crudes, while firmer gasoil margins supported sour grades such as Mars. The LLS premium over medium-sour Mars fell by 3¢ on average in June, settling $1.31/b.

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



Sources: Argus and OPEC.

However, in Asia Pacific, the sweet-sour crude differentials widened notably in June by $2.70, m-o-m, to stand at an average of $5.47/b. The light-sweet market in Asia Pacific was supported by the stronger value of Brent-related grades in the Atlantic Basin, as the Brent benchmark benefited from higher geopolitical risk premiums. Narrower west-to-east arbitrage economics also buoyed the value of light-sweet crudes in Asia Pacific. The Brent-Dubai front-month exchange of futures for swaps (Brent-Dubai EFS) rose over the month, which reduced west-to-east arbitrage opportunities and supported light-sweet crude in the East Suez market. The Brent-Dubai EFS widened on a monthly average in June by 86¢ to $2.35/b, compared to $1.49/b in May. The spread between North Sea Dated and Dubai also rose firmly by $1.65, m-o-m, to average $2.16/b.

Commodity Markets

Most commodity price indices showed positive performances in June, though the agriculture and 'other minerals' indices lagged during this period.

In the futures markets, sentiment improved in June, particularly on non-energy commodities, though cautious optimism remained. Both combined money managers' net length and open interest (OI) increased over the period.

Energy commodity prices improved m-o-m on the back of seasonal demand trends, particularly in the northern hemisphere. Meanwhile, non-energy commodity prices saw some support from improved industrial activity and a lower US dollar.

Trends in select energy commodity markets

The energy price index rebounded in June after four consecutive months of decline, increasing by 9.7%, m-o-m. It was supported by positive performance in most energy prices, but gains were partially offset by a decline in natural gas prices in the US. The index was down by 11.2%, y-o-y, under pressure from declines in Australian and US coal prices as well as average crude oil prices, although higher natural gas prices in the US and EU partially offset losses over the period.

Table 2 - 1: Select energy prices

Commodity	Unit	Monthly average			% Change		Year-to-date	
		Apr 25	May 25	Jun 25	Jun 25/ May 25	Jun 25/ Jun 24	2024	2025
Energy*	*Index*	**87.9**	**84.0**	**92.2**	**9.7**	**-11.2**	**103.9**	**93.6**
Coal, Australia	*US$/boe*	9.4	10.0	10.4	4.4	-19.3	12.6	10.2
Coal, US	*US$/boe*	6.9	6.9	6.9	0.8	-2.0	6.7	6.8
Crude oil, average	*US$/b*	65.9	62.7	69.1	10.2	-14.8	82.1	70.1
Natural gas, US	*US$/boe*	18.4	16.9	16.3	-3.0	20.3	11.4	19.8
Natural gas, Europe	*US$/boe*	62.7	63.1	66.9	6.0	13.8	50.8	71.1

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

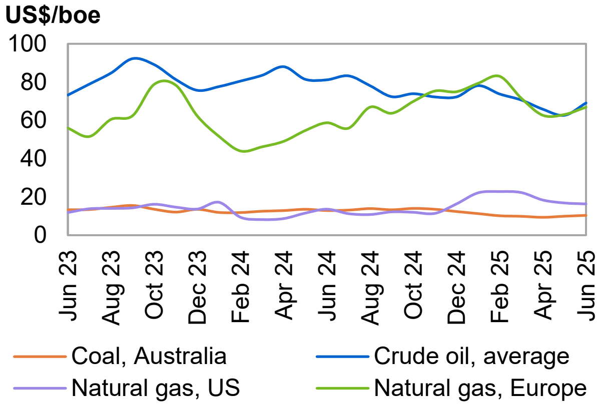
Australian thermal coal prices rose for a second consecutive month in June, increasing by 4.4%, m-o-m. Healthy demand from Asian countries, particularly China and India, along with supply constraints in Australia, remained supportive of prices. Elsewhere in the EU, elevated natural gas prices continued to incentivise gas-to-coal fuel switching for some utilities. Prices were down by 19.3%, y-o-y.

In the US, coal prices continued to advance in June, increasing by 0.8%, m-o-m. Steady domestic power demand set a floor on prices, while a softer US dollar remained supportive of exports, particularly towards Europe. Compared with the same period last year, prices were down by 2.0%, y-o-y.

Average crude oil prices rebounded in June after trending downwards for four consecutive months. Prices rose by 10.2%, m-o-m, due to a combination of improved market fundamentals and geopolitical developments. Prices were down by 14.8%, y-o-y.

Henry Hub's natural gas prices declined for a fourth consecutive month in June, falling by 3.0%, m-o-m. A combination of mild weather and lower US LNG demand inflated domestic storage, dragging down prices. Reports of high storage levels added more downward pressure on prices. According to data from the US Energy Information Administration, average weekly natural gas storage increased by 23.9%, m-o-m, in June and was reported to be above the five-year average. Prices were up by 20.3%, y-o-y.

Graph 2 - 1: Select energy prices



Sources: World Bank, Haver Analytics and OPEC.

The average Title Transfer Facility (TTF) advanced for a second consecutive month in June, increasing by 6.0%, m-o-m. Prices rose on the back of higher cooling demand amid heat waves in the region. Gains were capped by a lower geopolitical risk premium and reports of healthy storage levels across the region. According to data from Gas Infrastructure Europe, EU storage levels rose to 58.9% as of the end of June, up from 48.4% in May, a 10.5 pp increase. Prices were up by 13.8%, y-o-y.

Trends in select non-energy commodity markets

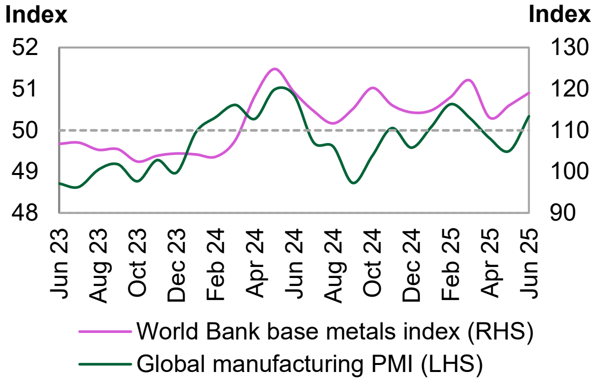
The non-energy price index receded in June, falling by 1.1%, m-o-m. The index was under pressure from a decline in the agriculture index, which fell by 2.8%, m-o-m, though positive performance in the base metal index partially offset the non-energy index losses. Non-energy and agriculture indices were down by 1.1% and 2.0%, y-o-y, respectively.

Base metals

The base metal index rose for a second consecutive month in June, increasing by 2.6%, m-o-m. Ongoing supply tightness in key metals such as aluminium and copper continued to support metal prices in the period. Moreover, the tariff front-loading effect was sustained by a lower US dollar. Metal prices were further supported by stable industrial activity, particularly in China. The global manufacturing PMI rebounded in June, rising to expansionary territory. The benchmark rose to 50.3 in June, up from 49.5 in May, a 1.7% increase, m-o-m. The base metal index remained unchanged, y-o-y.

At the London Metal Exchange (LME) warehouses, combined stocks of base metals continued to decrease in June, falling by 10.4%, m-o-m, and were down by 39.1%, 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.

Combined cancelled warrants declined for a third consecutive month in June, dropping by 40.7%, m-o-m. They were down by 63.6%, y-o-y. At the same time, combined on-warrants grew by 3,7%, m-o-m, but were down by 25.7%, y-o-y.

Table 2 - 2: Base metal prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Apr 25	May 25	Jun 25	Jun 25/ May 25	Jun 25/ Jun 24	2024	2025
Non-energy*	*Index*	**113.6**	**114.1**	**112.9**	**-1.1**	**-1.1**	**111.7**	**115.6**
Base metal*	*Index*	**112.6**	**116.2**	**119.2**	**2.6**	**0.0**	**112.9**	**117.2**
Copper	*US$/mt*	9,191	9,543	9,775	2.4	1.0	9,121	9,439
Aluminium	*US$/mt*	2,382	2,451	2,525	3.0	0.8	2,370	2,541
Nickel	*US$/mt*	15,160	15,379	15,036	-2.2	-14.3	17,571	15,404
Lead	*US$/mt*	1,913	1,965	1,982	0.9	-8.0	2,131	1,966
Zinc	*US$/mt*	2,628	2,653	2,663	0.4	-5.5	2,651	2,746
Iron Ore	*US$/mt*	100	99	95	-4.0	-11.4	117	101

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

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

Copper prices rose in June, increasing by 2.4%, m-o-m, and were up by 1.0%, y-o-y. At LME warehouses, stocks fell in June by 36.4%, m-o-m, and were down by 21.8%, y-o-y. Cancelled warrants declined by 24.5%, m-o-m, but were up by more than 100%, y-o-y. On-warrants fell by 45.2%, m-o-m, and were down by 60.1%, y-o-y.

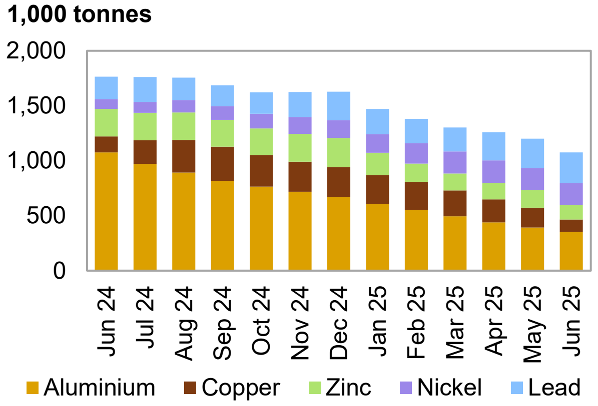
Aluminium prices in June rose by 3.0%, m-o-m, and were up by 0.8%, y-o-y. LME warehouse stocks declined over the month by 10.7%, m-o-m, and were down by 67.2%, y-o-y. Cancelled warrants decreased in June by 73.3%, m-o-m, and were down by 94.7%, y-o-y. On-warrants rose by 13.8%, m-o-m, but were down by 37.7%, y-o-y.

Nickel prices receded in June by 2.2%, m-o-m, and were down by 14.3%, y-o-y. At LME warehouses, stocks rose by 1.1%, m-o-m, and were up by more than 100%, y-o-y. Cancelled warrants rose in June by 1.7%, m-o-m, and were higher by more than 100%, y-o-y. On-warrants increased in June by 1.1%, m-o-m, and were up by more than 100%, y-o-y.

Lead prices increased in June by 0.9%, m-o-m, but were down by 8.0%, y-o-y. At LME warehouses, stocks increased by 4.3%, m-o-m, and were up by 36.0%, y-o-y. Cancelled warrants fell in June by 34.2%, m-o-m, but were up by more than 100%, y-o-y. On-warrants rose by 30.1%, m-o-m, and were up by 18.8%, y-o-y.

Zinc prices experienced a marginal gain in June, increasing by 0.4%, m-o-m; however, they were down by 5.5%, y-o-y. At LME warehouses, stocks decreased by 19.7%, m-o-m, and were down by 48.5%, y-o-y. Cancelled warrants declined by 28.4%, m-o-m, but were up by 87.3%, y-o-y. On-warrants declined by 13.5%, m-o-m, and were down by 63.9%, y-o-y.

Graph 2 - 3: Inventories at the LME



Sources: LME, Thomson Reuters and OPEC.

Iron ore prices in June dropped by 4.0%, m-o-m, and were down by 11.4%, y-o-y. At the same time, China's steel industry PMI fell further below expansionary territory to 45.9 in June, down from 46.4 in May, a 1.1%, m-o-m, decline.

Precious metals

The precious metals index continued to advance in June, increasing by 2.6%, m-o-m. All precious metal prices rose in the period, with gold, silver and platinum increasing by 1.3%, 9.9% and 27.8%, m-o-m, respectively.

Table 2 - 3: Precious metal prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Apr 25	May 25	Jun 25	Jun 25/ May 25	Jun 25/ Jun 24	2024	2025
Precious metals*	*Index*	**236.6**	**243.0**	**249.3**	**2.6**	**40.4**	**166.4**	**228.4**
Gold	*US$/Oz*	3,218	3,309	3,353	1.3	44.1	2,204	3,078
Silver	*US$/Oz*	32.2	32.8	36.0	9.9	21.7	26.1	32.8
Platinum	*US$/Oz*	959	980	1,251	27.8	27.0	945	1,016

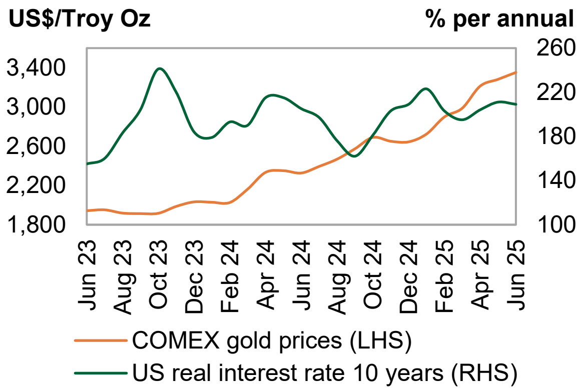
*Note: * World Bank commodity price index (2010 = 100).*

Sources: World Bank and OPEC.

Gold prices continued to benefit from safe-haven demand in June amid ongoing trade uncertainties and geopolitical developments. Prices were further supported by healthy central bank buying, particularly from emerging markets, and a weaker US dollar in the period. Silver and platinum prices experienced additional gains on the back of higher industrial demand and speculative inflows.

The precious metals index was up by 40.4%, y-o-y; while gold, silver and platinum were up by 44.1%, 21.7% and 27.0%, 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 for a second consecutive month in June, falling by 1.7%, m-o-m. Cobalt and lithium prices fell, while graphite prices were unchanged, m-o-m.

Table 2 - 4: Select other minerals prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Apr 25	May 25	Jun 25	Jun 25/ May 25	Jun 25/ Jun 24	2024	2025
Other minerals*	*Index*	**42.5**	**42.2**	**41.4**	**-1.7**	**7.3**	**40.1**	**38.5**
Cobalt	*US$/mt*	33,370	33,325	33,037	-0.9	23.1	27,965	29,457
Graphite	*US$/mt*	435	435	435	0.0	-10.3	513	435
Lithium	*US$/mt*	9,398	9,062	8,466	-6.6	-32.1	12,676	9,253

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

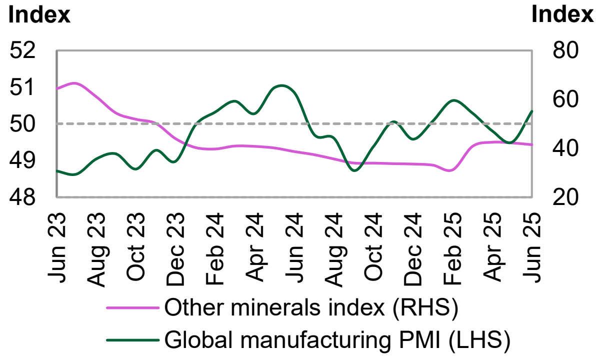
Sources: LME, Haver Analytics and OPEC.

Other minerals' prices were under pressure from a combination of electric vehicle demand uncertainties and reports of a well-supplied market. Moreover, ongoing trade uncertainties remained a drag on the trade outlook of these minerals.

Cobalt and lithium prices fell in June by 0.9% and 6.6%, m-o-m, respectively. Meanwhile, graphite prices remained flat over the same period.

The other minerals' price index was up by 7.3%, y-o-y. Cobalt prices were up by 23.1%, y-o-y, while graphite and lithium prices were down by 10.3% and 32.1%, y-o-y, respectively.

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



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

Investment flows into commodities

Combined money managers' net length rose in June after four consecutive months of decreases, up by 11.7%, m-o-m. Net length rose across all commodities, except natural gas, with copper experiencing the largest gain. The combined net length was down by 39.9%, y-o-y.

Combined OI increased in June by 0.8%, m-o-m, driven by energy commodities, though a decrease in non-energy commodities partially offset gains. Combined OI was up by 5.6%, y-o-y.

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

Selected commodity	Open interest			Long		Short		Net length				
	May 25	Jun 25	Jun 25/ May 25	May 25	Jun 25	May 25	Jun 25	May 25	% OI	Jun 25	% OI	Jun 25/ May 25
Crude oil	2,386	2,515	***5.4%***	214	224	57	44	157	7	180	7	***14.2%***
Natural gas	1,527	1,541	***0.9%***	142	173	193	238	-51	-3	-65	-4	***26.5%***
Gold	805	702	***-12.8%***	153	169	35	35	118	15	133	19	***13.2%***
Copper	232	231	***-0.3%***	51	52	28	24	23	10	28	12	***20.0%***
Total	**4,950**	**4,988**	***0.8%***	**561**	**618**	**314**	**342**	**247**	**28**	**276**	**34**	***11.7%***

Note: Data on this table is based on a monthly average.

Data on this table is based on commitments of traders futures and options.

Open interest includes both commercial and non-commercial positions.

Sources: CFTC and OPEC.

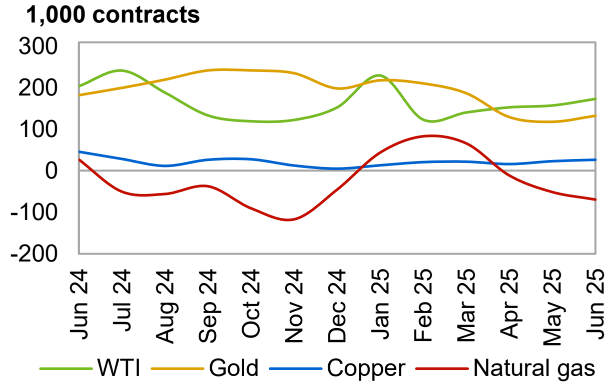
The crude oil (WTI) OI rose in June by 5.4%, m-o-m. At the same time, money managers increased net length by 14.2%, m-o-m. OI was up by 16.9%, y-o-y, while net length was down by 11.9%, y-o-y.

The natural gas (Henry Hub) OI increased in June by 0.9%, m-o-m. Meanwhile, money managers reduced net length by 26.5%, m-o-m, over the same period. OI was up by 2.9%, y-o-y, and net length was down by more than 100%, y-o-y.

Gold's OI decreased in June by 12.8%, m-o-m. Money managers increased net length over the same period by 13.2%, m-o-m. Gold's OI was down by 3.6%, y-o-y, and its net length was down by 26.8%, y-o-y.

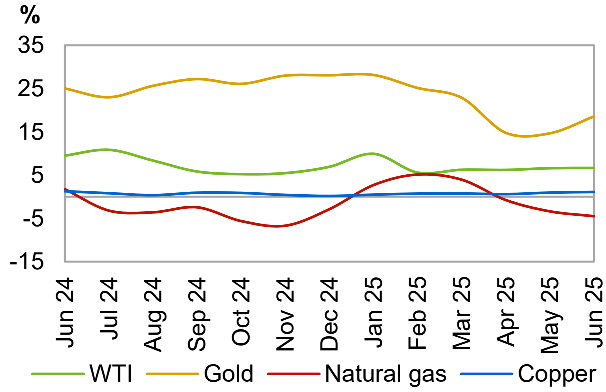
Copper's OI dropped by 0.3%, m-o-m, in June. Meanwhile, money managers increased their net length over the same period by 20.0%, m-o-m. OI was down by 33.2%, y-o-y, and net length was down by 39.3%, y-o-y.

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



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

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



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

World Economy

The global economy maintains its stable growth trajectory, supported by the healthy growth activities seen in 1H25. The global economic forecasts remained unchanged at 2.9% for 2025 and 3.1% for 2026. The most recent data from key economies points to further upside potential in global economic growth rates. India, China, and Brazil are outperforming expectations so far, while the United States and the Eurozone are experiencing a continued rebound from last year. With this, the 2H25 economic growth may turn out better than currently expected. Continued robust global economic growth is expected, following the solid growth seen in 1H25, despite ongoing US-centred trade challenges and geopolitical uncertainties. The most recently re-emerging US trade-related uncertainties may continue, and with new deadlines coming up at the beginning of August, and this will need continued close monitoring. Supported by the past months' developments, the forecast anticipates that reasonable trade agreements are reached with most key US trading partners, and global economic uncertainty is likely to ease further.

In the US, economic growth in 1Q25 was weighed down by a rise in imports in the final BEA estimate, reflecting frontloading ahead of expected tariff hikes. However, a strong rebound in 2Q25, in combination with recently adopted fiscal stimulus measures and ongoing steady underlying household consumption, should support the economic growth trend well this year. The Eurozone outperformed expectations in 1Q25 and is additionally expected to implement countermeasures, such as new trade agreements and supportive fiscal and monetary policies, to cushion the impact of US tariffs. Japan experienced a trade-related contraction during 1Q25 – albeit less pronounced than initially published – and is likely to offset some of the adverse effects through domestic stimulus and other policy responses. However, the impact of a trade agreement with the US remains to be seen. China has seen a robust 1H25 economic growth trend, and trade negotiations with the US are anticipated to conclude on a positive note soon, according to both sides. China may be affected by trade dynamics to a certain extent, but the economy has several means to limit the impact, including domestic stimulus measures and diversification of its export markets, as already seen in its most recent trade flows. India's robust growth trajectory is projected to continue, with only a limited impact from US tariffs expected, following the country's most recent trade negotiations with the US. Following a strong performance in 1Q25, Brazil is expected to sustain steady growth, but that will depend on developments in external trade with the US, following the most recent hike in tariffs. Russia is also forecast to maintain a stable growth path through 2025 and 2026.

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

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

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

Source: OPEC.

Update on the latest global developments

The global economy continues to exhibit healthy underlying dynamics, with solid private consumption and resilient retail sales supporting growth across major economies. However, trade-related uncertainties are resurfacing as the extended deadline for US tariff negotiations, scheduled for 1 August, approaches. While the 90-day pause on reciprocal tariffs and the provisional agreement between the US and China initially supported sentiment, confidence levels have since edged down, though they remain above the low levels seen in April. So far, the US has finalised trade agreements only with the UK and Vietnam, highlighting the difficulty of reaching deals with larger trading partners. Negotiations with Japan, the EU, India, and others remain ongoing. These trade dynamics had a distorting effect on 1Q25 economic data, with front-loading of trade ahead of the tariffs' implementation. This effect is beginning to soften in 2Q25, with trade flows normalising.

In the OECD economies, the US economy contracted by 0.5%, q-o-q, SAAR in 1Q25, according to the third estimate from the Bureau of Economic Analysis (BEA), following a 2.5% expansion in 4Q24. The decline was driven by a sharp rise in imports, while consumer spending was less robust than initially expected, contributing to the downward revision. The Eurozone recorded growth of 2.5%, q-o-q, SAAR in 1Q25, up from 1.2% in 4Q24, according to the latest revised estimate from Eurostat. Japan's economy contracted by 0.2%, q-o-q, SAAR in 1Q25, a smaller decline than the initial estimate of a 0.7% contraction, following growth of 2.2% in 4Q24, with the downturn largely attributed to a slowdown in exports.

Among non-OECD economies, China grew by 5.4%, y-o-y, in 1Q25, unchanged from 4Q24. This growth was supported by strong exports, as well as an improving housing sector and expanding consumption, underpinned by government policies. India's economy expanded by 7.4%, y-o-y, in 1Q25, up from 6.4% in 4Q24, driven by strong industrial performance and robust capital investment. Russia's growth slowed to 1.4%, y-o-y, in 1Q25, down from 4.5% in 4Q24, as softer industrial production (IP) and slower consumer spending weighed on activity. Brazil grew by 2.9%, y-o-y, in 1Q25, down from 3.6% in 4Q24, supported by continued strength in the agricultural sector.

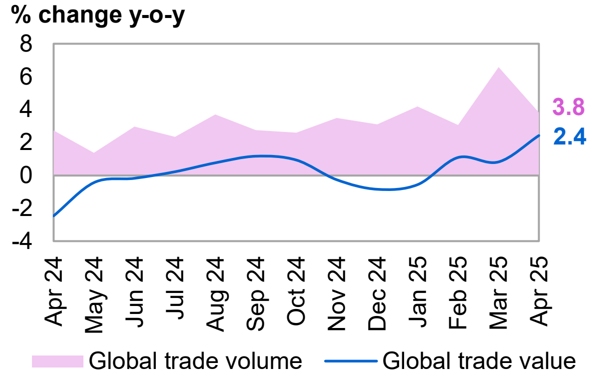
Inflation trends remain mixed across the major OECD economies. In the US, inflation saw a slight uptick to 2.4%, y-o-y, in May, up from 2.3% in April and returning to the same level as March. In the Eurozone, inflation edged up to 2.0%, y-o-y, in June, from 1.9% in May. Japan recorded a slight decline in inflation to 3.4%, y-o-y, in May, down from 3.5% in April. In contrast, the UK saw inflation ease to 3.4%, y-o-y, in May, down from 3.5% in April and 3.7% in February, but still above the 2.6% recorded in March. Amid easing inflation, the European Central Bank (ECB) cut interest rates by 25 basis points to 2.0% at its June meeting, continuing its accommodative monetary policy cycle. The US Federal Reserve (Fed) kept rates unchanged at its June meeting, maintaining its pause in the easing cycle. The Bank of Japan (BoJ) also held rates steady at its June meeting, pausing its tightening cycle. The Bank of England (BoE) held rates unchanged in June too, following a cut in May. The Fed, ECB, BoJ, and BoE are all scheduled to meet again later this month.

In non-OECD economies, China's consumer prices saw positive inflation of 0.1%, y-o-y, in June, up from deflationary levels of -0.1% in the previous three months. India's inflation slowed to 2.8%, y-o-y, in May, down from 3.2% in April, 3.3% in March, and 3.6% in February. Brazil's inflation rose slightly to stand at 5.4%, y-o-y, in June, after it stood at 5.3%, y-o-y, in May and 5.5% in April and March. In Russia, headline inflation edged down further in June, to stand at 9.4%, y-o-y, following 9.9%, y-o-y, in May and 10.2%, y-o-y, in April.

In terms of monetary policy decisions, the People's Bank of China (PBoC) lowered both the one-year and five-year Loan Prime Rates by 10 basis points to 3.0% and 3.5%, respectively, in late May. It also announced a 50-basis point reduction in the reserve requirement ratio (RRR) and left policy rates unchanged in its June meeting. The Reserve Bank of India reduced its key policy rate by 50 basis points to 5.5% in June. The Central Bank of Russia (CBR) cut its key rate by 100 basis points to 20.0% in its June meeting. The Banco Central do Brasil (BCB) raised the Selic rate by 25 basis points to 15.00% at its June meeting, following a 50 basis-point increase in May and a 100 basis-point increase in March.

Global trade expanded further in volume terms in April and strengthened in value terms. Global trade volume increased by 3.8%, y-o-y, in April, following 6.6% in March and 3.1% in February. Trade in value rose by 2.4%, y-o-y, in April, up from 0.8% in March and 1.1% in February. The volume growth continues to reflect front-loading ahead of the implementation of US tariffs in April, while trade diversion from China to other regions continued to support the expansion.

Graph 3 - 1: Global trade



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

Near-term global expectations

The resurfacing of trade uncertainties ahead of the 1 August US deadline to conclude trade deals has renewed concerns about the global trade outlook. The agreements reached with the UK and Vietnam illustrate the range of deal structures under consideration. However, domestic political and sectoral considerations in key economies, including Japan and India, continue to weigh on the prospects of reaching timely agreements. Expectations remain that a basic framework of bilateral arrangements will be reached over the coming month, potentially delaying the implementation of reciprocal tariffs and allowing further negotiations to finalise comprehensive deals.

The US is expected to settle on a global tariff range of 10–20%, with negotiated carve-outs for selected sectors, as seen in the UK agreement. Vietnam's acceptance of a 20% tariff on its exports, while securing duty-free access for US imports, may serve as a model for smaller economies seeking to preserve access to the

US market. In contrast, larger economies such as Japan and the EU appear to be holding out for broader agreements that address strategic sectors and secure more favourable terms. These developments point to an increasingly fragmented global trade framework centred on bilateral arrangements. Although aggregate trade flows are likely to be maintained, the system may become more complex and less predictable.

Despite these trade-related headwinds, global economic fundamentals are expected to remain resilient. Private consumption is expected to continue supporting growth across major economies, even as confidence indicators have softened. Fiscal and monetary policy responses will likely provide further counterbalancing weight to the trade uncertainties. In the US, the One Big Beautiful Bill Act (OBBBA) was enacted, extending components of the 2017 tax cuts and introducing additional incentives for capital investment and research and development. Germany implemented fiscal measures to support infrastructure and industrial capacity, while China has continued monetary easing and direct consumer support.

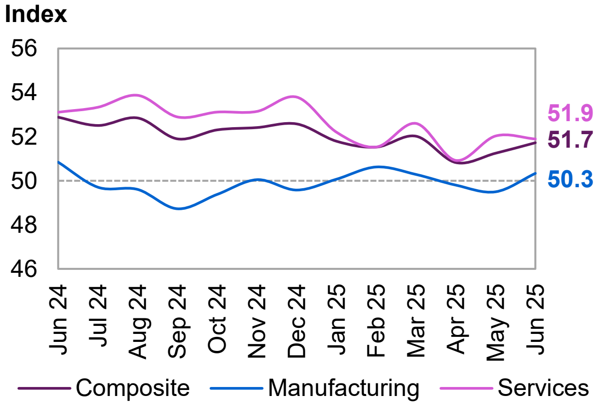
Inflation dynamics are likely to remain mixed. A slight uptick in inflation in the US further supports the continued pause in the easing cycle. In the Eurozone, the recent slowdown in inflation, maintaining around the 2% target level of inflation, has raised the possibility of a similar pause. The BoJ is expected to resume tightening in 2H25, amid sustained inflationary pressures. China is expected to resume monetary easing in response to persistent deflation, while India is likely to do so amid a further moderation in inflation. Russia has already begun its easing cycle, and Brazil's central bank is expected to follow later in the year as inflation continues to ease.

In June, global purchasing managers' indices (PMIs) signalled a continued improvement in manufacturing, while services moderated slightly. Both remained in expansionary territory.

The global Manufacturing PMI rose to 50.3 in June, up from 49.5 in May and 49.8 in April.

The global Services PMI eased to 51.9 in June, down from 52.0 in May but up from 50.9 in April.

Graph 3 - 2: Global PMI



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

Despite the resurgence of some trade tensions, the global outlook remains positive, with strong consumption dynamics and fiscal support counterbalancing prevailing uncertainties. The global economic growth forecast for 2025 stands at 2.9%, unchanged from the previous month's outlook.

For 2026, greater trade clarity is expected to support an acceleration in global growth to 3.1%, also unchanged from the prior month's projection.

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

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

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

OECD

US

Update on the latest developments

The US economy contracted by 0.5%, q-o-q, at a seasonally adjusted annualised rate (SAAR) in 1Q25, according to the third estimate from the BEA. This marks a downward revision from the second estimate of a 0.2% contraction. The revision primarily reflected a downward adjustment to consumer spending and exports, partially offset by lower imports than previously estimated. Within consumer spending, services were revised down, with international travel accounting for a significant share of the adjustment. Services exports were also revised lower, while on the import side, industrial supplies and capital goods were weaker than previously estimated. Overall, surging imports remained the main drag on growth across all three BEA estimates.

On the fiscal policy front, the US enacted the OBBBA, which permanently extends the 2017 tax cuts and introduces additional incentives to support near-term private sector investment, including full expensing of capital equipment and research and development costs over the next several years. The legislation also significantly increases government spending in areas such as defence, border security and immigration enforcement. While the OBBBA has raised concerns over long-term fiscal sustainability – given its projected addition of nearly $3 trillion to federal deficits over the next decade – the act also tightens eligibility requirements for social assistance programmes, notably Medicaid, which is expected to partially offset new spending.

On the trade front, the 90-day pause on reciprocal tariffs announced in April was scheduled to expire on 9 July but was extended to 1 August to allow further room for trade talks. To date, only two agreements have been finalised, namely with the UK and Vietnam. Talks with Japan, which commenced early in the pause period, have stalled, with key issues related to automobiles and agriculture contributing to the slow progress. Elections in Japan in late July have further delayed the negotiations. Trade discussions with the EU and India are also ongoing, with an agreement with India reportedly entering its final stages. With China, the temporary arrangement to lower tariffs from the prohibitively elevated levels imposed during the height of trade tensions in April remains in place, with the announcement that a framework agreement has been reached, though no permanent deal has yet been signed. The US administration also announced a 50% tariff on copper, effective 1 August, joining the 50% steel and aluminium tariffs that went into effect on 4 June.

The latest available data shows that inflation edged up to 2.4%, y-o-y, in May, returning to the same level seen in March and slightly above the 2.3% recorded in April. Food inflation also increased marginally to 2.9%, y-o-y, in May, up from 2.8% in April but below the March level of 3.0%. Core inflation held steady at 2.8%, y-o-y, in May for a third consecutive month. The Personal Consumption Expenditures (PCE) Price Index, the Fed's preferred inflation measure, increased to 2.3%, y-o-y, in May, up from 2.2% in April. PCE core inflation moved slightly up as well to 2.7%, y-o-y, in May, up from 2.6% in April. The Fed held interest rates unchanged for the fourth consecutive meeting in June, with concerns regarding elevated uncertainty driving the decision.

Consumer confidence fell back to 93.0 in June from 98.4 in May, but remained above the April level of 85.7, recorded at the height of the trade tensions. The decline reflected increased concerns among consumers regarding the labour market and broader business conditions, while inflation concerns continued to ease.

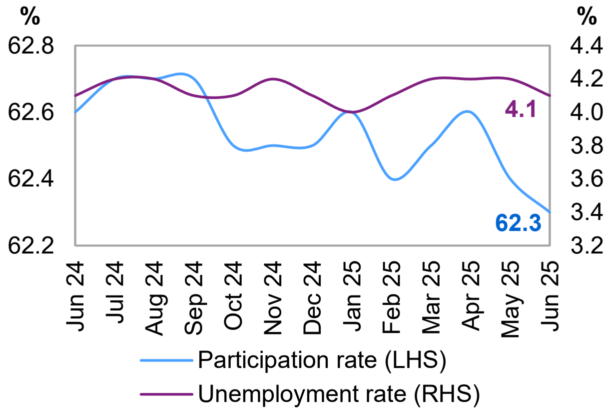
The US trade deficit widened to $71.5 billion in May after narrowing sharply to $60.2 billion in April from $138.3 billion in March. Imports surged ahead of the anticipated implementation of tariffs, reaching $419.4 billion in March, a 26.4% increase, y-o-y, with January and February levels also exceeding $400 billion. In April and May, imports contracted to $350.0 billion, marking an increase of 3.3%, y-o-y. Exports remained relatively stable but declined slightly in May, slipping to $279.0 billion from $290.5 billion in April. On a yearly basis, exports rose by 5.3% in May, moderating from 9.1% growth, y-o-y, in April.

In June, non-farm payroll employment increased by 147,000, following upward revisions to the May and April figures of 144,000 and 158,000, respectively.

The unemployment rate edged down to 4.1% in June, compared with 4.2% in May and April. The labour force participation rate stood at 62.3%.

Annual earnings growth eased to 3.7% in June, down from 3.9% in May and 3.8% in April.

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

Near-term expectations

The US economy is expected to rebound in 2Q25 following the contraction in 1Q25, as trade patterns normalise. The sharp increase in imports ahead of tariff implementation in April was followed by a significant decline, with the trade deficit narrowing. Underlying consumption and investment data continue to point to solid fundamentals, despite persistent uncertainty. On a quarterly basis, US real GDP is projected to grow by 2.5%, q-o-q, SAAR in 2Q25, before moderating to 1.6% in 3Q25 and 1.7% in 4Q25. In 2026, growth is expected to accelerate from 1.9%, q-o-q, SAAR in 1Q26 to 2.3% in 2Q26, reaching 2.6% in 2H26.

