Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

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Feature article:
The impact of monetary policies on the oil market

OPEC Monthly Oil Market Report

OPEC App

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Oil Market Highlights

Crude Oil Price Movements

In January, the OPEC Reference Basket (ORB) value rose by $0.61/b, month-on-month (m-o-m), to average $62.31/b. The ICE Brent front-month contract rose by $3.10/b, m-o-m, to average $64.73/b, and the NYMEX WTI front-month contract increased by $2.39/b, m-o-m, to average $60.26/b. The GME Oman front-month contract rose by $0.83/b, m-o-m, to average $62.79/b. The Brent–WTI front-month spread rose by $0.71/b, m-o-m, to average $4.47/b. The forward curves of all major crude benchmarks strengthened, with the front end of the curves for both ICE Brent and NYMEX WTI moving into stronger backwardation. Oil supply outages, easing selling pressure from speculators and robust physical market fundamentals supported front-month contracts. The forward curve for GME Oman was little changed, m-o-m. Speculative sentiment turned bullish, with hedge funds and other money managers sharply increasing their net long positions.

World Economy

The global economic growth forecasts remain unchanged from last month's assessment at 3.1% in 2026 and 3.2% in 2027. The US economic growth forecast is revised up slightly to 2.2% for 2026, but remains at 2% for 2027. In the Eurozone, the economic growth forecasts remain at 1.2% for both 2026 and 2027. Japan's economic growth forecasts remain at 0.9% for both 2026 and 2027. The economic growth forecasts for China remain at 4.5% for both 2026 and 2027. India's economic growth forecasts remain at 6.6% for 2026 and 6.5% for 2027. Brazil's economic growth forecasts remain at 2.0% for 2026 and 2.2% for 2027. Russia's economic growth forecasts remain at 1.3% for 2026 and 1.5% for 2027.

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

World Oil Supply

Non-DoC liquids production (i.e., liquids production from countries not participating in the Declaration of Cooperation) is forecast to grow by about 0.6 mb/d, y-o-y, in 2026, unchanged from last month's assessment, mainly driven by Brazil, Canada, US, and Argentina. In 2027, non-DoC liquids production is forecast to grow by about 0.6 mb/d, unchanged from last month's assessment, 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 similar growth in 2027 of about 0.1 mb/d, y-o-y, to average about 8.9 mb/d. In January, crude oil production by countries participating in the DoC decreased by 439 tb/d, m-o-m, to average about 42.45 mb/d, according to available secondary sources.

Product Markets and Refining Operations

In January, refining margins declined in all reported trading hubs. Stronger feedstock prices and seasonal demand-side pressures weighed on refining margins, despite a significant rise in offline capacity due to the severe winter in the Atlantic basin and extended maintenance in Asia. In the US Gulf Coast (USGC), losses stemmed from the bottom section of the barrel as increased availability of heavy crude supplies weighed on fuel oil and, to a more limited extent, on gasoil crack spreads. In Rotterdam, all key product margins declined, with gasoline leading the decline, followed by fuel oil. In Singapore, the decline was driven by elevated gasoline and jet/kerosene supplies in the region.

Tanker Market

Dirty tanker spot freight rates had a strong start to the year in January, supported by weather disruptions, geopolitical uncertainties, unplanned outages, and steady loading activity. VLCC spot freight rates began in 2026 with an exceptionally strong performance, which spilt over into the smaller vessel classes. Spot freight rates on the Middle East-to-East route reached the highest level for the month in at least a decade, up by 64%, y-o-y. Suezmax rates rose amid weather disruptions in the Atlantic basin and spillover support from the VLCC market. Suezmax rates on the USGC-to-Europe route were up by 12%, m-o-m, more than double year-ago levels, as European refiners sought replacements for disrupted CPC flows. Aframax spot freight rates also experienced a strong performance in January, as a cold blast tied up tonnage in the Atlantic basin. Cross-Med Aframax spot freight rates rose by 10%, m-o-m, to reach a 10-year high for the month. In the clean tanker market, spot freight rates showed a strong performance, led by East of Suez. Rates on the Middle East-to-East route were up by 17%, m-o-m, while rates around the Mediterranean gained 5%, m-o-m.

Crude and Refined Product Trade

US crude imports averaged 6.3 mb/d in January, remaining in line with the latest five-year average. US crude exports rose by almost 0.2 mb/d, m-o-m, to average 4.2 mb/d, amid higher flows to Europe and Africa. Product exports from the US averaged 7.0 mb/d, down from the elevated levels seen over the previous two months. In December, crude imports into OECD Europe declined, m-o-m, driven by lower flows from Kazakhstan. Product exports picked up from the previous month on higher inflows of fuel oil and diesel. In Japan, crude imports surged, averaging just under 3 mb/d in December, the highest since March 2020. Product imports, including LPG, reached a four-month high, led by kerosene and LPG, supported by winter fuel demand. China's crude imports surged to a record high in December, averaging 13.2 mb/d. China's product imports declined by 3%, as naphtha inflows fell from record levels seen in the previous month. Product exports from China rose marginally, as a jump in fuel oil exports was partly offset by a drop in gasoline flows. India's crude imports remained at elevated levels in December, averaging 5.1 mb/d, despite a slight decline, m-o-m. Product imports declined by 5%, m-o-m, to average 1.2 mb/d, as a drop in fuel oil and naphtha inflows was offset by higher LPG imports. India's product exports were broadly unchanged at 1.4 mb/d.

Commercial Stock Movements

Preliminary December 2025 data show that OECD commercial oil inventories rose by 6.5 mb, m-o-m, to stand at 2,845 mb. At this level, OECD commercial stocks were 89.9 mb higher, y-o-y, and 44.1 mb above the latest five-year average, but 81.0 mb below the 2015–2019 average. Within the components, crude stocks fell by 2.1 mb, while product stocks increased by 8.6 mb, m-o-m. OECD crude oil commercial stocks stood at 1,363 mb. This was 75.5 mb higher, y-o-y, and 17.5 mb above the latest five-year average, but 64.2 mb lower than the 2015–2019 average. OECD total product stocks stood at 1,481 mb. This was 14.4 mb higher, y-o-y, and 26.7 mb above the latest five-year average, but 16.9 mb lower than the 2015–2019 average. In terms of days of forward cover, OECD commercial stocks rose by 0.7 days, m-o-m, in December, to stand at 62.8 days. This was 1.8 days higher than in December 2024, unchanged relative to the latest five-year average, and 0.5 days higher than the 2015–2019 average.

Balance of Supply and Demand

The demand for DoC crude (i.e., crude from countries participating in the DoC) in 2026 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. The demand for DoC crude in 2027 also remains unchanged from the previous month's assessment of 43.6 mb/d, which is about 0.6 mb/d higher than the 2026 forecast.

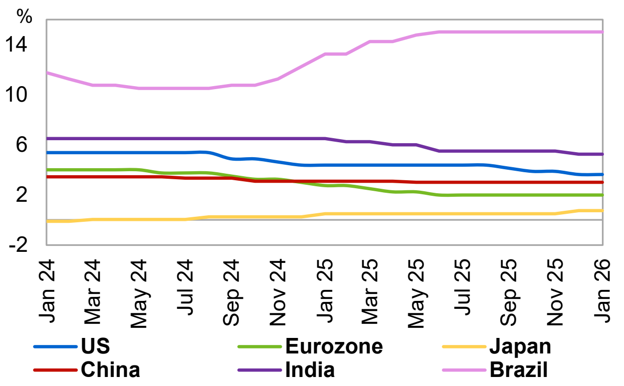
Feature Article

The impact of monetary policies on the oil market

The global economic growth performance proved resilient in 2025, with the latest estimate for last year's global economic growth at 3.1%. In 2026, the global economic growth is forecast to remain at 3.1%, before picking up slightly to 3.2% in 2027.

Almost all major central banks moved towards monetary policy easing in 2025. In developed economies, the US Federal Reserve (Fed) delivered three rate cuts in 2025, totalling 75 bp, while the European Central Bank (ECB) cut rates four times throughout the year, totalling 100 bp. The notable exception was the Bank of Japan (BoJ), which moved in the opposite direction, amid persistent inflationary pressures.

Graph 1: Key policy rates in selected key economies



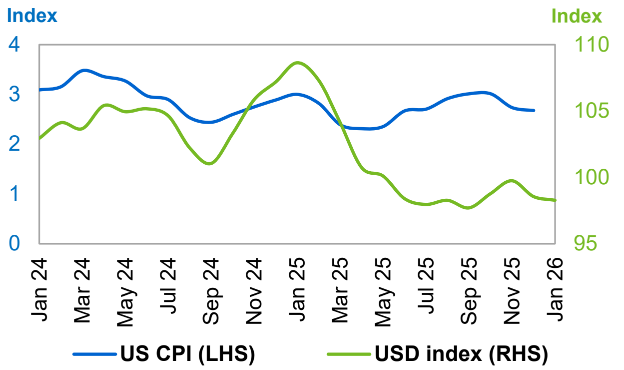
Sources: BOJ, BCB, ECB, FRB, PBoC, RBI and Haver Analytics.

Meanwhile, in the emerging markets, China cut rates once in 2025 as deflationary pressures continued, while India made four rate cuts as food inflation pressures eased. The Central Bank of Russia cut interest rates by a total of 500 bp in 2025 after a sharp tightening in 2023 and 2024. Brazil moved in the opposite direction, tightening through 1H25 and maintaining tight rates into 2026 (***Graph 1***).

These lower interest rates have eased financial conditions for households and businesses and supported consumption across key oil-product sectors. Although growth remains relatively uneven, and unemployment is slightly rising in some economies, the monetary easing has helped supporting global economic growth. This supports a healthy oil demand growth forecast of 1.4 mb/d in 2026, followed by 1.3 mb/d in 2027. Indeed, the demand growth in 2026 and 2027 will be concentrated in the non-OECD, where income growth remains resilient and recent government policy is supporting oil consumption, with oil demand growth forecast at about 1.2 mb/d for both years.

As for the US dollar, the currency has proven to be resilient since the Fed delivered three cuts in 2025, and remained relatively stable ever since. It should be noted that the currency was already on a downward trajectory since the beginning of the year, falling by 10.1% between January and September 2025 ***(Graph 2)***. This decline has made dollar-priced commodities, including oil, cheaper for consumers and provided some additional support for global demand.

Graph 2: US inflation and USD index



Sources: Bureau of Labor Statistics, Haver Analytics, ICE and Thomson Reuters.

A combination of monetary easing policies and relatively softer energy prices has not only contributed to a decline in inflationary pressures but also has given central banks greater confidence to continue rate cuts.

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Crude Oil Price Movements

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The forward curves of oil futures prices strengthened, with the front end of the curves for both ICE Brent and NYMEX WTI moving into stronger backwardation, reflecting a shift in traders' perception of the short-term fundamentals. Oil supply outages, the risk of supply disruptions, easing selling pressure from speculators, and robust physical market fundamentals supported front-month contracts. The market structure of GME Oman was little changed, m-o-m.

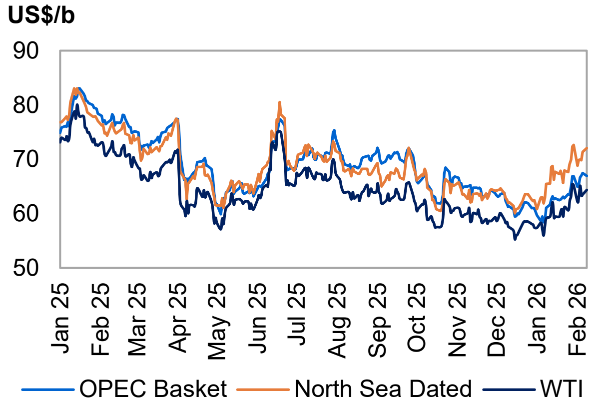
Speculative sentiment turned bullish, with hedge funds and other money managers sharply increasing their net long positions. Combined net long positions across the main crude benchmarks rose 144%, supported by strong financial inflows and net buying equivalent to 163 mb. This repositioning was driven by supply disruptions, heightened geopolitical developments, and stronger physical market fundamentals, which were further amplified by accelerated short covering in both ICE Brent and NYMEX WTI.

Crude spot prices

Crude spot markets rebounded firmly in January, as prices recovered following several consecutive months of declines. The rebound was primarily driven by easing selling pressure in futures markets.

In addition, heightened geopolitical developments in several key producing regions added a risk premium to the market. Supply disruptions in some regions further tightened spot market conditions, particularly in the Atlantic Basin. Unplanned oil supply outages in the Caspian region, together with adverse weather conditions in the US, raised concerns over near-term oil supply availability.

Graph 1 - 1: Crude oil price movements



Sources: Argus and OPEC.

Strong crude demand for February-loading programmes, including from European buyers, supported spot prices in the Atlantic Basin. Global refinery throughput remained relatively strong in January at around 83.4 mb/d, although it edged slightly lower, m-o-m, which nonetheless helped sustain buying interest in the spot market. Price gains were partially capped by weaker refining margins across major refining hubs, particularly in Europe, as well as large builds in US petroleum product stocks.

Spot crude prices strengthened relative to futures, widening their premium as the market priced in potential supply disruptions. North Sea Dated remained at a premium to ICE Brent's front-month contract monthly in January, with the spread widening by $0.95/b, m-o-m, to a premium of $2.00/b.

In January, North Sea Dated and WTI first-month prices rose by $4.04/b and $2.28/b, m-o-m, respectively, averaging $66.73/b and $60.25/b. Dubai's first-month price increased by $0.08/b, m-o-m, averaging $62.07/b.

In the Atlantic Basin, most crude differentials strengthened in January, buoyed by buying interest from European and Asian refiners, although lower refining margins and less favourable west-to-east arbitrage economics 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 January increased by $1.09/b and $0.61/b, respectively, to premiums of $1.70/b and $2.24/b, respectively, against North Sea Dated. Johan Sverdrup also rose against North Sea Dated, increasing by $0.37/b to a discount of $0.79/b.

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

OPEC Reference Basket (ORB)	Dec 25	Jan 26	*Change* Jan 26/Dec 25	*Year-to-date* 2025	2026
ORB	**61.70**	**62.31**	***0.61***	**79.38**	**62.31**
Arab Light	62.88	62.84	*-0.04*	80.78	62.84
Basrah Medium	60.90	61.28	*0.38*	77.98	61.28
Bonny Light	63.71	67.66	*3.95*	80.14	67.66
Djeno	55.24	59.28	*4.04*	71.80	59.28
Es Sider	62.74	66.78	*4.04*	77.55	66.78
Iran Heavy	61.44	60.87	*-0.57*	79.65	60.87
Kuwait Export	61.19	60.72	*-0.47*	80.40	60.72
Merey	45.50	43.21	*-2.29*	66.86	43.21
Murban	63.02	63.99	*0.97*	80.41	63.99
Rabi Light	62.23	66.27	*4.04*	78.79	66.27
Sahara Blend	63.44	67.73	*4.29*	80.25	67.73
Zafiro	62.69	66.73	*4.04*	81.20	66.73
Other Crudes					
North Sea Dated	62.69	66.73	*4.04*	79.25	66.73
Dubai	61.99	62.07	*0.08*	80.55	62.07
Isthmus	55.69	57.45	*1.76*	73.33	57.45
LLS	59.93	61.78	*1.85*	77.51	61.78
Mars	57.09	58.98	*1.89*	75.70	58.98
Minas	67.20	70.16	*2.96*	82.07	70.16
Urals	35.62	37.56	*1.94*	66.48	37.56
WTI	57.97	60.25	*2.28*	75.27	60.25
Differentials					
North Sea Dated/WTI	4.72	6.48	*1.76*	3.99	6.48
North Sea Dated/LLS	2.76	4.95	*2.19*	1.74	4.95
North Sea Dated/Dubai	0.70	4.66	*3.96*	-1.29	4.66

Sources: Argus, Direct Communication, and OPEC.

The value of West African crude differentials showed mixed movements. Bonny Light and Cabinda crude differentials to North Sea Dated increased by 23¢/b and 31¢/b to stand at a premium of $1.48/b and a discount of $1.18/b. However, Forcados and Qua Iboe dropped by 5¢/b and 21¢/b, to premiums of $2.47/b and $1.09/b. In the Mediterranean, crude differentials were supported by persistent supply outages in the Caspian and robust demand for February-loading cargoes. Saharan Blend and Azeri BTC differentials increased by 59¢/b and 40¢/b, m-o-m, to premiums of $1.53/b and $3.42/b to North Sea Dated, while CPC Blend crude differentials dropped by $1.00/b, m-o-m, to a discount of $1.13/b, also relative to North Sea Dated.

In the USGC, crude differentials weakened. Light Louisiana Sweet (LLS) dropped by 45¢/b last month monthly to stand at a premium of $1.49/b to the WTI benchmark, and Mars sour fell by 36¢/b to a discount of $1.28/b to WTI. In the Middle East, the value of Oman crude differentials to Dubai fell by 72¢/b, m-o-m, to a discount of 7¢/b, compared to a premium of 65¢/b.

OPEC Reference Basket (ORB) value

In January, the ORB value rose by 61¢/b, m-o-m, to average $62.31/b. West and North African Basket components Bonny Light, Djeno, Es Sider, Rabi Light, Sahara Blend and Zafiro increased by an average of $4.07/b, m-o-m, to $65.74/b. Multiple-region destination grades, including Arab Light, Basrah Medium, Iran Heavy and Kuwait Export dropped on average by 17¢/b, m-o-m, to $61.43/b. Murban crude rose on average by 97¢/b, m-o-m, to $63.99/b, while the Merey component fell by $2.29/b, m-o-m, to settle at $43.21/b.

The oil futures market

Crude oil futures prices rallied in January, amid perceived heightened geopolitical risks and supply-side disruptions in some producing regions. Market attention shifted toward geopolitical developments, while unplanned outages constrained supply. The price rally was further fuelled by speculative activity, as selling pressures observed in previous months eased, which was followed by a wave of short covering as prices moved higher.

During the first week of the month, crude oil futures came under pressure amid continued speculative selling and subdued market sentiment. Uncertainty surrounding geopolitical developments in key producing regions weighed on prices. At the same time, data indicating large builds in US gasoline and middle distillate stocks added downward pressure on prices.

Prices rebounded sharply in the second week of January, driven by a renewed rise in geopolitical risk premiums. Escalating tensions in major oil-producing regions, including Eastern Europe and the Middle East, combined with continued uncertainty in Latin America, supported the recovery. Additional upside momentum stemmed from resilient physical market fundamentals, a weaker US dollar, and gains in major US equity markets, which contributed to a broader risk-on sentiment. Short covering across key futures markets amplified the price rebound.

Further support emerged from persistent supply outages in the Caspian region, alongside reports of strong demand for alternative crude grades in the Atlantic Basin. These developments reinforced concerns about near-term supply availability and further supported prices.

Despite the overall upward trend, oil futures experienced periods of heightened volatility throughout the month, reflecting ongoing uncertainty surrounding geopolitical developments and the market's sensitivity to the latest news. Sentiment was intermittently weighed down by concerns about a potential escalation of trade tensions following announcements of possible additional US tariffs on goods from several European countries. At the same time, renewed uncertainty regarding US–EU relations sustained geopolitical risk premium in oil markets.

By the end of January, crude oil futures prices strengthened further, supported by elevated geopolitical risk premiums and adverse winter weather conditions in the US, which disrupted oil production and refinery operations.

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

			Change	*Year-to-date*	
Crude oil futures	**Dec 25**	**Jan 26**	**Jan 26/Dec 25**	**2025**	**2026**
NYMEX WTI	57.87	60.26	2.39	75.10	60.26
ICE Brent	61.63	64.73	3.10	78.35	64.73
GME Oman	61.96	62.79	0.83	80.22	62.79
Spread					
ICE Brent-NYMEX WTI	*3.76*	*4.47*	*0.71*	*3.25*	*4.47*

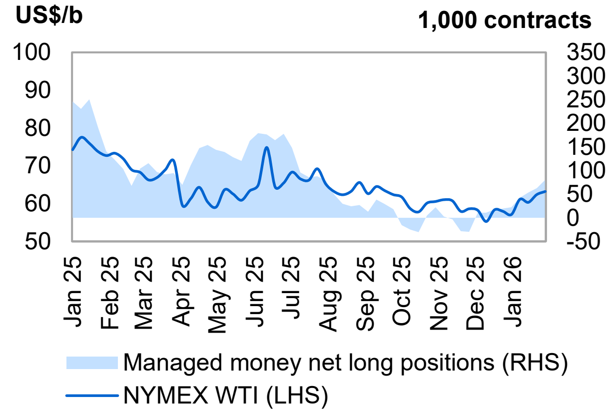
Note: Totals may not add up due to independent rounding.
Sources: CME, ICE, GME and OPEC.

The ICE Brent front-month contract rose in January by $3.10/b, m-o-m, to average $64.73/b, and the NYMEX WTI front-month contract increased by $2.39/b, m-o-m, to average $60.26/b. The GME Oman front-month contract rose by 83¢/b, m-o-m, in January to average $62.79/b.

The ICE Brent-NYMEX WTI front-month spread widened in January, reaching more than a $5/b. The ICE Brent contract rose more than WTI futures, buoyed by rising demand for prompt loading cargoes in the Atlantic Basin amid supply disruptions and geopolitical risks. Higher risk premiums gave more support to the international benchmark, ICE Brent. At the same time, a large build in US petroleum products, specifically gasoline and diesel, weighed on the NYMEX WTI price. The ICE Brent/NYMEX WTI spread widened in January on a monthly average of 71¢/b to settle at $4.47/b, keeping US crude more competitive for international buyers. The spread between North Sea Dated and WTI Houston also widened last month to nearly $7/b daily, reflecting strong buying in the Atlantic Basin. Monthly, the North Sea Dated-WTI Houston spread rose by $1.49/b to a premium of $5.46/b.

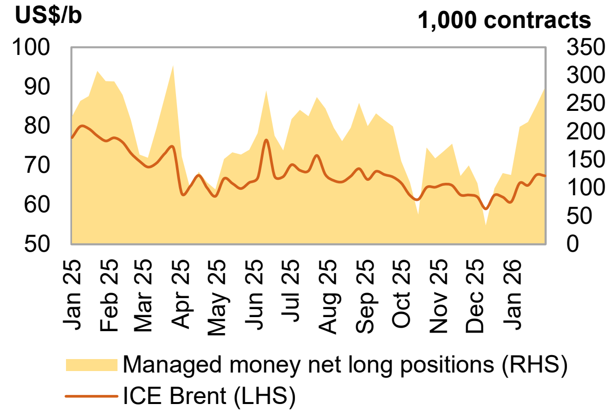
Hedge funds and other money managers turned bullish in January, raising their net long positions sharply, particularly in ICE Brent, where positions reached a four-month high. The 144% increase in net long across ICE Brent, NYMEX WTI, and ICE WTI reflects a rapid shift in risk appetite by speculators, underpinned by sizeable financial inflows and net buying equivalent to 163 mb over the month. This repositioning was driven by a combination of market-driving factors. Supply disruptions and heightened geopolitical risks boosted price expectations, while stronger physical market signals reinforced confidence in underlying fundamentals. The rally in net long positions was amplified by accelerated short covering in both ICE Brent and NYMEX WTI, as speculators rushed to close previously accumulated bearish positions.

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



Sources: CFTC, CME and OPEC.

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



Sources: ICE and OPEC.

Money managers turned more optimistic about ICE Brent futures prices in January, buying an equivalent of about 121 mb in ICE Brent contracts. The combined futures and options net long positions related to Brent increased by 120,733 lots, or 95.7%, over the month, to stand at 246,917 contracts during the week of 27 January. This is due to long positions increasing by 67,792 lots, or 21.9%, to stand at 377,371 contracts and short positions falling by 52,941 lots, or 28.9%, to stand at 130,454 contracts over the same period.

WTI-related net long positions also rose over January, with net long positions in the week of 27 January rising to their highest point since July 2025. Between the weeks of 30 December and 27 January, NYMEX WTI futures and options net long positions increased by 41,964 lots, to stand at 28,937 contracts. During the same period, short positions dropped by 16,558 lots, or 10.0%, to 149,663 contracts, and long positions rose by 25,406 lots, or 16.6%, to 178,600 contracts.

The ICE Brent long-to-short ratio of speculative positions rose slightly to about 3:1 in January, compared to about 2:1 in December. However, the NYMEX WTI long-to-short ratio remained almost unchanged at 1:1 in January, unchanged compared to December.

Total open interest volumes related to ICE Brent, NYMEX and ICE WTI futures and options increased in January by 725,343 lots, or 10.3%, to stand at 7.8 million contracts in the week ending 27 January. Open interest volumes related to ICE Brent futures and options rose by 370,088 contracts, or 9.6%, m-o-m, to stand at 4.2 million contracts in the week ending 27 January. Open interest volumes related to NYMEX and ICE WTI futures and options increased by 355,255 lots, or 11.1%, to stand at 3.6 million contracts in the last week of January.

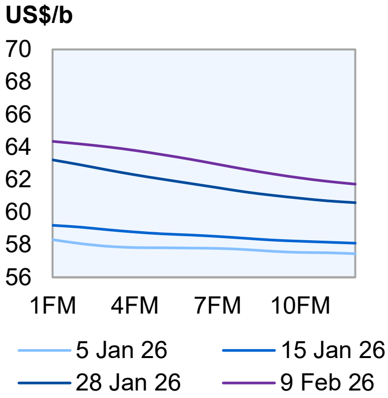
The futures market structure

The market structure of oil futures prices strengthened, with the front of the forward curves for both ICE Brent and NYMEX WTI steepening, indicating stronger backwardation in January, affecting a shift in traders' perceptions of the short-term fundamentals. Oil supply outages, the risk of supply disruptions, easing selling pressure from speculators, and robust physical market fundamentals buoyed front-month contracts. Meanwhile, the market structure of GME Oman was little changed, m-o-m.

The front end of the Brent futures forward curve steepened in January, m-o-m. As an international benchmark, ICE Brent was influenced by heightened uncertainty surrounding recent geopolitical developments and their potential implications for oil supply. Prompt prices were further buoyed by firm demand in the physical market and lower availability of prompt loading volumes for February, specifically in the Atlantic Basin. On a monthly average, the ICE Brent M1/M3 spread rose by 53¢ to a backwardation of $1.13/b in January, the highest since last July. The ICE Brent M1/M6 spread also widened last month by $1.05, with backwardation standing at $1.75/b on average, compared with a backwardation of 70¢/b in December.

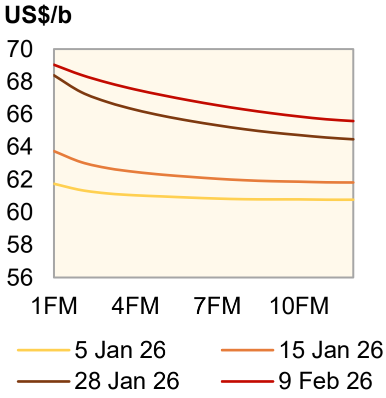
In the US, the structure of NYMEX WTI also strengthened last month, with the front of the forward curve moving into stronger backwardation, although rising middle distillates and gasoline stocks weighed on prompt prices. The NYMEX WTI M1/M3 spread widened by 6¢ to an average backwardation of 42¢/b in January.

Graph 1 - 4: NYMEX WTI forward curves



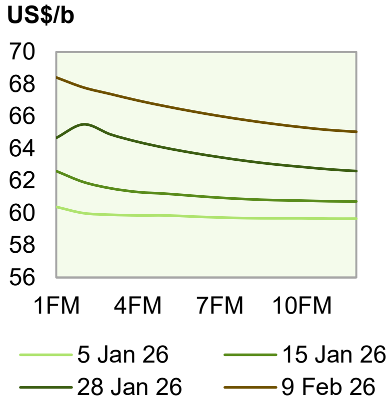
Sources: CME and OPEC.

Graph 1 - 5: ICE Brent forward curves



Sources: ICE and OPEC.

Graph 1 - 6: GME Oman forward curves



Sources: GME and OPEC.

The market structure of GME Oman was little changed in January. On a monthly average, the GME Oman M1/M3 spread eased 2¢ to a backwardation of 58¢/b in January.

In terms of M1/M3 structure, the North Sea Brent spread widened on a monthly average by $0.75/b to a backwardation of $1.73/b, compared to $0.99/b in the month before. In the US, the WTI backwardation also widened by $0.04/b to $0.41/b, compared to a backwardation of $0.37/b in December. The Dubai backwardation narrowed on average by $0.72/b, m-o-m, flipping to a contango of $0.17/b in January.

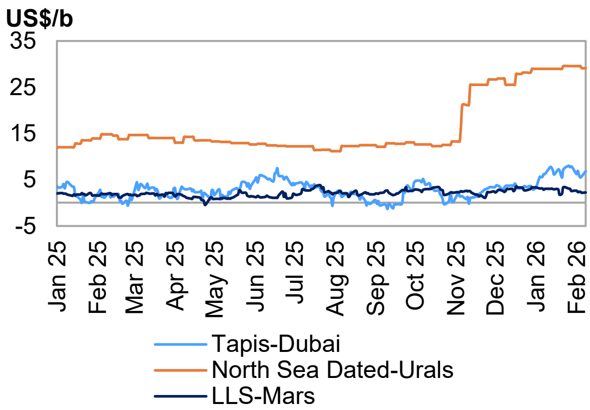
Crude spreads

The premiums of light sweet crude over medium sour crude widened further in Asia and Europe, where light sweet crudes continued to outperform medium and heavy sour grades for a second consecutive month, although the spread remained little changed in the USGC. Strong demand for light sweet crude, particularly in the Atlantic Basin – following supply outages in the Caspian region – boosted the value of sweet grades. In addition, the stronger performance of light distillate margins, especially naphtha, relative to heavier products contributed to the widening spread between sweet and sour crude. Meanwhile, buying interest from some Asian refiners for medium- and heavy-sour grades softened amid ample supply and a weak fuel oil market, thereby adding downward pressure on sour crude values.

In Europe, the value of light sweet grades was supported by robust buying interest, including from European refiners, as buyers rushed to secure volumes following reports of supply outages in the Caspian region. This increased demand for alternative prompt-loading cargoes in Northwest Europe. Meanwhile, gains in the sour crude market were capped by ample supply availability and competitive arbitrage pricing from other regions, including the Middle East. A wider spread between naphtha and high-sulphur fuel oil crack spreads, reaching nearly $5/b in Europe, further influenced sweet and sour crude values. The sweet–sour crude spread, represented by the Ekofisk–Johan Sverdrup differential, rose by 23¢,m-o-m, to a premium of $3.03/b. Urals crude differentials to North Sea Dated also fell last month, declining by $2.16/b in the Black Sea and $1.61/b in the Baltic Sea, to stand at discounts of $29.17/b and $26.67/b, respectively.

In Asia, the Tapis premium over Dubai crude widened the most, as sour crude values came under pressure while light sweet crude rallied. This was driven by soft demand from some refiners in the Asia-Pacific region, although a rebound in high-sulphur fuel oil margins in Singapore slightly limited the downward pressure on sour crude prices. Meanwhile, strong demand for light sweet crude in other regions, including the Atlantic Basin, supported similar grades in the East of Suez market. This occurred against a backdrop of limited west-to-east arbitrage opportunities, as the Brent–Dubai spread widened. The Brent–Dubai differential rose by $3.96/b on a monthly average to a premium of $4.66/b, the highest since November 2022, compared with a premium of $0.70/b in December.

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



Sources: Argus and OPEC.

The Brent-Dubai exchange of futures for swaps (EFS) also widened by $1.35/b m-o-m to stand at a premium of $1.73/b. The Tapis-Dubai spread widened by $3.14/b m-o-m in January to average $6.62/b.

In the USGC, the LLS premium over medium sour Mars crude edged lower by 4¢ m-o-m in January, settling at $2.80/b. This followed an increase in the previous month, when the spread reached its highest monthly average since October 2024. Light sweet crude continued to outperform sour grades, supported by stronger light distillate margins, particularly naphtha, while weaker high sulphur fuel oil margins further weighed on the sour crude market.

Commodity Markets

All select commodity price indices advanced in January. The energy price index rebounded from the previous month's decline, and all non-energy price indices continued to advance in the period.

In the futures market, sentiment turned bullish, though cautious optimism remained. Both combined open interest (OI) and money managers' net length increased in January.

Commodity prices found support from a weaker US dollar in January, with precious metals being the most direct beneficiaries amid expectations of US interest rate cuts. Winter weather conditions remained supportive of energy prices while improvements in global industrial activity supported metal prices.

Trends in select energy commodity markets

The energy price index increased by 12%, m-o-m, in January, supported by gains across all selected energy prices, with US natural gas prices experiencing the largest gains. However, the index was down by 10.3%, y-o-y, dragged lower by a decline in most select prices, except US natural gas.

Table 2 - 1: Select energy prices

Commodity	Unit	*Monthly average*			*% Change*		*Year-to-date*	
		Nov 25	Dec 25	Jan 26	Jan 26/ Dec 25	Jan 26/ Jan 25	2025	2026
Energy*	*Index*	**84.0**	**82.9**	**92.8**	**12.0**	**-10.3**	**103.5**	**92.8**
Coal, Australia	US$/boe	10.8	10.3	10.5	2.0	-7.4	11.3	10.5
Coal, US	US$/boe	7.1	7.2	7.2	0.4	7.3	6.7	7.2
Crude oil, average	US$/b	62.3	60.9	63.7	4.6	-18.6	78.2	63.7
Natural gas, US	US$/boe	20.5	23.0	41.0	78.4	85.0	22.2	41.0
Natural gas, Europe	US$/boe	56.4	51.3	63.6	24.0	-19.8	79.3	63.6

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

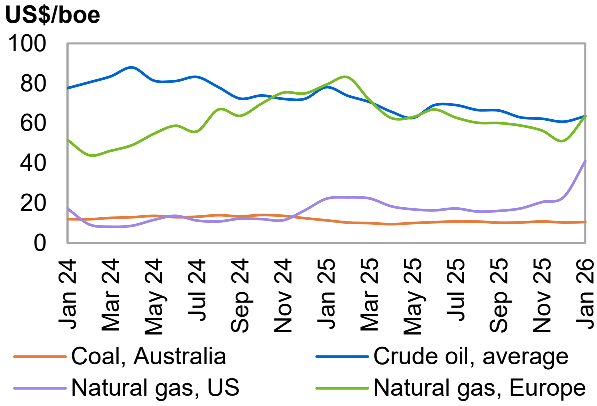
Australian thermal coal prices rose in January, increasing by 2%, m-o-m. Prices benefited from Indonesian export controls, weather-related disruptions, and industrial activity holding firm in some regions. However, destocking activities in key Asian consumer markets partially offset gains. Prices were down by 7.4%, y-o-y.

In the US, coal prices advanced for a fourth consecutive month, rising by 0.4%, m-o-m. Prices saw some support from cold snaps, which increased marginal coal burn in some regions. However, upside support was limited by restricted gas-to-coal fuel switching amid policy-driven mandates. Prices were 7.3% higher, y-o-y.

Average crude oil prices rebounded in January after six consecutive months of declines, increasing by 4.6%, m-o-m. Improved sentiment in the futures markets remained supportive of prices in the month, though they are down by 18.6%, y-o-y.

