



Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

14 January 2026

Feature article:
Oil market outlook for 2027

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Oil Market Highlights

Crude Oil Price Movements

In December, the OPEC Reference Basket (ORB) value dropped by \$2.72/b, month-on-month (m-o-m), to average \$61.74/b. The ICE Brent front-month contract dropped by \$2.03/b, m-o-m, to average \$61.63/b in December, and the NYMEX WTI front-month contract dropped by \$1.61/b, m-o-m, to average \$57.87/b. The GME Oman front-month contract dropped by \$2.57/b, m-o-m, to average \$61.96/b. The Brent–WTI front-month spread dropped by \$0.42/b, m-o-m, to average \$3.76/b in December. The forward curves of all major crude benchmarks remained in backwardation in December, signalling supportive physical crude market fundamentals and a positive short-term global supply–demand outlook. This is despite persistent selling pressure in futures markets. The forward curves for ICE Brent and GME Oman flattened further in December, m-o-m, while the backwardation in NYMEX WTI strengthened slightly.

World Economy

Global economic growth is forecast at 3.1% in 2026, unchanged from last month's assessment. This steady expansion is expected to accelerate further in 2027 to reach 3.2%. This positive outlook is underpinned by normalization in global trade, fiscal support measures, and ongoing adjustments to monetary policies in major economies. For the US, the economic growth forecast remains at 2.1% for 2026, while for 2027, it is forecast at 2%. In the Eurozone, the economic growth forecast remains at 1.2% for 2026, with similar growth forecast for 2027. Japan's economic growth forecast remains at 0.9% for 2026, with similar growth forecast for 2027. China's economic growth forecast remains unchanged at 4.5% for 2026, and similar growth is forecast for 2027. India's economic growth forecast remains at 6.6% for 2026, while for 2027, it is forecast at 6.5%. Brazil's economic growth forecast remains at 2.0% for 2026, and rising to 2.2% in 2027. Russia's economic growth forecast is revised down slightly to 1.3% for 2026, but is forecast to gain traction in 2027, reaching 1.5%.

World Oil Demand

The global oil demand growth forecast for 2026 remains at 1.4 mb/d, y-o-y, unchanged from last month's assessment. The OECD is forecast to grow by 0.15 mb/d, while the non-OECD is forecast to grow by around 1.2 mb/d. In 2027, global oil demand is forecast to grow by about 1.3 mb/d, y-o-y. The OECD is forecast to grow by 0.1 mb/d next year, while the non-OECD is forecast to grow by around 1.2 mb/d, y-o-y.

World Oil Supply

Non-DoC liquids production (i.e., liquids production from countries not participating in the Declaration of Cooperation) in 2026 is forecast to grow by about 0.6 mb/d, y-o-y, unchanged from last month's assessment, with Brazil, Canada, the US, and Argentina as the main growth drivers. In 2027, non-DoC liquids production is also forecast to grow by 0.6 mb/d, mainly driven by Brazil, Canada, Qatar, and Argentina. Natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to grow by 0.1 mb/d, y-o-y, in 2026, to average about 8.8 mb/d, followed by a similar increase in 2027 of about 0.1 mb/d, y-o-y, to average about 8.9 mb/d. Crude oil production by countries participating in the DoC decreased by 238 tb/d in December, m-o-m, to average about 42.83 mb/d, according to available secondary sources.

Product Markets and Refining Operations

Following a sharp upward trend registered in the most recent months, refining margins dropped across all regions in December. In the Northern Hemisphere, the decline was due to product inventory builds, particularly for transport fuels, amid seasonal demand-side pressures. A decline in European product flows to West Africa also contributed to the margins drop. In Southeast Asia, rising domestic product supplies, softening export incentives, and firm product availability from the Middle East also weighed on refining profitability.

Tanker Market

Dirty tanker spot freight rates declined in December, following strong gains seen since mid-year. VLCC spot freight rates experienced a drop but remained at strong levels on continued demand for long-haul flows. Spot freight rates on the Middle East-to-East route declined 12%, m-o-m, and rates on the Middle East-to-West route were down 11%, m-o-m. Suezmax rates saw a similar decline, as reduced tightness in the VLCC market removed some spillover support. Suexmax rates on the US Gulf Coast (USGC) to Europe route fell 12%, m-o-m. Aframax spot freight rates experienced a more moderate decline, as rates had previously faced less upward pressure. Cross-Med Aframax spot freight rates declined 4%, m-o-m. In the clean tanker market, spot freight rates experienced further upward momentum as refineries continued to ramp up following maintenance, increasing long-haul demand. Rates on the Middle East-to-East route rose by 14%, m-o-m, while rates around the Mediterranean were up 6%, m-o-m.

Crude and Refined Product Trade

In December, US crude imports were broadly unchanged from the previous month at just under 6 mb/d. Crude exports increased by almost 10%, m-o-m, in December. US product exports were broadly unchanged in December, m-o-m. In the OECD Europe region, crude imports increased, m-o-m, in November. OECD Europe product imports continued to decline, m-o-m, while product exports jumped to the upper end of the 5-year range. Japan's crude imports picked up further in November, averaging 2.4 mb/d, supported by regional product demand. Product outflows increased 6%, driven primarily by fuel oil. Meanwhile, China's crude imports in November jumped to the highest since 2023, averaging 12.4 mb/d, a gain of around 9%, m-o-m, following the release of crude import quotas. China's product imports showed strength in November, led by naphtha and fuel oil. India's crude imports remained above the five-year range, averaging 5.1 mb/d in November. Product exports from India increased, supported by higher gasoline and naphtha exports, which offset a further strong decline in diesel outflows.

Commercial Stock Movements

Preliminary November 2025 data show that OECD commercial inventories rose by 4.0 mb, m-o-m, to stand at 2,840 mb. At this level, OECD commercial stocks were 77.6 mb higher than a year earlier and 0.3 mb above the latest five-year average, but 101.5 mb below the 2015–2019 average. Within the components, crude stocks rose by 8.1 mb, while product stocks fell by 4.1 mb, m-o-m. OECD crude oil commercial stocks stood at 1,346 mb. This was 39.1 mb higher than a year ago, but 20.7 mb below the latest five-year average and 104.7 mb lower than the 2015–2019 average. OECD total product stocks stood at 1,494 mb. This was 38.6 mb higher than a year ago, 21.0 mb above the latest five-year average, and 3.2 mb higher than the 2015–2019 average. In terms of days of forward cover, OECD commercial stocks rose by 0.2 days, m-o-m, in November, to stand at 62.2 days. This was 1.5 days higher than in November 2024, but 1.3 days lower than the latest five-year average and unchanged relative to the 2015–2019 average.

Balance of Supply and Demand

Demand for DoC crude (i.e., crude from countries participating in the DoC) in 2026 remains unchanged from the previous month's assessment of 43.0 mb/d, which is about 0.6 mb/d higher than that of 2025. For 2027, demand for DoC crude is forecast to reach 43.6 mb/d, around 0.6 mb/d higher than the 2026 forecast.

Feature Article

Oil market outlook for 2027

The **world economy** in 2027 is forecast to see continued robust growth of 3.2%, supported by a steady expansion in the major economies. This is slightly higher than the 2026 economic growth forecast of 3.1%.

Among OECD economies, the US is expected to provide strong momentum to the global economic growth dynamic in 2027. The Eurozone and Japan are also expected to experience a steady economic expansion. Within the non-OECD, key oil-consumers China and India, along with other developing Asian economies, are forecast to provide a significant contribution to world economic growth. Brazil and Russia are also expected to sustain steady growth. Meanwhile, inflation is forecast to normalize further, providing support for continued adjustments in monetary policies in most major economies. Following major trade agreements, global trade is forecast to gain traction in the near term. However, developments regarding the US-China trade agreement – which is due to expire later in the year – and the mid-year extension of the US-Mexico-Canada trade agreement require close monitoring.

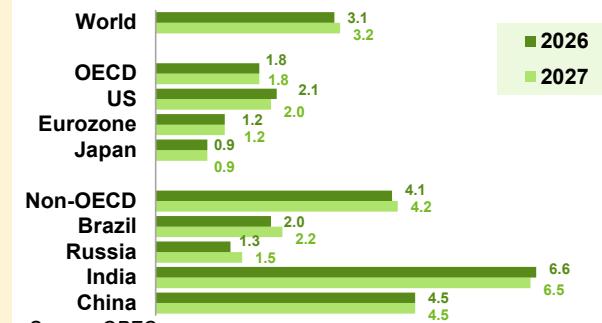
Global oil demand in 2027 is set to expand by a healthy 1.3 mb/d, y-o-y, supported by continued solid economic activity in non-OECD countries.

On a regional basis, OECD oil demand is forecast to expand by around 0.1 mb/d, y-o-y. This is mostly from OECD Americas, with some support from OECD Europe, while the OECD Asia Pacific is projected to decline slightly. Oil demand growth in the non-OECD is expected at around 1.2 mb/d, mostly from Other Asia, India, China, the Middle East, Africa and Latin America. In terms of oil products, transportation fuels are set to drive oil demand growth in 2027, with air travel anticipated to witness a further expansion, as both international and domestic traffic continue to increase. Gasoline requirements are also expected to be supported by steadily rising road mobility in India, Other Asia, the Middle East, and the US. On-road diesel demand is expected to see support from trucking, as well as industrial, construction and agricultural activities, mainly in the non-OECD. Light distillates are forecast to be buoyed by petrochemical capacity additions, mostly in China and the Middle East.

Non-DoC liquids supply in 2027 is forecast to expand by about 0.6 mb/d, y-o-y, underpinned by planned developments and projected upstream capital commitments. Upstream oil investment in non-DoC countries in 2027 is expected at around \$284 billion, slightly higher than the spending anticipated for 2026.

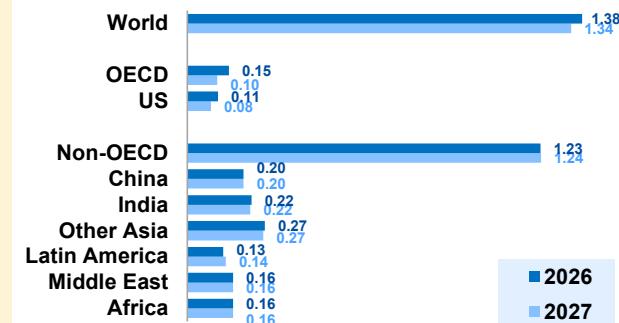
Non-DoC liquids supply growth in 2027 is primarily set to come from Latin America at about 0.4 mb/d, y-o-y. US liquids production is forecast to expand by a minor 30 tb/d, y-o-y, mainly from non-conventional NGLs, as US crude oil output is set to drop. In addition to offshore producers in Latin America such as Brazil, the other main liquids growth drivers are forecast to be Canada, Qatar and Argentina.

Graph 1: GDP growth forecast, y-o-y changes, %



Source: OPEC.

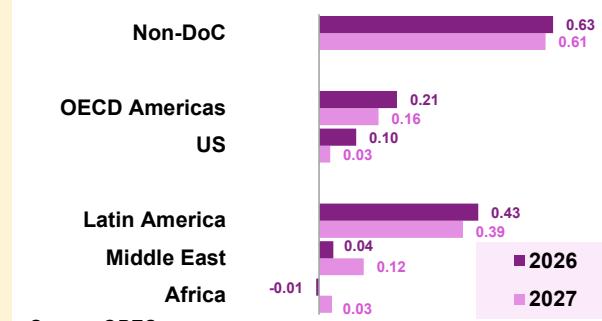
Graph 2: World oil demand growth forecast, y-o-y changes, mb/d



Source: OPEC.

and domestic traffic continue to increase. Gasoline requirements are also expected to be supported by steadily rising road mobility in India, Other Asia, the Middle East, and the US. On-road diesel demand is expected to see support from trucking, as well as industrial, construction and agricultural activities, mainly in the non-OECD. Light distillates are forecast to be buoyed by petrochemical capacity additions, mostly in China and the Middle East.

Graph 3: Non-DoC liquids production growth forecast, y-o-y changes, mb/d



Source: OPEC.

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Crude Oil Price Movements

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The forward curves of all major crude benchmarks remained in backwardation in December, signalling supportive physical crude market fundamentals and a positive short-term global supply–demand outlook. This is despite persistent selling pressure in futures markets. The forward curves for ICE Brent and GME Oman flattened further in December, m-o-m, while the backwardation in NYMEX WTI strengthened slightly.

Positioning from hedge funds and other money managers was volatile over December. The decline in net long positions was more pronounced in the first half of December, as speculators sold the equivalent of 138 mb across the Brent and WTI contracts. However, in the second half of the month, speculators raised their net long positions slightly.

Crude spot prices

Crude spot prices averaged lower in December, as selling activity in oil futures markets weighed on market sentiment. However, these declines were limited as physical market fundamentals remained firm, particularly in the Atlantic Basin, supported by renewed demand from European and US refiners. An uptick in buying interest from Asian refiners further supported prices. Global refinery intakes rose further in December to around 83.8 mb/d, indicating robust demand. Stock data were also supportive, as data from the US Energy Information Administration (EIA) showed a draw of 4.6 mb in US crude oil stocks between the weeks of 28 November and 26 December. In addition, supply outages in the Caspian Sea region provided further support to spot crude markets.

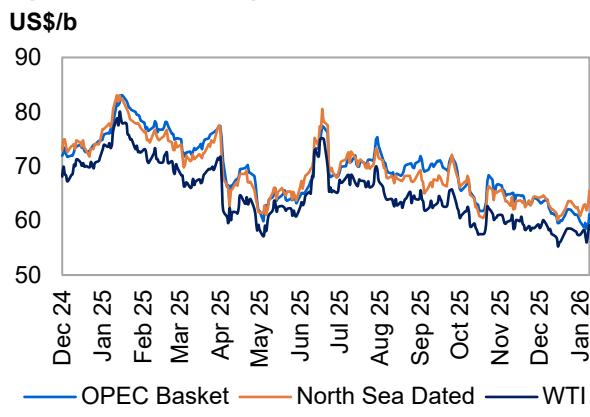
In December, North Sea Dated and WTI first-month price dropped by 94¢/b and \$1.50/b, m-o-m, respectively, averaging \$62.69/b and \$57.97/b. Dubai's first-month price dropped by \$2.47/b, m-o-m, averaging \$61.99/b.

In the Atlantic Basin, most crude differentials strengthened in December, buoyed by buying interest from European and Asian refiners, although lower refining margins, less favourable west-to-east arbitrage economics and elevated freight rates limited gains. In the North Sea, crude differentials of light sweet grades rose, m-o-m, on firm demand from European refiners, as high freight rates made supply in other regions less attractive in Northwest Europe. On a monthly basis, the Forties and Ekofisk crude differentials in December increased by 61¢/b and 67¢/b, respectively, to premiums of 61¢/b and 97¢/b, respectively, against North Sea Dated. However, Johan Sverdrup moved into a deeper discount against North Sea Dated, falling by 66¢/b to a discount of \$1.16/b.

The value of West African crude differentials also strengthened, supported by firm demand from European and Asian refiners. Bonny Light and Qua Iboe crude differentials to North Sea Dated increased by 23¢/b and 51¢/b to stand at premiums of \$1.25/b and \$1.30/b. Forcados and Cabinda rose by \$1.03/b and 25¢/b, to \$2.52/b and a discount of \$1.49/b.

In the Mediterranean and Caspian regions, crude differentials were supported by supply outages in the Caspian and robust demand for January-loading cargoes. Saharan Blend and CBC Blend differentials increased by 31¢/b and 86¢/b, m-o-m, to a premium of 94¢/b and a discount of 13¢/b to North Sea Dated. Azeri BTC crude differentials rose marginally by 1¢/b, m-o-m, to a premium of \$3.02/b, also relative to North Sea Dated.

Graph 1 - 1: Crude oil price movements



Sources: Argus and OPEC.

Crude Oil Price Movements

In the USGC, crude differentials showed mixed movements. Light Louisiana Sweet (LLS) rose by 62¢/b last month on a monthly basis to stand at a premium of \$1.94/b to the WTI benchmark, while Mars sour fell by 19¢/b to a discount of 92¢/b to WTI.

In the Middle East, the value of Oman crude differentials to Dubai fell by 22¢/b, m-o-m, to a premium of 65¢/b.

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

OPEC Reference Basket (ORB)	Nov 25	Dec 25	Change	Annual average	
			Dec 25/Nov 25	2024	2025
ORB	64.46	61.74	-2.72	79.89	69.54
Arab Light	66.20	62.88	-3.32	81.49	71.15
Basrah Medium	63.86	60.90	-2.96	78.37	69.05
Bonny Light	64.76	63.71	-1.05	82.22	69.97
Djeno	56.18	55.24	-0.94	73.20	61.52
Es Sider	63.43	62.74	-0.69	79.72	68.48
Iran Heavy	64.25	61.84	-2.41	79.71	69.50
Kuwait Export	65.20	61.19	-4.01	80.65	70.34
Merey	47.51	45.50	-2.01	65.26	55.73
Murban	65.53	63.02	-2.51	79.73	69.76
Rabi Light	63.17	62.23	-0.94	80.19	68.51
Sahara Blend	64.38	63.44	-0.94	81.73	69.70
Zafiro	64.44	62.69	-1.75	82.17	70.23
Other Crudes					
North Sea Dated	63.63	62.69	-0.94	80.64	68.98
Dubai	64.46	61.99	-2.47	79.57	69.38
Isthmus	57.28	55.69	-1.59	74.01	64.34
LLS	60.81	59.93	-0.88	78.33	67.19
Mars	58.74	57.09	-1.65	75.65	65.21
Minas	67.40	67.20	-0.20	84.45	72.58
Urals	41.12	35.62	-5.50	66.02	54.10
WTI	59.47	57.97	-1.50	75.91	64.91
Differentials					
North Sea Dated/WTI	4.16	4.72	0.56	4.73	4.07
North Sea Dated/LLS	2.82	2.76	-0.06	2.31	1.79
North Sea Dated/Dubai	-0.83	0.70	1.53	1.07	-0.40

Sources: Argus, Direct Communication, and OPEC.

OPEC Reference Basket (ORB) value

In December, the ORB value dropped by \$2.72/b, m-o-m, to average \$61.74/b. West and North African Basket components Bonny Light, Djeno, Es Sider, Rabi Light, Sahara Blend and Zafiro dropped by an average of \$1.05/b, m-o-m, to \$61.68/b. Multiple-region destination grades, including Arab Light, Basrah Medium, Iran Heavy and Kuwait Export dropped on average by \$3.18/b, m-o-m, to \$61.70/b. Murban crude dropped on average by \$2.51/b, m-o-m, to \$63.02/b, while the Merey component fell by \$2.01/b, m-o-m, to settle at \$45.50/b.

The oil futures market

Crude oil futures prices declined m-o-m in December amid heightened volatility, largely driven by fluctuations in speculative positioning and a persistently bearish stance among money managers, despite broadly healthy physical market fundamentals. Volatility persisted through much of the month, with oil prices trading lower amid sell-offs in global equity markets ahead of key US economic data that were closely monitored for signals on the future path of interest rates. Meanwhile, uncertainty remained high regarding the geopolitical developments in major oil-producing regions.

Crude oil futures prices extended their downward trend during the first half of December, relative to November, as market sentiment remained under pressure amid weakness in broader financial markets, as traders adopted a cautious, risk-off stance ahead of the US Federal Reserve policy meeting and the release of key US macroeconomic data. These concerns largely outweighed renewed supply-side risks, including an incident

that disrupted operations along a major crude oil pipeline supplying a Black Sea export terminal. Geopolitical developments in Latin America, alongside uncertainty surrounding peace negotiations in Eastern Europe, continued to shape market expectations.

In the second half of December, crude oil futures prices remained volatile amid persistent uncertainty related to negotiations over the geopolitical development in Eastern Europe and their potential implications for regional oil supply. Refined product markets came under pressure, with EIA data pointing to seasonal builds in US gasoline and middle distillate stocks. Over the period from the week ending 28 November to the week ending 26 December, data showed a build of nearly 20 mb in US gasoline stocks and an increase of 9.4 mb in middle distillate inventories, which partly offset a decline of 4.6 mb in US crude oil stocks during the same period.

Toward the end of December, crude oil futures prices rebounded amid thin trading during the end-of-year holidays. Geopolitical developments remained a key driver of market sentiment, with heightened tensions persisting across Latin America, Eastern Europe and the Middle East.

Despite the m-o-m decline in futures prices, physical market indicators remained broadly supportive. OECD commercial oil stocks remained relatively low in November, standing well below the 2015–2019 average.

The ICE Brent front-month contract dropped in December by \$2.03/b, m-o-m, to average \$61.63/b, and the NYMEX WTI front-month contract dropped by \$1.61/b, m-o-m, to average \$57.87/b. In 2025, ICE Brent averaged \$68.19/b, down \$11.67/b, y-o-y, while NYMEX WTI averaged \$64.73/b, \$11.03/b lower, y-o-y. The GME Oman front-month contract dropped by \$2.57/b, m-o-m, in December to \$61.96/b. In 2025, GME Oman was lower by \$10.22, y-o-y, at \$69.34/b.

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

Crude oil futures	Nov 25	Dec 25	Change	Annual average	
			Dec 25/Nov 25	2024	2025
NYMEX WTI	59.48	57.87	-1.61	75.76	64.73
ICE Brent	63.66	61.63	-2.03	79.86	68.19
GME Oman	64.53	61.96	-2.57	79.56	69.34
Spread					
ICE Brent-NYMEX WTI	4.18	3.76	-0.42	4.10	3.46

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

Sources: CME, ICE, GME and OPEC.

The ICE Brent–NYMEX WTI front-month spread narrowed in December, m-o-m, as NYMEX WTI declined less than ICE Brent, with the spread falling below \$4/b most of the month. The decline in NYMEX WTI was limited by higher refinery intakes and draws in US crude stocks. The ICE Brent–NYMEX WTI front-month spread averaged \$3.76/b in December, down by 42¢/b, m-o-m. In contrast, the spread between North Sea Dated and WTI Houston widened by 76¢/b m-o-m to a premium of \$3.98/b, supporting US crude exports. North Sea Dated was also supported by firm demand in Northwest Europe.

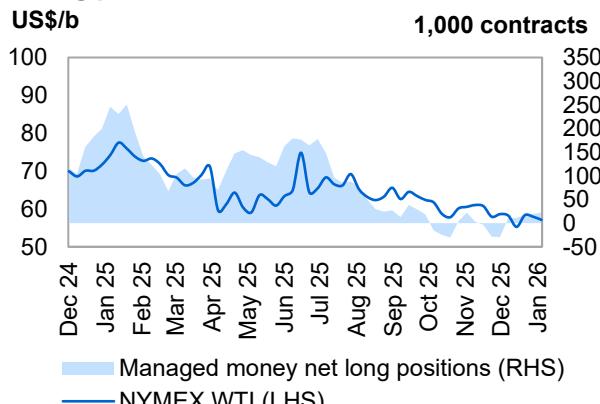
Positioning from hedge funds and other money managers showed volatility over December, while maintaining a bearish stance on crude oil futures, particularly in the second and third weeks of the month, sharply raising their short positions in both Brent and WTI contracts. The decline in net long positions was more pronounced in the first half of December, as speculators sold the equivalent of 138 mb across the Brent and WTI contracts. However, in the second half of the month, speculators raised their net long positions slightly.

Meanwhile, combined NYMEX and ICE WTI contracts net long positions remained net short over the month, reflecting bearish bets on WTI price, which fuelled uncertainty among market participants, increased volatility and exerted downward pressure on prices.

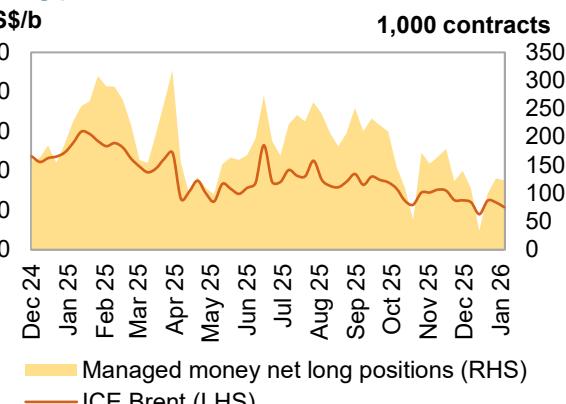
A similarly cautious tone was observed in the middle distillates markets, where money managers heavily cut their net long positions in ICE gasoil, signalling a more cautious outlook. Speculative positioning in all petroleum products was reduced, with net long positions in ICE gasoil and NYMEX ULSD contracts falling by 60.5% and 82.7%, respectively, over the month.

Crude Oil Price Movements

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



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



Selling from money managers was more pronounced in ICE Brent positions, which sold an equivalent of 14 mb in December. Combined futures and options net long positions fell by 13,942 lots over the month, or 9.9%, to stand at 126,184 contracts in the week of 30 December, according to the ICE Exchange. This reflected an increase in short positions of 8,692 lots, or 5.0%, to 183,395 contracts, alongside a decline in long positions of 5,250 lots, or 1.7%, to 309,579 contracts over the same period.

NYMEX and ICE WTI net long positions remained net short in December, but rose over the month by 37,901 lots, or 74.4%, to 13,027 contracts net short, according to the CFTC. This was driven by both an increase in long positions and a reduction in short positions. Long positions increased by 5,832 lots, or 4.0%, between the weeks of 2 and 30 December to 153,194 contracts. During the same period, short positions dropped by 32,069 lots, or 16.2%, to stand at 166,221 contracts.

The long-to-short ratio of speculative positions in the NYMEX WTI contract remained low and unchanged at 1:1 over December, matching the level registered in November. ICE Brent's long-to-short ratio also remained unchanged at 2:1, m-o-m.

Open interest volumes related to NYMEX and ICE WTI futures and options dropped in December by 1.0%, or 33,842 lots, to stand at 3.20 million contracts in the week ending 30 December. By contrast, open interest volumes related to ICE Brent futures and options rose by 6.0%, or 217,328 contracts, m-o-m, to stand at 3.84 million contracts in the week to 30 December.

The futures market structure

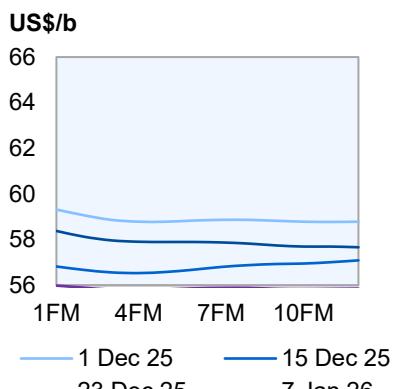
The forward curves of all major crude benchmarks remained in backwardation in December, signalling supportive physical crude market fundamentals and a positive short-term global supply–demand outlook. This is despite persistent selling pressure in futures markets. The forward curves for ICE Brent and GME Oman flattened further in December, m-o-m, while the backwardation in NYMEX WTI strengthened slightly.

The ICE Brent futures structure eased slightly in December, with front-end prices coming under pressure from speculative selling amid expectations of easing geopolitical risks. However, signs of firm market fundamentals for the January 2026 trading cycle, supported by renewed refinery buying interest in the Atlantic Basin and across the Northern Hemisphere, kept the front end of the Brent forward curve in backwardation. In December, the M1/M3 spread fell 13¢/b, m-o-m, to stand at a backwardation of 59¢/b. Similarly, the M1/M6 spread narrowed by 20¢/b, m-o-m, to an average backwardation of 70¢/b in December.

The structure of sour crude benchmarks, including GME Oman, remained in backwardation, although front-month time spreads narrowed m-o-m, reflecting easing concerns over sour crude supply availability and sufficient availability in the East of Suez market. The GME Oman M1/M3 spread narrowed by 18¢/b, m-o-m, to a backwardation of 59¢/b in December.

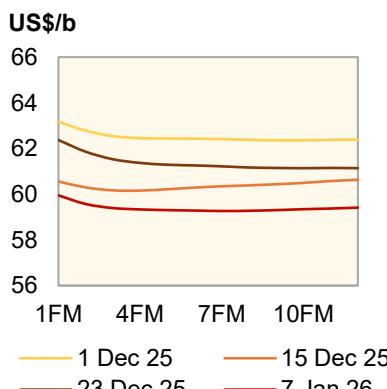
The front end of the NYMEX WTI forward curve strengthened slightly, as front-month prices found support from firmer physical market fundamentals, amid higher demand from US refineries in December and a decline in the country's crude stocks. Higher US crude exports also provided support to prompt prices. The NYMEX WTI M1/M3 spread widened by 2¢/b, m-o-m, to a backwardation of 36¢/b, up from 34¢/b in November.

Graph 1 - 4: NYMEX WTI forward curves



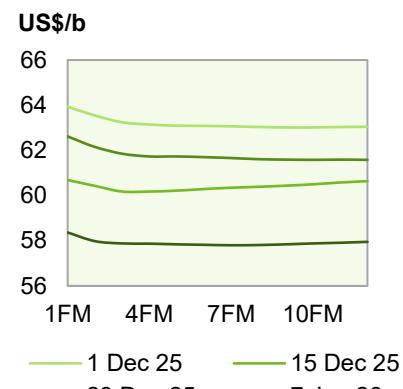
Sources: CME and OPEC.

Graph 1 - 5: ICE Brent forward curves



Sources: ICE and OPEC.

Graph 1 - 6: GME Oman forward curves



Sources: GME and OPEC.

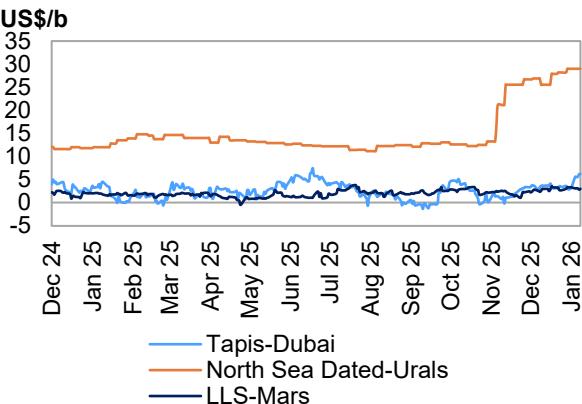
In terms of the M1/M3 structure, the North Sea Brent spread widened in December by 6¢/b, m-o-m, to a backwardation of 99¢/b, compared with 92¢/b in the previous month. The WTI M1/M3 spread also strengthened, widening by 3¢/b, to a backwardation of 37¢/b. The Dubai M1/M3 spread contracted by 33¢/b to a backwardation of 56¢/b, compared with 89¢/b in November.

Crude spreads

In December, the premium of light sweet crude over medium sour crudes widened across all major trading hubs. This increase was driven by the weaker performance of heavy/medium sour crudes compared to light sweet crudes. The value of light sweet crude was bolstered by supportive supply/demand fundamentals, while sour grades came under pressure as supply risk premiums receded and demand for prompt-loading cargoes in Eastern Europe, as seen last month, softened. Weaker fuel oil margins also weighed on the sour crude market.

In Europe, the decline in the value of sour crude was more pronounced than that of light sweet crude, due to the high availability of prompt-loading sour volumes in Northwest Europe and less favourable East-to-West arbitrage economics. Medium sour grades, such as Johan Sverdrup, faced pressure from reduced buying interest in Europe and Asia. A sharp decline in the value of High Sulphur Fuel Oil (HSFO) in Northwest Europe by more than \$4/b added further downward pressure on the demand for sour crude. Higher flows from other regions also weighed on values. Meanwhile, light sweet crude remained supported by firm demand in the Atlantic Basin. Supply outages in the Caspian region provided some support, as buyers sought alternatives in the Mediterranean and the North Sea.

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



Sources: Argus and OPEC.

The sweet-sour crude spread, represented by the Ekofisk-Johan Sverdrup differential, rose by \$1.20/b, m-o-m, to a premium of \$2.81/b, its highest since April 2025, compared with \$1.47/b in the previous month. Urals crude differentials to the North Sea Dated also widened by \$4.56/b to stand at discounts of \$27.07/b.

In Asia, the Tapis premium over Dubai widened as the value of sour crude fell more than that of light sweet crude, driven by selling pressure. Easing concerns about sour crude supply availability, amid signs of ample supply and softer demand from some Asia-Pacific refiners, weighed on the value of sour grades. A wider Brent-Dubai Exchange of Futures for Swaps (EFS), which made Brent-related grades less attractive for Asian buyers, partly offset the widening of the sweet-sour crude spread. The Brent-Dubai EFS stood widened by 30¢/b, m-o-m, to a premium of 39¢/b in December. The Tapis-Dubai spread widened by \$1.67/b, m-o-m, in December to an average of \$3.48/b.

In the USGC, the LLS premium over medium-sour Mars expanded by 78¢/b, m-o-m, to \$2.84/b, reflecting high sour crude availability in the region and lower fuel oil margins. The decline in Mars sour refining margins relative to LLS light sweet crude also contributed to the widening of the LLS-Mars spread.

Commodity Markets

Energy and non-energy commodity price indices continued to move in opposite directions in December. The energy price index declined, while all non-energy price indices advanced.

In the futures market, sentiment was mixed, though skewed towards the bullish side. Combined money managers' net length for most select commodities increased in December, while combined open interest (OI) for most select commodities experienced a moderate decline over the same period.

In December, the US dollar softened slightly, providing broad support to USD-denominated commodity prices. Energy prices remained highly sensitive to winter weather conditions, particularly in the northern hemisphere. Meanwhile, China's incremental policy support stabilized metal prices, though demand weakness remained a drag.

Trends in select energy commodity markets

The energy price index declined in December, falling by 1.3%, m-o-m. Declines in Australian coal, average crude oil and European natural gas prices were a dragging factor, m-o-m and y-o-y, respectively, while positive performance in US coal and natural gas prices limited index losses over the same period.

Table 2 - 1: Select energy prices

Commodity	Unit	Monthly average			% Change		Annual average	
		Oct 25	Nov 25	Dec 25	Dec 25/ Nov 25	Dec 25/ Dec 24	2024	2025
Energy*	Index	84.3	84.0	82.9	-1.3	-14.1	101.5	90.0
Coal, Australia	US\$/boe	10.3	10.8	10.3	-4.4	-17.1	13.0	10.4
Coal, US	US\$/boe	6.9	7.1	7.2	1.6	6.7	6.7	6.9
Crude oil, average	US\$/b	63.0	62.3	60.9	-2.3	-15.8	78.7	67.4
Natural gas, US	US\$/boe	17.3	20.5	23.0	12.1	40.6	11.9	19.1
Natural gas, Europe	US\$/boe	58.9	56.4	51.3	-9.0	-31.6	59.3	64.7

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

Sources: World Bank and OPEC.

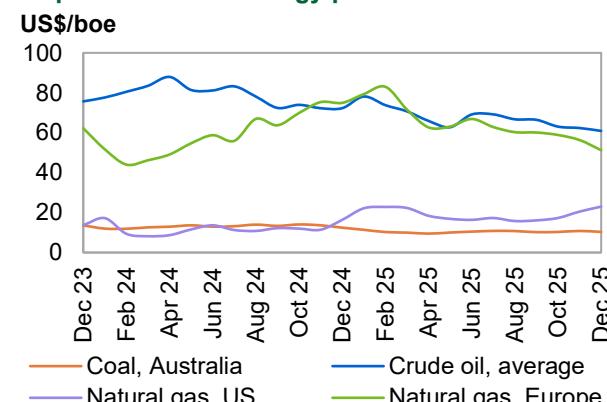
Australian thermal coal prices receded in December after two consecutive months of gains, falling by 4.4%, m-o-m. Prices eased as winter restocking activities softened compared with the previous month. Softer industrial demand in key consuming Asian countries, coupled with China's incremental import restrictions, also contributed to price declines. Nonetheless, seasonal demand from Northern Asia amid the winter season partially offset losses. Prices were down by 14.1%, y-o-y.

In the US, coal prices trended upward for a third consecutive month in December, increasing by 1.6%, m-o-m. Increased winter electricity demand boosted coal burning, thus lifting prices. Stockpiling activities also supported prices as utilities looked to lock in short-term supply. However, gas-to-coal fuel switching was limited by ample gas supply, and this limited upside support for prices, which were 6.7% higher, y-o-y.

Average crude oil prices declined for a fifth consecutive month in December, falling by 2.3%, m-o-m. Improved sentiment in the futures markets limited downside pressure on prices, which fell by 15.8%, y-o-y.

Henry Hub's natural gas prices continued their strong performance, increasing for a fourth consecutive month in December. Prices rose by 12.1%, m-o-m, on the back of a colder-than-average early winter, which boosted heating demand. According to data from the US Energy Information Administration (EIA), average weekly natural gas storage decreased by 10.5%, m-o-m, in December. Moreover, LNG export capacity utilization remained at elevated levels in December, and this contributed to the price rally in the period. Prices were up by 40.6%, y-o-y.

Graph 2 - 1: Select energy prices



Sources: World Bank, Haver Analytics and OPEC.

Commodity Markets

The average Title Transfer Facility (TTF) declined for a fifth consecutive month in December, falling by 9.0%, m-o-m. Healthy storage levels offset pressure from higher winter heating demand. According to data from Gas Infrastructure Europe, EU storage levels fell to 63.2% as of the end of December, down from 75.4% the previous month, representing a 12.2 percentage point decrease, m-o-m. Moreover, reports of increased US LNG supply offset concerns regarding supply availability. Prices were down by 31.6%, y-o-y.

Trends in select non-energy commodity markets

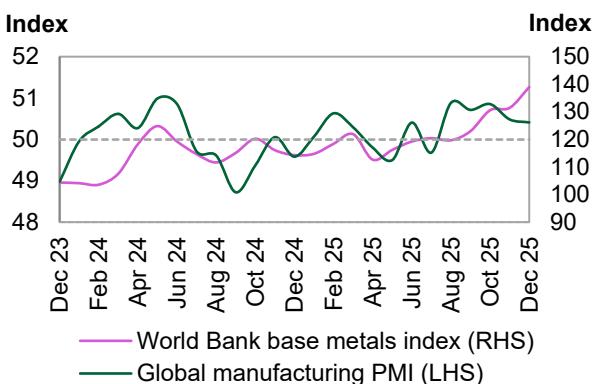
The non-energy price index advanced for a fifth consecutive month in December, increasing by 1.3%, m-o-m. Gains in the base and precious metals indices lifted the benchmark, though these were partially offset by a decline in the agriculture index, which was down by 0.4%, m-o-m, over the same period. The non-energy index was essentially flat, y-o-y, while the agriculture index was lower by 8.8%, y-o-y.