The outlook continues to assume further trade agreements will be reached between the US and major trading partners, building on deals concluded with the UK and Vietnam. While the 90-day pause on reciprocal tariffs expired on 9 July, the US has indicated that tariffs will not be reinstated until 1 August, providing additional time to finalise agreements. However, the risk remains of high tariff rates returning for trading partners unable to secure a deal by August. With China, the temporary agreement that reduced tariffs on Chinese imports from 145% to 30% and on US exports to China from 125% to 10% is set to expire on 9 August, heightening concerns of renewed trade tensions. Nonetheless, with several countries now progressing towards de-escalation, a gradual easing of tensions is expected through year-end.

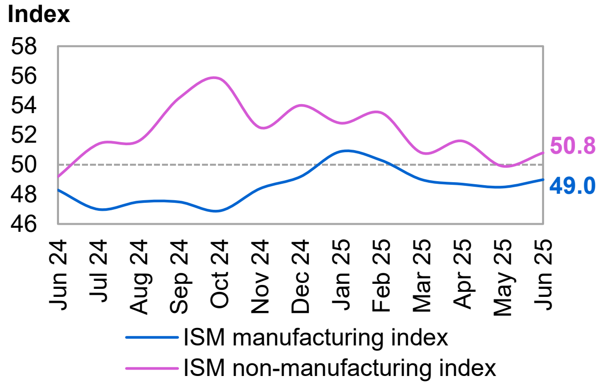
The passage of the OBBBA is expected to provide short-term support to the US economy, particularly through incentives for full expensing of capital expenditure and research and development over the coming years. The extension of the 2017 tax cuts, additional exemptions on tips, and the higher cap on state and local tax (SALT) deductions are also expected to support consumer spending. However, the OBBBA has raised concerns regarding long-term fiscal sustainability and the growing debt burden, weighing on investor sentiment.

On monetary policy, the Fed is not expected to lower interest rates at the July meeting, particularly following the strong June jobs report. Within the Federal Open Market Committee (FOMC), the median expectation remains for two rate cuts in 2025. However, seven members now anticipate no rate cuts this year, up from four in March. For 2026, the projection has shifted to only one rate cut, down from two in March, reflecting a more hawkish stance among FOMC members.

According to the Institute for Supply Management (ISM), the manufacturing PMI increased to 49.0 in June, edging up from 48.5 in May, marking a fourth consecutive month of contraction. New orders remained relatively weak, declining to 46.4 in June from 47.6 in May, while production returned to expansionary territory. Cost pressures persisted, with input prices continuing to rise.

In the services sector, the PMI rose to 50.8 in June from 49.9 in May, marking a return to expansion following the first contraction since June 2024. Tariff-related uncertainty and broader economic concerns remain key issues for respondents.

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



Sources: Institute for Supply Management and Haver Analytics.

With the additional short-term fiscal support and normalising trade patterns, economic growth in the US is forecast at 1.7% in 2025, unchanged from the previous month's report.

In 2026, further trade stabilisation and easing monetary policy are expected to support an acceleration of growth to 2.1%, also unchanged from the previous month's outlook.

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

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

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

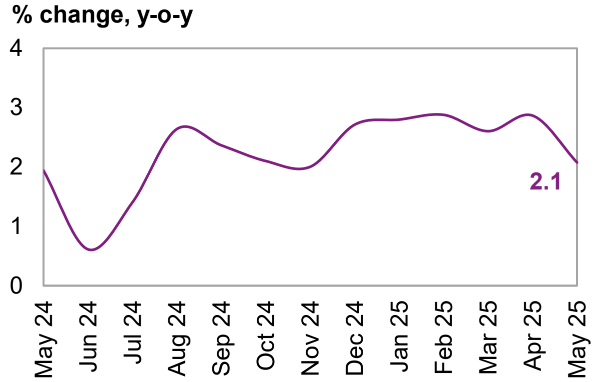
Eurozone

Update on the latest developments

Eurozone economic growth registered 2.5%, q-o-q, SAAR in 1Q25, a figure revised up in the third estimate according to Eurostat, up from 1.2% in 4Q24. This marks an upward revision from the second estimate, which stood at 1.3%, q-o-q, SAAR. On a country level, this growth was supported primarily by Ireland, which saw growth of 44.9%, q-o-q, SAAR in 1Q25. Among the large Eurozone economies, Spain registered growth of 2.3%, q-o-q, SAAR in 1Q25, Germany 1.7%, and France 0.5%. Private consumption in the Eurozone saw a deceleration of growth of 0.8%, q-o-q, SAAR, down from 1.9% in 4Q24. Public expenditure contracted by 0.1%, q-o-q, SAAR in 1Q25, down from growth of 1.7% in 4Q24. However, gross capital formation saw a solid growth of 4.5%, q-o-q, SAAR in 1Q25, up from a contraction of 1.8% in the previous quarter, lifted by a relatively strong construction sector and an expansion in intellectual property products.

Consumer spending remained firm but decelerated in May, growing 2.1%, y-o-y, down from 2.9% in April. Consumer confidence edged down to 94.0 in June, following an increase to 94.8 in May from 93.8 in April. The unemployment rate rose slightly to 6.3% in May from 6.2% in April, remaining broadly stable over the past year. IP growth slowed to 0.8%, y-o-y, in April, down from 3.8% in March, returning to the same level recorded in February. In May, Germany's IP rose by 1.2%, y-o-y, following a 2.2% contraction in April, marking a reversal after nearly two years of continuous monthly declines.

Graph 3 - 5: Eurozone retail sales



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

Inflation continued to ease, falling to 1.9%, y-o-y, in May, down from 2.2% in both April and March, dropping below the ECB's 2% target. In June, inflation rose slightly to 2.0%, y-o-y, driven by a modest increase in services inflation. Core inflation held steady at 2.3%, y-o-y, in June and May, down from 2.7% in April. With these inflationary dynamics, the ECB cut interest rates by 25 bp at its June meeting. The ECB will next meet in the last week of July.

On trade, negotiations between the US and EU are ongoing, with a framework trade agreement under discussion ahead of the newly imposed 1 August tariff deadline. The proposal maintains a baseline 10% tariff, with the EU seeking carve-outs for key sectors like automobiles, steel, pharmaceuticals, aircraft components, medical equipment, and alcoholic beverages. In response to the temporary pause by the US, the EU has suspended its planned retaliation on €21 billion of US imports but remains prepared to expand countermeasures to cover up to €95 billion if no agreement is reached. Separately, the EU has made progress on a trade agreement with India, with more than half of the negotiating chapters concluded.

Near-term expectations

Following robust growth in 1Q25, Eurozone economic activities are expected to moderate over the remainder of the year as trade patterns normalise. Consumer spending is likely to remain resilient, supported by low unemployment, rising wages, and declining interest rates. Early indicators point to a strong summer tourism season, which should further bolster economic activities. While consumer confidence remains sensitive to ongoing uncertainty around tariffs, it has improved since the peak of trade tensions in April, supporting the overall outlook.

Industrial activity is also showing signs of improvement. Fiscal stimulus measures in Germany are expected to boost IP, with positive spillover effects across the EU. Early indicators already point to improving output in Germany. Additionally, the recent NATO agreement to increase defence spending to 5% of GDP across all member countries is expected to further support industrial activity within the EU. However, trade concerns remain a source of uncertainty. While reaching a full trade agreement with the US before the 1 August deadline appears unlikely, a partial deal could be reached to avoid full implementation of the previously announced tariffs. The EU's proposal for a zero-for-zero industrial tariff arrangement with the US is not expected to materialise, though partial carve-outs for key sectors remain possible. The automobile sector, a central focus of US trade policy, is likely to face increased tariffs, which would negatively affect the industrial sector, particularly in Germany. However, the final terms of any deal are still unclear and may include tariff quotas that reduce the overall effective tariff rate on the sector. Outside the US, a finalised trade agreement with India could help offset some of the trade-related losses and uncertainty stemming from higher US tariffs.

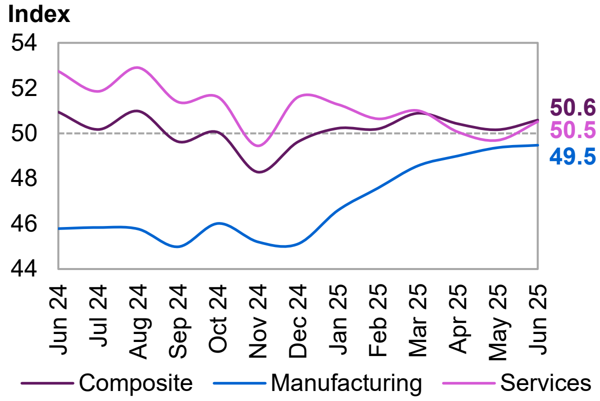
On monetary policy, the ECB is expected to consider a pause on interest rate cuts at its July meeting, now that inflation has reached the target level, and to preserve policy space for potential future adjustments. Overall, the expectation remains for one further cut, possibly in September, although the uncertain trade outlook will require policy flexibility over the next number of meetings. The Governing Council was nearly unanimous in the decision to cut rates at the June meeting, with only one vote opposing. Since then, several other Governing Council members have expressed a willingness to consider a pause in July.

Eurozone PMIs for June indicated a continued gradual recovery in the manufacturing sector, while services activity saw a slight expansion.

The manufacturing PMI rose to 49.5 in June, up marginally from 49.4 in May and 49.0 in April, marking the highest reading since August 2022. Output growth slowed, but total new orders stabilised for the first time in over three years, and business confidence rose.

The services PMI rose to 50.5 in June, up from 49.7 in May and 50.1 in April. The improvement was supported by steady employment growth and a rise in business expectations, although new business saw a slight decline.

Graph 3 - 6: Eurozone PMIs



Sources: S&P Global and Haver Analytics.

With strong economic growth in 1Q25, and sustained consumer spending supported by stable unemployment and rising real wages, Eurozone economic growth is forecast at 1.0% for 2025, unchanged from the previous month's report.

For 2026, a slight acceleration is expected as further clarity on trade relations is reached and monetary easing continues. Thus, the growth forecast stands at 1.1%, also unchanged from the previous month's report.

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

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

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

Japan

Update on latest developments

Japan's economy contracted by 0.2%, q-o-q, SAAR in 1Q25, revised up from the preliminary estimate of a 0.7% contraction. The revision reflected upward adjustments to private consumption and inventories. Private consumption expenditure increased by 0.6%, q-o-q, SAAR in 1Q25, up from 0.4% in 4Q24. In contrast, government consumption contracted by 2.0%, q-o-q, SAAR in 1Q25, following growth of 1.1% in 4Q24. Gross fixed capital formation rose by 3.2%, q-o-q, SAAR in 1Q25, an improvement from 0.9% growth in the previous quarter.

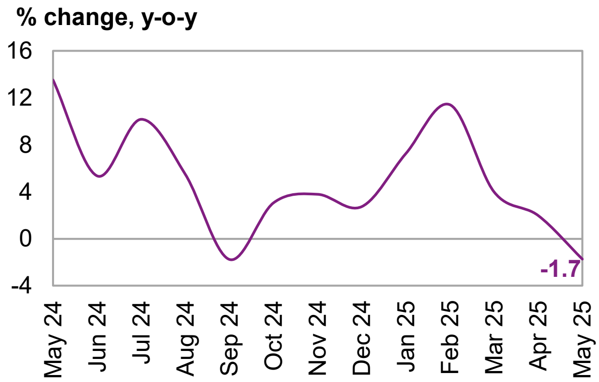
Elsewhere, US-Japan trade negotiations remained ongoing at the time of writing, but an agreement had yet to be reached. Japan was the first country to enter formal trade talks with the US following the latter's tariff announcements in early April. However, key issues, including automobile exports and agriculture, remain obstacles to concluding a deal.

On a monthly basis, export growth contracted by 1.7%, y-o-y, in May, down from growth of 2.0% in April and 4.0% in March.

Imports contracted by 7.7%, y-o-y, in May, following a contraction of 2.1% in April and compared with growth of 1.9% in March.

The trade deficit narrowed to JP¥305 billion ($2.1 billion) in May, from JP¥349 billion ($2.4 billion) in April. In March, the trade balance posted a surplus of JP¥301 billion ($2.0 billion).

Graph 3 - 7: Japan's exports



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

Headline inflation eased to 3.4%, y-o-y, in May, down from 3.5% in April and 3.6% in March, but remains relatively elevated. The slowdown in fresh food prices was the key factor behind the moderation in headline inflation in May. At the same time, core inflation remained stable at 1.6%, y-o-y, in May, unchanged from April but up from 1.5% in March. Consumer confidence recovered further in June, with the index returning to January levels of 34.3, up from 32.6 in May and 31.1 in April. The index had previously recorded eight consecutive months of decline before reversing the trend in May, with this improvement continuing in June. The labour market remained stable, with the unemployment rate at 2.5% in May for the third consecutive month.

IP contracted slightly by 0.3%, y-o-y, in May, following four consecutive months of positive growth. IP grew by 0.6%, y-o-y, in April and 0.7% in March. Retail sales contracted by 5.1%, y-o-y, in May, following a 3.9% contraction in April, as high inflation continued to weigh on household spending.

With these inflationary dynamics and uncertainties, the BoJ left interest rates unchanged at its June meeting. The BoJ cited the recent moderation in economic growth, the uneven recovery in consumption, and the lingering effects of earlier price increases, particularly in food and imported goods, as key factors in its decision. The BoJ will next meet at the end of July.

Near-term expectations

Japan’s economy remains positioned for continued growth through 2025 and into 2026. Trade-related distortions are expected to ease, as the front-loading effects and subsequent slowdown linked to US tariffs begin to normalise. However, US-Japan trade negotiations have not yet concluded, with key issues related to automobiles and agriculture remaining unresolved. Domestic political constraints ahead of the 20 July election limit Japan’s ability to offer concessions, reducing the likelihood of securing an agreement before the deadline. The US has signalled that tariffs will not be restored until 1 August, providing a narrow window between the election and the expiration of the tariff pause to conclude a deal. Failure to reach an agreement before the deadline would likely result in renewed trade uncertainty in August, though the conclusion of the election may also increase the government’s flexibility to secure an agreement. As seen in recent UK-US trade negotiations, a tariff-rate quota structure for automobiles remains a potential option. Japan previously secured a similar arrangement on steel exports to the US, providing a pathway for how a final deal could be structured. Despite persistent uncertainty, expectations remain that an agreement will be reached before the end of the year.

On the domestic front, elevated inflation is expected to continue weighing on household spending, though recent improvements in consumer confidence provide a more positive outlook. The latest Tankan survey shows improving current conditions for large manufacturers, while the overall outlook weakened amid trade-related uncertainty. Fixed investment plans remain robust, particularly among large manufacturing firms, reflecting confidence in the medium-term growth trajectory.

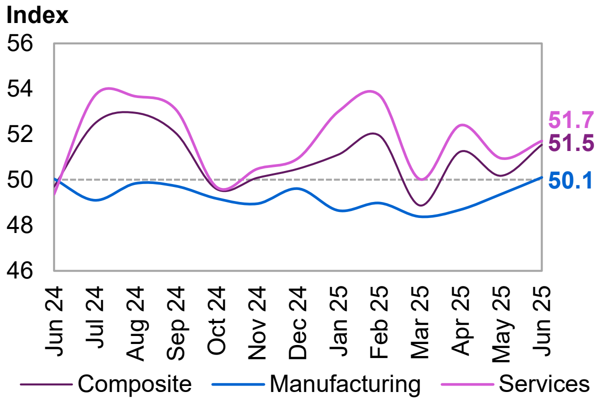
The BoJ is expected to maintain its cautious approach to monetary policy, with persistent inflationary pressures and continued trade uncertainties driving its decision-making. While the tightening cycle is likely to resume towards the end of the year, Japan’s high debt burden amplifies the potential impact of rising interest rates on the economy.

June PMI data indicated an improving outlook in the manufacturing sector and an uptick in the services sector.

The manufacturing PMI rose to 50.1 in June, up from 49.4 in May and 48.7 in April, marking the first return to expansionary territory since June 2024, though new orders and export sales remained in contraction.

The services PMI increased to 51.7 in June, up from 51.0 in May and 50.0 in April, supported by an increase in new orders and improved business confidence.

Graph 3 - 8: Japan’s PMIs



Sources: S&P Global and Haver Analytics.

With positive domestic indicators continuing to point towards stable growth patterns despite trade uncertainties, the economic growth forecast for Japan for 2025 stands at 1.0%, unchanged from the previous month's report.

For 2026, economic growth in Japan is expected to decelerate slightly, with continued monetary tightening weighing on the growth dynamic, and is forecast at 0.9%, also unchanged from the previous month's outlook.

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

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

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Non-OECD

China

Update on the latest developments

Following strong growth in 1Q25, expanding by 5.4%, y-o-y, China's economic growth dynamic continued at a sound pace towards the end of 1H25. Despite ongoing US-centred trade-related challenges, the economy largely managed to counterbalance the negative impact from the decline in exports to the US, primarily via domestic stimulus measures and trade diversification. Total exports remained at a high level, as exports to other destinations picked up, compensating for most of the US-related impact. This positive momentum is also supported by the steady performance of the industrial sector. Retail sales also registered a continued steady improvement.

In the meantime, the US administration and China have confirmed they have agreed to an additional understanding for a framework to implement the Geneva agreement from May, albeit without providing details. It seems that the trade talks have moved away from focusing on tariffs and are now increasingly about export controls. Under the 90-day truce announced on 12 May, ending on 10 August, both countries agreed to reduce tariffs. US tariffs on Chinese goods, which peaked at 145%, have now been lowered to 30%. In response, China has reduced its retaliatory tariffs from a high of 125% to 10%. With the additional focus on export controls, the new agreement may provide the US economy with a sufficient supply of rare earths, among other critical minerals, while China may then have relatively barrier-free access to the US market, as well as selective access to critical goods for its economy, including US chip software, etc.

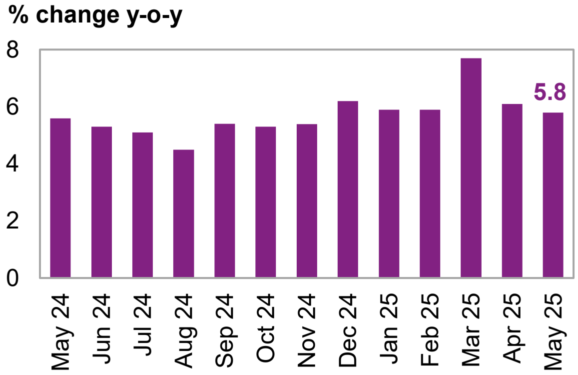
The PBoC maintained an easing bias at its 2Q25 Monetary Policy Committee meeting at the end of June, although it adopted a less dovish view, reflecting a more optimistic assessment of the economy's momentum and improved sentiment. Emphasis was placed on executing existing, targeted easing policies – such as relending programmes – rather than pursuing broad-based stimulus, signalling limited appetite for significant near-term easing. Regarding the property sector, the tone became less pessimistic as well. This comes after China's central bank unveiled a broad set of policy easing measures in May, including a 10 bp key policy rate cut, a 50 bp reduction in the RRR, and expanded lending quotas at lower rates to support its economy and financial markets. The possibility of a trade agreement with the US has reduced the need for monetary easing at the current stage, but with inflation hovering around the 0% line, there is still flexibility for additional monetary easing by the central bank, and also for fiscal stimulus, if needed.

Headline inflation turned positive again in the latest available month of June. After the CPI had remained in deflationary territory, standing at -0.1%, y-o-y, in the three preceding months up to May, inflation turned positive again in June, standing at 0.1%, y-o-y. Meanwhile, core inflation rose slightly to stand at 0.7%, y-o-y, in June, following a level of 0.6%, y-o-y, in May and after standing at 0.5% in April and March.

Importantly, housing prices continued to stabilise through May, according to the 70-city price index provided by Haver Analytics, with a slowing decline of 5%, y-o-y, following a contraction of 5.5%, y-o-y, in April and 6.2%, y-o-y, in March. Retail sales also continued steadily expanding, rising by 5.4%, y-o-y, in May, following a rise of 4.1%, y-o-y, in April and 4.9%, y-o-y, in March.

IP continued expanding, rising by 5.8%, y-o-y, in May, after increasing by 6.1%, y-o-y, in April and 7.7%, y-o-y, in March. These gains were supported by a robust export performance, despite current US tariff-related challenges. The manufacturing sector, in particular, exhibited robust growth, expanding by 6.2%, y-o-y, in May, following a rise of 6.6%, y-o-y, in April, and 7.9%, y-o-y, in March. Moreover, the urban unemployment rate edged down slightly in May to stand at 5%, following 5.1% in April and 5.2% in March. Urban youth unemployment declined as well, reaching 14.9%, down from 15.8% in April and 16.5% in March.

Graph 3 - 9: China's industrial production



Sources: China National Bureau of Statistics and Haver Analytics.

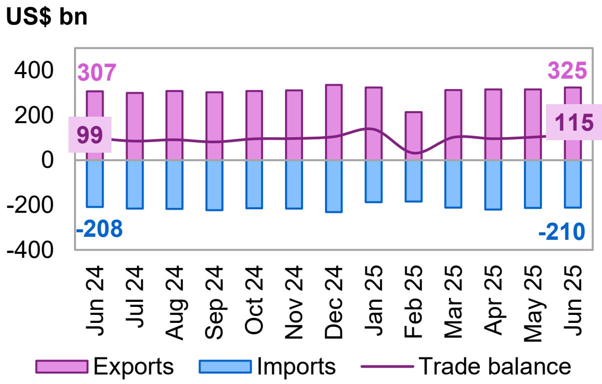
The latest trade data shows that China's trade surplus continued at a robust pace in June as trade with the US rebounded, following a round of bilateral talks between the two economies.

The trade balance reached $114.8 billion in June, following a level of $103.2 billion in May and $96.2 billion in April.

Exports reached $325.2 billion in June, following $316.1 billion in May and $315.6 billion in April.

Imports reached $210.4 billion in June, after a level of $212.9 billion was reached in May, compared with $219.3 billion in April.

Graph 3 - 10: China's trade balance



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

Near-term expectations

China maintained solid economic momentum in 2Q25, building on strong y-o-y growth of 5.4% in 1Q25. Despite facing headwinds from US trade barriers, the economy has so far shown resilience, supported by domestically focused monetary and fiscal measures, as well as a shift in export strategies toward markets beyond the US. Domestically, the government's consumer goods trade-in programme has played a key role in supporting domestic consumption. Introduced in 1H24 and substantially expanded in 2H24, the programme offers subsidies for replacing old appliances, vehicles, and electronics, and has boosted retail sales in 1H25. Some of the momentum is anticipated to carry over into 2H25. With the combination of ongoing accommodative monetary policy and fiscal support measures, and the anticipation of normalised trade relations with the US, economic growth in 2025 and 2026 is forecast to be well supported. These cornerstones suggest that the economy may grow by approximately 5%, as indicated by the most recently published Government Work Report (GWR).

On a quarterly level, the pace of economic growth is expected to moderate slightly, with quarterly growth averaging around 4.4% for the remainder of the year, following strong 1Q25 growth of 5.4%. Encouragingly, 2Q25 growth may see some upside, based on currently available 2Q25 output data. In 2026, growth is projected to average 4.5%, y-o-y, with a modest acceleration expected from 1H26.

On the monetary policy front, a continued accommodative policy stance is expected, given the room to manoeuvre that the PBoC still has, and in light of the very low inflationary profile of the economy. Following the dual policy rate and RRR cuts in May, an additional 20 bp policy rate cut is still possible in 2H25, with another rate cut likely in 2026. If needed, a further 50 bp RRR reduction in 2025 may support fiscal expansion via increased bond issuance. Moreover, continued US tariff-related impacts are expected to be mitigated through multiple channels beyond export-control-related negotiations. These measures may include limited currency adjustments, cost-cutting, margin compression, and continued export redirection, supported by China's ongoing market diversification into Latin America, the Middle East, and Russia. As already seen in past months, export volumes are likely to remain resilient despite higher US tariffs.

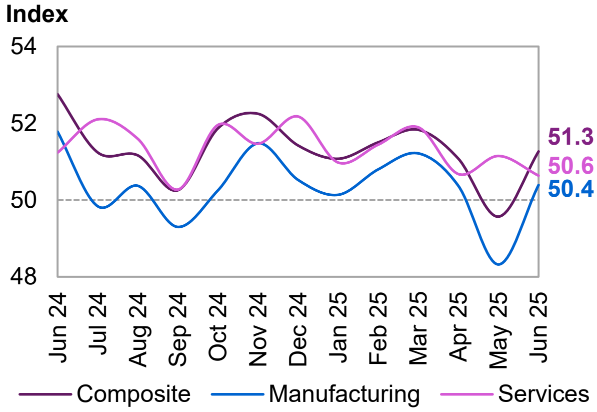
In the meantime, the latest PMI data for June indicates improving momentum in both the manufacturing and services sectors.

The Manufacturing PMI rose in June to 50.4, moving above the growth-indicating level of 50, following 48.3 in May and 50.4 in April.

The Services PMI retracted but remained in expansionary territory, standing at 50.6 in June, following 51.1 in May and 50.7 in April.

Given China's solid economic performance in early 2025, continued momentum in 2Q25, and the likely easing of trade tensions with the US, the country's robust growth trajectory is expected to be sustained. While upside potential may materialise, the growth forecasts for 2025 and 2026 remain unchanged.

Graph 3 - 11: China's PMI



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

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

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

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

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

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

India

Update on the latest developments

After very strong economic growth in 1Q25, India appears to have maintained a robust growth trajectory in 2Q25, with some expectation of a carry-over into 2H25. India's 1Q25 GDP growth stood at 7.4%, y-o-y, as reported by the country's central statistics office. This compares to a growth level of 6.4%, y-o-y, in 4Q24. This sound growth dynamic has also been reflected in business and consumer sentiment indicators, including the PMIs for June, pointing to continued robust growth in India. Additionally, inflation fell further in May and has now moved well below the midpoint of the central bank's inflation target of 4%, providing the central bank with more room to manoeuvre in case further monetary policy accommodation is needed.

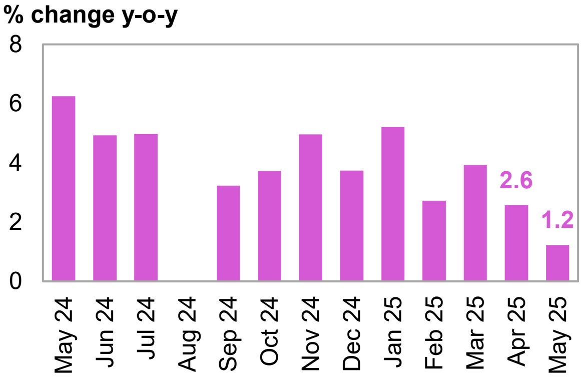
In the meantime, both Indian and US officials have confirmed that trade negotiations have led to a positive outcome, albeit no details have been provided so far. This comes after the US introduced a 10% global baseline tariff on 9 April, pausing its previously announced reciprocal tariffs on imports from India, among others, at a level of 26% for 90 days, although they were in addition to the 50% tariffs already announced on aluminium and steel, and the 25% tariffs on automobiles and auto parts. This compares with an average tariff rate of below 3% for India in 2024. Although US imports from India total less than $90 billion, slightly more than 2% of India's GDP, they remain relatively limited compared to the size of India's economy.

At the same time, the country has also continued its trade negotiations with the EU, having already reached a trade agreement with the UK this year to further broaden and diversify its export markets.

The unemployment rate rose marginally to stand at 7.5% in May, after it stood at 6.9% in April and 7.7% in March, providing a relatively volatile pattern. This was mainly driven by seasonal shifts in rural employment, in combination with urban job market caution, due to some temporary weakness in manufacturing, as it appears.

Robust growth in the industrial sphere slowed down somewhat in May, expanding by only 1.2%, y-o-y, after growth of 2.6%, y-o-y, in April. This follows strong growth in 1Q25 as IP expanded by 3.9%, y-o-y, in March, 2.7%, y-o-y, in February and 5.2%, y-o-y, in January.

Graph 3 - 12: India's industrial production

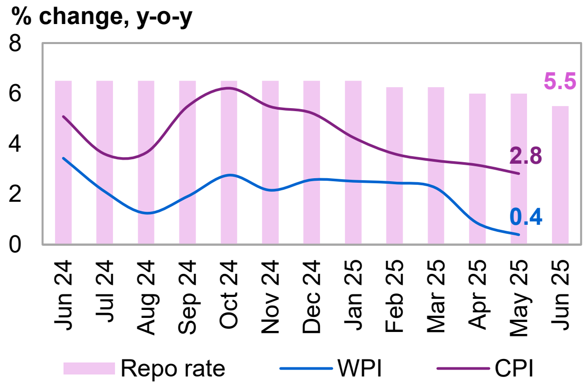


Sources: Ministry of Statistics and Program Implementation of India and Haver Analytics.

Headline inflation eased further to stand at 2.8% in May, following 3.2%, y-o-y, in April, 3.3%, y-o-y, in March, and 3.6%, y-o-y, in February, marking the lowest level since 2019. The continued deceleration in vegetable prices has led to significant softening in overall prices. Contrary to the slowing price trend in headline inflation, core inflation eased only slightly, standing at 4.2% in May, following 4.3%, y-o-y, in April and 4.1%, y-o-y, in both March and February. This was again mainly driven by continued high prices for precious metals, particularly gold and silver, in combination with persistently strong services inflation.

Given the somewhat slowing growth dynamic and the decline in headline inflation, the RBI lowered the key policy rate by a further 50 bp to 5.5% at its latest June meeting, shifting to a "neutral" stance, following its previous "accommodative" stance, indicating that further rate cuts will depend on India's near-term growth-inflation dynamics. The released meeting minutes showed that the majority supported a front-loaded cut to boost demand and aid transmission. Despite this move, the Governor and other members emphasised limited room for further easing, given the current growth and inflation outlook.

Graph 3 - 13: Repo rate and inflation in India



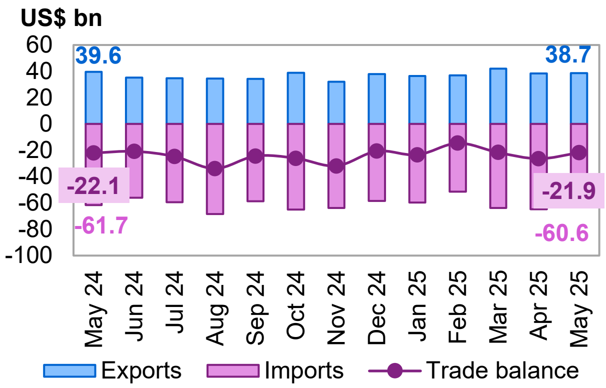
Sources: Ministry of Commerce and Industry, Reserve Bank of India and Haver Analytics.

India's trade deficit narrowed to stand at $21.9 billion in May, following an expansion of $26.4 billion in April and $21.7 billion in March.

Imports fell to stand at $60.6 billion in May, after a level of $64.9 billion in April and $63.8 billion in March.

At the same time, exports appreciated very slightly, standing at $38.7 billion in May, after a level of $38.5 billion in April and $42.1 billion in March.

Graph 3 - 14: India's trade balance



Sources: Ministry of Commerce and Industry and Haver Analytics.

Near-term expectations

India's economy is anticipated to remain well supported over the course of 2025. Strong growth of 7.4% in 1Q25 was largely supported by both a rise of 4.8%, y-o-y, in manufacturing and strength in the services sector, which expanded by 7.3%, y-o-y. Moreover, a considerable rise of 10.8%, y-o-y, in construction, amid a sharp rise in public capital expenditures, lifted economic growth significantly as well in the first three months of the calendar year. Agriculture growth eased somewhat, standing at 5.4%, y-o-y, but remained strong, supporting the rural recovery. While the momentum is foreseen to moderate in manufacturing and ease from high growth levels in services and particularly government-led areas of infrastructure expenditures as well, growth will be well supported in 2H25. Following a more moderate stance on tariffs by the US administration, India's growth outlook appears to be well supported. The tariff-related aspects, in combination with solid underlying 1H25 US growth and the partial rollbacks of tariffs on China, are also supporting India's services export forecast.

Domestic momentum has improved more than previously anticipated overall, with 1H25 data pointing to resilient private consumption. This recovery in consumption is being supported by easing credit conditions, after the central bank lowered interest rates by 1 pp since the beginning of the year, as well as steady rural demand, supported by a good harvest. Moreover, slowing food inflation, the government's welfare spending, and a mild urban uplift from income tax cuts have turned out to be supportive as well, leading to continued 2H25 momentum. Of note, in the case of continued capex-related government expenditure, in combination with the improving momentum in consumption, further upside potential to near-term growth may materialise. In addition, the most recently subdued private sector capex trend may rebound, as it was held back by heightened policy uncertainty, particularly around US trade policy.

On a quarterly level, the pace of economic growth is expected to moderate slightly, with quarterly growth averaging around 6.3% for the remainder of the year, following the strong growth of 7.4% in 1Q25. In 2026, growth is projected to improve to an average of 6.5% y-o-y, with a modest acceleration from 1H26, reflecting expectations of near-term easing of US tariffs and their limited impact on India's broader economic momentum. Additionally, newly concluded trade agreements – such as with the UK and potentially the EU – are expected to provide a firm foundation for externally driven growth going forward.

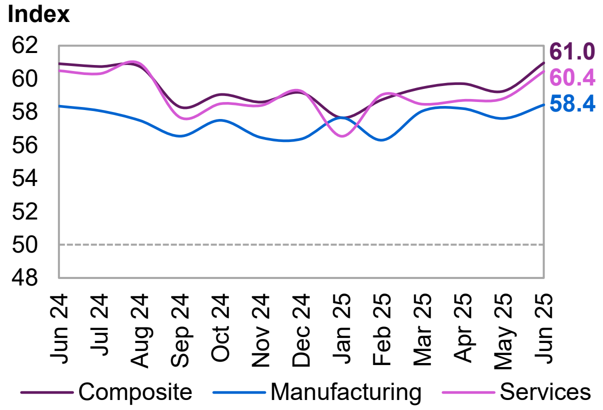
Monetary easing is anticipated to play an important role in offsetting the impact of US tariffs and supporting growth in the coming months, if needed. With inflation projected to stay below 4%, the Reserve Bank of India has already lowered its key policy rate from 6% to 5.5% in June. However, minutes from the latest policy meeting suggest that no further rate cuts are likely in 2H25. Under its recently adopted "neutral" stance, the RBI has signalled that future policy decisions will be data-driven. The central bank has revised its inflation forecast for 2025 down to 3.5%, though inflation may rise again in the second half of 2026 due to base effects.

PMI figures for June support the ongoing robust growth trend, with solid expectations in both the manufacturing and services sectors.

The manufacturing PMI rose to 58.4 in June, following a level of 57.6 in May and 58.2 in April, pointing to continued expansion.

The services sector PMI remained strong in June, with the index rising to 60.4, after 58.8 in May and 58.7 in April.

Graph 3 - 15: India's PMIs



Sources: S&P Global and Haver Analytics.

The economic growth forecast for 2025 remains unchanged at 6.5%. Given the above-mentioned improvements stemming from the 1Q25 growth dynamic, and in anticipation of a continued robust growth trend, economic growth for 2025 may see some further upsides in the near term. However, it remains to be seen how ongoing trade relations with the US will develop and to what extent effects from global trade may impact the Indian economy. That said, it currently seems that the impact is limited.

Assuming trade relations remain stable, the Indian economy is expected to maintain its expansion, supported by policy continuity and easing inflation. As a result, economic growth is projected to hold steady at 6.5%.

