



Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

11 September 2025

Feature article: *Review of world economic developments*

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Oil Market Highlights

Crude Oil Price Movements

In August, the OPEC Reference Basket (ORB) value dropped by \$1.24 month-on-month (m-o-m), to average \$69.73/b. The ICE Brent front-month contract dropped by \$2.29, m-o-m, to average \$67.26/b, and the NYMEX WTI front-month contract dropped by \$3.22, m-o-m, to average \$64.02/b. The GME Oman front-month contract dropped by \$2.19, m-o-m, to average \$69.23/b. The ICE Brent-NYMEX WTI first-month spread widened by 93¢, m-o-m, to average \$3.24/b. The market structure for all major crude benchmarks, ICE Brent, NYMEX WTI, and GME Oman, remained in backwardation in August, reflecting solid physical crude market fundamentals, despite heavy speculative selling pressure weighing on front-month contracts. Hedge funds and other money managers turned increasingly bearish on crude oil futures in August, with combined NYMEX and ICE WTI contracts moving net short during the last three weeks of the month.

World Economy

The global economy maintained its stable economic growth trajectory, supported by the consistent and strong momentum observed in 1H25. The global economic growth forecasts remain unchanged at 3.0% for 2025 and at 3.1% for 2026. The US economic growth forecasts remain at 1.8% for 2025 and at 2.1% for 2026. Japan's economic growth forecasts remain at 1.0% for 2025 and at 0.9% for 2026. The Eurozone economic growth forecasts remain at 1.2% for both 2025 and 2026. China's economic growth forecasts remain at 4.8% for 2025 and 4.5% for 2026. India's economic growth forecasts remain at 6.5% for both 2025 and 2026. Brazil's economic growth forecasts remain at 2.3% for 2025 and 2.5% for 2026, and Russia's economic growth forecasts remain at 1.8% for 2025 and at 1.5% for 2026.

World Oil Demand

The global oil demand growth forecast for 2025 remains at about 1.3 mb/d, y-o-y, unchanged from last month's assessment. In the OECD, oil demand is forecast to grow by about 0.1 mb/d in 2025, while oil demand in the non-OECD is forecast to grow by about 1.2 mb/d. In 2026, global oil demand is forecast to grow by about 1.4 mb/d, y-o-y, also unchanged from last month's assessment. The OECD is projected to grow by about 0.2 mb/d, y-o-y, while the non-OECD is expected to expand by about 1.2 mb/d, y-o-y.

World Oil Supply

Non-DoC liquids production (i.e., liquids production from countries not participating in the Declaration of Cooperation) is forecast to grow by about 0.8 mb/d, y-o-y, in 2025, unchanged from last month's assessment. The main growth drivers are expected to be the US, Brazil, Canada and Argentina. The non-DoC liquids production growth forecast for 2026 is also unchanged at 0.6 mb/d, y-o-y, with Brazil, Canada, the US, and Argentina as the main growth drivers. Natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to grow by 0.1 mb/d, y-o-y, in 2025, averaging 8.7 mb/d, followed by a similar increase of about 0.1 mb/d, y-o-y, in 2026, to average 8.8 mb/d. Crude oil production by countries participating in the DoC increased by 509 tb/d in August, m-o-m, to average about 42.40 mb/d, according to available secondary sources.

Product Markets and Refining Operations

In August, USGC refinery margins continued to trend upwards, showing gains for the second consecutive month, as strength from the top section of the barrel outweighed the middle distillate and residual fuel weakness. However, in Rotterdam and Singapore, margins declined m-o-m, pressured by the downward correction in gasoil crack spreads and softer fuel oil margins. Additionally, strong refinery runs led to lengthening product balances, weighing on margins for middle distillates and residual fuel. According to preliminary data, global refinery intake in August rose further to reach 83.9 mb/d.

Tanker Market

Dirty tanker spot freight rates largely recovered in August from the previous month's declines. Suezmax rates saw the strongest gains, with spot freight rates on the West Africa-to-US Gulf Coast route increasing by 38%, m-o-m. Average VLCC spot freight rates were supported by gains on East of Suez routes. Spot freight rates on the Middle East-to-East route rose by 19%, m-o-m, while rates on the Middle East-to-West route increased by a more moderate 3%. The Aframax market was mixed, with spot freight rates around the Mediterranean up by about 9%, while rates on the Indonesia-to-East route declined by 7%, m-o-m. In the clean tanker market, spot rates were broadly lower, with only the Middle East-to-East route registering growth, up by 13%, m-o-m. Meanwhile, clean tanker rates around the Mediterranean declined by 1%, m-o-m.

Crude and Refined Product Trade

In August, US crude imports increased to 6.5 mb/d, amid higher inflows from Brazil, Mexico and Canada. US crude exports averaged 3.9 mb/d, the highest since March, with flows increasing to South Korea and India. US product imports reached a 12-month high, while product exports were broadly unchanged, m-o-m. In OECD Europe, crude imports picked up in July, approaching the five-year average. Product imports into the region remained at the bottom of the five-year range, while product exports improved seasonally. Japan's crude imports recovered slightly, m-o-m, in July to average 2.0 mb/d. Product imports, including LPG, recovered from the more than 5-year low seen the month before, supported by gains in gasoline and naphtha. China's crude imports in July averaged 11.1 mb/d, supported by inventory buying. China's product imports, including LPG, averaged 2.4 mb/d in July, with gains led by LPG and fuel oil. India's crude imports dropped to a 22-month low of 4.4 mb/d in July, amid tariff- and sanction-related uncertainties. Product imports fell back from a seven-month high the month before to average 1.2 mb/d but remained well above the five-year range. Product outflows from India saw declines across all major product categories, led by gasoline.

Commercial Stock Movements

Preliminary July 2025 data show that OECD commercial inventories stood at 2,761 mb, which is 2.4 mb higher than the previous month. At this level, commercial stocks in the OECD were 66.5 mb lower than the same month last year, 128.5 mb lower than the latest five-year average, and 208.6 mb below the 2015–2019 average. Within the components, crude stocks rose by 3.6 mb, while product stocks fell by 1.3 mb, m-o-m. OECD crude oil commercial stocks stood at 1,317 mb. This was 17.3 mb lower than a year ago, 71.9 mb below the latest five-year average, and 144.8 mb less than the 2015–2019 average. OECD total product stocks stood at 1,444 mb. This is 49.2 mb lower than a year ago, 56.6 mb less than the latest five-year average, and 63.7 mb below the 2015–2019 average. In terms of days of forward cover, OECD commercial oil stocks rose by 0.2 days, m-o-m, in July to stand at 59.6 days. This is 1.3 days lower than the level registered in July 2024, 4.4 days less than the latest five-year average, and 2.8 days lower than the 2015–2019 average.

Balance of Supply and Demand

Demand for DoC crude (i.e., crude from countries participating in the Declaration of Cooperation) remains unchanged from the previous month to stand at 42.5 mb/d in 2025. This represents an increase of 0.4 mb/d compared to the 2024 estimate. The demand for DoC crude in 2026 is also unchanged from the previous month at 43.1 mb/d, approximately 0.6 mb/d higher than the 2025 projection.

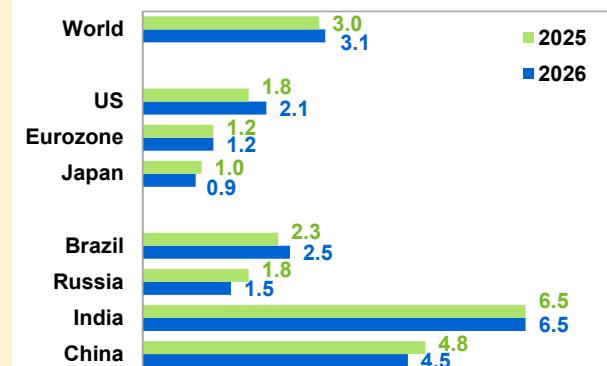
Feature Article

Review of world economic developments

Global economic growth in 1H25 remained robust, and the sound growth trend has extended into 2H25. Consumer spending was resilient in key economies and is expected to remain an assisting factor, while fiscal support measures in key economies are set to continue to support a healthy growth trend as well. As a result, global economic growth is forecast at 3.0% in 2025, followed by 3.1% in 2026 (**Graph 1**).

Trade-related uncertainties elevated concerns regarding the performance of the global economy back in 1H25. However, since then, the US has signed major trade deals with many of its largest trading partners, including the EU, Japan, South Korea and the UK, among others. Negotiations with China and Mexico remain ongoing, while India, Brazil and Canada continue to face higher tariffs, though for Canada, this applies only to goods outside the US-Mexico-Canada trade agreement. This represents a significant de-escalation since 1H25, with roughly 70% of US trade now covered by agreements. In fact, our forecast assumes that reasonable trade agreements will be maintained with most key US trading partners, allowing global economic uncertainty to ease further.

Graph 1: GDP growth forecast for 2025–2026*, %



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

In OECD economies, underlying US economic growth was well supported in 1H25 and is forecast to see healthy growth towards the end of the year. In the Eurozone, while some challenges remain, the growth trend is supported by steady growth in 1H25 and continued fiscal stimulus measures. In Japan, 1H25 growth surprised somewhat to the upside, and growth is forecast to remain steady. In general, a stabilising outlook on trade is expected to normalise trade patterns and ease global uncertainties. Moreover, some assistance from central bank policies in the US and, to some extent, the Eurozone is anticipated to support OECD growth.

Among the major non-OECD economies, economic growth in the 1H25 has been generally robust. In India, China and Brazil, sound growth trends are expected to hold firm in 2H25 with government-led support policies remaining in place. China has reoriented exports to soften the impact of disrupted US trade, while an expected US trade deal is set to further support manufacturing output. Support from external demand, improved consumer spending and assistance from government policies will further aid China's economic activity. In India, growth remains strong, driven by the services sector, in combination with improving manufacturing output. It should be noted, however, that in both India and Brazil, trade dynamics with the US remain uncertain, with 50% tariffs still in effect. Nonetheless, both countries are expected to either secure deals with the US or limit the adverse effects on growth via other means. In Russia, a slight deceleration trend is emerging, given weaker consumer spending and tight monetary policies.

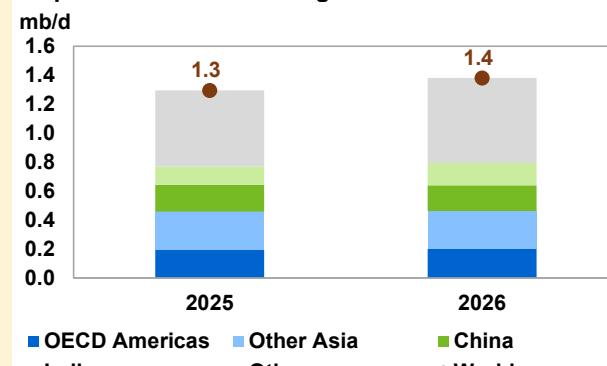
Looking ahead, non-OECD economies are expected to continue to lead global growth dynamics, complemented by positive contributions from OECD economies, particularly the US and, to a lesser extent, the Eurozone and Japan. The services sector, which is less exposed to tariff pressures, is expected to remain the main global growth driver, while the manufacturing sector's front-loaded activity is anticipated to normalise somewhat.

In light of this economic growth trend, oil demand in 2025 is forecast to expand by a healthy 1.3 mb/d, y-o-y. Within the regions, the OECD is forecast to grow by about 0.1 mb/d, y-o-y, while the non-OECD is expected to see a more substantial increase of about 1.2 mb/d (**Graph 2**).

For 2026, oil demand is forecast to grow by about 1.4 mb/d, y-o-y. Of this, the OECD is forecast to show growth of about 0.2 mb/d, while the non-OECD is forecast at about 1.2 mb/d.

In terms of oil products, transportation fuels, including gasoline, jet fuel and diesel, are set to drive demand growth in both years, closely followed by LPG and naphtha that are used in the petrochemical industries.