Base metals

The base metal index advanced for the fourth consecutive month in December, increasing by 5.7%, m-o-m. Metal prices benefited in general from some Chinese stimulus measures. Meanwhile, slowing but still positive global industrial activity provided a floor on prices. The global manufacturing PMI declined marginally to 50.4 in December, down from 50.5 in the previous month, a 0.1% m-o-m decrease. At the same time, China's manufacturing PMI moved back into expansionary territory, increasing to 50.1 in December, up from 49.9 in November. The base metal index was up by 21.6%, y-o-y.

At the London Metal Exchange (LME) warehouses, combined stocks of base metals rose in December by 3.2%, m-o-m. Stocks were down by 22.3%, 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: Base metal prices

Commodity	Unit	Monthly average			% changes		Annual average	
		Oct 25	Nov 25	Dec 25	Dec 25/ Nov 25	Dec 25/ Dec 24	2024	2025
Non-energy*	Index	114.6	115.4	116.9	1.3	0.0	112.5	115.2
Base metal*	Index	130.6	131.4	139.0	5.7	21.6	114.1	122.3
Copper	US\$/mt	10,750	10,821	11,795	9.0	32.0	9,169	9,956
Aluminium	US\$/mt	2,791	2,824	2,885	2.2	13.1	2,429	2,634
Nickel	US\$/mt	15,135	14,703	14,924	1.5	-3.6	16,866	15,199
Lead	US\$/mt	1,977	2,003	1,950	-2.7	-2.5	2,079	1,970
Zinc	US\$/mt	3,068	3,127	3,149	0.7	3.7	2,785	2,859
Iron Ore	US\$/mt	106	105	107	1.9	2.9	109	103

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

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

Copper prices rose in December by 9.0%, m-o-m, and were up by 32.0%, y-o-y. At LME warehouses, stocks rose by 11.7%, m-o-m, in December, though they were down 40.5%, y-o-y.

Aluminium prices advanced in December by 2.2%, m-o-m, and were up by 13.1%, y-o-y. LME warehouse stocks decreased over the month by 4.5%, m-o-m, and were down by 22.1%, y-o-y.

Nickel prices increased by 1.5%, m-o-m, in December, though they were down by 3.6%, y-o-y. At LME warehouses, stocks were unchanged m-o-m; however, they were up 55.3%, y-o-y.

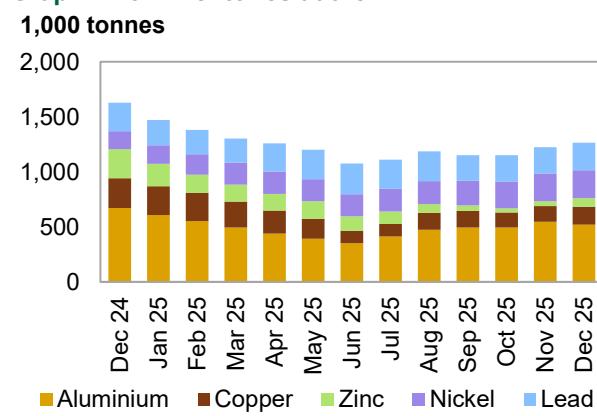
Lead prices dropped by 2.7%, m-o-m, in December, and were down by 2.5%, y-o-y. At LME warehouses, stocks increased by 4.2%, m-o-m, but were down by 4.0%, y-o-y.

Zinc prices rose in December, increasing by 0.7%, m-o-m, and were up by 3.7%, y-o-y. Stocks increased by 90.5%, m-o-m, at LME warehouses, but were down by 70.3%, y-o-y.

Commodity Markets

Iron ore prices rebounded in December, increasing by 1.9%, m-o-m, and they were higher by 2.9%, y-o-y. Meanwhile, China's steel industry PMI remained below expansionary territory and trended downward in December. The benchmark dropped to 46.3 in the month, down from 48.0 the previous month, representing a 3.5% m-o-m decrease.

Graph 2 - 3: Inventories at the LME



Sources: LME, Thomson Reuters and OPEC.

Precious metals

The precious metals index continued its upward trajectory in December, increasing for the seventh consecutive month. The index rose by 8.4%, m-o-m, supported by gains across all select precious metals prices, led by platinum. The index was up 68.9%, y-o-y.

Table 2 - 3: Precious metal prices

Commodity	Unit	Monthly average			% changes		Annual average	
		Oct 25	Nov 25	Dec 25	Dec 25/ Nov 25	Dec 25/ Dec 24	2024	2025
Precious metals*	Index	307.5	310.2	336.1	8.4	68.9	180.2	258.6
Gold	US\$/Oz	4,058	4,087	4,309	5.4	62.7	2,388	3,442
Silver	US\$/Oz	49.4	50.4	62.3	23.6	102.6	28.3	39.8
Platinum	US\$/Oz	1,616	1,565	1,893	21.0	101.9	955	1,278

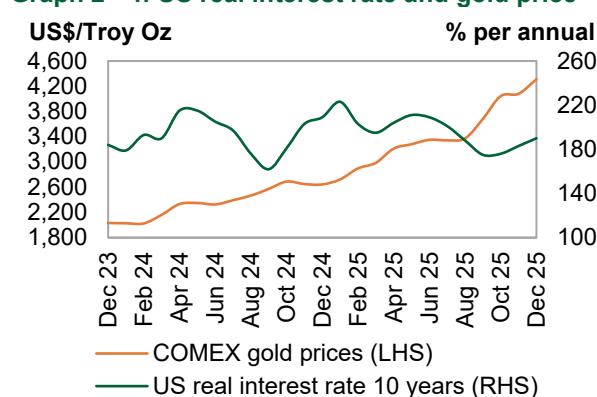
Note: * World Bank commodity price index (2010 = 100).

Sources: World Bank and OPEC.

Gold prices rose for a fifth consecutive month, increasing by 5.4%, m-o-m, in December. Safe haven flows amid geopolitical uncertainty and expectations of US Fed rate cuts supported prices. Strong central bank buying also contributed to price gains, though profit-taking at year-end limited gains. Prices were up by 62.7%, y-o-y.

Silver and platinum prices rose by 23.6% and 21.0%, m-o-m, respectively, in December. Continued gold-linked performance, coupled with elevated industrial demand, contributed to a price rally in both metals, though profit-taking and year-end liquidity thinness capped gains. Silver and platinum prices were up by more than 100%, 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 rose for a fifth consecutive month in December, increasing by 7.8%, m-o-m. Positive performance by cobalt and lithium prices lifted the benchmark. The 'other minerals' price index was up by 86.0%, y-o-y.

Cobalt prices rose for a fourth consecutive month in December, increasing by 7.8%, m-o-m. Strategic restocking by battery makers remained supportive of prices amid supply constraints from key producing countries. Prices were up by more than 100%, y-o-y.

Commodity Markets

Table 2 - 4: Select other minerals prices

Commodity	Unit	Monthly average			% changes		Annual average	
		Oct 25	Nov 25	Dec 25	Dec 25/ Nov 25	Dec 25/ Dec 24	2024	2025
Other minerals*	Index	52.8	57.8	62.3	7.8	86.0	37.4	44.2
Cobalt	US\$/mt	43,220	48,206	51,947	7.8	113.8	26,376	34,967
Graphite	US\$/mt	424	413	413	0.0	-5.1	488	430
Lithium	US\$/mt	10,361	10,713	11,825	10.4	26.4	11,348	9,709

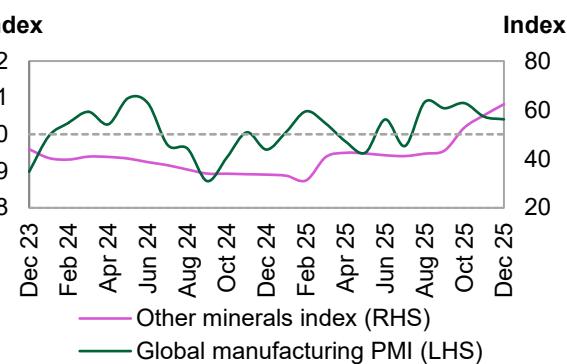
Note: * OPEC price index (2022 = 100).

Sources: LME, Haver Analytics and OPEC.

Graphite prices were unchanged, m-o-m. Prices were relatively stable, with an upward bias due to some strategic stockpiling, though this was offset by softer demand from battery makers. Prices were down by 5.1%, y-o-y.

Lithium prices rose for a second consecutive month in December, increasing by 10.4%, m-o-m. They rose on the back of policy-anchored decarbonization targets, though market fundamentals remained soft, and this limited gains. Prices were up by 26.4%, y-o-y.

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



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

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

Investment flows into commodities

Combined money managers' net length rose in December by 32.5%, m-o-m. Most select commodities experienced net length gains in the period, except natural gas. Combined net length was down by 54.1%, y-o-y.

Combined OI decreased in December by 1.7%, m-o-m, dragged down by decreases for crude oil, gold and copper, though these were partially offset by an increase in natural gas. Combined OI was higher by 2.8%, y-o-y.

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

Selected commodity	Open interest			Long		Short		Net length				Dec 25/ Nov 25
	Nov 25	Dec 25	Nov 25	Nov 25	Dec 25	Nov 25	Dec 25	Nov 25	% OI	Dec 25	% OI	
Crude oil	2,339	2,308	-1.3%	135	143	137	141	-2	0	3	0	266.6%
Natural gas	1,541	1,567	1.7%	169	162	225	223	-56	-4	-61	-4	-9.0%
Gold	787	720	-8.5%	131	149	28	20	103	13	129	18	25.9%
Copper	292	279	-4.6%	74	80	11	8	62	21	72	26	15.3%
Total	4,959	4,874	-1.7%	509	535	401	392	108	31	143	40	32.5%

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

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

Open interest includes both commercial and non-commercial positions.

Sources: CFTC and OPEC.

Crude oil's (WTI) OI dropped in December by 1.3%, m-o-m. Meanwhile, money managers' net length sharply increased by more than 100%, m-o-m, over the same period. OI was up by 4.7%, y-o-y, while net length was down by 98.4%, y-o-y.

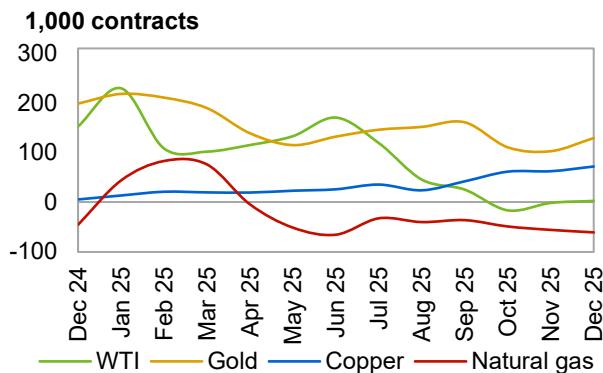
The natural gas (Henry Hub) OI rose by 1.7%, m-o-m in December. Meanwhile, money managers cut net length by 9.0%, m-o-m, over the same period. Both OI and net length were lower by 1.2% and 33.6%, respectively, y-o-y.

Commodity Markets

Gold's OI decreased in December by 8.5%, m-o-m. Meanwhile, money managers increased net length over the same period by 25.9%, m-o-m. OI was up by 1.9%, y-o-y, while net length was down by 35.0%, y-o-y.

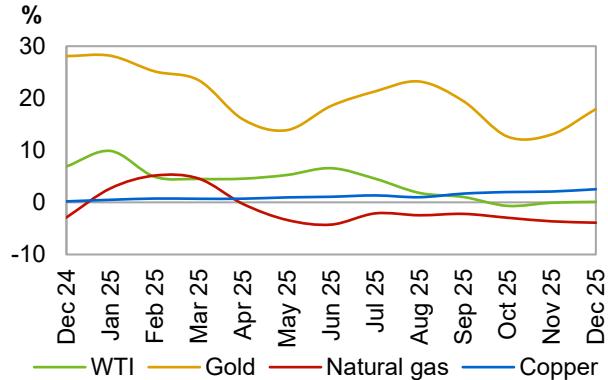
Copper's OI fell in December by 4.6%, m-o-m, while money managers increased net length by 15.3% m-o-m, over the same period. Both OI and net length were higher by 14.7%, and more than 100%, y-o-y, respectively.

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



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

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



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

World Economy

The healthy global economic growth continued towards the end of 2025, and this trend is expected to carry over into 1H26. The strong performances seen in the United States, India and China are again expected to continue fueling the world's economic growth dynamic in 2026. Furthermore, the Eurozone and Japan are expected to continue expanding steadily, albeit at lower levels relative to other major economies. Brazil and Russia are also expected to sustain steady growth trends into 2026.

In 1H26, an early-year fiscal boost is expected, as the US tax cuts and the reversal of the 4Q25 shutdown-related drag should lift growth. Also, the stimulus measures are set to gather pace in 1H26 in China, Japan, and Germany as well, while India is projected to sustain strong growth as fiscal support continues and trade frictions with the US are anticipated to ease.

This year's global growth trends are expected to extend into 2027, with most OECD economies' growth forecasts in 2027 being similar, or even higher than their 2026 forecasts. In China and India, the economic growth forecasts are expected to be largely similar to the current year. In Brazil, growth is expected to slightly improve in 2027, although this dynamic will be impacted by the then newly elected government's fiscal objectives. In Russia, the inflation is forecast to normalize further, providing support for continued adjustments in monetary policies.

Overall, global economic activity is expected to maintain its strong performance in both 2026 and 2027. As a result, the global growth forecast for 2026 stands at a robust level of 3.1%, unchanged from the previous month's assessment. In 2027, global economic growth is forecast to gain additional traction, increasing slightly to 3.2%.

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

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2026	3.1	2.1	1.2	0.9	4.5	6.6	2.0	1.3
Change from previous month	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
2027	3.2	2.0	1.2	0.9	4.5	6.5	2.2	1.5

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

Source: OPEC.

Update on the latest global developments

Despite the elevated uncertainty seen earlier in the year, the global economy maintained its strong performance throughout 2025. The growth outcomes in 3Q25 were supported by resilient consumer spending, stabilizing trade relations and easing monetary conditions in key economies. Trade agreements reached during the summer between the US and several major partners have largely stabilized implementation, with no major disruptions reported. Progress continues on bilateral trade discussions between the US, Brazil, and India, although these have yet to be finalized. Beyond the US, trade integration has also advanced, with negotiations between the EU and Mercosur and between the EU and India nearing completion. Fiscal policies were also largely supportive, notably in the US, Japan and Germany, while India has maintained robust infrastructure investment.

In OECD economies, the US economy expanded by a robust 4.3%, q-o-q, SAAR, in 3Q25, according to the delayed release following the federal government shutdown, accelerating from growth of 3.8% in 2Q25. Eurozone economic growth was revised up to 1.1%, q-o-q, SAAR, in 3Q25 in Eurostat's final estimate, strengthening from 0.6% in 2Q25. Japan's economy contracted by 2.3%, q-o-q, SAAR, in 3Q25 after expanding by 2.1% in 2Q25, although growth remained positive on an annual basis.

In non-OECD economies, China expanded by 4.8%, y-o-y, in 3Q25, moderating from 5.2% in 2Q25 and 5.4% in 1Q25, while remaining broadly on track to meet its annual growth target. Growth was supported by firm export performance despite earlier trade disruptions with the US. India grew by 8.2%, y-o-y, in 3Q25, up from 7.8% in 2Q25, reflecting strong momentum in both manufacturing and services. Brazil's growth slowed to 1.8%, y-o-y, in 3Q25 from 2.4% in 2Q25, as manufacturing activity weakened and private consumption softened, partly offset by continued strength in agriculture. Russia grew by 0.6%, y-o-y, in 3Q25, compared with 1.1% in 2Q25 and 1.4% in 1Q25, signalling a return towards potential growth.

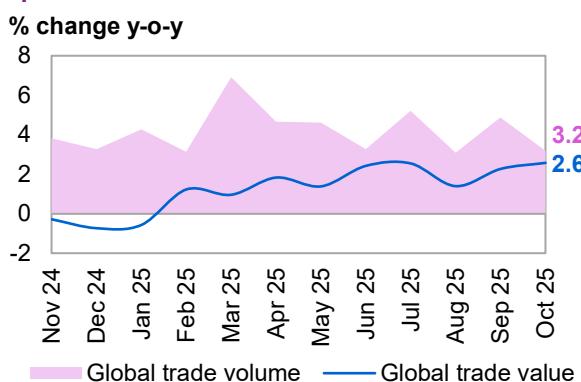
Inflation across major OECD economies showed signs of easing. In the US, headline inflation remained at 2.7%, y-o-y, in December unchanged from November and down from 3.0% in September, with no October

reading released due to the government shutdown. In the Eurozone, inflation eased to 2.0%, y-o-y, in December according to Eurostat's initial estimate, down from 2.1% in both October and November. In Japan, inflation moderated to 2.9%, y-o-y, in November from 3.0% in October and 2.8% in September. On monetary policy, the US Federal Reserve (Fed) cut interest rates by 25 basis points (bp) at its December meeting, citing easing inflation and softening labour-market conditions. The European Central Bank (ECB) held rates unchanged in December, pointing to inflation approaching the target and stronger-than-expected growth. The Bank of Japan (BoJ) raised interest rates by 25 bp, marking its highest policy rate in nearly three decades amid sustained wage growth and rising price pressures.

In non-OECD economies, inflation trends remained mixed. China's CPI rose to 0.8%, y-o-y, in December from 0.7% in November and 0.2% in October, remaining in positive territory after a prolonged period of deflation earlier in the year. India's inflation increased to 0.7%, y-o-y, in December from 0.3% in October, following earlier declines driven by lower food prices after a strong monsoon and the reduction in the Goods and Services Tax (GST). In Brazil, inflation eased to 4.5%, y-o-y, in November from 4.7% in October and 5.2% in September, remaining near the upper bound of the target range. Russia's inflation continued to slow, falling to 6.6%, y-o-y, in November from 7.7% in October and 8.0% in September. On monetary policy, the People's Bank of China (PBoC) kept rates unchanged in 4Q25 while maintaining scope for further easing in 2026. The Reserve Bank of India (RBI) cut rates by 25 bp in December. The Central Bank of Russia (CBR) reduced its policy rate by 50 bp, continuing its easing cycle, while the Banco Central do Brasil (BCB) left rates unchanged at its December meeting.

Global trade continued to expand in both volume and value terms through October, although momentum remained uneven across recent months. Trade volume growth eased to 3.2%, y-o-y, in October, following 4.9% in September and 3.1% in August. In value terms, global trade rose by 2.6%, y-o-y, in October, up from 2.3% in September and 1.4% in August. Trade volumes had risen sharply ahead of the April implementation of US tariffs and have since been gradually normalizing.

Graph 3 - 1: Global trade



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

Near-term global expectations

The global economy is expected to sustain its steady growth into 2026 and 2027. The limited impact of earlier trade tensions and the gradual easing of uncertainty are expected to support this trajectory, as major economies maintain stable growth dynamics. Trade re-routing and targeted fiscal support have proven effective in absorbing recent trade disruptions and are likely to remain available as short-term adjustment tools if new tensions emerge. Overall, expectations remain that no renewed escalation in global trade tensions; however, two sources of uncertainty may emerge. The first concerns the renewal of the US–Mexico–Canada Agreement (USMCA), scheduled for July 2026, while the second concerns the expiration of the US–China trade truce in October 2026. While both uncertainties entail some economic impact, the baseline assumption remains that negotiated outcomes will eventually be reached.

The services sector is expected to remain the primary driver of global growth across major economies into 2027, with manufacturing showing further, albeit more gradual, improvement. Fiscal expansion in Germany and rising defence spending across the EU are expected to provide some support to industrial activity. In Japan, fiscal measures are likely to have positive effects on selected strategic sectors, while remaining largely focused on supporting household incomes, which should lift private consumption.

Growth across major economies is expected to firm slightly into 2027, with the exception of some normalization in the US and India as both ease from the elevated growth rates seen in 2026, while still maintaining solid expansion. This outlook is driven by easing monetary policy, supportive fiscal settings, moderating inflation and steady private consumption. China is expected to sustain a stable growth dynamic into 2027, supported by continued export strength and a stabilizing housing sector that is expected to lift household incomes and consumption, although risks to the outlook remain.

Inflation dynamics are expected to continue moving closer to target levels, though risks remain uneven across economies. Deflationary pressures in China persist despite recent positive inflation readings, while sticky inflation in other major economies remains a concern. The Fed is still expected to deliver at least one additional

World Economy

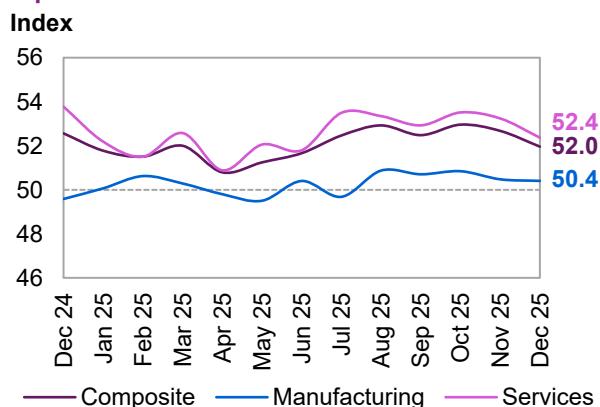
rate cut in 2026, although divergence within the Federal Open Market Committee (FOMC) has increased amid persistent inflation and a softening labour market. The ECB has signalled that rate cuts are likely to be complete for now, with inflation near target, while elevated services inflation and stronger growth leave room for potential upward adjustments in 2026. The BoJ is expected to hold rates steady through 1H26, with a potential hike in 2H26 following the conclusion of spring wage negotiations. Among non-OECD economies, the PBoC retains room for further easing in 2026, depending on inflation trends. The RBI also maintains scope for additional rate cuts following recent CPI developments. Both the BCB and the CBR are expected to resume easing as inflation continues to moderate from the elevated levels seen in 2025.

In December, PMIs remained in expansionary territory across both the manufacturing and services sectors, although momentum slightly softened towards the end of the year.

The global Manufacturing PMI edged down to 50.4 in December from 50.5 in November and 50.9 in October.

The global Services PMI eased to 52.4 in December, compared with 53.2 in November and 53.5 in October, but continued to indicate expansion.

Graph 3 - 2: Global PMI



With the global growth pattern expected to continue from 2025, supported by further normalization in trade and supportive fiscal policies, global economic growth is forecast in 2026 at 3.1%, unchanged from the previous month's assessment.

For 2027, economic growth is expected to accelerate slightly across major economies. Global economic growth is forecast at 3.2% in 2027.

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

	World
2026	3.1
Change from previous month	0.0
2027	3.2

Note: * 2026–2027 = Forecast.

Source: OPEC.

OECD

US

Update on the latest developments

The US economy grew by 4.3%, q-o-q, SAAR, in 3Q25 according to the delayed estimate from the Bureau of Economic Analysis (BEA). This followed a 3.8% q-o-q growth, SAAR, in 2Q25. Growth in 3Q25 was driven by stronger consumer spending, higher exports, and increased government spending, while weaker investment partly offset this trend. Imports declined, continuing the reversal of the front-loading trend seen early in the year ahead of tariffs, providing further upside to the growth level. Final sales to private domestic purchasers increased by 3.0%, q-o-q, SAAR, broadly in line with the 2.9% increase recorded in 2Q25. The release of this initial estimate replaced the advance and second estimates due to the recent federal government shutdown.

In terms of trade, the US continued to move towards a gradual easing of tariff pressures towards year-end, with several steps pointing to further de-escalation. In November, the US removed selected agricultural products from additional duties imposed under the International Emergency Economic Powers Act (IEEPA), including the elimination of the 40% tariff applied to some Brazilian agricultural imports, effective 13 November, signalling a partial easing in US–Brazil trade relations. This was followed in December by a further softening in trade policy, as the US delayed by one year the planned increase in Section 232 tariffs on lumber and related wood products, including upholstered furniture, kitchen cabinets, and vanities scheduled to take effect on 1 January 2026. Additionally, the US delayed the implementation of semiconductor-related measures on China, although it remains open to tightening tariff policy on China in strategic sectors.

On the consumer side, consumer spending remained relatively strong but showed signs of slowing, rising by 3.5%, y-o-y, in October, down from 4.2% in September and 5.0% in August. Consumer confidence weakened further towards year-end, with the Conference Board index falling to 89.1 in December from 92.9 in November

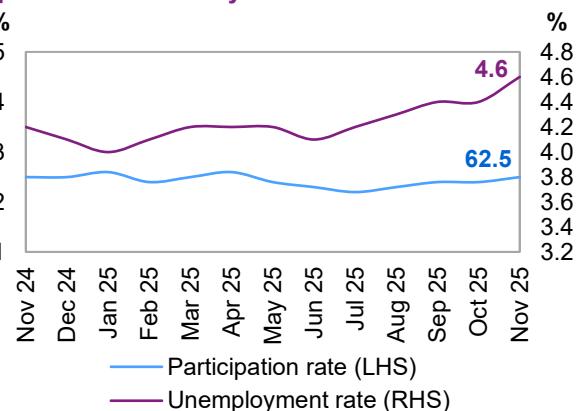
and 95.5 in October. Confidence has been on a gradual downward trend since July and has declined by around six index points since October, with the start of the government shutdown.

Inflation stood at 2.7%, y-o-y, in December, unchanged from November and down from 3.0% in September and 2.9% in August. There was no inflation reading for October due to the government shutdown. Core inflation also remained unchanged in December at 2.6%, y-o-y, from November and down from 3.0% in September and 3.1% in August. Food inflation stood at 3.1%, y-o-y, in December, up from 2.6% in November, and returning to its September level. PCE inflation, the Fed's preferred measure, moved up to 2.8%, y-o-y, in September from 2.7% in August and 2.6% in both July and June, with no new data released subsequently due to the shutdown.

Nonfarm payroll employment increased by 64,000 in November, following a gain of 108,000 in September, as no October labour market data was published due to the federal government shutdown, while federal government employment continued to decline. The unemployment rate stood at 4.6% in November, up from 4.4% in September, and the labour force participation rate moved up slightly to 62.5%. Average hourly earnings rose by 3.5%, y-o-y, in November, broadly in line with recent months.

At its December meeting, the Fed reduced the federal funds rate by 25 bp to a target range of 3.50–3.75%, following similar-sized cuts in September and October. The decision drew three dissents, with two members preferring to hold rates steady and one

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

favouring a larger 50 bp reduction, highlighting the increasing differences of opinion over how to weigh a weakening labour market against persistent inflationary pressures under the Fed's dual mandate.

The release of trade data resumed following earlier delays related to the government shutdown, with September now available as the latest reference point. The US trade deficit narrowed further to \$52.8 billion in September from \$59.3 billion in August and \$77.2 billion in July. Imports declined to \$342.1 billion in September from \$340.2 billion in August and \$358.8 billion in July. On a yearly basis, imports contracted by 3.7%, y-o-y, in September, following a 1.9% decline in August and growth of 2.6% in July. Exports increased to \$289.3 billion in September from \$280.9 billion in August and \$281.6 billion in July. On a yearly basis, exports rose by 5.7%, y-o-y, in September, accelerating from 1.9% in August and 3.9% in July.

Near-term expectations

The US economy is expected to maintain momentum into 2026 and 2027, supported by resilient consumer spending and a gradual easing in monetary policy. Growth in 4Q25 was likely weakened by the federal government shutdown, but this is expected to be partly reversed in 1Q26 as delayed federal spending is pushed into the following quarter. According to estimates from the Congressional Budget Office (CBO), this shift could add up to 2.2 pp to growth on a q-o-q annualized basis in 1Q26 as delayed federal spending from 4Q25 is pushed into 1Q26. The funding agreement that ended the shutdown only extends through the end of January, leaving the risk of another disruption early in 2026. Early signals suggest progress towards avoiding another shutdown, although a resolution has not yet been reached.

Trade developments are also expected to support growth, as easing trade restrictions and the normalization of trade patterns reduce uncertainty. Most US trade now falls under formal trade arrangements. However, two sources of uncertainty remain. The first is the scheduled renewal of the USMCA in July 2026, where ongoing tensions, particularly with Canada, could complicate negotiations. However, given the high degree of North American economic integration and strong business incentives, the agreement is still expected to be renewed, albeit most likely with some modifications. The second is the expiration of the one-year trade truce with China set for October 2026. While recent developments in the semiconductor sector point to renewed frictions, expectations remain that an extension of the truce or a broader agreement will be reached, preventing a renewed escalation in trade tensions.

World Economy

Monetary policy is expected to shift towards a slower, more cautious pace of easing in 2026, following three consecutive rate cuts at the end of 2025. At least one additional reduction remains likely next year, but the FOMC has signalled a cautious, data-dependent stance that could be paused or adjusted if needed rather than fully committing to easing. Divergence of opinion within the FOMC has also increased, as members place differing weights on softening labour-market conditions versus inflation that remains above target but relatively stable. Recent indications suggest most officials still see scope for some further easing in 2026, while a growing minority favour keeping rates higher for longer.

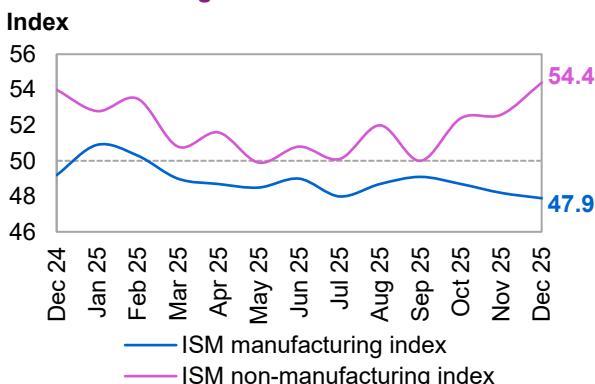
According to the Institute for Supply Management (ISM), the Manufacturing PMI fell to 47.9 in December from 48.2 in November and 48.7 in October, indicating a faster pace of contraction. New orders remained in contraction, while production stayed in expansionary territory. Respondents continued to point to tariff-related uncertainty, weak demand and elevated cost pressures as key factors weighing on manufacturing activity.

In the services sector, the PMI rose to 54.4 in December from 52.6 in November and 52.4 in October, remaining in expansionary territory. Business activity strengthened further, while employment returned to expansion after several months in contraction.

With the solid momentum of 2025 carrying over into 2026 and the delayed spending shifting from 4Q25 into 1Q26 due to the government shutdown providing further support, the US economic growth forecast for 2026 stands at 2.1%, unchanged from the previous month's assessment.

For 2027, normalizing trends and stabilizing consumer spending are expected to continue the growth dynamic, although at a slightly softer pace of 2.0%.

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



Sources: Institute for Supply Management and Haver Analytics.

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

	US
2026	2.1
Change from previous month	0.0
2027	2.0

Note: * 2026–2027 = Forecast.

Source: OPEC.

Eurozone

Update on the latest developments

Economic growth in the Eurozone was revised up to 1.1%, q-o-q, SAAR, in 3Q25 in the final estimate from Eurostat, strengthening from 0.6% in 2Q25. Growth in 3Q25 was driven by stronger public expenditure, which rose by 2.8%, q-o-q, SAAR, up from 1.5% in 2Q25, alongside a stronger growth in gross capital formation to 5.2%, q-o-q, SAAR, up from 1.9% in the previous quarter. Private consumption softened to 0.6%, q-o-q, SAAR, in 3Q25, down from 1.0% in both 1Q25 and 2Q25. Manufacturing contracted by 0.5%, q-o-q, SAAR, in 3Q25, a much smaller decline than initially estimated and following growth of 1.5% in 2Q25. At the country level, Germany recorded flat growth in 3Q25 after a 0.8% contraction in 2Q25. Growth in France strengthened to 2.2%, q-o-q, SAAR, up from 1.3% in 2Q25, while Italy contracted by 1.4% after expanding by 1.0% in the previous quarter. Spain grew by 2.5%, q-o-q, SAAR, in 3Q25, following strong growth of 3.0% in 2Q25 and 2.3% in 1Q25.

EU trade policy has continued to stabilize following the US–EU framework agreement reached in late July and detailed in August. The agreement remains in effect and is providing greater clarity for European exporters. Under the arrangement, tariffs on most EU exports to the US are capped at 15% or the Most Favoured Nation (MFN) rate, if lower, with exemptions maintained for aircraft and aircraft parts, cork and generic pharmaceuticals, while steel and aluminium remain subject to separate Section 232 measures. Recent developments have further reduced near-term uncertainty, as the US administration announced a one-year delay to the planned Section 232 tariff increases on softwood lumber and wood-based products. Beyond the US relationship, the EU is close to finalizing its trade agreement with Mercosur, with negotiations having largely concluded and the remaining steps focused on political approval and ratification. The bloc's free trade deal with India has also progressed, although negotiations remain ongoing, with several outstanding issues still to be resolved before an agreement can be concluded.

World Economy

Consumer spending continued to expand through November, with retail sales growing by 3%, y-o-y, roughly unchanged from October at 3.1% and up from 2.6% in September. Consumer confidence, as measured by the Economic Sentiment Indicator, eased to 96.7 in December from 97.1 in November and 96.9 in October, reflecting weaker retail trade sentiment, while confidence in services and construction remained firm. IP in the Eurozone increased by 2.1%, y-o-y, in October, up from 1.6% in September. In Germany, IP rose by 0.9%, y-o-y, in October, following a 1.2% contraction in September.

Inflation in the Eurozone eased to 2.0%, y-o-y, in December, down from 2.1% in November, according to the initial estimate from Eurostat. Core inflation

declined to 2.3%, y-o-y, after remaining at 2.4% for three consecutive months. Services inflation also moderated to 3.4%, y-o-y, in December, down from 3.5% in November and returning to the level recorded in October. The unemployment rate fell to 6.3% in November, after holding at 6.4% since May. At its December meeting, the ECB kept interest rates unchanged, citing stronger-than-expected growth alongside persistent services inflation, while noting that inflation is approaching its 2% target over the medium term, supporting a pause in policy adjustments.

Near-term expectations

Economic growth in the Eurozone is expected to remain stable through 2026 and 2027, supported by steady consumer demand, easing trade frictions with the US, and expanding trade deals. Fiscal expansion in Germany, alongside rising defence spending across the Eurozone, is expected to provide additional support. Manufacturing and industrial output are projected to recover gradually, although growth is likely to remain led by services and the continued strong performance of tourism in key economies, including Spain, France and Italy. Spain is expected to maintain robust, broad-based growth, while Germany's growth momentum is set to strengthen as fiscal measures gain traction, lifting the wider Eurozone outlook. France and Italy are also expected to see firmer growth dynamics towards 2027, albeit at a more moderate pace.

On trade, stabilizing relations with the US continue to support exports, with the recent one-year delay to planned US tariffs on lumber and wood-based products providing temporary relief for European furniture and wood-product exporters. Beyond the US, the EU is close to concluding its agreement with Mercosur, which is expected to benefit industrial exporters, although sensitivities in agriculture remain to be addressed. Negotiations with India have also progressed, but several outstanding issues still need to be resolved before an agreement can be finalized, limiting near-term gains while keeping the medium-term outlook supportive.

On monetary policy, the ECB is expected to keep interest rates broadly stable in 2026 at around current levels. The Governing Council has signalled that policy is appropriately restrictive to anchor inflation at target over the medium term, while stronger-than-expected growth and still-elevated services inflation make the case for caution. Although the ECB has left scope to adjust rates if needed, particularly in response to higher fiscal spending or shifting trade dynamics, the current stance is likely to be maintained through the year.

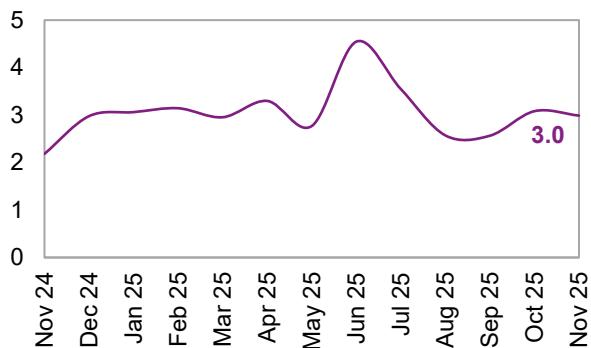
Eurozone PMI indicators continue to point to a divergence between sectors, with services activity remaining supportive as manufacturing conditions weaken further.

The Manufacturing PMI declined to 48.8 in December from 49.6 in November and 50.0 in October, reflecting softer demand and sharper declines in new orders, particularly in Germany and Italy.

The Services PMI remained in expansion at 52.4 in December, easing from 53.6 in November and 53.0 in October, but still supported by firm domestic demand.

Graph 3 - 5: Eurozone retail sales

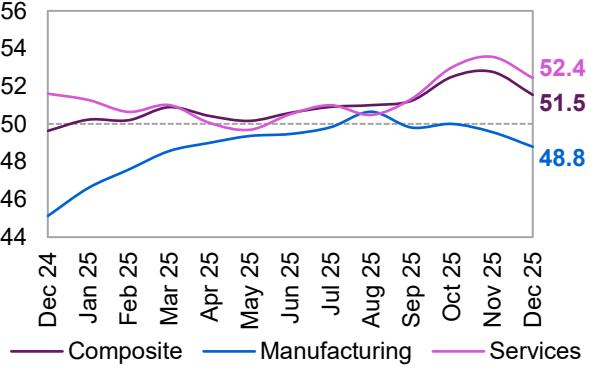
% change, y-o-y



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

Graph 3 - 6: Eurozone PMIs

Index



Sources: S&P Global and Haver Analytics.

World Economy

With steady economic growth from 2025 expected to continue into 2026, albeit amid some offsetting effects from manufacturing weakness and tight monetary policy, economic growth in the Eurozone in 2026 is forecast at 1.2%, unchanged from the previous month's assessment.

For 2027, the Eurozone is expected to see positive impacts from higher fiscal and defence spending, as well as from the expansion of new free trade deals, maintaining a growth forecast of 1.2%.

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

	Eurozone
2026	1.2
Change from previous month	0.0
2027	1.2

Note: * 2026–2027 = Forecast.

Source: OPEC.