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

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

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Brazil

Update on latest developments

The Brazilian economy entered the year with a strong momentum, and while some deceleration in the growth dynamic materialised in 1H25, momentum has nevertheless remained robust. The Brazilian economy experienced strong growth in 1Q25, supporting the trend from last year. GDP growth reportedly stood at 2.9%

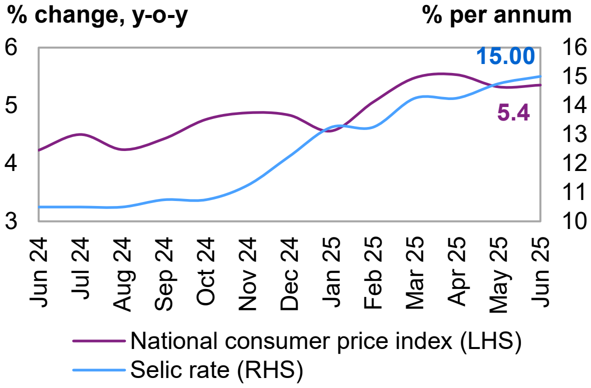
y-o-y, albeit moderating somewhat following the exceptionally high growth dynamic in 2H24, when economic growth stood at 3.8%, y-o-y. Moreover, on a global level, some moderation in the commodity sector, an important sector for the Brazilian economy, has also contributed to a slowdown since the beginning of the year. Furthermore, inflation has started to gradually slow down more recently, amid very high interest rates and the latest effort by the Brazilian central bank to combat consumer prices via a rate hike, with the monetary policy rate now possibly at its peak level. However, the fiscal situation continues to be a concern, and after the most recent opposition in parliament to a tax on financial transactions, the government will need to find ways and means to either raise fiscal revenues elsewhere or reduce expenditures. The next steps in improving the fiscal situation will need to be closely monitored. Moreover, the outcome of trade negotiations with the US remains to be seen. After Brazilian exports to the US were facing a 10% global blanket baseline tariff, starting in April, which was anticipated to leave Brazil relatively unaffected, the US administration unexpectedly lifted tariffs, most recently to stand at 50% by August. This could have a more significant effect in the near term if no agreement on lower tariffs between the two nations is found.

With this gradually decelerating trend, composite business confidence eased slightly in June, standing at 48.6, compared with 48.9 in May and following a level of 48 in April and 49.2 in March, as provided by the Confederaçâo Nacional da Indústria. Similarly, the consumer confidence index declined only slightly in June on a non-seasonally adjusted basis, standing at 85.1 in June, following a level of 85.4 in May, 83.8 in April and 84.6 in March.

Consumer goods price rises saw a slight uptick in June but are still below levels seen earlier in the year. Headline inflation stood at 5.4%, y-o-y, in June, compared with a level of 5.3%, y-o-y, in May, but down from 5.5%, y-o-y, in April and March.

Core inflation increased to 5.4%, y-o-y, in June, up from 5.1%, y-o-y, in May and April and a March level of 4.9%, y-o-y. Several temporary factors contributed to the ongoing high level of inflation, including strong domestic consumption, the end of government subsidies on electricity bills, and higher gasoline and ethanol prices following the reinstatement of taxes on these fuels, among other elements. These temporary effects are anticipated to become less impactful toward the end of the year.

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



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

As a consequence of the persistent inflationary pressures, the Banco Central do Brasil (BCB) raised the Selic rate, its monetary policy rate, at its latest policy meeting in June by 25 basis points (bp), lifting it to 15% and signalling an intention to keep it at that level and evaluate the effects of the high policy rate in the very near term.

Near-term expectations

Following exceptionally high growth of 3.6% in 4Q24 and 4.0% in 3Q24, the Brazilian economy entered the year with a robust, albeit slowing, economic growth dynamic, standing at 2.9%, y-o-y, in 1Q25. The Brazilian economy is expected to maintain solid momentum this year, though at a more moderate pace. GDP growth is projected to ease gradually further over the remainder of 2025, averaging about 2.2% in the next three quarters. This slowdown reflects the continued impact of tight monetary policy and anticipated fiscal consolidation measures aimed at stabilising public finances. Despite the deceleration, economic activities should receive support from targeted fiscal transfers, rising real incomes, and expanded credit programmes. However, the growth trend may be tempered by tighter financial conditions, elevated household debt, and limited spare capacity in the economy.

Looking ahead to 2026, the outlook is expected to improve. Growth is projected to pick up to around 2.3% in the first half and further to roughly 2.6% by the end of the year. This acceleration will likely be aided by monetary easing – expected to begin next year – to avoid inflation falling persistently below the lower bound of the central bank's target. Additionally, progress on tax reform could start to boost investor confidence and improve medium-term investment prospects. However, the likely necessity of fiscal tightening may limit the momentum of the near-term expansion.

The May fiscal report showed that Brazil recorded its first 12-month primary surplus in two years. While this outcome was slightly better than anticipated, it is not strong enough to alter the anticipated primary deficit projection of around 0.3% for 2025. Looking ahead, the fiscal outlook could improve if revenues exceed expectations or if budget execution remains tighter than planned. The recent repeal of the tax increase on financial transactions creates a new challenge for the government, which must now choose between further spending restraint, new revenue sources, or a mix of both. Most likely, the administration will pursue a combination, potentially also including the auctioning of uncontracted oil areas, increased extraordinary dividends from state-owned enterprises, and continued limits on discretionary spending. However, considering that 91% of primary spending is tied to mandatory outlays, there is little room for adjustment, and rising social expenditures continue to strain the budget. Public debt is projected to climb from 80% of GDP in 2025 to nearly 90% by 2029, suggesting ongoing fiscal sustainability risks under current policies.

Moreover, the recent, and previously unexpected, announcement by the US administration of a 50% tariff on Brazilian exports introduces an additional downside risk. With exports to the US accounting for roughly 2% of Brazil's GDP, the anticipated decline in demand – driven in part by higher prices for Brazilian goods in the US – could reduce near-term GDP growth by up to 0.4 percentage points. However, Brazil may seek to mitigate this impact through continued negotiations with the US and by redirecting exports to alternative markets. This may be relatively feasible for widely traded commodities such as agricultural products, metals, and steel, as well as fuels and crude oil, which account for the largest part in Brazilian exports to the US at more than 50%. So, the near-term developments in the US trade-related area will need close monitoring.

Inflation is expected to stay elevated at around 5% in 2025, driven by a weaker currency, persistent services inflation, and real wage growth. As a result, the central bank is likely to maintain a tight policy stance with the possibility of further tightening to re-anchor inflation expectations, even at the risk of eventually undershooting the inflation target later. Following its latest meeting in June, the central bank highlighted that it plans to examine the effects of the recent policy rate hikes, and then evaluate whether the current interest rate level is appropriate and if it will be enough to keep it stable for a prolonged period to ensure the convergence of inflation to the target. The central bank's monetary committee stressed that it would remain vigilant and would not hesitate to continue with the rate-hiking cycle if appropriate.

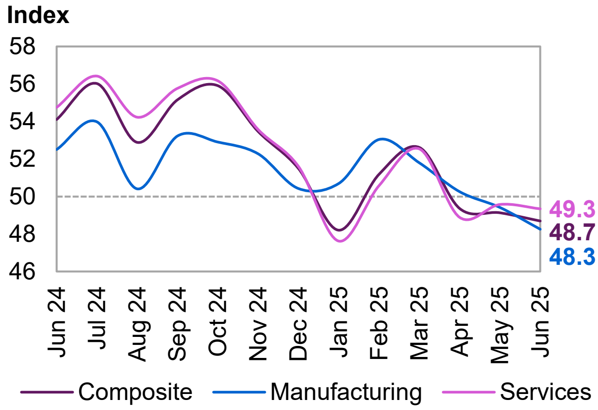
The June PMI indices reflect a moderation in the economy's growth dynamic, with declines in both the manufacturing and services sector indices. Both sector indices remain below the growth-indicating level of 50.

The Services PMI fell to 49.3 in June, down from 49.6 in May and 48.9 in April.

The Manufacturing PMI fell to 48.3 in June, following an index level of 49.4 and compared with 50.3 in April.

Reflecting the ongoing deceleration in the Brazilian economy and continued fiscal constraints, the 2025 economic growth forecast remains at 2.3%. However, should growth in 2Q25 prove stronger – potentially supported by the agricultural sector – economic growth may see some further upside this year. On the other side, the most recently announced 50% tariffs on US goods imports from Brazil may dampen GDP growth in 2H25, if no solution between the two nations is found.

Graph 3 - 17: Brazil's PMIs



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

For 2026, the economic growth forecast stands at 2.5%, also unchanged from the previous month. This reflects an anticipated acceleration driven by monetary easing, a positive impact from fiscal reforms and a resulting increase in domestic consumption and investments. However, fiscal developments and a lagged impact from tight monetary policies remain the major uncertainty in the coming year. Moreover, the development of US import tariffs for Brazilian goods remains to be seen, an area that could dampen growth in the coming year.

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

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

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Russia

Update on the latest developments

Russia's economy entered the current year with a normalising growth level. After annual growth in 2024 was reported at 4.3%, including 4Q24 growth of 4.5%, y-o-y, the most recent release of 1Q25 growth shows a significant slowdown from the previous year's elevated growth level, standing at 1.4%, y-o-y. This slowdown partially reflects the rising impact of high interest rates, persistent inflation, a drop in revenues from commodities and external economic pressures, all in combination with an increasingly tightening fiscal situation. That said, the manufacturing sector remains well supported, while the services sector remains robust.

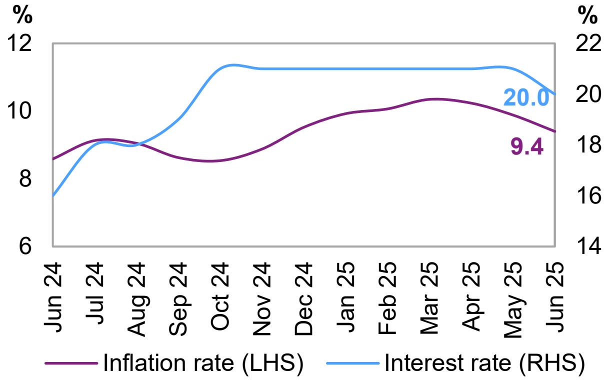
The central bank has started easing from very high key policy rate levels – although monetary policy remains tight – constraining economic activities amid ongoing high inflation. Fiscal challenges have intensified as commodity-linked revenues have retracted, leading the finance ministry to triple its deficit projection to 1.7% of GDP. In addition, while budget performance improved in May, the cumulative federal budget deficit over the first five months of the year – standing at 1.5% – has almost approached the recently revised annual target of 1.7% of GDP. Amid this limited fiscal space, the government may need to tap different revenue sources, such as raising taxes, cutting government expenditure, or accepting higher deficits.

Although the above-mentioned moderating growth trend continued into 2Q25, IP picked up marginally in May, expanding by 1.9%, y-o-y, following a rise of 1.4%, y-o-y, in April and an increase of 0.7%, y-o-y, in March, all on a non-seasonally adjusted basis. This compares to annual growth in IP of 4.2% in 2024. Retail sales growth on a volume basis was steady, expanding by 1.6%, y-o-y, in May, 1.7%, y-o-y, in April, and 1.2%, y-o-y, in March.

The headline CPI edged down further in June, to stand at 9.4%, y-o-y, following 9.9%, y-o-y, in May and 10.2%, y-o-y, in April. M-o-m inflation eased to 0.2% in June, after a rise of 0.4% in both May and April and compared with a rise of 0.7% in March. Core inflation also moderated slightly, standing at 8.7%, y-o-y, in June, following 8.9%, y-o-y, in May and 9.2%, y-o-y, in April.

The central bank lowered its key policy rate by 1 pp to stand at 20% at its latest June meeting, mentioning that Russia is gradually returning to a more balanced growth path. However, it noted that it will maintain tight monetary conditions for as long as necessary. It also maintained its view that inflationary pressures continue to outweigh disinflationary forces.

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



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

In the meantime, the labour market remains tight, with the unemployment rate falling to a level of 2.2% in May, after standing at 2.3% in April and 2.4% in February and January. This tight labour market continues to support accelerating wage growth and consumer spending. Russia's nominal average wages saw continued high growth in recent months. Wages expanded by 15.6%, y-o-y, in April following a rise of 10.5%, y-o-y, in March, and a rise of 13.6%, y-o-y, in February. Despite the strong rise in April, this figure should be compared to the growth of 17.1%, y-o-y, in January, meaning that on average, the trend points to some degree of disinflation.

Near-term expectations

Although growth has clearly moderated from last year's exceptionally elevated levels, the Russian economy is expected to maintain a steady pace of expansion in 2025. This normalisation process is projected to continue through the end of the year. The current moderation in Russian growth appears to be shaped in part by the central bank's continued tight monetary stance, fiscal consolidation efforts, and a labour market that is projected to remain tight at least through mid-year. Solid net exports and ongoing government-led support form a stable foundation for current growth dynamics. In addition, the potential easing of external pressures could enable a gradual recovery in export volumes in the near term, although persistent weakness in global commodity markets may weigh on this outlook.

At present, it is expected that the government will be able to counterbalance a moderate decline in export revenues through targeted support measures. Despite prevailing challenges, household consumption should remain relatively resilient, supported by continued strong wage growth. Government spending is also likely to remain elevated in light of ongoing geopolitical tensions, providing further support for public consumption and investment. In recent years, fiscal stimulus and government expenditure have played a key role in sustaining economic activities, contributing to a positive output gap and rising inflation.

Following the Central Bank of Russia's restrictive monetary stance, the rouble has continued to strengthen against the US dollar. In addition, a growing share of Russia's foreign trade is now settled in roubles, helping to support the currency even during periods of lower commodity prices. In April, more than 56% of trade transactions were conducted in roubles, while the share of advanced economies' currencies such as the US dollar and the euro declined to just slightly above 15% of total trade turnover. This ongoing shift toward rouble-based trade also explains the muted reaction of the Russian foreign exchange market to the most recent geopolitically driven events.

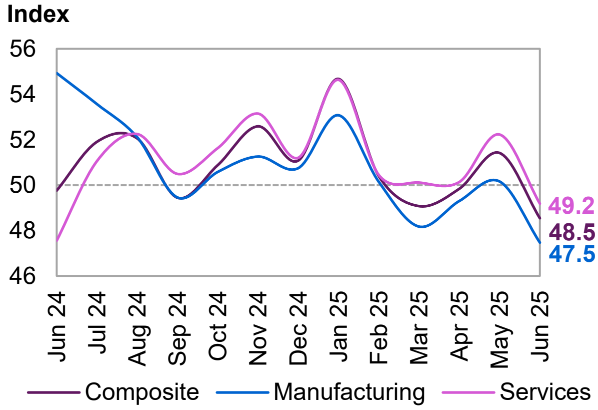
Meanwhile, Russia's trade surplus narrowed in April to $9 billion, compared with $11.8 billion in March. Although export values in US dollars were still down 3%, y-o-y, this marked a notable recovery from the 16.6% y-o-y contraction in March. Meanwhile, the stronger rouble supported higher import demand, with the dollar value of imports rising by 7.5%, y-o-y, in April, up from just 0.2% growth in the previous month. The current account surplus fell to $3.8 billion in April from $7.7 billion in March. That said, barring a significant decline in commodity prices, the current account is expected to remain in surplus through the rest of 2025, as cooling domestic demand may lead to a reduction in imports.

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

The manufacturing PMI retracted to stand at 47.5 in June, after 50.2 in May, 49.3 in April and 48.2 in March.

The services PMI also declined, standing at 49.2 in June, following a May level of 52.2 and 50.1 in both April and March.

Graph 3 - 19: Russia's PMI



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

The economic growth projection for 2025 remains unchanged at 1.8%, anticipating a weakening of economic growth in the current year. Economic momentum is forecast to continue its slightly appreciating trend towards the end of the year, after relatively softer growth in 1Q25. This dynamic is forecast to be mainly supported by exports, government spending and prudent monetary policies, leading to steady domestic consumption as well.

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

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

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

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Africa

South Africa

Update on the latest developments

South Africa's 1Q25 economic growth data confirmed a steady growth dynamic, expanding by 0.8%, y-o-y, translating to growth of 0.1%, q-o-q, on a seasonally adjusted rate. On the demand side, private consumption grew by 2.8%, y-o-y, representing a slight increase from the 2.6% recorded in 4Q24. In contrast, fixed investment remained weak, contracting by 3.2%, y-o-y. Net exports weighed slightly on growth, though this was partially offset by a modest build-up in inventories. On the supply side, agriculture continued to perform well, expanding by 4.1%, y-o-y. However, major sectors such as mining, manufacturing, and construction registered declines. Positively, headline and core inflation remained steady in May at 2.8% and 3.0%, y-o-y, respectively. Food inflation rose sharply to 4.8%, y-o-y, driven by a broad-based increase in vegetable prices, due to sharp price increases in specific food items. Elsewhere, fuel inflation declined further to -14.9%, y-o-y.

The government recently presented the third iteration of its 2025 Budget, building on two earlier versions – the initial draft that was ultimately shelved and the second budget provided in March. This third version includes spending cuts but no VAT increase, while the nominal level of gross government debt remains largely unchanged over the medium-term expenditure framework (MTEF). In the meantime, the South African Central Bank (SARB) kept the key policy rate steady in June, after lowering it by 25 bp to 7.25% at its May meeting. At the meeting, it also signalled a clear preference for lowering the inflation target to 3%, though no formal policy change was announced. The SARB argues that a lower target would reduce policy rates over time, though short-term effects depend on the credibility of re-anchoring inflation expectations.

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

Near-term expectations

South Africa's economy is likely to maintain the low growth dynamic seen in 1Q25, amid ongoing challenges like trade pressures and fiscal constraints. Momentum in 2025 and 2026 is anticipated to remain supported by a projected improvement in domestic demand and continued structural reform efforts, but constrained by a tight fiscal framework. Revised revenue measures, as reflected in the third budget proposal, are expected to generate R18 billion in 2025/26, with an additional R20 billion in tax proposals anticipated in the 2026 Budget. Despite these efforts, South Africa's worsening debt-to-GDP ratio remains a key concern and may still reach 80% of GDP in the near term. The fiscal outlook's sustainability depends critically on stronger economic growth, as meaningful consolidation will be difficult to achieve given persistent spending pressures.

Support may come from an ongoing accommodative monetary policy. Recently, core inflation undershot expectations, leading to a more benign inflation outlook. With these developments, the SARB's tone became more dovish. The monetary policy committee (MPC) flagged the potential for lower global rates due to weaker growth prospects, rising trade barriers, and subdued inflation driven by soft demand and lower energy prices lately. Given the SARB's tone, the revised outlook, and the more benign inflation view, another 25 bp rate cut is likely in July, with the possibility of further easing thereafter. In the meantime, the Bureau for Economic Research's Q2 survey showed a broad-based decline in inflation expectations, with the average 2-year ahead expectation falling from 4.7% to 4.5%, aligning with forecasts and marking a key development in light of the SARB's stated preference for an inflation target lower than 3%. Notably, business expectations fell to their lowest level since 1Q06, dropping from 4.8% to 4.5%, and are viewed as particularly important given their role in price-setting. Five-year expectations also declined to 4.4% from 4.7%. This data was seen as a dovish signal by markets and, combined with expectations of Fed rate cuts in 2H25, reinforces the case for SARB easing as early as the July MPC meeting.

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

June's S&P Global PMI reading supported South Africa's anticipated low-growth scenario, standing at 50.1, compared with 50.8 in May and 50 in April, all indicating gradual near-term expansion. This dynamic of continued improvement in private sector activity comes after several months of contraction.

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

Amid the latest developments, South Africa's 2025 economic outlook is revised down slightly to stand at 1%, compared with 1.2% in the previous month. Consequently, the 2026 economic growth forecast is revised down to stand at 1.4%, compared with 1.5% in the previous month. This reflects expectations of a gradual recovery despite persistent headwinds.

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

	South Africa
2025	**1.0**
Change from previous month	-0.2
2026	**1.4**
Change from previous month	-0.1

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Saudi Arabia

Saudi Arabia's latest budget reflects fiscal caution and medium-term sustainability, while still aiming to support private-sector growth. Government spending is projected to decline to SAR1.29 trillion in 2025, down from SAR1.4 trillion in 2024, while revenues are also expected to fall slightly to SAR1.18 trillion from SAR1.2 trillion. The shift indicates the focus on maintaining long-term fiscal balance amid a gradually improving global economy. Despite tighter spending, the government remains committed to economic reform and private-sector development, in line with its Vision 2030 agenda. On the labour market front, trends continue to point in a positive direction. The overall unemployment rate fell to 2.8% in 1Q25, down from 3.5% in the previous quarter, indicating a tightening labour market. Among Saudi nationals, unemployment decreased to 6.3% in 1Q25, a notable improvement from 7% in 4Q24. These figures suggest meaningful progress toward the revised Vision 2030 unemployment target of 5%, which was lowered after the original goal was reached ahead of schedule. Female labour force participation increased to 36.5% in 1Q25, up from 33.5% in 4Q24 and significantly higher than the 20.1% seen in 2017, now standing well above the Vision 2030 target of 30%. Meanwhile, high-frequency economic indicators remain strong. The Purchasing Managers' Index (PMI) expanded to stand at 57.2 in June, after a level of 55.8 in May and 55.6 in April, remaining firmly in expansionary territory. This suggests that despite some easing in output growth, domestic demand and business conditions, overall private-sector activity remains robust. These trends point to sustained momentum in the economy's diversification efforts and reinforce expectations for solid performance in 2H25.

Nigeria

Private sector activity in Nigeria continued to expand in June, though at a slower pace, as indicated by a retraction in the Stanbic IBTC Bank Purchasing Managers' Index (PMI) from 52.7 in May to 51.6. The slowdown was primarily due to weaker growth in the manufacturing sector, while other sectors maintained some momentum. Persistent challenges such as material shortages, delayed payments, and power supply issues led to a rise in backlogs for the third consecutive month, and employment levels remained largely unchanged. While consumer price inflation is trending downward, rising food costs and global volatility – including tariff concerns – are key risks. As a result, the Central Bank of Nigeria is expected to keep the policy rate steady at 27.5% at its upcoming July meeting. Nigeria's external and fiscal accounts showed mixed trends. The current account surplus in 1Q25 narrowed to $3.7 billion, falling short of market expectations despite a strong increase in the trade surplus. Weakness in the services account and lower transfer inflows contributed to this trend. The full-year current account surplus is now projected at 7.1% of GDP. On the fiscal side, Nigeria saw an improved deficit of 3.4% of GDP in 2024, helped by strong oil and tax revenues. However, continued government spending and optimistic assumptions underpinning the 2025 budget are likely to widen the deficit. Public debt climbed in 1Q25 but is expected to remain at around 50% of GDP this year.

United Arab Emirates (UAE)

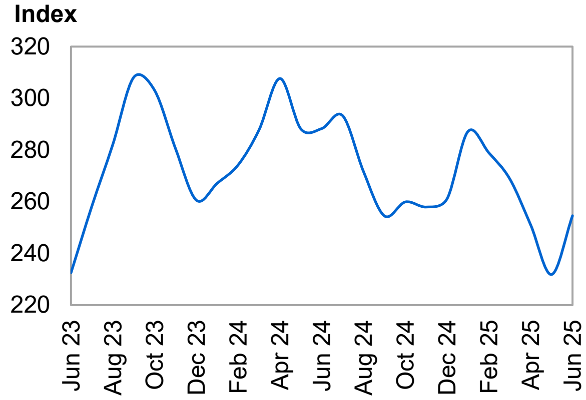
The UAE's non-oil economy remains on solid ground, with the June PMI expanding slightly to stand at 53.5, following a solid level of 53.3 in May and 54 in April, signalling continued expansion, despite some deceleration in momentum. Moreover, the private sector continued to perform strongly, with the UAE's real estate and tourism sectors continuing to show strong momentum in 2025. In Dubai, year-to-date real estate transaction volumes through June rose 24%, y-o-y, with values up 38%, y-o-y, reflecting broad-based growth across all segments. In June alone, volumes and values increased by around 17%, y-o-y. The secondary market saw steady annual growth as well, rising by 8%, y-o-y, in both volumes and values. Prices continued to climb, up by 15.6%, y-o-y, in May, with both apartments and villas now well above 2014 peak levels. Rents also rose, with apartment rents up 9.0%, y-o-y, and villa rents up 5.7%. New regulations supporting first-time buyers through preferential pricing and discounted mortgages, along with a proposed nomination-based golden visa for Indian and Bangladeshi nationals, are expected to support medium-term demand. In Abu Dhabi, 2Q25 real-estate volumes rose 7%, y-o-y, while values surged 45% on an annual basis and rents rose by 27.3%, y-o-y. Tourism in Dubai also remained robust, with May 2025 arrivals up 6%, y-o-y, and year-to-date figures around 7% higher than the previous year. This level is about 21% above pre-COVID-19 levels, while hotel occupancy rose to 83%. In the meantime, the country is actively diversifying the economy and building international partnerships to support investment and economic diversification. An important development includes new agreements on the launch of a US-UAE AI cooperation framework, underscoring a shared focus on innovation, investment, and the strategic transferal of knowledge. These efforts, among others, are part of broader national strategies to position the country as a global centre for innovation and sustainable economic growth.

The impact of the USD and inflation on oil prices

The US dollar (USD) index continued its downward trajectory, falling for a fifth consecutive month in June. The USD fell by 1.7%, m-o-m, pressured by softer safe-haven demand. Concerns about the long-term US fiscal trajectory, particularly regarding rising debt levels, weighed on the USD's safe-haven appeal. The currency was further pressured by market expectations of lower interest rates following the US Fed's dovish projections in their June meeting. Compared with the same period last year, the index was down by 6.4%, y-o-y.

On developed market currencies, the USD declined against all major currencies in June. It fell against the euro, yen, and pound by 2.1%, 0.3% and 1.5%, m-o-m, respectively. Compared with the same period last year, the USD was down against all major currencies. It was down against the euro, yen, and pound by 6.6%, 8.5%, and 6.3%, y-o-y, respectively.

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



Sources: IMF and OPEC.

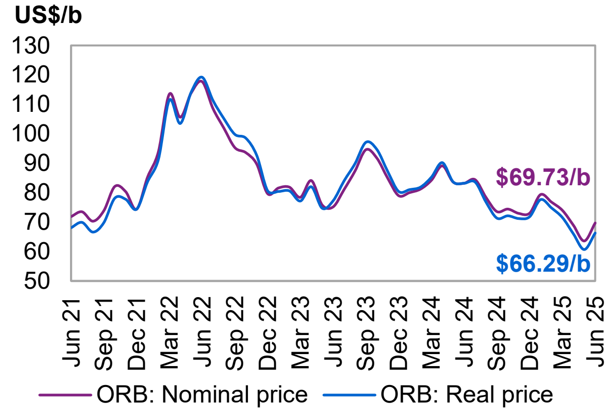
In terms of emerging markets' currencies, in June, the USD fell against the yuan and real by 0.4% and 2.1%, m-o-m, respectively. Meanwhile, against the rupee, the USD was essentially flat, m-o-m, over the same period. Compared with the same period last year, the USD was up against the rupee and real by 1.9% and 3.0%, y-o-y, respectively; however, it was down against the yuan by 1.0%, y-o-y, over the same period.

The differential between nominal and real ORB prices widened in June. Inflation (nominal price minus real price) increased by 17.4%, m-o-m.

In nominal terms, accounting for inflation, the ORB price increased by 9.6%, m-o-m, in June, and was down by 16.2%, y-o-y.

In real terms (excluding inflation), the ORB price rose by 9.2%, m-o-m, and was down by 20.3%, y-o-y.

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



Source: OPEC.

World Oil Demand

Global oil demand growth for 2025 is forecast at 1.3 mb/d, year-on-year (y-o-y), unchanged from the previous month's assessment. Lower-than-anticipated actual data for 1Q25 in the OECD and Other Asia were offset by better-than-expected actual data in Latin America, Africa and the Middle East. For 2Q25, the upward adjustments in forecasts for OECD Americas, the Middle East and Africa were slightly offset by downward adjustments to China and India. Overall, forecasts for demand growths remained unchanged from last month's assessments.

In the OECD, oil demand is projected to expand by 138 tb/d, y-o-y, in 2025, entirely due to OECD Americas, while OECD Europe is projected to be flat, y-o-y, and Asia Pacific is expected to decline marginally. In the non-OECD, oil demand is forecast to grow by about 1.2 mb/d, y-o-y, driven by Other Asia, China and India.

In terms of products, world oil demand in 2025 is expected to continue to be driven by requirements for transportation fuels, with jet/kerosene expected to increase by 407 tb/d, y-o-y, and gasoline projected to expand by 378 tb/d, y-o-y. Diesel, including transportation diesel, is projected to grow by 94 tb/d, y-o-y, supported by strong air travel and healthy road mobility. Furthermore, petrochemical feedstock demand is expected to remain healthy, with NGLs/LPG expected to expand, y-o-y, by 290 tb/d. Naphtha should increase, y-o-y, by 182 tb/d due to capacity additions in the petrochemical industry, particularly in non-OECD countries – mostly China and the Middle East.

Similarly, the forecast for global oil demand growth in 2026 remains unchanged from last month's assessment at a healthy 1.3 mb/d, y-o-y. The OECD is expected to grow by around 0.1 mb/d, y-o-y, with OECD Americas expected to lead oil demand growth in the region. In the non-OECD, oil demand is forecast to increase by 1.2 mb/d, led by Other Asia, followed by India and China.

In terms of products, transportation fuels, jet/kerosene and gasoline are projected to continue to drive oil demand growth in 2026, increasing by around 370 tb/d, y-o-y, each. Diesel is projected to increase by 117 tb/d, y-o-y. Similarly, NGLs/LPG and naphtha – key petrochemical feedstock contributors – are forecast to support global oil demand growth with a combined y-o-y increase of around 370 tb/d.

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

World oil demand	2024	1Q25	2Q25	3Q25	4Q25	2025	*Change 2025/24*
Americas	24.94	24.84	25.03	25.32	25.20	25.10	0.15
of which US	*20.42*	*20.42*	*20.48*	*20.67*	*20.72*	*20.57*	*0.15*
Europe	13.51	12.92	13.56	14.06	13.52	13.52	0.00
Asia Pacific	7.21	7.40	7.01	6.95	7.41	7.19	-0.02
Total OECD	**45.67**	**45.16**	**45.60**	**46.32**	**46.13**	**45.80**	**0.14**
China	16.65	16.86	16.52	17.03	17.04	16.86	0.21
India	5.55	5.70	5.75	5.50	5.91	5.72	0.16
Other Asia	9.67	9.87	10.25	9.76	9.76	9.91	0.24
Latin America	6.75	6.83	6.89	6.96	6.91	6.90	0.15
Middle East	8.85	8.80	8.75	9.28	9.15	9.00	0.14
Africa	4.65	4.89	4.58	4.68	5.07	4.80	0.16
Russia	3.98	4.01	3.85	4.04	4.19	4.02	0.04
Other Eurasia	1.26	1.41	1.29	1.18	1.32	1.30	0.04
Other Europe	0.80	0.82	0.83	0.77	0.87	0.82	0.02
Total Non-OECD	**58.17**	**59.17**	**58.70**	**59.21**	**60.23**	**59.33**	**1.16**
Total World	**103.84**	**104.33**	**104.30**	**105.53**	**106.36**	**105.13**	**1.29**
Previous Estimate	103.84	104.44	104.19	105.53	106.36	105.13	1.29
Revision	0.00	-0.11	0.11	0.00	0.00	0.00	0.00

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

Source: OPEC.

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

World oil demand	2025	1Q26	2Q26	3Q26	4Q26	2026	Change 2026/25
Americas	25.10	24.92	25.05	25.44	25.24	25.16	0.06
of which US	*20.57*	*20.45*	*20.50*	*20.80*	*20.74*	*20.62*	*0.05*
Europe	13.52	12.95	13.55	14.09	13.51	13.53	0.01
Asia Pacific	7.19	7.42	7.01	6.94	7.41	7.20	0.01
Total OECD	**45.80**	**45.28**	**45.61**	**46.47**	**46.16**	**45.88**	**0.08**
China	16.86	17.00	16.77	17.30	17.23	17.08	0.21
India	5.72	5.91	6.01	5.74	6.18	5.96	0.25
Other Asia	9.91	10.11	10.49	10.06	10.06	10.18	0.27
Latin America	6.90	6.96	7.02	7.08	7.04	7.02	0.13
Middle East	9.00	8.94	8.91	9.47	9.24	9.14	0.14
Africa	4.80	5.00	4.70	4.80	5.14	4.91	0.11
Russia	4.02	4.06	3.89	4.09	4.23	4.07	0.04
Other Eurasia	1.30	1.47	1.31	1.20	1.34	1.33	0.03
Other Europe	0.82	0.83	0.83	0.80	0.90	0.84	0.02
Total Non-OECD	**59.33**	**60.28**	**59.93**	**60.55**	**61.36**	**60.53**	**1.20**
Total World	**105.13**	**105.57**	**105.54**	**107.01**	**107.52**	**106.42**	**1.28**
Previous Estimate	105.13	105.68	105.43	107.01	107.52	106.42	1.28
Revision	0.00	-0.11	0.11	0.00	0.00	0.00	0.00

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

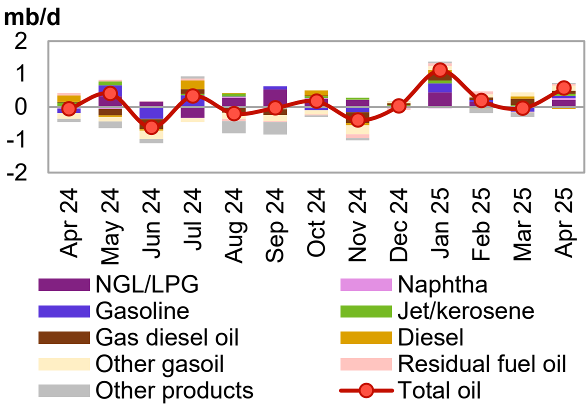
OECD

OECD Americas

Update on the latest developments

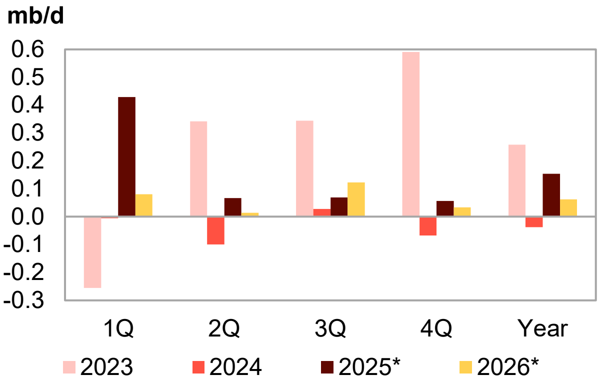
In April, oil demand in OECD Americas surged by 568 tb/d, y-o-y, following a decline of 42 tb/d, y-o-y, in March. Within the region, oil demand in the US increased by 205 tb/d, y-o-y, while it expanded in Canada by 201 tb/d, y-o-y, and in Mexico by 157 tb/d, y-o-y. In terms of petroleum products, NGLs/LPG led oil demand growth in the region by 208 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: * 2025-2026 = Forecast.*
Source: OPEC.

US

In April, US oil demand increased by 205 tb/d, y-o-y, up from y-o-y growth of 73 tb/d observed in March. NGLs/LPG saw the largest increase of 151 tb/d, y-o-y, up from the growth of 73 tb/d, y-o-y, registered in March. Naphtha expanded by 55 tb/d, y-o-y, up from a decline of 4 tb/d, y-o-y, in March.

In terms of transportation fuels, diesel – including transportation diesel – increased by 82 tb/d, y-o-y, though this is below the growth of 220 tb/d, y-o-y, observed in March. Gasoline expanded by 79 tb/d, y-o-y, in April, up from a 122 tb/d y-o-y decline observed in March. This is consistent with April data for vehicle miles travelled

(VMT), indicating an increase of 1.5%, compared with April 2024. Demand for jet/kerosene increased by 49 tb/d, y-o-y, up from a 6 tb/d y-o-y decline seen in March.

