Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

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Feature article:
Review of world economic developments

OPEC Monthly Oil Market Report

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Oil Market Highlights

Crude Oil Price Movements

In August, the OPEC Reference Basket (ORB) value increased by $3.45/b, m-o-m, to average $86.44/b. The ICE Brent front-month contract increased by $4.11/b, m-o-m, to average $88.08/b, and the NYMEX WTI front-month contract increased by $3.23/b, m-o-m, to average $82.45/b. The GME Oman front-month contract increased by $10.36/b, m-o-m, to average $87.88/b. The Brent–WTI futures spread widened by $0.88/b, m-o-m, to average $5.63/b. The forward curves of the three major crude futures benchmarks steepened further in August. Strong demand for prompt-loading cargoes, including from Asian refiners, along with persistent supply concerns and reduced global crude supply availability, supported prompt-month prices compared to forward prices. Hedge funds and money managers turned more bullish about oil prices, increasing their combined ICE Brent and NYMEX WTI net long positions by 12% between the weeks of 28 July and 25 August. The rise in net long positions was concentrated in ICE Brent futures.

World Economy

The global economic growth forecasts remain unchanged at 3% for 2026 and 3.2% for 2027. The US economic growth forecasts remain unchanged at 2.2% for 2026 and 2% for 2027. In the Eurozone, the economic growth forecasts remain unchanged at 0.8% for 2026 and 1% for 2027. Japan’s economic growth forecasts remain unchanged at 0.7% for 2026 and 0.8% for 2027. China's economic growth forecasts remain unchanged at 4.6% for 2026 and 4.5% for 2027. India’s economic growth forecasts remain unchanged at 6.6% for 2026 and 6.5% for 2027. Brazil’s economic growth forecasts remain unchanged at 2% for 2026 and 2.2% for 2027. Russia’s economic growth forecasts remain unchanged at 1.1% for 2026, and 1.5% for 2027.

World Oil Demand

Global oil demand is forecast to grow by 0.4 mb/d in 2026, y-o-y, following a slight downward revision from last month’s assessment. The OECD demand is forecast to decline by about 0.1 mb/d, while non-OECD demand is forecast to grow by about 0.5 mb/d. Global oil demand in 2027 is forecast to grow by about 2.4 mb/d, y-o-y, following an upward revision from last month’s assessment. The OECD demand is forecast to grow by about 0.4 mb/d, while the non-OECD is forecast to grow by about 1.9 mb/d.

World Oil Supply

Non-DoC liquids production (i.e., liquids production from countries not participating in the Declaration of Cooperation) is forecast to grow by about 0.6 mb/d, y-o-y, in 2026, unchanged from last month’s assessment. The main drivers of liquids production growth are expected to be Brazil, the US, Canada, and Argentina. In 2027, non-DoC liquids production is forecast to grow by about 0.6 mb/d, also unchanged from last month’s assessment. This growth will mainly be driven by Qatar, Canada, Brazil, and Argentina. Natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are expected to increase by about 0.1 mb/d, y-o-y, to average 8.7 mb/d in 2026. Further growth of about 0.1 mb/d, y-o-y, is forecast for 2027, to average about 8.9 mb/d. In August, crude oil production by countries participating in the DoC increased by 0.30 mb/d, m-o-m, to average about 38.05 mb/d, according to available secondary sources.

Product Markets and Refining Operations

Refining margins showed mixed trends across the main trading hubs in August. In the US Gulf Coast (USGC), refining margins extended the previous month’s gains, supported by strong middle distillate cracks amid firm export demand and tight supplies in the Atlantic Basin. Rotterdam margins also rose, with diesel remaining the main source of strength as reduced supplies in Eastern Europe and low stocks kept the European market tight. However, in Singapore, refining margins dropped amid higher refinery throughput and rising product exports from Asia, which improved regional product availability and weighed on product cracks.

Tanker Market

Dirty tanker spot freight rates were stronger in August, led by gains in VLCC rates. Spot freight rates for VLCC rose, m-o-m, across all monitored routes, recovering from the decline seen in the previous month. On the Middle East-to-East route, VLCC spot freight rates rose by 28%, m-o-m, in August, while rates on the Middle East-to-West route jumped by 51%, m-o-m. Suezmax spot freight rates also moved higher, building on the previous month's gain. On the USGC-to-Europe route, Suezmax rates rose by 4%, m-o-m. After a strong performance in the previous month – with gains of around 60% – Aframax rates fell back in August yet remained at elevated levels. On the Mediterranean-to-Northwest Europe route, Aframax dirty spot rates declined by 18%, m-o-m. In the clean tanker market, spot freight rates showed divergent trends in August. East of Suez rates were up by 15% on average, m-o-m, while West of Suez spot rates dropped by 5% on average, m-o-m, as rates eased in the Atlantic Basin.

Crude and Refined Product Trade

US crude imports jumped by 15%, m-o-m, in August to average 6.7 mb/d. Crude exports recovered following two months of sharp declines, to average 3.9 mb/d. US product exports set a new record high of 8 mb/d, with increased outflows of propane/propylene to Asia and distillate fuel oil to Europe and Morocco. OECD Europe crude imports are estimated to have picked up seasonally in July, supported by higher flows from the UAE, Brazil and Kazakhstan. Product exports to OECD Europe slipped but remained above the five-year average. Japan's crude imports returned to pre-crisis levels in July, averaging 2.4 mb/d. Japan's product exports strengthened, supported by a sharp rise in gasoil outflows. Crude imports into China increased in July to average 8.4 mb/d amid a recovery in refinery runs. Preliminary customs data for August shows a further rise in crude imports to 8.95 mb/d. China's product imports jumped to 2 mb/d amid a surge in LPG and naphtha inflows, while product exports picked up further amid an easing of government restrictions. India's crude imports remained strong in July, averaging 5.1 mb/d, as refinery runs stood above their five-year average for this time of year. Constrained LPG imports continued to weigh on product imports, while product outflows jumped on higher diesel oil and gasoline exports.

Commercial Stock Movements

Preliminary July 2026 data show that OECD commercial oil inventories increased by 9.8 mb, m-o-m, to stand at 2,763 mb. At this level, OECD commercial stocks were 57 mb lower, y-o-y, 47.9 mb below the latest five-year average, and 206.4 mb below the 2015–2019 average. Within the components, crude stocks increased by 5.5 mb and product stocks also rose by 4.3 mb, m-o-m. OECD commercial crude oil stocks stood at 1,313 mb. This was 29.2 mb lower, y-o-y, 35.2 mb below the latest five-year average and 149.7 mb below the 2015–2019 average. OECD total product stocks stood at 1,451 mb in July. This was 27.7 mb lower, y-o-y, 12.6 mb below the latest five-year average and 56.7 mb below the 2015–2019 average. In terms of days of forward cover, OECD commercial stocks increased in July by 0.3 days, m-o-m, to 59.3 days. This was 1 day lower, y-o-y, 1.4 days below the latest five-year average, and 3.2 days below the 2015–2019 average.

Balance of Supply and Demand

The demand for DoC crude (i.e., crude from countries participating in the DoC) in 2026 is revised up from last month's assessment to 42.2 mb/d. This is 0.4 mb/d lower than the 2025 level. The demand for DoC crude in 2027 is revised up from the previous month's assessment to 43.9 mb/d. This is about 1.6 mb/d above the 2026 forecast.

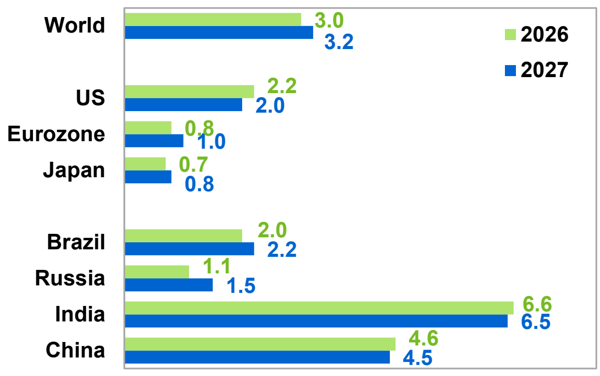
Feature Article

Review of world economic developments

The global economy started 2H26 with encouraging momentum, building on a resilient and broadly steady performance in the first half of the year. Despite a challenging external environment marked by the economic repercussions of geopolitical tensions, renewed inflationary challenges, and ongoing uncertainty over US trade tariffs, major economies continue to hold up well. Growth in non-OECD Asian economies has been particularly robust, supported by global investment in AI, a steady expansion in international trade, and fiscal measures that have helped cushion these economies from the impact of higher energy costs. Considering the latest data for major economies, the global growth forecast for 2026 stands at a robust 3.0% before accelerating further to 3.2% in 2027 (***Graph 1***).

In the non-OECD, India has demonstrated significant positive momentum, with GDP expanding by more than 8%, y-o-y, in 1H26. In China, 1H26 growth stood at 4.7%, y-o-y, only slightly below the full year's growth target of around 5%. Moreover, the dynamic remains well supported by government-led stimulus, with China's authorities signalling a further step-up in counter-cyclical measures for 2H26. Brazil has maintained a steady growth path, supported by its commodities sector and domestic resilience, while Russia's economy contracted temporarily at the beginning of the year, but recovered in 2Q26 and is expected to maintain a steady growth dynamic over the rest of 2026.

Graph 1: GDP growth forecast for 2026–2027*, %



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

Meanwhile, in the OECD, the US continued to show solid underlying growth, with 1H26 at 2.4%, y-o-y. Although US GDP growth moderated slightly in 2Q26, this was largely a reflection of temporary trade and inventory dynamics, with private domestic demand positively accelerating over the same period. At the same time, both the Eurozone and Japan recorded moderate growth in 1H26, slightly ahead of market expectations.

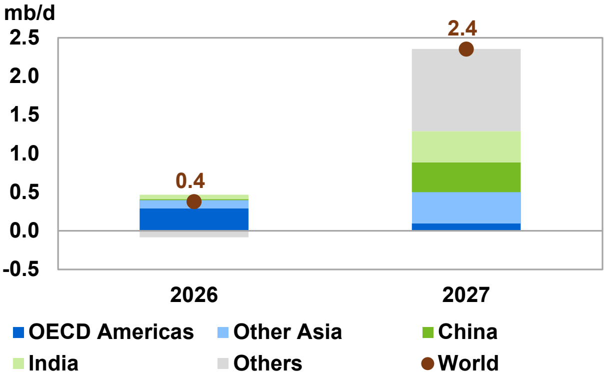
In recent months, key central banks have largely maintained stable monetary policy settings, with a core focus on counter-balancing the inflationary impact of higher commodity prices, rather than on further monetary easing. The path ahead will depend primarily on how far core inflation drivers – such as wage growth, especially within the global services sector – and energy and agricultural commodity price rises feed through into underlying inflation.

Given the economic growth trends and current challenges, oil demand in 2026 is forecast to expand by 0.4 mb/d, y-o-y. Within the regions, OECD demand is forecast to decline by about 0.1 mb/d, y-o-y, while non-OECD demand is expected to increase by about 0.5 mb/d (***Graph 2***).

The year 2027 is expected to see a considerable rebound, with oil demand forecast to grow by about 2.4 mb/d, y-o-y. Of this, the OECD is forecast to expand by about 0.4 mb/d, while the non-OECD is expected to grow by about 2 mb/d.

In terms of oil products, transportation fuels are expected to continue to support demand growth in both years, closely followed by petrochemical feedstock, given ongoing capacity additions, particularly in China.

Graph 2: World oil demand growth in 2026–2027*



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

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Crude Oil Price Movements

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The forward curves of the three major crude futures benchmarks steepened further across the month. Strong demand for prompt-loading cargoes, including from Asian refiners, along with persistent supply concerns and reduced global crude supply availability, supported prompt-month prices compared to forward prices. The forward curve of the medium sour crude benchmark GME Oman strengthened the most, with a demand surge for prompt-loading cargoes and high middle distillate cracks boosting the value of prompt-month prices.

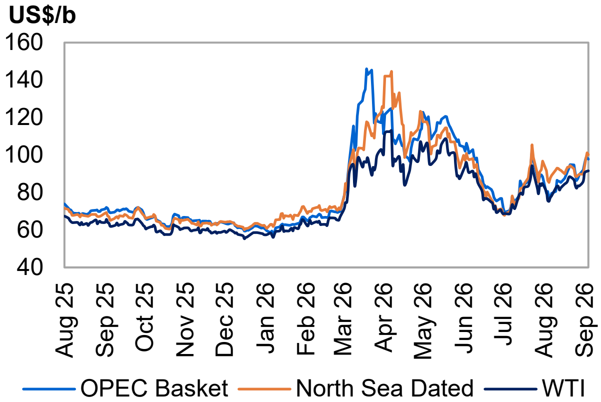
Hedge funds and money managers turned more bullish on oil prices in August. The combined ICE Brent and NYMEX WTI net long positions rose by 12% between the weeks of 28 July and 25 August, as geopolitical tensions persisted and money managers positioned for potential oil supply disruptions. The rise in net long positions was concentrated in ICE Brent futures and positions, which increased by about 21% over the period.

Crude spot prices

Crude oil spot prices rose on average in August, m-o-m, supported by persistent oil flow disruptions in the Middle East, strong refining margins, and a continued recovery in global refinery intake, which translated into stronger crude buying interest, specifically from Asia.

Tight middle distillate markets, reflecting constrained Middle Eastern product exports and disruptions to refining and export flows in the Eastern Europe region, supported high utilization rates and lent additional support to oil prices.

Graph 1 - 1: Crude oil price movements



Sources: Argus and OPEC.

Renewed Chinese buying provided additional support to physical markets, as higher clean product export allowances and attractive export margins encouraged refiners to increase throughputs, draw down inventories and purchase additional prompt cargoes. Higher Chinese refinery runs and stock drawdowns encouraged prompt crude purchases. However, the faster-than-expected recovery of CPC Blend exports, the ample availability of light sweet crude, and increased Middle Eastern supplies limited the gains. The approaching autumn refinery maintenance season and elevated freight costs weighed on spot buying.

North Sea Dated rose by $7.28/b, m-o-m, to average $90.67/b, while WTI first-month price rose by $3.69/b to average $82.66/b. Dubai first-month price increased by $10.53/b, m-o-m, to $87.71/b.

Crude differentials largely strengthened, reflecting strong buying interest for September loading barrels and robust refining margins in all key trading hubs.

In the North Sea, light sweet grade crude differentials strengthened in August, supported by firm demand from European refiners, as well as buying interest from Asian refiners. However, price rises were capped by a recovery in CPC Blend loadings and the ample availability of WTI cargoes in the Atlantic Basin. Forties and Ekofisk crude differentials rose by $1.99/b and $2.27/b, respectively, m-o-m, to premiums of $2.09/b and $4.29/b against North Sea Dated. However, medium sour Johan Sverdrup retreated, m-o-m, amid higher sour crude availability in the region. Johan Sverdrup fell against North Sea Dated, declining by $1.38/b to a premium of $1.01/b.

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

OPEC Reference Basket (ORB)	Jul 26	Aug 26	*Change* Aug 26/Jul 26	*Year-to-date* 2025	2026
ORB	**82.99**	**86.44**	***3.45***	**71.63**	**91.35**
Arab Light	87.88	86.52	*-1.36*	73.17	94.39
Basrah Medium	78.37	82.04	*3.67*	71.06	90.11
Bonny Light	86.45	90.99	*4.54*	72.05	93.70
Djeno	75.94	83.22	*7.28*	63.68	83.89
Es Sider	83.09	91.37	*8.28*	70.40	92.55
Iran Heavy	82.07	81.25	*-0.82*	71.82	91.01
Kuwait Export	82.02	82.78	*0.76*	72.46	91.85
Merey	67.36	76.82	*9.46*	59.03	71.40
Murban	79.15	90.96	*11.81*	71.59	87.96
Rabi Light	82.93	90.21	*7.28*	70.67	90.88
Sahara Blend	83.79	94.32	*10.53*	71.82	94.18
Zafiro	82.80	88.67	*5.87*	72.88	90.39
Other Crudes					
North Sea Dated	83.39	90.67	*7.28*	71.14	91.32
Dubai	77.18	87.71	*10.53*	71.43	88.95
Isthmus	78.99	82.61	*3.62*	67.06	82.22
LLS	80.16	85.80	*5.64*	69.73	84.73
Mars	77.81	82.86	*5.05*	68.01	83.94
Minas	92.95	102.16	*9.21*	74.52	100.05
Urals	56.32	64.57	*8.25*	58.12	64.28
WTI	78.97	82.66	*3.69*	67.23	82.23
Differentials					
North Sea Dated/WTI	4.42	8.01	*3.59*	3.90	9.09
North Sea Dated/LLS	3.23	4.87	*1.64*	1.41	6.60
North Sea Dated/Dubai	6.21	2.96	*-3.25*	-0.29	2.38

Sources: Argus, Direct Communication, and OPEC.

West African crude differentials rose firmly in August, supported by strong buying interest from China and India and robust refining margins. Chinese buyers sought prompt supply availability, and some Indian refiners postponed maintenance, increasing spot demand. Demand was stronger for medium sweet grades, which have high middle distillate yields. Differentials eased slightly later in the month, however, as buying from European refiners softened ahead of maintenance season and higher freight rates reduced the competitiveness of long-haul cargoes. Bonny Light, Forcados and Qua Iboe crude differentials to North Sea Dated increased by $3.65/b, $4.73/b and $3.54/b, respectively, m-o-m, to premiums of $3.71/b, $4.82/b and $3.56/b. The Cabinda crude differential rose by $5.27/b, m-o-m, to a discount of $2.55/b.

In the Mediterranean, crude differentials were mixed. CPC Blend weakened as exports of the grade recovered and the naphtha margin weakened. In the last week of August, CPC Blend loadings rose sharply, increasing supply and competition with other light grades. CPC Blend crude differentials dropped by $1.91/b, m-o-m, to a discount of $4.68/b against North Sea Dated. However, Azeri Light crude differentials firmed in August, supported by firm demand and strong middle distillate margins in Europe. Azeri Light crude differentials rose by $0.93/b, m-o-m, to a premium of $6.02/b to North Sea Dated

In the Middle East, crude values rebounded firmly in August amid renewed concerns about oil supply and shipping activity in the region, while demand from Asian refiners rose. Strong middle distillate margins also raised demand for available sour crude. The Oman crude differential to Dubai increased by $8.02/b, m-o-m, to a premium of $9.02/b in August.

In the US Gulf Coast (USGC), waterborne crude differentials rose in August as the Brent-WTI spread widened to nearly $6/b, making WTI-related grades more competitive for export. Stronger Asian demand also supported October-loading cargoes. However, gains were limited due to ample light sweet crude supply in the Atlantic Basin and elevated freight costs. Light Louisiana Sweet (LLS) and Mars crude differentials rose by $1.90/b and $1.19/b, m-o-m, to average at premiums of $3.14/b and $0.20/b, respectively.

OPEC Reference Basket (ORB) value

In August, the ORB value rose by $3.45/b, m-o-m, to average $86.44/b. The West and North African Basket components – Bonny Light, Djeno, Es Sider, Rabi Light, Saharan Blend and Zafiro – increased by an average of $7.30/b, m-o-m, to average $89.86/b. Multiple-region destination grades, including Arab Light, Basrah Medium, Iran Heavy and Kuwait Export, rose on average by $0.56/b, m-o-m, to $83.15/b. Murban crude increased on average by $11.81/b, m-o-m, to $90.96/b, while the Merey component gained $9.46/b, m-o-m, to average $76.82/b.

The oil futures market

Crude oil futures prices increased on average in August, m-o-m, amid persistent uncertainty around Middle East oil supply and trade flows. Signs of resilient crude demand in the physical market added support. Price volatility persisted throughout the month, with market participants evaluating prospects for restoring shipping flows, assessing the availability of alternative supplies and reviewing the implications of tight product markets. Higher speculative bullish positions also fuelled the rally.

Early in the month, oil futures came under pressure amid increased selling and lower geopolitical risk premiums, following reports of easing Middle East tensions that raised expectations of improved oil supply. However, prices rebounded later in the month as geopolitical uncertainty persisted. Disruptions to refining operations and product exports in Eastern Europe further impacted global oil supply concerns. Elsewhere, a recovery in Chinese buying interest, together with data showing higher crude imports, provided further support.

The ICE Brent front-month contract rose in August by $4.11/b, m-o-m, to average $88.08/b, and the NYMEX WTI front-month contract increased by $3.23/b, m-o-m, to average $82.45/b. The GME Oman front-month contract rose by $10.36/b, m-o-m, to average $87.88/b.

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

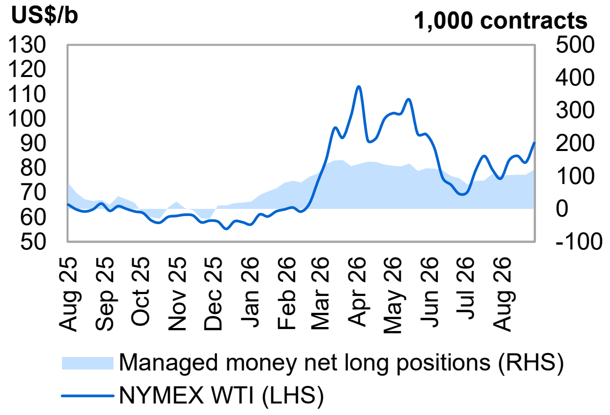
			Change	*Year-to-date*	
Crude oil futures	**Jul 26**	**Aug 26**	**Aug 26/Jul 26**	**2025**	**2026**
NYMEX WTI	79.22	82.45	3.23	67.04	82.43
ICE Brent	83.97	88.08	4.11	70.21	87.17
GME Oman	77.52	87.88	10.36	71.39	88.77
Spread					
ICE Brent-NYMEX WTI	*4.75*	*5.63*	*0.88*	*3.17*	*4.74*

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

The ICE Brent–NYMEX WTI futures spread widened further in August as the geopolitical risk premium for Brent-related markets persisted, reflecting Brent's higher exposure to internationally traded crude. Renewed demand from Asian buyers for Brent-related grades, including in the Atlantic Basin, and firm demand from European refiners, supported more Brent value compared to WTI. WTI's strength was capped by softer exports and higher crude stocks. However, the recovery of CPC Blend flows and improved European crude availability tempered Brent-related physical market strength later in the month. The ICE Brent–NYMEX WTI futures spread widened by 88¢/b, m-o-m, to average $5.63/b in August. The North Sea Dated–WTI spot spread also widened by $2.89/b, m-o-m, to average $7.03/b.

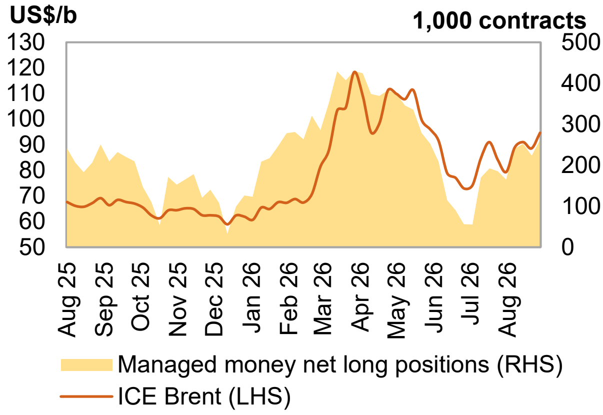
Hedge funds and money managers turned more bullish about oil prices in August. Combined ICE Brent and NYMEX WTI net long positions rose by 12% between the weeks of 28 July and 25 August, as geopolitical tensions persisted and money managers positioned for potential oil supply disruptions. The rise in net long positions was concentrated in ICE Brent futures and positions, which increased by about 21% over the same period.

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.

Combined futures and options net long positions in ICE Brent between the weeks of 28 July and 25 August rose by 38,515 contracts, or 20.8%, to 223,598 contracts. The increase primarily reflected short covering, as short positions declined by 34,718 contracts to 130,572 lots, while long positions increased by 3,797 contracts to 354,170 lots. The long-to-short ratio rose to about 3:1 in the week of 25 August compared to 2:1 in late July.

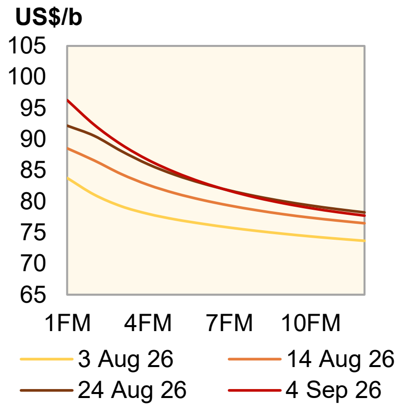
NYMEX WTI net long positions were little changed between the weeks of 28 July and 25 August, easing slightly by 3,734 contracts, or 3.4%, to 104,573 contracts. Long positions increased by 8,127 contracts over the same period to 203,162 lots, although this was more than offset by an increase of 11,861 contracts in short positions to 98,589 contracts. The NYMEX WTI long-to-short ratio remained almost unchanged at 2:1.

Open interest declined over the same period. ICE Brent open interest dropped by 135,529 contracts, or 3.8%, to 3.41 million contracts in the week ending 25 August, while NYMEX WTI open interest decreased by 52,137 contracts, or 2.1%, to 2.48 million contracts. The combined open interest declined by 3.1% to 5.89 million contracts.

The futures market structure

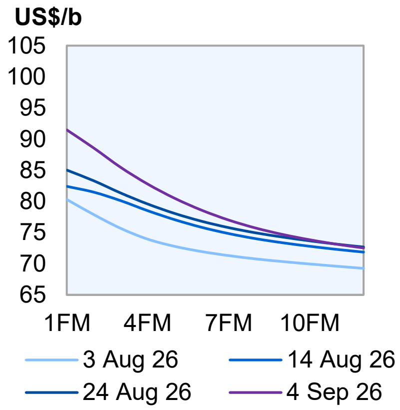
The forward curves of the three major crude futures benchmarks steepened further in August, with the first-to-third month spreads moving into stronger backwardation. Strong demand for prompt-loading cargoes, including from Asian refiners, along with persistent supply disruptions and reduced global crude supply availability, supported prompt-month prices compared to forward prices. The forward curve of the medium-sour crude benchmark GME Oman strengthened the most, with a demand surge for prompt-loading cargoes and high middle-distillate cracks boosting prompt-month prices.

Graph 1 - 4: ICE Brent forward curves



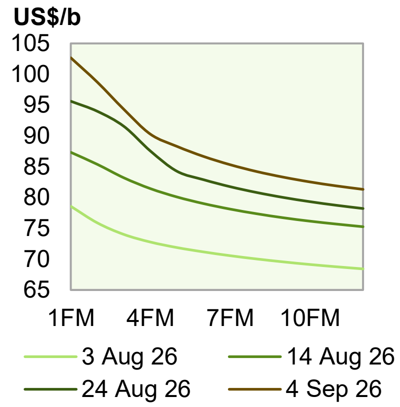
Sources: ICE and OPEC.

Graph 1 - 5: NYMEX WTI forward curves



Sources: CME and OPEC.

Graph 1 - 6: GME Oman forward curves



Sources: GME and OPEC.

The ICE Brent forward curve moved into stronger backwardation in August compared to July, with the ICE Brent M1–M3 spread widening by $0.60/b on average to a backwardation of $3.78/b. Strong demand in the Atlantic Basin, low global oil stocks and renewed concerns about Middle East oil supply kept ICE Brent in strong backwardation.

The NYMEX WTI M1–M3 spread widened marginally, by 6¢/b, m-o-m, to a backwardation of $2.91/b. Firm demand from US refiners, amid high refinery runs, supported front-month prices. However, crude stock builds, higher imports, and softer export demand limited the strengthening of the NYMEX WTI forward curve compared to other benchmarks.

The GME Oman M1–M3 spread strengthened the most compared to the other referenced benchmarks, widening by $1.95/b, m-o-m, to a backwardation of $4.27/b. Restricted trade flows through key Middle Eastern routes, firm Asian demand, and increased Chinese prompt buying supported prompt month contracts. The physical Dubai market also strengthened in August as concerns about sour crude supplies increased.

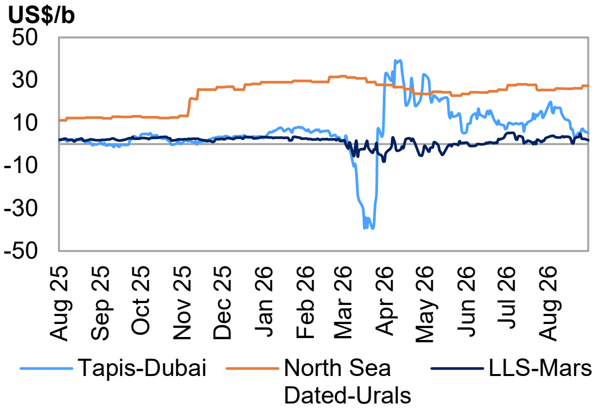
The North Sea Brent M1–M3 spread rose in August by $0.56/b, m-o-m, to a backwardation of $3.93/b, compared to $3.38/b in the previous month. The WTI M1–M3 spread also increased, widening by $0.35/b, to a backwardation of $2.84/b. The Dubai M1/M3 spread widened by $7.01/b to a backwardation of $8.82/b, compared with $1.81/b in July.

Crude spreads

Light sweet crude differentials witnessed mixed movements relative to medium sour crude across regions in August. The spread between light sweet and medium sour crudes widened in Europe and the USGC, with light sweet crude moving to a premium against medium sour crude in Europe and remaining at a premium in the USGC. However, the spread narrowed, m-o-m, although it remained at a high premium in Asia. Moreover, the Brent–Dubai premium dropped in August, narrowing by $3.25/b, m-o-m, to average $2.96/b. This was due to strong Asian refiner demand for medium sour barrels, including from China, which absorbed the gradual recovery in Middle East supply.

In Europe, light sweet crude values strengthened relative to sour grades as medium sour crude came under pressure from prospects of improving Middle East supply and flows. A decline in fuel oil cracks also weighed on medium sour values. Elsewhere, light and medium sweet crude values in the Atlantic Basin found support from renewed buying interest from Asian buyers. Strong middle distillate cracks, which rose again in August, lent additional support to light grades. At the same time, medium sour crude values were supported by a sharp rise in gasoil margins, which increased more strongly than light distillate margins. The Ekofisk–Johan Sverdrup differential widened by $3.65/b, m-o-m, to a premium of $3.28/b in August, compared to a $0.37/b discount in July. Urals crude differentials to North Sea Dated in both the Baltic and Black Sea also widened, rising by $1.03/b and $1.51/b, respectively, m-o-m, to discounts of $26.04/b and $24.70/b.

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



Sources: Argus and OPEC.

In the USGC, sweet–sour crude differentials widened for a third consecutive month in August. The sour crude market came under persistent pressure from sustained supply availability of sour grades from SPR releases and imports of Latin American sour crude, which kept the market well supplied. A sharp drop in high-sulphur fuel oil (HSFO) cracks, down nearly $10/b, m-o-m, and expectations of higher Middle East crude supply added further downward pressure on sour crude values. The LLS–Mars spread widened by 59¢/b, m-o-m, to a premium of $2.94/b.

In Asia, the sweet–sour crude spread narrowed for the fourth consecutive month in August, although Tapis maintained a high premium over Dubai. The narrowing of the spread reflected the relatively stronger performance of sour crude values compared with light sweet grades, which came under pressure from a decline in naphtha and gasoline cracks. Higher HSFO and gasoil cracks further supported sour grades. The Tapis–Dubai spread narrowed by $0.48/b, m-o-m, to average a premium of $10.58/b.

Commodity Markets

Commodity price indices broadly increased in August, the exception being the 'other minerals' index.

In the futures market, sentiment turned bullish in August, following mixed sentiment seen over the previous two months. Positioning across select commodities reflected a rise in both combined open interest (OI) and money managers' net length over the period.

Energy commodity prices displayed mixed movement in August. In the non-energy group, price performance was generally positive in the period, with base and precious metals among the strongest performers.

Trends in select energy commodity markets

The energy price index increased in August, rising by 8.8%, m-o-m. The index was supported by higher prices for Australian coal, average crude oil and European natural gas. However, declines in US coal and US natural gas partially offset gains. The index was up by 34.4%, y-o-y, supported by higher prices across the selected energy commodities, with the exception of US coal and US natural gas prices.

Table 2 - 1: Select energy prices

Commodity	Unit	*Monthly average*			*% Change*		*Year-to-date*	
		Jun 26	Jul 26	Aug 26	Aug 26/ Jul 26	Aug 26/ Aug 25	2025	2026
Energy*	*Index*	**109.9**	**108.8**	**118.4**	**8.8**	**34.4**	**92.7**	**116.7**
Coal, Australia	*US$/boe*	13.2	12.6	12.9	2.5	20.5	10.3	12.4
Coal, US	*US$/boe*	7.3	7.2	7.1	-0.9	3.6	6.8	7.4
Crude oil, average	*US$/b*	81.7	79.8	84.4	5.8	26.5	69.5	84.7
Natural gas, US	*US$/boe*	17.0	15.6	15.0	-4.2	-4.8	19.0	19.4
Natural gas, Europe	*US$/boe*	82.1	97.7	114.2	16.9	89.3	68.7	85.8

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

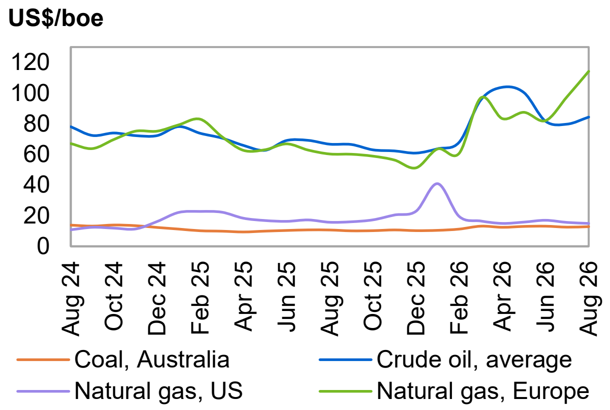
Australian thermal coal prices rose in August by 2.5%, m-o-m. Prices were supported by strong seasonal factors in Asia, with high temperatures in the region increasing power demand for residential cooling. Elsewhere, in the EU, prices also benefited from gas-to-coal fuel switching incentives amid relatively low gas storage levels. However, reports of comfortable Asian inventories limited the upward price pressure. Y-o-y, prices for Australian thermal coal were higher by 20.5%.

In the US, coal prices fell in August after two consecutive months of gains. Prices were down by 0.9%, m-o-m, under pressure from lower natural gas prices and higher renewable power generation in the electricity mix. Prices were 3.6% higher, y-o-y.

Average crude oil prices rebounded in August after trending downwards for two consecutive months. Prices rose by 5.8%, m-o-m, as sentiment in the futures markets became more bullish. Prices were up by 26.5%, y-o-y.

Henry Hub's natural gas prices declined in August after increasing for two consecutive months, dropping by 4.2%, m-o-m. Strong US gas production coupled with ample storage levels dragged prices down. According to data from the US Energy Information Administration, US average weekly underground storage increased by 3.8%, m-o-m. Higher US LNG exports limited the downward pressure amid elevated global LNG benchmarks. Prices were down by 4.8%, y-o-y.

Graph 2 - 1: Select energy prices



Sources: World Bank, Haver Analytics and OPEC.

The average Title Transfer Facility (TTF) experienced a second monthly gain in August, up by 16.9%, m-o-m. Relatively low storage levels in the region, increased international competition for LNG, and a higher geopolitical risk premium continued to be supportive of prices. Nonetheless, the increase in storage injections limited the price increases. According to data from Gas Infrastructure Europe, storage levels rose to 65.1% as of the end of August, up from 56.7% the previous month. Prices were up by 89.3%, y-o-y.

Trends in select non-energy commodity markets

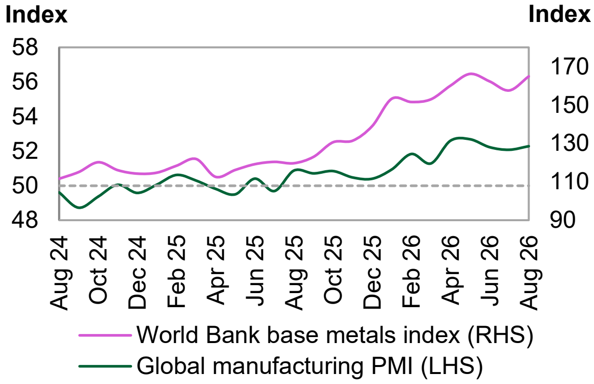
The non-energy price index rose for a second consecutive month in August, increasing by 2.3%, m-o-m. The index was supported by gains in both the agriculture and base metal indices. The agriculture index rose by 1.6%, m-o-m. Compared with the same period last year, the non-energy and the agriculture indices were higher by 12.9% and 4.9%, y-o-y, respectively.

Base metals

The base metal index increased in August by 4.6%, m-o-m, supported by a positive performance across most of the selected metal prices, particularly zinc and copper. Lower key metal inventories, particularly for aluminium and copper, lifted prices amid steady global industrial activity. The global manufacturing PMI rose slightly in August to 52.3, up from 52.1 the previous month, therefore remaining in expansionary territory. The base metal index was up by 37.7%, y-o-y.

At the London Metal Exchange (LME) warehouses, the combined stocks of base metals decreased by 6.3%, m-o-m; however, they were higher by 6.1%, 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.

Table 2 - 2: Non-energy commodity prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Jun 26	Jul 26	Aug 26	Aug 26/ Jul 26	Aug 26/ Aug 25	2025	2026
Non-energy*	*Index*	**125.0**	**125.7**	**128.6**	**2.3**	**12.9**	**115.2**	**124.7**
Agriculture*	*Index*	**113.8**	**117.2**	**119.1**	**1.6**	**4.9**	**117.3**	**114.1**
Base metal*	*Index*	**162.2**	**157.5**	**164.8**	**4.6**	**37.7**	**117.9**	**158.5**
Copper	*US$/mt*	13,574	13,559	14,314	5.6	47.8	9,513	13,315
Aluminium	*US$/mt*	3,436	3,155	3,252	3.1	25.2	2,557	3,336
Nickel	*US$/mt*	17,618	16,698	16,770	0.4	11.9	15,310	17,507
Lead	*US$/mt*	1,945	1,853	1,865	0.7	-4.6	1,968	1,926
Zinc	*US$/mt*	3,540	3,599	3,838	6.6	37.4	2,754	3,449
Iron Ore	*US$/mt*	100	98	96	-2.0	-5.9	101	103

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

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

Copper prices rose in August by 5.6%, m-o-m, and they were higher by 47.8%, y-o-y. At LME warehouses, stocks decreased by 22.6%, m-o-m, though they were up by 47.4%, y-o-y.

Aluminium prices rose in August by 3.1%, m-o-m, and they were up by 25.2%, y-o-y. LME warehouse stocks fell by 11.0%, m-o-m, and were down by 47.2%, y-o-y.

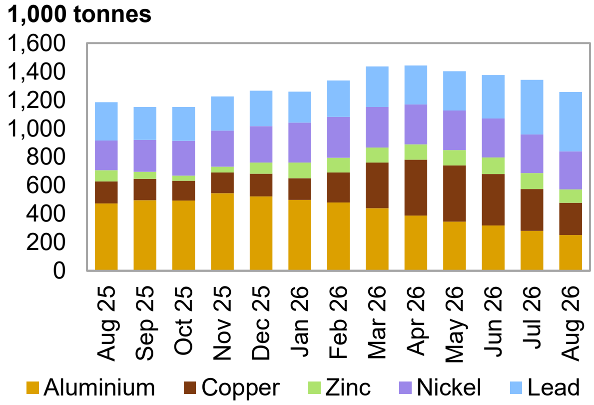
Nickel prices increased in August by 0.4%, m-o-m, and were higher by 11.9%, y-o-y. At LME warehouses, stocks declined by 2.2%, m-o-m, though they were higher by 26.5%, y-o-y.

Lead prices rose in August by 0.7%, m-o-m, but were down by 4.6%, y-o-y. At LME warehouses, stocks grew by 8.9%, m-o-m, and were up by 55.5%, y-o-y.

Zinc prices rose in August by 6.6%, m-o-m, and were up by 37.4%, y-o-y. Stocks decreased by 14.3%, m-o-m, at LME warehouses, but they were up by 23.7%, y-o-y.

Iron ore prices declined in August, decreasing by 2.0%, m-o-m, and were lower by 5.9%, y-o-y. At the same time, China's steel industry PMI declined to 49.8, down from 50.5 in July, indicating weaker forward-looking signals from the steel market.

Graph 2 - 3: Inventories at the LME



Sources: LME, Thomson Reuters and OPEC.