Graph 2: World oil demand growth in 2025–2026*



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

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Crude Oil Price Movements

In August, the OPEC Reference Basket (ORB) value dropped by \$1.24, m-o-m, to settle at \$69.73/b. All ORB component-related crude benchmarks dropped, which largely offset an increase in most official selling prices for the Asian market, particularly for medium sour grades.

The ICE Brent front-month contract dropped in August by \$2.29, m-o-m, to average \$67.26/b, while the NYMEX WTI front-month contract dropped by \$3.22, m-o-m, to average \$64.02/b. The GME Oman front-month contract dropped in August by \$2.19, m-o-m, to settle at \$69.23/b.

The ICE Brent–NYMEX WTI front-month spread widened in August, as WTI came under heavier speculative selling pressure compared with ICE Brent. The spread averaged \$3.24/b, up 93¢ m-o-m.

Hedge funds and other money managers turned increasingly bearish on crude oil futures in August, with combined NYMEX and ICE WTI contracts moving net short during the last three weeks of the month. Speculators had been steadily reducing bullish bets in WTI since mid-July, fuelling uncertainty among market participants, increasing volatility and exerting downward pressure on prices. Money managers also cut bullish positions in ICE Brent, selling an equivalent of 55 mb in August.

The structure of all three main crude oil futures contracts – ICE Brent, NYMEX WTI and GME Oman – remained in backwardation in August, despite heavy speculative selling pressure weighing on front-month contracts. This reflected solid physical crude market fundamentals and a positive near-term global oil supply/demand outlook. The forward curves of major benchmarks were consistently in backwardation, particularly sour crude grades, which found further support from firm demand by Asia-Pacific refiners and concerns about sour crude supply amid sanctions. This boosted demand for prompt-loading cargoes, including from the Middle East. A decline in US crude stocks also lent support to the NYMEX WTI forward curve.

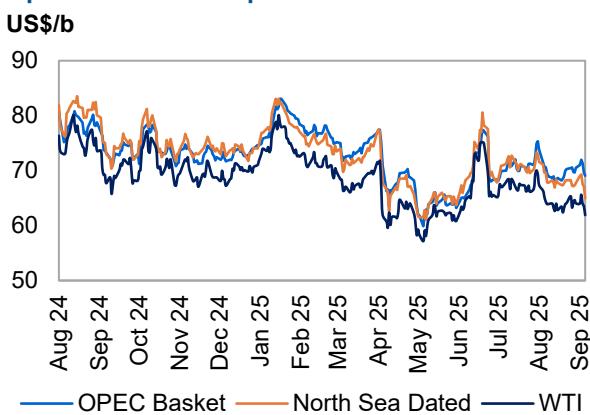
Premiums of light sweet crude over medium sour grades narrowed in Asia and on the US Gulf Coast (USGC), in line with a sharp decline in the Brent–Dubai spread, which moved into a deep discount. This reflected a stronger sour crude market amid concerns over supply disruptions to medium sour grades due to sanctions and geopolitical developments. However, though sweet–sour crude differentials in Europe widened slightly, they remained relatively low.

Crude spot prices

Crude spot prices averaged lower in August, pressured mainly by heavy selling activity in the oil futures markets, which weighed on sentiment. Weaker refining margins in Europe and Asia added to the downward pressure.

Losses, however, were capped by robust physical market fundamentals. Global refinery intakes rose further in August to nearly 84 mb/d, indicating firm demand. Data from the US Energy Information Administration (EIA) showed a draw of 8.4 mb in US crude stocks between the weeks of 25 July and 22 August, which provided additional support.

Graph 1 - 1: Crude oil price movements



Sources: Argus and OPEC.

A decline in sour crude benchmarks in the East of Suez market was limited compared with light sweet crudes in the Atlantic Basin, as medium sour grades continued to benefit from strong demand from Asia-Pacific refiners. Spot prices also maintained at a firm premium against futures in August, reflecting supportive short-term supply/demand fundamentals, despite seasonal demand softening.

On a monthly average, the North Sea Dated–ICE Brent spread narrowed to a premium of 98¢/b in August, down 42¢, m-o-m, from \$1.40/b in July.

Crude Oil Price Movements

In August, North Sea Dated and WTI front-month contracts declined by \$2.71 and \$3.29, to average \$68.24/b and \$64.08/b, respectively. Dubai front-month fell the least, down by \$1.39 to \$69.43/b.

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

OPEC Reference Basket (ORB)	Jul 25	Aug 25	Change	Year-to-date	
			Aug 25/Jul 25	2024	2025
ORB	70.97	69.73	-1.24	83.04	71.61
Arab Light	72.17	71.40	-0.77	84.70	73.17
Basrah Medium	70.58	69.60	-0.98	81.41	71.06
Bonny Light	71.97	70.27	-1.70	85.24	72.05
Djeno	63.50	60.78	-2.72	76.26	63.68
Es Sider	71.05	68.04	-3.01	83.15	70.40
Iran Heavy	70.81	69.18	-1.63	82.86	71.69
Kuwait Export	71.41	70.68	-0.73	83.85	72.46
Merey	58.14	56.22	-1.92	68.63	59.03
Murban	71.12	70.10	-1.02	82.77	71.59
Rabi Light	70.49	67.77	-2.72	83.25	70.67
Sahara Blend	72.45	69.24	-3.21	84.65	71.82
Zafiro	73.10	69.56	-3.54	85.11	72.88
Other Crudes					
North Sea Dated	70.95	68.24	-2.71	83.70	71.14
Dubai	70.82	69.43	-1.39	82.61	71.43
Isthmus	67.36	64.54	-2.82	77.04	67.06
LLS	69.81	65.94	-3.87	81.34	69.73
Mars	67.18	63.96	-3.22	78.68	68.01
Minas	74.94	72.36	-2.58	87.73	74.52
Urals	59.14	56.13	-3.01	67.95	58.12
WTI	67.37	64.08	-3.29	78.75	67.23
Differentials					
North Sea Dated/WTI	3.58	4.16	0.58	4.95	3.90
North Sea Dated/LLS	1.14	2.30	1.16	2.37	1.41
North Sea Dated/Dubai	0.13	-1.19	-1.32	1.09	-0.29

Sources: Argus, Direct Communication, and OPEC.

Crude differentials of both light sweet and medium sour crudes eased in the Atlantic Basin in August, as buying interest from refiners in Europe eased and refining margins declined. North Sea crude differentials of light sweet grades weakened. Forties and Ekofisk declined in August by 32¢ and 35¢, respectively, m-o-m, to settle at premiums of 78¢/b and \$1.69/b. Medium sour crude also weakened, with crude differentials for Johan Sverdrup against North Sea Dated falling by 82¢, m-o-m, in August, to an average premium of 97¢/b.

West African crude differentials were mixed in August amid subdued demand from European buyers and weak middle distillate margins, including gasoil and jet fuel in Europe and the USGC. On a monthly average, Bonny Light and Qua Iboe crude differentials to North Sea Dated declined by 78¢ and 99¢, respectively, to stand at premiums of \$1.21/b and \$1.46/b. Forcados and Cabinda crude differentials also fell, m-o-m, by \$1.36 and 10¢ on average, to premiums of \$1.93/b and \$1.49/b.

In the Mediterranean, crude differentials were mixed. Light sweet and light sour grades strengthened in August, m-o-m, supported by higher refining margins for naphtha and gasoline. Saharan Blend and CPC Blend crude differentials rose against the North Sea Dated by 1¢ and 58¢, respectively, to stand at a premium of \$1.04/b and a discount of 92¢/b. However, the value of Azeri Light weakened last month, falling by \$1.19, m-o-m, to stand at a premium of \$1.35/b on weaker middle distillate margins.

In the Middle East spot market, several crude differentials fell against Dubai but remained at strong premiums. Oman crude differentials declined by 92¢, m-o-m, to a premium of \$2.38/b.

In the USGC, Light Louisiana Sweet (LLS) and Mars sour differentials against the WTI benchmark were mixed. Sour crude strengthened on worries about potential supply disruptions, while light sweet crude weakened on lower export demand. LLS crude differentials against WTI fell in August, m-o-m, decreasing by 56¢ to register a premium of \$1.86/b, while Mars sour crude differentials rose by 13¢, m-o-m, to a discount of 12¢.

OPEC Reference Basket (ORB) value

In August, the ORB value dropped by \$1.24, m-o-m, to settle at \$69.73/b. All ORB component-related crude benchmarks dropped, which largely offset an increase in most official selling prices for the Asian market, particularly medium sour grades.

West and North African Basket components – Bonny Light, Djeno, Es Sider, Rabi Light, Sahara Blend and Zafiro – dropped by an average of \$2.82, m-o-m, to \$67.61/b, and multiple-region destination grades – Arab Light, Basrah Medium, Iran Heavy and Kuwait Export – decreased on average by \$1.03, m-o-m, to settle at \$70.22/b. Murban crude declined on average by \$1.02, m-o-m, to settle at \$70.10/b. The Merey component fell by \$1.92, m-o-m, to settle at \$56.22/b.

The oil futures market

Crude oil futures dropped on average m-o-m in August, weighed by heavy selloffs from non-commercial participants in the oil futures markets. The decline was exacerbated by market sentiment that remained largely driven by expectations of a potential easing of geopolitical risks in Eastern Europe, alongside uncertainty over US trade policy and the broader economic outlook. The bearish shift in speculative activity amplified downward price movements, as money managers heavily cut their bullish exposure, flipping to net shorts on the WTI futures contract.

In the first half of August, market sentiment was dampened by signs of easing geopolitical tensions in Eastern Europe, with reports of progress in negotiations reducing risk premiums. Uncertainty over US trade policy further pressured prices, particularly following the US's decision to impose a 50% tariff on selected imports from India, raising concerns over trade flows and regional balances. Market participants also assessed the US decision to postpone higher tariffs on Chinese imports, which added to prevailing policy uncertainty.

Disappointing US labour market data and a weaker-than-expected services PMI weighed on sentiment, fuelling concerns about the strength of the US economy and the pace of energy demand growth. In parallel, official Chinese data showed a m-o-m decline in refinery throughput in July, underscoring softer demand in the world's largest crude importer. The prospect of easing seasonal US transportation fuel demand with the end of the summer driving season added to downward pressure.

However, prices rebounded in the second half of August, partially offsetting earlier losses. Renewed concerns about the geopolitical outlook in Eastern Europe curbed expectations of a swift resolution to the conflict, prompting some risk premiums to return. Support also came from the physical market, where sustained demand lent strength, while EIA data showed a large draw in US crude stocks, which fell to a two-month low in the week ending 22 August.

The ICE Brent front-month contract dropped in August by \$2.29, m-o-m, to average \$67.26/b, and the NYMEX WTI front-month contract dropped by \$3.22, m-o-m, to average \$64.02/b. The GME Oman front-month contract fell, m-o-m, in August by \$2.19 to settle at \$69.23/b.

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

Crude oil futures	Jul 25	Aug 25	Change	Year-to-date	
			Aug 25/Jul 25	2024	2025
NYMEX WTI	67.24	64.02	-3.22	78.59	67.04
ICE Brent	69.55	67.26	-2.29	82.90	70.21
GME Oman	71.42	69.23	-2.19	82.64	71.47
Spread					
ICE Brent-NYMEX WTI	2.31	3.24	0.93	4.31	3.17

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

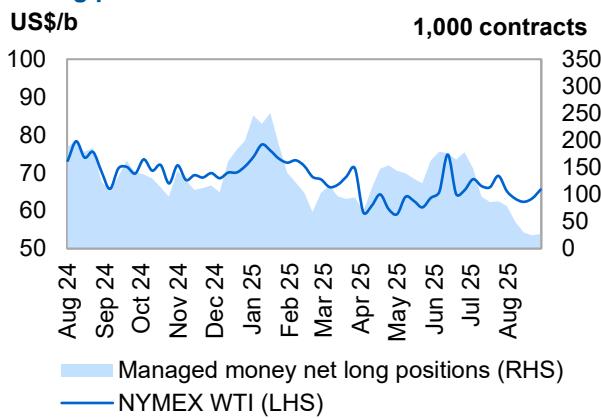
Sources: CME, ICE, GME and OPEC.