Japan

Update on latest developments

Japan's economy contracted by 2.3%, q-o-q, SAAR, in 3Q25, based on data from the Ministry of Economy, Trade and Industry, reversing growth of 2.1% in 2Q25 and 1.5% in 1Q25. Private consumption slowed to 0.8%, q-o-q, SAAR, from 1.0% in the prior quarter, while government consumption rose by 0.6%, down from 1.4% in 2Q25. Gross fixed capital formation declined sharply, contracting by 6.1%, q-o-q, SAAR, after expanding by 3.9% in the previous quarter, reflecting the effects of trade uncertainties.

Japan's new fiscal package, announced by the government under Prime Minister Sanae Takaichi, totals ¥21.3 trillion (\$140 billion) and represents one of the largest discretionary stimulus programmes since the pandemic. Of this amount, ¥17.7 trillion (\$116 billion) is allocated to additional general-account spending, while ¥2.7 trillion (\$8 billion) is set aside for temporary tax cuts. To support the package, the government approved an extra budget of ¥18.3 trillion (\$122 billion), funded through a combination of higher-than-expected revenues and approximately ¥11.7 trillion (\$78 billion) in new government bond issuance. Confirmed measures include extended electricity and gas subsidies, relief on fuel-related levies to limit gasoline price increases and transport costs, and household support, alongside targeted funding for industry, supply-chain resilience, and strategic sectors such as semiconductors and advanced manufacturing.

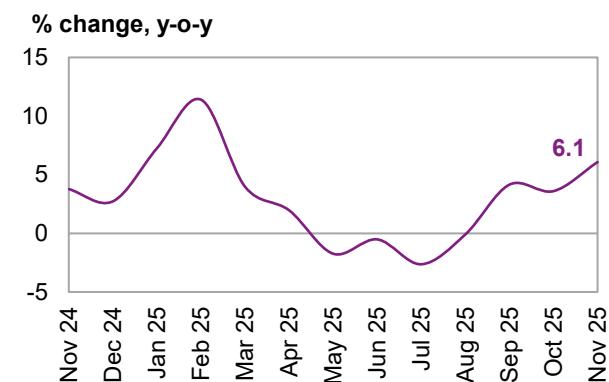
Trade with the US increased by 8.8%, y-o-y, in November, reaching ¥1.8 trillion (\$11.8 billion), rising only marginally from October. Imports from the US grew by 7.1%, y-o-y, totalling ¥1.1 trillion (\$7.2 billion) in November, down from ¥1.2 trillion (\$7.8 billion) in October. Motor vehicle exports to the US rose by 7.7%, y-o-y, in November, reversing a 0.9% contraction in October and a 14.2% decline in September, reflecting the gradual impact of the trade deal reached over the summer and implemented in September.

IP expanded by 0.8%, y-o-y, in November, easing from gains of 1.5% in October and 1.8% in September. Consumer confidence remained broadly stable at 36.8 in December, marginally below 36.9 in November but above 35.5 in October. Despite relatively firm sentiment, retail sales remained weak, contracting by 6.2%, y-o-y, in November, deeper than the 5.5% decline in October, though an improvement from the sharper contractions seen in September and August. Inflation eased slightly to 2.9%, y-o-y, in November, from 3.0% in October, but remained above the 2.8% reading in September. Core inflation followed a similar pattern, slowing to 1.5%, y-o-y, from 1.6% in October, while remaining above 1.3% in September. Unemployment remained unchanged at 2.6% in November, extending its stability for a fourth consecutive month.

The BOJ resumed its tightening cycle in December, raising the policy rate to 0.75% from 0.5%, following a pause in the September and October meetings. Although a minority favoured an immediate 25 bp increase in October amid upside inflation risks, the decision remained at a pause. With the easing of trade uncertainty and increasing concerns regarding price and wage growth, however, the December decision came in favour of a rate increase.

On a monthly basis, exports rose by 6.1%, y-o-y, in November, following increases of 3.6% in October and 4.2% in September. Imports grew by 1.3%, y-o-y, in November, after rising 0.7% in October and 3.0% in September. The trade balance remained in surplus at ¥62.9 billion (\$0.41 billion) in November, compared

Graph 3 - 7: Japan's exports



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

with a surplus of ¥74.0 billion (\$0.49 billion) in October, following a deficit of ¥274.5 billion (\$1.86 billion) in September.

Near-term expectations

Japan's economy is expected to remain on a broadly stable growth path towards 2027, with growth tracking its overall potential. Reduced uncertainty following the implementation of the trade agreement with the US has improved the trade outlook, with recent trade data pointing to a recovery after the deal took effect. Conditions are expected to continue normalizing into 2026. IP is projected to recover gradually, although sector-specific tariffs on steel and aluminium continue to weigh on key sectors, including automobiles. However, Japan showed its capacity to divert exports away from the US, particularly towards Europe and the Middle East, when the US markets saw higher barriers. The services sector is expected to remain an important support for growth, continuing to expand in line with recent PMI readings, despite some signs of moderation.

Private consumption is expected to recover over the course of this year from the softer base seen in 2025, supported by easing inflation dynamics that are supporting real incomes and the government's fiscal support package, which is providing relief to household budgets. However, the impact of fiscal support is likely to be partly offset by tighter monetary conditions, as higher interest rates constrain demand. With policy rates now at their highest level since the mid-1990s, tighter financial conditions could weigh on both household spending and Japan's elevated public debt burden through rising debt-servicing costs.

Monetary policy expectations point to the possibility of one additional rate hike in 2026, as wages and prices continue to rise and inflation remains above the 2% target. However, any further adjustment could be delayed into the second half of 2026, pending greater clarity from the spring wage negotiations and an assessment of how the fiscal support package affects headline inflation through lower energy prices and consumer spending.

Japan's latest PMI data continued to show an expansion in the services sector, although at a slower pace, alongside a recovery in the manufacturing sector.

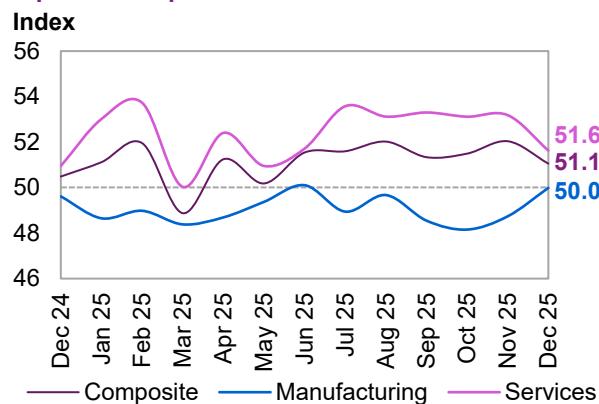
The Manufacturing PMI rose to 50.0 in December, up from 48.7 in November and 48.2 in October, with an improved outlook for factory conditions and a slowing decline in new orders.

The Services PMI eased to 51.6 in December, down from 53.2 in November and 53.1 in October. However, it remained in expansionary territory, as growth in business activity and employment offset a slowdown in new orders.

The economic growth forecast for Japan in 2026 stands at 0.9%, supported by recovering consumer spending but constrained by tighter monetary policy, unchanged from the previous month's assessment.

For 2027, Japan's economic growth is expected to continue at 0.9%, supported by easing inflation and a further recovery in the industrial sector.

Graph 3 - 8: Japan's PMIs



Sources: S&P Global and Haver Analytics.

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

	Japan
2026	0.9
Change from previous month	0.0
2027	0.9

Note: * 2026–2027 = Forecast.

Source: OPEC.

Non-OECD

China

Update on the latest developments

China's economy experienced strong growth in 2025, although the economy faced headwinds from US trade issues and very low inflation. Nevertheless, the growth dynamic held up, supported by fiscal and monetary measures, as well as strong non-US-bound exports. Following China's strong growth throughout 3Q25, growth appears to have maintained a steady dynamic in 4Q25, albeit while moderating slightly towards the end of the year. The economy's expansion stood at 4.8%, y-o-y, in 3Q25, following 5.4%, y-o-y, in 1Q25 and 5.2%, y-o-y, in 2Q25. The domestically geared services sector was a dominant force in supporting the expansion, growing by 5.4%, y-o-y, in 3Q25, following expansions of 5.7%, y-o-y, and 5.3%, y-o-y, in 2Q25 and 1Q25, respectively. Most output measures were robust and only gradually moderated in 4Q25, with IP maintaining a sound level. External demand showed relative strength, with non-US-bound exports showing a strong dynamic, while reduced US tariffs supported export orders and shipping activity towards the end of the year.

World Economy

In the meantime, the PBoC signalled a cautious tone at its 4Q25 Monetary Policy Committee (MPC) meeting, emphasizing the need for policy support while carefully calibrating its pace, intensity, and timing. The PBoC shifted its language from further reducing financing costs to keeping them low, dropping references to pushing credit expansion in order to preserve policy space. While the statement leaves room for incremental easing, the absence of explicit signals on RRR or policy rate cuts appears to underscore a preference for a reactive rather than proactive approach to monetary policy. At the same time, the PBoC placed a greater emphasis on reflation while scaling back references to the property sector, suggesting a shift in policy priorities. On exchange rates, alternating references to flexibility and resilience imply comfort with a stronger CNY, coupled with an intention to manage the pace of appreciation.

Inflation normalized further in December, rising to 0.8%, y-o-y, following a level of 0.7% in November. Both monthly levels were supported primarily by rising food prices, which were driven mainly by adverse weather that caused supply shortages and pushed up fresh vegetable prices. Food inflation rose to 1.1%, y-o-y, in December, compared with 0.2%, y-o-y, in November, following declining rates since the beginning of the year, with the October level standing at -2.9%, y-o-y. Core CPI remained at 1.2%, y-o-y. Hence, the inflationary level is still low and remains very much contained.

IP growth in China remained steady and continued at a healthy pace. Industrial output expanded by 4.8%, y-o-y, in November, following growth of 4.9%, y-o-y, in October, 6.5%, y-o-y, in September and 5.2%, y-o-y, in August, all supported by continued momentum in exports.

Retail sales in yuan slowed, growing by 0.3%, y-o-y, in November, after growth of 2.0%, y-o-y, in October, and 2.1%, y-o-y, in September. This low momentum was subsequently addressed by China's National Development and Reform Commission and the Ministry of Finance, which released the 2026 guidelines for the consumer goods trade-in and equipment upgrade programme, adjusting subsidy categories and levels to sustain its impact.

Implied near-term funding suggests consumer goods trade-in subsidies of about RMB 250 billion in 2026, slightly below the RMB 300 billion allocated in 2025. While the new subsidy quota should support retail sales in early 2026, reduced overall subsidies and fading policy effects are expected to slow full-year nominal retail sales growth, while keeping it generally well supported.

According to the 70-city price index from Haver Analytics, housing prices weakened further in November, easing by 5.8%, y-o-y, following a decline of 5.1%, y-o-y in October and 4.5%, y-o-y, in September. This level is now clearly below the steady 5% annual decline recorded between May and July, indicating that the housing market's gradual stabilization has at least temporarily come to a halt.

The urban unemployment rate was steady in November, after it had improved in October, when it reached 5.1%, following 5.2% in September and 5.3% in August. Urban youth unemployment fell to 16.9% in November, after 17.3% in October and 17.7% in September, indicating a positive trend.

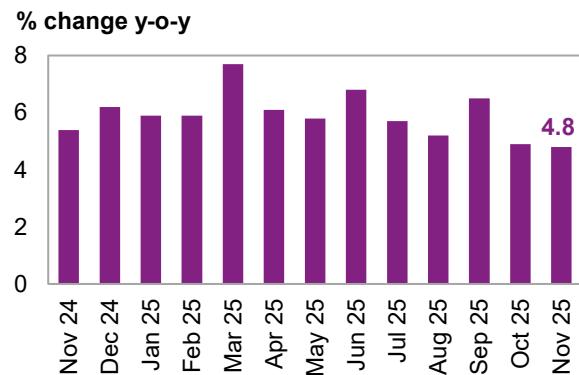
China's most recent trade figures from November point at a sound trend with strong growth in exports and a steady rise in imports, both pointing at a continued robust trade dynamic in 4Q25.

The trade balance rose considerably in November, expanding to \$111.7 billion, compared with an October level of \$90.0 billion and following a level of \$90.4 billion in September.

Exports totalled \$330.4 billion in November, after \$305.2 billion in October and \$328.4 billion in September.

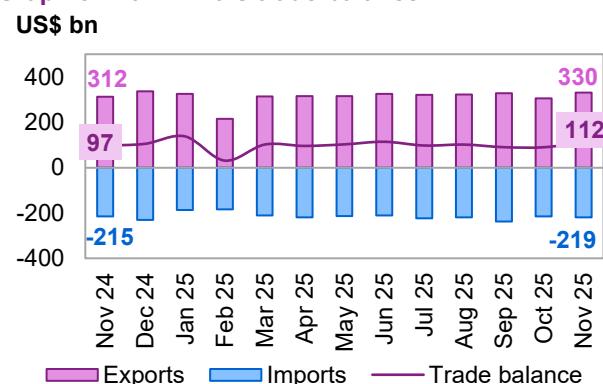
Imports stood at \$218.7 billion in November, following \$215.2 billion in October and \$238.0 billion in September.

Graph 3 - 9: China's industrial production



Sources: China National Bureau of Statistics and Haver Analytics.

Graph 3 - 10: China's trade balance



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

Near-term expectations

China's economy is anticipated to continue expanding at a healthy pace in both 2026 and 2027. Following robust growth figures in 2025, and supported by the expectation of continued fiscal and monetary support measures, China's economy is expected to remain on a solid footing. Trade patterns are forecast to gradually normalize, following the trade agreement between the US and China reached in November, which reduced the effective tariff rate on China's exports to the US from nearly 40% to below 30%. The agreement is expected to support economic expansion in 2026. That said, while it reduces near-term risks, its one-year duration signals that tensions could remain. Importantly, the CCP approved the 15th Five-Year Plan (FYP) for 2026–2030, released at the CCP's 4th Plenum in October. This will be complemented by numerical targets following the conclusion of the so-called 'Two Sessions' in March.

This outcome will be of interest, as China's economy has undergone structural changes in the recent past, with exports to the US and property activity slowing significantly. While the property sector will likely remain in decline through 2026, its drag on growth should gradually diminish as its share of the economy has shrunk. Exports, by contrast, remain a key growth pillar. Chinese firms have successfully diversified towards emerging markets, supported by strong manufacturing competitiveness, a favourable currency, and expansion in intermediate and capital goods. As a result, export volumes are expected to stay resilient in 2026 and 2027, driving a widening current account surplus, as domestic demand may remain relatively weaker. However, the longer-term transition towards a consumption- and services-led growth model may materialize, albeit remaining structurally challenging to implement in the short term.

Looking ahead to 2026 and 2027, growth is expected to be supported by fiscal and monetary measures. Household consumption remains constrained by elevated savings and falling house prices, while services consumption should outperform goods consumption. Government consumption and fiscal-led investment may therefore continue to play a larger stabilizing role. Moreover, inflation is likely to edge higher but remains subdued, implying a gradual reflation path. Overall growth is projected to stay healthy, contingent on further policy easing, particularly fiscal expansion, and the growth dynamic in exports. The most recently published framework of the 15th FYP acknowledged the necessity of boosting domestic demand and shifting growth towards local consumption.

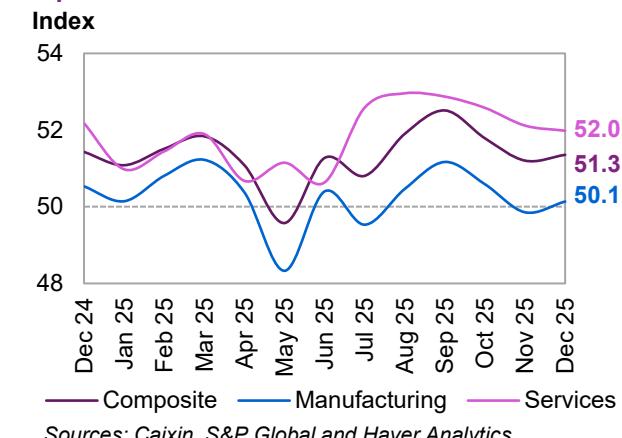
The PBoC signalled continued support, if necessary, at its 4Q25 MPC meeting. Future decisions will remain data-dependent, and further action may not be required if full-year growth remains close to the current level of around 5%. Taken together, the messages from the latest MPC meeting support expectations of gradual and measured easing in the near term rather than aggressive front-loaded monetary stimulus, consistent with forecasts for limited rate and RRR cuts.

In the meantime, the latest PMI data for December indicates steady growth momentum in both the services and manufacturing sectors.

The Manufacturing PMI rebounded above the growth-indicating level of 50, rising to 50.1 in December after 49.9 in November and 50.6 in October.

The Services PMI remained broadly stable at 52.0 in December, after 52.1 in November and 52.6 in October, signalling continued sectoral expansion.

Graph 3 - 11: China's PMI



China's expansion is forecast to remain healthy, following a strong economic performance throughout 2025, despite some potential external and domestic challenges. Growth in 2026 is expected to remain solid, with the forecast unchanged from last month's assessment at 4.5%. In light of the recent trade agreement with the US, trade-related developments are likely to play only a minor role in shaping this year's outlook. Moreover, ongoing fiscal and monetary support is expected to continue sustaining China's economic momentum following the release of the latest FYP.

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

	China
2026	4.5
Change from previous month	0.0
2027	4.5

Note: * 2026–2027 = Forecast.

Source: OPEC.

World Economy

Looking ahead, ongoing export diversification in combination with an improving situation in domestic consumption will define the economic growth dynamic in 2027. In addition, ongoing fiscal and monetary support are expected to underpin a steady growth path towards next year. As a result, China's economic expansion is projected to remain resilient in 2027, maintaining a robust economic growth at 4.5%.

India

Update on the latest developments

India's economy expanded significantly in 2025, growing at the highest rate among the major economies, supported by strong domestic demand, government expenditure, and an accommodative monetary policy. The central bank cut rates by a total of 125 bp since February 2025, the most aggressive easing cycle since 2019. Against this backdrop, India's economy maintained steady momentum towards the end of the year. Following strong economic growth in 1H25 of 7.4%, y-o-y, in 1Q25, and 7.8%, y-o-y, in 2Q25, driven by strong private consumption and solid expansion in the services sector, India's economy expanded by 8.2%, y-o-y, in 3Q25, a six-quarter high. Manufacturing is estimated to have softened somewhat towards the end of the year as front-loaded export activity normalized. Central government capital expenditure is also estimated to have slowed down slightly, partly reflecting efforts to meet fiscal consolidation targets, though fiscal spending will continue, and easier financial conditions should cushion the impact. Domestic demand fundamentals remain healthy, supported by stable credit flows and improving corporate balance sheets.

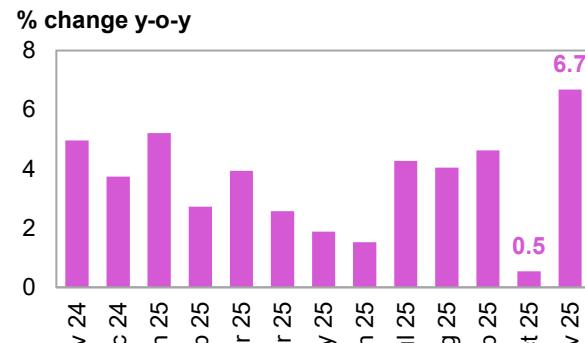
Furthermore, trade-related negotiations with the US are continuing and are expected to conclude soon, following the successful conclusion of trade agreements by the US with major Asian trading partners, including China. In addition, the central bank has room to further support the economy, given the country's low level of inflation and elevated real interest rates. Another supportive factor for the economy is the government's simplification of India's GST system by consolidating the existing complex regime into a two-tier structure of 5% and 18%, while retaining a higher 40% rate for select luxury goods. The rates took effect in September and have already led to a significant rise in vehicle sales, which rose by 40.5%, y-o-y, in October. After moderating to a normalized level of 2.1%, y-o-y in November, they rebounded by 14.6%, y-o-y, in December.

India's unemployment rose slightly in December to 6.9%, after 6.5% in November and 7.5% in October. The slight appreciation was primarily driven by shifts in rural employment, with the rural unemployment rate rising to 7% from 6.1% in November, albeit down from 7.6% in October. At the same time, the urban unemployment rate fell further to 6.8%, following 7.2% in November and 7.3% in October.

IP growth rebounded markedly in November, **Graph 3 - 12: India's industrial production** expanding by 6.7%, y-o-y, following growth of 0.5%, y-o-y, in October, 4.6%, y-o-y, in September and 4.0%, y-o-y, in August. This volatility may have been impacted by IP activity related to the GST reform at the end of September.

Headline inflation remained low, albeit rising slightly to stand at 0.7%, y-o-y, in November, after declining considerably in October to 0.3%, y-o-y, following 1.4%, y-o-y, in September and 2.1% in August. The October reading marked the lowest level since the initiation of the current series, driven largely by a continued decline in vegetable prices, and was also impacted by the GST reform. The trend of declining food prices has already helped keep overall inflation

low in recent months. Core inflation remained more persistent, standing at 4.3%, y-o-y, in November, unchanged from October and following 4.4%, y-o-y, in September and 4.1%, y-o-y, in August. Core inflation continued to be driven by elevated prices for precious metals, particularly gold and silver, as well as persistently strong services inflation.



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

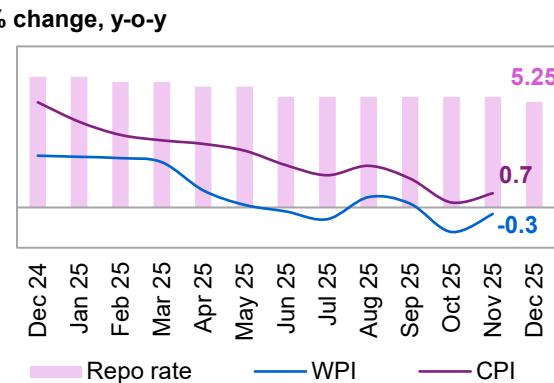
At its December meeting, the RBI lowered the policy repo rate by 25 bp to 5.25% and retained its neutral stance. The December RBI MPC minutes indicate a broadly cautious, data-dependent approach to monetary policy, with five members favouring a “neutral” stance and one member advocating an “accommodative” stance due to economic slack. Members noted weak demand-side price pressures, low core inflation (excluding precious metals), and relatively restrictive real interest rates, while headline inflation remains below the 4% target but may rise due to base effects. Overall, the MPC signalled readiness to adjust policy cautiously, with limited scope for further easing unless external shocks intensify.

On trade, India's trade deficit narrowed to \$24.5 billion in November, following a deficit of \$41.9 billion in October and \$32.9 billion in September. The normalization followed the deficit's increase, led by a continued rise in gold imports, supported by higher international prices and pre-festive season inventory build-ups.

Imports declined to \$62.7 billion in November, following an increase to \$76.1 billion in October, after \$69.1 billion in September.

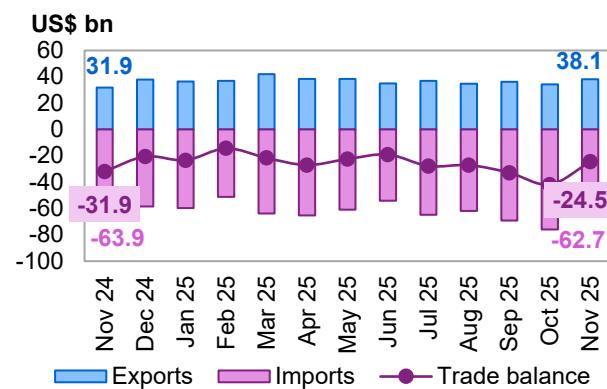
At the same time, exports improved to rise by \$38.1 billion in November, following \$34.2 billion in October and \$36.2 billion in September.

Graph 3 - 13: Repo rate and inflation in India



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

Graph 3 - 14: India's trade balance



Sources: Ministry of Commerce and Industry and Haver Analytics.

Near-term expectations

India's economy is anticipated to continue showing robust growth in 2026 and 2027, supported by ongoing government-led support in combination with an accommodative monetary policy, if needed, and continued sound domestic demand. Moreover, the impact of the GST rate reform is expected to provide another modest positive effect on overall growth. The boost to consumption from tax cuts will likely be tempered by a corresponding reduction in government spending, as the government maintains its fiscal deficit target of 4.4% of GDP. Furthermore, the GST rate reductions are expected to exert a modest disinflationary effect, lowering the headline CPI by up to 0.5 pp over the next 12 to 18 months, primarily through reduced prices for core goods and essential items. This was already visible in the latest November and October inflation level readings and, in combination with further fiscal reforms, is expected to contribute to higher purchasing power, underpinning continued strength in household spending in 2026 and 2027. Beyond short-term demand effects, the GST reform carries structural implications for India's medium-term growth trajectory. By consolidating the tax system into two main tax brackets, the GST reform reduces classification disputes, legal uncertainty and administrative complexity. This simplification particularly benefits micro-, small- and medium-enterprises (MSMEs), which previously faced disproportionate compliance costs and frequent ambiguity regarding applicable rates.

Moreover, trade negotiations with the US are ongoing and are expected to lead to an improved outcome. This may follow a trade agreement with the UK and an agreement with the EU, which is still under negotiation.

With the recently benign inflationary dynamic and the consequently elevated real interest rates, the RBI has pointed to the possibility of further reducing the key policy rate in the near term. This expectation is supported by the latest MPC meeting minutes from the December meeting. Inflation is expected to remain below the RBI's 4% target in the near term. However, base effects could push it higher later in 2026, potentially limiting further easing unless growth risks from prolonged trade tensions persist into 2026. In general, the RBI has highlighted the data dependency of near-term rate decisions.

World Economy

Although PMI figures for December moderated, they remain well supported, pointing to an ongoing robust growth trend.

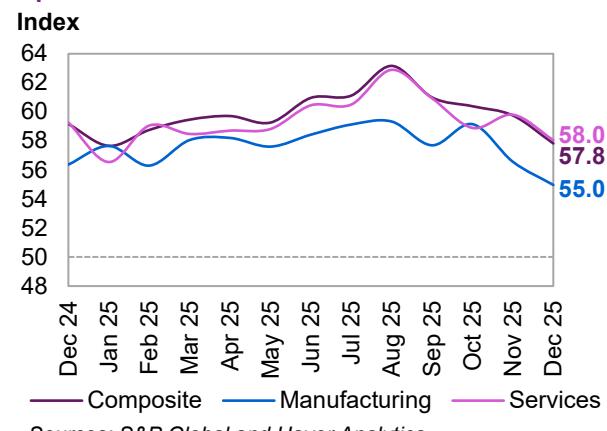
The Manufacturing PMI eased to 55 in December, following 56.6 in November and 59.2 in October. While it has moderated, it remains at a very high expansionary level.

The Services sector PMI, accounting for more than two-thirds of the Indian economy, also moderated but stood at a healthy 58.0 in December, following very high levels of 59.8 in November and 58.9 in October.

Assuming that the Indian economy remains well supported by ongoing government-led support measures in combination with an accommodative monetary policy, if needed, and continued sound domestic demand, economic growth for 2026 is forecast at 6.6%, unchanged from the previous month's assessment. Trade relations with the US are anticipated to remain stable, and those with other trading partners will also continue to improve.

With this momentum carrying over into 2027, the Indian economy is expected to maintain its robust expansion. This is also forecast to remain supported by the continuity of structural reforms, fiscal and monetary policies and easing inflation. As a result, economic growth for 2027 is broadly stable, standing at 6.5%.

Graph 3 - 15: India's PMIs



Sources: S&P Global and Haver Analytics.

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

Note: * 2026–2027 = Forecast.

Source: OPEC.

Brazil

Update on latest developments

After relatively strong growth in 1H25, Brazil's economic momentum continued to normalize towards year-end, while remaining on a solid growth trajectory. Moreover, recent sentiment indicators – including the December PMIs and consumer confidence – point to resilient domestic demand at the start of the year, largely driven by the services sector, and suggest the possibility of a modest acceleration in 1H26 relative to 2H25.

While sentiment indicators indicate an improving economic growth dynamic at the beginning of the year, inflation has also retracted, and US tariffs on key Brazilian imports, including coffee and beef, were lowered only in November. Tensions had escalated after the US imposed a 50% tariff on Brazilian goods in August 2025, while exceptions have now reduced the effective rate to under 30%. Although a meeting between the Brazilian and US presidents took place at the end of October, followed by technical meetings, trade negotiations are ongoing. The recent negotiations have signalled a mutual desire to normalize trade relations.

The Consumer Confidence Index indicated sound momentum at an almost unchanged level in December, reaching 91.8, following 91.9 in November, 90.2 in October and 88.2 in September. Moreover, the composite business confidence indicator was almost unchanged as well, standing at a healthy 89.0 in December, compared with 88.7 in November, 89.2 in October and 90.6 in September, according to the Fundação Getulio Vargas.

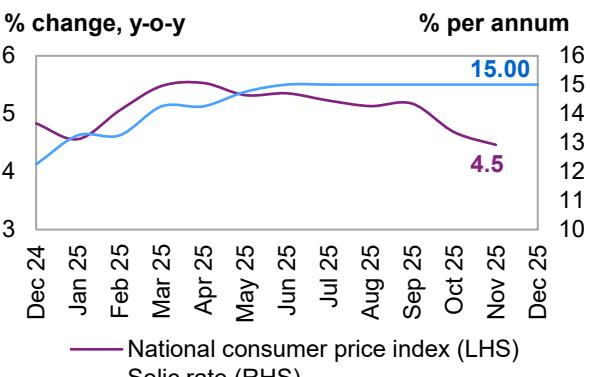
While inflation has softened further, the BCB has maintained its tight monetary policy. The BCB raised the Selic rate earlier in the year and has since maintained the benchmark at 15.00% per annum, reaffirming its stance at the December 2025 meeting in a unanimous decision. The latest meeting minutes from December conveyed a slightly less hawkish tone than previous communications while firmly reaffirming a restrictive policy stance. The central bank's rate-setting committee noted encouraging progress in its baseline scenario, with clear signs that monetary tightening is working through traditional channels as economic activity is gradually moderating – especially in credit-sensitive sectors – while labour- and income-sensitive sectors remain more resilient and the labour market, though still very tight, shows early signs of cooling. Inflation has continued to ease, and consumer price expectations have improved, albeit remaining above target across the entire horizon, leaving demand pressures, particularly in services, still relevant. As a result, the committee reiterated that a significantly contractionary monetary policy will be required for a very prolonged period, highlighting its assessment that the ongoing policy stance is adequate to ensure inflation convergence to the target, and it

offered no strong signal of an imminent start to a rate-cutting cycle, maintaining a vigilant, data-dependent stance.

Headline inflation softened further in November, standing at 4.5%, y-o-y, compared with 4.7%, y-o-y, in October and following 5.2%, y-o-y, in September. Core inflation remained relatively more persistent, standing at 5.2%, y-o-y, in November, compared with 5.1%, y-o-y, in October and following 5.6%, y-o-y, in September. Food and beverage prices have been driving headline inflation down.

However, the three-month moving average unemployment rate fell again to stand at 5.2% in November, compared with 5.4% in October and following a level of 5.6% for three consecutive months before then. The current level is the lowest in ten years, and it remains to be seen whether the continued tight labour market will keep service inflation at a high level.

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



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

Near-term expectations

While Brazil's growth dynamic gradually eased towards the end of last year, the economy's growth momentum is anticipated to remain solid in 2026, largely thanks to firm domestic demand. This resilience shows up in consumer confidence, spending patterns, and most recently in a firm composite PMI, with a particular emphasis on the domestically oriented services sector. At the same time, inflation has softened. In addition, the labour market remains solid, with steady wage increases supporting real incomes. Real income rose by almost 4% in 2025, although these gains also add to inflationary pressures. Fiscal constraints, meanwhile, continue to limit the government's ability to provide additional stimulus if needed. Looking ahead, inflation is expected to move gradually towards the BCB's target by late 2025 and in 2026, giving the central bank some room to start lowering its policy rate and shift towards a more accommodative stance. Some additional support could come from the recently approved income-tax reform.

The 50% US tariffs on Brazilian imports have had only a modest dampening effect on the economy so far, and recent bilateral discussions suggest that additional exemptions or a phased rollback could follow, improving export prospects, strengthening investor confidence and supporting Brazil's growth outlook into 2026. Moreover, the latest possibility of finding common ground among the Mercosur economies and the EU on a trade agreement may also add to external trade potential.

However, fiscal conditions pose a more tangible drag on near-term growth. With gross public debt now at slightly below 80% of GDP, debt dynamics remain challenging, particularly given that more than 90% of primary spending is mandatory and social expenditures continue to grow. On a 12-month rolling basis, the primary deficit stands at 0.4% of GDP, while the overall public sector deficit – including interest payments – has reached a sizeable 8.1% of GDP, reflecting a still-heavy interest burden. Gross general government debt rose by 60 bp in November to a record 79.0% of GDP, corresponding to 92.4% under the IMF definition, and is expected to continue increasing. The so-far pro-cyclical fiscal stance has contributed to the economy's growth dynamic, but this may face limitations in 2026 and beyond. Looking ahead, primary balances are likely to remain in deficit and debt dynamics remain on an upward trajectory, with the large and sustained primary surpluses needed to stabilize and reduce debt, and to lower the neutral real interest rate, appearing highly unlikely in the near term. A new government, following this year's presidential election in October, will most likely need to tackle this situation, if not earlier.

Inflation retracted further in November and is expected to continue to soften, albeit the thus-far contributing factor of rising services inflation, driven by higher real wages, remains a concern. Hence, it is likely that the BCB will maintain a tight policy stance. Overall, the BCB appears committed to patience and policy stability, likely keeping the Selic rate on hold through 1H26 while monitoring whether current restrictive levels are sufficient to anchor inflation expectations.

The December PMI indices reflect a rebound in services sector activities, while the situation in manufacturing remains challenging.

World Economy

The Services PMI increased considerably, rising by 3.6 index points, to stand at 53.7 in December. This follows a rebound to 50.1 in November, after an index level of 47.7 in October and 46.3 in September.

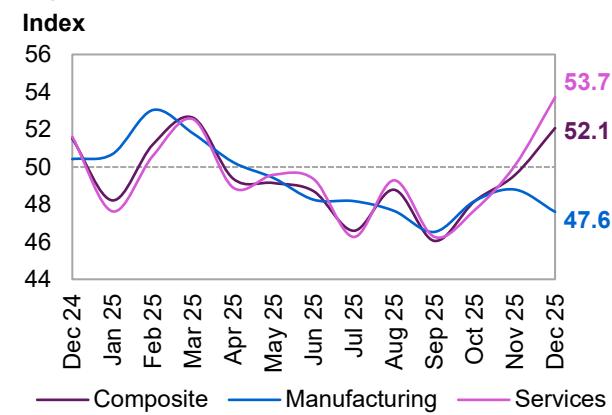
However, the Manufacturing PMI retracted to stand at 47.6 in December, following an improving level of 48.8 in November, after 48.2 in October and 46.5 in September.

Reflecting the anticipation of a sound 1H26 growth dynamic and taking into account the ongoing deceleration in Brazil's economy and continued fiscal constraints, the 2026 economic growth forecast remains unchanged at 2%.

Looking ahead to 2027, economic growth is expected to continue expanding, supported by monetary easing and continued robust domestic activity. However, following the presidential elections in 2026 and entering 2027 under a newly elected leadership, mounting fiscal constraints may dampen the growth dynamic.

This, together with the lagged impact of tight monetary policies, remains a potential dampening factor for 2027. Taking these challenges into account, but at the same time, considering a continued expansionary dynamic in the economy, the 2027 economic growth forecast stands at 2.2%.

Graph 3 - 17: Brazil's PMIs



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

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

Note: * 2026–2027 = Forecast.

Source: OPEC.

Russia

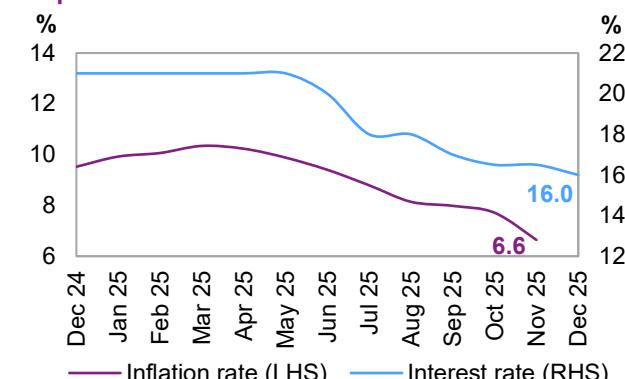
Update on the latest developments

Following a slowing growth throughout 2025, Russia's economy continued to normalize towards the end of the year. Following 1H25 growth of around 1.2%, y-o-y, Russia's economic growth dynamic stood at 0.6%, y-o-y, in 3Q25. At the same time, inflation slowed further, providing room for the Russian central bank to lower the key policy rate in December. With this latest move, the CBR has reduced its policy rate by a total of 4 percentage points in 2025, helping to offset some of the slowdown while taking advantage of easing consumer inflation. However, a VAT increase in January may lift inflation again, and the central bank has indicated a data-dependent stance and may therefore pause the pace of monetary easing. With the labour market remaining tight, wage and earnings increases have continued at high levels, supporting domestic demand, while at the same time leading to capacity constraints in the economy. More recently, new US and EU sanctions were implemented, and it remains to be seen how and to what extent these will impact the economy in the near term. Exports, especially from the oil and gas sector, may remain in a challenging situation, dampening the economy's revenues. Domestic demand is also challenged by ongoing elevated interest rates and economic uncertainty, affecting consumption and investment.

Headline inflation eased to stand at 6.6%, y-o-y, in November, following 7.7% in October and 8% in September. This compares with rates of 8.1%, y-o-y, in August and 8.8% in July. Core inflation also moderated considerably to stand at 6.1%, y-o-y in November, after 6.9% in October and following 7.6%, y-o-y, in September and 8.0%, y-o-y, in August. However, inflation expectations rose recently amid the increase in VAT, which took effect in January.

Given these slowing inflation trends and the already elevated key policy rate, the CBR lowered the key policy rate again by 50 bp to 16% at its December meeting. However, considering the elevated inflation expectations, it remains to be seen what the central bank will decide at the upcoming 1H26 meetings.

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



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

World Economy

With the VAT hike and minimum wage increases scheduled for January, and the risk of ruble weakness following the rise in external pressures, inflation may remain persistent.