Precious metals

The precious metals index increased in August, rising by 8.8%, m-o-m. Gains across all the components supported the index, with silver being the strongest performer. The index was up by 36.7%, y-o-y.

Table 2 - 3: Precious metal prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Jun 26	Jul 26	Aug 26	Aug 26/ Jul 26	Aug 26/ Aug 25	2025	2026
Precious metals*	*Index*	**334.7**	**317.2**	**345.2**	**8.8**	**36.7**	**234.2**	**365.0**
Gold	*US$/Oz*	4,228	4,073	4,411	8.3	31.0	3,147	4,581
Silver	*US$/Oz*	66.7	58.8	65.4	11.2	71.2	34.1	74.6
Platinum	*US$/Oz*	1,726	1,622	1,780	9.7	32.5	1,104	1,971

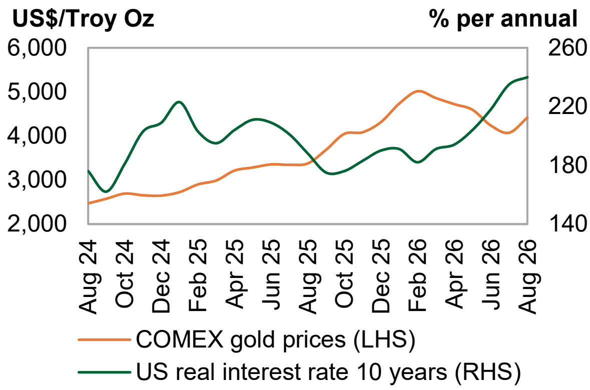
*Note: * World Bank commodity price index (2010 = 100).*

Sources: World Bank and OPEC.

Gold prices rebounded in August after five consecutive monthly declines. Prices rose by 8.3%, m-o-m, following renewed inflows into gold, amid higher safe-haven demand, and a weaker US dollar. However, higher US real interest rates limited further upside. Prices were up by 31.0%, y-o-y.

Silver and platinum prices increased by 11.2% and 9.7%, m-o-m, respectively, over the same period. The gains were consistent with the broader improvement in sentiment across the precious metals mix. Moreover, both metals also benefited from their industrial applications amid steady global industrial activity. Silver and platinum prices were up by 71.2% and 32.5%, 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 by 1.0%, m-o-m, in August. Weakness in cobalt and lithium prices weighed on the index, while graphite prices remained broadly unchanged over the same period. The 'other minerals' price index was up by 71.5%, y-o-y.

Table 2 - 4: Select other minerals prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
					Aug 26/	Aug 26/		
		Jun 26	Jul 26	Aug 26	Jul 26	Aug 25	2025	2026
Other minerals*	*Index*	**74.6**	**72.9**	**72.2**	**-1.0**	**71.5**	**39.3**	**73.3**
Cobalt	*US$/mt*	55,926	55,949	55,921	-0.1	69.7	30,334	55,898
Graphite	*US$/mt*	425	425	425	0.0	-2.2	435	421
Lithium	*US$/mt*	23,025	20,797	19,844	-4.6	109.3	9,140	21,405

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

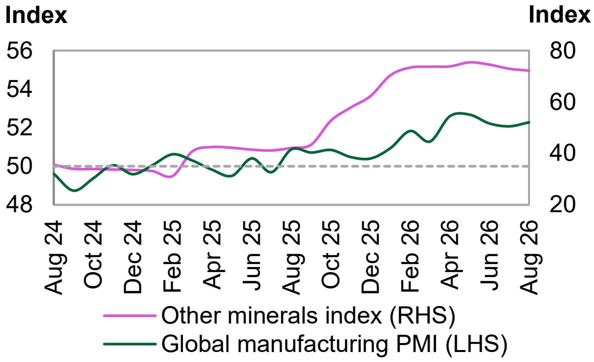
Sources: LME, Haver Analytics and OPEC.

Cobalt prices experienced a marginal decline, falling by 0.1%, m-o-m, in August. Ongoing efforts to diversify supply chains, coupled with reports of a muted market, weighed on prices. Y-o-y, prices were up by 69.7%.

Graphite prices remained flat, m-o-m, in August. Policy support was offset by softer market fundamentals. Prices were down by 2.2%, y-o-y.

Lithium prices declined in August, dropping by 4.6%, m-o-m. Expectations of near-term supply remained a drag on prices. However, policy support and longer-term demand expectations limited the downside pressure. Prices were up by 109.3%, y-o-y.

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



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

Investment flows into commodities

The combined money managers' net length increased in August by 23.3%, m-o-m. The increase was driven mainly by crude oil, gold and copper, while a decline in natural gas partially offset gains. At the same time, combined OI increased by 2.0%, m-o-m, supported by gains in natural gas, gold and copper, while a slight drop partially offset gains. Combined net length and OI were up by 23.1% and 2.6, y-o-y, respectively.

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

Selected commodity	Open interest			Long		Short		Net length				
	Jul 26	Aug 26	Aug 26/ Jul 26	Jul 26	Aug 26	Jul 26	Aug 26	Jul 26	% OI	Aug 26	% OI	Aug 26/ Jul 26
Crude oil (WTI)	2,560	2,534	***-1.0%***	188	196	99	92	89	3	103	4	***16.0%***
Natural gas (HH)	1,683	1,733	***3.0%***	235	253	328	355	-94	-6	-102	-6	***-9.1%***
Gold	511	565	***10.5%***	137	153	18	11	119	23	143	25	***19.6%***
Copper	285	306	***7.3%***	83	94	17	15	66	23	79	26	***19.7%***
Total	**5,040**	**5,138**	***2.0%***	**643**	**696**	**462**	**474**	**181**	**44**	**223**	**49**	***23.3%***

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

Sources: CFTC and OPEC.

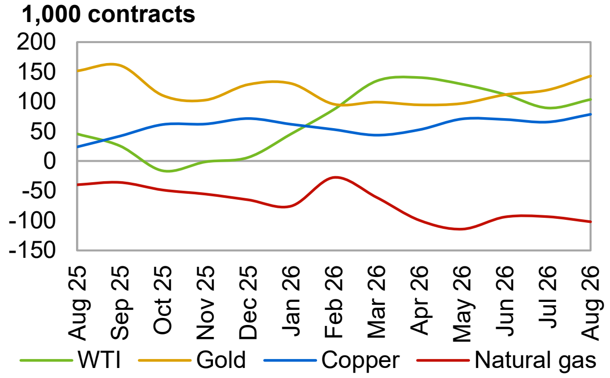
Crude oil's (WTI) OI decreased in August by 1.0%, m-o-m, while money managers' net length increased by 16.0%, m-o-m. OI and net length were up by 1.8% and 127.1%, y-o-y, respectively.

Natural gas (Henry Hub) OI increased in August by 3.0%, m-o-m, while money managers cut net length by 9.1%, m-o-m, over the same period. OI was up by 6.1%, y-o-y, while net length was down by 155.8%.

Gold's OI and money managers' net length increased in August by 10.5% and 19.6%, m-o-m, respectively. However, OI and net length were down by 13.5% and 5.7%, y-o-y, respectively.

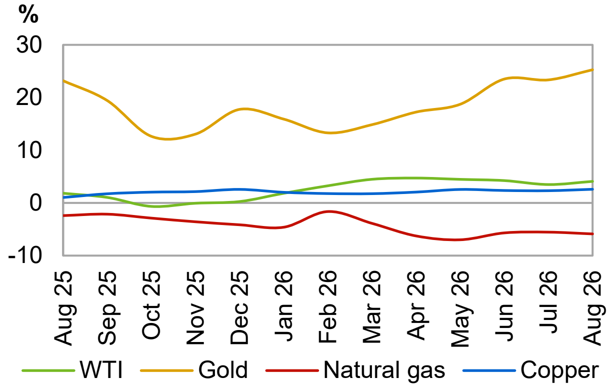
Copper's OI and money managers' net length increased in August by 7.3% and 19.7%, m-o-m, respectively. OI and net length were higher by 31.9% and 229.8%, y-o-y, respectively.

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



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

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



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

World Economy

Economic growth data from 1H26 confirmed robust growth momentum in the world economy. This is despite a challenging external environment marked by the economic repercussions of geopolitical tensions, renewed inflationary challenges, and uncertainty surrounding US tariffs, among other factors. Moreover, the global economy entered 2H26 with encouraging momentum in major economies. In particular, growth in non-OECD Asian economies, including India and China, has been markedly robust, supported by global investment in AI and fiscal measures. These measures have included those aimed at cushioning the impact of higher energy costs and supporting domestic activity. A steady expansion in international trade has provided further support. Moreover, the United States continued to show solid underlying growth momentum in 1H26. The US GDP moderated somewhat in 2Q26, due to temporary trade and inventory dynamics, but private domestic demand accelerated over the same period. The Eurozone and Japan have recorded modest expansions since the beginning of the year, slightly ahead of market expectations. Brazil has maintained a steady growth path, supported by its commodities sector and domestic resilience, while Russia's economy contracted temporarily at the beginning of the year but recovered in 2Q26 and is expected to maintain a steady growth dynamic over the remainder of 2026.

The current resilience is expected to be sustained towards the end of the year. Robust momentum in AI spending, coupled with consumer spending across the major economies, is anticipated to remain the principal driver, complemented in China by continued government-led support and India’s considerable growth dynamic. While moderation in geopolitical tensions may provide some further upside to global economic growth, the evolution of inflation and related developments in global financial conditions require close monitoring. Reflecting the actual output levels recorded in 1H26, and the anticipated continued sound momentum in 2H26, the global economic growth forecasts remain unchanged at a robust 3% for 2026 and 3.2% for 2027.

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

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

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

Source: OPEC.

Update on the latest global developments

The global economy entered 2H26 with encouraging momentum, following a resilient and broadly steady performance in 1H26, despite persistent geopolitical tensions and associated uncertainty. The 2Q26 GDP releases have largely confirmed major economies’ resilience. The Eurozone expanded by 0.6%, q-o-q, equivalent to around 2.6%, q-o-q, SAAR, following stagnation in 1Q26. In the US, the second estimate confirmed headline growth of 1.5%, q-o-q, SAAR, but the composition was considerably firmer than the headline suggests. Private household consumption accelerated to 3.4%, SAAR, from 0.5% in 1Q26, with stronger consumption and investment partly offset at the GDP level by higher imports and weaker government spending. China recorded growth of 4.3%, y-o-y, in 2Q26, bringing 1H26 growth to around 4.7%, keeping the annual growth target of 4.5% to 5% within reach. Growth in non-OECD Asia has remained particularly robust, supported by the global AI investment cycle and strong demand for semiconductors and related capital equipment. Most notably, India’s economy expanded by 7.8%, y-o-y, in 2Q26, despite moderating from a revised 8.6% in the previous quarter, supported by a broad-based expansion. Across Asia more broadly, the AI investment cycle remains an important support to industrial activity and exports.

Fiscal policy continues to provide support in several major economies through infrastructure, defence, energy relief and strategic investment, but fiscal sustainability has simultaneously become a more important market concern. Government bond yields rose sharply across several developed economies in late August and early September, reflecting a combination of stronger activity, persistent inflation, expectations of tighter monetary policy and concerns over elevated government borrowing. This has increased the risk that higher long-term financing costs eventually dampen part of the positive impulse from fiscal expansion.

Financial markets have nevertheless remained relatively resilient. Following a weaker performance in July, US equities returned to positive territory in August, with the S&P 500 and other notable indices recording monthly gains and continued interest in AI-related companies supporting the technology sector. The more notable shift has occurred in fixed-income markets, where higher inflation expectations and increasingly hawkish policy expectations have driven a broad rise in sovereign yields. This represents an important change from the environment earlier this year.

Trade-policy uncertainty also remains elevated, although the immediate aggregate impact of the latest US tariff changes appears more limited than earlier episodes. Nevertheless, trade tensions remain a structural risk, particularly around China as discussions among G20 economies have increasingly focused on China's large external surplus. Overall, the global growth picture remains comparatively robust entering the latter part of 3Q26, supported by strong investment, AI-related capital expenditure and resilient private demand in several major economies.

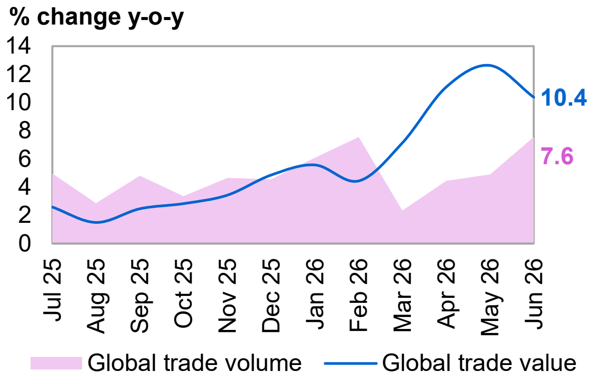
Inflation dynamics have remained mixed. Eurozone inflation firmed further to 3.3%, y-o-y, in August, up from 2.9% in July, largely reflecting higher energy costs, although core inflation eased slightly to 2.4%. In the US, headline inflation eased modestly to 3.4%, y-o-y, in July, down from 3.5% in June, while the Fed's preferred PCE measure remained considerably firmer at 3.7%, unchanged from June. In Japan, consumer price inflation rose to 1.9% in July, up from 1.7% in June, with underlying price pressures also firming. Inflation remained subdued in China, where headline CPI slowed to 0.5%, y-o-y, in July and core inflation stood at 0.9%, reflecting continued softness in domestic demand. In India, by contrast, inflation increased to 4.5%, y-o-y, in July, up from 4.4% in June. This was mainly driven by higher food prices and marked a second consecutive reading above the central bank's 4% medium-term target. Inflation remained stable in Russia, standing at 6% in July and June. In Brazil, inflation moderated, with the July measure falling to 4.4%, y-o-y, from 4.6% in June.

Global monetary policies have become somewhat more hawkish over the past month, as central banks increasingly focus on the inflationary implications of elevated commodity prices. The US Federal Reserve kept rates unchanged at 3.50–3.75% at its July meeting. The European Central Bank also held rates unchanged at 2.25% following its June increase. The Bank of Japan held its policy rate at 1.0% in July, while subsequent communication has become more hawkish and markets increasingly expect further tightening. The People's Bank of China left its benchmark lending rates unchanged again in August, with the one-year and five-year loan prime rates remaining at 3.0% and 3.5%, respectively, as policy support continues to rely more heavily on fiscal measures. The Reserve Bank of India also kept its policy rate unchanged at 5.25% in August, although subsequent communication suggested greater concern about inflation risks should higher food and energy prices become more broad-based. The Brazilian Central Bank continued to ease, cutting its benchmark rate by a further 25 basis points to 14.0%, while the Central Bank of Russia's latest 25-basis-point reduction in July also brought its policy rate to 14.0%, with both institutions proceeding cautiously amid lingering inflation risks. Currency markets have remained an important transmission channel. The yen weakened to a four-decade low near 164 against the dollar before recovering sharply following joint Japanese-US intervention. The Indian rupee has also remained vulnerable to higher energy import costs and tighter global financial conditions, although central-bank support and renewed portfolio inflows helped it recover somewhat during August.

Global trade continued to expand in both volume and value terms. Y-o-y trade volume growth rose by 7.6%, in June, following 4.9% in May and 4.4% in April.

In value terms, y-o-y global trade increased by 10.4% in June, following 12.6% in May and 11.1% in April.

Graph 3 - 1: Global trade



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

Near-term global expectations

Moving towards the end of 3Q26, the global economy remains on a robust growth trajectory, with recent data broadly confirming the resilience seen in 1H26 despite persistent geopolitical tensions and a rise in commodity prices. Continued technology- and AI-related investment remains an important area of support for capital expenditure, high-value manufacturing and semiconductor-related trade, particularly across emerging Asia and the US. The key condition for sustaining growth remains the resilience of household demand as higher energy costs increasingly constrain the disinflation process. Fiscal policy also remains supportive, although its composition is becoming more differentiated. In China, weak consumption, investment and credit demand have led policymakers to accelerate already-budgeted infrastructure spending rather than launch a large new stimulus package. India remains supported by investment and strong domestic demand, although high energy prices and weaker-than-normal rainfall represent near-term challenges. Brazil continues to benefit from agriculture, commodities and resilient domestic consumption, while Russia has seen some support from strength in the commodity sector, although the near-term outlook has become more cautious amid capacity constraints and elevated domestic inflation.

Trade-policy developments continue to warrant close attention. The temporary US global import tariff of 10% under Section 122 expired on 24 July and was replaced by a differentiated framework applying tariffs of 10% or 12.5% on goods from around 60 trading partners. More significantly, the variation in treatment across countries and products is creating greater differences in competitive positions between suppliers rather than another uniform increase in the overall tariff burden. US-China trade relations will also remain an important near-term reference point, with discussions ahead of the planned September bilateral summit expected to address various trade-related aspects. Global trade has nonetheless remained resilient, supported by supply-chain adjustment, trade diversion and continued demand for technology products. So far, the world economy has continued to demonstrate a relatively strong capacity to absorb trade-policy shocks, although uncertainty surrounding bilateral arrangements is likely to remain a drag on longer-term investment decisions.

Monetary policy has shifted somewhat more hawkishly over the past month as persistent energy pressures and resilient economic activity have reduced the scope for further easing. The Fed kept the federal funds rate at 3.50–3.75% in July, while subsequent meeting minutes showed that a broader group considered further tightening likely if inflation failed to moderate. This message was reinforced by more hawkish communication at the Jackson Hole meeting, as well as a relatively strong August labour-market report. The ECB held rates in July following its June increase to 2.25%, but August inflation accelerated to 3.3%, reinforcing the likelihood of additional tightening if inflation persists. The BoJ likewise held its policy rate at 1.0% in July, but firmer inflation and continued yen weakness have increased expectations of another increase, potentially as early as September. Emerging-market settings remain more mixed, with the RBI assessing whether higher commodity prices may feed into broader inflation. The BCB and CBR have both continued to engage in easing, albeit at a reduced pace of 25 basis points. The Russian step was accompanied by downward revisions to the growth outlook and upward revisions to the inflation forecast, indicating increasingly limited space to act for the CBR.

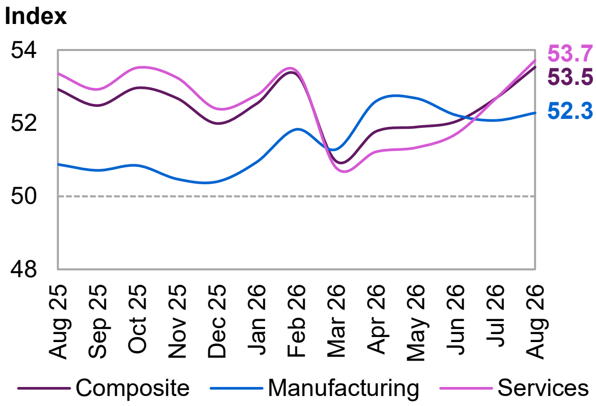
These increasingly differentiated policy paths, together with higher commodity prices and rising sovereign yields, have made financial conditions and foreign exchange an increasingly important transmission channel. More broadly, the rise in global sovereign yields has become an increasingly important downside risk, with government borrowing costs in the US, Germany and Japan reaching or approaching multi-decade highs as markets reassess inflation, fiscal deficits and the likely level of policy rates over the medium term.

Global PMIs strengthened further in August and remained in healthy expansionary territory across both manufacturing and services.

The global Manufacturing PMI increased to 52.3 in August, up from 52.1 in July and 52.2 in June. This marked a three-month high and a thirteenth consecutive month of expansion. The improvement reflected faster growth in output, new orders and employment, with activity being supported in particular by stronger manufacturing trends in Asia and the Eurozone.

The global Services PMI rose to 53.7 in August, up from around 52.7 in July and 51,7 in June. The acceleration reflected firmer business activity and a rise in new orders, supported by an improvement in demand across several major advanced economies.

Graph 3 - 2: Global PMI



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

Overall, the global outlook remains resilient, with steady private household consumption in most major economies, and fiscal support, technology investment and steady global trade providing additional support. Amid these underlying growth trends, the 2026 global growth forecast remains at 3%, unchanged from the previous month's assessment.

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

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

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

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

OECD

US

Update on the latest developments

The US economy remains resilient. Although growth slowed in 2Q26, more recent indicators point to some re-acceleration in 3Q26, supported by private investment, AI-related capital spending and healthy private household consumption. However, household spending may have softened somewhat, with weaker retail sales and falling consumer confidence. This may suggest greater sensitivity to rising prices and tightening borrowing conditions. The labour market remains stable, with low numbers of layoffs, while hiring has slowed and job openings point to a possibly more cautious corporate sector. Inflation remains an economic constraint, as both CPI and PCE inflation are still above target and input-cost pressures from energy and supply chains remain visible. The Fed is therefore likely to remain cautious. Fiscal risks have eased in the near term after the passage of a stopgap funding bill, but unresolved full-year appropriations mean that budget uncertainty could return later in the year.

In the meantime, the Bureau of Economic Analysis' second estimate of 2Q26 economic growth confirmed that US real GDP expanded by 1.5%, q-o-q, SAAR, in 2Q26, following 2.1%, q-o-q, SAAR, in 1Q26. The deceleration, however, continues to understate the strength of underlying private demand. Private personal consumption expenditure stood at 3.4%, q-o-q, SAAR in 2Q26, up from 0.5% in 1Q26, indicating much firmer domestic demand, with the upward revision from 3.2%, reported previously, mainly reflecting stronger services spending, particularly in terms of healthcare. The softer headline GDP figure mainly reflected a larger drag from imports, weaker government spending and a moderation in investment, primarily via a continued drawdown in private sector inventories. Imports rose strongly and subtracted around 1.6 pp from growth, partly reflecting shipments of computer chips and other AI-related capital goods. This weighed mechanically on GDP, even though these imports also supported business investment and digital infrastructure spending. Federal non-defence spending also declined, partly due to Strategic Petroleum Reserve sales, which are recorded as lower government consumption. However, this was broadly offset by higher petroleum exports. Overall, the second 2Q26 GDP estimate confirms a mixed but resilient picture.

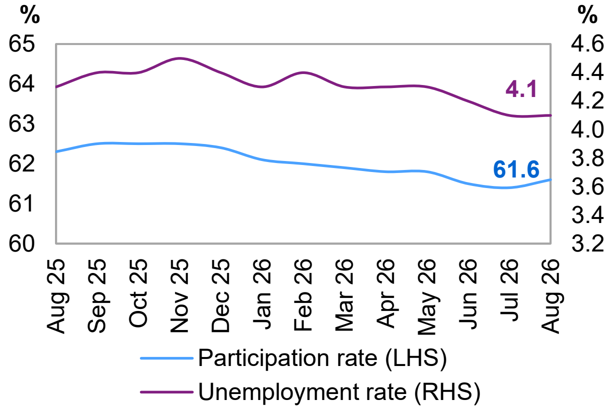
On the consumer side, household spending has remained the principal driver of growth, as reflected in the strong 2Q26 consumption figure. A combination of solid spending and employment growth – albeit moderating – suggests that consumption has been supported by real income gains to date. In the meantime, consumer confidence, as measured by the Conference Board, edged down to 89.4 in August from 90.2 in July and 92.2 in June.

Following the decision of the Federal Open Market Committee (FOMC) to keep the federal funds rate unchanged at 3.50–3.75% at its late-July meeting, the central bank's officials reiterated their data-dependent stance amid solid activity but elevated inflation. Unlike the unanimous June decision, the July vote was 9 to 3, with three regional Fed presidents having already dissented in favour of a 25 bp increase, indicating a more divided Committee and a somewhat tighter policy bias. Since then, inflation data has been mixed and still above target. Headline CPI eased to 3.4%, y-o-y, in July, after 3.5%, y-o-y, in June, while core CPI moderated to 2.5%, y-o-y, from 2.4%, y-o-y, in June. However, the Fed's preferred PCE measure remained higher at 3.7%, y-o-y, in July, unchanged from June, with core PCE at 3.3%, y-o-y, suggesting that underlying price pressures have not yet normalized. Recent Fed communication has reinforced a cautious, but not necessarily tightening, bias.

On the fiscal side, the US debt level has continued to increase and now exceeds USD 40 trillion. The interaction between fiscal sustainability and monetary-policy uncertainty has become increasingly salient. The fiscal position has deteriorated as the deficit reached USD 1.37 trillion in the first nine months of fiscal year 2026 and June gross interest outlays on public debt rose 28%, y-o-y, to USD 185 billion. In addition, the tariff refunds following the Supreme Court's invalidation of IEEPA-based tariffs further weakened receipts, with USD 49.2 billion refunded in June and roughly USD 71 billion returned by the end of June, or about 42% of the USD 166 billion subject to refund. At the same time, long-end yields have moved to multi-decade highs, with the 30-year Treasury bonds recently around 5.2%, reflecting not only expectations for the policy-rate path but also a higher term premium arising from greater uncertainty over the Fed's longer-term monetary policy framework. This has weakened demand for long-term duration at a time of some financial uncertainty and continued expansion of US debt issuance.

The latest labour market report for August showed a marked rebound in hiring after the weakness reported in previous months. Nonfarm payrolls increased by 162,000 in August, well above the average monthly gain of 31,000 over the preceding 12 months. Moreover, earlier estimates were revised higher. June payroll growth was raised from 20,000 to 31,000, while July was revised from a decline of 23,000 to an increase of 21,000. The unemployment rate remained unchanged at 4.1% in August. Unlike in July, however, this was accompanied by a recovery in labour supply. The labour force participation rate increased to 61.6%, from 61.4% in July, while the employment-to-population ratio rose to 59.1%, from 58.9%.

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

Wage pressures continued to moderate despite stronger employment growth. Average hourly earnings increased by 0.3%, m-o-m, in August, to USD 37.75, while annual wage growth slowed further to 3.1%, from 3.2% in July.

Near-term expectations

Recent incoming data suggests that US activity remains resilient, with indicators from the beginning of 2H26 pointing to firmer underlying momentum than the headline figures imply. The Atlanta Fed's GDPNow model estimate for 3Q26 stood at 4.7%, q-o-q, SAAR, as of the beginning of September. This should be interpreted with caution, however, as seen in the more recent past. The current reading is best viewed as indicating a firm start to the quarter. Growth is expected to remain robust in 2H26, driven principally by domestic demand and AI-driven investments. Furthermore, the trade drag from 2Q26 is likely to prove largely compositional rather than a signal of weakening demand.

In the meantime, rising debt levels and consequently rising debt yields, inflation and near-term Fed policies were all in focus in recent weeks. The US debt level, which reached USD 40 trillion, in combination with high inflation, rising yield-curve uncertainty and the Fed's more restrained approach to forward guidance under the new leadership, has caused more volatility in debt markets, a situation that may continue. The Fed's new communication approach may have improved its monetary policy flexibility, but it may also shift more of the adjustment burden to markets. This, in turn, could possibly increase volatility at a time when investors lack a clear understanding of the yield curve. Meanwhile, the Treasury's decision to increase long-end liquidity buybacks by doubling the maximum operation sizes from USD 2 billion to at least USD 4 billion signals a readiness to manage market-functioning pressures. However, it does not alter the underlying fiscal trajectory or materially change interest rate levels. A sustained rally in long-duration Treasuries would likely require a more fundamental improvement in inflation dynamics, fiscal expectations, or duration demand.

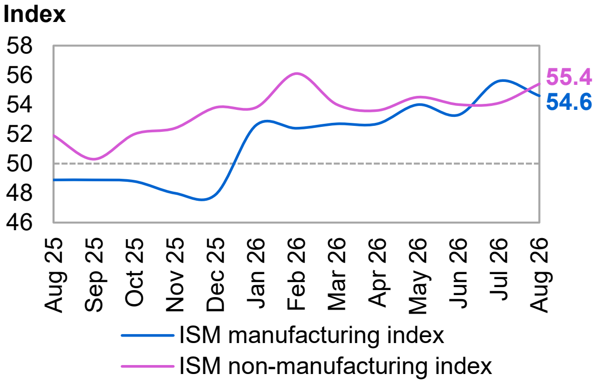
In managing the front end of the yield curve, the Fed's monetary policy is likely to remain relatively restrictive in the near term, and the balance of risks has shifted towards tighter rather than looser settings. The central bank's Chair emphasized at the annual Jackson Hole meeting that the 2% PCE inflation target remains the key policy anchor. He also emphasized that the Fed should rely less on forward guidance and more on incoming data, financial conditions and market signals. In addition, he noted that the economy remains resilient, supported by strong capital expenditure, AI-related investment and stable labour-market conditions. Regarding the upcoming monetary policy meeting in September, current views remain finely balanced. While the case for a rate hike has strengthened since the Jackson Hole meeting, any final decision will depend heavily on August labour market and incoming inflation data. Additionally, the New York Fed president suggested recently that the September decision should be data-dependent, noting that there was no clear evidence yet as to whether current policy was sufficiently restrictive or whether further action was needed.

Based on the ISM index, as provided by the Institute for Supply Management (ISM), data continued to point to expansion across both manufacturing and services.

The Manufacturing PMI eased to 54.6 in August, down from 55.6 in July but up from 53.3 in June. This marked the eighth consecutive month of manufacturing expansion. The slight moderation of the index reflected softer growth in new orders, while production remained elevated, suggesting that demand conditions remain generally supportive. Price pressures also remained pronounced, with the manufacturing price index unchanged at 71.1.

The Services PMI strengthened to 55.4 in August from 54.1 in July and 54.0 in June, indicating a renewed acceleration in the larger services sector.

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



Sources: Institute for Supply Management and Haver Analytics.

The improvement was supported by stronger business activity and new orders, both of which rose to multi-year highs. The prices index rose further to 72.6, highlighting that resilient demand continues to coexist with persistent cost pressures.

Given the broadly steady pace of activity in 1H26, the economic growth forecast for 2026 remains unchanged at 2.2%. While real GDP growth moderated to an annualized 1.5% in 2Q26 from 2.1% in 1Q26, the underlying composition remained healthy, with the expansion supported by consumer spending, exports and investment. This points to continued resilience in the economy, a trend that was also supported by the most recent survey data. At the same time, the outlook may be tempered by higher long-term yields, rising debt-service costs, persistent input-price pressures and greater uncertainty surrounding the Fed's monetary policy.

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

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

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

For 2027, the growth forecast remains unchanged at 2%. Consumer spending is expected to moderate slightly, while the support from stimulus measures and one-time effects, including trade distortions, is anticipated to fade. Private inventories are also expected to rise in 2027, contributing to GDP. Of note, they have been subtracted for the five consecutive quarters, with the drawdown concentrated in the manufacturing and wholesale sectors. This suggests that replenishment is expected to begin in 2H26 and become a more meaningful contributor to growth in 1H27. Additionally, provided that the energy-driven inflation impulse is somewhat temporary, monetary policy is expected to move gradually towards a less restrictive setting over the course of 2027. This will support the interest-rate-sensitive components of demand, particularly residential investment and business equipment spending.

Eurozone

Update on the latest developments

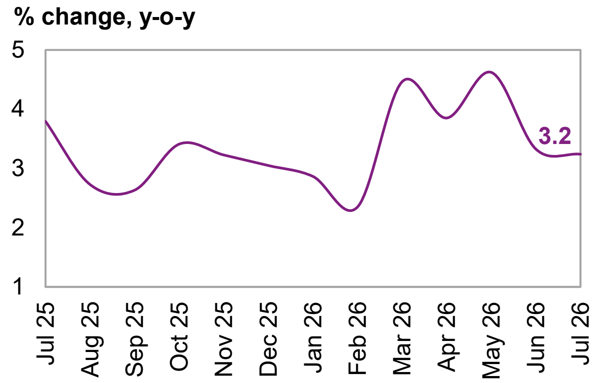
Recent Eurozone data point to a firming growth dynamic. Economic growth in the Eurozone expanded by 2.6%, q-o-q, SAAR, in 2Q26, revised up from the earlier estimate of 1.8%, and showing a robust acceleration from the previous quarter, when growth was flat. Performance across member states remains uneven, however. Spain continued to outperform, expanding by 2.8%, q-o-q, SAAR, while Germany grew by 1.3%, q-o-q, SAAR, France was almost flat, and Italy expanded by 0.7%, q-o-q, SAAR. Germany's 2Q26 expansion and recent improvement in sentiment suggest that fiscal support and firmer external demand are beginning to offset the industrial weakness seen earlier in the year. This rebound has helped cushion softer French growth, although French indicators also appear to have firmed into 3Q26. At the same time, risks of rising energy prices remain, and heat-related disruptions, including low river levels, have recently complicated supply conditions in Europe. Inflation developments strengthen the case for near-term ECB action, with headline Eurozone inflation rising to 3.3%, y-o-y, in August, following 2.9% in July. This was largely due to energy prices, with core inflation actually edging down to 2.4%, y-o-y, from 2.5%, y-o-y, in June.

The labour market remains an important source of resilience for the Eurozone and continues to support household income and consumption. Employment conditions remain broadly stable across much of the region, with the Eurozone unemployment rate standing at 6.4% in July, unchanged from June. This suggests that the deterioration in the terms of trade and the renewed pressure from energy prices have not yet translated into a material weakening of employment. Germany remains the main exception, as labour market conditions have been softer against the backdrop of prolonged weakness in energy-intensive manufacturing and the automotive sector.

The ECB left policy rates unchanged in July after raising all three key policy rates by 25bp in June, bringing the deposit facility rate to 2.25%, the main refinancing rate to 2.40% and the marginal lending facility rate to 2.65%. The Governing Council emphasized that energy prices remain volatile and well above pre-conflict levels, noting that the longer energy price inflation persists, the greater the risk of indirect and second-round effects on headline and core inflation. This has kept policy expectations tilted towards further near-term tightening, with economists widely expecting another 25bp hike in September. Long-term yields have firmed in this context, with ten-year German Bund yields recently reaching around 3.2%, their highest level in about fifteen years. This reflects a combination of higher inflation risk premia, shifting ECB expectations and increased issuance needs linked to defence and infrastructure spending. Overall, financing conditions have tightened further, although the rise in yields also reflects a more resilient growth backdrop and expectations of a more expansionary German fiscal stance.

Retail activity was almost unchanged in July in value terms, although underlying sales volumes weakened. Eurozone retail sales values were unchanged, m-o-m, in July, following the decline recorded in June, while annual growth retracted slightly to 3.2%, y-o-y, compared with 3.3% in June. The European Commission's Economic Sentiment Indicator rose to 98.4 in August from 97.1 in July, moving closer to its long-term average, while the Employment Expectations Indicator also improved to 98.9. This is broadly consistent with the PMI signal of continued, albeit moderate, expansion and suggests that the drag from higher energy prices has not derailed the recovery in confidence. In the meantime, industrial activity was more stable than previously indicated, with Eurozone industrial production unchanged, m-o-m, in June and up 0.1%, y-o-y, while the May annual figure was revised from -1.2% to -0.2%, y-o-y.

Graph 3 - 5: Eurozone retail sales



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

Near-term expectations

The Eurozone's near-term growth outlook remains resilient, with the 2Q26 outturn providing a firm starting point for 2H26. Germany's economic path will be important for the region's overall continued growth dynamic, but it remains to be seen whether new growth areas can offset the structural weakness in traditional industrial sectors such as autos, chemicals, and machinery, which are expected to remain weak in the short term. The shift toward defence, infrastructure investment and IT services provides some upside, with fiscal stimulus and stronger public investment expected to support construction, industry and domestic demand. Recent updates from the important Ifo index point to some upside in the German outlook, with the Ifo Institute, which produces the index, raising its 2026 growth forecast to 1.4% and citing stronger fiscal support and better early-year performance. In addition, the German government presented a reform agenda that includes proposals to ease the regulatory framework and introduce more flexible labour-market rules, as well as a proposal for pension reform, all of which could be positive for medium-term growth. In southern Europe, EU-funded investment should continue to support activity, though this impulse is likely to fade after 2026. Overall, fiscal policy should provide a modest positive impulse this year before consolidation pressures re-emerge from 2027, while higher long-term yields and increased debt issuance, including for defence and infrastructure, have raised financing costs and remain a constraint on the outlook.

The ECB paused in July after the June rate increase, but the meeting account showed that some Governing Council members would not have opposed another hike, arguing that rates may need to move into mildly restrictive territory and that the July pause should not be interpreted as the end of the tightening cycle. The latest monetary data reinforce this assessment as lending to the private sector accelerated to 4.3%, y-o-y, in July from 4% in June, while loans to non-financial corporations rose to 4.5%, y-o-y, from 4.1%, indicating that credit growth remains resilient despite higher rates. At the same time, the Governing Council remains concerned that a prolonged energy shock could generate indirect and second-round inflation effects, especially if stronger-than-expected demand allows firms to pass on higher costs. Recent comments from ECB

Governing Council members also point to a higher perceived neutral-rate range, with 2.5% described as probably around neutral, implying that a September hike to that level would not necessarily represent a clearly restrictive stance. Overall, the balance of risks points to a likely September rate increase, while the case for any further move beyond that will depend on whether energy prices moderate, underlying inflation remains contained and credit conditions begin to show clearer signs of restraint.

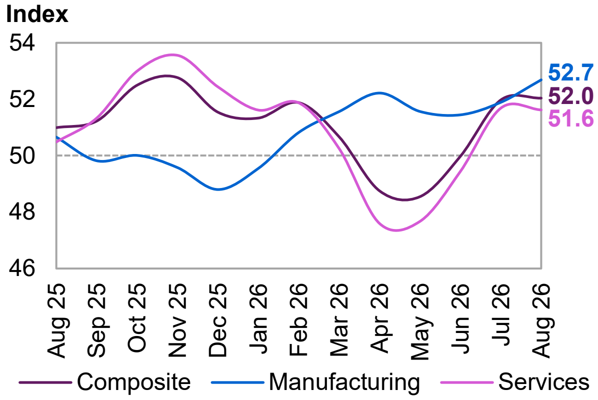
External trade with the US remains a potential source of some uncertainty for the Eurozone, although the immediate impact of the latest US tariff measures appears more contained than initially feared. The 24 July US Section 301 framework applies additional duties to a wide set of trading partners, but for certain EU products the tariff is applied net of existing most-favoured-nation rates and subject to product exemptions, limiting the degree of tariff stacking. This is broadly consistent with the wider EU-US trade arrangement, under which most EU exports are subject to a 15% all-inclusive tariff ceiling, including cars, semiconductors and pharmaceuticals. The main risk is therefore less the immediate tariff shock than the possibility of renewed sector-specific measures or implementation uncertainty, particularly for automotive supply chains exposed through Germany, France and Central and Eastern Europe. Beyond the US, trade developments remain uneven, with Eurozone goods trade returning to an €8.6 billion surplus in June, after a deficit in May, supported by stronger exports and a modest improvement in machinery and vehicles. However, the 1H26 surplus narrowed sharply to €9.8 billion from €82.2 billion a year earlier as imports rose faster than exports. Partner-level data also point to persistent asymmetries, with continued surpluses with the US, the United Kingdom and Switzerland, but a large and widening deficit with China, where import growth continues to outpace exports. This leaves the external sector exposed not only to US policy risk, but also to Chinese overcapacity, weaker Chinese domestic demand, energy-import costs and intra-European supply-chain pressures, especially in the automotive sector, all of which could weigh on industrial margins even if headline trade volumes remain resilient.

August PMI readings across the major Eurozone economies point to firmer manufacturing activity and broadly stable services momentum.

The Eurozone's Manufacturing PMI rose to 52.7 in August, following 51.9 in July, 51.4 in June and 51.6 in May.

Following a sharp decline in the Services PMI in April and a subdued reading in May, the index rebounded to 49.4 in June and 51.7 in July, before easing slightly to 51.6 in August.

Graph 3 - 6: Eurozone PMIs



Sources: S&P Global and Haver Analytics.

The economic growth forecast for 2026 remains at 0.8%, unchanged from the previous month's assessment, taking into account the most recent 1H26 actual growth numbers reported by the EU's statistical office, Eurostat. The Eurozone's growth dynamic has held up well so far this year, and expectations of a continued moderate rebound in 3Q26 provide a basis for steady growth in 2H26.

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

	Eurozone
2026	**0.8**
Change from previous month	0.0
2027	**1.0**
Change from previous month	0.0

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

In 2027, the continued expansionary fiscal dynamics in Germany, France, and other economies, along with the implementation of EU trade deals, are expected to sustain growth momentum. The growth dynamic at the beginning of 2027 is expected to support a slightly accelerating growth rate of 1% in the coming year, unchanged from the previous month's assessment.

Japan

Update on latest developments

Japan's economy was characterized by steady momentum in 1H26, with a slight moderation from 1Q26 to 2Q26. The corporate sector remains well positioned and in a sound situation, mainly benefitting from external trade, fuelled by semiconductor- and AI-related demand, rising business investment and strong corporate profits.