Henry Hub's natural gas prices continued their upward momentum for a fifth consecutive month in January, rising by 78.4%, m-o-m. Prices rallied on the back of colder weather, which lifted demand for residential heating in the month. At the same time, supply was limited amid production outages in key regions. According to data from the US Energy Information Administration (EIA), average weekly natural gas storage decreased by 12.6%, m-o-m, in January. Prices also benefited from higher LNG demand, though export capacity was limited due to some outages. Prices were up by 85%, y-o-y.

Graph 2 - 1: Select energy prices



Sources: World Bank, Haver Analytics and OPEC.

The average Title Transfer Facility (TTF) gas price ended its sixth consecutive monthly decline in January, rising by 24%, m-o-m. Prices rose as colder weather across the region increased heating demand, promoting a sharp decline in storage levels. According to data from Gas Infrastructure Europe, EU storage levels fell to 41% as of the end of January, down from 62% the previous month, representing a 21% drop, m-o-m.

Prices also benefited in the month from US LNG export constraints, which limited supply availability to Europe. Prices were down by 19.8%, y-o-y.

Trends in select non-energy commodity markets

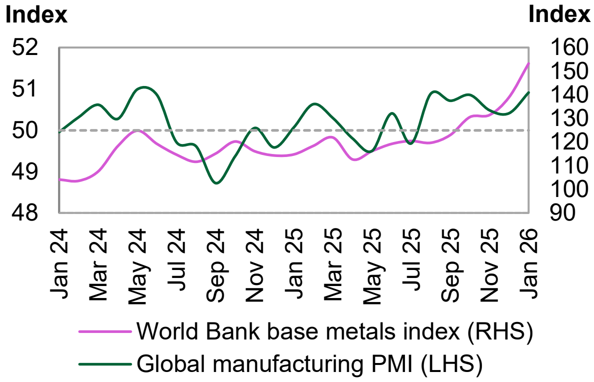
The non-energy price index rose for a sixth consecutive month in January, increasing by 2.9%, m-o-m. Gains in the base and precious metals indices supported the overall index, although these were partly offset by a decline in the agriculture index, which fell by 0.5%, m-o-m, during the same period. The non-energy index was up by 3%, y-o-y, while the agriculture index decreased by 8.9%, y-o-y.

Base metals

The base metal index advanced for the fifth consecutive month in January, increasing by 10.3%, m-o-m. Metal prices were supported by a combination of a lower US dollar and improvements in global industrial activity. The global manufacturing PMI rose to 50.9 in January, up from 50.4 the previous month, a 1.0% m-o-m increase. However, inventory builds in some metals limited the upside. The base metal index was up by 33.5%, y-o-y.

At the London Metal Exchange (LME) warehouses, combined stocks of base metals declined by 0.5%, m-o-m. Stocks were down by 14.4%, 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		Year-to-date	
		Nov 25	Dec 25	Jan 26	Jan 26/ Dec 25	Jan 26/ Jan 25	2025	2026
Non-energy*	*Index*	**115.8**	**117.3**	**120.8**	**2.9**	**3.0**	**117.2**	**120.8**
Base metal*	*Index*	**131.4**	**139.0**	**153.2**	**10.3**	**33.5**	**114.8**	**153.2**
Copper	*US$/mt*	10,821	11,795	13,018	10.4	44.3	9,019	13,018
Aluminium	*US$/mt*	2,824	2,885	3,145	9.0	21.7	2,585	3,145
Nickel	*US$/mt*	14,703	14,924	17,806	19.3	15.3	15,439	17,806
Lead	*US$/mt*	2,003	1,950	2,004	2.8	3.7	1,932	2,004
Zinc	*US$/mt*	3,127	3,149	3,222	2.3	13.8	2,831	3,222
Iron Ore	*US$/mt*	105	107	109	1.9	6.9	102	109

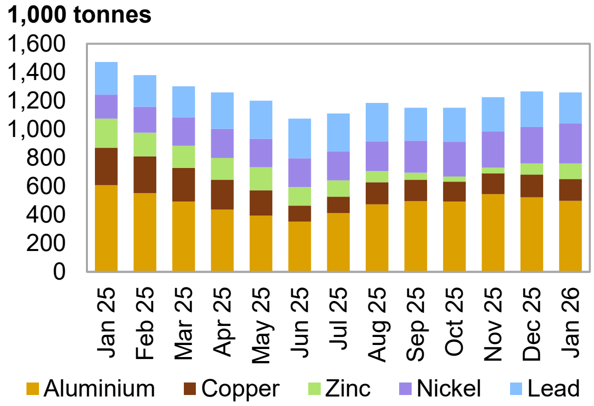
*Note: * World Bank commodity price indices (2010 = 100).*
Sources: LME, Haver Analytics, World Bank and OPEC.

Copper prices rose in January by 10.4%, m-o-m, and were up by 44.3%, y-o-y. At LME warehouses, stocks fell by 4.5%, m-o-m, in January, and they were down 41.2%, y-o-y.

Aluminium prices advanced in January by 9.0%, m-o-m, and were up by 21.7%, y-o-y. LME warehouse stocks decreased over the month by 4.6%, m-o-m, and were down by 18.2%, y-o-y.

Nickel prices increased by 19.3%, m-o-m, in January, and were higher by 15.3%, y-o-y. At LME warehouses, stocks rose by 10.3%, m-o-m, and were higher by 66.1%, y-o-y.

Graph 2 - 3: Inventories at the LME



Sources: LME, Thomson Reuters and OPEC.

Lead prices rose by 2.8%, m-o-m, in January, and were up by 3.7%, y-o-y. At LME warehouses, stocks dropped by 12.3%, m-o-m, and were down by 4.6%, y-o-y.

Zinc prices increased in January by 2.3%, m-o-m, and were up by 13.8%, y-o-y. Stocks increased by 38.2%, m-o-m, at LME warehouses, but were down by 46.8%, y-o-y.

Iron ore prices advanced in January, increasing by 1.9%, m-o-m, and were higher by 6.9%, y-o-y. China's steel industry PMI improved in January but remained below expansionary territory. The benchmark rose to 49.3 in the month, up from 46.3 the previous month, representing a 6.5%, m-o-m, increase.

Precious metals

The precious metals index trended upward for a seventh consecutive month in January. The index rose by 17%, m-o-m, as strong momentum across all select precious metals prices remained, led by silver. The index was up 94.1%, y-o-y.

Table 2 - 3: Precious metal prices

Commodity	Unit	*Monthly average*			*% changes*		*Year-to-date*	
					Jan 26/	Jan 26/		
		Nov 25	Dec 25	Jan 26	Dec 25	Jan 25	2025	2026
Precious metals*	*Index*	**310.2**	**336.1**	**393.3**	**17.0**	**94.1**	**202.6**	**393.3**
Gold	*US$/Oz*	4,087	4,309	4,753	10.3	75.4	2,710	4,753
Silver	*US$/Oz*	50.4	62.3	92.1	47.7	202.7	30.4	92.1
Platinum	*US$/Oz*	1,565	1,893	2,434	28.5	156.4	949	2,434

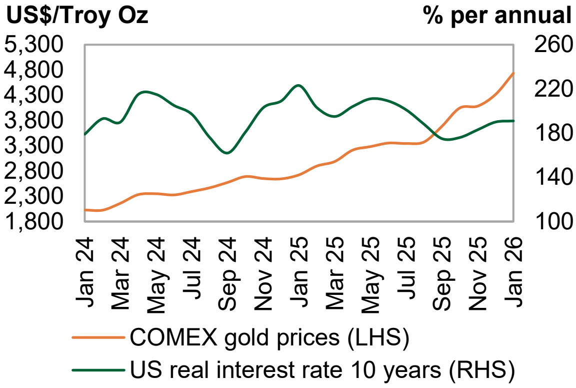
*Note: * World Bank commodity price index (2010 = 100).*

Sources: World Bank and OPEC.

Gold prices rose for a sixth consecutive month, increasing by 10.3%, m-o-m, in January. Higher expectations of potential future US Fed rate cuts – coupled with heightened geopolitical uncertainty – boosted gold's safe haven status. Speculative activity also contributed to the rally, although a slight late-month improvement in the US dollar partially offset bullish sentiment. Prices were up by 75.4%, y-o-y.

Silver and platinum prices rose by 47.7% and 28.5%, m-o-m, respectively, in January. Both metals rallied on the back of positive momentum in precious metals. Higher industrial demand linked to China's tech and energy sectors, which are major consumers of both metals, also contributed to the price rallies. 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 sixth consecutive month in January, increasing by 12.9%, m-o-m. Positive performances by cobalt and lithium continued to support the benchmark over the month. The 'other minerals' price index was up by more than 100%, y-o-y.

Table 2 - 4: Select other minerals prices

Commodity	Unit	*Monthly average*			*% changes*		*Year-to-date*	
					Jan 26/	Jan 26/		
		Nov 25	Dec 25	Jan 26	Dec 25	Jan 25	2025	2026
Other minerals*	*Index*	**57.8**	**62.3**	**70.4**	**12.9**	**112.9**	**33.1**	**70.4**
Cobalt	*US$/mt*	48,206	51,947	55,690	7.2	134.4	23,756	55,690
Graphite	*US$/mt*	413	413	413	0.0	-5.1	435	413
Lithium	*US$/mt*	10,713	11,825	17,769	50.3	87.7	9,465	17,769

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

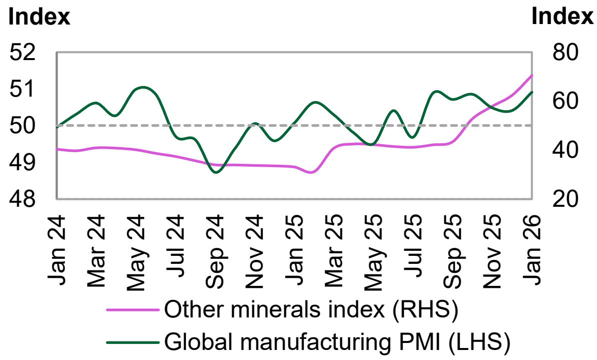
Sources: LME, Haver Analytics and OPEC.

Cobalt prices rose for a fifth consecutive month in January, increasing by 7.2%, m-o-m. Supply constraints from key producing countries remained supportive, though lesser restocking by battery makers limited gains. Prices were up by more than 100%, y-o-y.

Graphite prices were unchanged, m-o-m, with a downward bias due to destocking activities from battery makers. Nonetheless, lower demand was offset by production normalization from key producers. Prices were down by 5.1%, y-o-y.

Lithium prices rose for a third consecutive month in January, increasing by 50.3%, m-o-m. They continued to rally around policy-anchored decarbonization targets amid softer market fundamentals. Prices were up by 87.7%, 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 for a second consecutive month in January by 14.9%, m-o-m. The increase was driven by gains in crude oil and gold, partially offset by declines in natural gas and copper over the same period. Combined net length was down by 68.0%, y-o-y.

Combined OI increased in January by 7.7%, m-o-m, supported by OI gains across all select commodities. It was higher by 6.1%, 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	Jan 26	Jan 26/ Dec 25	Dec 25	Jan 26	Dec 25	Jan 26	Dec 25	% OI	Jan 26	% OI	Jan 26/ Dec 25
Crude oil (WTI)	2,306	2,485	***7.8%***	145	165	139	120	6	0	45	2	***661.7%***
Natural gas (HH)	1,563	1,636	***4.7%***	164	192	229	268	-65	-4	-76	-5	***-16.2%***
Gold	725	820	***13.2%***	149	151	20	20	129	18	130	16	***1.4%***
Copper	281	310	***10.2%***	80	72	8	10	72	25	62	20	***-13.5%***
Total	**4,874**	**5,251**	***7.7%***	**537**	**580**	**396**	**418**	**141**	**39**	**162**	**33**	***14.9%***

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.

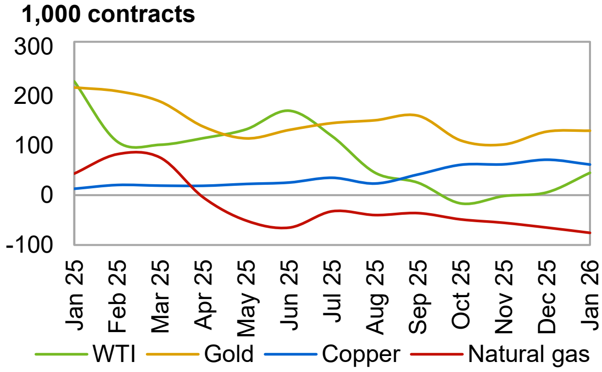
Crude oil's (WTI) OI rose in January by 7.8%, m-o-m. At the same time, money managers' net length sharply increased by about 662%, m-o-m. OI was up by 7.1%, y-o-y, while net length was down by 80.3%, y-o-y.

The natural gas (Henry Hub) OI rose by 4.7%, m-o-m in January. Meanwhile, money managers cut net length by 16.2%, m-o-m. OI was up by 2.0%, y-o-y, while net length was down by more than 100%, y-o-y.

Gold's OI grew in January by 13.2%, m-o-m, and money managers increased net length by 1.4%, m-o-m. OI was up by 5.9%, y-o-y, while net length was down by 40.2%, y-o-y.

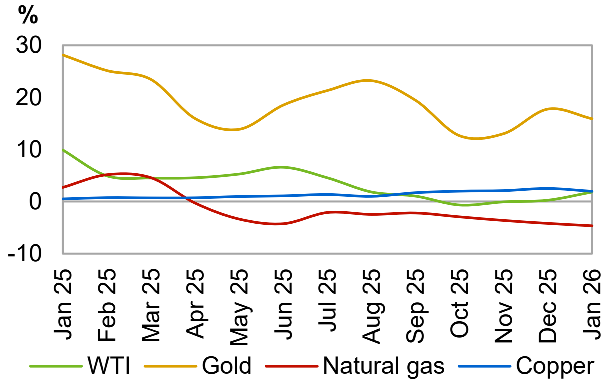
Copper's OI increased in January by 10.2%, m-o-m, while money managers cut net length by 13.5% m-o-m. Both OI and net length were higher by 22.0% and more than 100%, y-o-y, respectively.

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 continued steady growth momentum seen during the end of last year, and the carry-over of its dynamic into 2026, set the global economic growth forecast for a robust 3.1% for 2026 and at 3.2% for 2027. Sound growth in the United States, India, and China is projected to remain a key driver of the global economic expansion in 2026. Combined with steady growth in the Eurozone and Japan, this is expected to provide additional upside to the global outlook. At the same time, Brazil and Russia are also expected to sustain steady growth trends into 2026.

In 1H26, an early-year fiscal boost effect is expected, as the US tax cuts and the reversal of the 4Q25 shutdown-related drag lift growth. Also, stimulus measures are set to gather pace in China, Japan, and Germany, while India is projected to sustain strong growth as fiscal support continues, following the recent announcement of a US–India trade deal. This sound global economic growth dynamic is forecast to accelerate slightly in 2027, supported by normalising inflation, supportive financial conditions and improvements in global trade. A potential de-escalation of geopolitical challenges could provide further upside.

Despite persistent volatility in global trade conditions, several recently concluded trade agreements are expected to provide support to global trade. In particular, the newly announced trade agreement between the United States and India, together with agreements concluded by the EU with the Mercosur economies and India, should underpin a renewed acceleration of global trade growth in 2026 and 2027. Nevertheless, close monitoring is warranted, particularly with respect to the US–Mexico–Canada Agreement, which is scheduled for extension mid-year, and the US–China trade agreement, which is set to expire later this year.

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

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

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

Source: OPEC.

Update on the latest global developments

Despite elevated uncertainty in the first half of the year, the global economy ended 2025 on a relatively sound footing. Growth was supported by resilient consumer demand, easing monetary conditions and supportive fiscal measures in key economies. Trade disruptions were mitigated through trade re-routing and a gradual de-escalation of trade tensions. Global trade largely stabilized and expanded as the US reached agreements with most major trading partners, including most recently India, Taiwan and Argentina. Beyond the US, trade integration also advanced, with agreements reached between the EU and India and between the EU and Mercosur. Fiscal policy remained supportive, notably in the US, Japan and Germany, while India continued robust infrastructure spending.

In OECD economies, the US economy expanded by 4.4%, q-o-q, SAAR, in 3Q25, following an upward revision in the Bureau of Economic Analysis' (BEA) final estimate, accelerating from growth of 3.8% in 2Q25, supported by consumer spending and stronger exports. Eurozone economic growth stood at 1.3%, q-o-q, SAAR, in 4Q25 in Eurostat's initial estimate, up from 1.1% in 3Q25, supported by a return to growth in Germany in 4Q. Japan's economy contracted by 2.3%, q-o-q, SAAR, in 3Q25, down from growth of 2.1% in 2Q25, although growth remained positive on an annual basis.

In non-OECD economies, China achieved its annual growth target of 5%, with growth of 4.5%, y-o-y, in 4Q25, decelerating through the year and down from 4.8%, y-o-y, in 3Q25, while exports remained strong despite trade uncertainty with the US. India's economic growth came in at a robust 8.2%, y-o-y, in 3Q25, up from 7.8%, y-o-y, in 2Q25, supported by strong private consumption and a robust manufacturing sector. Brazil's growth slowed to 1.8%, y-o-y, in 3Q25 from 2.4%, y-o-y, in 2Q25, as private consumption softened amid tight monetary conditions, although agriculture and mining continued to post strong growth. Russia's growth decelerated to 0.6%, y-o-y, in 3Q25, down from 1.1%, y-o-y, in 2Q25, as gross fixed capital formation contracted.

Inflation across major OECD economies continued to ease. In the US, headline inflation stood 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 slowed to 1.7%, y-o-y, in January, falling below the ECB's 2% target, and down from 2.0% in December and 2.2% in November, although services inflation remained elevated. In Japan, inflation declined sharply to 2.1%, y-o-y, in December from 2.9% in November and 3.0% in October.

On monetary policy, the US Federal Reserve (Fed) held interest rates unchanged at its January meeting following three consecutive cuts at the end of 2025. The European Central Bank (ECB) kept rates unchanged at its February meeting, citing continued economic resilience and supportive public spending. The Bank of Japan (BoJ) also held rates unchanged at its January meeting while upgrading its economic outlook.

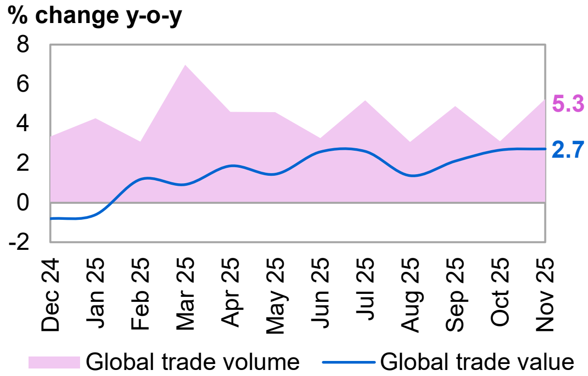
In non-OECD economies, inflation trends remained mixed. In China, CPI rose to 0.8%, y-o-y, in December from 0.7% in November and 0.2% in October, remaining in positive territory following a prolonged period of deflation earlier in the year. In India, inflation edged up to 1.3%, y-o-y, in January from 0.7% in December and 0.3% in October, as food deflation softened following earlier declines driven by lower food prices and the reduction in the Goods and Services Tax (GST). In Brazil, inflation eased to 4.3%, y-o-y, in December from 4.5% in November and 4.7% in October, moving within the upper limit of the target range set by the Banco Central do Brasil (BCB). In Russia, inflation slowed to 5.6%, y-o-y, in December from 6.6% in November and 7.7% in October.

On monetary policy, the People's Bank of China (PBoC) implemented a 25 bp rate cut across central bank facilities, continuing its easing stance. The Reserve Bank of India (RBI) held rates unchanged at its February meeting following a 25 bp cut in December. The BCB kept rates unchanged at its January meeting, while the Central Bank of Russia (CBR) cut interest rates by 50 bp in December, extending its easing cycle.

Global trade continued to expand in both volume and value terms, although momentum remained uneven across recent months. Trade volume growth rose to 5.3%, y-o-y, in November, up from 3.1% in October and 4.9% in September.

In value terms, global trade increased by 2.7%, y-o-y, in November, unchanged from October and up from 2.1% in September. Trade volumes had risen earlier in the year ahead of US tariff implementation and have subsequently normalized.

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 growth after the distortions seen in 2025, having ended the year on solid ground. Major economies are positioned to maintain momentum, supported by resilient consumer spending as easing inflation lifts real wages and policy support for households increases. The services sector is expected to remain a key driver, supported by expanding trade in services, including under new agreements between the EU and India and the EU and Mercosur. Manufacturing activity is also showing signs of recovery and is expected to turn positive in 2026, supported by government measures and increased infrastructure and defence spending.

However, there are still key risks remaining in the global economy. Persistent services inflation in the Eurozone continues to pose a challenge, while the US labour market shows signs of softening, partly offset by strong investment in AI and other technology sectors. In China, deflationary pressures have eased, although the property sector remains fragile. While global trade tensions have largely de-escalated, risks of renewed frictions persist, notably around the renewal of the US–Mexico–Canada Agreement (USMCA) in July and the expiration of the US–China trade truce in October. The baseline assumption remains that negotiated outcomes will be reached in both cases.

Non-OECD economies are expected to remain the primary drivers of global growth, although the Eurozone is likely to outperform earlier expectations alongside continued strength in the US. There, the effects of the OBBBA fiscal package are expected to provide support to consumers and businesses in 2026, alongside sustained investment and more normalized trade patterns, with potential upside to exports. Recent PMI readings point to a possible return to expansion in the manufacturing sector. In the Eurozone, Germany, as the region's largest economy, is showing signs of a return to growth in 2026, which is expected to generate positive spillovers across the region as fiscal spending increases.

Among non-OECD economies, India is expected to maintain solid growth momentum, supported by stronger private consumption following the reduction in the GST and continued government spending, although labour-market pressures persist. China has not yet announced its 2026 growth target, but policy signals continue to point to support for consumption and exports, consistent with steady growth through 2027. Russia's economy is expected to continue normalizing after several years of above-potential growth. In Brazil, easing inflation is expected to support activity, although growth is also moving towards more normalized levels.

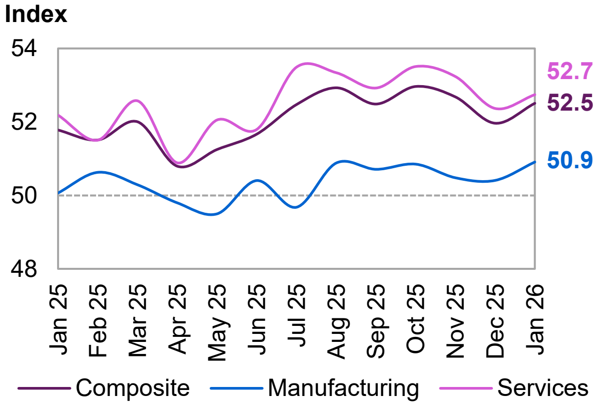
Inflation is expected to continue converging towards target levels across most economies. In the US, inflation remains relatively elevated, although tariff pass-through effects are expected to be largely one-off, allowing inflation to trend lower. In Russia and Brazil, inflation has declined from the elevated levels seen in 2025 following sustained monetary tightening. In China, deflationary pressures are expected to have eased, although the risk of renewed deflation remains.

Global PMIs remained in expansionary territory across both manufacturing and services, with a modest improvement at the start of 2026.

The global Manufacturing PMI rose to 50.9 in January, up from 50.4 in December and 50.5 in November.

The global Services PMI increased to 52.7 in January from 52.4 in December, although remaining below the 53.2 reading recorded in November, continuing to signal expansion.

Graph 3 - 2: Global PMI



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

The continued momentum at the end of 2025, alongside further trade normalization and resilient consumer spending, is expected to sustain global economic growth at 3.1% in 2026, unchanged from the previous month's assessment.

In 2027, further expansion supported by new trade agreements and a recovery in manufacturing is expected to lift global growth to 3.2%, also unchanged from the previous month's assessment.

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

	World
2026	**3.1**
Change from previous month	0.0
2027	**3.2**
Change from previous month	0.0

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

OECD

US

Update on the latest developments

The US economy grew by 4.4% q-o-q, SAAR, in 3Q25, according to the BEA's updated estimate. This followed a 3.8%, q-o-q growth, SAAR, in 2Q25. Growth in 3Q25 was supported by higher investment, exports, government spending, and consumer spending, reinforcing the acceleration from 2Q25, although imports declined less than in 2Q25. Services were the main driver of the increase in the growth trend from 2Q25 to 3Q25, while a notable increase in durable goods manufacturing contributed 0.5 pp to the growth level. Final sales to private domestic purchasers increased by 2.9% q-o-q, SAAR, in 3Q25, revised slightly downward from the previous estimate but remaining robust.

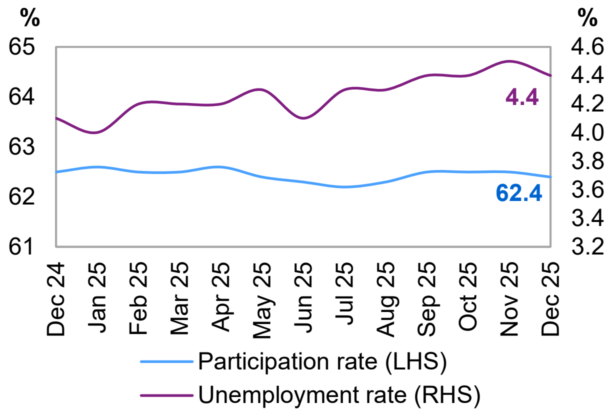
In terms of trade, the US continued to move towards easing trade tensions, with several recent deals pointing in this direction. The US and India reached a trade deal lowering tariffs on Indian goods from 50% to 18%, alongside India stopping purchases of Russian oil and reducing barriers on US goods, although further details have not yet been finalized. In January, the US also reached a trade deal with Taiwan, reducing tariffs on Taiwanese goods to 15% and including $250 billion in Taiwanese investment in the US economy and tech industry. At the same time, some trade tensions resurfaced last month, with the US threatening tariffs on several European countries over the Greenland dispute, although it subsequently retracted. Trade tensions with Canada also re-emerged, as the US threatened 100% tariffs should Canada finalize a trade deal with China. Overall, the trend in the US remains towards easing trade tensions. A four-day partial government shutdown delayed the release of some key economic data, including the January jobs report.

On the consumer side, consumer spending stood at 3.3%, y-o-y, in November, unchanged from October, which was revised down slightly. This marked a further easing from the higher growth rates of 4.1%, y-o-y, in September and 5.0% in August. Consumer confidence weakened sharply at the start of the year, with the Conference Board index falling to 84.5 in January from 94.2 in December and 92.9 in November. The January reading fell below the level seen at the height of the trade tensions in April 2025, whereas the December reading was revised up from an initial estimate of 89.1. Both the present situation and expectations indices contracted sharply in January, reflecting a more negative outlook on the jobs market and household income prospects.

Inflation stood at 2.7%, y-o-y, in December, unchanged from November and lower than the 3.0% recorded in September. No inflation data was released for October due to the government shutdown. Core inflation also remained unchanged at 2.6%, y-o-y, in December compared with November, and was down from 3.0% in September. Food inflation reached 3.1%, y-o-y, in December, up from 2.6% in November and back to its September level. PCE inflation, the Fed's preferred measure, moved up to 2.8%, y-o-y, in November from 2.7% in October, returning to the same level as September.

Nonfarm payroll employment increased by 50,000 in December, following a gain of 56,000 in November, as October labour market data was not published due to the government shutdown. The unemployment rate stood at 4.4% in December, down from 4.5% in November, and the labour force participation rate remained largely unchanged at 62.4%. Average hourly earnings rose by 3.8%, y-o-y, in December, slightly above the pace seen in the previous months. The January data have been delayed due to the partial government shutdown and are expected to be released later this month.

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

At its January meeting, the Fed held the target range for the federal funds rate unchanged at 3.50–3.75%, citing inflation remaining somewhat elevated and signs of stabilization in the labour market. This followed three consecutive 25 bp rate cuts at the final meetings of 2025. While job gains have remained low, the Fed noted that economic activity continued to expand at a solid pace. Two FOMC members voted for a 25 bp cut, signalling greater consensus than in December, when the decision saw three dissents, with two members favouring no cut and one preferring a larger reduction.

The US trade deficit widened to \$56.8 billion in November from \$29.2 billion in October, after narrowing to \$48.1 billion in September, with the sharp October narrowing partly reflecting temporary swings in high-value import categories that reversed the following month. Imports increased to \$348.9 billion in November from \$332.1 billion in October, following \$342.4 billion in September. On a yearly basis, imports contracted by 1.9%, y-o-y, in November, easing from declines of 3.4%, y-o-y, in October, and 3.6%, y-o-y, in September. Exports declined to \$292.1 billion in November from \$302.9 billion in October, after rising to \$294.2 billion in September. On a yearly basis, exports grew by 5.9%, y-o-y, in November, slowing from 12.4%, y-o-y, in October, and 7.5%, y-o-y, in September.

Near-term expectations

The US economy is expected to maintain momentum into 2026 and 2027, supported primarily by resilient consumer spending despite weakening confidence levels. Following solid growth in 3Q25, the Atlanta Fed GDPNow estimate for 4Q25 stands at 4.2%, q-o-q, SAAR, extending the strong growth pattern. However, momentum in 4Q25 is likely to ease slightly due to the federal government shutdown that began in October. This is expected to be partially reversed in 1Q26, as delayed federal spending is deferred to the next quarter. The partial shutdown that began on 31 January is expected to be resolved relatively quickly and to have only a limited economic impact.

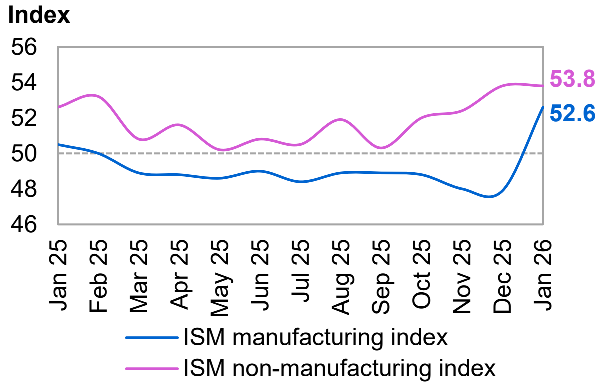
Trade developments are expected to remain broadly supportive, as recent agreements with Taiwan and the announced trade deal with India point towards further easing, even as details with India have not yet been finalized. Earlier US tariff threats against several European countries, followed by a subsequent backing off, briefly re-elevated trade tensions, but expectations remain that the overall direction will continue toward easing. The US still maintains 50% tariffs on Brazil, which are also expected to be resolved by the end of the year. Two sources of uncertainty remain. The first is the scheduled renewal of the USMCA in July 2026, where recurring tensions, particularly between the US and Canada, continue. Despite this, strong business incentives and deep industrial integration continue to point towards a negotiated outcome. The second is the expiration of the one-year trade truce with China in October 2026. Current expectations remain that either an extension or a broader agreement will be reached, avoiding a return to the escalatory tariffs seen in 2025.

Monetary policy is expected to remain on pause through 1H26 before shifting towards easing in 2H26, with one or two rate cuts likely. Recent FOMC statements point to more convergence in views, with the latest meeting showing only two diverging positions compared with three at the December meeting. This suggests a growing consensus around the near-term outlook, even as officials continue to emphasize a cautious, data-dependent approach. The expected transition in the Fed chairmanship in May is not anticipated to materially alter the policy outlook, but it slightly reinforces expectations of a more accommodative stance later in the year.

According to the Institute for Supply Management (ISM), the Manufacturing PMI rose to 52.6 in January from 47.9 in December and 48.2 in November, marking a return to expansion. New orders moved into expansion, while production strengthened further and remained in expansionary territory. Employment remained in contraction despite some improvement. Respondents continued to cite tariff-related uncertainty and rising input costs as key factors shaping the outlook.

In the services sector, the PMI held at 53.8 in January, unchanged from December and up from 52.6 in November, remaining in expansionary territory. Business activity strengthened, while new orders eased but remained in expansion.

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



Sources: Institute for Supply Management and Haver Analytics.

With the solid momentum of 2025 carrying over into 2026 and continued resilience in consumer demand, the US economic growth forecast for 2026 stands at 2.2%, an upward revision from the previous month's assessment.

For 2027, the growth trend is expected to normalize as trade distortions stabilize and consumer spending moderates holding the economic growth forecast at 2.0%, unchanged from the previous month's assessment.

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

	US
2026	**2.2**
Change from previous month	0.1
2027	**2.0**
Change from previous month	0.0

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

Eurozone

Update on the latest developments

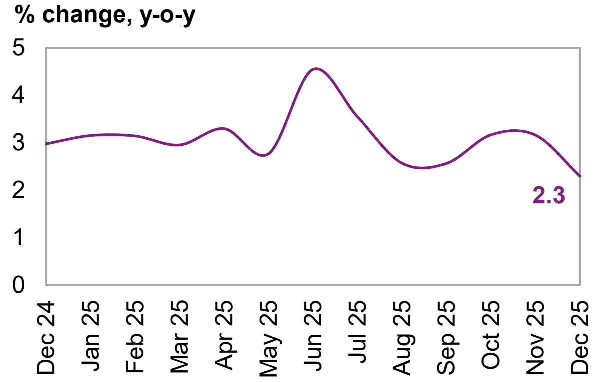
Economic growth in the Eurozone accelerated to 1.3%, q-o-q, SAAR, in 4Q25 in the initial estimate from Eurostat, up from 1.1% in 3Q25 and 0.6% in 2Q25. At the country level, Germany recorded growth of 1.3%, q-o-q, SAAR, in 4Q25 after contracting by 0.1% in 3Q25 and 0.8% in 2Q25, likely supported by the expansion in fiscal spending. France remained in positive territory, growing by 0.7%, q-o-q, SAAR, in 4Q25, however, decelerating from 2.1% in 3Q25 and 1.2% in 2Q25. Spain maintained solid momentum, expanding by 3.1%, q-o-q, SAAR, in 4Q25, up from 2.6% in 3Q25 and 3.0% in 2Q25, supported by broad-based strength in private spending and expansion in both manufacturing and services. Italy also saw an improvement, with growth rising to 1.3%, q-o-q, SAAR, in 4Q25 from 0.7% in 3Q25, following a contraction of 0.1% in 2Q25.

On trade, the EU reached a trade deal with India, which provides for the phased reduction and elimination of tariffs on a large share of goods traded between the two sides, covering around 90% of tariff categories, including industrial products, selected agricultural goods, and consumer items. In the automotive sector, India agreed to reduce tariffs on certain EU vehicle imports from levels of around 100% to approximately 10%. The agreement also includes commitments on services market access, trade facilitation, customs cooperation, regulatory transparency and intellectual property, and is subject to ratification by both parties before entering into force. Before reaching the deal with India, the EU and the Mercosur bloc (Argentina, Brazil, Paraguay, and

Uruguay) signed a comprehensive partnership and interim trade agreement that provides for reciprocal tariff reductions on most goods and opens market access for services and investment under a renewed trade framework. That agreement also includes measures to lower tariff and non-tariff barriers and establish stable trade and cooperation rules once ratified. With the US, several European economies experienced heightened trade tensions in January related to the situation over Greenland, though these threats were subsequently withdrawn. The previously agreed trade arrangement with the US remains in place.

