Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

11 June 2026

Feature article:
World oil market prospects for the second half of 2026

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Oil Market Highlights

Crude Oil Price Movements

In May, the OPEC Reference Basket (ORB) value rose by $5.49/b, m-o-m, to average $114.55/b. The ICE Brent front-month contract rose in May by $1.25/b, m-o-m, to average $103.71/b, while the NYMEX WTI front-month contract dropped by $0.16/b, m-o-m, to average $98.51/b. The GME Oman front-month contract dropped by $1.81/b, m-o-m, to $102.10/b. The Brent–WTI futures spread widened by $1.41/b, m-o-m, to average at a premium of $5.20/b in May. The forward curves for key crude futures benchmarks remained steeply backwardated throughout May. Hedge funds and other money managers cut their long positions in both Brent and WTI futures contracts in May, reflecting expectations of easing tensions in the Middle East.

World Economy

The global economic growth forecasts for 2026 and 2027 remain unchanged at a healthy 3.1% and 3.2%, respectively. The US economic growth forecasts remain unchanged at 2.2% for 2026 and at 2.0% for 2027. In the Eurozone, the 2026 economic growth forecast is revised slightly down to 1.0% but remains at 1.2% for 2027. Japan's economic growth forecasts remain at 0.8% for 2026 and 0.9% for 2027. The economic growth forecasts for China remain at 4.6% for 2026 and 4.5% for 2027. India's economic growth forecast remains 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

Global oil demand is forecast to grow by a healthy 1.0 mb/d in 2026, y-o-y. The OECD is forecast to grow by about 0.1 mb/d, while the non-OECD is forecast to grow by about 0.9 mb/d. Global oil demand in 2027 is forecast to grow by about 1.7 mb/d, y-o-y, following an upward revision of about 0.2 mb/d from last month's assessment. The OECD is forecast to grow by 0.2 mb/d, while the non-OECD is forecast to grow by about 1.5 mb/d.

World Oil Supply

Non-DoC liquids production (i.e., liquids production from countries not participating in the Declaration of Cooperation) is forecast to grow by about 0.6 mb/d, y-o-y, in 2026, unchanged from last month's assessment. The main drivers of liquids production growth are expected to be Brazil, the US, Canada, and Argentina. In 2027, non-DoC liquids production is forecast to grow by about 0.6 mb/d, also unchanged from last month's assessment. The growth will mainly be driven by Qatar, Brazil, Canada, and Argentina. Natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to increase by about 0.1 mb/d, y-o-y, to average 8.8 mb/d in 2026. Additional growth of about 0.1 mb/d, y-o-y, is forecast for 2027, to average about 8.9 mb/d. In May, crude oil production by countries participating in the DoC decreased by 0.19 mb/d, m-o-m, to average about 33.13 mb/d, according to available secondary sources.

Product Markets and Refining Operations

Refining margins continued to trend downward on the US Gulf Coast (USGC) and, more sharply, in Singapore. Easing product tightness in both trading hubs pressured middle distillates and naphtha. A post-maintenance rebound in US refinery runs added to the weakness, despite strength in gasoline and residual fuel. In Singapore, margins corrected downward following the previous month's increase, amid weak steam cracking margins and stronger regional middle distillate supply. In contrast, Rotterdam margins rose amid unplanned refinery outages and renewed supply risks.

Tanker Market

In May, dirty tanker spot freight rates remained elevated, although down from record highs registered in March. Increased long-haul demand supported VLCC spot freight rates, offset by tankers repositioning to active markets, which eased some of the upward pressure on rates. On the West Africa-to-East route, VLCC spot freight rates declined 4%, m-o-m, but remained 121% higher than in the same month last year. The Suezmax market experienced a similar dynamic, despite US Gulf crude exports remaining near record levels amid ongoing SPR releases. On the USGC-to-Europe route, spot freight rates fell 22%, m-o-m, but were still 130% higher, y-o-y. Aframax spot freight rates experienced the strongest drop but remained at the upper end of the five-year range. Aframax rates on the Mediterranean-to-Northwest Europe route fell by 51% m-o-m, as prompt buying eased from high levels in the previous month. Clean tanker spot freight rates remained elevated east of Suez on strong Asian demand, but declined west of Suez on reduced prompt buying. Clean spot freight rates on the Middle East-to-East route were up by 9%, m-o-m, while rates around the Mediterranean fell by 32%, m-o-m.

Crude and Refined Product Trade

In May, US crude imports remained steady, m-o-m, averaging 5.7 mb/d, while crude exports averaged 5.2 mb/d, broadly in line with the previous month. US product exports averaged 7.8 mb/d for the third month in a row. In April, OECD Europe crude imports slipped to an average of 7.7 mb/d. Product imports into the region stood at 2.1 mb/d, while product exports moved to the top of the five-year range, averaging 2.6 mb/d amid higher flows to the US. In Japan, crude imports fell to 853 tb/d in April. Product imports into Japan averaged 679 tb/d amid declines in LPG, kerosene and fuel oil, while product exports fell for the third consecutive month to average 291 tb/d as all major products slumped. China's crude oil imports in April fell to an average of 9.4 mb/d amid reduced refinery runs. Product imports dropped to 1.2 mb/d amid lower LPG and fuel oil inflows. China's product exports fell to 819 tb/d, following a government effort to limit product exports. In India, crude imports recovered in April to stand close to the five-year range at 4.9 mb/d. Product imports into India continued to decline, averaging 647 tb/d, amid a drop in fuel oil and naphtha. India's product exports averaged 895 tb/d, with declines registered across all major products.

Commercial Stock Movements

Preliminary April 2026 data show that OECD commercial oil inventories decreased by 48.4 mb, m-o-m, to stand at 2,748 mb. At this level, OECD commercial stocks were 6.9 mb lower, y-o-y, 53.7 mb below the latest five-year average, and 179.5 mb below the 2015–2019 average. Within the components, crude stocks increased by 4.2 mb, while product stocks decreased by 52.7 mb, m-o-m. OECD commercial crude oil stocks stood at 1,348 mb. This was 2.0 mb lower, y-o-y, 31.6 mb below the latest five-year average, and 124.5 mb below the 2015–2019 average. OECD total product stocks stood at 1,399 mb in April. This was 4.9 mb lower, y-o-y, 22.1 mb below the latest five-year average, and 55.1 mb below the 2015–2019 average. In terms of days of forward cover, OECD commercial stocks fell by 1.6 days, m-o-m, in April, to 60.1 days. This was 0.2 days higher, y-o-y, but 1.3 days below the latest five-year average and 2.1 days below the 2015–2019 average.

Balance of Supply and Demand

The demand for DoC crude (i.e., crude from countries participating in the DoC) in 2026 is revised down from the previous month's assessment by 0.2 mb/d, to 42.5 mb/d, which is about 0.2 mb/d higher than in 2025. The demand for DoC crude in 2027 remains unchanged from the previous month's assessment at 43.5 mb/d, which is about 1.0 mb/d above the 2026 forecast.

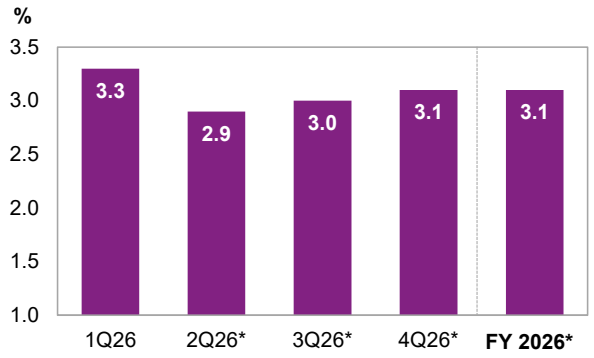
Feature Article

World oil market prospects for the second half of 2026

The global economic performance has remained resilient so far this year. In OECD economies, the US has witnessed solid growth in recent months, while the Eurozone and Japan have seen a slight moderation in economic momentum. Growth in non-OECD Asian economies, including China and India, has been particularly robust, underpinned by global AI investment, steady international trade and fiscal measures that have helped offset higher energy costs. Elsewhere in the non-OECD, Brazil's economy has maintained steady momentum, while growth in Russia is expected to gain some traction towards the end of the year after an earlier slowdown. Overall, the strong 1H26 base, combined with an anticipated acceleration later in 2H26, offers support for a robust global economic growth forecast of 3.1% in 2026 (see ***Graph 1***).

Geopolitical events, as well as US tariff-related developments, remain the key issues to monitor in 2H26. The US's current 10% global blanket tariffs are set to expire at the end of July and will likely transition to a new legal framework. Additionally, the US-Mexico-Canada Agreement (USMCA) will be reviewed by participating countries with a pending July deadline, while the US-China trade truce from the end of last year may also need to be revisited in 2H26.

Graph 1: World GDP growth, y-o-y changes

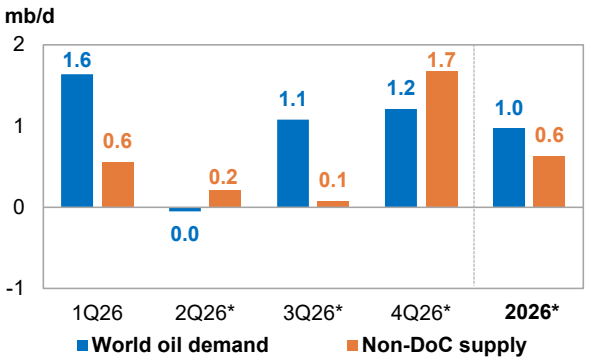


*Note: * Forecast.*
Source: OPEC.

On the monetary front, near-term monetary policy paths have become more difficult to anticipate given renewed uncertainty about global inflation dynamics. Recent comments by central banks point to a strongly data-dependent approach. Central banks are seen as focused on the balance between the possibility of temporarily weaker growth prospects and renewed transitional upside inflation risks.

With this economic backdrop, global oil demand is forecast to grow by 1.0 mb/d, y-o-y, in 2026 (see ***Graph 2***).

Graph 2: World oil demand and non-DoC supply growth, y-o-y changes



*Note: * Forecast.*
Source: OPEC.

In the OECD, oil demand is expected to be driven by the US. In terms of products, jet kerosene and gasoline are the main regional drivers of oil demand, on the back of the summer driving season and air travel activity. Diesel requirements, however, are anticipated to be subdued by softer economic and manufacturing activity, and demand for naphtha may be pressured by declining petrochemical margins. Overall, OECD oil demand is projected to grow by about 0.1 mb/d, y-o-y, in 2026.

In the non-OECD, China and Other Asia are expected to be the primary drivers of oil demand, with India providing support. Oil demand is expected to be underpinned by air travel, road mobility and improvements in manufacturing sector activities. Non-OECD oil demand is forecast to grow by 1.1 mb/d, y-o-y, in 2H26. In terms of products, gasoline and jet fuel are set to lead regional oil demand growth, followed by diesel, LPG and naphtha. Overall, non-OECD oil demand is projected to grow by 0.9 mb/d, y-o-y, in 2026.

Non-DoC liquids supply is forecast to expand by about 0.9 mb/d in 2H26, y-o-y, following an estimated y-o-y increase of 0.4 mb/d in 1H26. This implies full-year 2026 non-DoC liquids supply growth of about 0.6 mb/d, y-o-y. Regionally, in 2H26, OECD liquids supply (excluding Mexico) is projected to increase by 0.4 mb/d, y-o-y, driven by higher US and Canadian output. Liquids supply from the non-OECD region (excluding DoC participants) is also expected to increase by 0.4 mb/d, y-o-y, in 2H26.

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Crude Oil Price Movements

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The forward curves for key crude futures benchmarks remained steeply backwardated throughout May. The front end of the forward curves remained supported by relatively tight prompt supply conditions amid continued disruptions to crude supply flows.

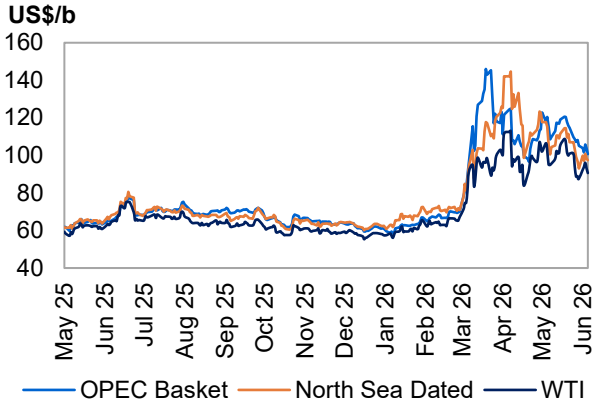
Hedge funds and other money managers cut their bullish positions in both Brent and WTI futures contracts in May, betting on easing geopolitical tensions in the Middle East and improving supply conditions. Speculators sold the equivalent of about 122 mb of oil in May, cutting their combined options and futures net-long positions in ICE Brent, NYMEX WTI and ICE WTI contracts by 25%.

Crude spot prices

Crude spot prices declined in May amid expectations of improving prompt supply availability and softer refinery demand, particularly in Asia, where persistent refinery constraints weighed on spot market buying activity. Global refinery intake levels were nearly 7 mb/d below those observed in January and February. North Sea Dated and Dubai first-month prices dropped by $13.60/b and $4.27/b, m-o-m, respectively, to average $107.80/b and $101.29/b.

However, WTI spot prices rose slightly, m-o-m, finding support amid an ongoing draw in US crude stocks, strong US crude exports, and firm US refinery intakes. WTI's first-month price rose by $0.53/b, m-o-m, to average $99.16/b.

Graph 1 - 1: Crude oil price movements



Sources: Argus and OPEC.

At the beginning of May, spot prices remained relatively supported by lingering supply constraints and limited prompt availability, as refiners continued to secure replacement barrels in the June trading cycle. However, later in the month, growing expectations of improving global oil supply conditions combined with softer refinery demand weighed on market sentiment. Weaker refinery margins across several key regions, particularly in Asia, also exerted downward pressure on crude prices. Lower refinery runs reduced spot buying activity, while the availability of alternative supplies constrained price premiums. As a result, crude differentials weakened across most key spot markets, easing from the elevated levels observed in March and April.

In Northwest Europe, the premium of North Sea grades to North Sea Dated fell sharply last month, reflecting reduced buying interest as European refiners lowered crude intake, increased supply availability and shifted arbitrage flows. Moreover, increased availability of alternative supplies, including US crude, weighed on regional differentials in the Atlantic basin. Buying interest from Asia also moderated compared with previous months, limiting support from export arbitrage opportunities. Forties and Ekofisk crude differentials in May dropped by $12.02/b and $11.10/b, m-o-m, to premiums of $2.36/b and $3.69/b against North Sea Dated. Johan Sverdrup also declined against North Sea Dated, falling by $8.61/b to a premium of $2.39/b.

West African grades also weakened, as demand moderated for prompt-loading cargoes, particularly for light sweet grades. Bonny Light, Forcados, Qua Iboe, and Cabinda crude differentials to North Sea Dated decreased by $2.42/b, $3.08/b, $2.75/b and $8.52/b, respectively, to reach premiums of $4.30/b, $5.14/b, $4.32/b and $0.48/b.

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

OPEC Reference Basket (ORB)	Apr 26	May 26	Change May 26/Apr 26	Year-to-date 2025	2026
ORB	**109.06**	**114.55**	***5.49***	**72.50**	**94.50**
Arab Light	107.21	122.10	*14.89*	74.20	96.87
Basrah Medium	108.39	120.22	*11.83*	71.82	95.34
Bonny Light	122.13	114.66	*-7.47*	72.49	96.51
Djeno	113.95	100.35	*-13.60*	64.25	87.03
Es Sider	125.75	111.80	*-13.95*	70.61	96.14
Iran Heavy	105.15	115.39	*10.24*	72.89	94.97
Kuwait Export	105.65	118.65	*13.00*	73.56	95.72
Merey	90.47	82.77	*-7.70*	60.21	71.25
Murban	104.46	102.17	*-2.29*	72.35	90.58
Rabi Light	120.94	107.34	*-13.60*	71.24	94.02
Sahara Blend	133.40	109.00	*-24.40*	72.28	97.88
Zafiro	121.20	107.60	*-13.60*	73.73	93.53
Other Crudes					
North Sea Dated	121.40	107.80	*-13.60*	71.71	94.48
Dubai	105.56	101.29	*-4.27*	72.40	93.66
Isthmus	101.04	102.51	*1.47*	67.42	82.72
LLS	102.76	100.60	*-2.16*	70.33	85.78
Mars	103.96	101.85	*-2.11*	68.78	85.73
Minas	133.34	118.00	*-15.34*	74.84	102.50
Urals	95.61	84.07	*-11.54*	58.14	66.72
WTI	98.63	99.16	*0.53*	67.70	82.98
Differentials					
North Sea Dated/WTI	22.77	8.64	*-14.13*	4.01	11.50
North Sea Dated/LLS	18.64	7.20	*-11.44*	1.38	8.70
North Sea Dated/Dubai	15.84	6.51	*-9.33*	-0.69	0.82

Sources: Argus, Direct Communication, and OPEC.

In the Mediterranean and Caspian regions, crude prices also dropped in May, as demand from Asia and Europe softened while increased competition from other regions amid improved availability of alternative crudes contributed to declining premiums. Saharan Blend and Azeri BTC crude differentials dropped by $6.95/b and $8.43/b, m-o-m, to premiums of $2.04/b and $5.91/b to North Sea Dated. CPC Blend crude differentials also decreased by $5.20/b, m-o-m, to a premium of $1.46/b to North Sea Dated.

In the US Gulf Coast (USGC), crude differentials averaged lower in May amid ample regional and Strategic Petroleum Reserve (SPR) supply. However, demand from US refiners and firm crude export demand limited the price decline relative to similar grades in the Atlantic Basin. Light Louisiana Sweet (LLS) fell by $2.66/b, m-o-m, to stand at a premium of $1.47/b to the WTI benchmark, and Mars sour decreased by $2.55/b to a premium of $2.78/b to WTI.

In the Middle East, the value of Oman crude differentials to Dubai dropped by $4.37/b, m-o-m, to a premium of $8.57/b in May, compared with a premium of $12.94/b in April.

OPEC Reference Basket (ORB) value

In May, the ORB value rose by $5.49/b, m-o-m, to average $114.55/b. West and North African Basket components Bonny Light, Djeno, Es Sider, Rabi Light, Sahara Blend and Zafiro dropped by an average of $14.44/b, m-o-m, to $108.46/b. Multiple-region destination grades, including Arab Light, Basrah Medium, Iran Heavy and Kuwait Export, increased on average by $12.49/b, m-o-m, to $119.09/b. Murban crude declined on average by $2.29/b, m-o-m, to $102.17/b, and the Merey component dropped by $7.70/b, m-o-m, to settle at $82.77/b.

The oil futures market

Crude oil futures prices were mixed in May amid elevated volatility, as market sentiment remained dominated by supply conditions and uncertainty surrounding developments affecting oil flows in the Middle East.

In the first half of the month, futures prices remained supported by elevated risk premiums amid mixed reports on oil flow conditions in the Middle East. Tight physical market fundamentals and ongoing concerns over near-term supply availability underpinned market sentiment. Oil prices also found support from a substantial draw in US crude stocks. According to the US Energy Information Administration's weekly data, US commercial crude inventories declined by nearly 18 mb between 24 April and 22 May.

In the second half of the month, prices came under pressure amid growing expectations of improving supply conditions and a gradual recovery in regional oil flows. Futures prices remained volatile throughout the month, reflecting market sensitivity to evolving supply signals. Position adjustments by money managers and other speculative participants also contributed to price volatility, with combined Brent and WTI net long positions declining by around 25% over the month.

Moreover, the rollover of front-month contracts influenced price developments, with later-month contracts generally trading at lower levels in a strongly backwardated market structure. This contributed to some downward pressure on front-month futures prices during the period.

The ICE Brent front-month contract rose in May by $1.25/b, m-o-m, to average $103.71/b, while the NYMEX WTI front-month contract dropped by $0.16/b, m-o-m, to average $98.51/b. The GME Oman front-month contract dropped by $1.81/b, m-o-m, to $102.10/b.

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

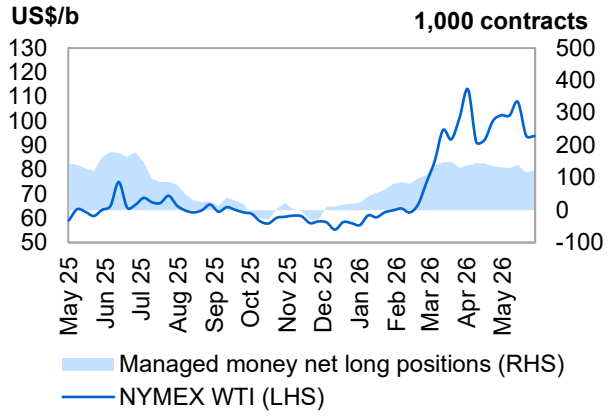
Crude oil futures	Apr 26	May 26	Change May 26/Apr 26	Year-to-date 2025	Year-to-date 2026
NYMEX WTI	98.67	98.51	-0.16	67.56	83.24
ICE Brent	102.46	103.71	1.25	71.01	88.26
GME Oman	103.91	102.10	-1.81	72.25	93.34
Spread					
ICE Brent-NYMEX WTI	*3.79*	*5.20*	*1.41*	*3.45*	*5.02*

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

The ICE Brent–NYMEX WTI futures spread widened in May, as ICE Brent strengthened while NYMEX WTI eased. Higher-risk premiums in seaborne markets provided greater support for ICE Brent than for NYMEX WTI. The Brent–WTI futures spread widened by $1.41/b, m-o-m, to average a premium of $5.20/b in May. In contrast, the spread between North Sea Dated and WTI Houston narrowed sharply, as improving supply availability in the Atlantic Basin and softer demand weighed on North Sea crude differentials. Meanwhile, WTI remained supported by relatively firm market fundamentals. US crude inventories continued to decline during May, while crude exports remained elevated at around 5 mb/d in April and May. At the same time, stronger domestic refinery demand in the US provided additional support to WTI prices. The North Sea Dated–WTI Houston spread narrowed by $11.61/b, m-o-m, to average a premium of $6.88/b in May.

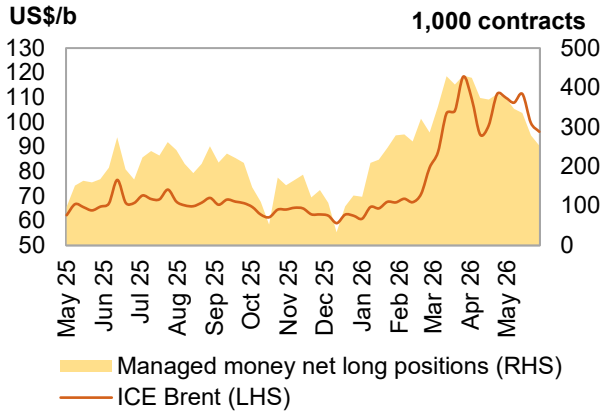
Hedge funds and other money managers cut their bullish positions in May in both Brent and WTI futures contracts, betting on easing geopolitical tensions in the Middle East and improving supply conditions. Speculators sold the equivalent of about 122 mb of oil in May, cutting their combined options and futures net long positions by 25% in ICE Brent, NYMEX WTI and ICE WTI contracts.

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



Sources: CFTC, CME and OPEC.

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



Sources: ICE and OPEC.

Money managers also cut their net long positions in WTI in May. NYMEX and ICE WTI net long positions dropped by 17,335 lots, or 16.0%, between the weeks of 28 April and 26 May, to 91,163 contracts, according to the US Commodity Futures Trading Commission (CFTC). The decrease in net long positions was driven by a decline in long positions of 24,377 lots, or 10.5%, to 208,014 contracts. During the same period, short positions fell by 7,042 lots, or 5.7%, to 116,851 contracts.

The long-to-short ratio of speculative positions in ICE Brent further dropped to 3:1 in late May from 7:1 in late April. However, the NYMEX WTI long-to-short ratio remained unchanged over the month at 2:1.

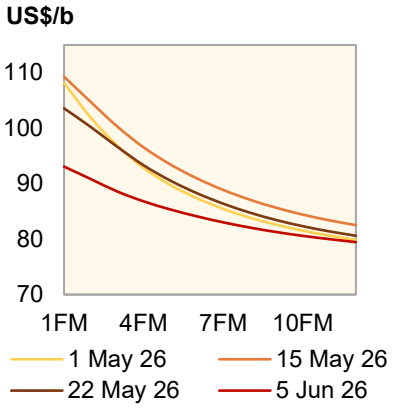
In May, total open interest volumes for ICE Brent and NYMEX WTI futures and options declined, m-o-m, by 302,313 lots, or 3.8%, to 7.6 million contracts in the week of 26 May. Open interest volumes related to ICE Brent futures and options fell by 83,466 contracts, or 2.2%, m-o-m, to stand at 3.7 million contracts. Open interest volumes related to NYMEX WTI futures and options decreased by 218,847 lots, or 5.4%, to stand at 3.8 million contracts.

The futures market structure

The forward curves for key crude futures benchmarks remained steeply backwardated throughout May. The front end of the forward curves remained supported by relatively tight prompt supply conditions amid continued disruptions to crude supply flows.

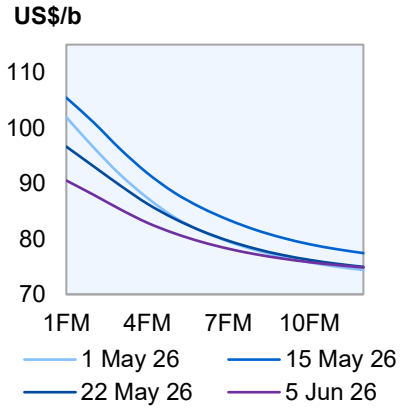
Lower prompt time spreads across all major crude benchmarks reflect an improved perception of supply availability and softer crude demand, particularly in Asia, where refinery constraints in Asia and Europe weighed on crude intake. Reduced refinery runs contributed to weaker prompt demand, exerting downward pressure on front-month prices relative to forward contracts.

Graph 1 - 4: ICE Brent WTI forward curves



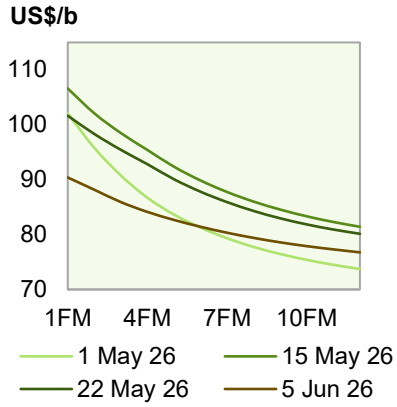
Sources: ICE and OPEC.

Graph 1 - 5: NYMEX WTI forward curves



Sources: CME and OPEC.

Graph 1 - 6: GME Oman forward curves



Sources: GME and OPEC.

The forward curve for ICE Brent futures flattened in May, following significant strengthening in March and April, suggesting that market participants were pricing an improvement in short-term global oil supply conditions. Signs of physical crude supply availability in the Atlantic Basin, including for prompt-loading North Sea cargoes, along with softer demand from European refiners, weighed on the front-month contract and flattened the ICE Brent forward curve. The ICE Brent front-month premium to the third month dropped by $3.46/b, m-o-m, to a backwardation of $7.45/b. ICE Brent's M1–M6 spread also declined by $3.07/b to a backwardation of $15.45/b in May.

In the US, the NYMEX WTI forward curve weakened in May, as ample crude supply, including from the SPR, and the prospect of easing tensions in the Middle East, weighed on the front-month contract relative to the forward months. The NYMEX WTI M1–M3 spread narrowed by $4.03/b, m-o-m, to a backwardation of $7.63/b in May.

The GME Oman forward curve remained in strong backwardation in May, although it flattened compared with the previous month, particularly at the front end of the curve. On a monthly average basis, the GME Oman M1–M3 backwardation narrowed by $1.13/b, m-o-m, to $8.46/b in April.

The North Sea Brent M1–M3 spread narrowed in May by $7.97/b, m-o-m, to a backwardation of $7.87/b, compared with $15.84/b in the previous month. The WTI M1–M3 spread also fell, narrowing by $3.50/b, to a backwardation of $7.65/b. The Dubai M1/M3 spread contracted by $1.58/b to a backwardation of $12.19/b, compared with $13.77/b in April.

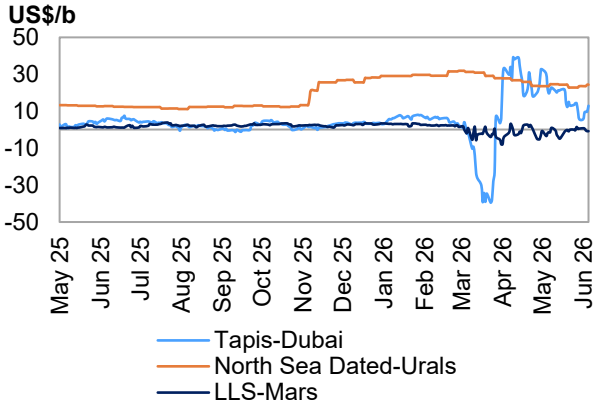
Crude spreads

In May, the spread between light sweet and medium sour crudes narrowed across all key refining hubs, with the largest contraction recorded in Asia, although sweet grades continued to trade at a premium. The narrowing reflected continued tightness in sour crude markets, while signs of improving availability of light sweet crudes in the Atlantic Basin, supported by elevated US crude exports, weighed on sweet crude values.

Soft buying interest for Brent-related grades in Northwest Europe pressured the value of light sweet crudes, while demand for sour grades east of Suez remained relatively firm amid continued constraints on sour crude availability. As a result, the Brent–Dubai spread narrowed by $9.33/b, m-o-m, to average a premium of $6.51/b in May, compared with $15.84/b in April. The stronger performance of heavy distillate margins, particularly high-sulphur fuel oil (HSFO), relative to light and middle distillate margins also contributed to the narrowing of sweet–sour crude spreads.

In Europe, the value of light sweet crude weakened relative to sour grades as the improving availability of Atlantic Basin light sweet crudes, particularly from the US, combined with softer refinery demand, weighed on sweet crude differentials. At the same time, weakness in sour crude values was limited by a sharp increase in HSFO margins, which rose by $20/b, m-o-m, in May. Consequently, the Ekofisk–Johan Sverdrup differential narrowed by $2.49/b, m-o-m, to an average premium of $1.29/b in May, compared with a premium of $3.79/b in April. However, Urals crude differentials to North Sea Dated in both the Baltic and Black Sea weakened on softer demand from some Asia-Pacific refiners, declining by $1.91/b and $1.48/b, m-o-m, respectively, to discounts of $23.79/b and $22.46/b.

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



Sources: Argus and OPEC.

In Asia, the sweet–sour crude spread narrowed more than in other regions, although Tapis maintained a substantial premium over Dubai. The narrowing reflected relatively stronger sour crude values, while light sweet grades came under pressure from weaker pricing of comparable Atlantic Basin grades and softer regional demand. Lower naphtha and gasoil margins weighed on the value of light sweet crudes, while the HSFO crack spread strengthened relative to light distillate margins, moving to a significant premium. As a result, the Tapis–Dubai spread narrowed by $9.80/b, m-o-m, to average a premium of $18.43/b in May, compared with $28.24/b in April.

In the USGC, sweet–sour crude differentials also narrowed in May, although they remained in discount territory. Demand for sour crude remained relatively firm, while increased availability of sour grades from SPR releases and imports of heavy sour crude from Latin America kept the market adequately supplied. In addition, the stronger performance of heavy distillate margins relative to light and middle distillates, particularly the HSFO–naphtha margin, continued to support sour crude values. Consequently, the LLS–Mars differential narrowed by $0.05/b, m-o-m, to a discount of $1.25/b in May.

Commodity Markets

Commodity price indices displayed mixed movement in May. The energy and precious metal indices declined, while base and 'other minerals' indices advanced.

In the futures market, sentiment was cautious in May. Positioning across select commodities reflected a recalibration amid the decline in both combined open interest (OI) and money managers' net length during the period.

Energy commodity prices displayed relative resilience in May, despite seasonal headwinds, particularly in gas and coal markets. In the non-energy group, price performance was generally positive over the period.

Trends in select energy commodity markets

The energy price index declined in May, falling by 8.7%, m-o-m. The benchmark was dragged down by a decline in average crude oil prices and muted performance of US coal prices. Gains in other select energy prices limited losses over the same period. The index was up by 59.3%, y-o-y, supported by higher prices across all components, except US natural gas prices.

Table 2 - 1: Select energy prices

Commodity	Unit	Monthly average			% Change		Year-to-date	
		Mar 26	Apr 26	May 26	May 26/ Apr 26	May 26/ May 25	2025	2026
Energy*	*Index*	**130.6**	**146.7**	**133.9**	**-8.7**	**59.3**	**93.9**	**119.3**
Coal, Australia	*US$/boe*	13.2	12.5	13.1	4.5	31.1	10.2	12.1
Coal, US	*US$/boe*	7.5	7.6	7.6	0.0	11.0	6.8	7.4
Crude oil, average	*US$/b*	95.6	103.9	100.4	-3.3	60.1	70.3	86.3
Natural gas, US	*US$/boe*	16.6	15.0	15.9	5.8	-5.9	20.5	21.6
Natural gas, Europe	*US$/boe*	96.9	83.4	87.5	4.9	38.6	71.9	78.4

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

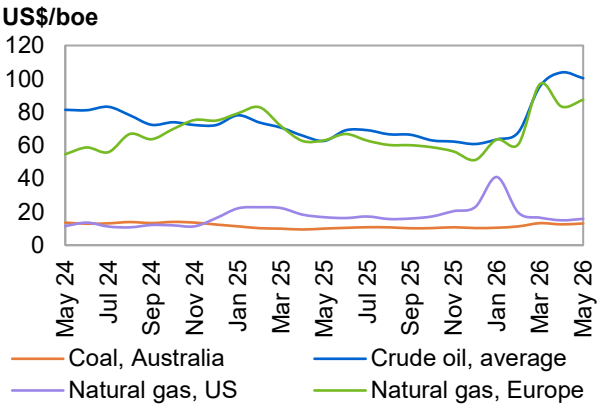
Australian thermal coal prices rose by 4.5%, m-o-m, in May. Prices were supported mostly by substitution effects. Some Asian utilities continued to rely on coal due to elevated LNG prices and export constraints from key producing countries. Elsewhere in the Eurozone, higher natural gas prices also incentivised gas-to-coal switching, adding further upward pressure on prices. Seasonal softness in electricity demand in some regions moderated upward price pressure, though prices were up 31.1%, y-o-y.

In the US, coal prices stabilized in May after six consecutive months of increases. Prices were flat, m-o-m, amid stable domestic market fundamentals. Moderate industrial activity supported demand, but it was offset by lower export demand amid limited export arbitrage opportunities. Prices were 11.0% higher, y-o-y.

Average crude oil prices declined in May after three consecutive months of gains. Prices fell by 3.3%, m-o-m, as speculative positions retreated following extreme volatility in April. Prices were up by 60.1%, y-o-y.

Henry Hub's natural gas prices rebounded in May after three consecutive months of declines. They rose by 5.8%, m-o-m, on the back of higher LNG demand amid supply disruptions from the Middle East. Moreover, seasonal maintenance at several export terminals limited export capacity, adding upward pressure to prices. However, price gains were limited by higher storage levels amid the injection season. According to data from the US Energy Information Administration (EIA), average weekly underground storage rose by 16.2%, m-o-m. Prices were down by 5.9%, y-o-y.

Graph 2 - 1: Select energy prices



Sources: World Bank, Haver Analytics and OPEC.

The average Title Transfer Facility (TTF) price increased by 4.9%, m-o-m, in May. Prices rose on the back of a higher geopolitical risk premium amid continued disruptions in the Middle East and competition for LNG cargoes from Asian markets. Moreover, gas storage levels remained significantly below seasonal averages. According to data from Gas Infrastructure Europe, EU storage levels rose to 40.1% as of the end of May, up from 32.5% the previous month, but remained below the 50% threshold and were down 8 percentage points compared with the same period last year. Softer residential demand amid mild weather conditions partially mitigated price increases, which were up by 38.6%, y-o-y.

Trends in select non-energy commodity markets

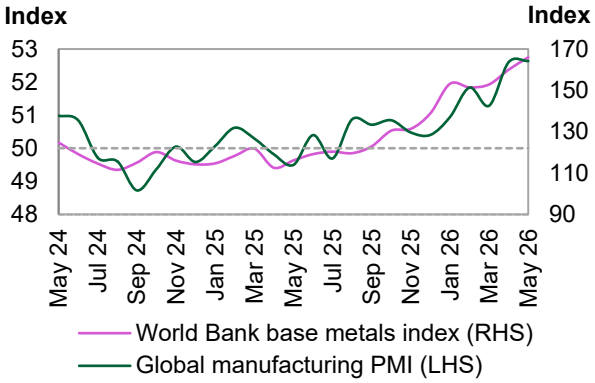
The non-energy price index increased by 2.5%, m-o-m, in May, supported by gains in both the agriculture and base metal indices. The agriculture index rose by 2.5%, m-o-m, over the same period. Compared with the same period last year, the non-energy index was higher by 12.7%, y-o-y, while the agriculture index was lower by 1.4%, y-o-y.

Base metals

The base metal index increased in May by 3.8%, m-o-m, supported by positive performance across all select metal prices, especially copper and nickel. Metal prices received some support from Chinese government policies aimed at improving industrial activity. Moreover, a weaker US dollar over the period provided further support to metal prices by improving affordability for non-US buyers. However, moderating global industrial activity remained a drag on prices over the period. The global manufacturing PMI was essentially flat, m-o-m, in May at 52.6. The base metal index was up by 43.0%, y-o-y.

At the London Metal Exchange (LME) warehouses, combined base metals stocks decreased by 2.9%, m-o-m; however, they were higher by 16.9%, y-o-y.

Graph 2 - 2: Global manufacturing PMI and World Bank base metals index



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

Table 2 - 2: Non-energy commodity prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Mar 26	Apr 26	May 26	May 26/ Apr 26	May 26/ May 25	2025	2026
Non-energy*	*Index*	**122.3**	**126.3**	**129.5**	**2.5**	**12.7**	**116.2**	**123.6**
Agriculture*	*Index*	**111.5**	**113.3**	**116.1**	**2.5**	**-1.4**	**119.7**	**112.5**
Base metal*	*Index*	**152.9**	**160.1**	**166.1**	**3.8**	**43.0**	**116.8**	**156.8**
Copper	*US$/mt*	12,546	12,979	13,567	4.5	42.2	9,372	13,015
Aluminium	*US$/mt*	3,376	3,595	3,655	1.7	49.1	2,545	3,369
Nickel	*US$/mt*	17,109	18,007	18,841	4.6	22.5	15,477	17,795
Lead	*US$/mt*	1,885	1,936	1,991	2.8	1.4	1,962	1,948
Zinc	*US$/mt*	3,192	3,375	3,490	3.4	31.5	2,762	3,323
Iron Ore	*US$/mt*	106	107	109	1.9	10.1	102	105

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

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

Copper prices rose in May by 4.5%, m-o-m, and were higher by 42.2%, y-o-y. At LME warehouses, stocks increased by 0.8%, m-o-m, in May, and were up by 121.6%, y-o-y.