However, the 'other products' category, which includes bitumen, lube oil and petroleum coke, saw the largest decline of 191 tb/d, y-o-y, down from a 69 tb/d y-o-y decline observed the previous month. Demand for residual fuel oil fell by 20 tb/d, y-o-y, for the second consecutive month.

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

US oil demand By product	Apr 24	Apr 25	Change Apr 25/Apr 24
NGL/LPG	3.33	3.48	0.15
Naphtha	0.11	0.17	0.06
Gasoline	8.83	8.91	0.08
Jet/kerosene	1.72	1.77	0.05
Diesel	3.80	3.88	0.08
Fuel oil	0.31	0.29	-0.02
Other products	2.19	2.00	-0.19
Total	**20.30**	**20.50**	**0.20**

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

Sources: EIA and OPEC.

Near-term expectations

In the near term, the US economy is holding up relatively well, albeit with some slight moderation. Retail sales have remained strong, pointing to solid underlying consumption. US GDP is projected to remain in positive territory in 2025. Despite some uncertainties regarding the likely impact of the US Administration's tariffs on its trading partners, the overall trajectory continues to point to their gradual de-escalation. In 3Q25, oil demand is projected to increase by an average of 54 tb/d, y-o-y, up from growth of 13 tb/d, y-o-y, in 2Q25. Transportation fuels, gasoline and jet/kerosene, are expected to be the main drivers of product demand growth, supported by driving mobility and air travel during the summer driving season.

US electric vehicle (EV) uptake is expected to run into obstacles due to policy uncertainties and potential tariff implementation, which could dampen investor confidence and slow market growth. This development is expected to support the US sales of internal combustion engine (ICE) vehicles in the short term. Moreover, a recent survey by the American Automobile Association (AAA) shows that over 60% of respondents are likely to choose ICEs when they buy their next vehicle, citing cost, long-distance travel and availability of charging facilities as among their reasons for preferring ICEs over EVs.

In 2025, US demand is expected to grow by 153 tb/d, y-o-y, to average 20.6 mb/d. In terms of products, the NGLs/LPG category is expected to drive 2025 oil demand growth with an increase of around 90 tb/d, y-o-y; gasoline demand is expected to rise by around 40 tb/d, y-o-y; and demand for jet/kerosene is projected to expand by about 20 tb/d, y-o-y. Diesel demand is expected to grow by around 40 tb/d, y-o-y. The demand for naphtha is projected to contract by 10 b/d, y-o-y, and 'other products' are expected to decline by 20 tb/d, y-o-y.

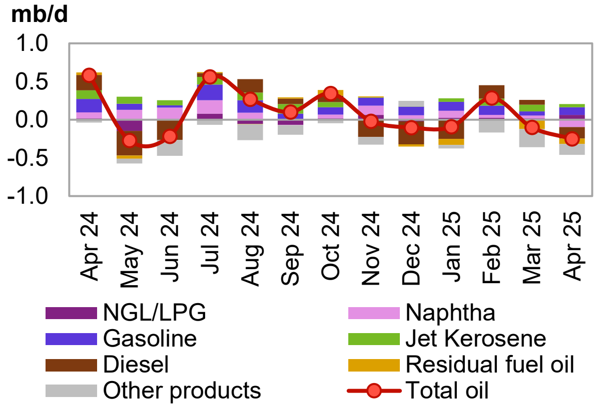
In 2026, US GDP is expected to continue to grow, supported by resilient consumer demand, stabilising trade conditions, and an anticipated easing of monetary policy. The US is expected to drive oil demand in the OECD with an increase of 49 tb/d, y-o-y, largely due to transportation fuels and petrochemical feedstock. While gasoline demand is expected to expand by about 50 tb/d, y-o-y, jet/kerosene demand should see growth of 30 tb/d, y-o-y, and the demand for diesel is projected to expand by 20 tb/d, y-o-y. LPG/ethane demand is anticipated to increase by 20 tb/d, y-o-y. However, demand for residual fuel oil, the 'other products' category and naphtha is projected to contract. Overall, oil product demand in the US is forecast to average 20.6 mb/d in 2026.

OECD Europe

Update on the latest developments

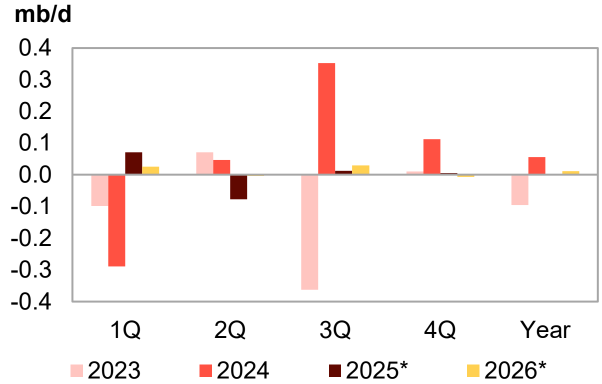
Amid a strong baseline effect, oil demand in OECD Europe in April contracted further by 250 tb/d, y-o-y, after a decline of 101 tb/d was seen the previous month. The decline emanates largely from Germany, the UK and Spain, which more than offset increases seen in France and Italy. A large decline in demand for diesel, the 'other products' category and residual fuel oil more than offset a y-o-y increase in demand for gasoline, jet/kerosene and NGLs/LPG.

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



Sources: IEA, JODI, OPEC and national sources.

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



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

Regarding product categories, demand for 'other products', including bitumen, lube oil and petroleum coke, posted the largest y-o-y decline of 142 tb/d, registering a progressive contraction for four consecutive months. Demand for diesel contracted by 149 tb/d, y-o-y, down from a y-o-y increase of 60 tb/d registered in March. Meanwhile, demand for residual fuel oil declined by 72 tb/d, y-o-y, though this is an improvement from a decline of 121 tb/d y-o-y seen in March.

In terms of petrochemical feedstock, while demand for NGLs/LPG increased by 66 tb/d, y-o-y, naphtha contracted by 95 tb/d, y-o-y. In terms of transportation fuels, demand for gasoline posted the largest increase of 100 tb/d, y-o-y, and jet/kerosene expanded by 42 tb/d, y-o-y.

Near-term expectations

Economic activities in OECD Europe have shown signs of gradual improvement in 1Q25, with Spain posting strong growth, while Germany and France saw a modest improvement. Consumer spending has been on a positive trajectory and is projected to remain steady, supported by declining unemployment and rising real wages. Furthermore, inflation eased to 1.9%, y-o-y, in May, down from 2.2% in April and March, falling below the ECB's 2% inflation target. If the trend continues, real incomes and domestic demand are expected to see a boost in the region. In a related development, Germany's efforts to revive its economy through infrastructure spending could also support consumer spending in the region's largest economy. Meanwhile, the European Union adopted a targeted change to CO_2 emission performance standards for new cars and vans, offering flexibility to manufacturers to average their performance over a three-year period, rather than each year. This would allow them to balance excess annual emissions by outperforming the target in subsequent year(s). Accordingly, there could potentially be an uptick in the sale of ICE vehicles and a slowdown in the adoption of EVs in the European market.

In the near term, product demand is seen to increase marginally by an average of 13 tb/d, y-o-y, in 3Q25, up from a 78 tb/d y-o-y decline in 2Q25. Consumer spending is likely to remain the primary driver of growth, supported by a strong summer tourism season, particularly in economies with large tourism sectors, such as France, Italy and Spain. Accordingly, strong air travel – including inter-regional travel and driving mobility – are expected to drive jet/kerosene and gasoline demand in the region.

Jet/kerosene is expected to lead overall oil demand growth in 2025 by around 70 tb/d, y-o-y. Gasoline demand is projected to increase by 50 tb/d, y-o-y. Petrochemical feedstock, LPG/ethane and naphtha are projected to inch up by 20 tb/d and 10 tb/d, y-o-y, respectively. At the same time, diesel, residual fuel oil and the 'other products' category are projected to decline by 60 tb/d, 30 tb/d and 50 tb/d, y-o-y. Trade risks remain a key uncertainty, and the expectation remains that a trade deal with the US will eventually be reached. Some de-escalation appears likely, as indicated by the EU's suspension of retaliatory tariffs and the UK's exemption from 50% steel and aluminium tariffs. However, uncertainties remain high.

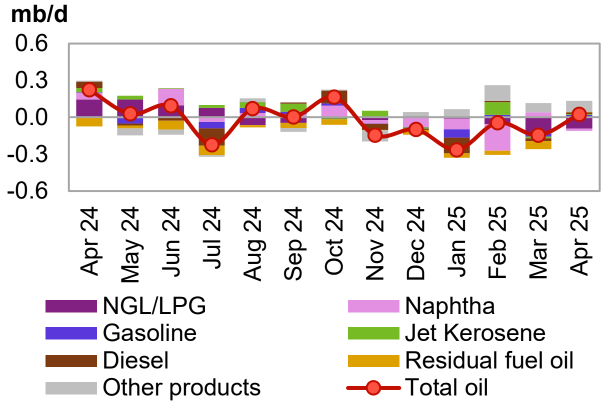
In 2026, economic activities are expected to improve slightly from 2025. Accordingly, the region is projected to see a minor growth of 11 tb/d, y-o-y, to average 13.5 mb/d in 2026.

OECD Asia Pacific

Update on the latest developments

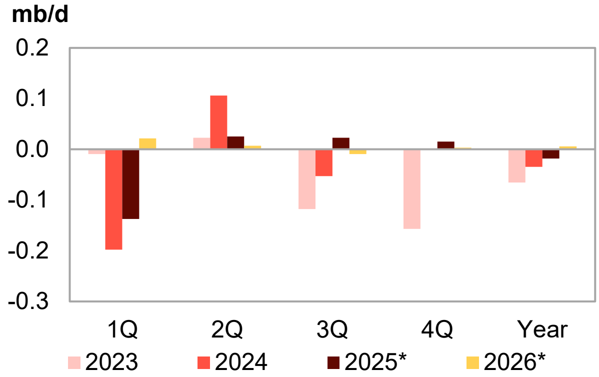
Oil demand in the OECD Asia Pacific region saw an uptick of 24 tb/d, y-o-y, in April, up from a large decline of 145 tb/d, y-o-y, observed in March. Oil demand increases in Australia and South Korea were largely offset by a decline of 68 tb/d, y-o-y, in Japan.

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



Sources: IEA, JODI, OPEC and national sources.

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



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

In terms of petroleum products, demand for 'other products' saw the largest increase at 92 tb/d, y-o-y, up from a growth of 75 tb/d, y-o-y, seen in March. Demand for gasoline increased by 19 tb/d, y-o-y, up from a decline of 24 tb/d, y-o-y, in March. Jet/kerosene demand inched up by 7 tb/d, y-o-y, compared with a y-o-y decline of 13 tb/d in March. Diesel demand expanded by 13 tb/d, up y-o-y from a contraction of 24 tb/d y-o-y seen in the previous month. Demand for residual fuel oil inched up by 3 tb/d, y-o-y, up from a decline of 65 tb/d, y-o-y, observed in March.

In terms of petrochemical feedstock demand, NGLs/LPG demand saw the largest contraction of 94 tb/d, y-o-y, in April, albeit up from a decline of 133 tb/d, y-o-y, observed the previous month. Demand for naphtha softened by 16 tb/d, y-o-y, down from the increase of 39 tb/d, y-o-y, seen the previous month.

Near-term expectations

Despite significant headwinds, including slowing growth, rising inflation and weak domestic demand, South Korea's economy is expected to gradually rebound, with private consumption anticipated to grow amid rising real wages, as domestic political uncertainties subside. Japan is also showing signs of a gradual economic improvement, with private consumption set to increase, as robust wage growth boosts household disposable income. Meanwhile, expanding government subsidies for petroleum products are expected to support oil product demand in Japan. The outlook for oil demand in the OECD Asia Pacific region in the short term sees growth in transportation fuels, jet/kerosene and gasoline, which account for the largest increases. Furthermore, petrochemical sector requirements for naphtha are expected to support oil demand, as operations in petrochemical plants rise further. Accordingly, oil demand is projected to increase by 23 tb/d, y-o-y, in 3Q25.

Regarding the uncertainties associated with recently announced tariffs on goods exported from countries in the region, the US recently announced it to impose additional tariffs of 25% on South Korea and Japan. However, South Korea announced in return that it would accelerate negotiations with the US to achieve a mutually beneficial deal before the 25% tax on its exports goes into effect.

Overall, oil demand in the region is projected to contract by 18 tb/d, y-o-y, to average 7.2 mb/d in 2025. In terms of specific oil products, demand for LPG/NGLs, naphtha and residual fuels is projected to decline by 20 tb/d each, y-o-y, while demand for diesel is expected to decline slightly by 10 tb/d, y-o-y. Gasoline demand is projected to be flat, y-o-y. Jet/kerosene is anticipated to grow by 10 tb/d, y-o-y, and demand for the 'other products' category is projected to expand by 40 tb/d, y-o-y.

In 2026, as domestic political uncertainty in South Korea subsides amid rising real wages toward the end of 2025, economic activties are expected to pick up to support private consumption. In Japan, strong wage growth will support private consumption and business investments are projected to remain robust in 2026. The region is forecast to see marginal growth of 5 tb/d, y-o-y, to average 7.2 mb/d. In terms of products, jet/kerosene demand is projected to grow by 20 tb/d, y-o-y, as air travel continues to expand. Gasoline is expected to expand by 10 tb/d, y-o-y. In terms of petrochemical feedstock demand, both naphtha and NGLs/LPG are forecast to grow by 10 tb/d, y-o-y. Diesel and residual fuel oil demand is expected to remain subdued by weak manufacturing and environmental policy-related constraints.

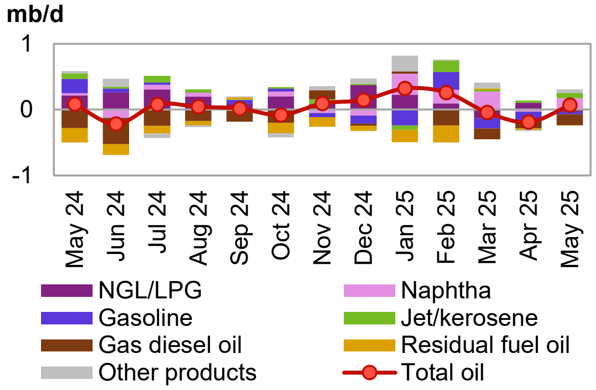
Non-OECD

China

Update on the latest developments

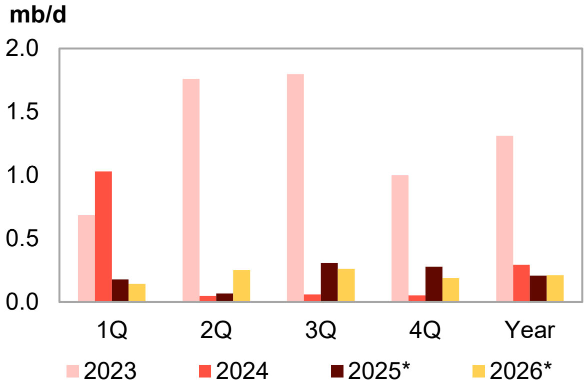
China's oil demand in May saw a rebound of 67 tb/d, y-o-y, after two consecutive months of decline. Growth in naphtha, jet/kerosene and the 'other products' category more than offset a decrease in diesel, NGLs/ LPG and gasoline demand over the month.

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



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

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



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

In terms of product demand, naphtha saw the largest y-o-y increase of 174 tb/d, y-o-y, in May, up from a decline of 33 tb/d, y-o-y, in April. The rise in naphtha demand was due to a new cracker startup amid disruptions in US supplies of cheaper alternatives, propane and ethane, to China. Demand for jet/kerosene expanded by 83 tb/d, y-o-y, up from a y-o-y increase of 32 tb/d observed in April. Jet/kerosene was supported by a surge in domestic and international travel demand, particularly around the May Day holiday. Demand for 'other products' expanded by 50 tb/d, y-o-y, compared with a contraction of 18 tb/d, y-o-y, seen in April.

However, diesel demand declined further by 163 tb/d, y-o-y, compared with a 110 tb/d y-o-y decline observed in April. NGLs/LPG saw a contraction of 39 tb/d, y-o-y, down from an increase of 104 tb/d, y-o-y, seen the previous month. Demand for NGLs/LPG was subdued by weak industrial demand and a mild winter amid trade tension between China and the US, which led to some decline in ethane imports from the US to China. However, the US Commerce Department has since lifted all restrictions on ethane exports to China, effective July 2025. This move is expected to support demand for NGLs/LPG in China, with an average of over 400 tb/d of ethane projected to be shipped to China going forward. Gasoline demand eased by 33 tb/d, y-o-y, though this is an improvement from an annual decline of 144 tb/d observed in April. Residual fuel oil demand inched down by 5 tb/d, y-o-y, compared with a decline of 19 tb/d, y-o-y, observed in April.

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

China's oil demand By product	May 24	May 25	*Change* *May 25/May 24*
NGL/LPG	2.99	2.95	-0.04
Naphtha	1.62	1.79	0.17
Gasoline	3.86	3.83	-0.03
Jet/kerosene	1.16	1.24	0.08
Diesel	3.45	3.28	-0.16
Fuel oil	0.74	0.73	-0.01
Other products	2.95	3.00	0.05
Total	**16.77**	**16.84**	**0.07**

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

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

Near-term expectations

In the near term, ongoing strong economic dynamics are anticipated to continue in 3Q25. Business investment is expected to be well supported. Meanwhile, manufacturing investment has remained stable, supported by strong industrial output, which continued expanding significantly, rising by 5.5%, y-o-y, in May, 6.1%, y-o-y, in April and 7.7%, y-o-y, in March. Furthermore, infrastructure investment is anticipated to remain stable, supported by fiscal stimulus providing needed liquidity and easing bottlenecks surrounding mortgage lending targeting low-income groups, which may result in higher consumption and an increase in housing demand. Moreover, the US and China have agreed in principle on a framework to implement their trade truce, after concluding two days of talks in London. Meanwhile, the two countries also reached an agreement to accelerate shipments of rare earth minerals to the US from China and lifted all restrictions imposed on shipping ethane to China, amid efforts to end a trade war. Additionally, China is looking to increasingly diversify its export markets and is therefore likely to sustain robust export volumes, even amid higher US tariffs. Indications have shown that in the past two months, total Chinese exports to the US fell by 28%, which was more than offset by an increase in shipments to other regions, including Africa, Latin America, the ASEAN region and the EU.

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

Petrochemical feedstock is expected to drive 2025 oil demand, followed by transportation fuels. Naphtha is expected to show growth of 140 tb/d, y-o-y, and the NGLs/LPG category is expected to grow by around 70 tb/d, y-o-y. Similarly, jet/kerosene demand is projected to grow by 80 tb/d, y-o-y, and gasoline is anticipated to remain flat, y-o-y. Diesel demand, including for transportation, is projected to contract, y-o-y, by 30 tb/d. Overall, in 2025, oil demand in China is projected to expand by 209 tb/d, y-o-y, to average 16.9 mb/d. Meanwhile, the country is expanding its visa-free entry policy to welcome more travellers from Latin America and the Middle East. Travellers from these regions will enjoy 30-day visa-free access to China under a one-year trial policy from June 2025. This policy is expected to bolster tourism and provide additional support for jet/kerosene demand in China.

Structural shifts in the transportation sector, including the penetration of EVs and improved efficiency in ICEs, as well as LNG trucks, are expected to weigh on diesel and gasoline demand. Additionally, high-speed rail is in serious competition with domestic air travel. These developments will need to be carefully monitored in the near term.

In 2026, economic activities in China are expected to remain well supported, but are anticipated to decelerate slightly. Fiscal policy is expected to continue to be supportive in 2026. Accordingly, consumption is anticipated to be supported by higher incomes and increased social spending amid low inflation. Consequently, oil product demand is projected to grow by 212 tb/d, y-o-y. In terms of products, petrochemical feedstock and transportation fuels are expected to lead demand growth, with NGLs/LPG and naphtha projected to grow by around 55 tb/d and 50 tb/d, y-o-y, respectively. Healthy air travel is expected to support a jet/kerosene demand increase of 80 tb/d, y-o-y, and steady driving mobility is anticipated to support a gasoline demand increase of around 30 tb/d. Diesel, including transportation diesel, is forecast to grow by around 10 tb/d, y-o-y. Demand for residual fuel oil is expected to be weak. With this, oil demand in China is forecast to average 17.1 mb/d in 2026.

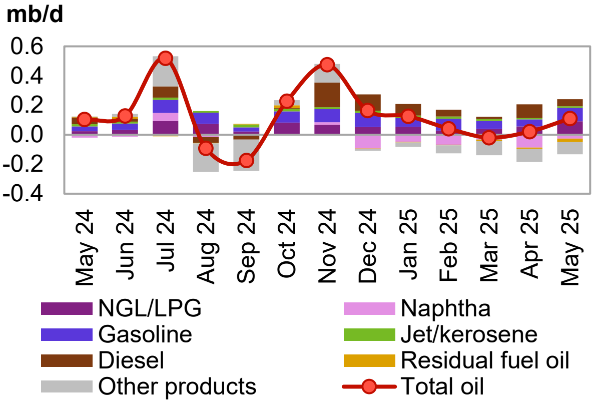
India

Update on the latest developments

In May, India's oil demand expanded by 110 tb/d, y-o-y, up from an increase of 21 tb/d, y-o-y, seen the previous month, supported by transportation fuels and NGLs/LPG.

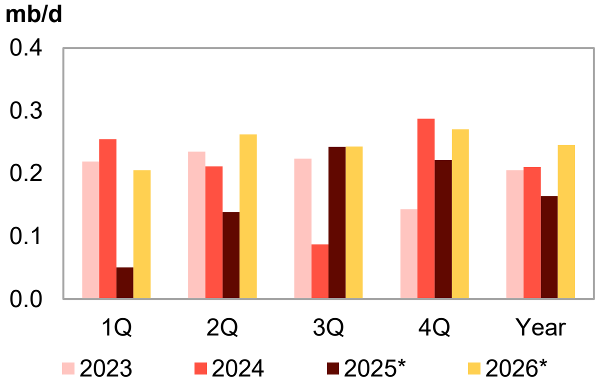
In terms of specific products, gasoline demand posted a large increase in April of 91 tb/d, y-o-y, up from 49 tb/d, y-o-y, seen in the previous month. Gasoline demand was supported by an increase in vehicle sales, which increased by 8%, y-o-y, amid a rise in travel ahead of the monsoon season. Demand for NGLs/LPG rose by 90 tb/d, y-o-y, up from 56 tb/d, y-o-y, growth seen in April. LPG demand was driven largely by household requirements, which account for 88.3% of LPG consumption in India, and is coming from higher consumption due to a government-launched programme. Diesel demand increased by 49 tb/d, y-o-y, though this is below an increase of 94 tb/d, y-o-y, seen the previous month. Diesel accounts for about 45% of India's oil product demand. It saw an uptick during the month due to infrastructure and mining activity, along with a rise in freight activity and rural consumption. Demand for jet/kerosene inched up by 11 tb/d, y-o-y, slightly above the 8 tb/d y-o-y increase seen in April.

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



Sources: PPAC, JODI and OPEC.

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



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

However, demand for 'other products' saw the largest contraction of 81 tb/d, y-o-y, slightly below a decline of 90 tb/d, y-o-y, seen in April. This was largely due to a 14.5%, y-o-y decline in demand for bitumen consumption because of low road construction activity in the major states. Naphtha demand contracted by 27 tb/d, y-o-y, compared with a decline of 88 tb/d, y-o-y, seen in April. The y-o-y decline in naphtha demand was due to slow demand from the petrochemical sector amid maintenance at major petrochemical plants. Demand for residual fuel oil fell by 23 tb/d, y-o-y, compared with a y-o-y decline of 8 tb/d observed the previous month.

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

India's oil demand By product	May 24	May 25	Change May 25/May 24
NGL/LPG	0.90	1.00	0.09
Naphtha	0.31	0.28	-0.03
Gasoline	0.95	1.04	0.09
Jet/kerosene	0.20	0.21	0.01
Diesel	2.04	2.09	0.05
Fuel oil	0.13	0.11	-0.02
Other products	1.09	1.01	-0.08
Total	**5.63**	**5.74**	**0.11**

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

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

Near-term expectations

India's economic expansion is anticipated to continue steadily, driven by ongoing consumer spending, investment, and government support for key sectors. Furthermore, improved infrastructure amid rising car ownership is anticipated to boost driving mobility. Meanwhile, indicators suggest that economic activities in India have remained solid since the beginning of the year. Industrial production is strong, and manufacturing and service sector PMI figures have been consistently above 55 points.

India's inflation has been on a declining trend since January, slowing to 2.82% in May, the lowest in more than six years, from 3.16% in April, well below the Reserve Bank of India's (RBI's) target of 4%. Moreover, high-frequency indicators suggest that economic activities in India have remained solid since the beginning of the year. The manufacturing PMI rose to 58 in June. Similarly, the services sector PMI in May maintained a strong index level of 60 points in June.

These factors, along with fiscal and monetary stimulus measures, are expected to dampen any likely impact that US tariffs may have on Indian GDP growth. Moreover, a trade agreement between the US and India, excluding agricultural products, is reportedly nearing completion and could be finalised by year-end, which may dampen any negative impact of tariffs on the Indian economy.

Accordingly, the outlook for the near term provides further positive signals for steady oil demand in India. Diesel is projected to continue to be the main driver of demand growth, followed by the 'other products' category. Demand for bitumen for construction and demand for petroleum coke in the cement, iron, and steel industries is expected to remain strong, driven by ongoing infrastructure development and industrial production. Additionally, robust growth in transport and manufacturing fuels is expected to support overall 3Q25 oil demand growth to reach 242 tb/d, y-o-y. Furthermore, increasing demand for petrochemical products, most of which rely on petrochemical derivatives, is anticipated to support demand for petrochemical feedstock. Overall, in 2025, oil product demand in India is expected to grow by 164 tb/d, y-o-y, to average 5.7 mb/d.

India is projected to remain the fastest-growing major economy, as current strong economic momentum is expected to continue in 2026 on the back of robust manufacturing, agriculture and service sector activities, bolstered by sustained government support in key sectors amid easing inflation. Accordingly, transportation fuels are projected to drive oil demand growth. Gasoline and diesel are projected to increase by 60 tb/d and 50 tb/d, y-o-y, respectively. Jet/kerosene demand is forecast to expand by around 20 tb/d, y-o-y, supported by strong international and domestic air travel demand. The ‘other products’ category is projected to expand by around 20 tb/d, y-o-y, supported by bitumen and petroleum coke demand from the road construction, iron and steel industries. NGLs demand is expected to increase by around 40 tb/d, y-o-y, while naphtha is projected to show a slight decline of around 20 tb/d, y-o-y. Demand for residual fuel oil is anticipated to show a marginal decline in the manufacturing and shipping industries due to environmental regulations.

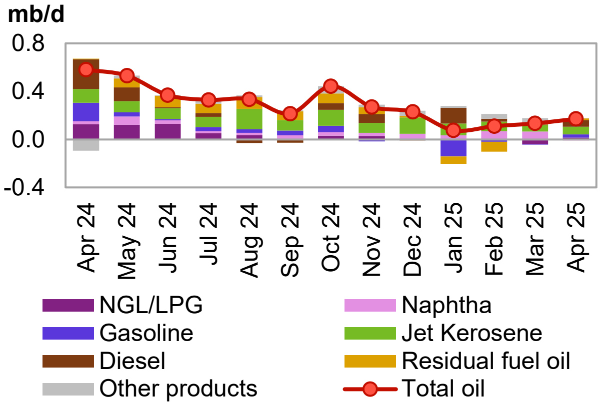
Accordingly, in 2026, India is projected to surpass China to become the second-largest driver of global oil demand growth. In line with this, oil demand is projected to grow by 246 tb/d, y-o-y, to average 6.0 mb/d.

Other Asia

Update on the latest developments

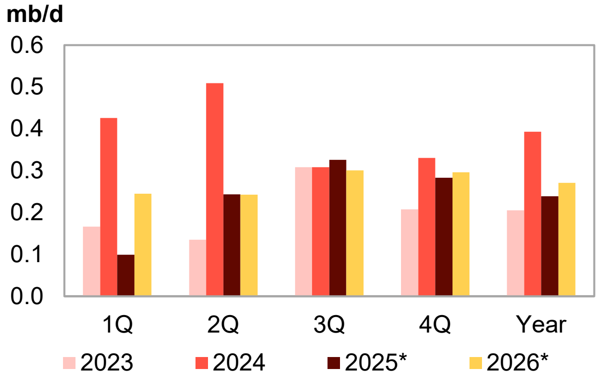
Oil demand in Other Asia expanded further by 172 tb/d, y-o-y, in April, up from an increase of 134 tb/d, y-o-y, observed the previous month, demonstrating increasing oil requirements in the major countries of the region, excluding Singapore and Taiwan, which saw y-o-y declines of around 20 tb/d each. The increase in oil demand mostly emanates from transportation fuels and NGLs/LPG, which more than offset a slight decline in naphtha demand.

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



Sources: JODI, National sources, and OPEC.

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



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

In terms of specific products, jet/kerosene saw the largest increase of 63 tb/d, y-o-y, in April, up from 52 tb/d, y-o-y, growth seen in the previous month. Diesel, including transportation diesel demand, increased by 56 tb/d, y-o-y, up from an increase of 8 tb/d, y-o-y, seen in March. Gasoline demand expanded by 27 tb/d, y-o-y, up from a y-o-y decline of 4 tb/d observed in March. Residual fuel oil demand grew by 13 tb/d, y-o-y, slightly below an increase of 15 tb/d, y-o-y, observed in March. The demand for ‘other products’ saw an uptick of 4 tb/d, y-o-y, down from growth of 37 tb/d, y-o-y, observed the previous month.

In terms of petrochemical feedstock, demand for NGLs/LPG increased by 16 tb/d, y-o-y, up from a contraction of 39 tb/d, y-o-y, seen the previous month. Naphtha demand slipped by 7 tb/d, y-o-y, down from a 66 tb/d, y-o-y, an increase observed in March.

Near-term expectations

Economic activities in major oil-consuming countries in the region, including Indonesia, Malaysia and Thailand, are expected to remain robust. In Indonesia, low inflation and easing financial conditions are anticipated to boost private consumption and investment. In Malaysia, strong domestic demand, supported by robust private consumption and private investment, is expected to be the main driver of economic activities. In addition, the labour market in the country has been very strong, as unemployment has been declining to stand at 3.0% in March, the lowest figure since April 2015. Domestic demand in Thailand is gradually recovering and is expected to lift economic growth in 2025 going forward.

Accordingly, the combination of these factors is expected to support an ongoing robust recovery in air travel, healthy road mobility and strong manufacturing and agricultural activity. This is expected to bolster oil product demand in the region, with y-o-y growth reaching an average of 326 tb/d in 3Q25.

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

Downside risks are associated with the likely impact of newly announced US tariffs on exports from major oil-consuming countries in the region, including Thailand, Indonesia, Singapore and Malaysia, among others; however, the extent of the tariffs' impact on various regional economies and oil demand remains to be seen. With that said, there are reports of ongoing bilateral negotiations between the US and some of the country's regional trading partners aimed at reducing or postponing the implementation of tariffs or even gaining exemptions for specific products. Currently, Indonesia and the US are negotiating a $34-billion trade deal to boost purchases from the US.

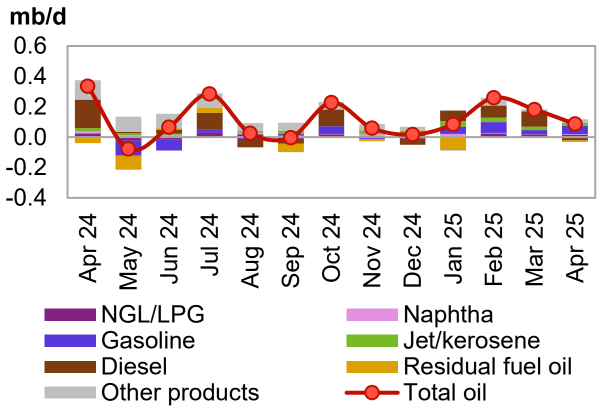
Economic activities in major oil-consuming countries of the region are expected to remain well-supported in 2026, albeit at a slightly lower level than in 2025. Ongoing healthy air travel and strong driving mobility are projected to continue in 2026. Accordingly, oil demand in the region is forecast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

Latin America

Update on the latest developments

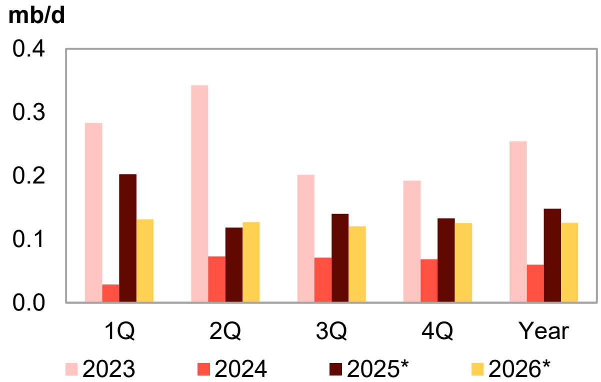
Oil demand in Latin America increased by 87 tb/d, y-o-y, in April, down from the 182 tb/d, y-o-y, growth seen the previous month. The y-o-y oil demand increase in the region came from Argentina and was more than offset by minor declines in Brazil, Ecuador and other countries of the region.

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



Sources: JODI, OPEC and national sources.

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



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

In terms of specific products, transportation fuels led oil demand in March. Gasoline registered the largest demand increase for the month with 54 tb/d y-o-y growth, up from a growth of 27 tb/d y-o-y seen the previous month. The increase in gasoline demand came largely from Brazil, and was heavily supported by a decline in ethanol production due to stagnation in sugar production in Brazil's centre-south region. Jet/kerosene demand expanded by 20 tb/d, y-o-y, slightly below the growth of 23 tb/d, y-o-y, registered in March. Demand for the 'other products' category, which includes ethanol, expanded by 23 tb/d, y-o-y, up from 15 tb/d y-o-y growth seen in March. In terms of petrochemical feedstock, while NGLs/LPG demand increased by 16 tb/d, y-o-y, slightly below the 17 tb/d y-o-y growth seen in March, naphtha saw an uptick of 4 tb/d, y-o-y, slightly above the 2 tb/d y-o-y increase seen the previous month.

However, diesel demand saw the largest contraction of 21 tb/d, y-o-y, down from an increase of 99 tb/d y-o-y observed the previous month amid a strong baseline effect. Demand for residual fuel oil fell by 10 tb/d, y-o-y, down from a decline of 2 tb/d, y-o-y, in March.

Near-term expectations

Economic activities in Brazil, the largest economy in the region, are projected to moderate gradually in 2025, following strong growth in the final quarter of 2024. Nevertheless, the country's economy is expected to maintain solid momentum, bolstered by robust wage increases amid cash transfer programmes. Furthermore, private investment is also anticipated to remain buoyant amid agricultural output that is projected to be stronger than in 2024. Despite the expectation of some dampening effects due to recently introduced US tariffs in some countries of the region, Brazil may benefit from higher demand for its commodities and agricultural products, especially from China. Meanwhile, the Brazilian National Energy Policy Council has approved, effective from 1 August 2025, an increase in biofuel content in both gasoline and diesel. Accordingly, the ethanol content in gasoline will increase from the current level of 27% by volume to 30%, while biodiesel in diesel will increase from 1% to 15% by volume. An increase in ethanol blending could exact pressure on gasoline consumption.

Furthermore, Argentina's economy is gradually rebounding, with private consumption, investment and exports expected to remain resilient. Furthermore, consumer confidence and business sentiment are gradually improving amid falling inflation and unemployment.