Consumer spending eased in December, with retail sales growing by 2.3%, y-o-y, down from 3.2% in both November and October. Consumer confidence, as measured by the Economic Sentiment Indicator, improved to 99.4 in January, up from 97.2 in December and 97.5 in November, with gains recorded across all subsectors except construction, which remained flat. Industrial production in the Eurozone strengthened in November, rising by 2.6%, y-o-y, up from 1.9% in October and 1.6% in September. In Germany, industrial production continued to expand, increasing by 0.8%, y-o-y, in November, down from 1.1% in October but marking a clear reversal of the contractions in September and August.

Graph 3 - 5: Eurozone retail sales



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

Inflation in the Eurozone eased to 1.7%, y-o-y, in January, down from 2.0% in December and 2.2% in November, falling below the ECB's 2% target. Core inflation declined to 2.2%, y-o-y, in January, from 2.3% in December and 2.4% in November. Services inflation also moderated to 3.2%, y-o-y, in January, down from 3.4% in December and 3.5% in November, but remains elevated. At its February meeting, the ECB held interest rates unchanged and reaffirmed that inflation is expected to stabilize at its 2% target over the medium term. It highlighted continued economic resilience, supported by low unemployment, solid private-sector balance sheets, and public spending, while noting ongoing uncertainty stemming from global trade and geopolitical risks.

Near-term expectations

Economic growth in the Eurozone is expected to remain stable and relatively robust through 2026 and 2027, supported by rising real wages, easing inflation, and a gradual recovery in the industrial base. Reduced trade tensions with the US have coincided with an expansion of trade arrangements beyond the US, including the recently concluded EU–India FTA negotiations and the EU–Mercosur agreement now moving through the signature and ratification processes, which broaden market access for EU products and support industrial competitiveness, although sensitivities remain in the agricultural sector due to concerns over import competition. While the overall trade framework is supportive, the full effects will depend on final ratification and implementation, which may extend into the latter part of the year.

Fiscal expansion is also expected to contribute to growth, particularly in Germany, where the relaxation of the debt rule is expected to support activity in infrastructure, construction, and industry. Elsewhere in the Eurozone, higher defence spending is expected to provide additional support to industrial activity. The regional outlook continues to benefit from strong-performing economies, notably Spain, which has maintained broad-based growth across construction, services and information and communication, and is expected to remain a key contributor to aggregate growth.

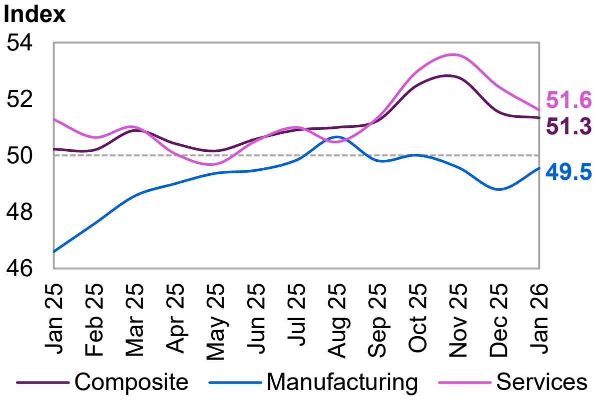
On monetary policy, the ECB is expected to maintain a broadly neutral stance in 2026 as headline inflation falls below target while services inflation remains elevated. The Governing Council has signalled that policy remains well anchored to ensure medium-term inflation control, with inflation expected to stabilize at its 2% target over the medium term, while decisions remain data-dependent amid continued uncertainty.

Eurozone PMI indicators continue to point to an improvement in the manufacturing sector and continued expansion in the services sector despite a slight easing.

The Manufacturing PMI rose modestly to 49.5 in January from 48.8 in December and 49.6 in November, reflecting a slight improvement in output but continued weakness in new orders and employment, particularly across the larger manufacturing economies.

The Services PMI eased to 51.6 in January from 52.4 in December and 53.6 in November, indicating a slower pace of expansion, with softer demand and employment, despite services inflation remaining elevated.

Graph 3 - 6: Eurozone PMIs



Sources: S&P Global and Haver Analytics.

With solid end-of-year growth in 2025 carrying over into 2026, supported by rising real wages and easing inflation, economic growth in the Eurozone in 2026 is projected at 1.2%, unchanged from the previous month's assessment. In 2027, the implementation of EU trade deals and the continued effects of fiscal expansion are expected to sustain growth momentum at 1.2%, also unchanged from the previous month's assessment.

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

	Eurozone
2026	**1.2**
Change from previous month	0.0
2027	**1.2**
Change from previous month	0.0

*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 moderated to 0.8%, q-o-q, SAAR, from 1.0% in the prior quarter, while government consumption increased 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% previously. On the external side, imports declined, but a larger fall in exports resulted in a negative contribution from net trade to 3Q25 growth.

Japan's new government has advanced a ¥21.3 trillion ($135 billion) fiscal package to support households and stimulate growth, including around ¥17.7 trillion ($112 billion) in extra spending and approximately ¥2.7 trillion ($17 billion) in tax cuts, with an extra budget of ¥18.3 trillion ($118 billion) largely funded by new government bond issuance alongside higher revenues. Confirmed measures cover extended energy subsidies, relief on fuel levies, and targeted funding for strategic sectors such as semiconductors and advanced manufacturing. The government dissolved the lower house and called a snap general election on 8 February, seeking a stronger mandate for its economic agenda, including fiscal expansion and cost-of-living measures. This agenda found strong support from the electorate, with the ruling LDP winning a super-majority of more than two-thirds.

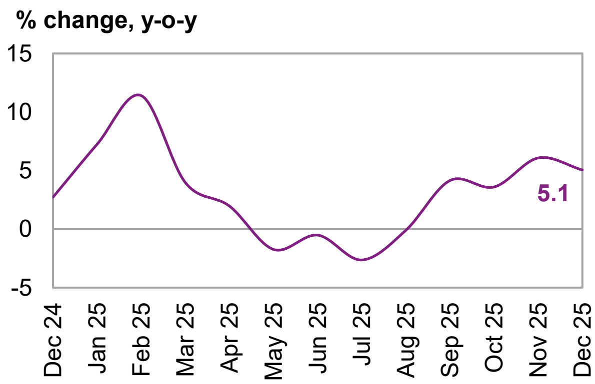
On trade, Japanese exports to the US stood at ¥1.8 trillion ($11.8 billion) in December, unchanged from November. Imports from the US also remained stable at ¥1.1 trillion ($7.2 billion) in December, unchanged from the previous month. Motor vehicle exports to the US contracted by 15.0%, y-o-y, in December, reversing the 7.7% increase recorded in November, which had followed the finalization of the US–Japan trade agreement.

IP expanded by 0.8%, y-o-y, in December, up from 0.5% in November but easing from 1.5% in October. Consumer confidence improved to 37.6 in January, up from 36.8 in December and 36.9 in November, reflecting easing trade tensions and the announcement of new fiscal support measures. Despite firmer sentiment, retail sales remained weak, contracting 7.9%, y-o-y, in December, following declines of 6.1% in November and 5.5% in October.

Inflation fell to 2.1%, y-o-y, in December, down from 2.9% in November and 3.0% in October, moving closer to the BOJ's 2% target. Core inflation remained unchanged at 1.5%, y-o-y, in December, compared with November, and eased slightly from 1.6% in October. The unemployment rate remained unchanged at 2.6% in December, extending its stability for a fifth consecutive month.

At its January meeting, the BOJ kept the policy rate unchanged at 0.75%, reaffirming a data-dependent approach while upgrading its economic growth outlook and signalling confidence in a continued moderate expansion supported by government measures. The BOJ stated that underlying inflation is expected to continue to rise gradually and to reach target levels over the medium term. This decision followed the December meeting, at which the BOJ resumed its tightening cycle with a 25-bp rate increase to 0.5%, after earlier pauses in September and October.

Graph 3 - 7: Japan's exports



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

On a monthly basis, exports rose by 5.1%, y-o-y, in December, following increases of 6.1% in November and 3.6% in October. Imports increased by 5.2%, y-o-y, in December, after rising 1.4% in November and 0.7% in October. The trade balance shifted into deficit at ¥208.6 billion ($1.34 billion) in December, compared with a surplus of ¥8.0 billion ($0.05 billion) in November and a surplus of ¥77.9 billion ($0.51 billion) in October.

Near-term expectations

Economic growth in Japan is expected to remain broadly stable through 2026 and into 2027, remaining close to potential. Stable trade conditions support the outlook, as the agreement with the US is in place, reducing external uncertainty. The manufacturing outlook has also improved modestly, supported by a continued positive trend in industrial production and the manufacturing PMI shifting into expansionary territory in the latest readings. Recent election results are expected to shape the fiscal outlook, with the new government's agenda centred on higher fiscal spending. Campaign commitments on tax relief and increased spending have put pressure on debt dynamics and market sentiment, with a strong ruling majority now likely to facilitate the advancement of the fiscal package.

Private consumption is expected to begin to recover this year following contractionary retail sales in 2025. Lower inflation, rising wages, and improving consumer confidence are expected to support a renewed strengthening in private consumption. In addition, fiscal measures aimed at supporting households, particularly through relief on food and energy costs, are expected to reinforce this trend, alongside the low base carried over from 2025.

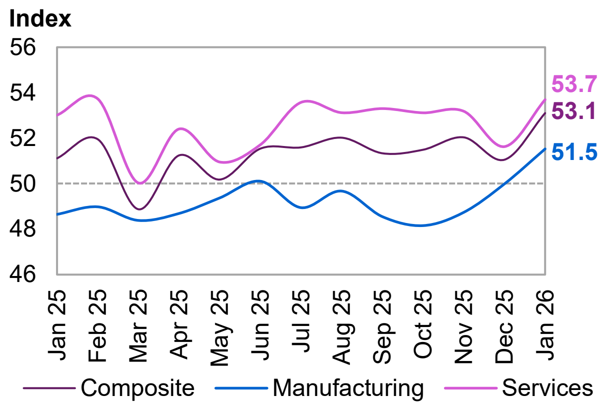
However, monetary policy is expected to remain relatively tight, as inflationary pressures have not been fully resolved. In its latest outlook, the BOJ indicated that tight labour market conditions and continued wage growth are expected to sustain upward pressure on prices, implying that a relatively tight policy stance may need to be maintained for longer. Monetary policy is therefore expected to remain at its current stance at least through 1H26, with scope for easing emerging only in 2H26, should price dynamics permit.

Japan's latest PMI data point to an improving near-term outlook, with continued expansion in the services sector alongside a recovery in manufacturing.

The Services PMI rose to 53.7 in January, from 51.6 in December and 53.2 in November, supported by stronger business activity, improving demand conditions, and continued employment growth.

Manufacturing conditions also improved, with the PMI increasing to 51.5 in January, from 50.0 in December and 48.7 in November, reflecting firmer output and new orders as demand conditions strengthened.

Graph 3 - 8: Japan's PMIs



Sources: S&P Global and Haver Analytics.

With fiscal support and easing inflation offset by continued uncertainty in the export sector and moderate consumer demand, Japan's economic growth forecast for 2026 stands at 0.9%, unchanged from the previous month's assessment.

In 2027, growth is expected to remain steady at 0.9%, supported by a gradual recovery in manufacturing, also unchanged from the previous month's assessment.

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**
Change from previous month	0.0

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

Non-OECD

China

Update on the latest developments

Following the release of 4Q25 economic growth of 4.5%, y-o-y, China's economy was reported to have reached the 5% target in 2025. 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, in addition to strong exports. Most output measures were robust in 2025 and only gradually moderated in 4Q25, with IP remaining at a sound level. External demand showed relative strength, with non-US-bound exports showed a healthy dynamic, as reduced US tariffs supported export orders and shipping activity towards the end of the year.

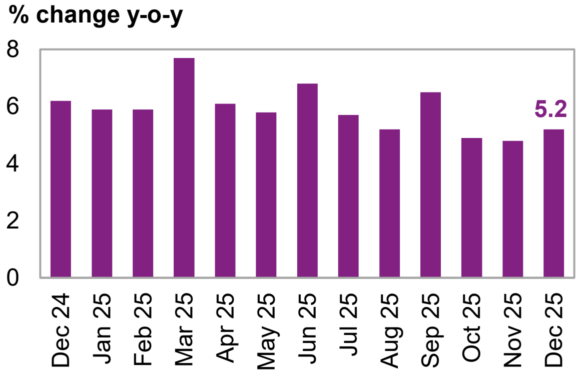
Some indicators point to a slight deceleration in underlying momentum at the start of this year. This is likely driven by base effects, continued subdued domestic demand, slowing investment, and renewed inventory accumulation. However, revised data indicate that household demand in 2H25 was stronger than previously assessed, reflecting modest gains in confidence and incomes and reducing near-term downside risks. The goods trade surplus expanded to a record $1.19 trillion in 2025, exceedingly around 6% of China's nominal GDP in USD. Recent PBOC easing measures have improved liquidity conditions but are unlikely on their own to materially lift growth in 1Q25.

The PBOC has implemented a package of targeted monetary easing measures, including a 25-bp rate reduction across multiple central bank lending facilities and an expansion of relending and rediscount quotas directed at agriculture and small and micro enterprises. The authorities have also indicated that there remains scope for further reductions in benchmark policy rates later in the year, consistent with a strategy of calibrated, incremental easing. This follows a cautious tone at the PBOC's 4Q25 Monetary Policy Committee (MPC) meeting, when it was emphasized that it will continue policy support while carefully calibrating its pace, intensity, and timing.

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 continued to expand at a healthy pace. Industrial output expanded by 5.2%, y-o-y, in December, following 4.8%, y-o-y, in November and 4.9%, y-o-y, in October, all supported by continued momentum in exports.

Graph 3 - 9: China's industrial production



Sources: China National Bureau of Statistics and Haver Analytics.

Retail sales in yuan slowed, growing by 0.9%, y-o-y, in December, after growth of 1.3%, y-o-y, in November, and 2.9%, y-o-y, in October. It remains to be seen what measures the government will undertake to improve the low dynamic in this important domestic area. This was already 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 the subsidy categories and levels to sustain its impact. The new subsidy quotas should support retail sales in 2026.

According to the 70-city price index from Haver Analytics, housing prices weakened further in December, easing by 6.4%, y-o-y, following a decline of 5.8%, y-o-y, in November and 5.1%, y-o-y, in October. 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. However, the property-sector drag is diminishing as construction activity resets to structurally lower levels, reducing risks despite ongoing price declines and financial stress.

The urban unemployment rate was steady in December, standing at a healthy level of 5.1% for the third consecutive month, following 5.2% in September and 5.3% in August. Urban youth unemployment fell to 16.5% in December, after 16.9% in November and 17.3% in October, indicating a continued positive trend.

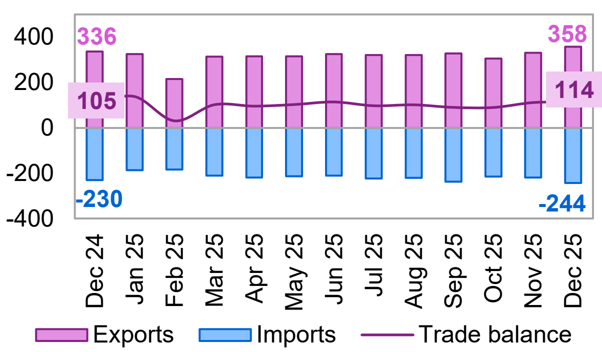
China's most recent trade figures for December complemented a very successful year in external trade for the Chinese economy.

The trade balance rose considerably in December, expanding to $114.1 billion, compared with an already robust level of $111.6 billion in November and compared with an October level of $90.0 billion.

Exports totalled $357.7 billion in December, after $330.2 billion in November and after $305 billion in October.

Imports stood at $243.6 billion in December, following $218.6 billion in November and $215.1 billion in October.

Graph 3 - 10: China's trade balance



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

Near-term expectations

Following the strong economic growth of 5% in 2025, China's economy is expected to maintain a solid growth trajectory in the near-term, with some continued and gradual normalisation in growth levels, considering the maturing of the Chinese economy. Trade conditions will continue to improve, following China's refocusing on non-US export markets in combination with the end of last year's US–China trade agreement, which lowered effective US tariffs on Chinese exports from nearly 40% to below 30%, providing near-term support to activity in 2026. However, some uncertainty remains, given the trade agreement's one-year duration. The approval of the 15th Five-Year Plan (2026–30) at the CCP's 4th Plenum, with numerical targets to follow the March Two Sessions, will be closely watched, and a growth target for 2026 around 4.5% to 5% seems likely. While the property sector is likely to remain in contraction through 2026, its growth drag should continue to fade as its economic impact is reduced. Exports, by contrast, are set to remain a key growth pillar, supported by market diversification, strong manufacturing competitiveness, a supportive exchange rate, keeping export volumes resilient and contributing to a widening current account surplus amid relatively more subdued domestic demand. Although rebalancing toward consumption- and services-led growth is likely to progress, implementation challenges remain in the near term.

Moreover, growth is expected to be supported by fiscal and monetary measures in 2026 and 2027. 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 remain healthy, contingent on further policy easing, particularly fiscal expansion, and on export dynamics. The most recently published framework of the 15th FYP acknowledged the necessity of boosting domestic demand and shifting growth towards local consumption.

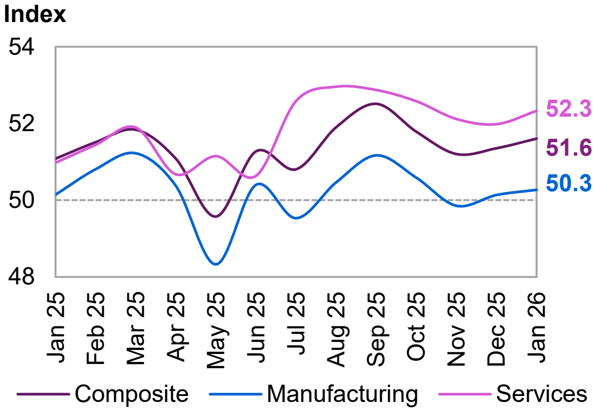
In the meantime, the PBOC continued its support, reducing interest rates on various structural monetary policy tools and providing a broad expansion in both the size and coverage of relending programmes in January. With these measures, credit supply will be supported, though the extent of any acceleration in credit growth will likely depend on complementary demand-side policies. Officials indicated some room for further RRR and policy rate cuts, signalling a shift toward broader monetary easing, compared to previous reluctance to do so. The PBOC also expressed greater comfort with the yuan's strength. Although future decisions will remain data-dependent, further action may not be required if full-year growth remains close to the current economic growth rate of about 4.5%.

The latest PMI data for January indicates steady growth momentum in both the services and manufacturing sectors.

The Manufacturing PMI expanded in January, rising to 50.3, following 50.1 in December and 49.9 in November.

The Services PMI remained broadly stable as well, rising to 52.3 in January, after 52.1 in December and 52.6 in November, signalling continued sectoral expansion.

Graph 3 - 11: China's PMI



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

Following a strong economic performance throughout 2025, China's expansion is forecast to remain healthy. Economic growth in 2026 is expected to remain solid, with the forecast unchanged from last month's assessment at 4.5%.

Looking ahead, ongoing export diversification in combination with an improving situation in domestic consumption will also define the economic growth dynamic in 2027. In addition, ongoing fiscal and monetary support is 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 robust growth at 4.5%, unchanged from last month's assessment.

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**
Change from previous month	0.0

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

India

Update on the latest developments

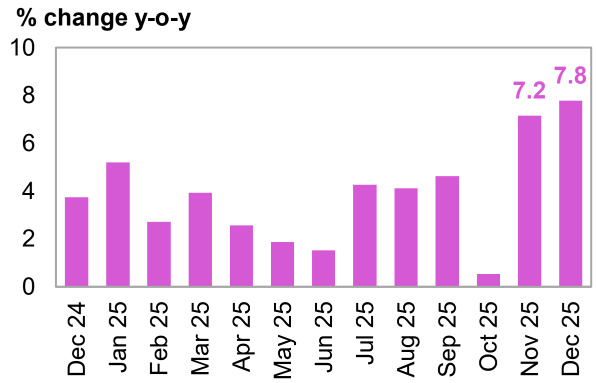
After the strong performance underpinned by resilient domestic demand seen in 2025, a gradual normalization of activity started to materialize towards the end of last year, a dynamic that has continued into 1Q26. Economic growth stood at 8.2%, y-o-y, in 3Q25 and is estimated to have reached 6.3%, y-o-y, in 4Q25. This follows robust growth of 7.4% in 1Q25 and 7.8% in 1Q25. Private consumption has been a considerable driver in 2025, supported by cyclical improvements in labour market conditions and strengthening sentiment. Continued strong capital expenditures by the government bolstered investment, partly offset by less strong government consumption. Another supportive factor was provided by the accommodative monetary policy of India's central bank, amid relatively low inflation in 2025. The central bank cut rates by a total of 125 bp since February 2025, the most aggressive easing cycle since 2019. While the growth momentum is seen to have softened toward the end of 2025, the activity is estimated to have held up well in 1Q26 with household spending remaining supportive and private investment compensating for a deceleration in public spending amid the ongoing fiscal consolidation, targeting a healthy fiscal deficit of slightly more than 4% of GDP. Although 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. External conditions appear to have improved as well, most recently following the announcement of the trade agreement between the US and India. Following the elevated tariffs on a variety of Indian products, exports of non-electronic goods were significantly impacted. Although a trade agreement with the EU was signed recently, it is unlikely to take effect soon and therefore offers limited near-term macroeconomic gains.

India's unemployment rate was unchanged at 6.9% in January from December, after rising from 6.5% in November and easing from 7.5% in October. Urban unemployment rose to 8.3%, compared with 6.8% in December and 6.1% in November. At the same time, the rural unemployment rate fell to 6.0%, compared with 7.0% in December and 6.1% in November.

IP growth continued rebounding markedly in December, expanding by 7.8%, y-o-y, following growth of 7.2%, y-o-y, in November and 0.5%, y-o-y, in October. This volatile pattern 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 1.3%, y-o-y in December, and following 0.7%, y-o-y, in November, and after it had declined considerably in October to 0.3%, y-o-y. The low levels remain largely driven by a continued strong annual decline in vegetable prices and, to some extent, by the GST reform.

Graph 3 - 12: India's industrial production

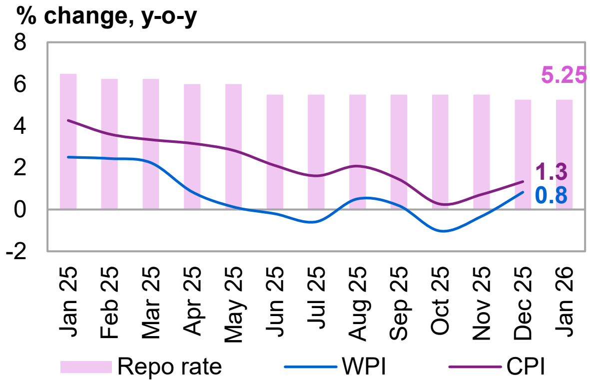


Sources: Ministry of Statistics and Program Implementation of India and Haver Analytics.

Core inflation remained persistent, standing at 4.6%, y-o-y, in December, following 4.3%, y-o-y, in November and October and 4.4%, y-o-y, in September. Core inflation continued to be driven by elevated prices for precious metals, particularly gold and silver, as well as continued strong services inflation.

At its January meeting, the Reserve Bank of India (RBI) kept the policy repo rate at 5.25% and maintained a neutral policy stance. The Monetary Policy Committee (MPC) maintained that the prevailing policy rate remains appropriate, emphasising a continued data-dependent approach as it awaits the revised CPI and GDP series later in February. The RBI's Governor reinforced the accommodative bias at the press conference, suggesting that interest rates are expected to stay low for a prolonged period amid contained inflation and resilient growth. Also, headline inflation continues to stand clearly below the 4% target, but could increase temporarily due to base effects

Graph 3 - 13: Repo rate and inflation in India



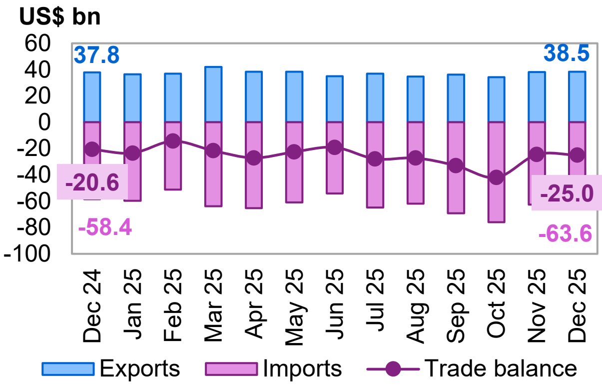
Sources: Ministry of Commerce and Industry, Reserve Bank of India and Haver Analytics.

On trade, India's trade deficit expanded slightly to \$25.0 billion in December, following a deficit of \$24.6 billion in November and \$42.0 billion in October. 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 increased to \$63.6 billion in December, following a level of \$62.7 billion in November and \$76.1 billion in October.

At the same time, exports rose to \$38.5 billion in December, after \$38.1 billion in November and following \$34.1 billion in October.

Graph 3 - 14: India's trade balance



Sources: Ministry of Commerce and Industry and Haver Analytics.

Near-term expectations

India's economy is expected to maintain a solid growth trajectory through 2026 and 2027, underpinned by sound domestic demand, government support, and the availability of accommodative monetary policy. Growth momentum is likely to strengthen over the course of 2026, although it is expected to remain below the exceptionally strong pace recorded in 2025. Private consumption, in particular, is expected to stay resilient, supported by low inflation and an improving cyclical labour market across both rural and urban areas. By contrast, public capital expenditure is expected to moderate as fiscal consolidation continues into the next fiscal year, while the expansion in private investment is likely to proceed gradually. The recent GST rate reform is expected to provide a modest additional lift to growth. Some of the positive effects from the most recent GST reform are already visible in 4Q25 vehicle sales, a sound indicator of urban demand dynamics. Passenger vehicle sales accelerated sharply in 4Q25, rising 18%, y-o-y, while sales of two-wheelers, three-wheelers, and tractors increased by 19%, y-o-y, following only low single-digit growth earlier in the year. Domestic production of consumer durables and non-durables responded to price dynamics with a lag, registering a modest rebound in November after a weak outturn in October. Although some of the positive impact on consumption from lower indirect taxes will likely be partly offset by restrained government spending as the authorities adhere to a fiscal deficit target of likely slightly more than 4% of GDP. The GST rate reductions are also expected to exert a moderate disinflationary effect, lowering headline CPI inflation by up to 0.5 percentage points over the next 12 to 18 months, primarily through lower prices for core goods and essential items—a trend already evident in recent 4Q25 inflation readings. Together with broader fiscal reforms, this disinflationary impulse should support real purchasing power and help sustain strong household spending over the medium term.

Moreover, the most recently announced trade agreement between the US and India provides additional support for the current economic growth forecast. This follows India's signing of trade agreements with other nations, including the UK and the EU. The US announced an immediate reduction in “reciprocal” tariffs on Indian goods imports to 18% from 25%, alongside reports indicating that the additional 25% duty related to India’s Russian oil purchases would be eliminated following India’s agreement to scale back such imports. While no formal documentation has been released by the White House, the Indian Prime Minister’s Office confirmed the tariff reduction to 18%, bringing India’s effective US tariff rate broadly in line with that of other Asian economies (around 15% to 19% percent). At the same time, India committed to further increasing crude oil imports from the US, alongside announced commitments to expand other US purchases further. Relative to the baseline assumption, the lower tariff rate is estimated to potentially provide an incremental support to the economic growth of up to 0.2 percentage points of GDP.

With the recently benign inflationary dynamic and the consequently elevated real interest rates, the RBI has more room for monetary easing, if needed. 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 re-emerge. In general, the RBI has highlighted the data dependency of near-term rate decisions.

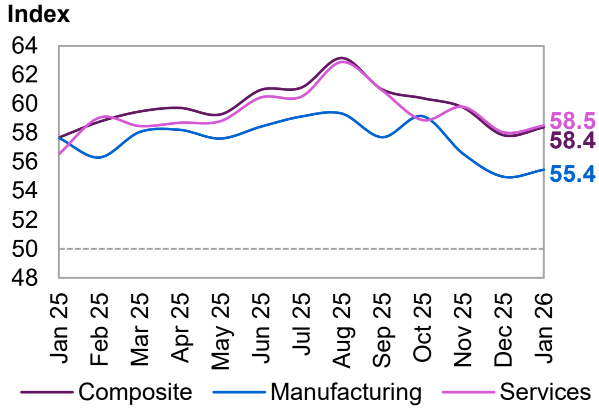
PMI figures for January indicated a continued buoyant economy, with both the manufacturing and services indices expanding.

The Manufacturing PMI rose to 55.4 in January, following 55 in December and 56.6 in November, indicating a sustained expansionary trend.

The Services sector PMI rose to 58.5 in January, accounting for more than two-thirds of the Indian economy, following a healthy level of 58.0 in December and high levels of 59.8 in November.

The Indian economy remains well supported by continued sound domestic demand and ongoing government-led support measures in combination with an accommodative monetary policy, if needed. Trade relations with the US are expected to improve, while those with other trading partners are expected to continue expanding. By considering these dynamics, economic growth for 2026 is forecast at 6.6%, unchanged from the previous month’s assessment.

Graph 3 - 15: India’s PMIs



Sources: S&P Global and Haver Analytics.

With this momentum carrying over into 2027, the Indian economy is expected to maintain its robust expansion. This forecast is supported by prospects for further structural reforms, fiscal and monetary policy support and reasonable inflation levels. As a result, economic growth for 2027 is projected to remain broadly stable, standing at 6.5%, unchanged from the previous month’s assessment.

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

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

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

Brazil

Update on latest developments

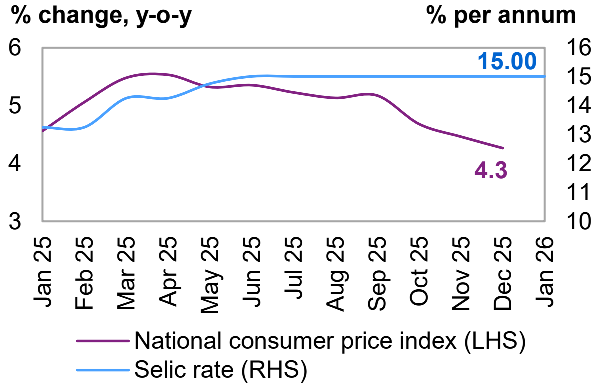
After economic growth in 1H25 was relatively strong, Brazil's economic momentum continued to normalize towards year-end, while remaining on a solid growth trajectory. Although the Brazilian economy decelerated, select indicators indicate continued steady growth in 1Q26, primarily driven by the services sector. The Consumer Confidence Index indicated sound momentum, but retracted slightly in January, standing at 89.9, following an index of 91.8 in December, 91.9 in November, and 90.2 in October. Moreover, the composite business confidence index rose strongly, standing at a healthy 91.8 in January, after 89.0 in December and compared with 88.7 in November, according to the Fundação Getulio Vargas. Following the lowering of US tariffs on key Brazilian imports, including coffee and beef, exports were again well supported, the trade balance improved, and sentiment picked up. Technical negotiations are ongoing, following a meeting between the Brazilian and US presidents that took place at the end of October and a meeting of the foreign ministers in mid-November. Tensions escalated after the US imposed a 50% tariff on Brazilian goods in August 2025; numerous exceptions have since reduced the effective rate to below 30%. The two sides have signalled a mutual desire to normalize trade relations.

While inflation has softened further, the BCB has maintained its tight monetary policy in its latest policy meeting in January. Hence, the BCB maintained the benchmark interest rate, the SELIC rate, at 15.00%, reaffirming its stance at the December 2025 meeting. The January meeting minutes signal a clearer pivot toward the initiation of a rate normalization cycle at the upcoming March meeting, while emphasizing that monetary policy will remain restrictive for a prolonged period, also via ongoing high real interest rates. The pace and extent of easing will be strictly data dependent. The central bank's committee assessed that domestic activity is moderating broadly as expected, with heterogeneous dynamics across sectors, while the labour market remains tight, real income growth continues to outpace productivity, and services inflation remains relatively sticky. Inflation pressures – both headline and core – have shown improvement, and inflation expectations have edged closer to target, providing increased evidence of effective monetary transmission. While the balance of inflation risks is unchanged, near-term uncertainty has diminished, allowing the central bank to deepen discussions on policy calibration and signal the start of easing, albeit conditional on further confirmation that disinflation is continuing and expectations are durably anchored. Mixed signals on growth and price dynamics, alongside persistent labour market strength, reinforce the committee's view that restrictive real rates will be required for an extended period, with future policy decisions guided by incoming data on inflation, services prices, and labour market conditions.

The central bank's assumption is supported by softening headline inflation, standing at 4.3%, y-o-y, in December and following 4.5%, y-o-y, in November 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 December, the same level as in November and in October and following 5.6%, y-o-y, in September. Food and beverage prices have been driving headline inflation down.

The three-month moving average unemployment rate fell again to stand at 5.1% in December, compared with 5.2% in November, 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

Brazil's economic activity is expected to remain supported by steady domestic activity. This resilience shows up in consumer and business confidence and spending patterns, with particular emphasis on the domestically oriented services sector. 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. Additional support should come from the recently approved income tax reform. The reform introduces important changes to individual income taxation, with the aim of expanding the exemption range and reducing the tax burden on low- and middle-income taxpayers. At the same time, it introduces a minimum tax for higher incomes, especially on profits and dividends that are currently not taxed.

The fiscal expansion is anticipated to be limited in the near term. Possibly more government support is expected in 2026 ahead of the presidential election later in the year, but given that some fiscal measures are already at or above target, government spending in 2027 may be increasingly constrained. While public debt remains sustainable under current assumptions, the absence of a credible medium-term consolidation strategy raises concerns, with debt projected to peak materially above official baselines and any reversal of expenditure restraint posing risks to medium-term growth prospects.

External conditions have turned more favourable most recently. The latest lowering of US tariffs affected Brazilian exports positively and likely supported foreign direct investments. This, in turn, had a positive impact on Brazilian asset prices and the Brazilian real. Brazil's trade surplus has improved, and exports are forecast to continue playing a supportive role for growth in 2026 and 2027. Last year's introduction of 50% US tariffs on Brazilian imports has had only a modest dampening effect on the economy so far, and after the US lowered tariffs on coffee, beef and other major Brazilian export goods in late 2025, the recent bilateral discussions suggest that additional exemptions or a phased rollback could follow. This is improving export prospects, strengthening investor confidence and supporting Brazil's growth outlook into 2026. Moreover, the recent prospect of finding common ground between the Mercosur economies and the EU on a trade agreement may also enhance external trade potential.