Aluminium prices rose in May by 1.7%, m-o-m, and were up by 49.1%, y-o-y. LME warehouse stocks decreased by 10.8%, m-o-m, and were down by 12.0%, y-o-y.

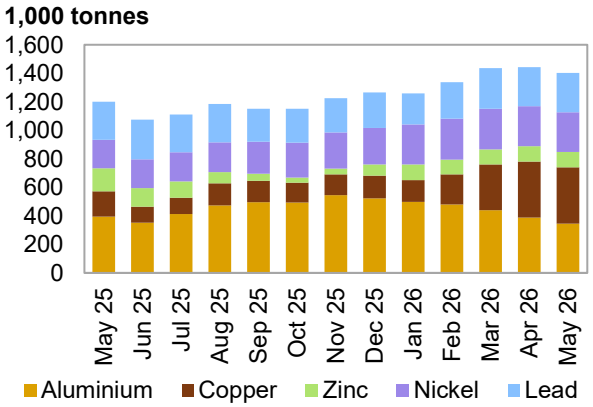
Nickel prices increased by 4.6%, m-o-m, in May, and were higher by 22.5%, y-o-y. At LME warehouses, stocks declined by 0.7%, m-o-m, though they were higher by 38.9%, y-o-y.

Lead prices rose by 2.8%, m-o-m, in May, and were up by 1.4%, y-o-y. At LME warehouses, stocks grew by 0.5%, m-o-m, and were up by 3.6%, y-o-y.

Zinc prices rose in May by 3.2%, m-o-m, and were up by 10.1%, y-o-y. Stocks decreased by 1.4%, m-o-m, at LME warehouses, and were down by 33.4%, y-o-y.

Iron ore prices advanced in May, increasing 1.9%, m-o-m, and 10.1%, y-o-y. Meanwhile, China's steel industry PMI continued its downward trajectory, falling further to 47.9 in the month from 49.2 the previous month, representing a 2.6%, m-o-m, decrease. Prices rose amid higher cost pressures, which offset weak forward-looking signals from the declining PMI.

Graph 2 - 3: Inventories at the LME



Sources: LME, Thomson Reuters and OPEC.

Precious metals

The precious metals index declined for a third consecutive month in May, falling by 1.7%, m-o-m. Declines in gold and platinum prices weighed on the index, while gains in silver prices partially offset losses. The index was up by 51.7%, y-o-y.

Table 2 - 3: Precious metal prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Mar 26	Apr 26	May 26	May 26/ Apr 26	May 26/ May 25	2025	2026
Precious metals*	*Index*	**385.8**	**375.3**	**368.7**	**-1.7**	**51.7**	**224.2**	**384.7**
Gold	*US$/Oz*	4,856	4,721	4,587	-2.8	38.6	3,023	4,787
Silver	*US$/Oz*	77.9	75.9	78.0	2.8	138.1	32.1	81.2
Platinum	*US$/Oz*	2,046	2,028	1,998	-1.4	104.0	969	2,129

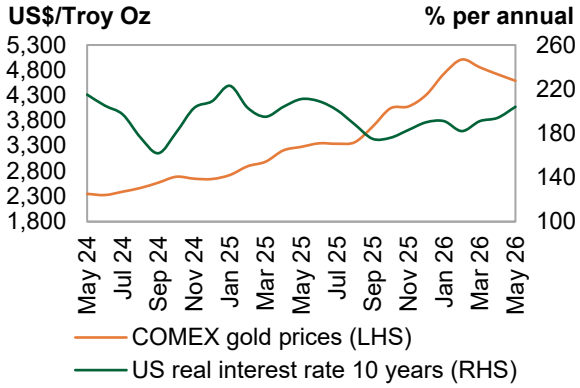
*Note: * World Bank commodity price index (2010 = 100).*

Sources: World Bank and OPEC.

Gold prices dropped for a third consecutive month in May by 2.8%, m-o-m. Higher real interest rates, US Federal Reserve policy expectations amid delayed rate cuts, and financial repositioning in the futures markets diminished bullish sentiment on gold. Nonetheless, underlying support from geopolitical developments and central bank purchases limited losses. Prices were up by 38.6%, y-o-y.

Silver prices increased by 2.8%, m-o-m, in May, supported by healthy industrial demand alongside investment flows, though weakness in gold capped gains. Meanwhile, platinum prices declined by 1.4%, m-o-m, over the same period, pressured by spillover effects from gold's weakness. Silver and platinum prices were up by 138.1% and 104.0%, y-o-y, respectively.

Graph 2 - 4: US real interest rate and gold price



Sources: Commodity Exchange Inc., Federal Reserve Board, Haver Analytics and OPEC.

Select other minerals

The 'other minerals' price index advanced for the tenth consecutive month in May, rising by 2.1%. The positive performances of graphite and lithium prices continued to support the index, while cobalt prices remained muted. The 'other minerals' price index was up by 78.9%, y-o-y.

Cobalt prices remained flat, m-o-m, in May. Stable demand conditions and higher substitution dynamics continued to offset ongoing supply tightness in major producing regions, along with policy influence. Prices were up by 67.8%, y-o-y.

Table 2 - 4: Select other minerals prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Mar 26	Apr 26	May 26	May 26/ Apr 26	May 26/ May 25	2025	2026
Other minerals*	*Index*	**73.7**	**73.9**	**75.4**	**2.1**	**78.9**	**37.9**	**73.4**
Cobalt	*US$/mt*	55,921	55,934	55,916	0.0	67.8	28,741	55,878
Graphite	*US$/mt*	413	423	430	1.5	-1.2	435	419
Lithium	*US$/mt*	22,011	22,065	24,180	9.6	166.8	9,411	21,515

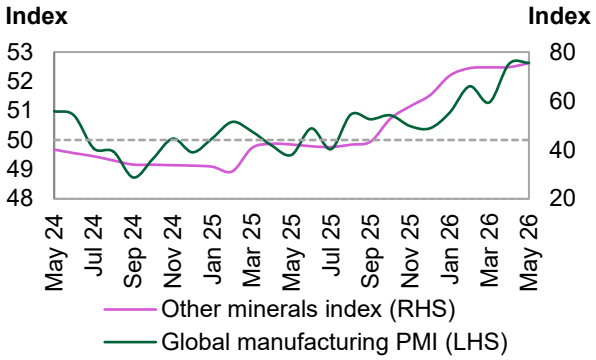
*Note: * OPEC price index (2022 = 100).*

Sources: LME, Haver Analytics and OPEC.

Graphite prices rose for a second consecutive month in May, up by 1.5%, m-o-m. Rising demand from battery makers, supply chain uncertainties from key producing countries, and policy support lifted prices, though reports of healthy supplies limited gains. Prices were down by 1.2%, y-o-y.

Lithium prices rebounded in May, increasing by 9.6%, m-o-m. Prices rose on the back of a combination of tighter supply from key producing regions and sustained demand growth, amid restocking. However, expectations of future supply limited further gains. Prices were up by 166.8%, 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 decreased in May by 2.9%, m-o-m. The decline was driven by crude oil and natural gas, while increases in copper and gold partially offset losses. At the same time, Combined OI decreased by 0.9%, m-o-m, mainly driven by crude oil and gold. However, gains in natural gas and copper partially offset declines over the same period. Combined net length was down by 17.0%, y-o-y, while combined OI was up by 4.3%, y-o-y.

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

Selected commodity	Open interest			Long		Short		Net length				
	Apr 26	May 26	May 26/ Apr 26	Apr 26	May 26	Apr 26	May 26	Apr 26	% OI	May 26	% OI	May 26/ Apr 26
Crude oil (WTI)	2,978	2,891	***-2.9%***	222	212	82	83	140	5	129	4	***-8.0%***
Natural gas (HH)	1,588	1,636	***3.0%***	170	183	270	298	-100	-6	-114	-7	***-14.9%***
Gold	549	518	***-5.6%***	125	126	31	29	95	17	97	19	***2.5%***
Copper	258	280	***8.3%***	69	86	16	15	53	20	71	25	***34.5%***
Total	**5,373**	**5,324**	***-0.9%***	**587**	**607**	**399**	**424**	**188**	**36**	**182**	**42**	***-2.9%***

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

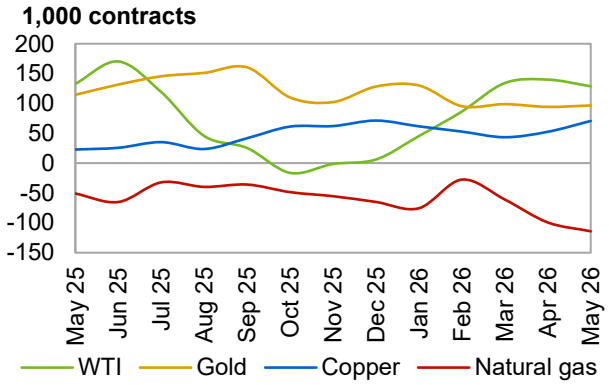
Crude oil's (WTI) OI and money managers' net length fell in May by 2.9% and 8.0%, m-o-m, respectively. OI was up by 14.7%, y-o-y, while net length was down by 3.1%, y-o-y.

Natural gas (Henry Hub) OI increased by 3.0%, m-o-m, in May, while money managers cut net length by 14.9%, m-o-m, over the same period. OI was up by 7.1%, y-o-y, while net length was down by 124.1%, y-o-y.

Gold's OI dropped in May by 5.6%, m-o-m; meanwhile, money managers increased net length by 2.5%, m-o-m, over the same period. Both OI and net length were down by 37.5% and 15.6%, y-o-y, respectively.

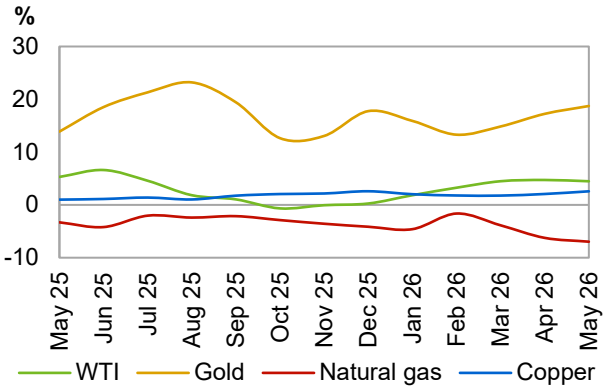
Copper's OI and money managers' net length increased in May by 8.3% and 34.5%, m-o-m, respectively. OI and net length were higher by 21.2% and 209.0%, y-o-y, respectively.

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



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

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



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

World Economy

The global economic performance in 1H26 has remained resilient, despite ongoing geopolitical tensions. Growth in non-OECD Asian economies has been particularly robust, underpinned by global investment in AI, a steady trend in international trade, and fiscal measures that have helped offset higher energy costs. The United States sustained the solid growth that it has seen in recent months. The Eurozone is seeing a slight moderation in its economic momentum. However, Brazil has maintained a steady growth path, while Russia's momentum contracted temporarily at the beginning of the year but is expected to rebound throughout the year.

With this, the global economic growth forecast for 2026 remains at 3.1%, unchanged from the previous month's assessment. Growth is expected to accelerate to 3.2% in 2027, also unchanged from last month's assessment.

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

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2026	**3.1**	**2.2**	**1.0**	**0.8**	**4.6**	**6.6**	**2.0**	**1.3**
Change from previous month	0.0	0.0	-0.1	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

The global economy entered 2Q26 with encouraging momentum, following a resilient and broadly steady performance in 1Q26. Growth remained supported by robust activity in non-OECD Asia, solid expansion in the US, and steady trends in several other major economies. A key positive factor has been the continued strength of investment linked to AI, which is supporting capital expenditure, high-value manufacturing, semiconductor-related trade and productivity-oriented business spending. Similarly positive, industrial production has held up well across many major economies, indicating a firm global manufacturing backdrop, while global trade has continued to expand in both volume and value terms. Fiscal policy has also remained an important support factor, with targeted measures in the US, China, Germany, Japan and India helping to cushion households and businesses from higher energy costs and broader uncertainty. Importantly, monetary policies, while still data-dependent, remain relatively accommodative in several key economies or are expected to become more supportive later in the year, providing an additional stabilizing force for activity. These supportive factors have helped offset challenges related to geopolitical tensions, particularly in the Middle East, as well as related energy price volatility and trade policy uncertainty. Equity market indices have reflected this resilience, with the S&P 500 reaching all-time highs in recent weeks and expanding by around 20% from trough levels at the end of March, with similar positive trends in other important stock markets.

While geopolitical developments in the Middle East and their broader consequences have increasingly been in focus, trade policy also requires close attention in the near term. This follows a US warning that it will possibly raise tariffs on cars and trucks imported from the European Union to 25% at the beginning of July. In addition, the US administration's 10% global blanket tariff under the so-called Section 122 will remain in place only for up to 150 days and is seen to be replaced by a new tariff framework in late July. In parallel, the United States-Mexico-Canada Agreement (USMCA) faces its six-year review deadline in July, which will likely be extended.

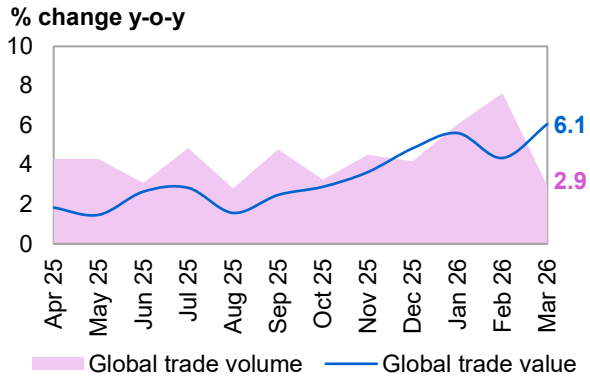
Inflation dynamics have generally firmed, mainly due to energy, transport and selected food-price effects. Eurozone annual inflation rose to 3.2%, y-o-y, in May, following 3.1% in April and 2.6% in March. In the US, price pressures have remained as well. US headline inflation rose to 4.2%. y-o-y, in May, following 3.8% in April and 3.3%, y-o-y, in March. In Japan, inflation remained relatively well contained, standing at 1.3%, y-o-y, following 1.4%, y-o-y, in March and 1.3%, y-o-y, in February. Trends in non-OECD economies also indicate a slightly rising trend. In China, the consumer price index (CPI) showed a healthy path up to April, rising by 1.2%, y-o-y, following 1.0%, y-o-y, in March and 1.3%, y-o-y, in February. In India, inflation edged up to 3.5%, y-o-y, in April, after 3.4%, y-o-y, in March and 3.2%, y-o-y, in February. In Brazil, inflation rose slightly in April to stand at 4.4%, y-o-y, after 4.1%, y-o-y, in March and 3.8%, y-o-y, in February. In Russia, inflation retracted to stand at 5.6%, y-o-y, in April, following 5.9%, y-o-y, in both March and February.

In terms of interest rates, the US Federal Reserve (Fed), the European Central Bank (ECB) and the Bank of Japan (BoJ) all kept rates unchanged at their latest rate-setting meetings. Similarly, the People's Bank of China (PBoC) and the Reserve Bank of India (RBI) held rates unchanged. However, the Banco do Brasil (BCB) and the Central Bank of Russia (CBR) cut interest rates by 25 bp and 50 bp, respectively, at their latest April meetings.

Global trade continued to expand in both volume and value terms. Y-o-y trade volume growth rose by 2.9%, y-o-y, in March, following 7.6%, y-o-y, in February and 6.0%, y-o-y, in January.

In value terms, y-o-y global trade increased by 6.1%, y-o-y, in March, following 4.4%, y-o-y, in February and 5.6%, y-o-y, in January.

Graph 3 - 1: Global trade



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

Near-term global expectations

Overall, the global economy appears well positioned to carry some of the positive momentum from 1Q26 into 2Q26, despite the geopolitical situation in the Middle East, with resilient demand, solid output indicators, supportive policy settings and continued technology-led investment underpinning the near-term outlook. That said, global economic growth in 2Q26 is expected to slightly moderate before gaining traction again towards the end of the year. Geopolitical and global trade developments will remain the key aspects to monitor in the coming weeks. In the meantime, fiscal policies and the rise in commodity prices, in combination with sufficient inventories of goods and commodities in key importing economies, remain important factors in supporting growth at the currently anticipated level. In particular, the fiscal boost in the US, supported by the 'One Big Beautiful Bill Act' (OBBBA) fiscal package, is expected to support US consumers and businesses in 2026. In Europe and Japan, fiscal policy should also provide a moderate growth cushion in 2026, though less forcefully than in the US, with greater emphasis on budget discipline. Eurozone support is likely to come mainly through public investment, defence and infrastructure spending, green transition incentives, and targeted relief for households and firms. Germany, France, Spain and Italy are expected to maintain selective fiscal support while navigating EU fiscal constraints. In addition, governments are deploying energy-related measures, including tax relief, subsidies and support for energy-intensive sectors, to offset higher commodity prices and protect real incomes.

Support measures are also expected to continue in China, in line with the policy priorities outlined at the 'Two Sessions' held in March, with fiscal policy focused on stabilizing domestic demand, supporting consumption and promoting strategic investment. India is expected to maintain its strong growth momentum, supported by public investment, robust domestic demand and expanding trade, while still retaining adequate fiscal buffers. Russia's economy is likely to continue normalizing after several years of above-potential growth, although higher commodity prices may provide some support. In Brazil, growth should remain underpinned by resilient domestic demand, strong agricultural output in 1H26 and potentially more accommodative monetary policy as inflation moderates. However, activity is also expected to move towards a more normal pace, while the 2H26 general elections may encourage further fiscal measures despite limited fiscal space.

US tariff-related developments have remained highly volatile since the beginning of the year and could again become an important issue in the near term. Following the US Supreme Court's decision limiting the administration's ability to impose tariffs, the administration has shifted to other legal tools, including Section 122, under which the temporary 10% global import tariff is currently scheduled to expire in late July. However, recent statements suggest that the US administration may seek to re-impose, extend or replace these tariffs through alternative legal channels. At the same time, several trade-policy deadlines and negotiations could affect the outlook. The USMCA review process is approaching a critical phase, with negotiations already underway and likely to extend beyond the 1 July review date, and ongoing renegotiations could extend for about another year. Given the number of unresolved issues still to be addressed, the announcement by Mexico and the US that further talks will take place in mid-June and later in July is a signal of intent to reach an agreement. By contrast, no official meetings between the US and Canada have yet been scheduled. Still, as the original agreement was also preceded by extensive bilateral negotiations, an eventual trilateral deal by the end of 2027 or early in 2028 remains a realistic prospect. At the same time, recent reports also suggest that

the US may seek to raise the current 75% North American auto-content requirement by adding a 50% US-specific rules-of-origin threshold, pointing to potential challenges ahead. Meanwhile, the US–China trade truce will need to be revisited later this year, while unresolved trade issues with other partners, including the EU, could still trigger renewed tariffs.

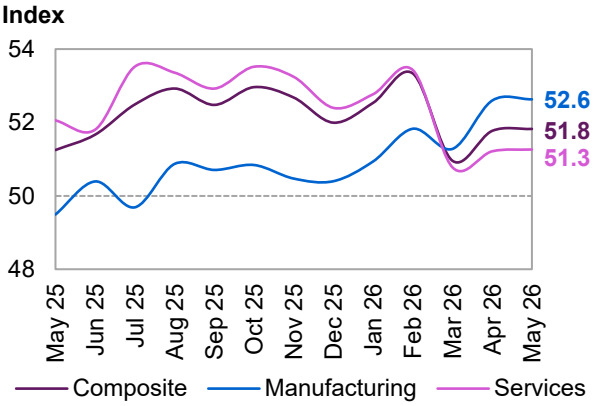
Against a backdrop of renewed uncertainty about global inflation dynamics, near-term monetary policy paths have become more difficult to anticipate. Recent central-bank communication points to a strongly data-dependent approach, with policymakers focused on the balance between weaker growth prospects and renewed upside risks to inflation from higher energy prices, tariff-related cost pressures, supply-chain risks and still-elevated wage and services inflation. The Fed has noted that inflation remains challenging, partly reflecting higher global energy prices, while the ECB has stressed that upside risks to inflation and downside risks to growth have both intensified, and that policy will remain meeting-by-meeting and data-dependent. Similarly, the Bank of England now expects a higher near-term inflation path, and the Bank of Japan has signalled a further adjustment of monetary accommodation as underlying inflation approaches its 2% target. Overall, despite differences across economies, recent comments suggest that monetary policy is likely to remain cautious and less accommodative in 2026 than previously expected, particularly if second-round effects, inflation expectations or tariff-related price pressures prove more persistent. Emerging-market central banks also face divergent constraints. Brazil and Russia are currently on hold, following a gradual easing from high key policy rate levels, with both still constrained by inflation risks, although Russia's April inflation data showed a further retracement in price pressures. India faces a more delicate trade-off between contained domestic inflation, currency pressure, oil-price risks and growth considerations, while China remains an important exception, as weak domestic demand and low inflationary pressures allow the PBoC to maintain a comparatively accommodative stance.

Positively, global PMIs remained in expansionary territory across both manufacturing and services. Both sectors show almost unchanged and healthy index levels in May.

The global Manufacturing PMI remained at an index level of 52.6 in May, compared with 51.3 in March and 51.8 in February.

The global Services PMI increased marginally to stand at 51.3 in May, following 51.2 in April, compared with 50.8 in March and 53.4 in February.

Graph 3 - 2: Global PMI



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

Considering the resilience of the global economy in 1Q26 and continued support by strong investments and steady consumption in key economies, the 2026 global economic growth forecast remains at 3.1%, unchanged from the previous month's assessment.

In 2027, easing inflation and relatively more accommodative monetary policies, alongside continued fiscal support, are anticipated to underpin global economic growth. This, in combination with new trade agreements and a continued 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 latest update of 1Q26 economic growth data shows that US economic growth in 1Q26 stood at 1.6%, q-o-q, on a seasonally adjusted and annualized rate (SAAR). This translates to growth of 2.6% on an annual basis and compares to 2%, q-o-q, SAAR, and to growth of 2.7% on an annual basis in the previous first estimate. The revision mainly reflects softer-than-initially-estimated consumer spending and a smaller contribution from inventory accumulation. Private household consumption expenditures were revised to 1.4%, q-o-q, SAAR, down from 1.6% in the previous estimate, largely reflecting downward revisions to healthcare spending. Consumer surveys point to relatively robust consumer confidence, despite the likely near-term rise in inflation driven by higher energy prices and some uncertainty about US tariff policies. Despite these positive signals, the Atlanta Fed's GDPNow forecast estimates 2Q26 GDP growth at around 3.0%, q-o-q, SAAR.

The issue of trade came into focus again more recently. Following the US Supreme Court's decision limiting the administration's ability to impose tariffs, the administration has shifted to other legal tools, including Section 122, under which the temporary 10% global import tariff is currently scheduled to expire in late July. However, recent statements suggest that it may seek to re-impose, extend or replace these tariffs through alternative legal channels. In the meantime, the USMCA review process is approaching a critical phase, with negotiations already underway and likely to extend beyond the 1 July review date. Also, the US administration has announced that it may increase tariffs on cars and trucks imported from the European Union to 25% by the beginning of July.

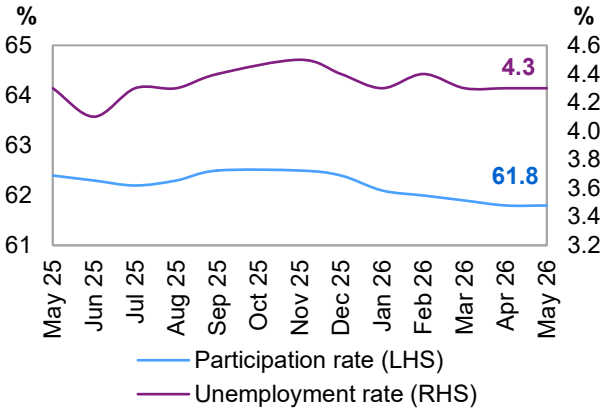
On the consumer side, retail sales remained robust in April, rising by 4.6%, y-o-y, after an increase of 4.7%, y-o-y, in March and 4.0% in February, all on a seasonally adjusted basis. Consumer confidence, as issued by the Conference Board, held up well, standing at 93.1, following 93.8 in April, 92.2 in March and 91.0 in February. Overall, sentiment continues to reflect some caution among households, particularly regarding income prospects and labour market conditions, but short-term expectations seem to be holding up well.

After improving through February, headline inflation continued to rise, reaching 4.2%, y-o-y, in May, after 3.8%, y-o-y, in April, 3.3%, y-o-y, in March and 2.4%, y-o-y, in both February and January. The increase continues to reflect mainly higher energy prices, with gasoline and broader energy costs accounting for a large share of the monthly increase. Core inflation rose as well, standing at 2.9%, y-o-y, in May, following 2.8%, y-o-y, in April, 2.6%, y-o-y, in March and 2.5%, y-o-y, in both February and January. With headline inflation now above 4%, y-o-y, price pressures become more accentuated and may increasingly dampening real spending power.

The Federal Open Market Committee kept the federal funds rate unchanged at 3.50–3.75% at its April 2026 meeting, but the overall tone was more hawkish than in March. While the Committee maintained a data-dependent pause in the easing cycle, it described inflation as elevated and highlighted the high level of uncertainty around the outlook, partly linked to geopolitical developments in the Middle East and their impact on energy prices. The decision also revealed unusually large internal divisions, with an 8–4 vote. Since the meeting, inflation data has reinforced the case for caution, with headline PCE inflation rising to 3.8%, y-o-y, in April and core PCE increasing to 3.3%, both still well above the Fed's 2% target.

The latest labour market report for May shows a robust, ongoing dynamic. Nonfarm payrolls rose by 172,000, following a revised rise of 179,000 in April and 214,000 in March. The unemployment rate was unchanged in May, standing at 4.3%, after 4.3% in April and 4.3% in March. The labour force participation rate was also unchanged at 61.8% in May, following 61.8% in April and 61.9% in March. The gradual slowdown in the participation rate and the continued tightness in the labour market may also be the outcome of the US administration's migration policies. Average hourly earnings rose by 3.4%, y-o-y, in May, after 3.6%, y-o-y, in April and 3.4%, y-o-y, in March, showing a relatively stable trend.

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

Near-term expectations

The most recent incoming data relevant to near-term tracking of the economic growth dynamic suggest that activity has remained notably resilient despite the challenges posed by rising energy prices. Hence, given the April activity indicators, the forecast for 2Q26 economic growth appears well supported. The US economy continues to display robust underlying resilience, which – albeit anticipated to moderate slightly – could persist into 2H26. Private household expenditures have remained well above 2% on an annual basis in past quarters. Productivity growth in 1Q26 was near 3%, y-o-y, pointing upward, and some tentative signs of improvement have emerged in the labour market. The recent strength partly reflects temporary support from tax cuts and the pull-forward of activity, as reported by firms in business surveys, suggesting gradually lower momentum in 2H26, as anticipated in the forecast. The near-term labour market outlook also remains stable, with expectations of steady payroll gains and an unemployment rate slightly above 4% for most of 2026. At the same time, some challenges remain, primarily due to rising energy prices. While financial markets remain strong, as reflected in record equity levels and continued capex commitments from large tech firms, the lack of progress on a Middle East resolution has pushed oil and gasoline prices to yearly highs. The key uncertainty is whether energy costs will rise further and weigh on growth, or ease if geopolitical tensions subside. That said, as a net energy exporter, the US may be better insulated from energy shocks than many other economies.

Fiscal developments warrant attention. While OBBBA personal tax refunds are winding down, tariff-related refunds have begun. In a 26 May court filing, Customs and Border Protection reported that it had accepted US$85 billion in potential and certified refund claims during the first month of processing and had already paid out US$21 billion. However, a recent motion by the US administration seeks to prevent some refunds from being paid and, in the absence of a court challenge by the plaintiff, could delay disbursement.

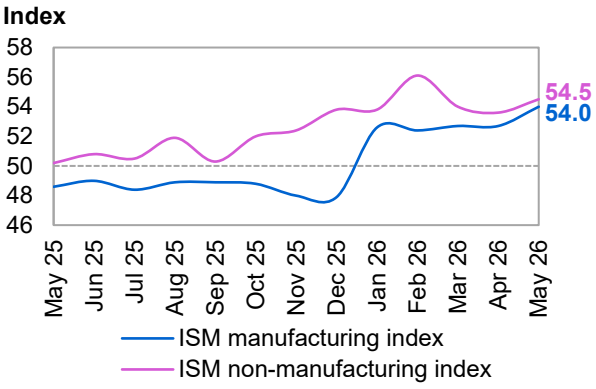
Based on the most recent inflationary dynamics and firm labour market developments, it is likely that the Fed will shift to a neutral stance at the end of 1H26, before shifting to gradual easing in 2H26, with one rate cut seen as possible. The March Summary of Economic Projections has already pointed to only a gradual easing path, with the median projection implying one rate cut in 2026 and another in 2027, while inflation was projected to remain above target at 2.7% in 2026 and 2.2% in 2027. At the same time, growth remains resilient and the labour market broadly stable, despite some moderation in activity. The transition to the new chairman, who took office as Fed Chair in May, adds a slight layer of uncertainty. Markets will closely watch whether the new leadership places greater emphasis on inflation risks, institutional independence and the timing of any renewed easing. Overall, recent developments reinforce a higher-for-longer policy stance, with the Fed likely to require clearer evidence of sustained disinflation before resuming rate cuts.

Trade-related developments will also be a very important aspect to monitor in the near term, given the deadlines approaching in July. The US administration has not yet disclosed how it will proceed after the temporary global blanket tariffs under Section 122, standing at 10%, expire at the end of July. In addition, the USMCA review process is approaching a critical phase, with negotiations already underway and likely to extend beyond the 1 July review date, although ongoing renegotiations could extend for about another year. Elsewhere, the US-China trade truce from October last year will need to be extended or possibly renegotiated before its 12-month term ends. This could also affect medium- to longer-term planning in export-bound economies and their respective industries. In general, it is anticipated that US-bound trade will again see some front-loading in the coming months.

According to the Institute for Supply Management (ISM), the Manufacturing PMI remained on a strong upward trajectory, rising to 54.0 in May, following healthy levels of 52.7 in April and 52.7 in March. This compares with already solid levels of 52.4 in February and 52.6 in January. The composition of the report was robust, with increases in the new orders, production and employment components.

In the services sector, the PMI continued a strong trend, rising to 54.5 in May, following April's 53.6 and March's 54.0.

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



Sources: Institute for Supply Management and Haver Analytics.

Against the backdrop of steady growth from 1Q26 to continue throughout the year, the economic growth forecast for 2026 remains at 2.2%, unchanged from the previous month's assessment. Expectations of resilient consumer spending, continued investment from the technology sector, and a resilient US energy sector are expected to underpin the current forecast.

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

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

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

For 2027, the growth trend is expected to normalize as stimulus measures and one-time effects, including trade distortions, are anticipated to fade. Consumer spending is forecast to moderate slightly, leaving the economic growth forecast at 2.0%, also unchanged from the previous month's assessment.

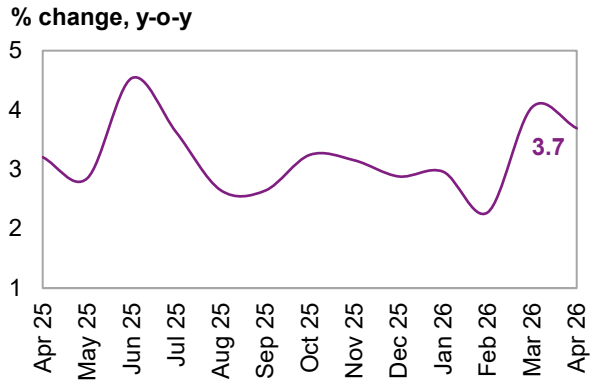
Eurozone

Update on the latest developments

In recent weeks, the euro area economy has continued to show signs of gradual stabilization, building on the modest improvement recorded at the beginning of the year. 1Q26 economic growth was positive, at 0.1%, q-o-q, and 0.8%, y-o-y, supported by resilient labour markets, easing financing constraints and positive household income dynamics. While the recovery remains uneven and moderate, recent developments suggest that activity has expanded steadily, despite renewed external headwinds from higher energy prices and global trade uncertainty. Spain and Italy continue to provide important support to the regional outlook, helped by services, tourism-related activity and relatively firmer domestic demand, while Germany and France remain softer but show some tentative signs of stabilization after a weak start to the year. Smaller euro area economies remain heterogeneous, with some benefiting from EU-funded investment and services activity, while more export-oriented industrial economies remain exposed to weak external demand. At the same time, the latest survey indicators point to a more cautious near-term picture, with the composite PMI slipping in May as services momentum moderated and manufacturing remained subdued. Inflation has also edged higher, largely reflecting energy-price effects, complicating the policy outlook. Overall, the euro area entered 2Q26 with a still-positive but uneven growth profile, with domestic demand, employment, and lower real financing costs providing support, while energy-price volatility and somewhat soft industrial demand remain key downside risks.

Retail sales in value terms expanded by 3.7%, y-o-y, in April, compared with 4.0%, y-o-y, in March. This followed a lower growth of 2.3%, y-o-y in February.
The Economic Sentiment Indicator stood at 93.5 in May, moving up from 93.2 in April, but down from 96.3 in March. Industrial activity showed a continued softening trend. Euro area industrial production declined by 2.7%, y-o-y, in March, compared with a contraction of 0.7%, y-o-y, in February and a decline of 0.1%, y-o-y, in January. In Germany, industrial production declined by 3.2%, y-o-y, in March, after it rose by 0.2%, y-o-y, in February, and 0.1% in January. In France, the second-largest Eurozone economy, industrial production rebounded to grow by 0.9%, y-o-y, in March, following a slight contraction of 0.3%, y-o-y, in February and a rise of 2.1%, y-o-y, in January.

Graph 3 - 5: Eurozone retail sales



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

Inflation in the euro area rose again in May, to 3.2%, following rises of 3.0% in April and 2.5% in March. Core inflation increased to 2.5%, y-o-y, in May, following growth of 2.2%, y-o-y, in April and March. Given the generally moderate inflation levels in 1Q26, the ECB kept policy rates unchanged at its April meeting. While the ECB provided a balanced policy message, communication from some members of the governing council after the meeting suggested a higher likelihood of rate hikes later in the year.

Near-term expectations

The euro area's near-term economic growth forecast anticipates a moderate dynamic but is likely to receive continued support from expansionary fiscal stimulus, even as private consumption momentum remains soft. Following modest growth in 1Q26 and given current challenges, recent survey indicators point to subdued activity in 2Q26, with weaker services momentum and fragile manufacturing conditions. However, the baseline outlook is not uniformly negative. Fiscal support is expected to become more visible over the coming quarters, particularly in Germany, where higher public investment, infrastructure spending, construction-related programmes and defence outlays should gradually support domestic activity. German manufacturing orders have already shown signs of benefiting from defence-related demand in 1Q26, and higher security spending is expected to provide an additional, albeit uneven, impulse to industrial production across the euro area.

The fiscal response to the recent rise in energy prices has been limited so far, especially compared with the large-scale measures adopted in 2022. Governments are likely to rely on temporary, targeted support rather than broad-based price caps or large household transfers. This should help contain fiscal costs, although it may also leave households and firms more exposed to higher energy prices in the near term. Fiscal positions continue to diverge across member states. Germany's deficit is expected to widen as fiscal policy becomes more supportive, while France is seeking to preserve its deficit targets through expenditure restraint and selective support measures. Italy and Spain should continue to benefit from the final phase of disbursements from the Recovery and Resilience Facility, although these effects are likely to fade after 2026. EU-level debt issuance is expected to remain elevated and peak around 2026, reflecting ongoing recovery-fund needs as well as the gradual shift from post-pandemic investment priorities towards defence and energy security objectives.

At the aggregate level, fiscal policy is set to provide a modest positive contribution to euro area growth in 2026, with expansion in Germany and EU-funded investment in southern Europe more than offsetting consolidation elsewhere. From 2027 onwards, however, the fiscal stance is likely to turn less supportive as consolidation pressures reassert themselves and Recovery Fund disbursements fade. Rising interest expenditure will also become a more visible constraint, particularly in France and Italy, where higher market rates and inflation-linked debt raise debt-servicing costs. Nevertheless, debt dynamics are anticipated to remain broadly manageable, as higher nominal GDP growth partly offsets the increase in borrowing costs. Debt ratios are expected to rise in Germany and France, remain broadly stable in Italy and decline further in Spain.

Trade relations between the Eurozone and the US remain a source of near-term volatility. Following the introduction of the US global blanket import tariff of 10% in February, the US administration has threatened to raise tariffs on cars and trucks imported from the European Union to 25%. Such a measure would be particularly relevant for Germany and several Central and Eastern European economies integrated into automotive supply chains and would add to the drag from already weak external orders. While the average tariff rate faced by euro area exporters has already increased modestly, the broader macroeconomic effect has so far remained contained. Nonetheless, a further escalation would weigh on industrial confidence, investment decisions, and export volumes, especially for transport equipment and intermediate goods.

At the same time, the Eurozone's external trade architecture is becoming more diversified. The conclusion of EU–India free trade negotiations at the beginning of 2026 and the provisional application of the EU–Mercosur Interim Trade Agreement from 1 May 2026 should provide some medium-term support to European exporters. These agreements will not fully offset a deterioration in transatlantic trade conditions in the near term, but they should help diversify external demand and reduce the Eurozone's exposure to US policy volatility over time.

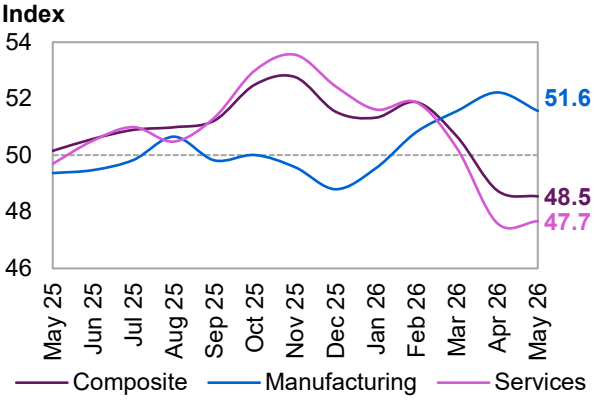
Monetary policy has also become more restrictive in the near-term outlook. The ECB kept rates unchanged at its end-of-April meeting but noted that upside risks to inflation and downside risks to growth had both intensified. Since then, inflation has risen further, with euro area headline inflation increasing to 3.2%, y-o-y, in May and core inflation rising to 2.5%, y-o-y. Services inflation has also picked up, reinforcing concerns that higher energy prices and supply-chain disruptions could feed into broader price pressures. Several Governing Council members have therefore signalled that higher interest rates may be required if inflation persistence becomes more evident. Against this background, market expectations have shifted towards renewed tightening. A 25 bp rate increase at the June meeting is now widely expected, with a further hike later in the year also possible if inflation remains above target or inflation expectations drift higher. However, the policy path remains highly data-dependent.

Final May PMI readings across the major euro area economies point to continued weakness in private-sector activity.

The Eurozone's Manufacturing PMI retreated slightly in May to stand at 51.6, following 52.2 in April and 51.6 in March.