Accordingly, short-term indicators point to a positive outlook for short-term oil demand in Latin America, driving it to grow by 140 tb/d, y-o-y, in 3Q25, to average 7.0 mb/d. Overall, in 2025, oil demand in the region is expected to increase by 148 tb/d, y-o-y, to average 6.9 mb/d. Transportation fuels, including gasoline, jet/kerosene and diesel, are expected to drive demand growth, supported by an uptick in demand for NGLs/LPG and residual fuels.

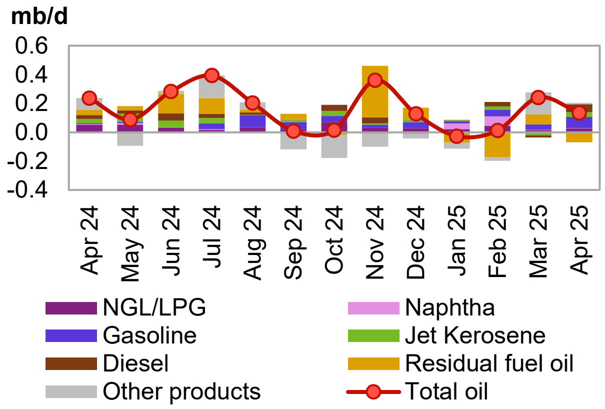
Monetary easing, along with fiscal reforms and a pickup in domestic consumption and investment, are expected in Brazil in 2026. Similarly, ongoing gradual improvements in Argentina's economy are also expected to continue. Overall, the regional economy is projected to maintain strong momentum, building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

Middle East

Update on the latest developments

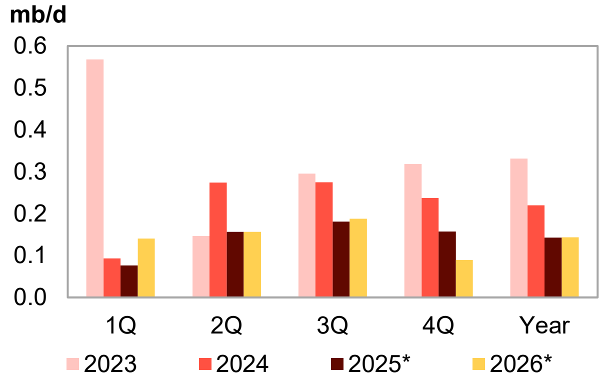
Oil demand in the Middle East in March expanded by 135 tb/d, y-o-y, down from the growth of 241 tb/d, y-o-y, observed the previous month. Y-o-y increases in Iraq, UAE, Kuwait and IR Iran more than offset the 67 tb/d, y-o-y, decline in Saudi Arabia.

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



Sources: JODI, OPEC and national sources.

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



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

In terms of specific product demand, transportation fuels led y-o-y demand growth, with gasoline expanding by 77 tb/d, y-o-y, up from an increase of 38 tb/d, y-o-y, seen the previous month. Demand for diesel increased by 56 tb/d, y-o-y, up from a y-o-y decline of 16 tb/d seen in March. Furthermore, jet/kerosene demand expanded by 33 tb/d, y-o-y, compared with a contraction of 20 tb/d, y-o-y, seen in March. Demand for the 'other products' category (including direct crude burning) inched up by 10 tb/d, y-o-y, compared with an increase of 152 tb/d seen in March.

In terms of petrochemical feedstock demand, NGLs/LPG expanded by 25 tb/d, y-o-y, up from a 16 tb/d y-o-y increase seen in the previous month, while naphtha demand was broadly flat, y-o-y, for the second consecutive month.

Near-term expectations

In the near term, economic activities in the region are expected to remain strong, underpinned by the non-oil sector, which is one of the key drivers of regional GDP growth. Furthermore, tourism will contribute significantly to the GDP of some countries in the region. Low inflation and easing financial conditions will spur private investment and consumption. Meanwhile, the latest US tariffs are expected to have a limited impact on the region due to exemptions made for oil and gas, as well as limited exposure to US trading. Additionally, current robust travel and tourism are expected to continue, with gasoline, transportation diesel and jet kerosene projected to lead oil demand growth, which is forecast to reach 181 tb/d, y-o-y, in 3Q25. Additionally, demand for power generation due to warmer weather is projected to support demand for the ‘other products’ category (including direct crude burning) in the region.

In 2025, demand for major oil products, including petrochemical feedstock, LPG/NGLs and naphtha, is expected to remain robust, with some new capacity additions, as many countries in the region are turning their attention to petrochemicals and taking advantage of higher margins. Furthermore, transportation fuels, including gasoline, diesel and jet/kerosene, are expected to be supported by heightened driving mobility and strong air travel. Diesel oil demand is projected to benefit from construction activity in Saudi Arabia. Residual fuel oil demand is also expected to be steady, with support from the power sectors in Saudi Arabia and Iraq. In terms of products, demand for LPG/NGLs is expected to drive oil product demand growth, with an increase of 45 tb/d, y-o-y. Gasoline and diesel demand are expected to increase by around 40 tb/d and 35 tb/d, y-o-y, respectively. Jet/kerosene is forecast to increase by 25 tb/d, y-o-y, and naphtha is projected to see an uptick of 30 tb/d, y-o-y. Demand for residual fuel oil is projected to see a growth of 10 tb/d, y-o-y. However, the ‘other products’ category is forecast to remain weak. Overall, oil demand in the region is projected to increase by 143 tb/d, y-o-y, to average 9.0 mb/d in 2025. The bulk of demand growth is expected to come from Iraq, Saudi Arabia and the UAE.

In 2026, the ongoing contribution of non-oil activity to regional GDP is expected to continue, including through government infrastructure-related spending. These factors, combined with solid petrochemical industry requirements and healthy mobility, are forecast to support y-o-y oil demand growth of 143 tb/d. Overall, oil demand in the Middle East is projected to average 9.1 mb/d in 2026.

World Oil Supply

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

In 2026, non-DoC liquids production is forecast to grow by 0.7 mb/d to average 54.7 mb/d, also unchanged from last month's assessment. The main liquids production growth drivers are also set to be the US, Brazil, Canada and Argentina.

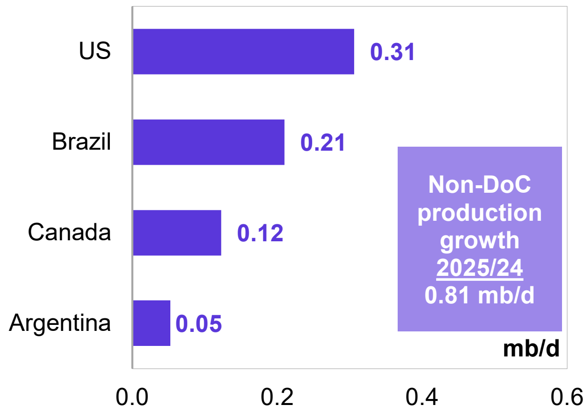
DoC NGLs and non-conventional liquids in 2025 are expected to expand by 0.1 mb/d to average 8.6 mb/d. In 2026, the DoC NGLs and non-conventional liquids are forecast to grow by about 120 tb/d to average 8.8 mb/d. OPEC NGLs and non-conventional liquids production are set to increase by 130 tb/d in 2025 to average 5.9 mb/d and by 150 tb/d in 2026, to average 6.0 mb/d. The rise in OPEC NGLs levels is attributable to upward revisions in historical records.

DoC crude oil production in June increased by 349 tb/d, m-o-m, averaging 41.56 mb/d, as reported by available secondary sources.

Key drivers of growth and decline

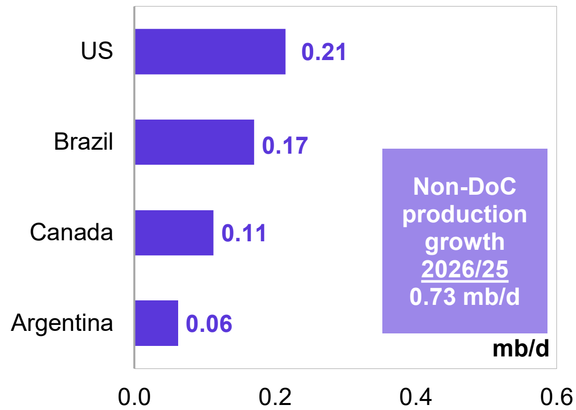
In 2025, non-DoC liquids production growth is expected at about 0.8 mb/d. Overall, this is largely unchanged from last month's assessment. Annual growth is set to be driven mainly by the US, Brazil, Canada and Argentina.

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



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

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



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

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

Non-DoC liquids production in 2025 and 2026

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

Non-DoC liquids production	2024	1Q25	2Q25	3Q25	4Q25	2025	*Change 2025/24*
Americas	27.71	28.06	28.17	28.11	28.23	28.14	0.43
of which US	*21.76*	*21.82*	*22.22*	*22.12*	*22.10*	*22.07*	*0.31*
Europe	3.53	3.59	3.57	3.55	3.64	3.59	0.05
Asia Pacific	0.44	0.40	0.44	0.43	0.42	0.42	-0.01
Total OECD	**31.68**	**32.05**	**32.17**	**32.08**	**32.29**	**32.15**	**0.47**
China	4.56	4.69	4.63	4.50	4.53	4.59	0.02
India	0.81	0.83	0.82	0.82	0.80	0.82	0.02
Other Asia	1.61	1.63	1.61	1.56	1.57	1.59	-0.02
Latin America	7.23	7.42	7.52	7.50	7.65	7.52	0.29
Middle East	1.99	2.01	2.02	2.00	2.00	2.01	0.02
Africa	2.33	2.32	2.27	2.32	2.31	2.31	-0.03
Other Eurasia	0.37	0.36	0.35	0.37	0.36	0.36	0.00
Other Europe	0.10	0.09	0.10	0.10	0.10	0.10	0.00
Total Non-OECD	**19.00**	**19.35**	**19.32**	**19.17**	**19.33**	**19.29**	**0.29**
Total Non-DoC production	50.68	51.40	51.49	51.26	51.62	51.44	0.76
Processing gains	2.52	2.57	2.57	2.57	2.57	2.57	0.05
Total Non-DoC liquids production	**53.20**	**53.97**	**54.06**	**53.83**	**54.19**	**54.01**	**0.81**
Previous estimate	53.20	53.95	53.98	53.86	54.23	54.01	0.81
Revision	0.00	0.02	0.08	-0.04	-0.04	0.00	0.00

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

Source: OPEC.

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

Non-DoC liquids production	2025	1Q26	2Q26	3Q26	4Q26	2026	*Change 2026/25*
Americas	28.14	28.22	28.24	28.53	28.86	28.47	0.33
of which US	*22.07*	*22.00*	*22.25*	*22.35*	*22.52*	*22.28*	*0.21*
Europe	3.59	3.61	3.50	3.48	3.58	3.54	-0.04
Asia Pacific	0.42	0.43	0.40	0.41	0.40	0.41	-0.01
Total OECD	**32.15**	**32.26**	**32.15**	**32.42**	**32.84**	**32.42**	**0.27**
China	4.59	4.64	4.63	4.54	4.53	4.59	0.00
India	0.82	0.83	0.82	0.82	0.83	0.82	0.00
Other Asia	1.59	1.59	1.57	1.56	1.56	1.57	-0.02
Latin America	7.52	7.85	7.89	7.95	8.07	7.94	0.42
Middle East	2.01	2.03	2.04	2.05	2.06	2.05	0.04
Africa	2.31	2.29	2.27	2.28	2.35	2.30	-0.01
Other Eurasia	0.36	0.36	0.36	0.37	0.36	0.36	0.00
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00
Total Non-OECD	**19.29**	**19.69**	**19.69**	**19.66**	**19.86**	**19.73**	**0.43**
Total Non-DoC production	51.44	51.95	51.83	52.08	52.70	52.14	0.70
Processing gains	2.57	2.60	2.60	2.60	2.60	2.60	0.03
Total Non-DoC liquids production	**54.01**	**54.55**	**54.43**	**54.68**	**55.30**	**54.74**	**0.73**
Previous estimate	54.01	54.54	54.43	54.68	55.29	54.74	0.73
Revision	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

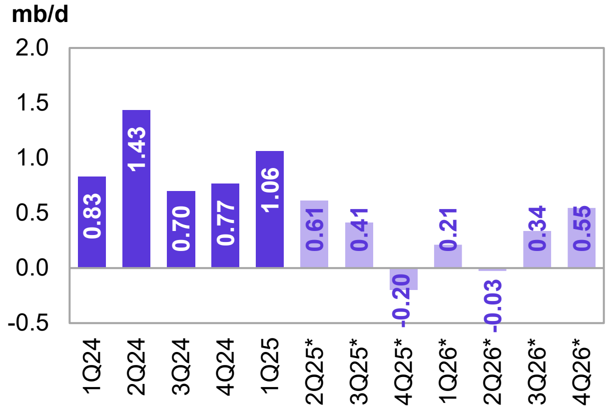
Source: OPEC.

OECD

For 2025, OECD liquids production (excluding DoC participating country Mexico) is expected to expand by about 0.5 mb/d to average 32.1 mb/d. OECD Americas leads the growth, with an expected rise of 0.4 mb/d to average 28.1 mb/d. Yearly OECD Europe liquids production is anticipated to expand by 0.1 mb/d to average 3.6 mb/d, while OECD Asia Pacific is set to drop by a minor 13 tb/d to average 0.4 mb/d.

In 2026, OECD liquids production is set to expand by 0.3 mb/d to average 32.4 mb/d. OECD Americas is forecast to be the primary growth driver, with an increase of 0.3 mb/d to average 28.5 mb/d. Yearly liquids production in OECD Europe is expected to fall by about 45 tb/d to average 3.5 mb/d, while OECD Asia Pacific is anticipated to drop by about 14 tb/d, y-o-y, to average 0.4 mb/d.

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



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

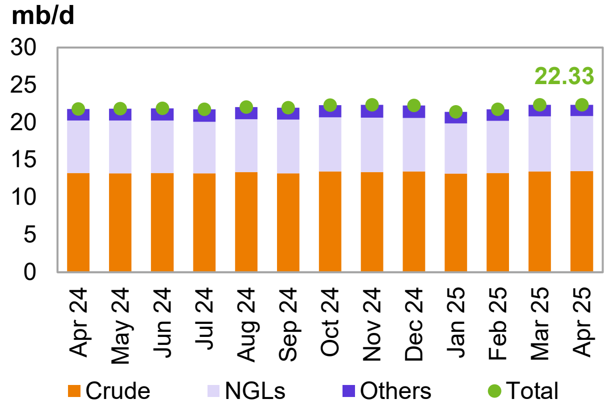
US

US liquids production in April rose by 15 tb/d, m-o-m, to average 22.3 mb/d. This was 0.6 mb/d higher than in April 2024.

Crude oil and condensate production rose m-o-m by 18 tb/d to an all-time high of 13.5 mb/d in April. This is up by about 0.2 mb/d, y-o-y.

In terms of the crude and condensate production breakdown by region (PADDs), production increased on the US Gulf Coast (USGC) (PADD 3) by 33 tb/d to average 9.9 mb/d. Production in each of the Midwest (PADD 2) and Rocky Mountain (PADD 4) regions fell by 9 tb/d, m-o-m. Production on the East and West Coasts (PADD 1 and 5) remained largely unchanged, m-o-m.

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



Sources: EIA and OPEC.

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

NGLs production rose by 33 tb/d, m-o-m, to average 7.4 mb/d in April. This was 0.4 mb/d higher, y-o-y. According to the US Department of Energy (DoE), the production of non-conventional liquids (mainly ethanol) dropped by 36 tb/d, m-o-m, to an average of 1.5 mb/d. Preliminary estimates show non-conventional liquids averaged about 1.5 mb/d in May, down by about 10 tb/d, m-o-m.

GoM production increased by 9 tb/d, m-o-m, to average 1.8 mb/d in April, with the region continuing to see a partial recovery from the low levels in February. Production is expected to be supported by several new projects and project ramp-ups in the coming months, especially from the Ballymore field. In the onshore Lower 48, crude and condensate production increased by 10 tb/d, m-o-m, to average 11.2 mb/d in April.

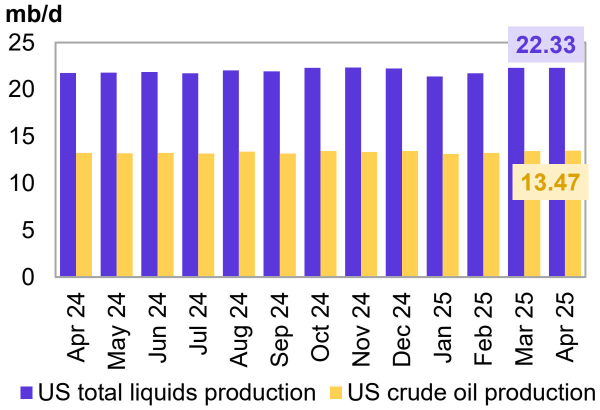
Table 5 - 3: US crude oil production by selected state and region, tb/d

State	Apr 24	Mar 25	Apr 25	Change m-o-m	Change y-o-y
Texas	5,637	5,667	5,767	*100*	*130*
New Mexico	1,999	2,267	2,190	*-77*	*191*
Gulf of Mexico (GoM)	1,826	1,790	1,799	*9*	*-27*
North Dakota	1,227	1,167	1,151	*-16*	*-76*
Alaska	430	434	433	*-1*	*3*
Oklahoma	409	397	402	*5*	*-7*
Colorado	457	470	456	*-14*	*-1*
Total	**13,249**	**13,450**	**13,468**	***18***	***219***

Sources: EIA and OPEC.

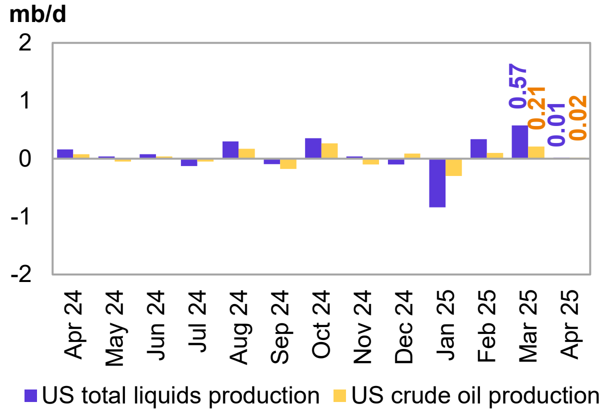
From the perspective of individual states, New Mexico's oil production dropped by 77 tb/d, m-o-m, to average 2.2 mb/d, which is 191 tb/d higher than a year ago. Production in Texas was up by 100 tb/d, m-o-m, to average 5.8 mb/d, which is 130 tb/d higher than a year ago. In the Midwest, North Dakota's production fell by 16 tb/d, m-o-m, to average 1.2 mb/d. This was down by 76 tb/d, y-o-y. Oklahoma's production rose by just 5 tb/d, m-o-m, to average 0.4 mb/d. Production in Colorado decreased by 14 tb/d, m-o-m, while production in Alaska remained largely unchanged, m-o-m.

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



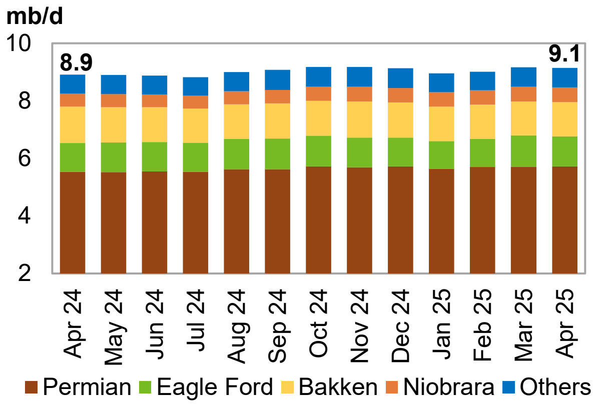
Sources: EIA and OPEC.

US tight crude production in April is estimated to have dropped by 25 tb/d, m-o-m, to average 9.1 mb/d, according to the latest US Energy Information Administration (EIA) estimates. This was 235 tb/d higher than in the same month last year.

M-o-m production from shale and tight formations using horizontal wells from the Permian in Texas and New Mexico rose by a minor 6 tb/d to average 5.7 mb/d. Y-o-y, this was up by 191 tb/d.

In the Williston Basin, Bakken shale oil production rose by 11 tb/d, m-o-m, to average 1.2 mb/d. However, this was down by about 68 tb/d, y-o-y. Tight crude production at the Eagle Ford in Texas fell by 40 tb/d to average 1.0 mb/d. This was up by 35 tb/d, y-o-y. Production at Niobrara-Codell in Colorado and Wyoming was higher by a minor 5 tb/d, m-o-m, at about 516 tb/d.

Graph 5 - 7: US tight crude production breakdown

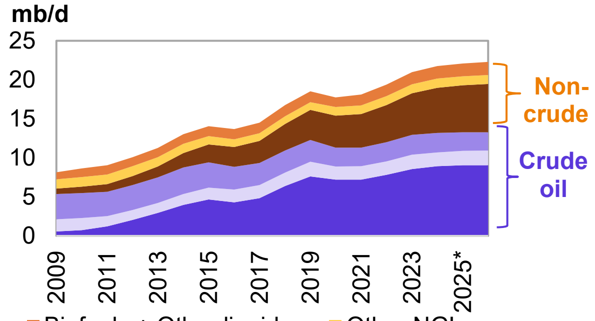


Sources: EIA and OPEC.

In 2025, US liquids production, excluding processing gains, is expected to expand by about 0.3 mb/d, y-o-y, to average 22.1 mb/d. This reflects ongoing enhancements in well productivity and operational efficiencies throughout the major shale basins.

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

Graph 5 - 8: US liquids production developments by component



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

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

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

US liquids	2024	Change 2024/23	2025*	Change 2025/24	2026*	Change 2026/25
Tight crude	8.92	0.36	9.06	0.14	9.06	0.00
GoM crude	1.77	-0.10	1.86	0.09	1.90	0.04
Conventional crude oil	2.52	0.01	2.37	-0.15	2.31	-0.06
Total crude	**13.21**	**0.27**	**13.28**	**0.08**	**13.27**	**-0.02**
Unconventional NGLs	5.78	0.41	6.01	0.23	6.21	0.20
Conventional NGLs	1.16	0.03	1.14	-0.02	1.12	-0.02
Total NGLs	**6.94**	**0.44**	**7.16**	**0.21**	**7.34**	**0.18**
Biofuels + Other liquids	1.61	0.07	1.63	0.02	1.68	0.05
US total production	**21.76**	**0.79**	**22.07**	**0.31**	**22.28**	**0.21**

*Note: * 2025-2026 = Forecast.*

Sources: EIA, OPEC and Rystad Energy.

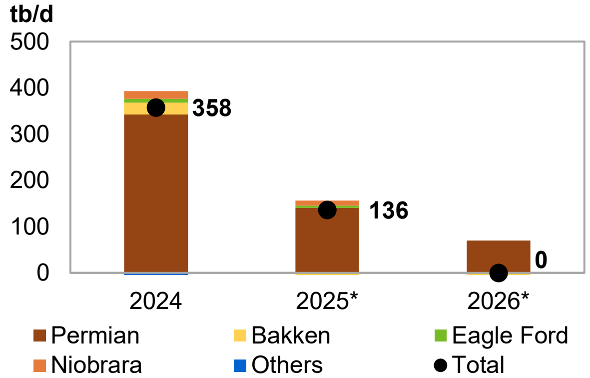
US tight crude production in the Permian Basin during 2025 is expected to increase by 0.1 mb/d, y-o-y, to average 5.7 mb/d. In 2026, it is forecast to grow by just 70 tb/d, y-o-y, to average 5.8 mb/d.

In North Dakota, Bakken shale production is expected to see a decline of 15 tb/d and remain at around 1.2 mb/d in 2025. This remains below its pre-pandemic average of 1.4 mb/d. The expected drop of about 30 tb/d in 2026 indicates a potential shift toward a mature basin.

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

In the Niobrara region, production in 2024 is estimated to have increased by 16 tb/d, y-o-y, to reach an average of 466 tb/d. With expected growth of 11 tb/d in 2025 and a marginal drop of 5 tb/d in 2026, production is projected to remain at around 0.5 mb/d.

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



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

In the other tight oil plays, production is estimated to have dropped by 35 tb/d in 2024. Owing to an expected slowdown in drilling and completion operations, production is expected to drop by 5 tb/d and 25 tb/d in 2025 and 2026, respectively.

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

US tight oil	2024	*Change* 2024/23	2025*	*Change* 2025/24	2026*	*Change* 2026/25
Permian tight	5.56	0.34	5.70	0.14	5.77	0.07
Bakken shale	1.22	0.03	1.21	-0.02	1.18	-0.03
Eagle Ford shale	1.01	0.01	1.01	0.00	1.00	-0.01
Niobrara shale	0.47	0.02	0.48	0.01	0.47	0.00
Other tight plays	0.66	-0.04	0.66	-0.01	0.63	-0.03
Total	**8.92**	**0.36**	**9.06**	**0.14**	**9.06**	**0.00**

*Note: * 2025-2026 = Forecast.*

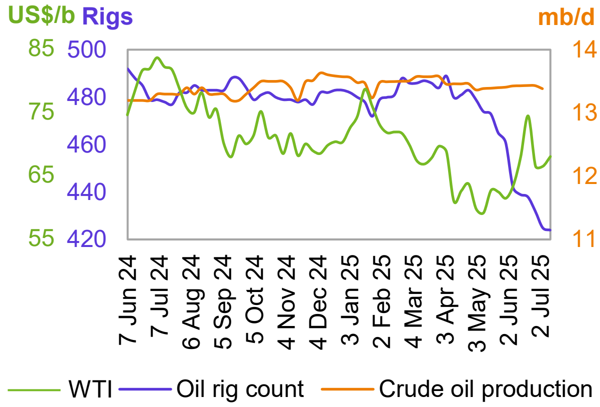
Source: OPEC.

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

The total number of active US oil and gas drilling rigs in the week ending 11 July 2025 dropped by two, w-o-w, to 537, according to Baker Hughes. This is 47 fewer rigs than a year ago. The number of active offshore rigs remained unchanged, w-o-w, at 13. This is 10 less than in the same month a year earlier. The number of onshore oil and gas rigs fell by two, w-o-w, to 522, with two rigs in inland waters. This is down by 39 rigs, y-o-y.

The US horizontal rig count fell by two, w-o-w, to 478, compared with 517 horizontal rigs a year ago. The number of drilling rigs for oil dropped by one, w-o-w, to 424, while the number of gas drilling rigs remained unchanged, w-o-w, at 108.

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



Sources: Baker Hughes, EIA and OPEC.

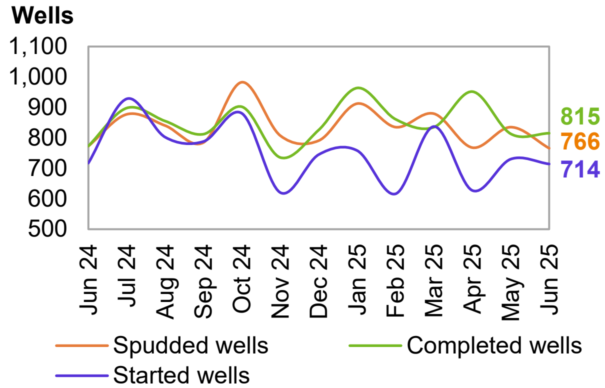
The Permian's rig count remained unchanged, w-o-w, at 265. The rig count in the Williston, Eagle Ford and DJ-Niobrara Basins remained unchanged, w-o-w, at 31, 41 and 8, respectively. The rig count in the Cana Woodford Basin dropped by three, w-o-w, to 17.

Per preliminary data, drilling and completion activities for oil-producing wells in all US shale plays include 835 horizontal wells spudded in May. This is up by 67, m-o-m, albeit it is around 5% lower than in May last year.

Preliminary May data indicates a lower number of completed wells, m-o-m, at 813. This is down by about 6%, y-o-y. The number of started wells is estimated at 730, which is about 10% lower than a year earlier.

Preliminary data for June sees 766 spudded, 815 completed, and 714 started wells, according to Rystad Energy data.

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

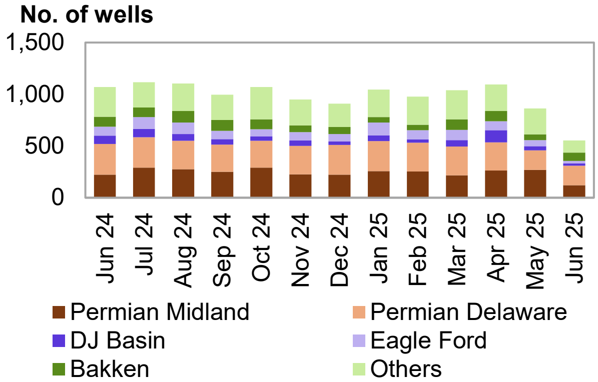


Note: May 25-Jun 25 = Preliminary data.
Sources: Rystad Energy and OPEC.

In terms of identifying US oil and gas fracking operations, Rystad Energy reported that 1,094 wells began fracking in April. In May and June, it stated that 861 and 552 wells had begun fracking, respectively, according to preliminary numbers based on an analysis of high-frequency satellite data.

In regional terms, preliminary May 2025 data for the Permian Midland and Permian Delaware regions show that 269 and 187 wells started fracking, respectively. There was a gain of 7 wells in the Midland region and a loss of 84 in Delaware, compared with April. Data also indicates that during May, 40 wells began fracking in the DJ Basin, 60 in the Eagle Ford and 54 in the Bakken.

Graph 5 - 12: Started fracs per month by region



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

Canada

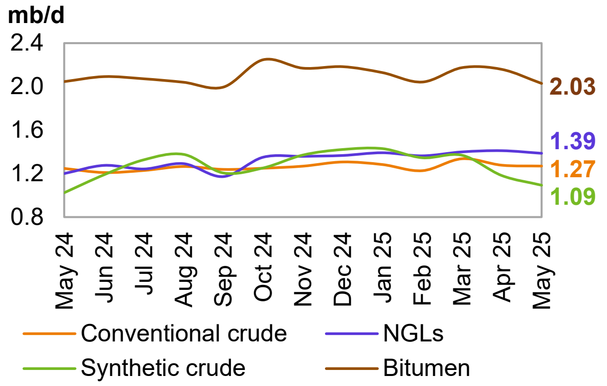
Canada's May liquids production is estimated to have dropped by 251 tb/d, m-o-m, to an average of 5.8 mb/d. This largely stems from maintenance activities across various oil sands projects.

Conventional crude production fell in May by 8 tb/d, m-o-m, to average 1.3 mb/d. NGLs production was down by 24 tb/d, m-o-m, to average 1.4 mb/d.

Crude bitumen production fell by 130 tb/d in May, m-o-m, while synthetic crude production dropped by 89 tb/d. Taken together, crude bitumen and synthetic crude production averaged 3.1 mb/d in May.

Liquids production estimation in 1Q25 is slightly revised up compared with the previous assessment to an average of around 6.2 mb/d. Furthermore, production in 2Q25 is expected to be lower than the previous quarter, due to scheduled maintenance and the impact of wildfires near several oil sands projects.

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

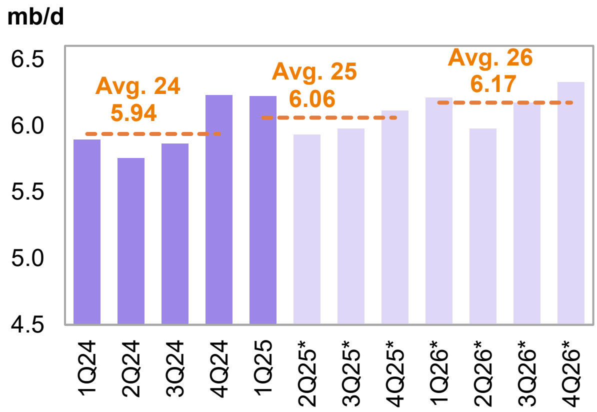


Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

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

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

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



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

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

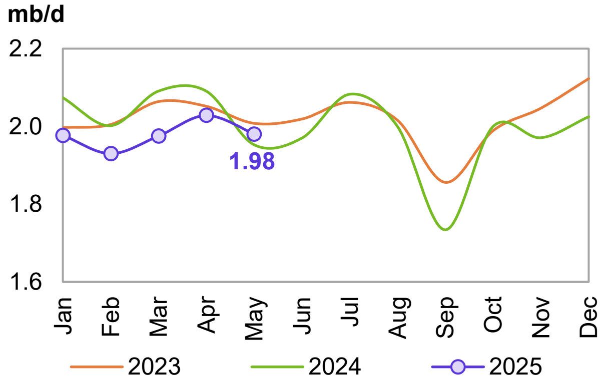
Norway

Norwegian liquids production in May dropped by 48 tb/d, m-o-m, to average 2.0 mb/d. Norway's crude production fell by 20 tb/d, m-o-m, to average 1.8 mb/d. This was higher by around 97 tb/d, y-o-y. Monthly oil production was 1% higher than the Norwegian Offshore Directorate's (NOD) forecast.

NGLs and condensate production dropped by 28 tb/d in May, m-o-m, to average 0.2 mb/d, according to NOD data.

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

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



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

Several small-to-large-scale projects are scheduled to ramp up this year, including Kristin, Eldfisk and Balder/Ringhorne. At the same time, start-ups are expected at the Ringhome, Norne floating, production, storage and offloading (FPSO) platform, Maria and Kvitebjorn oil field projects. Production at the Johan Castberg FPSO, the main driver of crude oil production growth this year, reached peak capacity of 220 tb/d in late June, according to operator Equinor. This ramp-up took less than three months from project start-up. Additionally, Vår Energi has initiated production through the modernised Jotun FPSO in the Balder region of the Norwegian North Sea.

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

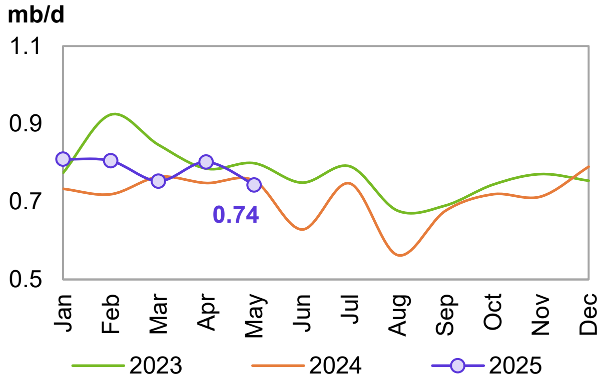
UK

In May, UK liquids production dropped by 59 tb/d, m-o-m, to average 0.7 mb/d. Crude oil production fell by 42 tb/d, m-o-m, to average 0.6 mb/d. Levels in May are higher by about 13 tb/d, y-o-y, according to official data. NGLs production fell by 17 tb/d, m-o-m, to average 61 tb/d.

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

Furthermore, EnQuest reported to raise oil production from the Magnus Field in the northern North Sea from April to May to about 17 tb/d.

Graph 5 - 16: UK monthly liquids production development

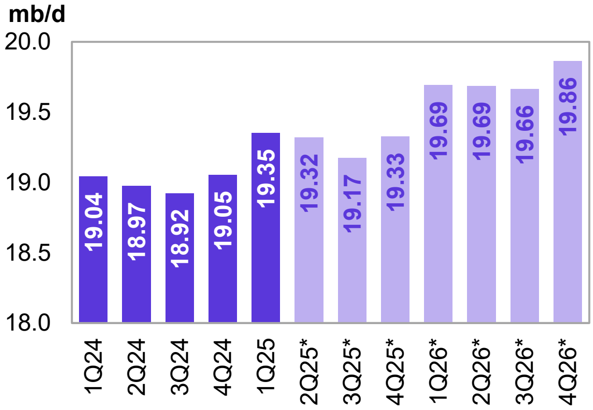


Sources: UK Department for Business, Energy and Industrial Strategy and OPEC.