On the fiscal side, Russia is dealing with a rising budget deficit due to increased fiscal support. Weaker commodity prices have also pressured budget revenues, constraining the government's ability to provide additional fiscal support. The federal budget's spending dynamic in 2025 has been broadly in line with the revised deficit target of 2.6% of GDP. The finance ministry has indicated that it will finance the remaining shortfall in 2025 primarily through domestic borrowing instead of drawing on sovereign wealth funds.

Following the rebound in October, IP growth stood at 3.3%, y-o-y. Industrial output fell again in November, declining by 0.5%, y-o-y, on a non-seasonally adjusted basis. Retail sales maintained an expansionary trend in November, rising by 3.2%, y-o-y, albeit following a strong rise of 4.7% in October, after growth of 1.7%, y-o-y, in September.

The labour market remains tight, with the unemployment rate relatively steady in recent months, standing at 2.1% in November, after 2.2% in October, the same level as in September and following 2.1% in August. The ongoing tight labour market continues to support accelerating wage growth and consumer spending, but it is also keeping inflation at elevated levels. Russia's nominal average wages saw continued high growth in recent months. Wages expanded by 14.3%, y-o-y, in November, after growth of 13.1%, y-o-y, in October and 12.2%, y-o-y, in September.

Near-term expectations

Following a period of moderation in growth, Russia's economy is expected to experience a modest recovery in 2026 and 2027. However, growth is projected to remain well below the pace observed over the previous two years, when output expanded by more than 4%. Structural constraints – including persistent labour shortages, capacity limitations, softer commodity prices, and elevated borrowing costs – are expected to continue to weigh on the economic growth outlook. At the same time, narrowing fiscal space is reducing the scope for sustained policy support. This comes as fiscal performance has weakened, and the federal budget is likely to miss its revised 2025 deficit target of 2.6% of GDP, with the deficit expected to widen beyond this level, compared with 1.7% in 2024. Declining hydrocarbon revenues and slowing activity are constraining growth in non-hydrocarbon revenues. Considering the ongoing challenges, the government will also likely need to revise its 2026 budget deficit target of 1.3% of GDP upward.

In the near term, economic activity is expected to be supported primarily by household consumption and government spending, albeit at lower levels than in recent years. Consumption should remain underpinned by strong nominal wage growth and easing inflation, supporting real incomes. By contrast, exports are likely to remain subdued amid external constraints and weaker global demand, although ongoing fiscal consolidation may help mitigate macroeconomic risks.

Facing ongoing fiscal strains, the government has introduced updated budget plans. Spending in nominal terms is set to rise by 4.3% in 2026, while revenues are projected to grow by about 10%, supported by new tax measures and conservative growth forecasts. The draft budget is based on GDP growth of 1.3% and an average Urals oil price of USD 59 per barrel. Planned revenue measures include lowering the VAT eligibility threshold for small and medium-sized enterprises from RUB 60 million to RUB 10 million, increasing tobacco excise taxes, and raising vehicle utilization fees. The VAT rate will also increase from 20% to 22%. These steps are intended to compensate for weaker hydrocarbon income caused by softer oil prices and a wider Urals–Brent discount. Despite external pressures, Russia's commodity exports have held up relatively well, offering some support to the broader economy.

Consumer prices are anticipated to ease further. However, renewed upward pressure is possible in 2026 if the current account weakens and the ruble faces further depreciation due to a faster decline in exports relative to imports. Among the main CPI components, services recorded the highest inflation rate in November, at 9.4%. While annual inflation eased across all CPI categories in November, inflation expectations continued to climb, reaching 13.7% in December. The 2-percentage-point increase in the VAT rate to 22% in January will likely interrupt the recent disinflationary trend and potentially further entrench inflation expectations. That said, weakening domestic demand should exert downward pressure on prices, likely pushing headline inflation below 6% by 2Q26.

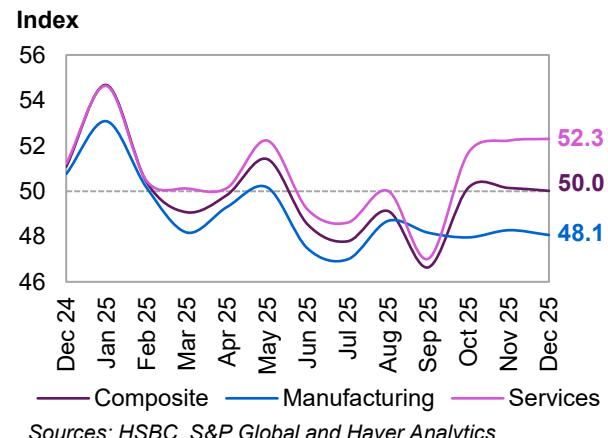
World Economy

The latest PMI figures from December show a stable trend in both manufacturing and services.

The Manufacturing PMI was almost unchanged, standing at 48.1, compared with 48.3 in November, following 48.0 in October and 48.2 in September.

The Services sector PMI was steady as well, standing at 52.3 in December, following a rise in November to 52.2, pointing to a further rebound from low activity levels.

Graph 3 - 19: Russia's PMI



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

Taking into consideration the normalization in the Russian growth dynamic from 2025 continuing in 2026, while at the same time anticipating a gradually improving dynamic, the economic growth projection for 2026 is adjusted down slightly to stand at 1.3%.

In 2027, the Russian economy is projected to gain traction, with the economy projected to grow by 1.5%.

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

	Russia
2026	1.3
Change from previous month	-0.1
2027	1.5

Note: * 2026–2027 = Forecast.

Source: OPEC.

Africa

South Africa

Update on the latest developments

South Africa's economy expanded by 2.1%, y-o-y, in 3Q25, up from 0.9% in 2Q25, marking the fastest pace of growth since 3Q22. The acceleration reflects a broad-based recovery following a prolonged period of subdued expansion, supported by stronger output across several key sectors. This suggests not only a cyclical rebound but also tentative strengthening in underlying economic momentum, as gradually easing supply-side constraints and firmer demand dynamics bolster production.

Inflation remains broadly supportive of the recovery. Annual headline inflation rose modestly by 3.5%, y-o-y, in November, following 3.6% in October, driven by higher housing, utilities, and transport costs, as well as increases in alcohol, tobacco, and recreation. Core inflation was almost flat, standing at 3.2%, y-o-y, in November, compared with 3.1%, y-o-y, in October. These contained price pressures help preserve real household incomes and limit cost burdens on businesses, while reducing the need for restrictive monetary tightening. As a result, financial conditions remain supportive, sustaining domestic demand and reinforcing the ongoing economic recovery.

On the demand side, household consumption has remained resilient, with retail trade rising by 2.7%, y-o-y, in October, following 3.1% in September, reflecting sustained consumer spending momentum. The trade balance improved as well, supported by mining exports and lower imports in November, with the trade surplus rising to USD 1.26 billion, following USD 1.11 billion in October. Labour market conditions also improved, with the unemployment rate declining to 31.9% in 3Q25 – the lowest level since late 2024 – supported by employment gains in construction, community services, and trade, while losses persisted in manufacturing and finance.

Near-term expectations

South Africa's near-term growth fundamentals are expected to remain broadly stable, with domestic demand serving as the primary engine of activity. Mining-led growth early in 2H25 was supported by higher precious metal prices and improved terms of trade amid stronger mining revenues, though these gains mainly reflect price effects rather than volume expansion. Manufacturing, however, continues to face headwinds, with the headline PMI softening to 47.7 in December, clearly below the expansionary threshold of 50 for a third consecutive month, as US import tariffs weigh on higher value-added exports. Resilient retail sales and rising imports suggest that local demand is holding up, underscoring the economy's growing dependence on domestic drivers amid weaker external conditions.

World Economy

Monetary conditions are expected to remain broadly accommodative, underpinned by subdued headline and core inflation, a firmer rand, and hence lower import prices. Inflation is projected to average below 4% in 2026, slightly above the newly set 3.0% target (with a one-percentage-point tolerance), providing the SARB with limited room for gradual policy easing. This environment should continue to support household spending and reduce financing pressures for firms. Nevertheless, any further rate cuts are likely to be incremental and data-dependent, reflecting the SARB's cautious stance amid persistent global uncertainty and ongoing domestic policy ambiguity.

Fiscal space remains tightly constrained by elevated debt-servicing costs and limited borrowing capacity, limiting the scope for meaningful public spending to bolster growth. Private consumption, investment and labour market improvements will therefore remain the key near-term growth drivers. External risks, including soft global demand and trade policy uncertainty, continue to weigh on exports and capital inflows. Looking ahead to 2026, growth is likely to remain moderate, with domestic demand providing the primary buffer against weaker external conditions and muted fiscal support.

With a somewhat soft domestic environment and ongoing external pressures, improvements in activity have yet to become fully entrenched. As such, South Africa's 2026 growth forecast remains unchanged at 1.4%, balancing sound underlying output data against still-subdued business confidence and tight financing conditions.

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

South Africa	
2026	1.4
Change from previous month	0.0
2027	1.4

Note: * 2026–2027 = Forecast.

Source: OPEC.

Similarly, the 2027 growth forecast is maintained at 1.4%, reflecting expectations of a gradual and uneven recovery as fiscal constraints, elevated debt-service burdens and external headwinds continue to cap upside potential.

Saudi Arabia

Saudi Arabia's economy entered the end of the year with solid momentum, as 3Q25 national accounts showed GDP growth of 5%, y-o-y, only slightly below the flash estimate. Growth was driven mainly by a sharp rise in real exports, while retail and utilities recorded strong sectoral performances. Forward-looking indicators remain supportive. Although slightly retracting, the PMI index for December stood at a healthy 57.4, firmly in expansionary territory, with robust output, rising new orders, growing backlogs, and continued hiring. Business confidence remains high, underpinned by resilient domestic demand and sustained investment. Overall, non-oil activity is expected to remain a key growth engine, with real non-oil GDP growth projected to strengthen further over the medium term. This points to resilient domestic demand and ongoing investment momentum as the year draws to a close, with services, construction, and consumer-facing industries remaining key drivers. At the same time, inflation remained low at 1.9%, y-o-y, in November, supporting real household incomes and maintaining favourable financing conditions for firms. Saudi Arabia's strong credit rating and the expanding non-oil sector continue to support investor confidence and medium-term diversification under Vision 2030. Labour market conditions continue to improve overall, with further progress being expected towards the revised Vision 2030 target of a 5% unemployment rate for Saudi nationals, which was lowered after the original objective was achieved ahead of schedule. Moreover, non-oil exports rose by a robust 18%, y-o-y, in 2Q25, driven mainly by strong gains in shipments of chemicals, plastics, and machinery. June marked the twentieth consecutive month of expansion, underscoring the tangible progress of the government's Vision 2030 strategy to deepen and diversify the industrial base. With this momentum remaining sustained, the non-oil share of total exports is likely to increase further. Taken together, these factors suggest that non-oil activity is well positioned to provide a stable and resilient growth base going into 2026, underpinned by improving business confidence, steady credit conditions and a more diversified economic structure.

Nigeria

Nigeria's economy showed resilience in 2H25, posting sound growth despite global challenges, as strength in the non-oil economy partly offset slower growth in the oil sector. Cooling inflation, a firmer naira, lower refined fuel imports, and stronger remittance inflows are improving domestic and external conditions. Inflation is forecast to decelerate further on the back of past monetary tightening, currency strength, and seasonal harvest effects, though monetary policy remains restrictive. Seasonally adjusted real GDP growth at market prices moderated to stand at 3.9%, y-o-y, in 3Q25, down from 4.2% in 2Q25. Nonetheless, this is still a healthy and robust growth level, supported by strengthening non-oil activity, with growth in that segment rising by 0.3 percentage points to 3.9%, y-o-y. Inflation continued to decelerate in November, with headline CPI falling for an eighth straight month to 14.5%, y-o-y, following 16.1%, y-o-y, in October. Despite this sustained disinflation, the Central Bank of Nigeria kept its policy rate unchanged at 27% in December, citing its

commitment to securing low and stable inflation and expecting earlier tightening to further dampen price pressures. A stronger naira, easing food prices due to the harvest and a cooling in core inflation also point to gradually fading underlying pressures. While preserving recent disinflation gains is important, the persistently high policy rate – implying real interest rates of around 12% – risks weighing on aggregate demand in the near term. The Stanbic IBTC Bank Nigeria PMI remained firmly above the expansion threshold at an almost unchanged level of 53.5 in December, following 53.6 in November and 54.0 in October. Looking ahead, easing inflation, gradually improving financial conditions, and sustained momentum in the non-oil sector are expected to support moderate and balanced growth.

United Arab Emirates (UAE)

Recent data for the United Arab Emirates continues to reinforce the resilience of its non-oil economy, with improving PMI readings pointing to sustained momentum into 2026. Meanwhile, easing fuel prices have pushed inflation lower, a trend expected to continue as housing cost pressures gradually soften, keeping average inflation contained at possibly below 2% in 2026. According to the latest survey, the S&P Global UAE PMI remained firmly above the expansion threshold at an almost unchanged level of 54.2 in December, following a level of 54.8 in November. The UAE has approved its 2026 federal budget, forecasting revenues of AED 92.4bn, up 29% on an annual basis, and underscoring its commitment to fiscal discipline, targeted investment and long-term development goals. In parallel, the government unveiled major tourism initiatives for 2026, highlighting tourism's growing importance as a non-oil growth engine and further enhancing the UAE's standing as a leading global destination. The UAE is advancing supply-side reforms aimed at boosting its appeal to foreign investors and skilled talent. These measures include permitting full foreign ownership of onshore firms, reducing business setup costs, introducing visa and citizenship reforms, strengthening job security and updating local regulations. As a result, the country's broader economic outlook remains anchored by diversified growth drivers beyond oil. Continued strength in non-oil activity supports consumption, investment, and external competitiveness as the UAE moves forward with strategic diversification policies. The resilience demonstrated by the non-oil private sector reinforces expectations that the economy will continue to deliver a stable performance heading into 2026.

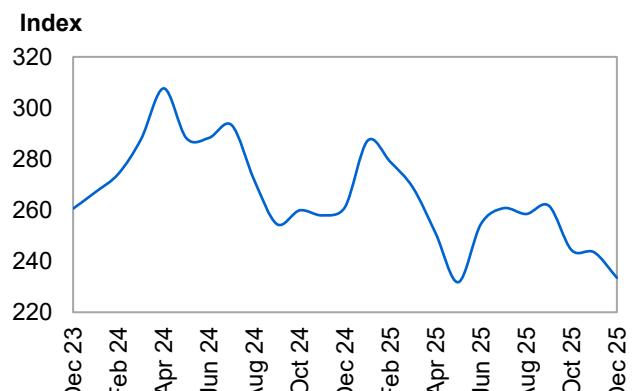
The impact of the USD and inflation on oil prices

The US dollar (USD) index receded in December, after trending upwards for two consecutive months.

The index fell by 1.2%, m-o-m, following the US Fed's decision to lower interest rates by 25 bps in December. The Fed's decision to cut rates for a third consecutive meeting reinforced market expectations of a more dovish stance, as the central bank acknowledged that labour market softness warranted a slightly less restrictive monetary policy. A slowdown in demand for US assets also contributed to the decline of the index. Compared with the same period last year, the index was down by 8.1%, y-o-y.

In developed market currencies, the USD rose against the yen by 0.6%, m-o-m, in December. However, it declined against the euro and pound by

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



Sources: IMF and OPEC.

1.3% and 2.0%, m-o-m, respectively. Compared with the same period last year, the USD was higher against the yen by 2.2%, y-o-y, but was lower against the euro and the pound by 10.4% and 5.2%, y-o-y, respectively.

In terms of emerging markets' currencies, in December, the USD rose against the rupee and the real by 1.5% and 2.1%, m-o-m; however, it declined against the yuan by 1.0%, m-o-m. Compared with the same period last year, the USD was higher against the rupee by 6.2%, y-o-y. However, it was lower against the yuan and the real by 3.2% and 10.2%, y-o-y.

World Economy

The differential between nominal and real ORB prices narrowed in December. Inflation (nominal price minus real price) was down by 0.8%, m-o-m.

In nominal terms, after accounting for inflation, the ORB price declined by 4.2%, m-o-m, in December and was down by 15.5%, y-o-y.

In real terms (excluding inflation), the ORB declined by 4.4%, m-o-m, in December, and was down by 19.1%, y-o-y.

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



World Oil Demand

The global oil demand growth forecast for 2026 stands at a healthy 1.4 mb/d, y-o-y, unchanged from the previous month's assessment. The OECD is expected to grow by about 0.15 mb/d, y-o-y, mostly driven by requirements from the Americas and supported by an uptick from OECD Europe. In the non-OECD, demand is forecast to expand by about 1.2 mb/d. Oil demand in the non-OECD is forecast to be mostly driven by requirements from Other Asia, supported by India, China, Middle East, Africa and Latin America. This oil demand growth is expected to be supported by strong air travel demand and healthy road mobility, including on-road diesel and trucking, as well as healthy industrial, construction and agricultural activities in non-OECD countries. Similarly, capacity additions and petrochemical margins are expected to continue to contribute to growth.

On product basis, gasoline and jet/kerosene are forecast to contribute significantly to the world oil demand growths in 2026. Diesel demand is also forecast to demonstrate growth, y-o-y. Regarding petrochemical feedstock, the demand for NGLs/LPG is anticipated to lead growth, y-o-y, with naphtha projected to increase, y-o-y. The demand for the 'other products' category is also projected to grow, y-o-y.

Global oil demand growth in 2027 is forecast to grow by a healthy 1.3 mb/d, y-o-y. The OECD is expected to grow by 0.1 mb/d, y-o-y, with OECD Americas again expected to lead oil demand growth in the region. In the non-OECD, oil demand is forecast to grow by about 1.2 mb/d, led by Other Asia, followed by India and China.

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

World oil demand	2025	1Q26	2Q26	3Q26	4Q26	2026	Change 2026/25
Americas	25.40	25.03	25.30	26.02	25.71	25.52	0.12
of which US	20.81	20.45	20.74	21.36	21.11	20.92	0.11
Europe	13.44	12.93	13.68	13.83	13.50	13.48	0.04
Asia Pacific	7.10	7.31	6.79	6.87	7.36	7.08	-0.01
Total OECD	45.94	45.27	45.77	46.72	46.58	46.09	0.15
China	16.87	17.00	16.70	17.30	17.25	17.06	0.20
India	5.65	5.89	5.92	5.57	6.10	5.87	0.22
Other Asia	9.82	10.05	10.41	10.01	9.90	10.09	0.27
Latin America	6.88	6.92	7.02	7.05	7.04	7.01	0.13
Middle East	8.94	8.96	8.91	9.29	9.24	9.10	0.16
Africa	4.87	5.06	4.80	4.98	5.28	5.03	0.16
Russia	4.04	4.11	3.90	4.10	4.23	4.09	0.04
Other Eurasia	1.31	1.47	1.33	1.20	1.35	1.34	0.03
Other Europe	0.83	0.83	0.82	0.84	0.90	0.84	0.02
Total Non-OECD	59.20	60.28	59.81	60.33	61.29	60.43	1.23
Total World	105.14	105.55	105.57	107.05	107.87	106.52	1.38

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

Source: OPEC.

World Oil Demand

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

World oil demand	2026	1Q27	2Q27	3Q27	4Q27	2027	Change 2027/26
Americas	25.52	25.10	25.37	26.14	25.80	25.61	0.09
of which US	20.92	20.53	20.81	21.46	21.18	21.00	0.08
Europe	13.48	12.95	13.72	13.87	13.53	13.52	0.04
Asia Pacific	7.08	7.30	6.77	6.85	7.35	7.07	-0.02
Total OECD	46.09	45.35	45.87	46.85	46.68	46.19	0.10
China	17.06	17.16	16.86	17.53	17.48	17.26	0.20
India	5.87	6.11	6.13	5.79	6.33	6.09	0.22
Other Asia	10.09	10.32	10.66	10.27	10.18	10.36	0.27
Latin America	7.01	7.06	7.17	7.18	7.16	7.14	0.14
Middle East	9.10	9.12	9.03	9.49	9.40	9.26	0.16
Africa	5.03	5.22	4.95	5.16	5.44	5.19	0.16
Russia	4.09	4.16	3.95	4.14	4.28	4.13	0.05
Other Eurasia	1.34	1.51	1.36	1.24	1.38	1.37	0.03
Other Europe	0.84	0.84	0.84	0.86	0.92	0.86	0.02
Total Non-OECD	60.43	61.50	60.95	61.64	62.57	61.67	1.24
Total World	106.52	106.85	106.81	108.49	109.26	107.86	1.34

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

Source: OPEC.

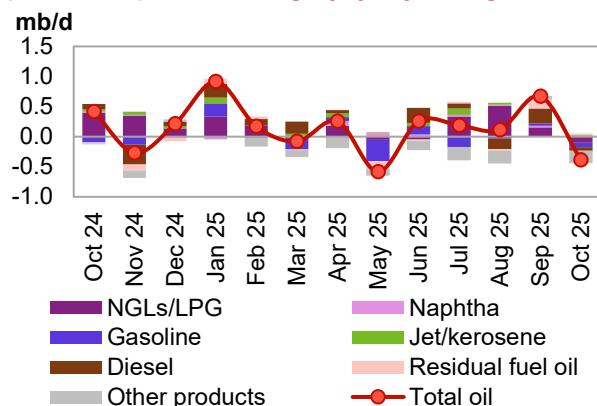
OECD

OECD Americas

Update on the latest developments

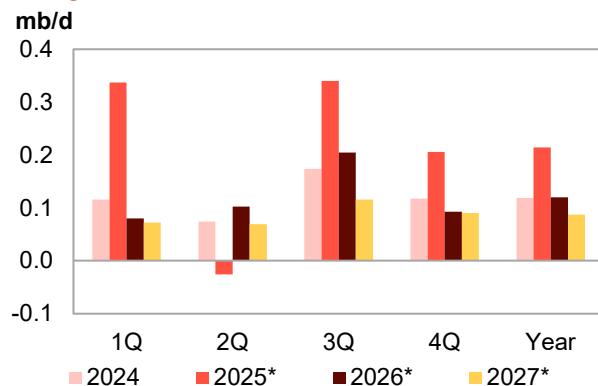
Oil demand in the OECD Americas in October contracted by 390 tb/d, y-o-y, down from an increase of 668 tb/d, y-o-y, in September. A large decrease of 371 tb/d, y-o-y, from the US, combined with a drop of 35 tb/d, y-o-y, seen in Canadian oil demand, more than offset observed minor y-o-y increases in Mexico and Chile. The decline in y-o-y oil demand in the region was also affected by a strong baseline.

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



Sources: IEA, JODI, OPEC and national sources.

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



Note: * 2025 = Estimate; 2026-2027 = Forecast.

Source: OPEC.

US

In October, US oil demand declined by 371 tb/d, y-o-y, down from an increase of 364 tb/d, y-o-y, seen the previous month. The y-o-y decrease in oil demand coincided with and was likely due to the US government shutdown, amid a strong baseline effect.

Regarding specific products, the 'other products' category, including lube oil and petroleum coke, led the oil product decline by 161 tb/d, y-o-y, down from a minor decline of 11 tb/d, y-o-y, seen in September. NGLs/LPG contracted by 142 tb/d, down from an increase of 18 tb/d, y-o-y, in September.

World Oil Demand

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

US oil demand By product	Oct 24	Oct 25	Change
			Oct 25/Oct 24
NGLs/LPG	4.00	3.86	-0.14
Naphtha	0.12	0.14	0.02
Gasoline	9.07	9.01	-0.06
Jet/kerosene	1.71	1.70	-0.02
Diesel	4.13	4.14	0.01
Fuel oil	0.32	0.30	-0.02
Other products	2.19	2.03	-0.16
Total	21.54	21.17	-0.37

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

Sources: EIA and OPEC.

In terms of transportation fuels, gasoline demand declined by 60 tb/d, y-o-y, down from a marginal decline of 9 tb/d seen in September. Jet/kerosene demand inched down by 17 tb/d, slightly below a y-o-y decline of 13 tb/d seen a month earlier. However, diesel demand saw an uptick of 9 tb/d, y-o-y, though this is below a y-o-y increase of 204 tb/d seen in September.

Naphtha requirements increased slightly by 19 tb/d, y-o-y, though this is marginally below the y-o-y increase of 26 tb/d observed in September. Demand for residual fuel oil slipped by 19 tb/d, y-o-y, down from an increase of 149 tb/d, y-o-y, seen a month earlier.

Near-term expectations

In 1Q26, economic growth in the region is expected to remain stable. GDP growth in the US is projected to increase further over 4Q25, based on the recovery from the government shutdown over the quarter, as government spending resumes. Furthermore, ongoing monetary easing and the de-escalation of trade tensions are expected to provide additional support for economic activity in the country. Accordingly, oil demand in the region is projected to increase by 80 tb/d, y-o-y, in 1Q26, with oil demand in the US forecast to grow by 31 tb/d, y-o-y, in 1Q26.

For 2026, the US economy is expected to maintain its current growth momentum, supported by an ongoing expansion in consumer spending and easing trade uncertainty. In particular, the easing of trade tensions following major agreements, including a one-year truce with China, is also expected to underpin growth in 2026. These factors are expected to boost job creation and support the unemployment rate. Accordingly, US GDP growth is projected to surpass that in 2025. Similarly, within the OECD Americas region, both Canada's and Mexico's GDPs are expected to improve from 2025. These factors are expected to support oil demand in the region, which is forecast to grow by 120 tb/d, y-o-y, to average 25.5 mb/d. Oil demand in the US is forecast to grow by 107 tb/d, y-o-y, to average 20.9 mb/d.

Regarding oil demand by product in OECD Americas, gasoline is expected to drive growth in 2026, while jet/kerosene demand is also expected to increase. At the same time, diesel demand is projected to soften marginally, y-o-y. Regarding petrochemical feedstock demand, NGLs/LPG demand is expected to expand, y-o-y, and naphtha demand is projected to increase moderately. However, demand for residual fuels and the 'other products' category is expected to decline, y-o-y.

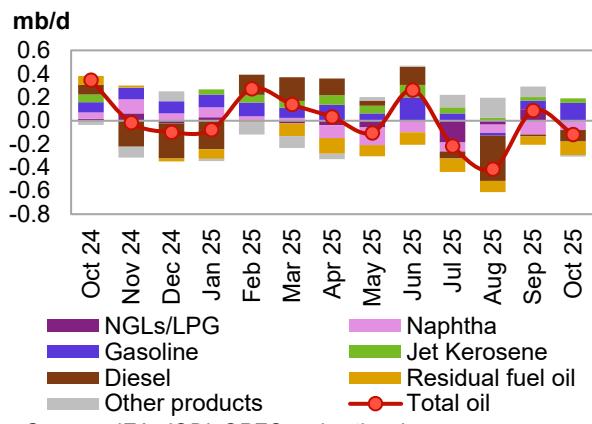
In 2027, economic activity in the US is projected to continue healthy. In addition, while consumer spending is expected to be robust, easing trade uncertainty is also expected to continue. With this, oil demand in the OECD Americas is expected to grow by 87 tb/d, with the US driving the increase by 83 tb/d, y-o-y. Oil demand in OECD Americas is projected to average 25.6 mb/d in 2027, with US oil demand forecast to average 21.0 mb/d.

OECD Europe

Update on the latest developments

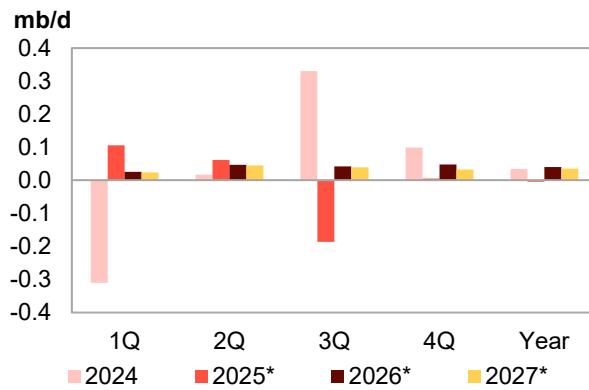
Oil demand in OECD Europe contracted in October by 119 tb/d, y-o-y, for the fourth consecutive month. Declines in France, Belgium, the Netherlands and Poland more than offset y-o-y increases seen in Germany, Italy, Spain and the UK.

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



Sources: IEA, JODI, OPEC and national sources.

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



Note: * 2025 = Estimate; 2026-2027 = Forecast.

Source: OPEC.

Regarding oil product categories, residual fuel oil demand posted the largest y-o-y decline of 115 tb/d in October, down from a y-o-y decline of 69 tb/d observed in September. Demand for the 'other products' category, including bitumen, lube oil and petroleum coke, contracted by 12 tb/d, y-o-y, an improvement from a y-o-y decline of 30 tb/d seen the previous month. Meanwhile, demand for diesel eased by 98 tb/d, y-o-y, in October, down from a slight contraction of 16 tb/d in September.

Regarding petrochemical feedstock demand, NGLs/LPG saw a minor drop of 7 tb/d, y-o-y, and naphtha demand eased by 75 tb/d, y-o-y, in October. In terms of transportation fuels, gasoline expanded by 152 tb/d, y-o-y, up from a y-o-y increase of 75 tb/d in September. Demand for jet/kerosene increased by 38 tb/d, y-o-y, up from y-o-y growth of 30 tb/d seen a month earlier.

Near-term expectations

In the near term, economic growth from 2025 is expected to continue in 1Q26, supported by steady consumer demand, fiscal expansion anticipated in Germany, and stabilizing trade conditions. Moreover, the services sector in the region continues to show expansion, as seen in the services PMI. Accordingly, these factors are expected to support oil demand growth in the region of 25 tb/d, y-o-y, in 1Q26.

For 2026, GDP growth in the region is expected to remain stable, albeit with uneven growth rates across the region's economies. Consumer spending is expected to rise, and private investment is expected to positively contribute to growth. Furthermore, Germany's fiscal spending is expected to boost growth and have positive spillover effects across many European countries. Regarding trade relations, trade negotiations between the region and India continue, with both sides aiming to conclude a free trade agreement by the end of January 2026 and expand market access to goods and services. In addition, the EU will sign a multi-year-long negotiated trade deal with a group of countries in Latin America, entitled "Mercosur" (comprised of Argentina, Brazil, Paraguay and Uruguay), which is expected to open up new economic opportunities for both regions. Overall, the region is projected to see oil demand growth of about 40 tb/d, y-o-y, in 2026, to average 13.5 mb/d.

In terms of oil demand by product, air travel activity and road mobility are expected to support transportation fuel demand, with jet/kerosene and gasoline requirements projected to lead regional oil demand growth in 2026. Regarding petrochemical feedstock, demand for both naphtha and NGLs/LPG is projected to remain flat, y-o-y. Demand for diesel, residual fuel oil and the 'other products' category is projected to decline slightly, y-o-y.

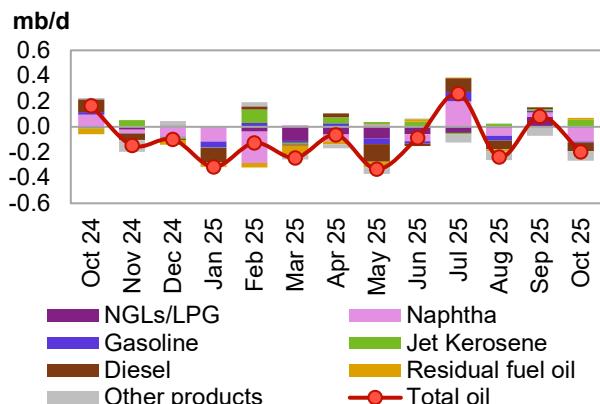
Looking ahead to 2027, challenges in the industrial sector are expected to subside, and GDP growth in the region is also expected to improve from 2026 growth rates. Furthermore, road mobility and air travel are expected to remain relatively healthy. Accordingly, these factors are anticipated to support oil demand in the region, which is projected to see a slight growth of 35 tb/d, y-o-y, in 2027, to average 13.5 mb/d.

OECD Asia-Pacific

Update on the latest developments

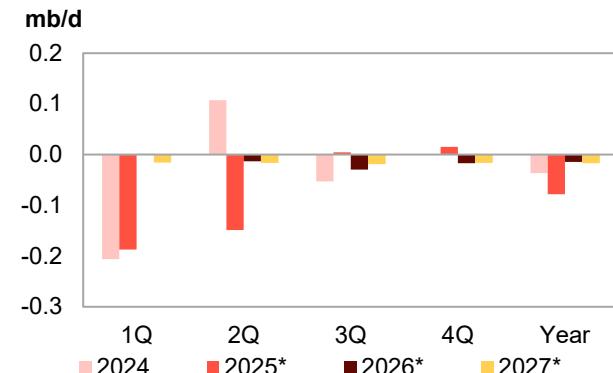
Oil demand in the OECD Asia-Pacific region contracted by 197 tb/d, y-o-y, in October, down from y-o-y growth of 82 tb/d in September. The y-o-y decline was partly due to a strong baseline. Within the region, oil demand declines of 170 tb/d in South Korea and 59 tb/d in Japan more than offset a marginal y-o-y increase of 14 tb/d in Australia.

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



Sources: IEA, JODI, OPEC and national sources.

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



Note: * 2025 = Estimate; 2026-2027 = Forecast.

Source: OPEC.

Regarding specific oil product demand in October, naphtha demand saw the largest decline of 108 tb/d, y-o-y, down from growth of 36 tb/d, y-o-y, seen a month earlier. Diesel requirements declined by 69 tb/d, y-o-y, also down from growth of 16 tb/d, y-o-y, seen in September. Demand for the 'other products' category declined by 74 tb/d, y-o-y, slightly less than what was seen the month before. NGLs/LPG demand declined by a slight 9 tb/d, down from an increase of 76 tb/d, y-o-y, in September. Gasoline demand eased by a marginal 6 tb/d, y-o-y, down from the slight growth of 11 tb/d, y-o-y, seen in September.

Meanwhile, jet/kerosene demand increased by 54 tb/d, y-o-y, up from the growth of 13 tb/d, y-o-y, observed the previous month. Demand for residual fuel oil inched up by 16 tb/d, compared with a marginal decline of 7 tb/d in September.

Near-term expectations

In the near term, Japan's economy is expected to maintain a broadly stable growth trajectory into 2026, with 1Q26 expected to experience the same growth seen in 4Q25, due to the expected continuation of tighter monetary policy. The South Korean economy is also expected to rebound. Accordingly, oil demand in the region is anticipated to remain flat in 1Q26, y-o-y.

In 2026, economic activity in Japan – the region's largest economy – is projected to be slightly below 2025 growth rates. The country's fiscal policy will remain expansionary following a new stimulus package that is expected to provide a positive near-term boost by supporting real household income. The South Korean economy is expected to rebound somewhat, driven by recovering domestic demand. Similarly, Australia's GDP is expected to surpass 2025 growth rates, driven by recovering household incomes amid public spending and gradually easing inflation. This improvement is the basis for a lesser y-o-y decline of 15 tb/d for oil demand in the region, up from a decline of 89 tb/d in 2025, to average 7.1 mb/d in 2026.

In 2027, and in line with further expected improvements in economic activity in Japan and South Korea, oil demand in the region is forecast to marginally decline by 17 tb/d, y-o-y, to average 7.1 mb/d.

Non-OECD

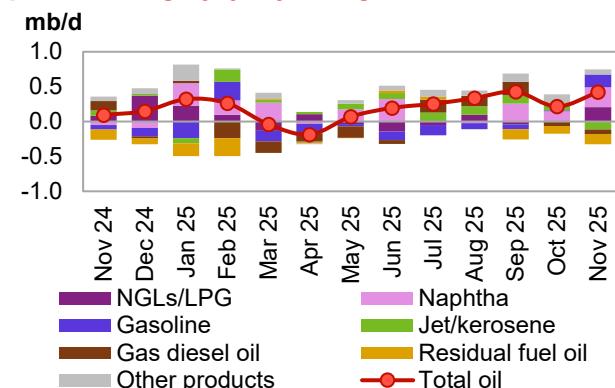
China

Update on the latest developments

China's oil demand in November surged by 420 tb/d, y-o-y, up from the growth of 214 tb/d, y-o-y, observed the previous month. Strong y-o-y growth in demand for petrochemical feedstock more than offset an observed decline in residual fuel and jet/kerosene demand.

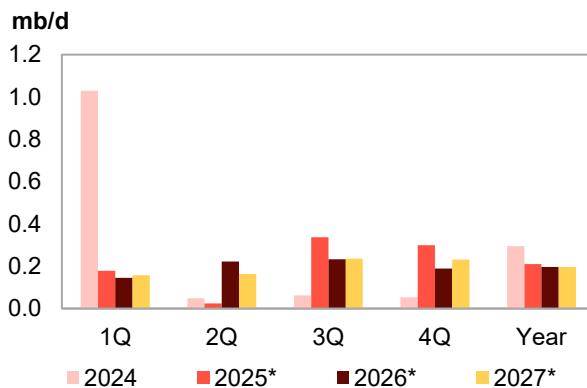
World Oil Demand

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



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

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



Note: * 2025 = Estimate; 2026-2027 = Forecast.

Source: OPEC.

Regarding demand for specific products, petrochemical feedstock requirements saw demand for naphtha increasing by 283 tb/d, y-o-y, in November, up from an increase of 130 tb/d, y-o-y, seen in October. NGLs/LPG demand also soared by 205 tb/d, y-o-y, up from a y-o-y increase of just 14 tb/d seen the previous month. Meanwhile, demand for the 'other products' category increased by 74 tb/d, y-o-y, down from a y-o-y increase of 136 tb/d seen in October. Similarly, demand for gasoline increased by 186 tb/d, y-o-y, up from a minor y-o-y increase of 15 tb/d was seen in the previous month.

On the other hand, demand for residual fuel was lower by 150 tb/d, y-o-y, in November, down from a drop of 110 tb/d, y-o-y, seen a month earlier. Jet/kerosene requirements declined by 117 tb/d, y-o-y, down from the growth of 93 tb/d, y-o-y, seen in October. Diesel demand also declined by 61 tb/d, y-o-y, broadly in line with a y-o-y decline of 64 tb/d seen the previous month.