However, this strength has not translated fully into household demand as consumption remains soft. This is despite a tight labour market and improving wages, as higher living costs continue to constrain purchasing power. The result is a somewhat uneven growth dynamic. At the same time, Japan is moving further away from the ultra-loose monetary conditions that defined much of the past. Persistent inflation, a weak yen and rising bond yields have strengthened expectations of further Bank of Japan tightening. That said, rising interest rates are also beginning to expose the fiscal consequences of Japan's large public-debt burden. Thus, it remains to be seen whether stronger wages, investment and exports can generate a rebound in domestic demand before tighter monetary conditions and rising borrowing costs begin to weigh more heavily on growth.

Japan's economic growth momentum moderated somewhat in 2Q26, according to the latest Cabinet Office estimates. GDP increased by 1.4%, q-o-q, SAAR, following a slightly upwardly revised 1.9%, q-o-q, SAAR, expansion in 1Q26. The expansion in 2Q26 was mainly supported by external demand. Exports increased by 1.6%, q-o-q, SAAR, while imports declined by 6.5%, q-o-q, SAAR. Growth in private household consumption was broadly flat, suggesting that the improvement in wages and employment compensation has yet to translate into a sustained acceleration in household spending. Business investment was also weak in the initial GDP estimate, falling 3.7%, q-o-q, SAAR, while residential investment declined by 2.3%, q-o-q, SAAR. Government consumption rose strongly, namely by 6.9%, q-o-q, SAAR, but this was offset to some extent by weaker public investment, which declined by 1.8%, q-o-q, SAAR, and declining public inventories.

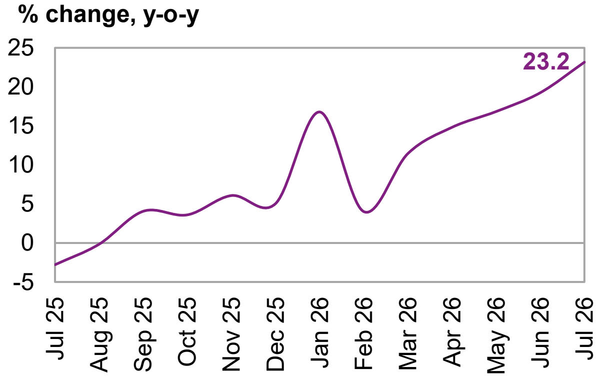
More recent activity indicators pointed to the divergence between the steady dynamic in the externally oriented industrial sector on the supply side and relatively soft household consumption on the domestic demand side over the past months. However, July retail sales data may point to a potential rebound in domestic activity. Industrial production increased by 4.1%, y-o-y, in July, following a revised 4.9% increase in June, leaving output growth close to its strongest pace in several years. On a sequential basis, however, output growth slowed to 0.1%, m-o-m, following a revised 1.9% increase in June, although this still marked a fourth consecutive monthly gain. Household spending remained considerably softer, despite a rebound in retail sales. Retail sales increased by 4.0%, y-o-y, in July, up from a revised 0.6% in June. Consumer confidence improved further to 35.3 in August, up from 34.6 in July, as the labour market remained tight, with the unemployment rate declining to 2.4% in July from 2.5% in June.

The fiscal policy stance has continued to affect both the bond market and the yen. The government's push for growth-oriented spending interacts with expectations for further BoJ policy tightening. Fiscal concerns intensified in August as ministries submitted a record JPY143.1tn in spending requests for fiscal year 2027, while higher interest rates pushed debt-servicing costs higher. These pressures have increasingly been reflected in the bond market, with the 10-year JGB yield reaching 3.0% in early September for the first time in around three decades. This was driven by a combination of fiscal concerns, higher inflation and expectations of further BoJ rate increases. Pressure on the currency has also remained elevated. After the yen weakened to a multi-decade low near 164 against the dollar in late July, coordinated intervention by the Ministry of Finance and US authorities strengthened the currency sharply, although it subsequently moved back towards 160 in August before recovering somewhat as expectations of a September BoJ rate increase increased. This event highlighted the increasingly difficult balance between an expansionary fiscal agenda, rising government financing costs and monetary tightening, with markets remaining sensitive to the implications for inflation, debt sustainability and the yen.

Against this backdrop, inflation has continued to firm, as underlying price pressures have become more pronounced. Headline CPI rose to 1.9%, y-o-y, in July, up from 1.6% in June and 1.5% in May. Core CPI, excluding fresh food, increased to 1.8%, y-o-y, up from 1.6% in June and 1.4% in May, its highest rate since early 2026. The measure excluding both fresh food and energy also rose to 1.9%, indicating that price pressures are becoming somewhat broader. More timely Tokyo data points to a continuation of this trend, with core inflation reaching 1.8%, y-o-y, in August and the measure excluding fresh food and energy rising to 2.0%. Against this backdrop, the BoJ left its policy rate unchanged at 1.0% at its meeting at the end of July, following the 25 bp increase in June that took rates to their highest level in more than three decades. The decision was not unanimous, with one board member favouring an increase to 1.25%. In its July Outlook Report, the BoJ projected fiscal year 2026 core inflation of 2.5% and real GDP growth of 0.6%, while stressing that inflation is likely to move clearly above 2% in the second half of the fiscal year, reflecting higher crude oil prices, yen depreciation and stronger wage- and price-setting dynamics. More recent communication has become increasingly hawkish, with the September meeting expected to reassess whether mounting inflation risks warrant further tightening.

On a non-seasonally adjusted basis, exports continued to expand strongly in July, rising by 23.2%, y-o-y, following 19.3% in June. This marked an eleventh consecutive annual increase. Export performance remained supported by robust demand for high-value-added goods, particularly semiconductors and semiconductor production equipment, while automobile shipments also remained firm. Demand was broad-based across major trading partners, including China, the US and the EU. However, part of the nominal increase continued to reflect price and exchange-rate effects, as export volumes rose more moderately. Imports increased even faster, rising by 27.9%, y-o-y, in July compared to 25.4% in June. The increase was driven largely by higher energy costs, with petroleum and other mineral-fuel imports rising sharply in value terms.

Graph 3 - 7: Japan's exports



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

Near-term expectations

The latest economic growth data indicates an expanding economy that is very much supported by exports. While domestic demand has remained relatively soft, the latest July retail data points to a healthy rebound. It remains to be seen whether, supported by wage increases and a generally tight labour market, this dynamic may accelerate in the near term. This is particularly important given the contrast between subdued household spending and relatively favourable income and corporate-sector conditions. Real employee compensation continued to rise in 2Q26, while more recent Ministry of Finance corporate survey data showed capital expenditure rising steadily and corporate profits reaching high levels. This data suggests that the initially reported decline in business investment may be revised upward in the second 2Q26 GDP estimate, somewhat improving the underlying picture for domestic demand. Nevertheless, the first estimate indicates that Japan's near-term growth remains reliant on strong exports, particularly technology- and AI-related demand, while persistent price pressures and weak real household spending continue to limit the strength of the consumption-led recovery.

In addition to the well-established export- and industrial-production-driven expansion, the government's fiscal stance remains supportive, including a further round of electricity and gas subsidies covering July to September. The government has also approved the 2026 Basic Policies and the Japan Growth Strategy, which shift fiscal policy more explicitly towards multi-year growth and crisis-management investment. Investment projects are increasingly to be funded through the initial budget on a multi-year basis, while supplementary budgets are intended to be reserved primarily for emergencies and unexpected shocks. More consequentially, the fiscal framework now places the steady reduction of the debt-to-GDP ratio at the centre of fiscal policy, while the primary balance is retained as a supporting indicator to be improved and managed over a multi-year horizon rather than through a rigid single-year surplus target. The government and the BoJ continue to coordinate regarding the objective of achieving the 2% price-stability target, while monetary policy decisions remain the responsibility of the Bank. Meanwhile, the government approved in early August a two-year reduction in the consumption tax on food from April 2027, combined with income-linked transfers, ahead of the planned introduction of a refundable tax-credit system. The future defence spending path remains subject to the ongoing strategic review. Overall, the new budgeting framework points towards structurally larger initial budgets from FY2027 onwards, a trend already visible in record FY2027 ministry budget requests of JPY143.1tn.

While a more growth-supportive fiscal stance could strengthen investment and domestic demand, it also risks raising concerns about inflation, fiscal sustainability and yen weakness if markets perceive monetary policy as constrained. Recent developments indicate that the policy mix is now creating greater volatility in bond and currency markets, and the intervention in the foreign exchange market in late July, following the yen's fall to a multi-decade low near 164, illustrates how acute that tension has become.

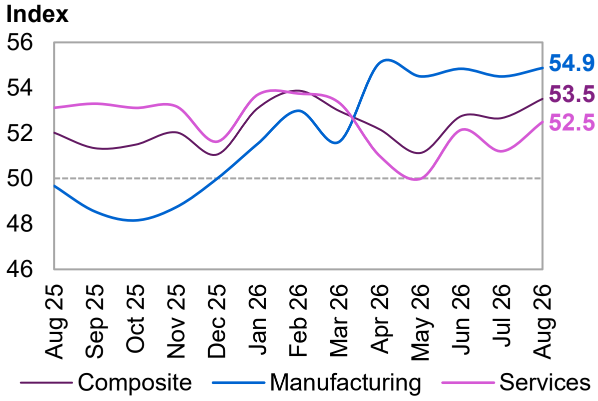
Monetary policy is becoming progressively less accommodative, and a further rate increase appears to be increasingly likely. However, the pace of normalization is likely to remain gradual given persistent weakness in real household spending and uncertainty over the impact of higher borrowing costs on domestic demand. The BoJ has indicated that it will continue to adjust the degree of monetary accommodation, and its July Outlook Report expects underlying inflation to run clearly above 2% in the second half of the fiscal year, citing wage pass-through, higher crude prices and yen depreciation. Even small changes, such as further yen depreciation, could materially raise the risk of inflation settling above 2%. Close coordination between the BoJ and the government will therefore remain important, particularly as the currency has become the most sensitive transmission channel. Moreover, the combination of an elevated import bill and a weak currency may continue to weigh on the trade balance and corporate margins, another factor to be considered.

Japan's latest August PMI data indicates that momentum has strengthened across both manufacturing and services, reducing the divergence seen in July.

The Manufacturing PMI rose to 54.9 in August, up from 54.5 in July and 54.8 in June, its highest level since April. This marked an eighth consecutive month of expansion. New business increased at the fastest pace since January 2018, supported by solid demand for semiconductors and AI-related products.

The Services PMI also strengthened, rising to 52.5 in August from 51.2 in July and 52.2 in June, the fastest pace of expansion in five months. This improvement was supported by stronger domestic demand and faster growth in new business, although new export business remained weak.

Graph 3 - 8: Japan's PMIs



Sources: S&P Global and Haver Analytics.

Following the slightly improving momentum in 2Q26, the 2026 stands at 0.7%, unchanged from the previous month's assessment. Positively, government measures are expected to sustain private household consumption, while most indicators point to a continued steady growth dynamic.

In 2027, growth is expected to remain at around this year's level, accelerating slightly to 0.8%, unchanged from the previous month's assessment. The growth dynamic in the coming year is expected to be supported by an expansionary fiscal stance, a gradual recovery in manufacturing and a further normalization of monetary policy.

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

	Japan
2026	**0.7**
Change from previous month	0.0
2027	**0.8**
Change from previous month	0.0

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

Non-OECD

China

Update on the latest developments

Following average growth of 4.7% in 1H26, China's growth target of around 5.0% remains within reach. Growth in 1Q26 stood at 5%, y-o-y, while the 2Q26 growth dynamic moderated somewhat to stand at 4.3%. Exports and manufacturing held up well in 1H26, led by electric machinery, general equipment and metal products, while property, construction and consumer spending remained weak. The tertiary sector, which accounts for almost 60% of the economy and represents the services sector, continued to outperform, with the services output index growing more rapidly than retail sales. This indicates that services consumption is holding up better than goods consumption.

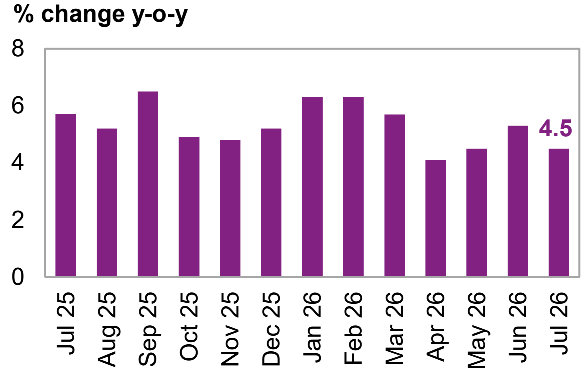
While China's economy continues to show resilience, the latest activity data point to a degree of moderation at the start of 3Q26. This has affected areas that had previously held up better, including services-related retail activity. At the same time, the economy remains supported by strong supply-side capabilities, continued industrial activity, resilient exports and government-supported areas of technology innovation and high-tech manufacturing. Policy support is also becoming more accommodative.

Following the July Politburo meeting, the government announced further supportive measures. The meeting's outcome supported stepping up counter-cyclical adjustments, introducing pragmatic incremental policies in a timely manner, and making greater efforts to expand domestic demand and optimize supply. It also reiterated a more proactive fiscal policy and a moderately loose monetary policy. The emphasis, however, was on faster implementation of measures already planned rather than the near-term rollout of new stimulus. These measures now include faster bond issuance, new policy-based financing for major infrastructure and strategic projects, support for sectors with long value chains, more flexible Housing Provident Fund rules and steps to strengthen consumption in lower-tier cities and rural areas. These measures should help stabilize activity and keep growth close to the official target range.

Inflation increased slightly in August towards healthier levels. Headline CPI rose to 0.8%, y-o-y, from 0.5% in July, driven primarily by higher energy and transportation prices. Transport and communication inflation accelerated to 2.5%, y-o-y, from 0.4%, as vehicle fuel prices rose 8.3%, compared with just 0.8% in July. Price pressures elsewhere remained subdued. The price category of food, tobacco, alcohol and dining-out declined by 0.7%, and residence prices remained 0.3% lower than a year earlier. Core CPI, which excludes volatile food and energy items, edged up to 1.0%, y-o-y, from 0.9% in July. Producer prices also strengthened, with PPI inflation rising to 3.8%, y-o-y, in August from 3.5% in July, driven as well by higher energy-related prices. Despite the pickup in headline inflation, the relatively modest core inflation and continued weakness across several consumer categories remain consistent with subdued underlying domestic price pressures.

IP growth in China remained a key source of support, although momentum moderated slightly at the start of 3Q26. Industrial output expanded by 4.5%, y-o-y, in July, following 5.3%, y-o-y, in June and 4.5%, y-o-y, in May. This confirms that the industrial sector continues to remain resilient despite softer domestic demand, which remains the main area of weakness. Retail sales expanded by only 0.6%, y-o-y, in July, after 1.0%, y-o-y, in June and a contraction of 0.6%, y-o-y, in May, suggesting that household consumption remains subdued. Labour-market conditions also softened slightly, with the urban unemployment rate rising to 5.2% in July, up from 5.0% in June, while youth unemployment excluding students rose more sharply from 14.9% in June to 17.9% in July, underlining ongoing difficulties for younger workers.

Graph 3 - 9: China's industrial production

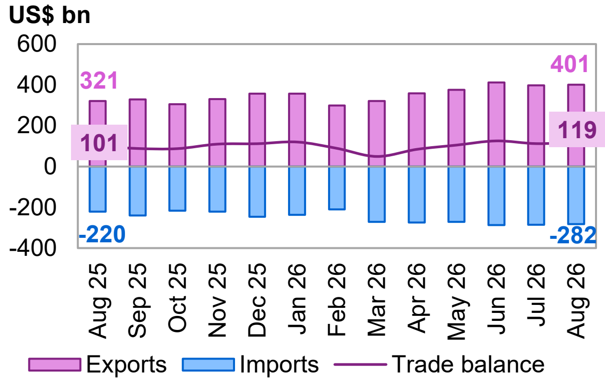


Sources: China National Bureau of Statistics and Haver Analytics.

China's trade surplus widened to USD 119.1 billion in August, from USD 112.3 billion in July, following USD 125.5 billion in June. The surplus therefore remained exceptionally large by historical standards, with the cumulative surplus reaching USD 805.5 billion in the first eight months of the year. The combination of resilient export growth and a still exceptionally large trade surplus highlights the continued importance of external demand for activity amid comparatively subdued domestic demand.

Exports stood at USD 401.4 billion in August, up from USD 397.9 billion in July, though still below the record USD 411.9 billion recorded in June. In y-o-y terms, export growth accelerated slightly to 25.0% in August from 23.9% in July and 26.9% in June, confirming that external demand remains a key source of support for China's economy. The strength was particularly pronounced in technology-related goods, supported by continued global demand associated with the AI investment cycle. Exports to the US also accelerated markedly, rising 34.4%, y-o-y, compared with 17.0% in July.

Graph 3 - 10: China's trade balance



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

Imports stood at USD 282.4 billion in August, down slightly from USD 285.5 billion in July and USD 286.4 billion in June. Nevertheless, in y-o-y terms, import growth edged up to 28.2% in August from 27.6% in July, with the increase continuing to be supported by high-value technology imports. Semiconductor import values rose particularly strongly, while imports of automobiles and energy products weakened.

Near-term expectations

China's outlook for 2H26 remains broadly stable, supported by continued government-led support and resilient external demand, following the slight moderation in growth momentum through 2Q26. A strong export performance should continue to provide an important growth driver, although it also implies that China's current account surplus is likely to remain elevated, with potential spillovers for trading partners facing strong Chinese export competition. Domestic demand remains relatively softer, as household consumption has not materially picked up yet and the property-sector adjustment continues to weigh on wealth effects and possibly consumers' confidence. Policy support is therefore expected to remain supportive but targeted, with fiscal instruments carrying the main burden. Following the more cautious 30 July Politburo meeting, the authorities are likely to accelerate already planned measures, including bond-financed spending, strategic investment projects, consumer goods trade-ins and equipment-upgrade programmes, rather than shift towards large-scale new stimulus. This should help stabilize near-term activity, although a more sustained dynamic with less reliance on exports and government support will still depend on stronger household confidence and more effective demand-side support.

The PBoC's Q2 monetary policy report points to a somewhat more supportive policy bias, but does not yet signal a shift towards broad-based monetary easing. While the central bank acknowledged softer underlying growth momentum and repeated the July Politburo's call to strengthen counter-cyclical adjustment and expand domestic demand, it remained positive on the near-term outlook, citing resilient trade, moderate price pressures and scope for stronger investment through faster fiscal implementation. At the same time, the report confirms that the PBoC is gradually transitioning towards a more price-based monetary policy framework, with short-term rates increasingly guided around the policy rate. Overall, policy settings are likely to remain supportive but measured in 2H26, helping to stabilize activity and contain funding pressures while preserving room for additional action if needed. However, a more durable recovery will depend on whether fiscal execution and targeted credit support can translate into stronger private-sector confidence, household demand and employment growth. Broader monetary easing is therefore likely to remain a contingency option, becoming more likely only if growth weakens further, fiscal support proves insufficient, or domestic demand fails to gain traction.

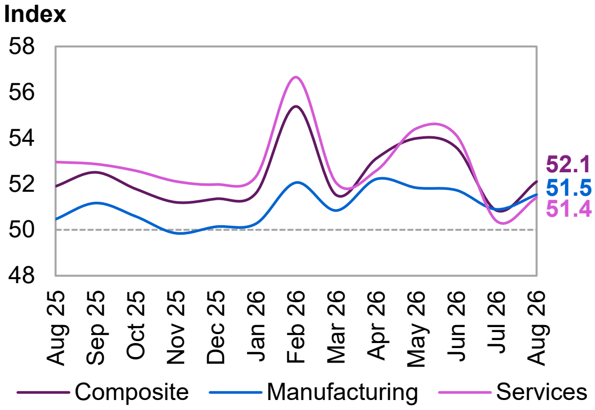
Exports should remain a key pillar of China's near-term growth outlook, supported by a strong competitive position in some key export areas, including price and scale advantages, strong integration into global supply chains, and sustained global demand for high-tech, AI-linked, and clean-energy products. Additionally, China's strategic position in critical minerals, rare-earth processing and advanced manufacturing should continue to support market-share gains. At the same time, policy support has become more targeted, with the authorities emphasizing faster fiscal execution, targeted credit support, SME development, housing-market stabilization and measures to strengthen consumption in lower-tier cities and rural areas. Overall, the near-term growth mix is likely to remain uneven but resilient, with strong external demand and industrial dynamics providing support.

August PMI indicators point to continued expansion in China's economic activity, with some improvement after the softer July readings.

The Manufacturing PMI rose to 51.5 in August, up from 50.9 in July but down from 51.7 in June, supported by firmer output, new orders and export demand. This suggests that manufacturing remains resilient, particularly among more export-oriented firms.

The Services PMI also improved, rising to 51.4 in August from 50.4 in July, after 54.1 in June, indicating that service-sector activity continued to expand, helped by stronger domestic demand. Overall, the PMI data suggests that the July slowdown has not developed into a broader trend, but the gradual recovery may still support the case for targeted fiscal and monetary policy support.

Graph 3 - 11: China's PMI



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

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

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

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

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

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

India

Update on the latest developments

India's most recently released economic growth data for 1H26 supported the perception of a strongly expanding economy. GDP growth was reported to have stood at 8.6%, y-o-y, in 1Q26, revised considerably upwards from the 7.8% previously reported by India's Central Statistics Office. This already exceptionally high growth rate was reportedly followed by 7.8%, y-o-y, in 2Q26, underscoring the resilience of the economy's growth dynamic, especially at a time of rising global uncertainties.

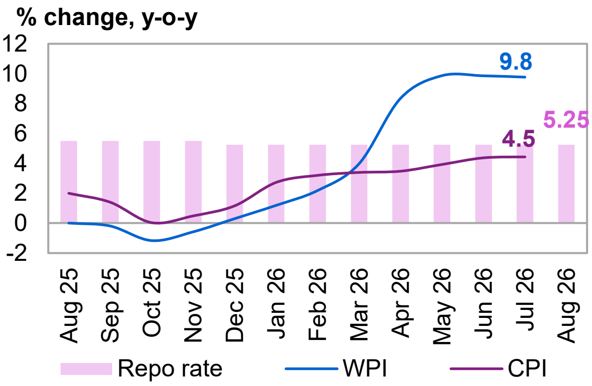
The stronger-than-expected GDP figure was mainly driven by robust fixed investment, a sizeable positive contribution from net exports and steady domestic consumption. From the production side, services remained the main growth driver, expanding by 10.0%, y-o-y. Growth in trade, hotels and transport stood at 8.5%, y-o-y, although it has softened somewhat over the last five quarters, partly reflecting softer air passenger traffic. Financial, real estate and professional services remained robust, while public administration and other services also continued to support overall services activity. Positively, manufacturing growth accelerated to 9.2%, y-o-y, its strongest pace in three quarters, consistent with firm investment activity and resilient industrial indicators. As an important support for IP, vehicle sales have remained relatively firm. Two-wheeler sales point to resilient rural consumption, while passenger vehicle sales suggest that urban discretionary demand has remained strong too. Vehicle sales growth in July stood at 28.3%, y-o-y, continuing to benefit from last year's tax reform, following a rise of 22.1%, y-o-y, in June and 7.5%, y-o-y, in May.

On the expenditure side, fixed investment growth accelerated to 11.9%, y-o-y, the strongest pace in four years, supported by stronger automobile production and resilient cement output, among other factors. Private consumption moderated slightly to 7.1%, y-o-y, but remained firm overall. In support of domestic consumption, India's unemployment increased slightly in August to stand at 6.1%, following a level of 6.0% in July and 6.6% in June.

Net exports also provided a large positive contribution to headline growth, as exports rose by 12.0%, y-o-y, while real imports contracted by 1.1%, y-o-y. The trade dynamic also reflected continued geopolitical tensions, as the decline in imports was likely driven by lower crude oil and petroleum product import volumes. With these external challenges, the Indian rupee continued to be among the softer major emerging-market currencies, falling to record lows against the dollar as higher energy costs weighed on the external balance. Inflation risks have risen accordingly, while a weak monsoon and second-round cost pressures point to markedly rising food and core inflation. This has coincided with the most recent appreciation in precious-metals prices.

In the meantime, inflation in India remained above the RBI's 4% target for a second consecutive month in July. Headline CPI inflation rose slightly to 4.5%, y-o-y, in July, following 4.4%, y-o-y, in June, and 3.9%, y-o-y, in May. Food and beverage inflation rose further to 5.2%, y-o-y, in July, following 5.1%, y-o-y, in June and 4.5%, y-o-y, in May, pointing to continued pressure on food prices amid weather-related risks and uneven monsoon conditions. Transport inflation also edged up to 4.4%, y-o-y, after 4.3%, y-o-y, in June, suggesting that earlier energy-price pressures continue to pass through gradually to consumer prices. The pass-through from higher global prices has so far remained partly contained by administered prices, tax adjustments and policy measures aimed at cushioning households and firms. However, second-round risks remain relevant, particularly through food prices, transport costs, fertiliser, logistics and services. Core inflation remained contained at around 3.9%, y-o-y, in July, broadly unchanged from June. Amid these price developments, the central bank left the key policy rate unchanged at 5.25% at its most recent meeting at the beginning of August, maintaining a cautious stance as higher energy prices and currency pressures complicated the outlook.

Graph 3 - 12: Repo rate and inflation in India

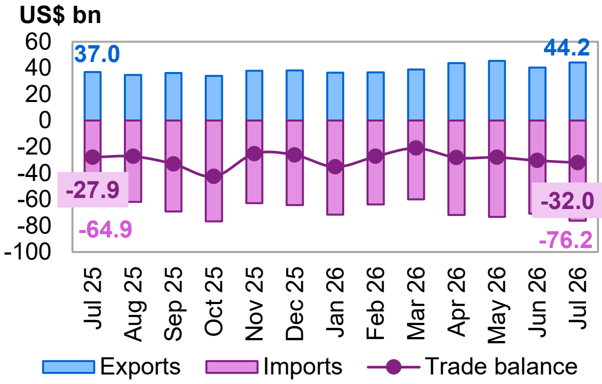


Sources: Ministry of Commerce and Industry, Reserve Bank of India and Haver Analytics.

In terms of trade, India's merchandise trade deficit widened further to USD 32.0 billion in July, a six-month high, following USD 30.4 billion in June and USD 28.0 billion in May.

Merchandise imports increased to USD 76.2 billion in July, after USD70.8 billion in June and USD 73.4 billion in May, rising by 17.5%, y-o-y. The increase was driven mainly by higher petroleum, electronic goods, coal and fertiliser imports, reflecting both domestic demand and elevated global prices. At the same time, merchandise exports rebounded to USD 44.2 billion in July, after USD 40.4 billion in June and USD 45.4 billion in May, increasing by 19.6%, y-o-y. Export growth was supported by petroleum products, electronics and engineering goods.

Graph 3 - 13: India's trade balance



Sources: Ministry of Commerce and Industry and Haver Analytics.

Near-term expectations

Following the considerable economic growth momentum in 1H26, India's near-term outlook is expected to remain robust, supported by a resilient services sector, steady momentum in investment and firm industrial activity. While government-led measures were able to counterbalance the dampening effects of external headwinds, the renewed increase in energy prices since July may cause second-round price increases or possibly add to fiscal constraints if counterbalancing measures continue.

Fiscal developments have become more supportive, reflecting the resilience of the broader economy and stronger-than-expected revenue performance. The central government remains committed to its FY2026/2027 fiscal deficit target of 4.3% of GDP, and the latest fiscal outcome suggests that this target remains achievable. Some pressures remain, including weaker excise-duty collections following cuts in petrol and diesel duties, continued softness in GST receipts and potential subsidy needs. However, these headwinds are being partly offset by stronger direct-tax collections, the RBI dividend and expenditure reprioritization. Moreover, the government is likely to lean on more selective spending controls going forward to preserve fiscal credibility while still supporting growth. Further upside may come from continued structural reforms, including business-friendly tax, labour and regulatory measures, building on recent reform momentum.

India's inflation may continue to rise in the near term. Headline CPI inflation remained above the RBI's 4% target in July, rising to 4.5%, y-o-y, after 4.4%, y-o-y, in June, while food inflation increased to 5.5%, y-o-y. Price pressures remained stronger in rural areas, where headline inflation stood at 4.8%, compared with 4% in urban centres, reinforcing the importance of the monsoon and food-supply conditions for the near-term outlook. The composition remains somewhat more reassuring than the headline figure, as underlying inflation excluding precious metals is still relatively subdued, but second-round effects remain the key risk, particularly through food prices, transport costs, fertiliser, logistics and services. Developments in August have pointed to ongoing challenges, however, as reservoir levels remain below last year's levels in several regions. Reservoir storage is an important indicator to watch in this respect, since it determines both irrigation capacity for the sowing season and the buffer against deficient rainfall. Storage entering the season has been low, and a further shortfall would weigh on sowing decisions and rural demand. Against this backdrop, although the RBI kept the repo rate unchanged at 5.25% in August, its communication has become more cautious. Indeed, policymakers have left open the possibility of tightening later in the year if inflation pass-through broadens or expectations become less anchored.

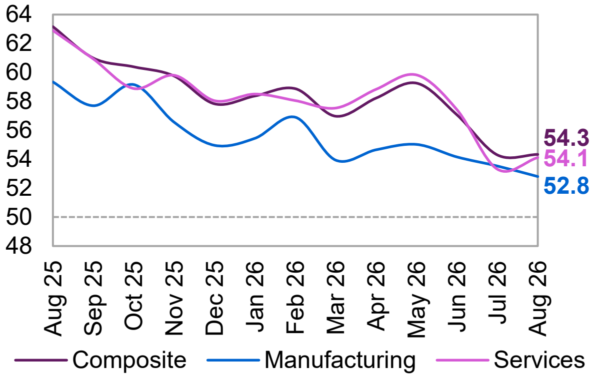
India's external position remains sensitive to energy prices, capital flows and global financial conditions, although recent developments have become somewhat more balanced. Export performance remains resilient, but the import bill continues to keep the trade deficit wide. At the same time, the current account outlook is cushioned by strong services exports and remittances, with recent estimates pointing to a more contained deficit of around 1.0% of GDP in fiscal year 2026/27. The rupee remains vulnerable to external imbalances and foreign investment flows, factors that will need careful monitoring, particularly as the Fed's policy path shifts toward a firmer stance.

PMI indicators point to continued expansion in India's private sector, indicating a robust economic environment.

The Manufacturing PMI stood at a healthy 52.8 in August, compared with 53.5 in July and 54.2 in June. Output and new orders continued to expand, but at a slower pace, reflecting somewhat softer demand conditions, albeit following a markedly strong 1H26.

The Services PMI recovered slightly to 54.1 in August, compared with 53.3 in July and 57.4 in June. The sector continued to expand. Hiring also strengthened, suggesting that firms remain cautiously optimistic about future demand conditions.

Graph 3 - 14: India's PMIs



Sources: S&P Global and Haver Analytics.

The 2026 economic growth forecast stands at 6.6%, unchanged from the previous month's assessment. The growth forecast anticipates some sequential moderation in 2H26. The Indian economy remains well supported by steady domestic demand, as reflected in the latest domestic data, and benefits in part from continued government-led support measures, alongside prudent monetary policies. The latest inflationary trend may have a limited dampening effect on consumption going forward, although price developments have remained relatively well contained so far.

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

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

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

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

Brazil

Update on latest developments

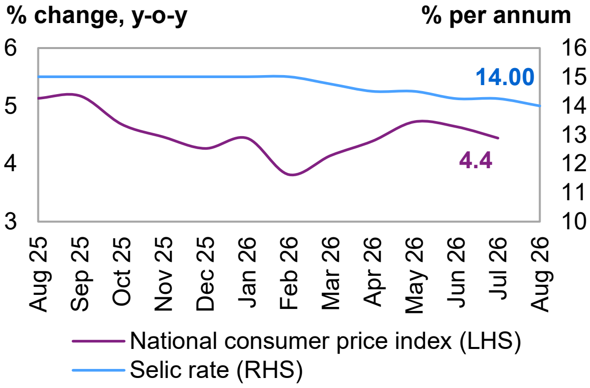
The Brazilian economy has remained resilient, with growth continuing at a sound pace in 2Q26. Economic growth accelerated to 2.0%, y-o-y, in 2Q26, up from 1.8% in 1Q26. Activity was supported by agriculture, in particular, which expanded by 6.8%, y-o-y, while the services and industry sectors recorded more moderate gains of 1.5% and 1.2%, respectively. On the demand side, household consumption fell by 0.4%, y-o-y, indicating that high borrowing costs and household indebtedness may be weighing on domestic demand. Investment increased by 1.4%, y-o-y. At the same time, the labour market remained supportive, with the unemployment rate declining and consumer sentiment holding up well. Inflation has also continued to ease, allowing the central bank to proceed with gradual monetary easing as the policy rate remains high at 14.0%. Overall, the economy continues to expand at a solid annual pace, but restrictive financial conditions are likely to keep domestic demand growth more moderate in the near term. On this basis, the central bank recently raised its 2026 growth projection from 1.6% to 2.0%. While the economy continues to expand, the pace of growth has moderated from the stronger trend seen in previous years.

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

The Consumer Confidence Index declined markedly in August, falling to 84.7 from 88.3 in July and 88.7 in June, its lowest level since November 2022. This deterioration reflected weaker assessments of both current conditions and expectations, pointing to increasing pressure on household sentiment despite the still-strong labour market. The composite Business Confidence Index also declined further, standing at 91.1 in August, following 91.6 in July and 93.0 in June. This marked a second consecutive monthly decline, with weaker industrial confidence partly offset by an improvement in services.

Inflation continued to ease. Headline inflation stood at 4.4%, y-o-y, in July, compared with 4.6% in June and 4.7% in May. This moderation was supported particularly by a 0.7%, m-o-m, decline in food and beverage prices, which offset a 1% increase in housing costs. Timelier IPCA-15 indicators for August point to a further easing, with prices declining by 0.40%, m-o-m, and annual inflation falling to around 4.2%. Underlying inflation measures have moderated, but services inflation remains comparatively elevated, supported by the tight labour market and resilient domestic activity. Core inflation eased as well, standing at 4.5%, y-o-y, in July, 4.6%, y-o-y, in June and 4.8%, y-o-y, in May.

Graph 3 - 15: Brazil's inflation vs. interest rate



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

At the same time, the labour market remains relatively healthy, with unemployment declining further in July. The three-month moving average unemployment rate fell to 5.4% in July, down from 5.5% in June and May. Real average monthly income also remained firm, standing at RUSD3,765 in July, following RUSD3,742 in June and RUSD3,758 in May, suggesting that household purchasing power continues to be supported by relatively strong labour income.

Near-term expectations

Recent data suggest that Brazil has continued to expand at a healthy rate. Economic growth accelerated to 2.0%, y-o-y, from 1.8% in 1Q26, indicating that overall activity remained resilient despite tight financial conditions. However, the 1H26 composition was mixed, with agriculture and investment providing support, while the trend in household consumption softened. An income-tax reform continues to support household purchasing power, alongside a historically tight labour market and positive real income growth. However, slowing household consumption, softer confidence and a high household debt-service burden indicate that elevated borrowing costs and indebtedness are increasingly constraining spending. As monetary conditions gradually ease, consumption and investment should receive some support, although the pace is likely to remain moderate. The October elections remain an additional source of uncertainty for investment and financial conditions, with the subsequent fiscal-policy stance likely to be important for longer-term capital formation.

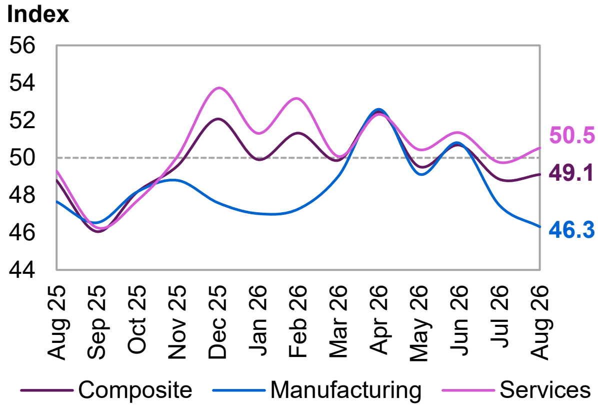
The trade environment has become clearer but less supportive following the implementation of the new US tariff framework in late July. A 25% additional tariff on a broad range of Brazilian goods took effect in July, followed on 24 July by a separate 12.5% tariff linked to the US forced-labour investigation, although substantial product exemptions apply. Global Trade Alert estimates that Brazil's trade-weighted average US tariff consequently increased from around 11.0% to about 17.7%, among the highest rates faced by major US suppliers. The impact is already visible in some bilateral trade flows, with Brazilian exports to the US weakening, although the broader external sector remains resilient, supported by agriculture, mining and demand from markets like China, India and the EU. Brazil and the US resumed formal tariff discussions at the end of August, providing some scope for adjustments to the current framework, although the timing and extent of any changes remain uncertain.

The country's fiscal position has become more challenging and will remain an important constraint on the near-term outlook. Gross general government debt rose further to 82.5% of GDP in July, up from 81.9% in June, while the twelve-month nominal public-sector deficit remained above 9% of GDP, largely reflecting very high interest expenditure. The primary balance has improved somewhat, but debt dynamics remain challenging and fiscal consolidation will remain necessary after the October elections. The proposed 2027 budget targets a primary surplus and tighter controls on mandatory expenditure, although implementation risks remain. Monetary easing is anticipated to continue, with the Selic rate cut to 14.0% in August. Further easing remains likely as headline and underlying inflation moderate, but persistent services inflation, fiscal risks and renewed commodity price dynamics point to a gradual, data-dependent path.

Following a renewed loss of momentum, the Services PMI recovered modestly in August to stand at 50.5. This follows 49.7 in July and 51.3 in June, indicating a return to marginal expansion after the temporary contraction in July. The improvement reflected some stabilization in demand and new business, although overall momentum remained subdued.

The Manufacturing PMI weakened further. After standing at 50.8 in June and 47.5 in July, the August reading fell to 46.3, the lowest level since April 2023, indicating a deeper contraction in the sector. Production declined for a fourth consecutive month, while weaker new orders, softer demand and continued cost pressures weighed on activity.

Graph 3 - 16: Brazil's PMIs



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

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

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

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

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

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

Russia

Update on the latest developments

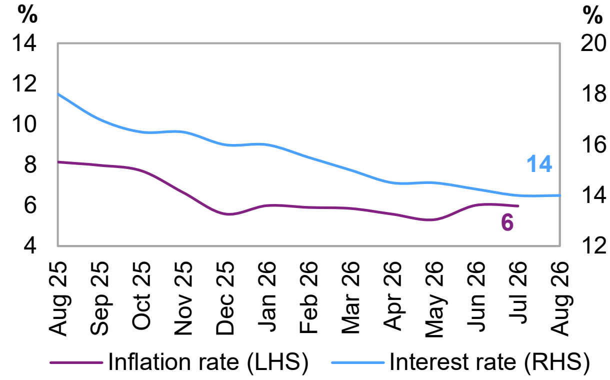
Russia's economy returned to modest growth in 2Q26, following the 0.2%, y-o-y, contraction recorded in 1Q26, its first annual decline in three years. Preliminary data from the Russian statistical office, Rosstat, showed GDP increasing by 1.3%, y-o-y, in 2Q26, bringing 1H26 growth to 0.6%. The improvement was supported by stronger retail trade, food services and restaurant activity, freight activity and manufacturing, while mining, construction and agriculture remained weaker. Following the rebound in 2Q26, more recent data indicates softer momentum at the beginning of 3Q26, with the economy ministry estimating GDP growth at only 0.6%, y-o-y, in July. The near-term growth outlook therefore remains moderate, with the central bank projecting growth of up to 1% for 2026. At the same time, fiscal policy remains supportive but increasingly constrained, with the federal budget deficit reaching around 2.8% of GDP from January to July, already well above the full-year target of 1.6%.

The sectoral picture remains uneven. Manufacturing and consumer-related activity have provided some support, but high interest rates, capacity constraints and slower wage growth are increasingly limiting private demand. The domestic fuel market has become the most visible supply-side constraint, as repeated disruptions to refinery operations have led to renewed gasoline shortages in several regions. Credit conditions have nevertheless shown some improvement, with corporate lending growth accelerating to 1.5%, m-o-m, in July from 0.3%, m-o-m, in June, while business sentiment recovered modestly in August as expectations for future demand and output improved. However, higher fuel prices, a wider fiscal deficit and still-elevated inflation expectations are limiting the scope for rapid monetary easing, with the policy rate remaining at 14.0%.