Fiscal conditions pose a more potential drag on near-term growth as Brazil's fiscal position remains structurally weak, despite a modest headline improvement at the margin, with the consolidated public sector posting a small surplus in December but still recording a 12-month rolling primary deficit of 0.43% of GDP and a large overall deficit of 8.3% of GDP. Gross general government debt rose to 78.7% of GDP at the end of 2025, corresponding to 93.4% under the IMF definition, and it continues on an upward trajectory, underscoring adverse debt dynamics amid a pro-cyclical fiscal stance and a weak fiscal anchor. Primary balances are likely to remain negative and debt ratios to continue increasing, while placing debt on a sustained downward path would require structurally high primary surpluses – above 2% of GDP – which currently seems challenging to achieve. However, the so-far pro-cyclical fiscal stance has contributed to the economy's growth dynamics, but these may be constrained in 2026 and beyond. 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 December and is expected to continue to soften, albeit with the thus-far contributing factor of rising services inflation, driven by higher real wages, remaining a concern. Labour markets have further tightened most recently. In considering this situation, monetary policy is projected to remain cautious, with the central bank holding rates up to at least March, and is then anticipated to start a gradual easing cycle, reflecting inflation that has returned towards target, but remains persistent due to strong wage dynamics and renewed food price pressures.

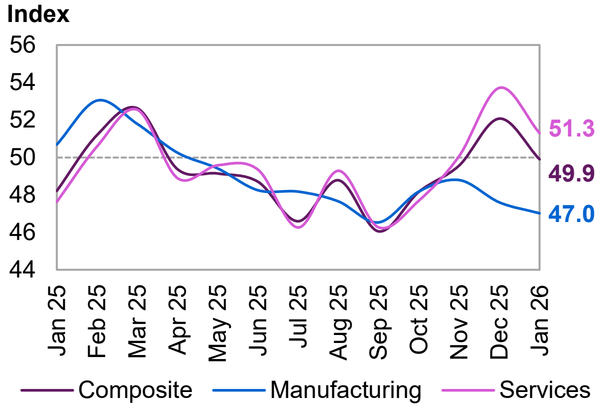
The January PMI indices reflect a continued deceleration. While the services sector remains in expansionary territory, the situation in manufacturing remains challenging.

The Services PMI remains in a month-long upward trajectory, albeit it retracted in January to stand at 51.3. This comes after it had increased considerably in December, rising by 3.6 index points and standing at a healthy 53.7, following a rebound to 50.1 in November, after an index level of 47.7 was recorded in October.

However, the Manufacturing PMI retracted further to stand at 47.0 in January, following 47.6 in December, 48.8 in November and 48.2 in October.

Taking into account steady growth in 1H26, some acceleration in 2H26, and ongoing fiscal constraints, the 2026 economic growth forecast remains unchanged at 2%.

Graph 3 - 17: Brazil's PMIs



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

Looking ahead to 2027, economic growth is expected to continue expanding, supported by monetary easing and continued robust domestic activity. However, 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%, unchanged from the previous month's assessment.

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

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

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

Russia

Update on the latest developments

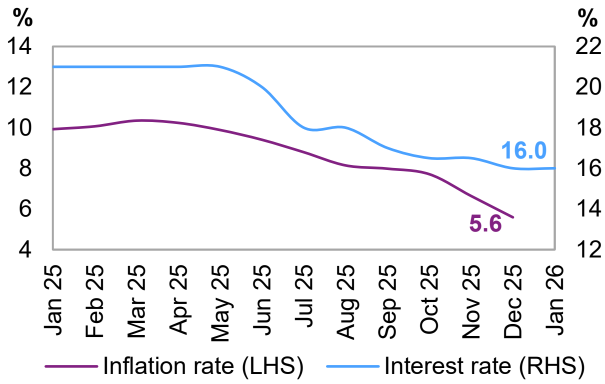
Russia's economy seems to have continued its normalisation in economic growth towards the end of last year, and with a consequent carryover of this dynamic into 2026. Following 1H25 growth of around 1.2%, y-o-y, Russia's economic growth dynamic stood at 0.6%, y-o-y, in 3Q25 and is estimated to have reached a level of around 1% in 4Q25. The combination of continued external pressures on the economy and persistent tight monetary policies currently limits the expansionary momentum. Although domestic demand has continued at healthy levels, the dynamic was not able to compensate for fiscal constraints and a retraction in the trade balance towards the end of last year. Continued constraints in government expenditures seem to have limited the growth momentum since the start of the year, and challenges in external trade have continued as well. Inflation dynamics have improved, with headline CPI decelerating sharply in December, although the January VAT increase and higher regulated tariffs are expected to trigger a temporary inflation spike in 1H26

As inflation has slowed further towards the end of 2025, the Russian central bank lowered the key policy rate in December. With this latest move, the CBR has reduced its policy rate by a total of 4 pp in 2025, helping to offset some of the slowdown while taking advantage of easing consumer inflation. However, the central bank has indicated a data-dependent stance and may therefore pause the pace of monetary easing, also considering the VAT increase in January. The labour market remains 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.

Headline inflation eased further in December to stand at 5.6%, y-o-y, in December, following a level of 6.6% in November and 7.7% in October. Core inflation also moderated considerably to stand at 5.4%, y-o-y, after 6.1%, y-o-y in November and 6.9% in October. However, inflation expectations rose recently amid the increase in VAT, minimum wage increases in January, and the risk of ruble weakness following the rise in external pressures.

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.

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.

After the rebound in October, IP declined by 0.5%, y-o-y, in November, following a rise of 3.3%, y-o-y, in October, 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 continued to grow at a high rate in recent months. Wages expanded by 14.3%, y-o-y, in October, after growth of 13.1%, y-o-y, in September and 12.2%, y-o-y, in August.

Near-term expectations

Following moderate growth in 2025, estimated at 1.1%, and following very strong growth of more than 4% in the preceding two years, Russia's economy is expected to experience a modest rebound in 2026 and 2027. This is anticipated to be further supported by a continued accommodative monetary policy, possibly already in 1Q26. However, 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. Considering the ongoing challenges, the government will also likely need to revise its 2026 budget deficit target of 1.3% of GDP upward. Declining hydrocarbon revenues and slowing activity are also constraining growth in non-hydrocarbon revenues.

In the near term, economic activity is expected to be supported primarily by household consumption and to some extent by 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.

Amid persistent fiscal pressures, the government has unveiled revised budget proposals. Nominal spending is expected to increase by 4.3% in 2026, while revenues are forecast to rise by roughly 10%, driven by new tax measures and cautious economic assumptions. The draft budget is built on projected GDP growth of 1.3% and an average Urals crude price of USD 59 per barrel. Further income may come from reducing the VAT registration threshold for small and medium-sized enterprises from RUB 60 million to RUB 10 million and higher excise taxes on tobacco, among other measures. In addition, the VAT rate was set to climb from 20% to 22% in January. These measures are also designed to offset weaker hydrocarbon revenues resulting from lower commodity export income. Despite these headwinds, Russia's commodity exports have remained relatively resilient, providing some support to overall economic activity.

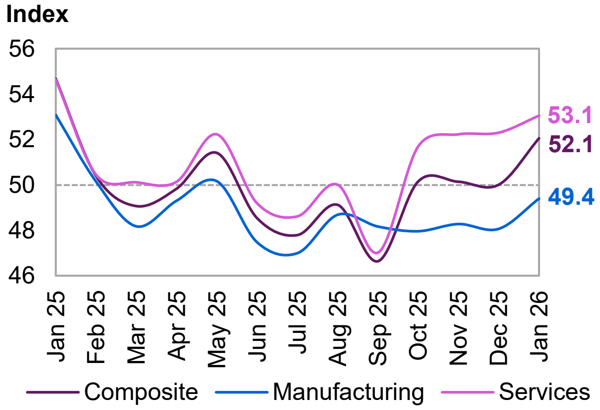
Consumer price inflation is expected to continue moderating, although renewed upside risks could materialise in 2026 should a weakening current account put additional depreciation pressure on the ruble, which could be driven by a contraction in exports. Somewhat softening domestic demand should increasingly weigh on price dynamics, with headline inflation projected to fall below 5% by 2H26. Against this backdrop of slowing inflation, but persistent macroeconomic challenges, the central bank may still proceed with a further 50 bp policy rate cut in February, supported by easing inflation pressures and a relatively stable ruble amid a weakening growth outlook.

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

The Manufacturing PMI rose slightly, standing at 49.4 in January, compared with 48.1 in December and 48.3 in November.

The Services sector PMI rebounded as well, standing at 53.1 in January, after 52.3 in December and following a rise in November to 52.2, pointing to a further rebound from low activity levels in 2025.

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 remains at 1.3%, unchanged from the previous month's assessment.

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

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

	Russia
2026	**1.3**
Change from previous month	0.0
2027	**1.5**
Change from previous month	0.0

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

Africa

South Africa

Update on the latest developments

South Africa's economy continues to rebound from low levels of activity in 2025, further affected by US tariff challenges. In the meantime, domestic demand has picked up gradually, and precious metal exports have also benefited from the recent rise in prices in global markets. South Africa's economy has already started accelerating in 3Q25, when growth stood at 2.1%, y-o-y, up from 0.9% in 2Q25, marking the fastest pace of growth since 3Q22. 4Q25 economic growth is estimated at around 2%. The acceleration points to a broad-based recovery after an extended phase of softer growth, underpinned by improved performance across several key sectors of the South African economy. This development signals broad-based improvements in underlying momentum, as gradually easing supply-side constraints – particularly in energy and logistics – and better demand conditions begin to support higher levels of production. Also, despite the introduction of elevated US tariffs on South African imports into the US, the South African economy demonstrated notable economic resilience last year.

Inflation remains broadly supportive of the recovery. Annual headline inflation rose modestly by 3.6%, y-o-y, in December, following 3.5% in November and 3.6% in October. Similarly, core inflation was almost stable as well, standing at 3.3%, y-o-y, in December, following 3.2%, y-o-y, in November, and 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. The South African Central Bank (SARB) kept its policy rate unchanged at 6.75% in a split 4-2 decision in its latest January meeting, in line with expectations. The SARB's Inflation forecast revisions were dovish, although the statement noted upside risks to its GDP forecasts.

Near-term expectations

South Africa's near-term growth outlook is expected to remain broadly stable, with domestic demand continuing to support economic activity. Rising household confidence is emerging as an important support for South Africa's growth outlook. Consumer sentiment improved into late 2025, with broad-based gains across confidence measures, reflecting better household finances, a more favourable interest rate environment, and improved affordability of durable goods amid a firmer exchange rate. While confidence levels remain below historical norms, the upward trend points to strengthening consumption dynamics, reinforcing the role of domestic demand as a stabilizing force for growth heading into 2026.

Moreover, mining provided a boost in 2H25 and 1Q26, supported by higher precious metal prices, which lifted revenues but largely reflected price effects rather than sustained volume growth. In addition, manufacturing rebounded after it remained under pressure for most of 2025. The headline PMI rose by 2.3 index points to stand at 50 in January, following 47.7 in December.

Monetary conditions are set to remain broadly accommodative, supported by subdued headlines and core inflation, a firmer rand, and lower imported inflation. Inflation is projected to average below 4% in 2026, marginally above the SARB's newly established 3.0% target, with a one-percentage-point tolerance. This should continue to underpin household consumption and ease financing conditions for businesses. However, any further rate cuts are likely to be measured and data-dependent, reflecting the SARB's conservative approach amid persistent global uncertainty and unresolved domestic policy risks. Fiscal space remains tightly constrained by elevated debt-servicing costs and limited borrowing capacity, constraining 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. 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 strengthening domestic environment and ongoing external pressures, improvements in activity have yet to become fully entrenched. However, the better economic dynamic in 2H25 and at the beginning of the year supports a slight upward revision to 1.5%, compared with a previous month's forecast of 1.4%

Similarly, the 2027 growth forecast is revised slightly higher to 1.6%, y-o-y, following the previous month's forecast of 1.4%.

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

	South Africa
2026	**1.5**
Change from previous month	0.1
2027	**1.6**
Change from previous month	0.2

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

Saudi Arabia

Economic activity in Saudi Arabia is forecast to expand at a solid pace in 2026, underpinned by ongoing robust momentum in the non-oil sector and resilient domestic demand. Private consumption is anticipated to remain robust on the back of a strong labour market, whereas investment growth will continue to reflect diversification-related projects. Fiscal pressures are expected to remain well contained. Saudi Arabia's economy recorded robust momentum towards the end of 2025. Economic growth in 4Q25 stood at 4.9%, y-o-y, on a non-seasonally adjusted rate, following already high growth of 4.8% in 3Q25, leading the annual growth rate to a level of 4.5%. Although slightly retracting, the PMI index for December stood at a healthy 56.3 in January, following a level of 57.4 in December, remaining firmly in expansionary territory. This points to continued resilient domestic demand and ongoing investment, with services, construction, and consumer-facing industries remaining key drivers. Overall, non-oil activity is expected to remain a key driver of growth, with real non-oil GDP growth projected to strengthen further over the medium term. At the same time, inflation remained low at 2.1%, y-o-y, a slight appreciation from 1.9%, y-o-y, in November, supporting real household incomes and maintaining favourable financing conditions. With this momentum remaining sustained, the non-oil share of total exports is likely to increase further as well. Taken together, these factors suggest that non-oil activity is well positioned to provide a stable and resilient growth base into 2026 and 2027, underpinned by improving business confidence, stable credit conditions, and a more diversified economic structure.

Nigeria

Nigeria's economy is forecast to maintain a robust growth trajectory this year with easing inflationary pressures, improved exchange rate stability, and a potentially gradual shift toward monetary easing supporting non-oil activity. This comes after already robust growth in 2025, when the economy expanded by around estimated 4.1%, a healthy and robust growth level, supported by strengthening non-oil activity. Headline inflation has continued its downward trend, reflecting improved conditions in the foreign exchange market and the lagged effects of previous policy tightening, although the timing and magnitude of base effects present some risk to this trajectory. Nigeria's external balances remained relatively resilient, supported by declining refined petroleum imports and an enhanced role for the exchange rate as a shock absorber. Inflation continued to decelerate in December, with headline CPI falling for nine straight months to 15.2%, y-o-y, following 17.3% in November and 19% in October. Despite this sustained disinflation, the Central Bank of Nigeria kept its policy rate unchanged at 27% in its last meeting, citing its commitment to securing low and stable inflation. 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. Consequently, the Stanbic IBTC Bank Nigeria PMI retracted to move below the expansionary level of 50 in January, standing at 49.8, following 53.5 in December, 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.

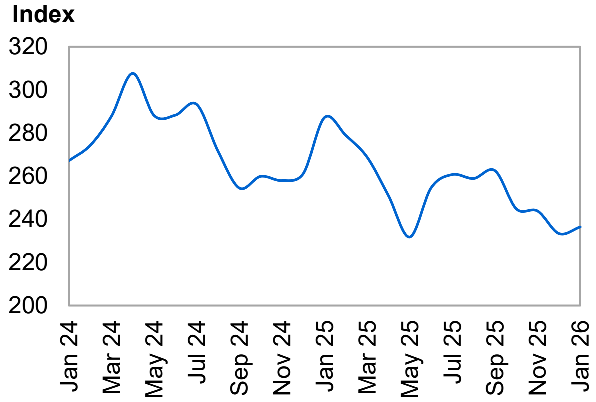
United Arab Emirates (UAE)

The UAE's near-term growth outlook is well supported by robust non-oil sector activity, while the hydrocarbon sector is relatively more restrained. The strong dynamic was reflected in improved business sentiment, with the PMI rising to 54.9 in January, following 54.2 in December. 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. Inflation remains uneven across emirates, with Dubai experiencing persistent price pressures at around 3%, y-o-y, driven by transportation and housing amid rapid population growth, while softer inflation elsewhere is expected to keep national headline inflation contained at approximately 1.8% this year. The resilience demonstrated by the non-oil private sector reinforces expectations that the economy will continue to deliver a stable performance in 2026. Upside risks to the economic activity come from the financial, real estate, and construction sectors, which could support an acceleration of non-oil activity and lift overall GDP growth further, following an estimated 2025 expansion of more than 4%.

The impact of the USD and inflation on oil prices

The US dollar (USD) index declined for a second consecutive month in January, falling by 0.3%, m-o-m. The currency saw some safe-haven support earlier in the month amid heightened geopolitical developments. However, the upward momentum faded under pressure from softer macroeconomic indicators. The currency was further pressured by elevated expectations that the US Federal Reserve will pivot toward monetary policy easing amid softer inflation data. Compared with the same period last year, the index was down by 9.5%, y-o-y.

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



Sources: IMF and OPEC.

In select developed-market currencies, the USD rose 0.5%, m-o-m, against the yen in January. However, it declined against the euro and the pound by 0.3% and 1.1%, m-o-m, respectively. Compared with the same period last year, the USD was higher against the yen by 0.2%, y-o-y, but lower against the euro and pound by 11.8% and 8.7%, y-o-y, respectively.

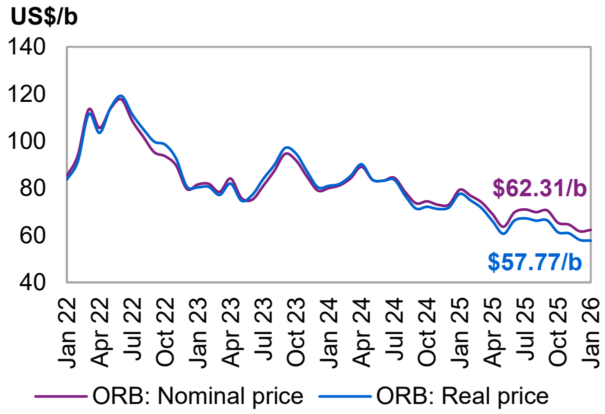
In terms of select emerging markets' currencies, in January, the USD rose against the rupee by 0.8%, m-o-m; however, it declined against the yuan and real by 1.1% and 2.0%, m-o-m, respectively. Compared with the same period last year, the USD was higher against the rupee by 5.3%, y-o-y. However, it was lower against the yuan and the real by 4.6% and 11.2%, y-o-y.

The differential between nominal and real ORB prices widened in January. Inflation (nominal price minus real price) was down by 24.4%, m-o-m.

In nominal terms, accounting for inflation, the ORB price declined by 1.8%, m-o-m, in January and was down by 10.6%, y-o-y.

In real terms (excluding inflation), the ORB declined by 0.5%, m-o-m, in January, and was down by 25.6%, y-o-y.

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



Source: OPEC.

World Oil Demand

The global oil demand growth forecast for 2026 remains 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, 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 and China. 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.

In terms of products, gasoline and jet/kerosene are forecast to contribute significantly to world oil demand growth in 2026. Diesel demand is also forecast to demonstrate y-o-y growth. Regarding petrochemical feedstock, the demand for NGLs/LPG is anticipated to lead y-o-y growth, with naphtha projected to also increase, y-o-y. Demand for the 'other products' category is also projected to grow, y-o-y, while demand for residual fuels is expected to weaken slightly, y-o-y.

Global oil demand growth in 2027 is forecast to grow by a healthy 1.3 mb/d, y-o-y, unchanged from the previous month's assessment. The OECD is expected to grow by 0.1 mb/d, y-o-y, with OECD Americas expected to drive 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	25.39	25.03	25.30	26.00	25.71	25.51	0.12
of which US	*20.81*	*20.45*	*20.74*	*21.36*	*21.11*	*20.92*	*0.11*
Europe	13.43	12.93	13.67	13.80	13.50	13.47	0.04
Asia Pacific	7.09	7.32	6.77	6.87	7.34	7.07	-0.01
Total OECD	**45.91**	**45.27**	**45.73**	**46.67**	**46.55**	**46.06**	**0.15**
China	16.88	17.00	16.70	17.30	17.29	17.07	0.20
India	5.65	5.89	5.92	5.57	6.10	5.87	0.22
Other Asia	9.82	10.05	10.42	9.98	9.91	10.09	0.27
Latin America	6.90	6.92	7.04	7.09	7.04	7.02	0.13
Middle East	8.93	8.96	8.91	9.29	9.20	9.09	0.16
Africa	4.88	5.08	4.80	4.97	5.31	5.04	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	**59.22**	**60.31**	**59.84**	**60.34**	**61.33**	**60.46**	**1.23**
Total World	**105.13**	**105.58**	**105.57**	**107.01**	**107.88**	**106.52**	**1.38**

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

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

World oil demand	2026	1Q27	2Q27	3Q27	4Q27	2027	*Change 2027/26*
Americas	25.51	25.10	25.37	26.11	25.80	25.60	0.09
of which US	*20.92*	*20.53*	*20.81*	*21.46*	*21.18*	*21.00*	*0.08*
Europe	13.47	12.95	13.71	13.84	13.53	13.51	0.04
Asia Pacific	7.07	7.30	6.75	6.85	7.32	7.06	-0.02
Total OECD	**46.06**	**45.35**	**45.83**	**46.81**	**46.66**	**46.16**	**0.11**
China	17.07	17.16	16.86	17.53	17.53	17.27	0.20
India	5.87	6.11	6.13	5.79	6.33	6.09	0.22
Other Asia	10.09	10.32	10.68	10.24	10.19	10.36	0.27
Latin America	7.02	7.06	7.19	7.21	7.16	7.16	0.14
Middle East	9.09	9.12	9.03	9.49	9.36	9.25	0.16
Africa	5.04	5.24	4.95	5.15	5.47	5.20	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	**60.46**	**61.52**	**60.98**	**61.64**	**62.61**	**61.69**	**1.24**
Total World	**106.52**	**106.88**	**106.81**	**108.45**	**109.27**	**107.86**	**1.34**

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

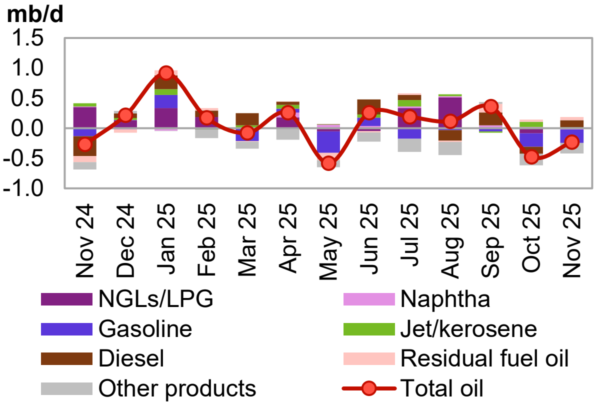
OECD

OECD Americas

Update on the latest developments

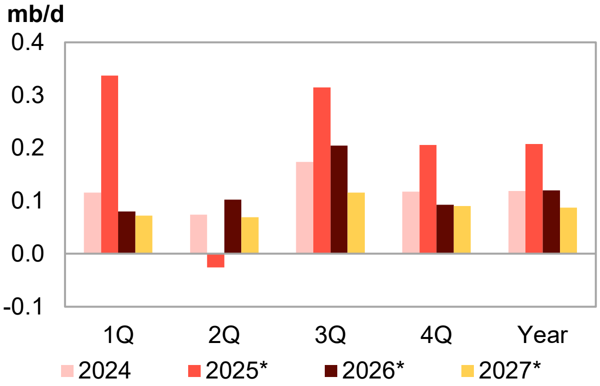
Oil demand in the OECD Americas in November contracted by 235 tb/d, an improvement compared with a decline of 479 tb/d, y-o-y, in October. A large decrease in gasoline demand of 227 tb/d, y-o-y, combined with a decline of 174tb/d, y-o-y, in the ´other products´ category, more than offset observed y-o-y increases in diesel and residual fuel demand.

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



Sources: IEA, JODI, OPEC and national sources.

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



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

US

In November, US oil demand declined by 140 tb/d, y-o-y, albeit an improvement from the y-o-y decline of 403 tb/d seen the previous month. The largest y-o-y decline was seen for gasoline and 'other products' demand.

Regarding specific products, the 'other products' category saw the largest y-o-y decline of 165 tb/d, down from a y-o-y decline of 140 tb/d seen in October. With regard to petrochemical feedstock demand, while NGLs/LPG inched up by 5 tb/d, y-o-y, naphtha demand was broadly flat, y-o-y.

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

US oil demand By product	Nov 24	Nov 25	Change Nov 25/Nov 24
NGLs/LPG	3.95	3.95	0.00
Naphtha	0.15	0.15	0.00
Gasoline	8.83	8.68	-0.15
Jet/kerosene	1.68	1.69	0.01
Diesel	3.68	3.80	0.12
Fuel oil	0.31	0.35	0.05
Other products	2.06	1.90	-0.17
Total	**20.66**	**20.52**	**-0.14**

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

Sources: EIA and OPEC.

In terms of transportation fuels, diesel demand saw the largest increase of 116 tb/d, y-o-y. Jet/kerosene demand inched up by 10 tb/d, however, this is below the increase of 74 tb/d, y-o-y, seen a month earlier. However, gasoline demand contracted, y-o-y, by 152 tb/d, though this was an improvement from a y-o-y decline of 182 tb/d seen the previous month.

Meanwhile, demand for residual fuel increased by 47 tb/d, y-o-y, up from a decline of 6 tb/d, y-o-y, in October.

Near-term expectations

In 1Q26, economic activity in the region is expected to remain stable. Meanwhile, an extremely cold winter is expected to boost heating fuel demand. 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 US is forecast to grow by about 30 tb/d, y-o-y, in 1Q26, and in the OECD Americas region, oil demand is projected to increase by 80 tb/d, y-o-y, in 1Q26.

For 2026, the US economy is expected to maintain steady growth, driven by resilient consumer spending, supported by potential tax adjustments that are expected to lead to higher consumer income, combined with potential monetary easing. The easing of trade tensions following major agreements, including a one-year truce with China, is also expected to underpin growth in 2026. Similarly, within the OECD Americas region, both Canada's and Mexico's GDPs are expected to improve from 2025. Furthermore, the upcoming FIFA World Cup, to be hosted by the US and Mexico in June, is expected to boost business travel amid stable economic activity in OECD Americas. Oil demand in the region is forecast to grow by about 120 tb/d, y-o-y, to average 25.5 mb/d, while oil demand in the US is forecast to grow by about 110 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 show a healthy y-o-y 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 show healthy growth, 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.

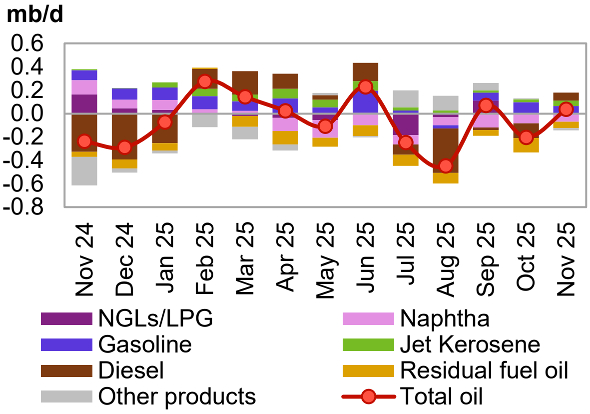
In 2027, economic activity in the US is projected to remain healthy. With this, oil demand in the OECD Americas is expected to increase by about 90 tb/d, y-o-y, to average 25.6 mb/d. The US is forecast to drive regional oil demand growth with an increase of about 80 tb/d, y-o-y, to average 21.0 mb/d.

OECD Europe

Update on the latest developments

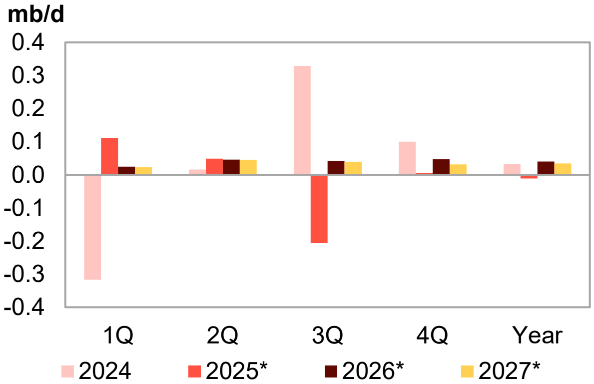
Oil demand in OECD Europe in November saw a marginal uptick of 5 tb/d, y-o-y. Increases in Germany, Spain and the UK combined to offset y-o-y declines in France and Italy.

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, transportation fuels led the y-o-y demand increase, with gasoline showing the largest increase of 65 tb/d, y-o-y, though this is slightly below the growth of 92 tb/d, y-o-y, seen the previous month. The y-o-y increase in gasoline demand came largely from the UK and Germany. Demand for jet/kerosene increased by 46 tb/d, y-o-y, up from the growth of 26 tb/d, y-o-y, seen a month earlier. Meanwhile, demand for diesel inched up by 10 tb/d, y-o-y, from a decline of 126 tb/d, y-o-y, in October. Demand for the 'other products' category saw an uptick of 12 tb/d, y-o-y, slightly above an increase of 7 tb/d, y-o-y, observed the previous month.

In terms of petrochemical feedstock demand, while NGLs/LPG saw a minor drop of 4 tb/d, y-o-y, naphtha demand eased by 65 tb/d, y-o-y, in November. Naphtha demand in the region has been in decline since April 2025, due to weak manufacturing and petrochemical sector activity. Residual fuel demand saw a decline of 57 tb/d, y-o-y, though this was an improvement from a decline of 122 tb/d, y-o-y, seen the previous month.

Near-term expectations

In the near term, steady economic growth is expected to continue in 1Q26, supported by steady consumer demand, fiscal expansion in Germany, and stabilizing trade conditions. Moreover, the services sector in the region continues to show expansion, as seen in the services Purchasing Managers' Index (PMI), which remained consistently above 50 points throughout 2H25. Accordingly, these factors are expected to support oil demand growth in the region of about 25 tb/d, y-o-y, in 1Q26. Jet/kerosene, gasoline and the 'other products' category are expected to drive oil demand.

For 2026, economic activity in the region is expected to continue to be moderate but steady, albeit at uneven rates across the area's economies, driven by strengthening domestic demand and resilient labour markets. Consumer spending is expected to rise, and private investment is expected to positively contribute to growth. Furthermore, significant infrastructure spending and fiscal stimulus in Germany are projected to boost growth, which is expected to have positive multiplier effects across many European countries. Meanwhile, the newly signed trade agreement between the EU and India is expected to benefit the region's manufacturing sector, among others, while the signed Mercosur agreement awaits further approval from the EU Parliament. 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 having the strongest demand outlook of the key products. Gasoline is also expected to grow. Regarding petrochemical feedstock, demand for both naphtha and NGLs/LPG is projected to remain broadly flat, y-o-y. Demand for diesel, residual fuel oil and the 'other products' category is projected to decline slightly, y-o-y. However, overall oil demand is seen to grow, y-o-y.

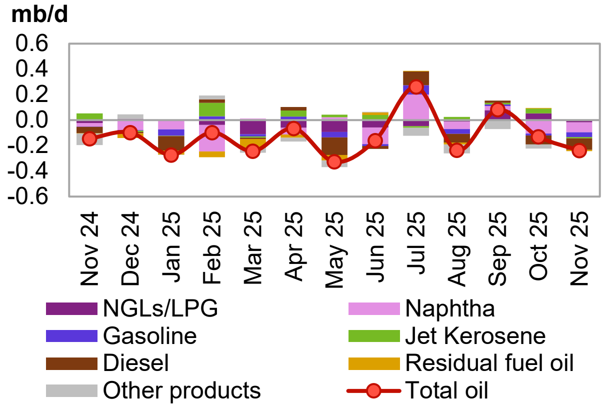
Looking ahead to 2027, challenges in the industrial sector are expected to subside, and GDP growth in the region is also expected to improve from 2026 growth rates. Furthermore, road mobility and air travel are expected to remain relatively healthy. Accordingly, these factors are anticipated to support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

OECD Asia-Pacific

Update on the latest developments

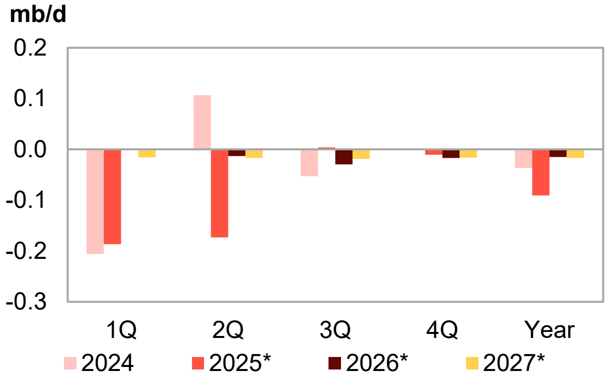
Oil demand in the OECD Asia-Pacific region contracted by 240 tb/d, y-o-y, in November, down from a decline of 131 tb/d, y-o-y, in October. Within the region, oil demand declines of 167 tb/d, y-o-y, in South Korea and 152 tb/d, y-o-y, in Japan more than offset an increase of 65 tb/d, y-o-y, in Australia.

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, diesel demand saw the largest decline of 89 tb/d, y-o-y, down from a decline of 72 tb/d, y-o-y, seen a month earlier. Demand for gasoline declined by 37 tb/d, y-o-y, down from a decline of 14 tb/d, y-o-y, in the previous month. Jet/kerosene demand eased by 11 tb/d, y-o-y, down from growth of 38 tb/d, y-o-y, observed the previous month.

Meanwhile, NGLs/LPG demand declined by a slight 17 tb/d, down from an increase of 52 tb/d, y-o-y, in October, and naphtha demand declined by 78 tb/d, y-o-y, albeit an improvement from a decline of 107 tb/d, y-o-y, in the previous month. Residual fuel demand eased by 11 tb/d, y-o-y, down from broadly flat y-o-y growth in October. Demand for the 'other products' category saw a marginal uptick of 4 tb/d, y-o-y, showing an improvement from a decline of 32 tb/d, y-o-y, in October.

Near-term expectations

In the near term, Japan's economy is expected to maintain steady growth, driven by domestic demand and supported by continuing wage growth and decelerating inflation. Accordingly, oil demand in the region is anticipated to remain broadly flat in 1Q26, y-o-y.

In 2026, economic activity in Japan is projected to be slightly below 2025 growth rates. Despite the country's expansionary fiscal policy, consumption remains below pre-pandemic levels. The South Korean economy is expected to rebound somewhat, according to the South Korean Ministry of Economy and Finance. The new government's initiatives for economic recovery and acceleration of growth momentum include the implementation of an expansionary fiscal policy, with government expenditure rising in 2026. These policies incorporate financing to stimulate private investment. Similarly, Australia's GDP is expected to experience moderately higher growth than in 2025, driven by stronger domestic demand amid public spending. This improvement is the basis for a lesser oil demand decline in 2026 of about 15 tb/d, y-o-y, in the region, to average 7.1 mb/d. Specific products, transportation fuels, petrochemical feedstock and the 'other products' category are expected to increase marginally. However, larger y-o-y declines in residual fuel and diesel are projected to more than offset y-o-y increases in transportation fuels and petrochemical feedstock demand.

In 2027, oil demand in the region is forecast to marginally decline by about 20 tb/d, y-o-y, to average 7.1 mb/d.