The ICE Brent–NYMEX WTI front-month spread widened in August, as WTI came under heavier speculative selling pressure compared with ICE Brent. The spread averaged \$3.24/b, up 93¢ m-o-m, the highest since April. The widening was most pronounced in the second half of the month. ICE Brent found support from the return of some geopolitical risk premiums and signs of robust supply/demand fundamentals in the Atlantic Basin. In contrast, NYMEX WTI was pressured by prospects of higher crude availability, including sour grades, in the USGC, coupled with softer demand expectations following the end of the US driving season and ahead of autumn refinery maintenance. Rising crude inventories at Cushing added to the downward pressure. Meanwhile, the spread between North Sea Dated and WTI Houston also increased in August, widening by 14¢, m-o-m, to a premium of \$3.10/b, improving export economics for WTI-related grades.

Crude Oil Price Movements

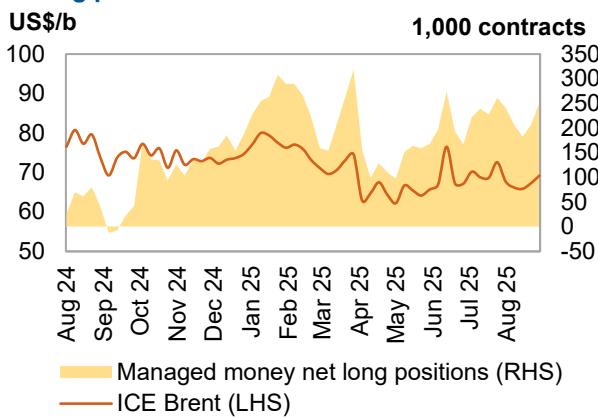
Hedge funds and other money managers turned increasingly bearish on crude oil futures in August, with combined NYMEX and ICE WTI contracts moving to net short positions during the last three weeks of the month. Speculators had been steadily reducing bullish bets in WTI since mid-July, fuelling uncertainty among market participants, increasing volatility and exerting downward pressure on prices. In the week ending 26 August, money managers reduced NYMEX WTI futures and options net long positions, selling the equivalent of around 154 mb, according to the Commodity Futures Trading Commission (CFTC). The reduction reflected aggressive short selling amid growing speculation about oversupply following the end of the peak gasoline and jet fuel demand season, alongside uncertainty surrounding US economic policy. Speculative positioning in petroleum products was also reduced, with net long positions in ICE gasoil and NYMEX ULSD contracts falling by 12.4% and 19.7%, respectively.

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.

Selling from money managers was more pronounced in NYMEX WTI positions, selling an equivalent of 64 mb between the weeks of 29 July and 26 August. Net-long positions declined by 63,615 lots, or 72.4%, to 24,225 contracts, according to the CFTC. The decrease in net long positions was driven by a decline in long positions and an increase in short positions. Long positions fell by 26,951 lots, or 15.9%, between the weeks of 29 July and 26 August to 142,353 contracts. During the same period, short positions rose by 36,664 lots, or 45.0%, to stand at 118,128 contracts. In the meantime, ICE WTI net long positions remained in net short, increasing by 16,888 contracts between the weeks of 29 July and 26 August to stand at a net short of 37,582 contracts.

Money managers also cut bullish positions in ICE Brent, which sold an equivalent of 55 mb in August. Combined futures and options net long positions fell by 54,809 lots over the month, or 21.0%, to stand at 206,543 contracts in the week of 26 August, according to the ICE Exchange. This was due to a rise in short positions of 34,627 lots, or 40.2%, to 120,767 contracts, while long positions fell by 20,182 lots, or 5.8%, to 327,310 contracts over the same period.

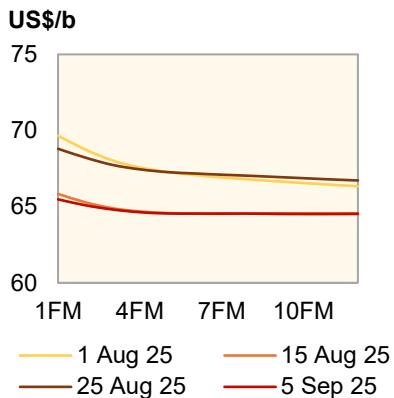
The long-to-short ratio of speculative positions in the NYMEX WTI contract fell to 1:1 in the week of 26 August, compared with 2:1 in the week of 29 July. ICE Brent's long-to-short ratio fell to 3:1 in the week of 26 August, compared with 4:1 in the week of 29 July.

Open interest volumes related to NYMEX WTI futures and options dropped in August by 8.0%, or 207,457 lots, to stand at 2.39 million contracts in the week ending 26 August. Open interest volumes related to ICE Brent futures and options fell by 0.2%, or 5,856 contracts, m-o-m, to stand at 3.53 million contracts in the week to 26 August.

The futures market structure

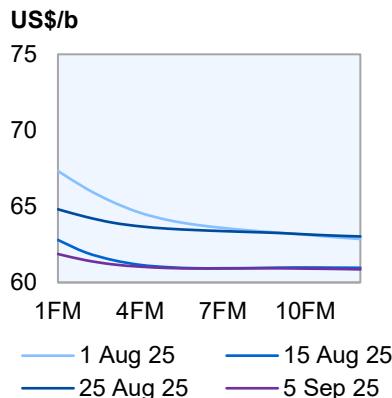
The structure of all three main crude oil futures contracts – ICE Brent, NYMEX WTI, and GME Oman – remained in backwardation in August, despite heavy speculative selling pressure weighing on front-month contracts. This reflected solid physical crude market fundamentals and a positive near-term global oil supply/demand outlook. Forward curves of the major benchmarks were consistently in backwardation, particularly sour crude grades, which found further support from firm demand by Asia-Pacific refiners and concerns about sour crude supply amid sanctions. This boosted demand for prompt-loading cargoes, including from the Middle East. A decline in US crude stocks also lent support to the NYMEX WTI forward curve. However, the backwardation of the nearest time spreads narrowed as front-month futures came under pressure with the end of the US summer driving season and intensified speculative selling.

Graph 1 - 4: ICE Brent forward curves



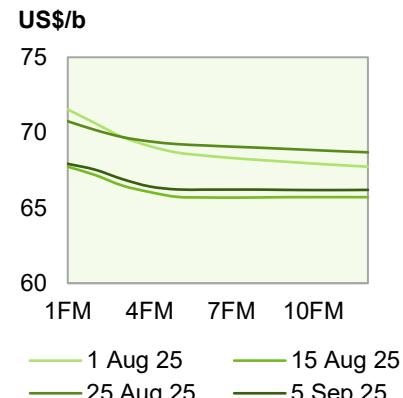
Sources: ICE and OPEC.

Graph 1 - 5: NYMEX WTI forward curves



Sources: CME and OPEC.

Graph 1 - 6: GME Oman forward curves



Sources: GME and OPEC.

The backwardation structure of the ICE Brent market flattened in August as geopolitical risk premiums eased in the first half of the month and demand for prompt-loading barrels in the Atlantic Basin softened ahead of the start of the autumn maintenance season. The ICE Brent M1/M3 spread narrowed last month by 61¢ to stand at a backwardation of \$1.06/b. ICE Brent's M1/M6 spread also contracted but stayed in a backwardation of \$1.56/b on average in August, falling by \$1.07, m-o-m, from a backwardation of \$2.63/b in July.

Similarly, the front end of the NYMEX WTI forward curve stayed in firm backwardation, but the nearest time spread narrowed. The NYMEX WTI M1/M3 spread stood at a backwardation of \$1.23/b in August, falling by 91¢, m-o-m, from a backwardation of \$2.15/b in July.

The DME Oman price backwardation narrowed last month. The DME Oman M1/M3 spread narrowed by \$1.05, m-o-m, to a backwardation of \$1.35/b in August.

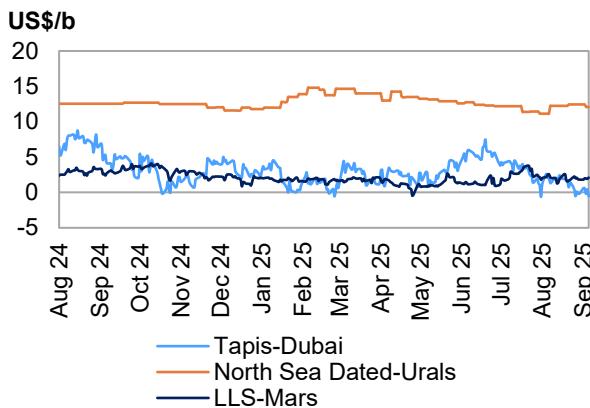
In August, the North Sea Brent M1/M3 spread declined on a monthly average by \$1.09 to a backwardation of \$1.34/b, compared with \$2.43/b the month before. In the US, the WTI M1/M3 backwardation also narrowed by 99¢ to \$1.25/b, compared with a backwardation of \$2.23/b in July. Similarly, the Dubai M1/M3 backwardation contracted by 44¢ on average in August but remained in a strong backwardation of \$2.48/b.

Crude spreads

Premiums of light sweet crude over medium sour grades narrowed in Asia and the USGC, in line with a sharp decline in the Brent–Dubai spread, which moved into a deep discount. This reflected a stronger sour crude market amid concerns over supply disruptions to medium sour grades due to sanctions and geopolitical developments. Sweet–sour crude differentials in Europe widened slightly but remained relatively low, with light sweet crudes continuing to outperform heavy and medium sour grades. Stronger light distillate margins compared with middle and heavy distillate margins contributed to the widening spread.

In Europe, the value of sour crude declined more than light sweet crude, as the largest North Sea sour stream, Johan Sverdrup, came under pressure from softer seasonal demand by European refiners and weaker high-sulphur fuel oil (HSFO) crack spreads. Meanwhile, light sweet grades were supported by improving west-to-east arbitrage economics for Brent-linked crudes, as the Brent–Dubai Exchange for Swap (EFS) fell to a discount, its lowest level since April. Additional support came from stronger naphtha and gasoline cracks. A wider spread between naphtha and HSFO crack spreads in Europe further favoured light sweet grades over sour. As a result, the sweet–sour crude spread, represented by the Ekofisk–Johan Sverdrup differential, widened by 47¢ m-o-m to a premium of 72¢.

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



Sources: Argus and OPEC.

Urals crude differentials to the North Sea Dated in the Baltic and Black Sea, also weakened in August on lower demand from some refiners in the Asia-Pacific region, falling by 58¢ and 28¢, respectively, to discounts of \$12.54/b and \$12.09/b.

In Asia, the Tapis premium over Dubai crude narrowed in August, as sour crude values declined less than light sweet crude prices. The sour crude market was supported by firm demand from Asia-Pacific refiners, who sought to secure available non-sanctioned medium sour grades amid mounting concerns about trade disruptions linked to sanctions and geopolitical developments. However, weaker HSFO crack spreads, which remained heavily discounted in August, weighed on sour crude values. At the same time, improving west-to-east arbitrage economics pressured the value of light sweet crude in the Asia-Pacific region, amid ample availability of competitive Atlantic Basin grades of similar quality. As a result, the Tapis–Dubai spread narrowed by \$1.74 m-o-m to an average premium of \$1.31/b. Similarly, the Brent–Dubai differential fell by \$1.32 m-o-m, to average a discount of \$1.19/b in August, compared with a premium of 13¢/b in July.

In the USGC, the value of light sweet crude narrowed against sour grades in August, as medium sour crudes strengthened on robust refinery demand and relatively firm HSFO margins, although these retreated on a m-o-m basis. Concerns about supply availability in Latin America also lent support to Mars crude values. Meanwhile, light sweet crudes in the USGC came under pressure from higher supply availability and limited export opportunities. As a result, the LLS premium over medium sour Mars narrowed by 65¢ m-o-m to average \$1.98/b.

Commodity Markets

Commodity price indices were mixed in August. Energy and base metals indices declined over the period, while precious metals and other minerals indices advanced m-o-m.