Inflation has remained elevated, with headline inflation broadly stable but the underlying composition changing. Headline inflation stood at 6%, y-o-y, in both July and June. Motor fuel inflation accelerated sharply to 25.9%, y-o-y, up from 19.9% in June as refinery disruptions continued to constrain domestic supply, while food inflation increased to 4.4% from 3.4%. Services inflation eased to 7.8% from 10.6%, although this largely reflected the timing of regulated utility tariff adjustments rather than a broad reduction in underlying pressures. Core inflation increased to 5.2%, y-o-y, from 5.0% in June, with the central bank noting that second-round effects from higher fuel costs and earlier currency depreciation had begun to spread across a wider range of goods and services. At the same time, its preferred measures of underlying inflation remain mostly within a 4% to 5% annualized range, suggesting that the recent acceleration is still viewed primarily as supply-driven rather than as evidence of a renewed broad-based inflation cycle.

Against this backdrop, the central bank cut the key policy rate by a further 25 bp to 14% at the end of July, following a 25 bp reduction in June and a larger 50 bp cut in April, but signalled that subsequent easing may be more gradual. The decision itself reflected a relatively close balance between weaker growth and persistent inflation risks, with some policymakers favouring an unchanged rate and the majority supporting the 25 bp reduction without providing guidance on further cuts. The central bank lowered its 2026 GDP growth forecast to a range of 0 to 1% from 0.5 to 1.5%, while raising the inflation forecast to 6–7% from 4.5–5.5%, largely reflecting higher fuel prices and their second-round effects.

Graph 3 - 17: Russia's inflation vs. interest rate



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

The non-seasonally adjusted industrial production series weakened further in July, with output increasing by only 0.3%, y-o-y, following an increase of 0.5% y-o-y, in June. This left industrial production broadly stagnant over the first seven months of 2026. The sectoral picture remained uneven, with manufacturing continuing to provide the main support, rising by 2.4%, y-o-y, in July, while mining contracted by 2.7% and electricity, gas and steam supply contracted by 3.9%. Industrial activity therefore continued to see weakness in the extractive and utility sectors offset by growth in selected manufacturing industries. At the same time, retail sales volumes have remained relatively resilient but have also lost momentum, increasing by 5.5%, y-o-y, in July, following 7.4%, y-o-y, in June and 8%, y-o-y, in May, suggesting that household demand remains supportive but is gradually moderating under the impact of high interest rates and slower income growth.

Elsewhere, the labour market remains very tight, although there are tentative signs of some stabilization. The unemployment rate remained at 2.3% in July, following 2.2% in June and the record low of 2.1% in May. Tight labour-market conditions continue to support household income and consumption, while also contributing to persistent wage and service-price pressures. Average nominal monthly wages rose to RUB114,743 in June, up 9.6%, y-o-y, from RUB110,216 in May. Persistent labour shortages therefore remain an important supply-side constraint, although the slight rise in unemployment suggests that some of the extreme tightness seen earlier in the year may be beginning to ease.

Near-term expectations

Following the contraction in 1Q26, the Russian economy rebounded in 2Q26, with GDP increasing by 1.3%, y-o-y, after declining by 0.2% in the previous quarter. Household demand remains supported by a very tight labour market and continued wage growth, but high interest rates, capacity constraints and gradually moderating income growth are likely to restrain momentum over the remainder of the year. At the same time, disruptions to energy and industrial infrastructure have become a more significant near-term constraint. Higher global commodity prices continue to provide an important external buffer. Commodity prices continue to support the economy, although the challenges affecting energy and industrial infrastructure may have a more meaningful impact on activity in the near term. Refinery outages represent the most consequential channel, and the response of the economy is likely to be non-linear.

Fiscal support now appears likely to remain strong in the very near term. Spending has remained elevated, and the federal budget deficit reached around 2.8% of GDP from January to July. Earlier government projections had already indicated that 2026 expenditure could exceed the initial plan by more than RUB1tn, reflecting higher spending requirements, while revenue projections were left broadly unchanged. This reduces the likelihood of a strong fiscal withdrawal during the rest of the year and has become an important consideration for monetary policy. The $59/b Urals cut-off price under the fiscal rule remains an important anchor, but the recent volatility in energy revenues illustrates that fiscal outcomes increasingly depend not only on oil prices but also on production, refining capacity and subsidy payments. The forthcoming 2027–2029 budget will therefore be important in assessing whether medium-term consolidation is maintained or postponed further. The central bank has already noted that the medium-term fiscal stance appears to be more expansionary than assumed earlier in the year.

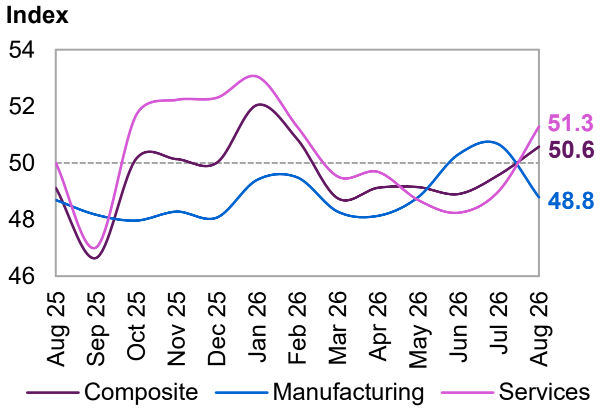
On monetary policy, the baseline remains for gradual easing, but the scope for near-term rate cuts has narrowed. The central bank reduced the key rate to 14.0% in July, while raising its 2026 inflation forecast to 6–7% and lowering its growth projection to 0–1%. Underlying inflation is nevertheless estimated at around 4–5% in annualized terms, suggesting that much of the recent increase in headline inflation continues to reflect supply-side and temporary factors. Risks remain tilted to the upside, however, owing to higher fuel prices, second-round effects from supply disruptions and the more expansionary fiscal stance. Inflation expectations also remain elevated. Household expectations eased to 13.7% in August from 14.7% in July, but firms' price expectations increased. The central bank's baseline assumes an average policy rate of 14.5% to 14.6% in 2026 and 10.5% to 12.5% in 2027, implying further normalization over time but at a considerably slower pace than previously envisaged. Exchange-rate developments remain an additional inflation channel, particularly if weaker export receipts or fiscal pressures translate into renewed depreciation, although administrative measures and the fiscal framework continue to limit the extent of short-term adjustment. Hence, further rate cuts remain possible, but the pace is likely to be gradual and increasingly dependent on fuel prices, inflation expectations, fiscal policy and evidence that underlying inflation is continuing to moderate.

The latest August PMI figures point to a renewed divergence between manufacturing and services, with manufacturing activity weakening again while services returned to expansion.

The Manufacturing PMI fell to 48.8 in August from 50.7 in July and 50.3 in June, marking the first deterioration in operating conditions in three months. New orders declined again amid weaker demand and lower purchasing power. Cost pressures also intensified, reflecting higher fuel prices, imported input costs and logistical disruptions.

The Services PMI, by contrast, rose to 51.3 in August from 49.0 in July and 48.2 in June, indicating a return to expansion after four months of weakening demand. New orders resumed growth at the fastest pace since February.

Graph 3 - 18: Russia's PMI



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

Following the 1Q26 contraction, the improving external trade situation and domestic support from government and private household spending are expected to support a rebound over the remainder of the year. With these dynamics, Russia's economic growth forecast for 2026 remains at 1.1%, unchanged from the previous month's assessment.

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

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

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

In 2027, the Russian economy is forecast to accelerate, supported by a likely further easing in monetary policies and ongoing steady domestic demand. The economy is forecast to grow by 1.5%, unchanged from the previous month's assessment.

Africa

South Africa

Update on the latest developments

The broader growth trend in South Africa's economy remains relatively resilient, though sectoral conditions remain uneven. Economic growth slowed from 1.9%, y-o-y, in 1Q26 to 0.9%, y-o-y, in 2Q26, with GDP contracting modestly by 0.2%, q-o-q, after expanding by a revised 0.4%, q-o-q, in 1Q26. The 2Q26 weakness was mainly in mining, manufacturing and trade, while numerous areas in the economy continued expanding, including transport, construction and agriculture. Household consumption also remained supportive, increasing by 2.3%, y-o-y. The external sector has remained supportive, with the merchandise trade surplus widening to ZAR20.1 billion in July from ZAR17.2 billion in June, supported by resilient commodity exports. Electricity supply has also improved, with Eskom's energy availability factor rising to almost 68% by late August, its highest level since 2020, and consequently reliance on diesel generation fell sharply. Labour-market conditions, however, deteriorated in 2Q26 as the unemployment rate increased to 32.9% from 32.3% in 1Q26, as employment declined slightly, and the number of unemployed rose by 204,000 to 8.262 million. These conditions continue to limit the extent to which improving activity and lower inflation translate into stronger household incomes.

Fiscal outcomes have remained supportive, helped by strong tax collections. The 2026 Budget revised the fiscal year 2025/26 main budget deficit to 4.5% of GDP and projects a narrowing to 3.7% in FY2026/27, alongside a rising primary surplus. Revenue performance in the current fiscal year has so far remained firm. Gross tax revenue amounted to ZAR626.2 billion from April to July, including ZAR108.7 billion in corporate income tax and ZAR251.1 billion in personal income tax. Corporate income tax collection was particularly strong in June at ZAR101.8 billion, reflecting robust profitability in parts of the commodity and corporate sectors, while VAT receipts amounted to ZAR158.9 billion over the first four months of the fiscal year. The continued strength in tax receipts is consistent with the improvement in fiscal metrics reflected in the 2026 budget, although debt-servicing costs remain substantial at a budgeted ZAR432.4 billion in FY2026/27.

Inflation developments have improved. Headline inflation fell to 4.3%, y-o-y, in July from 5.0% in June, its first decline in five months, helped by lower fuel prices and softer food inflation. The latter declined to only 0.6%, while goods inflation eased to 3.4% and services inflation fell to 5.0%. Inflation regarding the operation of personal transport equipment, including fuel, slowed to 16.2%, y-o-y, from 26.1 in June. Against this backdrop, the South African Reserve Bank maintained the policy rate at 7.0% at its July meeting, following a 25 bp increase in May, with four committee members supporting an unchanged rate and two supporting a further 25 bp increase. The Bank continued to highlight elevated services inflation, higher inflation expectations and upside risks from energy and other supply-side pressures, while maintaining a policy stance aimed at bringing inflation towards 3% overtime.

Near-term expectations

Near-term activity is expected to remain at a moderately steady pace. The S&P composite PMI edged up to 50.5 in August from 50.3 in July, consistent with a modest expansion in private-sector activity, while the Absa manufacturing PMI declined further to 45.8 from 46.8, indicating continued weakness in industrial conditions. Domestic demand should remain an important source of support as lower food and fuel inflation improves real purchasing power, although the rise in unemployment to 32.9% in 2Q26 and generally subdued employment conditions are likely to constrain the strength of household consumption. At the same time, the marked improvement in electricity availability represents an increasingly important supply-side support, reducing one of the key structural constraints on production and investment.

The fiscal backdrop has improved, supported by stronger revenue performance and continued progress towards consolidation, although high debt-service costs and weak trend growth continue to limit fiscal space. Monetary policy is expected to remain cautious and data-dependent. The decline in headline inflation to 4.3%, y-o-y, in July has reduced the immediate need for further tightening. However, services inflation remains elevated and inflation expectations are still above levels consistent with the central bank's 3% objective, while renewed increases in global commodity prices will need to be monitored. The near-term policy stance of the SARB is therefore likely to remain restrictive, with the balance of risks currently supporting an extended period of unchanged rates rather than rapid easing.

South Africa's economic momentum remained steady, albeit softening somewhat in 2Q26 following the firmer growth recorded around the turn of the year. By taking this dynamic into consideration, South Africa's 2026 economic growth forecast stands at 1.5%, unchanged from the previous month's assessment.

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

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

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

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

OPEC Member Countries

Saudi Arabia

Recent data continues to point to a sound but divergent growth picture, with the non-oil economy remaining relatively resilient. According to the latest flash estimate by the statistical office, the General Authority for Statistics, real GDP contracted by 4.7%, y-o-y, in 2Q26, following growth of 3.0% in 1Q26. More timely indicators suggest that non-oil momentum strengthened further in August, with the Riyad Bank PMI rising to

53.8 from 53.1 in July, its strongest reading in six months. This was supported by firmer output, new orders and employment as domestic conditions continued to normalize. Inflation remains well contained, with headline CPI unchanged at 1.8%, y-o-y, in July, June and May, with housing costs remaining the principal source of price pressure. Conditions in the oil sector have also improved recently. The labour market remains supportive, with unemployment among Saudi nationals declining to 6.4% in 1Q26 from 7.2% in 4Q25. Overall, the economy continues to benefit from low inflation, strong fiscal and external buffers, and sustained investment in diversification.

Nigeria

Nigeria's economic outlook remains supported by improving macroeconomic stability, stronger oil production, resilient non-oil activity and continued reform momentum. Real GDP growth accelerated to 4.5%, y-o-y, in 2Q26 from 3.9% in 1Q26, with both the oil and non-oil sectors strengthening. Oil-sector growth stood at 7.3%, y-o-y, in 2Q26 compared with 2.6%, y-o-y, in 1Q26. The larger non-oil economy was supported by growth in agriculture, services, trade, real estate, finance, manufacturing and construction. More timely indicators also point to renewed private-sector momentum, with the Stanbic IBTC Bank Nigeria PMI rising to 54.3 in August from 52.5 in July, its strongest reading in more than two years, as new orders and output accelerated and employment continued to expand modestly. Inflationary pressures have continued to ease at the headline and core levels: headline inflation declined to 15.4%, y-o-y, in July from 15.9% in June, while core inflation fell to 15% from 15.9%. Food inflation nevertheless accelerated to 20.3% from 17.5%, indicating that cost-of-living pressures remain despite broader disinflation. External buffers have also strengthened, supported by higher oil receipts, refined-product exports and capital inflows, prompting Moody's in late August to revise Nigeria's sovereign outlook from stable to positive. Overall, the near-term outlook remains robust, supported by firmer growth, stronger oil output, continued reforms and improving external resilience, despite elevated food inflation, high borrowing costs and persistent household purchasing-power pressures.

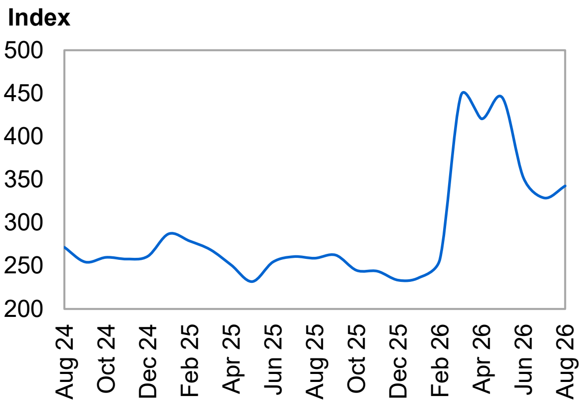
United Arab Emirates (UAE)

Following its robust expansion in 2025, the United Arab Emirates' economy continues to demonstrate underlying resilience, with recent data indicating that the temporary weakening in non-oil momentum during 2Q26 has reversed. Real GDP expanded by 3.0%, y-o-y, in 1Q26, with non-oil GDP growing by a stronger 4.8%. The S&P Global UAE PMI accelerated to 55.3 in August, up from 52.7 in July and 50.8 in June, reaching its highest level since December 2024 and confirming a marked recovery in non-oil activity following the disruption seen in 2Q26. The August improvement was broad-based, reflecting stronger output and a sharp acceleration in new orders, alongside recovering export demand, renewed inventory accumulation and easing supply constraints as uncertainty related to the regional conflict diminished. The broader macroeconomic framework remains sound, supported by strong fiscal and external buffers, relatively low public debt, the dirham's peg to the US dollar and continued investment in trade, tourism, logistics, real estate, finance and technology.

The impact of the USD and inflation on oil prices

The US dollar (USD) index declined in August after two consecutive months of gains, falling by 1.4%, m-o-m. Earlier in the period, the currency was under pressure from lower safe-haven appeal amid easing geopolitical developments. Moreover, market expectations for higher US interest rates faded after the US Fed kept rates unchanged at its 29 July meeting. Spillover effects from a coordinated intervention between the US and Japan to support the Japanese yen in late July also contributed to downward pressure during the period. However, a hawkish Federal Reserve commentary later in the month limited further declines. Compared with the same period last year, the index was up by 1.3%, y-o-y.

Graph 3 - 19: The Modified Geneva I + USUSD Basket (base June 2017 = 100)



Sources: IMF and OPEC.

On select developed market currencies, the USD declined in August against the euro, yen and pound by 1.5%, 2.4%, and 1.2%, m-o-m, respectively. Compared with the same period last year, the USD was higher against the euro and yen by 0.3% and 7.5%, respectively, but lower against the pound by 0.7%, y-o-y.

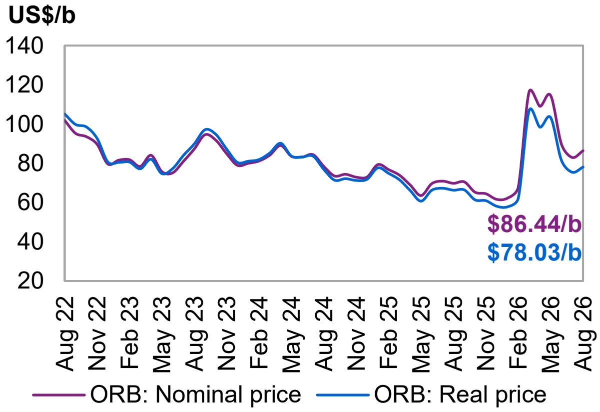
In terms of select emerging markets' currencies, the USD declined in August against the rupee and yuan by 0.4% and 0.6%, m-o-m, respectively, though it rose against the real by 0.8%. Compared with the same period last year, the USD was up against the rupee by 9.1%, y-o-y, but lower against the yuan and real by 6.1% and 5.2%, y-o-y, respectively.

The differential between nominal and real ORB prices widened in August. Inflation, measured as nominal price minus real price, rose by 10.8%, m-o-m.

In nominal terms, accounting for inflation, the ORB price increased by 4.2%, m-o-m, though it was higher by 23.8%, y-o-y.

In real terms (excluding inflation), the ORB increased by 3.5%, m-o-m, in August, but was up by 17.8%, y-o-y.

Graph 3 - 20: Impact of inflation and currency fluctuations on the spot ORB price (base June 2017 = 100)



Source: OPEC.

World Oil Demand

In 2026, world oil demand is forecast to grow by about 0.4 mb/d, y-o-y, reflecting a slight downward revision from last month's assessment. Overall, oil demand in the OECD is forecast to ease by about 0.1 tb/d in 2026, while non-OECD oil demand is forecast to grow by about 0.5 mb/d, y-o-y.

Global oil demand in 2027 is forecast to rebound by about 2.4 mb/d, y-o-y, reflecting an upward revision from last month's assessment. OECD demand is forecast to grow by around 0.4 mb/d, while demand from non-OECD countries is forecast to expand by about 2.0 mb/d.

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

World oil demand	2025	1Q26	2Q26	3Q26	4Q26	2026	*Change 2026/25*
Americas	25.58	25.66	25.63	26.36	25.81	25.87	0.29
of which US	*20.74*	*20.80*	*20.85*	*21.39*	*20.88*	*20.98*	*0.24*
Europe	13.52	13.01	13.29	13.60	13.43	13.33	-0.19
Asia Pacific	7.14	7.33	6.34	6.72	7.35	6.94	-0.21
Total OECD	**46.25**	**46.00**	**45.26**	**46.69**	**46.59**	**46.14**	**-0.11**
China	16.88	17.24	16.05	17.11	17.19	16.90	0.01
India	5.65	5.85	5.37	5.53	6.08	5.71	0.06
Other Asia	9.85	10.17	9.95	9.82	9.91	9.96	0.11
Latin America	6.94	6.94	7.10	7.16	7.09	7.07	0.13
Middle East	8.82	8.65	8.38	8.88	9.10	8.75	-0.06
Africa	4.92	5.07	4.75	5.00	5.39	5.05	0.14
Russia	4.01	4.07	3.87	4.06	4.21	4.05	0.05
Other Eurasia	1.31	1.48	1.34	1.20	1.37	1.35	0.04
Other Europe	0.83	0.83	0.84	0.82	0.92	0.85	0.02
Total Non-OECD	**59.21**	**60.29**	**57.66**	**59.58**	**61.25**	**59.70**	**0.49**
Total World	**105.46**	**106.29**	**102.92**	**106.27**	**107.85**	**105.84**	**0.38**

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

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

World oil demand	2026	1Q27	2Q27	3Q27	4Q27	2027	*Change 2027/26*
Americas	25.87	25.73	25.70	26.50	25.92	25.97	0.10
of which US	*20.98*	*20.88*	*20.92*	*21.48*	*20.96*	*21.06*	*0.08*
Europe	13.33	13.08	13.59	13.81	13.60	13.52	0.19
Asia Pacific	6.94	7.39	6.62	6.86	7.47	7.08	0.15
Total OECD	**46.14**	**46.20**	**45.91**	**47.18**	**46.99**	**46.57**	**0.43**
China	16.90	17.43	16.53	17.57	17.59	17.28	0.38
India	5.71	6.15	6.06	5.85	6.39	6.11	0.40
Other Asia	9.96	10.49	10.53	10.20	10.25	10.37	0.40
Latin America	7.07	7.07	7.25	7.28	7.22	7.21	0.14
Middle East	8.75	8.97	8.75	9.26	9.37	9.09	0.34
Africa	5.05	5.23	4.89	5.18	5.55	5.21	0.16
Russia	4.05	4.12	3.92	4.10	4.26	4.10	0.05
Other Eurasia	1.35	1.51	1.37	1.24	1.40	1.38	0.03
Other Europe	0.85	0.85	0.85	0.84	0.94	0.87	0.02
Total Non-OECD	**59.70**	**61.82**	**60.15**	**61.53**	**62.96**	**61.62**	**1.92**
Total World	**105.84**	**108.02**	**106.06**	**108.70**	**109.95**	**108.19**	**2.36**

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

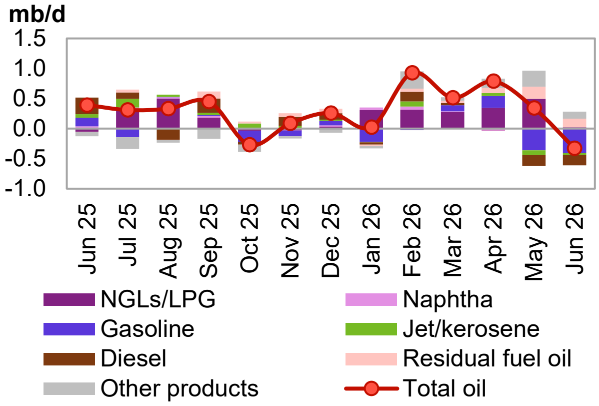
OECD

OECD Americas

Update on the latest developments

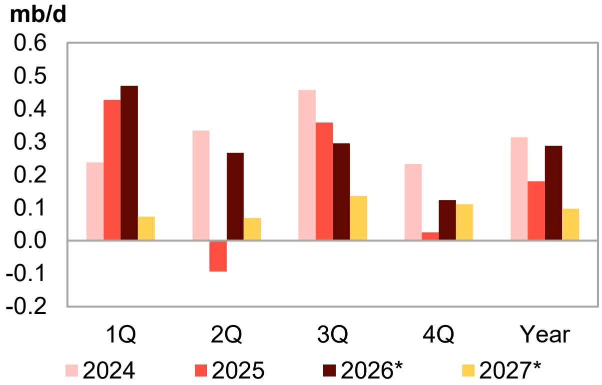
The OECD Americas' oil demand in June contracted by around 330 tb/d, y-o-y, after a marginal decline of about 30 tb/d, y-o-y, was seen in May. The US-led oil demand declined by around 270 tb/d, y-o-y, combined with a drop of 40 tb/d, y-o-y, from Mexico and 20 tb/d, y-o-y, from Canada. Oil demand in the region was subdued by a decline of about 410 tb/d, y-o-y, for gasoline, a drop of about 170 tb/d in diesel demand, and a 30 tb/d, y-o-y, contraction in jet/kerosene requirements. This more than offset the 150 tb/d, y-o-y, increase in residual fuel requirements, combined with an increase of 120 tb/d in demand for 'other products' and an increase of about 20 tb/d, y-o-y, in NGLs/LPG demand.

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



Sources: IEA, JODI, OPEC and national sources.

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



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

US

In June, US oil demand contracted by about 270 tb/d, y-o-y, down from growth of about 250 tb/d, y-o-y, seen in May. Regarding specific products, demand for gasoline saw the largest contraction of about 350 tb/d, y-o-y, though this was an improvement from a decline of 380 tb/d, y-o-y, observed the previous month, despite the increase in vehicle miles travelled (VMT) by 0.9%, y-o-y. Gasoline demand was subdued by rising pump prices, even as vehicle fleet fuel efficiency improved.

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

US oil demand By product	Jun 25	Jun 26	Change Jun 26/Jun 25
NGLs/LPG	3.61	3.57	-0.04
Naphtha	0.16	0.16	0.00
Gasoline	9.26	8.92	-0.35
Jet/kerosene	1.85	1.83	-0.02
Diesel	3.97	3.81	-0.16
Fuel oil	0.29	0.42	0.13
Other products	2.16	2.33	0.16
Total	**21.30**	**21.03**	**-0.27**

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

Sources: EIA and OPEC.

Demand for diesel declined by 160 tb/d, y-o-y, in June, a slight improvement from a y-o-y decline of 220 tb/d in May. Diesel consumption was affected by a price surge, despite a 1% increase in trucking activity during the month, according to data from the American Trucking Associations (ATA). Jet/kerosene demand slipped by around 20 tb/d, y-o-y, though this was an improvement from an increase of about 70 tb/d, y-o-y, seen the previous month. NGLs/LPG demand marginally declined by about 40 tb/d, y-o-y, down from a 260 tb/d, y-o-y, increase seen in May.

Meanwhile, demand for the 'other products' category increased by 160 tb/d, y-o-y, up from an increase of about 80 tb/d, y-o-y, observed the previous month. Residual fuel requirements saw an increase of 130 tb/d, y-o-y, up from an increase of about 90 tb/d, y-o-y, seen the previous month.

Near-term expectations

In the near term, the US economy continued to show remarkable resilience amid increased policy uncertainty. Real private sector business investment, easing unemployment and resilient consumer spending continued to support the US economy. High-frequency, forward-looking indicators, including purchasing managers' indices (PMIs), point to a positive trajectory. Figures from the US Institute for Supply Management (ISM) show that economic activity in the US manufacturing sector expanded for the eighth consecutive month, with the manufacturing PMI recording 54.6% in August, though this is 1% point below the July figure of 55.6%. The services PMI was steady in July and remains on an expansionary trajectory. Meanwhile, the annual inflation rate in the US slowed for a second consecutive month to 3.4% in July, from 3.5% in June. The GDP in this quarter is projected to slightly rise from the previous quarter.

For the remainder of 2026, the US economy is expected to be steady, underpinned by resilient consumer spending, supported by potential tax adjustments that are expected to boost consumer income, combined with low unemployment. Despite renewed trade tensions between the US and its trading partners, oil demand in the region is projected to remain firm, leading OECD demand growth with about 240 tb/d, y-o-y, to average 21 mb/d in 2026, while oil demand in the OECD Americas region is forecast to grow by 290 tb/d, y-o-y, to average 25.9 mb/d.

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

In 2027, economic activity in the region is projected to remain robust, with the gross domestic product (GDP) expected to retain the growth rates of 2026, largely driven by improvements in Canada and Mexico. The US GDP is expected to slightly moderate from 2026 growth rates, but remain firm, supported by consumer spending and steady employment. US inflation is also projected to significantly slow by next year, leading to an expected increase in OECD Americas' oil demand of about 100 tb/d, y-o-y, to average 26 mb/d. The US is forecast to drive regional oil demand growth with an increase of about 80 tb/d, y-o-y, to average 21 mb/d.

OECD Europe

Update on the latest developments

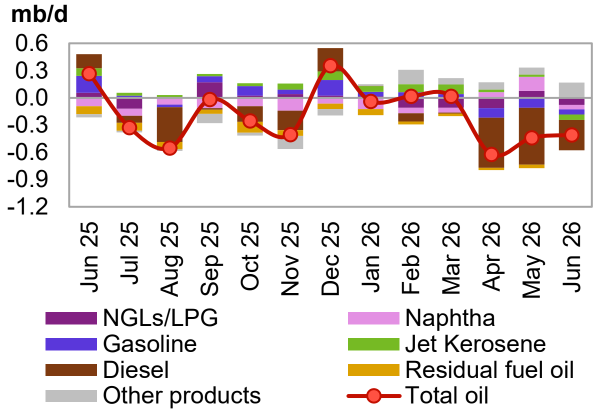
June oil demand in OECD Europe contracted by about 410 tb/d, y-o-y, following a decline of 410 tb/d, y-o-y, in May. Declines were seen across almost all countries in the region, though Germany, France, Italy and the UK combined accounted for the bulk of the month's y-o-y declines.

In terms of products, diesel accounted for about 70% of the overall y-o-y decline, with demand contracting by about 330 tb/d, though this is below the decline of 630 tb/d, y-o-y, seen the previous month. The largest y-o-y declines were observed in Germany and France, which combined accounted for 56% of the decline. Diesel was subdued by surging pump prices amid acute shortages due to supply chain disruptions, soft freight activity, weak economic momentum and an ongoing shift toward gasoline-driven and electric vehicles (EVs), which has been reducing the diesel passenger car fleet in the region.

Regarding petrochemical feedstock, NGLs/LPG requirements contracted by about 80 tb/d, y-o-y, down from an increase of about 80 tb/d, y-o-y, seen in May. Naphtha demand slipped by about 50 tb/d, y-o-y, down from an increase of 160 tb/d, y-o-y, seen the previous month.

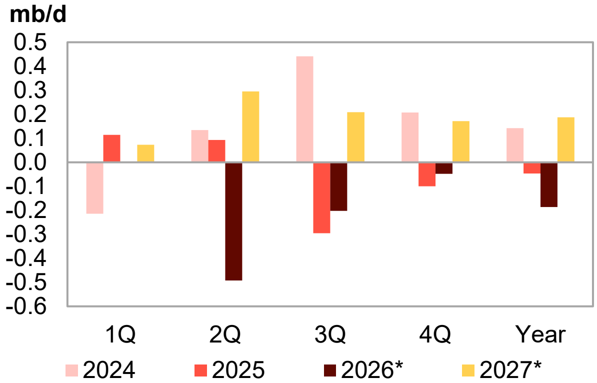
Meanwhile, jet/kerosene demand contracted by about 60 tb/d, y-o-y, down from broadly flat, y-o-y, seen the previous month. Demand for residual fuel increased by 10 tb/d, y-o-y, in May, while demand for the 'other products' category increased by about 160 tb/d, y-o-y, up from an increase of about 80 tb/d, y-o-y, in May. Residual fuel demand increased by 10 tb/d, y-o-y, an improvement compared with a decline of 40 tb/d, y-o-y, seen a month earlier. Meanwhile, gasoline demand decreased by about 50 tb/d, y-o-y, up from a decline of 110 tb/d, y-o-y, seen the previous month.

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



Sources: IEA, JODI, OPEC and national sources.

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



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

Near-term expectations

In the near term, economic activity in the region is projected to experience sluggish growth amid renewed inflationary pressure, remaining well above the European Central Bank's 2.0% target. Accordingly, oil demand in the region is anticipated to remain under pressure from weak economic activity and supply chain challenges, subduing petrochemical feedstock and diesel demand. Consequently, oil demand in the region is projected to decline by about 50 tb/d, y-o-y, in 4Q26, following a 200 tb/d decline in 3Q26. Meanwhile, the region's composite PMI improved slightly to 52.1 points in August, up from 51.9 in July.

For 2026, economic activity in the region is expected to remain on a moderately positive trajectory. However, a near-term downside risk is associated with weak industrial activity and supply tightness due to current oil market disruptions. Overall, oil demand is projected to decline by around 190 tb/d, y-o-y, in 2026, to average 13.3 mb/d.

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

Looking ahead, the region is predicted to see a moderate recovery in 2027, with GDP slightly surpassing 2026 growth rates. Consumption is expected to remain the main driver of growth, and inflation is expected to moderate. Germany's fiscal spending is predicted to continue supporting public investment and stimulating external demand with a multiplier effect across the region. Furthermore, road mobility and air travel are projected to remain relatively healthy. Accordingly, these factors are anticipated to support oil demand in the region, which is forecast to rebound and grow by about 190 tb/d, y-o-y, in 2027, to average 13.5 mb/d.

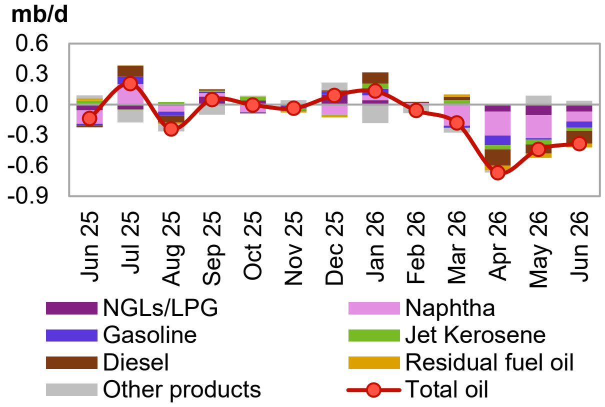
OECD Asia-Pacific

Update on the latest developments

Oil demand in the OECD Asia-Pacific region declined by about 380 tb/d, y-o-y, in June, although this was an improvement compared with the 440 tb/d, y-o-y, contraction seen in May. Within the region, declines emanated largely from a 260 tb/d drop in Japan and a 150 tb/d, y-o-y, fall in South Korea.

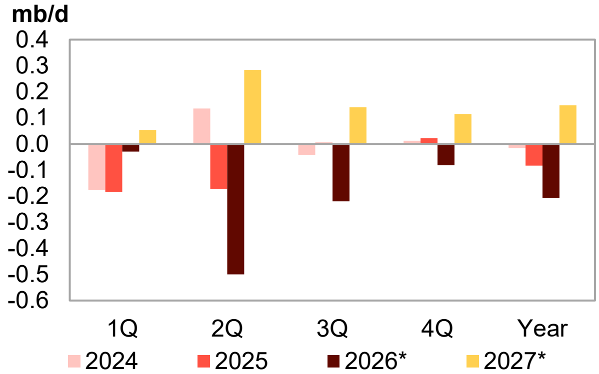
Regarding specific oil product demand in June, diesel demand saw the largest y-o-y decline of about 120 tb/d, compared with a 90 tb/d, y-o-y, contraction seen a month earlier. In petrochemical feedstock, naphtha contracted by about 90 tb/d, y-o-y, although this was an improvement compared with a large decline of 220 tb/d, y-o-y, seen in May. Meanwhile, South Korea and Japan remained under pressure to strengthen naphtha import security as geopolitical instability exposed supply chain vulnerabilities, prompting both countries to continue diversifying supply sources while accelerating industry and social efforts to reduce plastic use. In a related development, South Korean petrochemical producer YNCC sought at least 223 tb/d of naphtha for delivery in the second half of October through a tender that closed on 3 September. South Korea has also extended its naphtha export restrictions for an additional five months, through late January 2027. In a related development, South Korea has extended its export restrictions on naphtha for an additional five months through late January 2027. Demand for NGLs/LPG declined by around 70 tb/d, y-o-y, up from a contraction of around 110 tb/d, y-o-y, seen the previous month.

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



Sources: IEA, JODI, OPEC and national sources.

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



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

Regarding transportation fuel demand, gasoline requirements contracted by about 60 tb/d, y-o-y, down from a marginal decline of about 20 tb/d, y-o-y, in May. Jet/kerosene demand inched down by about 30 tb/d, y-o-y, although this was an improvement compared with a decline of about 50 tb/d, y-o-y, seen the previous month.

Residual fuel demand slipped by about 40 tb/d, y-o-y, compared with a decline of 40 tb/d, y-o-y, seen the previous month. Demand for the 'other products' category saw an increase of 40 tb/d, y-o-y, though it was below May's increase of about 90 tb/d, y-o-y.

Near-term expectations

In the near term, the region's economy is expected to remain resilient and on a moderate recovery path, driven by domestic demand and low unemployment, which are supporting continued wage growth amid stable inflation. Despite ongoing persistent headwinds from high global energy costs, the government's various policy measures and accommodative financial conditions are expected to offset some of the pass-through effects of the global oil market disruption on the domestic cost of production. Accordingly, in 4Q26, oil product demand in the region is projected to decline by about 80 tb/d, y-o-y, compared with a 220 tb/d, y-o-y, decline in 3Q26.

In 2026, Japan's economy is projected to continue growing, though moderately, underpinned by supportive government policy measures and accommodative financial conditions. Private consumption is expected to remain resilient against a background of improvement in employment and incomes. Forward-looking, high-frequency data for Japan's manufacturing PMI inched up to 55 points in August, from 54.5 in July. Japan's services PMI remained on an expansionary trajectory at 52.3 in August, rising from 51.2 in July. The country's core inflation rate hovered at around 1.8% for July, remaining below the Bank of Japan's (BoJ's) target of 2%. Meanwhile, the Japanese government pledged to continue to maintain subsidies to cap gasoline prices and ease the impact of inflation on the economy. In line with this, the Japanese Cabinet approved an allocation of ¥613.6 billion ($3.84 billion) from a reserve fund to a gasoline subsidy fund, aiming to keep domestic retail gasoline prices at about ¥170/litre.

The South Korean economy is expected to remain robust, in line with projected strong economic growth of about 3%, the strongest expansion seen since 2021, with private consumption expected to rise as inflation stabilizes and interest rates fall amid expansionary fiscal policy, which is expected to support a rise in consumer incomes. Industrial production also turned positive, with the PMI standing at 52.7 points in July, rising from 51.5 points in June. Meanwhile, in semi-annual economic policy plans released earlier, the finance ministry projected this year's economic growth at 3.0%, the strongest since 2021, up from the previous forecast of 2.0%, and above last year's 1.1%. The inflation rate in South Korea decreased to 2.8% in July from 3.2% in June, although it remains above the Bank of Korea's medium-term target of 2.0%. Meanwhile, the South Korean government pledged measures, including fuel price caps, extended foreign-exchange regulatory easing and low-cost policy loans in the second half of the year, to counter persistently high inflation and currency weakening linked to the ongoing oil market disruption.

Despite some positive outlook, oil demand in the region is anticipated to remain broadly under pressure from ongoing oil market disruptions, creating some supply bottlenecks. Accordingly, it is projected to ease by about 210 tb/d, y-o-y, to average 6.9 mb/d in 2026.

Regarding specific products, while demand for the 'other products' category is projected to account for all the y-o-y oil demand growth in the region, it is projected to increase only moderately.

In 2027, economic growth in Japan is expected to remain steady, supported by a gradual recovery in manufacturing activity, normalising monetary policy and ongoing fiscal support, starting in fiscal year 2027. These measures are expected to support private demand and increase public investment, lending some economic support to the country's economy. Accordingly, Japanese economic growth is projected to slightly surpass 2026 rates. The South Korean economy is projected to be on a growth trajectory, albeit slightly moderating compared with 2026. The proposed increase in budget spending by at least 10%, prioritising mega projects, is expected to aggressively stimulate the economy through national investment and direct consumer spending. Accordingly, these factors are expected to support a regional rebound in oil demand of about 150 tb/d, y-o-y, to average 7.1 mb/d.

Non-OECD

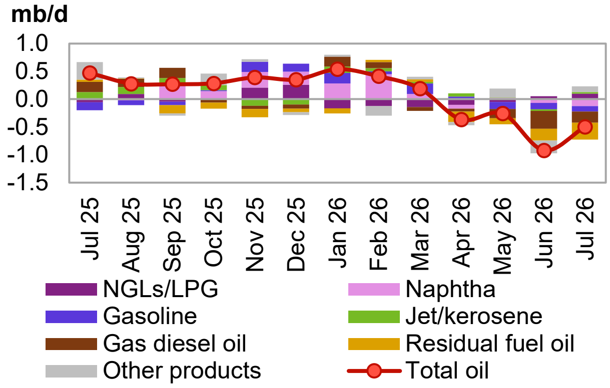
China

Update on the latest developments

China's oil demand in July declined by about 500 tb/d, y-o-y, although this was an improvement from the large contraction of 820 tb/d, y-o-y, seen in June. Most petroleum products saw declines at varying rates, except for the 'other products' category and LPG, which increased by about 100 tb/d, y-o-y, each.