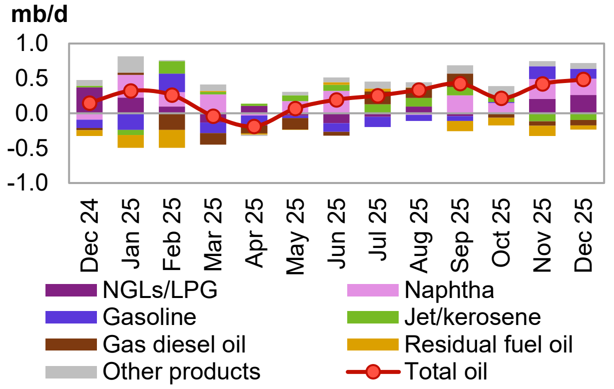
Non-OECD

China

Update on the latest developments

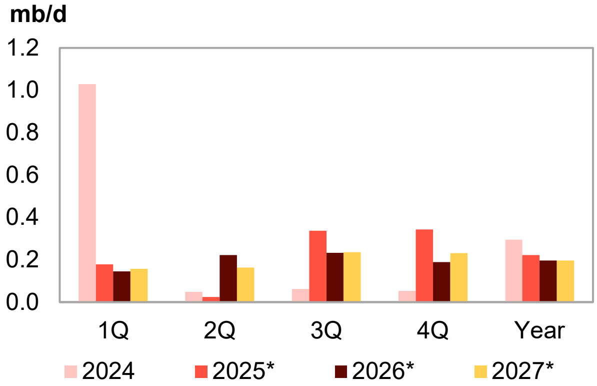
China's oil demand in December increased further by 484 tb/d, y-o-y, up from the growth of 420 tb/d, y-o-y, observed in November. Strong y-o-y growth in petrochemical feedstock and gasoline demand more than offset an observed decline in jet/kerosene, diesel and residual fuel oil demand.

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 NGLs/LPG leading the increase in demand by 259 tb/d, y-o-y, in December, up from an already strong increase of 205 tb/d, y-o-y, seen in November. Naphtha demand grew by 237 tb/d, y-o-y, slightly below the growth of 283 tb/d, y-o-y, seen the previous month.

Meanwhile, demand for gasoline increased by 141 tb/d, y-o-y, in December, though this is slightly below the increase of 186 tb/d, y-o-y, seen in November. Demand for the 'other products' category grew by 83 tb/d, y-o-y, up from growth of 74 tb/d, y-o-y, seen in November.

Demand for jet/kerosene saw the largest contraction of 99 tb/d, y-o-y; an improvement from the decline of 117 tb/d, y-o-y, seen the previous month. Demand for diesel eased by 75 tb/d, y-o-y, down from a decline of 61 tb/d, y-o-y, seen the previous month. Diesel and gasoline demand were affected by severe cold weather and heavy snow, which disrupted road travel, trucking and construction activity in December. Residual fuel oil demand also eased by 63 tb/d, though this was an improvement from the decline of 150 tb/d, y-o-y, seen in November.

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

China's oil demand By product	Dec 24	Dec 25	Change Dec 25/Dec 24
NGLs/LPG	3.32	3.58	0.26
Naphtha	1.98	2.22	0.24
Gasoline	3.43	3.57	0.14
Jet/kerosene	1.30	1.20	-0.10
Diesel	3.82	3.74	-0.07
Fuel oil	0.55	0.48	-0.06
Other products	2.66	2.74	0.08
Total	**17.05**	**17.53**	**0.48**

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

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

Near-term expectations

In the near term, China's economy is projected to continue its growth trajectory in 1Q26. China's Lunar New Year holiday, scheduled from 17 February to 3 March, is expected in particular to support consumption and travel. Accordingly, China expects a record 9.5 billion passenger trips to be made during the travel period, surpassing the 9.0 billion trips made in 2025. Road travel by private car is expected to remain dominant, accounting for roughly 80% of inter-regional trips. Accordingly, oil product demand is projected to grow by about 0.14 mb/d, y-o-y, in 1Q26.

In 2026, China is expected to experience healthy GDP growth, similar to that seen in 2025. The temporary US–China trade truce and a gradually stabilizing housing market are expected to support the growth outlook, in addition to ongoing export diversification amid investment dynamics. This trend is expected to continue in the near term, supported by the further easing of monetary policy and expansionary fiscal stimulus, which should support consumption and property market stabilization. Furthermore, expansion in the petrochemical sector is expected to continue to support a strong domestic market and exports, including to US markets, following the trade truce. Meanwhile, as EV subsidies are expected to be reduced this year, growth in new EV sales may moderate in China. Accordingly, these factors are expected to support oil demand in the country.

Regarding specific product demand, ongoing strong international and domestic air travel is expected to bolster demand for jet/kerosene and drive growth in oil demand. NGLs/LPG and naphtha demand are also expected to increase due to expected 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. With this, oil demand in China is expected to increase by about 0.2 mb/d, y-o-y, in 2026, to average 17.1 mb/d.

In 2027, economic activity in China is expected to remain stable. Similarly, transportation activity is expected to remain healthy. Weakness in the construction sector is expected to subside. Combined with healthy petrochemical sector requirements, this is expected to support the expansion of oil product demand by about 0.2 mb/d, y-o-y, to average about 17.3 mb/d.

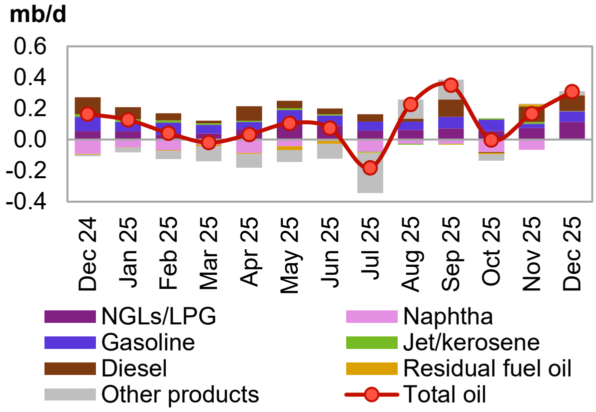
India

Update on the latest developments

In December, India's oil demand surged by 308 tb/d, y-o-y, following 166 tb/d, y-o-y, growth seen the previous month. The increase was driven mostly by NGLs/LPG and diesel.

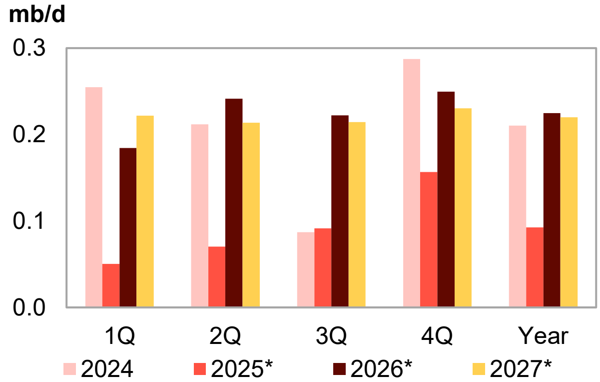
Regarding specific product demand, NGLs/LPG saw the largest increase of 113 tb/d, y-o-y, in December, up from growth of 74 tb/d, y-o-y, in November. LPG consumption during the month of December grew by 11.2%, mostly due to commercial and industrial consumers. However, domestic consumers still accounted for 86% of LPG consumption from April to December 2025, although this is below the 94% share seen in the same period in 2024. Demand for diesel increased by 101 tb/d, y-o-y, broadly the same growth as seen in 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 transportation fuels, gasoline demand in December increased by 67 tb/d, y-o-y, up from an increase of 26 tb/d, y-o-y, the previous month. Gasoline demand was supported by a rise in vehicle sales. According to data from the Federation of Automobile Dealers Associations, Indian vehicle sales in December 2025 increased by 26.64% over December 2024, driven by significant growth in passenger vehicles. Jet/kerosene demand was broadly flat in December, y-o-y, down from an increase of 13 tb/d, y-o-y, seen the previous month.

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

India's oil demand By product	Dec 24	Dec 25	Change Dec 25/Dec 24
NGLs/LPG	1.04	1.15	0.11
Naphtha	0.29	0.29	0.00
Gasoline	0.91	0.98	0.07
Jet/kerosene	0.21	0.21	0.00
Diesel	1.96	2.06	0.10
Fuel oil	0.12	0.12	0.00
Other products	1.15	1.17	0.02
Total	**5.67**	**5.98**	**0.31**

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

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

Meanwhile, demand for the 'other products' category increased by 24 tb/d, y-o-y, following a marginal increase of 5 tb/d, y-o-y, seen the previous month. Bitumen consumption during December grew by 18.8%, supported by sustained road and highway construction activity and major government infrastructure projects. Residual fuel oil demand inched up marginally by 3 tb/d, y-o-y, up from an increase of 13 tb/d, y-o-y, observed the previous month. Naphtha demand was broadly flat, y-o-y, though this was an improvement from a decline of 65 tb/d, y-o-y, seen the previous month. The product has been in contraction since the beginning of 2025, under pressure from competing cheaper LPG.

Near-term expectations

Looking ahead, the Indian economy remains one of the fastest-growing major economies in the world. This robust economic momentum is expected to continue in 1Q26. The composite PMI indicates continued robust private-sector activity in the country, as India's inflation remains remarkably low, at 1.3% in December 2025, well below the Reserve Bank of India's (RBI) 4% target. These factors suggest strong near-term prospects for oil demand in India. Accordingly, the country's oil demand is projected to increase by about 0.18 mb/d, y-o-y, in 1Q26.

In 2026, India's GDP is expected to remain strong, following very healthy growth in 2025. Robust private consumption and additional monetary policy easing are expected to provide further support for the growth outlook in 2026. In addition, manufacturing and business activities, including air travel and road mobility, are expected to remain steady going forward. Government initiatives, including 'Make in India', the GST tax reform and the Pradhan Mantri Ujjwala Yojana (PMUY) scheme for low-income households, are expected to support local consumption in 2026. Furthermore, strong GDP growth is expected to support internal combustion engine (ICE) vehicle sales amid slow EV penetration. These factors point towards a positive outlook for oil product demand in India in the near term.

Demand in the 'other products category', including bitumen and supported by ongoing strong infrastructure development, is expected to drive oil demand in 2026. Transportation fuels, such as gasoline, jet/kerosene and diesel, are expected to remain robust on the back of heightened road mobility amid robust vehicle sales, along with a surge in air travel and trucking. Gas oil/diesel demand is anticipated to gain additional support from strong manufacturing and agricultural activities. Regarding the petrochemical sector, the ongoing aggressive expansion of petrochemical capacity, combined with the government's LPG support scheme for low-income households, is expected to boost demand for petrochemical feedstock. Overall, oil demand in India is projected to grow by about 0.22 mb/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 some easing of trade tensions, along with increasing manufacturing and mobility trends. Meanwhile, the newly signed EU-India free trade agreement, which is expected to take effect from 1Q27, is expected to provide additional support for economic activity in the country. Furthermore, ongoing government support for households and expected new petrochemical capacity additions in 2026 are expected to support oil demand growth of about 0.2 mb/d, y-o-y, to average 6.1 mb/d in 2027.

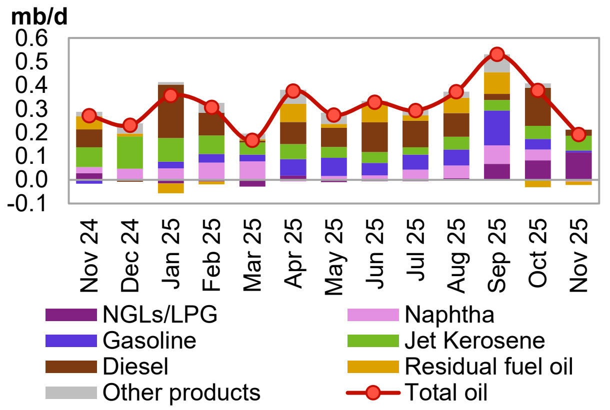
Other Asia

Update on the latest developments

Oil demand in Other Asia increased by 192 tb/d, y-o-y, in November, down from an increase of 378 tb/d, y-o-y, observed the previous month. This was largely led by a rise of 104 tb/d, y-o-y, in Indonesia and further supported by requirements in other major countries of the region. The increase in oil demand mostly emanated from petrochemical feedstock requirements and transportation fuels.

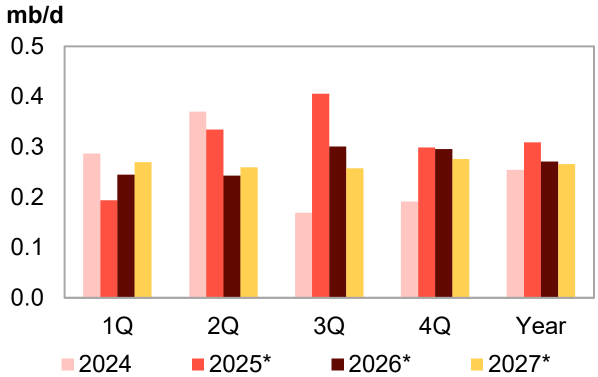
Regarding specific products, NGLs/LPG led demand growth in November by 116 tb/d, y-o-y, up from an increase of 82 tb/d, y-o-y, observed the previous month. Jet/kerosene demand increased by 62 tb/d, y-o-y, up from the growth of 56 tb/d, y-o-y, seen the previous month. Diesel demand grew by 25 tb/d, y-o-y, though this is below the increase of 161 tb/d, y-o-y, seen in October. Gasoline demand saw a slight uptick of 9 tb/d, y-o-y, down from an increase of 45 tb/d, y-o-y, seen the previous month.

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



Sources: JODI, National sources, and OPEC.

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



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

Meanwhile, demand for the 'other products' category was flat, y-o-y, down from an increase of 19 tb/d, y-o-y, seen the previous month. Naphtha demand eased by 7 tb/d, down from growth of 46 tb/d, y-o-y, seen the previous month. Demand for residual fuel oil slipped by 14 tb/d, y-o-y, though this was an improvement from the decline of 31 tb/d, y-o-y, observed the previous month.

Near-term expectations

In the near term, the strong economic growth momentum seen in 2025 – underpinned by robust domestic consumption, macroeconomic stability, and an improving investment climate amid low inflation 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 support a regional oil demand increase of about 0.24 mb/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. Major drivers of economic activity in the region include robust domestic demand, low inflation, macroeconomic stability and a healthy investment climate. Steady driving and air travel activity are expected to continue amid strong manufacturing and agricultural output. These factors are expected to support oil product demand growth of about 0.27 mb/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.

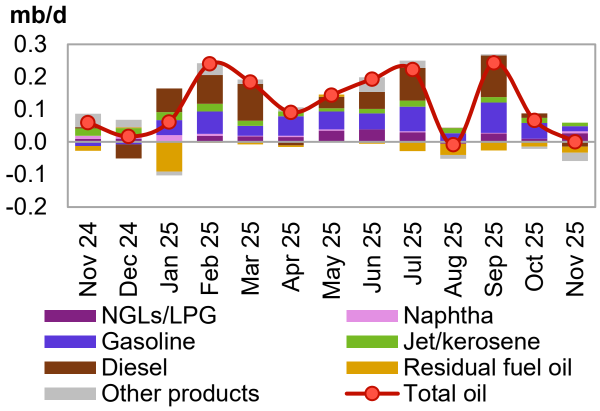
Looking ahead to 2027, economic activity in major oil-consuming countries in the region is expected to improve further from 2026. Furthermore, consumer spending is anticipated to support economic activity. These factors are expected to bolster oil product demand in the region to grow by about 0.27 mb/d, y-o-y, and average 10.4 mb/d.

Latin America

Update on the latest developments

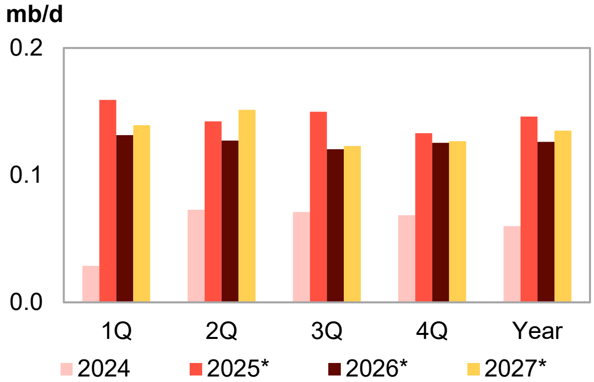
Oil demand in Latin America was flat, y-o-y, in November, down from an increase of 66 tb/d, y-o-y, seen the previous month. Within the region, y-o-y oil demand growth in Argentina was offset by y-o-y declines in Brazil, Colombia and Ecuador.

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.

Regarding specific products, petrochemical feedstock and transportation fuels saw y-o-y growth in November. In terms of petrochemical feedstock, NGLs/LPG demand increased by 27 tb/d, y-o-y, in November, which was slightly above the growth of 10 tb/d, y-o-y, seen in October. At the same time, naphtha demand saw an uptick of 6 tb/d, y-o-y, from no y-o-y growth seen the previous month.

In transportation fuels, gasoline saw a slight growth of 16 tb/d, y-o-y, although this is below the increase of 48 tb/d, y-o-y, seen the previous month. Demand for jet/kerosene increased by 11 tb/d, slightly below the growth of 16 tb/d, y-o-y, as seen a month earlier.

However, demand for the ‘other products’ category, including ethanol, saw the largest contraction of 25 tb/d, y-o-y, in November, down from a decrease of 7 tb/d, y-o-y, the previous month. Demand for residual fuel oil also slipped by 19 tb/d, y-o-y, down from a decline of 14 tb/d, y-o-y, in October. Demand for diesel declined by 14 tb/d, y-o-y, down from an increase of 14 tb/d, y-o-y, observed the previous month.

Near-term expectations

In the near term, economic activity in Latin America is expected be healthy, despite trade tensions and slow manufacturing activity in some countries. Growth rates in private and public consumption in the region in 2025 were generally higher than expected. GDP growth is projected to remain broadly stable in 1Q26, as the services PMI in Brazil looks to be on an upward trend. Moreover, inflation rates in most Latin American countries remained within central bank target ranges. Expected monetary easing amid fiscal reforms is expected to support domestic consumption and investment to provide some additional support for growth in the region. Accordingly, oil demand is forecast to grow by about 0.13 mb/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's economic growth is expected to remain steady in 2026, largely supported by stable domestic demand. Furthermore, the country is continuing its export diversification drive, which is successfully redirecting some of its exports from the US to Asian countries, as well as the latest trade agreement between Mercosur economies and the EU, which, once ratified by the EU Parliament, may also add external trade potential for Brazil. In addition, the elimination of the 40% tariff by the US applied to some Brazilian agricultural imports signalled a partial easing in US–Brazil trade relations. Furthermore, the new Brazilian income reform, which came into force on 1 January 2026, is expected to potentially increase disposable income and consumer spending. Similarly, economic reforms in Argentina have yielded some progress, with divergence in performance across different sectors. Accordingly, oil demand in Latin America is forecast to grow by about 0.13 mb/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. Meanwhile, petrochemical feedstock, NGLs/LPG and naphtha are projected to increase only marginally.

In 2027, regional growth is expected to continue, as trade flows recover further and domestic demand improves. Brazil's economy is expected to maintain stable growth momentum, building on anticipated performance in 2026, and economic activity in Argentina is also expected to continue expanding. Together, these factors are expected to support oil demand in the region, which is forecast to grow by about 0.14 mb/d, y-o-y, to average 7.2 mb/d.

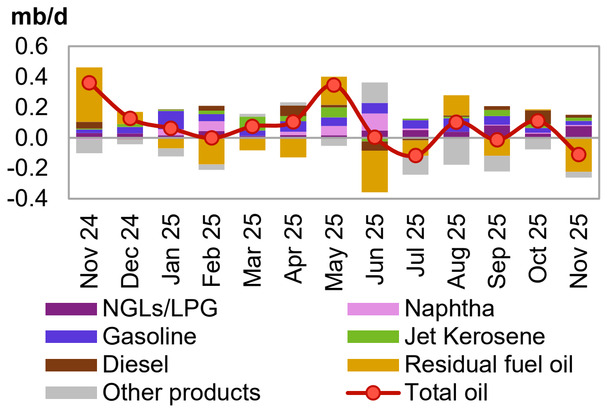
Middle East

Update on the latest developments

Oil demand in the Middle East in November decreased by 109 tb/d, y-o-y, up from the growth of 151 tb/d, y-o-y, observed the previous month. A large decrease of 268 tb/d, y-o-y, in Saudi Arabia was only partially offset by y-o-y increases from other countries in the region.

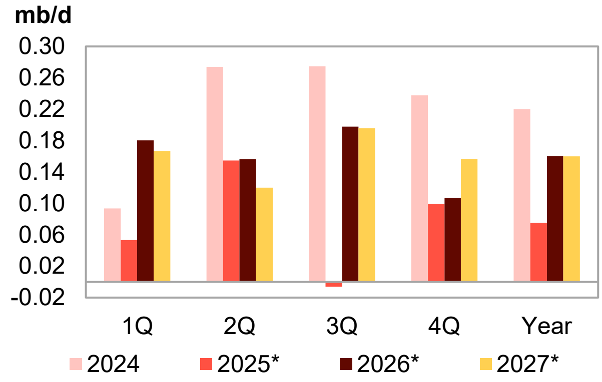
Regarding specific product demand in November, residual fuel declined the most by 223 tb/d, y-o-y, down from a marginal uptick of 6 tb/d, y-o-y, the previous month. Demand for the 'other products' category, including direct crude oil burning, decreased by 37 tb/d, down from an increase of 75 tb/d observed in October. In transportation fuels, gasoline led the increase in demand with 27 tb/d, y-o-y, though this is below the growth of 33 tb/d, y-o-y, seen in October. Jet/kerosene demand saw growth of 22 tb/d, y-o-y, broadly in line with the growth of 24 tb/d, y-o-y, observed the previous month. Diesel demand increased by 18 tb/d, y-o-y, up from a decrease of 20 tb/d, y-o-y, in October.

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, NGLs/LPG demand increased by 77 tb/d, y-o-y, up from an increase of 26 tb/d, y-o-y, seen the previous month, and naphtha demand saw an uptick of 7 tb/d, y-o-y, in line with y-o-y growth seen in October.

Near-term expectations

Looking ahead, economic activity in the region's major consuming countries is expected to remain robust in 1Q26, driven by increased growth in the non-oil sector. Recent data on low inflation, high industrial output (IP), and robust non-oil PMIs in Saudi Arabia and the UAE indicate continued strong growth dynamics. Furthermore, tourism and construction activities are expected to be steady. Accordingly, these factors are expected to support oil demand in the region to grow by about 0.18 mb/d, y-o-y, in 1Q26.

In 2026, economic growth in the Middle East is expected to exceed 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 terms of products, gasoline is projected to drive y-o-y growth in oil demand in 2026, 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. 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 for electricity generation. Overall, oil demand in the region is projected to increase by about 0.16 mb/d, y-o-y, to average 9.1 mb/d in 2026. The bulk of demand growth is expected to come from Saudi Arabia, Iraq and the UAE.

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. Growth in the region's petrochemical industry is projected to continue through 2027. Overall, oil demand in the region is forecast to grow by about 0.16 mb/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.

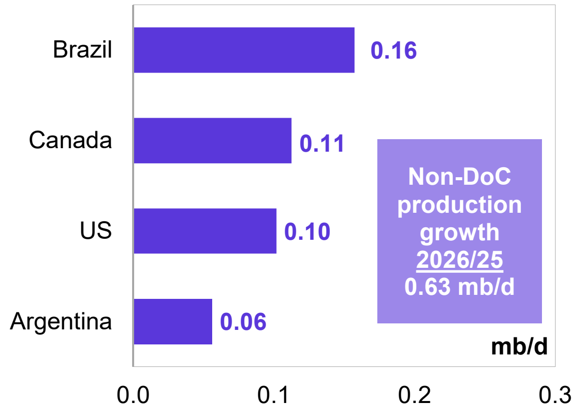
DoC crude oil production in January decreased by 439 tb/d, m-o-m, averaging 42.45 mb/d, as reported by available secondary sources.

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 expected to be Brazil, Canada, the US and Argentina.

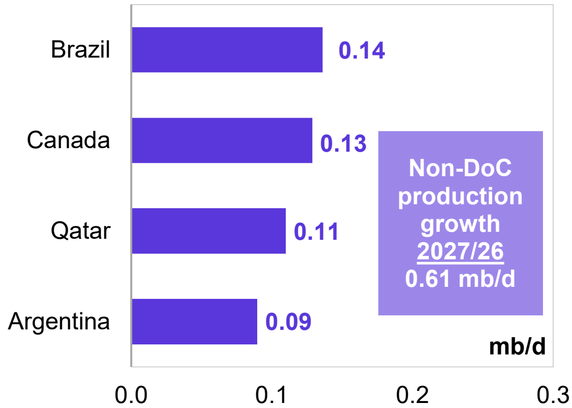
In 2027, non-DoC liquids supply is forecast to grow by about 0.6 mb/d, unchanged from the last month's assessment. The main growth drivers are set to be Brazil, Canada, Qatar and Argentina.

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	3.60	3.62	3.51	3.49	3.59	3.55	-0.04
Asia Pacific	0.41	0.41	0.38	0.39	0.38	0.39	-0.01
Total OECD	**32.30**	**31.98**	**32.31**	**32.60**	**32.91**	**32.45**	**0.16**
China	4.62	4.67	4.67	4.57	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	1.58	1.59	-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	2.25	2.24	2.24	2.31	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**	**19.74**	**19.71**	**19.69**	**19.90**	**19.76**	**0.45**
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	3.55	3.58	3.47	3.42	3.54	3.50	-0.05
Asia Pacific	0.39	0.39	0.37	0.39	0.39	0.38	-0.01
Total OECD	**32.45**	**32.50**	**32.30**	**32.51**	**32.88**	**32.55**	**0.10**
China	4.62	4.65	4.64	4.54	4.56	4.60	-0.02
India	0.82	0.81	0.80	0.80	0.81	0.81	-0.01
Other Asia	1.59	1.58	1.56	1.57	1.58	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	**19.76**	**20.13**	**20.15**	**20.21**	**20.50**	**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**

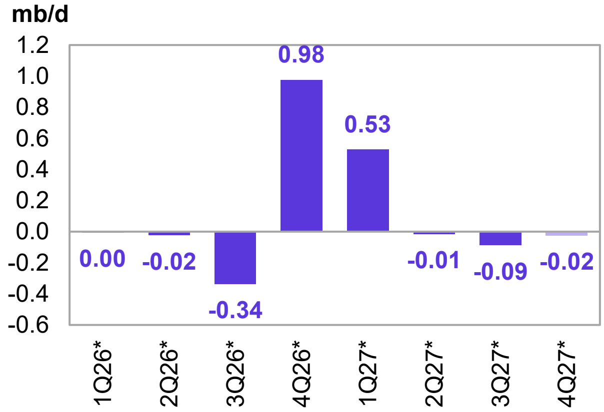
*Note: * 2026 and 2027 = Forecast. Totals may not add up due to independent rounding.*
Source: OPEC.

OECD

In 2026, OECD liquids production (excluding the DoC participating country, Mexico) is forecast to increase by 0.2 mb/d to an average of 32.5 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 3.6 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 (excluding the DoC participating country, Mexico) is forecast to increase by 0.1 mb/d to an average of 32.6 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.*

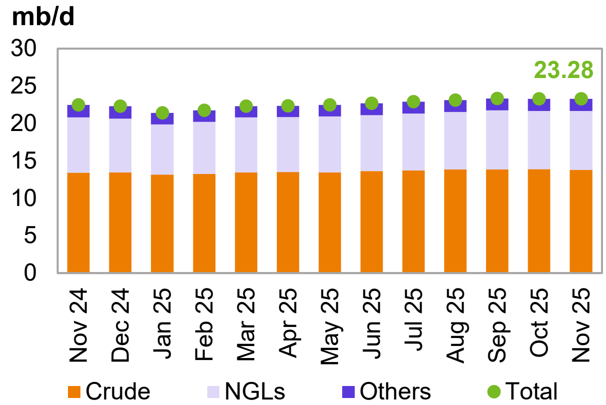
US

US liquids production in November 2025 rose by 11 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 November 2024.

Crude oil and condensate production fell, m-o-m, by 82 tb/d to 13.8 mb/d. However, this is up by about 0.4 mb/d, y-o-y.

In terms of the crude and condensate production breakdown by region (PADDs), production decreased on the US Gulf Coast (USGC) (PADD 3) by 42 tb/d, m-o-m, to average 10.2 mb/d. Production on the East and West Coasts (PADD 1 and PADD 5) dropped by a minor 5 tb/d, each, while output in the Rocky Mountain (PADD 4) fell by 29 tb/d, m-o-m. Production in the Midwest (PADD 2) region remained largely unchanged, m-o-m.

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



Sources: EIA and OPEC.

The month-over-month production drop in the main producing regions is primarily attributable to lower production from wells in New Mexico, Colorado, and Wyoming, as well as from offshore platforms in the Gulf of Mexico (GoM). However, these losses were partially offset by gains in Texas and several other regions.

NGLs production rose by 51 tb/d, m-o-m, to average 7.8 mb/d in November, according to the US Department of Energy (DoE). This was 0.5 mb/d higher, y-o-y. The production of non-conventional liquids (mainly ethanol) rose by 42 tb/d, m-o-m, to average 1.7 mb/d. Preliminary estimates indicate that non-conventional liquids averaged about 1.7 mb/d in December, higher by about 30 tb/d, m-o-m.

GoM production dropped by 76 tb/d, m-o-m, to average 2.0 mb/d in November. This is higher by about 291 tb/d, y-o-y. Recent project ramp-ups are expected to support output levels in the coming months. In the onshore Lower 48, crude and condensate production decreased by just 6 tb/d, m-o-m, to average 11.4 mb/d in November.

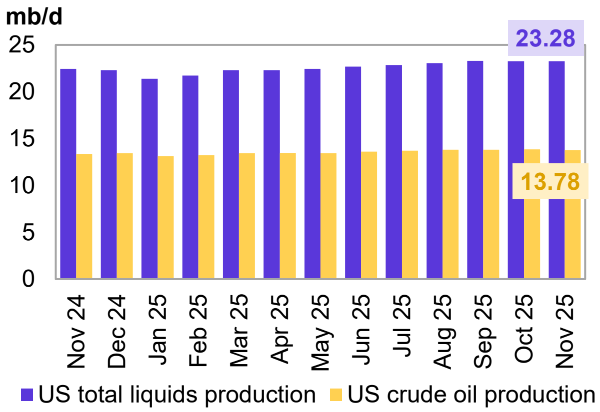
Table 5 - 3: US crude oil production by selected state and region, tb/d

State	Nov 24	Oct 25	Nov 25	Change m-o-m	y-o-y
Texas	5,768	5,762	5,826	*64*	*58*
New Mexico	2,119	2,350	2,325	*-25*	*206*
Gulf of Mexico (GoM)	1,665	2,032	1,956	*-76*	*291*
North Dakota	1,223	1,164	1,167	*3*	*-56*
Colorado	513	481	467	*-14*	*-46*
Alaska	439	428	428	*0*	*-11*
Oklahoma	408	417	417	*0*	*9*
Total	**13,396**	**13,864**	**13,782**	***-82***	***386***

Sources: EIA and OPEC.

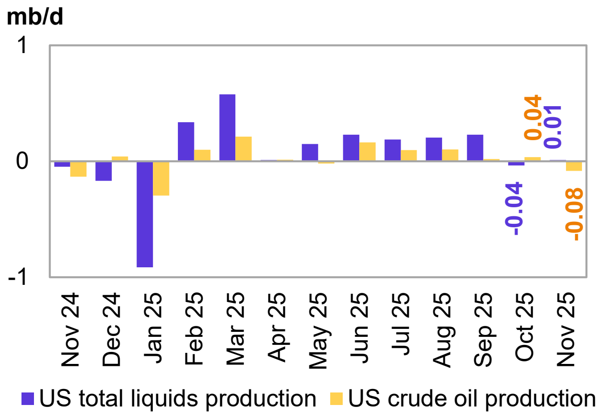
From the perspective of individual states, New Mexico's oil production decreased by 25 tb/d, m-o-m, to average 2.3 mb/d. This is 206 tb/d higher than a year ago. Production in Texas rose by 64 tb/d, m-o-m, to average 5.8 mb/d. This is 58 tb/d higher than a year ago. In the Midwest, North Dakota's production rose by a minor 3 tb/d, m-o-m, to average 1.2 mb/d. This was lower by 56 tb/d, y-o-y. Oklahoma's production remained unchanged, m-o-m, at an average of 0.4 mb/d. Production in Colorado decreased by 14 tb/d, while output in Alaska remained largely unchanged, m-o-m.

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



Sources: EIA and OPEC.

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



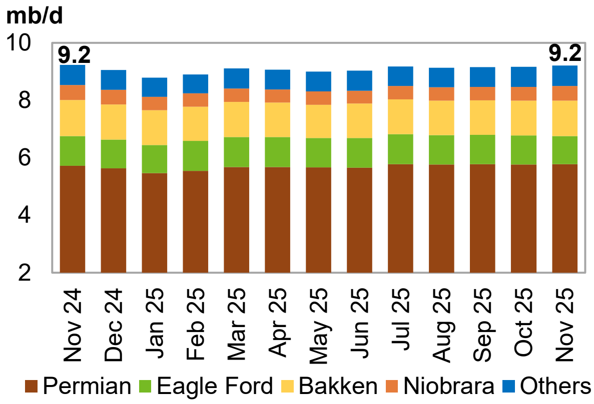
Sources: EIA and OPEC.

US tight crude production in November 2025 is estimated to have increased by 38 tb/d, m-o-m, to average 9.2 mb/d, according to the latest EIA estimates. This was 30 tb/d lower than in the same month in 2024.

M-o-m production from shale and tight formations using horizontal wells from the Permian in Texas and New Mexico rose by just 6 tb/d to an average of 5.8 mb/d. Y-o-y, this was up by 50 tb/d.

In the Williston Basin, Bakken shale oil production rose by 27 tb/d, m-o-m, to average 1.2 mb/d. Y-o-y, however, this was down by 27 tb/d. Tight crude production from the Eagle Ford in Texas dropped by 26 tb/d to average 1.0 mb/d. This was down by 47 tb/d, y-o-y. Production at Niobrara-Codell in Colorado and Wyoming rose by 17 tb/d, m-o-m, to about 504 tb/d.

Graph 5 - 7: US tight crude production breakdown

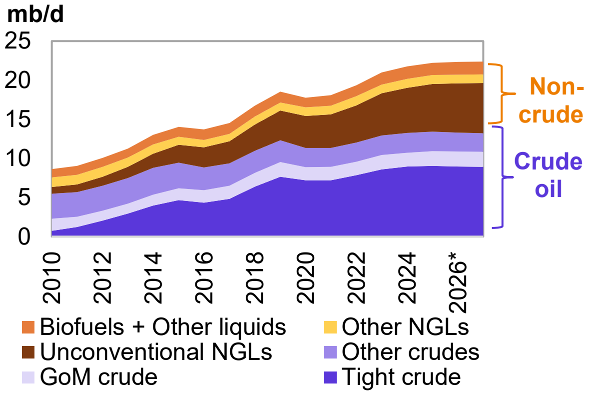


Sources: EIA and OPEC.

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.

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



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

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 indicates sustained caution in capital allocation, a moderation in drilling activity, gradual efficiency gains in drilling and completion, and growing associated gas output in key shale-producing regions.

In 2027, US liquids production, excluding processing gains, is forecast to expand by just 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, moderate efficiency gains and further associated gas growth in major shale oil plays.

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

US liquids	2025*	Change 2025/24	2026*	Change 2026/25	2027*	Change 2027/26
Tight crude	9.05	0.10	8.94	-0.10	8.91	-0.03
GoM crude	1.88	0.09	1.93	0.05	1.91	-0.02
Conventional crude oil	2.49	-0.01	2.43	-0.06	2.37	-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.