In the commodity futures market, sentiment was mostly bearish in August. Both combined money managers' net length and open interest (OI) decreased over the period.

Commodity prices experienced mixed movement in the same time frame, driven by a combination of seasonal and macroeconomic factors. Moreover, the resolution of some trade deals, coupled with the extension of a US-China tariff truce, reduced support from the tariff front-loading effect.

Trends in select energy commodity markets

The energy price index experienced a consecutive monthly decline in August, falling by 3.9%, m-o-m. A decline across all select energy prices dragged down the index, with natural gas prices in the US and EU experiencing the biggest losses over the month. The index was down by 14.2%, y-o-y, pressured by the underperformance of Australian coal, average crude oil, and EU natural gas prices, though higher US natural gas and coal prices partially offset declines over the period.

Table 2 - 1: Select energy prices

Commodity	Unit	Monthly average			% Change		Year-to-date	
		Jun 25	Jul 25	Aug 25	Aug 25/ Jul 25	Aug 25/ Aug 24	2024	2025
Energy*	Index	92.2	91.7	88.1	-3.9	-14.2	104.0	92.7
Coal, Australia	US\$/boe	10.4	10.8	10.7	-0.7	-23.1	12.8	10.3
Coal, US	US\$/boe	6.9	6.9	6.9	-0.9	3.7	6.7	6.8
Crude oil, average	US\$/b	69.1	69.2	66.7	-3.6	-14.6	81.7	69.5
Natural gas, US	US\$/boe	16.3	17.3	15.7	-8.8	46.2	11.3	19.0
Natural gas, Europe	US\$/boe	66.9	62.9	60.3	-4.1	-9.9	53.5	68.7

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

Sources: World Bank and OPEC.

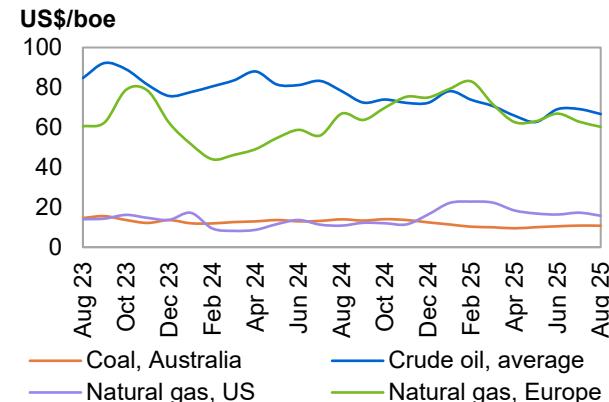
Australian thermal coal prices receded after three consecutive months of increases, dropping by 0.7%, m-o-m, in August. Prices came under pressure earlier in the month following Indonesia's decision to reverse its coal pricing policy. Softer demand in Asia, particularly China, added downward pressure. Nonetheless, ongoing supply disruptions in Australia limited price declines, which were down by 17.9%, y-o-y.

In the US, coal prices declined in August by 0.9%, m-o-m. Stable domestic demand for power generation continued to keep a lid on prices, though a slight increase in buying interest in the month from Europe limited losses. Compared with the same period last year, prices were up by 3.7%, y-o-y.

Average crude oil prices declined in August, falling by 3.6%, m-o-m. Bearish sentiment in the futures markets weighed on prices, which were down by 16.9%, y-o-y.

Henry Hub's natural gas prices fell in August by 8.8%, m-o-m. They were under pressure from lower seasonal demand amid mild summer temperatures, which contributed to higher storage levels. According to data from the US Energy Information Administration (EIA), average weekly natural gas storage increased by 3.9%, m-o-m, in August. Strong LNG export volumes provided some support to prices in the period, which were up by 46.2%, y-o-y.

Graph 2 - 1: Select energy prices



Sources: World Bank, Haver Analytics and OPEC.

The average Title Transfer Facility (TTF) declined for a second consecutive month, falling by 4.1%, m-o-m. High storage levels in the region kept the market well supplied and reduced market supply risk concerns. According to data from Gas Infrastructure Europe, EU storage levels rose to 77.7% as of the end of

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August, up from 68.6% in July, a 9.1 pp increase. Moreover, higher US LNG imports in the period offset Norwegian supply disruptions and kept a lid on the geopolitical risk premium. Prices were down by 9.9%, y-o-y.

Trends in select non-energy commodity markets

The non-energy price index rebounded slightly in August after two consecutive months of losses, increasing by 0.4%, m-o-m. The index rose on the back of an improvement in the agriculture index, which was up by 1.2%, m-o-m; however, a decline in the base metal index partially offset gains. The non-energy and agriculture indices were up by 3.4% and 0.5%, y-o-y.

Base metals

The base metal index receded in August after three consecutive months of gains, declining by 0.6%, m-o-m. Almost all select base metal prices fell in the month, except zinc. Support from the tariff front-loading effect waned in August following the extension of a US-China tariff truce and the resolution of some trade deals. Nonetheless, improvement in global industrial activity, particularly from China's industrial output, boosted sentiment for metals, thus limiting price losses. The global manufacturing PMI moved into expansionary territory in August. The benchmark rose to 50.9 in the month, up from 49.6 the previous month, a 2.4% increase, m-o-m. The base metal index was up by 7.2%, y-o-y.

At the London Metal Exchange (LME) warehouses, combined stocks of base metals grew by 6.6%, m-o-m, but were down by 32.5%, y-o-y.

Combined cancelled warrants declined for a fifth consecutive month in August, dropping by 9.9%, m-o-m; they were also down by 79.2%, y-o-y. At the same time, combined on-warrants grew by 9.1%, m-o-m, but were down by 5.7%, y-o-y.

Table 2 - 2: Base metal prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Jun 25	Jul 25	Aug 25	Aug 25/ Jul 25	Aug 25/ Aug 24	2024	2025
Non-energy*	Index	113.6	112.5	113.3	0.7	3.4	111.4	115.1
Base metal*	Index	119.2	120.4	119.7	-0.6	7.2	113.0	117.9
Copper	US\$/mt	9,775	9,780	9,687	-0.9	7.7	9,143	9,513
Aluminium	US\$/mt	2,525	2,608	2,597	-0.4	10.4	2,366	2,557
Nickel	US\$/mt	15,036	15,078	14,982	-0.6	-8.3	17,269	15,310
Lead	US\$/mt	1,982	1,998	1,955	-2.1	-2.3	2,112	1,968
Zinc	US\$/mt	2,663	2,768	2,793	0.9	2.6	2,677	2,754
Iron Ore	US\$/mt	95	91	87	-4.4	-12.9	114	98

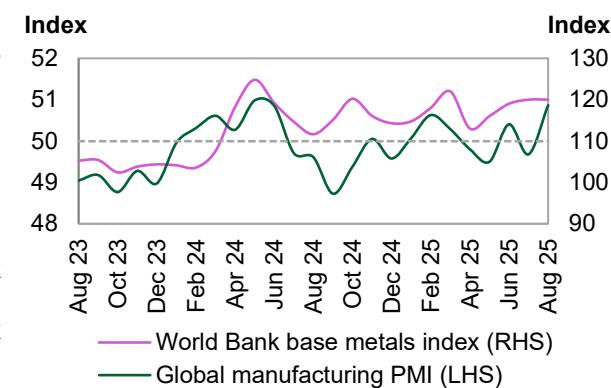
Note: * World Bank commodity price indices (2010 = 100).

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

Copper prices declined in August by 0.9%, m-o-m, though they were up by 7.7%, y-o-y. At LME warehouses, stocks grew in August by 34.6%, m-o-m, but were down by 48.2%, y-o-y. Cancelled warrants declined by 49.8%, m-o-m, and were down by 53.2%, y-o-y. On-warrants rose by 56.6%, m-o-m, but were down by 47.8%, y-o-y.

Aluminium prices receded in August by 0.4%, m-o-m; however, they were up by 10.4%, y-o-y. LME warehouse stocks increased over the month by 114.9%, m-o-m, but were down by 46.7%, y-o-y. Cancelled warrants rose in August by 34.4%, m-o-m, but were down by 97.5%, y-o-y. On-warrants rose by 14.4%, m-o-m, and were up by 31.5%, 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.

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Nickel prices fell by 0.6%, m-o-m, in August, and were down by 8.0%, y-o-y. At LME warehouses, stocks rose by 2.4%, m-o-m, and were up by 84.8%, y-o-y. Cancelled warrants grew in August by 13.7%, m-o-m, and were higher by 48.7%, y-o-y. On-warrants increased in August by 1.8%, m-o-m, and were up by 87.5%, y-o-y.

Lead prices dropped by 2.1%, m-o-m, in August, and were down by 2.3%, y-o-y. At LME warehouses, stocks increased by 1.5%, m-o-m and were up by 33.2%, y-o-y. Cancelled warrants experienced a marginal gain in August, increasing by 0.1%, m-o-m, and were up by 64.7%, y-o-y. On-warrants rose by 2.0%, m-o-m, and were up by 25.6%, y-o-y.

Zinc prices rose for a second consecutive month in August, increasing by 0.9%, m-o-m. Prices were up by 2.6%, y-o-y. At LME warehouses, stocks decreased by 32.3%, m-o-m, and were down by 69.3%, y-o-y. Cancelled warrants declined by 19.8%, m-o-m, but were up by 23.1%, y-o-y. On-warrants declined by 38.9%, m-o-m, and were down by 79.7%, y-o-y.

Iron ore prices in August dropped by 4.4%, m-o-m, and were down by 12.9%, y-o-y. At the same time, China's steel industry PMI contracted in August. The benchmark fell to 49.8 in the month, down from 50.5 the previous month, a 1.4%, m-o-m, decrease.

Precious metals

The precious metals index continued its upward trajectory in August, increasing by 0.9%, m-o-m. The index advanced on the back of gold and silver price gains, which were partially offset by a decline in platinum prices. The precious metals index was up by 36.0%, y-o-y.

Table 2 - 3: Precious metal prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Jun 25	Jul 25	Aug 25	Aug 25/ Jul 25	Aug 25/ Aug 24	2024	2025
Precious metals*	Index	249.3	250.4	252.5	0.9	36.0	170.8	234.2
Gold	US\$/Oz	3,353	3,340	3,368	0.8	36.3	2,262	3,147
Silver	US\$/Oz	36.0	37.7	38.2	1.3	33.8	26.9	34.1
Platinum	US\$/Oz	1,251	1,391	1,343	-3.5	42.0	949	1,104

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

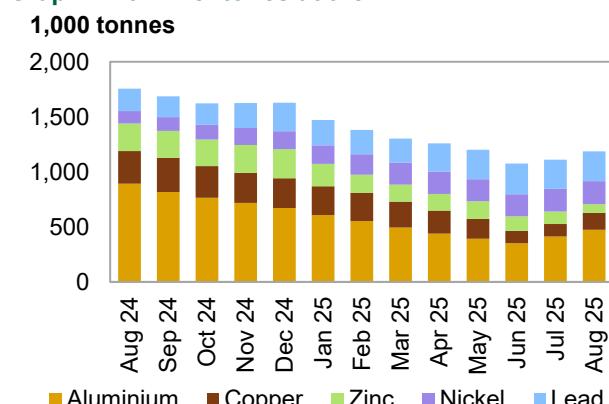
Sources: World Bank and OPEC.

Gold prices rebounded from the previous months' decline, increasing by 0.8%, m-o-m. Ongoing accumulation by emerging market central banks, coupled with inflation hedging, supported gold prices in August. Safe-haven demand also added support to prices amid geopolitical developments. Prices were up by 36.3%, y-o-y.

Silver prices advanced in August by 0.8%, m-o-m. Silver benefited from safe-haven inflows to precious metals, though a slightly stronger US dollar capped gains. Prices were up by 33.8%, y-o-y.