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

China's oil demand By product	Nov 24	Nov 25	Change
			Nov 25/Nov 24
NGLs/LPG	2.86	3.06	0.20
Naphtha	2.06	2.34	0.28
Gasoline	3.26	3.44	0.19
Jet/kerosene	1.11	0.99	-0.12
Diesel	4.32	4.26	-0.06
Fuel oil	0.40	0.25	-0.15
Other products	2.67	2.75	0.07
Total	16.67	17.09	0.42

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

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

Near-term expectations

In 1Q26, China's economy is projected to continue showing economic growth momentum, slightly surpassing that seen in 4Q25. Easing trade tensions under the trade truce between China and the US should support oil demand in China, particularly for NGLs/LPG and diesel. Consequently, oil demand is projected to grow by around 144 tb/d, y-o-y, in 1Q26.

In 2026, China is expected to experience moderate but stable GDP growth, which is projected to be slightly lower than the 2025 growth rate. Furthermore, the temporary US–China trade truce and a gradually stabilizing housing market are expected to support the growth outlook. Chinese exports of goods are expected to continue expanding further in 2026 on the back of ongoing export diversification. Meanwhile, China's macroeconomic policy is likely to be more supportive of domestic demand in 2026, given the government's ambition to boost domestic consumption over the next five years. The Chinese government's 'oil-to-chemicals' policy, targeting over 5% growth in petrochemical value added through 2026, is expected to provide additional support for feedstock demand. Overall, domestic activity in China is likely to remain largely resilient, with household consumption predicted to remain supportive, while infrastructure and manufacturing investment are expected to continue to recover. These factors are expected to support oil demand growth in China, which is projected to grow by around 197 tb/d, y-o-y, in 2026, to average 17.1 mb/d.

World Oil Demand

Regarding specific product demand, ongoing strong international and domestic air travel is expected to bolster demand for jet/kerosene, which is expected to drive growth in oil demand. NGLs/LPG and naphtha demand is also expected to increase due to higher petrochemical feedstock requirements. Furthermore, demand for the 'other products' category is projected to increase y-o-y. Regarding transportation fuel demand, both gasoline and diesel are expected to show slight growth. However, residual fuel demand is projected to decline y-o-y.

In 2027, economic activity in China is expected to remain steady from 2026. Similarly, transportation activity is projected to remain healthy. Meanwhile, weakness in the construction sector is expected to subside. Combined with healthy petrochemical sector requirements, this is expected to support an expansion in oil product demand by 196 tb/d, y-o-y, to average 17.3 mb/d.

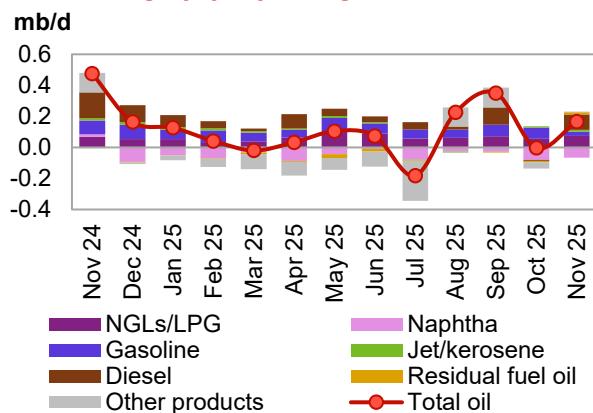
India

Update on the latest developments

In November, India's oil demand expanded y-o-y by 166 tb/d, following flat y-o-y growth seen the previous month. The increase was driven mostly by diesel and NGLs/LPG, which more than offset a y-o-y decline in naphtha demand.

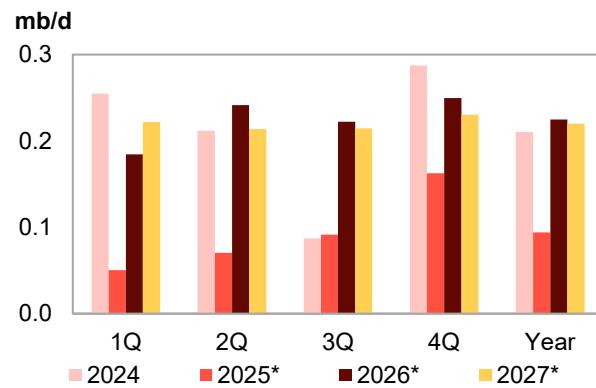
Regarding specific product demand, diesel saw the largest y-o-y increase of 100 tb/d, y-o-y, in November, up from a marginal decline of 5 tb/d, y-o-y, in October. Demand for NGLs/LPG expanded by 74 tb/d, y-o-y, up from an increase of 55 tb/d the previous month.

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



Sources: PPAC, JODI and OPEC.

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



Note: * 2025 = Estimate; 2026-2027 = Forecast.

Source: OPEC.

In terms of transportation fuels, gasoline demand in November increased by 26 tb/d, y-o-y, albeit remaining below a y-o-y increase of 72 tb/d seen the previous month. Jet/kerosene demand inched up by 13 tb/d, y-o-y, up from a 7 tb/d, y-o-y, increase seen the previous month.

Table 4 – 5: India's oil demand, mb/d

India's oil demand By product	Nov 24	Nov 25	Change
			Nov 25/Nov 24
NGLs/LPG	1.03	1.11	0.07
Naphtha	0.33	0.26	-0.07
Gasoline	0.98	1.00	0.02
Jet/kerosene	0.21	0.22	0.01
Diesel	2.05	2.15	0.10
Fuel oil	0.11	0.12	0.01
Other products	1.09	1.10	0.01
Total	5.80	5.96	0.17

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

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

Meanwhile, demand for residual fuel oil in November saw a marginal y-o-y increase of 13 tb/d, up from a decline of 8 tb/d in October. However, naphtha saw a y-o-y contraction of 65 tb/d, though this was an improvement over a y-o-y decline of 81 tb/d seen in October.

Near-term expectations

Looking ahead, robust economic momentum in the last quarter of 2025 is expected to continue into 1Q26. Manufacturing and business activities in India are expected to remain steady going forward, amid strong support from new Goods and Services Tax (GST) cuts. Meanwhile, the composite PMI in November stood at 59.7 points, indicating continued robust private sector activity in the country. Accordingly, oil demand in India is projected to expand by 185 tb/d, y-o-y, in 1Q26.

In 2026, India's GDP is expected to remain strong over the year, following very robust growth in 2025. In addition, ongoing steady manufacturing and agricultural activity are projected to continue amid healthy mobility levels. Specifically, the manufacturing sector is expected to continue benefiting from the 'Make in India' initiative, as well as the ongoing global restructuring of supply chains and a strategic shift from China by global firms. Diesel is also expected to benefit strongly from the new tax cut policy. In addition, ongoing strong infrastructure development is expected to provide support for bitumen demand.

Regarding the petrochemical sector, the ongoing aggressive expansion of petrochemical capacity is being driven by strong domestic demand and the goal of reducing reliance on imports, which currently account for over 50% of chemical imports from other Asian countries. New petrochemical plants expected to come on stream include Reliance Industries' Jamnagar Polypropylene Plant 3, which is expected to commence operations by 2026, and the HPCL Rajasthan Refinery Limited (HRRL) Barmer Complex, which is expected to start up in early 2026. Furthermore, the government's LPG support scheme for low-income households is expected to continue in 2026. Overall, oil demand in India is projected to expand by 222 tb/d, y-o-y, to average 5.9 mb/d in 2026.

Looking ahead to 2027, India's GDP is expected to remain strong amid healthy transportation and manufacturing activity. Furthermore, ongoing government support for households and expected new petrochemical capacity additions in 2026 are expected to support oil demand growth of 224 tb/d, y-o-y, to average 6.10 mb/d in 2027.

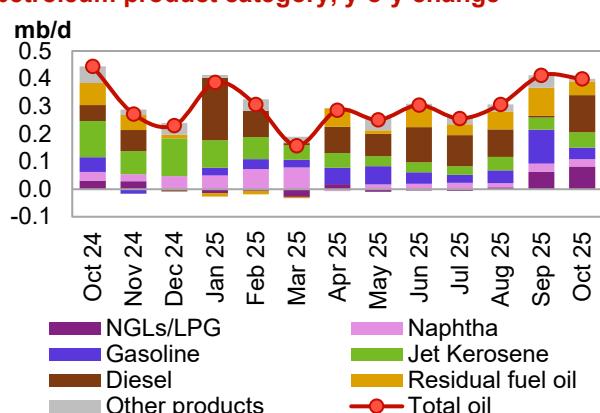
Other Asia

Update on the latest developments

Oil demand in Other Asia increased by 399 tb/d, y-o-y, in October, down slightly from an increase of 412 tb/d, y-o-y, observed the previous month. This was largely led by a rise of 126 tb/d, y-o-y, in Indonesia and supported by requirements in other major countries of the region. The increase in oil demand mostly emanated from transportation fuels and petrochemical feedstock requirements.

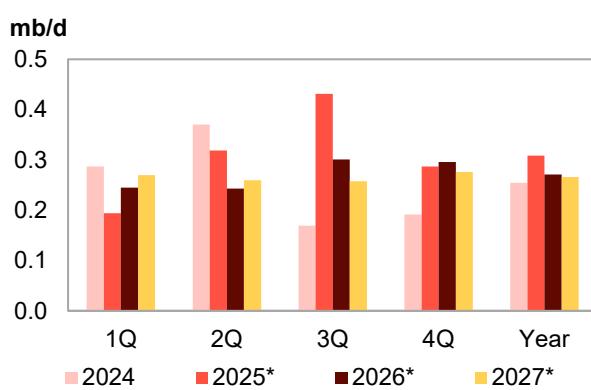
Regarding specific products, diesel led demand growth in October by 135 tb/d, y-o-y, up from a marginal increase of 6 tb/d, y-o-y, observed the previous month. Jet/kerosene demand increased by 56 tb/d, y-o-y, up from growth of 44 tb/d, y-o-y, seen the previous month. Gasoline demand expanded by 42 tb/d, y-o-y, though this is below the increase of 123 tb/d, y-o-y, seen in September.

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



Sources: JODI, National sources, and OPEC.

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



Note: * 2025 = Estimate; 2026-2027 = Forecast.

Source: OPEC.

In terms of petrochemical feedstock, demand for NGLs/LPG increased by 82 tb/d, y-o-y, in October, up from an increase of 63 tb/d, y-o-y, seen the previous month. Naphtha demand expanded by 26 tb/d, only slightly below the y-o-y growth of 29 tb/d seen the previous month.

World Oil Demand

Meanwhile, demand for residual fuel oil increased by 49 tb/d, y-o-y, which is below the y-o-y increase of 102 tb/d seen in September. Demand for the 'other products' category inched up by 9 tb/d, y-o-y, down from the growth of 45 tb/d, y-o-y, observed the previous month.

Near-term expectations

In the near term, the strong economic growth momentum seen in 2H25 in major oil-consuming countries of the region is expected to continue. Ongoing healthy air travel and strong driving mobility are also projected to continue amid resilient manufacturing activity. These factors are expected to bolster an oil demand increase in the region of 245 tb/d, y-o-y, in 1Q26.

In 2026, economic activity in major oil-consuming countries is expected to remain strong, with GDP predicted to grow at uneven rates among the major economies of the region. Malaysia, Indonesia, Pakistan and Thailand are projected to surpass 2025 growth rates. However, Vietnam and Singapore are projected to grow slightly below 2025 growth rates. The inflation rate in most countries of the region is expected to remain moderate. Furthermore, consumer spending is anticipated to support economic activity. Steady driving and air travel activity are expected to continue amid strong manufacturing and agricultural output. Moreover, many countries of the region have reached a trade truce with the US, which is expected to provide additional support for the region's economies. These factors are expected to bolster oil product demand growth by 270 tb/d, y-o-y, in 2026, to average 10.1 mb/d.

Regarding specific products, jet/kerosene is projected to drive growth in oil demand in 2026, supported by strong international and domestic air travel demand. Similarly, gasoline and diesel are expected to show healthy increases. Demand for the 'other products' category – including bitumen, petroleum coke and lube oil – is also projected to grow, y-o-y. Regarding petrochemical feedstock demand, both NGLs/LPG and naphtha requirements are expected to increase moderately, y-o-y. Meanwhile, residual fuel oil demand is anticipated to remain broadly flat, y-o-y.

Looking ahead to 2027, economic activity in major oil-consuming countries in the region is expected to improve further from 2026. Furthermore, consumer spending is anticipated to support economic activity. These factors are expected to bolster oil product demand in the region to grow by 273 tb/d, y-o-y, and average 10.4 mb/d.

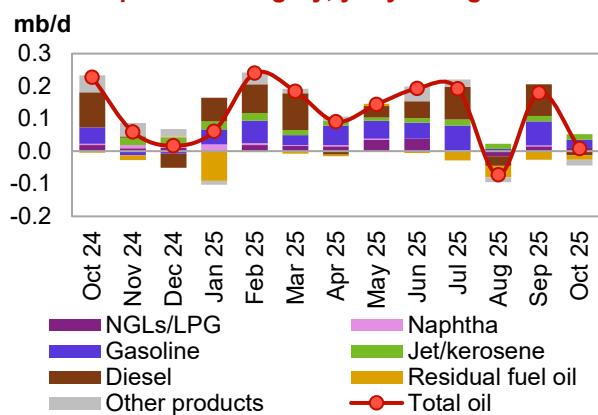
Latin America

Update on the latest developments

Oil demand in Latin America saw a marginal uptick of 8 tb/d, y-o-y, in October, down from a y-o-y increase of 179 tb/d seen the previous month.

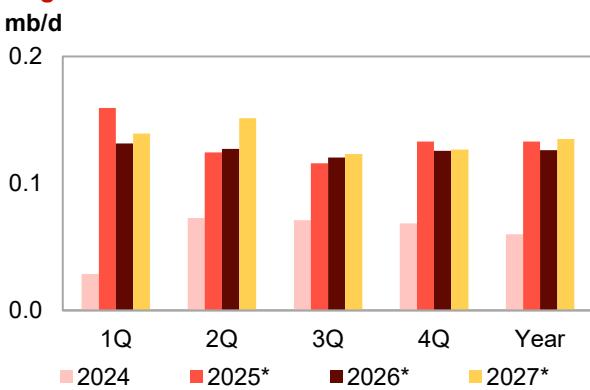
Regarding specific products, gasoline experienced the largest growth by 26 tb/d, y-o-y, although this is below the y-o-y increase of 74 tb/d seen the previous month. Demand for jet/kerosene increased by 16 tb/d, in line with the y-o-y growth seen a month earlier.

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



Sources: JODI, OPEC and national sources.

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



Note: * 2025 = Estimate; 2026-2027 = Forecast.
Source: OPEC.

In terms of petrochemical feedstock, NGLs/LPG demand increased by 10 tb/d, y-o-y, in October, which was slightly below the y-o-y increase of 15 tb/d seen in September. At the same time, naphtha demand was broadly flat, y-o-y, for the fourth consecutive month.

World Oil Demand

However, demand for the 'other products' category, including ethanol, eased by 17 tb/d, up from flat, y-o-y, the previous month. Demand for residual fuel oil also slipped by 14 tb/d, y-o-y, though showing an improvement from a y-o-y decline of 27 tb/d in September. Demand for diesel declined y-o-y by 12 tb/d, down from a y-o-y increase of 98 tb/d observed the previous month.

Near-term expectations

In the near term, GDP growth in the region is projected to remain broadly stable in 1Q26. Monetary easing, along with fiscal reforms and a pickup in domestic consumption and investment, is expected to provide some support for growth. Similarly, ongoing trade diversification in Brazil and economic reforms in Argentina's economy are expected to continue. Accordingly, oil demand in the region is forecast to grow by 131 tb/d, y-o-y, in 1Q26.

In 2026, the economies of Latin America are expected to grow, though slightly below 2025 rates. Moreover, the expansion is expected to be uneven across the region. Brazil is expected to record steady growth into 2026, as the country continues its export diversification drive, which is successfully redirecting some of its exports to Asian countries from the US. Furthermore, new Brazilian income support, driven by a real increase in the minimum wage and tax reform exemptions for low-income earners and pensioners, aimed at boosting worker income and consumption while reducing inequality, is expected to potentially increase disposable income and consumer spending. Inflation is also expected to remain relatively stable in 2026. Similarly, ongoing economic reforms in Argentina are projected to support the country's economy through fiscal surplus and lower inflation. Accordingly, oil demand in Latin America is forecast to grow by 126 tb/d, y-o-y, in 2026, to average 7.0 mb/d.

Regarding specific oil products, transportation fuels – including gasoline, jet/kerosene and diesel – are expected to drive demand growth in the region in 2026. Demand for residual fuel oil and the 'other product' category, including ethanol, is also expected to grow. Petrochemical feedstock, NGLs/LPG and naphtha are projected to increase only marginally.

In 2027, Brazil's economy is expected to maintain stable growth momentum, building on anticipated performance in 2026. In addition, healthy agricultural and manufacturing activity is expected to bolster oil demand in the region, which is forecast to grow by 135 tb/d, y-o-y, to average 7.1 mb/d.

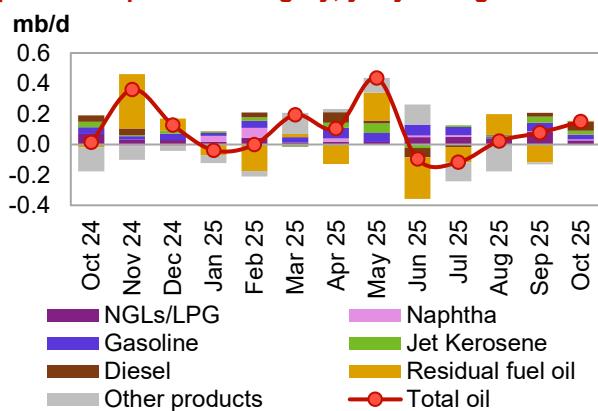
Middle East

Update on the latest developments

Oil demand in the Middle East expanded by 151 tb/d, y-o-y, in October, up from the growth of 77 tb/d, y-o-y, observed the previous month. A y-o-y increase in petrochemical feedstock demand, combined with demand for transportation fuels, more than offset a slight y-o-y decline in diesel demand in the region.

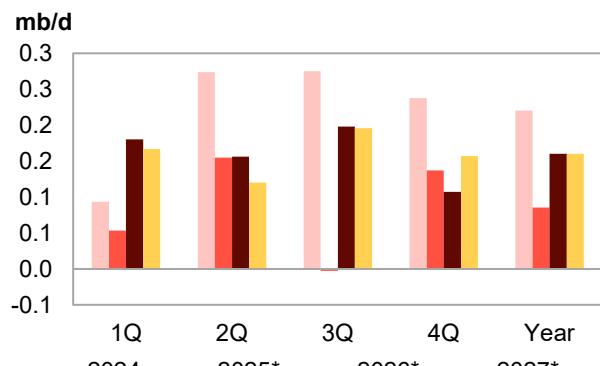
Regarding specific product demand in October, demand for the 'other products' category, which includes direct crude burning, led growth of 75 tb/d, y-o-y, up from a y-o-y decrease of 13 tb/d observed the previous month.

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



Sources: JODI, OPEC and national sources.

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



Note: * 2025 = Estimate; 2026-2027 = Forecast.
Source: OPEC.

In terms of petrochemical feedstock demand in October, NGLs/LPG demand increased by 26 tb/d, y-o-y, down from the growth of 82 tb/d, y-o-y, seen in September, while naphtha demand saw an uptick of 7 tb/d, y-o-y, slightly above the marginal increase of 4 tb/d, y-o-y, seen the previous month.

World Oil Demand

Regarding transportation fuels, demand for gasoline increased by 33 tb/d, y-o-y, in October, slightly down from the y-o-y growth of 56 tb/d witnessed in September. Jet/kerosene demand increased by 24 tb/d y-o-y, though this was below the 40 tb/d y-o-y growth observed a month earlier.

Meanwhile, demand for residual fuel oil saw a y-o-y uptick of 6 tb/d in October, up from a y-o-y decline of 119 tb/d seen the previous month. However, demand for diesel contracted by 20 tb/d, y-o-y, down from a y-o-y increase of 26 tb/d seen in September.

Near-term expectations

Looking ahead, positive economic dynamics are expected to continue into 1Q26. Furthermore, the non-oil economy, including tourism and infrastructure, is expected to support oil demand growth, which is projected to expand by 180 tb/d, y-o-y.

In 2026, economic growth in the Middle East is expected to surpass the 2025 growth rate. Furthermore, non-oil real GDP growth is forecast to remain robust and broad-based, driven by factors such as manufacturing, infrastructure development, transport logistics, and tourism, thereby supporting private consumption in both Saudi Arabia and the UAE. In Saudi Arabia, the non-oil sector accounted for around 56% of real GDP in the first half of 2025 and is forecast to remain robust in 2026. The bulk of demand growth in the region is expected to come from Saudi Arabia, Iraq and the UAE. Accordingly, oil demand in the Middle East is forecast to grow by 160 tb/d, y-o-y, to average 9.1 mb/d.

In terms of products, gasoline is projected to drive 2026 y-o-y growth in oil demand, on the back of strong driving mobility. Furthermore, jet/kerosene and diesel demand are expected to remain strong, bolstered by air travel, trucking, and construction activity. Regarding petrochemical feedstock, ongoing capacity additions are projected to support requirements for NGLs/LPG and naphtha. However, while residual fuel oil is projected to remain broadly flat, y-o-y, the 'other products' category is expected to decline, y-o-y, partly due to a gradual decline in direct crude burning used for electricity generation.

In 2027, steady economic activity in the region is anticipated to be supported by robust non-oil-related economic activity. Furthermore, infrastructure spending, strong international air traffic and driving mobility are forecast to support oil demand. The petrochemical industry in the region is projected to continue to grow through 2027. Overall, oil demand in the region is forecast to grow by 162 tb/d, y-o-y, to average 9.3 mb/d.

World Oil Supply

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

In 2027, non-DoC liquids production is forecast to grow by about 0.6 mb/d to average 55.4 mb/d. The main drivers for liquids supply growth are expected to be Brazil, Canada, Qatar and Argentina.

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

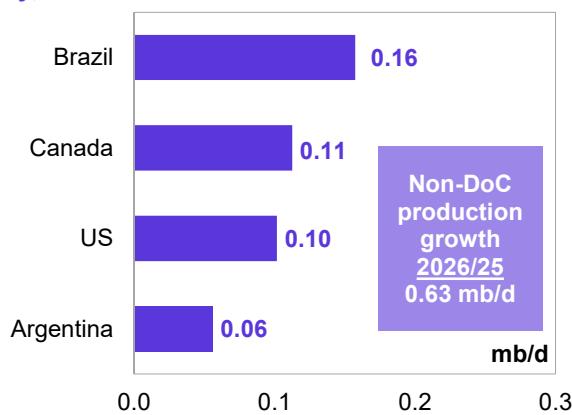
DoC crude oil production in December decreased by 238 tb/d, m-o-m, averaging 42.83 mb/d, as reported by available secondary sources.

Key drivers of growth and decline

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

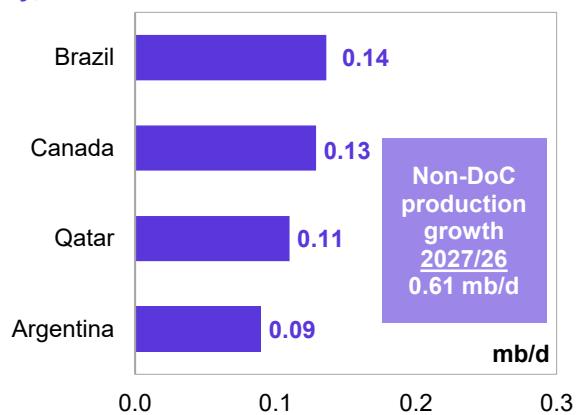
In 2027, non-DoC liquids supply is forecast to grow by about 0.6 mb/d. The main growth drivers are set to be Brazil, Canada, Qatar and Argentina.

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	27.95	28.41	28.72	28.94	28.51	0.21
of which US	22.22	21.78	22.40	22.50	22.59	22.32	0.10
Europe	3.59	3.61	3.50	3.48	3.58	3.54	-0.04
Asia Pacific	0.41	0.41	0.39	0.39	0.38	0.39	-0.01
Total OECD	32.29	31.97	32.31	32.59	32.90	32.44	0.16
China	4.62	4.68	4.67	4.58	4.57	4.62	0.00
India	0.82	0.83	0.82	0.82	0.83	0.82	0.00
Other Asia	1.62	1.62	1.59	1.58	1.59	1.60	-0.02
Latin America	7.55	7.90	7.92	7.98	8.11	7.98	0.43
Middle East	1.99	2.01	2.03	2.04	2.05	2.03	0.04
Africa	2.27	2.26	2.24	2.24	2.32	2.26	-0.01
Other Eurasia	0.36	0.36	0.36	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	19.32	19.75	19.72	19.70	19.90	19.77	0.44
Total Non-DoC production	51.61	51.72	52.03	52.28	52.80	52.21	0.60
Processing gains	2.54	2.57	2.57	2.57	2.57	2.57	0.03
Total Non-DoC liquids production	54.15	54.29	54.60	54.85	55.37	54.78	0.63

Note: * 2025 = Estimate; 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	28.51	28.54	28.46	28.70	28.96	28.67	0.16
of which US	22.32	22.21	22.34	22.38	22.47	22.35	0.03
Europe	3.54	3.57	3.46	3.41	3.53	3.49	-0.05
Asia Pacific	0.39	0.39	0.37	0.39	0.39	0.38	-0.01
Total OECD	32.44	32.50	32.29	32.50	32.87	32.54	0.10
China	4.62	4.65	4.64	4.55	4.57	4.60	-0.02
India	0.82	0.81	0.80	0.80	0.81	0.81	-0.01
Other Asia	1.60	1.58	1.56	1.57	1.59	1.57	-0.02
Latin America	7.98	8.24	8.28	8.38	8.55	8.36	0.39
Middle East	2.03	2.08	2.12	2.16	2.24	2.15	0.12
Africa	2.26	2.31	2.30	2.29	2.29	2.30	0.03
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	19.77	20.14	20.16	20.21	20.51	20.25	0.49
Total Non-DoC production	52.21	52.63	52.45	52.72	53.38	52.80	0.59
Processing gains	2.57	2.59	2.59	2.59	2.59	2.59	0.02
Total Non-DoC liquids production	54.78	55.22	55.04	55.31	55.97	55.39	0.61

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

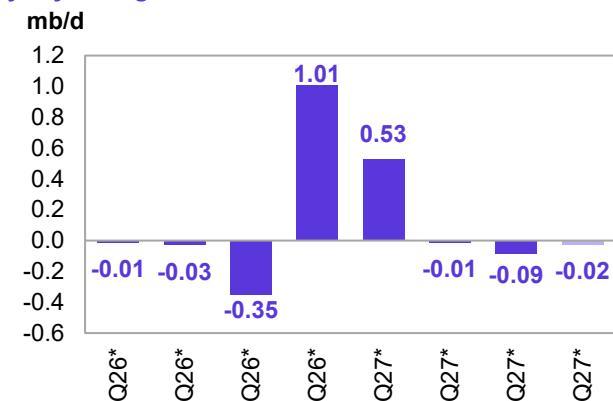
Source: OPEC.

OECD

In 2026, OECD liquids production (excluding DoC participating country Mexico) is forecast to grow by 0.2 mb/d to average 32.4 mb/d. OECD Americas is again forecast to be the primary growth driver, with an increase of 0.2 mb/d to average 28.5 mb/d. Liquids production in OECD Europe is set to drop by about 45 tb/d to average 3.5 mb/d, while OECD Asia Pacific is set to fall by about 14 tb/d to average 0.4 mb/d.

In 2027, OECD liquids production is forecast to grow by 0.1 mb/d to average 32.5 mb/d. OECD Americas is expected to lead the growth, with an expected increase of 0.2 mb/d to average 28.7 mb/d. Yearly liquids production in OECD Europe is expected to drop by about 50 tb/d to average 3.5 mb/d, while OECD Asia Pacific is expected to decline 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: * 1Q26-4Q27 = Forecast. Source: OPEC.

US

US liquids production in October 2025 dropped by 40 tb/d, m-o-m, to average 23.3 mb/d, according to the US Energy Information Administration (EIA). This was around 0.8 mb/d higher than in October 2024.

Crude oil and condensate production rose, m-o-m, by 31 tb/d to another record high of 13.9 mb/d. This is up by about 0.3 mb/d, y-o-y.

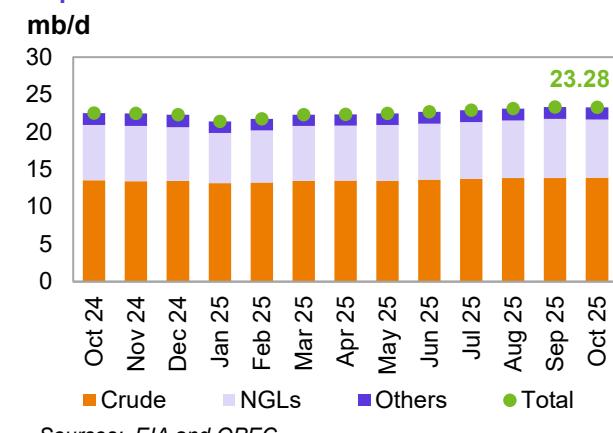
In terms of the crude and condensate production breakdown by region (PADDs), production increased on the US Gulf Coast (USGC) (PADD 3) by 29 tb/d, m-o-m, to average 10.3 mb/d. Production on the East and West Coasts (PADD 1 and PADD 5) rose by a minor 5 tb/d, each, while output in the Rocky Mountain (PADD 4) dropped by 8 tb/d, m-o-m. Production in the Midwest (PADD 2) region remained largely unchanged, m-o-m.

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

NGLs production fell by 97 tb/d, m-o-m, to average 7.8 mb/d in October, according to the US Department of Energy (DoE). This was 0.4 mb/d higher, y-o-y. The production of non-conventional liquids (mainly ethanol) rose by 26 tb/d, m-o-m, to average 1.6 mb/d. Preliminary estimates indicate that non-conventional liquids averaged about 1.6 mb/d in November, lower by about 30 tb/d, m-o-m.

GoM production rose by 46 tb/d, m-o-m, to average 2.0 mb/d in October. This is higher by approximately 221 tb/d, y-o-y. Oil production in the GoM approached its previous peak in September 2019, and recent project ramp-ups are expected to maintain high output levels. In the onshore Lower 48, crude and condensate production decreased by 25 tb/d, m-o-m, to average 11.4 mb/d in October.

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



Sources: EIA and OPEC.

World Oil Supply

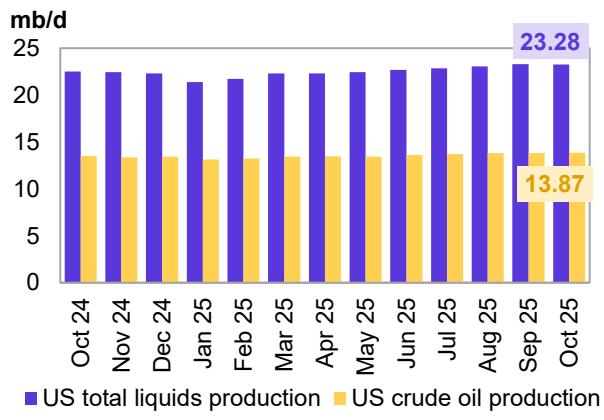
Table 5 - 3: US crude oil production by selected state and region, tb/d

State	Oct 24	Sep 25	Oct 25	Change m-o-m	Change y-o-y
Texas	5,832	5,798	5,753	-45	-79
New Mexico	2,114	2,351	2,382	31	268
Gulf of Mexico (GoM)	1,810	1,985	2,031	46	221
North Dakota	1,179	1,156	1,163	7	-16
Colorado	492	468	475	7	-17
Alaska	428	418	428	10	0
Oklahoma	402	414	417	3	15
Total	13,530	13,839	13,870	31	340

Sources: EIA and OPEC.

From the perspective of individual states, New Mexico's oil production increased by 31 tb/d, m-o-m, to average 2.4 mb/d. This is 268 tb/d higher than a year ago. Production in Texas dropped by 45 tb/d, m-o-m, to average 5.8 mb/d. This is lower by 79 tb/d compared with a year ago. In the Midwest, North Dakota's production rose by 7 tb/d, m-o-m, to average 1.2 mb/d. This was lower by 16 tb/d, y-o-y. Oklahoma's production remained largely unchanged, m-o-m, to average 0.4 mb/d. Production in Colorado and Alaska increased by 7 tb/d and 10 tb/d, m-o-m, respectively.

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



■ US total liquids production ■ US crude oil production

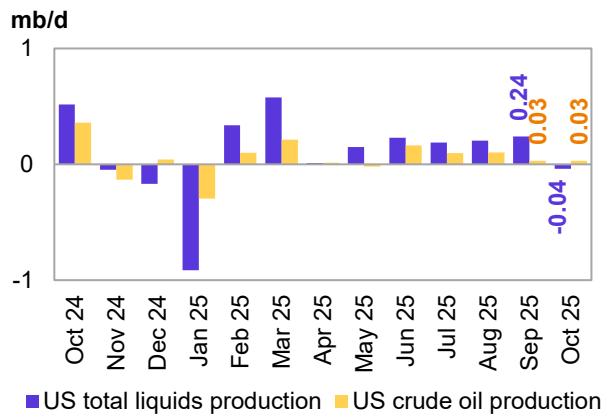
Sources: EIA and OPEC.

US tight crude production in October is estimated to have increased by 25 tb/d, m-o-m, to average 9.2 mb/d, according to the latest EIA estimates. This was 10 tb/d lower than in the same month last year.

M-o-m production from shale and tight formations using horizontal wells from the Permian in Texas and New Mexico remained largely unchanged at an average of 5.7 mb/d. Y-o-y, this was up by 9 tb/d.

In the Williston Basin, Bakken shale oil production rose by 10 tb/d, m-o-m, to average 1.2 mb/d. Y-o-y, however, this was down by 4 tb/d. Tight crude production from the Eagle Ford in Texas dropped by 8 tb/d to average 1.0 mb/d. This was down by 37 tb/d, y-o-y. Production at Niobrara-Codell in Colorado and Wyoming rose by 16 tb/d, m-o-m, to about 491 tb/d.

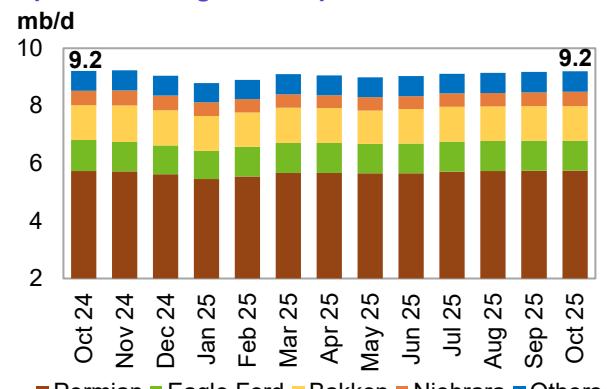
Graph 5 - 6: US monthly crude oil and total liquids production, m-o-m changes



■ US total liquids production ■ US crude oil production

Sources: EIA and OPEC.

Graph 5 - 7: US tight crude production breakdown



■ Permian ■ Eagle Ford ■ Bakken ■ Niobrara ■ Others

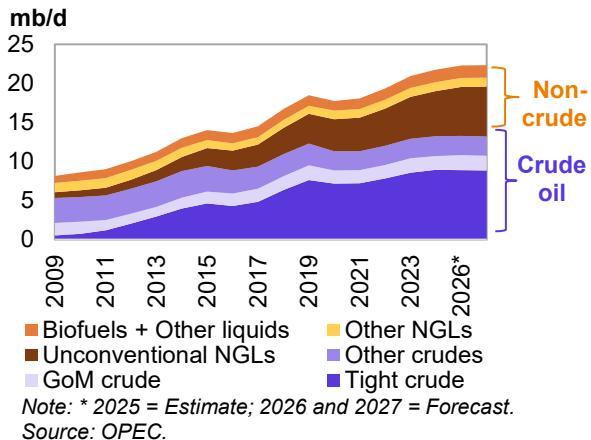
Sources: EIA and OPEC.

World Oil Supply

In 2025, US liquids production, excluding processing gains, is estimated to have expanded by about 0.5 mb/d, y-o-y, to average 22.2 mb/d. It underscores consistent productivity and operational efficiency improvements in major shale basins, along with strong production in the GoM.

Crude oil and condensate production is set to have increased by 0.2 mb/d, y-o-y, to average 13.4 mb/d. At the same time, NGLs production is estimated to have risen by 0.3 mb/d, y-o-y, to average 7.2 mb/d. Non-conventional liquids, in particular ethanol, are estimated to have declined by a marginal 30 tb/d, y-o-y, to average 1.6 mb/d. Tight crude production in 2025 is set to have averaged 9.0 mb/d, up by about 0.1 mb/d, y-o-y.

Graph 5 - 8: US liquids production developments by component



In 2026, US liquids production, excluding processing gains, is expected to increase by around 0.1 mb/d, y-o-y, to average 22.3 mb/d. Crude oil and condensate production is set to drop by about 0.1 mb/d, y-o-y, to average 13.3 mb/d. Conversely, NGLs production is forecast to increase by 0.2 mb/d to average 7.4 mb/d, and non-conventional liquids are set to increase by about 50 tb/d, y-o-y, to average 1.6 mb/d. Average tight crude production in 2026 is set to drop by about 0.1 mb/d, y-o-y, to average 8.9 mb/d. The 2026 forecast points to sustained caution in capital allocation, a moderation in drilling activity, gradual efficiency gains in drilling and completion and rising associated gas output across key shale oil regions.

In 2027, US liquids production, excluding processing gains, is expected to expand by a minor 30 tb/d, y-o-y, to average 22.4 mb/d. Crude oil and condensate output is expected to drop by 0.1 mb/d, y-o-y, to average 13.2 mb/d. Conversely, NGLs production is projected to increase by 0.1 mb/d, y-o-y, to average 7.5 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 drop by about 30 tb/d, y-o-y, to average 8.9 mb/d. The 2027 forecast assumes ongoing capital discipline, modest efficiency gains and additional associated gas production in major shale oil plays.