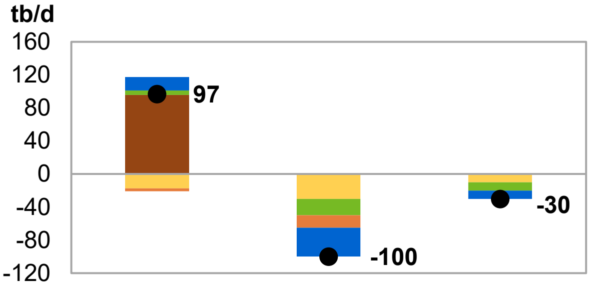
In North Dakota, Bakken shale production is estimated to have declined by 17 tb/d, leaving it at about 1.2 mb/d in 2025. This remains below its pre-pandemic average of 1.4 mb/d. An expected y-o-y drop of around 29 tb/d in 2026 and 10 tb/d in 2027 could indicate the basin’s progress toward maturity.

Production in the Eagle Ford Basin in Texas is estimated to have averaged 1.0 mb/d in 2024. In 2025, marginal growth of 5 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 20 tb/d, y-o-y, to reach an average of 472 tb/d. With an expected drop of 4 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, output is estimated to have dropped by 29 tb/d in 2024. Production is expected to have increased by 16 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



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

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

US tight oil	2025*	Change 2025/24	2026*	Change 2026/25	2027*	Change 2027/26
Permian tight	5.67	0.10	5.67	0.00	5.67	0.00
Bakken shale	1.20	-0.02	1.17	-0.03	1.16	-0.01
Eagle Ford shale	1.02	0.01	1.00	-0.02	0.99	-0.01
Niobrara shale	0.47	0.00	0.45	-0.02	0.45	0.00
Other tight plays	0.69	0.02	0.65	-0.04	0.64	-0.01
Total	**9.04**	**0.10**	**8.94**	**-0.10**	**8.91**	**-0.03**

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

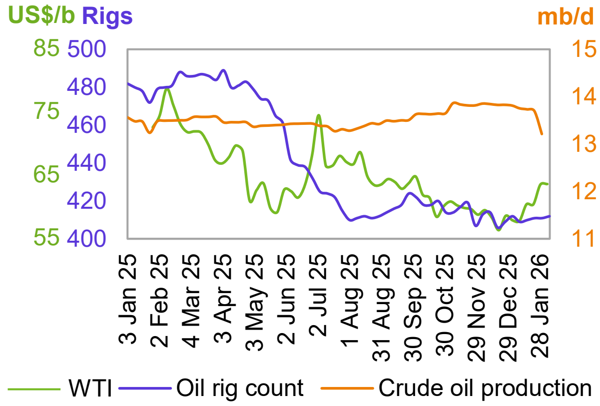
Sources: EIA and OPEC.

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 6 February 2026 rose by five, w-o-w, to 551. This is 35 fewer rigs than a year ago. The number of active offshore rigs rose by two, w-o-w, to 16. This is two more than in the same month of the previous year. The number of onshore oil and gas rigs rose by three, w-o-w, to 532, with three rigs in inland waters. This is down by 38 rigs, y-o-y.

The US horizontal rig count increased by five, w-o-w, to 483. This compares with 523 horizontal rigs a year ago. The number of drilling rigs for oil rose by one, w-o-w, to 412, while the number of gas drilling rigs rose by five, w-o-w, to 130.

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



Sources: Baker Hughes, EIA and OPEC.

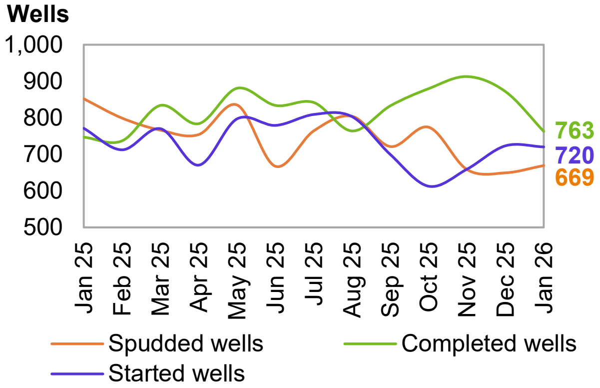
The Permian's rig count dropped by one, w-o-w, to 241. The rig count in the Eagle Ford, Williston, Cana Woodford and DJ-Niobara Basins remained unchanged, w-o-w, at 40, 29, 22 and nine, respectively.

Based on preliminary data, drilling and completion activities for oil-producing wells across all US shale plays included 649 horizontal wells spudded in December 2025. This is down by nine, m-o-m, and 14% lower than the same month a year earlier.

Preliminary December 2025 data indicate a lower number of completed wells, m-o-m, at 872. This is up by about 23%, y-o-y. The number of started wells is estimated at 723, which is approximately 6% higher than the same period in 2024.

Preliminary data for January 2026 show 669 spudded, 763 completed and 720 started wells, according to Rystad Energy.

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

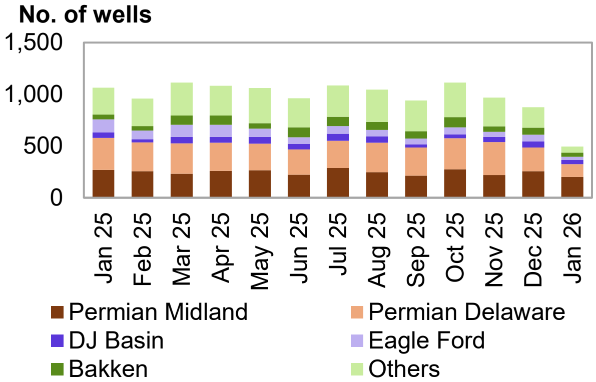


Note: Dec 25-Jan 26 = Preliminary data.
Sources: Rystad Energy and OPEC.

In terms of identifying US oil and gas fracking operations, it was reported that 966 wells began fracking in November 2025. In December 2025 and January 2026, it was reported that 875 and 501 wells began fracking, respectively, according to preliminary numbers based on an analysis of high-frequency satellite data.

In regional terms, preliminary December 2025 data for the Permian Midland and Permian Delaware regions indicate that 254 and 229 wells, respectively, began fracking. This constitutes a gain of 36 wells in the Midland and a loss of 88 wells in the Delaware, m-o-m. Preliminary data also indicates that during December 2025, 61 wells began fracking in the DJ Basin, 64 in the Eagle Ford and 67 in the Bakken.

Graph 5 - 12: Started fracs per month by region



Note: Dec 25-Jan 26 = Preliminary data.
Sources: Rystad Energy and OPEC.

Canada

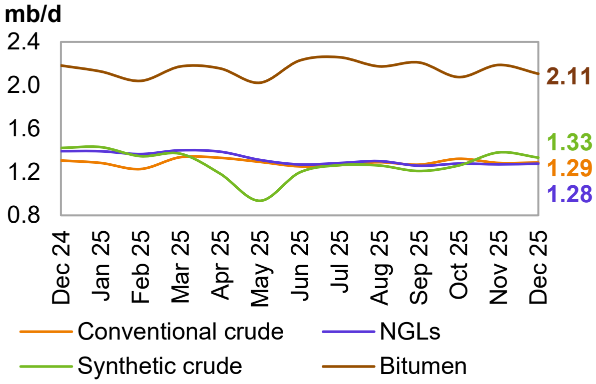
Canada's December liquids production is estimated to have dropped by about 119 tb/d, m-o-m, to average 6.1 mb/d.

Conventional crude production in December remained largely unchanged, m-o-m, to average 1.3 mb/d. NGLs production was down by a minor 6 tb/d, m-o-m, to average 1.3 mb/d.

Crude bitumen production in December fell by 81 tb/d, m-o-m, while synthetic crude production dropped by around 48 tb/d. Taken together, crude bitumen and synthetic crude production averaged 3.4 mb/d across the month.

Liquids production in 4Q25 appears to have remained strong, supported by healthy mined volumes and greater efficiency across upgrading units.

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



Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

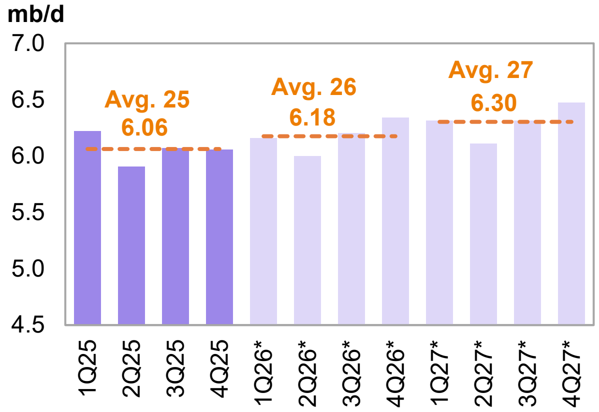
In 2025, Canada's liquids production is estimated to have expanded by 0.1 mb/d to average 6.1 mb/d. Additional production is estimated from the expansion of oil sands projects and operational optimizations.

In 2026, Canada's liquids production is forecast to expand by another 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, Blackrod, Reford SAGD and Meota SAGD projects. The White Rose Extension project is also expected to begin production offshore in Canada.

In 2027, Canada's liquids production is forecast to grow again by about 0.1 mb/d to average 6.3 mb/d. The main 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 principal start-ups in 2027 are expected to be the Kirby-Pike, Aspen and Horizon oil sand projects.

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



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

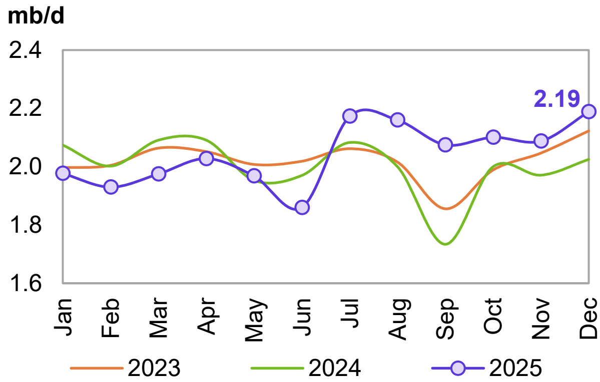
Norway

Norwegian liquids production in December rose by 101 tb/d, m-o-m, to average 2.2 mb/d. Norway's crude production increased by 85 tb/d, m-o-m, to average 2.0 mb/d. This was higher by around 174 tb/d, y-o-y. Monthly oil production was 5.1% higher than the Norwegian Offshore Directorate's (NOD) forecast.

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

In 2025, Norwegian liquids production is estimated to have grown by about 40 tb/d to average 2.0 mb/d. This is slightly higher compared with the previous assessment.

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



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

Norwegian liquids production is forecast to drop by about 40 tb/d to average 2.0 mb/d in 2026. Several projects are scheduled to ramp up through 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 floating, production, storage, and offloading (FPSO) platforms, the Syrma and Edvard Grieg oil fields and the Irpa (Asterix) and Dvalin gas condensate projects.

In 2027**,** Norwegian liquids production is forecast to fall by around 30 tb/d to average 2.0 mb/d. Multiple initiatives are expected to ramp up over the course of the year, including Valhall, Snorre and Edvard Grieg. At the same time, a number of 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 the Symra and Bestla projects.

UK

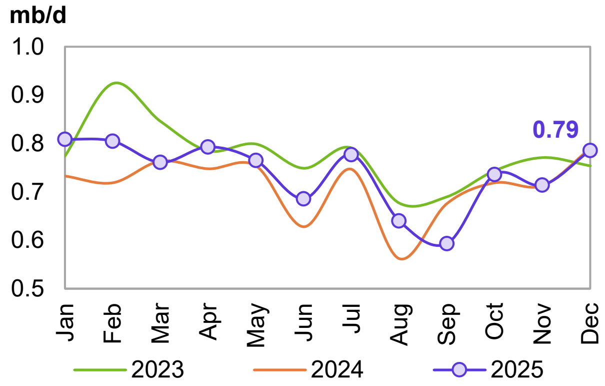
In December 2025, UK liquids production is estimated to have risen by 72 tb/d, m-o-m, to average 0.8 mb/d. Crude oil production increased by 64 tb/d, m-o-m, to average 0.6 mb/d. The December crude level was lower by about 12 tb/d, y-o-y, based on preliminary national data. NGLs production increased by 8 tb/d, m-o-m, to average 88 tb/d.

In 2025, UK liquids production is estimated to have risen by about 10 tb/d to average 0.7 mb/d.

In 2026, UK liquids production is forecast to drop by approximately 13 tb/d, y-o-y, to average 0.7 mb/d. Production ramp-ups are forecast at the Clair, Triton, a Captain EOR phase and the Murlach (Skua redevelopment) asset. Anasuria and Triton are also expected to add volumes through their start-up assets. Nevertheless, declines across older oil projects are projected to neutralize production increases.

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, renewed output losses from ageing fields are again likely to counterbalance additional volumes.

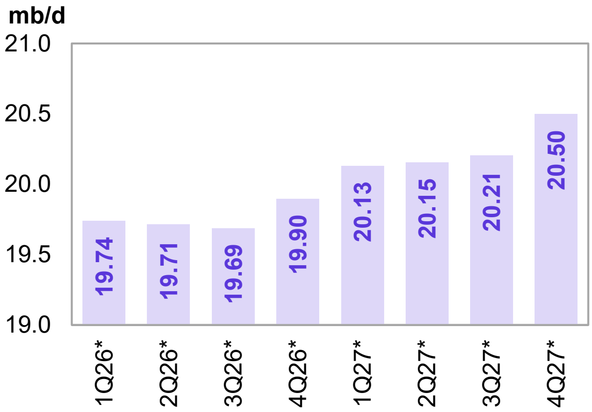
Graph 5 - 16: UK monthly liquids production development



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

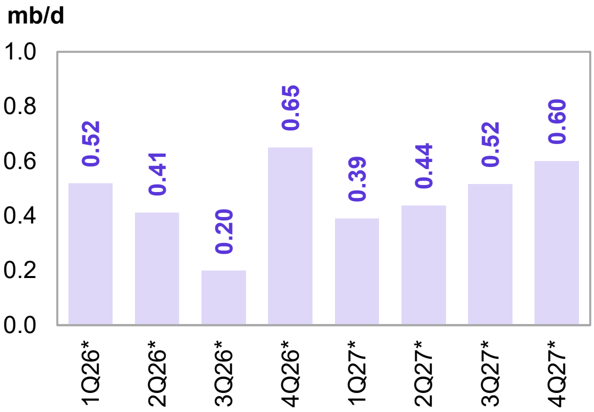
Non-OECD

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



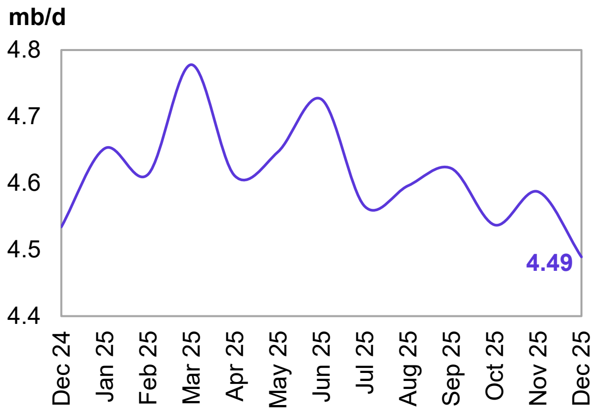
*Note: * 1Q26-4Q27 = Forecast. Source: OPEC.*

China

China's liquids production dropped by 98 tb/d, m-o-m, to average 4.5 mb/d in December 2025. According to official data, this is down by 45 tb/d, y-o-y. December crude oil production averaged 4.2 mb/d. This was lower by about 99 tb/d from the previous month, and down by 26 tb/d, y-o-y.

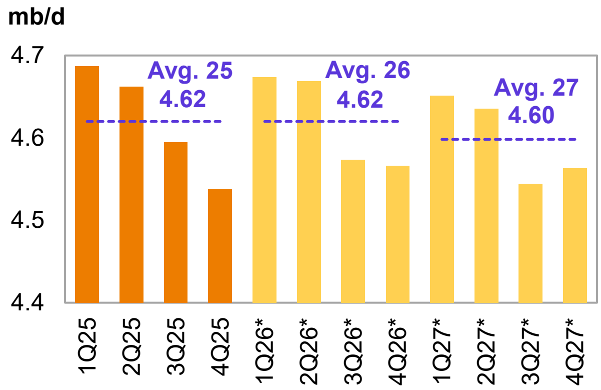
NGLs production remained largely unchanged, m-o-m, at an average of about 25 tb/d. This was largely consistent with the same month last year.

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



Sources: National Bureau of Statistics of China and OPEC.

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



*Note: * 1Q26-4Q27 = Forecast.*
Sources: National Bureau of Statistics of China and OPEC.

In 2025, Chinese liquids production is estimated to have increased by around 60 tb/d, y-o-y, to average 4.6 mb/d.

In 2026, Chinese liquids production is expected to remain unchanged, y-o-y, to average 4.6 mb/d, in line with the previous assessment. In the short term, additional infill drilling and EOR projects are expected to markedly slow the decline rates in legacy wells. Offshore projects, especially in Bohai Bay in northern China and the South China Sea, are expected to remain the main drivers of production growth, supported by recent E&P spending.

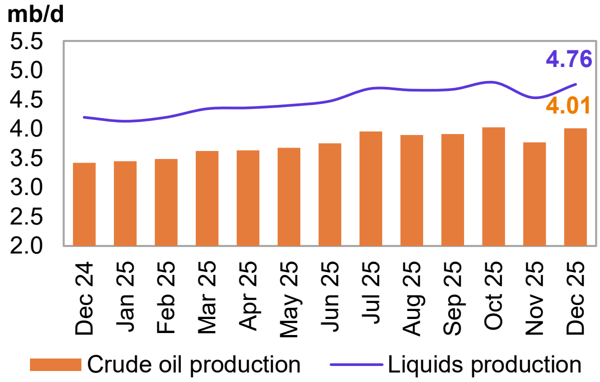
Several oil and gas condensate projects are set to come online, namely Weizhou 11-4, Peng Lai 19-3, Kenli 9-1 and Weizhou 10-3W. Most of the upcoming projects are operated by CNOOC, Sinopec and PetroChina. At the same time, key ramp-ups are expected from the Peng Lai 19-3/19-9, Wushi 17-2, Xijiang 30-2, 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 expected at the Kenli 9-1, Yanchang, Baikouquan tight oil (Xinjiang), Bozhong 25-1 and East China Sea projects.

Brazil

Brazil's crude production in December 2025 rose by 239 tb/d, m-o-m, to average 4.0 mb/d, following a recovery from the disruption witnessed in November. NGLs production remained largely unchanged at an average of around 95 tb/d, with this expected to have remained largely flat in January. Biofuel production (mainly ethanol) is estimated to have dropped by 10 tb/d, m-o-m, to an average of 0.7 mb/d, with preliminary January data indicating a stable trend. The country's total liquids production jumped by about 0.2 mb/d in December, m-o-m, to an average of 4.8 mb/d. This is higher by 0.6 mb/d, y-o-y.

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

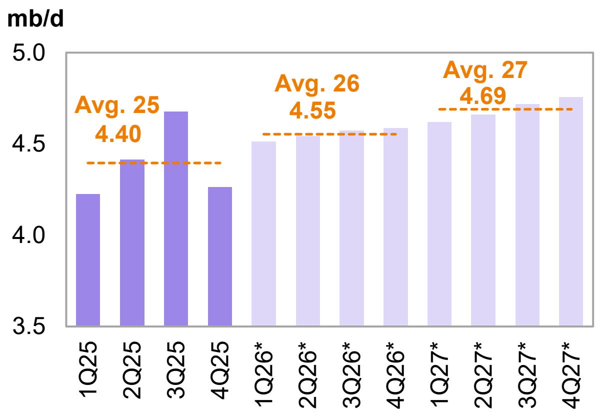


Sources: Brazilian National Agency of Petroleum, Natural Gas and Biofuels (ANP) and OPEC.

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.

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.

Graph 5 - 22: Brazil's quarterly liquids production



*Note: * 1Q26-4Q27 = Forecast. Sources: ANP and OPEC.*

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 expected to increase with production ramp-ups at the Buzios (Franco), Bacalhau, Marlim, and Wahoo projects. Oil project start-ups are expected at the Buzios field and the Pampo-Enchova Cluster asset.

However, rising offshore development costs and persistent inflationary pressures could further postpone projects and temper some near-term growth.

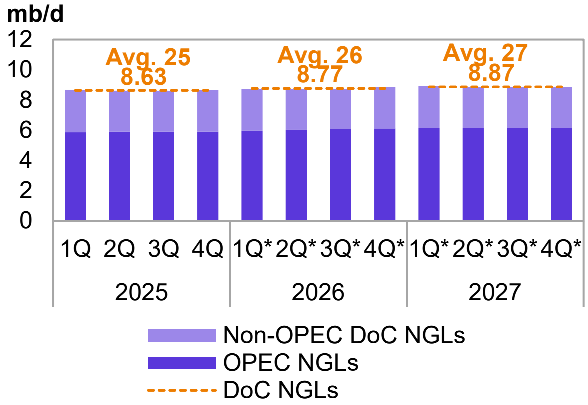
DoC NGLs and non-conventional liquids

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 December 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 130 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 to an average of 2.7 mb/d.

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



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

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 expand 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.

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

DoC NGLs and non-conventional liquids	2025	Change 25/24	2026	Change 26/25	1Q27	2Q27	3Q27	4Q27	2027	Change 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 42.45 mb/d in January 2026, which is 439 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	Nov 25	Dec 25	Jan 26	*Change Jan/Dec*
Algeria	905	934	920	941	963	964	970	968	*-2*
Congo	253	260	257	262	262	258	263	264	*1*
Equatorial Guinea	57	53	55	51	48	45	51	51	*0*
Gabon	222	227	232	225	222	215	225	216	*-9*
IR Iran	3,257	3,263	3,289	3,239	3,208	3,200	3,210	3,129	*-81*
Iraq	4,163	4,011	3,957	3,995	4,094	4,064	4,119	4,157	*38*
Kuwait	2,429	2,475	2,431	2,488	2,564	2,565	2,576	2,581	*5*
Libya	1,092	1,296	1,290	1,310	1,294	1,291	1,311	1,304	*-6*
Nigeria	1,426	1,512	1,529	1,512	1,490	1,491	1,497	1,478	*-19*
Saudi Arabia	8,978	9,471	9,179	9,705	10,041	10,051	10,073	10,086	*13*
UAE	2,950	3,142	2,994	3,259	3,371	3,378	3,376	3,389	*14*
Venezuela	867	936	925	944	943	954	917	830	*-87*
Total OPEC	**26,600**	**27,580**	**27,057**	**27,932**	**28,499**	**28,474**	**28,588**	**28,453**	***-135***
Azerbaijan	481	461	461	459	459	457	459	459	*0*
Bahrain	176	181	183	184	172	183	152	164	*11*
Brunei	79	86	83	85	89	88	90	89	*0*
Kazakhstan	1,539	1,777	1,824	1,855	1,672	1,735	1,575	1,326	*-249*
Malaysia	347	343	345	340	337	335	338	338	*0*
Mexico	1,578	1,458	1,461	1,468	1,450	1,451	1,444	1,434	*-10*
Oman	766	777	763	785	803	805	806	811	*4*
Russia	9,197	9,129	8,995	9,201	9,346	9,377	9,304	9,246	*-58*
Sudan	29	23	24	24	21	23	17	17	*0*
South Sudan	72	113	108	141	130	135	115	111	*-4*
Total Non-OPEC DoC	**14,263**	**14,349**	**14,248**	**14,543**	**14,478**	**14,590**	**14,300**	**13,996**	***-305***
Total DoC	**40,863**	**41,929**	**41,304**	**42,475**	**42,977**	**43,064**	**42,888**	**42,448**	***-439***

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 January, 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	Nov 25	Dec 25	Jan 26	*Change Jan/Dec*
Algeria	907	936	920	948	968	968	972	971	*-1*
Congo	260	269	267	273	275	269	281	275	*-6*
Equatorial Guinea	57	46	46	39	43	44	46	..	..
Gabon	..	..	..	..	..	..	..	..	..
IR Iran	..	..	..	..	..	..	..	..	..
Iraq	3,862	3,775	3,632	3,751*	4,047	4,009	4,081	4,097	*16*
Kuwait	2,411	2,470	2,418	2,483	2,569	2,569	2,580	2,580	*0*
Libya	1,136	1,372	1,367	1,374	1,363	1,365	1,371	1,378	*6*
Nigeria	1,345	1,453	1,481	1,444	1,420	1,436	1,422	1,459	*37*
Saudi Arabia	8,955	9,480	9,183	9,735	10,045	10,050	10,084	10,100	*16*
UAE	2,916	3,119	2,958	3,241	3,364	3,363	3,373	3,383	*10*
Venezuela	921	1,081	1,062	1,095	1,131	1,142	1,120	924	*-196*
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.

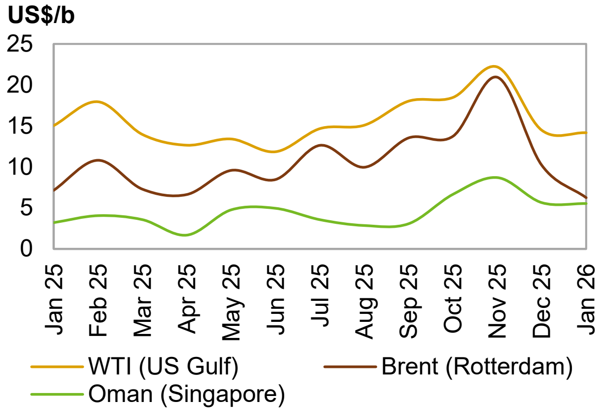
Product Markets and Refinery Operations

In January, refining margins extended their downward trend in all reported trading hubs. Stronger feedstock prices and seasonal demand-side pressures weighed on refining margins, despite a significant rise in offline capacity due to the severe winter in the Atlantic basin and extended maintenance in Asia. In the USGC, losses stemmed from the bottom section of the barrel as geopolitical developments surrounding heavy crude supplies weighed on fuel oil and, to a more limited extent, gasoil crack spreads. In Rotterdam, all key products margins declined, with gasoline leading the decline, followed by fuel oil. In Singapore, the weakness was driven by elevated gasoline and jet/kerosene supplies in the region.

Refinery margins

USGC refining margins against WTI declined to a seven-month low in January but remained at relatively healthy levels compared to margins registered at Rotterdam and Singapore. Residual fuel was the primary source of weakness as the geopolitical risk premium on heavy products eased, removing the bullish market sentiment that had previously supported residual fuel markets. The second source of weakness was gasoil, as seaborne imports remained elevated, while gasoil exports eased, m-o-m, due to higher market competition. The downturn in gasoil and fuel oil crack spreads outweighed the gains registered in the naphtha, jet/kerosene and gasoline segments. Moreover, seasonal demand-side pressures further contributed to poor product-market performance in the USGC.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

Severe winter weather in January caused operational disruptions across the Midwest and Gulf Coast refineries. This led to a surge in US offline capacity, weighing on the country's January refinery intakes. However, the decline in product output was insufficient to offset the seasonal decline in demand. According to preliminary data, refinery intake in the USGC decreased by 470 tb/d, m-o-m, to average 16.72 mb/d in January. USGC margins against WTI averaged $14.15/b, down 31¢, m-o-m, and down 87¢, y-o-y.

Rotterdam refinery margins against Brent registered the largest m-o-m decline relative to the USGC and Singapore. Weaker product fundamentals amid subdued product demand suppressed product crack spread performance, with losses across the barrel. According to S&P data published on 29 January, total Amsterdam-Rotterdam-Antwerp oil product stocks rose 7.3%, m-o-m, but were 9.0% lower, y-o-y. Gasoline led declines in Northwest Europe's product market, owing to reduced exports. Healthy gasoline availability across regions and seasonally lower gasoline demand added pressure on European product markets. Fuel oil also declined, pressured by a lengthening balance on the back of rising residual fuel flows into the Atlantic Basin.

According to preliminary data, January refinery runs in EU-14, Norway and the UK decreased by 140 tb/d to an average of 9.62 mb/d. Refinery margins against Brent in Europe averaged $6.23/b in January, which was $3.95 lower, m-o-m, and 90¢ lower, y-o-y.

Singapore's refining margins against Oman declined for the second consecutive month to a four-month low and remained the smallest among its Western counterparts. Stronger gasoline output from South Korea and Japan, as well as a jet/kerosene surplus in the region, pressured Southeast Asian product markets, while all other key products showed gains. Improvements in gasoil and naphtha fundamentals, along with strong upward pressure on high-sulphur fuel oil margins due to the initial impact of US sanctions, provided support and limited downside risk to refining economics in Southeast Asia.

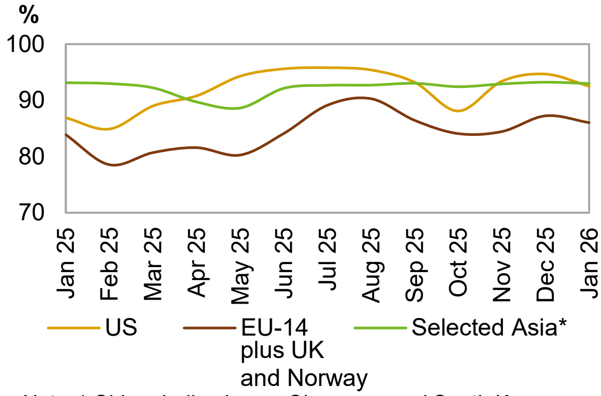
According to preliminary data, the combined December refinery intake for Japan, China, India, Singapore and South Korea registered a slight decline of 70 tb/d, m-o-m, to average 27.56 mb/d. Refinery margins against Oman averaged $5.51/b, which was 11¢ lower, m-o-m, but was $2.33 higher, y-o-y.

Refinery operations

US refinery utilization rates showed a 2.7% drop to an average of 92.06% in January. This corresponds to a throughput of 16.72 mb/d, representing a 470 tb/d decrease relative to the December level. Compared to the previous year, the January refinery utilization rate was 5.2 pp higher, with throughput showing a 714 tb/d rise.

EU-14 plus the UK and Norway refinery utilization averaged 86.01% in January, corresponding to a throughput of 9.62 mb/d. This represents a 1.2 pp, or 140 tb/d m-o-m decline. On a yearly basis, the utilization rate was up by 2.2 pp, with throughput 163 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 decreased to an average of 93.00% in January, corresponding to a throughput of 27.56 mb/d. Compared with the previous month, utilization rates were down 0.2 pp, while throughput was lower by 70 tb/d. Relative to last year, utilization rates were 0.2 pp lower, while throughput was 287 tb/d higher.

Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				Refinery utilization, %			
	Nov 25	Dec 25	Jan 26	Change Jan/Dec	Nov 25	Dec 25	Jan 26	Change Jan/Dec
US	**16.83**	**17.19**	**16.72**	**-0.47**	**93.40**	**94.67**	**92.52**	**-2.1 pp**
Euro-14, plus UK and Norway	**9.44**	**9.76**	**9.62**	**-0.14**	**84.42**	**87.22**	**86.01**	**-1.2 pp**
France	1.04	1.04	1.02	-0.02	90.10	90.73	88.59	-2.1 pp
Germany	1.67	1.77	1.75	-0.02	97.48	103.04	102.15	-0.9 pp
Italy	1.25	1.32	1.30	-0.02	69.00	72.83	71.55	-1.3 pp
UK	0.86	0.89	0.88	-0.01	83.66	86.18	85.25	-0.9 pp
Selected Asia	**27.20**	**27.63**	**27.56**	**-0.07**	**92.94**	**93.25**	**93.00**	**-0.2 pp**
China	14.86	14.77	14.85	0.08	87.92	87.37	87.83	0.5 pp
India	5.43	5.60	5.59	-0.01	107.39	103.33	103.17	-0.2 pp
Japan	2.44	2.72	2.73	0.00	78.43	87.59	87.62	0.0 pp
South Korea	2.90	2.97	2.82	-0.15	96.25	98.40	93.55	-4.9 pp

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

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

Refinery crude throughput	2023	2024	2025	1Q25	2Q25	3Q25	4Q25	1Q26
OECD Americas	**18.71**	**18.96**	**19.02**	**18.24**	**19.27**	**19.68**	**18.87**	**18.52**
of which US	*16.50*	*16.62*	*16.70*	*15.93*	*16.97*	*17.21*	*16.68*	*16.88*
OECD Europe	**11.38**	**11.28**	**11.29**	**11.07**	**11.10**	**11.71**	**11.30**	**11.17**
of which:								
France	*0.93*	*0.92*	*0.96*	*0.93*	*0.83*	*1.04*	*1.04*	*1.02*
Germany	*1.62*	*1.76*	*1.69*	*1.64*	*1.65*	*1.74*	*1.72*	*1.67*
Italy	*1.30*	*1.21*	*1.24*	*1.16*	*1.28*	*1.32*	*1.21*	*1.21*
UK	*0.97*	*0.98*	*0.93*	*0.92*	*1.00*	*0.91*	*0.89*	*0.87*
OECD Asia Pacific	**5.86**	**5.71**	**5.72**	**5.63**	**5.68**	**5.69**	**5.88**	**5.74**
of which Japan	*2.56*	*2.37*	*2.38*	*2.43*	*2.27*	*2.31*	*2.51*	*2.56*
Total OECD	**35.95**	**35.96**	**36.03**	**34.93**	**36.05**	**37.07**	**36.05**	**35.43**
Latin America	**3.54**	**3.69**	**3.66**	**3.65**	**3.63**	**3.70**	**3.65**	**3.67**
Middle East	**7.53**	**7.96**	**8.18**	**8.06**	**8.06**	**8.33**	**8.26**	**8.73**
Africa	**1.75**	**1.93**	**2.08**	**2.09**	**2.04**	**2.11**	**2.09**	**2.25**
India	**5.18**	**5.30**	**5.44**	**5.62**	**5.41**	**5.29**	**5.44**	**5.50**
China	**14.78**	**14.25**	**14.80**	**14.80**	**14.46**	**15.08**	**14.88**	**14.94**
Other Asia	**5.00**	**5.05**	**5.13**	**5.14**	**5.06**	**5.16**	**5.16**	**5.35**
Russia	**5.50**	**5.35**	**5.21**	**5.28**	**5.31**	**5.08**	**5.16**	**5.23**
Other Eurasia	**1.03**	**1.04**	**1.07**	**1.09**	**1.04**	**1.09**	**1.05**	**1.03**
Other Europe	**0.48**	**0.51**	**0.52**	**0.49**	**0.47**	**0.55**	**0.58**	**0.50**
Total Non-OECD	**44.79**	**45.08**	**46.09**	**46.22**	**45.46**	**46.39**	**46.27**	**47.19**
Total world	**80.74**	**81.03**	**82.12**	**81.15**	**81.51**	**83.46**	**82.33**	**82.61**

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.