In 2026, UK liquids production is forecast to drop by about 13 tb/d, y-o-y, to average 0.7 mb/d. Minor production ramp-ups are forecast at the Clair and Kraken sites. Nonetheless, natural declines in mature oil fields are once again expected to offset any gains in production.

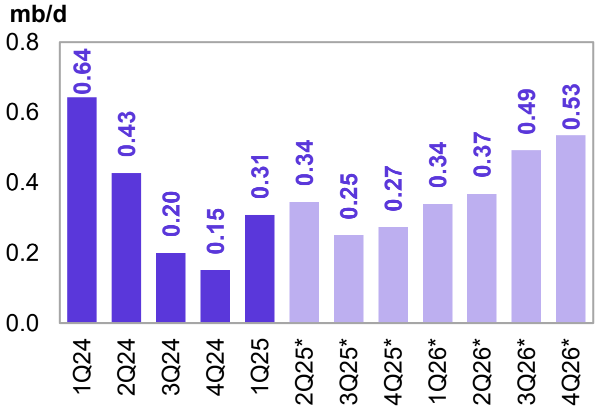
Non-OECD

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



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

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



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

China

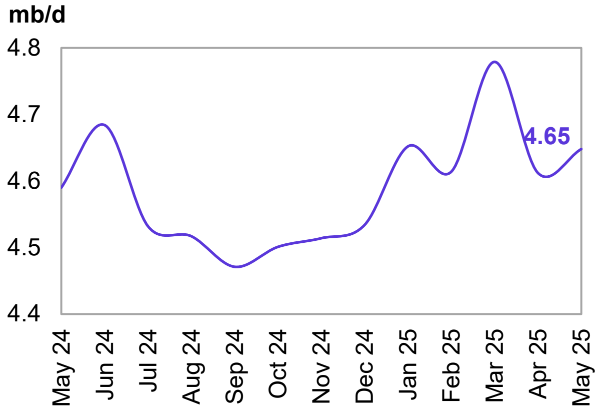
China's liquids production rose by 36 tb/d, m-o-m, to average 4.6 mb/d in May. According to official data, this is up by 58 tb/d, y-o-y. May crude oil production averaged 4.3 mb/d, up by 36 tb/d from April. This was higher by 76 tb/d, y-o-y.

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

In 2025, Chinese liquids production is expected to increase by around 25 tb/d, y-o-y, to average 4.6 mb/d. Production growth is expected to be led by the offshore sector, driven by substantial recent exploration investments in Bohai Bay, northern China, as well as the South China Sea. Additional infill wells and enhanced oil recovery (EOR) projects are expected to mostly offset decline rates at mature fields.

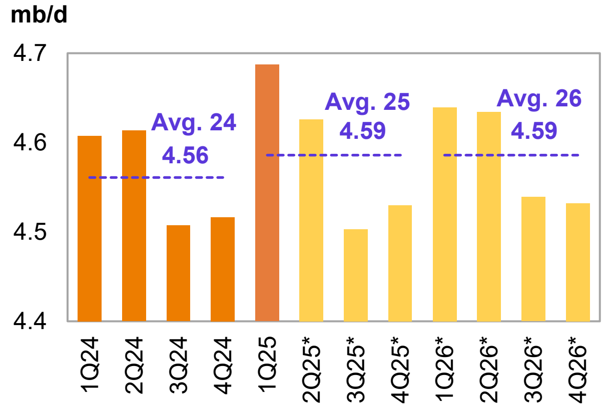
For the remainder of the year, oil and gas condensate projects such as Songliaho, Peng Lai 19-9, Kenli 10-2, Shengli, Liaodong Bay West, Tianjin – operated by CNOOC, PetroChina and Sinopec – are expected to come on stream. In addition, key ramp-ups are planned for Shengli, Xibei, Jilin, Peng Lai 19-3 and Tarim. Moreover, CNOOC commenced production at the Weizhou 5-3 oilfield development in May, situated in the Beibu Gulf basin of the South China Sea.

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



Sources: CNPC and OPEC.

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



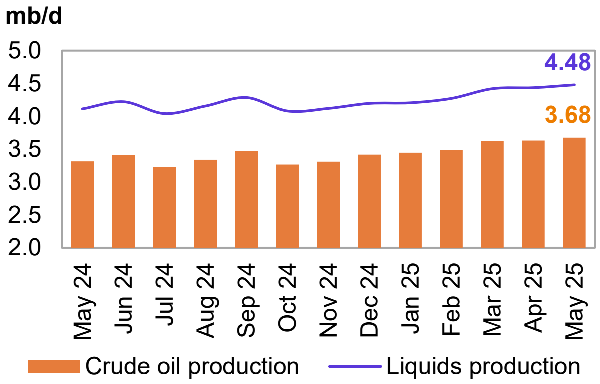
*Note: * 2Q25-4Q26 = Forecast. Sources: CNPC and OPEC.*

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

Brazil

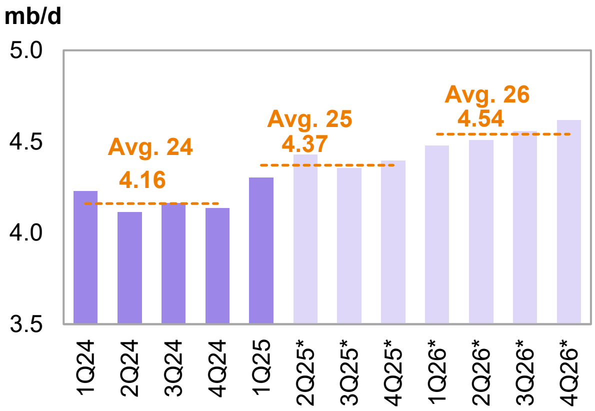
Brazil's crude production in May increased by 47 tb/d, m-o-m, to average 3.7 mb/d, driven by robust production in the Buzios and Mero fields. NGLs production remained largely unchanged at an average of around 74 tb/d, and this is expected to remain largely flat in June. Biofuel production (mainly ethanol) is estimated to have been largely unchanged, m-o-m, at an average of 0.7 mb/d, with preliminary June data showing a stable trend. The country's total liquids production rose by 43 tb/d in May to average 4.5 mb/d, which is higher by 0.4 mb/d, y-o-y.

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



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

Graph 5 - 22: Brazil's quarterly liquids production



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

In 2025, Brazil's liquids production, including biofuels, is forecast to increase by 0.2 mb/d, y-o-y, to average 4.4 mb/d. Crude oil production is expected to expand through production ramp-ups at the Buzios (Franco), Mero (Libra NW), Tupi (Lula), Marlim, Peregrino, Atlanta and Parque das Baleias fields. Oil project start-ups are expected at the Buzios, Bacalhau (x-Carcara), Wahoo and Lapa (Carioca) fields. Nevertheless, operational issues and unplanned disruptions could potentially delay production.

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

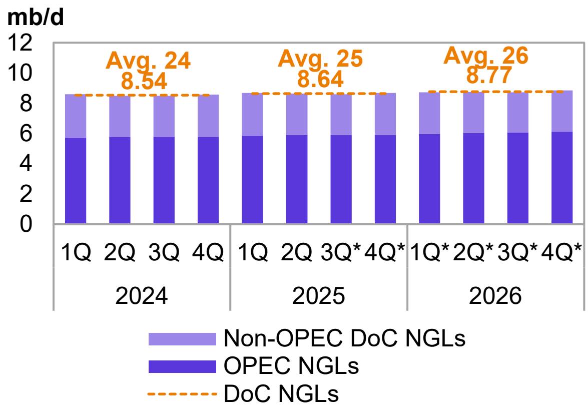
DoC NGLs and non-conventional liquids

DoC NGLs and non-conventional liquids are expected to expand by 0.1 mb/d in 2025 to average 8.6 mb/d. The higher level of production compared with the previous month is due to a historical update and a base adjustment.

Preliminary data show that NGLs and non-conventional liquids production in 2Q25 averaged 8.6 mb/d. According to preliminary May data, OPEC Member Countries and non-OPEC DoC countries are estimated to have produced 5.9 mb/d and 2.7 mb/d of NGLs and non-conventional liquids, respectively.

The 2026 forecast points toward a combined increase of about 120 tb/d for an average of 8.8 mb/d. For OPEC Member Countries, NGLs and non-conventional liquids production is projected to expand by 150 tb/d to average 6.0 mb/d. However, a drop of about 30 tb/d is forecast for non-OPEC DoC countries, to an average of 2.7 mb/d.

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



*Note: * 3Q25-4Q26 = Forecast. Source: OPEC.*

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

DoC NGLs and non-coventional liquids	2024	Change 24/23	2025	Change 25/24	1Q26	2Q26	3Q26	4Q26	2026	Change 26/25
OPEC	5.77	0.14	5.90	0.13	5.96	6.03	6.08	6.11	6.05	0.15
Non-OPEC DoC	2.77	0.03	2.75	-0.02	2.75	2.73	2.65	2.75	2.72	-0.03
Total	8.54	0.16	8.64	0.11	8.72	8.75	8.73	8.86	8.77	0.12

Note: 2025-2026 = Forecast.

Source: OPEC.

DoC crude oil production

Total DoC crude oil production averaged 41.56 mb/d in June 2025, which is 349 tb/d higher, m-o-m.

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

Secondary sources	2023	2024	4Q24	1Q25	2Q25	Apr 25	May 25	Jun 25	Change Jun/May
Algeria	969	905	904	909	920	912	921	927	7
Congo	261	254	255	258	257	259	256	256	0
Equatorial Guinea	57	57	59	59	55	54	57	54	-3
Gabon	213	224	231	226	229	220	232	234	2
IR Iran	2,884	3,257	3,290	3,307	3,291	3,328	3,303	3,241	-62
Iraq	4,265	4,163	4,015	3,998	3,951	3,979	3,932	3,943	11
Kuwait	2,595	2,429	2,422	2,415	2,426	2,418	2,424	2,436	12
Libya	1,153	1,092	1,183	1,285	1,284	1,267	1,304	1,280	-24
Nigeria	1,337	1,426	1,485	1,518	1,532	1,522	1,528	1,547	19
Saudi Arabia	9,618	8,978	8,959	8,948	9,180	9,003	9,183	9,356	173
UAE	2,954	2,950	2,947	2,939	2,989	2,946	2,970	3,053	83
Venezuela	760	867	905	926	915	928	908	910	3
Total OPEC	27,065	26,602	26,655	26,788	27,029	26,836	27,016	27,235	220
Azerbaijan	504	482	487	467	463	462	464	464	-1
Bahrain	185	176	182	185	182	186	178	181	3
Brunei	70	79	82	88	86	87	86	86	1
Kazakhstan	1,598	1,534	1,413	1,752	1,817	1,824	1,783	1,847	64
Malaysia	374	347	345	350	347	348	341	350	9
Mexico	1,651	1,578	1,519	1,455	1,454	1,458	1,461	1,442	-19
Oman	819	766	761	755	762	759	761	765	4
Russia	9,596	9,193	9,015	8,972	8,996	8,981	8,984	9,025	41
Sudan	56	30	26	24	25	25	25	25	0
South Sudan	146	72	55	71	112	86	111	138	27
Total Non-OPEC DoC	14,999	14,256	13,885	14,120	14,244	14,216	14,194	14,323	129
Total DoC	42,064	40,858	40,540	40,907	41,273	41,052	41,210	41,559	349

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 June, as reported by OPEC Member Countries, is shown in ***Table 5 - 8*** below.

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

Direct communication	2023	2024	4Q24	1Q25	2Q25	Apr 25	May 25	Jun 25	*Change Jun/May*
Algeria	973	907	908	909	920	912	920	927	*7*
Congo	271	260	265	260	267	270	268	263	*-5*
Equatorial Guinea	55	57	58	56	46	48	45	46	*1*
Gabon	223	..	..	..	..	..	..	..	..
IR Iran	..	..	..	..	..	..	..	..	..
Iraq	4,118	3,862	3,731	3,667	3,632	3,664	3,605	3,627	*22*
Kuwait	2,590	2,411	2,404	2,406	2,418	2,413	2,420	2,420	*0*
Libya	1,189	1,136	1,252	1,386	1,367	1,367	1,366	1,367	*1*
Nigeria	1,187	1,345	1,435	1,468	1,481	1,486	1,453	1,505	*53*
Saudi Arabia	9,606	8,955	8,935	8,941	9,183	9,005	9,184	9,360*	*176*
UAE	2,944	2,916	2,884	2,906	2,958	2,911	2,930	3,033	*103*
Venezuela	783	921	982	1,035	1,062	1,051	1,066	1,069	*3*
Total OPEC	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**

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

** Saudi Arabia's supply to the market in June was 9,360 tb/d and production was 9,752 tb/d.*

Source: OPEC.

Product Markets and Refinery Operations

In June, Atlantic basin refinery margins declined, amid the end of the heavy refinery maintenance season and stronger product output. Additionally, a rise in feedstock prices in June added further pressure on refining economics. This downturn was mostly driven by gasoline and residual fuel. In Singapore, however, strength in middle distillates, amid concerns about supply disruptions due to geopolitical factors, outweighed the weakness witnessed at the top and bottom sections of the barrel, given ample availability. This led to a slight improvement in Southeast Asian refining economics.

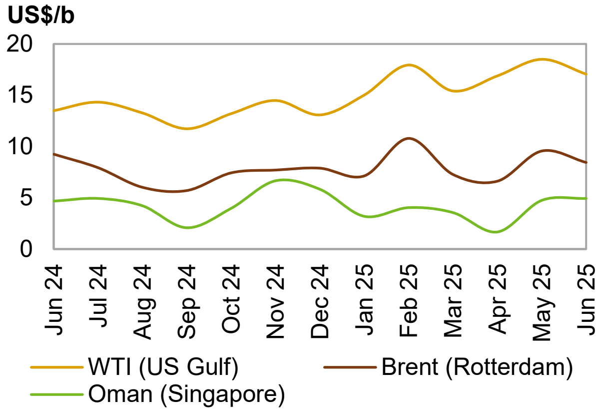
The global refinery intake in June jumped by 2.1 mb/d, m-o-m, to an average of 82.7 mb/d.

Refinery margins

US Gulf Coast (USGC) refining margins against WTI dropped from the 13-month high registered in May. A recovery in product output with refineries returning to normal operations following the heavy turnaround season weighed on product crack spreads, particularly for gasoline and residual fuel. The downturn in US refining economics emerged against a backdrop of stronger gasoil margin performance, as geopolitical factors restricted gasoil inflows.

Gasoline markets are expected to have strengthened, particularly around the 4 July holiday, providing support to product markets. In addition, residual fuel balances in the Atlantic basin remain low despite the recent increase. They are expected to strengthen, with upside potential in conversion margins and feedstock blending demand.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

According to preliminary data, refinery intake in the USGC added 480 tb/d to the previous month's increase, to average 17.25 mb/d in June. USGC margins against WTI averaged $17.05/b in June, down by $1.44, m-o-m, but up $3.56, y-o-y.

Refinery margins in Rotterdam against Brent retracted from the robust performance witnessed in May. Product supply-side pressures stemming from higher product availability led to poor crack spread performance at both the top and bottom sections of the barrel. Similarly to the US, middle distillate crack spreads saw upward pressure due to temporary East-to-West supply disruptions. In addition, the rise in gasoil margins prompted a maximisation of gasoil yields at the cost of reduced jet/kerosene yields. This supported jet/kerosene crack spreads. Going forward, jet kerosene crack spreads are expected to improve as air travel activities in Europe generally strengthen over the summer.

Refinery runs in June showed a 460 tb/d rise to average 9.80 mb/d in EU-14 plus Norway and the UK. Refinery margins against Brent in Europe averaged $8.44/b in June, which was $1.12 lower, m-o-m, and 81¢ lower, y-o-y.

Singapore's refining margins against Oman increased to reach a 6-month high in June, with Singapore representing the only trading hub to show a m-o-m gain compared to its western counterparts. The upside, although limited in magnitude, was driven by solid middle distillate gains.

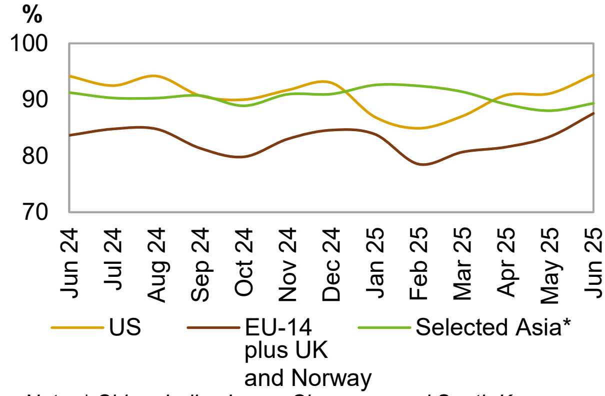
The combined May refinery intake for Japan, China, India, Singapore and South Korea registered an increase of 490 tb/d, m-o-m, to average 26.52 mb/d, according to preliminary data. Refinery margins against Oman in Singapore increased 19¢, m-o-m, to an average of $4.93/b, which was 26¢ higher, y-o-y.

Refinery operations

US refinery utilisation rates showed a 3.3 pp rise to an average of 94.42% in June. This corresponds to a throughput of 17.25 mb/d and represents a 480 tb/d rise relative to the level registered in May. Compared with the previous year, the June refinery utilisation rate was 0.2 pp higher, with throughput showing a 22 tb/d drop.

EU-14 plus the UK and Norway refinery utilisation averaged 87.59% in June, corresponding to a throughput of 9.80 mb/d. This represents a 4.2 pp, or 460 tb/d, rise, m-o-m. On a yearly basis, the utilisation rate was up by 3.9 pp, and throughput was 36 tb/d higher.

Graph 6 - 2: Refinery utilisation rates



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

In Selected Asia – Japan, China, India, Singapore and South Korea – refinery utilisation rates increased to an average of 89.35% in June, corresponding to a throughput of 26.52 mb/d. Compared with the previous month, utilisation rates were up 1.3 pp, and throughput was higher by 490 tb/d. Relative to the previous year, utilisation rates were 1.9 pp lower, while throughput was 505 tb/d higher.

Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				*Refinery utilization, %*			
	Apr 25	May 25	Jun 25	Change Jun/May	Apr 25	May 25	Jun 25	Change Jun/May
US	**16.43**	**16.77**	**17.25**	**0.48**	**90.80**	**91.09**	**94.42**	**3.3 pp**
Euro-14, plus UK and Norway	**9.24**	**9.33**	**9.80**	**0.46**	**81.58**	**83.43**	**87.59**	**4.2 pp**
France	0.86	0.90	0.96	0.05	74.84	78.48	83.16	4.7 pp
Germany	1.77	1.66	1.69	0.04	103.37	96.54	98.75	2.2 pp
Italy	1.18	1.27	1.33	0.06	64.98	69.96	73.07	3.1 pp
UK	1.00	0.95	0.99	0.05	85.34	92.37	96.77	4.4 pp
Selected Asia	**26.37**	**26.03**	**26.52**	**0.49**	**89.20**	**88.04**	**89.35**	**1.3 pp**
China	14.12	13.92	14.63	0.71	82.11	80.94	84.47	3.5 pp
India	5.32	5.42	5.41	-0.01	105.21	107.27	107.01	-0.3 pp
Japan	2.55	2.18	2.10	-0.08	81.90	70.28	67.74	-2.5 pp
South Korea	2.83	2.88	2.75	-0.13	93.90	95.57	91.34	-4.2 pp

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

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

Refinery crude throughput	2022	2023	2024	2Q24	3Q24	4Q24	1Q25	2Q25
OECD Americas	**18.68**	**18.71**	**18.96**	**19.17**	**19.44**	**19.04**	**18.22**	**18.71**
of which US	*16.48*	*16.50*	*16.62*	*16.96*	*16.95*	*16.81*	*15.93*	*16.81*
OECD Europe	**11.44**	**11.38**	**11.28**	**11.07**	**11.37**	**11.25**	**11.07**	**10.83**
of which:								
France	*0.84*	*0.93*	*0.92*	*0.89*	*0.98*	*1.00*	*0.93*	*0.91*
Germany	*1.83*	*1.62*	*1.76*	*1.81*	*1.75*	*1.73*	*1.64*	*1.71*
Italy	*1.32*	*1.30*	*1.21*	*1.16*	*1.19*	*1.21*	*1.16*	*1.26*
UK	*1.04*	*0.97*	*0.98*	*0.98*	*0.95*	*1.02*	*0.92*	*0.98*
OECD Asia Pacific	**6.08**	**5.83**	**5.68**	**5.61**	**5.47**	**5.73**	**5.60**	**5.58**
of which Japan	*2.71*	*2.56*	*2.37*	*2.27*	*2.19*	*2.47*	*2.43*	*2.28*
Total OECD	**36.21**	**35.92**	**35.92**	**35.85**	**36.28**	**36.02**	**34.89**	**35.11**
Latin America	**3.44**	**3.54**	**3.69**	**3.70**	**3.72**	**3.70**	**3.55**	**3.52**
Middle East	**7.24**	**7.53**	**7.96**	**8.06**	**7.99**	**7.90**	**7.92**	**7.96**
Africa	**1.77**	**1.76**	**1.94**	**1.85**	**1.98**	**2.12**	**2.11**	**2.28**
India	**5.00**	**5.18**	**5.30**	**5.36**	**5.18**	**5.30**	**5.62**	**5.38**
China	**13.49**	**14.78**	**14.25**	**14.25**	**14.04**	**14.08**	**14.78**	**14.22**
Other Asia	**4.97**	**5.00**	**5.05**	**4.90**	**5.20**	**5.14**	**5.15**	**5.18**
Russia	**5.46**	**5.50**	**5.35**	**5.28**	**5.47**	**5.31**	**5.28**	**5.35**
Other Eurasia	**1.02**	**1.02**	**1.04**	**1.04**	**1.05**	**1.01**	**1.07**	**1.09**
Other Europe	**0.52**	**0.48**	**0.52**	**0.49**	**0.58**	**0.56**	**0.55**	**0.58**
Total Non-OECD	**42.91**	**44.78**	**45.09**	**44.94**	**45.20**	**45.13**	**46.03**	**45.57**
Total world	**79.12**	**80.70**	**81.01**	**80.79**	**81.47**	**81.15**	**80.91**	**80.68**

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

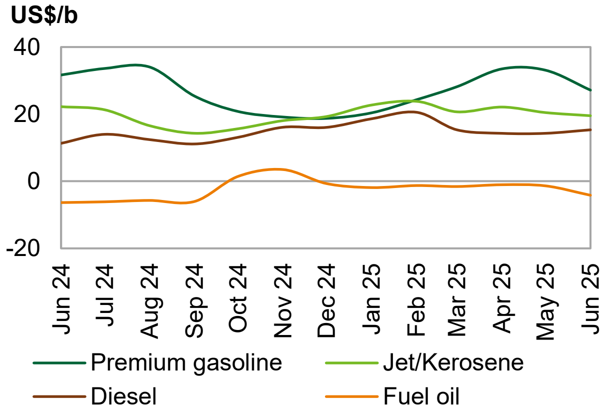
Sources: AFREC, APEC, EIA, IEA, PAJ, Ministry data, including Ministry of Energy of the Russian Federation, Ministry of Petroleum and Natural Gas of India, OPEC and JODI.

Product markets

US market

The USGC gasoline crack spread against WTI decreased for the second consecutive month after the strong performance seen in the first quarter of the year. This month-on-month decline was the largest recorded in the USGC compared to all other key products in June and was due to higher refinery output and an increasing supply surplus. In the previous month, gasoline crack spread performance was mixed, as demand for lower octane and cheaper gasoline grades (gasoline 87 and 89) grew, while gasoline 93 weakened. With significant potential for increased gasoline consumption, in line with historic trends, gasoline crack spreads are expected to receive support in the near future as road mobility is projected to rise.

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



Sources: Argus and OPEC.

Despite the decline in gasoline crack spreads, wholesale gasoline prices in June rose 84¢, m-o-m, reflecting higher crude prices, and were $15.68 lower y-o-y. The USGC gasoline crack spread lost $5.93, m-o-m, reaching an average of $27.20/b in June, and was $4.51 lower, y-o-y.

The USGC jet/kerosene crack spread against WTI declined slightly, marking a loss for the third consecutive month. However, apart from gasoil, which was the only positive performer across the barrel, jet/kerosene experienced the smallest loss compared to all other negative performers. US jet/kerosene supply exceeded demand, leading to an expanding balance and contributing to a near 1.5 mb, m-o-m, stock increase at the end of June as refineries increased their throughput. The USGC jet/kerosene crack spread fell by 93¢, m-o-m, averaging $19.50/b in June, which was $2.69 lower than the previous year.

The USGC gasoil crack spread against WTI rose after remaining nearly unchanged from the previous month and was the sole positive performer in June. Although EIA data showed a small m-o-m stock build at the end of June, intensification of geopolitical tensions in the Middle East raised concerns over diesel and heavy crude flow disruptions through the Strait of Hormuz. This led to bullish US gasoil market sentiment exerting upward pressure on the products' crack spread. The US gasoil crack spread against WTI averaged $15.32/b, which was $1.05 higher, m-o-m, and up by $4.04, y-o-y.

After remaining rangebound for the previous five months, the USGC fuel oil 3.5% crack spread against WTI moved downwards, further into negative territory, as weaker fundamentals affected the products' performance. However, as fuel balance in the Atlantic basin remained significantly contracted, the upside potential for residual fuel for feedstock blending requirements and the seasonal upside in residual fuel for power generation in the East of Suez might provide support in the near term. In June, the US fuel oil crack spread against WTI lost $2.79, m-o-m, to average negative $4.18/b, but was $2.17 higher, y-o-y.

European market

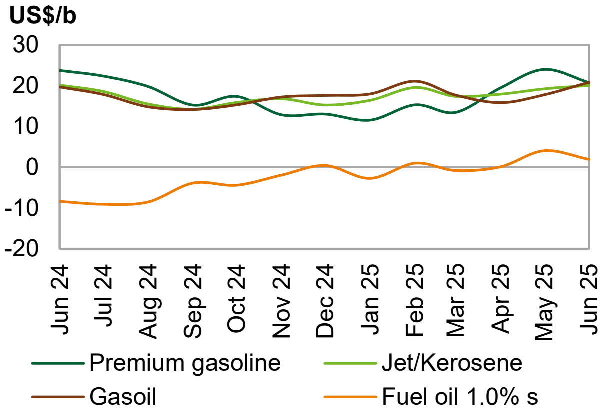
The gasoline crack spread in Rotterdam against Brent dropped, after reaching a twelve-month high in the previous month, while the gasoline-middle distillate crack spread differential eroded in June. Rising gasoline surplus, softening gasoline export volumes amid higher refinery runs in the Atlantic Basin and additional gasoline volumes entering the international market from newer refineries weighed on the fuel margin's performance. The gasoline crack spread against Brent averaged $20.75/b, which was $3.24 lower, m-o-m, and $2.98 lower, y-o-y.

In June, the jet/kerosene crack spread in Rotterdam against Brent increased for the third consecutive month to reach an eleven-month high. Most of this improvement is attributed to a decline in jet/kerosene yields as refiners maximised gasoil output amid gasoil tightness. Improvement in air travel activities in Europe is expected to continue in the coming months and should provide upside potential for jet/kerosene markets going forward. The Rotterdam jet/kerosene crack spread against Brent averaged $20.01/b, up by 84¢, m-o-m, but down by 6¢, y-o-y.

The gasoil crack spread in Rotterdam against Brent rose further, showing gains for the second consecutive month as diesel inventories remained below historical levels in June. Moreover, a reduction in US biofuel production due to policy uncertainties boosted the fossil diesel market in the US, lending support to European gasoil markets. In addition, concern over diesel/gasoil flows from the Middle East amid geopolitical tension added to the upside pressure on European gasoil margins.

The combination of stronger fundamentals and bullish gasoil market sentiment in Northwest Europe led to a $10.33 increase in European gasoil prices, m-o-m, and was $9.91 lower y-o-y. The gasoil crack spread against Brent averaged $20.77/b, up $3.05, m-o-m, and by $1.14, y-o-y.

Graph 6 - 4: Rotterdam crack spreads vs. Brent



Sources: Argus and OPEC.

At the bottom of the barrel, fuel oil 1.0% crack spreads in Rotterdam against Brent reversed direction, to exhibit a decline, ending a two-month upward trend; however, it remained in positive territory. A downward correction of the robust residual fuel buying interest witnessed in the previous month likely weighed on the products crack spread performance. Going forward, upside potential fuel oil 1%s markets are expected to receive support from fuel conversion demand in the US, stronger requirements for feedstock blending across regions, and power generation in the Middle East. The fuel oil 1.0%s crack spread averaged $1.86 in June, which represented a $2.12 increase, m-o-m, and a $10.30 gain, y-o-y.

Asian market

The Southeast Asia gasoline 92 crack spread against Dubai declined with rising refinery output within the region, which lengthened gasoline balances and exerted downward pressure on gasoline margins. The margin averaged $10.88/b in June, down 50¢, m-o-m, but up $5.57, y-o-y.

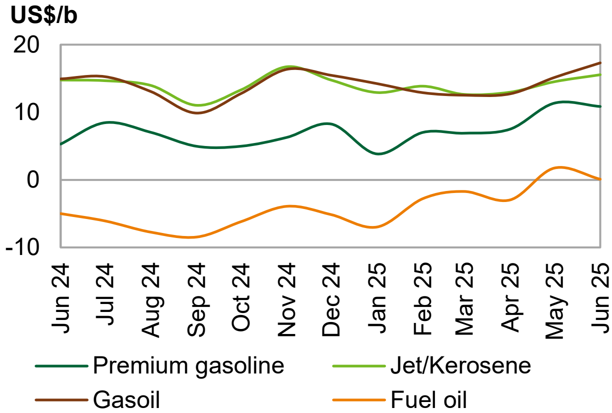
The Asian naphtha crack spread changed course again in June to register a loss, falling deeper into negative territory. Subdued naphtha demand from the petrochemical sector weighed on naphtha markets, while uncertainty over the new terms for the US-China trade tariffs could likely add pressure to Chinese chemicals demand. The Singapore naphtha crack spread against Dubai averaged negative $2.03/b, which was $3.60 higher, m-o-m, and $9.79 higher, y-o-y.

In the middle of the barrel, the jet/kerosene crack spread showed solid gains. The bullish market sentiment surrounding the geopolitical situation in the Middle East likely provided upside pressure to jet/kerosene margins, despite a wave of flight cancellations in several Middle Eastern airports. The Singapore jet/kerosene crack spread against Dubai averaged $15.56/b, up $1.03, m-o-m, and 78¢, y-o-y.

The Singapore gasoil crack spread kept its upward momentum and reached a multi-month high in June, outperforming all other products to become the main margin contributor. Moreover, the gasoil crack spread differential widened in June as gasoil margins outperformed that of jet-kerosene due to a contraction and gasoil availability, an improvement in export volumes and concerns of gasoil supplied from the East of Suez over geopolitical tension.

The onset of the monsoon season in Asia does point to further downside risk in gasoil consumption and crack spreads, as intense rainfalls could slow agricultural activities. The Singapore gasoil crack spread against Dubai averaged $17.33/b, up $2.16, m-o-m, and $2.37, y-o-y.

Graph 6 - 5: Singapore crack spreads vs. Dubai



Sources: Argus and OPEC.

The Singapore fuel oil 3.5% crack spread saw a slight loss in June and barely remained in positive territory after reaching positive territory in the previous month, for the first time since April 2020. However, going forward, residual fuel markets are expected to strengthen as the product's balance remains tight y-o-y in the Atlantic basin, and demand is expected to firm up in the Middle East, backed by power generation for cooling demand. Additionally, the recent increase in fuel oil tax rebates in China will most likely boost fuel oil imports in the country for feedstock blending. Singapore's HSFO crack spread against Dubai averaged 9¢/b, down $1.65, m-o-m, but up $5.08, y-o-y.

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

Event	Time frame	Observations	Asia	Europe	US
Chinese fuel oil consumption tax rebate increase	Jul 25 and onwards	Fuel oil import tax rebates were increased towards early July for 6 independent refiners in China. This measure should help improve refining margins for the 6 teapot refiners, boost fuel oil buying interest and exert upward pressure on fuel oil crack spreads.	↑ Support fuel oil crack spreads	↑ Support fuel oil crack spreads	↑ Support fuel oil crack spreads
Summer season	Jun 25–Oct 25	Projections of increased demand for transport fuels – particularly for gasoline and jet fuel – driven by higher road traffic and air travel, are expected to support product markets over the summer months.	↑ Support transport fuel crack spreads	↑ Support transport fuel crack spreads	↑ Support transport fuel crack spreads
Impact of the most recent refinery capacity additions	Apr 25 onwards	The potential influx of new product volumes into international markets, particularly from Yulong Petrochemical, Olmeca, and Dangote refineries, is expected to lengthen product balances, especially for gasoline.	↓ Pressure on product markets	↓ Pressure on product markets	↓ Pressure on product markets

Source: OPEC.

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

		May 25	Jun 25	Change Jun/May	Annual avg. 2024	Year-to-date 2025
US Gulf (Cargoes FOB)						
Naphtha*		60.42	61.72	1.30	74.02	68.00
Premium gasoline	(unleaded 93)	94.22	95.06	0.84	106.21	95.57
Regular gasoline	(unleaded 87)	85.42	87.09	1.67	94.42	86.59
Jet/Kerosene		81.52	87.36	5.84	98.81	89.28
Gasoil	(0.2% S)	75.36	83.18	7.82	84.13	84.16
Fuel oil	(3.0% S)	59.80	65.24	5.44	69.05	64.72
Rotterdam (Barges FOB)						
Naphtha		60.36	61.67	1.31	72.52	65.68
Premium gasoline	(unleaded 98)	88.06	92.10	4.04	106.14	89.08
Jet/Kerosene		83.24	91.36	8.12	100.61	90.06
Gasoil/Diesel	(10 ppm)	81.79	92.12	10.33	100.70	90.17
Fuel oil	(1.0% S)	68.05	73.21	5.16	73.78	72.21
Fuel oil	(3.5% S)	65.11	68.60	3.49	72.12	68.65
Mediterranean (Cargoes FOB)						
Naphtha		58.68	60.25	1.57	70.43	63.83
Premium gasoline**		80.58	86.39	5.81	95.24	83.88
Jet/Kerosene		80.68	88.74	8.06	97.31	87.11
Diesel		80.98	91.20	10.22	99.64	88.92
Fuel oil	(1.0% S)	72.26	77.27	5.01	78.25	75.68
Fuel oil	(3.5% S)	61.37	65.28	3.91	69.17	65.14
Singapore (Cargoes FOB)						
Naphtha		61.53	64.10	2.57	72.73	67.17
Premium gasoline	(unleaded 95)	76.63	81.97	5.34	92.98	81.54
Regular gasoline	(unleaded 92)	74.94	80.07	5.13	88.33	79.84
Jet/Kerosene		78.09	84.75	6.66	95.20	85.67
Gasoil/Diesel	(50 ppm)	79.09	86.72	7.63	95.98	86.64
Fuel oil	(180 cst)	77.37	85.12	7.75	94.56	85.42
Fuel oil	(380 cst 3.5% S)	65.30	69.28	3.98	71.16	69.81

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

Sources: Argus and OPEC.

Tanker Market

Dirty tanker spot freight rates continued to see mixed movements in June. VLCC rates were volatile over the month due to geopolitical developments, although the mid-month spike in rates was matched by a decline near the end of the month, resulting in VLCC rates remaining broadly flat in monthly terms. On the Middle East-to-East route, VLCC spot freight rates were unchanged, m-o-m, but rose 6% on the Middle East-to-West route, recovering from low levels seen in the previous two months. VLCC rates on the West Africa-East route fell 6%, amid lower flows to China.

Suezmax rates declined on average in June, despite geopolitical-driven volatility, as activities remained sluggish. Spot rates on the US Gulf Coast-to-Europe route declined 3%, m-o-m.

In contrast, Aframax rates showed slight gains on average in June, supported by improving activities East of Suez at the end of the month. Rates around the Mediterranean were down by about 3%.