Following the strong Services PMI retraction in April, the level remained steady in May at 47.7, following 47.6 in April, but compared with 50.2 in March.

Graph 3 - 6: Eurozone PMIs



Sources: S&P Global and Haver Analytics.

The economic growth forecast for 2026 is slightly adjusted down to 1.0%, compared with the previous month's assessment of 1.1%. While the Eurozone's growth dynamic has held up relatively well so far, the moderation in 1Q26 and the expectation of a continued moderate trend in 2Q26 provide the basis for a rebound in 2H26, as some of the dampening effects in 1H26 may be offset by fiscal measures.

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

	Eurozone
2026	**1.0**
Change from previous month	-0.1
2027	**1.2**
Change from previous month	0.0

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

In 2027, the implementation of EU trade deals and the continued effects of fiscal expansion are expected to sustain growth momentum, with economic growth at 1.2%, unchanged from the previous month's assessment.

Japan

Update on latest developments

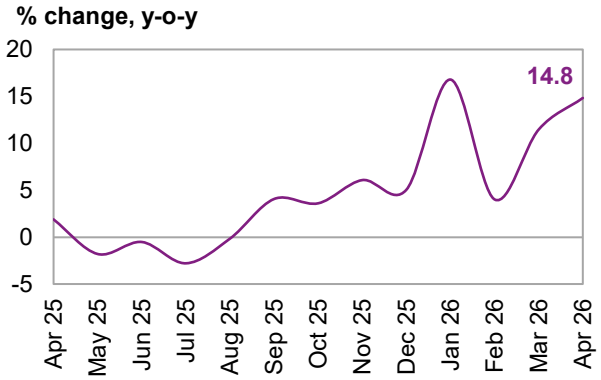
The first estimate of 1Q26 economic growth showed a solid expansion of 2.1% q-o-q SAAR, following revised growth of 0.8% in 4Q25. Growth was relatively well balanced, supported by both domestic demand and a stronger contribution from external demand. Private consumption accelerated to 1.1%, marking a fifth consecutive quarterly increase, helped by gains in services, semi-durable goods, and non-durable goods, although durable goods declined. Capital expenditure slowed from the 4Q25 increase but remained positive at 1.1%, q-o-q, SAAR, reflecting continued corporate investment in digitalization, efficiency improvements and environmental initiatives. External demand provided a larger boost, contributing 1.1 percentage points to growth, as exports of goods and services rose by 7.1%, q-o-q, SAAR, led by a strong rebound in goods exports, while imports increased modestly and weighed on GDP. Public demand also contributed positively, supported by continued government spending and a rebound in public investment. Real employee compensation remained positive for a fourth consecutive quarter, suggesting that income conditions continued to support consumption. Against this backdrop, macroeconomic policy remains supportive, with fiscal measures – including energy-related subsidies and income support – continuing to cushion households, while the BoJ is proceeding cautiously with monetary policy normalization, maintaining a data-dependent approach amid still-evolving inflation dynamics.

Industrial production continued to exhibit modest underlying momentum in April, rising by 2.3%, y-o-y, following growth of 2.4%, y-o-y, in March and 0.4%, y-o-y, in February. Consumer confidence improved in May, rising to 32.9, following 32.0 in April and 33.7 in March. Retail sales strengthened in April, rising by 2.1%, y-o-y, after 1.4% in March and a marginal contraction in February, suggesting some resilience in private consumption despite recent volatility.

Regarding inflation, the CPI eased slightly to 1.4%, y-o-y, in April, down from 1.5% in March but up from 1.3% in February, still reflecting the dampening impact of energy subsidies. Core inflation, excluding fresh food and energy, eased to 1.9%, y-o-y, in April, down from 2.4% in March and 2.5% in February, confirming a gradual moderation in underlying price pressures. Meanwhile, the unemployment rate declined to 2.5% in April, following 2.7% in March and 2.6% in February, indicating continued labour market tightness despite signs of softer economic activity.

On a non-seasonally adjusted basis, exports continued to expand at a solid pace through April. Following a strong rise of 16.8%, y-o-y, in January, 4.0%, y-o-y, in February, and 11.5%, y-o-y, in March, exports increased by 14.8%, y-o-y, in April. Taking the first four months together to smooth over distortions from China's Lunar New Year dynamics, nominal goods exports grew by around 11.6%, y-o-y, compared with around 10.5%, y-o-y, in 1Q26. Export performance remained supported by robust external demand for high-value-added goods, with shipments of AI-related products, including semiconductors and semiconductor production equipment, continuing to provide a key source of strength.

Graph 3 - 7: Japan's exports



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

At its April meeting, the BoJ kept the policy rate unchanged at 0.75%, while reaffirming its data-dependent approach to further policy normalization. In its updated Outlook Report, the BoJ revised down its FY2026 real GDP growth forecast to 0.5%, while raising its core CPI projection to 2.8%. The upward revision to inflation was sizeable and appears to reflect not only the higher assumed oil price path but also a reassessment of broader, more persistent price pressures, even allowing for the continued dampening effects of government energy subsidies. This interpretation is reinforced by the BoJ's risk assessment, which placed a greater emphasis on the possibility of inflation deviating significantly to the upside, thereby exerting an adverse impact on economic activity.

Near-term expectations

Japan's economy is expected to continue expanding at a steady but low pace in 1H26, before gaining somewhat firmer momentum in the second half of the year. The first estimate of Q1 real GDP growth was stronger than expected, at 2.1%, q-o-q, SAAR, supported by private consumption, capital expenditure, public demand and a larger positive contribution from net exports. This points to a more balanced growth composition than in previous quarters. However, the underlying outlook remains constrained by high energy costs, cautious household sentiment and weaker momentum in services activity.

Inflation moderated in April, with headline and core CPI both easing to around 1.4%, y-o-y, partly reflecting the dampening effects of government subsidies and other household support measures. These measures remain important in cushioning purchasing power, but their effectiveness may prove limited if higher crude oil prices and yen depreciation persist. Moreover, underlying inflation pressures appear more persistent than headline data suggest, with trend-based inflation measures remaining above the BoJ's 2% target and business surveys pointing to rising input and output prices.

Wage developments remain a key source of support for domestic demand. The 2026 Spring Wage Negotiations delivered another strong outcome, with average wage increases above 5%, reinforcing the prospect of a more durable wage-price cycle. Earnings rose by 3.6%, y-o-y, in March, following a 4.2% increase in February. This should help sustain consumption, although rising energy costs are likely to put renewed pressure on real incomes in the second quarter.

Exports remain an important pillar of growth. Goods exports continued to expand strongly in April, supported by demand for high-value-added goods, especially semiconductor-related and AI-linked products. Manufacturing sentiment also improved markedly. Part of the recent strength may reflect stockpiling and front-loading amid supply-chain disruptions and trade uncertainty, suggesting that export momentum could moderate later in the year.

Monetary policy is likely to remain comparatively tight. The BoJ kept its policy rate unchanged at 0.75% at its April meeting, but its latest Outlook Report raised the inflation outlook for FY2026, reflecting higher crude oil prices and more persistent price pressures. More recent remarks by the BoJ's Governor indicate that a June rate hike is now a policy option if inflation risks are judged to outweigh downside risks to activity. While uncertainty remains high, especially given geopolitical developments in the Middle East and their implications for energy markets, the balance of risks has shifted towards an earlier tightening move. While a rate increase in June can no longer be ruled out, a move in 2H26 remains somewhat more likely if the BoJ chooses to wait for additional confirmation from inflation, wages, and activity data. In consideration of potentially higher interest rates, Japan's public debt sustainability has come back into focus amid rising Japanese government bond (JGB) yields, higher inflation and concerns about fiscal risk premia. The key issue is the interaction between the government's effective interest rate and nominal GDP growth — the "r minus g" effect — alongside the path of the primary balance. In recent years, Japan has benefited from a favourable r–g dynamic as the

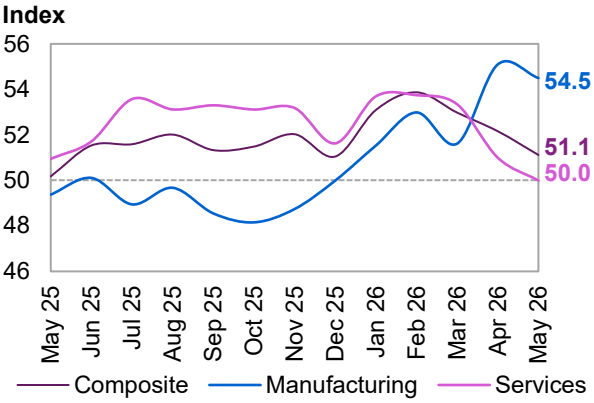
average interest rate on government debt has remained well below nominal GDP growth, allowing the debt-to-GDP ratio to fall sharply from around 260% in FY2020 to about 220% in FY2024, despite continued primary deficits. This favourable arithmetic is likely to persist in the near term, since the government's effective interest rate adjusts only gradually even if market yields remain elevated.

Following strong activity at the beginning of the year, Japan's latest May PMI data indicates continued momentum in the manufacturing sector, supported by exports.

However, the Services PMI retreated to 50 in May, following 51.0 in April and 53.4 in March.

Manufacturing remained strong in May, with an index level of 54.5, following 55.1 in April and 51.6 in March.

Graph 3 - 8: Japan's PMIs



Sources: S&P Global and Haver Analytics.

Following steady growth in 1Q26 and a continued low growth dynamic throughout the year, the 2026 economic growth forecast remains at 0.8%. Positively, government measures are anticipated to keep private household consumption well supported.

In 2027, growth is expected to remain steady at 0.9%, also unchanged from the previous month's assessment. The growth dynamic in the coming year is expected to be supported by a gradual recovery in manufacturing, normalizing monetary policy and continued fiscal support.

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

	Japan
2026	**0.8**
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

China's healthy 1Q26 economic growth, reaching 5%, stood at the upper end of the authorities' annual growth objective of 4.5% to 5%. Activity in the first three months was supported by resilient manufacturing and a strong export performance, which helped offset continued weakness in the property sector and only moderate momentum in household consumption. Industrial production remained a key pillar of growth, increasing by 6.1% in 1Q26, while high-tech manufacturing rose by 12.5%. Following the strong start to the year, more recent indicators point towards some degree of normalization. In April, industrial production growth slowed slightly but remained healthy, while retail sales remained soft. Business indicators, such as PMIs, reinforced expectations of a continued steady growth path in the near term.

In the meantime, input-cost pressures remained elevated, partly reflecting disruptions to global energy and raw-material markets. However, China's diversified domestic energy mix, administrative pricing mechanisms and policy buffers have so far limited any pass-through to headline inflation and final demand. Nevertheless, higher raw material and energy costs could weigh on corporate margins, especially in sectors already facing weak domestic demand and intense competition. Overall, the latest data suggests that while the economy continues to display resilience, the composition of growth remains uneven and is increasingly dependent on advanced manufacturing, external demand and policy-supported sectors.

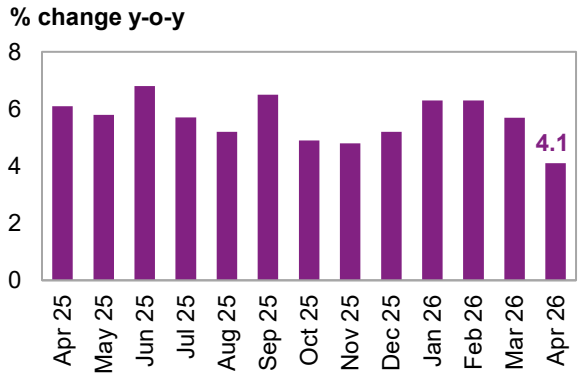
Weaknesses in the property sector remain a key drag on domestic demand. Real estate investment fell by 13.7%, y-o-y, in the first four months, while commercial housing sales by value and floor space continued to contract. Although the adjustment in the housing sector appears to have been absorbed without triggering broader financial instability, it nevertheless continues to weigh on private investment, household confidence and local-government-related activity. The authorities' approach remains focused on stabilizing the sector and containing spillovers rather than reigniting a broad property-led expansion.

Monetary policies have remained supportive. Following the 1Q26 Monetary Policy Committee meeting, the People's Bank of China reaffirmed an appropriately accommodative stance, with an emphasis on maintaining ample liquidity, supporting price recovery and keeping the renminbi broadly stable at reasonable and balanced levels. The April Politburo meeting similarly acknowledged that the economy had performed better than expected, but also emphasized the need to address external shocks, strengthen domestic demand and make monetary policy more forward-looking, flexible and targeted. This suggests that policymakers remain prepared to provide incremental support, particularly for consumption, upgrading technology and property-market stabilization, but do not appear to see a need at this stage for broad-based stimulus.

Inflation continued on a steady path in May, rising by 1.2%, the same level as in April and following a March level of 1.0%. Since the beginning of the year, headline CPI has been lifted by stronger food prices and price growth in tourism-related services, reflecting base effects and the effects of strong Lunar New Year holiday activity. Core CPI, which excludes volatile food and energy items, stood at 1.1%, y-o-y, almost steady compared with 1.2%, y-o-y, in April and March, and with 1.9%, y-o-y, in February.

IP growth in China continued to expand at a healthy pace. Industrial output expanded by 4.1%, y-o-y, in April, following 5.7%, y-o-y, in March, and a strong expansion of 6.3% in both January and February.
The available retail sales data in yuan, including revisions, shows that growth softened to 0.2%, y-o-y, in April, following growth of 1.7%, y-o-y, in March, and 2.8% in both January and February. According to the 70-city price index from Haver Analytics, housing prices continued to weaken, easing by 6.4%, y-o-y, in April, following a decline of 6.7%, y-o-y, for three consecutive months up to March.

Graph 3 - 9: China's industrial production



Sources: China National Bureau of Statistics and Haver Analytics.

The urban unemployment rate edged down to stand at 5.2% in April, following 5.4% in March and 5.3% in February. At the same time, urban youth unemployment retracted to stand at 16.3% in April, following a level of 16.9% in March and 16.1% in February.

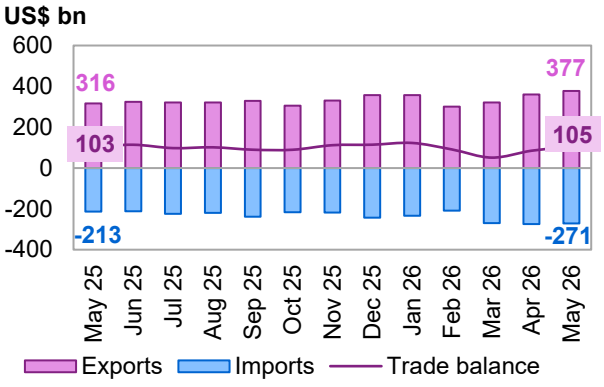
Following strong trade growth in January and February, the dynamic normalised again in March and April, after strong trends were observed, also driven by Lunar New Year holiday effects at the beginning of the year. In May, however, trade momentum strengthened again, supported by robust exports of high-tech goods, semiconductors, automobiles and AI-related products.

China's trade surplus widened in May to $105.4 billion, following $84.8 billion in April, $51.1 billion in March, and monthly averages of $106.8 billion in January and February.

Exports stood at $376.8 billion in May, after $359.4 billion in April, $321.0 billion in March and compared with a monthly level of $299.9 billion in February.

Imports stood at $271.4 billion in May, after $274.6 billion in April, $269.9 billion in March and following $208.9 billion in February.

Graph 3 - 10: China's trade balance



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

Near-term expectations

China entered 2026 with stronger-than-expected momentum, and the country's near-term outlook remains well supported by advanced manufacturing, exports, and targeted policy easing. Persistent property-sector weakness, subdued household consumption, soft private investment, external risks from energy-market disruptions and weaker global demand continue to pose downside risks. Sustaining growth within the authorities' target range will therefore likely require continued policy support, with an ongoing emphasis on domestic demand rebalancing and confidence-building measures. Following an anticipated modest normalization in sequential growth in 2Q26, the economic growth dynamic is expected to see a gradual acceleration in 2H26, especially towards the end of the year.

China's April Politburo meeting signalled contentment with the country's current economic trajectory, and policymakers are therefore likely to be cautious about introducing additional stimulus. Instead, the focus remains on implementing existing policies in a targeted and effective manner. Near-term policy settings are thus likely to stay broadly stable: monetary policy will aim to keep interbank liquidity ample and the currency steady, while fiscal policy will prioritize optimizing spending. Overall, the tone reflects confidence in managing external shocks – including higher energy prices – without resorting to large-scale cyclical support.

Against this backdrop of already abundant liquidity, expectations for further easing have diminished, and a reserve requirement ratio (RRR) cut this year now appears unlikely. Given the current global dynamic in energy prices, inflation is likely to edge higher but remain subdued, suggesting a gradual reflation path. In the context of these dynamics and the PBoC's 1Q26 monetary policy meeting, the case for policy rate cuts in 2026 has weakened materially. Stronger-than-expected data in 1Q26, increasing evidence of resilience to external shocks, and a likely return of producer price inflation to positive territory all point to limited urgency for further monetary easing. Accordingly, expectations for a policy rate reduction are low. Nevertheless, policy easing could be recalibrated under a more adverse external environment, particularly if global growth deteriorates and export demand softens significantly.

Further support may come from global trade. Conditions should continue to improve, not only following the US-China trade agreement from October last year but also due to the global blanket tariff of 10%, which further reduces the effective tariff for Chinese exporters and is even more supportive of China's export-oriented economy.

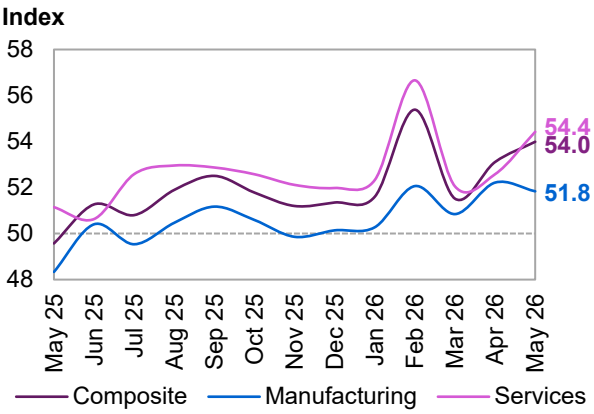
In addition, China has successfully shifted its export focus towards non-US export markets, including Belt and Road economies. Hence, global trade in 2026 is expected to provide similarly strong support for China's economy.

May's PMI data indicated a healthy momentum in manufacturing and a robust expansion in services.

The Manufacturing PMI was almost steady at 51.8 in May, following 52.2 in April and 50.8 in March.

The Services PMI improved to 54.4 in May, up from 52.6 in April and 52.1 in March.

Graph 3 - 11: China's PMI



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

Following its strong economic performance in 1Q26, China's expansion is forecast to remain healthy, despite ongoing geopolitical challenges and US tariff-related volatility. Notably, the latest sentiment indicators suggest a steady near-term dynamic. Economic growth in 2026 is expected to remain unchanged at a solid 4.6%.

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

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

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

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

India

Update on the latest developments

India's economy has continued to display notable resilience. Domestic demand remains comparatively firm, supported by steady consumption, resilient services activity, healthy credit conditions and continued public infrastructure spending. At the same time, the transmission of higher oil prices is becoming more visible through inflation, fiscal costs, external-account pressures and corporate input costs, suggesting that the macroeconomic trade-offs have become more complex.

Consumption indicators remain broadly supportive, although the composition is becoming more uneven. Fuel consumption and vehicle sales have remained relatively firm, helped by income growth, earlier goods and

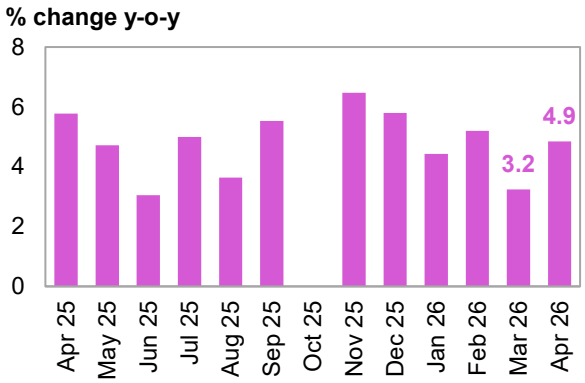
services tax (GST)-related support, and continued rural demand. Two-wheeler sales point to resilient rural consumption, while passenger vehicle sales suggest that urban discretionary demand has not yet weakened materially. Vehicle sales have continued to be healthy in May, continuing to benefit from last year's cuts, with vehicle sales rising by 9.5%, y-o-y, following 17.4%, y-o-y, in April and compared with 25.3%, y-o-y, in March and 25.6%, y-o-y, in February.

Fiscal risks are rising as well. The fiscal year 2025/26 fiscal deficit came in at 4.4% of GDP, broadly in line with the government's revised target and supported by strong tax and non-tax revenues. However, the fiscal position could become more challenging if geopolitical developments in the Middle East persist and energy prices remain elevated. The government's strategy of cushioning households and firms from the full pass-through of global oil prices has helped sustain consumption and growth, but it may become more costly to finance.

India's unemployment rate remained almost steady in May, standing at 6.9%, following 6.7% in April and 6.6% in March. Urban unemployment rose to 8% in May, after 6.7% in April and 6.9% in March. At the same time, the rural unemployment rate retracted considerably to stand at 6.2%, following 6.7% in April and 6.5% in March.

Other high-frequency indicators point to continued, sound, broad-based growth through April and May. Industrial production rose by 4.9, y-o-y, in April, with manufacturing output increasing by 6.2%, y-o-y, and capital goods production rising strongly. This points to continued momentum in factory activity and investment-related production. IP growth in March stood at 3.2%, following 5.2% in February.

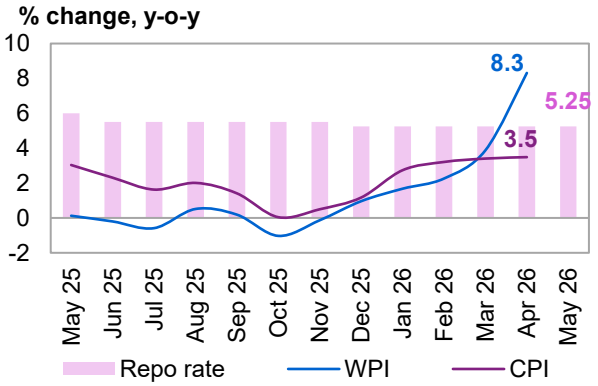
Graph 3 - 12: India's industrial production



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

Inflation has begun to rise from previously low levels. Headline CPI inflation increased to 3.5%, y-o-y, in April, up from 3.4% in March and 3.2% in February, while food and beverage inflation rose to 4.2%. The initial pass-through from global oil prices has been limited by administered prices, tax adjustments and the government's broader effort to cushion consumers and firms. However, the risk of second-round effects is increasing, particularly through food prices, transport costs, fertiliser prices, logistics and services. Core inflation has remained relatively contained, but persistent services inflation and higher prices for items such as gold and silver point to emerging pockets of price pressure. The energy price impact is also creating a more difficult policy environment. India remains heavily dependent on imported crude oil, and higher global prices are putting pressure on the rupee, the balance of payments and domestic fuel-pricing decisions.

Graph 3 - 13: Repo rate and inflation in India



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

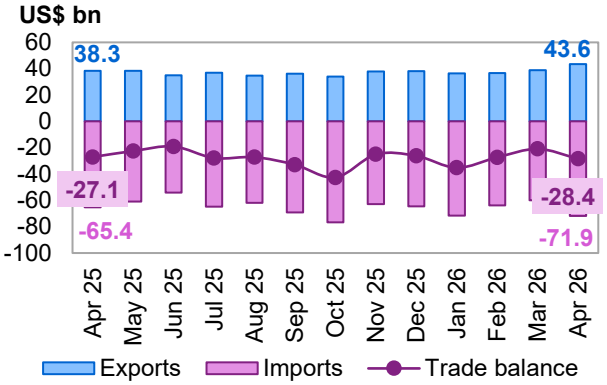
Monetary policy is therefore likely to become more cautious. At its June meeting, the RBI kept the policy repo rate unchanged at 5.25% and maintained a neutral stance, while raising its inflation forecast for FY2026/27 to 4.6% and projecting real GDP growth at 6.9%.

On trade, India's trade deficit widened slightly to stand at $28.4 billion in April, after levels of $21 billion in March and $27.3 billion in February.

Imports increased to stand at $71.9 billion in April, after $59.9 billion in March and $63.9 billion in February.

At the same time, exports expanded, standing at $43.6 billion in April, after $38.9 billion in March and $36.6 billion in February.

Graph 3 - 14: India's trade balance



Sources: Ministry of Commerce and Industry and Haver Analytics.

Near-term expectations

Overall, India's near-term outlook remains comparatively favourable. Output and sentiment indicators through May point to continued healthy growth, with services and domestic demand providing the main support, while manufacturing remains resilient. However, risks around the baseline have increased somewhat.

A prolonged elevated level of imported energy expenditures could widen fiscal and external pressures and complicate the RBI's inflation-growth trade-off. Sustaining India's growth momentum will therefore require a careful balance between cushioning the economy from external shocks, preserving fiscal credibility, and anchoring inflation expectations. The consequences of rising fuel and fertiliser subsidies, possible compensation to oil-marketing companies, lower fuel-tax revenues if excise duties are reduced, and higher interest costs could all complicate deficit reduction in the fiscal year 2026/27. In this context, continued energy subsidies may remain growth-supportive in the short term but could increasingly constrain fiscal space if no durable resolution to the situation in the Middle East is found.

Although India is targeting a fiscal deficit of 4.3% of GDP, efforts to shield the economy from higher energy prices are creating additional challenges for balancing the budget. The cuts in excise duties are estimated to reduce revenues by about INR 1.8 trillion (roughly 0.5% of GDP), while increases in export duties are expected to generate more than INR 900 billion (around 0.25% of GDP). Taken together, these measures imply a net fiscal cost of approximately 0.2% of GDP. In addition, fertilizer subsidies are likely to rise significantly. Initially budgeted at INR 1.7 trillion, they are now expected to reach around INR 3.0 trillion, implying additional spending of roughly INR 1.3 trillion (just under 0.4% of GDP). Overall, these factors suggest that the budget may need to absorb more than 0.5% of GDP in extra costs during the current fiscal year. In the absence of offsetting measures, this could push the fiscal deficit closer to 5.0% of GDP. However, there are potential buffers that could help contain the extra deficit, including the possibility of a higher dividend transfer from the RBI, proceeds from the Economic Stabilization Fund and some reduction in capital expenditure. These measures could help offset the additional spending and support the government in meeting its 4.3% deficit target.

The external position is also under pressure. Higher oil prices have widened concerns about the current account and balance of payments, while the rupee has weakened amid higher crude prices, foreign portfolio outflows and broader emerging-market risk aversion. The authorities have responded with measures aimed at limiting external vulnerabilities, including higher import duties on gold and silver, as well as steps to support foreign-currency inflows. These measures may help contain near-term pressure on the balance of payments, but they do not fully offset the macroeconomic cost of a sustained oil-price shock.

The situation has also, at least temporarily, made monetary policies more complex. Given the subsequent rise in April inflation, renewed pressure on the rupee, and higher oil-price risks, the most likely near-term response is a more hawkish stance, with rate rises materializing if needed in light of rising inflation and external imbalances. The RBI is likely to emphasize data dependence, liquidity management, exchange-rate stability and vigilance against second-round effects. If oil prices remain elevated, food inflation rises further, or the rupee comes under sustained pressure, the fiscal situation could become more challenging. With this, the central bank may need to keep policy restrictive for longer and may consider rate increases later in the year.

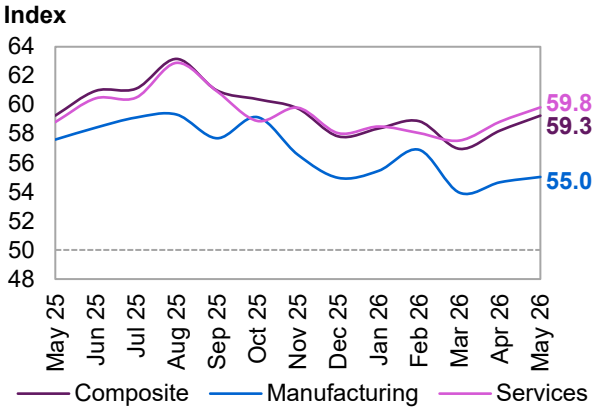
May PMI indicators reinforce the view that growth momentum remains solid in both manufacturing and services.

The Manufacturing PMI increased to 55.0 in May from 54.7 in April, supported by resilient demand, stronger new orders, and continued output growth.

The services PMI rose further to 59.8 in May, its strongest reading in six months, up from 58.8 in April.

However, survey evidence also points to rising input-cost pressures, especially for energy, food, fuel, metals, transport, plastics, rubber and other imported or energy-intensive inputs. This implies that part of the recent strength may reflect precautionary stock-building and front-loading of orders.

Graph 3 - 15: India's PMIs



Sources: S&P Global and Haver Analytics.

The Indian economy remains well supported by ongoing steady domestic demand, as reflected in the latest domestic data points, supported in part by government-led support measures, in combination with continued prudent monetary policies. The latest inflationary trend may have a limited dampening effect on consumption in 2Q26 and to some extent in 3Q26 as well. However, the strong growth in 1Q26 and a continued robust growth dynamic in 2Q26 will support annual growth. Against this backdrop, the 2026 economic growth forecast for India remains at 6.6%, unchanged from the previous month's assessment.

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

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

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

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

Brazil

Update on latest developments

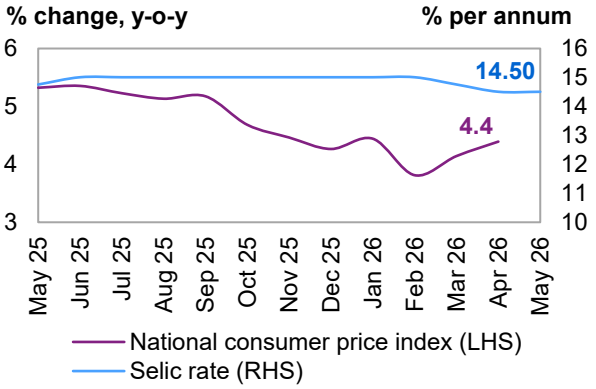
The Brazilian economy has continued to show resilience, supported by strong agricultural output, robust household spending and continued firm labour market conditions. Economic growth stood at 1.8%, y-o-y, in 1Q26, with growth supported by household consumption, investment and a healthy agricultural performance, while industry and services also continued to contribute. This confirms that activity rebounded more strongly than expected at the beginning of the year, despite restrictive financial conditions. Overall, the data indicates an economy that remains resilient but is moderating, coming from very high growth levels, as tighter credit conditions and to some extent rising input costs weigh on activity.

At the same time, high household indebtedness, slowing credit growth and elevated borrowing costs are likely to weigh on durable goods demand, having increased households' balance-sheet vulnerabilities. Amid rising inflation, the central bank's key policy rate remains high, following the unanimous decision of the Central Bank of Brazil's Monetary Policy Committee (COPOM) to cut the Selic rate by 25 bp to 14.50%. At its latest meeting, the COPOM emphasized that inflation expectations remain above target and said that core inflation, particularly in services and labour-intensive sectors, is inconsistent with a rapid return to inflation targets. Recent remarks by central bank officials suggest that further easing is likely to proceed more slowly, or could even be paused, if inflation expectations remain unanchored or if energy-related shocks generate second-round effects. The macroeconomic outlook is therefore one in which growth remains comparatively resilient, but increasingly dependent on fiscal support, agriculture and services, while tighter monetary conditions, persistent inflation and softer sentiment are likely to restrain domestic demand over the near term.

The Consumer Confidence Index improved very slightly in May, standing at 86.5 index points, after it had retracted to 86.3 in April, following an index level of 87.5 in March and 87 in February. The composite business confidence index remained steady, standing at 91.6 in May, unchanged from April and following 92.2 in March and 92.1 in February.

Price pressures are increasingly linked not only to food and energy effects, but also to resilient domestic demand, a tight labour market and still-elevated services inflation. Rising global energy prices amid geopolitical developments in the Middle East have added to these pressures, raising transportation and production costs and complicating the disinflation process. Headline inflation rose to 4.4%, y-o-y, in April, after 4.1%, y-o-y, in March, up from 3.8%, y-o-y, in February and matching the 4.4%, y-o-y, recorded in January. Core inflation eased slightly but remains elevated, standing at 4.6%, y-o-y, in April, after 4.8%, y-o-y, in March, and 4.9%, y-o-y, in February. Inflationary pressures in services remain pronounced, with core services inflation still at elevated levels, reflecting persistent underlying price pressures.

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



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

At the same time, the labour market remains relatively healthy, with unemployment remaining low by historical standards. This continues to support wage income and consumption, although the scope for further employment-led growth is narrowing. The three-month moving average unemployment rate remained almost steady, standing at 5.5% in April, following 5.6% in March and 5.4% in February. Following this dynamic, it remains to be seen whether the ongoing tight labour market will continue to sustain elevated services inflation.

Near-term expectations

Recent data suggests that Brazil entered 2Q26 with healthy carry-over momentum, although the near-term outlook still points to a gradual moderation compared to last year. Industrial production growth stood at a robust 2.7%, y-o-y, in April and 4.4%, y-o-y, in March – the highest annual growth rates in more than a year – suggesting that earlier concerns about a credit-driven slowdown have not yet translated into a broad loss of activity momentum.

The external sector remains supportive, although it remains to be seen if the latest suggestions by the US administration to impose 25% tariffs on imports from Brazil will indeed materialize, which may have an impact on its US exports. In the meantime, Brazil recorded a trade surplus in April of US$10.6 billion and US$7.8 billion in May, driven by stronger exports of soybeans, crude oil, iron ore and beef. Elevated commodity prices should continue to support agriculture, mining and net exports, partly offsetting softer domestic demand. Credit conditions nevertheless remain restrictive, and high household indebtedness continues to weigh on interest-sensitive consumption, particularly durable goods.

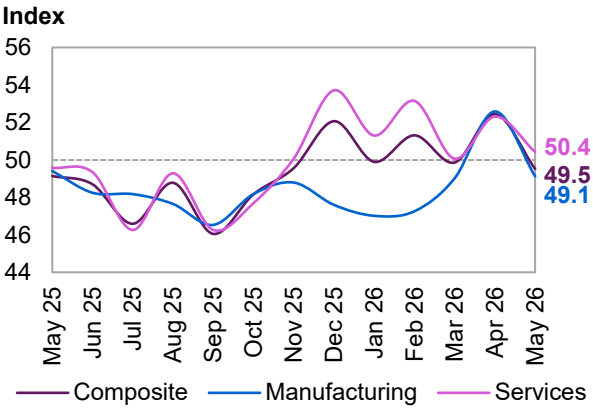
Fiscal and quasi-fiscal support remains important for the near-term outlook, but it also complicates the policy mix. Income-tax relief, minimum-wage increases and household-debt renegotiation programmes should continue to support disposable income and consumption. However, fiscal space remains constrained, with the government announcing further spending limits in May to comply with the fiscal framework.

Against the backdrop of inflation, which is once again rising, monetary policy is projected to remain gradual and conditional. The COPOM has signalled that the pace and extent of further easing will depend on incoming data, particularly regarding inflation dynamics, expectations and the evolution of economic activity under continued uncertainty. Current baseline expectations point to another 25 bp cut at the next meeting, although risks around the path of rates remain two-sided, with upside risks to inflation potentially limiting the scope for easing. At the same time, evidence of continued economic moderation and effective monetary transmission would support a continuation of the easing cycle, albeit at a measured pace.

Following a robust trajectory, the Services PMI eased to 50.4. This comes after it had risen to 52.3, increasing by 2.2 points in April, suggesting a pickup in activity at the start of the second quarter. This compares to 50.1 in March and 53.1 in February.

The Manufacturing PMI fell to 49.1 in May from 52.6 in April, indicating a renewed contraction in factory activity after a temporary rebound. The index had increased by 3.6 points in April to 52.6, moving into expansionary territory and signalling an improvement in business conditions after a prolonged period of weakness. Previously, index levels stood at 49.0 in March and 47.3 in February and thus were also in contractionary territory.

Graph 3 - 17: Brazil's PMIs



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

Following solid growth in 4Q25 and the anticipated carry-over into early 2026, economic activity remains well supported. However, the global inflationary trend from higher commodity prices is likely to feed into domestic price dynamics, weighing on real wages and, at least initially, dampening household consumption. At the same time, elevated commodity prices are expected to support income in affected sectors, mainly energy and agriculture, and possibly generate stronger investment as well. With these supportive factors, among other elements, the 2026 economic growth forecast remains at 2%, unchanged from last month's assessment.

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

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

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

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

Russia

Update on the latest developments

Russia's 1Q26 GDP data indicate a continued moderation of its growth dynamic, decelerating from the expansion seen in recent years, with a preliminary estimate from Russia's statistical office, Rosstat, showing 1Q26 economic growth declining by 0.2%, y-o-y, compared with growth of 1.0% in 4Q25 and 1.0% for 2025 as a whole. The outturn was close to the Ministry of Economic Development's estimate, which put the 1Q26 contraction at around 0.3%, while the Central Bank had indicated a somewhat more pronounced decline of about 0.5%. Based on monthly GDP growth estimates, the quarterly profile was uneven, with activity reportedly contracting by almost 3%, y-o-y, in January and 2.2%, y-o-y, in February, before rebounding in March, when GDP rose by 2.1%, based on estimated by the ministry, with all comparisons on a non-seasonally adjusted annual basis. April monthly data showed a strong rebound of almost 6%, y-o-y. The sectoral pattern suggested 1Q26 weakness in the civilian areas of the economy, reflecting tight credit conditions and severe winter weather. However, industrial sector output provided healthy support, expanding by 5.3%, y-o-y, in 1Q26, with manufacturing expanding by 5.1%, y-o-y. Meanwhile, mining was supported by higher oil prices towards the end of 1Q26 and expanded by 3.2%, y-o-y, in 1Q26. However, high interest rates, external pressures, labour shortages, and tax increases have led to softening household demand, while fiscal constraints in 1Q26 have continued to fade the fiscal-defence spending impulse.

Headline inflation eased further in April, retracting to 5.6%, y-o-y, from 5.9%, y-o-y, in March and February, respectively, and 6.0%, y-o-y, in January. The April outcome was below market expectations and reflected softening food-price growth, including a sharper decline in fruit and vegetable prices, as well as disinflationary effects of a stronger rouble. Core inflation also edged down to 4.9%, y-o-y, in April, after 5.0%, y-o-y, in March, 5.2%, y-o-y, in February, and 5.4%, y-o-y, in January. The most recent CPI-related high-frequency data points to continued disinflation.