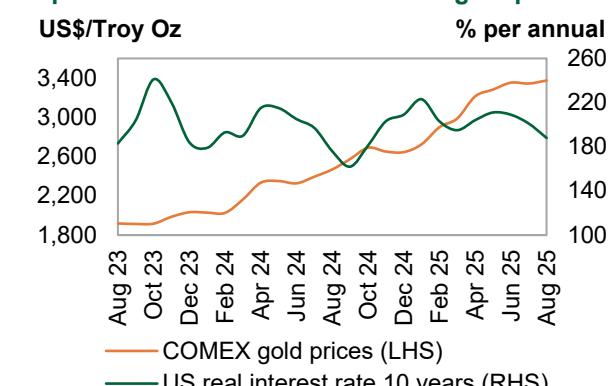
Platinum prices declined by 3.5%, m-o-m in August, pressured by softer industrial demand. They were up by 42.0%, y-o-y.

Graph 2 - 3: Inventories at the LME



Sources: LME, Thomson Reuters and OPEC.

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 rebounded in August after three consecutive months of declines. The index rose by 2.4%, m-o-m, on the back of strong performance in lithium prices, though gains were capped by the muted performance of cobalt and graphite prices over the period. The 'other minerals' price index was up by 18.3%, y-o-y.

Table 2 - 4: Select other minerals prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Jun 25	Jul 25	Aug 25	Aug 25/ Jul 25	Aug 25/ Aug 24	2024	2025
Other minerals*	Index	41.4	41.1	42.1	2.4	18.3	39.2	39.3
Cobalt	US\$/mt	33,037	32,970	32,959	0.0	30.6	27,436	30,334
Graphite	US\$/mt	435	435	435	-0.1	-10.2	506	435
Lithium	US\$/mt	8,466	8,116	9,483	16.8	-9.8	12,229	9,140

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

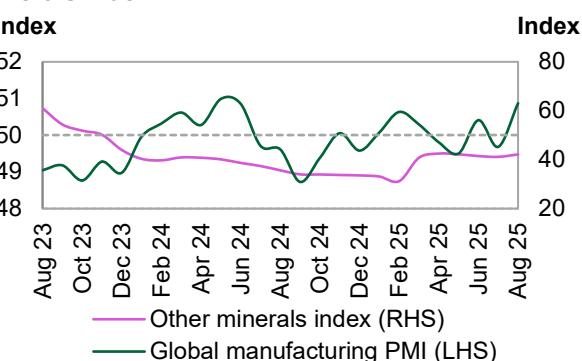
Sources: LME, Haver Analytics and OPEC.

Cobalt prices were essentially flat, m-o-m, in August. Reports of high inventories and substitution with nickel offset strong demand from electric vehicle (EV) production. Prices were up by 30.6%, y-o-y.

Graphite prices experienced a marginal decline in August, falling by 0.1%, m-o-m. Demand for batteries remained stable in the month, but reports of healthy inventories in China and Africa weighed on prices, which were down by 10.2%, y-o-y.

Lithium prices rose by 16.8%, m-o-m, in August, supported by a combination of higher industrial demand for EV production in China and supply disruptions in the country, via government-pledged capacity cuts. Prices were down by 9.8%, 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 receded in August after two consecutive months of gains, falling by 22.9%, m-o-m. The decline was driven by decreases in natural gas, crude oil and copper net length, which were partially offset by an increase in gold's net length over the same period. Combined net length was down by 38.7%, y-o-y.

Combined OI experienced a decline in August, falling by 1.7%, m-o-m. OI declines in crude oil, gold and copper were partially offset by an increase in natural gas over the same period. Combined OI was essentially flat y-o-y.

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

Selected commodity	Open interest			Long		Short		Net length			Aug 25/ Jul 25	
	Jul 25	Aug 25	Aug 25/ Jul 25	Jul 25	Aug 25	Jul 25	Aug 25	Jul 25	% OI	Aug 25	% OI	
Crude oil	2,542	2,451	-3.6%	195	172	62	84	133	5	88	4	-33.8%
Natural gas	1,561	1,633	4.6%	205	218	232	258	-27	-2	-40	-2	57.8%
Gold	688	653	-5.1%	183	185	35	34	148	22	151	23	2.3%
Copper	263	232	-11.6%	58	38	22	14	36	14	24	10	-34.4%
Total	5,054	4,969	-1.7%	640	613	351	389	290	39	223	35	-22.9%

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

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

Open interest includes both commercial and non-commercial positions.

Sources: CFTC and OPEC.

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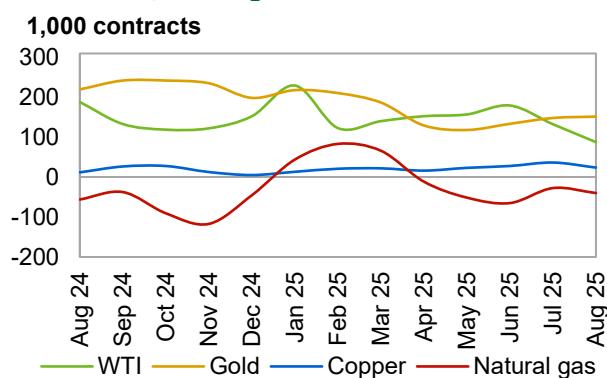
Crude oil's (WTI) OI dropped in August by 3.6%, m-o-m, and money managers decreased net length by 33.8%, m-o-m, over the same period. OI was up by 8.6%, y-o-y, while net length was down by 53.4%, y-o-y. Money managers' sentiment was heavily bearish in August amid oversupply concerns.

The natural gas (Henry Hub) OI increased in August by 4.6%, m-o-m. Meanwhile, money managers cut net length by 45.5%, m-o-m, over the same period. OI was up by 4.5%, y-o-y, and net length was up by 28.8%, y-o-y. Reduced domestic demand in August weighed on money manager sentiment.

Gold's OI decreased in August by 5.1%, m-o-m. Meanwhile, money managers increased net length over the same period by 2.3%, m-o-m. Gold's OI was down by 23.8%, y-o-y, and its net length was down by 31.0%, y-o-y. Persistent inflationary pressures and geopolitical developments reinforced money managers' bullish sentiment in August.

Copper's OI decreased by 11.6%, m-o-m, in August. Meanwhile, money managers reduced their net length by 34.4%, m-o-m. OI was down by 21.3%, y-o-y, while net length was up by 99.4%, y-o-y. In August, oversupply concerns weighed on money managers' sentiment amid ongoing Chinese exports.

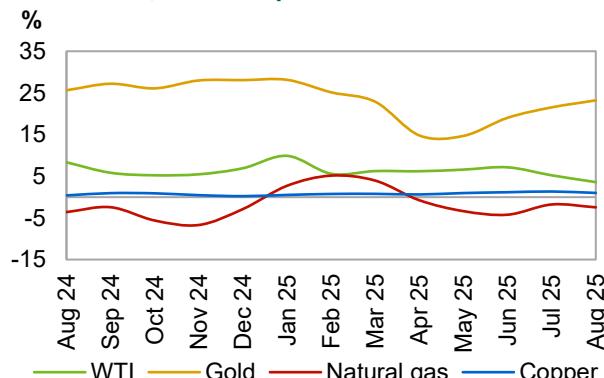
Graph 2 - 6: Money managers' activity in key commodities, net length



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

Recent developments have confirmed the expected growth trend, resulting in unchanged global economic growth forecasts of 3.0% for 2025 and 3.1% for 2026. Following the 1H25 growth released figures, signs continue to point to a stable trajectory for the global economy. Upward revisions to US, Japan and Eurozone growth figures in 2Q25, strong 2Q25 data for India, and the already published robust figures from China, all point to an ongoing solid global growth dynamic. Part of the 1H25 momentum may reflect front-loaded activity ahead of potential US tariff increases, which temporarily supported global industrial production, however early indicators in 2H25 suggest that the underlying growth trend remains firm. Global economic activity remains solid, with robust growth expected, and high sovereign debt in key economies and the upward pressure on US sovereign debt yields, may require close monitoring in the near term.

Although several agreements were finalised in recent months, trade relations between the US and a number of its key partners also warrant continued close monitoring. Lingering trade-related uncertainties may weigh on global trade activities slightly and contribute to mild inflationary pressures. Nonetheless, a range of fiscal and monetary policy measures is expected to help offset these effects.

These counter-measures may include fiscal support in the US through recently approved expansionary fiscal measures, as well as ongoing fiscal and monetary policy support in China and the Eurozone, particularly from Germany. In fact, the forecast assumes that reasonable trade agreements will be maintained with most key US trading partners, allowing global economic uncertainty to ease further in the coming months.

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

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2025	3.0	1.8	1.2	1.0	4.8	6.5	2.3	1.8
Change from previous month	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026	3.1	2.1	1.2	0.9	4.5	6.5	2.5	1.5
Change from previous month	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Source: OPEC.

Update on the latest global developments

Overall, the global economy showed healthy dynamics in 1H25. This is despite the quarterly distortions in growth levels driven by volatile trade patterns. Sustained consumer demand supported growth, though investment figures in some economies reflected the negative effects of uncertainty. With the US securing several trade deals with major partners, uncertainty around global trade has eased, though some risks remain. The US–China trade deal has not yet been finalised, with the US extending the pause on elevated tariffs for another 90 days. Brazil and India currently face 50% tariffs, with no agreements in place. In addition, the US extended the coverage of its 50% tariffs on steel and aluminium to 407 derivative products, widening the scope of goods subject to the higher tariff and adding new layers of uncertainty to global trade.

In OECD economies, the US registered growth of 3.3%, q-o-q, SAAR in 2Q25 according to the second estimate from the Bureau of Economic Analysis (BEA), revised upward from the initial estimate and following a contraction of 0.5% in 1Q25. The improvement was driven by a slowdown in imports, which had sharply increased in 1Q25 ahead of tariff implementation, alongside upward revisions to consumer demand and investment. Eurozone growth slowed to an upwardly revised 0.5%, q-o-q, SAAR in 2Q25, down from 2.3% in 1Q25, as reported in the final estimate from Eurostat. Japan's economy expanded by 2.2%, q-o-q, SAAR in 2Q25, up from a previous estimate of 1% and compared with a revised figure of 0.3% in 1Q25.

In non-OECD economies, China maintained strong momentum in 2Q25, posting growth of 5.2%, y-o-y, a slight deceleration from 5.4% in 1Q25, when exports surged ahead of tariff implementation. India's economy expanded by 7.8%, y-o-y, in 2Q25, accelerating from 7.4% in 1Q25, supported by robust growth in the services sector. Brazil grew by 2.2%, y-o-y, in 2Q25, down from 2.9% in 1Q25, with growth supported by the services sector and agricultural output. Russia's economy continued to normalise, recording growth of 1.1%, y-o-y, in 2Q25, down from 1.4% in 1Q25, amid continued tight monetary policy.

Inflationary trends remain mixed across the major OECD economies. In the US, inflation stood at 2.7%, y-o-y, in July, unchanged from June and up from 2.4% in May, remaining above the Federal Reserve (Fed) target of

World Economy

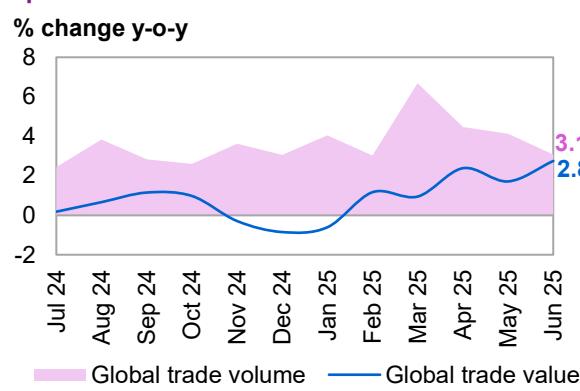
2%. In the Eurozone, inflation edged up to 2.1%, y-o-y, in August, compared with 2.0% in July and June, slightly above the European Central Bank (ECB) target. In Japan, inflation eased to 3.0%, y-o-y, in July, down from 3.2% in June and 3.4% in May. In the UK, inflation rose to 3.8%, y-o-y, in July, up from 3.6% in June and 3.3% in May, reflecting an accelerating trend. Against this backdrop, the Fed held interest rates unchanged at its July meeting but has since signalled potential rate cuts starting in September. The ECB similarly left interest rates unchanged at its July meeting, citing inflation at target and continued uncertainty. The Bank of Japan (BoJ) also held rates steady in July, pausing the tightening cycle. The Bank of England cut interest rates by 25 basis points (bp) at its August meeting.