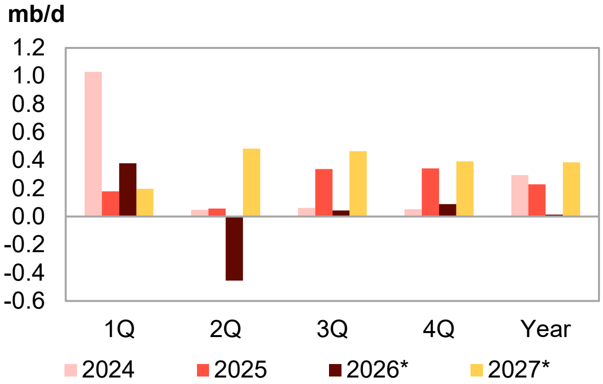
Regarding demand for specific products, residual fuel requirements saw the largest decline, down about 330 tb/d, y-o-y, from a contraction of about 210 tb/d, y-o-y, in June. Diesel demand shrunk by about 200 tb/d, y-o-y, although this was an improvement from the 330 tb/d, y-o-y, contraction seen the previous 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: * 2026-2027 = Forecast.*
Source: OPEC.

In terms of petrochemical feedstock, demand for naphtha contracted by around 120 tb/d, y-o-y, down from a decline of about 70 tb/d, y-o-y, seen in June. Demand for LPG increased by about 100 tb/d, y-o-y, up from growth of 50 tb/d, y-o-y, observed the previous month.

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

China's oil demand By product	Jul 25	Jul 26	Change Jul 26/Jul 25
NGLs/LPG	3.17	3.26	0.10
Naphtha	1.61	1.49	-0.12
Gasoline	3.35	3.25	-0.10
Jet/kerosene	1.09	1.11	0.03
Diesel	3.63	3.43	-0.20
Fuel oil	0.95	0.65	-0.30
Other products	3.06	3.17	0.10
Total	**16.86**	**16.36**	**-0.50**

*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.

Meanwhile, demand in the 'other products' category increased by about 100 tb/d, y-o-y, up from a y-o-y decline of 130 tb/d in June. Jet/kerosene requirements inched up by about 30 tb/d, y-o-y, up from a decline of 30 tb/d, y-o-y, in June.

Near-term expectations

In the near term, China's economy is projected to remain stable. According to preliminary indicators, industrial production has remained firm, growing by 5.3%, y-o-y, in June. The manufacturing PMI has been broadly on an expansionary trajectory since April, while the services PMI also moved into expansionary territory, with 51.2 points in July, up from a contraction in June. Chinese foreign trade maintained strong performance, with exports surging by 23.9%, y-o-y, in July. Most of these factors highlighted a positive near-term outlook for China's economy and oil demand. In 4Q26, demand for petrochemical feedstock, including ethane, LPG and naphtha, is expected to increase significantly, driven by requirements for plastics and packaging amid a surge in petrochemical product exports during end-of-year festivities. Accordingly, oil demand is projected to grow by about 0.1 mb/d, y-o-y, in 4Q26.

In 2026, economic activity in China is expected to remain supported by resilient exports amid strong industrial output. The Chinese government's drive to stimulate domestic economic activity through accelerating fiscal spending is expected to provide additional support for economic activity in China in the near term. With this, oil demand in the country is expected to marginally increase by about 10 tb/d, y-o-y, in 2026, to average 16.9 mb/d. However, ongoing property-sector weakness amid sluggish domestic demand, along with soft private investment and rising new energy vehicle penetration, continues to pose a downside risk to oil demand.

Regarding specific products, the 'other products' category is also projected to drive demand growth. Naphtha is projected to grow, with the average utilization rate at China's propene dehydration units expected to continue rising. Average operating rates at the country's propane dehydrogenation plants recovered to levels above 70% in July 2026, improving from earlier spring lows, as plant maintenance concluded and margins stabilized. Demand for transportation fuels, particularly jet/kerosene and gasoline, is projected to grow. Demand for the 'other products' category is also expected to inch up. However, diesel and residual fuel demand is projected to remain subdued.

In 2027, economic activity in China is expected to rebound amid a newly unveiled increase in fiscal spending and monetary support, improved household consumption, and robust global trade. Similarly, transportation activity is expected to remain healthy, supported by strong demand from the petrochemical sector. This is expected to support oil product demand growth of about 0.4 mb/d, y-o-y, bringing the average to about 17.3 mb/d.

India

Update on the latest developments

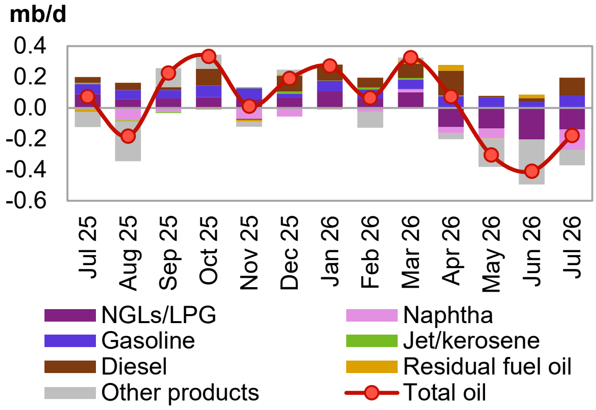
In July, India's oil demand increased by about 90 tb/d, y-o-y, up from a decline of about 180 tb/d, y-o-y, seen the previous month. The y-o-y increase in July stems from demand for diesel, gasoline and residual fuel requirements.

Regarding specific products, diesel requirements saw the largest y-o-y increase of 180 tb/d, up from growth of about 120 tb/d, y-o-y, observed in June. Diesel was supported by infrastructure projects and road freight, with robust growth supported primarily by sustained economic activity, improved industrial and manufacturing output, and increased freight movement across the country. Furthermore, increased agricultural mechanization amid deficient rainfall in some parts of the country during the month resulted in higher diesel usage for irrigation activities. Diesel demand was also supported by the domestic sale of commercial vehicles, which grew by 24%, y-o-y, in July.

Gasoline demand increased by 90 tb/d, y-o-y, up from growth of about 80 tb/d, y-o-y, seen in June. Residual fuel demand increased by about 30 tb/d, y-o-y, up from flat, y-o-y, the previous month. Jet/kerosene demand was broadly flat, y-o-y, for the second consecutive month.

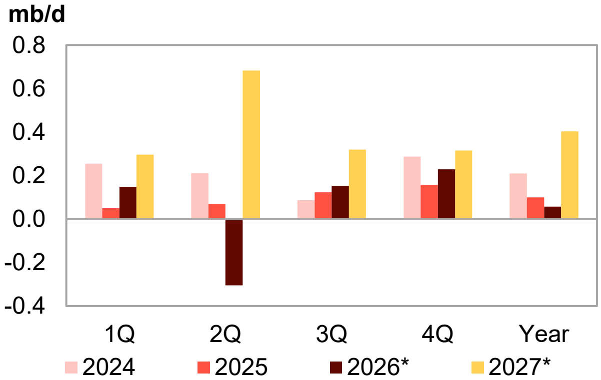
Meanwhile, demand for LPG saw the largest decline of about 170 tb/d, y-o-y, down from a decline of 140 tb/d, y-o-y, seen the previous month. LPG consumption was subdued due to supply constraints stemming from Middle East disruptions. In addition, industrial and commercial users shifted to piped natural gas (PNG) as an alternative after the government capped the use of LPG in these areas.

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



Sources: PPAC, JODI and OPEC.

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



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

Naphtha requirements contracted by about 40 tb/d, y-o-y, a significant improvement compared with the decline of 130 tb/d, y-o-y, seen in June. Demand for 'other products' declined marginally by about 10 tb/d, y-o-y, showing a significant improvement compared with a decline of 100 tb/d, y-o-y, seen in the previous month.

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

India's oil demand By product	Jul 25	Jul 26	Change Jul 26/Jul 25
NGLs/LPG	1.05	0.88	-0.17
Naphtha	0.28	0.24	-0.04
Gasoline	0.96	1.06	0.09
Jet/kerosene	0.19	0.19	0.00
Diesel	1.79	1.97	0.18
Fuel oil	0.10	0.14	0.03
Other products	0.95	0.94	-0.01
Total	**5.33**	**5.41**	**0.09**

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

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

Near-term expectations

In the near term, India's economic growth is expected to remain robust, supported by strong consumption demand, strong services momentum and a resilient manufacturing base. In line with this, the country's PMI remained at a healthy 52.9 in August, though this was slightly below the 53.9 points seen in July, indicating ongoing expansion in factory activity, with support from output and orders. The services PMI increased further to 54.5 points in August from 53.1 in July. Indian inflation rose again to a provisional 4.45% in July, up from 4.4% in June, marking the second consecutive month above the Reserve Bank of India's (RBI) medium-term target of 4%. Economic expansion in the country is anticipated to continue steadily, driven by ongoing consumer spending, investment and government support for key sectors. Meanwhile, India imported about 0.62 million tonnes of LPG from the US in August, after bringing in 0.89 million tonnes in July. The US accounted for more than 73% of India's LPG imports during August. Importing from the US is part of a wider supply-side strategy to ease supply bottlenecks imposed by ongoing geopolitical tensions curtailing LPG supply to the country. Accordingly, the country's oil demand is projected to increase by about 0.2 mb/d, y-o-y, in 4Q26. Meanwhile, preliminary data from the Indian Petroleum Planning & Analysis Cell (PPAC) indicates a continuation of oil demand growth in August.

In 2026, India's domestic growth momentum remains resilient, supported by robust domestic demand and a strong services sector, despite external pressures, including global trade uncertainties and geopolitical headwinds. Expansionary fiscal policy support is expected to cushion the likely impact of higher energy prices through subsidies. In particular, expansionary fiscal policy is expected to provide near-term support to real household incomes and limit the impact on consumption. Furthermore, private investment is also expected to strengthen via private credit investments. In 1H26, domestic funds drove India's private credit market, as private investments have reportedly reached US$3.5 billion. Overall, oil demand in India is projected to grow by about 60 tb/d, y-o-y, to average 5.7 mb/d in 2026.

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

Looking ahead to 2027, India's economy is expected to benefit from strong domestic fundamentals, including healthy consumer demand, sustained public investment, stable macroeconomic fundamentals, and a supportive policy environment. Fiscal policy is also expected to be expansionary, while inflation is predicted to moderate. These factors are expected to support a positive economic outlook for 2027. Accordingly, ongoing government support for households and expected new petrochemical capacity additions are predicted to provide additional support for oil demand growth of about 0.4 mb/d, y-o-y, bringing the average to 6.1 mb/d.

Other Asia

Update on the latest developments

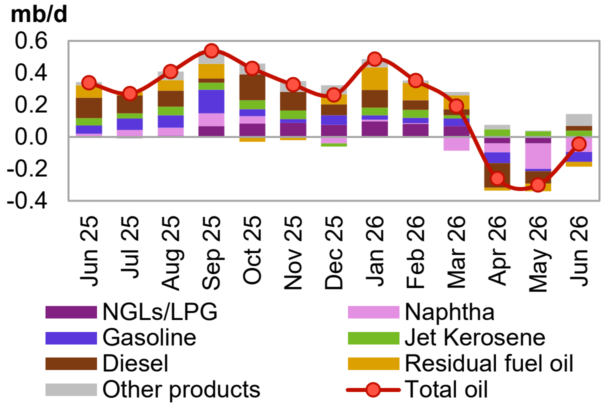
Oil demand in Other Asia contracted by around 40 tb/d, y-o-y, compared with a contraction of 300 tb/d, y-o-y, in June. Declines were seen in naphtha, gasoline and residual fuels, with the other petroleum product categories showing slight increases, y-o-y.

Regarding specific products, naphtha requirements saw the largest contraction of about 90 tb/d, y-o-y, although this was an improvement compared with a decline of about 160 tb/d, y-o-y, seen in May. LPG requirements were broadly flat, y-o-y, up from a decline of about 40 tb/d, y-o-y, seen the previous month. Residual fuel demand contracted by about 30 tb/d, y-o-y, from a decline of 50 tb/d, y-o-y, seen the previous month.

Among transportation fuels, demand for diesel increased by about 30 tb/d, y-o-y, up from a decline of 80 tb/d, y-o-y in May. Jet/kerosene requirements increased by about 40 tb/d, y-o-y, up from an increase of 30 tb/d, y-o-y, seen the previous month. Gasoline demand eased by around 60 tb/d, y-o-y, down from a decline of about 10 tb/d, y-o-y, in May.

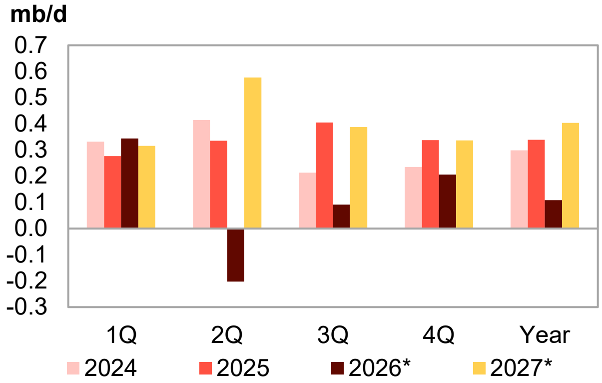
Meanwhile, demand for the 'other products' category increased by 70 tb/d, y-o-y, an improvement compared with broadly flat, y-o-y, seen a month earlier.

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



Sources: JODI, National sources, and OPEC.

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



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

Near-term expectations

In the near term, economic activity in the region's major oil-consuming countries is anticipated to demonstrate strong resilience, but grow moderately in 4Q26, driven primarily by resilient household consumption amid contained inflation and structural investments, which are expected to support a regional increase in oil demand of about 0.2 mb/d, y-o-y.

In 2026, economic activity in major oil-consuming countries is expected to remain steady, albeit unevenly, across the region's major economies, driven by strong domestic consumption, private investment, public infrastructure spending and a strong policy environment.

Malaysia's economy is anticipated to remain resilient, supported by strong economic fundamentals, despite external uncertainties. Private consumption is expected to benefit from continued income growth, as well as ongoing policy measures, which will support steady household spending, private investment and domestic demand.

Indonesia's economy is expected to remain healthy, driven by strong household consumption, a robust services sector, and strong gross fixed capital formation, supported by lower borrowing costs after substantial monetary policy easing. Other countries in the region, including Pakistan and Thailand, are also projected to see variable but steady growth rates. Overall, in the region, healthy road mobility and air travel activity are projected to continue amid strong manufacturing and agricultural output.

The ongoing oil market disruption continued to exert some upward pressure on domestic production costs in the region, with pass-through effects on domestic inflation. The overall impact on inflation remained contained by domestic demand management policies, including targeted subsidies amid stable domestic demand conditions, which are anticipated to continue offsetting most of the pass-through effect of higher energy costs.

These factors are expected to support oil demand growth of about 0.1 mb/d, y-o-y, in 2026, bringing the average to 10.0 mb/d.

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

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

Latin America

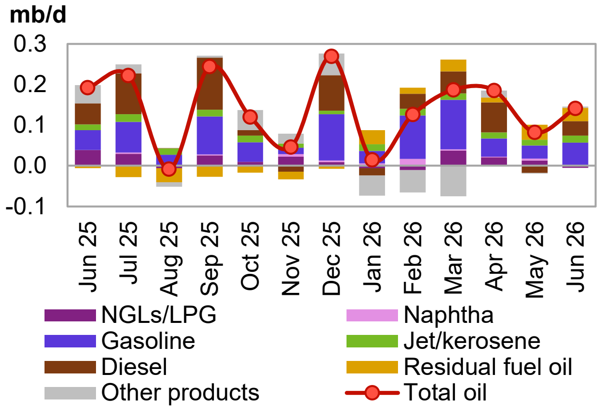
Update on the latest developments

Oil demand in Latin America increased further by about 140 tb/d, y-o-y, up from a marginal increase of about 80 tb/d, y-o-y, seen the previous month. Regarding specific products, gasoline demand saw the largest y-o-y increase of about 60 tb/d, up from an increase of 30 tb/d, y-o-y, seen the previous month. Demand for diesel increased by about 40 tb/d, y-o-y, up from a decline of 20 tb/d, y-o-y, seen the previous month.

Meanwhile, requirements for residual fuels increased by 30 tb/d, y-o-y, while the 'other products' category, including ethanol, was broadly flat, y-o-y. Jet/kerosene demand rose by about 20 tb/d, y-o-y, up from an increase of about 10 tb/d, y-o-y, seen the previous month.

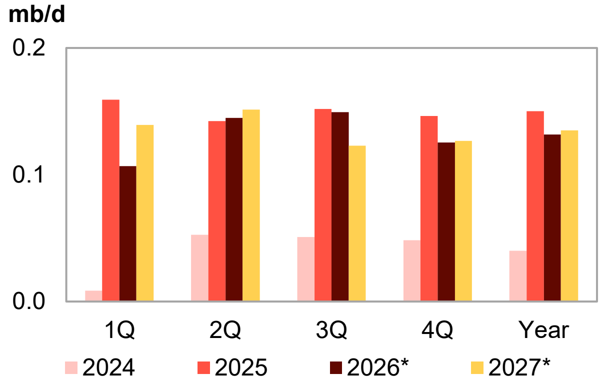
In terms of petrochemical feedstock, naphtha demand was broadly flat, y-o-y, for the fourth consecutive month. Demand for NGLs/LPG slipped by 10 tb/d, y-o-y, down from an increase of about 10 tb /d, y-o-y, seen the previous month.

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



Sources: JODI, OPEC and national sources.

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



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

Near-term expectations

In the near-term, Latin America's economy is projected to see a modest expansion, with 2H26 growing slightly more than 1H26. Brazil's economy is expected to continue growing, supported by agribusiness supply chains, payments, healthcare, consumer staples, energy, mining services and infrastructure tied to public spending. In addition, pre-election government stimulus and a firm labour market are expected to provide additional support to household consumption. Meanwhile, the inflation rate eased to 4.4% in July, significantly below the 5.3% seen in July 2025, and in line with the central bank's target range of 1.50%–4.50%. However, the composite manufacturing and services PMIs retracted to 48.8 points in July from 50.5 points in June.

Argentina's economy is experiencing a moderate improvement, driven mostly by a boom in natural resources, including energy, mining and agricultural product exports. Private investment is also benefiting from broader economic reforms aimed at creating jobs and attracting investment into infrastructure. Meanwhile, Argentina and Chile are seeking to unlock billions of dollars in mining investment by advancing legal and regulatory frameworks that would allow companies from the two countries to share infrastructure and resources. Large-scale mining operations unlocked by the treaty (adding over $20.7 billion in investments) will increase local demand for heavy machinery, logistics and industrial fuel or diesel during construction and operation. Accordingly, these factors are set to remain the main drivers of economic activity in the region, supporting oil demand growth of about 0.1 mb/d, y-o-y, in 4Q26.

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

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

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

Middle East

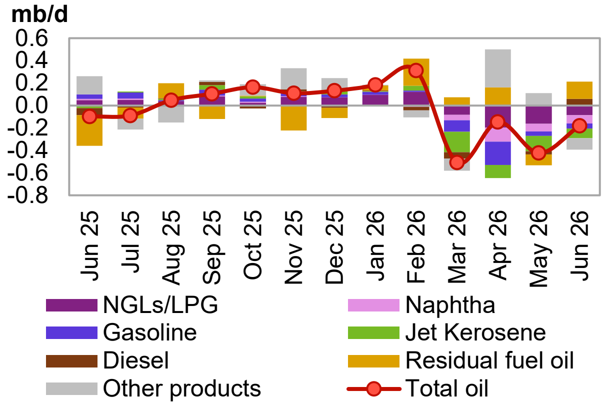
Update on the latest developments

Oil demand in the Middle East in June eased by 180 tb/d, y-o-y, after a strong decline of about 420 tb/d, y-o-y, was seen in May. Large declines from the UAE, combined with a contraction from IR Iran and Kuwait, more than offset y-o-y increases seen in Saudi Arabia and Iraq. In terms of products, declines in the 'other products' category, including direct crude burning, combined with declines in petrochemical feedstock and transportation fuel requirements, more than offset y-o-y increases in diesel and residual fuel demand.

Regarding specific product demand in June, the 'other products' category, including direct crude burning demand, saw the largest contraction of about 100 tb/d, y-o-y, down from a 110 tb/d, y-o-y, increase seen in May. Demand for LPG contracted by about 90 tb/d, y-o-y, though this was an improvement compared with a decline of about 160 tb/d, y-o-y, in May. Naphtha demand eased by 70 tb/d, y-o-y, for the second consecutive month. In transportation fuels, while jet/kerosene demand eased by about 80 tb/d, y-o-y, gasoline requirements slipped by about 50 tb/d, y-o-y.

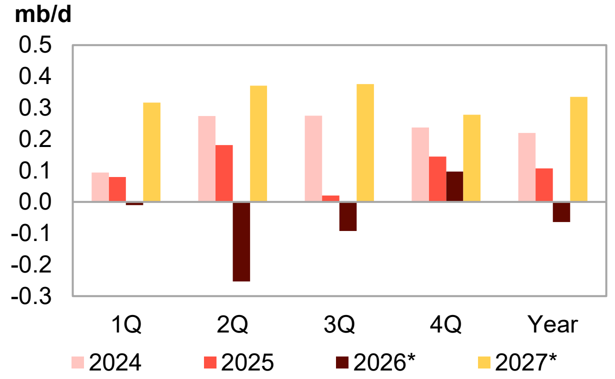
Meanwhile, demand for residual fuel saw the largest increase of about 150 tb/d, y-o-y, up from a contraction of about 100 tb/d in May. Demand for diesel increased by about 60 tb/d, y-o-y, up from a decline of about 30 tb/d, y-o-y, in May. Saudi Arabia accounted for the largest increase in demand for both diesel and residual fuel. The y-o-y increase in demand was due to power-generation requirements.

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



Sources: JODI, OPEC and national sources.

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



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

Near-term expectations

Looking ahead, the region's major consuming countries' GDPs are expected to moderate in 4Q26, but remain on a positive path, supported by the non-oil economy. Economic activity in the region is expected to see a gradual stabilization from the current headwinds, as mobility, trade flows and economic activity gradually stabilize towards the end of the year. Accordingly, oil demand in the region is forecast to increase slightly by about 100 tb/d, y-o-y, in 4Q26. Downside risk is ongoing current oil market disruptions, depending on the speed of gradual stabilization.

In 2026, the region is expected to remain cautiously resilient, supported by the non-oil economy amid steady private consumption and slowing inflation. Meanwhile, the latest PMI readings from the region's largest economies point to a steady pace of non-oil economic activity. Saudi Arabia's non-oil economy PMI remained on an expansion trajectory, though it retracted slightly to 52.5 points in July, from 53.2 points in June. In the UAE, the non-oil PMI inched up to 52.5 points in July, from 51 points in June. Meanwhile, Saudi Arabia's annual inflation rate held steady at 1.8% in July 2026 for the third consecutive month, in line with market expectations. The inflation rate in the United Arab Emirates decreased to 5.3% in July from 5.70 % in June. Despite the positive near-term outlook, oil demand in the region is projected to decline marginally by around 60 tb/d, y-o-y, to average 8.8 mb/d in 2026.

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

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

World Oil Supply

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

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

DoC NGLs and non-conventional liquids are forecast to rise by about 0.1 mb/d in 2026 to average 8.7 mb/d. Further growth of about 0.1 mb/d is expected in 2027, with production forecast to average 8.9 mb/d.

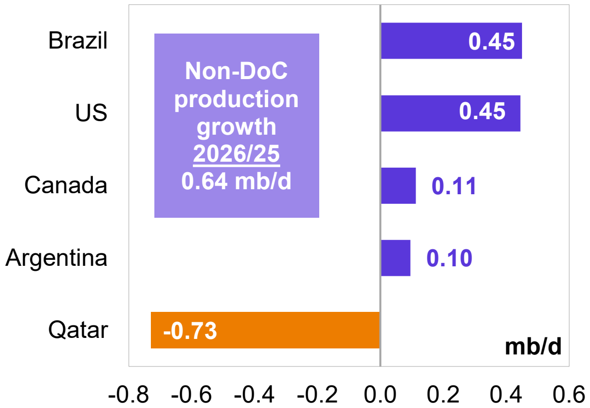
According to available secondary sources, DoC crude oil production in August increased by 0.30 mb/d, m-o-m, to average 38.05 mb/d.

Key drivers of growth and decline

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

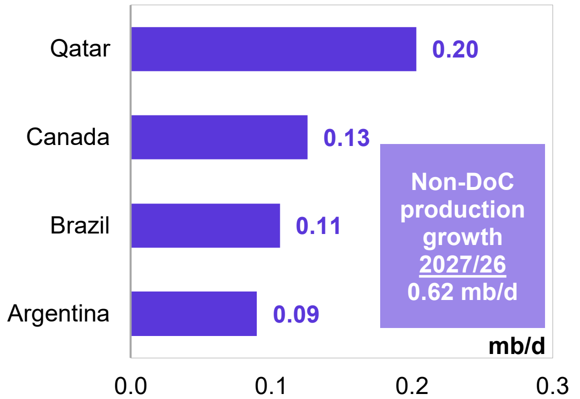
In 2027, liquids supply from non-DoC countries is forecast to expand by about 0.6 mb/d. The forecast is consistent with last month's assessment. Growth is expected to be led by Qatar, Canada, Brazil and Argentina.

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



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

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



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

Non-DoC liquids production in 2026 and 2027

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

Non-DoC liquids production	2025	1Q26	2Q26	3Q26	4Q26	2026	*Change 2026/25*
Americas	28.29	28.27	28.81	29.08	29.23	28.85	0.56
of which US	*22.22*	*22.10*	*22.80*	*22.87*	*22.88*	*22.67*	*0.45*
Europe	3.63	3.76	3.57	3.54	3.66	3.63	0.01
Asia Pacific	0.41	0.39	0.38	0.39	0.38	0.39	-0.02
Total OECD	**32.32**	**32.43**	**32.77**	**33.01**	**33.27**	**32.87**	**0.55**
China	4.62	4.74	4.68	4.59	4.58	4.65	0.03
India	0.82	0.82	0.81	0.81	0.82	0.81	0.00
Other Asia	1.64	1.66	1.68	1.64	1.62	1.65	0.01
Latin America	7.55	8.20	8.35	8.26	8.40	8.30	0.75
Middle East	1.99	1.53	0.70	1.31	1.57	1.28	-0.72
Africa	2.27	2.23	2.25	2.22	2.32	2.25	-0.01
Other Eurasia	0.36	0.35	0.35	0.36	0.36	0.36	0.00
Other Europe	0.09	0.09	0.09	0.09	0.09	0.09	0.00
Total Non-OECD	**19.34**	**19.62**	**18.91**	**19.29**	**19.76**	**19.39**	**0.06**
Total Non-DoC production	51.66	52.05	51.67	52.29	53.03	52.27	0.61
Processing gains	2.54	2.57	2.57	2.57	2.57	2.57	0.03
Total Non-DoC liquids production	**54.20**	**54.62**	**54.24**	**54.86**	**55.60**	**54.84**	**0.64**

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

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

Non-DoC liquids production	2026	1Q27	2Q27	3Q27	4Q27	2027	*Change 2027/26*
Americas	28.85	28.79	28.83	29.08	29.33	29.01	0.16
of which US	*22.67*	*22.47*	*22.71*	*22.75*	*22.85*	*22.70*	*0.03*
Europe	3.63	3.62	3.51	3.46	3.58	3.54	-0.09
Asia Pacific	0.39	0.38	0.36	0.38	0.38	0.38	-0.01
Total OECD	**32.87**	**32.79**	**32.71**	**32.92**	**33.29**	**32.93**	**0.06**
China	4.65	4.68	4.66	4.57	4.59	4.63	-0.02
India	0.81	0.81	0.80	0.80	0.80	0.80	-0.01
Other Asia	1.65	1.63	1.62	1.63	1.64	1.63	-0.02
Latin America	8.30	8.54	8.57	8.67	8.84	8.66	0.36
Middle East	1.28	1.47	1.48	1.49	1.51	1.49	0.21
Africa	2.25	2.29	2.28	2.27	2.27	2.28	0.02
Other Eurasia	0.36	0.36	0.36	0.36	0.36	0.36	0.00
Other Europe	0.09	0.10	0.10	0.10	0.10	0.10	0.00
Total Non-OECD	**19.39**	**19.87**	**19.86**	**19.89**	**20.12**	**19.93**	**0.54**
Total Non-DoC production	52.27	52.66	52.57	52.80	53.41	52.86	0.60
Processing gains	2.57	2.59	2.59	2.59	2.59	2.59	0.02
Total Non-DoC liquids production	**54.84**	**55.25**	**55.16**	**55.39**	**56.00**	**55.45**	**0.62**

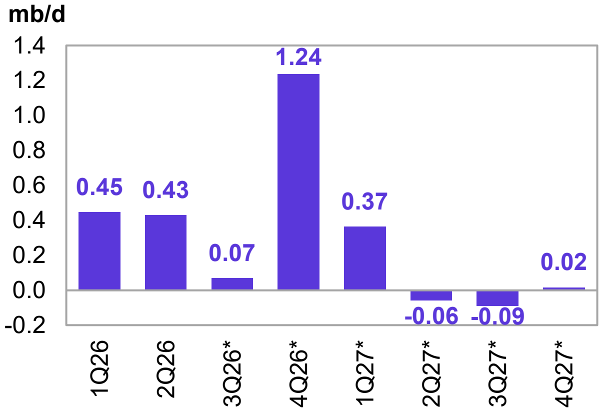
*Note: * 2026 and 2027 = Forecast. Totals may not add up due to independent rounding.*
Source: OPEC.

OECD

In 2026, OECD liquids production (excluding DoC participating country, Mexico) is forecast to increase by 0.5 mb/d to average 32.9 mb/d. OECD Americas is forecast to be the primary growth driver, with an increase of 0.6 mb/d to average 28.9 mb/d. OECD Europe liquids production is expected to rise by about 10 tb/d, y-o-y, to average 3.6 mb/d, while OECD Asia Pacific is set to drop by about 18 tb/d to average 0.4 mb/d.

In 2027, OECD liquids production (excluding DoC participating country, Mexico) is forecast to increase by 0.1 mb/d to average 32.9 mb/d. Growth is again led by OECD Americas, with an expected increase of 0.2 mb/d, to average 29.0 mb/d. OECD Europe liquids production is expected to drop by about 90 tb/d to average 3.5 mb/d, while OECD Asia Pacific is set to fall by about 10 tb/d, y-o-y, to average 0.4 mb/d.

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



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

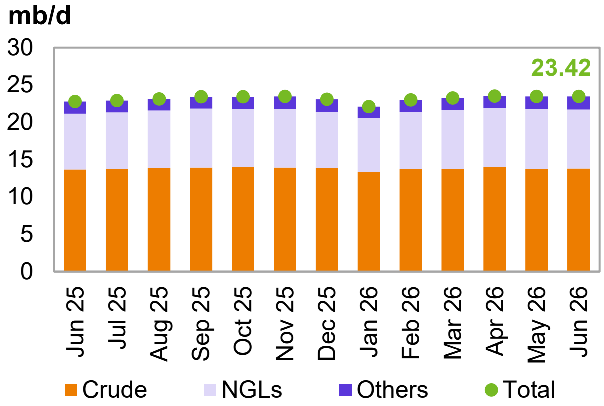
US

US liquids production in June 2026 dropped by 20 tb/d, m-o-m, to average 23.4 mb/d, according to the US Energy Information Administration (EIA). The June 2026 level was around 0.7 mb/d higher than the same month last year.

Crude oil and condensate production rose by 37 tb/d, m-o-m, to 13.8 mb/d. This was up by about 0.1 mb/d, y-o-y.

In terms of the regional production breakdown of crude oil and condensate by Petroleum Administration for Defence District (PADD), production on the US Gulf Coast (USGC) (PADD 3) dropped by 19 tb/d, m-o-m, to average 10.2 mb/d. Production on the East and West Coasts (PADD 1 and PADD 5) remained largely unchanged, m-o-m. Crude oil output in the Midwest and Rocky Mountain regions (PADD 2 and PADD 4) rose by 55 tb/d and 5 tb/d, m-o-m, respectively.

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



Sources: EIA and OPEC.

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

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

State	Jun 25	May 26	Jun 26	Change m-o-m	Change y-o-y
Texas	5,756	5,803	5,728	*-75*	*-28*
New Mexico	2,179	2,399	2,367	*-32*	*188*
Gulf of Mexico (GoM)	1,941	1,910	1,998	*88*	*57*
North Dakota	1,172	1,119	1,158	*39*	*-14*
Colorado	469	455	445	*-10*	*-24*
Alaska	423	416	413	*-3*	*-10*
Oklahoma	404	387	390	*3*	*-14*
Total	**13,656**	**13,755**	**13,792**	***37***	***136***

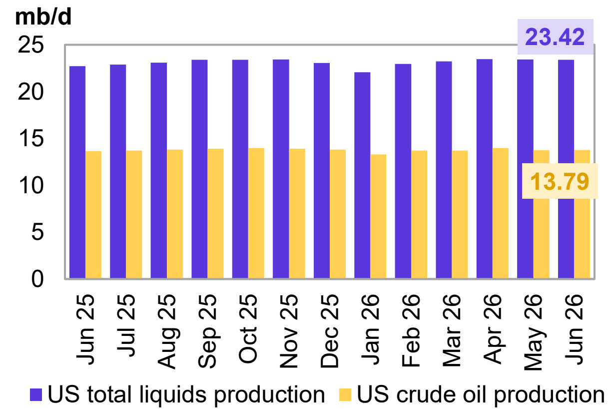
Sources: EIA and OPEC.

According to the US Department of Energy (DoE), NGLs production dropped by 0.1 mb/d, m-o-m, to average 7.9 mb/d in June. This was 0.4 mb/d higher, y-o-y. Non-conventional liquids production (mainly ethanol) increased by 45 tb/d, m-o-m, to average 1.7 mb/d. Preliminary estimates indicate that non-conventional liquids production was almost steady, m-o-m, averaging about 1.7 mb/d in July.

GoM production increased by 88 tb/d, m-o-m, to average 2.0 mb/d in June. This was higher by about 57 tb/d, y-o-y. The marked recovery from May's subdued levels, alongside ongoing advancements across Shenandoah, Leon Castile, Monument and Longclaw, is expected to support near-term GoM production. For the onshore Lower 48, crude and condensate production dropped by about 48 tb/d, m-o-m, to average 11.4 mb/d in June.

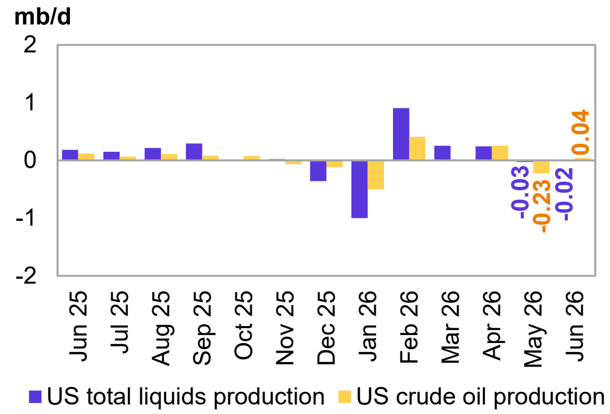
In terms of individual states, New Mexico's oil production dropped by 32 tb/d, m-o-m, to average 2.4 mb/d. This is 188 tb/d higher than a year ago. Texas production fell by 75 tb/d, m-o-m, to average 5.7 mb/d, which is 28 tb/d lower than a year ago. In the Midwest, North Dakota's production rose by 39 tb/d, m-o-m, to average 1.2 mb/d. This was lower by 14 tb/d, y-o-y. Concurrently, production in Oklahoma rose by a marginal 3 tb/d, m-o-m, to average 0.4 mb/d. Production in Colorado and Alaska decreased slightly by 10 tb/d and 3 tb/d, m-o-m, respectively.

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



Sources: EIA and OPEC.

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



Sources: EIA and OPEC.

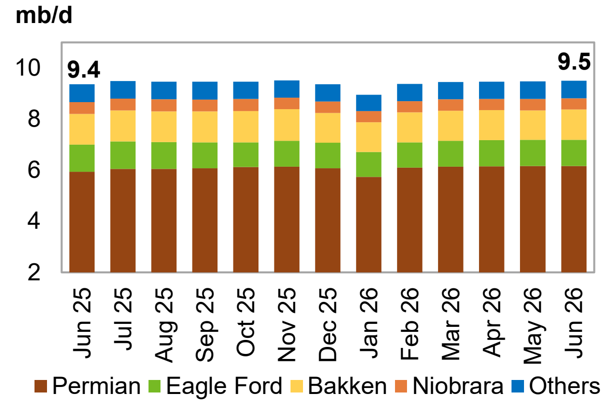
US tight crude production in June is estimated to have risen by 18 tb/d, m-o-m, to average 9.5 mb/d. This draws on the latest EIA estimates. The figure was 133 tb/d higher than in June 2025.

Permian production from shale and tight formations using horizontal wells in Texas and New Mexico is estimated to have increased by just 3 tb/d, m-o-m, to average 6.2 mb/d. Y-o-y, this was up by 223 tb/d.

In the Williston Basin, Bakken shale oil production is estimated to have risen by 30 tb/d, m-o-m, to average 1.2 mb/d. Y-o-y, however, this was down by 17 tb/d.

Tight crude production from the Eagle Ford in Texas increased by 5 tb/d to average 1.0 mb/d. This was down by 33 tb/d, y-o-y. Production from the Niobrara-Codell formations in Colorado and Wyoming fell by 14 tb/d, m-o-m, to about 433 tb/d.

Graph 5 - 7: US tight crude production breakdown

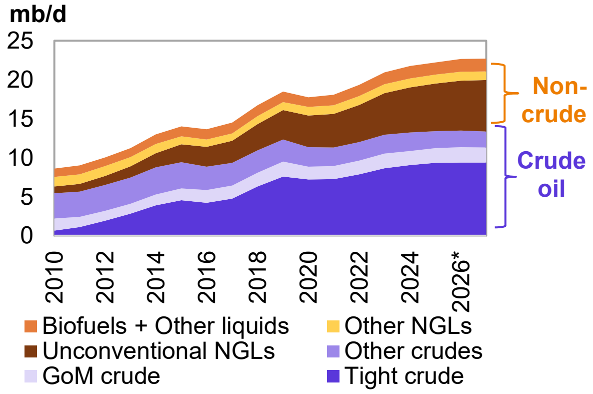


Sources: EIA and OPEC.

In 2026, US liquids production, excluding processing gains, is expected to increase by around 450 tb/d, y-o-y, to average 22.7 mb/d. Crude oil and condensate production is set to rise by about 0.1 mb/d, y-o-y, to average 13.5 mb/d. Concurrently, NGLs production is forecast to increase by 0.3 mb/d to average 7.5 mb/d, and non-conventional liquids production is set to rise by about 50 tb/d, y-o-y, to average 1.6 mb/d. Average tight crude production in 2026 is forecast to rise by about 50 tb/d, y-o-y, to average 9.4 mb/d.

The 2026 outlook signals sustained capital discipline, measured growth in drilling activity, steady improvements in completion efficiency and a continued expansion in associated gas output across the main shale basins.

Graph 5 - 8: US liquids production developments by component



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

In 2027, US liquids production, excluding processing gains, is forecast to grow by just 30 tb/d, y-o-y, to average 22.7 mb/d. Crude oil and condensate output is expected to drop by 0.1 mb/d, y-o-y, to average 13.4 mb/d. Conversely, NGLs production is projected to increase by 0.1 mb/d, y-o-y, to average 7.7 mb/d, while non-conventional liquids output is forecast to remain largely unchanged at 1.6 mb/d. Average tight crude output in 2027 is expected to remain unchanged, y-o-y, at an average of 9.4 mb/d.

The 2027 outlook reflects sustained capital prudence, measured efficiency gains and further growth in associated gas volumes across key shale oil basins.

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

US liquids	2025	Change 2025/24	2026*	Change 2026/25	2027*	Change 2027/26
Tight crude	9.35	0.26	9.40	0.05	9.40	0.00
GoM crude	1.89	0.10	1.96	0.07	1.92	-0.04
Conventional crude oil	2.18	-0.18	2.14	-0.04	2.07	-0.07
Total crude	**13.42**	**0.18**	**13.50**	**0.09**	**13.40**	**-0.11**
Unconventional NGLs	6.08	0.31	6.39	0.31	6.56	0.17
Conventional NGLs	1.15	0.00	1.15	0.00	1.12	-0.03
Total NGLs	**7.24**	**0.30**	**7.54**	**0.31**	**7.68**	**0.14**
Biofuels + Other liquids	1.57	-0.03	1.62	0.05	1.62	0.00
US total production	**22.22**	**0.46**	**22.67**	**0.45**	**22.70**	**0.03**

*Note: * 2026 and 2027 = Forecast.*

Sources: EIA and OPEC.