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

US liquids	Change		Change		Change	
	2025*	2025/24	2026*	2026/25	2027*	2027/26
Tight crude	8.99	0.05	8.89	-0.10	8.86	-0.03
GoM crude	1.88	0.09	1.93	0.05	1.91	-0.02
Conventional crude oil	2.55	0.04	2.49	-0.06	2.43	-0.06
Total crude	13.42	0.18	13.31	-0.11	13.20	-0.11
Unconventional NGLs	6.08	0.31	6.26	0.18	6.42	0.16
Conventional NGLs	1.15	0.00	1.13	-0.02	1.11	-0.02
Total NGLs	7.24	0.30	7.39	0.16	7.53	0.14
Biofuels + Other liquids	1.57	-0.03	1.62	0.05	1.62	0.00
US total production	22.22	0.46	22.32	0.10	22.35	0.03

Note: * 2025 = Estimate; 2026 and 2027 = Forecast.

Sources: EIA and OPEC.

US tight crude production in the Permian Basin during 2025 is estimated to have increased by 0.1 mb/d, y-o-y, to average 5.7 mb/d. In 2026 and 2027, it is expected to remain largely unchanged.

In North Dakota, Bakken shale production is estimated to have declined by 27 tb/d to stay at around 1.2 mb/d in 2025. This remains below its pre-pandemic average of 1.4 mb/d. An expected y-o-y fall of around 29 tb/d in 2026 and 10 tb/d in 2027 could indicate the basin's progression toward maturity.

World Oil Supply

Production in the Eagle Ford Basin in Texas is estimated to have averaged 1.0 mb/d in 2024. In 2025, modest growth of 17 tb/d is estimated, while production is forecast to decline by 20 tb/d and 10 tb/d in 2026 and 2027, y-o-y, respectively.

In the Niobrara region, production in 2024 is estimated to have increased by 21 tb/d, y-o-y, to reach an average of 472 tb/d. With an expected drop of 7 tb/d in 2025 and an additional drop of 15 tb/d in 2026, production is projected to stand at around 450 tb/d. In 2027, output is expected to remain unchanged, y-o-y.

In other tight oil plays, production is estimated to have dropped by 29 tb/d in 2024. Production is expected to have increased by 20 tb/d in 2025, y-o-y, followed by a 35 tb/d drop in 2026, due to an estimated slowdown in drilling and completion operations. An additional drop of about 10 tb/d is forecast for 2027, y-o-y.

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

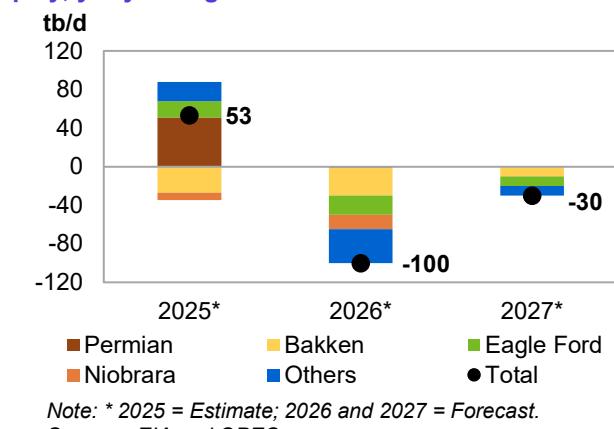


Table 5 - 5: US tight oil production growth, mb/d

US tight oil	Change		Change		Change	
	2025*	2025/24	2026*	2026/25	2027*	2027/26
Permian tight	5.62	0.05	5.62	0.00	5.62	0.00
Bakken shale	1.19	-0.03	1.16	-0.03	1.15	-0.01
Eagle Ford shale	1.03	0.02	1.01	-0.02	1.00	-0.01
Niobrara shale	0.46	-0.01	0.45	-0.02	0.45	0.00
Other tight plays	0.69	0.02	0.65	-0.04	0.64	-0.01
Total	8.99	0.05	8.89	-0.10	8.86	-0.03

Note: * 2025 = Estimate; 2026 and 2027 = Forecast.

Sources: EIA and OPEC.

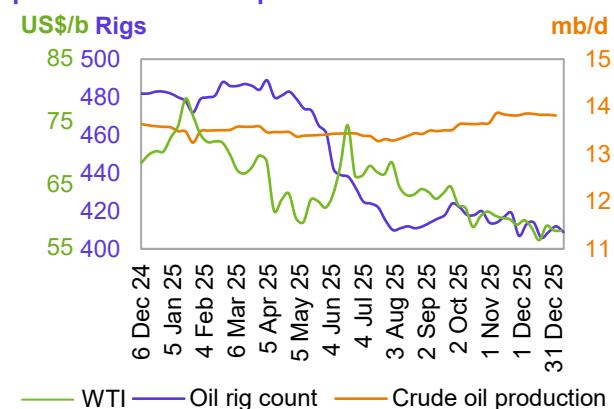
US rig count, spudded, completed, DUC wells and fracking activity

According to Baker Hughes, the total number of active US oil and gas drilling rigs in the week ending 9 January 2026 dropped by two, w-o-w, to 544. This is 40 fewer rigs than a year ago. The number of active offshore rigs remained unchanged, w-o-w, at 16. This is two more than in the same month a year earlier. The number of onshore oil and gas rigs fell by two, w-o-w, to 525, with three rigs in inland waters. This is down by 43 rigs, y-o-y.

The US horizontal rig count decreased by one, w-o-w, to 475. This compares with 522 horizontal rigs a year ago. The number of drilling rigs for oil dropped by three, w-o-w, to 409, while the number of gas drilling rigs dropped by one, w-o-w, to 124.

The Permian's rig count dropped by three, w-o-w, to 244. The rig count in the Eagle Ford, Cana Woodford and DJ-Niobrara Basins remained unchanged, w-o-w, at 40, 17 and seven, respectively. The rig count in the Williston Basin dropped by one, w-o-w, to 28.

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



Sources: Baker Hughes, EIA and OPEC.

at 40, 17 and seven, respectively. The rig count in the

World Oil Supply

Based on preliminary data, drilling and completion activities for oil-producing wells across all US shale plays included 686 horizontal wells spudded in November. This is down by 139, m-o-m, and 8% lower than the same month last year.

Preliminary November data indicate a lower number of completed wells, m-o-m, at 888. This is up by about 30%, y-o-y. The number of started wells is estimated at 760, which is approximately 15% higher than the same period last year.

Preliminary data for December show 732 spudded, 732 completed and 704 started wells, according to Rystad Energy.

In terms of identifying US oil and gas fracking operations, it was reported that 1,076 wells began fracking in October. In November and December, it was reported that 871 and 571 wells began fracking, respectively, according to preliminary numbers based on an analysis of high-frequency satellite data.

In regional terms, preliminary November 2025 data for the Permian Midland and Permian Delaware regions indicate that 216 and 283 wells, respectively, began fracking. This constitutes a loss of 57 wells in the Midland and a gain of 7 wells in the Delaware, compared to October. Preliminary data also indicates that during November, 42 wells began fracking in the DJ Basin, 48 in the Eagle Ford and 55 in the Bakken.

Canada

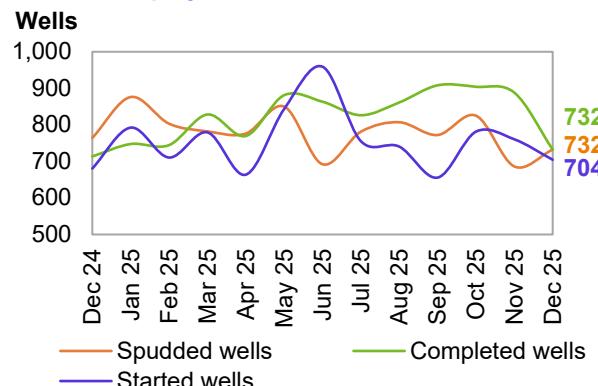
Canada's November liquids production is estimated to have decreased by about 50 tb/d, m-o-m, to average 6.0 mb/d.

Conventional crude production fell, m-o-m, by a slight 5 tb/d in November to average 1.3 mb/d. NGLs production was down by a minor 7 tb/d, m-o-m, to average 1.3 mb/d.

Crude bitumen production in November increased by 19 tb/d, m-o-m, while synthetic crude production dropped by around 54 tb/d. Taken together, crude bitumen and synthetic crude production averaged 3.4 mb/d across the month.

Liquids output in 4Q25 is estimated to have remained robust, underpinned by solid mined volumes and improved efficiency at upgrading units.

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



Note: Nov 25-Dec 25 = Preliminary data.

Sources: Rystad Energy and OPEC.

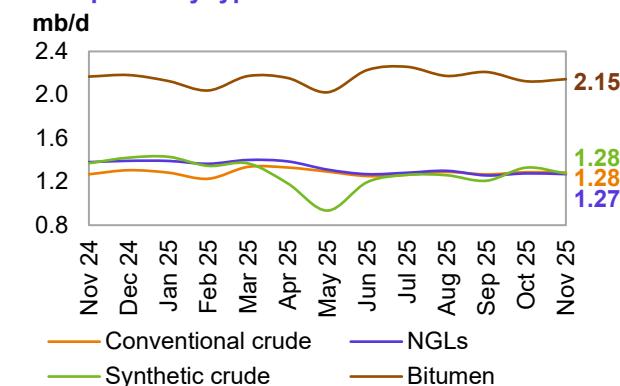
Graph 5 - 12: Started fracs per month by region



Note: Nov 25-Dec 25 = Preliminary data.

Sources: Rystad Energy and OPEC.

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



Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

World Oil Supply

In 2025, Canada's liquids production is forecast to have grown by 0.1 mb/d to average 6.1 mb/d. Additional production is estimated from the expansion of oil sands projects and operational optimizations. Sources of further production are set to come mainly from the Montney Play, Horizon, Alberta Foothills, Spirit River, Kearl, Cardium Play and Viking projects.

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

Incremental production sources are expected from the Montney play, Athabasca, Syncrude Mildred Lake, Kearl, Horizon, Christina Lake, Suncor, Foster Creek, Firebag, Fort Hills, Duvernay and Cold Lake projects. The main start-ups in 2026 are expected to be Foster Creek, Leismer, Charlie Lake, Reford SAGD and Meota SAGD projects. The White Rose Extension project is also expected to start production in offshore Canada.

In 2027, Canada's liquids production is forecast to grow once more by 0.1 mb/d to average 6.3 mb/d. Principal sources of production are expected from the Montney play, Athabasca oil sands, Syncrude Mildred Lake/Aurora, Kearl, Duvernay, Foster Creek, Horizon oil sands, Suncor oil sands, Clearwater heavy oil and Christina Lake. The main start-ups in 2027 are expected to be through Kirby-Pike, Blackrod, Aspen and Horizon oil sand projects.

Norway

Norwegian liquids production in November dropped by 11 tb/d, m-o-m, to average 2.1 mb/d. Norway's crude production fell by 19 tb/d, m-o-m, to average 1.9 mb/d. This was higher by around 152 tb/d, y-o-y. Monthly oil production was 4.3% higher than the Norwegian Offshore Directorate's (NOD) forecast.

NGLs and condensate production rose, m-o-m, by 8 tb/d in November to average about 0.2 mb/d, according to NOD data.

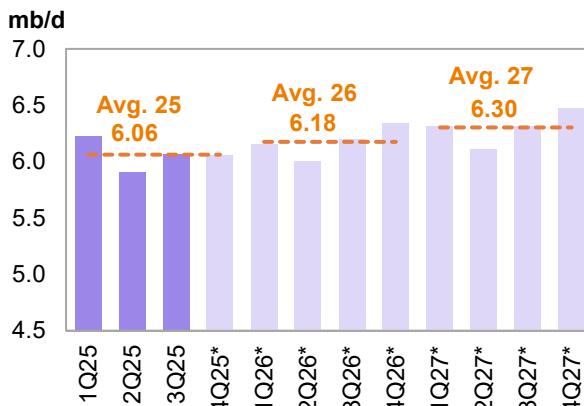
In 2025, Norwegian liquids production is estimated to have grown by about 30 tb/d to average 2.0 mb/d. This is largely unchanged from the previous assessment.

Ramp-ups are assumed at the Balder/Ringhorne, Breidablikk, Tyrving and Maria projects. Output has been underpinned by the major projects such as Johan Castberg, Jotun floating, production, storage, and offloading (FPSO) platform and Johan Sverdrup in recent months.

Norwegian liquids production is forecast to drop by about 40 tb/d to average 2.0 mb/d in 2026. Several projects at various scales are scheduled to ramp up throughout the year, including Balder/Ringhorne, Heidrun, Gina Krog, Maria, and Snohvit. Simultaneously, a number of start-ups are expected to have limited assets, such as the Norne and Aasgard FPSOs, the Syrma and Edvard Grieg oil fields, and the Irpa (Asterix) and Dvalin gas condensate projects.

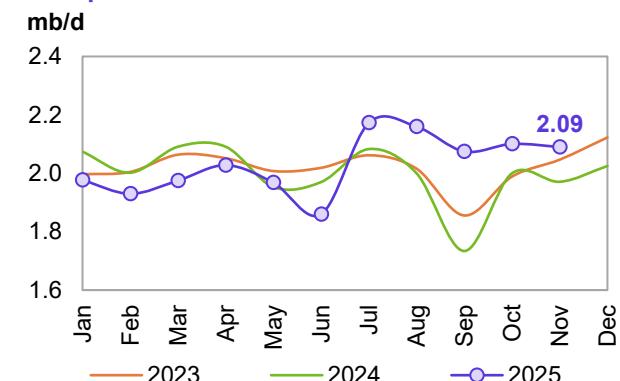
In 2027, Norwegian liquids production is forecast to fall by around 30 tb/d to average 2.0 mb/d. Multiple initiatives at different scales are expected to ramp up over the course of the year, including Valhall, Snorre and Edvard Grieg. At the same time, start-ups are expected to have limited assets, incorporating the Yggdrasil project through the North of Alvheim, Krafla/Askja and Lille Frigg assets, as well as Symra and Bestla projects.

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



Note: * 4Q25-4Q27 = Forecast. Source: OPEC.

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



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

World Oil Supply

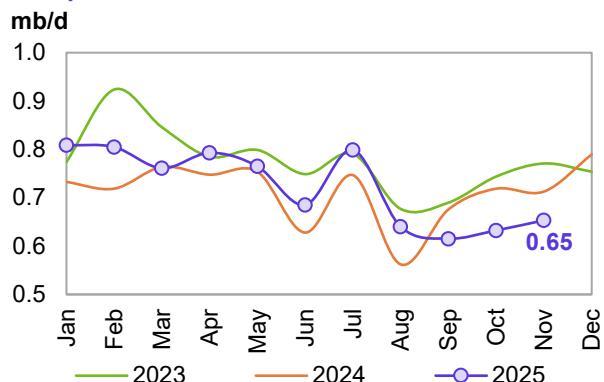
UK

In November, UK liquids production is estimated to rise by 21 tb/d, m-o-m, to average 0.7 mb/d. Crude oil production increased by 30 tb/d, m-o-m, to average 0.5 mb/d. The November crude level was lower by about 39 tb/d, y-o-y, based on preliminary data. NGLs production fell by 9 tb/d, m-o-m, to average 50 tb/d.

In 2025, UK liquids production is estimated to have risen by about 10 tb/d to average 0.7 mb/d. Production ramp-ups have come from the Penguins, ETAP, Captain, Victory, Murlach (ex-Skua) and Janice projects.

In 2026, UK liquids production is forecast to drop by approximately 13 tb/d, y-o-y, to average 0.7 mb/d. Production ramp-ups are forecast at the Clair, Triton, a Captain EOR phase and the Murlach (Skua redevelopment) asset. Anasuria and Triton are also expected to add volumes through their start-up assets. Nonetheless, declines from mature oil projects are anticipated to balance out production growth from the UK's mature reservoirs.

Graph 5 - 16: UK monthly liquids production development

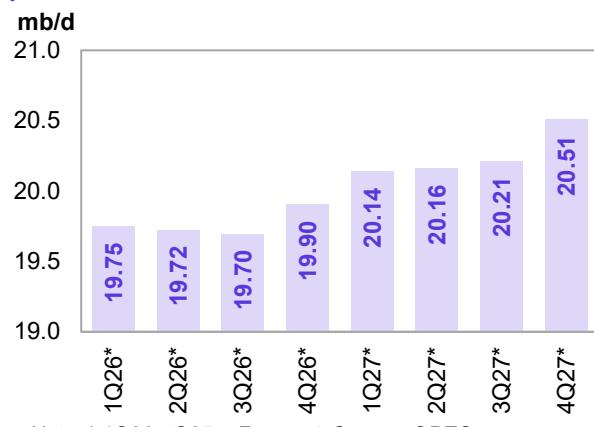


Sources: UK Department for Energy Security and Net Zero and OPEC.

UK liquids production is forecast to drop by about 30 tb/d to average 0.7 mb/d in 2027. Minor production ramp-ups are forecast at the Clair, Buzzard, Penguins, J-Area and Anasuria projects. The main asset start-up is seen at the Rosebank project. However, output losses from ageing fields are again expected to offset additional supplies.

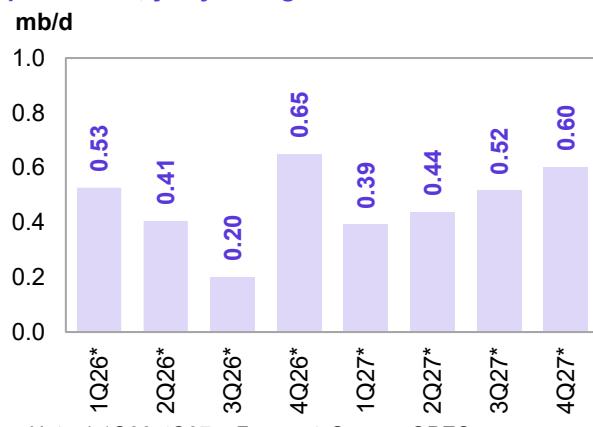
Non-OECD

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



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

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



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

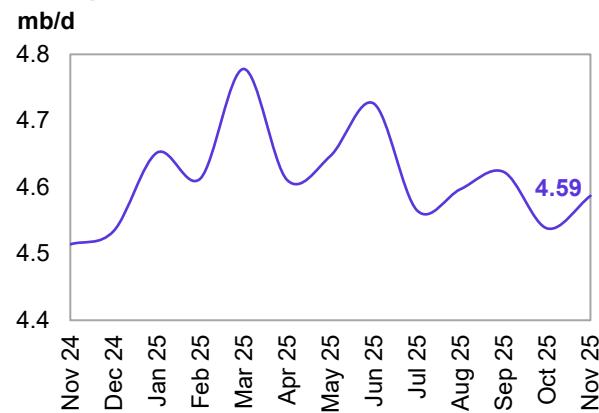
China

China's liquids production rose by 49 tb/d, m-o-m, to average 4.6 mb/d in November. According to official data, this is up by 73 tb/d, y-o-y. November crude oil production averaged 4.3 mb/d. This was up by about 49 tb/d from October, and higher by 92 tb/d, y-o-y.

NGLs production remained largely unchanged, m-o-m, at an average of 25 tb/d. This was largely consistent with the same month last year.

World Oil Supply

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



Sources: National Bureau of Statistics of China and OPEC.

In 2025, Chinese liquids production is estimated to have increased by around 62 tb/d, y-o-y, to average 4.6 mb/d. This is unchanged compared with the previous assessment. In the short term, additional infill drilling and EOR projects are expected to markedly slow the decline rates in mature fields. Offshore developments, particularly in Bohai Bay in northern China and the South China Sea, continue to lead overall production growth following recent exploration investment.

Key ramp-ups in 2025 have been the Wushi 17-2, Xijiang 30-2, Kenli 10-2, Peng Lai 19-3/19-9 and Tarim, which are operated by CNOOC, PetroChina and Sinopec. Furthermore, CNOOC announced its 11th start-up in offshore China in 2025 through the Wenchang 16-2 oilfield development project in the Pearl River Mouth Basin, which started production in mid-December.

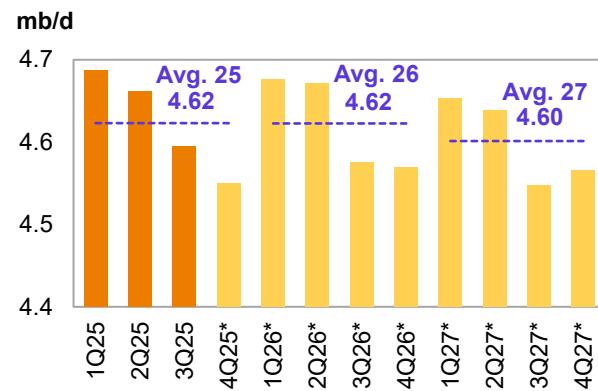
In 2026, Chinese liquids production is expected to remain unchanged, y-o-y, to average 4.6 mb/d. Several oil and gas condensate projects are set to come online, namely Weizhou 11-4, Peng Lai 19-3, Kenli 9-1 and Weizhou 10-3W. Most of the upcoming projects are again operated by CNOOC, Sinopec and PetroChina. At the same time, key ramp-ups are expected from the Peng Lai 19-3/19-9, Wushi 17-2, Xijiang 30-2, Kenli 10-2 and Huizhou 26-6 projects.

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

Brazil

Brazil's crude production in November dropped by 257 tb/d, m-o-m, to average 3.8 mb/d, due to a series of unplanned outages across some key fields. NGLs production remained largely unchanged at an average of around 95 tb/d, with this expected to have remained largely flat in December. Biofuel production (mainly ethanol) is estimated to have been largely unchanged, m-o-m, at an average of 0.7 mb/d, with preliminary December data indicating a stable trend. The country's total liquids production dropped by about 0.3 mb/d in November, m-o-m, to an average of 4.5 mb/d. This is higher by 0.4 mb/d, y-o-y.

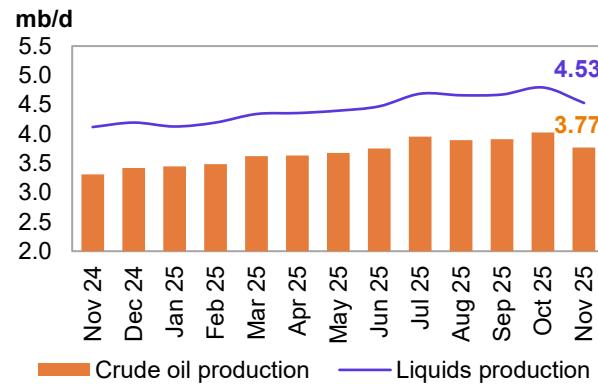
Graph 5 - 20: China's quarterly liquids production and forecast



Note: * 4Q25-4Q27 = Forecast.

Sources: National Bureau of Statistics of China and OPEC.

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



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

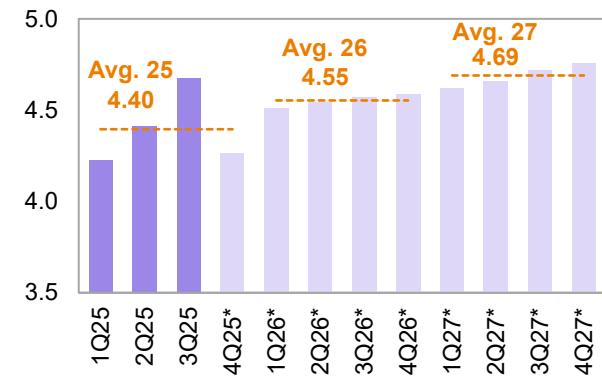
World Oil Supply

In 2025, Brazil's liquids production, including biofuels, is estimated to have increased by about 240 tb/d, y-o-y, to average 4.4 mb/d. Crude oil production is estimated to have expanded through production ramp-ups at the Buzios (Franco), Mero (Libra NW), Tupi (Lula), Marlim, Peregrino, Atlanta, Bacalhau (x-Carcara) and Norte Capixaba clusters, as well as the Parque das Baleias fields. Despite a number of unplanned maintenances in recent months, the outstanding performance of major fields is assumed to provide near-term support to liquids production, offsetting declines elsewhere.

In 2026, Brazil's liquids production, including biofuels, is forecast to rise by about 160 tb/d, y-o-y, to average 4.6 mb/d. Upstream liquids production is set to increase through production ramp-ups at the Buzios (Franco), Mero (Libra NW), Marlim, and Bacalhau (x-Carcara) projects. Oil project start-ups are expected at the Buzios and Wahoo fields, as well as from the Albacora Leste Cluster. However, operational difficulties and unforeseen disruptions across specific platforms could influence the planned production schedules.

In 2027, Brazil's liquids supply, including biofuels, is forecast to increase by about 140 tb/d, y-o-y, to average 4.7 mb/d. Upstream liquids output is anticipated to increase through production ramp-ups in the Buzios (Franco), Bacalhau, Marlim and Wahoo projects. Oil project start-ups are expected at the Buzios field and Pampo-Enchova Cluster asset. However, rising offshore development costs and persistent inflationary pressures could further postpone projects and temper some near-term growth.

Graph 5 - 22: Brazil's quarterly liquids production mb/d



Note: * 4Q25-4Q27 = Forecast. Sources: ANP and OPEC.

(Franco), Mero (Libra NW), Marlim, and Bacalhau (x-Carcara) projects. Oil project start-ups are expected at the Buzios and Wahoo fields, as well as from the Albacora Leste Cluster. However, operational difficulties and unforeseen disruptions across specific platforms could influence the planned production schedules.

DoC NGLs and non-conventional liquids

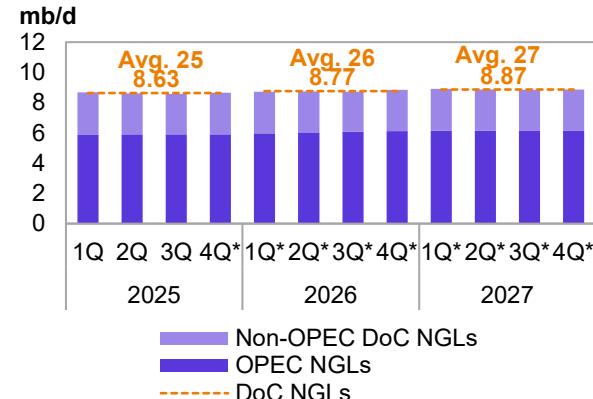
DoC NGLs and non-conventional liquids are estimated to have expanded by about 100 tb/d in 2025 to average 8.6 mb/d.

Preliminary data show that NGLs and non-conventional liquids production in 4Q25 averaged 8.7 mb/d. According to preliminary November data, OPEC Member Countries and non-OPEC DoC countries are estimated to have produced 5.9 mb/d and 2.7 mb/d of NGLs and non-conventional liquids, respectively.

The 2026 forecast indicates a combined increase of approximately 120 tb/d, with an average of 8.8 mb/d. For OPEC Member Countries, NGLs and non-conventional liquids production is projected to expand by about 150 tb/d to average 6.0 mb/d. However, a drop of about 20 tb/d is forecast for non-OPEC DoC countries for an average of 2.7 mb/d.

In 2027, the forecast shows collective growth of 110 tb/d, with an average of 8.9 mb/d. NGLs and non-conventional liquids for OPEC Member Countries are forecast to grow by about 100 tb/d to average 6.1 mb/d. Non-OPEC DoC countries are expected to witness growth of about 10 tb/d.

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



Note: * 4Q25-4Q27 = Forecast. Source: OPEC.

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

DoC NGLs and non-conventional liquids	Change		Change		Change		Change			
	2025	25/24	2026	26/25	1Q27	2Q27	3Q27	4Q27	2027	27/26
OPEC	5.90	0.13	6.05	0.15	6.13	6.14	6.15	6.16	6.15	0.10
Non-OPEC DoC	2.74	-0.03	2.72	-0.02	2.77	2.73	2.71	2.70	2.73	0.01
Total	8.63	0.10	8.77	0.13	8.90	8.87	8.86	8.87	8.87	0.11

Note: 2025 = Estimate; 2026 and 2027 = Forecast.

Source: OPEC.

DoC crude oil production

Total DoC crude oil production averaged 42.83 mb/d in December 2025, which is 238 tb/d lower, m-o-m.

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

Secondary sources	2024	2025	2Q25	3Q25	4Q25	Oct 25	Nov 25	Dec 25	Change Dec/Nov
Algeria	905	934	920	941	963	955	964	970	6
Congo	253	259	257	262	259	264	253	261	8
Equatorial Guinea	57	54	55	51	50	47	45	58	13
Gabon	222	227	232	226	222	225	215	227	12
IR Iran	3,257	3,261	3,296	3,239	3,193	3,204	3,188	3,187	-1
Iraq	4,163	4,011	3,957	3,995	4,094	4,098	4,064	4,119	55
Kuwait	2,429	2,475	2,431	2,488	2,564	2,552	2,565	2,576	11
Libya	1,092	1,296	1,290	1,310	1,294	1,282	1,291	1,311	21
Nigeria	1,426	1,516	1,529	1,524	1,496	1,496	1,491	1,500	10
Saudi Arabia	8,978	9,472	9,179	9,705	10,043	10,000	10,051	10,078	27
UAE	2,950	3,143	2,994	3,259	3,373	3,361	3,378	3,382	4
Venezuela	867	935	925	944	936	958	956	896	-60
Total OPEC	26,600	27,582	27,064	27,945	28,489	28,442	28,459	28,564	105
Azerbaijan	481	460	461	458	456	458	455	453	-2
Bahrain	176	184	183	184	183	182	184	183	-1
Brunei	79	86	83	85	89	88	89	90	2
Kazakhstan	1,539	1,776	1,824	1,855	1,666	1,720	1,759	1,522	-237
Malaysia	347	343	345	340	336	337	336	335	-1
Mexico	1,578	1,457	1,461	1,468	1,446	1,455	1,448	1,435	-12
Oman	766	777	763	785	804	798	805	809	5
Russia	9,197	9,129	8,995	9,201	9,346	9,357	9,377	9,304	-73
Sudan	29	24	26	25	21	21	22	18	-4
South Sudan	72	113	108	141	130	140	135	116	-19
Total Non-OPEC DoC	14,263	14,349	14,250	14,543	14,476	14,556	14,610	14,267	-344
Total DoC	40,863	41,932	41,314	42,488	42,965	42,998	43,069	42,831	-238

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 December, 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	2Q25	3Q25	4Q25	Oct 25	Nov 25	Dec 25	Change Dec/Nov
Algeria	907	936	920	948	968	965	968	972	4
Congo	260	269	267	273	275	276	269	281	13
Equatorial Guinea	57	46	46	39	43	41	44	46	2
Gabon	..	..	..	..	..	..	..	..	..
IR Iran	..	..	..	..	..	..	..	..	..
Iraq	3,862	3,775	3,632	3,751*	4,047	4,049	4,009	4,081	72
Kuwait	2,411	2,470	2,418	2,483	2,569	2,559	2,569	2,580	11
Libya	1,136	1,372	1,367	1,374	1,363	1,352	1,365	1,371	6
Nigeria	1,345	1,453	1,481	1,444	1,420	1,401	1,436	1,422	-14
Saudi Arabia	8,955	9,480	9,183	9,735	10,045	10,002	10,050	10,084	34
UAE	2,916	3,119	2,958	3,241	3,364	3,355	3,363	3,373	10
Venezuela	921	1,081	1,062	1,095	1,131	1,132	1,142	1,120	-22
Total OPEC	..	..	..	..	..	..	..	..	..

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

* Reported as federal government production, not including production of KRG.

Source: OPEC.

Product Markets and Refinery Operations

Following a sharp upward trend registered in recent months, refining margins dropped across all regions in December. The decline was manifested across the barrel in all three reported trading hubs. Product inventory builds were seen in the Northern Hemisphere, particularly for transport fuels, due to stronger refinery product output amid seasonal demand-side pressures. A decline in European product flows to West Africa in December further contributed to the decline. In Southeast Asia, rising domestic product supplies, softening export incentives and firm product availability from the Middle East weighed on refining profitability.

Global refinery intakes increased by about 1.5 mb/d, m-o-m, to stand at 83.8 mb/d in December.

Refinery margins

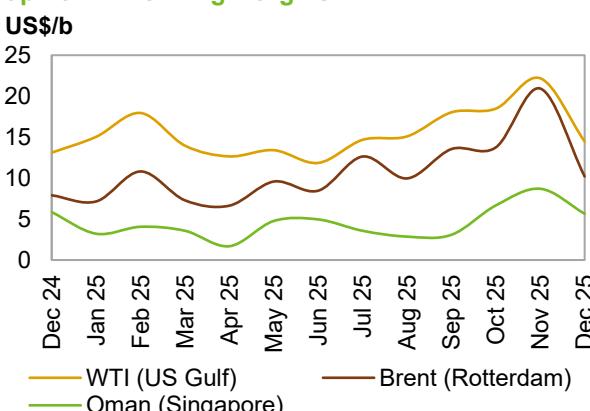
USGC refining margins against WTI receded to a six-month low and exhibited the largest m-o-m drop since April 2023. The decline was seen across the barrel as all products showed a monthly drop due to an expanding product balance. The product inventory build was predominantly for gasoil, as US inventory levels for the same product at the end of the month were the highest since January 2025. On a weekly basis, gasoil inventory levels as of 26 December 2025 reached 123.7 mb, and nearly reached the 124.7 mb multi-week high recorded on 12 September 2025. This balance expansion led to an easing of tightness concerns, which had kept gasoil margins at unusual highs in recent months. Going forward, product balances are expected to expand further on elevated refinery runs, which could pressure US refining margins.

According to preliminary data, refinery intake in the USGC increased by 550 tb/d, m-o-m, to average 17.20 mb/d in December. USGC margins against WTI averaged \$14.45/b, down by \$7.73, m-o-m, but were up by \$1.37, y-o-y.

Rotterdam refinery margins against Brent fell sharply to a four-month low, showing the largest m-o-m decline relative to the USGC and Singapore. According to Global S&P data as of 18 December 2025, signals pointed to rising product supplies, with Amsterdam-Rotterdam-Antwerp total product stocks showing a significant 4.0% m-o-m increase. European gasoline, fuel oil, and jet fuel, in that order, were the main drivers of the inventory expansion, completely offsetting the m-o-m contraction in naphtha and gasoil. According to preliminary data, refinery runs in December increased by 230 tb/d to an average of 9.60 mb/d in EU-14, plus Norway and the UK. Refinery margins against Brent in Europe averaged \$10.18/b in December, which was \$10.73 lower, m-o-m, but was \$2.30 higher, y-o-y.

Singapore's refining margins against Oman declined following three consecutive months of gains but exhibited the smallest loss among its Western counterparts. New ultra-low sulphur diesel production from Indonesia's Balikpapan refinery and the commissioning of a new hydrocracker in India's Visakh refinery led to strong regional product output. In addition, operations were restored at a key refinery in the Middle East following a prolonged shutdown. This further contributed to stronger product availability and weakness in Asian product markets. Similar to what was observed at other reported trading hubs, weakness spread across the barrel; however, in Singapore, it was mostly driven by gasoil and jet/kerosene. Going forward, geopolitical developments could weigh on Chinese refining economics. However, this could push margins up in Singapore as any resulting shortfall in product supplies from China could lead to higher product prices in Southeast Asia.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

Product Markets and Refinery Operations

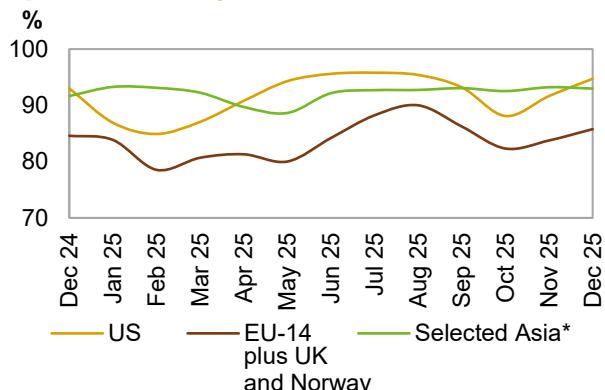
According to preliminary data, the combined December refinery intake for Japan, China, India, Singapore and South Korea registered an increase of 270 tb/d, m-o-m, to average 27.55 mb/d. Refinery margins against Oman averaged \$5.62/b, which was \$3.05 lower, m-o-m, and was 20¢ lower, y-o-y.

Refinery operations

US refinery utilization rates showed a 3.1 pp rise to an average of 94.71% in December. This corresponds to a throughput of 17.20 mb/d, representing a 550 tb/d increase relative to the November level. Compared to the previous year, the December refinery utilization rate was 1.7 pp higher, with throughput showing a 129 tb/d rise.

EU-14 plus the UK and Norway refinery utilization averaged 85.78% in December, corresponding to a throughput of 9.60 mb/d. This represents a 2.0 pp, or a 230 tb/d, rise, m-o-m. On a yearly basis, the utilization rate was up by 1.2 pp, with throughput 276 tb/d lower.

Graph 6 - 2: Refinery utilization rates



Note: * China, India, Japan, Singapore and South Korea.

Sources: Argus, EIA, PAJ and OPEC.

In Selected Asia – Japan, China, India, Singapore and South Korea – refinery utilization rates increased to an average of 92.97% in December, corresponding to a throughput of 27.55 mb/d. Compared with the previous month, utilization rates were down 0.2 pp, while throughput was higher by 270 tb/d. Relative to last year, utilization rates were 1.3 pp higher, while throughput was 922 tb/d higher.

Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d			Change Dec/Nov	Refinery utilization, %			Change Dec/Nov
	Oct 25	Nov 25	Dec 25		Oct 25	Nov 25	Dec 25	
US	16.00	16.64	17.20	0.55	88.10	91.65	94.71	3.1 pp
Euro-14, plus UK and Norway	9.21	9.37	9.60	0.23	82.32	83.76	85.78	2.0 pp
France	1.03	1.04	1.06	0.02	89.32	90.54	92.40	1.9 pp
Germany	1.62	1.71	1.76	0.05	94.62	99.93	102.66	2.7 pp
Italy	1.25	1.21	1.31	0.10	68.67	66.74	72.20	5.5 pp
UK	0.90	0.84	0.91	0.07	87.25	81.81	88.44	6.6 pp
Selected Asia	27.08	27.28	27.55	0.27	92.52	93.21	92.97	-0.2 pp
China	15.00	14.86	14.81	-0.05	88.73	87.92	87.64	-0.3 pp
India	5.30	5.43	5.53	0.10	104.79	107.39	102.13	-5.3 pp
Japan	2.37	2.43	2.71	0.28	76.54	78.27	87.18	8.9 pp
South Korea	2.76	2.87	2.80	-0.07	91.41	95.06	92.74	-2.3 pp

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

Product Markets and Refinery Operations

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

Refinery crude throughput	2022	2023	2024	4Q24	1Q25	2Q25	3Q25	4Q25
OECD Americas	18.68	18.71	18.96	19.04	18.24	19.27	19.86	18.34
of which US	16.48	16.50	16.62	16.81	15.93	16.97	17.21	16.61
OECD Europe	11.44	11.38	11.28	11.25	11.07	11.08	11.94	11.52
of which:								
France	0.84	0.93	0.92	1.00	0.93	0.83	1.04	1.04
Germany	1.83	1.62	1.76	1.73	1.64	1.65	1.74	1.70
Italy	1.32	1.30	1.21	1.21	1.16	1.28	1.32	1.26
UK	1.04	0.97	0.98	1.02	0.92	1.00	0.89	0.88
OECD Asia Pacific	6.08	5.86	5.71	5.76	5.63	5.68	5.72	5.81
of which Japan	2.71	2.56	2.37	2.47	2.43	2.27	2.31	2.50
Total OECD	36.21	35.95	35.96	36.05	34.93	36.03	37.51	35.68
Latin America	3.44	3.54	3.69	3.70	3.63	3.62	3.75	3.50
Middle East	7.24	7.53	7.96	7.90	8.05	8.05	8.36	8.30
Africa	1.77	1.75	1.93	2.11	2.09	2.05	1.94	2.02
India	5.00	5.18	5.30	5.30	5.62	5.41	5.29	5.42
China	13.49	14.78	14.25	14.08	14.80	14.46	15.08	14.89
Other Asia	4.97	5.00	5.05	5.15	5.24	5.13	5.15	5.29
Russia	5.46	5.50	5.35	5.31	5.28	5.31	5.08	5.13
Other Eurasia	1.02	1.03	1.02	1.03	1.04	1.00	0.93	0.86
Other Europe	0.52	0.48	0.51	0.56	0.48	0.46	0.46	0.49
Total Non-OECD	42.91	44.79	45.06	45.16	46.24	45.48	46.05	45.91
Total world	79.12	80.74	81.01	81.21	81.18	81.52	83.56	81.58

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

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

Product markets

US market

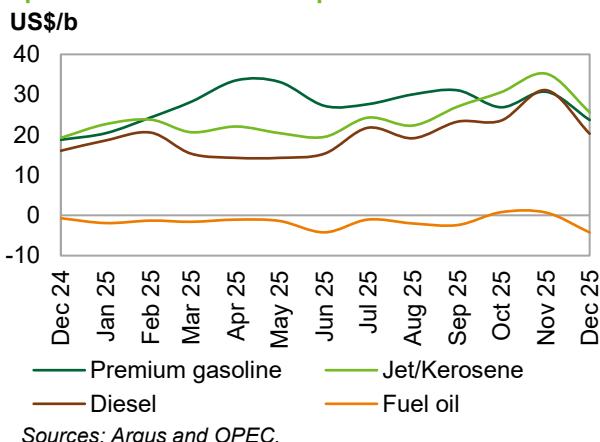
The USGC gasoline crack spread against WTI declined solidly and reached an 11-month low, as rising gasoline availability from stronger refinery runs weighed on the product's performance. In addition to these supply-side pressures, seasonality also played a role as gasoline requirements tend to remain subdued during the winter months. Going forward, gasoline stocks in the US will most likely remain elevated. The USGC gasoline crack spread decreased \$7.00, m-o-m, to reach an average of \$23.70/b in December, but was \$4.92 higher, y-o-y.

The USGC jet/kerosene crack spread against WTI decreased following three consecutive months of gains. US jet/kerosene experienced the second strongest decline after gasoil.

This downturn is attributed to supply-side dynamics, which pushed wholesale jet/kerosene prices \$11.08/b lower, m-o-m. The jet/kerosene vs. gasoline 93 crack spread differential contracted notably; however, jet/kerosene remained the top contributor to USGC refining margins in December, as it continued to outperform all other products in absolute terms. The USGC jet/kerosene crack spread fell by \$9.58, m-o-m, to average \$25.64/b in December. However, this was still \$6.39 higher, y-o-y.

The USGC gasoil crack spread against WTI registered a sizeable drop, m-o-m, following three consecutive months of gains. Gasoil inventories showed the largest build among all key products in the US, reaching their highest level since January 2025. On a weekly basis, gasoil inventory levels reached 123.7 mb as of 26 December 2025. This eased tightness concerns that had kept gasoil margins at unusual highs in recent

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



Sources: Argus and OPEC.

Product Markets and Refinery Operations

months. The US gasoil crack spread against WTI averaged \$20.29/b, which was \$10.87/b lower, m-o-m, but \$4.24/b higher, y-o-y.

The USGC fuel oil 3.5% crack spread against WTI fell into negative territory, as high residual fuel production and firm imports outweighed demand. In December, the US fuel oil crack spread against WTI decreased \$4.88/b, m-o-m, to average minus \$4.21/b, and was \$3.50/b lower, y-o-y.

European market

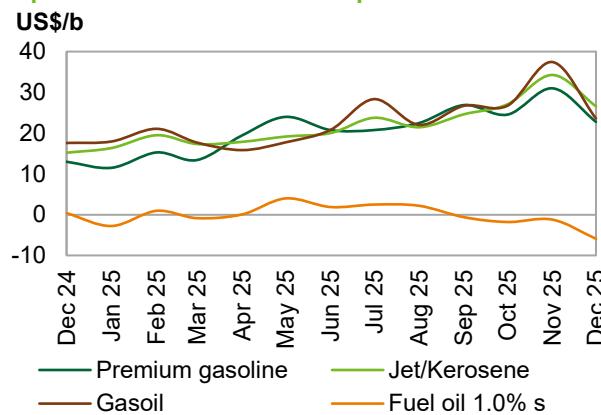
The gasoline crack spread in Rotterdam against Brent declined to the lowest level since July 2025. A decline in gasoline outflows from Europe to West Africa further weighed on the product's crack spread performance amid subdued regional demand. In the near term, European gasoline markets are expected to face winter season pressures and rising gasoline production within the main cross-regional destination markets. The gasoline crack spread against Brent averaged \$22.77/b, which was \$8.21/b lower, m-o-m, but \$9.78/b higher, y-o-y.

In December, the jet/kerosene crack spread in Rotterdam against Brent moved lower, in line with a \$8.62/b m-o-m decline in wholesale price. Despite healthy jet fuel requirements over the holiday season due to increased air travel, stronger domestic supplies, along with imports from the East of Suez market, kept availability well sustained. The Rotterdam jet/kerosene crack spread against Brent averaged \$26.56/b, down by \$7.68/b, m-o-m, but up by \$11.36/b, y-o-y.

The gasoil crack spread in Rotterdam against Brent registered the worst performance, both product- and region-wise, in December. This decline drove gasoil crack spreads to lose position as the top margin contributor to jet/kerosene in December amid a lengthening balance. In the near term, gasoil crack spreads could show a rebound due to supply concerns as the EU's 18th sanction package will be implemented on 21 January, prohibiting the import of refined products derived from Russian crude into Europe. The gasoil crack spread against Brent averaged \$23.56/b, down \$13.84/b, m-o-m, but up \$6.00/b, y-o-y.

At the bottom of the barrel, fuel oil 1.0% crack spreads in Rotterdam against Brent registered a solid loss.

Graph 6 - 4: Rotterdam crack spreads vs. Brent



Sources: Argus and OPEC.

Concerns regarding fuel oil supplies across regions in the previous month led to higher availability, thereby pressuring the value of residual fuel. The fuel oil 1.0% crack spread averaged negative \$5.94/b in December, representing a \$4.71/b decrease, m-o-m, and a \$6.29/b rise, y-o-y.

Asian market

The Southeast Asia gasoline 92 crack spread against Dubai declined but managed to maintain most of the previous month's gains. Despite the decline, gasoline 92 crack spreads remained relatively stable compared to middle distillates. Gasoline market strength in Asia (excluding China) supported its margins and likely prevented further losses in Asian gasoline crack spreads. The margin averaged \$13.69/b in December, down 54¢/b, m-o-m, but up \$5.41/b, y-o-y.

The Asian naphtha crack spread retracted in December on sluggish demand. In China, chemical feedstock demand is expected to support Asian naphtha crack spreads in the near term, especially ahead of the Chinese New Year festivities. The Singapore naphtha crack spread against Dubai averaged negative \$3.15/b, which was 80¢ lower, m-o-m, but was 39¢ higher, y-o-y.

In the middle of the barrel, the jet/kerosene crack spread was pressured by strong Chinese jet/kerosene supplies, which outpaced demand expectations for the year-end festivities. Going forward, Asian jet/kerosene crack spreads are expected to remain under pressure. The Singapore jet/kerosene crack spread against Dubai averaged \$22.37/b, down \$6.54/b, m-o-m, but up \$7.60/b, y-o-y.

Product Markets and Refinery Operations

The Singapore gasoil crack spread trend reversed in December, reflecting an easing in the product's regional balance amid softening demand. The Singapore gasoil crack spread against Dubai averaged \$20.08/b, down \$7.12/b, m-o-m, but up \$4.59/b, y-o-y.

The Singapore fuel oil 3.5% crack spread continued to weaken amid limited regional demand. Ongoing geopolitical developments could require Chinese refiners to seek alternative feedstocks, potentially affecting residual fuel oil output in the region at least in the short term. Singapore's HSFO crack spread against Dubai averaged negative \$9.76/b, down 18¢/b, m-o-m, and down \$4.62/b, y-o-y.

Graph 6 - 5: Singapore crack spreads vs. Dubai

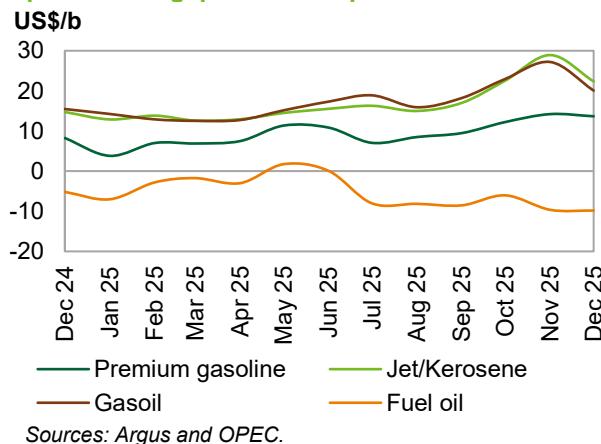


Table 6 - 3: Short-term prospects for product markets and refinery operations

Event	Time frame	Observations	Asia	Europe	US
Winter season	Jan 26–Mar 26	Transport fuel markets, particularly that of gasoline, are expected to come under pressure in line with seasonal trends. Overall product balances are expected to lengthen following the end of heavy turnarounds, although heating oil requirements are projected to pick up in the winter months.	⬇ Pressure on transport fuel markets	⬇ Pressure on transport fuel markets	⬇ Pressure on transport fuel markets
Russian product supplies amid the 18th EU, OFAC sanctions and unplanned refinery outages	Jan 26	Tight restrictions on Russian energy exports, following the most recent EU sanctions and outages, have affected a significant number of Russian refineries, contributing to a contraction in product balances, particularly for diesel.	⬆ Upward pressure on product crack spreads	⬆ Upward pressure on product crack spreads	⬆ Upward pressure on product crack spreads
Impact of the most recent refinery capacity additions	Jan 26 onwards	The potential influx of new product volumes into international markets, particularly from the Yulong Petrochemical, Olmeca, and Dangote refineries, is expected to lengthen product balances.	⬇ Pressure on product markets	⬇ Pressure on product markets	⬇ Pressure on product markets
Impact of the most recent refinery closures	Jan 26 onwards	Around 860 tb/d of refining capacity losses in 2025 are expected to be partly offset by the ramp-up of expansions and new refineries.	⬆ Support product markets	⬆ Support product markets	⬆ Support product markets

Source: OPEC.

Product Markets and Refinery Operations

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

		Nov 25	Dec 25	Change Dec/Nov	Annual avg. 2025
US Gulf (Cargoes FOB)					
Naphtha*		59.52	54.21	-5.31	63.91
Premium gasoline	(unleaded 93)	90.17	81.67	-8.50	93.01
Regular gasoline	(unleaded 87)	81.99	74.01	-7.98	84.97
Jet/Kerosene		94.69	83.61	-11.08	89.46
Gasoil	(0.2% S)	90.63	78.26	-12.37	84.74
Fuel oil	(3.0% S)	56.52	50.44	-6.08	62.27
Rotterdam (Barges FOB)					
Naphtha		58.43	55.72	-2.71	62.64
Premium gasoline	(unleaded 98)	94.61	85.46	-9.15	90.08
Jet/Kerosene		97.87	89.25	-8.62	91.34
Gasoil/Diesel	(10 ppm)	101.03	86.25	-14.78	91.98
Fuel oil	(1.0% S)	62.28	56.75	-5.53	68.85
Fuel oil	(3.5% S)	58.66	53.90	-4.76	65.13
Mediterranean (Cargoes FOB)					
Naphtha		56.07	53.11	-2.96	60.81
Premium gasoline**		86.34	79.05	-7.29	84.16
Jet/Kerosene		94.15	86.15	-8.00	88.32
Diesel		99.10	85.38	-13.72	90.87
Fuel oil	(1.0% S)	66.65	61.17	-5.48	72.66
Fuel oil	(3.5% S)	55.95	50.49	-5.46	61.75
Singapore (Cargoes FOB)					
Naphtha		62.11	58.84	-3.27	64.73
Premium gasoline	(unleaded 95)	81.43	77.25	-4.18	80.73
Regular gasoline	(unleaded 92)	78.69	75.68	-3.01	78.83
Jet/Kerosene		93.37	84.36	-9.01	86.48
Gasoil/Diesel	(50 ppm)	92.62	82.25	-10.37	87.38
Fuel oil	(180 cst)	90.69	81.72	-8.97	86.03
Fuel oil	(380 cst 3.5% S)	54.88	52.23	-2.65	64.21

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

Sources: Argus and OPEC.

Tanker Market

Dirty tanker spot freight rates dipped in December following the strong gains seen in recent months.

VLCC spot freight rates experienced a drop, but remained at strong levels on continued demand for long-haul flows. Spot freight rates on the Middle East-to-East route declined 12%, m-o-m, and rates on the Middle East-to-West route were down 11%, m-o-m.

Suezmax rates saw a similar decline, as declining VLCC rates removed some spillover support. Suezmax rates on the US Gulf Coast (USGC)-to-Europe route fell 12%, m-o-m.

Aframax spot freight rates experienced more moderate declines as rates had faced less upward pressure in recent months. Cross-Med Aframax spot freight rates declined 4%, m-o-m.

In the clean tanker market, spot freight rates experienced positive momentum, as refineries continued to ramp up following maintenance, and long-haul demand increased. Rates on the Middle East-to-East route rose by 14%, m-o-m, while rates around the Mediterranean were up 6%, m-o-m.

Dirty tanker freight rates

Very large crude carriers (VLCC)

VLCC spot freight rates retreated slightly in December following the steady gains seen in recent months. On average, VLCC spot freight rates declined by 12%, m-o-m, but were up by 133% compared with the same month last year, providing an indication of the strength of the market at the end of 2025.

On the Middle East-to-East route, rates averaged WS108 in December, representing a decline of 12% from the previous month. Rates were 157% higher, y-o-y.

Spot freight rates on the Middle East-to-West route dropped 11%, m-o-m, to average WS65. Rates were up 124% compared with the same month in 2024.

On the West Africa-to-East route, spot freight rates dropped by 11% in December compared to the previous month, averaging WS101. Compared with the same month in 2024, rates were 110% higher.

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

VLCC	Size 1,000 DWT	Change			
		Oct 25	Nov 25	Dec 25	Dec 25/Nov 25
Middle East/East	230-280	92	123	108	-15
Middle East/West	270-285	56	73	65	-8
West Africa/East	260	91	113	101	-12

Sources: Argus and OPEC.

Suezmax

Spot freight rates for Suezmax vessels also declined in December. On average, Suezmax rates were down 12%, m-o-m. However, compared to the same month last year, average rates for the vessel class increased by 67%.

On the West Africa-to-USGC route, spot freight rates in December averaged WS133, down 12% m-o-m. Compared with the same month in 2024, spot rates on the route were up by 68%. Rates on the USGC-to-Europe route decreased by 12%, m-o-m, to average WS117. Compared with the same month in 2024, rates were 65% higher.

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

Suezmax	Size 1,000 DWT	Change			
		Oct 25	Nov 25	Dec 25	Dec 25/Nov 25
West Africa/US Gulf Coast	130-135	116	151	133	-18
US Gulf Coast/Europe	150	107	133	117	-16

Sources: Argus and OPEC.

Aframax

Aframax spot freight rates experienced a more moderate decline, reflecting the more muted gains seen in the previous months. Aframax rates were down 4%, on average, m-o-m. Compared with the same month the previous year, rates for the vessel class were up by 31%.

Spot freight rates on the Indonesia-to-East route were down 10%, m-o-m, to average WS159. Y-o-y, rates on the route were up by 31%.

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

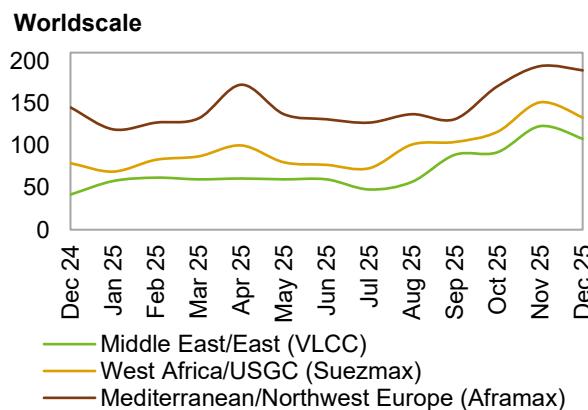
Aframax	Size 1,000 DWT				Change Dec 25/Nov 25
		Oct 25	Nov 25	Dec 25	
Indonesia/East	80-85	144	177	159	-18
Caribbean/US East Coast	80-85	158	211	211	0
Mediterranean/Mediterranean	80-85	178	200	193	-7
Mediterranean/Northwest Europe	80-85	170	194	189	-5

Sources: Argus and OPEC.

Spot freight rates on the Caribbean-to-US East Coast (USEC) route were broadly flat from the previous month, remaining at WS211 on average over the month. Compared with the same month last year, rates rose by 34%.

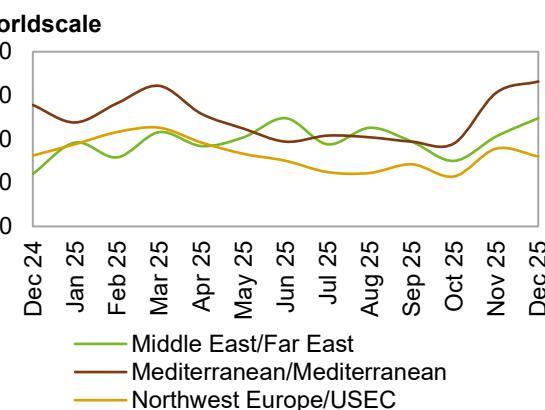
Spot freight rates around the Mediterranean reversed some of the gains seen in the previous month. Cross-Med rates were down 4%, m-o-m, to average WS193. However, y-o-y, spot rates on the route were still up 30%. Rates on the Med-to-Northwest Europe (NWE) route increased 3%, m-o-m, to average WS189. Compared with the same month in 2024, rates were 30% higher.

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



Sources: Argus and OPEC.

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



Sources: Argus and OPEC.

Clean tanker freight rates

In contrast to dirty rates, clean spot freight rates continued to climb in December. East of Suez rates led gains, increasing 19% on average, m-o-m, while West of Suez rates rose just 3%, m-o-m. Compared to the previous year, East of Suez rates were up 53%, while East of Suez rates increased by 10%.

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

East of Suez	Size 1,000 DWT				Change Dec 25/Nov 25
		Oct 25	Nov 25	Dec 25	
Middle East/East	30-35	125	153	174	21
Singapore/East	30-35	146	161	200	39
West of Suez					
Northwest Europe/US East Coast	33-37	107	139	130	-9
Mediterranean/Mediterranean	30-35	145	203	216	13
Mediterranean/Northwest Europe	30-35	155	212	226	14

Sources: Argus and OPEC.

Rates on the Middle East-to-East route rose 14% to average WS174. Compared with December 2024, rates were 58% higher. Clean spot freight rates on the Singapore-to-East route were up 24%, m-o-m, to average WS200. Y-o-y, rates on the route were up 48%.

In contrast to the other monitored routes, clean rates on the NWE-to-USEC route declined, falling 6%, m-o-m, to average WS130, representing a drop of 1%, y-o-y. Meanwhile, cross-Med rates increased 6%, m-o-m, to average WS216. Rates on the Med-to-NWE route rose 7% to average WS226. Y-o-y, spot freight rates on Med routes were 14% higher.

Crude and Refined Products Trade

In December, US crude imports were broadly unchanged from the previous month at just under 6 mb/d. Crude exports increased by almost 10% in December. US product exports were broadly unchanged, m-o-m, in December.

In the OECD Europe region, crude imports increased, m-o-m, in November. Product imports continued to drop, while product exports jumped to the upper end of the five-year range.

Japan's crude imports picked up further in November, averaging 2.4 mb/d, supported by product exports. Product outflows increased, driven primarily by fuel oil.

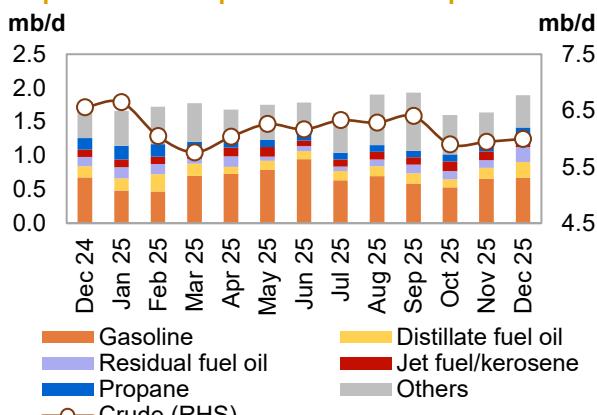
China's crude imports in November jumped to the highest since 2023, averaging 12.4 mb/d, a gain of around 9%, m-o-m. China's product imports also showed strength, led by naphtha and fuel oil.

India's crude imports remained above the five-year range, averaging 5.1 mb/d in November. Product exports from India increased, supported by higher gasoline and naphtha exports, which offset a further strong drop in diesel exports.

US

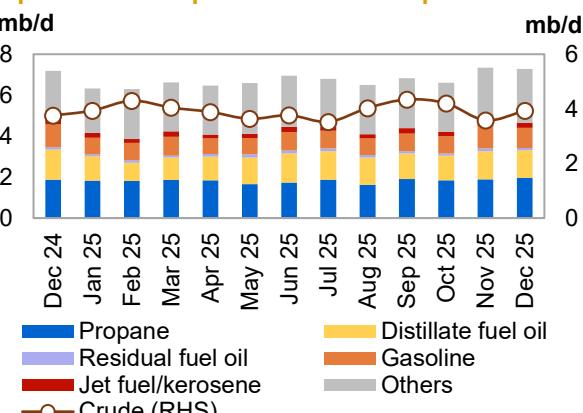
US crude imports recovered slightly in December from the month before to average just under 6 mb/d. M-o-m, imports rose by 53 tb/d, or less than 1%. The increase was driven by higher flows from Mexico and Nigeria, which more than offset a drop from Canada. On a y-o-y basis, crude imports were down 561 tb/d, or about 9%, compared with the same month a year earlier. In annual terms, US crude imports dropped by 441 tb/d in 2025, representing a drop of about 7%, y-o-y.

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 increased by 349 t/bd or about 10%, m-o-m, in December, as outflows recovered from a sharp drop the previous month. Monthly gains were driven by higher flows to most major regions except for Asia, particularly India. Crude exports averaged 3.9 mb/d, which represents a y-o-y gain of 174 tb/d, or almost 5%. On an annual basis, US crude exports averaged 3.9 mb/d in 2025, representing a drop of 168 tb/d, or about 4%.

In December, US net crude imports averaged almost 2.1 mb/d, compared with 2.4 mb/d the previous month and 2.8 mb/d in December 2024.

In the oil products trade, US imports rose 253 tb/d, or 15%, m-o-m, to average 1.9 mb/d. The increase in December was led by distillate fuel oil and residual fuel oil. Compared with the same month a year earlier, product inflows were up 139 tb/d, or about 8%. In annual terms, US product imports averaged 1.7 mb/d in 2025, representing a drop of 102 tb/d or about 6% y-o-y.

Product exports slipped from a record high, down 59 tb/d, or less than 1%, m-o-m, to average 7.3 mb/d. The m-o-m drop in December was driven by lower gasoline exports, partially offset by higher propane flows. Compared with the same month last year, product exports were up by 98 tb/d, or over 1%. In annual terms, US product exports averaged 6.7 mb/d, representing an increase of 106 tb/d or over 1%.

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

US	Oct 25	Nov 25	Dec 25	Change Dec 25/Nov 25
Crude oil	1.70	2.37	2.07	-0.30
Total products	-5.01	-5.71	-5.40	0.31
Total crude and products	-3.31	-3.34	-3.33	0.02

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

Sources: EIA and OPEC.

As a result, net product exports averaged 5.4 mb/d in December, down from about 5.7 mb/d the previous month. A year earlier, net product exports averaged around 5.4 mb/d. Combined net crude and product exports averaged 3.3 mb/d in December, compared with 3.4 mb/d a month earlier and 2.6 mb/d in the same month last year.

OECD Europe

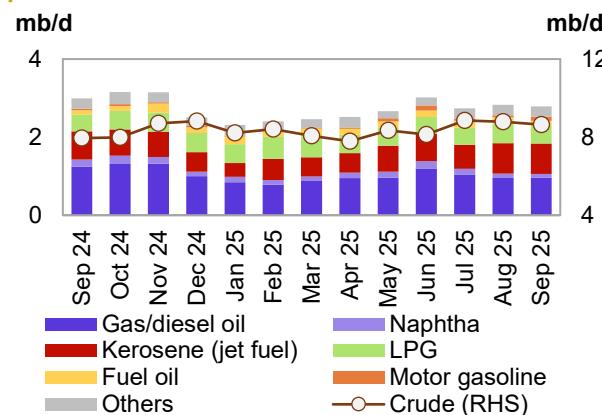
The latest official regional data for OECD Europe show that crude imports dropped in September to an average of 8.6 mb/d. This represented a drop of 148 tb/d, or around 2%, m-o-m, but an increase of 686 tb/d, or 9%, y-o-y.

In terms of import sources outside the region, the US provided the largest share in September, at 1.6 mb/d, compared with 1.4 mb/d in the previous month. Kazakhstan and Libya contributed 1.1 mb/d and 880 tb/d, respectively.

Crude exports from OECD Europe averaged 169 tb/d in September, up sharply from 35 tb/d in the month before. Korea was the main destination outside the region during the month.

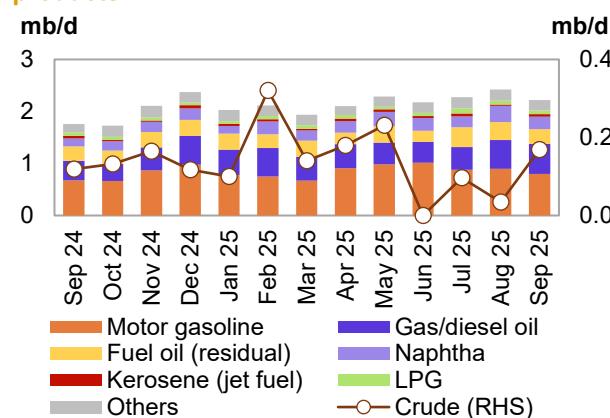
Net crude imports averaged almost 8.5 mb/d in September, compared with nearly 8.8 mb/d a month earlier and only 7.8 mb/d in the same month in 2024.

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 2.7 mb/d in September, a drop of 41 tb/d, or about 1%, m-o-m. Increases were driven mainly by jet/kerosene and LPG, which outweighed drops in naphtha. Y-o-y, product inflows were down by 209 tb/d, or about 7%.

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

OECD Europe	Jul 25	Aug 25	Sep 25	Change Sep 25/Aug 25
Crude oil	8.77	8.75	8.47	-0.28
Total products	0.46	0.40	0.56	0.16
Total crude and products	9.23	9.16	9.04	-0.12

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

Sources: IEA and OPEC.

Product exports fell back in September, down by 202 tb/d, or 8%, m-o-m, to average 2.2 mb/d. The drop was driven by higher outflows of naphtha and gasoil. Compared with September 2024, product exports rose 463 tb/d, or about 26%.

Crude and Refined Products Trade

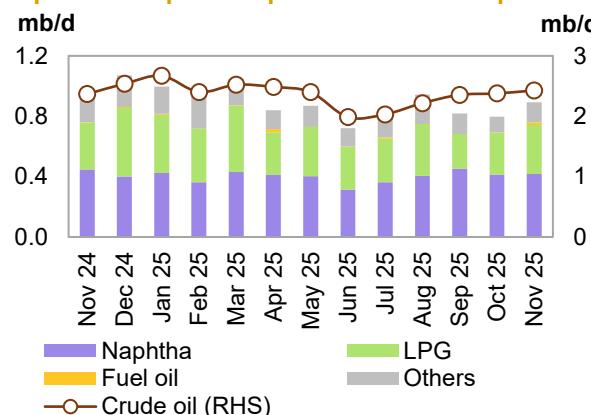
Net product imports averaged 564 tb/d in September, compared with 403 tb/d the month before and 1.2 mb/d in September 2024. Combined net crude and product imports averaged 9.0 mb/d in September, down from 9.2 mb/d the previous month and 9.1 mb/d in the same month last year.

Japan

Japan's crude imports continued to edge up in November, averaging 2.4 mb/d. On a m-o-m basis, crude imports increased by 51 tb/d, or around 2%. Compared with the same month a year earlier, crude imports were up 61 tb/d, or 3%.

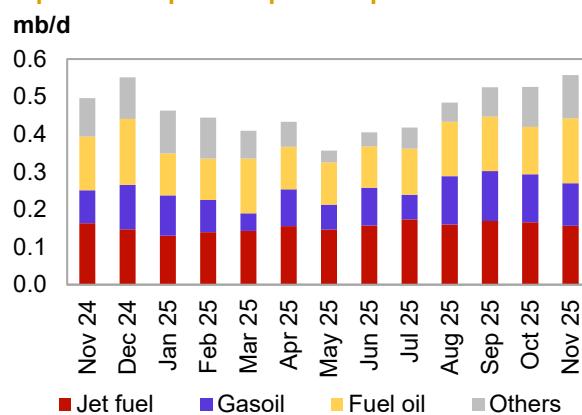
In terms of imports, Saudi Arabia held the largest share at 31%, followed by the UAE at 14% and the US at 5%.

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



Sources: METI and OPEC.

Graph 8 - 6: Japan's exports of products



Sources: METI and OPEC.

Product imports, including LPG, remained below the five-year range in November, averaging 893 tb/d, despite a gain of 95 tb/d, or almost 12%, m-o-m. Higher inflows were driven by LPG, kerosene and gasoil. Y-o-y, imports were down by 40 tb/d, or 4%.

Product exports, including LPG, increased in November, averaging 558 tb/d. Higher fuel oil and kerosene exports supported product outflows. Compared with November 2024, product outflows were up 61 tb/d, or over 12%.

As a result, Japan's net product imports, including LPG, averaged 335 tb/d in November compared with 272 tb/d in the previous month and 436 tb/d a year earlier.

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

Japan	Sep 25	Oct 25	Nov 25	Change	
				Nov 25/Oct 25	
Crude oil	2.36	2.38	2.43		0.05
Total products	0.29	0.27	0.33		0.06
Total crude and products	2.65	2.65	2.76		0.11

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

Sources: METI and OPEC.

China

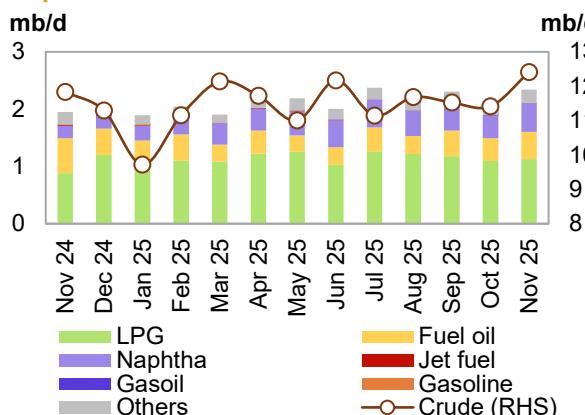
China's crude oil imports jumped in November following the release of fresh crude import quotas, to average 12.4 mb/d. M-o-m, imports increased by 999 tb/d, or almost 9%. Y-o-y, inflows were up by 582 tb/d, or about 5%, higher.

Russia remained the top crude supplier in November, with 16%, down from 19% the month before, followed by Saudi Arabia at about 15% and Brazil at close to 10%.

Product imports, including LPG, averaged 2.3 mb/d in November, representing an increase of 258 tb/d, or 12%, m-o-m. Gains were seen across most products, led by naphtha and fuel oil. Compared with the same month a year earlier, product imports were 391 tb/d, or about 20%, higher.

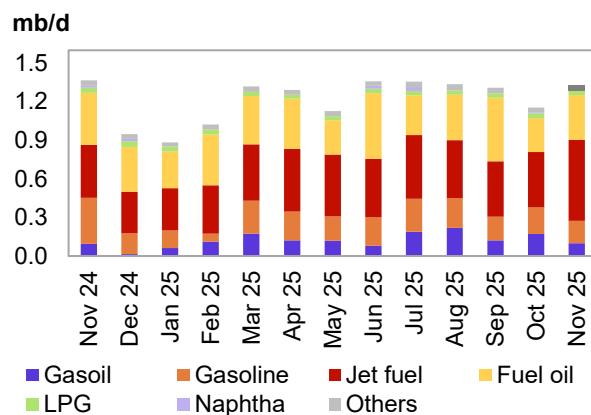
China's product exports, including LPG, increased by 172 tb/d or just under 15%, m-o-m, to average 1.3 mb/d in November. The increase was due to a jump in jet fuel exports, despite drops in diesel oil and gasoline. Compared with the same month in 2024, product outflows were 40 tb/d, or about 3%, higher.

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



Sources: GACC and OPEC.

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



Sources: GACC and OPEC.

Net product imports averaged 1.0 mb/d in November, compared with 928 tb/d in the previous month and 584 tb/d a year earlier.

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

China	Sep 25	Oct 25	Nov 25	Change	
				Nov 25/Oct 25	Nov 25/Oct 25
Crude oil	11.49	11.38	12.40		1.02
Total products	1.00	0.93	1.01		0.09
Total crude and products	12.49	12.31	13.41		1.11

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

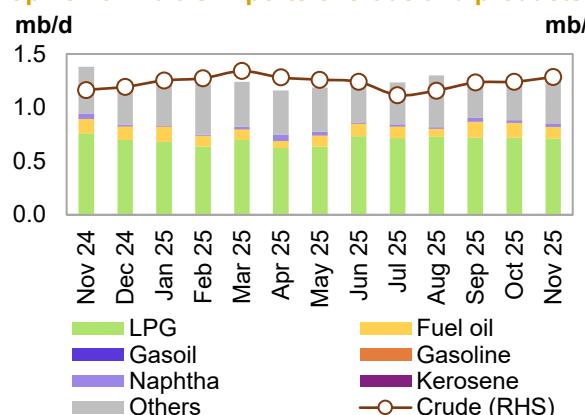
Sources: GACC and OPEC.

India

India's crude imports remained above the five-year average in November as refiners sought to bring in discounted barrels ahead of sanctioned deadlines. Crude imports averaged 5.1 mb/d for the month, representing an increase of 177 tb/d or about 4%, m-o-m. Y-o-y, imports were up 484 tb/d, or over 10%.

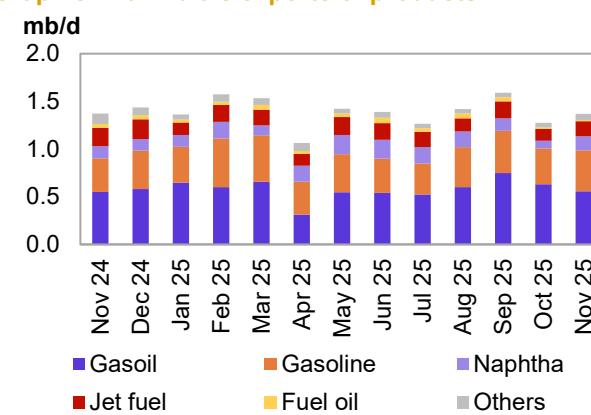
According to Kpler data, Russia remained the top supplier to India with almost 1.8 mb/d in November, up from 1.6 mb/d the month before. Iraq was second with 919 tb/d, followed by Saudi Arabia with 844 tb/d.

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 were broadly unchanged, averaging 1.3 mb/d in November. Higher imports of other products offset drops in fuel oil and LPG imports. Y-o-y, product imports were down by 114 tb/d, or 8%.

Crude and Refined Products Trade

Product exports followed a seasonal pattern, increasing 95 tb/d, or over 7%, to average 1.4 mb/d in November. Gasoline and naphtha outflows supported higher product outflows, while diesel exports fell a further 11%. Y-o-y, product exports were broadly unchanged.

Consequently, India's net product exports averaged 105 tb/d in November, compared with 12 tb/d in net exports the previous month and net imports of just 5 tb/d in November 2024.

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

India	Sep 25	Oct 25	Nov 25	Change
				Nov 25/Oct 25
Crude oil	4.93	4.96	5.14	0.18
Total products	-0.30	-0.01	-0.11	-0.09
Total crude and products	4.63	4.95	5.03	0.08

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 dropped further in November from strong levels seen in October, averaging 6.3 mb/d, a drop of 337 tb/d, or about 5%, m-o-m. On a y-o-y basis, exports were down by 78 tb/d, or just over 1%.