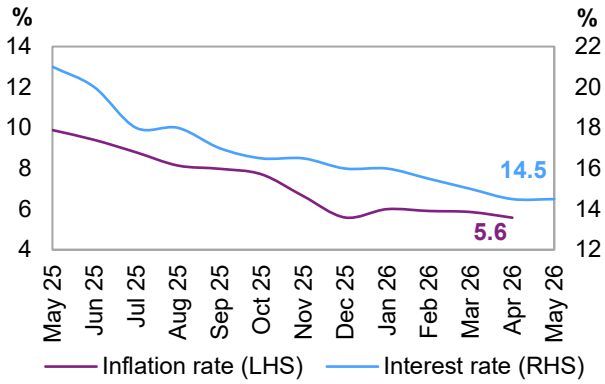
In light of the gradual moderation in inflation, the CBR lowered its key policy rate by a further 50 bp to 14.5% in April. With this latest move, the CBR has reduced its policy rate by a total of 6.5 pp since it started easing in 2025, helping to offset some of the slowdown in activity. However, the central bank signalled that the scope

for additional easing has narrowed. Although domestic demand is now assessed as broadly aligned with the economy's supply capacity, underlying price growth has not yet declined sufficiently, and inflation expectations remain elevated.

Industrial production remained solid, expanding by 6.1%, y-o-y, in April, following 6.6%, y-o-y, in March, and a 4.3% increase, y-o-y, in February, all on a non-seasonally adjusted basis. In addition, retail sales volumes rebounded further, rising by 6.6%, y-o-y, in April, after a 6.3%, y-o-y, increase in March and a 2.0%, y-o-y, increase in February.

Elsewhere, the labour market remains tight. The unemployment rate stood at 2.2% in April, unchanged from March, following 2.1% in February. The country's tight labour market continues to support wage growth and consumer spending, but also keeps inflationary pressures elevated. Nominal wage growth stood at 14.4% in March, after rising by 15.0%, y-o-y, in February and 15.1% in January. Labour shortages continue to exert upward pressure on pay and contribute to capacity constraints in the economy.

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



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

Near-term expectations

Following moderate growth of 1.0% in 2025, the Russian economy is estimated to have contracted in 1Q26, with preliminary data indicating a decline of around 0.2%, y-o-y. The contraction appears to have reflected a combination of temporary factors, including adverse weather and the impact of tax-related shifts in activity at the start of the year, as well as more persistent headwinds from tight monetary conditions, labour shortages and weaker civilian demand. Following this weak start, growth is expected to recover gradually over the remainder of the year.

Given the recent rise in global commodity prices, the Russian economy remains relatively well-positioned from an external and fiscal perspective. Higher oil prices have improved the outlook for export revenues, including improvements in the current account and budget revenues, with oil and gas revenues estimated to have risen considerably in May. The direct inflationary impact of higher global commodity prices is likely to remain more contained than in many commodity-importing economies, reflecting Russia's energy self-sufficiency, administrative controls and the government's ability to use export restrictions or domestic supply management to limit pass-through to local prices.

The fiscal outlook has also become more flexible, although the fiscal situation remains tight. While the government had previously planned fiscal tightening this year, higher commodity revenues may allow some adjustment to the fiscal stance. The authorities have recently suspended and modified the fiscal rule, allowing a greater share of oil revenues to be directed to the sovereign wealth fund while maintaining room for spending priorities. At the same time, the federal budget moved into a significant deficit in 1Q26 as expenditure was front-loaded, particularly on defence and security-related items. This 1Q26 spending is anticipated to support stronger sequential growth in 2Q26, but it also increases the risk that fiscal consolidation later in the year may weigh on domestic demand. While higher commodity prices provide an important buffer, the growth outlook remains constrained by tight financial conditions, capacity limits and a fading impulse compared to the 2023 and 2024 fiscal expansion. Domestically, consumption will likely remain a key growth driver, supported by continued real wage growth and, consequently, some recovery in household credit.

In its latest forecasts from April, the CBR left its inflation forecast unchanged, expecting annual inflation to decline to 4.5–5.5% in 2026 and return to the 4.0% target in 2027. At the same time, it narrowed its expected average key-rate range for 2026 to 14.0–14.5% and revised the 2027 range upward to 8.0–10.0%, implying a more cautious easing path than previously envisaged. The CBR also maintained its 2026 GDP growth forecast at 0.5–1.5%, despite estimating that GDP contracted by 0.5%, y-o-y, in 1Q26. It attributed part of the weakness to calendar effects and adverse weather and noted signs of a recovery in March and April.

The external outlook improved materially in the updated forecast. CBR revised its current account surplus projection for 2026 up to US$72 billion from US$10 billion previously, reflecting higher assumed oil and commodity prices linked to geopolitical developments in the Middle East and disruptions to global energy flows. However, it also noted that external and fiscal-policy uncertainty has increased. In particular, higher budget spending, a renewed rise in inflation expectations, or stronger second-round effects from higher import and energy prices could require tighter monetary conditions than currently assumed. Against this backdrop,

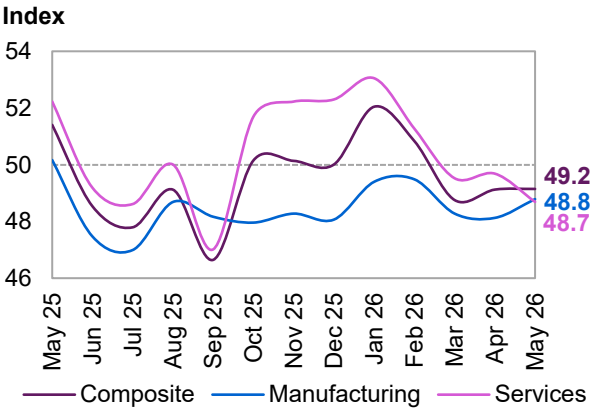
monetary policy is expected to remain cautious, with any further rate cuts likely to depend on clearer evidence that inflation, inflation expectations and underlying price pressures are moving sustainably towards target.

The latest PMI figures from May show a continued softening trend in both manufacturing and services.

The Manufacturing PMI stood at 48.8 in May, following 48.1 in April and 48.3 in March. Hence, it remained below the growth-indicating level of 50.

The Services sector PMI stood at 48.7 in May, compared with 49.7 in April and 49.5 in March, and also remained below the growth-indicating level of 50.

Graph 3 - 19: Russia's PMI



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

Despite the 1Q26 contraction, the improving external trade situation is expected to support a rebound in the remainder of the year, leaving the economic growth projection for Russia in 2026 unchanged at 1.3%, from the previous month's assessment.

In 2027, the Russian economy is projected to grow by 1.5%, also 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 is showing signs of a gradual recovery from the low levels of activity recorded in 2025. Growth is being supported by improved international trade dynamics, tentative resilience in parts of manufacturing, contained fiscal slippage, and moderate inflation by historical standards. Manufacturing data points to some near-term resilience. Manufacturing output rose by 0.9%, y-o-y, in March, following a revised contraction of 2.3% in February. Some of the recent strength may reflect front-loading of orders ahead of anticipated cost increases, as sustained high oil prices are likely to raise energy, logistics, and transport costs, possibly weighing on margins in the near term.

Labour market developments remain a central macroeconomic vulnerability. The unemployment rate rose to 32.7% in 1Q26, up from 31.4% in 4Q25, marking the first increase since mid-2025. The number of unemployed people increased by about 301,000 to around 8.1 million, while labour force participation fell to 59%. Youth unemployment remains exceptionally high, with the unemployment rate among those aged 15–24 exceeding 60%. These developments point to a weak labour market and highlight the risk that the recovery may not translate quickly into stronger household income growth.

Fiscal developments have been positive recently. The fiscal outturn for FY2025/26 appears to have modestly outperformed the February budget projections, supported by stronger-than-expected revenue and broadly contained expenditure. The main budget deficit is estimated to have narrowed to about 4.3% of GDP, compared with a budgeted deficit of 4.5%. This continues a recent pattern of conservative revenue forecasting and incremental consolidation. If sustained, these developments could improve the credibility of the fiscal framework and support more favourable sovereign credit assessments. As a result, Moody's shifted the outlook on South Africa's Ba2 credit rating from stable to positive, citing fiscal improvements. However, fiscal risks remain significant, given high debt-service costs, weak trend growth, and potential pressures from state-owned enterprises and social spending needs.

The external position has also improved. Preliminary trade data for 2026 suggest that the external sector has remained a source of support, helped by resilient commodity exports and weaker import demand. However,

the improvement partly reflects subdued domestic demand and favourable commodity-price effects, rather than a broad-based strengthening of competitiveness. Higher oil prices could also erode the trade balance over time, given South Africa's dependence on imported hydrocarbons outside coal.

Inflation, which had been supportive of the recovery earlier in the year, has begun to rise. Headline inflation increased to 4.0%, y-o-y, in April, up from 3.1% in March and 2.9% in February, driven in part by transport, housing and utilities, and services-related costs. Core inflation also firmed, suggesting a broader spread of price pressures. In response to these pressures, the South African Reserve Bank (SARB) raised its policy rate by 25 basis points to 7.00% at its late-May meeting, reversing the earlier expectation that rates would remain on hold or decline gradually. The decision reflected concerns about higher fuel prices, food price risks, and second-round effects from the Middle East conflict. The SARB also revised its inflation forecasts higher, namely to 4.4% in 2026 and 3.7% in 2027, while lowering its growth projections to 1.2% and 1.7%, respectively.

Near-term expectations

Overall, South Africa's near-term outlook remains one of modest recovery under rising constraints. The economy is benefiting from improved trade performance, gradual fiscal consolidation and some resilience in manufacturing. However, higher energy prices, weaker private-sector momentum, persistent unemployment and subdued household income growth are likely to weigh on activity. Economic growth is expected to remain modest in 2026, with downside risks stemming from global energy-market volatility, weak domestic confidence and continued structural bottlenecks.

Broader business conditions have also become more challenging. Following readings above 50 since the beginning of 2026, the S&P Global South Africa PMI fell below the expansionary threshold of 50 in May, indicating a renewed contraction in private-sector activity. The decline reflected weaker output, softer new orders, higher fuel costs and uncertainty related to geopolitical developments in the Middle East. This suggests that while manufacturing sentiment remains marginally positive, the broader economy is facing stronger headwinds from external shocks and from fragility in domestic demand. However, following the most recent key policy rate decisions by the central bank, monetary policies are likely to remain cautious and data-dependent, with the SARB prioritizing inflation expectations and exchange-rate stability amid elevated external uncertainty.

As reflected in the latest budget, the fiscal space remains tight, but the results from the last fiscal year point to greater financial flexibility, despite constraints from elevated debt-servicing costs and limited borrowing capacity. 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.

Following the latest monetary policy decision, and in combination with continued headwinds from inflation and the labour market, South Africa's 2026 economic growth forecast remains at 1.5%, unchanged from the previous month's assessment.

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

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

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

*Note: * 2026–2027 = Forecast.*

Source: OPEC.

OPEC Member Countries

Saudi Arabia

Recent data indicate that Saudi Arabia is experiencing a temporary, externally driven moderation in growth within an otherwise resilient macroeconomic framework. Economic growth stood at 2.8%, y-o-y, in 1Q26, supported by growth across oil, non-oil and government activities. Oil activity increased by 2.3%, y-o-y, while non-oil activity rose by 2.8%, y-o-y, confirming that the domestic economy continues to expand despite the disruption from regional geopolitical tensions. The non-oil private-sector PMI recovered from the sharp March decline, rising from 48.8 in March to 51.5 in April and 52.8 in May, its strongest reading in three months. The rebound was supported by stronger domestic demand, resumed projects and normalizing supply conditions. Inflation remains contained. Headline CPI eased to 1.7%, y-o-y, in April, from 1.8%, y-o-y, in March, indicating that domestic price pressures remain limited despite higher global energy and transport costs. Input-cost pressures in the PMI survey have increased, but the overall inflation environment remains benign by international comparison. This allows for some policy flexibility, particularly given Saudi Arabia's strong external buffers, low public debt and the stabilizing role of the riyal's peg to the US dollar.

Nigeria

Nigeria's economic outlook has continued to improve, supported by stronger macroeconomic stability, robust oil production, recovering private consumption and firmer business activity. Economic growth expanded by 3.9%, y-o-y, in 1Q26, almost at the same high level seen in 4Q25, when the economy expanded by 4%. Non-oil sector growth was driven mainly by agriculture, manufacturing, construction, information and communication, trade, and finance and insurance, which together accounted for the bulk of the quarterly expansion. The 2026 growth outlook remains healthy, also supported by the latest survey indices. In this respect, the PMI pointed to continued momentum, rising to 54.1 in May from 52.4 in April, 51.9 in March and 53.2 in February, marking the strongest improvement in private-sector conditions since August 2025. Growth remains supported by structural reforms, infrastructure investment, improved trade conditions and stronger external buffers. Higher oil prices and increased domestic refining capacity are also providing support. As a result, the external position has strengthened as well. The positive dynamic is expected to continue in the near term, supported by contained inflation pressures, preserving exchange-rate stability and maintaining reform momentum.

United Arab Emirates (UAE)

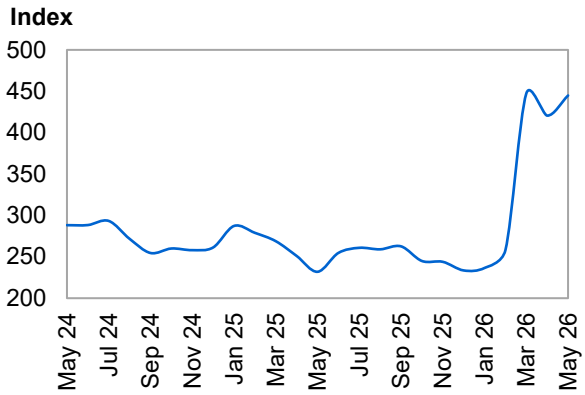
Following an estimated 2025 expansion of more than 4.0%, the United Arab Emirates' economy continues to demonstrate underlying resilience, although recent data indicate a temporary moderation in non-oil momentum amid heightened regional geopolitical tensions. Positively, the non-oil private-sector PMI rose to 52.6 in May from 52.1 in April, remaining above the threshold of 50 and indicating continued expansion. The near-term growth outlook is, however, somewhat more challenging than at the start of the year. Although inflation remains contained, higher freight, insurance and transport costs may create some temporary pressure. Overall, the economy is likely to experience a short-lived moderation in 1H26, but the underlying outlook remains favourable, supported by strong fiscal buffers, low public debt, diversified non-oil activity and the authorities' capacity to cushion shocks. If regional tensions ease and trade and travel flows normalize, growth should regain momentum later in the year.

The impact of the USD and inflation on oil prices

The US dollar (USD) index declined marginally in May, falling 0.1%, m-o-m. The currency weakened after earlier gains, mainly due to a decline in geopolitical tensions and improving global risk appetite, which encouraged capital flows away from the dollar towards riskier assets. However, evolving US Fed monetary policy limited downside amid market expectations of "higher-for-longer" US interest rates. Compared with the same period last year, the index was down by 1.4%, y-o-y.

On select developed market currencies, in May, the USD advanced against the euro by 0.3%. However, it declined against the yen and pound by 0.6% and 0.2%, m-o-m, respectively. Compared with the same period last year, the USD was higher against the yen by 9.3%, y-o-y. However, it was lower against the euro and pound by 3.4% and 1.0%, y-o-y, respectively.

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



Sources: IMF and OPEC.

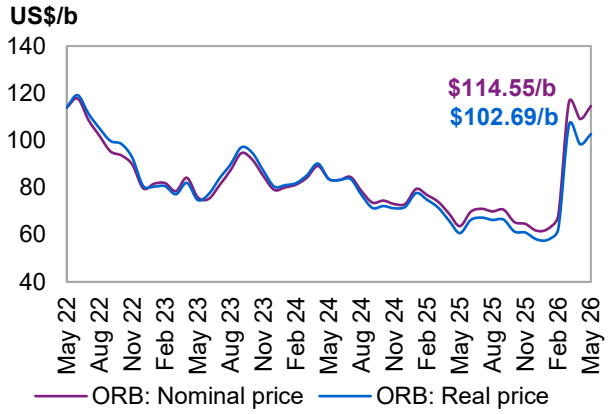
In select emerging markets' currencies, in May, the USD rose against the rupee by 2.2% m-o-m and 12.2%, y-o-y. However, it declined against the yuan and real by 0.6% and 1.0%, m-o-m, and was down by 5.7% and 12.1%, y-o-y, respectively, over the same period.

The differential between nominal and real ORB prices widened in May. Inflation (nominal price minus real price) was up by 11.4%, m-o-m.

In nominal terms, accounting for inflation, the ORB price rose by 5.0%, m-o-m, in May, and it was higher by 80.1%, y-o-y.

In real terms (excluding inflation), the ORB increased by 4.3%, m-o-m, in May, and was up by 69.3%, y-o-y.

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



Source: OPEC.

World Oil Demand

In 2026, world oil demand is forecast to grow by about 1.0 mb/d, y-o-y, reflecting a minor downward adjustment of 0.2 mb/d from last month's assessment. Overall, oil demand in the OECD is projected to grow by about 0.1 mb/d in 2026, while non-OECD oil demand is forecast to see growth of 0.9 mb/d, y-o-y, for the same year, driven by China, Other Asia and India, and further supported by Africa and Latin America.

Global oil demand in 2027 is forecast to rebound and grow by about 1.7 mb/d, y-o-y. OECD demand is forecast to grow by 0.2 mb/d, while that for the non-OECD is forecast to grow by about 1.5 mb/d.

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

World oil demand	2025	1Q26	2Q26	3Q26	4Q26	2026	Change 2026/25
Americas	25.43	25.60	25.27	26.10	25.61	25.65	0.22
of which US	*20.74*	*20.93*	*20.71*	*21.30*	*20.85*	*20.95*	*0.21*
Europe	13.43	12.87	13.52	13.69	13.40	13.37	-0.06
Asia Pacific	7.10	7.22	6.52	6.84	7.38	6.99	-0.11
Total OECD	**45.95**	**45.68**	**45.31**	**46.63**	**46.39**	**46.01**	**0.06**
China	16.88	17.24	16.65	17.26	17.29	17.11	0.22
India	5.65	5.85	5.71	5.54	6.08	5.80	0.14
Other Asia	9.85	10.15	10.20	9.96	9.99	10.07	0.22
Latin America	6.94	6.94	7.08	7.13	7.09	7.06	0.12
Middle East	8.82	8.65	8.40	8.97	9.10	8.78	-0.04
Africa	4.92	5.07	4.80	5.00	5.39	5.07	0.15
Russia	4.01	4.07	3.87	4.06	4.21	4.05	0.05
Other Eurasia	1.31	1.44	1.33	1.20	1.37	1.34	0.03
Other Europe	0.83	0.83	0.82	0.82	0.92	0.85	0.02
Total Non-OECD	**59.21**	**60.24**	**58.86**	**59.94**	**61.43**	**60.12**	**0.91**
Total World	**105.16**	**105.92**	**104.17**	**106.57**	**107.82**	**106.13**	**0.97**

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

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

World oil demand	2026	1Q27	2Q27	3Q27	4Q27	2027	Change 2027/26
Americas	25.65	25.67	25.34	26.23	25.72	25.74	0.10
of which US	*20.95*	*21.01*	*20.78*	*21.39*	*20.93*	*21.03*	*0.08*
Europe	13.37	12.94	13.61	13.76	13.46	13.45	0.07
Asia Pacific	6.99	7.27	6.57	6.87	7.41	7.03	0.04
Total OECD	**46.01**	**45.88**	**45.52**	**46.87**	**46.59**	**46.22**	**0.21**
China	17.11	17.43	16.85	17.53	17.57	17.35	0.24
India	5.80	6.15	6.00	5.83	6.38	6.09	0.30
Other Asia	10.07	10.47	10.50	10.23	10.28	10.37	0.29
Latin America	7.06	7.07	7.23	7.25	7.22	7.19	0.14
Middle East	8.78	8.97	8.67	9.30	9.37	9.08	0.30
Africa	5.07	5.23	4.95	5.18	5.55	5.23	0.16
Russia	4.05	4.12	3.92	4.10	4.26	4.10	0.05
Other Eurasia	1.34	1.48	1.36	1.24	1.40	1.37	0.03
Other Europe	0.85	0.85	0.84	0.84	0.94	0.87	0.02
Total Non-OECD	**60.12**	**61.77**	**60.30**	**61.50**	**62.97**	**61.64**	**1.52**
Total World	**106.13**	**107.65**	**105.83**	**108.37**	**109.56**	**107.86**	**1.73**

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

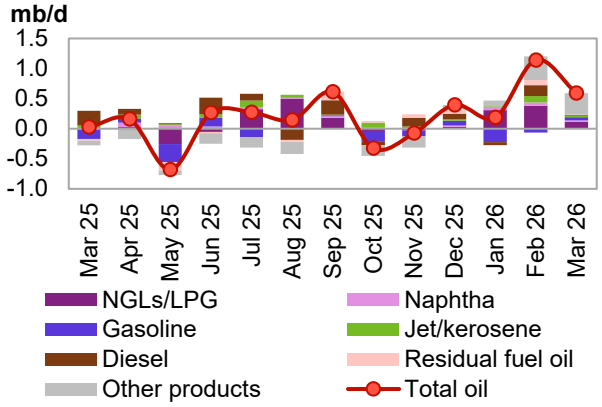
OECD

OECD Americas

Update on the latest developments

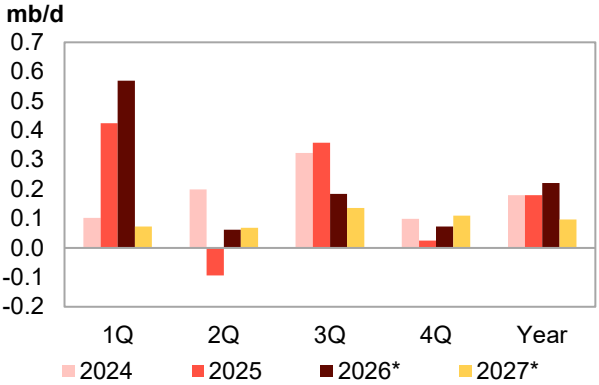
OECD Americas' oil demand in March increased by around 600 tb/d, y-o-y, down from an increase of about 1.1 mb/d, y-o-y, in February. US-led oil demand growth of about 0.4 mb/d, y-o-y, was supported by an increase of about 200 tb/d from Mexico, which more than offset a decline of 40 tb/d, y-o-y, from Canada. Oil demand growth in the region was driven by a demand increase of about 360 tb/d, y-o-y, for the 'other products' category, including petroleum coke, lube oil and bitumen. While demand for NGLs/LPG increased by 120 tb/d, y-o-y, diesel and gasoline demand increased by about 110 tb/d and 60 tb/d, y-o-y, respectively.

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



Sources: IEA, JODI, OPEC and national sources.

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



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

US

In March, US oil demand grew by about 430 tb/d, y-o-y, down from an increase of 900 tb/d, y-o-y, observed in February. Regarding specific products, demand for the 'other products' category saw the largest increase of about 180 tb/d, y-o-y. Demand for gasoline increased by around 90 tb/d, y-o-y, up from a decline of around 100 tb/d, y-o-y, in February, while diesel demand increased by around 10 tb/d, y-o-y.

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

US oil demand By product	Mar 25	Mar 26	Change Mar 26/Mar 25
NGLs/LPG	3.67	3.76	0.09
Naphtha	0.14	0.16	0.02
Gasoline	8.77	8.85	0.09
Jet/kerosene	1.65	1.69	0.03
Diesel	3.89	3.90	0.01
Fuel oil	0.30	0.30	0.01
Other products	1.82	2.01	0.18
Total	**20.24**	**20.67**	**0.43**

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

Sources: EIA and OPEC.

Meanwhile, naphtha demand increased by around 20 tb/d, y-o-y. Jet/kerosene demand saw an increase of 30 tb/d, y-o-y, down from an increase of 70 tb/d, y-o-y, seen the previous month. Demand for residual fuels was broadly flat, y-o-y, compared with an increase of around 50 tb/d, y-o-y, the previous month.

Near-term expectations

In the near term, the US economy is expected to remain cautiously resilient, despite some trade-related policy uncertainties and ongoing disruptions in the international oil market. Retail sales remain resilient, increasing by 5.2% in April from 4.0% in March. According to the Institute for Supply Management (ISM), the US Manufacturing PMI remained steady, growing to 54 in May, following 52.7 points in April. The Services PMI retracted slightly to 58.2 points in May from 59.1 points in April. Meanwhile, gasoline prices in the US have

started easing from an historical high in May, providing relief to drivers embarking on early summer road trips. However, the annual inflation rate in the US accelerated to 3.8% in April 2026, the highest since May 2023, compared with 3.3% in March.

In 3Q26, economic activity in the region is expected to remain stable amid growth in real wages, which is predicted to provide important support for consumer spending. Accordingly, oil demand in the US is forecast to increase by about 190 tb/d, y-o-y, in 3Q26.

The US economy is expected to remain resilient in 2026, driven by robust consumer spending, supported by potential tax adjustments that are expected to boost consumer income, and combined with low unemployment and potential monetary easing. The downside risk relates to trade uncertainties and the duration and severity of the ongoing global oil market disruption.

Oil demand in OECD Americas is forecast to grow by about 220 tb/d, y-o-y, to average 25.7 mb/d in 2026, while oil demand in the US is forecast to grow by about 210 tb/d, y-o-y, to average 21.0 mb/d.

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

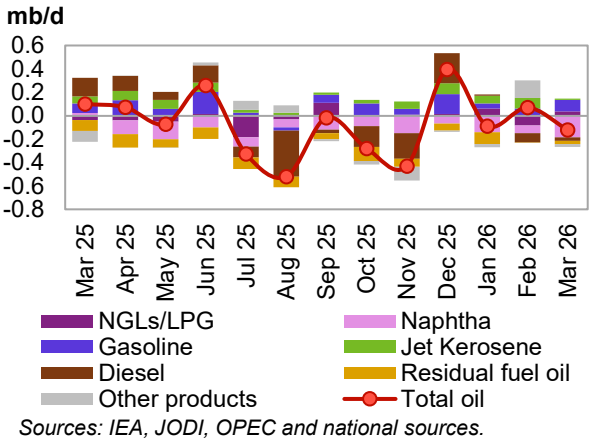
In 2027, economic activity in the US is projected to remain robust amid moderate growth, with GDP slightly below 2026 levels. The economy is expected to be supported by consumer spending, cooling inflation and stabilizing labour markets. This leads to an expected increase in OECD Americas oil demand of about 100 tb/d, y-o-y, to average 25.7 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

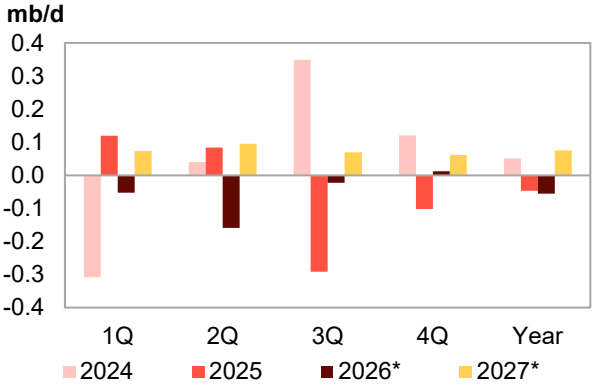
Oil demand in OECD Europe in March contracted by about 120 tb/d, y-o-y, following a decline of 70 tb/d, y-o-y, in February. Y-o-y declines of 90 tb/d in Germany, 20 tb/d in Italy and 10 tb/d in France more than offset an increase of about 60 tb/d, y-o-y, in the UK and 10 tb/d in Belgium.

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



Sources: IEA, JODI, OPEC and national sources.

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



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

Regarding oil product categories, naphtha saw the largest decline of about 190 tb/d, y-o-y, down from a decline of about 60 tb/d, y-o-y, in February. Demand for both diesel and residual fuel declined, each by around 30 tb/d, y-o-y. Demand for the 'other products' category slipped by 20 tb/d, y-o-y, down from a y-o-y increase of 90 tb/d a month earlier.

Meanwhile, gasoline saw the largest y-o-y increase in demand of about 100 tb/d, up from a growth of about 60 tb/d the previous month. NGLs/LPG demand increased by around 40 tb/d, y-o-y, and jet/kerosene demand inched up by about 10 tb/d, y-o-y, down from a y-o-y increase of 90 tb/d a month earlier.

Near-term expectations

In the near term, economic activity in the region is projected to experience somewhat slower momentum in private household consumption, though fiscal expansion in Germany is expected to lend support to the region's economic activity. Meanwhile, annual inflation in the Eurozone accelerated to 3.2% in May, up from 3.0% in April, well above the European Central Bank's 2.0% target. The region's manufacturing PMI retracted from 51.5 points in May after reaching 52.2 points in April; the services PMI was at 47.6 points for the second consecutive month. However, the European Union has introduced supportive measures to cushion the likely impact of rising energy prices stemming from ongoing global oil market disruptions. These measures are expected to lend some support to oil demand in the region, which is projected to decline marginally by about 20 tb/d, y-o-y, in 3Q26, following a 160 tb/d decline in 2Q26.

For 2026, economic activity in the region is expected to remain moderate but broadly stable. Significant government spending on infrastructure and fiscal stimulus in Germany is projected to support regional growth. However, rising production costs and consumer prices are expected to erode household disposable income and corporate profits, with a minor impact on oil demand. Moreover, current global oil market disruptions are expected to be partly offset by tax cuts and subsidies for certain fuels, as well as by Strategic Petroleum Reserve (SPR) releases. Overall, oil demand is projected to decline by around 60 tb/d, y-o-y, in 2026, to average 13.4 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 among key products. Gasoline is also expected to grow. Regarding petrochemical feedstock, demand for NGLs/LPG is projected to remain broadly flat, y-o-y. Demand for diesel, naphtha, residual fuel oil and the 'other products' category is projected to decline slightly, y-o-y.

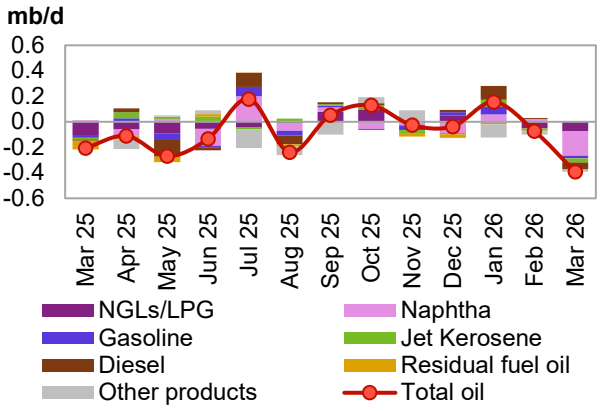
Looking ahead, the region is projected to see a gradual recovery in 2027, with inflation projected to return to a downward path, while domestic demand is also expected to strengthen. Germany's fiscal spending is expected to strengthen public investment and stimulate external demand. Furthermore, road mobility and air travel are projected to remain relatively healthy. Accordingly, these factors are anticipated to support oil demand in the region, which is forecast to grow by about 80 tb/d, y-o-y, in 2027 to average 13.5 mb/d.

OECD Asia-Pacific

Update on the latest developments

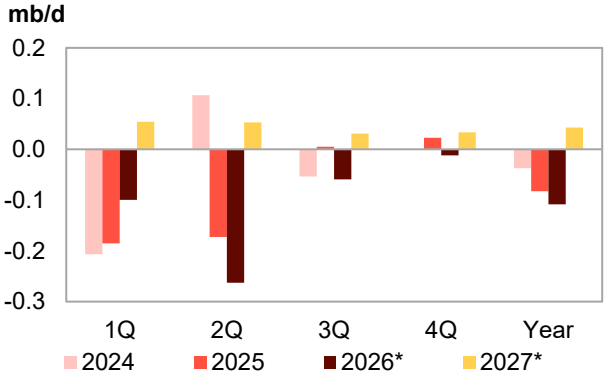
Oil demand in the OECD Asia-Pacific region declined by 260 tb/d, y-o-y, in March, down from an increase of 30 tb/d, y-o-y, in February. Within the region, a decline of about 200 tb/d, y-o-y, in Japan, combined with a 70 tb/d, y-o-y, decline in South Korea, more than offset increases of 20 tb/d, y-o-y, in Australia and 10 tb/d, y-o-y, in New Zealand.

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



Sources: IEA, JODI, OPEC and national sources.

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



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

Regarding specific oil product demand in February, naphtha demand saw the largest y-o-y decline of around 190 tb/d, down from an increase of 20 tb/d, y-o-y, seen a month earlier. NGLs/LPG demand contracted by around 80 tb/d, y-o-y, down from the 50 tb/d, y-o-y, decline observed the previous month. Demand for diesel declined by around 60 tb/d, y-o-y, down from an increase of around 10 tb/d, y-o-y, the previous month. Jet/kerosene demand eased by 30 tb/d, y-o-y, down from a decline of about 10 tb/d, y-o-y, seen the previous month. Gasoline demand eased by about 20 tb/d, y-o-y, down from flat, y-o-y, observed the previous month.

Meanwhile, demand for the 'other products' category saw the largest increase of 110 tb/d, y-o-y, up from y-o-y growth of 80 tb/d in February. Residual fuel demand was broadly flat, y-o-y, up from a 10 tb/d decrease, y-o-y, noted in February.

Near-term expectations

In the near term, Japan's economy maintained steady growth in 1Q26, underpinned by a rebound in exports, particularly to the US, and by increases in private consumption and capital investment, supporting domestic demand. The impact of heightened tensions in the international oil market has so far been limited, as the domestic economy remained on a moderate recovery trajectory, driven by domestic demand and low unemployment, which support continuing wage growth amid decelerating inflation. Forward-looking, high-frequency data for Japan show the April manufacturing PMI at 54.5 points, slightly down from 55.1 points in April. The services PMI also retracted, to 50 points in May, following 51 points in April. Japanese inflation was at 1.4% in April 2026, below the central bank's 2% target for the third consecutive month. Meanwhile, the government's supportive measures, such as resuming subsidies to oil wholesalers, releasing crude oil reserves, and securing alternative naphtha sources, are expected to further support the country's oil market.

In South Korea, the solid GDP growth recorded in 1Q26 is expected to continue in the near term as exports surged 53%, y-o-y, in May. GDP growth in South Korea is projected to be driven by strong exports amid a recovery in domestic demand. Employment is also expected to continue improving gradually. Meanwhile, the South Korean manufacturing PMI registered 54.6 in May, up from 54 in April and 53.9 in March, indicating a solid improvement in the health of the South Korean manufacturing economy. However, downside risk arises from uncertainty surrounding ongoing developments in the international oil market, and a prolonged blockade of the Strait of Hormuz could push up production costs across the broader South Korean economy.

In line with these developments, oil demand in the region is projected to decline by about 60 tb/d, y-o-y, in 3Q26, following a 260 tb/d, y-o-y, decline in 2Q26.

In 2026, economic activity in Japan – the region's largest economy – is projected to grow moderately but steadily, supported by favourable income conditions, including robust wage increases in spring wage negotiations and higher bonus payments. While the South Korean economy is expected to continue rebounding, Australia's GDP is forecast to grow only moderately. Oil demand in the region is projected to ease by about 110 tb/d, y-o-y, to average 7.0 mb/d in 2026. Regarding specific products, naphtha, residual fuel and diesel are projected to soften. The ongoing global oil market disruption could affect activity across petrochemicals and other manufacturing sectors in the region, though the extent depends on the duration and severity of the disruption. Meanwhile, government measures – such as export bans on certain petroleum products and the introduction of fuel price caps – are expected to provide support.

In 2027, Japan is considering rolling out two-year tax cuts, including a temporary reduction in the consumption tax on food products, starting in fiscal year 2027. Various measures to address rising prices are expected to temporarily boost private demand and will contribute to increased public investment, providing a certain degree of economic support for the Japanese economy. Accordingly, oil demand in the region is forecast to grow marginally by about 40 tb/d, y-o-y, to average 7.0 mb/d.

Non-OECD

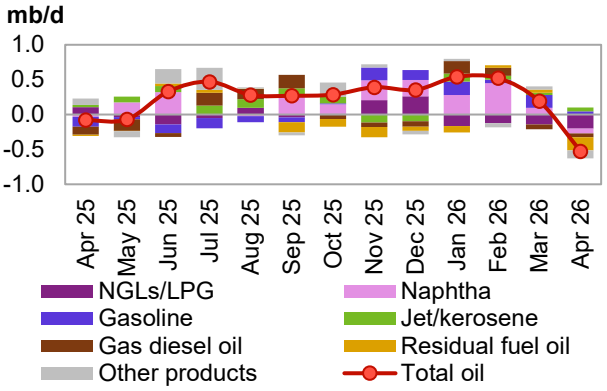
China

Update on the latest developments

China's oil demand in April contracted by around 530 tb/d, y-o-y, down from the growth of 190 tb/d, y-o-y, observed in March. Strong y-o-y declines in NGLs/LPG, residual fuel and the 'other products' category more than offset the observed increase in jet/kerosene and gasoline demand.

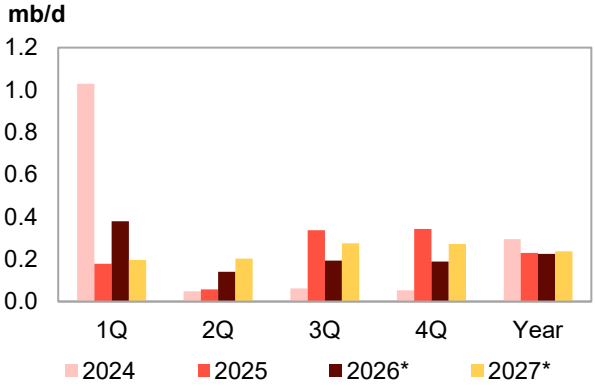
Regarding demand for specific products, NGLs/LPG requirements led the y-o-y decline, down around 200 tb/d, from a 140 tb/d decline the previous month. Residual fuel demand contracted by 190 tb/d, y-o-y, down from a y-o-y increase of 50 tb/d in March. Demand for the 'other products' category declined by around 120 tb/d, y-o-y, compared with a y-o-y increase of 50 tb/d in March. Demand for diesel slipped by around 60 tb/d, y-o-y, although it was an improvement from a decline of 70 tb/d, y-o-y, observed the previous month. Naphtha demand contracted by around 70 tb/d, y-o-y, down from an increase of 90 tb/d, y-o-y, in March.

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



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

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



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

Meanwhile, demand for jet/kerosene grew by around 60 tb/d, y-o-y, up from an increase of about 30 tb/d, y-o-y, in March. Gasoline demand grew by around 50 tb/d, y-o-y, down from an increase of around 190 tb/d, y-o-y, seen the previous month.

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

China's oil demand By product	Apr 25	Apr 26	Change Apr 26/Apr 25
NGLs/LPG	2.71	2.50	-0.20
Naphtha	1.79	1.72	-0.07
Gasoline	3.99	4.04	0.05
Jet/kerosene	1.08	1.13	0.06
Diesel	3.29	3.24	-0.05
Fuel oil	0.77	0.59	-0.19
Other products	2.90	2.79	-0.12
Total	**16.54**	**16.01**	**-0.53**

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

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

Near-term expectations

In the near term, China's economy is projected to remain robust amid a gradual deceleration in 2H26. Preliminary indicators for the country's economy showed industrial and manufacturing output holding up relatively well, with industrial production (IP) expanding by 4.1%, y-o-y, in April after a strong expansion of 5.7% was seen in March. Foreign trade also remained very resilient despite the oil market disruption and trade-related uncertainties. China's exports remained robust, bolstered by the global technology and artificial intelligence (AI) investment boom and strong non-tech demand. The manufacturing PMI was at 52.4 points for two consecutive months in May, after reaching 50 points in March. The services PMI remained at an expansionary level of 57.6 in May, up from 52.6 in April and 52.1 in March. These factors highlighted a positive near-term outlook for China's economy and oil demand. Accordingly, oil product demand is projected to grow by about 0.2 mb/d, y-o-y, in 3Q26.