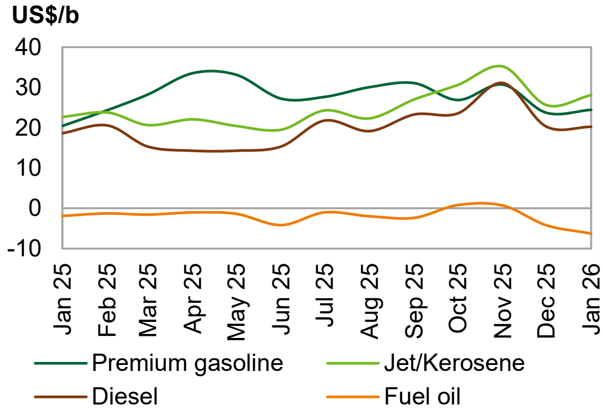
Product markets

US market

The USGC gasoline crack spread against WTI partially recovered and showed a small gain following the dip registered in the previous month. Despite this improvement, gasoline crack spreads remained at the second-lowest level registered since February 2025. Severe weather-related operational disruptions likely contributed to the decline in refinery output, partially offsetting demand-side weakness in US gasoline markets. Going forward, in line with seasonal trends, the gasoline market will remain under pressure; however, the upcoming spring maintenance season could limit the downside.

The USGC gasoline crack spread increased 72¢/b, m-o-m, to reach an average of $24.42/b in January, and was $4.00 higher, y-o-y.

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



Sources: Argus and OPEC.

The USGC jet/kerosene crack spread against WTI rose to partially recover the previous month's loss and retained its position, in absolute terms, as the top performer in the USGC product market. This resulted from downward risks to jet/kerosene supplies against a backdrop of geopolitical developments that raised concerns about jet/kerosene imports. The USGC jet/kerosene crack spread rose by $2.46, m-o-m, to average $28.10/b in January, and was $5.43 higher, y-o-y.

The USGC gasoil crack spread against WTI declined marginally and remained nearly flat m-o-m, constrained by weak fundamentals stemming from limited demand. According to Kpler data, diesel imports into the US were elevated in recent months. This may have contributed to a well-supplied diesel market in the US. Furthermore, strong diesel availability across regions likely weighed on the product's performance, offsetting the demand upside attributed to heating demand. The US gasoil crack spread against WTI averaged $20.23/b, which was 6¢/b lower, m-o-m, but $1.61/b higher, y-o-y.

The USGC fuel oil 3.5% crack spread against WTI retracted, moving deeper into negative territory, with subdued regional HSFO prices and a lengthening balance. This reflected a potential increase in heavy sour crude imports into the US, which should support domestic fuel oil output going forward. In January, the US fuel oil crack spread against WTI decreased $2.06/b, m-o-m, to average negative $6.27/b, and was $4.37/b lower, y-o-y.

European market

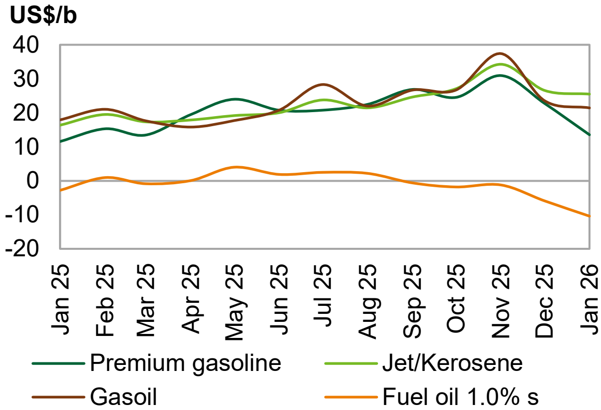
The gasoline crack spread in Rotterdam against Brent continued to fall, settling at the lowest since January 2025. Although gasoline was the only product to show a m-o-m decline at the Amsterdam-Rotterdam-Antwerp storage hub, subdued demand, in line with seasonality, pushed European margins lower. Moreover, the soft outlook for consumption and perceived relatively healthy gasoline balances further weighed on the crack spread. However, the impact of higher European offline capacity (+140 tb/d for EU-14, Norway, and the UK, according to preliminary data) observed in January could be exacerbated by the upcoming heavy refinery turnaround season, providing upside to European gasoline margins. The gasoline crack spread against Brent averaged $13.50/b, which was $9.27/b lower, m-o-m, but $1.99/b higher, y-o-y.

In January, the jet/kerosene crack spread in Rotterdam against Brent showed the smallest loss across the barrel and, similarly to what was seen in the US, remained the top margin contributor. According to Wood Mackenzie, EU sanctions on Russian-derived products significantly tightened jet-fuel supplies. Moreover, according to S&P Global data, net jet/kerosene imports from both Asia and the Middle East declined, suggesting subdued demand. The Rotterdam jet/kerosene crack spread against Brent averaged $25.48/b, down by $1.08/b, m-o-m, but up by $9.13/b, y-o-y.

The gasoil crack spread in Rotterdam against Brent decreased to a seven-month low but remained the second-best performer after jet/kerosene. Regional availability constraints and suppressed exports contributed to the weakness. The gasoil crack spread against Brent averaged $21.44/b, down $2.12/b, m-o-m, but up $3.52/b, y-o-y.

At the bottom of the barrel, fuel oil 1.0% crack spreads in Rotterdam against Brent steeply declined further into negative territory, reflecting weak demand. The fuel oil 1.0% crack spread averaged negative $10.37/b in January, representing a $4.48/b decrease, m-o-m, and a $7.57/b decline, y-o-y.

Graph 6 - 4: Rotterdam crack spreads vs. Brent



Sources: Argus and OPEC.

Asian market

The Southeast Asia gasoline 92 crack spread against Dubai fell, pressured by healthy availability amid strong flows from South Korea, which offset lower exports from China. Going forward, gasoline fundamentals in the region are expected to firm up, as the Chinese Lunar New Year, Eid festivities, and the start of the heavy spring refinery maintenance season in the Atlantic Basin are expected to support gasoline demand. The margin averaged $9.35/b in January, down $4.34/b, m-o-m, but up $5.50/b, y-o-y.

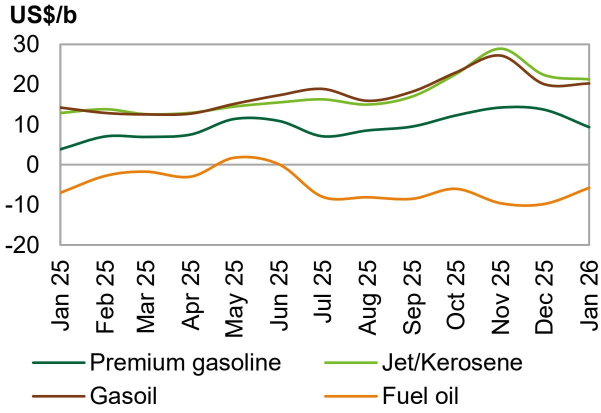
The Asian naphtha crack spread increased on the back of strengthened fundamentals and a narrowing of the January naphtha-LPG spread, as robust winter heating demand supported propane and butane prices. According to Wood Mackenzie, Asian net imports increased in January due to higher naphtha arrivals from Russia and the Middle East. Rising imports could be a measure to pre-empt an expected increase in domestic chemical demand ahead of the Chinese New Year festivities and the upcoming increase in the petrochemical feedstock consumption tax. The consumption tax increase, announced by Chinese local tax authorities in December, is scheduled to take effect in 1Q26 and is expected to reduce tax evasion and increase state revenue. However, the tax increase could raise costs for suppliers and traders, reducing demand and pressuring petrochemical producers' margins. The Singapore naphtha crack spread against Dubai averaged negative $2.48/b, which was 67¢ higher, m-o-m, and was $4.96 higher, y-o-y.

In the middle of the barrel, the jet/kerosene crack spread declined as Singapore oil product stocks increased 4.5%, m-o-m. Heating demand for jet/kerosene from Japan was supportive, although limited flows from India to Europe kept the region well supplied. The Singapore jet/kerosene crack spread against Dubai averaged $21.29/b, down $1.08/b, m-o-m, but up $8.36/b, y-o-y.

The Singapore gasoil crack spread increased slightly as the deficit from lower gasoil flows from China offset the decline in exports to Europe and higher output from South Korea and Japan. These dynamics helped keep regional gasoil balances in check, while winter temperatures across regions provided additional optimism for gasoil markets ahead of the upcoming heavy refinery maintenance season. The Singapore gasoil crack spread against Dubai averaged $20.25/b, up 17¢/b, m-o-m, and up $5.99/b, y-o-y.

The Singapore fuel oil 3.5% crack spread strengthened initially due to disruptions to fuel oil flows into Asia and later due to geopolitical developments.

Graph 6 - 5: Singapore crack spreads vs. Dubai



Sources: Argus and OPEC.

Singapore's HSFO crack spread against Dubai averaged negative $5.75/b, up $4.01/b, m-o-m, and up $1.22/b, y-o-y.

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

Event	Time frame	Observations	Asia	Europe	US
Seasonality	Feb 26– Mar 26	Transport fuel markets, particularly gasoline, are expected to remain under pressure amid the cold weather.	↓ Pressure on transport fuel markets	↓ Pressure on transport fuel markets	↓ Pressure on transport fuel markets
Upcoming heavy refinery maintenance season	Feb 26 – Jun 26	Product balances are expected to contract, supporting product prices, crack spreads and refining margins.	↑ Upward pressure on product crack spreads	↑ Upward pressure on product crack spreads	↑ Upward pressure on product crack spreads
Impact of the 2025 refinery closures	Feb 26 onwards	Around 1.1 mb/d of 2025 refining capacity loss contributed to a contraction in product balances, particularly during the maintenance season and until the newer refineries reach full capacity.	↑ Support product markets	↑ Support product markets	↑ Support product markets
Impact of the 2025 refinery capacity expansions	Feb 26 onwards	New product volumes entering international markets amid ramp-ups at the latest refinery capacity additions, which totalled 995 tb/d in 2025, are expected to lead to y-o-y growth for product balances in 2H26.	↓ Pressure on product markets	↓ Pressure on product markets	↓ Pressure on product markets
Petrochemical feedstock tax rise in China	1Q26 onwards	A higher tax on domestically sourced petrochemical feedstocks could weigh on steam cracker margins and exert pressure on the naphtha market in China.	↓ Pressure on naphtha markets	-	-

Source: OPEC.

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

		Dec 25	Jan 26	Change Jan/Dec	Annual avg. 2025	Year-to-date 2026
US Gulf (Cargoes FOB)						
Naphtha*		54.21	61.98	7.77	63.91	61.98
Premium gasoline	(unleaded 93)	81.67	84.67	3.00	93.01	84.67
Regular gasoline	(unleaded 87)	74.01	76.08	2.07	84.97	76.08
Jet/Kerosene		83.61	88.35	4.74	89.46	88.35
Gasoil	(0.2% S)	78.26	80.48	2.22	84.74	80.48
Fuel oil	(3.0% S)	50.44	51.42	0.98	62.27	51.42
Rotterdam (Barges FOB)						
Naphtha		55.72	57.62	1.90	62.64	57.62
Premium gasoline	(unleaded 98)	85.46	80.23	-5.23	90.08	80.23
Jet/Kerosene		89.25	92.21	2.96	91.34	92.21
Gasoil/Diesel	(10 ppm)	86.25	88.17	1.92	91.98	88.17
Fuel oil	(1.0% S)	56.75	56.36	-0.39	68.85	56.36
Fuel oil	(3.5% S)	53.90	56.83	2.93	65.13	56.83
Mediterranean (Cargoes FOB)						
Naphtha		53.11	54.69	1.58	60.81	54.69
Premium gasoline**		79.05	76.63	-2.42	84.16	76.63
Jet/Kerosene		86.15	88.24	2.09	88.32	88.24
Diesel		85.38	87.14	1.76	90.87	87.14
Fuel oil	(1.0% S)	61.17	61.01	-0.16	72.66	61.01
Fuel oil	(3.5% S)	50.49	51.52	1.03	61.75	51.52
Singapore (Cargoes FOB)						
Naphtha		58.84	59.59	0.75	64.73	59.59
Premium gasoline	(unleaded 95)	77.25	72.95	-4.30	80.73	72.95
Regular gasoline	(unleaded 92)	75.68	71.42	-4.26	78.83	71.42
Jet/Kerosene		84.36	83.36	-1.00	86.48	83.36
Gasoil/Diesel	(50 ppm)	82.25	82.38	0.13	87.38	82.38
Fuel oil	(180 cst)	81.72	82.01	0.29	86.03	82.01
Fuel oil	(380 cst 3.5% S)	52.23	56.32	4.09	64.21	56.32

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

Sources: Argus and OPEC.

Tanker Market

Dirty tanker spot freight rates had a strong start to the year in January, supported by geopolitical uncertainties, weather disruptions, unplanned outages, and steady loading activity.

VLCC spot freight rates began in 2026 with an exceptionally strong performance, which spilt over into the smaller vessel classes. Spot freight rates on the Middle East-to-East route reached the highest level for the month for at least a decade, up by 64%, y-o-y.

Suezmax rates saw support from weather disruptions in the Atlantic basin and spillover support from the VLCC market. Suezmax rates on the US Gulf Coast (USGC)-to-Europe route were up by 12%, m-o-m, and more than doubled year-ago levels, as European refiners sought replacements for disrupted CPC flows.

Aframax spot freight rates also experienced a strong performance in January as a cold blast tied up tonnage in the Atlantic basin. Cross-Med Aframax spot freight rates rose by 10%, m-o-m, to reach a 10-year high for the month.

In the clean tanker market, spot freight rates showed a strong performance, led by East of Suez. Rates on the Middle East-to-East route were up by 17%, m-o-m, while rates around the Mediterranean gained 5%, m-o-m.

Dirty tanker freight rates

Very large crude carriers (VLCC)

Despite falling from the high levels seen the month before, VLCC spot freight rates registered decade-high levels in January on most monitored routes. Geopolitical uncertainties, weather disruptions, and steady tanker demand supported the large-vessel market. On average, VLCC spot freight rates declined by 12%, m-o-m, but were up by 57% compared with the same month last year.

On the Middle East-to-East route, rates averaged WS95 in January, the highest for the month in over a decade. This still constitutes a m-o-m drop of 12%, but it is 64% higher than the same month last year.

Spot freight rates on the Middle East-to-West route were down 20%, m-o-m, to average WS52. Still, rates were 49% higher than the same month in 2025.

On the West Africa-to-East route, spot freight rates fell 8% from the high levels seen in December to average WS93. Compared with the same month in 2025, rates were up 55%.

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

VLCC	Size *1,000 DWT*	Nov 25	Dec 25	Jan 26	Change Jan 26/Dec 25
Middle East/East	230-280	123	108	95	-13
Middle East/West	270-285	73	65	52	-13
West Africa/East	260	113	101	93	-8

Sources: Argus and OPEC.

Suezmax

Weather disruptions in the Atlantic basin and spillover support from the VLCC market boosted Suezmax spot freight rates in January. On average, Suezmax rates increased 9%, m-o-m, and were up 106% compared to the same month in 2025.

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

Suezmax	Size *1,000 DWT*	Nov 25	Dec 25	Jan 26	Change Jan 26/Dec 25
West Africa/US Gulf Coast	130-135	151	133	141	8
US Gulf Coast/Europe	150	133	117	131	14

Sources: Argus and OPEC.

On the West Africa-to-USGC route, spot freight rates in January averaged WS141, up 6%, m-o-m. Compared with the same month in 2025, spot rates on the route were up by 104%. Rates on the USGC-to-Europe route were up 12%, m-o-m, to average WS131. Y-o-y, rates were 108% higher.

Aframax

Aframax spot freight rates also registered a strong performance in January, as a cold blast added uncertainty in the Atlantic basin. Aframax rates rose by 16%, on average, m-o-m. Compared with the same month in 2025, rates for the vessel class increased by 83%.

Spot freight rates on the Indonesia-to-East route rose by 6%, m-o-m, to average WS169. Y-o-y, rates on the route were up by 44%.

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

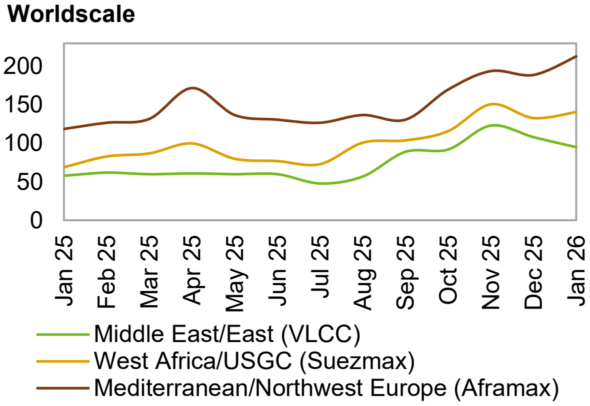
Aframax	Size 1,000 DWT	Nov 25	Dec 25	Jan 26	Change Jan 26/Dec 25
Indonesia/East	80-85	177	159	169	10
Caribbean/US East Coast	80-85	211	211	283	72
Mediterranean/Mediterranean	80-85	200	193	212	19
Mediterranean/Northwest Europe	80-85	194	189	213	24

Sources: Argus and OPEC.

Spot freight rates on the Caribbean-to-US East Coast (USEC) route jumped 34%, m-o-m, to average WS283. Compared with the same month last year, rates were higher by 128%.

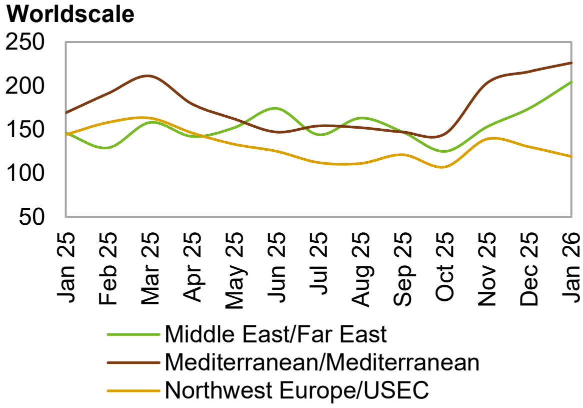
Spot freight rates around the Mediterranean rebounded from the previous month's decline. Cross-Med rates were up 10%, m-o-m, to average WS212. Compared to the same month of 2025, spot rates on the route gained 75%. Rates on the Med-to-Northwest Europe (NWE) route rose 13%, m-o-m, to average WS213. Compared with the same month in 2025, rates were 79% 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

Clean spot freight rates registered a strong performance, led by flows out of the Middle East. East of Suez rates rose by 9%, m-o-m, on average, while West of Suez rates were up 2%, m-o-m. Compared to the previous year, East of Suez rates were up 40%, while West of Suez rates increased by 18%.

Rates on the Middle East-to-East route increased by 17% to average WS204. Compared with January 2025, rates were 40% higher. Clean spot freight rates on the Singapore-to-East route were up 2%, m-o-m, to also average WS204. Y-o-y, rates on the route were up 40%.

In contrast to the other monitored routes, clean rates for NWE-to-USEC declined, falling 8%, m-o-m, to average WS119, representing a drop of 17%, y-o-y. Meanwhile, cross-Med rates increased 5%, m-o-m, to average WS226. Rates on the Med-to-NWE route rose 6% to average WS239. Y-o-y, spot freight rates on Med routes were 34% higher.

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

East of Suez	Size *1,000 DWT*	Nov 25	Dec 25	Jan 26	*Change* Jan 26/Dec 25
Middle East/East	30-35	153	174	204	30
Singapore/East	30-35	161	200	204	4
West of Suez					
Northwest Europe/US East Coast	33-37	139	130	119	-11
Mediterranean/Mediterranean	30-35	203	216	226	10
Mediterranean/Northwest Europe	30-35	212	226	239	13

Sources: Argus and OPEC.

Crude and Refined Products Trade

In January, US crude imports averaged 6.3 mb/d, in line with the average of the last five-years and m-o-m gain of almost 5%. Gains were led by higher inflows from Canada. Crude exports averaged 4.2 mb/d, an increase of about 0.2 mb/d, m-o-m, amid higher flows to Europe and Africa. US product exports averaged 7.0 mb/d, down from the elevated levels seen over the previous two months.

In the OECD Europe region, crude imports declined, m-o-m, in December, amid lower flows from Kazakhstan. Product imports picked up, m-o-m, on higher inflows of fuel oil and diesel. Product exports fell amid falling gasoline outflows.

Japan's crude imports surged in December, averaging just under 3 mb/d, the highest since March 2020. Product imports, including LPG, reached a four-month high, led by kerosene and LPG, supported by winter fuel demand. Product exports fell, m-o-m, weighed down by lower outflows of fuel oil, kerosene and jet fuel.

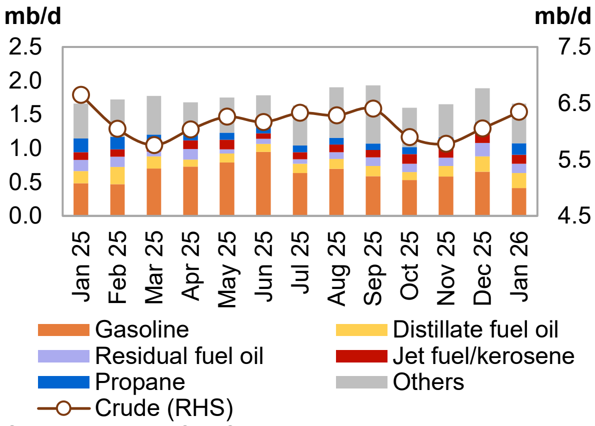
China's crude imports surged to a record high in December, averaging 13.2 mb/d. China's product imports declined by 3%, as naphtha inflows fell from the record high seen in the previous month. Product exports rose marginally, as a jump in fuel oil exports was partly offset by a drop in gasoline flows, which fell to a more than 10-year low.

India's crude imports remained at elevated levels in December, averaging 5.1 mb/d, despite a slight decline, m-o-m. Product imports declined by 5%, as a drop in fuel oil and naphtha inflows was offset by higher LPG imports. Product exports were broadly unchanged at 1.4 mb/d.

US

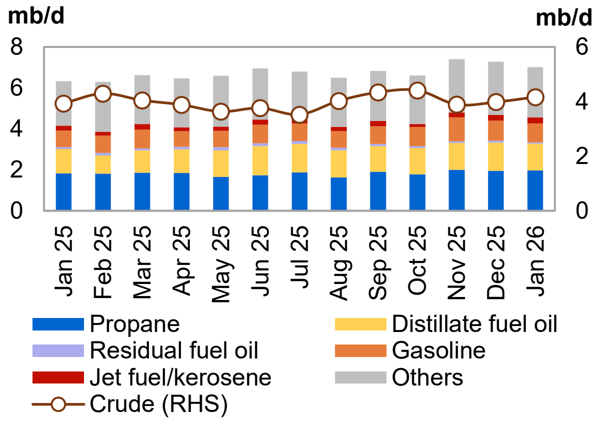
In January, US crude imports remained close to the five-year average, averaging 6.3 mb/d. This represented a gain of 294 tb/d, or almost 5%, m-o-m, led by higher inflows from Canada. On a y-o-y basis, crude imports were down 304 tb/d, or about 5%.

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 184 t/bd or about 5%, m-o-m, in January, with gains driven by higher exports to Europe and Africa. Crude exports averaged 4.2 mb/d, moving to the top of the five-year range and representing a gain of 682 tb/d, or almost 11% compared with the same month last year.

In January, US net crude imports averaged almost 2.2 mb/d, compared with 2.1 mb/d in the previous month and 2.7 mb/d in January 2025.

In the oil products trade, US imports averaged 1.7 mb/d, representing a drop of 231 tb/d, or about 12%, m-o-m. The January decline was driven by gasoline and residual fuel oil. Compared with the same month a year earlier, product inflows were broadly unchanged.

Product exports declined, m-o-m, in January, but still registered a strong start to the year, averaging 7.0 mb/d. The m-o-m decline of 271 tb/d, or about 4%, came amid lower exports of distillate and residual fuel oil. However, compared with the same month last year, product exports were up by 681 tb/d, or almost 11%.

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

US	Nov 25	Dec 25	Jan 26	Change Jan 26/Dec 25
Crude oil	1.89	2.07	2.18	0.11
Total products	-5.76	-5.39	-5.35	0.04
Total crude and products	**-3.86**	**-3.32**	**-3.17**	**0.15**

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

As a result, net product exports averaged 5.35 mb/d in January, down from about 5.39 mb/d in the previous month. A year earlier, net product exports averaged around 4.7 mb/d. Combined net crude and product exports averaged 3.2 mb/d in January, compared with 3.3 mb/d a month earlier and just under 2 mb/d in the same month last year.

OECD Europe

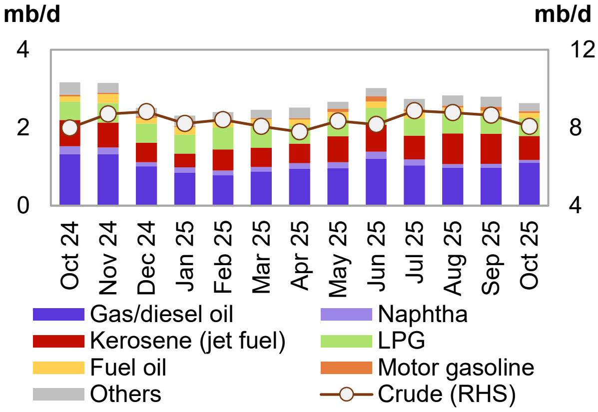
The latest official regional data for OECD Europe show that crude imports fell in October to an average of 8.1 mb/d. This represented a decline of 579 tb/d, or around 7%, m-o-m, but still an increase of 81 tb/d, or 1%, y-o-y.

In terms of import sources outside the region, the US provided the largest share in October, at 1.4 mb/d, compared with 1.6 mb/d in the previous month. Kazakhstan and Libya contributed 1.1 mb/d and 0.8 mb/d, respectively.

Crude exports from OECD Europe averaged 99 tb/d in October, down from 193 tb/d in the month before. China was the main destination outside the region, receiving 63 tb/d during the month.

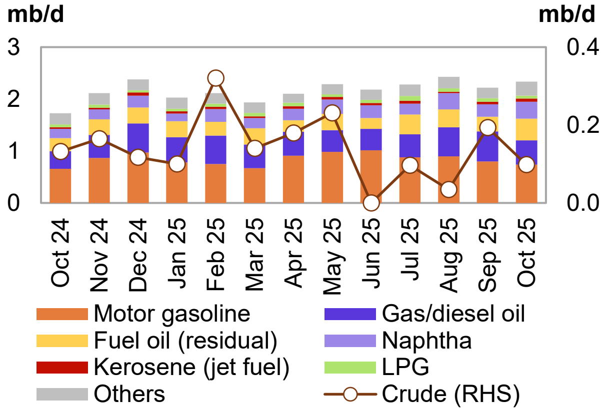
Net crude imports averaged just under 8 mb/d in October, compared with nearly 8.5 mb/d a month earlier and 7.9 mb/d in the same month in 2024.

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 2.6 mb/d in October, a drop of 163 tb/d, or about 6%, m-o-m. The decline was driven primarily by jet/kerosene, which outweighed an increase in gasoil. Y-o-y, product inflows were down by 528 tb/d, or about 17%, with declines led by gasoil and naphtha.

Product exports increased in October, rising 113 tb/d, or 5%, m-o-m, to average 2.3 mb/d. The increase was led by naphtha and fuel oil. Compared with October 2024, product exports were 610 tb/d, or about 35%, higher, largely due to higher outflows of naphtha, fuel oil, and gasoil.

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

OECD Europe	Aug 25	Sep 25	Oct 25	Change Oct 25/Sep 25
Crude oil	8.75	8.45	7.97	-0.48
Total products	0.40	0.58	0.30	-0.28
Total crude and products	**9.15**	**9.03**	**8.27**	**-0.76**

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

Sources: IEA and OPEC.

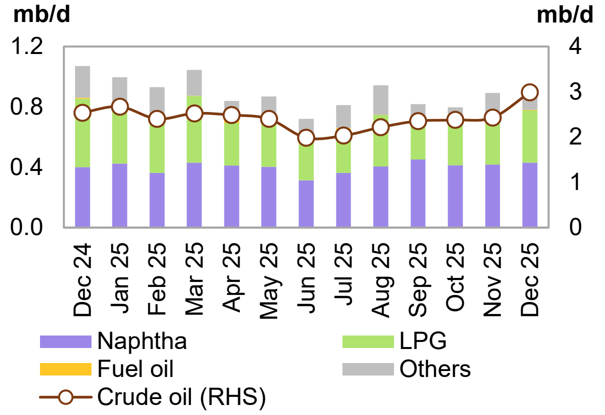
Net product imports averaged 299 tb/d in October, compared with 575 tb/d the month before and 1.4 mb/d in October 2024. Combined net crude and product imports averaged 8.3 mb/d in October, down from 9.0 mb/d in the previous month and 9.3 mb/d in the same month of 2024.

Japan

Japan's crude imports surged in December, averaging just under 3.0 mb/d, the highest since March 2020. On a m-o-m basis, crude imports increased by 559 tb/d, or around 23%. Compared with the same month a year earlier, crude imports were up 449 tb/d, or about 18%.

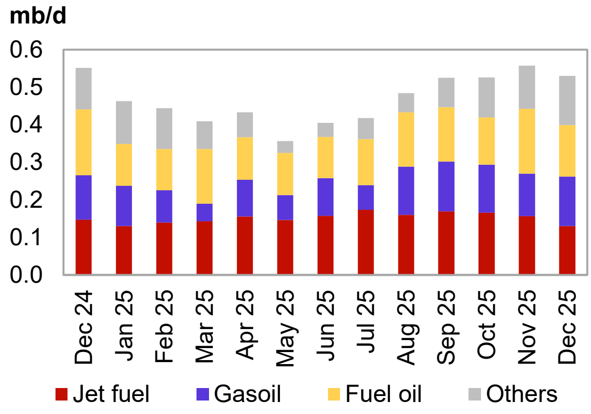
In terms of imports, Saudi Arabia held the largest share in December with 45%, followed by the UAE with 34% and the US with close to 10%. At 1.35 mb/d, imports from Saudi Arabia were the highest since January 2019, while imports from the US were the highest on record at 289 tb/d.

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, reached a four-month high of 921 tb/d in December, rising 28 tb/d, or about 3%, m-o-m. The strong performance was led by kerosene and LPG – supported by winter fuel demand – as well as naphtha. Y-o-y, imports were down by 150 tb/d, or 14%.

Product exports, including LPG, declined in December, averaging 530 tb/d. This was down 27 tb/d, or about 5%, compared with the previous month. Declines contributed by fuel oil, kerosene and jet fuel, which more than offset higher outflows of gasoline and gasoil. Jet fuel exports, which include refuelling by international airlines, likely fell due to a considerable drop in flights from China, amid tensions between the two countries. Compared with December 2024, product outflows fell 21 tb/d, or almost 4%.

As a result, Japan's net product imports, including LPG, averaged 390 tb/d in December compared with 335 tb/d in the previous month and 519 tb/d a year earlier.

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

Japan	Oct 25	Nov 25	Dec 25	Change Dec 25/Nov 25
Crude oil	2.38	2.43	2.99	0.56
Total products	0.27	0.33	0.39	0.06
Total crude and products	**2.65**	**2.76**	**3.38**	**0.61**

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

Sources: METI and OPEC.

China

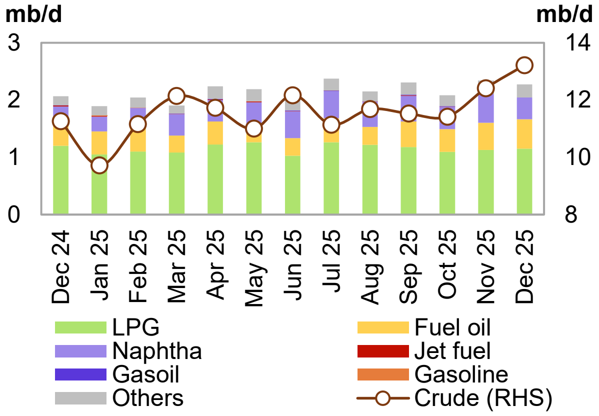
China's crude oil imports surged to a record high in December, averaging 13.2 mb/d. M-o-m, imports increased by 799 tb/d, or over 6%. Russia remained the top crude supplier in December, with almost 16.7%, up from 16.4% the month before, followed by Saudi Arabia with 12% and the United Arab Emirates with 11%. Russian inflows reached a 12-month high, supported by record buying by independent refiners. Crude imports from the United Arab Emirates reached a record high in December, surpassing a previous high set in December 2022, amid increased buying by state-run refiners. Compared with the same month in 2024, China's crude imports were up by almost 2 mb/d, or about 17%.

In annual terms, China's crude imports marked a new record high in 2025, averaging 11.6 mb/d in 2025. This represents an increase of 544 tb/d, or around 5%, y-o-y. The previous record high was set in 2023 at 11.3 mb/d.

Product imports, including LPG, averaged 2.3 mb/d in December, representing a decline of 69 tb/d, or about 3%, m-o-m. After a record high the month before, naphtha imports fell sharply but were partly offset by higher inflows of pet coke and fuel oil, which rose to a 13-month high. Compared with the same month a year earlier, product imports were 204 tb/d, or almost 10%, higher.

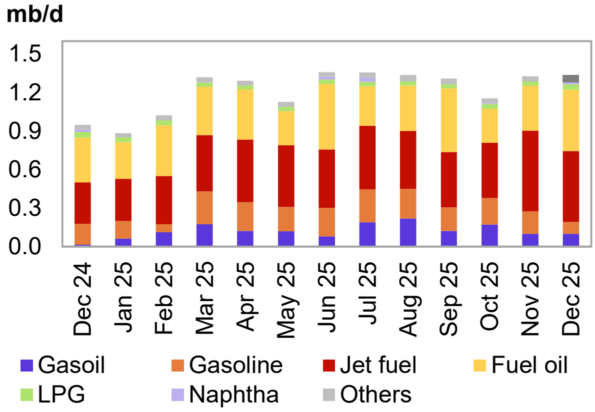
China's product exports, including LPG, rose marginally by 10 tb/d or less than 1%, m-o-m, to remain at around 1.3 mb/d in December. The jump in fuel oil exports was partly offset by a drop in gasoline outflows, which fell to a more than 10-year low. Compared with the same month in 2024, product outflows were about 388 tb/d, or about 41% 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 936 tb/d in December, compared with 1.0 mb/d in the previous month and 1.1 mb/d a year earlier.

In annual terms, China's product imports averaged 2.1 mb/d in 2025, down by less than 2% from the 2.2 mb/d average registered the year before. The decline was driven by fuel oil, which offset higher naphtha imports. Fuel oil inflows declined amid reduced buying by Chinese independent refiners, which use the product as a feedstock. Naphtha was a preferred feedstock for China's petrochemical industry as an alternative to US ethane. Product exports in 2025 were also broadly in line with the previous year, averaging 1.2 mb/d, representing a marginal decline of less than 1%. The increase in jet fuel exports was partly offset by a decline in diesel outflows, as refiners chased better margins.

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

China	Oct 25	Nov 25	Dec 25	Change Dec 25/Nov 25
Crude oil	11.38	12.40	13.20	0.80
Total products	0.93	1.01	0.94	-0.08
Total crude and products	**12.31**	**13.41**	**14.13**	**0.72**

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

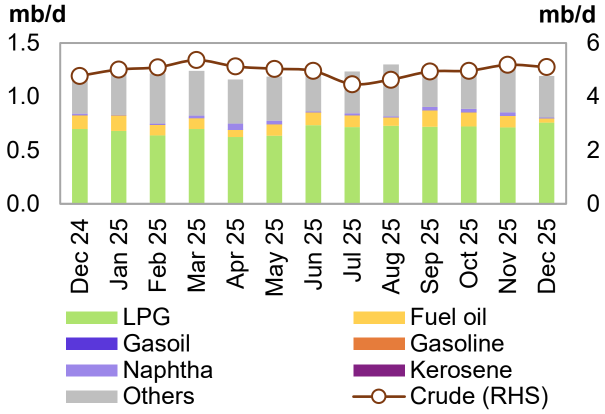
Sources: GACC and OPEC.