Within the Transneft system, crude exports dropped by 249 tb/d, or over 6%, m-o-m, in November to average just under 3.9 mb/d. This was broadly in line with year-ago levels. Exports through Novorossiysk on the Black Sea fell by 138 tb/d, or about 18%, m-o-m, to average 614 tb/d, while Baltic Sea shipments fell by 165 tb/d, or 10%, to stand at 1.4 mb/d. Exports via Primorsk were down 122 tb/d, or almost 12%, and those via Ust-Luga were 43 tb/d, or 8%, lower to average 515 tb/d. Y-o-y, combined Baltic Sea flows were 98 tb/d, or almost 6%, lower.

Shipments via the Druzhba pipeline fell further to average 165 tb/d in November, a drop of 21 tb/d, m-o-m. Compared with the same month in 2024, Druzhba exports were down by 148 tb/d, or about 47%. Exports to inland China via the ESPO pipeline were broadly unchanged, hovering around 600 tb/d. This represents a y-o-y drop of 29 tb/d, or about 5%. Exports from the Pacific port of Kozmino rose by 74 tb/d, or close to 8%, m-o-m, to move above 1 mb/d. Compared with the same period last year, flows to the port were up 167 tb/d, or over 19%.

In the Lukoil system, exports via the Varandey offshore platform in the Barents Sea averaged 84 tb/d, a drop of 15 tb/d, or about 15%, m-o-m, and down by almost 9%, y-o-y.

Elsewhere, exports from Russia's Far East port of Aniva Bay increased, m-o-m, to 76 tb/d, while flows from De Kastri rose to 158 tb/d in November. Combined, the two ports exported an average of 234 tb/d of crude in November.

Central Asian exports averaged 219 tb/d in November, down by about 3%, m-o-m, and falling by about 6% on a y-o-y basis.

Black Sea exports from the CPC terminal fell by 141 tb/d, or over 9%, m-o-m, to average 1.3 mb/d but were up 34 tb/d, or around 27%, y-o-y. Exports via the BTC pipeline increased 49 tb/d, or almost 10%, to 550 tb/d, and were 106 tb/d, or roughly 16%, lower than a year earlier.

Total product exports from Russia and Central Asia rose 131 tb/d, or close to 7%, m-o-m, to average 2.0 mb/d. The gain reflected high flows across most major products, except vacuum gasoil (VGO). Y-o-y, total product exports were down by 105 tb/d, or about 5%, due to reduced exports of VGO, naphtha, and gasoil.

Commercial Stock Movements

Preliminary November 2025 data show that OECD commercial inventories rose by 4.0 mb, m-o-m, to stand at 2,840 mb. At this level, OECD commercial stocks were 77.6 mb higher than a year earlier, 0.3 mb above the latest five-year average, and 101.5 mb below the 2015–2019 average. Within the components, crude stocks rose by 8.1 mb, while product stocks fell by 4.1 mb, m-o-m.

OECD crude oil commercial stocks stood at 1,346 mb. This was 39.1 mb higher than a year ago, but 20.7 mb below the latest five-year average, and 104.7 mb lower than the 2015–2019 average.

OECD total product stocks stood at 1,494 mb. This was 38.6 mb higher than a year ago, 21.0 mb above the latest five-year average, and 3.2 mb higher than the 2015–2019 average.

In terms of days of forward cover, OECD commercial stocks rose by 0.2 days, m-o-m, in November, to stand at 62.2 days. This was 1.5 days higher than in November 2024, but 1.3 days lower than the latest five-year average. Meanwhile, the level was unchanged relative to the 2015–2019 average.

OECD

Preliminary November 2025 data show that OECD commercial inventories rose by 4.0 mb, m-o-m, to stand at 2,840 mb. At this level, OECD commercial stocks were 77.6 mb higher than at the same time last year, and 0.3 mb above the latest five-year average, but 101.5 mb below the 2015–2019 average.

Within the components, crude stocks rose by 8.1 mb, while product stocks fell by 4.1 mb, m-o-m.

Within the OECD regions, OECD America and OECD Asia Pacific experienced a stock build in November, while OECD Europe saw a stock draw, m-o-m.

OECD commercial crude stocks rose by 8.1 mb, m-o-m, to end November at 1,346 mb. This was 39.1 mb higher than a year earlier, but 20.7 mb below the latest five-year average, and 104.7 mb lower than the 2015–2019 average.

Within the OECD regions, crude stocks in OECD America and OECD Asia Pacific increased by 6.5 mb and 1.2 mb, m-o-m, respectively. OECD Europe crude stocks rose by 0.4 mb, m-o-m.

By contrast, OECD total product stocks fell by 4.1 mb, m-o-m, in November to 1,494 mb. This was 38.6 mb above the same time a year ago, 21.0 mb higher than the latest five-year average, and 3.2 mb above the 2015–2019 average.

Within the OECD regions, product stocks in OECD America and OECD Europe experienced 1.3 mb and 1.8 mb, m-o-m, draws, respectively. OECD Asia Pacific product stocks saw a 1.0 mb draw, m-o-m.

Table 9 - 1: OECD commercial stocks, mb

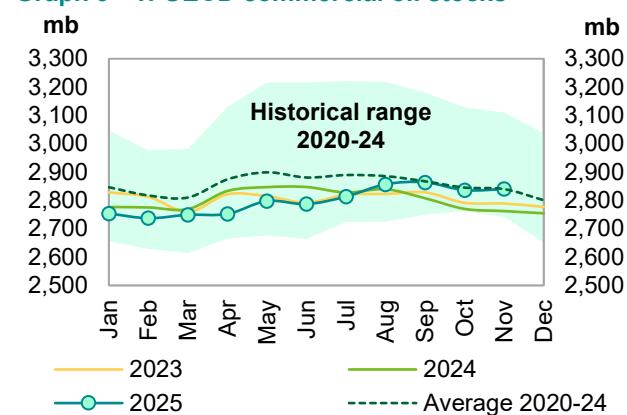
OECD stocks	Nov 24	Sep 25	Oct 25	Nov 25	Change
					Nov 25/Oct 25
Crude oil	1,307	1,327	1,338	1,346	8.1
Products	1,455	1,536	1,498	1,494	-4.1
Total	2,762	2,863	2,836	2,840	4.0
Days of forward cover	60.7	61.6	61.9	62.2	0.2

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

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

In terms of days of forward cover, OECD commercial stocks rose by 0.2 days, m-o-m, in November, to stand at 62.2 days. This is 1.5 days higher than the level registered in November 2024, but 1.3 days lower than the latest five-year average. Meanwhile, they remained unchanged when compared to the average for the 2015–2019 period.

Graph 9 - 1: OECD commercial oil stocks



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

Commercial Stock Movements

Within the OECD regions, OECD Americas stood at 2.6 days below the latest five-year average, at 61.0 days. OECD Europe was 1.3 days below the five-year average, at 72.2 days. OECD Asia Pacific was 2.0 days above the latest five-year average, at 48.9 days.

OECD Americas

OECD Americas' total commercial stocks rose by 5.2 mb, m-o-m, in November, to settle at 1,544 mb. This is 42.5 mb higher than the same month in 2024 and 5.7 mb above the latest five-year average.

Commercial crude oil stocks in the OECD Americas increased by 6.5 mb, m-o-m, in November to 748 mb, which is 12.7 mb higher than in November 2024, but 20.7 mb below the latest five-year average.

By contrast, total product stocks in the OECD Americas decreased by 1.3 mb, m-o-m, in November to 797 mb. This is 29.8 mb above the same month in 2024, and 26.4 mb higher than the latest five-year average. Higher consumption in the region contributed to the product stock draw.

OECD Europe

OECD Europe's total commercial stocks fell in November by 1.4 mb, m-o-m, to settle at 930 mb. This is 16.4 mb higher than the same month in 2024, but 6.9 mb below the latest five-year average.

OECD Europe's commercial crude stocks rose by 0.4 mb, m-o-m, to end November at 413 mb. This is 15.6 mb higher than one year ago, and 1.7 mb above the latest five-year average.

By contrast, total product stocks fell by 1.8 mb, m-o-m, to end November at 517 mb. This is 0.8 mb above the same time a year ago, but 8.5 mb lower than the latest five-year average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks went up in November by 0.2 mb, m-o-m, to stand at 365 mb. This is 18.7 mb higher than the same time a year ago, and 1.5 mb above the latest five-year average.

OECD Asia Pacific's crude stocks rose by 1.2 mb, m-o-m, to end November at 185 mb. This is 10.8 mb above the level from one year ago at the same time, but 1.6 mb below the latest five-year average.

By contrast, OECD Asia Pacific's product stocks fell by 1.0 mb, m-o-m, to end November at 180 mb. This is 8.0 mb higher than one year ago, and 3.1 mb above the latest five-year average.

US

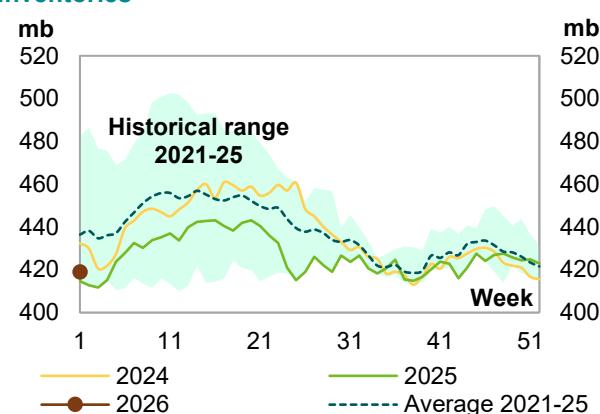
Preliminary data for December 2025 shows that total US commercial oil stocks rose by 9.8 mb, m-o-m, to stand at 1,286 mb. This is 49.6 mb, or 4.0%, higher than the same month in 2024, and 35.4 mb, or 2.8%, above the latest five-year average. Crude stocks went down by 4.6 mb, m-o-m, while products stocks increased by 14.4 mb, m-o-m.

US commercial crude stocks in December stood at 422.9 mb. This is 9.5 mb, or 2.3%, higher than the same month in 2024, but 12.4 mb, or 2.9%, below the latest five-year average. The monthly drawdown in crude oil stocks came on the back of higher crude runs, which rose by around 0.55 mb/d, m-o-m, to 17.20 mb/d.

By contrast, total product stocks increased by 14.4 mb in December, m-o-m, to 862.9 mb. This is 40.1 mb, or 4.9%, higher than December 2024, and 47.8 mb, or 5.9%, above the latest five-year average.

Gasoline stocks rose in December by 19.9 mb, m-o-m, to settle at 234.3 mb. This is 3.9 mb, or 1.6%, lower than the same month in 2024, and 1.4 mb, or 0.6%, below the latest five-year average.

Graph 9 - 2: US weekly commercial crude oil inventories



Sources: EIA and OPEC.

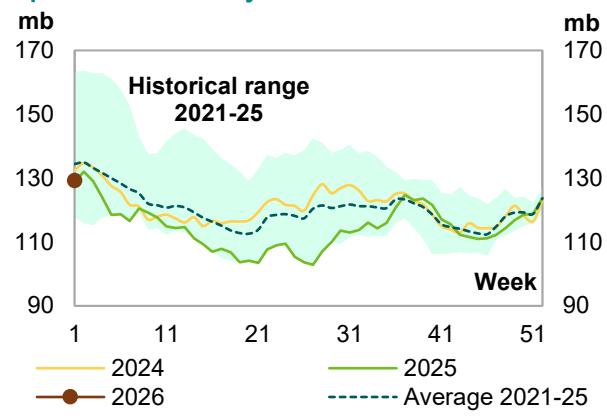
Commercial Stock Movements

Distillate stocks in December also went up by 9.4 mb, m-o-m, to stand at 123.7 mb. This is 6.7 mb, or 5.2%, lower than the same month a year earlier, and 10.5 mb, or 7.8%, below the latest five-year average.

Residual fuel oil stocks in December increased by 0.2 mb, m-o-m. At 23.0 mb, they were 0.3 mb, or 1.3%, above the level a year earlier, but 3.7 mb, or 13.7%, below the latest five-year average.

Meanwhile, jet fuel stocks remained unchanged, m-o-m, ending December at 44.0 mb. This is 0.3 mb, or 0.6%, higher than the same month in 2024, and 5.4 mb, or 14.0%, above the latest five-year average.

Graph 9 - 3: US weekly distillate inventories



Sources: EIA and OPEC.

Table 9 - 2: US commercial petroleum stocks, mb

US stocks	Dec 24	Oct 25	Nov 25	Dec 25	Change	
					Dec 25/Nov 25	Dec 25/Nov 25
Crude oil	413.4	421.0	427.5	422.9		-4.6
Gasoline	238.2	209.4	214.4	234.3		19.9
Distillate fuel	130.4	112.2	114.3	123.7		9.4
Residual fuel oil	22.7	21.8	22.9	23.0		0.2
Jet fuel	43.7	41.7	43.9	44.0		0.0
Total products	822.8	853.1	848.5	862.9		14.4
Total	1,236.1	1,274.1	1,276.0	1,285.8		9.8
SPR	393.6	409.6	411.7	413.2		1.5

Sources: EIA and OPEC.

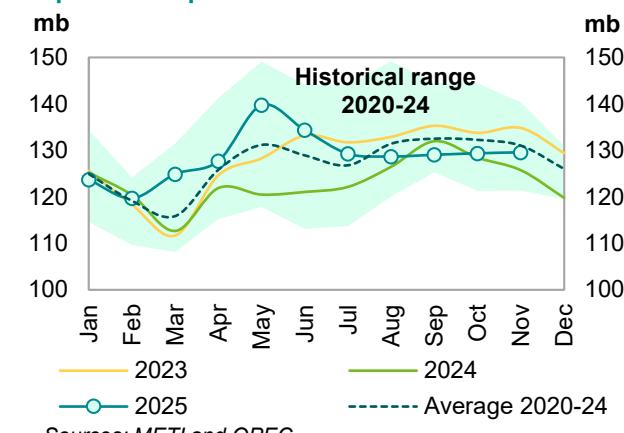
Japan

In Japan, total commercial oil stocks in November 2025 rose by 0.2 mb, m-o-m, to settle at 129.6 mb. This is 3.9 mb, or 3.1%, higher than the same month in 2024, but 1.5 mb, or 1.1%, below the latest five-year average. Crude stocks rose by 1.2 mb, m-o-m, while product stocks dropped by 1.0 mb, m-o-m.

Japanese commercial crude oil stocks went up by 1.2 mb, m-o-m, to stand at 67.7 mb. This is 5.7 mb, or 9.2%, higher than the same month in 2024, and 1.2 mb, or 1.8%, above the latest five-year average. The built-in crude stocks could be attributed to higher crude imports, which increased by around 50 tb/d, m-o-m, to stand at 2.43 mb/d.

Gasoline stocks fell in November by 0.2 mb, m-o-m, to stand at 10.7 mb, in line with the level recorded a year earlier, but 0.3 mb, or 2.9%, below the latest five-year average. The drawdown in gasoline stocks was driven by lower production, which declined 7.8%, m-o-m.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

Middle distillate stocks also dropped by 1.4 mb, m-o-m, to end November at 29.3 mb. This is 1.7 mb, or 5.6%, less than the same month in 2024, and 2.7 mb, or 8.4% below the latest five-year average.

Within the distillate components, jet fuel oil and kerosene stocks declined by 8.1% and 7.9%, m-o-m, respectively, while gasoil stocks went up by 3.2%, m-o-m.

In contrast, total residual fuel oil stocks increased by 0.6 mb, m-o-m, to end November at 12.3 mb. At this level, they are 0.04 mb, or 0.3%, lower than the same month in a year earlier, but 0.02 mb, or 0.1%, higher than the latest five-year average. Within the components, fuel oil A and fuel B.C stocks increased by 6.8% and 3.6%, m-o-m, respectively.

Commercial Stock Movements

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

Japan's stocks	Nov 24	Sep 25	Oct 25	Nov 25	Change	
					Nov 25/Oct 25	
Crude oil	61.9	66.5	66.5	67.7		1.2
Gasoline	10.8	10.3	10.9	10.7		-0.2
Naphtha	9.7	8.9	9.6	9.6		0.0
Middle distillates	31.0	31.8	30.7	29.3		-1.4
Residual fuel oil	12.3	11.6	11.7	12.3		0.6
Total products	63.8	62.5	62.9	61.9		-1.0
Total**	125.7	129.0	129.4	129.6		0.2

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 November 2025 showed that total European oil stocks decreased by 1.4 mb, m-o-m, to stand at 999 mb. At this level, they were 6.7 mb, or 0.7%, lower than the same month in 2024, and 12.6 mb, or 1.2%, below the latest five-year average. Crude stocks rose by 0.4 mb, m-o-m, while products stocks went down by 1.8 mb, m-o-m.

European crude stocks stood at 428.6 mb in November. This is 0.1 mb, or 0.03%, lower than the same month in 2024, but 15.6 mb, or 3.8%, above the latest five-year average. The build in crude oil stocks came despite higher refinery throughput in the EU-14 plus the UK and Norway, which increased by around 160 tb/d, m-o-m, to 9.37 mb/d.

In contrast, total European product stocks fell by 1.8 mb, m-o-m, to end November at 570.1 mb. This is

6.5 mb, or 1.1%, lower than the same month in 2024 and 28.2 mb or 4.7%, less than the latest five-year average. The stock draw could be attributed to higher demand in the region.

Gasoline stocks rose in November by 1.7 mb, m-o-m, to stand at 108.2 mb, which is 2.2 mb, or 2.1%, higher than the same time in 2024, but 2.1 mb, or 1.9%, less than the latest five-year average.

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

EU stocks	Nov 24	Sep 25	Oct 25	Nov 25	Change	
					Nov 25/Oct 25	
Crude oil	428.7	426.7	428.1	428.6		0.4
Gasoline	106.0	107.4	106.5	108.2		1.7
Naphtha	28.4	28.3	28.7	28.6		-0.1
Middle distillates	388.4	382.9	376.0	372.9		-3.1
Fuel oils	53.8	61.2	60.7	60.4		-0.3
Total products	576.6	579.8	571.9	570.1		-1.8
Total	1,005.3	1,006.4	1,000.0	998.6		-1.4

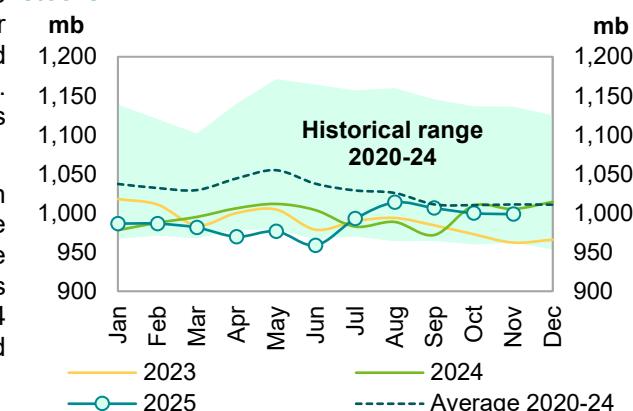
Sources: OilX and OPEC.

In contrast, middle distillate stocks fell by 3.1 mb, m-o-m, in November to 372.9 mb. This is 15.5 mb, or 4.0%, lower than the same month in 2024, and 26.4 mb or 6.6%, below the latest five-year average.

Residual fuel stocks also decreased in November by 0.3 mb, m-o-m, to stand at 60.4 mb. This is 6.6 mb, or 12.3%, higher than the same month in 2024, and 0.5 mb, or 0.8%, above the latest five-year average.

Meanwhile, naphtha stocks dropped by 0.1 mb, m-o-m, in November, ending the month at 28.6 mb. This is 0.2 mb, or 0.7%, higher than the same month in 2024, but 0.2 mb, or 0.8%, lower than the latest five-year average.

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



Sources: OilX and OPEC.

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

Singapore

In November, total product stocks in Singapore rose by 0.5 mb, m-o-m, to 47.1 mb. This is 4.1 mb, or 9.5%, higher than the same month in 2024, and 3.2 mb, or 7.4%, above the latest five-year average.

Light distillate stocks increased by 0.1 mb, m-o-m, in November to 13.3 mb. This is 0.3 mb, or 2.5%, lower than the same month a year earlier, but 0.4 mb, or 3.1%, above the latest five-year average.

Residual fuel oil stocks also rose by 0.5 mb, m-o-m, ending November at 25.2 mb. This is 6.2 mb, or 32.3%, higher than a year ago at the same time and 4.4 mb, or 21.3%, above the latest five-year average.

By contrast, middle distillate stocks decreased by 0.1 mb, m-o-m, in November to 8.6 mb. This is 1.7 mb, or 16.7%, lower than the level of November 2024, and 1.6 mb, or 15.5%, below the latest five-year average.

ARA

Total product stocks in ARA in November rose by 0.6 mb, m-o-m. At 44.6 mb, they were 2.5 mb, or 5.3%, below the same month in 2024, but 1.9 mb, or 4.3%, higher than the latest five-year average.

Gasoline stocks increased by 1.1 mb, m-o-m, ending November at 9.4 mb. This is 0.7 mb, or 7.3%, lower than in November 2024, and 0.8 mb, or 8.0%, below the latest five-year average.

Fuel oil stocks also went up by 0.5 mb, m-o-m, in November to 6.6 mb. This is 1.4 mb, or 17.5%, less than the November 2024 level, and 1.3 mb, or 17.0%, lower than the latest five-year average.

By contrast, gasoil stocks in November decreased by 2.0 mb, m-o-m, to 14.9 mb. This is 1.7 mb, or 10.1%, lower than the same month in 2024, but 0.1 mb, or 0.4%, above the latest five-year average.

Jet oil stocks also decreased by 0.2 mb, m-o-m, to stand at 8.3 mb in November. This is 0.6 mb, or 7.5%, higher than the level seen in November 2024, and 1.4 mb, or 20.9%, above the latest five-year average.

Fujairah

During the week ending 5 January, total oil product stocks in Fujairah rose by 0.27 mb, w-o-w, to stand at 18.97 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 1.36 mb higher than at the same time in 2025.

Light distillate stocks increased by 1.0 mb, w-o-w, to stand at 7.67 mb, remaining 1.13 mb higher, y-o-y. Middle distillate stocks also rose by 0.28 mb, w-o-w, to 2.4 mb, up 0.25 mb on a year-earlier basis, while heavy distillate stocks fell by 1.01 mb, w-o-w, to stand at 8.9 mb, 0.03 mb below year-earlier levels.

Balance of Supply and Demand

Demand for DoC crude (i.e., crude from countries participating in the Declaration of Cooperation) remains unchanged from the previous month's assessment, standing at 43.0 mb/d in 2026. This represents an increase of 0.6 mb/d compared to the 2025 forecast.

The demand for DoC crude in 2027 is forecast to reach 43.6 mb/d, about 0.6 mb/d higher than the 2026 projection.

Balance of supply and demand in 2026

Demand for DoC crude

Demand for DoC crude (i.e., crude from countries participating in the Declaration of Cooperation) remains unchanged from the previous month's assessment, standing at 43.0 mb/d in 2026. This represents an increase of 0.6 mb/d compared to the 2025 forecast.

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

	2025	1Q26	2Q26	3Q26	4Q26	2026	Change 2026/25
(a) World oil demand	105.1	105.6	105.6	107.1	107.9	106.5	1.4
Non-DoC liquids production	54.2	54.3	54.6	54.9	55.4	54.8	0.6
DoC NGL and non-conventionals	8.6	8.7	8.8	8.7	8.9	8.8	0.1
(b) Total non-DoC liquids production and DoC NGLs	62.8	63.0	63.4	63.6	64.2	63.5	0.8
Difference (a-b)	42.4	42.6	42.2	43.5	43.6	43.0	0.6
DoC crude oil production	41.9						
Balance	-0.4						

Note: * 2025 = Estimate; 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 forecast to reach 43.6 mb/d, about 0.6 mb/d higher than the 2026 projection.

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

	2026	1Q27	2Q27	3Q27	4Q27	2027	Change 2027/26
(a) World oil demand	106.5	106.9	106.8	108.5	109.3	107.9	1.3
Non-DoC liquids production	54.8	55.2	55.0	55.3	56.0	55.4	0.6
DoC NGL and non-conventionals	8.8	8.9	8.9	8.9	8.9	8.9	0.1
(b) Total non-DoC liquids production and DoC NGLs	63.5	64.1	63.9	64.2	64.8	64.3	0.7
Difference (a-b)	43.0	42.7	42.9	44.3	44.4	43.6	0.6

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

Source: OPEC.

Appendix

Appendix

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

World oil demand and production balance	2023	2024	2025	1Q26	2Q26	3Q26	4Q26	2026	1Q27	2Q27	3Q27	4Q27	2027
World demand													
Americas	25.1	25.2	25.4	25.0	25.3	26.0	25.7	25.5	25.1	25.4	26.1	25.8	25.6
of which US	20.4	20.6	20.8	20.5	20.7	21.4	21.1	20.9	20.5	20.8	21.5	21.2	21.0
Europe	13.4	13.4	13.4	12.9	13.7	13.8	13.5	13.5	13.0	13.7	13.9	13.5	13.5
Asia Pacific	7.2	7.2	7.1	7.3	6.8	6.9	7.4	7.1	7.3	6.8	6.9	7.3	7.1
Total OECD	45.7	45.8	45.9	45.3	45.8	46.7	46.6	46.1	45.4	45.9	46.9	46.7	46.2
China	16.4	16.7	16.9	17.0	16.7	17.3	17.3	17.1	17.2	16.9	17.5	17.5	17.3
India	5.3	5.6	5.6	5.9	5.9	5.6	6.1	5.9	6.1	6.1	5.8	6.3	6.1
Other Asia	9.3	9.5	9.8	10.0	10.4	10.0	9.9	10.1	10.3	10.7	10.3	10.2	10.4
Latin America	6.7	6.7	6.9	6.9	7.0	7.1	7.0	7.0	7.1	7.2	7.2	7.2	7.1
Middle East	8.6	8.9	8.9	9.0	8.9	9.3	9.2	9.1	9.1	9.0	9.5	9.4	9.3
Africa	4.6	4.7	4.9	5.1	4.8	5.0	5.3	5.0	5.2	4.9	5.2	5.4	5.2
Russia	3.8	4.0	4.0	4.1	3.9	4.1	4.2	4.1	4.2	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	0.9	0.9	0.8	0.8	0.8	0.9	0.9	0.9
Total Non-OECD	56.7	58.0	59.2	60.3	59.8	60.3	61.3	60.4	61.5	60.9	61.6	62.6	61.7
(a) Total world demand	102.4	103.8	105.1	105.6	105.6	107.1	107.9	106.5	106.9	106.8	108.5	109.3	107.9
Y-o-y change	2.5	1.5	1.3	1.3	1.4	1.6	1.3	1.4	1.3	1.2	1.4	1.4	1.3
Non-DoC liquids production													
Americas	26.7	27.7	28.3	27.9	28.4	28.7	28.9	28.5	28.5	28.5	28.7	29.0	28.7
of which US	21.0	21.8	22.2	21.8	22.4	22.5	22.6	22.3	22.2	22.3	22.4	22.5	22.4
Europe	3.6	3.5	3.6	3.6	3.5	3.5	3.6	3.5	3.6	3.5	3.4	3.5	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	32.0	32.3	32.6	32.9	32.4	32.5	32.3	32.5	32.9	32.5
China	4.5	4.6	4.6	4.7	4.7	4.6	4.6	4.6	4.7	4.6	4.5	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	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Latin America	7.0	7.2	7.5	7.9	7.9	8.0	8.1	8.0	8.2	8.3	8.4	8.6	8.4
Middle East	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.2	2.2	2.2
Africa	2.2	2.3	2.3	2.3	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	19.7	19.7	19.7	19.9	19.8	20.1	20.2	20.2	20.5	20.3
Total Non-DoC production	49.4	50.7	51.6	51.7	52.0	52.3	52.8	52.2	52.6	52.5	52.7	53.4	52.8
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	54.3	54.6	54.9	55.4	54.8	55.2	55.0	55.3	56.0	55.4
DoC NGLs	8.4	8.5	8.6	8.7	8.8	8.7	8.9	8.8	8.9	8.9	8.9	8.9	8.9
(b) Total Non-DoC liquids production and DoC NGLs	60.2	61.7	62.8	63.0	63.4	63.6	64.2	63.5	64.1	63.9	64.2	64.8	64.3
Y-o-y change	2.8	1.5	1.0	0.6	0.5	0.0	1.9	0.8	1.1	0.6	0.6	0.6	0.7
OPEC crude oil production (secondary sources)	27.1	26.6	27.6										
Non-OPEC DoC crude production	15.0	14.3	14.3										
DoC crude oil production	42.1	40.9	41.9										
Total liquids production	102.3	102.6	104.7										
Balance (stock change and miscellaneous)	-0.1	-1.2	-0.4										
OECD closing stock levels, mb													
Commercial	2,778	2,754											
SPR	1,207	1,245											
Total	3,984	4,000											
Oil-on-water	1,438	1,354											
Days of forward consumption in OECD, days													
Commercial onland stocks	61	60											
SPR	26	27											
Total	87	87											
Memo items													
(a) - (b)	42.1	42.1	42.4	42.6	42.2	43.5	43.6	43.0	42.7	42.9	44.3	44.4	43.6

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

Source: OPEC.

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

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

Note: * This compares Table 11 - 1 in this issue of the MOMR with Table 11 - 1 in the December 2025 issue.

This table shows only where changes have occurred.

Source: OPEC.

Appendix

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

OECD oil stocks and oil on water	2022	2023	2024	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Closing stock levels, mb											
OECD onland commercial	2,781	2,778	2,754	2,778	2,769	2,847	2,807	2,754	2,749	2,787	2,863
Americas	1,492	1,518	1,496	1,518	1,499	1,552	1,530	1,496	1,461	1,500	1,558
Europe	936	906	925	906	936	950	920	925	940	921	948
Asia Pacific	353	353	333	353	335	345	357	333	349	365	358
OECD SPR	1,214	1,207	1,245	1,207	1,219	1,226	1,235	1,245	1,244	1,241	1,238
Americas	374	357	395	357	366	374	384	395	398	404	408
Europe	461	466	466	466	470	468	467	466	461	457	453
Asia Pacific	378	384	384	384	383	384	383	384	386	380	377
OECD total	3,995	3,984	4,000	3,984	3,988	4,073	4,042	4,000	3,994	4,028	4,101
Oil-on-water	1,546	1,438	1,354	1,438	1,440	1,375	1,354	1,354	1,410	1,430	1,510
Days of forward consumption in OECD, days											
OECD onland commercial	61	61	60	62	61	61	61	61	60	60	62
Americas	60	60	59	62	59	61	60	60	58	58	61
Europe	70	67	69	71	69	68	68	72	69	67	70
Asia Pacific	49	49	47	47	48	50	48	46	51	53	49
OECD SPR	27	26	27	27	27	26	27	28	27	27	27
Americas	15	14	16	14	15	15	15	16	16	16	16
Europe	34	35	35	36	35	34	35	36	34	33	34
Asia Pacific	52	53	54	51	55	56	52	53	57	55	51
OECD total	87	87	87	89	87	88	87	89	88	87	88

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

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

Non-DoC liquids production and DoC NGLs	Change						Change						Change	
	2025	25/24	1Q26	2Q26	3Q26	4Q26	2026	26/25	1Q27	2Q27	3Q27	4Q27	2027	27/26
US	22.2	0.5	21.8	22.4	22.5	22.6	22.3	0.1	22.2	22.3	22.4	22.5	22.4	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	27.9	28.4	28.7	28.9	28.5	0.2	28.5	28.5	28.7	29.0	28.7	0.2
Norway	2.0	0.0	2.0	2.0	2.0	2.0	2.0	0.0	2.0	1.9	1.9	2.0	2.0	0.0
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	3.6	3.5	3.5	3.6	3.5	0.0	3.6	3.5	3.4	3.5	3.5	0.0
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	32.0	32.3	32.6	32.9	32.4	0.2	32.5	32.3	32.5	32.9	32.5	0.1
China	4.6	0.1	4.7	4.7	4.6	4.6	4.6	0.0	4.7	4.6	4.5	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	0.8	0.0	0.9	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	1.6	1.6	1.6	1.6	1.6	0.0	1.6	1.6	1.6	1.6	1.6	0.0
Argentina	1.0	0.1	1.0	1.0	1.0	1.1	1.0	0.1	1.1	1.1	1.1	1.2	1.1	0.1
Brazil	4.4	0.2	4.5	4.5	4.6	4.6	4.6	0.2	4.6	4.7	4.7	4.8	4.7	0.1
Colombia	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	0.8	0.7	0.8	0.7	0.8	0.0
Ecuador	0.4	-0.1	0.4	0.4	0.4	0.4	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0
Latin America others	1.0	0.1	1.2	1.2	1.2	1.3	1.2	0.2	1.4	1.4	1.4	1.5	1.4	0.2
Latin America	7.5	0.3	7.9	7.9	8.0	8.1	8.0	0.4	8.2	8.3	8.4	8.6	8.4	0.4
Qatar	1.9	0.0	1.9	1.9	1.9	1.9	1.9	0.0	1.9	2.0	2.0	2.1	2.0	0.1
Middle East others	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Middle East	2.0	0.0	2.0	2.0	2.0	2.0	2.0	0.0	2.1	2.1	2.2	2.2	2.2	0.1
Angola	1.1	-0.1	1.1	1.0	1.0	1.0	1.0	0.0	1.0	1.0	1.0	1.0	1.0	0.0
Chad	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Egypt	0.5	0.0	0.5	0.5	0.5	0.5	0.5	0.0	0.5	0.5	0.5	0.5	0.5	0.0
Ghana	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
South Africa	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Africa others	0.3	0.1	0.3	0.4	0.4	0.5	0.4	0.0	0.5	0.5	0.5	0.5	0.5	0.1
Africa	2.3	-0.1	2.3	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	19.7	19.7	19.7	19.9	19.8	0.4	20.1	20.2	20.2	20.5	20.3	0.5
Non-DoC production	51.6	0.9	51.7	52.0	52.3	52.8	52.2	0.6	52.6	52.5	52.7	53.4	52.8	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	54.3	54.6	54.9	55.4	54.8	0.6	55.2	55.0	55.3	56.0	55.4	0.6
DoC NGLs	8.6	0.1	8.7	8.8	8.7	8.9	8.8	0.1	8.9	8.9	8.9	8.9	8.9	0.1
Non-DoC liquids production and DoC NGLs	62.8	1.0	63.0	63.4	63.6	64.2	63.5	0.8	64.1	63.9	64.2	64.8	64.3	0.7

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

Source: OPEC.

Appendix

Table 11 - 5: World rig count, units

World rig count	2023	2024	2025	2025/24	Change			Nov 25	Dec 25	Change Dec/Nov
					2Q25	3Q25	4Q25			
US	688	599	562	-37	571	540	548	549	546	-3
Canada	177	188	177	-11	129	177	185	191	172	-19
Mexico	55	50	25	-25	24	29	27	28	28	0
OECD Americas	921	839	765	-74	725	748	761	768	748	-21
Norway	17	13	16	3	15	18	15	15	14	-1
UK	12	8	8	0	9	7	6	6	4	-2
OECD Europe	66	64	66	2	68	69	64	63	62	-1
OECD Asia Pacific	25	25	18	-7	15	19	18	18	17	-1
Total OECD	1,012	927	849	-78	808	835	842	849	827	-23
Other Asia*	204	212	201	-11	200	206	199	200	198	-2
Latin America	120	104	107	3	109	110	101	103	97	-6
Middle East	61	62	62	0	61	62	61	62	62	0
Africa	67	52	44	-8	44	44	43	46	42	-4
Other Europe	11	9	11	2	12	11	11	11	11	0
Total Non-OECD	463	439	425	-14	427	433	415	422	410	-12
Non-OPEC rig count	1,475	1,367	1,274	-93	1,235	1,268	1,257	1,271	1,237	-35
Algeria	36	42	43	1	44	41	42	41	44	3
Congo	1	1	1	0	1	1	1	1	1	0
Equatorial Guinea**	0	0	0	0	1	0	0	0	0	0
Gabon	3	4	3	-1	3	3	4	4	4	0
Iran**	117	117	117	0	117	117	117	117	117	0
Iraq	61	62	62	0	62	62	63	62	65	3
Kuwait	24	31	34	3	30	34	40	40	41	1
Libya	14	18	18	0	18	18	18	18	18	0
Nigeria	14	15	13	-2	10	15	16	16	17	1
Saudi Arabia***	83	295	248	-47	254	233	232	232	233	1
UAE	57	66	74	8	71	76	77	79	75	-4
Venezuela	2	2	1	-1	2	0	1	2	2	0
OPEC rig count	412	653	615	-38	613	600	612	612	617	5
World rig count****	1,887	2,019	1,890	-129	1,848	1,868	1,869	1,883	1,854	-30
of which:										
Oil	1,498	1,559	1,425	-134	1,400	1,399	1,395	1,411	1,372	-39
Gas	357	413	409	-4	398	410	414	414	417	4
Others	32	47	56	9	51	60	60	59	64	5

Note: * Other Asia includes India and offshore rigs for China.

** Estimated data when Baker Hughes Incorporated did not report 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

Glossary of Terms

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

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

OPEC Basket average price

US\$/b

Down 2.72 in December

December 2025	61.74
November 2025	64.46
Annual average	69.54

December OPEC crude production

mb/d, according to secondary sources

Up 0.11 in December

December 2025	28.56
November 2025	28.46

December Non-OPEC DoC crude production

mb/d, according to secondary sources

Down 0.34 in December

December 2025	14.27
November 2025	14.61

Economic growth rate

per cent

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2026	3.1	2.1	1.2	0.9	4.5	6.6	2.0	1.3
2027	3.2	2.0	1.2	0.9	4.5	6.5	2.2	1.5

Supply and demand

mb/d

2026	26/25	2027	27/26		
World demand	106.5	1.4	World demand	107.9	1.3
Non-DoC liquids production	54.8	0.6	Non-DoC liquids production	55.4	0.6
DoC NGLs	8.8	0.1	DoC NGLs	8.9	0.1
Difference	43.0	0.6	Difference	43.6	0.6

OECD commercial stocks

mb

	Sep 25	Oct 25	Nov 25	Nov 25/Oct 25
Crude oil	1,327	1,338	1,346	8.1
Products	1,536	1,498	1,494	-4.1
Total	2,863	2,836	2,840	4.0
Days of forward cover	61.6	61.9	62.2	0.2

Next report to be issued on 11 February 2026.