In the clean tanker market, spot rates were also mixed. East of Suez rates rose 11%, m-o-m, driven by geopolitical concerns mid-month, followed by a pick-up in activities. West of Suez rates declined by 8%, m-o-m, amid softer fundamentals around the Mediterranean.

Dirty tanker freight rates

Very large crude carriers (VLCC)

VLCC spot freight rates were broadly stable on average, m-o-m, in June, as marginally softer rates on the Middle East-to-East route were balanced by an improvement on the Middle East-to-West route. On average, VLCC spot freight rates were unchanged, m-o-m, but were up 9% compared with the same month last year.

On the Middle East-to-East route, rates averaged WS60 in June, unchanged from the previous month, as the mid-month spike in rates was matched by a decline near the end of the month. Rates were up 18%, y-o-y.

Spot freight rates on the Middle East-to-West route rose 6%, m-o-m, to average WS35, recovering from the relatively low levels seen in the previous two months. Compared with the same month in 2024, rates were unchanged.

On the West Africa-to-East route, spot freight rates declined 6%, m-o-m, to average WS58. Compared with the same month in 2024, rates were up 2%.

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

VLCC	Size *1,000 DWT*	Apr 25	May 25	Jun 25	Change Jun 25/May 25
Middle East/East	230-280	61	60	60	0
Middle East/West	270-285	33	33	35	2
West Africa/East	260	62	62	58	-4

Sources: Argus and OPEC.

Suezmax

Spot freight rates for Suezmax vessels declined in June, down 4% on average, m-o-m, as activities remained sluggish. Compared with the same month last year, rates for the vessel class were down 25%.

On the West Africa-to-USGC route, spot freight rates in June averaged WS77, following a decline of 4%, m-o-m. Compared with the same month in 2024, spot rates on the route were 28% lower. Rates on the USGC-to-Europe route continued to edge lower, falling 3% to average WS72. Compared with the same month in 2024, rates were down 22%.

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

Suezmax	Size *1,000 DWT*	Apr 25	May 25	Jun 25	*Change* Jun 25/May 25
West Africa/US Gulf Coast	130-135	100	80	77	-3
US Gulf Coast/Europe	150	95	74	72	-2

Sources: Argus and OPEC.

Aframax

Aframax spot freight rates picked up in June in monthly terms, despite weakening around the Mediterranean, with East of Suez activities providing support. On average, Aframax rates rose 2%, m-o-m. Compared with the same month last year, rates for the vessel class averaged 24% lower.

On the Indonesia-to-East route, dirty spot freight rates rose 2%, m-o-m, to an average of WS118 in June. Y-o-y, rates on the route were down 33%.

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

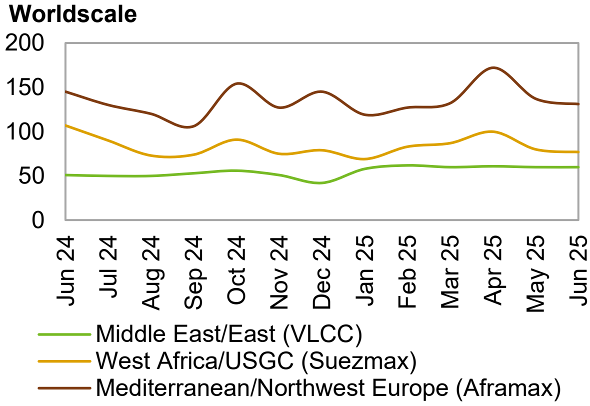
Aframax	Size *1,000 DWT*	Apr 25	May 25	Jun 25	*Change* Jun 25/May 25
Indonesia/East	80-85	136	116	118	2
Caribbean/US East Coast	80-85	211	135	152	17
Mediterranean/Mediterranean	80-85	178	138	134	-4
Mediterranean/Northwest Europe	80-85	172	137	131	-6

Sources: Argus and OPEC.

Spot freight rates on the Caribbean-to-USEC route partially recovered from the sharp loss seen the month before. Rates were up 13%, m-o-m, to average WS152, but were down 29% compared with the same month last year.

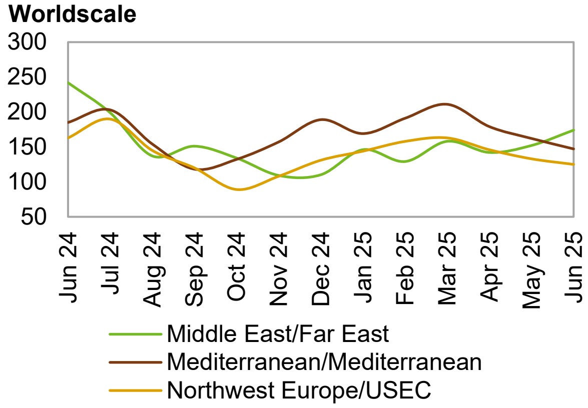
Cross-Med spot freight rates edged lower, m-o-m, down 3% to average WS134. Y-o-y, spot rates on the route were 19% lower. Similarly, rates on the Med-to-NWE route declined 4%, m-o-m, to average WS131. Compared with the same month in 2024, rates were down 10%.

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



Sources: Argus and OPEC.

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



Sources: Argus and OPEC.

Clean tanker freight rates

Clean spot freight rates were also mixed in June. East of Suez rates increased 11%, on average, driven by geopolitical concerns mid-month, followed by a pickup in activity. West of Suez rates were down 8%, m-o-m, amid softer fundamentals around the Mediterranean. Compared with the previous year, East of Suez and West of Suez rates were down by 34% and 21%, respectively.

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

East of Suez	Size *1,000 DWT*	Apr 25	May 25	Jun 25	*Change* Jun 25/May 25
Middle East/East	30-35	142	152	174	22
Singapore/East	30-35	156	158	171	13
West of Suez					
Northwest Europe/US East Coast	33-37	146	133	125	-8
Mediterranean/Mediterranean	30-35	179	162	147	-15
Mediterranean/Northwest Europe	30-35	189	172	157	-15

Sources: Argus and OPEC.

Rates on the Middle East-to-East route jumped 14%, m-o-m, to average WS174, amid a mix of geopolitical concerns and improving activities over the month. Compared with June 2024, rates were down 28%. Clean spot freight rates on the Singapore-to-East route also saw gains over the previous month in June, rising 8% to average WS171. This still represents a 39% decline compared with the same month in 2024.

In the Atlantic basin, clean rates declined on all monitored routes, as availability outpaced tanker demand. The NWE-to-USEC route averaged WS125, representing a decrease of 6%, m-o-m, and 23%, y-o-y. Rates around the Mediterranean fell by 9%, m-o-m, with the Cross-Med averaging WS147 and the Med-to-NWE route averaging WS157. Y-o-y, spot freight rates on these two routes were down 21% and 19%, respectively.

Crude and Refined Products Trade

In June, US crude imports were broadly unchanged from May, averaging 6.1 mb/d, according to preliminary estimates based on weekly data. US crude exports declined for the third month in a row to average 3.6 mb/d. Product imports into the US declined 4%, m-o-m, to average 1.7 mb/d, while US product exports rose by close to 2%, m-o-m, to remain at a high level of just under 7 mb/d.

Preliminary estimates for May indicate that OECD Europe's crude imports picked up, m-o-m, ahead of the summer season. Product imports increased 11%, m-o-m, led by fuel oil. Product exports also rose 11%, with gains across all major products except LPG.

Official data for Japan shows crude imports in May declined, m-o-m, to 2.4 mb/d, albeit well above last year's level. Japan's product imports recovered slightly following a sharp decline in the previous month to average 869 tb/d, amid a rebound in LPG inflows. Product exports fell, driven lower by gasoil and gasoline outflows.

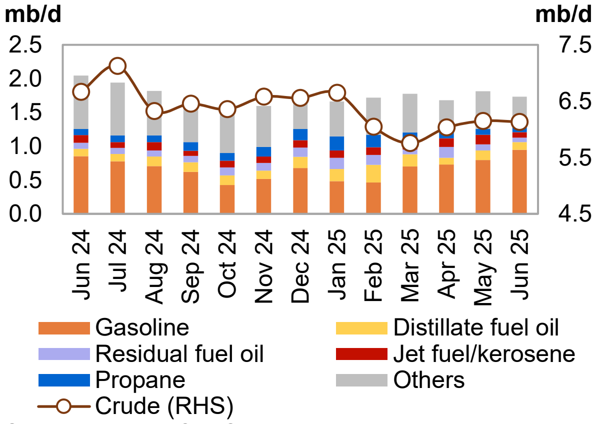
China's crude imports fell further in May to average 11.0 mb/d, with inflows staying in line with the five-year average. Product imports remained broadly flat, but they were still well above the five-year average. Product exports showed a seasonal decline.

India's crude imports remained above 5 mb/d in May for the fifth month in a row, despite a decline of 2%, m-o-m. Product exports recovered, m-o-m, averaging 1.2 mb/d, with the increase driven primarily by fuel oil. Product exports surged by 358 tb/d, or nearly 34%, m-o-m, to average 1.4 mb/d, as diesel and gasoline exports rebounded.

US

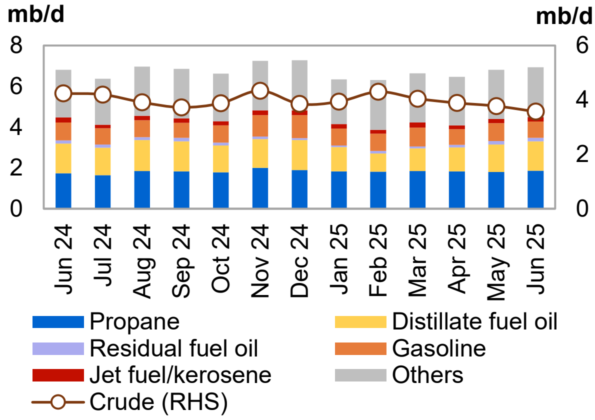
US crude imports were broadly unchanged in June at 6.1 mb/d, following a negligible m-o-m decline. According to preliminary EIA weekly data, higher inflows from Nigeria, Brazil and Libya were offset by declines from Canada, Saudi Arabia and Colombia. Compared with the same month last year, crude imports were down by 530 tb/d, or about 8%.

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 fell to the lowest since January 2023. Crude oil outflows averaged 3.6 mb/d in June, representing a m-o-m decline of 205 tb/d, or about 5%. According to tanker tracking estimates, declines were because of lower flows to Asia, including India, Japan and Malaysia. Compared to the same month last year, crude exports were 666 tb/d lower, or almost 16%.

In June, US net crude imports averaged 2.6 mb/d, compared with 2.4 mb/d the month before and 2.4 mb/d in the same month last year.

On the products side, imports fell 78 tb/d, or over 4%, m-o-m, to average over 1.7 mb/d. Declines were seen across all major products except gasoline. Compared with the same month of 2024, product inflows were down by 310 tb/d, or about 15%.

Product exports averaged 6.9 mb/d in June, representing an increase of 126 tb/d, or about 2%, from the prior month. Gains were seen across all major products, except gasoline. Compared with the same month last year, product exports were up by 120 tb/d, or about 2%.

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

US	Apr 25	May 25	Jun 25	Change Jun 25/May 25
Crude oil	2.15	2.38	2.57	0.19
Total products	-4.79	-4.99	-5.20	-0.20
Total crude and products	**-2.64**	**-2.61**	**-2.63**	**-0.02**

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

Sources: EIA and OPEC.

As a result, net product exports averaged 5.2 mb/d in June, up from 5.0 mb/d the month before. In June 2024, net product exports averaged 4.8 mb/d. Combined net crude and product exports averaged 2.6 mb/d in June, broadly unchanged from the month before and up from 1.1 mb/d in the same month last year.

OECD Europe

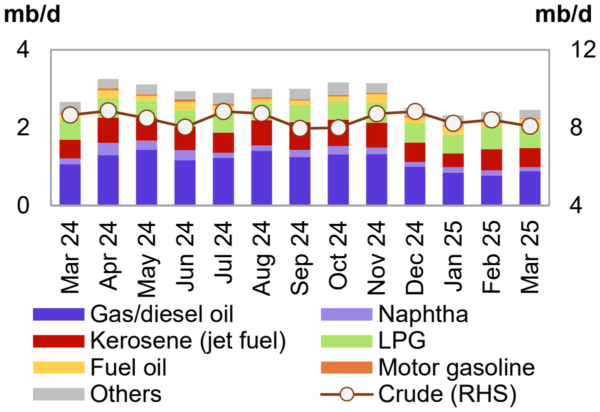
The latest official regional data for OECD Europe shows that crude imports averaged 8.1 mb/d in March. This represents a decline of 340 tb/d, or 4%, m-o-m, and a 574 tb/d drop, or almost 7%, y-o-y.

In terms of import sources from outside the region, the US provided the highest contribution in March at around 1.4 mb/d, albeit this represents a decline of almost 14% from the month before. Kazakhstan was second with 1.1 mb/d, followed by Libya with 1.0 mb/d.

Crude exports outside the region averaged 140 tb/d in March. This compares to 321 tb/d the month before and 275 tb/d in the same month last year. In March, China was the top destination outside the region, taking in 64 tb/d, although this was down from 141 tb/d the month before.

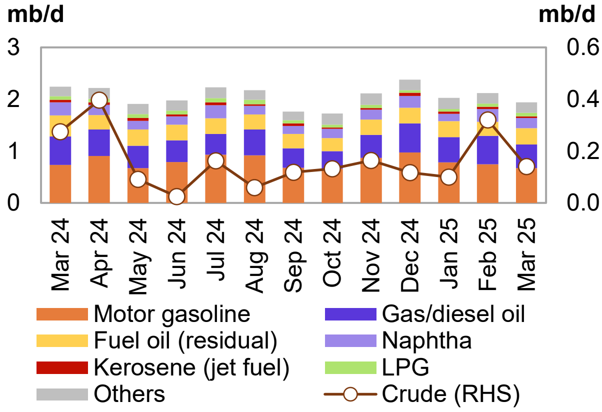
Net crude imports averaged 7.9 mb/d in March, down from 8.1 mb/d the month before. In the same month of 2024, net crude imports averaged 8.4 mb/d.

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



Sources: IEA and OPEC.

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



Sources: IEA and OPEC.

Product imports averaged 2.5 mb/d in March, edging up 53 tb/d, or about 2%, m-o-m. Gains were driven by higher inflows of gasoil and fuel oil, which were partly offset by declines in kerosene, naphtha and LPG. Compared with March 2024, product inflows were 202 tb/d lower, or about 8%.

Product exports averaged 1.9 mb/d in March, representing a drop of 180 tb/d, or about 9%, m-o-m. This was amid lower outflows of gasoil and gasoline, which were partly offset by increased exports of fuel oil. Compared with the same month of 2024, product exports were 307 tb/d lower, or almost 14%.

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

OECD Europe	Jan 25	Feb 25	Mar 25	*Change* Mar 25/Feb 25
Crude oil	8.11	8.09	7.93	-0.16
Total products	0.29	0.29	0.52	0.23
Total crude and products	**8.40**	**8.37**	**8.45**	**0.07**

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

Sources: IEA and OPEC.

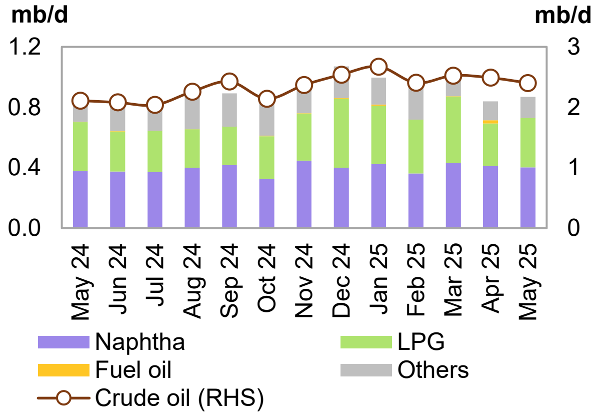
Net product imports averaged 519 tb/d in March, compared with 285 tb/d the month before and 414 tb/d in March 2024. Combined net crude and product imports averaged 8.4 mb/d in March. This was broadly unchanged from the month before, but down from 8.8 mb/d in March 2024.

Japan

Japan's crude imports averaged 2.4 mb/d in May, representing a decline of 85 tb/d, or around 3%, compared with the previous month. However, y-o-y, crude imports rose 292 tb/d, or about 14%.

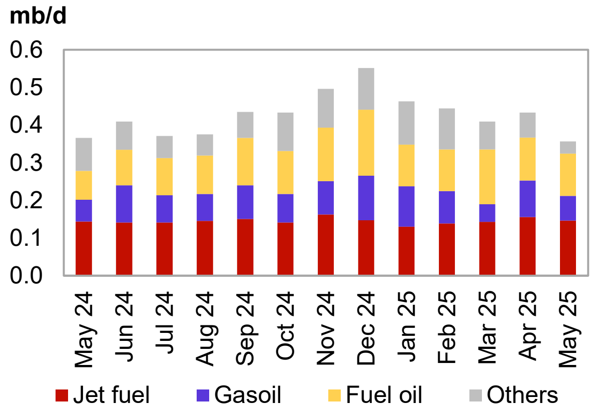
Saudi Arabia and the United Arab Emirates shared the top spot in May in terms of crude supplies, each with a share of 40.8%, compared with 36% and 46%, respectively, the month before. The US was third with about 8%.

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, rose following the previous month's sharp decline, increasing 30 tb/d m-o-m in May, or 4%, to average 869 tb/d. The increase was led by LPG and gasoline, which were partly offset by declines in fuel oil and kerosene. Compared with May 2024, product imports were 35 tb/d higher, or over 4%.

Product exports, including LPG, fell 77 tb/d, or almost 18%, m-o-m, in May, to average 357 tb/d. Gasoline and gasoil drove the decline, with further contributions from jet fuel, naphtha and fuel oil. Product outflows slipped 9 tb/d, or about 3%, compared to the same month last year.

Consequently, Japan's net product imports, including LPG, averaged 513 tb/d in May. This compares with 406 tb/d the month before and 469 tb/d in May 2024.

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

Japan	Mar 25	Apr 25	May 25	*Change* May 25/Apr 25
Crude oil	2.52	2.49	2.40	-0.09
Total products	0.64	0.41	0.51	0.11
Total crude and products	**3.16**	**2.89**	**2.92**	**0.02**

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

Sources: METI and OPEC.

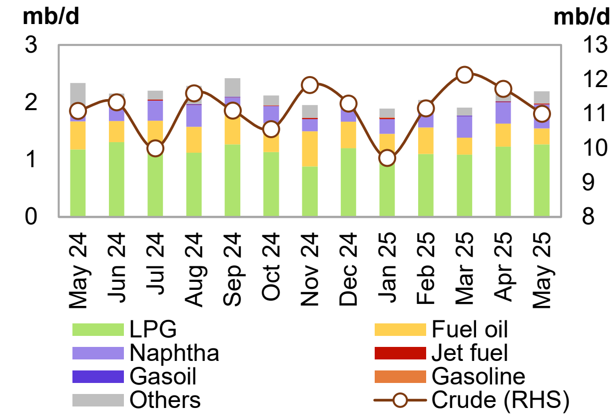
China

China's crude imports fell further in May to average 11.0 mb/d but remained in line with the five-year average. Compared with the month before, crude imports declined by 723 tb/d, or over 6%. Compared with the same month last year, crude imports were down by 85 tb/d, or less than 1%.

In terms of crude imports by source, Russia remained in the top spot in May with 18%, up from 17% in April. Saudi Arabia was second with 11.6%, marginally higher than in the previous month, followed by Iraq with 11.5% and Malaysia with 10.9%.

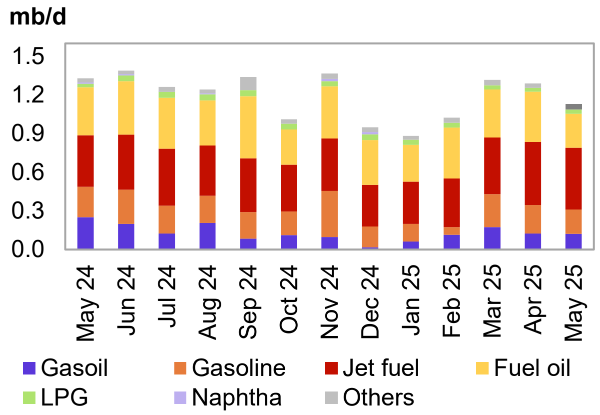
Product imports, including LPG, dropped slightly in May. Inflows averaged 2.2 mb/d for the month, a decline of 51 tb/d, or about 2%, m-o-m. A sharp decline in fuel oil outpaced lesser gains in naphtha and LPG. Compared to the same period in 2024, product imports were down by 148 tb/d, or over 6%.

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



Sources: GACC and OPEC.

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



Sources: GACC and OPEC.

Product exports, including LPG, declined for the second month in a row to average 1.1 mb/d in May. This represents a drop of 163 tb/d, or almost 13%, m-o-m. Declines were driven by fuel oil and gasoline. Compared to the same month in 2024, product exports were 203 tb/d lower, or 15%.

Net product imports averaged 1.0 mb/d in May, compared with 951 tb/d the month before. In the same month last year, net product imports averaged 1.0 mb/d.

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

China	Mar 25	Apr 25	May 25	*Change* May 25/Apr 25
Crude oil	12.04	11.68	10.96	-0.72
Total products	0.59	0.95	1.06	0.11
Total crude and products	**12.63**	**12.63**	**12.03**	**-0.60**

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

Sources: GACC and OPEC.

India

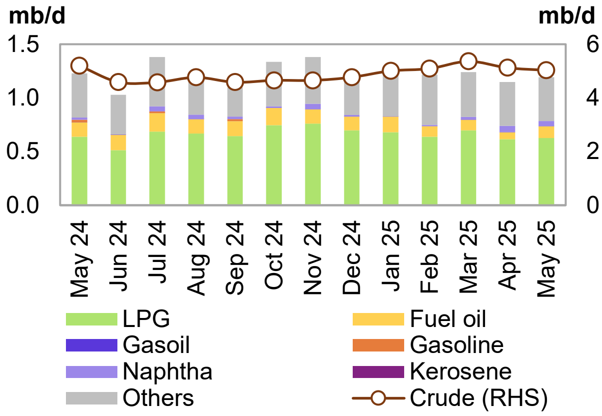
India's crude imports in May remained above 5 mb/d for the fifth month in a row, despite a decline of 92 tb/d, or around 2%, m-o-m. Crude inflows averaged 5.0 mb/d, down from 5.1 mb/d the month before. Y-o-y, crude imports were down by 174 tb/d, or 3%.

In terms of crude imports by source, Kpler data shows Russia had a 44% share of India's total crude imports in May, up from 40% in the previous month. Iraq was second with 17%, followed by Saudi Arabia with 12%.

For products, imports recovered, gaining 42 tb/d, or about 4%, m-o-m, to average 1.2 mb/d. The increase was driven by fuel oil, with additional support from LPG. Y-o-y, product imports fell by 38 tb/d, or about 3%.

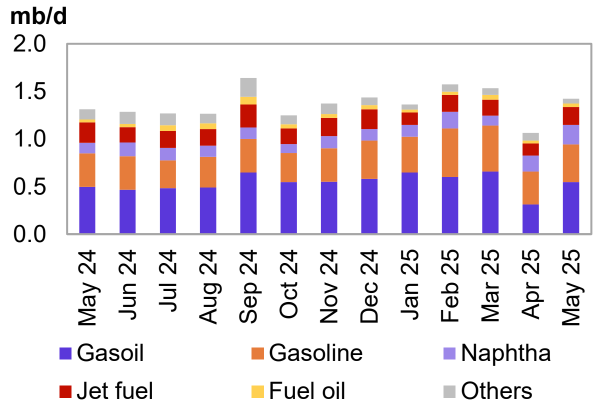
Product exports surged in May, rising 358 tb/d, or nearly 34%, m-o-m, to average 1.4 mb/d. Diesel, gasoline and naphtha were the primary contributors to the jump in outflows. Y-o-y, product exports were 110 tb/d higher, or about 8%.

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.

Net product flows flipped back to net exports in May, averaging 232 tb/d. This compares with net imports of 84 tb/d the month before and net exports of 84 tb/d in May 2024.

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

India	Mar 25	Apr 25	May 25	*Change* May 25/Apr 25
Crude oil	5.36	5.12	5.03	-0.09
Total products	-0.29	0.08	-0.23	-0.32
Total crude and products	**5.07**	**5.20**	**4.80**	**-0.41**

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 in May declined, m-o-m, amid lower flows from Novorossiysk and Primorsk. For the month, crude outflows averaged 6.4 mb/d, which represents a drop of 172 tb/d, or 2.6%, compared to the previous month. Y-o-y, total crude exports were 155 tb/d, or 2.5%, higher.

In the Transneft system, crude exports in May fell 117 tb/d, or 3%, m-o-m, erasing the previous month’s gain. Outflows averaged around 3.8 mb/d, representing a marginal decline compared to the same month last year. Exports through Novorossiysk on the Black Sea fell by 52 tb/d, or over 9%, m-o-m, to average 498 tb/d. Crude exports via Baltic Sea ports also dropped, with flows from Primorsk down 50 tb/d, or 3.5%, m-o-m, to average 815 tb/d. Exports via Ust-Luga were broadly unchanged at 581 tb/d. Combined, crude exports via Transneft’s Baltic Sea terminals fell 50 tb/d compared to April, or 3.5%, to average just under 1.4 mb/d. Y-o-y, combined Baltic Sea flows were down by 143 tb/d, or about 9%.

Shipments via the Druzhba pipeline fell by 16 tb/d, or 6%, m-o-m, to average 254 tb/d. Compared to the same month of 2024, exports via the pipeline were up by 51 tb/d, or 25%. Exports to inland China via the ESPO pipeline rose 11 tb/d from April, or about 2%, to average 632 tb/d. Y-o-y, this was an increase of 4%. Exports from the Pacific port of Kozmino slipped 10 tb/d, or 1%, m-o-m, but remained at a near record high of 1.0 mb/d. Compared to the same month last year, exports via Kozmino were 93 tb/d higher, or about 10%.

In the Lukoil system, exports via the Varandey offshore platform in the Barents Sea averaged 83 tb/d, up sharply from 23 tb/d in the previous month. Compared with the same month last year, crude exports from the platform were down by 25 tb/d, or around 19%.

On other routes, exports from Russia's far east port of Aniva Bay increased 18 tb/d, or about 24%, m-o-m, while flows from De Kastri rose 44 tb/d, or 37%, over the same period. Combined, the two ports exported 62 tb/d of crude on average in May.

Central Asian exports averaged 227 tb/d in May, representing a decline of 9 tb/d, or 3.6%, m-o-m. Compared with the same month last year, exports were up by 13 tb/d, or 6%.

Total Black Sea exports from the CPC terminal in May dropped by 155 tb/d, or over 9%, m-o-m, to average 1.5 mb/d. Y-o-y, exports were up by 175 tb/d, or about 13%. Exports via the BTC pipeline decreased by 37 tb/d, or 6%, to average 568 tb/d. This was down 27 tb/d, or 4.5%, compared with the same month last year.

Total product exports from Russia and Central Asia increased in May by 54 tb/d, or more than 2%, m-o-m, to average 2.5 mb/d. The m-o-m gains were driven by fuel oil, gasoline and gasoil. Y-o-y, total product exports rose by 146 tb/d, or about 6%, amid gains in gasoline, gasoil and fuel oil.

Commercial Stock Movements

Preliminary May 2025 data show that OECD commercial inventories stood at 2,771 mb, which is 34.5 mb higher than the previous month. At this level, OECD commercial stocks were 75.1 mb lower than the same month last year, 127.7 mb lower than the latest five-year average, and 184.2 mb below the 2015–2019 average. Within the components, crude and products stocks went up by 14.3 mb and 20.1 mb, m-o-m, respectively.

OECD crude oil commercial stocks stood at 1,358 mb. This was 31.4 mb lower than a year ago, 56.9 mb below the latest five-year average, and 127.3 mb less than the 2015–2019 average.

OECD total product stocks stood at 1,413 mb. This is 43.7 mb lower than a year ago, 70.8 mb less than the latest five-year average, and 56.9 mb below the 2015–2019 average.

In terms of days of forward cover, OECD commercial oil stocks rose by 0.1 days, m-o-m, in May to stand at 59.8 days. This is 1.8 days lower than the level registered in May 2024, 4.9 days less than the latest five-year average, and 2.2 days lower than the 2015–2019 average.

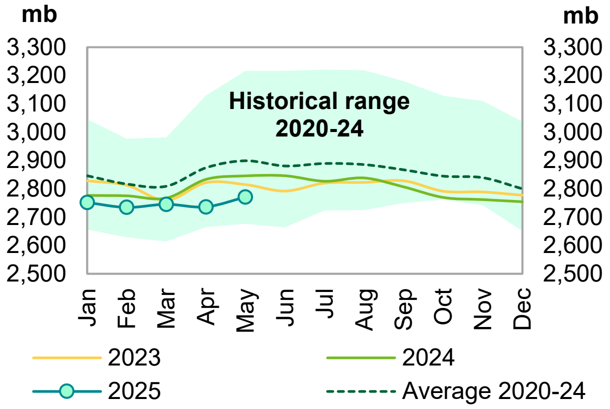
OECD

Preliminary May 2025 data shows that OECD commercial inventories stood at 2,771 mb, an increase of 34.5 mb from the previous month. At this level, OECD commercial stocks were 75.1 mb less than the same time last year, 127.7 mb lower than the latest five-year average, and 184.2 mb below the 2015–2019 average.

Within the components, crude and products stocks rose by 14.3 mb and 20.1 mb, m-o-m, respectively.

Within the OECD regions, all three regions saw a stock build in May.

Graph 9 - 1: OECD commercial oil stocks



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

OECD commercial crude stocks rose by 14.3 mb, m-o-m, ending May at 1,358 mb. This was 31.4 mb lower than the same time a year ago, 56.9 mb below the latest five-year average, and 127.3 mb less than the 2015–2019 average.

Within the OECD regions, OECD Asia Pacific and OECD Europe saw a crude stock build of 7.3 mb and 6.0 mb, respectively, while crude stocks in OECD America crude stocks rose by 1.0 mb, m-o-m, in May.

OECD total product stocks also increased by 20.1 mb, m-o-m, in May to stand at 1,413 mb. This is 43.7 mb lower than the same time a year ago, 70.8 mb less than the latest five-year average, and 56.9 mb below the 2015–2019 average.

Within the OECD regions, product stocks in OECD Europe witnessed a draw of 4.0 mb, while OECD America and OECD Asia Pacific crude stocks saw a build of 19.4 mb and 4.7 mb, m-o-m, respectively.

Table 9 - 1: OECD commercial stocks, mb

OECD stocks	May 24	Mar 25	Apr 25	May 25	*Change* May 25/Apr 25
Crude oil	1,389	1,340	1,343	1,358	*14.3*
Products	1,457	1,406	1,393	1,413	*20.1*
Total	**2,846**	**2,746**	**2,737**	**2,771**	***34.5***
Days of forward cover	**61.6**	**60.2**	**59.7**	**59.8**	***0.1***

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 rose by 0.1 days, m-o-m, in May, to stand at 59.8 days. This is 1.8 days lower than the level registered in May 2024, 4.9 days less than the latest five-year average, and 2.2 days lower than the 2015–2019 average.

Within the OECD regions, OECD Americas stood at 4.9 days below the latest five-year average, at 58.5 days. OECD Europe was 7.9 days below its five-year average, at 65.6 days. OECD Asia Pacific was 0.9 days higher than the latest five-year average, standing at 53.0 days.

OECD Americas

OECD Americas' total commercial stocks rose by 20.4 mb, m-o-m, in May, to settle at 1,489 mb. This is 50.3 mb lower than the same month in 2024, and 60.5 mb below the latest five-year average.

Commercial crude oil stocks in OECD Americas increased in May by 1.0 mb, m-o-m, to stand at 755 mb, which is 34.0 mb lower than in May 2024, and 34.7 mb below the latest five-year average.

Total product stocks in OECD Americas also went up by 19.4 mb, m-o-m, in May to stand at 734 mb. This is 16.4 mb lower than the same month in 2024, and 25.9 mb below the latest five-year average. Lower consumption in the region was behind the product stock build.

OECD Europe

OECD Europe's total commercial stocks rose in May by 2.0 mb, m-o-m, to settle at 916 mb. This is 43.9 mb lower than the same month in 2024, and 73.9 mb below the latest five-year average.

OECD Europe's commercial crude stocks increased by 6.0 mb, m-o-m, to end May at 411 mb. This is 14.0 mb lower than one year ago, and 22.7 mb less than the latest five-year average.

By contrast, total product stocks fell by 4.0 mb, m-o-m, to end May at 505 mb. This is 29.9 mb lower than the same time a year ago, and 51.2 mb below the latest five-year average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks went up in May by 12.0 mb, m-o-m, to stand at 366 mb. This is 19.2 mb higher than the same time a year ago, and 6.7 mb above the latest five-year average.

OECD Asia Pacific's crude stocks rose by 7.3 mb, m-o-m, to end May at 192 mb. This is 16.6 mb higher than one year ago, and 0.5 mb above the latest five-year average.

OECD Asia Pacific's product stocks also increased by 4.7 mb, m-o-m, to end May at 174 mb. This is 2.6 mb higher than one year ago, and 6.3 mb above the latest five-year average.

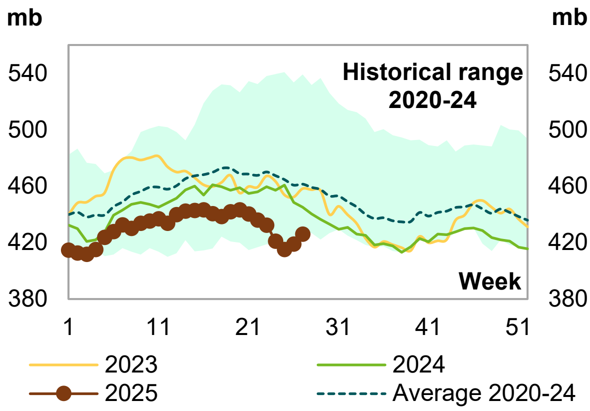
US

Preliminary data for June 2025 shows that total US commercial oil stocks rose by 4.7 mb, m-o-m, to stand at 1,240 mb. This is 39.5 mb, or 3.1%, lower than the same month in 2024 and 52.3 mb, or 4.0%, below the latest five-year average. Crude stocks fell by 17.1 mb, while products stocks rose by 21.9 mb, m-o-m.

US commercial crude stocks in June stood at 419.0 mb. This is 21.2 mb, or 4.8%, less than the same month in 2024 and 39.7 mb, or 8.7%, below the latest five-year average. The monthly draw in crude oil stocks was seen on the back of higher crude runs, which increased by around 480 tb/d, m-o-m, to stand at 17.3 mb/d.

In contrast, total product rose in June to stand at 821.1 mb. This is 18.3 mb, or 2.2%, lower than June 2024, and 12.6 mb, or 1.5%, below the latest five-year average. The product stock build can be attributed to lower product consumption.

Graph 9 - 2: US weekly commercial crude oil inventories



Sources: EIA and OPEC.

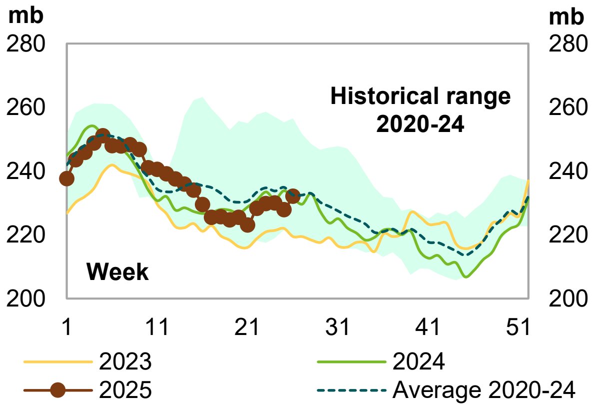
Gasoline stocks rose in June by 3.8 mb, m-o-m, to settle at 232.1 mb. This is 0.3 mb, or 0.1%, lower than the same month in 2024, and 1.3 mb, or 0.6%, below the latest five-year average.