In non-OECD economies, China's consumer prices declined by 0.4%, y-o-y, in August following stagnant inflation in July. India's inflation decelerated sharply to 1.6%, y-o-y, in July, down from 2.1% in June and 2.8% in May, driven by declining food prices. In Brazil, inflation eased to 5.2%, y-o-y, in July, compared with 5.4% in June and 5.3% in May. In Russia, inflation continued to moderate, standing at 8.8%, y-o-y, in July, down from 9.4% in June and 9.9% in May.

In terms of monetary policy, the People's Bank of China (PBoC) held interest rates unchanged at its June meeting, following a cut in May. The Reserve Bank of India (RBI) kept rates steady at its August meeting, citing uncertainties related to US tariffs. The Banco Central do Brasil (BCB) maintained the Selic rate at its July meeting, pausing the tightening cycle. The Central Bank of Russia (CBR) cut its key rate by 200 bp to 18.0% at its July meeting.

Global trade expanded in volume terms in June, but **Graph 3 - 1: Global trade**

at a slower pace. Global trade volume increased by 3.1%, y-o-y, in June, decelerating from 4.1% in May and 4.5% in April. Trade in value rose by 2.8%, y-o-y, in June, up from 1.7% in May and 2.4% in April. The trade volume figures reflect a normalising pattern following the strong increases seen ahead of the implementation of US tariffs in April.



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

Near-term global expectations

The global economy is expected to sustain solid growth momentum through the end of 2025 and into 2026, supported by easing trade tensions, resilient consumer activity and supportive government policies. While recent US trade agreements have reduced some uncertainty, the details of several deals remain unresolved. Nonetheless, the agreements reached so far have charted a path towards further de-escalation of trade uncertainty, with expectations of continued progress.

The US tariff regime is consolidating around a 15%–20% range, with higher tariffs applied to key products. The expansion of steel and aluminium tariffs to additional derivative products represents an escalation that could raise effective tariff rates, particularly for economies with significant exports of finished goods in the expanded list, such as Japan and the EU. Trade within North America remains largely covered under the USMCA, which accounts for most exchanges between the US, Canada, and Mexico. Negotiations between the US and China are expected to take longer to conclude, given the complexity of bilateral trade, though a framework may be reached by late 2025 or early 2026, with interim extensions and pauses likely until an agreement is finalised.

Despite lingering uncertainties, consumer demand is expected to remain resilient, supported by rising incomes, easing interest rates, and accommodative government policies. Investment is likely to recover toward the end of 2026 as firms resume delayed decisions following a period of heightened uncertainty. In the US, research and development incentives and capital expenditure allowances under the One Big Beautiful Bill Act (OBBA) are expected to offset near-term pressures on the investment environment. In the Eurozone, increased defence spending across member states, alongside Germany's additional infrastructure spending package, is expected to support industrial activity and investment. In China, policy is likely to remain focused on sustaining export competitiveness while providing further support for domestic consumption.

Inflation dynamics are expected to remain mixed across major economies. In the US, the recent uptick in inflation is viewed by some Fed members as transitory. This, combined with slowing job growth, supports the

World Economy

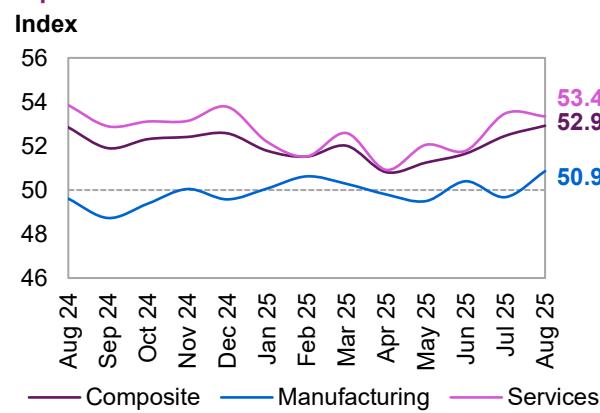
prospect of rate cuts in September. In the Eurozone, inflation is expected to remain close to the 2% target, with the ECB retaining policy space to cut rates as underlying pressures ease despite the latest slight uptick. The BoJ is expected to resume its tightening cycle as the impact of trade uncertainty on growth prospects recedes and inflation remains above target. In contrast, China's near-deflationary conditions point to further monetary easing towards the end of 2025. India's monetary stance also leans towards additional easing, following a sharp recent decline in inflation. Brazil is expected to maintain a tight policy in response to persistent inflation and trade uncertainty with the US, while Russia's easing cycle is likely to continue as inflation trends downward.

In July, global purchasing managers' indices (PMIs) signalled a slight expansion in the manufacturing outlook, while the services sector continued to expand at a solid pace.

The global Manufacturing PMI rose to 50.9 in August, up from 49.7 in July and 50.4 in June, returning to expansionary territory.

The global Services PMI edged slightly down to 53.4 in August, down from 53.5 in July and up from 51.8 in June, resuming solid expansion.

Graph 3 - 2: Global PMI



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

The global economic growth forecast for 2025 remains unchanged at 3.0%, taking into consideration healthy dynamics in 1H25, a continued sound growth trend in 2H25 and easing trade tensions.

For 2026, sustained consumer demand and easing monetary policy in key economies are expected to keep growth at 3.1%, unchanged from the prior month's outlook.

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

	World
2025	3.0
Change from previous month	0.0
2026	3.1
Change from previous month	0.0

Note: * 2025-2026 = Forecast.

Source: OPEC.

OECD

US

Update on the latest developments

The US economy grew by 3.3%, q-o-q, SAAR, in 2Q25, according to the second estimate from the BEA, an upward revision from the initial estimate of 3.0%, driven by stronger investment and consumer spending. Government spending, however, was revised slightly lower. In 1Q25, the economy contracted by 0.5%, q-o-q, SAAR, primarily due to a sharp increase in imports that weighed on overall growth. Personal consumption expenditures rose by 1.6%, q-o-q, SAAR, in 2Q25, up from 0.5% in 1Q25, supported by a rebound in durable goods demand, which increased by 2.6% after contracting by 3.7% in the previous quarter. Consumption growth was recorded across both goods and services. Gross private domestic investment was revised to a contraction of 13.8%, q-o-q, SAAR, in 2Q25, compared with the initial estimate of a contraction of 15.6%, down sharply from a 23.8% expansion in 1Q25, reflecting continued trade-related uncertainty.

On trade, the US secured agreements with major partners, including Japan, the EU, South Korea, Indonesia, and others, ahead of the August deadline. Tariffs on Brazil and India were raised to 50% in August, while Canadian goods outside the USMCA face a 35% tariff. Mexico and China both received extensions, maintaining reduced tariffs while negotiations continue. Domestically, the administration faces legal challenges to the reciprocal tariffs, with the Court of Appeals ruling in late August that the use of the International Emergency Economic Powers Act (IEEPA) exceeded presidential authority. The decision upheld an earlier ruling from the Court of International Trade but allowed tariffs to remain in place until mid-October pending further appeals, including a potential review by the Supreme Court. Tariffs on steel and aluminium remain at 50% and have been extended to 407 derivative products at the same rate, covering categories such as heavy

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machinery, transport vehicles, railcars, energy and power-generation equipment, industrial components, and consumer goods, including furniture and lighting.

On the consumer side, retail sales grew by 3.9%, y-o-y, in July, compared with 4.4% in June and 3.4% in May, maintaining a steady pace of growth. Consumer confidence, as measured by the Conference Board, eased to 97.4 in August, down from 98.7 in July and 95.2 in June, though still above the low of 85.7 recorded in April during the height of trade uncertainty. Industrial production (IP) increased by 1.4%, y-o-y, in July, up from 0.8% in June and 0.7% in May. However, new manufacturing orders slowed, increasing by 1.6%, y-o-y, in July, down from 5.6% in June and 9.7% in May.

Inflation stood at 2.7%, y-o-y, in July, unchanged from June and up from 2.4% in May. Food inflation eased slightly to 2.9% in July, from 3.0% in June and the same level as in May, with eggs remaining the main driver, though bird flu-related supply shocks are beginning to recede, however. Core inflation rose to 3.1%, y-o-y, in July, from 2.9% in June, reflecting the impact of companies passing on tariff-related price increases. Core inflation had remained steady at 2.8% from March through May as retailers largely delayed tariff-linked price increases.

Personal consumption expenditures (PCE), the Fed's preferred inflation measure, stood at 2.6%, y-o-y, in July, unchanged from June and up from 2.4% in May. Core PCE inflation rose to 2.9% in July, compared with 2.8% in June and 2.7% in May. The Fed held interest rates unchanged at its July meeting for the fifth consecutive time, though two members dissented, citing rising risks to economic growth and viewing the tariff-related impact on inflation as temporary. In subsequent remarks, the Fed Chair signalled openness to considering a rate cut at the September meeting.

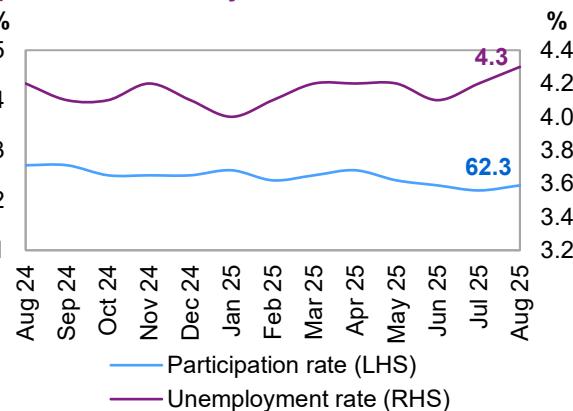
The US trade deficit widened to \$78.3 billion in July from \$59.1 billion in June and \$71.1 billion in May. Imports rose to \$358.8 billion in July, up from \$338.7 billion in June and \$351.5 billion in May, representing a 2.6% increase, y-o-y, in July, after a 1.0% contraction in June and a 3.6% increase in May. Earlier in March, imports surged to \$420.0 billion ahead of the anticipated implementation of tariffs, representing a 26.5% increase, y-o-y. Exports were relatively stable, standing at \$280.5 billion in July, compared with \$279.7 billion in June and \$280.4 billion in May. On a yearly basis, exports grew by 3.4%, y-o-y, in July, moderating from 4.2% in June and 5.8% in May.

In August, non-farm payroll employment rose by 22,000, marking little change overall. Revisions to earlier months showed employment declining by 13,000 in June and increasing by 79,000 in July.

The unemployment rate edged up to 4.3% in August from 4.2% in July. The labour force participation rate held steady at 62.3%.

Annual earnings growth eased to 3.7% in August, down from 3.9% in July and unchanged from 3.7% in June.

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

Near-term expectations

The US economy is expected to maintain sound growth momentum through the end of 2025 and into 2026, supported by easing uncertainty, resilient consumer demand and an improving trade outlook. Consumption is projected to remain the key driver, with household spending continuing to expand despite trade-related disruptions in 2Q25. Investment activity is expected to normalise in 2H25 as uncertainty recedes and delayed business decisions resume. On a quarterly basis, growth is projected to stabilise at around 2.0%, q-o-q, SAAR through 2H25, following the contraction in 1Q25 and rebound in 2Q25. In 2026, growth is forecast to accelerate gradually, reaching 2.1% in 2Q26, and strengthening further to 2.2% and 2.3% in the last two quarters of the year, respectively.

The trade-related distortions seen in 1H25 are expected to gradually normalise into 2026, though new uncertainty has emerged following domestic legal challenges to the tariff framework.