In 2026, economic activity in China is expected to remain steady, supported by resilient exports amid strong industrial output. China's policymakers have pledged to raise the share of domestic consumption in gross domestic product (GDP) while also seeking to maintain reasonable investment growth. Furthermore, China is focusing on implementing existing policies in a targeted and effective manner to support the economy. The ongoing disruption to Middle East energy supplies, including the prolonged closure of the Strait of Hormuz, is a key external risk in the short term. Despite that, the impact is expected to be manageable, as China has a price adjustment mechanism for domestic petroleum prices that only reacts to oil price fluctuations between 40 $US/b and 130 $US/b. Furthermore, China–US confrontations have eased with the new lower 10% effective tariff rate on exports to the US. This development is expected to provide additional support for the country's manufactured goods exports.

Petrochemical plants, such as the Hengli refinery and Shandong Yulong Petrochemical, are ramping up operations, significantly increasing the need for naphtha to produce ethylene and propylene. This is expected to provide additional support for feedstock demand, including ethane, LPG and naphtha. Regarding specific

products, naphtha is projected to drive demand growth, with demand for the 'other products' category expected to provide some support. Furthermore, demand for transportation fuels, particularly jet/kerosene and gasoline, is forecast to grow. 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.

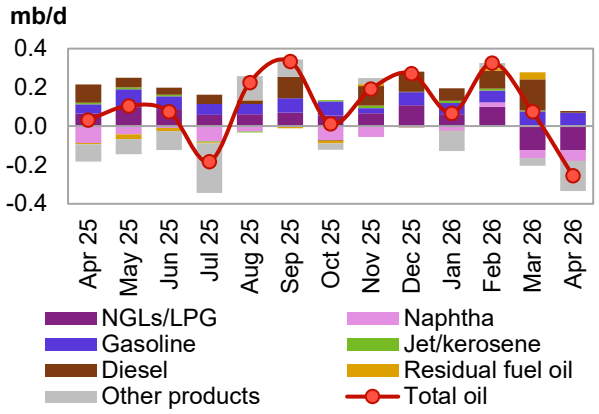
In 2027, economic activity in China is expected to remain stable. Similarly, transportation activity is predicted to remain healthy, while weakness in the construction sector is expected to subside. Combined with healthy petrochemical sector requirements, this is expected to support oil product demand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

India

Update on the latest developments

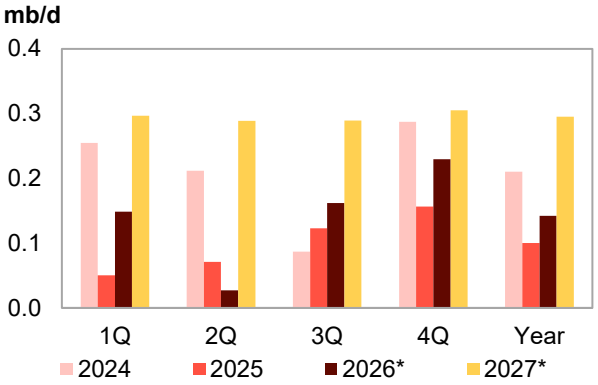
In April, India's oil demand contracted by about 260 tb/d, y-o-y, down from an increase of about 70 tb/d, y-o-y, seen the previous month. The y-o-y decline in April emanates from demand for the 'other products' category, LPG and naphtha.

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



Sources: PPAC, JODI and OPEC.

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



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

Regarding specific products, demand for the 'other products' category, including bitumen, lube oil and petroleum coke, saw the largest decline of about 150 tb/d, y-o-y, down from a decline of 40 tb/d, y-o-y, in March. Within this category, lube consumption saw a decline of 9.4%, y-o-y, and bitumen registered a significant decline of 30.6%, y-o-y, due to ongoing geopolitical tension in the Middle East, which severely disrupted the bitumen supply chain and resulted in a price increase of 60%, subduing demand for the product. LPG demand declined by about 120 tb/d, y-o-y, for the second consecutive month. LPG consumption was pressured by several factors, including the government's LPG Control Order of 8 March 2026, which imposed a 70% supply cap on commercial and industrial LPG demand. Naphtha demand declined by around 50 tb/d, y-o-y, down from the 40 tb/d, y-o-y, decline seen in March.

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

India's oil demand By product	Apr 25	Apr 26	Change Apr 26/Apr 25
NGLs/LPG	0.98	0.86	-0.12
Naphtha	0.28	0.22	-0.05
Gasoline	0.98	1.05	0.07
Jet/kerosene	0.21	0.21	0.00
Diesel	2.08	2.09	0.01
Fuel oil	0.11	0.11	0.00
Other products	0.98	0.82	-0.15
Total	**5.62**	**5.36**	**-0.26**

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

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

Meanwhile, gasoline demand increased by 70 tb/d, y-o-y, slightly below an increase of 80 tb/d, y-o-y, in March. Gasoline demand was supported by strong passenger vehicle (PV) sales, which reached 13%, y-o-y, growth in April. Diesel saw an uptick of around 10 tb/d, y-o-y, down from an increase of 160 tb/d, y-o-y, seen in March. Meanwhile, demand was flat for both residual fuel and jet/kerosene, y-o-y.

Near-term expectations

Looking ahead, India's economic activity is expected to remain robust in 3Q26 and surpass 2Q26 growth rates. Forward-looking data indicators point to a strong near-term dynamic, with India's manufacturing PMI rising to 56 in May, following 54.7 in April, while the services PMI stood at 57.6 in May, following 57.5 in March. Similarly, IP held up well, showing strong growth of 5.0% in April, up from 3.26% in March, reflecting continued and sustained growth in manufacturing activity in India. Furthermore, inflation in 2026 has so far been below the target of 4%.

Supporting the demand outlook, India's national highway budget for the fiscal year 2026–2027 (March–April) was raised to about $37 billion from about $33 billion the previous year, with the Bharatmala infrastructure programme progressing toward targeted completion by the end of the same fiscal year. Peak bitumen consumption in India typically falls between March and June, and with consumption for the current fiscal year already tracking higher, y-o-y, the underlying demand base heading into the post-monsoon construction season remains firm.

Meanwhile, the Indian government is setting aside $6.2 billion for its Economic Stabilization Fund, alongside $1.9 billion in emergency credit guarantees, to shield businesses and exporters from high energy prices and supply-chain disruptions due to current oil market developments.

These factors suggest strong near-term prospects for oil demand in India. Accordingly, the country's oil demand is projected to increase by about 0.2 mb/d, y-o-y, in 3Q26.

In 2026, India's GDP is expected to remain well supported by a combination of robust domestic demand, rural consumption supported by low inflation, income tax and Goods and Services Tax (GST) cuts, and a more accommodative monetary policy. Investment is also expected to strengthen as private investment continues to respond to easing financial conditions, including falling interest rates, complementing an increase in public capital expenditure to further support the growth outlook in 2026. However, downside risk is associated with the ongoing oil market disruption, which is affecting India as a major oil importer. In addition, the Indian economy may also be affected by the forthcoming El Niño, which is likely to impact agricultural activities.

Demand in the 'other products' category, including bitumen and supported by ongoing strong infrastructure development, is expected to drive oil demand in 2026. Gasoline is expected to remain robust on the back of heightened road mobility amid robust vehicle sales. Diesel demand is anticipated to gain additional support from strong manufacturing and agricultural activity. Overall, oil demand in India is projected to grow by about 0.1 mb/d, y-o-y, to average 5.8 mb/d in 2026.

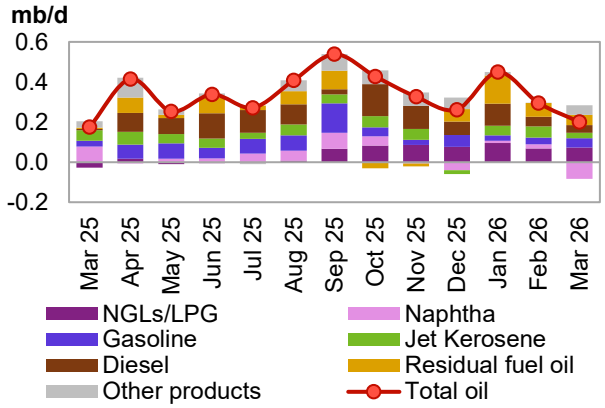
Looking ahead to 2027, India's GDP is expected to remain strong, supported by rising consumption and investment, as well as favourable policies and structural reforms. Inflation is also expected to moderate. On the supply side, manufacturing and services growth is expected to remain strong, supported by domestic reforms and an improved external environment amid easing trade tensions and normalized international oil market conditions. Furthermore, ongoing government support for households and expected new petrochemical capacity additions in 2026 are expected to support oil demand growth of about 0.3 mb/d, y-o-y, to average 6.1 mb/d.

Other Asia

Update on the latest developments

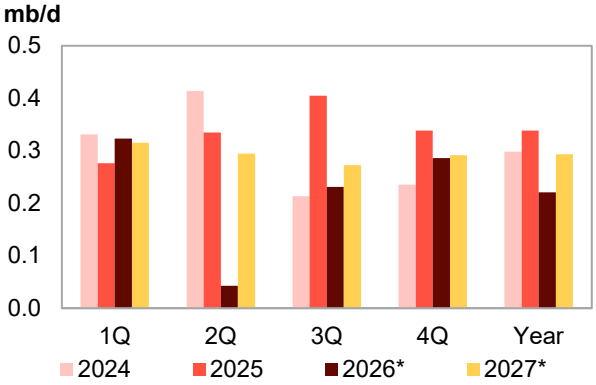
Oil demand in Other Asia grew by 200 tb/d y-o-y in March, down from around 300 tb/d, y-o-y, the previous month. This was largely driven by a rise of about 140 tb/d in Thailand and further supported by requirements in Indonesia, Malaysia, and Vietnam, which more than offset declines in Taiwan and Hong Kong. The increase in oil demand was driven by NGLs/LPG requirements and supported by residual and transportation fuels.

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



Sources: JODI, National sources, and OPEC.

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



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

Regarding specific products, NGLs/LPG led demand growth in March by about 70 tb/d, y-o-y, increase, for the second consecutive month. Among transportation fuels, gasoline demand grew by about 50 tb/d, y-o-y, slightly above the 30 tb/d, y-o-y, growth observed the previous month. Similarly, jet/kerosene also saw demand increase by about 30 tb/d, down from about 60 tb/d, y-o-y, as seen in February. Diesel demand grew by about 40 tb/d, y-o-y, though this is below the increase of about 50 tb/d, y-o-y, seen the previous month.

Meanwhile, residual fuel oil demand saw an increase of 50 tb/d, y-o-y, down from the growth of 70 tb/d, y-o-y, seen the previous month. Demand for the 'other products' category increased by around 50 tb/d, y-o-y, up from flat, y-o-y, observed the previous month.

Near-term expectations

In the near term, economic activity in major oil-consuming countries of the region is expected to see steady but more moderate growth in 3Q26, driven primarily by resilient household consumption and key structural investments, which are expected to support a regional oil demand increase of about 0.2 mb/d, y-o-y, in 3Q26. However, there is downside risk from ongoing developments in the international oil market, which are likely to affect energy-importing countries in the region in the near term, depending on the duration and severity of the crisis.

In 2026, economic activity in major oil-consuming countries is expected to remain robust, albeit unevenly, across the region's major economies, driven by strong domestic consumption, private investment and public infrastructure spending. Indonesia's economy is expected to remain at 2025 growth rates, on the back of resilient domestic demand and private consumption in 2026. Meanwhile, Indonesia's annual inflation rate accelerated to 3.08% in May from 2.42% in April. The manufacturing PMI in the country slightly improved to 49.7 points in May, from 49.3 points in April.

Malaysia's economy exceeded expectations in 1Q26, supported by strong domestic demand and underpinned by steady household spending, a buoyant labour market and higher disposable income. Accordingly, the Malaysian economy is projected to remain robust in 2026, driven by firm household spending amid broadly supportive monetary and fiscal measures supporting robust private investment. Other countries in the region, including Pakistan and Thailand, are also projected to see variable but steady growth rates. Healthy driving and air travel activity are expected to continue amid strong manufacturing and agricultural output. These factors are expected to support oil demand growth of about 0.2 mb/d, y-o-y, in 2026, bringing the average to 10.1 mb/d.

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

Looking ahead to 2027, economic activity in the region's major oil-consuming countries is expected to improve, with regional GDP slightly surpassing 2026 levels. Furthermore, consumer spending, low inflation and robust private and public investments are anticipated to continue supporting economic activity. These factors are forecast to lead to oil demand growth in the region of about 0.3 mb/d, y-o-y, to average 10.4 mb/d.

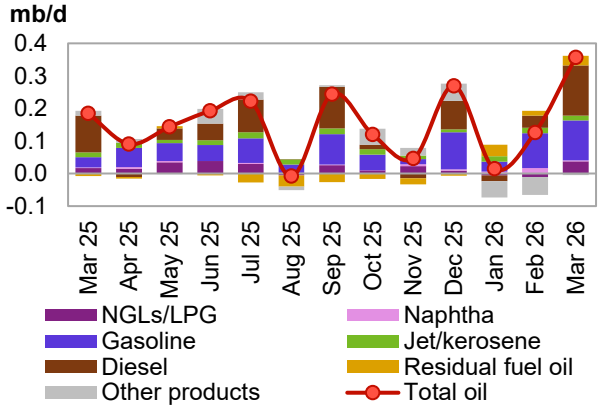
Latin America

Update on the latest developments

Oil demand in Latin America increased by about 360 tb/d, y-o-y, in March, up from a growth of about 130 tb/d, y-o-y, seen the previous month. Within the region, Brazil led the increase with 260 tb/d, y-o-y, with additional support from Argentina and Ecuador.

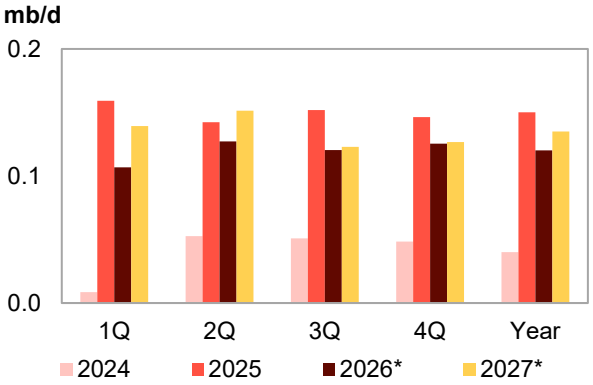
Regarding specific products, diesel demand saw the largest increase of about 160 tb/d, y-o-y, in March. Brazil accounted for the largest share of the approximately 80% increase in diesel demand in the region, driven by a peak in agricultural activity. Regional demand for gasoline also increased by about 120 tb/d, y-o-y, up from y-o-y growth of 110 tb/d was seen in the previous month. Jet/kerosene demand saw an uptick of about 20 tb/d, y-o-y, in line with an increase seen in the previous month. In Argentina, March jet/kerosene demand increased by 12% y-o-y, according to Argentine Tourism Statistics. Jet fuel demand is expected to continue its steady growth amid improving economic conditions, supporting domestic demand.

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



Sources: JODI, OPEC and national sources.

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



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

In terms of petrochemical feedstock, demand for NGLs/LPG increased by about 40 tb/d, y-o-y, up from a decline of 10 tb/d, y-o-y, seen the previous month. Naphtha demand was flat, y-o-y, though below the increase of about 20 tb/d, y-o-y, seen the previous month.

Meanwhile, demand for residual fuel increased by 30 tb/d, y-o-y, up from an increase of around 20 tb/d, y-o-y, in February. Demand for the 'other products' category, including ethanol, was flat, y-o-y, up from a decline of about 60 tb/d, y-o-y, in February.

Near-term expectations

In the near term, economic activity in Latin America is expected to remain healthy, with GDP growth in the region projected to remain broadly stable in 3Q26. Personal consumption continues to drive economic activity in the region. The Brazilian economy remained resilient, supported by strong employment amid tax exemptions on household consumption. The Services PMI rose to 52 points in April from 50 in March. Furthermore, the Brazilian IP has shown signs of improvement, rising to 2.4% in March, from less than 1% in February. Argentina's economy is experiencing a moderate improvement, with private consumption expanding, supported by disinflation, lower interest rates, and cost-of-living adjustments to social security benefits. Generally, inflation in the region remains within the central bank's target ranges. Accordingly, private consumption is set to remain the main driver of economic activity in the region, supporting oil demand growth of about 0.1 mb/d, y-o-y, in 3Q26.

In 2026, Latin American economies are expected to show resilience, driven by macroeconomic stabilization, household consumption and strong investor confidence. Growth has remained modest but steady, and labour markets have continued to perform well, with unemployment rates at or near their historical minimum across the region. Inflation rates are also expected to remain at, or near, their historical minimum across the region. Meanwhile, Brazil is expected to see moderate growth amid high employment. Argentina has recently made significant progress towards stabilising the macroeconomy and improving the business environment. Accordingly, oil demand in Latin America is forecast to grow by about 0.1 mb/d, y-o-y, in 2026, to average 7.1 mb/d.

Regarding specific oil products, transportation fuels 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.

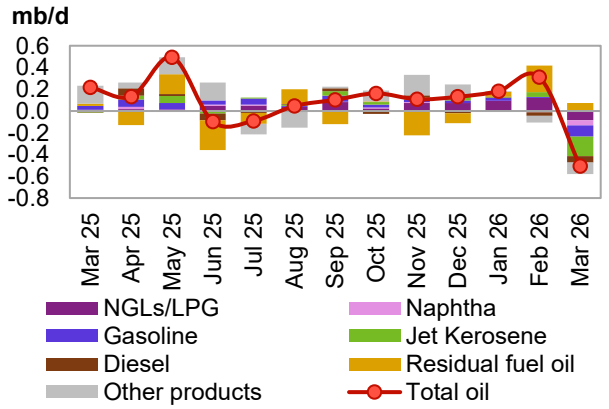
In 2027, economic activity in Latin America is expected to be notably resilient, supported by a gradual improvement from 2026 growth rates and driven by robust economic activity. The region's GDP is expected to be supported by improved domestic demand and recovering trade flows. Both Brazil and Argentina's economies are expected to improve further, building on anticipated positive performance in 2026. Together, these factors are forecast to support oil demand in the region, which is projected to grow by about 0.1 mb/d, y-o-y, to average 7.2 mb/d.

Middle East

Update on the latest developments

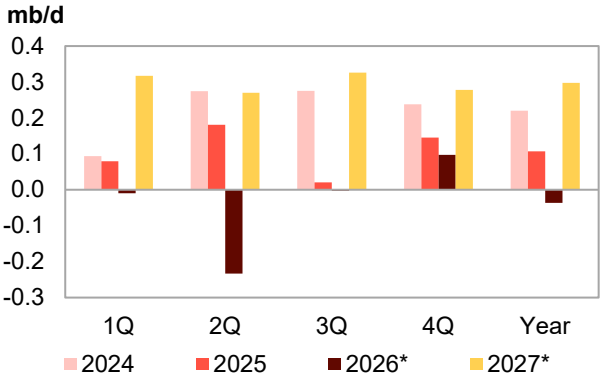
Oil demand in the Middle East in March contracted by about 500 tb/d, y-o-y, down from an increase of about 310 tb/d, y-o-y, the previous month.

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



Sources: JODI, OPEC and national sources.

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



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

Regarding specific product demand in March, jet/kerosene saw the largest decline of 180 tb/d, y-o-y, down from a y-o-y increase of around 40 tb/d seen in February. Gasoline demand and demand for the 'other products' category, including direct crude oil burning, contracted each by about 100 tb/d, y-o-y. Demand for diesel contracted by about 60 tb/d, y-o-y, down from a decline of 30 tb/d, y-o-y, observed the previous month.

Regarding petrochemical feedstock demand, NGLs/LPG demand declined by 80 tb/d, y-o-y, down from an increase of 120 tb/d, y-o-y, in February. Naphtha demand eased by around 50 tb/d, y-o-y, down from a minor decline of 10 tb/d, y-o-y, seen the previous month. Meanwhile, demand for residual fuels increased by around 70 tb/d, y-o-y, though it was below the 240 tb/d, y-o-y, growth seen the previous month.

Near-term expectations

Looking ahead, the region's major consuming countries' GDPs are expected to moderate in 3Q26, but remain supported by the non-oil economy. Oil demand in the region is forecast to remain broadly flat, y-o-y, in 3Q26. Downside risk continues from the ongoing oil market situation, depending on the duration and severity of the disruption.

In 2026, the region is expected to remain cautiously resilient, supported by the non-oil economy amid steady private consumption and slowing inflation. Meanwhile, the latest non-oil PMI suggests an improvement in the region's economic activity. The non-oil economy PMI in Saudi Arabia increased to 52.4 in May from 51.5 in April and 48 in March, suggesting the non-oil economy is returning to firmer growth after softer conditions in March and April. Similarly, in the UAE, the non-oil PMI rose to 52.3 in May, up from 51 in April and 48 in March. These factors are expected to support oil demand in the region, which is overall projected to ease by around 40 tb/d, y-o-y, to average 8.8 mb/d in 2026.

In terms of products, residual fuel is projected to drive y-o-y growth in oil demand in 2026, while gasoline is also projected to show some growth. Naphtha is anticipated to remain broadly flat, y-o-y. However, the 'other products' category and jet/kerosene are expected to decline, y-o-y.

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

World Oil Supply

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

In 2027, non-DoC liquids production is forecast to grow by about 0.6 mb/d to average 55.4 mb/d. This also remains unchanged from last month's assessment. The main drivers of growth in liquids production are expected to be Qatar, Brazil, Canada and Argentina.

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

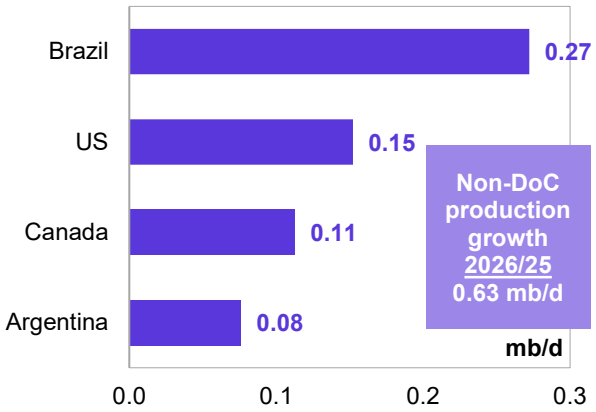
DoC crude oil production in May decreased by 0.19 mb/d, m-o-m, averaging 33.13 mb/d, as reported by available secondary sources.

Key drivers of growth and decline

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

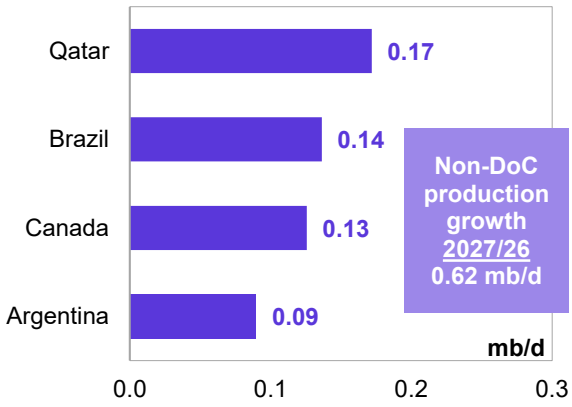
In 2027, liquids supply from non-DoC countries is forecast to expand by about 0.6 mb/d, unchanged from last month's assessment. Growth is led by Qatar, Brazil, Canada and Argentina

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	28.82	29.04	28.56	0.26
of which US	*22.22*	*21.78*	*22.40*	*22.60*	*22.69*	*22.37*	*0.15*
Europe	3.63	3.76	3.59	3.54	3.65	3.64	0.01
Asia Pacific	0.41	0.39	0.38	0.39	0.38	0.39	-0.02
Total OECD	**32.32**	**32.10**	**32.39**	**32.74**	**33.07**	**32.58**	**0.26**
China	4.62	4.74	4.68	4.57	4.57	4.64	0.02
India	0.82	0.82	0.82	0.82	0.83	0.82	0.00
Other Asia	1.64	1.64	1.63	1.61	1.61	1.62	-0.02
Latin America	7.55	8.11	8.04	8.09	8.22	8.12	0.57
Middle East	1.99	1.63	1.59	1.95	1.96	1.78	-0.21
Africa	2.27	2.24	2.23	2.24	2.31	2.25	-0.01
Other Eurasia	0.36	0.35	0.35	0.36	0.36	0.36	0.00
Other Europe	0.09	0.09	0.09	0.09	0.09	0.09	0.00
Total Non-OECD	**19.34**	**19.62**	**19.43**	**19.73**	**19.94**	**19.68**	**0.35**
Total Non-DoC production	51.66	51.73	51.82	52.47	53.01	52.26	0.60
Processing gains	2.54	2.57	2.57	2.57	2.57	2.57	0.03
Total Non-DoC liquids production	**54.20**	**54.30**	**54.39**	**55.04**	**55.58**	**54.83**	**0.63**

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

Source: OPEC.

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

Non-DoC liquids production	2026	1Q27	2Q27	3Q27	4Q27	2027	Change 2027/26
Americas	28.56	28.58	28.51	28.75	29.01	28.71	0.16
of which US	*22.37*	*22.26*	*22.39*	*22.43*	*22.52*	*22.40*	*0.03*
Europe	3.64	3.62	3.52	3.46	3.58	3.55	-0.09
Asia Pacific	0.39	0.38	0.36	0.38	0.38	0.38	-0.01
Total OECD	**32.58**	**32.59**	**32.39**	**32.60**	**32.97**	**32.64**	**0.06**
China	4.64	4.67	4.65	4.56	4.58	4.62	-0.02
India	0.82	0.81	0.80	0.80	0.81	0.81	-0.01
Other Asia	1.62	1.60	1.59	1.60	1.61	1.60	-0.02
Latin America	8.12	8.38	8.42	8.52	8.69	8.50	0.39
Middle East	1.78	1.94	1.96	1.97	1.99	1.96	0.18
Africa	2.25	2.29	2.28	2.27	2.27	2.28	0.02
Other Eurasia	0.36	0.36	0.36	0.36	0.36	0.36	0.00
Other Europe	0.09	0.10	0.10	0.10	0.10	0.10	0.00
Total Non-OECD	**19.68**	**20.15**	**20.15**	**20.17**	**20.41**	**20.22**	**0.54**
Total Non-DoC production	52.26	52.74	52.54	52.77	53.38	52.86	0.60
Processing gains	2.57	2.59	2.59	2.59	2.59	2.59	0.02
Total Non-DoC liquids production	**54.83**	**55.33**	**55.13**	**55.36**	**55.97**	**55.45**	**0.62**

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

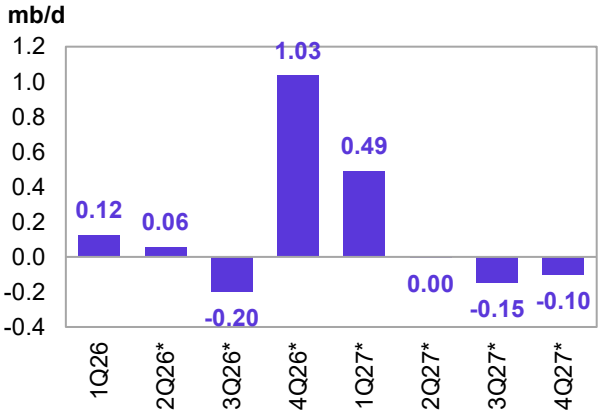
Source: OPEC.

OECD

In 2026, OECD liquids production (excluding DoC participating country, Mexico) is forecast to increase by 0.3 mb/d to average 32.6 mb/d. OECD Americas is forecast to be the primary growth driver, with an increase of 0.3 mb/d to average 28.6 mb/d. OECD Europe liquids production is expected to rise by just 10 tb/d, y-o-y, to average 3.6 mb/d, while OECD Asia Pacific is set to drop by about 18 tb/d to average 0.4 mb/d.

In 2027, OECD liquids production (excluding DoC participating country, Mexico) is forecast to increase by 0.1 mb/d to average 32.6 mb/d. Growth is forecast to once again be led by OECD Americas, with an expected increase of 0.2 mb/d to average 28.7 mb/d. OECD Europe liquids production is expected to drop by about 90 tb/d to average 3.5 mb/d, while OECD Asia Pacific is expected to fall by about 10 tb/d, y-o-y, to average 0.4 mb/d.

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



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

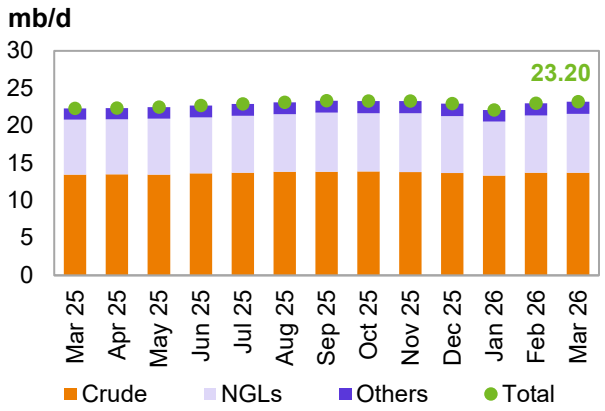
US

US liquids production in March 2026 rose by 0.2 mb/d, m-o-m, to average 23.2 mb/d, according to the US Energy Information Administration (EIA). This underscores a strong recovery in NGLs production from the cold-weather impact in earlier months. The March 2026 level is around 0.9 mb/d higher than the same month last year.

Crude oil and condensate production remained largely unchanged, m-o-m, at 13.7 mb/d. This is up by about 0.2 mb/d, y-o-y.

In terms of the crude and condensate production breakdown by region (PADDs), production fell on the US Gulf Coast (USGC) (PADD 3) by 29 tb/d, m-o-m, to average 10.2 mb/d. Production on the East Coast, Midwest and the West Coast (PADD 1, PADD 2 and PADD 5) remained largely unchanged, m-o-m. Crude oil output in the Rocky Mountain (PADD 4) rose by about 22 tb/d, m-o-m.

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



Sources: EIA and OPEC.

The m-o-m expansion in output in the main producing regions is primarily attributable to marginal production increases from wells in Colorado and Wyoming. However, these gains were offset by losses in Texas and offshore platforms in the Gulf of Mexico (GoM).

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

State	Mar 25	Feb 26	Mar 26	Change m-o-m	Change y-o-y
Texas	5,663	5,804	5,778	*-26*	*115*
New Mexico	2,265	2,307	2,307	*0*	*42*
Gulf of Mexico (GoM)	1,791	1,980	1,976	*-4*	*185*
North Dakota	1,172	1,122	1,121	*-1*	*-51*
Colorado	469	454	464	*10*	*-5*
Alaska	434	416	417	*1*	*-17*
Oklahoma	406	395	394	*-1*	*-12*
Total	**13,453**	**13,697**	**13,696**	***-1***	***243***

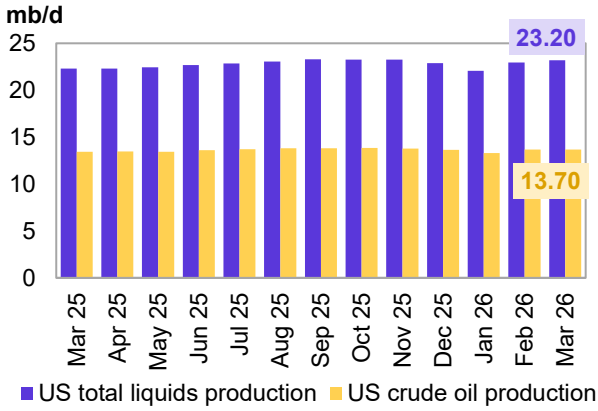
Sources: EIA and OPEC.

According to the US Department of Energy (DoE), NGLs production rose by 210 tb/d, m-o-m, to average 7.9 mb/d in March. This was 0.5 mb/d higher, y-o-y. The production of non-conventional liquids (mainly ethanol) increased by 30 tb/d, m-o-m, to average 1.6 mb/d. Preliminary estimates indicate that non-conventional liquids were about 0.1 mb/d lower, m-o-m, to average about 1.5 mb/d in April.

GoM production dropped by a minor 4 tb/d, m-o-m, to average 2.0 mb/d in March. This is higher by about 185 tb/d, y-o-y. However, progress across ongoing projects is expected to support robust GoM output in the near term. For the onshore Lower 48, crude and condensate production remained largely steady, m-o-m, at average 11.3 mb/d in March.

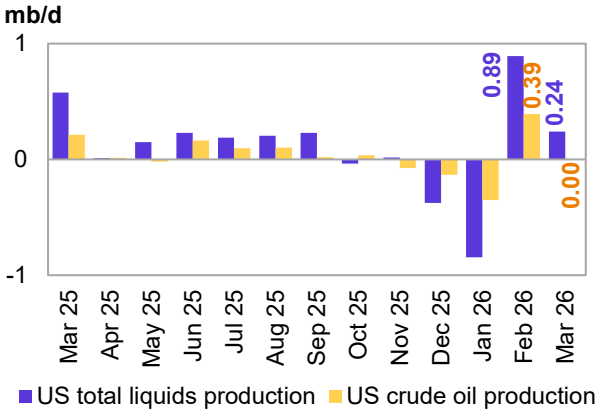
In terms of individual states, New Mexico's oil production remained unchanged, m-o-m, at average 2.3 mb/d. This is 42 tb/d higher than a year ago. Texas production fell by 26 tb/d, m-o-m, to average 5.8 mb/d. However, this is 115 tb/d higher than a year ago. In the Midwest, North Dakota's production remained largely unchanged, m-o-m, at an average of 1.1 mb/d. This was lower by 51 tb/d, y-o-y. Similarly, production in Oklahoma remained stable, m-o-m, at an average of 0.4 mb/d. Production in Colorado increased by 10 tb/d, while output in Alaska held steady, 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



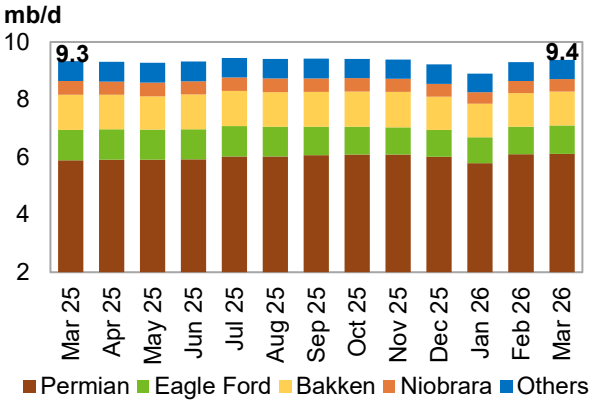
Sources: EIA and OPEC.

US tight crude production in March is estimated to have risen by 85 tb/d, m-o-m, to average 9.4 mb/d. This draws on data provided by the latest EIA estimates. The figure was 40 tb/d higher than in March 2025.

Permian production from shale and tight formations using horizontal wells in Texas and New Mexico is estimated to have increased by 18 tb/d, m-o-m, to average 6.1 mb/d. Y-o-y, this was up by 220 tb/d.

In the Williston Basin, Bakken shale oil production is estimated to have risen by 19 tb/d, m-o-m, to an average of 1.2 mb/d. This reflects a solid rebound following the earlier cold snap in the region. Y-o-y, however, this was down by 42 tb/d.

Graph 5 - 7: US tight crude production breakdown



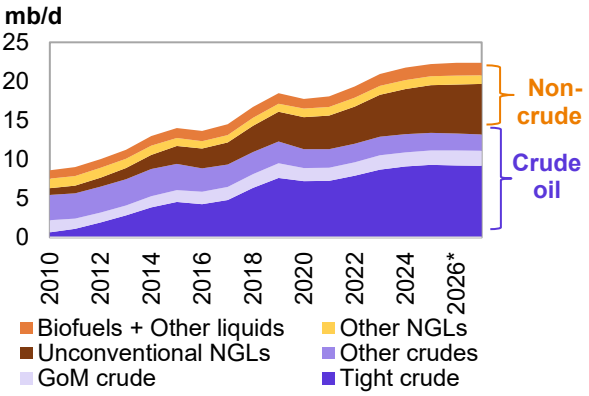
Sources: EIA and OPEC.

Tight crude production from the Eagle Ford in Texas rose by 18 tb/d to average 1.0 mb/d. This was down by 67 tb/d, y-o-y. Production at Niobrara-Codell in Colorado and Wyoming increased by just 6 tb/d, m-o-m, to about 429 tb/d.

In 2026, US liquids production, excluding processing gains, is expected to increase by around 150 tb/d, y-o-y, to average 22.4 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 around 60 tb/d, y-o-y, to average 9.2 mb/d.

The 2026 forecast signals ongoing caution in capital allocation, modest gains in drilling performance, incremental improvements in completion efficiency and rising associated gas output across the major shale basins.

Graph 5 - 8: US liquids production developments by component



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

In 2027, US liquids production, excluding processing gains, is forecast to 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 7.6 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 9.2 mb/d.

The 2027 forecast is informed by continuing capital discipline, moderate efficiency improvements and the persistent expansion of associated gas from 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	9.30	0.18	9.24	-0.06	9.21	-0.03
GoM crude	1.88	0.09	1.93	0.05	1.91	-0.02
Conventional crude oil	2.24	-0.09	2.17	-0.07	2.11	-0.06
Total crude	**13.42**	**0.18**	**13.34**	**-0.08**	**13.23**	**-0.11**
Unconventional NGLs	6.08	0.31	6.28	0.20	6.44	0.16
Conventional NGLs	1.15	0.00	1.13	-0.02	1.11	-0.02
Total NGLs	**7.24**	**0.30**	**7.41**	**0.18**	**7.55**	**0.14**
Biofuels + Other liquids	1.57	-0.03	1.62	0.05	1.62	0.00
US total production	**22.22**	**0.46**	**22.37**	**0.15**	**22.40**	**0.03**

*Note: * 2026 and 2027 = Forecast.*

Sources: EIA and OPEC.

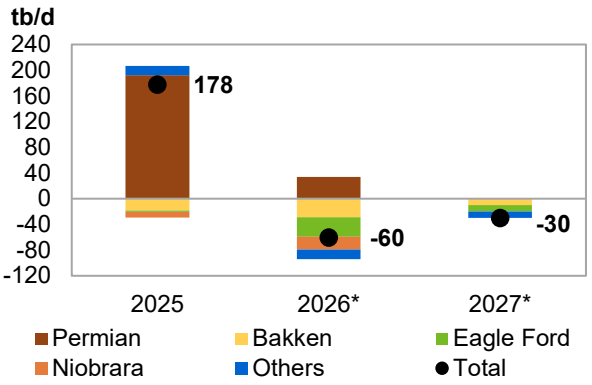
US tight crude production in the Permian Basin during 2026 is expected to increase by 34 tb/d, y-o-y, to average 6.0 mb/d. In 2027, it is forecast to remain largely unchanged.