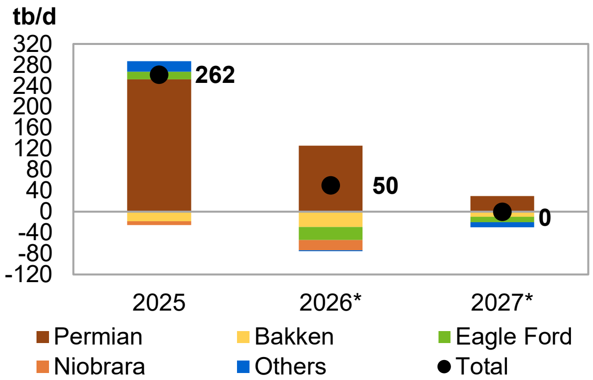
US tight crude production in the Permian Basin during 2026 is expected to increase by 126 tb/d, y-o-y, to average 6.1 mb/d. In 2027, production is forecast to increase by about 30 tb/d, y-o-y.

In North Dakota, Bakken shale production is forecast to drop by about 30 tb/d, y-o-y, to stand at about 1.2 mb/d in 2026. This remains below its pre-pandemic average of 1.4 mb/d. A decline of about 10 tb/d in 2027 would be consistent with the basin's progression toward a mature development phase.

Production in the Eagle Ford Basin in Texas is expected to drop by about 25 tb/d in 2026 to average 1.0 mb/d. Y-o-y, production is forecast to decline by 10 tb/d in 2027.

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

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



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

In other tight oil plays, y-o-y output is forecast to remain largely steady in 2026 to average about 683 tb/d. Production is expected to drop by about 10 tb/d in 2027, owing to constrained access to premium acreage and lower drilling and completion momentum.

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

US tight oil	2025	Change 2025/24	2026*	Change 2026/25	2027*	Change 2027/26
Permian tight	5.97	0.25	6.10	0.13	6.13	0.03
Bakken shale	1.20	-0.02	1.17	-0.03	1.16	-0.01
Eagle Ford shale	1.03	0.01	1.00	-0.02	0.99	-0.01
Niobrara shale	0.47	-0.01	0.45	-0.02	0.45	0.00
Other tight plays	0.69	0.02	0.68	0.00	0.67	-0.01
Total	**9.35**	**0.26**	**9.40**	**0.05**	**9.40**	**0.00**

*Note: * 2026 and 2027 = Forecast.*

Sources: EIA and OPEC.

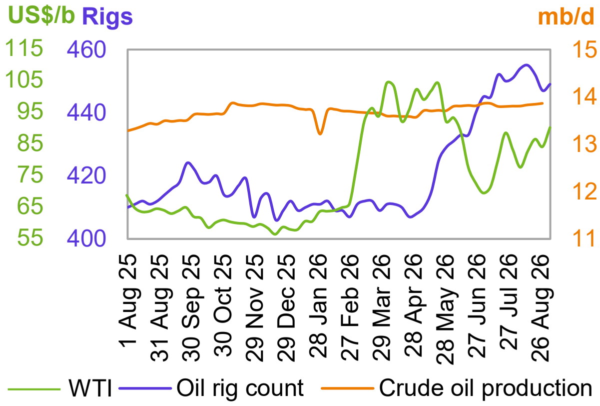
US rig count, spudded, completed, DUC wells and fracking activity

According to Baker Hughes, the total number of active US oil and gas drilling rigs in the week ending 4 September 2026 remained unchanged, w-o-w, at 588. The total was 51 rigs higher than a year ago. The number of active offshore rigs fell by one, w-o-w, to eight. Compared with the same month in 2025, this is down by five. The number of onshore oil and gas rigs rose by one, w-o-w, to 577, with three rigs in inland waters. This was up by 55 rigs, y-o-y.

The US horizontal rig count remained unchanged, w-o-w, at 535. This compares with 470 horizontal rigs a year ago. The number of drilling rigs for oil increased by two, w-o-w, to 449, while the number of gas drilling rigs dropped by two, w-o-w, to 130.

The Permian rig count rose by one, w-o-w, to 268. The rig counts in the Eagle Ford and Williston Basins remained unchanged, w-o-w, at 50 and 27, respectively. The rig counts in each of the DJ-Niobrara and Cana Woodford Basins rose by one, w-o-w, to 11 and 21, respectively.

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



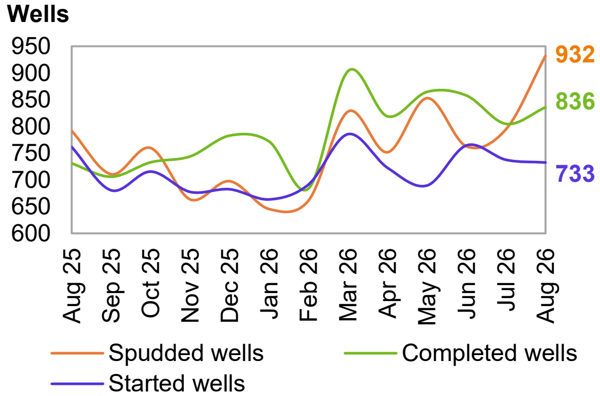
Sources: Baker Hughes, EIA and OPEC.

Based on preliminary data, drilling and completion activities for oil-producing wells across all US shale plays included 795 horizontal wells spudded in July. This is up by 32, m-o-m, and 10% higher than the same month a year earlier.

The preliminary July 2026 data indicate a lower number of completed wells, m-o-m, at 805. This is up by about 5%, y-o-y. The number of started wells is estimated at 738, which is approximately 6% lower than the same period in 2025.

Preliminary data for August show 932 spudded, 836 completed, and 733 started wells, according to Rystad Energy.

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

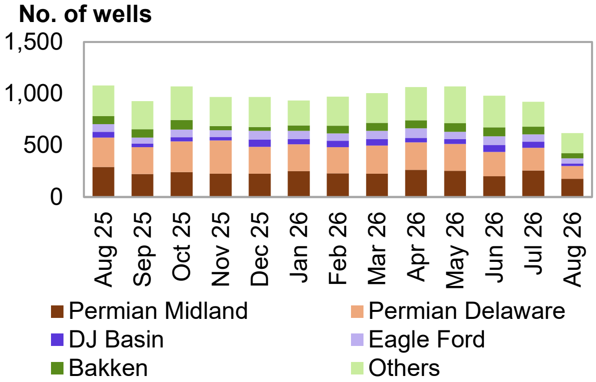


Note: Jul 26-Aug 26 = Preliminary data.
Sources: Rystad Energy and OPEC.

For US oil and gas fracking operations, 981 wells began fracking in June 2026. In July and August, 920 and 617 wells began fracking, respectively, according to preliminary numbers based on an analysis of high-frequency satellite data.

In regional terms, preliminary July data for the Permian Midland and Permian Delaware regions indicate that 254 and 220 wells, respectively, began fracking. This represents a jump of 53 wells in the Midland and a drop of 15 wells in the Delaware, m-o-m. Preliminary data also indicates that during July, 60 wells began fracking in the DJ Basin, 70 in the Eagle Ford and 76 in the Bakken.

Graph 5 - 12: Started fracs per month by region



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

Canada

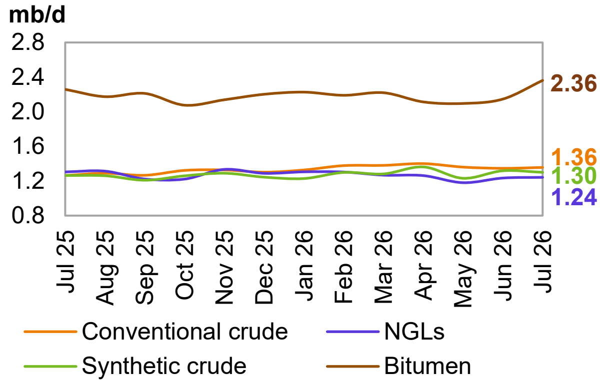
Canada's July liquids production is estimated to have increased by about 0.2 mb/d, m-o-m, to average 6.3 mb/d. Conventional crude production increased by 10 tb/d, m-o-m, to average 1.4 mb/d. NGLs production rose by just 8 tb/d, m-o-m, to average 1.2 mb/d.

Crude bitumen production in July rose by about 217 tb/d, m-o-m, while synthetic crude production fell by around 18 tb/d. Taken together, crude bitumen and synthetic crude production averaged 3.7 mb/d over the month.

Output in 3Q26 is expected to firm gradually, with major maintenance activities completed and wildfire-related disruptions resolved across Canadian operations.

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

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

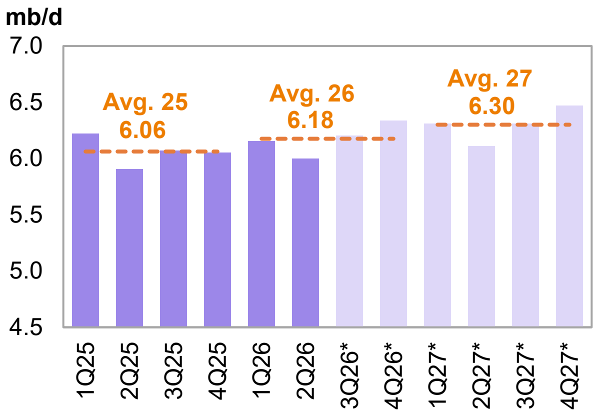


Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

Incremental output is expected from the Montney play, Athabasca, Clear Water formation, Syncrude Mildred Lake, Kearl, Horizon, Christina Lake, Suncor, Foster Creek, Firebag, Fort Hills, Duvernay and Cold Lake developments. Key start-ups in 2026 include the Foster Creek, Leismer, Charlie Lake, Blackrod, Reford SAGD and Meota SAGD projects. Cenovus's White Rose Extension is nearing first oil, with commissioning complete and well preparation underway, positioning the project to come on stream shortly and add incremental output.

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

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



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

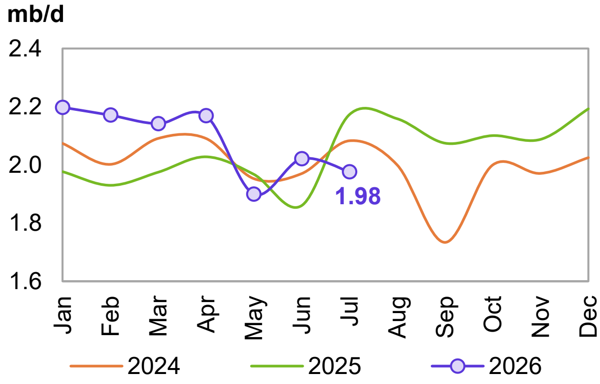
Norway

Norwegian liquids production in July fell by 45 tb/d, m-o-m, to average 2.0 mb/d. Crude production dropped by 47 tb/d, m-o-m, to average 1.8 mb/d. This was around 194 tb/d lower, y-o-y. Monthly oil production was 2.1% lower than the Norwegian Offshore Directorate's (NOD) forecast.

NGLs and condensate production in July was largely unchanged, m-o-m, averaging about 0.2 mb/d, according to NOD data.

Norwegian liquids production is forecast to rise by about 20 tb/d to average 2.1 mb/d in 2026. This is slightly higher than last month's assessment. Production across several Norwegian assets is expected to strengthen progressively over the year, with Balder/Ringhorne, Heidrun, Gina Krog, Maria and Snohvit all set to deliver additional volumes as ongoing ramp-ups advance.

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



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

Additional contributions are assumed from assets such as the Norne and Aasgard floating production, storage, and offloading (FPSO) platforms, the Syrma and Edvard Grieg oil fields, and the Irpa (Asterix) and Dvalin gas condensate projects.

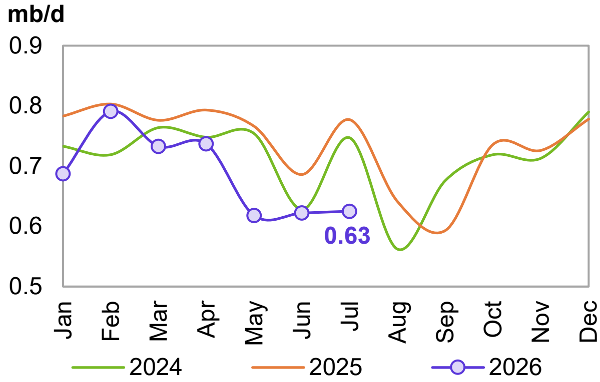
In 2027, liquids production is forecast to drop by around 70 tb/d to average 2.0 mb/d, although several assets are still set to provide incremental additions over the year. Production at Valhall, Snorre and Edvard Grieg are expected to deliver steady ramp-ups. In parallel, a handful of new start-ups are likely to add modest early volumes. The broader development pipeline also incorporates the Yggdrasil project, advancing through the North of Alvheim, Krafla/Askja and Lille Frigg assets, as well as the Symra and Bestla developments.

UK

In July, UK liquids production is estimated to have been unchanged, m-o-m, at an average of 0.6 mb/d. Crude oil production rose by 12 tb/d, m-o-m, to average 0.5 mb/d. The July crude level was about 120 tb/d lower, y-o-y, based on preliminary national data. NGLs production fell by about 10 tb/d, m-o-m, to average 54 tb/d.

In 2026, UK liquids production is forecast to drop by approximately 30 tb/d, y-o-y, to average 0.7 mb/d. Production ramp-ups are forecast at the Clair, Triton, and Murlach (Skua redevelopment) assets, along with a Captain enhanced oil recovery (EOR) phase. Additional volumes are also expected from the project at Anasuria and Triton. Ongoing production drops from mature upstream assets are expected to counterbalance the projected increases.

Graph 5 - 16: UK monthly liquids production development



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

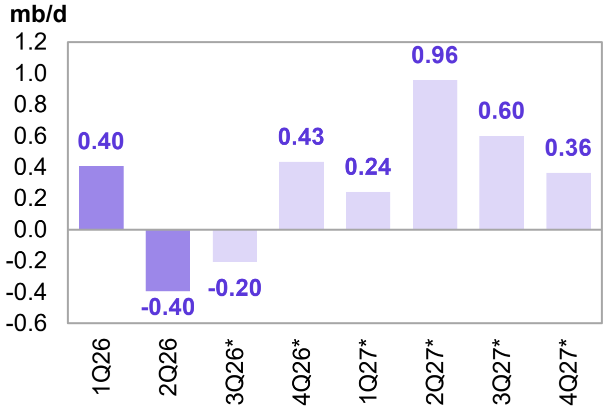
UK liquids production is forecast to drop by about 30 tb/d, y-o-y, to average 0.7 mb/d in 2027. Slight production increases are projected at Clair, Buzzard, Penguins, J-Area and Anasuria, with Rosebank expected to be the principal asset to come online. However, ongoing declines across ageing fields are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

Non-OECD

In 2026, non-OECD liquids production (excluding countries participating in the DoC) is forecast to increase by 0.1 mb/d to average 19.4 mb/d.

In 2027, non-OECD liquids production (excluding countries participating in the DoC) is forecast to expand by 0.5 mb/d to average 19.9 mb/d.

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



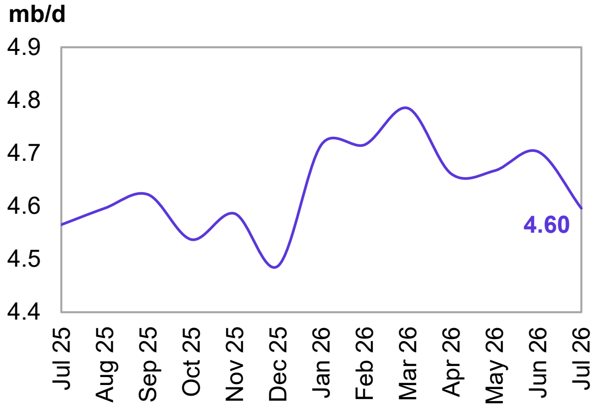
*Note: * 3Q26-4Q27 = Forecast. Source: OPEC.*

China

China's liquids production fell by 0.1 mb/d, m-o-m, to average 4.6 mb/d in July. According to official data, this is up by 31 tb/d, y-o-y. July crude oil production averaged 4.3 mb/d. This was down by 0.1 mb/d from the previous month, albeit higher by 33 tb/d, y-o-y.

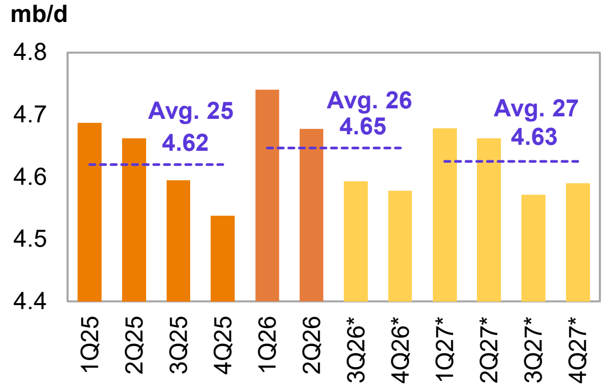
NGLs production remained largely unchanged, m-o-m, at an average of about 22 tb/d. This was largely consistent with the same month last year.

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



Sources: National Bureau of Statistics of China and OPEC.

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



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

In 2026, China's liquids production is expected to rise by about 30 tb/d, y-o-y, to average 4.6 mb/d. This is slightly higher than last month's assessment. Persistent infill drilling and EOR programmes are expected to continue moderating decline rates across China's mature onshore wells in the near term, helping maintain stability in the country's legacy basins. Offshore activity, particularly in Bohai Bay and the South China Sea, remains the primary production growth driver, supported by higher E&P investment and a steady flow of new project start-ups.

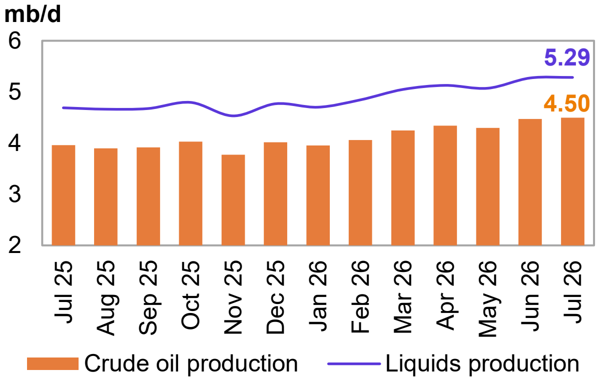
Several oil and gas condensate projects are set to come online, namely Peng Lai 19-3 and Kenli 9-1. Most upcoming projects are operated by China National Offshore Oil Corporation (CNOOC), Sinopec, and PetroChina. Concurrently, key ramp-ups are expected from the Weizhou 11-4, Weizhou 10-3W, Peng Lai 19-3/19-9,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

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

Brazil

Brazil's crude production in July rose by 21 tb/d, m-o-m, to average 4.5 mb/d. NGLs production fell by 10 tb/d, m-o-m, to average around 0.1 mb/d. It is expected to remain at a similar level in August. Biofuel production (mainly ethanol) is estimated to have remained steady, m-o-m, at an average of 0.7 mb/d, with preliminary August data indicating a further stable trend. The country's total liquids production rose by about 11 tb/d, m-o-m, to average 5.3 mb/d. This is higher by 0.6 mb/d, y-o-y.

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



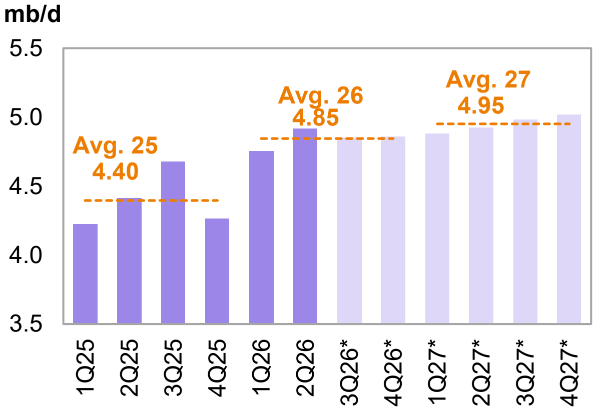
Sources: Brazilian National Agency of Petroleum, Natural Gas and Biofuels (ANP) and OPEC.

In 2026, Brazil's liquids production, including biofuels, is forecast to rise by about 450 tb/d, y-o-y, to average 4.8 mb/d. Upstream liquids production is set to increase through production ramp-ups at the Buzios (Franco), Mero (Libra NW), Marlim, Bacalhau (x-Carcara) and Wahoo projects. Additional oil project start-ups are expected at the Albacora Leste Cluster. Brazil's offshore growth remains positive, anchored by a tight sequence of high-impact pre-salt additions. Petrobras' Buzios 8 has been accelerated, with P-79 starting up in early May 2026, extending the strong momentum established by recent major projects such as Buzios 6 and 7 and Mero-4. Moreover, activities by private operators, such as PRIO and TotalEnergies, have reinforced this trend. Together, these developments highlight a sustained pipeline of near-term offshore growth and underscore Brazil's continued production strength.

In 2027, Brazil's liquids supply, including biofuels, is forecast to increase by about 110 tb/d, y-o-y, to average 5.0 mb/d. Upstream liquids output is expected to rise as production scales up at the Buzios (Franco), Bacalhau and Wahoo projects. Oil project start-ups are anticipated at the Buzios field and the Pampo-Enchova Cluster assets.

Despite the potential of start-up plans in offshore Brazil, rising development costs and incurred unit cost inflation could tighten offshore project economics, resulting in delays to final investment decisions.

Graph 5 - 21: Brazil's quarterly liquids production



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

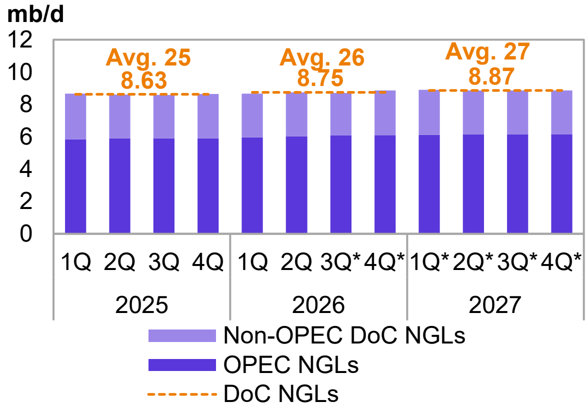
DoC NGLs and non-conventional liquids

Preliminary data show that NGLs and non-conventional liquids production in 2Q26 averaged 8.7 mb/d. According to preliminary data, OPEC Member Countries and non-OPEC DoC countries are estimated to have produced 6 mb/d and 2.7 mb/d of NGLs and non-conventional liquids, respectively.

The 2026 forecast indicates a combined increase of approximately 0.1 mb/d, bringing the average to 8.7 mb/d. For OPEC Member Countries, NGLs and non-conventional liquids production is projected to rise by around 150 tb/d to average 6.0 mb/d. However, a drop of about 30 tb/d is forecast for non-OPEC DoC countries, with an average of 2.7 mb/d.

In 2027, the forecast shows collective growth of 0.1 mb/d, bringing the average to 8.9 mb/d. NGLs and non-conventional liquids for OPEC Member Countries are forecast to grow by about 100 tb/d, bringing the average to 6.1 mb/d. Non-OPEC DoC countries are expected to see limited growth of about 20 tb/d.

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



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

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

DoC NGLs and non-conventional liquids	2025	Change 25/24	2026	Change 26/25	2027	Change 27/26
OPEC	5.90	0.13	6.05	0.15	6.15	0.10
Non-OPEC DoC	2.73	-0.03	2.70	-0.03	2.73	0.02
Total	8.63	0.09	8.75	0.12	8.87	0.12

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

DoC crude oil production

Total DoC crude oil production averaged 38.05 mb/d in August 2026, which is about 0.30 mb/d higher, m-o-m.

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

Secondary sources	2024	2025	4Q25	1Q26	2Q26	Jun 26	Jul 26	Aug 26	*Change Aug/Jul*
Algeria	905	935	965	972	983	987	995	999	*5*
Congo	253	260	262	268	281	278	277	275	*-1*
Equatorial Guinea	57	53	48	51	49	46	56	47	*-8*
Gabon	222	227	222	214	216	222	207	217	*10*
IR Iran	3,257	3,263	3,208	3,142	2,532	2,451	2,485	2,086	*-399*
Iraq	4,163	4,011	4,094	3,313	1,628	1,957	2,715	3,378	*664*
Kuwait	2,429	2,475	2,564	2,100	857	1,452	1,845	1,894	*49*
Libya	1,092	1,296	1,294	1,272	1,310	1,322	1,365	1,355	*-9*
Nigeria	1,429	1,510	1,482	1,453	1,552	1,583	1,537	1,573	*35*
Saudi Arabia	8,978	9,471	10,043	9,278	6,822	6,762	7,352	7,276	*-75*
UAE	2,969	3,161	3,389	2,898	2,668	3,810	3,780	3,835	*54*
Venezuela	867	941	952	920	1,089	1,104	1,122	1,145	*23*
Total OPEC	**26,623**	**27,603**	**28,523**	**25,880**	**19,988**	**21,973**	**23,735**	**24,081**	***346***
Azerbaijan	481	461	458	454	456	458	455	448	*-7*
Bahrain	176	179	161	97	44	50	68	65	*-3*
Brunei	79	86	90	89	79	83	90	90	*0*
Kazakhstan	1,539	1,778	1,674	1,451	1,887	1,895	1,649	1,807	*159*
Malaysia	347	346	345	332	339	332	332	316	*-16*
Mexico	1,578	1,458	1,452	1,452	1,463	1,463	1,454	1,453	*-1*
Oman	766	777	803	813	917	928	932	923	*-9*
Russia	9,197	9,129	9,346	9,185	8,974	8,893	8,877	8,718	*-160*
Sudan	29	24	22	21	24	23	23	21	*-2*
South Sudan	71	109	124	126	131	135	141	131	*-10*
Total Non-OPEC DoC	**14,263**	**14,347**	**14,476**	**14,019**	**14,313**	**14,260**	**14,022**	**13,973**	***-49***
Total DoC	**40,885**	**41,950**	**42,999**	**39,899**	**34,301**	**36,232**	**37,757**	**38,055**	***297***

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

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

Direct communication	2024	2025	4Q25	1Q26	2Q26	Jun 26	Jul 26	Aug 26	*Change Aug/Jul*
Algeria	907	936	968	972	984	990	995	1,000	*5*
Congo	260	271	275	282	283	289	281	278	*-3*
Equatorial Guinea	57	46	43	46	43	38	42	..	..
Gabon	..	..	..	..	..	..	..	..	..
IR Iran	..	..	..	..	..	..	..	..	..
Iraq	3,862	3,775	4,047	3,356	1,781	2,090	2,901	3,746	*845*
Kuwait	2,411	2,470	2,569	2,105	926	1,650	1,971	1,988	*17*
Libya	1,136	1,372	1,362	1,322	1,389	1,394	1,391	1,397	*6*
Nigeria	1,345	1,432	1,415	1,388	1,525	1,555	1,505	1,500	*-5*
Saudi Arabia	8,955	9,480	10,045	9,298	6,844	6,637*	7,417*	7,122*	*-295*
UAE	2,916	3,119	3,364	2,877	2,644	3,818	..	..	..
Venezuela	921	1,081	1,131	1,013	1,167	1,187	1,200	1,201	*1*
Total OPEC	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**

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

** Saudi Arabia's supply to the market was 6,637 tb/d in June 2026, 7,417 tb/d in July 2026, and 7,122 tb/d in August 2026.*

** Saudi Arabia's production was 7,122 tb/d in June 2026, 8,135 tb/d in July 2026, and 6,238 tb/d in August 2026.*

Source: OPEC.

Product Markets and Refinery Operations

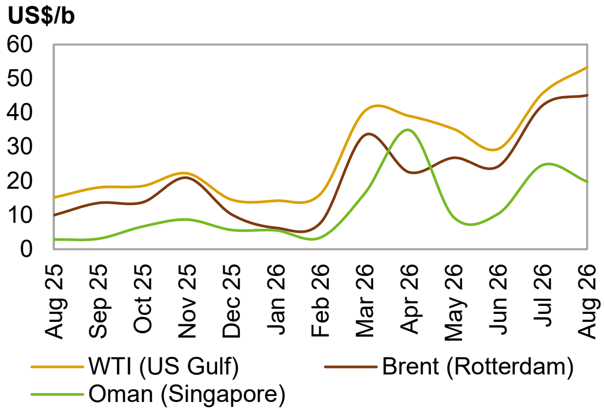
In August, refining margins showed mixed performance across the main trading hubs. In the US Gulf Coast (USGC), refining margins extended the previous month's gains, supported by strong middle distillate cracks amid firm demand for export and tight supplies in the Atlantic Basin. Rotterdam margins also rose, with diesel remaining the main source of strength as reduced supplies in Eastern Europe and low stocks kept the European market tight.

In Singapore, however, refining margins dropped, reversing the strong gains seen in July. Higher refinery runs and rising product exports from Asia, particularly China, improved regional product availability and weighed on product cracks, while firmer feedstock prices added downward pressure on refining economics.

Refinery margins

USGC refining margins against WTI increased further in August. The upside was largely driven by middle distillates, particularly diesel, as strong export demand from Europe and Latin America tightened US supplies despite high refinery processing rates. Reduced Russian diesel availability raised the call on US diesel, with US diesel/gasoil exports reaching an elevated level of around 1.6 mb/d in August. Jet/kerosene margins also strengthened, supported by firm seasonal demand and tightness in the wider middle distillate market. However, gasoline margins eased as the US summer driving season approached its end.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

According to preliminary data, refinery intake in the US rose by about 100 tb/d, m-o-m, to average 17.52 mb/d in August. USGC margins against WTI averaged $53.34/b, up $7.64/b, m-o-m, and up $38.27/b, y-o-y.

In Rotterdam, refinery margins rose further, but more slowly than in the USGC. Diesel provided most of the support as restricted Russian exports tightened supplies and increased competition for alternative barrels. Strong US inflows provided some relief later in the month, but regional stocks remained low. Gasoline margins eased from July levels as seasonal demand softened, while weak naphtha markets also capped the overall margin increase. Moreover, exceptionally low Rhine water levels in August constrained inland product flows and added to the supply tightness, particularly in Germany.

According to preliminary data, refinery runs in EU-14 plus Norway and the UK increased slightly by about 60 tb/d, m-o-m, to average 10.12 mb/d in August. Refinery margins against Brent averaged $45.07/b, up $2.94/b, m-o-m, and $35.13/b higher, y-o-y.

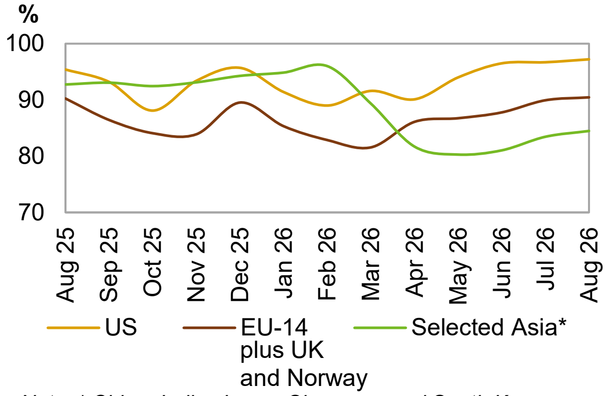
In Singapore, margins declined, reversing part of the previous month's gains. The weakness reflected higher regional refinery runs and increased clean-product exports, particularly from China. Higher product availability weighed on gasoline and naphtha cracks. Diesel cracks rose, m-o-m, in August, but faced pressure later in the month, as Chinese exports rose. Higher medium sour crude prices also dampened refining economics in August.

According to preliminary data, refinery intake in Selected Asia – China, India, Japan, Singapore and South Korea – increased by about 520 tb/d, m-o-m, to average 25.20 mb/d in August. Refinery margins against Oman averaged $19.79/b, down $4.86/b, m-o-m, and up $16.97/b, y-o-y.

Refinery operations

US refinery utilization rates increased by 0.5 pp in August to average 97.21%, corresponding to a throughput of 17.52 mb/d. This represented an increase of about 100 tb/d, m-o-m. Strong refining margins, particularly for middle distillates, low product stocks, and firm export demand continued to encourage high processing rates, while maintenance activity remained limited. Compared to the previous year, the August refinery utilization rate was 1.8 pp higher, with throughput showing an increase of 193 tb/d.

Graph 6 - 2: Refinery utilization rates



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

EU-14 plus the UK and Norway refinery utilization rates increased by 0.5 pp to average 90.43% in August, corresponding to a throughput of 10.12 mb/d, about 60 tb/d higher, m-o-m. Strong margins supported refinery runs ahead of the autumn maintenance season, with some refiners reportedly postponing planned maintenance to take advantage of favourable refining economics. On a yearly basis, the utilization rate was up by 0.2 pp, with throughput 23 tb/d higher.

In Selected Asia – Japan, China, India, Singapore and South Korea – refinery utilization rates increased by 1.0 pp to average 84.47%, corresponding to a throughput of 25.20 mb/d. Refinery intake increased by about 520 tb/d, m-o-m, mainly reflecting higher runs in China. Chinese refiners raised processing rates amid stronger export opportunities and attractive margins, more than offsetting lower runs elsewhere in the region. Relative to last year, utilization rates were 8.3 pp lower, while throughput was 1.95 mb/d lower.

Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				*Refinery utilization, %*			
	Jun 26	Jul 26	Aug 26	*Change* Aug/Jul	Jun 26	Jul 26	Aug 26	*Change* Aug/Jul
US	**17.39**	**17.42**	**17.52**	**0.10**	**96.50**	**96.69**	**97.21**	**0.5 pp**
Euro-14, plus UK and Norway	**9.82**	**10.06**	**10.12**	**0.06**	**87.76**	**89.92**	**90.43**	**0.5 pp**
France	0.82	1.01	1.03	0.03	70.99	87.58	89.91	2.3 pp
Germany	1.78	1.67	1.66	-0.01	103.72	97.53	96.98	-0.6 pp
Italy	1.32	1.30	1.33	0.03	72.63	71.50	73.24	1.7 pp
UK	0.89	0.90	0.88	-0.02	86.77	87.67	85.62	2.0 pp
Selected Asia	**23.96**	**24.67**	**25.20**	**0.52**	**81.02**	**83.44**	**84.47**	**1.0 pp**
China	12.52	12.56	13.31	0.75	74.07	74.30	78.76	4.5 pp
India	5.42	5.60	5.47	-0.13	101.13	104.52	97.34	-7.2 pp
Japan	2.19	2.37	2.32	-0.05	70.41	76.23	74.74	-1.5 pp
South Korea	2.46	2.72	2.67	-0.05	81.72	90.31	88.58	-1.7 pp

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

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

Refinery crude throughput	2023	2024	2025	3Q25	4Q25	1Q26	2Q26	3Q26
OECD Americas	**18.71**	**18.96**	**19.13**	**19.68**	**19.31**	**18.98**	**19.43**	**19.99**
of which US	*16.50*	*16.62*	*16.70*	*17.21*	*16.69*	*16.42*	*16.85*	*17.23*
OECD Europe	**11.38**	**11.28**	**11.28**	**11.71**	**11.24**	**10.87**	**11.34**	**11.54**
of which:								
France	*0.93*	*0.92*	*0.96*	*1.04*	*1.04*	*0.97*	*0.89*	*1.01*
Germany	*1.62*	*1.76*	*1.69*	*1.74*	*1.71*	*1.65*	*1.68*	*1.68*
Italy	*1.30*	*1.21*	*1.22*	*1.32*	*1.13*	*1.10*	*1.27*	*1.31*
UK	*0.97*	*0.98*	*0.93*	*0.91*	*0.89*	*0.88*	*0.86*	*0.86*
OECD Asia Pacific	**5.86**	**5.71**	**5.73**	**5.69**	**5.93**	**5.92**	**5.13**	**5.35**
of which Japan	*2.56*	*2.37*	*2.39*	*2.31*	*2.53*	*2.56*	*2.21*	*2.35*
Total OECD	**35.95**	**35.96**	**36.14**	**37.07**	**36.48**	**35.77**	**35.90**	**36.88**
Latin America	**3.54**	**3.69**	**3.68**	**3.75**	**3.65**	**3.57**	**3.45**	**3.51**
Middle East	**7.53**	**7.95**	**8.06**	**8.28**	**7.97**	**7.63**	**6.35**	**7.15**
Africa	**1.74**	**1.89**	**2.19**	**2.24**	**2.27**	**2.11**	**2.28**	**2.36**
India	**5.18**	**5.30**	**5.44**	**5.29**	**5.44**	**5.61**	**5.27**	**5.49**
China	**14.77**	**14.25**	**14.80**	**15.08**	**14.88**	**15.03**	**12.86**	**13.29**
Other Asia	**5.19**	**5.22**	**5.08**	**4.94**	**5.19**	**5.05**	**4.32**	**4.92**
Russia	**5.50**	**5.35**	**5.21**	**5.08**	**5.16**	**5.18**	**4.34**	**3.95**
Other Eurasia	**1.03**	**1.04**	**1.06**	**1.08**	**1.05**	**1.06**	**0.88**	**0.95**
Other Europe	**0.48**	**0.51**	**0.48**	**0.54**	**0.44**	**0.40**	**0.43**	**0.45**
Total Non-OECD	**44.95**	**45.19**	**46.01**	**46.28**	**46.04**	**45.64**	**40.18**	**42.08**
Total world	**80.91**	**81.15**	**82.15**	**83.35**	**82.52**	**81.41**	**76.08**	**78.96**

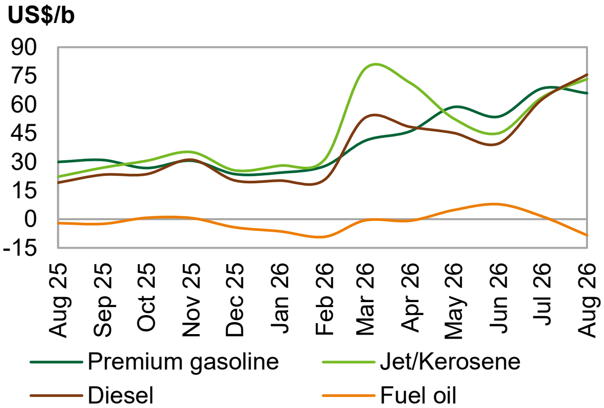
Note: Totals may not add up due to independent rounding.

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

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



Sources: Argus and OPEC.

The USGC gasoline crack spread fell in August, retreating from the elevated levels seen in July. The approaching end of the summer driving season in the US and high refinery runs weighed on gasoline markets, although low stocks limited the decline. Expectations of a transition to winter-grade gasoline also added some pressure later in the month. The USGC gasoline crack spread against WTI averaged $66.01/b, down $2.48/b, m-o-m, and up $35.97/b, y-o-y.

The jet/kerosene crack spread strengthened further, supported by tight middle distillate supplies and firm export demand. Higher refinery runs and rising US jet fuel stocks limited gains. The USGC jet/kerosene crack spread against WTI averaged $73.42/b, up $9.61/b, m-o-m, and $51.11/b higher, y-o-y. The gasoil crack spread recorded the strongest gain across the barrel. Firm demand from Europe and Latin America boosted US diesel exports at a time when Russian supplies remained constrained. This kept the US market tight despite refinery utilization rates remaining near multi-year highs. The USGC gasoil crack spread against WTI averaged $75.76/b, up $12.99/b, m-o-m, and $56.61/b higher, y-o-y.

The USGC fuel oil crack spread weakened sharply as higher heavy crude availability reduced refiners' demand for residual fuel as secondary feedstock, although stronger exports had a limited impact on fuel prices. The USGC high-sulphur fuel oil crack spread against WTI averaged negative $8.33/b, down $9.89/b, m-o-m, and $6.33/b lower, y-o-y.

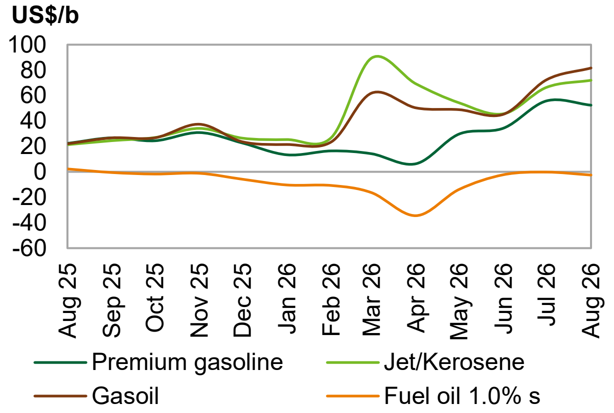
European market

The gasoline crack spread in Rotterdam dropped in August but remained at high levels. Seasonal demand started to ease, while weaker transatlantic arbitrage economics weighed on export opportunities. However, low stock levels and constrained regional supplies limited the downside. Tightness was more pronounced in the Mediterranean, where lower supply availability from Eastern Europe supported product values. The Rotterdam gasoline crack spread against Brent averaged $52.50/b, down $3.38/b, m-o-m, but up $30.03/b, y-o-y.