On fiscal policy, the OBBBA is expected to support near-term growth by encouraging capital expenditure and investment in 2025 and 2026 through full expensing and R&D incentives that bring forward spending. The permanent extension of the 2017 Tax Cuts, coupled with additional deductions for tips and Social Security income, will further bolster household demand. Over the longer term, however, the bill is projected to impose

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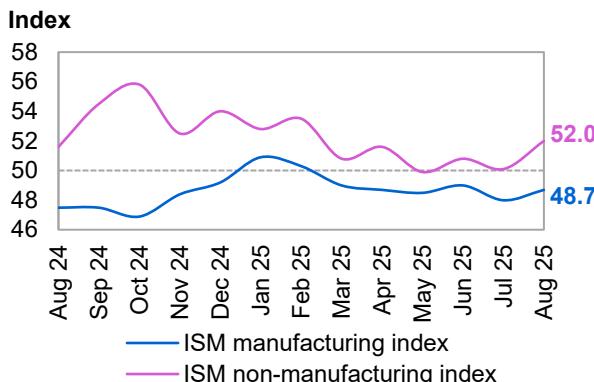
large fiscal costs, adding an estimated \$3.4 trillion to the deficit over the next ten years, raising concerns about debt sustainability and increasing long-term borrowing costs.

US monetary policy is expected to move towards easing as the labour market shows signs of softening, with July employment revisions pointing to slower job growth and the August report showing weak job additions. The Fed is still anticipated to deliver two rate cuts this year, though the recent uptick in core inflation complicates the decision. Overall, with the two dissenting votes at the July FOMC meeting in addition to the recent signals from the Fed Chair keeping the option of September easing open, momentum is building towards a rate cut in September.

According to the Institute for Supply Management (ISM), the manufacturing PMI registered 48.7 in August, up from 48.0 in July but down from 49.0 in June – remaining in contractionary territory. New orders returned to expansion in the latest reading, but production slipped back into contraction, and the employment index remained weak.

In the services sector, the PMI registered 52.0 in August, up from 50.1 in July and 50.8 in June, remaining in expansionary territory. Business activity and new orders strengthened, while employment continued to contract. Respondents highlighted tariffs and anticipated price increases as ongoing concerns.

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



Sources: Institute for Supply Management and Haver Analytics.

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

	US
2025	1.8
Change from previous month	0.0
2026	2.1
Change from previous month	0.0

Note: * 2025-2026 = Forecast.

Source: OPEC.

Following the contraction in 1Q25 and the considerable rebound in 2Q25, steady growth is anticipated for 2H25. Noting these positive dynamics in the US, while considering potential downside risks and uncertainties, the economic growth forecast for 2025 remains unchanged at 1.8%.

For 2026, continued consumer demand momentum, along with an improving investment outlook and easing monetary policy, points towards an expected acceleration in economic growth to 2.1%, unchanged from the previous month's report.

Eurozone

Update on the latest developments

Economic growth in the Eurozone stood at an upwardly revised 0.5%, q-o-q, SAAR in 2Q25, down from 2.3%, q-o-q, SAAR in 1Q25, which was supported by strong exports. In Germany, the Eurozone's largest economy, quarterly data show that private consumption expenditure growth slowed to 0.2%, q-o-q, SAAR in 2Q25, compared with 2.4% in 1Q25, while public consumption expenditure accelerated to 3.2%, q-o-q, SAAR after a contraction of 1.0% in the previous quarter. Gross capital formation rose by 3.8%, q-o-q, SAAR in 2Q25, following a contraction of 6.7% in 1Q25. However, gross fixed capital formation contracted by 5.5%, q-o-q, SAAR in 2Q25, reversing growth of 1.1% in the previous quarter, indicating that inventory accumulation accounted for much of the increase. Overall, Germany contracted by 1.1%, q-o-q, SAAR in 2Q25, compared with growth of 1.2% in 1Q25, reflecting weaker exports.

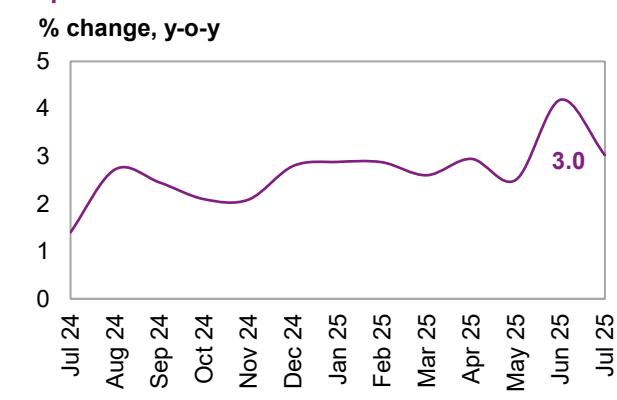
France, the second largest economy, grew by 1.3%, q-o-q, SAAR in 2Q25, up from 0.5% in 1Q25, supported by both private and public expenditure. However, domestic policy uncertainty in France has risen following the Prime Minister's defeat in a parliamentary confidence vote on his budget proposal to reduce the deficit. The resulting end of the government adds to political risks at a time when France's borrowing costs are already approaching their highest levels since the Eurozone debt crisis. Spain remained the fastest growing of the major economies, with growth accelerating to 3.0%, q-o-q, SAAR in 2Q25 from 2.5% in 1Q25, underpinned by balanced contributions from all expenditure categories and strength across services and manufacturing.

World Economy

On trade, the US–EU agreement reached in late July remains in place, easing some uncertainty over exports, though several details have yet to be clarified. The deal sets tariffs of 15% on most EU exports to the US, down from the previously threatened 30% that was scheduled to take effect in early August. Exemptions are limited to aircraft and aircraft parts, generic pharmaceuticals, and some agricultural products. Beverages remain subject to the 15% tariff, affecting French producers that had sought inclusion in the exemption categories. Steel and aluminium tariffs remain unchanged at 50%, with the scope expanded to cover 407 derivative products. The expansion affects broad categories of production, including machinery, automotive components, construction equipment, wind turbines, railcars, and a range of consumer and industrial goods packaged in steel or aluminium containers. This increases duties for European exporters across both heavy industry and in sectors such as chemicals, paints, and some agricultural products, where packaging can lead to higher tariff levels. This further adds to the compliance and regulatory burden, which has an additional impact on investment decisions and uncertainty.

Consumer spending continued to grow at a robust rate in July, with retail sales growing by 3.0%, y-o-y, down from 4.2% in June and up from 2.5% in May. Consumer confidence, as measured by the Economic Sentiment Indicator (ESI), edged down to 95.2 in August from 95.7 in July, though it remained above the April low of 93.9 recorded during the height of trade uncertainties. IP growth slowed to 0.5%, y-o-y, in June, down from 2.9% in May. In Germany, IP growth rebounded in July to stand at 2.1%, y-o-y, following a contraction of 4.3%, y-o-y, in June and compared with growth of 2.8%, y-o-y, in May. Inflation in the Eurozone rose slightly to 2.1%, y-o-y, in August, up from 2.0% in July and June.

Graph 3 - 5: Eurozone retail sales



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

Services inflation stood at 3.1%, y-o-y, in August, easing from 3.2% in July, while core inflation remained unchanged at 2.3%, y-o-y, since May. The ECB left interest rates on hold at its July meeting, citing inflation at target and price stabilization, and will next meet in mid-September. The unemployment rate declined slightly in July to 6.2%, down from 6.3% in June and 6.4% in May.

Near-term expectations

Economic growth in the Eurozone is expected to remain positive through the remainder of 2025 and into 2026, supported by easing trade-related uncertainties and steady consumer demand. Growth dynamics are underpinned by lower interest rates and declining unemployment, which continue to support private consumption. Spain is expected to sustain robust growth, while Germany and France are projected to expand at a slower pace. In Germany, fiscal spending on infrastructure and defence under the new government is expected to offset weaker momentum in manufacturing, with defence expenditure also rising across other member states. The implementation of 50% tariffs on steel and aluminium derivative products is expected to weigh on additional sectors beyond direct metals production. The services sector is likely to remain the main growth driver, with 3Q25 figures expected to reflect a strong tourism season, particularly in Spain, France and Italy.

On trade, the agreement signed between the US and the EU is expected to ease some uncertainty for producers and investors. However, the absence of fully defined structures within the deal, alongside the expansion of steel and aluminium tariffs to new sectors, suggests the potential for further disruptions even under the current framework. The agreement did not eliminate uncertainty, and the EU is expected to continue pursuing alternative bilateral trade deals to offset some of the lost volumes to the US. This includes a potential agreement with India, which could be finalised by the end of the year and would cover key sectors such as automobiles, pharmaceuticals and digital services. Nonetheless, the US remains the EU's largest export market and cannot be fully replaced in the near term.

On monetary policy, the ECB is expected to maintain its pause at the September meeting, following the decision to hold rates unchanged in July after four consecutive 25 basis point cuts earlier in 2025. With inflation close to target but showing a slight uptick, interest rates are expected to remain at current levels through at least 2Q26. At around 2%, policy remains significantly tighter than during the 2014–2022 period of near-zero rates, which may continue to weigh on growth dynamics.

World Economy

Eurozone PMIs for August indicated a return to expansion in the manufacturing sector, while services activity eased but remained in expansionary territory.

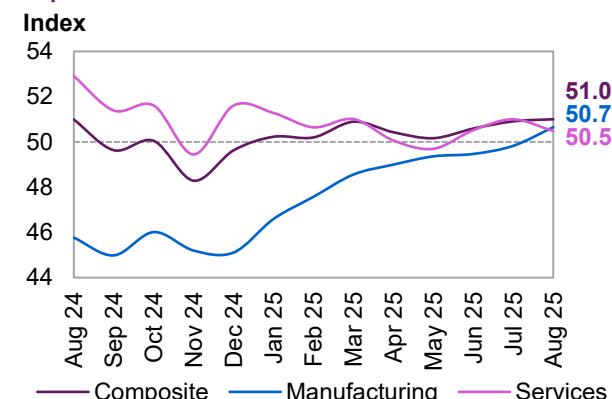
The manufacturing PMI increased to 50.7 in August from 49.8 in July and 49.5 in June, the highest level in 38 months. This marks the first return to expansionary territory since mid-2022. Output rose strongly, and new orders recorded their first monthly increase in more than three years, driven by domestic demand, while export sales declined slightly.

The services PMI eased to 50.5 in August from 51.0 in July, returning to the same level as in June. New export orders declined, while overall demand remained stable. Employment in the sector continued to rise; however, input cost inflation increased slightly.

With 1H25 showing continued growth across the Eurozone and uncertainty in trade easing, the economic growth outlook for 2025 stands at 1.2%, unchanged from the previous month's report.

For 2026, rising real wages and stabilising inflation are expected to sustain the economic growth dynamic. The economic growth forecast stands at 1.2%, unchanged from the previous month's report.

Graph 3 - 6: Eurozone PMIs



Sources: S&P Global and Haver Analytics.

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

Eurozone	
2025	1.2
Change from previous month	0.0
2026	1.2
Change from previous month	0.0

Note: * 2025-2026 = Forecast.

Source: OPEC.

Japan

Update on latest developments

Japan's economy registered growth of 2.2%, q-o-q, SAAR, in 2Q25, according to the latest release of the 2Q25 data, and compared with a previous estimate of 1.0%, based on data provided by the Ministry of Economy, Trade and Industry. This rebound compares with a downwardly revised growth of 0.3% in 1Q25. Government consumption expenditure rose slightly by 0.1%, compared to a contraction of 2.0%, q-o-q, SAAR, in 1Q25. Private consumption expanded by 1.6%, q-o-q, SAAR, in 2Q25, up from 0.1% in the previous quarter. Gross fixed capital formation slowed to 1.6%, q-o-q, SAAR, in 2Q25, down from 2.8% in 1Q25.

On trade, the US and Japan reached an agreement in late July that lowered US tariffs on Japanese goods to 15%, down from a threatened 25%. The deal expanded access to US agricultural products while maintaining 15% tariffs on Japanese autos, though without export volume limits. Since the agreement, disagreements have emerged over the terms of Japan's \$550 billion investment pledge to the US, leading to delays in finalising the full deal. Steel and aluminium tariffs remain at 50%, with the US expanding their coverage to include 407 derivative products.