In North Dakota, Bakken shale production is forecast to decline by 29 tb/d, to stand at about 1.2 mb/d in 2026. This is still below its pre-pandemic average of 1.4 mb/d. A roughly 10 tb/d drop in 2027 would indicate the basin is transitioning into a later stage of development.

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

In the Niobrara region, production in 2026 is forecast to drop by about 20 tb/d, y-o-y, to an average of 444 tb/d. Given the expectation of stable output in 2027, regional production is anticipated to remain steady in the short term.

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



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

In other tight oil plays, y-o-y output is forecast to drop by 15 tb/d in 2026 to average about 665 tb/d. Production is expected to drop by almost 10 tb/d in 2027, due to a prospective slowdown in drilling and completion activities.

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

US tight oil	2025	Change 2025/24	2026*	Change 2026/25	2027*	Change 2027/26
Permian tight	5.95	0.19	5.98	0.03	5.98	0.00
Bakken shale	1.20	-0.02	1.17	-0.03	1.16	-0.01
Eagle Ford shale	1.01	0.00	0.98	-0.03	0.97	-0.01
Niobrara shale	0.46	-0.01	0.44	-0.02	0.44	0.00
Other tight plays	0.68	0.01	0.67	-0.02	0.66	-0.01
Total	**9.30**	**0.18**	**9.24**	**-0.06**	**9.21**	**-0.03**

*Note: * 2026 and 2027 = Forecast.*

Sources: EIA and OPEC.

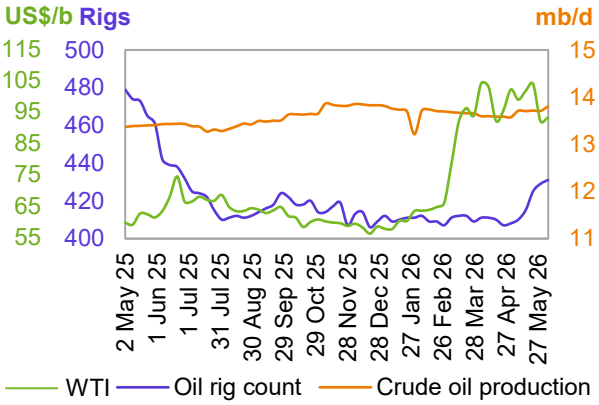
US rig count, spudded, completed, DUC wells and fracking activity

According to Baker Hughes, the total number of active US oil and gas drilling rigs in the week ending 5 June 2026 rose by one, w-o-w, to 563. This is four rigs higher than a year ago. The number of active offshore rigs fell by eight, w-o-w, to 10. This is three fewer than in the same month of 2025. The number of onshore oil and gas rigs rose by eight, w-o-w, to 549, with three rigs in inland waters. This is up by five rigs, y-o-y.

The US horizontal rig count rose by one, w-o-w, to 481. This compares with 505 horizontal rigs a year ago. The number of drilling rigs for oil rose by two, w-o-w, to 431, while the number of gas drilling rigs decreased by one, w-o-w, to 124.

The Permian rig count rose by two, w-o-w, to 257. The rig count in the Williston, DJ-Niobrara and Eagle Ford Basins remained unchanged, w-o-w, at 28, eight and 44, respectively. Rig count in the Cana Woodford Basin dropped by two, w-o-w, to 19.

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



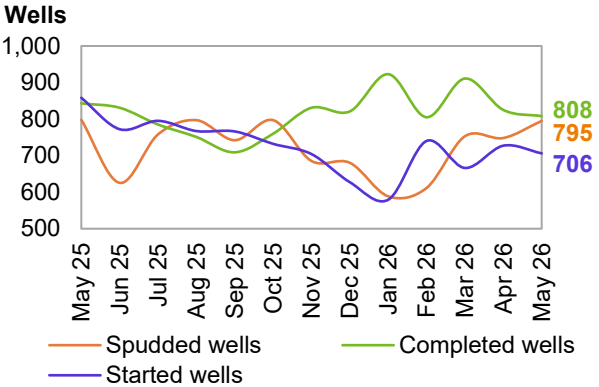
Sources: Baker Hughes, EIA and OPEC.

Based on preliminary data, drilling and completion activities for oil-producing wells across all US shale plays included 748 horizontal wells spudded in April. This is down by just five, m-o-m, but 2% higher than the same month a year earlier.

The preliminary April 2026 data also indicate a lower number of completed wells, m-o-m, at 825. This is up by about 4%, y-o-y. The number of started wells is estimated at 727, which is approximately 4% higher than the same period in 2025.

Preliminary data for May shows 795 spudded, 808 completed, and 706 started wells, according to Rystad Energy.

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

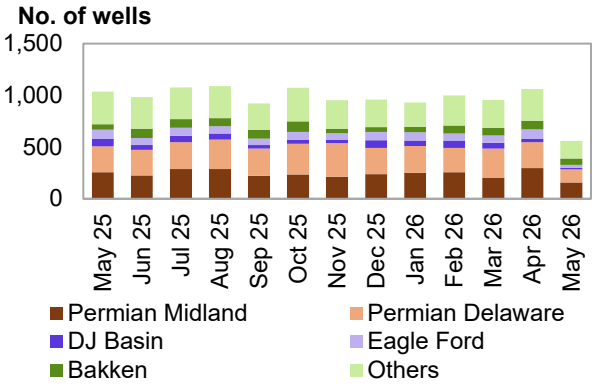


Note: Apr 26-May 26 = Preliminary data.
Sources: Rystad Energy and OPEC.

In terms of identifying US oil and gas fracking operations, it was reported that 954 wells began fracking in March 2026. In April and May, it was reported that 1,061 and 558 wells began fracking, respectively, according to preliminary numbers based on an analysis of high-frequency satellite data.

In regional terms, preliminary April data for the Permian Midland and Permian Delaware regions indicate that 295 and 251 wells, respectively, began fracking. This constitutes a gain of 95 wells in the Midland and a loss of 35 wells in the Delaware, m-o-m. Preliminary data also indicates that during April, 36 wells began fracking in the DJ Basin, 88 in the Eagle Ford and 85 in the Bakken.

Graph 5 - 12: Started fracs per month by region



Note: Apr 26-May 26 = Preliminary data.
Sources: Rystad Energy and OPEC.

Canada

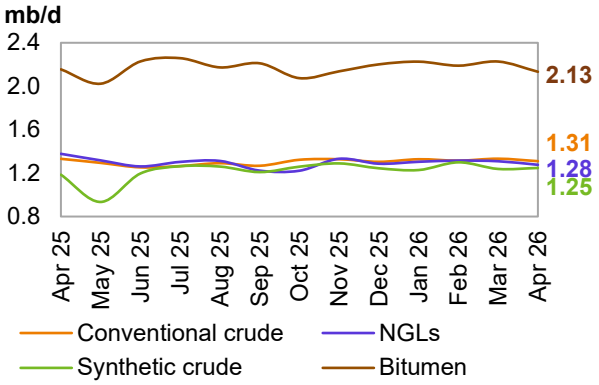
Canada's April liquids production is estimated to have dropped by about 0.2 mb/d, m-o-m, to average 6.0 mb/d. Conventional crude production fell by 21 tb/d, m-o-m, to average 1.3 mb/d. NGLs production dropped by 24 tb/d, m-o-m, to an average of 1.3 mb/d.

Crude bitumen production in April fell by about 86 tb/d, m-o-m, and synthetic crude production dropped by around 34 tb/d. Taken together, crude bitumen and synthetic crude production averaged 3.4 mb/d across the month.

Second-quarter production is expected to decline, q-o-q, as scheduled maintenance programmes take place.

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

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

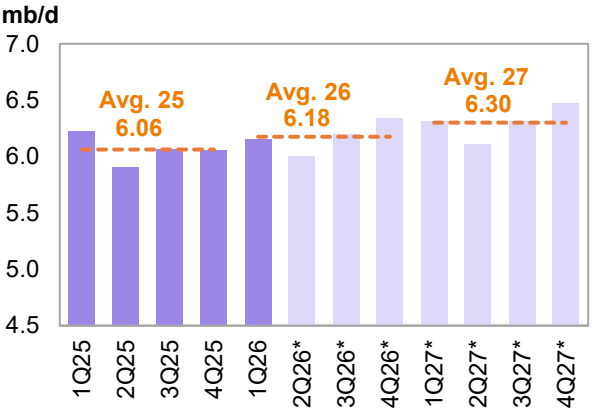


Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

Incremental output is expected from the Montney play, Athabasca, Syncrude Mildred Lake, Kearl, Horizon, Christina Lake, Suncor, Foster Creek, Firebag, Fort Hills, Duvernay and Cold Lake developments. Key start-ups in 2026 include the Foster Creek, Leismer, Charlie Lake, Blackrod, Reford SAGD and Meota SAGD projects. The Cenovus Energy White Rose Extension is also slated to begin offshore production this year.

In 2027, Canada's liquids production is forecast to expand by a further 0.1 mb/d to average 6.3 mb/d. The main additional production sources are expected to come 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 the Aspen, Kirby-Pike, and Horizon oil sands developments.

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



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

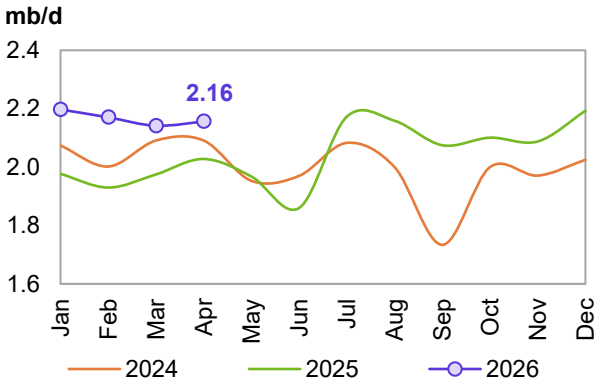
Norway

Norwegian liquids production in April increased by 15 tb/d, m-o-m, to average 2.2 mb/d. Crude production rose by 11 tb/d, m-o-m, to average 1.9 mb/d. This was higher by around 119 tb/d, y-o-y. Monthly oil production was 7.5% higher than the Norwegian Offshore Directorate's (NOD) forecast.

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

Norwegian liquids production is forecast to rise by about 15 tb/d to average 2.1 mb/d in 2026. This has been revised upward slightly due to higher-than-expected output in recent months. Several projects are scheduled to ramp up throughout the year, including Balder/Ringhorne, Heidrun, Gina Krog, Maria and Snohvit developments. Concurrently, 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, as well as the Irpa (Asterix) and Dvalin gas condensate projects.

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



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

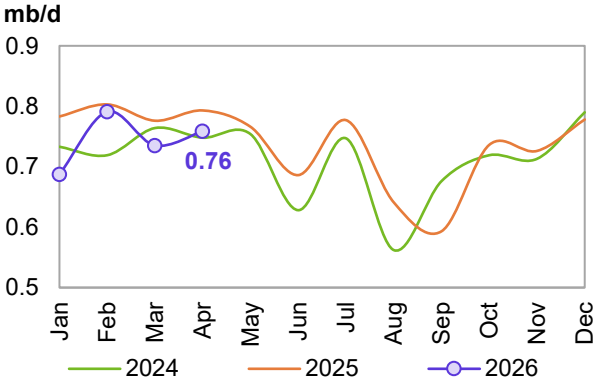
In 2027, Norwegian liquids production is forecast to drop by around 70 tb/d to average 2.0 mb/d. Multiple projects are expected to scale up over the course of the year, including Valhall, Snorre and Edvard Grieg. At the same time, several start-ups are expected to have limited assets. These developments encompass the Yggdrasil project via the North of Alvheim, Krafla/Askja and Lille Frigg assets, as well as the Symra and Bestla projects.

UK

In April, UK liquids production is estimated to have increased by 24 tb/d, m-o-m, to average 0.8 mb/d. Crude oil production rose by 30 tb/d, m-o-m, to average 0.6 mb/d. The April crude level was lower by about 26 tb/d, y-o-y, based on preliminary national data. NGLs production fell by just 6 tb/d, m-o-m, to average 70 tb/d.

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

Graph 5 - 16: UK monthly liquids production development



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

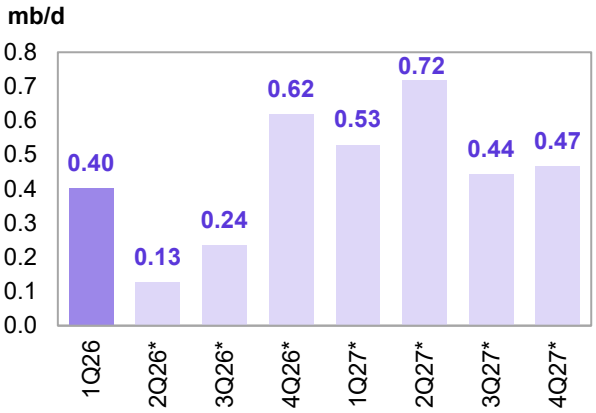
UK liquids production is forecast to drop by about 30 tb/d to average 0.7 mb/d in 2027. Minor production ramp-ups are forecast at the Clair, Buzzard, Penguins, J-Area and Anasuria projects. Rosebank is expected to be the main asset coming online. However, continued declines from ageing fields are again likely to counterbalance the incremental output.

Non-OECD

In 2026, non-OECD liquids production (excluding countries participating in the DoC) is forecast to increase by 0.3 mb/d to average 19.7 mb/d.

In 2027, non-OECD liquids production (excluding countries participating in the DoC) is forecast to rise by 0.5 mb/d to average 20.2 mb/d.

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



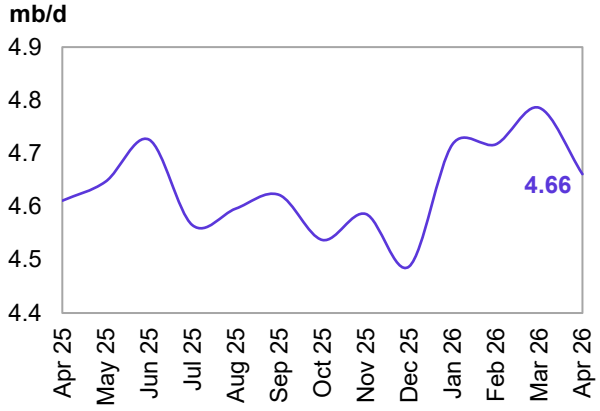
*Note: * 2Q26-4Q27 = Forecast. Source: OPEC.*

China

China's liquids production dropped by 125 tb/d, m-o-m, to average 4.7 mb/d in April. According to official data, this is up by 50 tb/d, y-o-y. April crude oil production averaged 4.4 mb/d. This was down by 124 tb/d from the previous month, albeit higher by 53 tb/d, y-o-y.

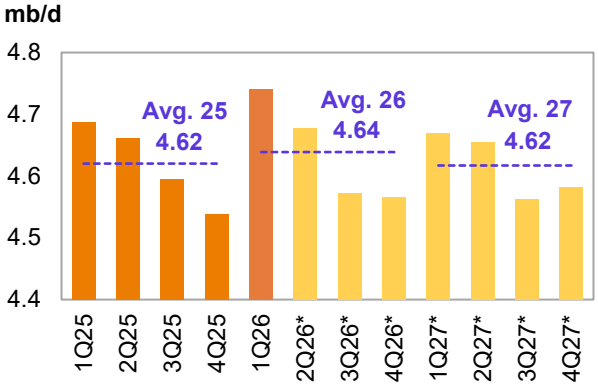
NGLs production remained largely unchanged, m-o-m, at an average of about 22 tb/d. This was largely consistent with the same month last year.

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



Sources: National Bureau of Statistics of China and OPEC.

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



*Note: * 2Q26-4Q27 = Forecast.*
Sources: National Bureau of Statistics of China and OPEC.

In 2026, Chinese liquids production is expected to rise by about 20 tb/d, y-o-y, to average 4.6 mb/d. This is unchanged from the previous assessment. In the near term, prolonged infill drilling and EOR programmes are expected to help to meaningfully moderate mature well decline rates. Offshore activity, especially in Bohai Bay and the South China Sea, is expected to remain the primary driver of production growth, supported by increased E&P spending.

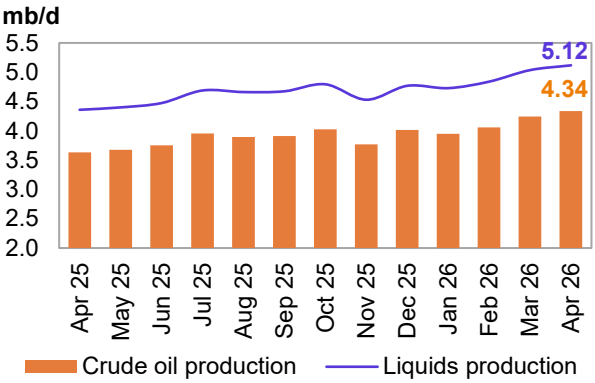
Several oil and gas condensate projects are set to come online, namely Weizhou 11-4, Peng Lai 19-3, Kenli 9-1 and Weizhou 10-3W. Most of the upcoming projects are operated by CNOOC, Sinopec and PetroChina. Simultaneously, key ramp-ups are expected from the Peng Lai 19-3/19-9, Wushi 17-2, Xijiang 30-2, 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 additional oil and gas condensate projects, such as Bozhong 25-1, Bozhong 34-1W, Bozhong 19-6, Bozhong 34-9, Xijiang 24-1, Panyu 10-4, Shengli and Jinzhou 25-3. Simultaneously, further ramp-ups are expected at the Kenli 9-1, Yanchang, Baikouquan tight oil (Xinjiang), Bozhong 25-1 and East China Sea projects.

Brazil

Brazil's crude production in April rose by 90 tb/d, m-o-m, to average 4.3 mb/d. NGLs production fell by 8 tb/d, m-o-m, to an average of around 100 tb/d, with this expected to remain around the same level in May. Biofuel production (mainly ethanol) is estimated to have remained steady, m-o-m, at an average of 0.7 mb/d, with preliminary May data indicating a further stable trend. The country's total liquids production rose by about 82 tb/d, m-o-m, in April to average 5.1 mb/d. This is higher by 0.8 mb/d, y-o-y.

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



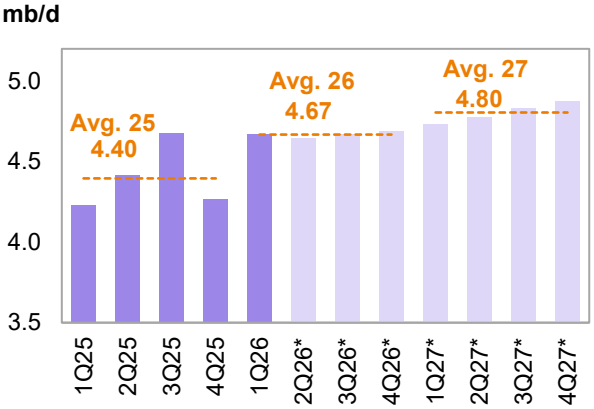
Sources: Brazilian National Agency of Petroleum, Natural Gas and Biofuels (ANP) and OPEC.

In 2026, Brazil's liquids production, including biofuels, is forecast to rise by about 270 tb/d, y-o-y, to average 4.7 mb/d. Upstream liquids production is set to surge through production ramp-ups at the Buzios (Franco), Mero (Libra NW), Marlim, Bacalhau (x-Carcara) and Wahoo projects. Additional oil project start-ups are expected at the Albacora Leste Cluster. Petrobras has brought forward the start-up of the Buzios 8 development, with the FPSO P-79 beginning oil production in early May 2026. The unit has a processing capacity of 180 tb/d of oil and 7.2 million cubic meters per day of gas compression, marking another accelerated milestone in the ongoing expansion of the Buzios pre-salt cluster.

In 2027, Brazil's liquids supply, including biofuels, is forecast to increase by about 140 tb/d, y-o-y, to average 4.8 mb/d. Upstream liquids output is expected to rise as production scales up at the Buzios (Franco), Bacalhau and Wahoo projects. Oil project start-ups are anticipated at the Buzios field and the Pampo-Enchova Cluster assets.

Rising development costs and sustained inflationary pressures are increasingly challenging offshore project economics. Consequently, final investment decisions could be pushed back, moderating the expected pace of growth.

Graph 5 - 21: Brazil's quarterly liquids production



*Note: * 2Q26-4Q27 = Forecast. Sources: ANP and OPEC.*

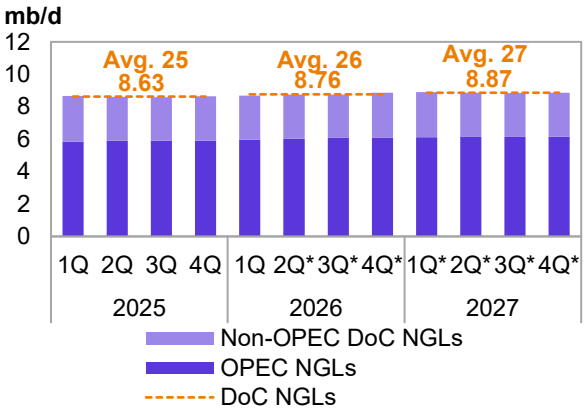
DoC NGLs and non-conventional liquids

Preliminary data show that NGLs and non-conventional liquids production in 1Q26 averaged 8.7 mb/d. According to preliminary data, OPEC Member Countries and non-OPEC DoC countries are estimated to have produced 6 mb/d and 2.7 mb/d of NGLs and non-conventional liquids, respectively.

The 2026 forecast indicates a combined increase of approximately 0.1 mb/d to an average of 8.8 mb/d. For OPEC Member Countries, NGLs and non-conventional liquids production is projected to rise by around 150 tb/d to an average of 6.0 mb/d. However, a drop of about 15 tb/d is forecast for non-OPEC DoC countries, with an average of 2.7 mb/d.

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

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



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

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

DoC NGLs and non-conventional liquids	2025	Change 25/24	2026	Change 26/25	2027	Change 27/26
OPEC	**5.90**	*0.13*	**6.05**	*0.15*	**6.15**	*0.10*
Non-OPEC DoC	**2.73**	*-0.03*	**2.72**	*-0.01*	**2.73**	*0.01*
Total	**8.63**	***0.09***	**8.76**	***0.13***	**8.87**	***0.11***

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

DoC crude oil production

Total DoC crude oil production averaged 33.13 mb/d in May 2026, which is 0.19 mb/d lower, m-o-m.

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

Secondary sources	2024	2025	3Q25	4Q25	1Q26	Mar 26	Apr 26	May 26	Change May/Apr
Algeria	905	935	943	965	972	972	981	982	1
Congo	253	260	262	262	268	269	283	283	-1
Equatorial Guinea	57	53	51	48	51	49	50	52	2
Gabon	222	227	225	222	214	210	212	214	3
IR Iran	3,257	3,263	3,239	3,208	3,142	3,054	2,875	2,330	-546
Iraq	4,163	4,011	3,995	4,094	3,313	1,679	1,406	1,481	75
Kuwait	2,429	2,475	2,488	2,564	2,092	1,160	556	573	16
Libya	1,092	1,296	1,310	1,294	1,272	1,252	1,306	1,302	-5
Nigeria	1,429	1,510	1,512	1,482	1,453	1,449	1,520	1,519	-2
Saudi Arabia	8,978	9,471	9,704	10,043	9,278	7,626	6,755	6,912	157
UAE	2,950	3,142	3,259	3,371	2,883	1,892	2,023	2,110	87
Venezuela	867	937	946	943	910	988	1,036	1,072	36
Total OPEC	**26,604**	**27,580**	**27,936**	**28,496**	**25,847**	**20,601**	**19,005**	**18,829**	**-177**
Azerbaijan	481	461	459	458	454	456	460	458	-2
Bahrain	176	179	184	161	104	60	41	44	3
Brunei	79	86	85	90	89	89	88	86	-1
Kazakhstan	1,539	1,778	1,855	1,674	1,446	1,653	1,878	1,872	-7
Malaysia	347	346	343	345	332	328	342	345	3
Mexico	1,578	1,458	1,467	1,452	1,451	1,447	1,448	1,452	4
Oman	766	777	785	803	813	823	888	888	0
Russia	9,197	9,129	9,201	9,346	9,183	9,142	9,019	9,009	-9
Sudan	29	24	25	22	21	23	24	24	0
South Sudan	71	109	135	124	126	133	123	124	1
Total Non-OPEC DoC	**14,263**	**14,347**	**14,539**	**14,476**	**14,018**	**14,155**	**14,312**	**14,303**	**-9**
Total DoC	**40,866**	**41,927**	**42,475**	**42,972**	**39,865**	**34,755**	**33,317**	**33,132**	**-185**

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 May, 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	3Q25	4Q25	1Q26	Mar 26	Apr 26	May 26	Change May/Apr
Algeria	907	936	948	968	972	971	979	982	3
Congo	260	271	274	275	291	307	292	286	-6
Equatorial Guinea	57	46	39	43	46	42	44	..	..
Gabon	..	..	..	..	..	..	..	..	..
IR Iran	..	..	..	..	..	..	..	..	..
Iraq	3,862	3,775	3,751	4,047	3,356	1,906	1,494	1,759	265
Kuwait	2,411	2,470	2,483	2,569	2,105	1,200	562	578	16
Libya	1,136	1,372	1,373	1,361	1,324	1,303	1,385	1,389	4
Nigeria	1,345	1,432	1,439	1,415	1,388	1,383	1,489	1,530	42
Saudi Arabia	8,955	9,480	9,735	10,045	9,298	7,763*	6,879*	7,010*	131
UAE	2,916	3,119	3,241	3,364	2,877	1,908	2,021	2,111	90
Venezuela	921	1,081	1,095	1,131	1,013	1,095	1,136	1,179	43
Total OPEC	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**

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

** Saudi Arabia's supply to the market was 7,763 tb/d in March 2026, 6,879 tb/d in April 2026, and 7,010 tb/d in May 2026.*

** Saudi Arabia's production was 6,967 tb/d in March 2026, 6,316 tb/d in April 2026, and 6,561 tb/d in May 2026.*

Source: OPEC.

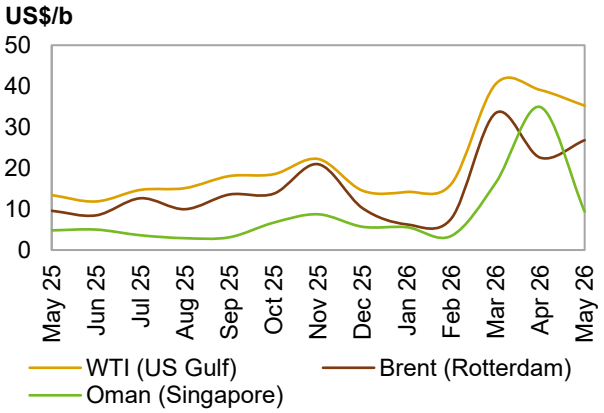
Product Markets and Refinery Operations

Refining margins continued to trend downward on the US Gulf Coast (USGC) and, more pronouncedly, in Singapore, as product tightness in both trading hubs eased, leading to middle distillate and naphtha pressure on gross product value. A post-maintenance recovery in US refinery processing rates contributed to the weakness, despite sizeable gasoline strength and significant gains in residual fuel. In Singapore, margins corrected downwards following the previous month's hike due to weak steam cracking margins and stronger regional middle distillate supplies. In contrast, margins in Rotterdam increased on the back of unplanned refinery outages and renewed product supply risks, exerting upward pressure on product margins.

Refinery margins

USGC refining margins against WTI dropped for the second consecutive month, but retained most of the robust gains attained in March. Despite this drop, the May USGC margins remained elevated, positioned well above the historic normal range, and were up $21.80/b (+160%), y-o-y. Middle distillates continued to represent the main source of weakness, as their crack spreads, particularly those of jet/kerosene, corrected downwards from the atypical highs registered in March. Naphtha added another layer of weakness, as rising refinery runs following the heavy maintenance season suggested relief from previous product-market tightness. On the other hand, gasoline markets are strengthening as the driving season begins and road transport activity rises.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

This pressured gasoline stocks, with inventory levels already positioned at historic lows ahead of the peak driving season. This also partly supported high-sulphur fuel oil margins, firm conversion economics and feedstock blending requirements. The upside in gasoline and fuel oil likely prevented further losses in USGC refining economics.

According to preliminary data, refinery intake in the USGC increased by 810 tb/d, m-o-m, to average 16.94 mb/d in May. USGC margins against WTI averaged $35.19/b, down $3.83, m-o-m, but up $21.80, y-o-y.

Rotterdam refinery margins against Brent moved in the opposite direction to those observed in the USGC and Singapore. The monthly rise was notable but represented a partial recovery from the drop registered in the previous month. Despite this m-o-m improvement, the May margin level still remained below the multi-year high seen in March. According to S&P Global data published on 4 June, total Amsterdam-Rotterdam-Antwerp (ARA) oil product stocks declined 3.7%, m-o-m, and 20.3%, y-o-y, in May. This pressure on total product availability was largely driven by fuel oil and gasoline, which accounted for 51.2% and 45.5% of the monthly decline in total ARA product stocks, respectively.

According to preliminary data, May refinery runs in EU-14, Norway and the UK decreased by 80 tb/d to an average of 9.42 mb/d. Refinery margins against Brent in Europe averaged $26.76/b in May, which was $4.26 higher, m-o-m, and $17.20 higher, y-o-y.

Singapore's refining margins against Oman corrected sharply following the surge seen in the previous month. This was a more pronounced decline than observed in the USGC, with the Asian margin returning to single digits in May, down 73.3%, m-o-m. An improvement in Asian refinery runs and a pickup in alternative crude arrivals into the region softened the previously bullish product market sentiment in Asia. Product-wise, the sources of weakness that offset solid gains in gasoline and high-sulphur fuel oil were jet/kerosene, gasoil, and naphtha.

Singapore's total product inventories declined 5.0 mb (-10.9%), m-o-m, with the middle and light distillate categories accounting for the vast majority of the decline, each representing nearly 50% of the total. This suggests that suppressed exports are counterbalancing the prevailing inventory tightness.

According to preliminary data, the combined May refinery intake for Japan, China, India, Singapore and South Korea increased by 120 tb/d, m-o-m, to average 24.67 mb/d. Refinery margins against Oman averaged $9.33/b, which was $25.57 lower, m-o-m, and $4.59 higher, y-o-y.

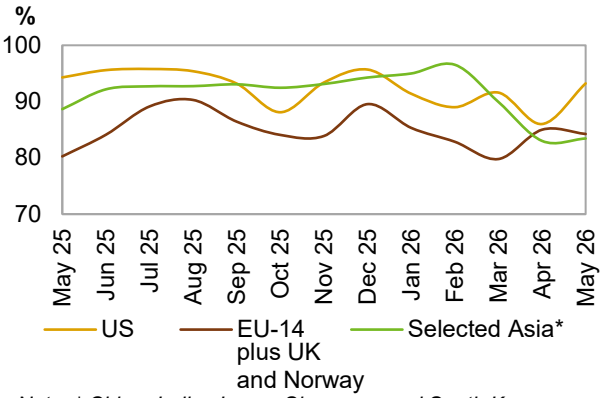
Refinery operations

US refinery utilization rates rose 7.2 pp, m-o-m, to average 93.23% in May. This corresponds to a throughput of 16.94 mb/d, and an increase of 810 tb/d from the April level. Compared to the previous year, the May refinery utilization rate was 1.1 pp lower, with throughput showing a 186 tb/d decline.

EU-14 plus the UK and Norway refinery utilization averaged 84.23% in May, corresponding to a throughput of 9.42 mb/d. This represents a 0.8 pp, or 80 tb/d, m-o-m, drop. Y-o-y, the utilization rate was up by 4.0 pp, with throughput 445 tb/d higher.

In Selected Asia – Japan, China, India, Singapore and South Korea – refinery utilization rates increased to an average of 83.43% in May, corresponding to a throughput of 24.67 mb/d. Compared with the previous month, utilization rates were up 0.4 pp, while throughput was 120 tb/d higher. Relative to last year, utilization rates were 5.2 pp lower, while throughput was 1.3 mb/d lower.

Graph 6 - 2: Refinery utilization rates



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

Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				*Refinery utilization, %*			
	Mar 26	Apr 26	May 26	*Change* May/Apr	Mar 26	Apr 26	May 26	*Change* May/Apr
US	**16.51**	**16.13**	**16.94**	**0.81**	**91.60**	**86.00**	**93.23**	**7.2 pp**
Euro-14, plus UK and Norway	**8.92**	**9.51**	**9.42**	**-0.08**	**79.77**	**84.98**	**84.23**	**-0.8 pp**
France	0.97	0.98	0.91	-0.08	84.19	85.50	78.81	-6.7 pp
Germany	1.56	1.67	1.68	0.01	90.89	97.20	97.75	0.5 pp
Italy	1.08	1.18	1.16	-0.03	59.69	65.10	63.66	-1.4 pp
UK	0.88	0.80	0.81	0.01	85.31	77.63	78.32	0.7 pp
Selected Asia	**26.59**	**24.55**	**24.67**	**0.12**	**89.92**	**83.01**	**83.43**	**0.4 pp**
China	14.58	13.35	13.11	-0.24	86.27	78.99	77.58	-1.4 pp
India	5.53	5.20	5.25	0.05	103.24	97.16	98.05	0.9 pp
Japan	2.27	2.15	2.29	0.13	73.17	69.33	73.53	4.2 pp
South Korea	2.57	2.20	2.38	0.18	85.27	72.89	78.86	6.0 pp

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

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

Refinery crude throughput	2023	2024	2025	2Q25	3Q25	4Q25	1Q26	2Q26
OECD Americas	**18.71**	**18.96**	**19.13**	**19.28**	**19.68**	**18.87**	**19.44**	**19.60**
of which US	*16.50*	*16.62*	*16.70*	*16.97*	*17.21*	*16.69*	*16.42*	*16.81*
OECD Europe	**11.38**	**11.28**	**11.28**	**11.10**	**11.71**	**10.70**	**10.47**	**10.54**
of which:								
France	*0.93*	*0.92*	*0.96*	*0.83*	*1.04*	*1.04*	*0.96*	*0.97*
Germany	*1.62*	*1.76*	*1.69*	*1.65*	*1.74*	*1.71*	*1.65*	*1.67*
Italy	*1.30*	*1.21*	*1.22*	*1.28*	*1.32*	*1.13*	*1.10*	*1.22*
UK	*0.97*	*0.98*	*0.93*	*1.00*	*0.91*	*0.89*	*0.88*	*0.86*
OECD Asia Pacific	**5.86**	**5.71**	**5.73**	**5.68**	**5.69**	**5.98**	**5.26**	**4.84**
of which Japan	*2.56*	*2.37*	*2.39*	*2.27*	*2.31*	*2.53*	*2.56*	*2.23*
Total OECD	**35.95**	**35.96**	**36.14**	**36.05**	**37.07**	**35.55**	**35.17**	**34.98**
Latin America	**3.54**	**3.69**	**3.69**	**3.68**	**3.75**	**3.80**	**3.65**	**3.15**
Middle East	**7.53**	**7.95**	**8.06**	**8.00**	**8.28**	**8.05**	**6.53**	**5.40**
Africa	**1.74**	**1.88**	**2.08**	**2.03**	**2.09**	**2.07**	**2.22**	**2.17**
India	**5.18**	**5.30**	**5.44**	**5.41**	**5.29**	**5.44**	**5.61**	**5.30**
China	**14.77**	**14.25**	**14.80**	**14.46**	**15.08**	**14.88**	**15.03**	**13.76**
Other Asia	**5.00**	**5.05**	**5.13**	**5.05**	**5.16**	**5.21**	**4.60**	**4.14**
Russia	**5.50**	**5.35**	**5.21**	**5.31**	**5.08**	**5.16**	**5.18**	**4.73**
Other Eurasia	**1.03**	**1.04**	**1.06**	**1.03**	**1.08**	**1.04**	**0.96**	**0.81**
Other Europe	**0.48**	**0.51**	**0.48**	**0.46**	**0.54**	**0.46**	**0.45**	**0.45**
Total Non-OECD	**44.76**	**45.01**	**45.95**	**45.42**	**46.36**	**46.12**	**44.24**	**39.91**
Total world	**80.72**	**80.97**	**82.09**	**81.47**	**83.43**	**81.67**	**79.41**	**74.89**

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

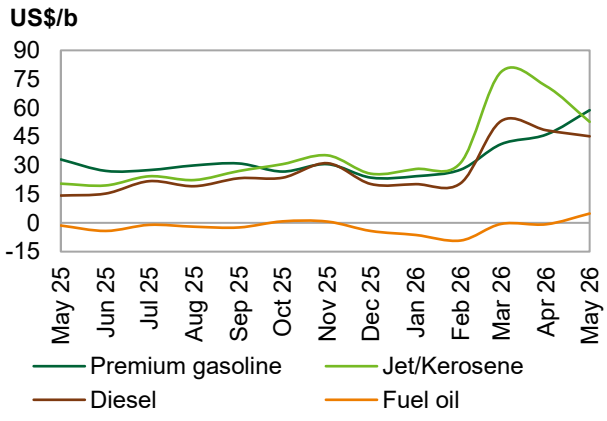
Sources: AFREC, APEC, EIA, IEA, PAJ, Ministry data, including Ministry of Energy of the Russian Federation, Ministry of Petroleum and Natural Gas of India, OPEC and JODI.

Product markets

US market

The USGC gasoline crack spread against WTI rose for the fifth consecutive month, outpacing jet/kerosene and reaching the highest level since June 2022. Total US motor gasoline stocks have been declining over the last three months. Healthy exports and reduced US refinery runs amid significant refinery maintenance led to limited gasoline output. This contributed to a contraction in gasoline availability, which exerted upward pressure on its crack spreads. Additionally, the seasonal support for gasoline markets from strengthening mobility is expected to provide additional support going forward. The USGC gasoline crack spread increased $12.69/b, m-o-m, to an average of $58.77/b in May, and was $25.63/b higher, y-o-y.

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



Sources: Argus and OPEC.

The USGC jet/kerosene crack spread against WTI fell for the second consecutive month, losing its position as the top May margin contributor to gasoline. The USGC jet/kerosene crack spread decreased $18.64/b, m-o-m, to an average of $52.76/b in May, and was $32.32/b higher, y-o-y.

The USGC gasoil crack spread against WTI continued to retract following the multi-year high registered in March, but remained the third strongest margin contributor across the barrel. Improvement in refinery processing rates at the end of the heavy refinery maintenance season pointed to growing gasoil/diesel availability. Moreover, eased geopolitical supply-side concerns surrounding diesel flows from the East of Suez exerted additional pressure on the corresponding product price. This provided some relief to previously heightened supply-side concerns and bullish market sentiment, leading to a downward correction from the

March hike. The USGC gasoil crack spread decreased $3.15, m-o-m, to an average of $45.21/b in May, but was $30.93/b higher, y-o-y.