Jet fuel stocks also went up by 1.5 mb, m-o-m, ending June at 45.2 mb. This is 0.1 mb, or 0.2%, lower than the same month in 2024, but 2.5 mb, or 5.8%, above the latest five-year average.

By contrast, distillate stocks in June fell by 4.0 mb, m-o-m, to stand at 103.6 mb. This is 19.5 mb, or 15.8%, lower than the same month in 2024, and 29.1 mb, or 21.9%, below the latest five-year average.

Residual fuel oil stocks in June also decreased by 1.0 mb, m-o-m. At 22.3 mb, they were 5.2 mb, or 18.9%, less than a year earlier, and 9.4 mb, or 29.6%, below the latest five-year average.

Graph 9 - 3: US weekly gasoline inventories



Sources: EIA and OPEC.

Table 9 - 2: US commercial petroleum stocks, mb

US stocks	Jun 24	Apr 25	May 25	Jun 25	*Change Jun 25/May 25*
Crude oil	**440.2**	**435.1**	**436.1**	**419.0**	***-17.1***
Gasoline	232.4	228.2	228.3	232.1	*3.8*
Distillate fuel	123.1	110.5	107.6	103.6	*-4.0*
Residual fuel oil	27.5	24.6	23.3	22.3	*-1.0*
Jet fuel	45.3	41.8	43.7	45.2	*1.5*
Total products	**839.4**	**780.2**	**799.3**	**821.1**	***21.9***
Total	**1,279.6**	**1,215.3**	**1,235.3**	**1,240.1**	***4.7***
SPR	**373.1**	**399.1**	**401.8**	**402.8**	***0.9***

Sources: EIA and OPEC.

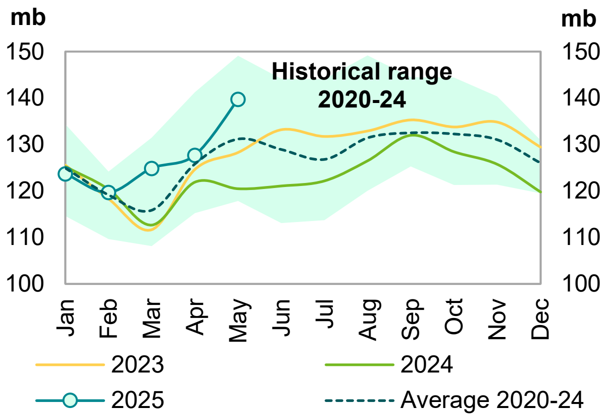
Japan

In Japan, total commercial oil stocks in May 2025 rose by 12.0 mb, m-o-m, to settle at 139.7 mb. This is 19.2 mb, or 16.0%, higher than the same month in 2024, and 8.5 mb, or 6.5%, above the latest five-year average. Crude and products stocks rose by 7.3 mb and 4.7 mb, m-o-m, respectively.

Japanese commercial crude oil stocks increased in May by 7.3 mb, m-o-m, to stand at 77.7 mb. This is 16.2 mb, or 26.4%, higher than the same month in 2024, and 5.0 mb, or 6.9%, higher than the latest five-year average. The build in crude oil stocks could be attributed to higher crude imports, which increased by around 85 tb/d, or 3.6%, m-o-m, to stand at 2.5 mb/d.

Gasoline stocks rose in May by 0.6 mb, m-o-m, to stand at 11.6 mb. This is 0.1 mb, or 0.5%, lower than the level recorded during the same period last year, and 0.4 mb, or 3.5%, below the latest five-year average. The built-in gasoline stocks were driven by higher gasoline imports, which increased by nearly 50%.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

Middle distillate stocks also went up by 2.9 mb, m-o-m, to end May at 28.0 mb. This is 2.6 mb, or 10.3%, higher than the same month in 2024, and 3.1 mb, or 12.7%, above the latest five-year average. Within the distillate components, jet fuel oil, kerosene, and gasoil stocks went up by 11.2%, 18.5% and 4.8%, m-o-m, respectively.

Total residual fuel oil stocks remain unchanged, m-o-m, to end May at 12.8 mb. At this level, they are 0.2 mb or 1.3% higher than the same month in 2024, and 0.5 mb, or 4.1%, above the latest five-year average. Within the components, fuel oil A stocks fell by 1.1%, m-o-m, while fuel B.C stocks rose by 1.0%, m-o-m.

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

Japan's stocks	May 24	Mar 25	Apr 25	May 25	Change May 25/Apr 25
Crude oil	**61.5**	**71.4**	**70.4**	**77.7**	***7.3***
Gasoline	11.7	10.1	11.1	11.6	*0.6*
Naphtha	9.3	9.2	8.4	9.6	*1.2*
Middle distillates	25.3	22.5	25.1	28.0	*2.9*
Residual fuel oil	12.6	11.8	12.8	12.8	*0.0*
Total products	**58.9**	**53.5**	**57.3**	**62.0**	***4.7***
Total**	**120.5**	**124.9**	**127.7**	**139.7**	***12.0***

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

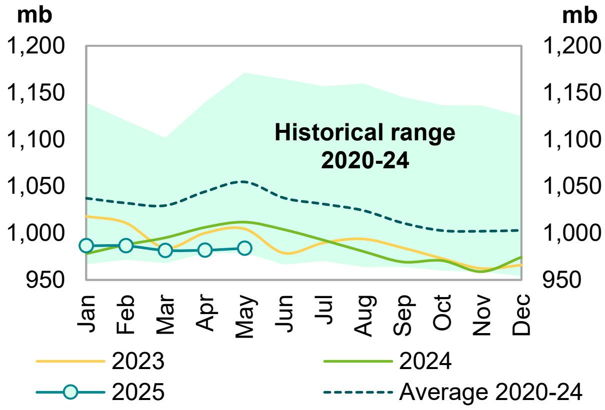
Sources: METI and OPEC.

EU-14 plus the UK and Norway

Preliminary data for May 2025 showed that total European oil stocks rose by 2.0 mb, m-o-m, to stand at 983.8 mb. At this level, they were 28.1 mb, or 2.8%, lower than the same month in 2024, and 71.0 mb, or 6.7%, below the latest five-year average. Crude stocks increased by 6.0 mb, m-o-m, while products stocks fell by 4.0 mb, m-o-m.

European crude stocks stood at 393.9 mb in May. This is 21.2 mb, or 5.1%, lower than the same month in 2024, and 37.6 mb, or 8.8%, less than the latest five-year average. The build in crude oil stocks came despite an increase in refinery throughput in the EU-14, plus the UK and Norway.

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



Sources: OilX and OPEC.

Total European product stocks fell by 4.0 mb, m-o-m, to end May at 589.9 mb. This is 6.9 mb, or 1.2%, lower than the same month in 2024, and 35.4 mb, or 5.6 %, below the latest five-year average. The stock draw can be attributed to higher demand in the region.

Gasoline stocks fell in May by 1.7 mb, m-o-m, to stand at 109.7 mb, which is 5.7 mb, or 5.5%, higher than the same time in 2024, but 0.6 mb, or 0.5%, below the latest five-year average.

Middle distillate stocks also decreased in May by 1.2 mb, m-o-m, to stand at 385.6 mb. This is 11.2 mb, or 2.8%, lower than the same month in 2024, and 32.1 mb, or 7.7%, less than the latest five-year average.

Residual fuel stocks in May were down by 0.1 mb, m-o-m, to stand at 60.5 mb. This is 4.2 mb, or 6.4%, lower than the same month in 2024, and 7.9 mb, or 11.8%, below the latest five-year average.

Naphtha stocks fell in May by 1.1 mb, m-o-m, ending the month at 34.1 mb. This is 2.8 mb, or 9.0%, higher than the same month in 2024, and 2.5 mb, or 7.7%, above the latest five-year average.

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

EU stocks	May 24	Mar 25	Apr 25	May 25	Change May 25/Apr 25
Crude oil	**415.1**	**388.3**	**387.9**	**393.9**	***6.0***
Gasoline	104.1	112.8	111.4	109.7	*-1.7*
Naphtha	31.3	34.1	35.2	34.1	*-1.1*
Middle distillates	396.9	387.3	386.8	385.6	*-1.2*
Fuel oils	64.6	59.0	60.5	60.5	*-0.1*
Total products	**596.8**	**593.3**	**593.9**	**589.9**	***-4.0***
Total	**1,011.9**	**981.5**	**981.8**	**983.8**	***2.0***

Sources: OilX and OPEC.

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

Singapore

In May, total product stocks in Singapore rose by 0.7 mb, m-o-m, to stand at 45.1 mb. This is 1.7 mb, or 3.8%, higher than the same month in 2024, but 1.6 mb, or 3.5%, less than the latest five-year average.

Light distillate stocks fell in May by 0.2 mb, m-o-m, to stand at 13.1 mb. This is 2.1 mb or 13.7% lower than the same month in 2024, and 1.7 mb, or 11.7%, below the latest five-year average.

In contrast, middle distillate stocks went up in May by 0.9 mb, m-o-m, to stand at 9.6 mb. This is 1.2 mb or 10.9% lower than the level of May 2024, and 0.8 mb, or 7.9%, below the latest five-year average.

Meanwhile, residual fuel oil stocks remain unchanged, m-o-m, ending May at 22.4 mb. This is 4.9 mb, or 28.1%, higher than in May 2024, and 0.9 mb or 4.3%, above the latest five-year average.

ARA

Total product stocks in ARA in May fell by 2.9 mb, m-o-m. At 43.0 mb, they were 3.0 mb, or 6.6%, below the same month in 2024, and 3.1 mb, or 6.7%, less than the latest five-year average.

Gasoline stocks dropped by 1.3 mb, m-o-m, ending May at 9.1 mb. This is 0.8 mb, or 9.1%, higher than in May 2024, but they are 1.3 mb or 12.3% lower than the latest five-year average.

Gasoil stocks in May also decreased by 0.9 mb, m-o-m, to stand at 14.9 mb. This is 1.8 mb, or 10.7%, lower than the same month in 2024, and 1.5 mb, or 9.2%, below the latest five-year average.

Jet oil stocks fell by 0.2 mb, m-o-m, to stand at 6.7 mb in May. This is 0.2 mb, or 3.4%, lower than the level seen in May 2024 and 0.5 mb, or 7.5%, less than the latest five-year average.

Fuel oil stocks went down in May by 0.4 mb, m-o-m, to stand at 7.3 mb. This is 2.7 mb, or 26.7%, lower than in May 2024, and 1.6 mb, or 17.7%, less than the latest five-year average.

Fujairah

During the week ending 7 July, total oil product stocks in Fujairah rose by 1.53 mb, w-o-w, to stand at 20.69 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 2.37 mb higher than at the same time a year ago.

Light distillate stocks increased by 0.64 mb, w-o-w, to stand at 8.12 mb, which is 2.38 mb higher than the same time a year ago.

Heavy distillate stocks also went up by 1.31 mb, w-o-w, to stand at 10.26 mb, which is 0.83 mb higher than the same time a year ago.

By contrast. middle distillate stocks fell by 0.42 mb, w-o-w, to stand at 2.31 mb, which is 0.85 mb lower than the same time last year.

Balance of Supply and Demand

Demand for DoC crude (i.e., crude from countries participating in the Declaration of Cooperation) is revised down by 0.3 mb/d from the previous month, to stand at 42.5 mb/d in 2025. This is mainly due to an upward revision in DoC NGLs historical baseline. However, the growth in demand for DoC crude remains unchanged from last month's assessment at 0.4 mb/d, compared to the 2024 estimate.

Similarly, the demand for DoC crude in 2026 is also revised down by 0.3 mb/d from the previous month, given the updated DoC NGLs baseline number, reaching 42.9 mb/d, or about 0.4 mb/d higher than the 2025 projection, which is the same as last month's assessment.

Balance of supply and demand in 2025

Demand for DoC crude

Demand for DoC crude has been revised down by 0.3 mb/d from the previous month, reaching 42.5 mb/d in 2025. This is mainly due to an upward revision in DoC NGLs historical baseline. However, the growth in demand for DoC crude remains unchanged from last month's assessment at 0.4 mb/d.

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

	2024	1Q25	2Q25	3Q25	4Q25	2025	*Change 2025/24*
(a) World oil demand	**103.8**	**104.3**	**104.3**	**105.5**	**106.4**	**105.1**	***1.3***
Non-DoC liquids production	53.2	54.0	54.1	53.8	54.2	54.0	*0.8*
DoC NGL and non-conventionals	8.5	8.7	8.6	8.6	8.7	8.6	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**61.7**	**62.6**	**62.7**	**62.4**	**62.9**	**62.7**	***0.9***
Difference (a-b)	**42.1**	**41.7**	**41.6**	**43.1**	**43.5**	**42.5**	***0.4***
DoC crude oil production	**40.9**	**40.9**	**41.3**				
Balance	**-1.2**	**-0.8**	**-0.3**				

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

Source: OPEC.

Balance of supply and demand in 2026

Demand for DoC crude

Similarly, the demand for DoC crude in 2026 is also revised down by 0.3 mb/d from the previous month, given the updated DoC NGLs baseline number, reaching 42.9 mb/d, or about 0.4 mb/d higher than the 2025 projection, which is the same as last month's assessment.

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

	2025	1Q26	2Q26	3Q26	4Q26	2026	*Change 2026/25*
(a) World oil demand	**105.1**	**105.6**	**105.5**	**107.0**	**107.5**	**106.4**	***1.3***
Non-DoC liquids production	54.0	54.5	54.4	54.7	55.3	54.7	*0.7*
DoC NGL and non-conventionals	8.6	8.7	8.8	8.7	8.9	8.8	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**62.7**	**63.3**	**63.2**	**63.4**	**64.2**	**63.5**	***0.9***
Difference (a-b)	**42.5**	**42.3**	**42.4**	**43.6**	**43.4**	**42.9**	***0.4***

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

Source: OPEC.

Appendix

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

World oil demand and production balance	2022	2023	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026
World demand													
Americas	24.7	25.0	24.9	24.8	25.0	25.3	25.2	25.1	24.9	25.0	25.4	25.2	25.2
of which US	*20.2*	*20.4*	*20.4*	*20.4*	*20.5*	*20.7*	*20.7*	*20.6*	*20.5*	*20.5*	*20.8*	*20.7*	*20.6*
Europe	13.6	13.5	13.5	12.9	13.6	14.1	13.5	13.5	12.9	13.6	14.1	13.5	13.5
Asia Pacific	7.3	7.2	7.2	7.4	7.0	6.9	7.4	7.2	7.4	7.0	6.9	7.4	7.2
Total OECD	**45.6**	**45.7**	**45.7**	**45.2**	**45.6**	**46.3**	**46.1**	**45.8**	**45.3**	**45.6**	**46.5**	**46.2**	**45.9**
China	15.0	16.4	16.7	16.9	16.5	17.0	17.0	16.9	17.0	16.8	17.3	17.2	17.1
India	5.1	5.3	5.6	5.7	5.7	5.5	5.9	5.7	5.9	6.0	5.7	6.2	6.0
Other Asia	9.1	9.3	9.7	9.9	10.2	9.8	9.8	9.9	10.1	10.5	10.1	10.1	10.2
Latin America	6.4	6.7	6.7	6.8	6.9	7.0	6.9	6.9	7.0	7.0	7.1	7.0	7.0
Middle East	8.3	8.6	8.9	8.8	8.8	9.3	9.2	9.0	8.9	8.9	9.5	9.2	9.1
Africa	4.5	4.6	4.6	4.9	4.6	4.7	5.1	4.8	5.0	4.7	4.8	5.1	4.9
Russia	3.8	3.8	4.0	4.0	3.9	4.0	4.2	4.0	4.1	3.9	4.1	4.2	4.1
Other Eurasia	1.2	1.2	1.3	1.4	1.3	1.2	1.3	1.3	1.5	1.3	1.2	1.3	1.3
Other Europe	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.8	0.8	0.9	0.8
Total Non-OECD	**54.2**	**56.7**	**58.2**	**59.2**	**58.7**	**59.2**	**60.2**	**59.3**	**60.3**	**59.9**	**60.5**	**61.4**	**60.5**
(a) Total world demand	**99.8**	**102.4**	**103.8**	**104.3**	**104.3**	**105.5**	**106.4**	**105.1**	**105.6**	**105.5**	**107.0**	**107.5**	**106.4**
Y-o-y change	***2.5***	***2.6***	***1.5***	***1.4***	***1.0***	***1.5***	***1.3***	***1.3***	***1.2***	***1.2***	***1.5***	***1.2***	***1.3***
Non-DoC liquids production													
Americas	25.0	26.7	27.7	28.1	28.2	28.1	28.2	28.1	28.2	28.2	28.5	28.9	28.5
of which US	*19.4*	*21.0*	*21.8*	*21.8*	*22.2*	*22.1*	*22.1*	*22.1*	*22.0*	*22.3*	*22.4*	*22.5*	*22.3*
Europe	3.6	3.6	3.5	3.6	3.6	3.5	3.6	3.6	3.6	3.5	3.5	3.6	3.5
Asia Pacific	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total OECD	**29.1**	**30.7**	**31.7**	**32.0**	**32.2**	**32.1**	**32.3**	**32.1**	**32.3**	**32.1**	**32.4**	**32.8**	**32.4**
China	4.4	4.5	4.6	4.7	4.6	4.5	4.5	4.6	4.6	4.6	4.5	4.5	4.6
India	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Other Asia	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Latin America	6.3	6.9	7.2	7.4	7.5	7.5	7.6	7.5	7.8	7.9	8.0	8.1	7.9
Middle East	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.0
Africa	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.4	2.3
Other Eurasia	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other Europe	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Non-OECD	**17.9**	**18.6**	**19.0**	**19.4**	**19.3**	**19.2**	**19.3**	**19.3**	**19.7**	**19.7**	**19.7**	**19.9**	**19.7**
Total Non-DoC production	47.0	49.4	50.7	51.4	51.5	51.3	51.6	51.4	51.9	51.8	52.1	52.7	52.1
Processing gains	2.4	2.5	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Total Non-DoC liquids production	**49.4**	**51.9**	**53.2**	**54.0**	**54.1**	**53.8**	**54.2**	**54.0**	**54.5**	**54.4**	**54.7**	**55.3**	**54.7**
DoC NGLs	8.0	8.4	8.5	8.7	8.6	8.6	8.7	8.6	8.7	8.8	8.7	8.9	8.8
(b) Total Non-DoC liquids production and DoC NGLs	**57.4**	**60.2**	**61.7**	**62.6**	**62.7**	**62.4**	**62.9**	**62.7**	**63.3**	**63.2**	**63.4**	**64.2**	**63.5**
Y-o-y change	***2.1***	***2.8***	***1.5***	***1.5***	***1.2***	***0.8***	***0.2***	***0.9***	***0.6***	***0.5***	***1.0***	***1.3***	***0.9***
OPEC crude oil production (secondary sources)	27.7	27.1	26.6	26.8	27.0								
Non-OPEC DoC crude production	15.2	15.0	14.3	14.1	14.3								
DoC crude oil production	**42.9**	**42.1**	**40.9**	**40.9**	**41.3**								
Total liquids production	**100.3**	**102.3**	**102.6**	**103.6**	**104.0**								
Balance (stock change and miscellaneous)	*0.6*	*0.0*	*-1.2*	*-0.8*	*-0.3*								
OECD closing stock levels, *mb*													
Commercial	2,781	2,778	2,754	2,746									
SPR	1,214	1,207	1,245	1,244									
Total	**3,995**	**3,984**	**3,999**	**3,990**									
Oil-on-water	1,546	1,438	1,373	1,436									
Days of forward consumption in OECD, *days*													
Commercial onland stocks	61	61	60	60									
SPR	27	26	27	27									
Total	**87**	**87**	**87**	**88**									
Memo items													
(a) - (b)	**42.3**	**42.1**	**42.1**	**41.7**	**41.6**	**43.1**	**43.5**	**42.5**	**42.3**	**42.4**	**43.6**	**43.4**	**42.9**

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	2022	2023	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026
World demand													
Americas	-	-	-	-0.1	0.1	-	-	0.0	-0.1	0.1	-	-	0.0
of which US	*-*	*-*	*-*	*0.0*	*0.0*	*-*	*-*	*-*	*0.0*	*0.0*	*-*	*-*	*-*
Europe	-	-	-	0.0	-	-	-	-	0.0	-	-	-	-
Asia Pacific	-	-	-	-0.1	-	-	-	0.0	-0.1	-	-	-	0.0
Total OECD	**-**	**-**	**-**	**-0.2**	**0.1**	**-**	**-**	**0.0**	**-0.2**	**0.1**	**-**	**-**	**0.0**
China	-	-	-	-	0.0	-	-	0.0	-	0.0	-	-	0.0
India	-	-	-	-	0.0	-	-	0.0	-	0.0	-	-	0.0
Other Asia	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Latin America	-	-	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	-
Middle East	-	-	-	0.0	0.0	-	-	0.0	0.0	0.0	-	-	0.0
Africa	-	-	-	0.0	0.1	-	-	0.0	0.0	0.1	-	-	0.0
Russia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Eurasia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**-**	**0.1**	**0.0**	**-**	**-**	**0.0**	**0.1**	**0.0**	**-**	**-**	**0.0**
(a) Total world demand	**-**	**-**	**-**	**-0.1**	**0.1**	**-**	**-**	**-**	**-0.1**	**0.1**	**-**	**-**	**-**
Y-o-y change	***-***	***-***	***-***	***-0.1***	***0.1***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***
Non-DoC liquids production													
Americas	-	-	-	0.0	0.1	0.0	-0.1	-	-	-	-	-	-
of which US	*-*	*-*	*-*	*0.0*	*0.1*	*0.0*	*0.0*	*-*	*-*	*-*	*-*	*-*	*-*
Europe	-	-	-	-	-0.1	0.0	0.0	-	-	-	-	-	-
Asia Pacific	-	-	-	-	0.0	-	0.0	-	-	-	-	-	-
Total OECD	**-**	**-**	**-**	**0.0**	**0.1**	**0.0**	**-0.1**	**-**	**-**	**-**	**-**	**-**	**-**
China	-	-	-	-	0.0	0.0	-	-	-	-	-	-	-
India	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	0.0	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Eurasia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**-**	**0.0**	**0.0**	**0.0**	**-**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Total Non-DoC production	-	-	-	0.0	0.1	0.0	0.0	-	-	-	-	-	-
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-DoC liquids production	**-**	**-**	**-**	**0.0**	**0.1**	**0.0**	**0.0**	**-**	**-**	**-**	**-**	**-**	**-**
DoC NGLs	0.1	0.2	0.2	0.3	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
(b) Total Non-DoC liquids production and DoC NGLs	**0.1**	**0.2**	**0.2**	**0.3**	**0.3**	**0.2**	**0.2**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**
Y-o-y change	***0.1***	***0.1***	***0.1***	***0.0***	***0.1***	***0.0***	***0.0***	***0.0***	***0.0***	***0.0***	***0.0***	***0.0***	***0.0***
OPEC crude oil production (secondary sources)	-	-	-	-									
Non-OPEC DoC crude production	-	-	-	-									
DoC crude oil production	**-**	**-**	**-**	**-**									
Total liquids production	**0.1**	**0.2**	**0.2**	**0.3**									
Balance (stock change and miscellaneous)	*0.1*	*0.2*	*0.2*	*0.4*									
OECD closing stock levels, *mb*													
Commercial	-	-	-	12									
SPR	-	-	-	-2									
Total	**-**	**-**	**-**	**10**									
Oil-on-water	-	-	-	-									
Days of forward consumption in OECD, *days*													
Commercial onland stocks	-	-	-	-									
SPR	-	-	-	-									
Total	**-**	**-**	**-**	**-**									
Memo items													
(a) - (b)	**-0.1**	**-0.2**	**-0.2**	**-0.4**	**-0.2**	**-0.2**	**-0.2**	**-0.3**	**-0.4**	**-0.1**	**-0.3**	**-0.3**	**-0.3**

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

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

OECD oil stocks and oil on water	2022	2023	2024	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25
Closing stock levels, mb											
OECD onland commercial	**2,781**	**2,778**	**2,754**	**2,793**	**2,829**	**2,778**	**2,767**	**2,847**	**2,807**	**2,754**	**2,746**
Americas	1,492	1,518	1,496	1,513	1,539	1,518	1,499	1,552	1,530	1,496	1,461
Europe	936	906	925	921	925	906	934	949	920	925	936
Asia Pacific	353	353	333	359	365	353	334	345	357	333	349
OECD SPR	**1,214**	**1,207**	**1,245**	**1,206**	**1,209**	**1,207**	**1,219**	**1,226**	**1,235**	**1,245**	**1,244**
Americas	374	357	395	349	353	357	366	374	384	395	398
Europe	461	466	466	470	471	466	470	468	467	466	461
Asia Pacific	378	384	384	387	384	384	383	384	383	384	386
OECD total	**3,995**	**3,984**	**3,999**	**3,999**	**4,038**	**3,984**	**3,986**	**4,072**	**4,042**	**3,999**	**3,990**
Oil-on-water	**1,546**	**1,438**	**1,373**	**1,449**	**1,367**	**1,438**	**1,459**	**1,394**	**1,373**	**1,373**	**1,436**
Days of forward consumption in OECD, days											
OECD onland commercial	**61**	**61**	**60**	**61**	**61**	**62**	**61**	**62**	**61**	**61**	**60**
Americas	60	61	60	60	61	62	60	61	61	60	59
Europe	70	67	68	67	69	71	68	68	68	72	69
Asia Pacific	49	49	46	51	49	47	48	50	48	44	50
OECD SPR	**27**	**26**	**27**	**26**	**26**	**27**	**27**	**27**	**27**	**27**	**27**
Americas	15	14	16	14	14	15	15	15	15	16	16
Europe	34	34	35	34	35	36	35	33	35	36	34
Asia Pacific	52	53	53	55	52	51	55	55	52	51	55
OECD total	**87**	**87**	**87**	**87**	**88**	**89**	**87**	**88**	**88**	**88**	**88**

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

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

Non-DoC liquids production and DoC NGLs	2024	Change 24/23	1Q25	2Q25	3Q25	4Q25	2025	Change 25/24	1Q26	2Q26	3Q26	4Q26	2026	Change 26/25
US	21.8	0.8	21.8	22.2	22.1	22.1	22.1	0.3	22.0	22.3	22.4	22.5	22.3	0.2
Canada	5.9	0.3	6.2	5.9	6.0	6.1	6.1	0.1	6.2	6.0	6.2	6.3	6.2	0.1
Chile	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OECD Americas	**27.7**	**1.0**	**28.1**	**28.2**	**28.1**	**28.2**	**28.1**	**0.4**	**28.2**	**28.2**	**28.5**	**28.9**	**28.5**	**0.3**
Norway	2.0	0.0	2.0	2.0	2.1	2.1	2.0	0.0	2.0	2.0	2.0	2.0	2.0	0.0
UK	0.7	-0.1	0.8	0.8	0.6	0.7	0.7	0.0	0.7	0.7	0.7	0.7	0.7	0.0
Denmark	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Other OECD Europe	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0
OECD Europe	**3.5**	**-0.1**	**3.6**	**3.6**	**3.5**	**3.6**	**3.6**	**0.1**	**3.6**	**3.5**	**3.5**	**3.6**	**3.5**	**0.0**
Australia	0.4	0.0	0.3	0.4	0.4	0.4	0.4	0.0	0.4	0.3	0.3	0.3	0.3	0.0
Other OECD Asia Pacific	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
OECD Asia Pacific	**0.4**	**0.0**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.0**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.0**
Total OECD	**31.7**	**0.9**	**32.0**	**32.2**	**32.1**	**32.3**	**32.1**	**0.5**	**32.3**	**32.1**	**32.4**	**32.8**	**32.4**	**0.3**
China	**4.6**	**0.1**	**4.7**	**4.6**	**4.5**	**4.5**	**4.6**	**0.0**	**4.6**	**4.6**	**4.5**	**4.5**	**4.6**	**0.0**
India	**0.8**	**0.0**	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	**0.0**	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	**0.0**
Indonesia	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0
Thailand	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0
Vietnam	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0
Asia others	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0
Other Asia	**1.6**	**0.0**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	**0.0**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	**0.0**
Argentina	0.9	0.1	0.9	0.9	0.9	0.9	0.9	0.1	1.0	1.0	1.0	1.0	1.0	0.1
Brazil	4.2	0.0	4.3	4.4	4.4	4.4	4.4	0.2	4.5	4.5	4.6	4.6	4.5	0.2
Colombia	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0
Ecuador	0.5	0.0	0.5	0.5	0.5	0.5	0.5	0.0	0.5	0.5	0.4	0.4	0.5	0.0
Latin America others	0.9	0.2	0.9	0.9	1.0	1.1	1.0	0.1	1.2	1.2	1.2	1.2	1.2	0.2
Latin America	**7.2**	**0.3**	**7.4**	**7.5**	**7.5**	**7.6**	**7.5**	**0.3**	**7.8**	**7.9**	**8.0**	**8.1**	**7.9**	**0.4**
Qatar	1.9	0.0	1.9	1.9	1.9	1.9	1.9	0.0	1.9	1.9	1.9	1.9	1.9	0.0
Middle East others	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Middle East	**2.0**	**0.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**0.0**	**2.0**	**2.0**	**2.1**	**2.1**	**2.0**	**0.0**
Angola	1.2	0.0	1.1	1.1	1.1	1.1	1.1	-0.1	1.1	1.1	1.0	1.0	1.0	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	0.6	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	0.2	0.2	0.1	0.0	0.2	0.1	0.1	0.1	0.1	0.0
South Africa	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Africa others	0.3	0.1	0.4	0.3	0.3	0.3	0.3	0.1	0.3	0.3	0.4	0.4	0.4	0.0
Africa	**2.3**	**0.1**	**2.3**	**2.3**	**2.3**	**2.3**	**2.3**	**0.0**	**2.3**	**2.3**	**2.3**	**2.4**	**2.3**	**0.0**
Other Eurasia	**0.4**	**0.0**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.0**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.0**
Other Europe	**0.1**	**0.0**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.0**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.0**
Total Non-OECD	**19.0**	**0.4**	**19.4**	**19.3**	**19.2**	**19.3**	**19.3**	**0.3**	**19.7**	**19.7**	**19.7**	**19.9**	**19.7**	**0.4**
Non-DoC production	50.7	1.3	51.4	51.5	51.3	51.6	51.4	0.8	51.9	51.8	52.1	52.7	52.1	0.7
Processing gains	2.5	0.0	2.6	2.6	2.6	2.6	2.6	0.0	2.6	2.6	2.6	2.6	2.6	0.0
Non-DoC liquids production	**53.2**	**1.3**	**54.0**	**54.1**	**53.8**	**54.2**	**54.0**	**0.8**	**54.5**	**54.4**	**54.7**	**55.3**	**54.7**	**0.7**
DoC NGLs	**8.5**	**0.2**	**8.7**	**8.6**	**8.6**	**8.7**	**8.6**	**0.1**	**8.7**	**8.8**	**8.7**	**8.9**	**8.8**	**0.1**
Non-DoC liquids production and DoC NGLs	**61.7**	**1.5**	**62.6**	**62.7**	**62.4**	**62.9**	**62.7**	**0.9**	**63.3**	**63.2**	**63.4**	**64.2**	**63.5**	**0.9**

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

Table 11 - 5: World rig count, units

World rig count	2022	2023	2024	*Change 2024/23*	4Q24	1Q25	2Q25	May 25	Jun 25	*Change Jun/May*
US	722	688	599	*-89*	586	588	571	573	554	*-20*
Canada	174	177	188	*11*	195	216	129	116	133	*17*
Mexico	47	55	50	*-5*	43	21	24	25	27	*2*
OECD Americas	**945**	**921**	**839**	***-82***	**826**	**827**	**725**	**716**	**715**	***-1***
Norway	17	17	13	*-4*	13	15	15	14	16	*2*
UK	10	12	8	*-4*	8	8	9	9	10	*1*
OECD Europe	**65**	**66**	**64**	***-2***	**65**	**66**	**68**	**66**	**68**	***2***
OECD Asia Pacific	**24**	**25**	**25**	***0***	**25**	**20**	**15**	**15**	**15**	***0***
Total OECD	**1,034**	**1,012**	**928**	***-84***	**916**	**912**	**808**	**797**	**798**	***1***
Other Asia*	186	204	212	*8*	211	200	200	202	199	*-3*
Latin America	119	120	104	*-16*	100	107	109	107	113	*6*
Middle East	62	61	62	*1*	63	63	61	60	62	*2*
Africa	64	67	52	*-15*	47	46	44	44	43	*-1*
Other Europe	10	11	9	*-2*	9	10	12	12	12	*0*
Total Non-OECD	**441**	**463**	**439**	***-24***	**430**	**425**	**427**	**425**	**429**	***4***
Non-OPEC rig count	**1,475**	**1,475**	**1,367**	***-108***	**1,346**	**1,337**	**1,235**	**1,222**	**1,227**	***5***
Algeria	32	36	42	*6*	42	43	44	43	47	*4*
Congo	1	1	1	*0*	1	1	1	1	1	*0*
Equatorial Guinea**	0	0	0	*0*	0	0	1	1	1	*0*
Gabon	3	3	4	*1*	3	3	3	3	4	*1*
Iran**	117	117	117	*0*	117	117	117	117	117	*0*
Iraq	51	61	62	*1*	62	62	62	62	62	*0*
Kuwait	27	24	31	*7*	32	30	30	28	31	*3*
Libya	7	14	18	*4*	18	18	18	18	18	*0*
Nigeria	10	14	15	*1*	11	11	10	9	11	*2*
Saudi Arabia	73	83	81	*-2*	75	81	73	69	79	*10*
UAE	47	57	66	*9*	70	73	71	71	71	*0*
Venezuela	3	2	2	*0*	1	2	2	3	2	*-1*
OPEC rig count	**371**	**412**	**439**	***27***	**432**	**441**	**432**	**425**	**444**	***19***
World rig count***	**1,846**	**1,887**	**1,806**	***-81***	**1,778**	**1,778**	**1,667**	**1,647**	**1,671**	***24***
of which:										
Oil	1,463	1,498	1,439	*-59*	1,415	1,414	1,319	1,303	1,304	*0*
Gas	352	357	320	*-37*	311	312	298	294	315	*21*
Others	31	32	47	*15*	53	52	51	49	52	*3*

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

Glossary of Terms

Abbreviations

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

Acronyms

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

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

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

OPEC Basket average price

US$/b

Up 6.11 in June

June 2025	69.73
May 2025	63.62
Year-to-date	**72.04**

June OPEC crude production

mb/d, according to secondary sources

Up 0.22 in June

June 2025	27.24
May 2025	27.02

June Non-OPEC DoC crude production

mb/d, according to secondary sources

Up 0.13 in June

June 2025	14.32
May 2025	14.19

Economic growth rate

per cent

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

Supply and demand

mb/d

2025		**25/24**	**2026**		**26/25**
World demand	105.1	1.3	World demand	106.4	1.3
Non-DoC liquids production	54.0	0.8	Non-DoC liquids production	54.7	0.7
DoC NGLs	8.6	0.1	DoC NGLs	8.8	0.1
Difference	**42.5**	**0.4**	**Difference**	**42.9**	**0.4**

OECD commercial stocks

mb

	Mar 25	Apr 25	May 25	May 25/Apr 25
Crude oil	1,340	1,343	1,358	14.3
Products	1,406	1,393	1,413	20.1
Total	**2,746**	**2,737**	**2,771**	**34.5**
Days of forward cover	60.2	59.7	59.8	0.1

Next report to be issued on 12 August 2025.