India

India's crude imports remained at elevated levels in December. Crude imports averaged 5.1 mb/d for the month, despite a decline of 85 tb/d or about 2%, m-o-m. According to Kpler data, Russia remained the top supplier to India at 1.3 mb/d in December, although this was sharply lower than the 1.9 mb/d recorded in the previous month. Iraq was second with 904 tb/d, followed by Saudi Arabia with 786 tb/d. Y-o-y, imports were up 328 tb/d, or almost 7%.

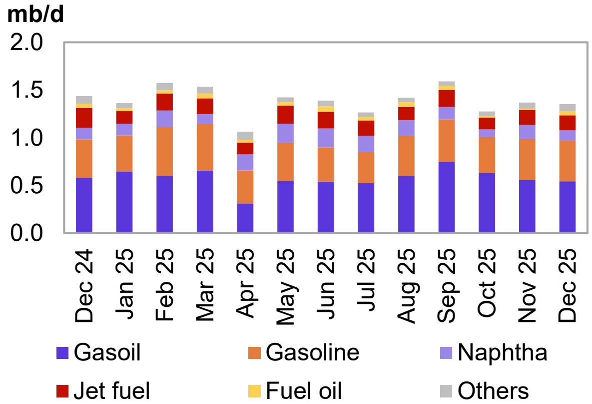
In annual terms, India's crude imports reached a new record high of just under 5 mb/d in 2025. This represents a y-o-y increase of 190 tb/d or 4%.

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 edged down by 66 tb/d, or about 5%, m-o-m, to average just under 1.2 mb/d in December. A drop in fuel oil and naphtha inflows was partly balanced by higher imports of LPG, which were boosted by increased domestic consumption. Y-o-y, product imports were down by 114 tb/d, or 8%.

Product exports also slipped marginally, declining 15 tb/d, or about 1%, m-o-m, to average just under 1.4 mb/d in December. Lower exports of naphtha, as well as road fuels, were offset by higher outflows of fuel oil. Y-o-y, product exports declined 83 tb/d, or almost 6%.

Consequently, India's net product exports averaged 163 tb/d in December, compared with 112 tb/d in the previous month and 216 tb/d in the same month of 2024.

In annual terms, India's product imports averaged 1.2 mb/d, up just over 1%, y-o-y, to reach a fresh record high. Gains were primarily driven by higher LPG inflows, supported by a social programme to promote clean cooking. Product exports averaged 1.38 mb/d in 2025, the highest annual average since 2017. Compared with 2024, product outflows increased 44 tb/d or 3%, led by gasoline, gasoil, and naphtha, which offset lower flows of jet fuel.

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

India	Oct 25	Nov 25	Dec 25	Change Dec 25/Nov 25
Crude oil	4.96	5.18	5.10	-0.08
Total products	-0.07	-0.11	-0.16	-0.05
Total crude and products	**4.89**	**5.07**	**4.93**	**-0.14**

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 partly recovered in December, averaging 6.4 mb/d, an increase of 122 tb/d, or about 2%, m-o-m. Gains were seen broadly across most outlets, except for the Kozmino port in the Pacific and Kazakh crude flows at the CPC terminal in the Black Sea. Flows from Kozmino — which have been running at high rates above 1 mb/d — were crimped by bad weather in December, while flows of Kazakhstan crude were impacted by unplanned disruptions at their key loading terminal. On a y-o-y basis, exports were up 490 tb/d, or more than 8%.

In the Transneft system, crude exports averaged 4.3 mb/d in December, representing an increase of 409 tb/d, or about 11%, m-o-m. The increase was driven by delayed shipments from November due to unplanned disruptions, as well as higher volumes of Kazakh transit supplies, which sought alternative outlets amid unplanned disruptions at the CPC terminal. Compared with the same month in 2024, crude outflows were 774 tb/d, or 22%, higher. Gains were led by exports via Novorossiysk on the Black Sea, which jumped 297 tb/d, or over 48%, m-o-m, to average 911 tb/d. Baltic Sea shipments also increased, up 129 tb/d, or almost 9%, m-o-m, to average 1.6 mb/d. The Baltic ports of Primorsk and Ust-Luga both contributed to the gains. Exports via Primorsk rose 57 tb/d, or 6%, m-o-m, while those via Ust-Luga were up 72 tb/d, or 14%, m-o-m. Y-o-y, Baltic Sea flows from the two ports were up 302 tb/d, or almost 24%.

Shipments via the Druzhba pipeline also increased, m-o-m, to average 213 tb/d in December. This represented an increase of 48 tb/d compared with the previous month, but was a drop of 36 tb/d, or 15%, y-o-y.

Exports to inland China via the ESPO pipeline edged up 5 tb/d or less than 1%, m-o-m, to average 606 tb/d. Flows on the pipeline were down 24 tb/d, or close 4%. As already noted, exports from the Pacific port of Kozmino declined, falling 70 tb/d, or close to 7%, m-o-m, to average 960 tb/d. Compared with the same period in 2024, flows to the Kozmino port were down 26 tb/d, or less than 3%.

In the Lukoil system, exports via the Varandey offshore platform in the Barents Sea averaged 70 tb/d, a drop of 15 tb/d, or about 17%, m-o-m, and were down by 27%, or about 28%, y-o-y.

Elsewhere in December, exports from Russia's Far East port of De Kastri increased by 21 tb/d, or about 13%, m-o-m, while flows from Anvia Bay fell by 3 tb/d, or close to 4%, over the same period. Combined, the two ports exported an average of 252 tb/d in the last month of the year.

Central Asian exports averaged 241 tb/d in December, an increase of 22 tb/d or about 10%, m-o-m, and were up by about 3%, y-o-y.

In contrast to the mostly higher flows elsewhere, Black Sea exports from the CPC terminal declined by 325 tb/d, or by around 24%, m-o-m, to average 1.0 mb/d in December. Lower volumes for the month were due to damage to one of three offshore tanker loading buoys, or mooring systems, referred to as SPM-2. As another mooring system (SPM-3) was undergoing planned maintenance, the terminal was left with only one mooring system, thereby constraining exports of Kazakh crude. Compared to the same month in 2024, CPC exports were down by 209 tb/d, or around 17%.

Exports via the BTC pipeline increased 12 tb/d, or about 2%, to 562 tb/d. The increase was partly due to flows of Kazakh crude, which were rerouted to Baku via tanker across the Caspian Sea due to outages at the CPC terminal. Compared to the same month in 2024, crude exports on the BTC pipeline were 48 tb/d, or almost 8%, lower, y-o-y.

Total product exports from Russia and Central Asia fell 79 tb/d, or more than 3%, m-o-m, to average almost 2.4 mb/d. The drop reflected declines across most major products, except jet fuel, which was flat. Y-o-y, total product exports were down by 172 tb/d, or about 7%, due to reduced exports of most major products, led by fuel oil.

Commercial Stock Movements

According to preliminary December 2025 data, OECD commercial oil inventories rose by 6.5 mb, m-o-m, to stand at 2,845 mb. At this level, OECD commercial stocks were 89.9 mb higher, y-o-y, and 44.1 mb above the latest five-year average, but 81.0 mb below the 2015–2019 average. Within the components, crude stocks fell by 2.1 mb, while product stocks increased by 8.6 mb, m-o-m.

OECD crude oil commercial stocks stood at 1,363 mb. This was 75.5 mb higher, y-o-y, and 17.5 mb above the latest five-year average, but 64.2 mb lower than the 2015–2019 average.

OECD total product stocks stood at 1,481 mb in December. This was 14.4 mb, y-o-y, and 26.7 mb above the latest five-year average, but 16.9 mb lower than the 2015–2019 average.

In terms of days of forward cover, OECD commercial stocks rose by 0.7 days, m-o-m, in December, to stand at 62.8 days. This was 1.8 days higher than in December 2024, unchanged relative to the latest five-year average, and 0.5 days higher than the 2015–2019 average.

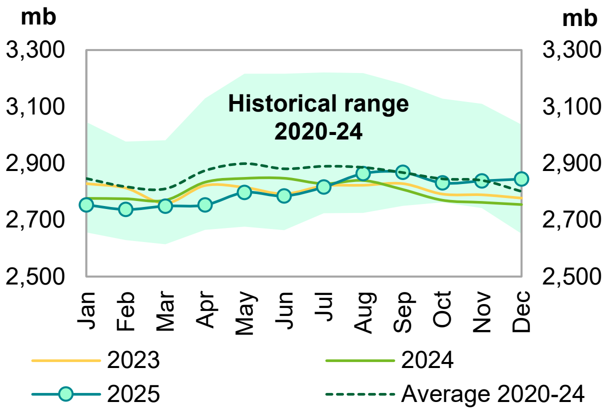
OECD

Preliminary December 2025 data show that OECD commercial inventories rose by 6.5 mb, m-o-m, to stand at 2,845 mb. At this level, OECD commercial stocks were 89.9 mb higher than at the same time the previous year and 44.1 mb above the latest five-year average, but 81.0 mb below the 2015–2019 average.

Within the components, crude stocks fell by 2.1 mb, while product stocks rose by 8.6 mb, m-o-m.

Across OECD regions, OECD Europe and OECD Asia Pacific experienced a stock build in December, whereas OECD America saw a stock draw, m-o-m.

Graph 9 - 1: OECD commercial oil stocks



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

OECD commercial crude stocks dropped by 2.1 mb, m-o-m, to end December at 1,363 mb. This was 75.5 mb higher than a year earlier, 17.5 mb above the latest five-year average but 64.2 mb lower than the 2015–2019 average.

Within the OECD regions, crude stocks in OECD America and OECD Europe decreased by 4.6 mb and 0.8 mb, m-o-m, respectively, while OECD Asia Pacific crude stocks rose by 3.3 mb, m-o-m.

By contrast, OECD total product stocks rose by 8.6 mb, m-o-m, in December to 1,481 mb. This was 14.4 mb above the same time a year ago, 26.7 mb higher than the latest five-year average, but 16.9 mb below the 2015–2019 average.

Within the OECD regions, product stocks in OECD America and OECD Europe experienced 2.1 mb and 8.6 mb, m-o-m, builds, respectively, while OECD Asia Pacific product stocks saw a 2.1 mb draw, m-o-m.

Table 9 - 1: OECD commercial stocks, mb

OECD stocks	Dec 24	Oct 25	Nov 25	Dec 25	*Change* Dec 25/Nov 25
Crude oil	1,288	1,354	1,365	1,363	*-2.1*
Products	1,467	1,477	1,473	1,481	*8.6*
Total	**2,755**	**2,831**	**2,838**	**2,845**	***6.5***
Days of forward cover	**61.0**	**61.8**	**62.1**	**62.8**	***0.7***

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 0.7 days, m-o-m, in December, to stand at 62.8 days. This is 1.8 days higher than the level registered in December 2024 but is in line with the latest five-year average. Meanwhile, they are 0.5 days above the average for the 2015–2019 period.

Within the OECD regions, OECD Americas stood at 0.8 days below the latest five-year average, at 61.8 days. OECD Europe was 0.9 days less than the five-year average, at 72.3 days. OECD Asia Pacific was 3.7 days above the latest five-year average, at 49.7 days.

OECD Americas

OECD Americas' total commercial stocks fell by 2.5 mb, m-o-m, in December, to settle at 1,547 mb. This is 50.6 mb higher than the same month in 2024 and 28.8 mb above the latest five-year average.

Commercial crude oil stocks in the OECD Americas decreased by 4.6 mb, m-o-m, in December to 761 mb, which is 35.7 mb higher than in December 2024 and 4.1 mb above the latest five-year average.

By contrast, total product stocks in the OECD Americas rose by 2.1 mb, m-o-m, in December to 786 mb. This is 14.9 mb above the same month in 2024 and 24.7 mb higher than the latest five-year average. Lower consumption in the region contributed to the build-up of product stock.

OECD Europe

OECD Europe's total commercial stocks rose in December by 7.8 mb, m-o-m, to settle at 934 mb. This is 9.0 mb higher than the same month in 2024, and 0.5 mb above the latest five-year average.

OECD Europe's commercial crude stocks fell by 0.8 mb, m-o-m, to end December at 417 mb. This is 20.3 mb higher than one year ago and 10.5 mb above the latest five-year average.

By contrast, total product stocks increased by 8.6 mb, m-o-m, to end December at 517 mb. This is 11.4 mb below the same time a year ago and 10.1 mb lower than the latest five-year average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks went up in December by 1.3 mb, m-o-m, to stand at 364 mb. This is 30.3 mb higher than the same time a year ago and 14.9 mb above the latest five-year average.

OECD Asia Pacific's crude stocks rose by 3.3 mb, m-o-m, to end December at 185 mb. This is 19.4 mb above the level from one year ago at the same time and 2.8 mb higher than the latest five-year average.

By contrast, OECD Asia Pacific's product stocks fell by 2.1 mb, m-o-m, to end December at 179 mb. This is 10.9 mb higher than one year ago and 12.1 mb above the latest five-year average.

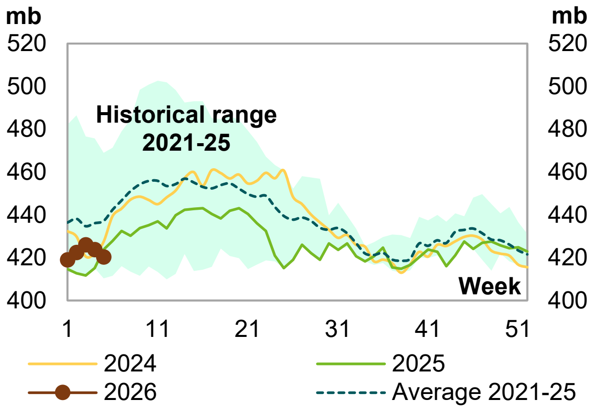
US

Preliminary data for January 2026 shows that total US commercial oil stocks fell by 10.2 mb, m-o-m, to stand at 1,276 mb. This is 64.8 mb, or 5.4%, higher than the same month in 2025 and 30.8 mb, or 2.5%, above the latest five-year average. Crude and products stocks went down by 2.6 mb and 7.6 mb, m-o-m, respectively.

US commercial crude stocks in January stood at 420.3 mb. This is 1.5 mb, or 0.4%, higher than the same month in 2025 but 18.9 mb, or 4.3%, below the latest five-year average. The monthly drawdown in crude oil stocks came on the back of lower crude production.

Total product stocks also decreased by 7.6 mb in January, m-o-m, to 855.3 mb. This is 63.3 mb, or 8.0%, higher than last year at the same time and 49.7 mb, or 6.2%, above the latest five-year average.

Graph 9 - 2: US weekly commercial crude oil inventories



Sources: EIA and OPEC.

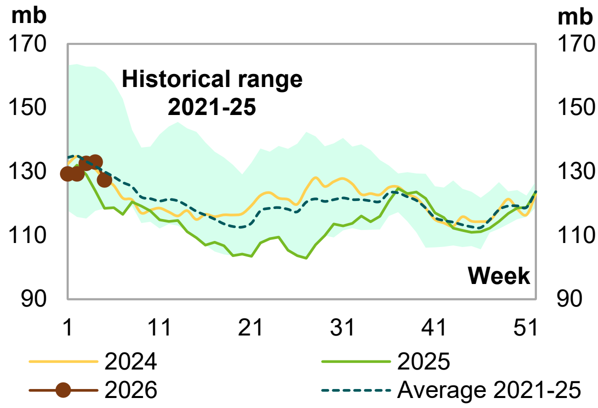
Gasoline stocks rose in January by 23.6 mb, m-o-m, to settle at 257.9 mb. This is 6.8 mb, or 2.7%, higher than the same month in 2025 and 7.9 mb, or 3.2%, above the latest five-year average.

Distillate stocks in January also went up by 3.7 mb, m-o-m, to stand at 127.4 mb. This is 7.4 mb, or 6.2%, higher than the same month a year earlier but 4.8 mb, or 3.6%, below the latest five-year average.

Residual fuel oil stocks in January increased by 0.6 mb, m-o-m. At 23.7 mb, they were 0.1 mb, or 0.2%, below the level a year earlier and 4.7 mb, or 16.6%, less than the latest five-year average.

In contrast, jet fuel stocks fell by 1.6 mb, m-o-m, ending January at 42.4 mb. This is 1.0 mb, or 2.4%, lower than the same month in 2025 but 2.1 mb, or 5.2%, 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	Jan 25	Nov 25	Dec 25	Jan 26	*Change Jan 26/Dec 25*
Crude oil	**418.8**	**427.5**	**422.9**	**420.3**	***-2.6***
Gasoline	251.1	214.4	234.3	257.9	*23.6*
Distillate fuel	119.9	114.3	123.7	127.4	*3.7*
Residual fuel oil	23.7	22.9	23.0	23.7	*0.6*
Jet fuel	43.4	43.9	44.0	42.4	*-1.6*
Total products	**792.0**	**848.5**	**862.9**	**855.3**	***-7.6***
Total	**1,210.8**	**1,276.0**	**1,285.8**	**1,275.6**	***-10.2***
SPR	**395.1**	**411.7**	**413.2**	**415.2**	***2.0***

Sources: EIA and OPEC.

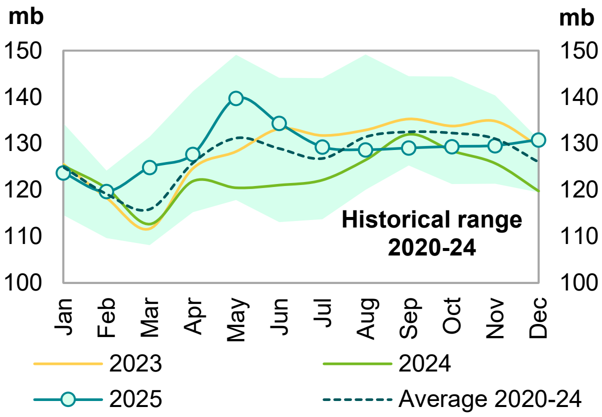
Japan

In Japan, total commercial oil stocks in December 2025 rose by 1.3 mb, m-o-m, to settle at 130.8 mb. This is 11.1 mb, or 9.2%, higher than the same month in 2024 and 4.8 mb, or 3.8%, above the latest five-year average. Crude stocks rose by 3.3 mb, m-o-m, while product stocks dropped by 2.1 mb, m-o-m.

Japanese commercial crude oil stocks went up by 3.3 mb, m-o-m, to stand at 71.0 mb. This is 11.1 mb, or 18.5%, higher than the same month in 2024 and 5.1 mb, or 7.8%, above the latest five-year average. The built-in crude stocks could be attributed to higher crude imports, which increased by about 559 tb/d, or 23%, m-o-m, to 2.99 mb/d.

Gasoline stocks fell in December by 0.9 mb, m-o-m, to stand at 9.8 mb, 0.9 mb, or 8.6%, below the level recorded a year earlier and 1.0 mb, or 9.2%, below the latest five-year average. The drawdown in gasoline stocks was driven by higher domestic sales, which rose 13.5%, m-o-m.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

Middle distillate stocks also dropped by 1.9 mb, m-o-m, to end December at 27.4 mb. This is in line with the same month in 2024 but 0.5 mb, or 1.7%, below the latest five-year average. Among distillate components, jet fuel oil, kerosene, and gasoil stocks declined by 4.2%, 7.3%, and 6.2%, m-o-m, respectively.

In contrast, total residual fuel oil stocks increased by 0.1 mb, m-o-m, to end December at 12.4 mb. At this level, they are 0.2 mb, or 1.2%, higher than the same month in a year earlier and 0.2 mb, or 1.9%, above the latest five-year average. Within the components, fuel oil A stocks went down by 1.9%, m-o-m, while fuel B.C stocks increased by 2.5%, m-o-m.

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

Japan's stocks	Dec 24	Oct 25	Nov 25	Dec 25	*Change Dec 25/Nov 25*
Crude oil	**59.9**	**66.5**	**67.7**	**71.0**	***3.3***
Gasoline	10.7	10.9	10.7	9.8	*-0.9*
Naphtha	9.5	9.6	9.6	10.2	*0.6*
Middle distillates	27.4	30.7	29.3	27.4	*-1.9*
Residual fuel oil	12.2	11.7	12.3	12.4	*0.1*
Total products	**59.8**	**62.9**	**61.9**	**59.8**	***-2.1***
Total**	**119.8**	**129.4**	**129.6**	**130.8**	***1.3***

*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

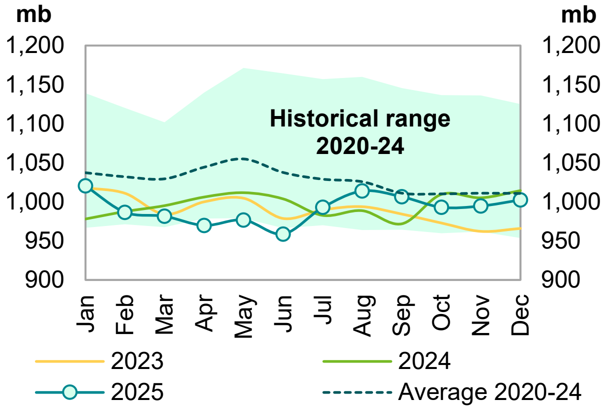
Preliminary data for December 2025 showed that total European oil stocks increased by 7.8 mb, m-o-m, to stand at 1,002 mb. At this level, they were 12.2 mb, or 1.2%, lower than the same month in 2024, and 8.6 mb, or 0.8%, below the latest five-year average. Crude stocks dropped by 0.8 mb, m-o-m, while products stocks went up by 8.6 mb, m-o-m.

European crude stocks stood at 430.9 mb in December. This is 4.7 mb, or 1.1%, higher than the same month in 2024 and 21.2 mb, or 5.2%, above the latest five-year average. The drop in crude oil stocks came despite higher refinery throughput in the EU-14 plus the UK and Norway, which increased by about 310 tb/d, m-o-m, to 9.76 mb/d.

In contrast, total European product stocks rose by 8.6 mb, m-o-m, to end December at 571.5 mb. This is 16.9 mb, or 2.9%, lower than the same month in 2024 and 29.8 mb or 5.0%, less than the latest five-year average. The product stocks built may be attributable to lower regional demand.

Gasoline stocks dropped in December by 0.3 mb, m-o-m, to stand at 105.5 mb, which is 1.7 mb, or 1.6%, lower than the same time in 2024 and 4.0 mb, or 3.6%, less than the latest five-year average.

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



Sources: OilX and OPEC.

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

EU stocks	Dec 24	Oct 25	Nov 25	Dec 25	*Change Dec 25/Nov 25*
Crude oil	**426.2**	**429.1**	**431.7**	**430.9**	***-0.8***
Gasoline	107.3	105.0	105.8	105.5	*-0.3*
Naphtha	28.4	25.5	27.9	29.0	*1.1*
Middle distillates	396.5	374.1	370.5	378.4	*7.9*
Fuel oils	56.3	59.2	58.7	58.6	*-0.1*
Total products	**588.4**	**563.9**	**562.9**	**571.5**	***8.6***
Total	**1,014.6**	**993.0**	**994.6**	**1,002.3**	***7.8***

Sources: OilX and OPEC.

Residual fuel stocks also decreased in December by 0.1 mb, m-o-m, to stand at 58.6 mb. This is 2.3 mb, or 4.1%, higher than the same month in 2024 but 2.0 mb, or 3.3%, below the latest five-year average.

In contrast, middle distillate stocks rose by 7.9 mb, m-o-m, in December to 378.4 mb. This is 18.1 mb, or 4.6%, lower than the same month in 2024 and 23.8 mb or 5.9%, below the latest five-year average.

Meanwhile, naphtha stocks increased by 1.1 mb, m-o-m, in December, ending the month at 29.0 mb. This is 0.6 mb, or 2.0%, higher than the same month in 2024 but 0.1 mb, or 0.2%, lower than the latest five-year average.

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

Singapore

In December, total product stocks in Singapore rose by 3.5 mb, m-o-m, to 50.5 mb. This is 4.5 mb, or 9.8%, higher than the same month in 2024 and 5.8 mb, or 13.0%, above the latest five-year average.

Light distillate stocks increased by 2.3 mb, m-o-m, in December to 15.6 mb. This is 0.4 mb, or 2.3%, lower than the same month a year earlier but 1.6 mb, or 11.3%, above the latest five-year average.

Residual fuel oil stocks also rose by 1.6 mb, m-o-m, ending December at 26.8 mb. This is 5.7 mb, or 26.9%, higher than a year ago at the same time and 5.6 mb, or 26.2%, above the latest five-year average.

By contrast, middle distillate stocks decreased by 0.4 mb, m-o-m, in December to 8.2 mb. This is 0.8 mb, or 8.7%, lower than the level of December 2024 and 1.3 mb, or 13.8%, below the latest five-year average.

ARA

Total product stocks in ARA in December rose by 0.1 mb, m-o-m. At 44.7 mb, they were 5.9 mb, or 11.7%, below the same month in 2024 but 0.6 mb, or 1.3%, higher than the latest five-year average.

Gasoline stocks increased by 0.7 mb, m-o-m, ending December at 10.0 mb. This is 1.8 mb, or 15.4%, lower than in December 2024 but 0.04 mb, or 0.4%, above the latest five-year average.

Fuel oil stocks also went up by 0.4 mb, m-o-m, in December to 7.0 mb. This is 2.5 mb, or 26.7%, less than the December 2024 level and 1.4 mb, or 16.3%, lower than the latest five-year average.

By contrast, gasoil stocks in December decreased by 0.2 mb, m-o-m, to 14.7 mb. This is 3.3 mb, or 18.3%, lower than the same month in 2024 and 1.0 mb, or 6.4%, less than the latest five-year average.

Jet oil stocks also decreased by 0.3 mb, m-o-m, to stand at 8.0 mb in December. This is 1.2 mb, or 18.0%, higher than the level seen in December 2024 and 1.1 mb, or 15.4%, above the latest five-year average.

Fujairah

During the week ending 2 February, total oil product stocks in Fujairah fell by 1.88 mb, w-o-w, to stand at 21.49 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 3.16 mb higher than at the same time in 2025.

Light distillate stocks dropped by 0.46 mb, w-o-w, to stand at 8.07 mb, remaining 0.27 mb lower, y-o-y. Middle distillate stocks also fell by 0.51 mb, w-o-w, to 2.89 mb, up 1.05 mb on a year-earlier basis, while heavy distillate stocks decreased by 0.90 mb, w-o-w, to stand at 10.53 mb, 2.38 mb above year-earlier levels.

Balance of Supply and Demand

The 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.

The demand for DoC crude in 2027 also remains unchanged from the previous month's assessment of 43.6 mb/d, which is about 0.6 mb/d higher than the 2026 forecast.

Balance of supply and demand in 2026

Demand for DoC crude

The demand for DoC crude (i.e., crude from countries participating in the DoC) in 2026 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.

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**	**107.0**	**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**	**43.4**	**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 also remains unchanged from the previous month's assessment of 43.6 mb/d, which is about 0.6 mb/d higher than the 2026 forecast.

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

	2026	1Q27	2Q27	3Q27	4Q27	2027	Change 2027/26
(a) World oil demand	**106.5**	**106.9**	**106.8**	**108.4**	**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

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	12.9	13.7	13.8	13.5	13.5
Asia Pacific	7.2	7.2	7.1	7.3	6.8	6.9	7.3	7.1	7.3	6.7	6.8	7.3	7.1
Total OECD	**45.7**	**45.8**	**45.9**	**45.3**	**45.7**	**46.7**	**46.6**	**46.1**	**45.4**	**45.8**	**46.8**	**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	10.2	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	7.2
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	9.2
Africa	4.6	4.7	4.9	5.1	4.8	5.0	5.3	5.0	5.2	4.9	5.2	5.5	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	0.8	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**	**60.5**	**61.5**	**61.0**	**61.6**	**62.6**	**61.7**
(a) Total world demand	**102.4**	**103.8**	**105.1**	**105.6**	**105.6**	**107.0**	**107.9**	**106.5**	**106.9**	**106.8**	**108.4**	**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	3.6	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**	**32.5**	**32.5**	**32.3**	**32.5**	**32.9**	**32.6**
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**	**20.2**
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***	***0.6***	***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	2,755	2,845										
SPR	1,207	1,245	1,246										
Total	**3,984**	**4,000**	**4,090**										
Oil-on-water	1,438	1,354	1,596										
Days of forward consumption in OECD, *days*													
Commercial onland stocks	61	60	62										
SPR	26	27	27										
Total	**87**	**87**	**89**										
Memo items													
(a) - (b)	**42.1**	**42.1**	**42.4**	**42.6**	**42.2**	**43.4**	**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 January 2026 issue.*
This table shows only where changes have occurred.
Source: OPEC.

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

OECD oil stocks and oil on water	2023	2024	2025	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Closing stock levels, mb											
OECD onland commercial	**2,778**	**2,755**	**2,845**	**2,770**	**2,847**	**2,807**	**2,755**	**2,749**	**2,785**	**2,869**	**2,845**
Americas	1,518	1,496	1,547	1,499	1,552	1,530	1,496	1,461	1,500	1,562	1,547
Europe	906	925	934	936	950	921	925	940	920	950	934
Asia Pacific	353	334	364	335	345	357	334	349	365	358	364
OECD SPR	**1,207**	**1,245**	**1,246**	**1,219**	**1,226**	**1,235**	**1,245**	**1,244**	**1,241**	**1,238**	**1,246**
Americas	357	395	415	366	374	384	395	398	404	408	415
Europe	466	466	452	470	468	467	466	461	457	453	452
Asia Pacific	384	384	379	383	384	383	384	386	380	377	379
OECD total	**3,984**	**4,000**	**4,090**	**3,989**	**4,073**	**4,042**	**4,000**	**3,994**	**4,026**	**4,107**	**4,090**
Oil-on-water	**1,438**	**1,354**	**1,596**	**1,440**	**1,375**	**1,354**	**1,354**	**1,410**	**1,430**	**1,510**	**1,596**
Days of forward consumption in OECD, days											
OECD onland commercial	**61**	**60**	**62**	**61**	**61**	**61**	**61**	**60**	**60**	**62**	**63**
Americas	60	59	61	59	61	60	60	58	58	61	62
Europe	67	69	69	69	68	68	72	69	67	71	72
Asia Pacific	49	47	52	48	50	48	46	51	53	49	50
OECD SPR	**26**	**27**	**27**	**27**	**26**	**27**	**28**	**27**	**27**	**27**	**28**
Americas	14	16	16	15	15	15	16	16	16	16	17
Europe	35	35	34	35	34	35	36	34	33	34	35
Asia Pacific	53	54	54	55	56	52	53	57	55	51	52
OECD total	**87**	**87**	**89**	**87**	**88**	**87**	**89**	**88**	**87**	**89**	**90**

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

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

Non-DoC liquids production and DoC NGLs	2025	Change 25/24	1Q26	2Q26	3Q26	4Q26	2026	Change 26/25	1Q27	2Q27	3Q27	4Q27	2027	Change 27/26
US	22.2	0.5	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**	**3.6**	**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**	**32.5**	**0.2**	**32.5**	**32.3**	**32.5**	**32.9**	**32.6**	**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**	**20.2**	**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.

Table 11 - 5: World rig count, units

World rig count	2023	2024	2025	*Change 2025/24*	2Q25	3Q25	4Q25	Dec 25	Jan 26	*Change Jan/Dec*
US	688	599	562	*-37*	571	540	548	546	545	*-1*
Canada	177	188	177	*-11*	129	177	185	172	197	*26*
Mexico	55	50	25	*-25*	24	29	27	28	30	*2*
OECD Americas	**921**	**839**	**765**	***-74***	**725**	**748**	**761**	**748**	**774**	***26***
Norway	17	13	16	*3*	15	18	15	14	15	*1*
UK	12	8	8	*0*	9	7	6	4	4	*0*
OECD Europe	**66**	**64**	**66**	***2***	**68**	**69**	**64**	**62**	**62**	***0***
OECD Asia Pacific	**25**	**25**	**18**	***-7***	**15**	**19**	**18**	**17**	**17**	***0***
Total OECD	**1,012**	**927**	**849**	***-78***	**808**	**835**	**842**	**827**	**853**	***26***
Other Asia*	204	212	201	*-11*	200	206	199	198	201	*3*
Latin America	120	104	107	*3*	109	110	101	97	102	*5*
Middle East	61	62	62	*0*	61	62	61	62	62	*0*
Africa	67	52	44	*-8*	44	44	43	42	43	*1*
Other Europe	11	9	11	*2*	12	11	11	11	11	*0*
Total Non-OECD	**463**	**439**	**425**	***-14***	**427**	**433**	**415**	**410**	**419**	***9***
Non-OPEC rig count	**1,475**	**1,367**	**1,274**	***-93***	**1,235**	**1,268**	**1,257**	**1,237**	**1,272**	***36***
Algeria	36	42	43	*1*	44	41	42	44	40	*-4*
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	65	62	*-3*
Kuwait	24	31	34	*3*	30	34	40	41	42	*1*
Libya	14	18	18	*0*	18	18	18	18	18	*0*
Nigeria	14	15	13	*-2*	10	15	16	17	15	*-2*
Saudi Arabia***	83	295	248	*-47*	254	233	232	233	242	*9*
UAE	57	66	74	*8*	71	76	77	75	77	*2*
Venezuela	2	2	1	*-1*	2	0	1	2	2	*0*
OPEC rig count	**412**	**653**	**615**	***-38***	**613**	**600**	**612**	**617**	**620**	***3***
World rig count****	**1,887**	**2,019**	**1,890**	***-129***	**1,848**	**1,868**	**1,869**	**1,854**	**1,892**	***39***
of which:										
Oil	1,498	1,559	1,425	*-134*	1,400	1,399	1,395	1,372	1,408	*36*
Gas	357	413	409	*-4*	398	410	414	417	423	*6*
Others	32	47	56	*9*	51	60	60	64	61	*-3*

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

*** Estimated data when Baker Hughes Incorporated did not reported the data.*

**** Since January 2024, Baker Hughes counts all operating rigs in Saudi Arabia; other countries reflect only active rigs.*

***** Data excludes onshore China, as well as Russia and other Eurasian countries.*

Totals may not add up due to independent rounding.

Sources: Baker Hughes Incorporated and OPEC.

Glossary of Terms

Abbreviations

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

Acronyms

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

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

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

OPEC Basket average price *US$/b*

Up 0.61 in January

January 2026	62.31
December 2025	61.70
Year-to-date	**62.31**

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

Down 0.13 in January

January 2026	28.45
December 2025	28.59

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

Down 0.30 in January

January 2026	14.00
December 2025	14.30

Economic growth rate *per cent*

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2026	3.1	2.2	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*

	Oct 25	Nov 25	Dec 25	Dec 25/Nov 25
Crude oil	1,354	1,365	1,363	-2.1
Products	1,477	1,473	1,481	8.6
Total	**2,831**	**2,838**	**2,845**	**6.5**
Days of forward cover	61.8	62.1	62.8	0.7

Next report to be issued on 11 March 2026.