The USGC fuel oil 3.5% crack spread against WTI increased considerably, registering the second-largest m-o-m gain across the barrel, following gasoline. Healthy feedstock blending demand and strengthening conversion margins for gasoline production underpinned residual fuel markets in the US. The USGC fuel oil 3.5% crack spread increased $5.57, m-o-m, to an average of $4.83/b in May, and was $6.21/b higher, y-o-y.

European market

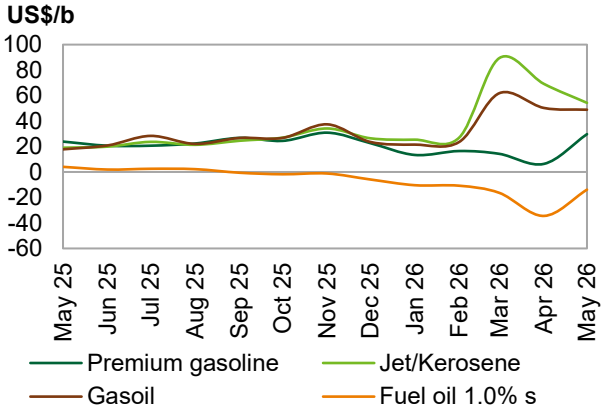
The gasoline crack spread in Rotterdam against Brent soared to double digits in May, reaching a six-month high, supported by a seasonal demand pick-up. The May uptick in gasoline margins was the largest monthly increase among key products, positioning gasoline as the best-performing product in Northwest Europe. Opening arbitrage, improving cross-regional export requirements and low floating storage off the coast of West Africa point to additional upside potential in the near term.

The gasoline crack spread against Brent averaged $29.81/b, which was $23.32/b higher, m-o-m, and $5.83/b higher, y-o-y.

In May, the jet/kerosene crack spread in Rotterdam against Brent continued to trend downwards, albeit less pronouncedly than in the previous month. Continued market sentiment improvements amid rising European product refinery output led to a continued downward correction from the March multi-year record high. The Rotterdam jet/kerosene crack spread against Brent averaged $54.32/b, down $14.85/b, m-o-m, but up $35.16/b, y-o-y.

The gasoil crack spread in Rotterdam against Brent retracted on the back of a gradual improvement in refinery output, although gasoil ARA inventories remain below average levels. Compared to all other products, the gasoil ARA stock draw in May was limited and accounted for around 10% of the m-o-m decline in total ARA oil product stocks for the month. The gasoil crack spread against Brent averaged $48.90/b, down $1.40/b, m-o-m, but up $31.19/b, y-o-y.

Graph 6 - 4: Rotterdam crack spreads vs. Brent



Sources: Argus and OPEC.

At the bottom of the barrel, fuel oil 1.0% crack spreads in Rotterdam against Brent jumped to become the second-best performer across the barrel in NWE. These dynamics reflect a residual fuel balance contraction as seasonal utility demand picks up and availability remains persistently tight amid volume flow disruptions linked to geopolitical factors. Going forward, residual fuel fundamentals are expected to remain strong in line with seasonality. The fuel oil 1.0% crack spread averaged negative $13.86/b in May, representing a $20.51/b increase, m-o-m, but a $17.83/b decline, y-o-y.

Asian market

The Southeast Asia 92 gasoline crack spread against Dubai rose as previous regional refinery output constraints put pressure on availability. However, an improvement in gasoline output going forward is expected to expand regional balances, which could pose downside risks to gasoline markets if exports beyond Asian borders remain subdued. The margin averaged $28.41/b in May, up $6.17/b, m-o-m, and up $17.03/b, y-o-y.

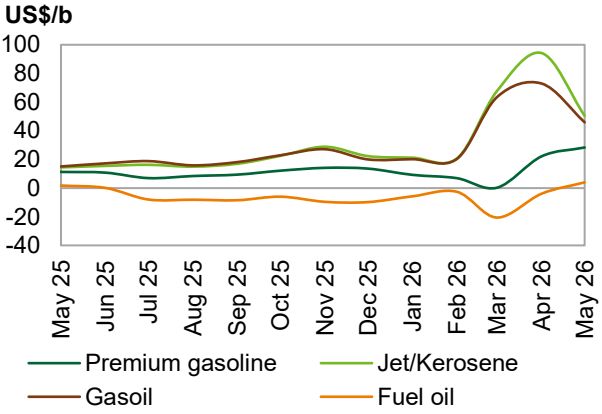
The Asian naphtha crack spread dropped under pressure from improved refinery output, a lighter crude diet and poor steam cracker margins. Moreover, resupplies arriving from the West in the previous month, booked for late March and early April, contributed to a temporary surplus in May, further weighing on Southeast Asian naphtha margins. The Singapore naphtha crack spread against Dubai averaged $4.09/b, which was $12.46/b lower, m-o-m, and $6.12/b higher, y-o-y.

In the middle of the barrel, the jet/kerosene crack spread fell on the back of a slight rebound in regional imports, supporting prompt supply, while on the other hand, subdued demand has contributed to an increasingly imbalanced market. The Singapore jet/kerosene crack spread against Dubai averaged $50.56/b, down $43.68/b, m-o-m, but up $36.03/b, y-o-y.

The Singapore gasoil crack spread eased further as the global bullish sentiment in gasoil markets continued to diminish in May. Despite recent regulatory measures that may keep refinery runs somewhat suppressed in China and India, firm product supplies in the rest of Asia are providing partial relief from the previous regional shortage. The Singapore gasoil crack spread against Dubai averaged $46.00/b, down $27.03/b, m-o-m, but up $30.83/b, y-o-y.

The Singapore fuel oil 3.5% crack spread increased, reflecting strengthening residual fuel demand for utility consumption and feedstock blending. The contracting HSFO-on-water volume and firm bunkering demand are expected to sustain HSFO margins in the near term. HSFO crack spread against Dubai averaged $3.95/b, up $7.87/b, m-o-m, and $2.21/b, y-o-y.

Graph 6 - 5: Singapore crack spreads vs. Dubai



Sources: Argus and OPEC.

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

Event	Time frame	Observations	Asia	Europe	US
East-to-West product flow constraints	Jun 26	Lower product availability in Asia due to run cuts is driving increased flows from the Atlantic Basin to Asia, supporting product markets in the US and Europe.	↓ Downward pressure on product crack spreads	↑ Upward pressure on product crack spreads	↑ Upward pressure on product crack spreads
End of heavy refinery maintenance season	Jun 26	Product output is expected to increase, exerting pressure on crack spreads and refining margins.	↓ Downward pressure on product crack spreads	↓ Downward pressure on product crack spreads	↓ Downward pressure on product crack spreads
Seasonal rise in air and road mobility	Jun 26–Oct 26	The anticipated increase in mobility might worsen the already constrained product market, further pressuring product 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 2025/2026 refinery closures	2026	Approximately 1.1 mb/d of global refining capacity losses in 2025 and 138 tb/d of US refinery closures in 2026 contribute to reduced product balances, especially during the maintenance season through 3Q26.	↑ Support for product markets	↑ Support for product markets	↑ Support for product markets
Impact of the 2025/2026 refinery capacity expansions	2026–2027	New product volumes entering international markets amid refinery capacity additions (995 tb/d in 2025 and 740 tb/d in 2026) are expected to enhance product balances, especially in 4Q26 and 2027.	↓ Pressure on product markets	↓ Pressure on product markets	↓ Pressure on product markets

Source: OPEC.

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

		Apr 26	May 26	Change May/Apr	Annual avg. 2025	Year-to-date 2026
US Gulf (Cargoes FOB)						
Naphtha*		102.67	96.89	-5.78	63.91	84.29
Premium gasoline	(unleaded 93)	145.26	157.93	12.67	93.01	122.49
Regular gasoline	(unleaded 87)	133.17	144.06	10.89	84.97	111.15
Jet/Kerosene		170.58	151.92	-18.66	89.46	135.34
Gasoil	(0.2% S)	147.54	144.37	-3.17	84.74	120.39
Fuel oil	(3.0% S)	84.38	90.29	5.91	62.27	73.32
Rotterdam (Barges FOB)						
Naphtha		104.38	97.49	-6.89	62.64	83.32
Premium gasoline	(unleaded 98)	129.05	137.61	8.56	90.08	110.55
Jet/Kerosene		191.51	162.12	-29.39	91.34	147.46
Gasoil/Diesel	(10 ppm)	172.64	156.70	-15.94	91.98	135.58
Fuel oil	(1.0% S)	87.97	93.94	5.97	68.85	77.21
Fuel oil	(3.5% S)	92.63	98.54	5.91	63.54	79.34
Mediterranean (Cargoes FOB)						
Naphtha		97.09	93.11	-3.98	60.81	78.67
Premium gasoline**		128.67	133.60	4.93	84.16	107.62
Jet/Kerosene		188.00	156.26	-31.74	88.32	143.23
Diesel		172.10	155.48	-16.62	90.87	134.09
Fuel oil	(1.0% S)	95.70	101.51	5.81	72.66	83.55
Fuel oil	(3.5% S)	92.09	98.00	5.91	61.75	78.42
Singapore (Cargoes FOB)						
Naphtha		122.11	105.38	-16.73	64.73	93.90
Premium gasoline	(unleaded 95)	133.12	131.44	-1.68	80.73	110.35
Regular gasoline	(unleaded 92)	127.80	129.70	1.90	78.83	106.58
Jet/Kerosene		199.80	151.85	-47.95	86.48	144.04
Gasoil/Diesel	(50 ppm)	191.69	152.63	-39.06	87.38	141.84
Fuel oil	(180 cst)	176.18	142.20	-33.98	86.03	135.80
Fuel oil	(380 cst 3.5% S)	101.64	105.24	3.60	64.21	87.32

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

Sources: Argus and OPEC.

Tanker Market

Dirty tanker spot freight rates remained elevated in May, although down from the record highs registered in March. Increased long-haul demand supported VLCC spot freight rates. The repositioning of tankers made more available in the Atlantic Basin, easing upward pressure on rates. On the West Africa-to-East route, VLCC spot freight rates edged 4% lower, m-o-m, but remained 121% higher than in the same month last year.

Suezmax spot freight rates followed a similar dynamic, despite US Gulf crude exports remaining near record levels amid ongoing SPR releases. On the USGC-to-Europe route, rates fell 22%, m-o-m, but were 130% higher, y-o-y. Aframax spot freight rates experienced the largest drop but still stood at the upper end of the five-year range. Rates on the Mediterranean-to-Northwest Europe route fell 51%, m-o-m, amid reduced prompt buying following strong levels in the previous month.

Clean tanker spot freight rates remained elevated East of Suez on Asian demand, but declined West of Suez as prompt buying eased amid ample trade flows ahead of seasonal demand. Clean spot freight rates on the Middle East-to-East route were up 9%, m-o-m, while rates around the Mediterranean fell 32%, m-o-m.

Dirty tanker freight rates

Very large crude carriers (VLCC)

VLCC spot freight rates fell further in May but remained well above the five-year average. Rates were supported by increasing long-haul demand, particularly for Atlantic Basin crudes to Asia to address ongoing supply disruptions. On average, VLCC spot freight rates were up 5%, m-o-m, and 520%, y-o-y.

On the Middle East-to-East route, rates were assessed at WS587 in May. This represents a m-o-m increase of 7% and an 878% jump compared to the same month last year. On the Middle East-to-West route, spot freight rates were assessed at WS224. This indicates a rise of 6%, m-o-m, and 579%, y-o-y.

On the more active West Africa-to-East route, spot freight rates fell 4% to average WS137. The decline came amid continued repositioning from Asia to the more active Atlantic Basin. Compared with the same month in 2025, rates were up 121%.

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

VLCC	Size *1,000 DWT*	Mar 26	Apr 26	May 26	*Change* May 26/Apr 26
Middle East/East	230-280	434	550	587	37
Middle East/West	270-285	183	211	224	13
West Africa/East	260	191	142	137	-5

Sources: Argus and OPEC.

Suezmax

Suezmax spot freight rates followed a similar dynamic, despite US Gulf crude exports remaining near record levels amid ongoing SPR releases. On average, Suezmax rates were down 21%, m-o-m, but remained 129% higher than in the same month last year.

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

Suezmax	Size *1,000 DWT*	Mar 26	Apr 26	May 26	*Change* May 26/Apr 26
West Africa/US Gulf Coast	130-135	298	227	183	-44
US Gulf Coast/Europe	150	285	219	170	-49

Sources: Argus and OPEC.

On the West Africa-to-USGC route, spot freight rates in May averaged WS183, down 19%, m-o-m, but 129% higher than the same month last year. Rates on the USGC-to-Europe route fell 22%, m-o-m, to average

WS170. This was despite estimates showing that US crude exports remained near record levels of over 5 mb/d. Y-o-y, however, rates were 130% higher.

Aframax

Aframax spot freight rates experienced the largest drop but still stood at the upper end of the five-year range. M-o-m, rates were down by an average of 40%. Declines were softer East of Suez, where supply concerns were more persistent. Compared with the same month in 2025, Aframax rates were still elevated, averaging 76% higher.

Spot freight rates on the Indonesia-to-East route fell 16%, m-o-m, to average WS221. Y-o-y, rates on the route were up by 91%.

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

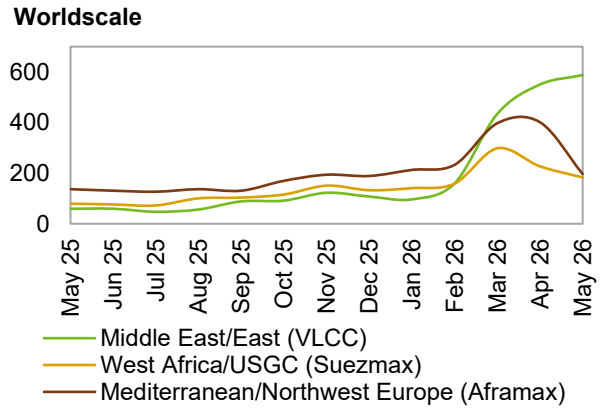
Aframax	Size *1,000 DWT*	Mar 26	Apr 26	May 26	*Change* May 26/Apr 26
Indonesia/East	80-85	223	262	221	-41
Caribbean/US East Coast	80-85	519	530	299	-231
Mediterranean/Mediterranean	80-85	409	339	204	-135
Mediterranean/Northwest Europe	80-85	397	401	197	-204

Sources: Argus and OPEC.

On the Caribbean-to-US East Coast (USEC) route, rates fell 44%, m-o-m, to average W299. Compared with the same month last year, rates were up 121%.

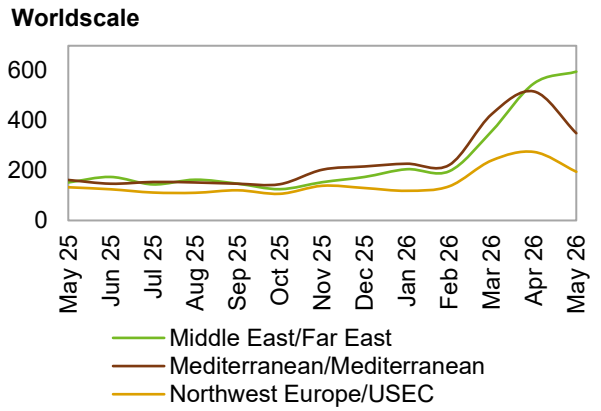
Cross-Med rates registered sharper declines, falling 40%, m-o-m, to average WS204. Compared to the same month of 2025, spot rates on the route were still up by 48%. Rates on the Med-to-Northwest Europe (NWE) route were down 51%, m-o-m, to average WS197. Compared with the same month in 2025, rates were 44% higher.

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



Sources: Argus and OPEC.

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



Sources: Argus and OPEC.

Clean tanker freight rates

In contrast to the dirty tanker market, clean spot freight rates showed divergent trends East and West of Suez. The East of Suez market managed to register a 4% gain, m-o-m, based on assessments of rates on routes to Asia out of the Middle East. In the West of Suez, rates declined by 31%, m-o-m, as prompt buying eased. Compared with the same month in 2025, Aframax rates remained elevated, averaging 132% above year-ago levels.

Rates on the Middle East-to-East route were assessed at WS596 on average, up 9%, m-o-m, the only gain on monitored routes. Compared with May 2025, rates were 292% higher. Clean spot freight rates on the Singapore-to-East route dipped 5%, m-o-m, to average WS302. Y-o-y, rates on the route were up 91%.

East of Suez routes showed a stronger decline, m-o-m, with rates on the NWE-to-USEC route down 29% to average WS195. This was still an increase of 47%, y-o-y. Rates on both the Cross-Med and Med-to-NWE routes fell 32%, m-o-m, to average WS349 and WS359, respectively. Y-o-y, spot freight rates were up 115% on the Cross-Med route and up 109% on the Med-to-NWE route.

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

East of Suez	Size *1,000 DWT*	Mar 26	Apr 26	May 26	*Change* May 26/Apr 26
Middle East/East	30-35	357	549	596	47
Singapore/East	30-35	233	317	302	-15
West of Suez					
Northwest Europe/US East Coast	33-37	240	274	195	-79
Mediterranean/Mediterranean	30-35	425	516	349	-167
Mediterranean/Northwest Europe	30-35	436	526	359	-167

Sources: Argus and OPEC.

Crude and Refined Products Trade

US crude imports remained below the five-year range in May, averaging 5.7 mb/d, while crude exports remained close to a record high at around 5.2 mb/d. US product exports also remained close to record levels, averaging 7.8 mb/d for the third month in a row.

In April, OECD Europe crude imports slipped, averaging 7.7 mb/d. Product imports into the region fell below the five-year average to stand at 2.1 mb/d, while product exports moved to the top of the five-year range, averaging 2.6 mb/d.

In Japan, crude imports fell to 853 tb/d in April, a drop of almost 60%. Product imports into Japan declined to 679 tb/d amid declines in LPG, kerosene and fuel oil, while product exports fell for the third consecutive month to average 291 tb/d as all major products slumped.

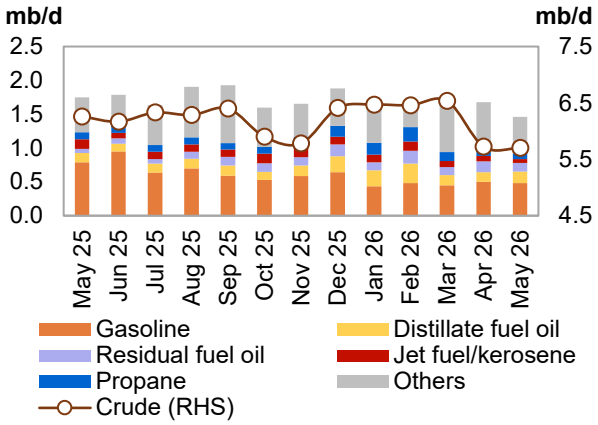
China's crude oil imports in April fell to their lowest since October 2021, averaging 9.4 mb/d, while product imports, including LPG, dropped to their lowest since 2020. China's product exports averaged 819 tb/d, falling below 1 mb/d for the first time since January 2025.

In India, crude imports recovered in April to stand close to the five-year range at 4.9 mb/d. Product imports into India continued to fall, averaging 647 tb/d. India's product exports averaged 895 tb/d, down by almost 20% from the month before.

US

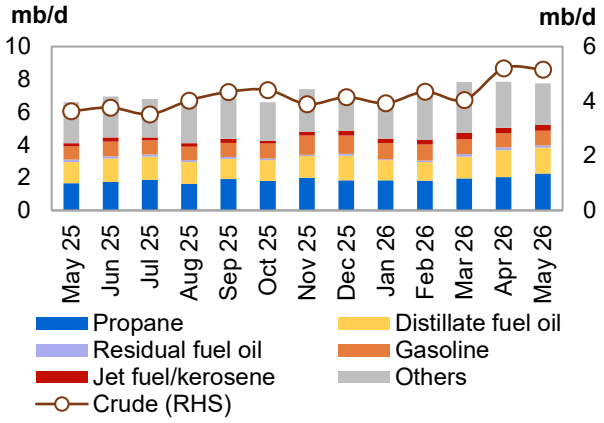
US crude imports averaged 5.7 mb/d in May, remaining below the five-year range for the second month in a row. This represents a marginal decline of less than 1% from the previous month. According to preliminary EIA data, lower import volumes from Saudi Arabia and Canada were offset by higher inflows from Latin America. On a y-o-y basis, crude imports were down 560 tb/d, or almost 9%.

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 remained close to a record high in May, averaging 5.2 mb/d. This represents an increase of 47 tb/d, or less than 1%, m-o-m, and a sharp gain of 1.5 mb/d compared with the same month a year ago. The m-o-m increase was largely due to continued higher flows to Japan and South Korea.

In May, US net crude imports averaged just 540 tb/d, compared with 516 tb/d in the previous month and 2.6 mb/d in May 2025.

In the oil products trade, US imports remained sluggish at 1.5 mb/d in May, representing a marginal m-o-m decline of 216 tb/d, or almost 13%. All major products declined except distillate fuel oil. Compared with the same month a year earlier, product inflows were down by 291 tb/d, or 17%.

Product exports remained close to a record high for the third month in a row, averaging a high of 7.8 mb/d in May. Outflows remained relatively steady, declining 86 tb/d, or about 1%, m-o-m, amid support from higher outflows of propane/propylene. Compared with the same month last year, product exports were up by 1.2 mb/d, or almost 18%.

As a result, net product exports averaged 6.3 mb/d in May, compared to 6.2 mb/d in April. A year earlier, net product exports averaged around 4.8 mb/d. Combined net crude and product exports averaged 5.8 mb/d in May, compared with 5.7 mb/d the month before. In the same month last year, net crude and product exports averaged 2.2 mb/d.

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

US	Mar 26	Apr 26	May 26	Change May 26/Apr 26
Crude oil	2.49	0.52	0.54	0.02
Total products	-6.21	-6.17	-6.30	-0.13
Total crude and products	**-3.71**	**-5.66**	**-5.76**	**-0.11**

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

Sources: EIA and OPEC.

OECD Europe

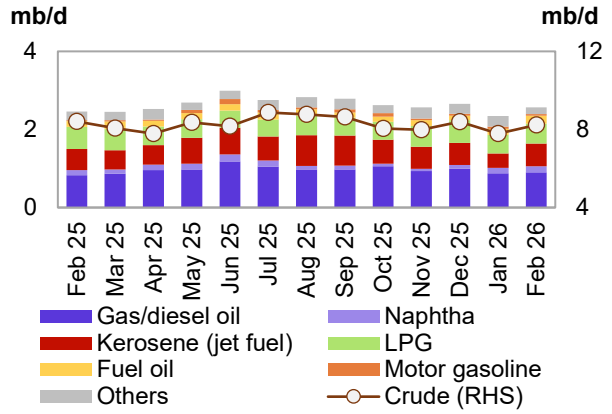
The latest official regional data for OECD Europe shows that crude imports into the region in February averaged 8.2 mb/d. This represented an increase of 450 tb/d, or almost 6%, m-o-m. Y-o-y, crude imports were lower by 169 tb/d, or about 2%.

The US was the top crude supplier outside the region, supplying 1.8 mb/d, up from about 1.7 mb/d in January. Kazakhstan contributed 1.0 mb/d, followed by Libya with 0.8 mb/d.

Crude exports from OECD Europe averaged 77 tb/d in February, up from just 34 tb/d the month before. This compares with a decline of 243 tb/d, or 76%, y-o-y.

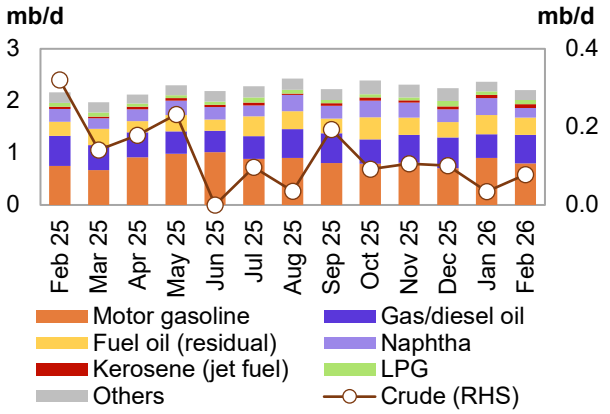
Net crude imports averaged 8.2 mb/d in February, compared with almost 7.8 mb/d a month earlier and 8.1 mb/d in February 2025.

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



Sources: IEA and OPEC.

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



Sources: IEA and OPEC.

Product imports averaged 2.6 mb/d in February, representing an increase of 222 tb/d, or around 9%, m-o-m. Kerosene-type jet fuel was the main driver of gains, outpacing declines in ethane and motor gasoline. Y-o-y, product inflows were 104 tb/d, or 4%, higher amid increased outflows of gasoil and fuel oil.

Product exports fell back in February, averaging 2.2 mb/d, representing a decline of 163 tb/d, or almost 7%, m-o-m. Lower outflows of naphtha and motor gasoline were the primary factors behind the decrease, outweighing an increase in diesel flows. Compared with February 2025, product exports edged up by 44 tb/d, or 2%, largely due to higher outflows of fuel oil and motor gasoline.

Net product imports averaged 362 tb/d in February, compared with net exports of 22 tb/d the month before and net imports of 302 tb/d in February 2025. Combined net crude and product imports averaged 8.5 mb/d in February 2026, compared with 7.7 mb/d a month earlier and 8.4 mb/d in February 2025.

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

OECD Europe	Dec 25	Jan 26	Feb 26	Change Feb 26/Jan 26
Crude oil	8.30	7.75	8.16	0.41
Total products	0.42	-0.02	0.36	0.38
Total crude and products	**8.72**	**7.73**	**8.52**	**0.79**

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

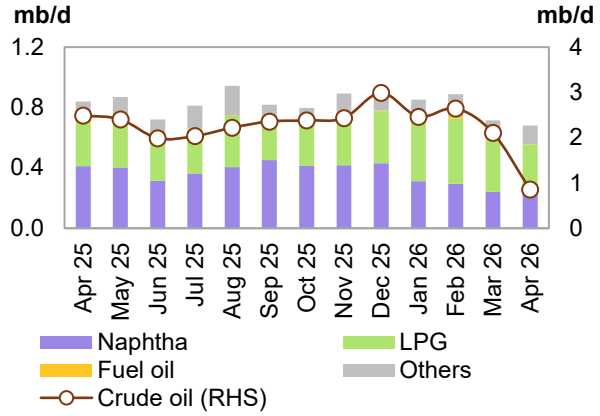
Sources: IEA and OPEC.

Japan

Japan's crude imports experienced a further sharp decline in April, impacted by ongoing trade flow disruptions. Crude inflows dropped 1.3 mb/d, or almost 60%, m-o-m, to average 853 tb/d. Compared with April 2025, crude imports were down 1.6 mb/d, or about 66%.

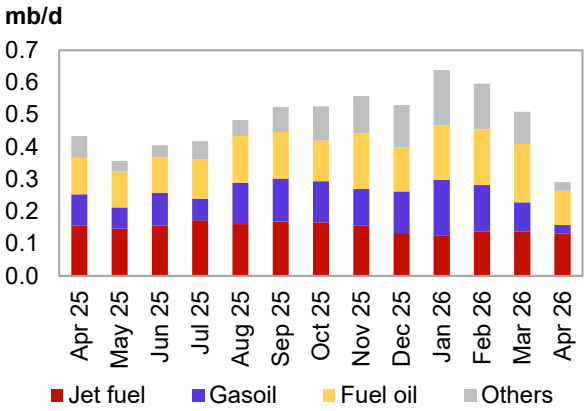
Even with the disruptions, Saudi Arabia maintained its largest share at 45%, followed by the UAE at 41%. The US contributed about 8%, up from about 3% the month before.

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, fell to their lowest since 2006, averaging just 679 tb/d in April. This represents a decline of 36 tb/d, or 5%, m-o-m. The m-o-m drop reflected declines across a range of products, including LPG, jet fuel and fuel oil. Y-o-y, imports were down by 331 tb/d, or about 32%.

Product exports, including LPG, averaged 291 tb/d in April. Compared to the previous month, exports were 218 tb/d, or about 43% lower. The decline in product exports was led by fuel oil, gasoline and gasoil. Compared with April 2025, product outflows were down 142 tb/d, or 33%.

As a result, Japan's net product imports, including LPG, averaged 388 tb/d in April, compared with 206 tb/d in the previous month and 406 tb/d a year earlier.

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

Japan	Feb 26	Mar 26	Apr 26	Change Apr 26/Mar 26
Crude oil	2.64	2.11	0.85	-1.25
Total products	0.29	0.21	0.39	0.18
Total crude and products	**2.94**	**2.31**	**1.24**	**-1.07**

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

Sources: METI and OPEC.

China

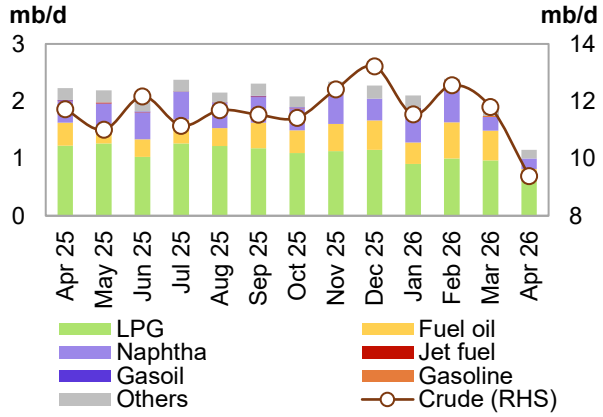
In April, China's crude oil imports fell to their lowest since October 2021, as trade flow disruptions reduced the availability of Middle East imports. Crude imports averaged 9.4 mb/d for the month, a decline of 2.4 mb/d, or almost 21%, m-o-m. Compared with the same month in 2025, China's crude imports were 2.3 mb/d, or almost 20% lower.

Russia was the top crude supplier in April, averaging 2.2 mb/d, down from 2.4 mb/d in the previous month. It accounted for 23% of imports, up from 20% in March. Brazil was the second-largest supplier with 1.4 mb/d, up from 1.2 mb/d the month before, representing a 15% share. Saudi Arabia followed with 1.2 mb/d, accounting for 13% of imports.

Product imports, including LPG, averaged 1.2 mb/d in April, the lowest since October 2020. M-o-m, product imports were down 778 tb/d, or about 40%. The drop was driven by sharp falls in LPG and fuel oil. Compared with the same month a year earlier, product imports were down 1.1 mb/d, or about 48%, with declines registered across all major products.

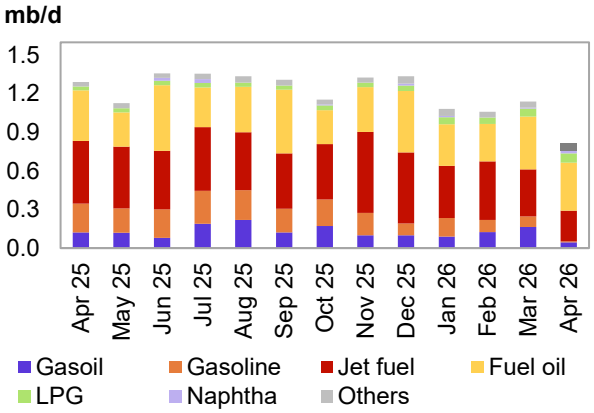
China's product exports, including LPG, averaged 819 tb/d in April, falling below 1 mb/d for the first time since January 2025. This represents a drop of 321 tb/d, or almost 28%, m-o-m. Declines were registered across all major products except naphtha, led by jet fuel and diesel. The drop in volumes comes as China suspended export permits for oil products to ensure domestic supply. The suspension does not apply to bonded jet fuel exports and bonded marine fuel exports, which allow carriers departing from China to refuel, as well as to supplies to Hong Kong and Macau. Compared with the same month last year, product outflows were 472 tb/d, or about 37% lower.

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



Sources: GACC and OPEC.

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



Sources: GACC and OPEC.

Net product imports averaged 331 tb/d in April, down from 788 tb/d the month before and 940 tb/d a year ago.

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

China	Feb 26	Mar 26	Apr 26	Change Apr 26/Mar 26
Crude oil	12.51	11.76	9.32	-2.44
Total products	1.33	0.79	0.33	-0.46
Total crude and products	**13.84**	**12.54**	**9.65**	**-2.90**

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

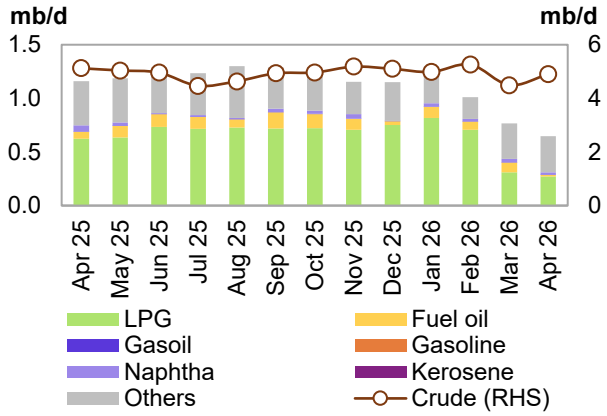
Sources: GACC and OPEC.

India

India's crude imports recovered in April, as buyers tapped into a range of sources. M-o-m, crude imports averaged 4.9 mb/d, representing an increase of 412 tb/d, or over 9%. Compared with the same month last year, crude imports fell 222 tb/d, or about 4%, m-o-m.

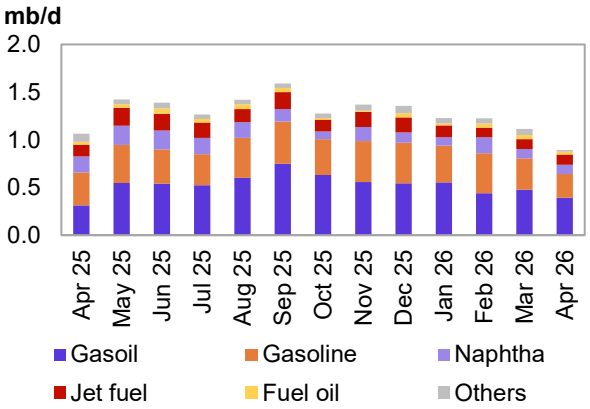
According to Kpler data, Russia was the leading supplier in April, averaging 1.7 mb/d. This was down from 2.1 mb/d in the previous month. Saudi Arabia was the second-largest supplier with 670 tb/d, up from 569 tb/d in March. Volumes came from a range of sources in April, with Venezuela contributing 283 tb/d, Brazil 276 tb/d, Nigeria 236 tb/d and Iran 133 tb/d.

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



Sources: PPAC and OPEC.

Graph 8 - 10: India's exports of products



Sources: PPAC and OPEC.

India's product imports fell to their lowest level since 2015, averaging 647 tb/d in April. M-o-m, product imports were down 118 tb/d, or 15%. The decline was primarily due to lower fuel oil and naphtha inflows. Y-o-y, product imports were down 514 tb/d, or 44%.

Product exports averaged 895 tb/d in April, representing a m-o-m decline of 221 tb/d, or 20%. Declines were seen across all major products, led by diesel oil and gasoline. Y-o-y, India's product exports fell 169 tb/d, or 16%.

Consequently, India's net product exports averaged 248 tb/d. This compares with net exports of 351 tb/d in the previous month and net imports of 96 tb/d in the same month of 2025.

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

India	Feb 26	Mar 26	Apr 26	*Change* Apr 26/Mar 26
Crude oil	5.26	4.49	4.90	0.41
Total products	-0.22	-0.35	-0.25	0.10
Total crude and products	**5.05**	**4.14**	**4.65**	**0.51**

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 remained relatively steady at 6.6 mb/d in April. Compared with the previous month, exports were just 26 tb/d, or less than 1% higher. Declines in the Black Sea port of Novorossiysk were broadly balanced by higher flows in the Baltic ports and the Druzhba pipeline. Y-o-y, exports were marginally higher.

In the Transneft system, crude exports averaged almost 3.8 mb/d in April, broadly steady following an increase of 52 tb/d, or over 1%, m-o-m. Compared with the same month in 2025, crude outflows via the Transneft system fell 127 tb/d, or almost 3%.

Exports via Novorossiysk on the Black Sea fell 184 tb/d, or 28%, m-o-m, to average 475 tb/d. Compared with the same month last year, flows through Novorossiysk were 75 tb/d, or about 14%, lower. Baltic Sea shipments also increased, up 125 tb/d, or about 9%, m-o-m, to average almost 1.6 mb/d. Flows from Primorsk rose 99 tb/d, or about 10%, while exports via Ust-Luga were up 26 tb/d, or about 6%. Y-o-y, flows from Primorsk were 23% higher, while flows from Ust-Luga fell 12%.

Shipments via the Druzhba pipeline more than doubled with the return of flows to Hungary and Slovakia, and steady exports of Kazakh crude to Germany. Exports on the pipeline rose 57 tb/d to a total of 106 tb/d. This was still a decline of 164 tb/d, or about 61%, compared with April 2025.

Exports to inland China via the ESPO pipeline edged up 10 tb/d, or about 2%, m-o-m, to average 616 tb/d. Flows on the pipeline were 5 tb/d, or less than 1% lower, y-o-y. Exports from the Pacific port of Kozmino rose 44 tb/d, or about 5%, m-o-m, to average 997 tb/d. Compared with the same period in 2025, flows to the Kozmino port were down by 13 tb/d, or over 1%.

In the Lukoil system, exports via the Varandey offshore platform in the Barents Sea averaged 184 tb/d, an increase of 26 tb/d, or about 17%, m-o-m, and compared to the 161 tb/d average in the same month last year.

In Russia's Far East, exports from Aniva Bay fell 25 tb/d, or 8%, m-o-m, while flows via De Kastri increased 10 tb/d, or 5%, m-o-m. Combined, the two ports exported an average of 309 tb/d in April, an increase of 115 tb/d, or about 60%, y-o-y. Meanwhile, Central Asian exports averaged 245 tb/d in April, up 19 tb/d, m-o-m, and 10 tb/d, y-o-y.

Kazakh crude flows via the CPC terminal on the Black Sea were broadly stable in April, averaging 1.6 mb/d. This was 76 tb/d, or about 5%, lower than a year ago.

Exports via the BTC pipeline declined 47 tb/d, or about 8%, m-o-m, to average 541 tb/d. Y-o-y, exports on the pipeline down 64 tb/d or about 11%.

Total product exports from Russia and Central Asia fell a further 42 tb/d, or about 2%, m-o-m, to average just under 2.1 mb/d. Almost all major products contributed to the decline, except for fuel oil and VGO. Y-o-y, total product exports were down 389 tb/d, or about 16%, with gasoline leading declines across most major products.

Commercial Stock Movements

According to preliminary April 2026 data, OECD commercial oil inventories dropped by 48.4 mb, m-o-m, to stand at 2,748 mb. At this level, OECD commercial stocks were 6.9 mb lower, y-o-y, and 53.7 mb below the latest five-year average, and 179.5 mb below the 2015–2019 average. Within the components, crude stocks increased by 4.2 mb, m-o-m, while product stocks decreased by 52.7 mb.

OECD commercial crude oil stocks stood at 1,348 mb in April. This was 2.0 mb lower, y-o-y, 31.6 mb below the latest five-year average and 124.5 mb below the 2015–2019 average.

OECD total product stocks stood at 1,399 mb in April. This was 4.9 mb lower, y-o-y, 22.1 mb below the latest five-year average and 55.1 mb below the 2015–2019 average.