The jet/kerosene crack spread rose, supported by strength in the wider middle distillate market and robust seasonal demand. European jet fuel availability improved through higher inflows from the US and West Africa, which capped further gains. The Rotterdam jet/kerosene crack spread against Brent averaged $72.01/b, up $5.55/b, m-o-m, and $50.57/b higher, y-o-y.

The gasoil crack spread extended its gains to hit a record high level and remained the main source of support for European refining margins. Restricted Russian diesel exports tightened the regional balance and increased the pull on alternative supplies. Higher US inflows partially eased some of the tightness later in the month, although stocks remained low. The Mediterranean market was particularly firm as traditional buyers of Russian diesel competed for replacement barrels. The Rotterdam gasoil crack spread against Brent averaged $81.74/b, up $9.29/b, m-o-m, and up $59.75/b, y-o-y.

Graph 6 - 4: Rotterdam crack spreads vs. Brent



Sources: Argus and OPEC.

At the bottom of the barrel, fuel oil cracks weakened, falling into a deeper discount, as product availability improved and export demand softened. The high-sulphur fuel oil crack spread against Brent averaged negative $13.12/b, down $2.24/b, m-o-m, and down $7.51/b, y-o-y.

Asian market

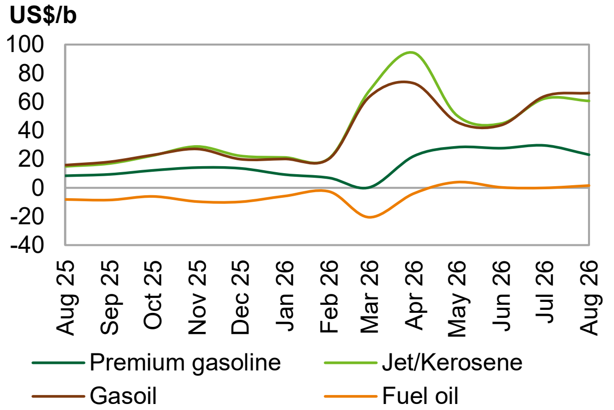
The Southeast Asia gasoline 92 crack spread against Dubai declined in August as regional supplies increased. Higher refinery runs and higher exports from China and South Korea improved availability, and seasonal support started to fade. The Singapore gasoline crack spread against Dubai averaged $23.17/b, down $6.47/b, m-o-m, and up $14.64/b, y-o-y.

The Asian naphtha crack spread fell sharply. Higher refinery output and stronger inflows eased the prompt tightness seen in July, while soft petrochemical margins continued to weigh on feedstock demand. However, lower availability from Eastern Europe and constrained Middle Eastern exports provided some support later in the month. The Singapore naphtha crack spread against Dubai averaged negative $0.28/b, down $11.51/b, m-o-m, and up $6.44/b, y-o-y.

In the middle of the barrel, the jet/kerosene crack spread declined slightly, but remained at higher levels. Rising Chinese exports and softer regional demand improved product availability, although tight global middle distillate markets limited the decline. The Singapore jet/kerosene crack spread against Dubai averaged $60.69/b, down $1.65/b, m-o-m, but up $45.66/b, y-o-y.

The Singapore gasoil crack spread increased slightly. Tight global diesel supplies provided support, but rising Chinese exports and higher regional refinery runs limited the upside compared with the Atlantic Basin. The Singapore gasoil crack spread against Dubai averaged $66.26/b, up $2.27/b, m-o-m, and $50.32/b higher, y-o-y.

Graph 6 - 5: Singapore crack spreads vs. Dubai



Sources: Argus and OPEC.

The Singapore high-sulphur fuel oil crack spread strengthened, supported by lower Russian and Middle Eastern inflows, firm bunker demand and relatively low stocks. Strong demand for power generation during the summer months in the Middle East further limited export availability. The Singapore high-sulphur fuel oil crack spread against Dubai averaged $1.57/b, up $1.62/b, m-o-m, and up $9.66/b, y-o-y.

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

Event	Time frame	Observations	Asia	Europe	US
Autumn refinery maintenance season	Sep 26–Oct 26	Refinery product output is expected to decline in the near term as refinery turnarounds begin. This could lead to a contraction in product balances, putting upward pressure on product crack spreads.	↑ Support for product crack spreads	↑ Support for product crack spreads	↑ Support for product crack spreads
End of driving season	4Q26	The end of the holiday travel season is expected to weigh on road transportation fuels, specifically gasoline.	↓ Pressure on gasoline cracks	↓ Pressure on gasoline cracks	↓ Pressure on gasoline cracks
Refinery outages in Eastern Europe	3Q26	Ongoing unplanned refinery outages in Eastern Europe are expected to keep the product markets tight, specifically for middle distillates.	↑ Upward pressure on product crack spreads	↑ Upward pressure on product crack spreads	↑ Upward pressure on product crack spreads
Impact of the 2025/2026 refinery closures	2026	Approximately 1.1 mb/d of global refining capacity closures in 2025 and 138 tb/d of US refinery closures in 2026 are contributing to reduced product balances, especially during the maintenance season in late 3Q26 and 4Q26.	↑ Support for product markets	↑ Support for product markets	↑ Support for product markets
Impact of the 2025/2026 refinery capacity expansions	2026–2027	New product volumes entering international markets amid refinery capacity additions (1.2 mb/d in 2025 and 830 tb/d in 2026) are expected to enhance product balances, especially in 4Q26 and 2027.	↓ Pressure on product markets	↓ Pressure on product markets	↓ Pressure on product markets

Source: OPEC.

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

		Jul 26	Aug 26	*Change* Aug/Jul	*Annual avg.* 2025	*Year-to-date* 2026
US Gulf (Cargoes FOB)						
Naphtha*		92.91	86.55	-6.36	63.91	85.69
Premium gasoline	(unleaded 93)	147.46	148.67	1.21	93.01	130.50
Regular gasoline	(unleaded 87)	133.59	133.51	-0.08	84.97	118.26
Jet/Kerosene		142.78	156.08	13.30	89.46	137.79
Gasoil	(0.2% S)	141.74	158.42	16.68	84.74	127.93
Fuel oil	(3.0% S)	69.33	69.48	0.15	62.27	72.50
Rotterdam (Barges FOB)						
Naphtha		82.81	82.93	0.12	62.64	82.32
Premium gasoline	(unleaded 98)	139.27	143.17	3.90	90.08	119.35
Jet/Kerosene		149.85	162.68	12.83	91.34	147.59
Gasoil/Diesel	(10 ppm)	155.84	172.41	16.57	91.98	142.08
Fuel oil	(1.0% S)	83.09	88.05	4.96	68.85	80.00
Fuel oil	(3.5% S)	72.51	77.55	5.04	63.54	77.84
Mediterranean (Cargoes FOB)						
Naphtha		80.97	81.03	0.06	60.81	78.71
Premium gasoline**		126.94	137.94	11.00	84.16	114.78
Jet/Kerosene		148.01	158.81	10.80	88.32	143.95
Diesel		157.09	175.95	18.86	90.87	141.83
Fuel oil	(1.0% S)	87.71	93.70	5.99	72.66	85.91
Fuel oil	(3.5% S)	71.60	76.23	4.63	61.75	76.92
Singapore (Cargoes FOB)						
Naphtha		88.41	87.43	-0.98	64.73	90.08
Premium gasoline	(unleaded 95)	109.95	115.23	5.28	80.73	110.85
Regular gasoline	(unleaded 92)	106.82	110.88	4.06	78.83	107.29
Jet/Kerosene		139.52	148.40	8.88	86.48	141.63
Gasoil/Diesel	(50 ppm)	141.91	155.88	13.97	87.38	141.41
Fuel oil	(180 cst)	132.62	145.45	12.83	86.03	134.05
Fuel oil	(380 cst 3.5% S)	77.13	89.28	12.15	64.21	85.41

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

Sources: Argus and OPEC.

Tanker Market

Dirty tanker spot freight rates were stronger in August, led by gains in VLCC rates. Spot freight rates for VLCC rose, m-o-m, across all monitored routes, recovering from the decline seen in the previous month. On the Middle East-to-East route, VLCC spot freight rates rose 28%, m-o-m, in August, while rates on the Middle East-to-West route jumped 51%, m-o-m.

Suezmax spot freight rates also moved higher, building on the previous month's gain. On the USGC-to-Europe route, Suezmax rates rose 4%, m-o-m.

After a strong performance in the previous month – with an increase of around 60% – Aframax rates fell back in August yet remained at elevated levels. On the Mediterranean-to-Northwest Europe route, Aframax dirty spot rates declined 18%, m-o-m.

In the clean tanker market, spot freight rates showed divergent trends in August. East of Suez rates were up 15% on average, m-o-m, while West of Suez spot rates dropped by 5% on average, m-o-m, as rates eased in the Atlantic basin.

Dirty tanker freight rates

Very large crude carriers (VLCC)

VLCC spot freight rates recovered from the previous month's decline and strengthened on all monitored routes in August. On average, VLCC spot freight rates were up 31%, m-o-m, and were 527% higher, y-o-y.

On the Middle East-to-East route, spot freight rates averaged WS512 in August. This represents a m-o-m increase of 28% and a gain of 798% compared to the previous year. On the Middle East-to-West route, spot freight rates averaged WS235. This represents an increase of 51%, m-o-m, while y-o-y rates were 591% higher.

Rates on the West Africa-to-East route averaged WS174 in August, up 18%, m-o-m, and 200%, y-o-y.

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

VLCC	Size *1,000 DWT*	Jun 26	Jul 26	Aug 26	*Change* Aug 26/Jul 26
Middle East/East	230-280	507	399	512	113
Middle East/West	270-285	195	156	235	79
West Africa/East	260	151	147	174	27

Sources: Argus and OPEC.

Suezmax

Suezmax spot freight rates were also lifted higher in August, building on the previous month's gains. On average, Suezmax spot freight rates rose 6%, m-o-m. Compared with the same month last year, Suezmax rates were 138% higher.

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

Suezmax	Size *1,000 DWT*	Jun 26	Jul 26	Aug 26	*Change* Aug 26/Jul 26
West Africa/US Gulf Coast	130-135	178	228	243	15
US Gulf Coast/Europe	150	154	197	205	8

Sources: Argus and OPEC.

On the West Africa-to-USGC route, spot freight rates averaged WS243 in August, representing an increase of 7%, m-o-m. Compared with year-ago levels, rates were 141% higher. Rates on the USGC-to-Europe route averaged WS205, reflecting a 4% increase, m-o-m. Y-o-y, rates were 133% higher.

Aframax

Aframax spot freight rates fell from elevated levels in August, m-o-m, although still remaining above the five-year average. Rates averaged WS250, representing a 5% decline, m-o-m, as Mediterranean routes declined following the previous month's strong showing. Compared with the same month in 2025, Aframax rates were 82% higher.

Spot freight rates on the Indonesia-to-East route increased by 16%, m-o-m, to average WS189. Y-o-y, rates on the route were up 73%. Rates on the Caribbean-to-US East Coast (USEC) route also showed gains, rising 10%, m-o-m, to an average of W334. Compared with the same month last year, rates were up 109%.

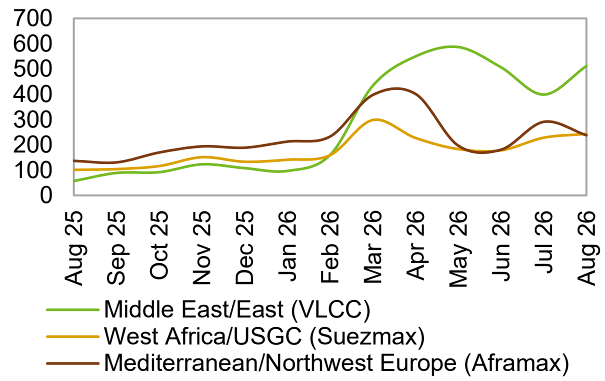
Table 7 - 3: Dirty Aframax spot tanker freight rates, WS

Aframax	Size *1,000 DWT*	Jun 26	Jul 26	Aug 26	*Change* Aug 26/Jul 26
Indonesia/East	80-85	162	163	189	26
Caribbean/US East Coast	80-85	204	303	334	31
Mediterranean/Mediterranean	80-85	188	300	242	-58
Mediterranean/Northwest Europe	80-85	181	291	238	-53

Sources: Argus and OPEC.

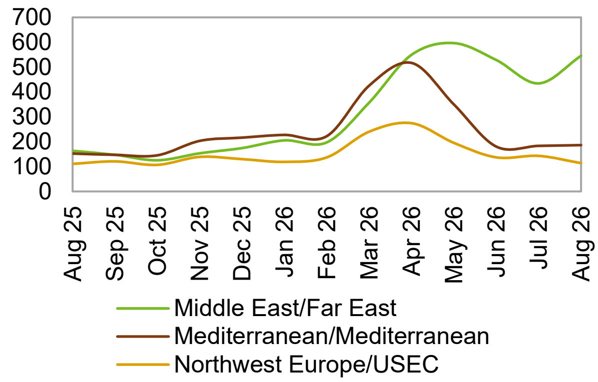
In contrast, rates around the Mediterranean registered declines. Cross-Med rates declined by 19%, m-o-m, to average WS242 in August. Rates on the Med-to-Northwest Europe (NWE) route followed a similar dynamic, down 18%, m-o-m, to average WS238. Compared with the same month in 2025, rates were 68% and 74% higher, respectively.

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



Sources: Argus and OPEC.

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



Sources: Argus and OPEC.

Clean tanker freight rates

In the clean tanker market, spot freight rates once again showed somewhat divergent trends in August. East of Suez rates registered gains, rising 15% on average, m-o-m, while West of Suez spot rates dropped 5% over the same period. Compared with the same month in 2025, East of Suez rates were 139% higher, while West of Suez rates were up just 17%.

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

East of Suez	Size *1,000 DWT*	Jun 26	Jul 26	Aug 26	*Change* Aug 26/Jul 26
Middle East/East	30-35	528	434	545	111
Singapore/East	30-35	237	233	223	-10
West of Suez					
Northwest Europe/US East Coast	33-37	137	143	114	-29
Mediterranean/Mediterranean	30-35	180	183	186	3
Mediterranean/Northwest Europe	30-35	190	193	196	3

Sources: Argus and OPEC.

Rates on the Middle East-to-East route were assessed at WS545, representing a gain of 26%, m-o-m. Compared with August 2025, rates were up 234%. Clean spot freight rates on the Singapore-to-East route declined by a further 4%, m-o-m, to average WS223. Y-o-y, rates on the route were up 39%.

Rates on the NWE-to-USEC route declined 20%, m-o-m, to average WS114. This represents a 3% gain from the same month last year. Rates on the Cross-Med and Med-to-NWE routes were up 2% each, m-o-m, to average WS186 and WS196, respectively. Y-o-y, spot freight rates on both routes were up by about 21%.

Crude and Refined Products Trade

US crude imports jumped 15%, m-o-m, in August to average 6.7 mb/d. Crude exports recovered after two months of sharp declines to average 3.9 mb/d. Lower-than-typical gasoline inflows in August kept product imports below the five-year range at 1.4 mb/d. Product exports set a new record high of 8.0 mb/d, with strong outflows of propane/propylene and distillate fuel oil.

OECD Europe crude imports are estimated to have picked up seasonally in July, as higher flows from the UAE, Brazil and Kazakhstan offset a sharp decline in US flows. OECD Europe product inflows continued to be soft amid a decline in diesel imports. Product exports slipped but remained above the five-year average.

Japan's crude imports returned to pre-crisis levels in July, averaging 2.4 mb/d. Product imports picked up but remained well below the five-year range. Product exports strengthened, supported by a sharp rise in gasoil outflows.

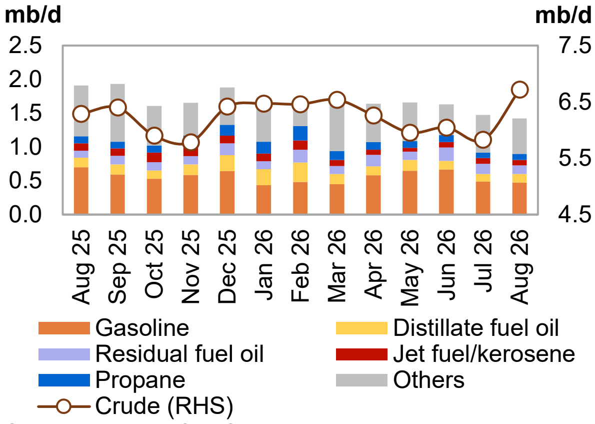
Crude imports into China increased in July to average 8.4 mb/d amid a recovery in refinery runs. Preliminary data for August shows a further increase to 8.95 mb/d. China's product imports jumped to 2.0 mb/d amid a surge in LPG and naphtha inflows. Product exports continued to pick up as government restrictions eased.

India's crude imports remained strong in July, averaging 5.1 mb/d, with refinery runs above the five-year average for this time of year. Constrained LPG imports continued to weigh on product imports, while product outflows jumped on higher diesel oil and gasoline exports.

US

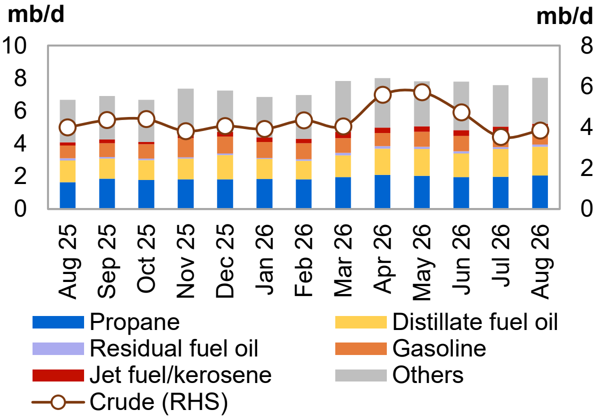
US crude imports recovered from low levels to average 6.7 mb/d in August, preliminary EIA weekly data showed. Gains pushed volumes above the five-year average, amid higher inflows from Saudi Arabia and Canada. Compared with the previous month, US crude imports rose by 892 tb/d, or 15%. On a y-o-y basis, crude imports were up 432 tb/d, or about 7%.

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 recovered after two months of sharp declines to average 3.9 mb/d. M-o-m, exports were up 322 tb/d, or about 9%, m-o-m. Compared with the same month last year, US crude oil exports were down by 148 tb/d, or about 4%.

As a result, US net crude imports in August averaged 2.9 mb/d, compared with 2.3 mb/d the month before and 2.3 mb/d in August 2025.

In the oil products trade, US imports remained sluggish, averaging 1.4 mb/d in July. This was down by 51 tb/d, or around 3%, m-o-m. Compared with the same month a year earlier, product inflows were down by 488 tb/d, or almost 26%. Lower-than-typical gasoline inflows kept product imports below the five-year range.

Product exports set a new record high in August, according to estimates based on preliminary weekly data. Outflows averaged 8.0 mb/d, up by 460 tb/d, or 6%, m-o-m. Strong outflows of propane/propylene and distillate fuel oil supported exports. Compared with the same month last year, product exports were up by almost 1.4 mb/d, or 20%.

As a result, net product exports averaged 6.6 mb/d in August, compared with 6.1 mb/d in July. A year earlier, net product exports averaged 4.8 mb/d. Combined net crude and product exports averaged almost 3.8 mb/d in August, slightly lower than in the month before. In the same month last year, net crude and product exports averaged 2.5 mb/d.

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

US	Jun 26	Jul 26	Aug 26	*Change* Aug 26/Jul 26
Crude oil	1.31	2.30	2.87	0.57
Total products	-6.18	-6.11	-6.62	-0.51
Total crude and products	**-4.87**	**-3.81**	**-3.75**	**0.06**

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

OECD Europe

Estimates based on tanker-tracking data indicate that crude imports into OECD Europe picked up seasonally in July. Higher flows from the UAE, Brazil, and Kazakhstan offset an almost 0.6 mb/d drop in imports from the US. Crude exports edged up in volume terms amid a shift in flows from Asia to North America. Product imports remained soft in July, well below the five-year range. Product exports slipped but remained above the five-year average.

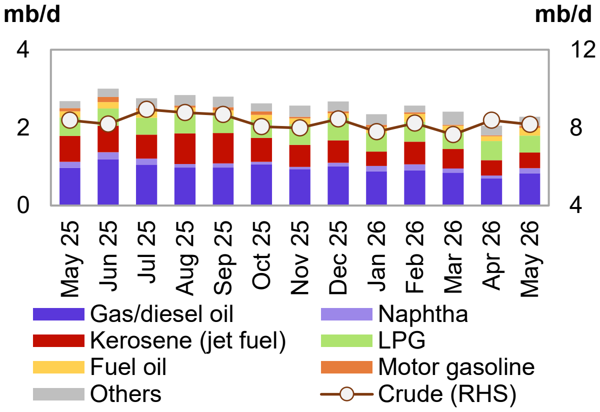
The latest available official data for OECD Europe shows that crude imports into the region in May averaged 8.2 mb/d. This represented a decline of 220 tb/d, or almost 3%, m-o-m. Crude imports declined by a similar amount y-o-y.

The US was the top crude supplier from outside the region, providing 2.1 mb/d in May, up from 1.7 mb/d in April. Kazakhstan was second with 1.4 mb/d, followed by Libya with 860 tb/d.

Crude exports from OECD Europe averaged just 10 tb/d in May, compared with 31 tb/d the month before. In the same month last year, crude exports averaged 231 tb/d.

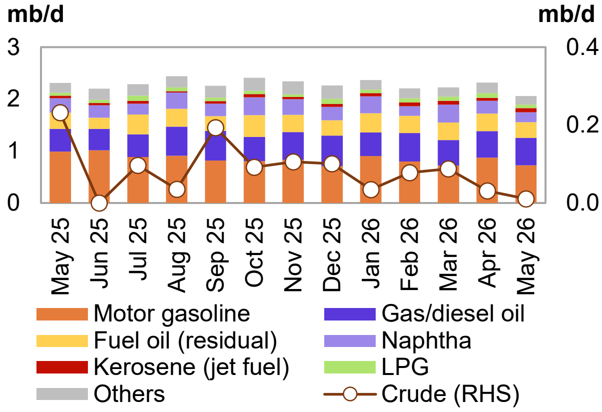
Net crude imports averaged 8.2 mb/d in May, compared with almost 8.4 mb/d a month earlier and 8.2 mb/d in May 2025.

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



Sources: IEA and OPEC.

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



Sources: IEA and OPEC.

Product imports averaged 2.3 mb/d in May, representing an increase of 234 tb/d, or around 11%, m-o-m. Gains were driven by gasoil and naphtha, which outpaced a decline in LPG. Y-o-y, product inflows fell by 404 tb/d, or 15%.

Product exports declined in May to average close to 2.1 mb/d, a drop of 259 tb/d, or around 11%, m-o-m. Gasoline contributed most of the decrease, along with naphtha. Compared with May 2025, product exports were down by 254 tb/d, or 11%.

As a result, net product flows switched back to net imports of 224 tb/d in May, after registering net exports of 269 tb/d in the previous month. In the same month last year, net imports averaged 375 tb/d. Combined net crude and product imports averaged almost 8.4 mb/d in May 2026, compared with 8.1 mb/d a month earlier and 8.5 mb/d a year ago.

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

OECD Europe	Mar 26	Apr 26	May 26	Change May 26/Apr 26
Crude oil	7.56	8.35	8.15	-0.20
Total products	0.19	-0.27	0.22	0.49
Total crude and products	**7.75**	**8.08**	**8.38**	**0.29**

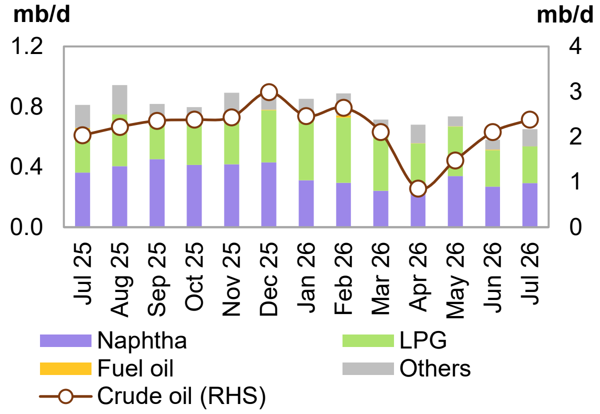
Note: Totals may not add up due to independent rounding.

Sources: IEA and OPEC.

Japan

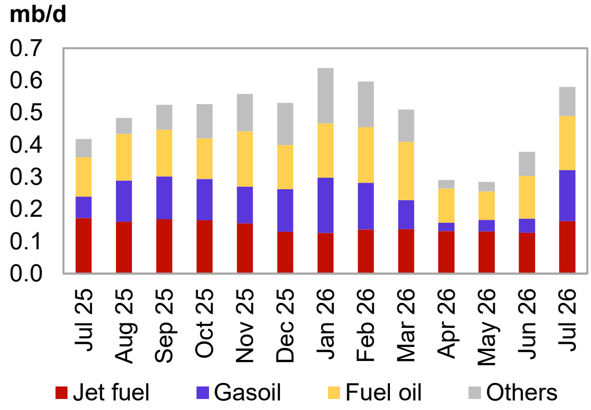
Japan's crude imports returned to pre-crisis levels in July, amid record-high supplies from the US. Imports averaged 2.4 mb/d, representing an increase of 275 tb/d, or 13%, m-o-m. The US was the top supplier in July with a share of 37%, compared with just 9% a year ago. The UAE was second with 30%, followed by Saudi Arabia with 27%. Y-o-y, crude imports increased by 345 tb/d, or around 17%.

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.

Japan's product imports rose slightly, m-o-m, in July to average 651 tb/d. Compared with the previous month, imports were up by 71 tb/d, or 12%. The m-o-m increase was led by gasoline, naphtha and gasoil, offsetting a decline in kerosene. Compared with July 2025, product imports were down 162 tb/d, or almost 20%.

Product exports, including LPG, moved above the five-year range amid increased flows to Australia. Outflows averaged 580 tb/d, supported by a sharp increase in gasoil exports, with further support from jet fuel, fuel oil and gasoline. M-o-m, product outflows increased by 202 tb/d, or 53%. Compared with July 2025, product exports rose by 162 tb/d, or 39%.

As a result, Japan's net product imports, including LPG, averaged 71 tb/d in July, compared with 202 tb/d in the previous month and 395 tb/d a year earlier.

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

Japan	May 26	Jun 26	Jul 26	Change Jul 26/Jun 26
Crude oil	1.48	2.10	2.38	0.27
Total products	0.45	0.20	0.07	-0.13
Total crude and products	**1.93**	**2.30**	**2.45**	**0.14**

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

Sources: METI and OPEC.

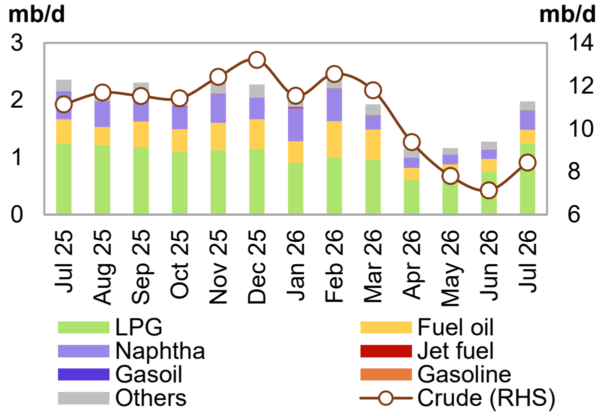
China

China's crude imports rose in July on a recovery in refinery runs. China brought in 8.4 mb/d of crude during the month, representing an increase of 1.3 mb/d, or 18%, m-o-m. Russia remained the top crude supplier at 27%, down from 28% the month before, followed by Saudi Arabia at 15% and Brazil at close to 14%. Compared with the same month in 2025, China's crude imports were still down by 2.7 mb/d, or by about 24%. Preliminary customs data for August shows a further increase to 8.95 mb/d.

Product imports, including LPG, averaged 2.0 mb/d in July, returning to the five-year average after registering low levels over the previous three months. M-o-m, product imports were 699 tb/d, or almost 55%, higher. Gains came as LPG and naphtha imports surged, returning to year-ago levels. Y-o-y, product imports were still down by 385 tb/d or around 16%.

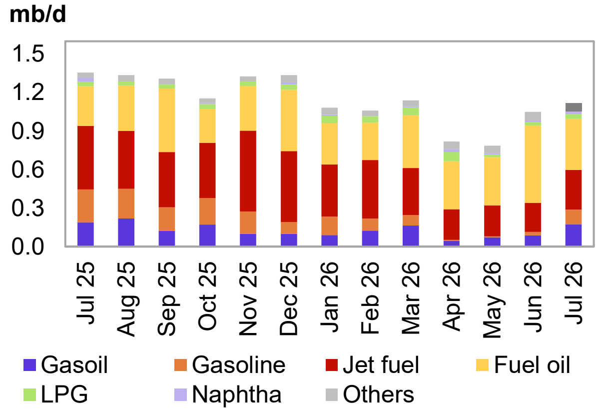
China's product exports, including LPG, averaged 1.1 mb/d in July. This represented an increase of 67 tb/d, or around 6%, m-o-m. Gasoline, diesel oil and jet fuel led the gains, overcoming a strong drop in fuel oil. Compared with the same month last year, product outflows were down by 239 tb/d, or 18%.

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.

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

China	May 26	Jun 26	Jul 26	*Change* Jul 26/Jun 26
Crude oil	7.72	7.08	8.38	1.30
Total products	0.38	0.23	0.86	0.63
Total crude and products	**8.10**	**7.31**	**9.24**	**1.93**

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

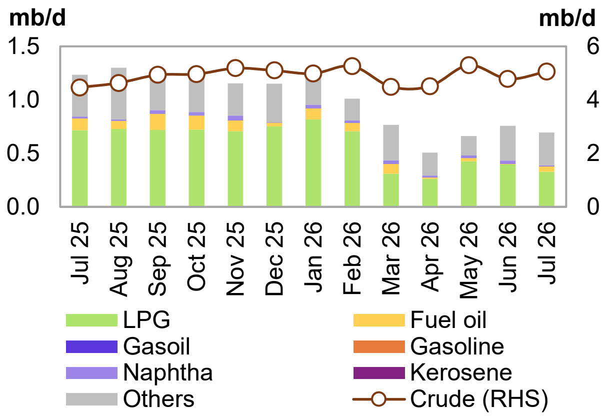
Sources: GACC and OPEC.

India

India's crude imports remained strong in July, as refinery runs moved above the five-year average for this time of year. Crude imports into the country averaged 5.1 mb/d for the month, representing an increase of 274 tb/d, or about 6%, m-o-m. Regarding import sources, Russia was the top crude supplier with a share of 56% in July, followed by the UAE with 9% and Saudi Arabia with 8%. Oman, Venezuela and Brazil held 4% each.

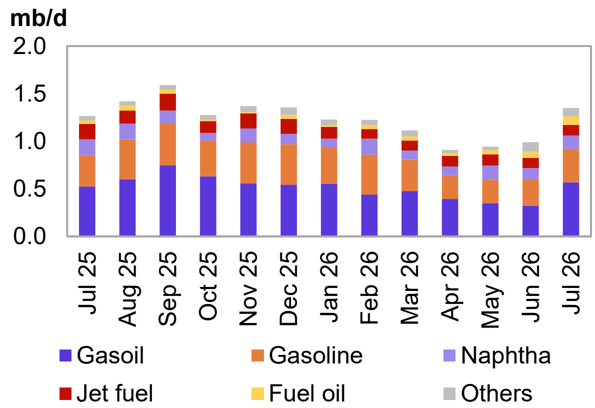
Compared with the same month last year, crude imports were 596 tb/d, or about 13% higher.

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



Sources: PPAC and OPEC.

Graph 8 - 10: India's exports of products



Sources: PPAC and OPEC.

India's product imports declined in July, falling by 63 tb/d, or over 8%, m-o-m, to average 693 tb/d. Y-o-y, product imports were down by 542 tb/d, or 44%. Constrained LPG imports weighed on product inflows, while fuel oil inflows improved.

Product outflows jumped on higher diesel oil and gasoline exports, returning to pre-crisis levels. Product outflows averaged 1.4 mb/d in July, representing a m-o-m gain of 361 tb/d, or over 36%. Y-o-y, India's product exports were up by 86 tb/d, or almost 7%.

Consequently, India's net product exports averaged 658 tb/d. This compares with net exports of 234 tb/d in the previous month and 31 tb/d in the same month of 2025.

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

India	May 26	Jun 26	Jul 26	Change Jul 26/Jun 26
Crude oil	5.29	4.78	5.05	0.27
Total products	-0.28	-0.23	-0.66	-0.42
Total crude and products	**5.01**	**4.55**	**4.40**	**-0.15**

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 declined from the strong levels seen the month before. Total crude oil exports from the region averaged 6.8 mb/d, representing a drop of 789 tb/d, or over 10%, m-o-m. Overall, losses came primarily from the two Novorossiysk terminals shipping Transneft and CPC volumes, which saw a combined drop of 0.7 mb/d due to unplanned outages. Y-o-y, total crude exports from Russia and Central Asia were still 0.3 mb/d, or around 5% higher.

Flows through the Transneft system fell by 361 tb/d, or around 8%, m-o-m, in July. Compared with the same month in 2025, crude outflows via the Transneft system were still 554 tb/d, or over 14%, higher. As noted, flows from Transneft's Novorossiysk port on the Black Sea dropped by 325 tb/d, or almost 30%, m-o-m. However, outflows were still 204 tb/d, or close to 35%, higher, y-o-y. In the Baltic Sea, Transneft's crude flows edged up by 12 tb/d, or less than 1%, m-o-m, to average 1.8 mb/d, but saw a more substantial increase of 391 tb/d or around 28%, y-o-y. July exports from Primorsk rose 92 tb/d, or over 8%, m-o-m to average 1.2 mb/d. This was 393 tb/d, or 47%, higher than in the same month last year. Flows from Ust-Luga declined by 80 tb/d, or 12%, to average 579 tb/d, remaining largely in line with the levels seen in the same month of 2026.

Shipments via the Druzhba pipeline edged up by 8 tb/d, or 4%, to average 205 tb/d. This was still 42 tb/d, or about 17%, lower than in the same month last year.

Exports to inland China via the ESPO pipeline were unchanged, m-o-m, averaging 608 tb/d. Flows on the pipeline were down by 22 tb/d, or about 4%, y-o-y. Exports from the Pacific port of Kozmino fell by 56 tb/d, or over 5%, m-o-m, but still averaged 1.0 mb/d. Flows via the port were 23 tb/d, or over 2% higher than a year ago.

In the Lukoil system, exports via the Varandey offshore platform in the Barents Sea averaged 169 tb/d, representing an increase of 32 tb/d, or 23%, m-o-m, and a gain of 44 tb/d, or 35%, compared with the same month last year.

In Russia's Far East, exports from Aniva Bay fell a further 41 tb/d, or 55%, m-o-m, while flows via De Kastri edged down by 2 tb/d, or just over 1%, m-o-m. Combined, the two ports exported an average of 212 tb/d in July, an increase of 40 tb/d, or about 23%, y-o-y. Meanwhile, Central Asian exports averaged 231 tb/d for the month, representing an increase of about 2%, m-o-m, and a gain of 30 tb/d, or 15%, y-o-y.

As already noted, crude flows via the CPC terminal at the port of Novorossiysk on the Black Sea declined sharply, falling by 377 tb/d, or 22%, m-o-m, to average 1.3 mb/d. This was also 350 tb/d, or about 21%, lower, y-o-y.

Exports via the BTC pipeline fell back by 44 tb/d, or 8%, m-o-m, to average 503 tb/d. This was 14 tb/d, or about 3%, lower, y-o-y.

Total product exports from Russia and Central Asia showed a further decline of 492 tb/d, or about 34%, m-o-m, amid unplanned refinery outages and export bans on key products. In total, product exports from the region averaged 976 tb/d. Declines were seen across all major products, with gasoil showing the largest drop, down by 297 tb/d, or almost 70%, m-o-m. Y-o-y, total product exports were 1.3 mb/d, or about 57%, lower – led by a 662 tb/d or 84% decline in gasoil – but with all major products contributing.

Commercial Stock Movements

According to preliminary July 2026 data, OECD commercial oil inventories increased by 9.8 mb, m-o-m, to stand at 2,763 mb. At this level, OECD commercial stocks were 57.0 mb lower, y-o-y, 47.9 mb below the latest five-year average, and 206.4 mb below the 2015–2019 average. Within the components, crude stocks increased by 5.5 mb, m-o-m, and product stocks increased by 4.3 mb.

OECD commercial crude oil stocks stood at 1,313 mb in July. This is 29.2 mb lower, y-o-y, 35.2 mb below the latest five-year average and 149.7 mb below the 2015–2019 average.

OECD total product stocks stood at 1,451 mb in July. This is 27.7 mb lower, y-o-y, 12.6 mb below the latest five-year average and 56.7 mb below the 2015–2019 average.

In terms of days of forward cover, OECD commercial stocks increased by 0.3 days, m-o-m, in July, to 59.3 days. This is 1 day lower, y-o-y, 1.4 days below the latest five-year average and 3.2 days below the 2015–2019 average.

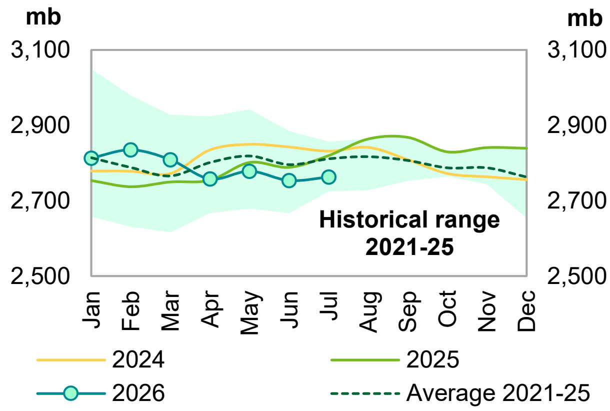
OECD

Preliminary July 2026 data show OECD commercial inventories increased by 9.8 mb, m-o-m, to 2,763 mb, 57.0 mb below the same month last year, 47.9 mb below the latest five-year average and 206.4 mb below the 2015–2019 average. Within the components, crude stocks increased by 5.5 mb, and product stocks increased by 4.3 mb, m-o-m.

Within the OECD regions, OECD Europe experienced a stock draw in July, m-o-m, while OECD Americas and OECD Asia Pacific recorded stock builds.

OECD commercial crude stocks increased by 5.5 mb, m-o-m, to end July at 1,313 mb. This is 29.2 mb lower than a year earlier, 35.2 mb below the latest five-year average and 149.7 mb below the 2015–2019 average.

Graph 9 - 1: OECD commercial oil stocks



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

Within the OECD regions, crude stocks in OECD America and OECD Asia increased by 2.9 mb and 2.9 mb, m-o-m, respectively, while crude stocks in OECD Europe dropped by 0.3 mb.

OECD total product stocks rose by 4.3 mb, m-o-m, to 1,451 mb. This is 27.7 mb lower than at the same time a year ago, 12.6 mb below the latest five-year average and 56.7 mb below the 2015–2019 average.

Within the OECD regions, product stocks in OECD America rose by 6.4 mb, m-o-m, while OECD Europe and OECD Asia Pacific experienced draws of 1.2 mb and 0.8 mb, m-o-m, respectively.

Table 9 - 1: OECD commercial stocks, mb

OECD stocks	Jul 25	May 26	Jun 26	Jul 26	*Change Jul 26/Jun 26*
Crude oil	1,342	1,326	1,307	1,313	*5.5*
Products	1,478	1,452	1,446	1,451	*4.3*
Total	**2,820**	**2,778**	**2,753**	**2,763**	***9.8***
Days of forward cover	**60.2**	**59.5**	**59.0**	**59.3**	***0.3***

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 increased by 0.3 days, m-o-m, in July, to 59.3 days. This is 1 day lower than the same month in 2025, 1.4 days below the latest five-year average and 3.2 days below the 2015–2019 average.

Regionally, OECD America was 3.4 days below the latest five-year average, at 56.9 days. OECD Europe was 0.6 days above the latest five-year average, at 67.7 days. OECD Asia Pacific was 1.8 days above the latest five-year average, at 51.6 days.

OECD Americas

OECD Americas' total commercial stocks increased by 9.3 mb, m-o-m, in July, to settle at 1,489 mb. This is 44.2 mb lower than the same month in 2025, 38.0 mb below the latest five-year average and 67.6 mb below the 2015–2019 average.

Commercial crude oil stocks in the OECD Americas increased by 2.9 mb, m-o-m, in July, to 728 mb. This is 19.1 mb lower than in July 2025, 26.8 mb below the latest five-year average and 53.2 mb below the 2015–2019 average.

OECD Americas' total product stocks increased by 6.4 mb, m-o-m, to 762 mb in July. This is 25.1 mb lower than a year earlier, 11.3 mb below the latest five-year average and 14.4 mb below the 2015–2019 average.

OECD Europe

OECD Europe's total commercial stocks fell by 1.5 mb, m-o-m, in July, to settle at 921 mb. This is 3.2 mb lower than the same month in 2025, 11.1 mb below the latest five-year average and 67.8 mb below the 2015–2019 average.

OECD Europe's commercial crude stocks decreased by 0.3 mb, m-o-m, to end July at 408 mb. This is 1.9 mb higher than one year earlier, 4.0 mb below the latest five-year average and 27.4 mb below the 2015–2019 average.

OECD Europe's total product stocks decreased by 1.2 mb, m-o-m, to end July at 514 mb. This is 5.1 mb lower than at the same time a year earlier, 7.1 mb below the latest five-year average and 40.4 mb below the 2015–2019 average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks increased by 2.1 mb, m-o-m, in July, to stand at 352 mb. This is 9.6 mb lower than at the same time a year earlier, 1.3 mb above the latest five-year average and 71.0 mb below the 2015–2019 average.

OECD Asia Pacific's crude stocks increased by 2.9 mb, m-o-m, to end July at 177 mb. This is 12.1 mb lower than the level recorded in the same month one year earlier, 4.4 mb below the latest five-year average and 69.1 mb below the 2015–2019 average.

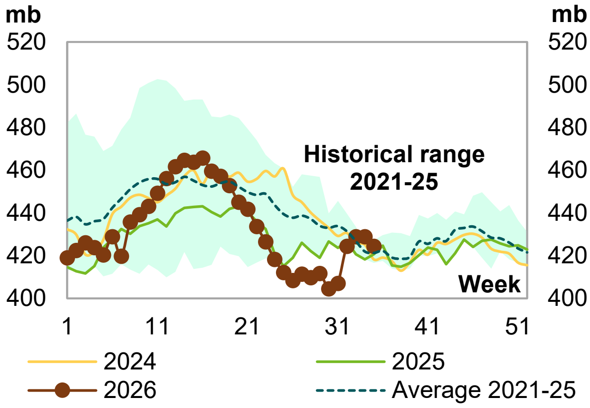
OECD Asia Pacific's product stocks decreased by 0.8 mb, m-o-m, to end July at 175 mb. This is 2.5 mb higher than one year earlier, 5.7 mb above the latest five-year average and 1.9 mb below the 2015–2019 average.

US

Preliminary data for August 2026 show that total US commercial oil stocks increased by 21.6 mb, m-o-m, to stand at 1,242 mb. This is 44.7 mb, or 3.5%, lower than the same month in 2025 and 14.7 mb below the latest five-year average. Crude stocks increased by 17.5 mb, m-o-m, while product stocks increased by 4.1 mb, m-o-m.

US commercial crude stocks in August stood at 424 mb. This is 7.2 mb, or 1.7%, higher than the same month in 2025 and 5.7 mb, or 6.0%, above the latest five-year average. The monthly build in crude oil stocks was driven by further releases of SPR despite an increase in refinery utilization.

Graph 9 - 2: US weekly commercial crude oil inventories



Sources: EIA and OPEC.

Total product stocks increased by 4.1 mb in August, m-o-m, to 818 mb. This is 51.8 mb, or 6.0%, lower than at the same time last year and 20.4 mb, or 2.4%, below the latest five-year average.

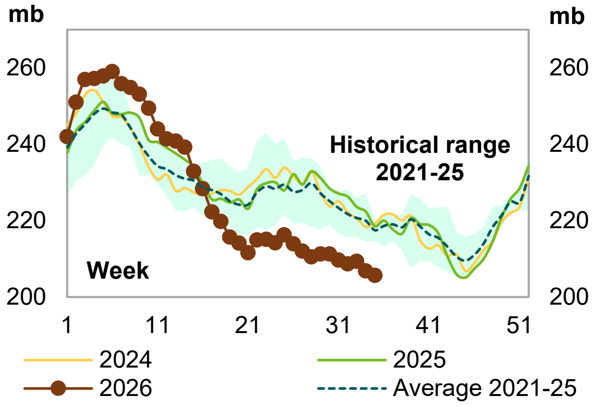
Gasoline stocks dropped in August by 4.0 mb, m-o-m, to settle at 206 mb. This is 17.3 mb, or 7.7%, lower than the same month in 2025 and 15.1 mb, or 6.8%, below the latest five-year average.

Distillate stocks decreased by 3.0 mb, m-o-m, to 104 mb. This is 19.8 mb, or 16.0%, lower than the same month a year earlier and 19.3 mb, or 15.6%, below the latest five-year average.

Residual fuel oil stocks increased by 1.5 mb, m-o-m. At 23 mb, they were 1.6 mb, or 7.6%, higher than last year's level, but 3.3 mb, or 12.6%, below the latest five-year average.

Jet fuel stocks decreased by 1.0 mb, m-o-m, ending August at 46 mb. This is 1.9 mb, or 4.4%, higher than the same month in 2025 and 3.2 mb, or 7.4%, above the latest five-year average.

Graph 9 - 3: US weekly gasoline inventories



Sources: EIA and OPEC.

Table 9 - 2: US commercial petroleum stocks, mb

US stocks	Aug 25	Jun 26	Jul 26	Aug 26	*Change Aug 26/Jul 26*
Crude oil	**417.3**	**404.1**	**407.0**	**424.5**	***17.5***
Gasoline	222.9	219.4	209.7	205.7	*-4.0*
Distillate fuel	124.0	109.4	107.2	104.2	*-3.0*
Residual fuel oil	21.2	20.9	21.4	22.8	*1.5*
Jet fuel	43.9	48.8	46.9	45.9	*-1.0*
Total products	**869.7**	**810.7**	**813.7**	**817.9**	***4.1***
Total	**1,287.0**	**1,214.8**	**1,220.7**	**1,242.3**	***21.6***
SPR	**404.9**	**322.2**	**304.8**	**286.6**	***-18.2***

Sources: EIA and OPEC.

Japan

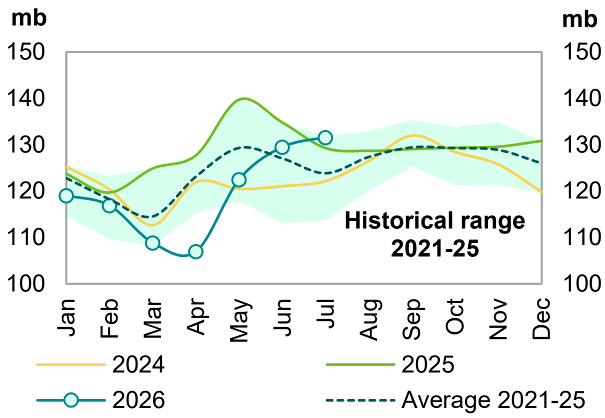
In Japan, total commercial oil stocks in July 2026 increased by 2.1 mb, m-o-m, to 132 mb. This is 2.3 mb, or 1.7%, higher than the same month in 2025 and 7.7 mb, or 6.2%, above the latest five-year average. Crude stocks increased by 2.9 mb, while product stocks decreased by 0.8 mb, m-o-m.

Japanese commercial crude oil stocks increased by 2.9 mb, m-o-m, to stand at 72.2 mb. This is 1.4 mb, or 2.0%, higher than the same month in 2025 and 4.2 mb, or 6.1%, higher than the latest five-year average.

Total Japanese product stocks fell by 0.8 mb, m-o-m, to end July at 59 mb. This is 0.8 mb, or 1.4%, above the same month in 2025, and 3.5 mb, or 6.3%, above the latest five-year average.

Gasoline stocks increased in July by 0.6 mb, m-o-m, to stand at 11 mb. This is 1.7 mb, or 18.4%, higher than the level recorded a year earlier and 1.5 mb, or 16.2%, above the latest five-year average.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

Middle distillate stocks decreased by 0.5 mb, m-o-m, to end July at 27 mb. This is 1.5 mb, or 5.1%, lower than the same month in 2025 but 1.5 mb, or 5.6%, above the latest five-year average. Among distillate components, jet fuel oil stocks decreased by 7.1%, kerosene stocks decreased by 2.2%, and gasoil stocks decreased by 13.9%, m-o-m.

Total residual fuel oil stocks decreased by 0.9 mb, m-o-m, to end July at 11.9 mb. At this level, they are 0.1 mb, or 0.5%, lower than the same month a year ago and in line with the latest five-year average. Within the components, fuel oil A stocks were down by 2.6% and fuel oil B.C stocks were down by 6.1%, m-o-m.

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

Japan's stocks	Jul 25	May 26	Jun 26	Jul 26	*Change Jul 26/Jun 26*
Crude oil	**70.8**	**63.8**	**69.3**	**72.2**	***2.9***
Gasoline	9.1	10.9	10.2	10.8	*0.6*
Naphtha	8.8	9.6	9.5	9.4	*-0.1*
Middle distillates	28.6	25.5	27.6	27.2	*-0.5*
Residual fuel oil	11.9	12.5	12.8	11.9	*-0.9*
Total products	**58.5**	**58.6**	**60.1**	**59.3**	***-0.8***
Total**	**129.3**	**122.5**	**129.5**	**131.5**	***2.1***

*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

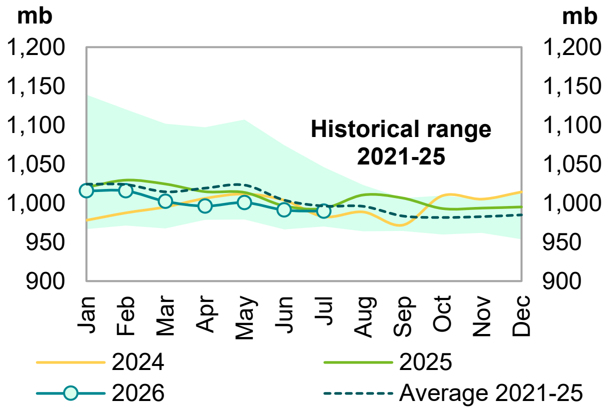
Preliminary data for July 2026 show that total European oil stocks dropped by 1.5 mb, m-o-m, to stand at 990 mb. At this level, they were 3.5 mb, or 0.4%, lower than the same month in 2025, and 6.7 mb, or 0.7%, below the latest five-year average. Crude stocks decreased by 0.3 mb, m-o-m, and product stocks fell by 1.2 mb, m-o-m.

European crude stocks stood at 423 mb in July. This is 5.5 mb, or 1.3%, lower than the same month in 2025, but 12.1 mb, or 2.9%, above the latest five-year average. The decrease in crude oil stocks aligned with a 0.6 mb/d increase in refinery throughput.

Total European product stocks fell by 1.2 mb, m-o-m, to end July at 567 mb. This is 2.0 mb, or 0.4%, higher than the same month in 2025, but 18.7 mb, or 3.2%, below the latest five-year average.

Gasoline stocks decreased in July by 0.7 mb, m-o-m, to stand at 109 mb. This is 5.8 mb, or 5.7%, higher than at the same time in 2025 and 4.6 mb, or 4.4%, above the latest five-year average.

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



Sources: OilX and OPEC.

Middle distillate stocks also fell in July by 2.8 mb, m-o-m, to 372 mb. This is 1.0 mb, or 0.3%, lower than the same month in 2025 and 20.2 mb, or 5.1%, below the latest five-year average.

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

EU stocks	Jul 25	May 26	Jun 26	Jul 26	*Change Jul 26/Jun 26*
Crude oil	**428.4**	**424.6**	**423.2**	**422.9**	***-0.3***
Gasoline	103.0	111.1	109.5	108.9	*-0.7*
Naphtha	30.1	29.5	29.4	29.4	*0.0*
Middle distillates	372.9	380.9	374.6	371.9	*-2.8*
Fuel oils	58.8	54.7	54.4	56.7	*2.2*
Total products	**564.8**	**576.2**	**568.0**	**566.8**	***-1.2***
Total	**993.2**	**1,000.8**	**991.2**	**989.7**	***-1.5***

Sources: OilX and OPEC.

Residual fuel stocks increased by 2.2 mb, m-o-m, in July, to 57 mb. This is 2.2 mb, or 3.7%, lower than the same month in 2025, and 2.1 mb, or 3.6%, below the latest five-year average.

By contrast, naphtha stocks remained unchanged, m-o-m, in July, ending the month at 29 mb. This is 0.7 mb, or 2.3%, lower than the same month in 2025, and 1.0 mb, or 3.3%, below the latest five-year average.

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

Singapore

In July, total product stocks in Singapore decreased by 1.1 mb, m-o-m, to 40 mb. This is 6.4 mb, or 14.2%, lower than the same month in 2025 and 5.5 mb, or 12.1%, below the latest five-year average.

Light distillate stocks decreased by 1.3 mb, m-o-m, in July, to 11 mb. This is 1.3 mb, or 10.3%, lower than the same month a year earlier and 3.0 mb, or 20.6%, below the latest five-year average.

Middle distillate stocks increased by 0.6 mb, m-o-m, in July, to 9 mb. This is 0.2 mb, or 2.7%, higher than the same month in 2025 and 0.4 mb, or 4.8%, below the latest five-year average.

Fuel oil stocks decreased by 0.3 mb, m-o-m, ending July at 19 mb. This is 5.4 mb, or 21.9%, lower than a year ago and 2.0 mb, or 9.5%, below the latest five-year average.

ARA

Total product stocks in ARA in July decreased by 2.6 mb, m-o-m. At 32 mb, they were 8.6 mb, or 21.0%, lower than the same month in 2025 and 9.6 mb, or 23.0%, below the latest five-year average.

Gasoline stocks remained unchanged, m-o-m, ending July at 8 mb. This is 1.8 mb, or 18.3%, lower than in the same month in 2025 and 1.6 mb, or 16.2%, below the latest five-year average.

Fuel oil stocks decreased by 1.1 mb, m-o-m, in July, to 4 mb. This is 2.5 mb, or 40.2%, lower than the same month in 2025 and 3.9 mb, or 50.5%, below the latest five-year average.

Gasoil stocks fell by 2.8 mb, m-o-m, in July, to 11 mb. This is 2.3 mb, or 17.6%, lower than the same month in 2025 and 3.4 mb, or 24.2%, below the latest five-year average.

Jet oil stocks decreased by 0.4 mb, m-o-m, to stand at 4 mb in July. This is 2.2 mb, or 33.6%, lower than the same month in 2025 and 2.7 mb, or 38.9%, below the latest five-year average.

Fujairah

During the week ending 7 September 2026, total oil product stocks in Fujairah increased by 3.57 mb, w-o-w, to stand at 9.98 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 6.04 mb lower than at the same time in 2025.

Light distillate stocks increased by 0.51 mb, w-o-w, to stand at 2.06 mb, 4.68 mb lower, y-o-y. Middle distillate stocks increased by 0.55 mb, w-o-w, to 2.29 mb, 0.10 mb higher, y-o-y, and heavy distillate stocks increased by 2.51 mb, w-o-w, to stand at 5.63 mb, 1.46 mb below year-earlier levels.

Balance of Supply and Demand

The demand for DoC crude (i.e., crude from countries participating in the DoC) in 2026 is revised up from last month's assessment to 42.2 mb/d. This is 0.4 mb/d lower than the 2025 level.

The demand for DoC crude in 2027 is revised up from the previous month's assessment to 43.9 mb/d. This is about 1.6 mb/d above the 2026 forecast.

Balance of supply and demand in 2026

Demand for DoC crude

The demand for DoC crude (i.e., crude from countries participating in the DoC) in 2026 is revised up from last month's assessment to 42.2 mb/d. This is 0.4 mb/d lower than the 2025 level.

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

	2025	1Q26	2Q26	3Q26	4Q26	2026	*Change 2026/25*
(a) World oil demand	**105.5**	**106.3**	**102.9**	**106.3**	**107.8**	**105.8**	***0.4***
Non-DoC liquids production	54.2	54.6	54.2	54.9	55.6	54.8	*0.6*
DoC NGL and non-conventionals	8.6	8.7	8.7	8.7	8.9	8.7	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**62.8**	**63.3**	**63.0**	**63.6**	**64.5**	**63.6**	***0.8***
Difference (a-b)	**42.6**	**43.0**	**39.9**	**42.7**	**43.4**	**42.2**	***-0.4***
DoC crude oil production	**42.0**	**39.9**	**34.3**				
Balance	**-0.7**	**-3.1**	**-5.6**				

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

Source: OPEC.

Balance of supply and demand in 2027

Demand for DoC crude

The demand for DoC crude in 2027 is revised up from the previous month's assessment to 43.9 mb/d. This is about 1.6 mb/d above the 2026 forecast.

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

	2026	1Q27	2Q27	3Q27	4Q27	2027	*Change 2027/26*
(a) World oil demand	**105.8**	**108.0**	**106.1**	**108.7**	**110.0**	**108.2**	***2.4***
Non-DoC liquids production	54.8	55.2	55.2	55.4	56.0	55.5	*0.6*
DoC NGL and non-conventionals	8.7	8.9	8.9	8.9	8.9	8.9	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**63.6**	**64.1**	**64.0**	**64.3**	**64.9**	**64.3**	***0.7***
Difference (a-b)	**42.2**	**43.9**	**42.0**	**44.4**	**45.1**	**43.9**	***1.6***

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

Source: OPEC.

Appendix

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

World oil demand and production balance	2023	2024	2025	1Q26	2Q26	3Q26	4Q26	2026	1Q27	2Q27	3Q27	4Q27	2027
World demand													
Americas	25.1	25.4	25.6	25.7	25.6	26.4	25.8	25.9	25.7	25.7	26.5	25.9	26.0
of which US	*20.4*	*20.6*	*20.7*	*20.8*	*20.8*	*21.4*	*20.9*	*21.0*	*20.9*	*20.9*	*21.5*	*21.0*	*21.1*
Europe	13.4	13.6	13.5	13.0	13.3	13.6	13.4	13.3	13.1	13.6	13.8	13.6	13.5
Asia Pacific	7.2	7.2	7.1	7.3	6.3	6.7	7.4	6.9	7.4	6.6	6.9	7.5	7.1
Total OECD	**45.8**	**46.2**	**46.2**	**46.0**	**45.3**	**46.7**	**46.6**	**46.1**	**46.2**	**45.9**	**47.2**	**47.0**	**46.6**
China	16.4	16.7	16.9	17.2	16.1	17.1	17.2	16.9	17.4	16.5	17.6	17.6	17.3
India	5.3	5.6	5.7	5.9	5.4	5.5	6.1	5.7	6.1	6.1	5.9	6.4	6.1
Other Asia	9.2	9.5	9.9	10.2	10.0	9.8	9.9	10.0	10.5	10.5	10.2	10.2	10.4
Latin America	6.7	6.8	6.9	6.9	7.1	7.2	7.1	7.1	7.1	7.3	7.3	7.2	7.2
Middle East	8.5	8.7	8.8	8.6	8.4	8.9	9.1	8.8	9.0	8.8	9.3	9.4	9.1
Africa	4.7	4.7	4.9	5.1	4.7	5.0	5.4	5.1	5.2	4.9	5.2	5.5	5.2
Russia	3.8	3.9	4.0	4.1	3.9	4.1	4.2	4.1	4.1	3.9	4.1	4.3	4.1
Other Eurasia	1.2	1.3	1.3	1.5	1.3	1.2	1.4	1.3	1.5	1.4	1.2	1.4	1.4
Other Europe	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.8	0.9	0.8	0.9	0.9
Total Non-OECD	**56.7**	**58.0**	**59.2**	**60.3**	**57.7**	**59.6**	**61.3**	**59.7**	**61.8**	**60.2**	**61.5**	**63.0**	**61.6**
(a) Total world demand	**102.4**	**104.1**	**105.5**	**106.3**	**102.9**	**106.3**	**107.8**	**105.8**	**108.0**	**106.1**	**108.7**	**110.0**	**108.2**
Y-o-y change	***2.6***	***1.7***	***1.3***	***1.7***	***-1.6***	***0.5***	***1.0***	***0.4***	***1.7***	***3.1***	***2.4***	***2.1***	***2.4***
Non-DoC liquids production													
Americas	26.7	27.7	28.3	28.3	28.8	29.1	29.2	28.9	28.8	28.8	29.1	29.3	29.0
of which US	*21.0*	*21.8*	*22.2*	*22.1*	*22.8*	*22.9*	*22.9*	*22.7*	*22.5*	*22.7*	*22.8*	*22.8*	*22.7*
Europe	3.6	3.5	3.6	3.8	3.6	3.5	3.7	3.6	3.6	3.5	3.5	3.6	3.5
Asia Pacific	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total OECD	**30.7**	**31.7**	**32.3**	**32.4**	**32.8**	**33.0**	**33.3**	**32.9**	**32.8**	**32.7**	**32.9**	**33.3**	**32.9**
China	4.5	4.6	4.6	4.7	4.7	4.6	4.6	4.6	4.7	4.7	4.6	4.6	4.6
India	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Other Asia	1.6	1.6	1.6	1.7	1.7	1.6	1.6	1.7	1.6	1.6	1.6	1.6	1.6
Latin America	7.0	7.2	7.5	8.2	8.3	8.3	8.4	8.3	8.5	8.6	8.7	8.8	8.7
Middle East	2.0	2.0	2.0	1.5	0.7	1.3	1.6	1.3	1.5	1.5	1.5	1.5	1.5
Africa	2.2	2.3	2.3	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Other Eurasia	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other Europe	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Non-OECD	**18.6**	**19.0**	**19.3**	**19.6**	**18.9**	**19.3**	**19.8**	**19.4**	**19.9**	**19.9**	**19.9**	**20.1**	**19.9**
Total Non-DoC production	49.4	50.7	51.7	52.1	51.7	52.3	53.0	52.3	52.7	52.6	52.8	53.4	52.9
Processing gains	2.5	2.5	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Total Non-DoC liquids production	**51.9**	**53.2**	**54.2**	**54.6**	**54.2**	**54.9**	**55.6**	**54.8**	**55.2**	**55.2**	**55.4**	**56.0**	**55.5**
DoC NGLs	8.4	8.5	8.6	8.7	8.7	8.7	8.9	8.7	8.9	8.9	8.9	8.9	8.9
(b) Total Non-DoC liquids production and DoC NGLs	**60.2**	**61.7**	**62.8**	**63.3**	**63.0**	**63.6**	**64.5**	**63.6**	**64.1**	**64.0**	**64.3**	**64.9**	**64.3**
Y-o-y change	***2.8***	***1.5***	***1.1***	***0.9***	***0.2***	***0.0***	***1.9***	***0.8***	***0.9***	***1.0***	***0.7***	***0.4***	***0.7***
OPEC crude oil production (secondary sources)	27.1	26.6	27.6	25.9	20.0								
Non-OPEC DoC crude production	15.0	14.3	14.3	14.0	14.3								
DoC crude oil production	**42.1**	**40.9**	**42.0**	**39.9**	**34.3**								
Total liquids production	**102.3**	**102.6**	**104.8**	**103.2**	**97.3**								
Balance (stock change and miscellaneous)	*-0.1*	*-1.5*	*-0.7*	*-3.1*	*-5.6*								
OECD closing stock levels, *mb*													
Commercial	2,780	2,756	2,840	2,809	2,753								
SPR	1,207	1,245	1,249	1,240	1,064								
Total	**3,987**	**4,001**	**4,088**	**4,049**	**3,817**								
Oil-on-water	1,391	1,310	1,546	1,257	1,461								
Days of forward consumption in OECD, *days*													
Commercial onland stocks	60	60	62	62	59								
SPR	26	27	27	27	23								
Total	**86**	**87**	**89**	**89**	**82**								
Memo items													
(a) - (b)	**42.2**	**42.4**	**42.6**	**43.0**	**39.9**	**42.7**	**43.4**	**42.2**	**43.9**	**42.0**	**44.4**	**45.1**	**43.9**

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	2023	2024	2025	1Q26	2Q26	3Q26	4Q26	2026	1Q27	2Q27	3Q27	4Q27	2027
World demand													
Americas	-	0.2	0.2	0.1	0.2	0.3	0.2	0.2	0.1	0.2	0.3	0.2	0.2
of which US	*-*	*-*	*-*	*-*	*-0.1*	*0.1*	*-*	*-*	*-*	*-0.1*	*0.1*	*-*	*-*
Europe	-	0.1	0.1	0.1	-0.1	-	0.1	-	0.1	-	0.1	0.1	0.1
Asia Pacific	-	-	-	-	-	-	-	-	-	-	-	0.1	-
Total OECD	**0.1**	**0.3**	**0.3**	**0.3**	**0.1**	**0.2**	**0.3**	**0.2**	**0.3**	**0.2**	**0.3**	**0.4**	**0.3**
China	-	-	-	-	-0.1	-0.1	-0.1	-0.1	-	-0.1	-	-	-
India	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-0.1	-0.1	-0.1	-0.1	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-
Russia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Eurasia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**-**	**-**	**-0.3**	**-0.1**	**-0.1**	**-0.1**	**-**	**-**	**-**	**-0.1**	**-**
(a) Total world demand	**0.1**	**0.3**	**0.3**	**0.3**	**-0.2**	**0.1**	**0.2**	**0.1**	**0.3**	**0.2**	**0.3**	**0.3**	**0.3**
Y-o-y change	***0.1***	***0.2***	***-***	***-***	***-0.5***	***-0.2***	***-0.1***	***-0.2***	***-***	***0.4***	***0.3***	***0.1***	***0.2***
Non-DoC liquids production													
Americas	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
of which US	*-*	*-*	*-*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Asia Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	**-**	**-**	**-**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
China	-	-	-	-	-	-	-	-	-	-	-	-	-
India	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	0.1	-	-	-	-	-	-
Middle East	-	-	-	-	-0.1	-0.4	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Eurasia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**-**	**-**	**-**	**-0.3**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**
Total Non-DoC production	-	-	-	0.1	0.1	-0.2	-	-	-	-	-	-	-
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-DoC liquids production	**-**	**-**	**-**	**0.1**	**0.1**	**-0.2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
DoC NGLs	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Total Non-DoC liquids production and DoC NGLs	**-**	**-**	**-**	**0.1**	**-**	**-0.2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Y-o-y change	***-***	***-***	***-***	***0.1***	***-***	***-0.2***	***-***	***-***	***-0.1***	***-***	***0.2***	***-***	***-***
OPEC crude oil production (secondary sources)	-	-	-	-	-								
Non-OPEC DoC crude production	-	-	-	-	-								
DoC crude oil production	**-**	**-**	**-**	**-**	**-**								
Total liquids production	**-**	**-**	**-**	**0.1**	**-**								
Balance (stock change and miscellaneous)	*-0.1*	*-0.3*	*-0.3*	*-0.2*	*0.2*								
OECD closing stock levels, *mb*													
Commercial	-	-	-	-	24								
SPR	-	-	-	-	-5								
Total	**-**	**-**	**-**	**-**	**19**								
Oil-on-water	-	-	-	-	-								
Days of forward consumption in OECD, *days*													
Commercial onland stocks	-	-	-	-	-								
SPR	-	-	-	-	-								
Total	**-1**	**-1**	**-**	**-**	**-**								
Memo items													
(a) - (b)	**0.1**	**0.3**	**0.3**	**0.2**	**-0.2**	**0.3**	**0.2**	**0.1**	**0.3**	**0.2**	**0.3**	**0.3**	**0.3**

*Note: * This compares Table 11 - 1 in this issue of the MOMR with Table 11 - 1 in the August 2026 issue.*

This table shows only where changes have occurred.

Source: OPEC.

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

OECD oil stocks and oil on water	2023	2024	2025	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Closing stock levels, mb											
OECD onland commercial	**2,780**	**2,756**	**2,840**	**2,809**	**2,756**	**2,750**	**2,789**	**2,868**	**2,840**	**2,809**	**2,753**
Americas	1,520	1,497	1,549	1,531	1,497	1,460	1,504	1,561	1,549	1,542	1,480
Europe	907	925	925	920	925	941	920	950	925	939	923
Asia Pacific	353	334	366	357	334	349	365	358	366	328	350
OECD SPR	**1,207**	**1,245**	**1,249**	**1,235**	**1,245**	**1,244**	**1,241**	**1,238**	**1,249**	**1,240**	**1,064**
Americas	357	395	414	384	395	398	404	408	414	416	324
Europe	466	466	454	467	466	461	457	453	454	446	445
Asia Pacific	384	384	380	383	384	386	380	377	380	379	295
OECD total	**3,987**	**4,001**	**4,088**	**4,043**	**4,001**	**3,994**	**4,029**	**4,106**	**4,088**	**4,049**	**3,817**
Oil-on-water	**1,391**	**1,310**	**1,546**	**1,309**	**1,310**	**1,364**	**1,383**	**1,461**	**1,546**	**1,257**	**1,461**
Days of forward consumption in OECD, days											
OECD onland commercial	**60**	**60**	**62**	**60**	**60**	**60**	**60**	**62**	**62**	**62**	**59**
Americas	60	59	60	60	59	58	58	61	60	60	56
Europe	67	68	69	68	71	68	67	70	71	71	68
Asia Pacific	49	47	53	48	45	51	53	48	50	53	52
OECD SPR	**26**	**27**	**27**	**26**	**27**	**27**	**26**	**27**	**27**	**28**	**23**
Americas	14	15	16	15	16	16	15	16	16	16	12
Europe	34	34	34	34	36	33	33	34	35	34	33
Asia Pacific	53	54	55	52	52	56	55	51	52	61	43
OECD total	**86**	**87**	**89**	**87**	**88**	**87**	**86**	**88**	**89**	**90**	**82**

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

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

Non-DoC liquids production and DoC NGLs	2025	*Change* *25/24*	1Q26	2Q26	3Q26	4Q26	2026	*Change* *26/25*	1Q27	2Q27	3Q27	4Q27	2027	*Change* *27/26*
US	22.2	*0.5*	22.1	22.8	22.9	22.9	22.7	*0.4*	22.5	22.7	22.8	22.8	22.7	*0.0*
Canada	6.1	*0.1*	6.2	6.0	6.2	6.3	6.2	*0.1*	6.3	6.1	6.3	6.5	6.3	*0.1*
Chile	0.0	*0.0*	0.0	0.0	0.0	0.0	0.0	*0.0*	0.0	0.0	0.0	0.0	0.0	*0.0*
OECD Americas	**28.3**	***0.6***	**28.3**	**28.8**	**29.1**	**29.2**	**28.9**	***0.6***	**28.8**	**28.8**	**29.1**	**29.3**	**29.0**	***0.2***
Norway	2.0	*0.0*	2.2	2.0	2.0	2.0	2.1	*0.0*	2.0	2.0	2.0	2.0	2.0	*-0.1*
UK	0.7	*0.0*	0.7	0.7	0.7	0.7	0.7	*0.0*	0.7	0.7	0.6	0.7	0.7	*0.0*
Denmark	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
Other OECD Europe	0.8	*0.0*	0.8	0.8	0.8	0.8	0.8	*0.0*	0.8	0.8	0.8	0.8	0.8	*0.0*
OECD Europe	**3.6**	***0.1***	**3.8**	**3.6**	**3.5**	**3.7**	**3.6**	***0.0***	**3.6**	**3.5**	**3.5**	**3.6**	**3.5**	***-0.1***
Australia	0.3	*0.0*	0.3	0.3	0.3	0.3	0.3	*0.0*	0.3	0.3	0.3	0.3	0.3	*0.0*
Other OECD Asia Pacific	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
OECD Asia Pacific	**0.4**	***0.0***	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***
Total OECD	**32.3**	***0.6***	**32.4**	**32.8**	**33.0**	**33.3**	**32.9**	***0.5***	**32.8**	**32.7**	**32.9**	**33.3**	**32.9**	***0.1***
China	**4.6**	***0.1***	**4.7**	**4.7**	**4.6**	**4.6**	**4.6**	***0.0***	**4.7**	**4.7**	**4.6**	**4.6**	**4.6**	***0.0***
India	**0.8**	***0.0***	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	***0.0***	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	***0.0***
Indonesia	0.9	*0.0*	0.8	0.8	0.8	0.9	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***	**1.7**	**1.7**	**1.6**	**1.6**	**1.7**	***0.0***	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	***0.0***
Argentina	1.0	*0.1*	1.0	1.1	1.1	1.1	1.1	*0.1*	1.1	1.1	1.2	1.2	1.2	*0.1*
Brazil	4.4	*0.2*	4.8	4.9	4.9	4.9	4.8	*0.4*	4.9	4.9	5.0	5.0	5.0	*0.1*
Colombia	0.8	*0.0*	0.8	0.7	0.7	0.8	0.8	*0.0*	0.8	0.7	0.8	0.7	0.7	*0.0*
Ecuador	0.4	*-0.1*	0.4	0.4	0.4	0.4	0.4	*0.0*	0.4	0.4	0.4	0.4	0.4	*0.0*
Latin America others	1.0	*0.1*	1.2	1.2	1.2	1.3	1.2	*0.2*	1.3	1.4	1.3	1.5	1.4	*0.2*
Latin America	**7.5**	***0.3***	**8.2**	**8.3**	**8.3**	**8.4**	**8.3**	***0.8***	**8.5**	**8.6**	**8.7**	**8.8**	**8.7**	***0.4***
Qatar	1.9	*0.0*	1.4	0.6	1.2	1.4	1.1	*-0.7*	1.3	1.3	1.4	1.4	1.4	*0.2*
Middle East others	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
Middle East	**2.0**	***0.0***	**1.5**	**0.7**	**1.3**	**1.6**	**1.3**	***-0.7***	**1.5**	**1.5**	**1.5**	**1.5**	**1.5**	***0.2***
Angola	**1.1**	***-0.1***	**1.1**	**1.1**	**1.0**	**1.0**	**1.1**	***0.0***	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	***0.0***
Chad	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
Egypt	0.5	*0.0*	0.5	0.5	0.5	0.5	0.5	*0.0*	0.5	0.5	0.5	0.5	0.5	*0.0*
Ghana	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
South Africa	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
Africa others	0.3	*0.1*	0.3	0.3	0.3	0.5	0.4	*0.0*	0.4	0.4	0.4	0.4	0.4	*0.1*
Africa	**2.3**	***-0.1***	**2.2**	**2.2**	**2.2**	**2.3**	**2.3**	***0.0***	**2.3**	**2.3**	**2.3**	**2.3**	**2.3**	***0.0***
Other Eurasia	**0.4**	***0.0***	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***
Other Europe	**0.1**	***0.0***	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	***0.0***	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	***0.0***
Total Non-OECD	**19.3**	***0.3***	**19.6**	**18.9**	**19.3**	**19.8**	**19.4**	***0.1***	**19.9**	**19.9**	**19.9**	**20.1**	**19.9**	***0.5***
Non-DoC production	51.7	*1.0*	52.1	51.7	52.3	53.0	52.3	*0.6*	52.7	52.6	52.8	53.4	52.9	*0.6*
Processing gains	2.5	*0.0*	2.6	2.6	2.6	2.6	2.6	*0.0*	2.6	2.6	2.6	2.6	2.6	*0.0*
Non-DoC liquids production	**54.2**	***1.0***	**54.6**	**54.2**	**54.9**	**55.6**	**54.8**	***0.6***	**55.2**	**55.2**	**55.4**	**56.0**	**55.5**	***0.6***
DoC NGLs	**8.6**	***0.1***	**8.7**	**8.7**	**8.7**	**8.9**	**8.7**	***0.1***	**8.9**	**8.9**	**8.9**	**8.9**	**8.9**	***0.1***
Non-DoC liquids production and DoC NGLs	**62.8**	***1.1***	**63.3**	**63.0**	**63.6**	**64.5**	**63.6**	***0.8***	**64.1**	**64.0**	**64.3**	**64.9**	**64.3**	***0.7***

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

Source: OPEC.

Table 11 - 5: World rig count, units

World rig count	2023	2024	2025	*Change 2025/24*	4Q25	1Q26	2Q26	Jul 26	Aug 26	Change *Aug/Jul*
US	688	599	562	*-37*	548	548	555	585	589	*5*
Canada	177	188	177	*-11*	185	201	151	198	215	*17*
Mexico	55	50	25	*-25*	27	31	26	26	30	*4*
OECD Americas	**921**	**839**	**765**	***-74***	**761**	**781**	**732**	**811**	**836**	***25***
Norway	17	13	16	*3*	15	16	14	14	16	*2*
UK	12	8	8	*0*	6	6	8	9	9	*0*
OECD Europe	**66**	**64**	**66**	***2***	**64**	**66**	**67**	**80**	**84**	***4***
OECD Asia Pacific	**25**	**25**	**18**	***-7***	**18**	**19**	**20**	**21**	**20**	***-1***
Total OECD	**1,012**	**927**	**849**	***-78***	**842**	**866**	**818**	**912**	**940**	***28***
Other Asia*	204	212	201	*-11*	199	195	194	201	196	*-5*
Latin America	120	104	107	*3*	101	105	109	107	108	*1*
Middle East	61	62	62	*0*	61	61	58	62	63	*1*
Africa	67	52	44	*-8*	43	42	48	47	46	*-1*
Other Europe	11	9	11	*2*	11	11	9	9	9	*0*
Total Non-OECD	**463**	**439**	**425**	***-14***	**415**	**414**	**417**	**426**	**422**	***-4***
Non-OPEC rig count	**1,475**	**1,367**	**1,274**	***-93***	**1,257**	**1,280**	**1,236**	**1,338**	**1,362**	***24***
Algeria	36	42	43	*1*	42	40	42	42	42	*0*
Congo	1	1	1	*0*	1	2	2	2	2	*0*
Equatorial Guinea**	0	0	0	*0*	0	0	0	0	0	*0*
Gabon	3	4	3	*-1*	4	5	5	4	3	*-1*
Iran**	117	117	117	*0*	117	117	117	117	117	*0*
Iraq	61	62	62	*0*	63	59	14	12	16	*4*
Kuwait	24	31	34	*3*	40	42	39	40	37	*-3*
Libya	14	18	18	*0*	18	18	22	27	28	*1*
Nigeria	14	15	13	*-2*	16	16	16	18	20	*2*
Saudi Arabia***	83	295	248	*-47*	232	252	266	274	274	*0*
UAE	57	66	74	*8*	77	72	72	74	75	*1*
Venezuela	2	2	1	*-1*	1	2	2	2	2	*0*
OPEC rig count	**412**	**653**	**615**	***-38***	**612**	**624**	**597**	**612**	**616**	***4***
World rig count****	**1,887**	**2,019**	**1,890**	***-129***	**1,869**	**1,903**	**1,832**	**1,950**	**1,978**	***28***
of which:										
Oil	1,498	1,559	1,425	*-134*	1,395	1,412	1,352	1,444	1,464	*20*
Gas	357	413	409	*-4*	414	433	427	442	449	*7*
Others	32	47	56	*9*	60	58	54	64	65	*1*

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

Glossary of Terms

Abbreviations

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

Acronyms

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

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

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

OPEC Basket average price

US$/b

Up 3.45 in August

August 2026	86.44
July 2026	82.99
Year-to-date	**91.35**

August OPEC crude production

mb/d, according to secondary sources

Up 0.35 in August

August 2026	24.08
July 2026	23.73

August Non-OPEC DoC crude production

mb/d, according to secondary sources

Down 0.05 in August

August 2026	13.97
July 2026	14.02

Economic growth rate

per cent

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

Supply and demand

mb/d

2026		26/25	2027		27/26
World demand	105.8	0.4	World demand	108.2	2.4
Non-DoC liquids production	54.8	0.6	Non-DoC liquids production	55.5	0.6
DoC NGLs	8.7	0.1	DoC NGLs	8.9	0.1
Difference	**42.2**	**-0.4**	**Difference**	**43.9**	**1.6**

OECD commercial stocks

mb

	May 26	Jun 26	Jul 26	Jul 26/Jun 26
Crude oil	1,326	1,307	1,313	5.5
Products	1,452	1,446	1,451	4.3
Total	**2,778**	**2,753**	**2,763**	**9.8**
Days of forward cover	59.5	59.0	59.3	0.3

Next report to be issued on 13 October 2026.