In terms of days of forward cover, OECD commercial stocks fell by 1.6 days, m-o-m, in April to 60.1 days. This was 0.2 days higher, y-o-y, but 1.3 days below the latest five-year average and 2.1 days below the 2015–2019 average.

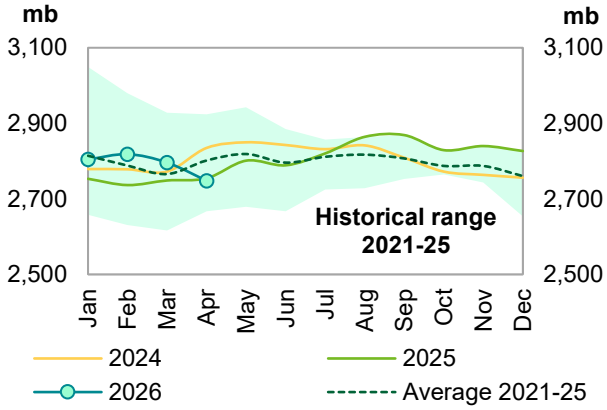
OECD

Preliminary April 2026 data show OECD commercial inventories fell by 48.4 mb m-o-m to 2,748 mb, 6.9 mb below April 2025, 53.7 mb below the five-year average, and 179.5 mb below the 2015–2019 average. Within the components, crude stocks increased by 4.2 mb, while product stocks fell by 52.7 mb, m-o-m.

Within the OECD regions, OECD Europe, OECD America and OECD Asia Pacific all experienced stock draws in April, m-o-m.

OECD commercial crude stocks increased by 4.2 mb, m-o-m, to end April at 1,348 mb. This was 2.0 mb lower than a year earlier, 31.6 mb below the latest five-year average and 124.5 mb below the 2015–2019 average.

Graph 9 - 1: OECD commercial oil stocks



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

Within the OECD regions, crude stocks in OECD America and OECD Europe increased by 3.8 mb and 4.5 mb, m-o-m, respectively, while OECD Asia Pacific crude stocks fell by 4.1 mb, m-o-m.

OECD total product stocks fell by 52.7 mb, m-o-m, to 1,399 mb. This was 4.9 mb lower than the same time a year ago, 22.1 mb below the latest five-year average and 55.1 mb below the 2015–2019 average.

Within the OECD regions, product stocks in OECD America and OECD Europe experienced draws of 37.2 mb and 17.7 mb, m-o-m, respectively, while OECD Asia Pacific product stocks rose by 2.2 mb, m-o-m.

Table 9 - 1: OECD commercial stocks, mb

OECD stocks	Apr 25	Feb 26	Mar 26	Apr 26	*Change* Apr 26/Mar 26
Crude oil	1,350	1,341	1,344	1,348	*4.2*
Products	1,404	1,477	1,452	1,399	*-52.7*
Total	**2,754**	**2,818**	**2,796**	**2,748**	***-48.4***
Days of forward cover	**59.9**	**62.6**	**61.7**	**60.1**	***-1.6***

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

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

In terms of days of forward cover, OECD commercial stocks fell by 1.6 days, m-o-m, in April to 60.1 days. This is 0.2 days higher than April 2025, but 1.3 days below the latest five-year average and 2.1 days below the 2015–2019 average.

Regionally, OECD America was 0.7 days below the latest five-year average, at 58.9 days. OECD Europe was 1.9 days below the latest five-year average, at 68.0 days. OECD Asia Pacific was 2.7 days below the latest five-year average, at 48.3 days.

OECD Americas

OECD Americas' total commercial stocks decreased by 33.4 mb, m-o-m, in April, to settle at 1,505 mb. This is 27.5 mb higher than the same month in 2025 and 4.1 mb above the latest five-year average, but 31.2 mb below the 2015–2019 average.

Commercial crude oil stocks in the OECD Americas rose by 3.8 mb, m-o-m, in April, reaching 785 mb. This is 27.2 mb higher than in April 2025 and 6.6 mb above the latest five-year average, but 16.9 mb below the 2015–2019 average.

By contrast, OECD Americas' total product stocks fell by 37.2 mb, m-o-m, to 720 mb in April, 0.2 mb above a year earlier but 2.5 mb below the five-year average and 14.3 mb below the 2015–2019 average.

OECD Europe

OECD Europe's total commercial stocks fell in April by 13.1 mb, m-o-m, to settle at 927 mb. This is 5.2 mb lower than the same month in 2025 and 24.1 mb below the latest five-year average, and 63.8 mb below the 2015–2019 average.

OECD Europe's commercial crude stocks increased by 4.5 mb, m-o-m, to end April at 411 mb. This is 1.9 mb lower than one year ago and 5.9 mb below the latest five-year average, while standing at 22.8 mb below the 2015–2019 average.

OECD Europe's total product stocks decreased by 17.7 mb, m-o-m, to end April at 516 mb. This is 3.3 mb lower than the same time a year ago and 18.2 mb below the latest five-year average, while standing at 41.0 mb below the 2015–2019 average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks fell in April by 1.9 mb, m-o-m, to stand at 316 mb. This is 29.2 mb lower than the same time a year ago, and 33.8 mb below the latest five-year average and 84.6 mb below the 2015–2019 average.

OECD Asia Pacific's crude stocks fell by 4.1 mb, m-o-m, to end April at 152 mb. This is 27.4 mb lower than the level from the same month one year ago, and 32.3 mb below the latest five-year average and 84.8 mb below the 2015–2019 average.

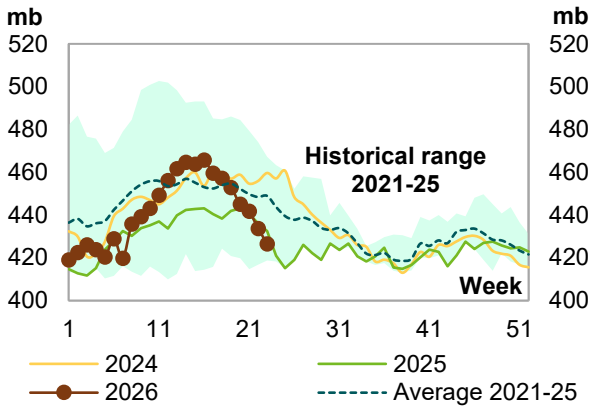
OECD Asia Pacific's product stocks increased by 2.2 mb, m-o-m, to end April at 163 mb. This is 1.8 mb lower than one year ago and 1.4 mb below the latest five-year average, but 0.2 mb above the 2015–2019 average.

US

Preliminary data for May 2026 show that total US commercial oil stocks decreased by 25.0 mb, m-o-m, to stand at 1,216 mb. This is 25.9mb, or 2.1%, lower than the same month in 2025 and 34.6 mb below the latest five-year average. Crude stocks were down by 23.5 mb, m-o-m, while product stocks declined by 1.5 mb, m-o-m.

US commercial crude stocks in May stood at 433.7 mb. This is 3.2 mb higher than the same month in 2025 and 13.9 mb, or 3.1%, below the latest five-year average. The monthly draw in crude oil stocks came with high crude exports and higher crude runs.

Graph 9 - 2: US weekly commercial crude oil inventories



Sources: EIA and OPEC.

Total product stocks decreased by 1.5 mb in May, m-o-m, to 782.6 mb. This is 29.2 mb, or 3.6%, lower than last year at the same time and 20.7 mb, or 2.6%, below the latest five-year average.

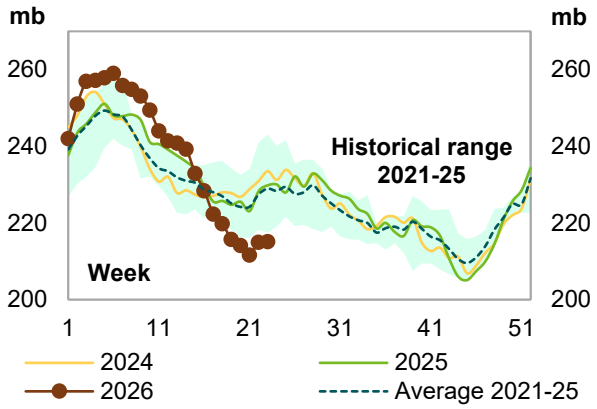
Gasoline stocks dropped in May by 4.8 mb, m-o-m, to settle at 215 mb. This is 14.1 mb, or 6.1%, lower than the same month in 2025 and 13.8 mb, or 6.0%, below the latest five-year average.

Distillate stocks remained unchanged, m-o-m, at 102.3 mb. This is 10.0 mb, or 8.9%, lower than the same month a year earlier and 17.0 mb, or 14.2%, below the latest five-year average.

Similarly, residual fuel oil stocks decreased by 1.9 mb, m-o-m. At 22.4 mb, they were 1.6 mb, or 6.8%, lower than last year's level and 7.2 mb, or 24.3%, below the latest five-year average.

By contrast, jet fuel stocks increased by 1.8 mb, m-o-m, ending May at 45.4 mb. This is 0.3 mb, or 0.7%, higher than the same month in 2025 and 2.3 mb, or 5.4%, above the latest five-year average.

Graph 9 - 3: US weekly gasoline inventories



Sources: EIA and OPEC.

Table 9 - 2: US commercial petroleum stocks, mb

US stocks	May 25	Mar 26	Apr 26	May 26	Change May 26/Apr 26
Crude oil	**430.5**	**453.4**	**457.2**	**433.7**	***-23.5***
Gasoline	229.0	243.0	219.8	215.0	*-4.8*
Distillate fuel	112.3	118.7	102.3	102.3	*0.0*
Residual fuel oil	24.0	24.7	24.3	22.4	*-1.9*
Jet fuel	45.1	44.6	43.6	45.4	*1.8*
Total products	**811.8**	**827.2**	**784.1**	**782.6**	***-1.5***
Total	**1,242.3**	**1,280.6**	**1,241.3**	**1,216.4**	***-25.0***
SPR	**402.1**	**414.8**	**392.7**	**357.1**	***-35.6***

Sources: EIA and OPEC.

Japan

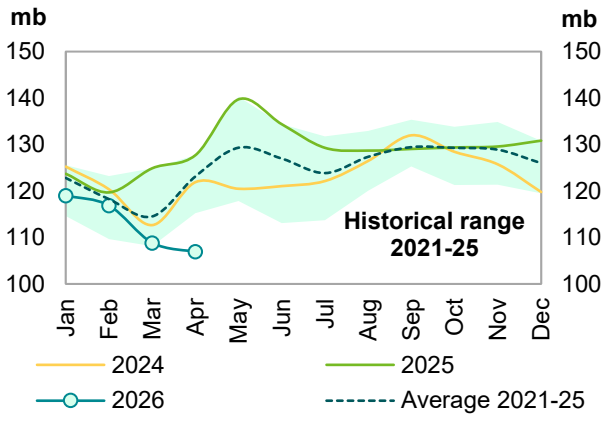
In Japan, total commercial oil stocks in April 2026 fell by 1.9 mb, m-o-m, to 106.9 mb. This is 20.8 mb, or 16.3%, lower than the same month in 2025 and 16.2 mb, or 13.2%, below the latest five-year average. Crude stocks decreased by 4.1 mb, while product stocks increased by 2.2 mb, m-o-m.

Japanese commercial crude oil stocks decreased by 4.1 mb, m-o-m, to stand at 54.9 mb. This is 15.5 mb, or 22.1%, lower than the same month in 2025 and 13.0 mb, or 19.2%, below the latest five-year average.

Gasoline stocks increased in April by 1.1 mb, m-o-m, to stand at 11.4 mb. This is 0.3 mb, or 2.6%, higher than the level recorded a year earlier and 0.3 mb, or 2.6%, above the latest five-year average. The built-in gasoline stocks were driven by increased imports.

Middle distillate stocks increased by 1.7 mb, m-o-m, to end April at 21 mb. This is 4.1 mb, or 16.3%, lower than the same month in 2025 and 1.8 mb, or 7.7%, below the latest five-year average. Among distillate components, jet fuel oil, kerosene and gasoil stocks increased by 1.9%, 11.5%, and 14.0%, m-o-m, respectively.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

Total residual fuel oil stocks decreased by 0.4 mb, m-o-m, to end April at 11.9 mb. At this level, they are 0.8 mb, or 6.6%, lower than the same month a year ago and 0.1 mb, or 0.9%, below the latest five-year average. Within the components, fuel oil A and fuel oil B.C stocks were down by 0.7% and 3.4%, m-o-m, respectively.

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

Japan's stocks	Apr 25	Feb 26	Mar 26	Apr 26	Change Apr 26/Mar 26
Crude oil	**70.4**	**62.5**	**58.9**	**54.9**	***-4.1***
Gasoline	11.1	10.9	10.2	11.4	*1.1*
Naphtha	8.4	8.8	8.0	7.8	*-0.2*
Middle distillates	25.1	22.6	19.3	21.0	*1.7*
Residual fuel oil	12.8	12.0	12.4	11.9	*-0.4*
Total products	**57.3**	**54.4**	**49.9**	**52.1**	***2.2***
Total**	**127.7**	**116.9**	**108.8**	**106.9**	***-1.9***

*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

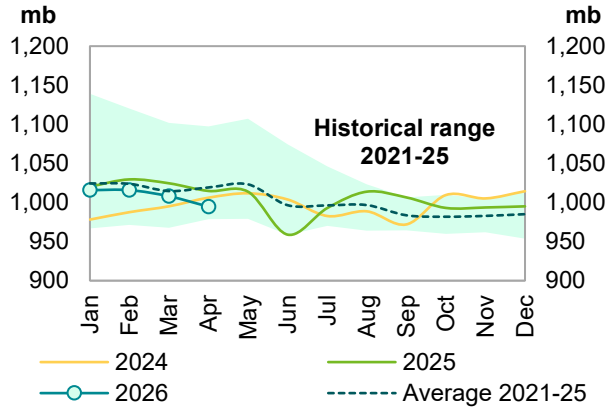
Preliminary data for April 2026 show that total European oil stocks dropped by 13.1 mb, m-o-m, to stand at 994.8 mb. At this level, they were 19.9 mb, or 2.0%, lower than the same month in 2025, and 24.5 mb, or 2.4%, below the latest five-year average. Crude stocks increased by 4.5 mb, m-o-m, while product stocks fell by 17.7 mb, m-o-m.

European crude stocks stood at 430.9 mb in April. This is 3.0 mb, or 0.7%, lower than the same month in 2025, but 16.8 mb, or 4.0%, above the latest five-year average. The increase in crude oil stocks occurred despite a 590 tb/d increase in refinery throughput.

Total European product stocks fell by 17.7 mb, m-o-m, to end April at 563.9 mb. This is 16.9 mb, or 2.9%, lower than the same month in 2025, and 41.3 mb, or 6.8%, below the latest five-year average. The product stock draw may be attributed to higher demand in 2Q26.

Gasoline stocks decreased in April by 3.0 mb, m-o-m, to stand at 109 mb. This is 2.5 mb, or 2.3%, lower than the same time in 2025 and 1.7 mb, or 1.5%, below the latest five-year average.

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



Sources: OilX and OPEC.

Middle distillate stocks also fell in April by 11.0 mb, m-o-m, to 363.2 mb. This is 13.9 mb, or 3.7%, lower than the same month in 2025 and 36.1 mb, or 9.0%, below the latest five-year average.

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

EU stocks	Apr 25	Feb 26	Mar 26	Apr 26	Change Apr 26/Mar 26
Crude oil	**433.9**	**422.9**	**426.4**	**430.9**	***4.5***
Gasoline	111.5	117.2	112.0	109.0	*-3.0*
Naphtha	31.7	30.6	30.5	28.8	*-1.7*
Middle distillates	377.0	378.5	374.2	363.2	*-11.0*
Fuel oils	60.5	66.5	64.8	62.9	*-2.0*
Total products	**580.8**	**592.9**	**581.5**	**563.9**	***-17.7***
Total	**1,014.7**	**1,015.8**	**1,007.9**	**994.8**	***-13.1***

Sources: OilX and OPEC.

Similarly, naphtha stocks decreased by 1.7 mb, m-o-m, in April, ending the month at 28.8 mb. This is 2.9 mb, or 9.2%, lower than the same month in 2025 and 3.2 mb, or 10.0%, below the latest five-year average.

Residual fuel stocks decreased by 2.0 mb, m-o-m, in April to 62.9 mb. This is 2.4 mb, or 4.0%, higher than the same month in 2025, but 0.3 mb, or 0.5%, below the latest five-year average.

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

Singapore

In April, total product stocks in Singapore decreased by 4.6 mb, m-o-m, to 46 mb. This is 1.3 mb, or 3.0%, higher than the same month in 2025 and 0.5 mb, or 1.1%, above the latest five-year average.

Light distillate stocks decreased by 1.5 mb, m-o-m, in April to 15 mb. This is 2.2 mb, or 16.6%, higher than the same month a year earlier and 1.4 mb, or 9.8%, above the latest five-year average.

Middle distillate stocks increased by 1.0 mb, m-o-m, in April to 11 mb. This is 2.1 mb, or 23.7%, higher than the same month in 2025 and 1.2 mb, or 12.8%, above the latest five-year average.

Fuel oil stocks decreased by 4.1 mb, m-o-m, ending April at 20 mb. This is 2.9 mb, or 13.0%, lower than a year ago and 2.1 mb, or 9.7%, below the latest five-year average.

ARA

Total product stocks in ARA in April fell by 5.3 mb, m-o-m. At 36 mb, they were 10.3 mb, or 22.4%, lower than the same month in 2025 and 9.2 mb, or 20.5%, below the latest five-year average.

Gasoline stocks increased by 0.1 mb, m-o-m, ending April at 10 mb. This is 0.6 mb, or 5.6%, lower than in April 2025 and 0.6 mb, or 5.7%, below the latest five-year average.

Fuel oil stocks fell by 1.0 mb, m-o-m, in April to 4 mb. This is 3.5 mb, or 45.3%, lower than the April 2025 level and 4.2 mb, or 49.8%, below the latest five-year average.

Gasoil stocks fell by 2.3 mb, m-o-m, in April to 14 mb. This is 2.0 mb, or 12.8%, lower than the same month in 2025 and 1.6 mb, or 10.2%, below the latest five-year average.

Jet oil stocks dropped by 1.2 mb, m-o-m, to stand at 4 mb in April. This is 2.5 mb, or 36.6%, lower than the April 2025 level and 2.6 mb, or 37.8%, below the latest five-year average.

Fujairah

During the week ending 1 June 2026, total oil product stocks in Fujairah fell by 0.31 mb, w-o-w, to stand at 5.21 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 10.40 mb lower than at the same time in 2025.

Light distillate stocks fell by 0.10 mb, w-o-w, to stand at 2.26 mb, 5.46 mb lower, y-o-y. Middle distillate stocks increased by 0.11 mb, w-o-w, to 1.23 mb, up 0.58 mb, y-o-y, while heavy distillate stocks decreased by 0.32 mb, w-o-w, to stand at 1.72 mb, 5.52 mb below year-earlier levels.

Balance of Supply and Demand

The demand for DoC crude (i.e., crude from countries participating in the DoC) in 2026 is revised down from the previous month's assessment by 0.2 mb/d, to 42.5 mb/d, which is about 0.2 mb/d higher than in 2025.

The demand for DoC crude in 2027 remains unchanged from the previous month's assessment at 43.5 mb/d, which is about 1.0 mb/d above the 2026 forecast.

Balance of supply and demand in 2026

Demand for DoC crude

The demand for DoC crude (i.e., crude from countries participating in the DoC) in 2026 is revised down from the previous month's assessment by 0.2 mb/d, to 42.5 mb/d, which is about 0.2 mb/d higher than in 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	**105.2**	**105.9**	**104.2**	**106.6**	**107.8**	**106.1**	***1.0***
Non-DoC liquids production	54.2	54.3	54.4	55.0	55.6	54.8	*0.6*
DoC NGL and non-conventionals	8.6	8.7	8.8	8.7	8.9	8.8	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**62.8**	**63.0**	**63.1**	**63.8**	**64.5**	**63.6**	***0.8***
Difference (a-b)	**42.3**	**42.9**	**41.0**	**42.8**	**43.4**	**42.5**	***0.2***
DoC crude oil production	**41.9**	**39.9**					
Balance	**-0.4**	**-3.1**					

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

Source: OPEC.

Balance of supply and demand in 2027

Demand for DoC crude

The demand for DoC crude in 2027 remains unchanged from the previous month's assessment at 43.5 mb/d, which is about 1.0 mb/d above the 2026 forecast.

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

	2026	1Q27	2Q27	3Q27	4Q27	2027	Change 2027/26
(a) World oil demand	**106.1**	**107.6**	**105.8**	**108.4**	**109.6**	**107.9**	***1.7***
Non-DoC liquids production	54.8	55.3	55.1	55.4	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	**63.6**	**64.2**	**64.0**	**64.2**	**64.8**	**64.3**	***0.7***
Difference (a-b)	**42.5**	**43.4**	**41.8**	**44.2**	**44.7**	**43.5**	***1.0***

*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	25.6	25.3	26.1	25.6	25.6	25.7	25.3	26.2	25.7	25.7
of which US	*20.4*	*20.6*	*20.7*	*20.9*	*20.7*	*21.3*	*20.9*	*20.9*	*21.0*	*20.8*	*21.4*	*20.9*	*21.0*
Europe	13.4	13.5	13.4	12.9	13.5	13.7	13.4	13.4	12.9	13.6	13.8	13.5	13.4
Asia Pacific	7.2	7.2	7.1	7.2	6.5	6.8	7.4	7.0	7.3	6.6	6.9	7.4	7.0
Total OECD	**45.7**	**45.9**	**45.9**	**45.7**	**45.3**	**46.6**	**46.4**	**46.0**	**45.9**	**45.5**	**46.9**	**46.6**	**46.2**
China	16.4	16.7	16.9	17.2	16.6	17.3	17.3	17.1	17.4	16.8	17.5	17.6	17.3
India	5.3	5.6	5.7	5.9	5.7	5.5	6.1	5.8	6.1	6.0	5.8	6.4	6.1
Other Asia	9.2	9.5	9.9	10.2	10.2	10.0	10.0	10.1	10.5	10.5	10.2	10.3	10.4
Latin America	6.7	6.8	6.9	6.9	7.1	7.1	7.1	7.1	7.1	7.2	7.3	7.2	7.2
Middle East	8.5	8.7	8.8	8.6	8.4	9.0	9.1	8.8	9.0	8.7	9.3	9.4	9.1
Africa	4.7	4.7	4.9	5.1	4.8	5.0	5.4	5.1	5.2	4.9	5.2	5.5	5.2
Russia	3.8	3.9	4.0	4.1	3.9	4.1	4.2	4.1	4.1	3.9	4.1	4.3	4.1
Other Eurasia	1.2	1.3	1.3	1.4	1.3	1.2	1.4	1.3	1.5	1.4	1.2	1.4	1.4
Other Europe	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.8	0.8	0.9	0.9
Total Non-OECD	**56.7**	**58.0**	**59.2**	**60.2**	**58.9**	**59.9**	**61.4**	**60.1**	**61.8**	**60.3**	**61.5**	**63.0**	**61.6**
(a) Total world demand	**102.4**	**103.8**	**105.2**	**105.9**	**104.2**	**106.6**	**107.8**	**106.1**	**107.6**	**105.8**	**108.4**	**109.6**	**107.9**
Y-o-y change	***2.5***	***1.5***	***1.3***	***1.6***	***0.0***	***1.1***	***1.2***	***1.0***	***1.7***	***1.7***	***1.8***	***1.7***	***1.7***
Non-DoC liquids production													
Americas	26.7	27.7	28.3	27.9	28.4	28.8	29.0	28.6	28.6	28.5	28.8	29.0	28.7
of which US	*21.0*	*21.8*	*22.2*	*21.8*	*22.4*	*22.6*	*22.7*	*22.4*	*22.3*	*22.4*	*22.4*	*22.5*	*22.4*
Europe	3.6	3.5	3.6	3.8	3.6	3.5	3.7	3.6	3.6	3.5	3.5	3.6	3.5
Asia Pacific	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total OECD	**30.7**	**31.7**	**32.3**	**32.1**	**32.4**	**32.7**	**33.1**	**32.6**	**32.6**	**32.4**	**32.6**	**33.0**	**32.6**
China	4.5	4.6	4.6	4.7	4.7	4.6	4.6	4.6	4.7	4.7	4.6	4.6	4.6
India	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Other Asia	1.6	1.6	1.6	1.6	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	8.1	8.0	8.1	8.2	8.1	8.4	8.4	8.5	8.7	8.5
Middle East	2.0	2.0	2.0	1.6	1.6	1.9	2.0	1.8	1.9	2.0	2.0	2.0	2.0
Africa	2.2	2.3	2.3	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Other Eurasia	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other Europe	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Non-OECD	**18.6**	**19.0**	**19.3**	**19.6**	**19.4**	**19.7**	**19.9**	**19.7**	**20.2**	**20.1**	**20.2**	**20.4**	**20.2**
Total Non-DoC production	49.4	50.7	51.7	51.7	51.8	52.5	53.0	52.3	52.7	52.5	52.8	53.4	52.9
Processing gains	2.5	2.5	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Total Non-DoC liquids production	**51.9**	**53.2**	**54.2**	**54.3**	**54.4**	**55.0**	**55.6**	**54.8**	**55.3**	**55.1**	**55.4**	**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**	**63.1**	**63.8**	**64.5**	**63.6**	**64.2**	**64.0**	**64.2**	**64.8**	**64.3**
Y-o-y change	***2.8***	***1.5***	***1.1***	***0.6***	***0.4***	***0.2***	***1.9***	***0.8***	***1.2***	***0.9***	***0.4***	***0.4***	***0.7***
OPEC crude oil production (secondary sources)	27.1	26.6	27.6	25.8									
Non-OPEC DoC crude production	15.0	14.3	14.3	14.0									
DoC crude oil production	**42.1**	**40.9**	**41.9**	**39.9**									
Total liquids production	**102.3**	**102.6**	**104.8**	**102.9**									
Balance (stock change and miscellaneous)	*-0.1*	*-1.2*	*-0.4*	*-3.1*									
OECD closing stock levels, *mb*													
Commercial	2,780	2,756	2,827	2,796									
SPR	1,207	1,245	1,249	1,240									
Total	**3,987**	**4,001**	**4,075**	**4,036**									
Oil-on-water	1,391	1,310	1,546	1,297									
Days of forward consumption in OECD, *days*													
Commercial onland stocks	61	60	61	62									
SPR	26	27	27	27									
Total	**87**	**87**	**89**	**89**									
Memo items													
(a) - (b)	**42.1**	**42.1**	**42.3**	**42.9**	**41.0**	**42.8**	**43.4**	**42.5**	**43.4**	**41.8**	**44.2**	**44.7**	**43.5**

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

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

World oil demand and production balance	2023	2024	2025	1Q26	2Q26	3Q26	4Q26	2026	1Q27	2Q27	3Q27	4Q27	2027
World demand													
Americas	-	-	-	-	-	-	-	-	-	-	-	-	-
of which US	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-0.1	-	-	-	-	-0.1	-	-	-
Asia Pacific	-	-	-	-	-0.1	-	-	-	-	-0.1	-	-	-
Total OECD	**-**	**-**	**-**	**-**	**-0.1**	**-**	**-**	**-0.1**	**-**	**-0.1**	**-**	**-**	**-**
China	-	-	-	-	-0.1	-	-	-	-	-	-	-	-
India	-	-	-	-	-0.1	-0.1	-	-0.1	0.1	-0.1	-	-	-
Other Asia	-	-	-	-	-	-0.1	-	-	-	-	-0.1	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-0.1	-	-	-	-	-	-	-	0.1	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-
Russia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Eurasia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**-**	**-0.1**	**-0.3**	**-0.2**	**-0.1**	**-0.2**	**0.1**	**-0.1**	**-**	**0.1**	**-**
(a) Total world demand	**-**	**-**	**-**	**-0.1**	**-0.4**	**-0.2**	**-0.1**	**-0.2**	**0.1**	**-0.2**	**-**	**0.1**	**-**
Y-o-y change	***-***	***-***	***-***	***-0.1***	***-0.4***	***-0.2***	***-0.1***	***-0.2***	***0.2***	***0.2***	***0.2***	***0.2***	***0.2***
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)	-	-	-	*0.1*									
OECD closing stock levels, *mb*													
Commercial	-	-	-	22									
SPR	-	-	-	-7									
Total	**-**	**-**	**-**	**16**									
Oil-on-water	-	-	-	-59									
Days of forward consumption in OECD, *days*													
Commercial onland stocks	-	-	-	1									
SPR	-	-	-	-									
Total	**-**	**-**	**-**	**1**									
Memo items													
(a) - (b)	**-**	**-**	**-**	**-0.1**	**-0.4**	**-0.2**	**-0.1**	**-0.2**	**0.1**	**-0.2**	**-**	**0.1**	**-**

*Note: * This compares Table 11 - 1 in this issue of the MOMR with Table 11 - 1 in the May 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	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26
Closing stock levels, mb											
OECD onland commercial	**2,780**	**2,756**	**2,827**	**2,843**	**2,809**	**2,756**	**2,749**	**2,789**	**2,869**	**2,827**	**2,796**
Americas	1,520	1,497	1,549	1,548	1,531	1,497	1,460	1,504	1,561	1,549	1,538
Europe	907	925	925	950	920	925	940	920	950	925	940
Asia Pacific	353	334	353	345	357	334	349	365	358	353	318
OECD SPR	**1,207**	**1,245**	**1,249**	**1,226**	**1,235**	**1,245**	**1,244**	**1,241**	**1,238**	**1,249**	**1,240**
Americas	357	395	414	374	384	395	398	404	408	414	415
Europe	466	466	454	468	467	466	461	457	453	454	446
Asia Pacific	384	384	380	384	383	384	386	380	377	380	379
OECD total	**3,987**	**4,001**	**4,075**	**4,068**	**4,043**	**4,001**	**3,993**	**4,029**	**4,106**	**4,075**	**4,036**
Oil-on-water	**1,391**	**1,310**	**1,546**	**1,330**	**1,309**	**1,310**	**1,364**	**1,383**	**1,461**	**1,546**	**1,297**
Days of forward consumption in OECD, days											
OECD onland commercial	**61**	**60**	**61**	**61**	**61**	**61**	**60**	**60**	**62**	**62**	**62**
Americas	60	59	60	61	60	60	58	58	61	60	61
Europe	67	69	69	68	68	72	69	67	71	72	70
Asia Pacific	49	47	51	50	48	46	51	53	48	49	49
OECD SPR	**26**	**27**	**27**	**26**	**27**	**28**	**27**	**27**	**27**	**27**	**27**
Americas	14	16	16	15	15	16	16	16	16	16	16
Europe	35	35	34	33	35	36	34	33	34	35	33
Asia Pacific	53	54	54	56	52	53	57	55	51	53	58
OECD total	**87**	**87**	**89**	**88**	**87**	**88**	**87**	**87**	**89**	**89**	**89**

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	22.6	22.7	22.4	0.2	22.3	22.4	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**	**28.8**	**29.0**	**28.6**	**0.3**	**28.6**	**28.5**	**28.8**	**29.0**	**28.7**	**0.2**
Norway	2.0	0.0	2.2	2.0	2.0	2.0	2.1	0.0	2.0	1.9	2.0	2.0	2.0	-0.1
UK	0.7	0.0	0.7	0.7	0.7	0.7	0.7	0.0	0.7	0.7	0.6	0.7	0.7	0.0
Denmark	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Other OECD Europe	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0
OECD Europe	**3.6**	**0.1**	**3.8**	**3.6**	**3.5**	**3.7**	**3.6**	**0.0**	**3.6**	**3.5**	**3.5**	**3.6**	**3.5**	**-0.1**
Australia	0.3	0.0	0.3	0.3	0.3	0.3	0.3	0.0	0.3	0.3	0.3	0.3	0.3	0.0
Other OECD Asia Pacific	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
OECD Asia Pacific	**0.4**	**0.0**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.0**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.0**
Total OECD	**32.3**	**0.6**	**32.1**	**32.4**	**32.7**	**33.1**	**32.6**	**0.3**	**32.6**	**32.4**	**32.6**	**33.0**	**32.6**	**0.1**
China	**4.6**	**0.1**	**4.7**	**4.7**	**4.6**	**4.6**	**4.6**	**0.0**	**4.7**	**4.7**	**4.6**	**4.6**	**4.6**	**0.0**
India	**0.8**	**0.0**	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	**0.0**	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	**0.0**
Indonesia	0.9	0.0	0.8	0.9	0.8	0.9	0.9	0.0	0.8	0.8	0.8	0.8	0.8	0.0
Thailand	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0
Vietnam	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0
Asia others	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0
Other Asia	**1.6**	**0.0**	**1.6**	**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	1.1	1.1	1.0	0.1	1.1	1.1	1.1	1.2	1.1	0.1
Brazil	4.4	0.2	4.7	4.6	4.7	4.7	4.7	0.3	4.7	4.8	4.8	4.9	4.8	0.1
Colombia	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	0.8	0.7	0.8	0.7	0.8	0.0
Ecuador	0.4	-0.1	0.4	0.4	0.4	0.4	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0
Latin America others	1.0	0.1	1.2	1.2	1.2	1.3	1.2	0.2	1.3	1.4	1.3	1.5	1.4	0.2
Latin America	**7.5**	**0.3**	**8.1**	**8.0**	**8.1**	**8.2**	**8.1**	**0.6**	**8.4**	**8.4**	**8.5**	**8.7**	**8.5**	**0.4**
Qatar	1.9	0.0	1.5	1.5	1.8	1.8	1.7	-0.2	1.8	1.8	1.8	1.8	1.8	0.2
Middle East others	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Middle East	**2.0**	**0.0**	**1.6**	**1.6**	**1.9**	**2.0**	**1.8**	**-0.2**	**1.9**	**2.0**	**2.0**	**2.0**	**2.0**	**0.2**
Angola	1.1	-0.1	1.1	1.1	1.0	1.0	1.0	0.0	1.0	1.0	1.0	1.0	1.0	0.0
Chad	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Egypt	0.5	0.0	0.5	0.5	0.5	0.5	0.5	0.0	0.5	0.5	0.5	0.5	0.5	0.0
Ghana	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
South Africa	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Africa others	0.3	0.1	0.3	0.3	0.4	0.5	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.1
Africa	**2.3**	**-0.1**	**2.2**	**2.2**	**2.2**	**2.3**	**2.3**	**0.0**	**2.3**	**2.3**	**2.3**	**2.3**	**2.3**	**0.0**
Eurasia others	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 Eurasia	**0.4**	**0.0**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.0**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.0**
Other Europe	**0.1**	**0.0**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.0**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.0**
Total Non-OECD	**19.3**	**0.3**	**19.6**	**19.4**	**19.7**	**19.9**	**19.7**	**0.3**	**20.2**	**20.1**	**20.2**	**20.4**	**20.2**	**0.5**
Non-DoC production	51.7	1.0	51.7	51.8	52.5	53.0	52.3	0.6	52.7	52.5	52.8	53.4	52.9	0.6
Processing gains	2.5	0.0	2.6	2.6	2.6	2.6	2.6	0.0	2.6	2.6	2.6	2.6	2.6	0.0
Non-DoC liquids production	**54.2**	**1.0**	**54.3**	**54.4**	**55.0**	**55.6**	**54.8**	**0.6**	**55.3**	**55.1**	**55.4**	**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**	**1.1**	**63.0**	**63.1**	**63.8**	**64.5**	**63.6**	**0.8**	**64.2**	**64.0**	**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	3Q25	4Q25	1Q26	Apr 26	May 26	Change May/Apr
US	688	599	562	-37	540	548	548	545	553	8
Canada	177	188	177	-11	177	185	201	134	135	1
Mexico	55	50	25	-25	29	27	31	28	22	-6
OECD Americas	**921**	**839**	**765**	**-74**	**748**	**761**	**781**	**707**	**711**	**4**
Norway	17	13	16	3	18	15	16	14	15	1
UK	12	8	8	0	7	6	6	9	8	-1
OECD Europe	**66**	**64**	**66**	**2**	**69**	**64**	**66**	**63**	**65**	**2**
OECD Asia Pacific	**25**	**25**	**18**	**-7**	**19**	**18**	**19**	**21**	**19**	**-2**
Total OECD	**1,012**	**927**	**849**	**-78**	**835**	**842**	**866**	**791**	**795**	**4**
Other Asia*	204	212	201	-11	206	199	195	194	190	-4
Latin America	120	104	107	3	110	101	105	114	112	-2
Middle East	61	62	62	0	62	61	61	58	56	-2
Africa	67	52	44	-8	44	43	42	48	48	0
Other Europe	11	9	11	2	11	11	11	9	9	0
Total Non-OECD	**463**	**439**	**425**	**-14**	**433**	**415**	**414**	**423**	**415**	**-8**
Non-OPEC rig count	**1,475**	**1,367**	**1,274**	**-93**	**1,268**	**1,257**	**1,280**	**1,214**	**1,210**	**-4**
Algeria	36	42	43	1	41	42	40	42	41	-1
Congo	1	1	1	0	1	1	2	2	2	0
Equatorial Guinea**	0	0	0	0	0	0	0	0	0	0
Gabon	3	4	3	-1	3	4	5	5	6	1
Iran**	117	117	117	0	117	117	117	117	117	0
Iraq	61	62	62	0	62	63	59	19	14	-5
Kuwait	24	31	34	3	34	40	42	37	39	2
Libya	14	18	18	0	18	18	18	18	18	0
Nigeria	14	15	13	-2	15	16	16	12	17	5
Saudi Arabia***	83	295	248	-47	233	232	252	265	264	-1
UAE	57	66	74	8	76	77	72	66	75	9
Venezuela	2	2	1	-1	0	1	2	2	2	0
OPEC rig count	**412**	**653**	**615**	**-38**	**600**	**612**	**624**	**585**	**595**	**10**
World rig count**	**1,887**	**2,019**	**1,890**	**-129**	**1,868**	**1,869**	**1,903**	**1,799**	**1,805**	**6**
of which:										
Oil	1,498	1,559	1,425	-134	1,399	1,395	1,412	1,321	1,331	10
Gas	357	413	409	-4	410	414	433	427	421	-6
Others	32	47	56	9	60	60	58	52	53	2

*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 5.49 in May

May 2026	114.55
April 2026	109.06
Year-to-date	**94.50**

May OPEC crude production

mb/d, according to secondary sources

Down 0.18 in May

May 2026	18.83
April 2026	19.01

May Non-OPEC DoC crude production

mb/d, according to secondary sources

Down 0.01 in May

May 2026	14.30
April 2026	14.31

Economic growth rate

per cent

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2026	3.1	2.2	1.0	0.8	4.6	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	106.1	1.0	World demand	107.9	1.7
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	**42.5**	**0.2**	**Difference**	**43.5**	**1.0**

OECD commercial stocks

mb

	Feb 26	Mar 26	Apr 26	Apr 26/Mar 26
Crude oil	1,341	1,344	1,348	4.2
Products	1,477	1,452	1,399	-52.7
Total	**2,818**	**2,796**	**2,748**	**-48.4**
Days of forward cover	62.6	61.7	60.1	-1.6

Next report to be issued on 13 July 2026.