Monthly data show a recovery in consumer confidence, although retail sales remain in contraction. Consumer confidence increased to 34.2 in August, up from 33.5 in July and roughly returning to June levels. Retail sales contracted by 6.8%, y-o-y, in July, marking the sharpest contraction this year, compared to 5.3% in both June and May. IP also returned to contraction, declining by 0.7%, y-o-y, in July, after robust growth of 2.8% in June, though slightly better than the 0.8% contraction in May.

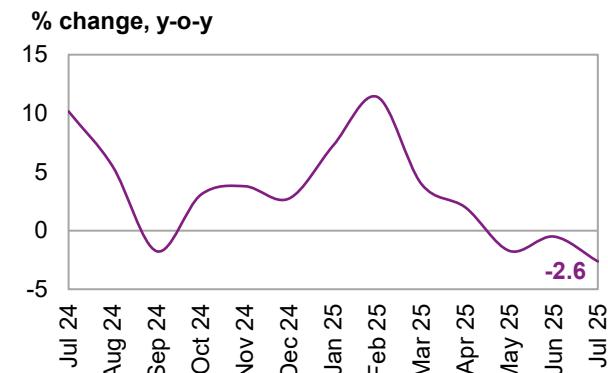
Inflation continued to ease in July, extending the trend from the start of the year. Headline inflation, including fresh food, slowed to 3.1%, y-o-y, in July, down from 3.3% in June and 3.5% in May, after starting 2025 at 4.0% in January and gradually declining since. Core inflation remained stable at 1.6%, y-o-y, in July for the fourth consecutive month. Unemployment edged down to 2.3% in July, down from 2.5% in the previous four months. At its July meeting, the Bank of Japan (BOJ) kept interest rates unchanged at 0.5%, citing continued uncertainty regarding trade dynamics but noting the expected positive impact of reduced uncertainty following the trade deal with the US. The next BOJ meeting is scheduled for mid-September.

World Economy

On a monthly basis, export growth contracted by 2.6%, y-o-y, in July, following declines of 0.5% in June and 1.7% in May. Imports contracted by 7.4%, y-o-y, in July, compared to growth of 0.3% in June and a contraction of 7.6% in May.

The trade deficit widened to JP¥303 billion (\$2.1 billion) in July, up from JP¥248 billion (\$1.7 billion) in June but down from JP¥292 billion (\$2.0 billion) in May. In April, with the implementation of US tariffs, the trade deficit had widened sharply to JP¥342 billion (\$2.4 billion).

Graph 3 - 7: Japan's exports



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

Near-term expectations

Japan's economy remains on a stable growth trajectory through the end of 2025 and into 2026. Trade stability has improved prospects for investment and earnings, although unresolved elements of the trade deal with the US continue to generate uncertainty. The automobile sector faces 15% tariffs, but since this rate applies to all foreign producers, Japan does not face a relative competitive disadvantage in the US import car market. The expansion of steel and aluminium tariffs to 407 derivative products is expected to weigh on Japanese exports. At the same time, these tariffs will also raise costs for US automakers through higher input prices for car parts and raw materials, partially offsetting the impact and supporting the relative position of Japanese producers.

After robust growth in 2Q25, the Japanese economy is expected to decelerate slightly in 2H25. The slowdown reflects weaker consumer spending, as indicated by monthly retail sales through July, alongside expectations of renewed monetary tightening. In 2026, growth is projected to accelerate from 0.7%, q-o-q, SAAR in 1Q26 to 1.5%, q-o-q, SAAR in 4Q26, supported by stabilising prices and normalising trade dynamics. Declining inflation, improving real wages, and falling unemployment are expected to provide further support to consumer spending.

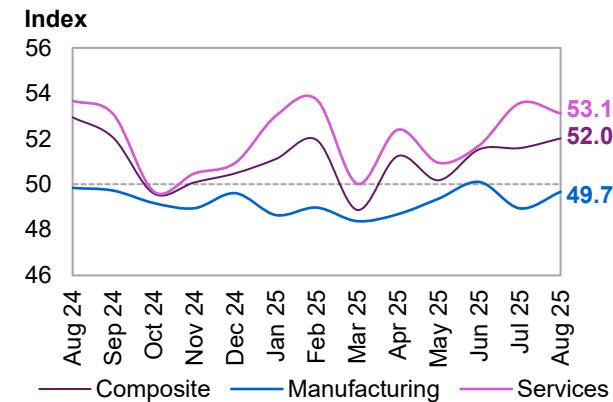
Monetary tightening by the BoJ is expected to resume towards the end of the year as trade conditions stabilise. The BoJ has emphasised the need for additional data to assess the effects of recent US trade dynamics and their impact on prices. Although inflation has eased, it remains above the 2% target. With some uncertainties still present, the pace of tightening is likely to remain cautious through the end of the year.

August PMI data indicated continued contraction in the manufacturing sector and expansion in the services sector, although at a slower pace.

The manufacturing PMI rose to 49.7 in August from 48.9 in July but remained below the expansionary June level of 50.1. Output contraction continued but at a slower pace, while export demand weakened further.

The services PMI stood at 53.1 in August, easing from 53.6 in July but remaining above the June level of 51.7. Growth continued to be supported by a solid expansion in new orders, although export sales declined, partially offsetting the expansion.

Graph 3 - 8: Japan's PMIs



Sources: S&P Global and Haver Analytics.

World Economy

Noting the strong performance in 2Q25, the easing uncertainty regarding trade and the anticipated slowing momentum in 2H25, the 2025 economic growth forecast for Japan remains unchanged at 1.0%.

For 2026, economic growth is expected to decelerate due to the continued effects of tight monetary policy, with the economic growth forecast standing at 0.9%, unchanged from the previous month's outlook.

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

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

Note: * 2025-2026 = Forecast.

Source: OPEC.

Non-OECD

China

Update on the latest developments

China's economy continued to exhibit robust economic growth momentum in 3Q25, following healthy growth levels in 1H25. Economic growth stood at 5.4%, y-o-y, in 1Q25 and was only mildly lower, reaching 5.2%, y-o-y, in 2Q25. This compares to annual growth in 2024 of 5%, the level that was set as a growth target for 2025. At the July Politburo meeting, officials reaffirmed their commitment to meeting full-year economic targets, leaving the door open for more policy support should growth weaken.

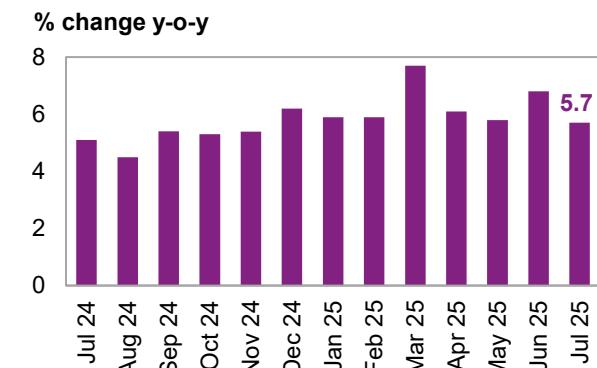
Although some of the 1H25 growth level was achieved due to the frontloading of exports, in anticipation of US tariffs, exports have continued performing well, and domestic improvements have also led to ongoing 2H25 support. While exports to the US fell from April up to August, after high US tariffs were introduced in 1Q25, exports to other destinations have compensated for this decline. Domestic development saw steady growth as well, and the government continued to support the economy via fiscal and monetary policy measures. Although gradually improving, the housing sector remains a soft spot in the economy; nevertheless, the government has thus far successfully engineered a rebound from very low levels.

Headline inflation edged down again in August, moving into deflationary territory, as it fell by 0.4%, y-o-y. This follows a stagnant CPI in July and a rise of 0.1% in June, following a negative reading in the three preceding months up to May. Food prices fell by a considerable 4.3%, y-o-y, in August, compared with a decline of 1.6%, y-o-y, in July, and after they fell by 0.3%, y-o-y, in June. Excluding food and energy prices, core CPI inflation edged up to a rise of 0.9%, y-o-y, in August, following a rise of 0.8%, y-o-y, in July and 0.7% in June.

IP growth in China remained at a robust level in July, expanding by 5.7%, y-o-y, after 6.8% in June, and 5.8% in May, all supported by ongoing momentum in exports following the US-China trade truce extension.

Retail sales continued to expand healthily as well, but softened somewhat, growing 3.7%, y-o-y, in July, after 4.8%, y-o-y, in June, and 6.4% in May. This trend was mainly due to falling growth in offline goods and automobile sales. Specifically, y-o-y growth in offline goods sales retracted to 2.4%, y-o-y, in July, down from 5.6% in June, while online goods sales and restaurant sales rose to 8.3%, y-o-y, and 1.1%, y-o-y, respectively, up from 4.7% and 0.9% in June.

Graph 3 - 9: China's industrial production



Sources: China National Bureau of Statistics and Haver Analytics.

According to the 70-city price index provided by Haver Analytics, housing prices in July continued to decline at a stable rate of 5%, y-o-y, following a similar contraction in June and May. This follows a decline of 5.5%, y-o-y, in April. Moreover, the urban unemployment rate remained almost steady in July, standing at 5.2%, following 5% in June and May, and 5.1% in April. Urban youth unemployment rose, reaching 17.8% in July, after levels of 14.5% in June, 14.9% in May and 15.8% in April. This trend may also be due to the fact that there are 12.2 million college graduates this year, compared with 11.8 million in 2024. This, in combination with uncertainty in US trade relations and more accentuated deflation in producer prices, may have led to this seasonal increase in the youth unemployment rate during July.

World Economy

The latest trade data shows that China's trade surplus expanded slightly, supported by slightly lower imports and despite persistent headwinds in trade relations with the US. However, trade diversification efforts to other regions continued successfully, as it seems.

The trade balance reached \$102.3 billion in August. Following a surplus of \$98.2 billion in July and \$114.6 billion in June.

Exports reached \$321.8 billion in August, the same level as in July and after \$325.1 billion in June.

Imports reached \$219.5 billion in August, following \$223.5 billion in July and \$210.5 billion in June.

Near-term expectations

China's economy is expected to remain well supported through the end of 2025, underpinned by robust performance in 1H25 and the extension of the temporary US-China trade agreement until November. Growth momentum was strong in 1H25, with GDP expanding by 5.4%, y-o-y, in 1Q25 and 5.2% in 2Q25. Sentiment indicators suggest this positive trend extended into 3Q25, pointing to a solid pace of activity. Both the manufacturing sector, which continues to post resilient output growth, and the domestically-oriented services sector continue to expand healthily.

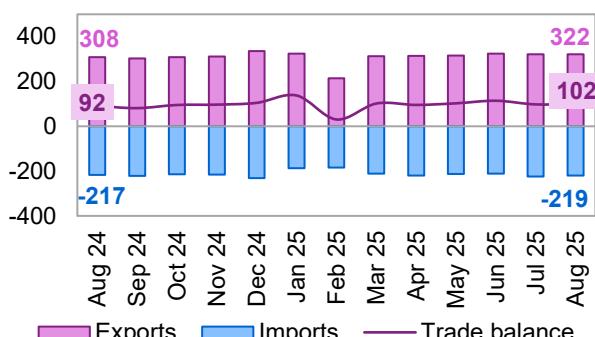
Despite persistent headwinds from US trade barriers, China's economy has demonstrated notable resilience to date. Current growth dynamics even suggest some upside potential, reflecting the effectiveness of domestic policy support and a gradual reorientation of external trade. In particular, monetary and fiscal measures aimed at strengthening domestic demand have helped offset external pressures, while exporters continue to diversify their markets beyond the US.

On near-term monetary policies, the PBoC published its latest Q2 monetary policy report in mid-August and maintained an easing bias. Of note, however, it also placed a stronger emphasis on implementing existing measures and pursuing targeted support. This indicated a limited willingness to pursue broad-based monetary easing, reflecting a cautious and pragmatic stance. Such an approach aligns with recent policy communications, including from the July Politburo meeting and the Q2 Monetary Policy Committee (MPC) minutes, which have consistently pointed to a measured and reactive policy framework rather than a shift towards aggressive stimulus. Notably, the tone on credit extension appeared less accommodative compared with the Q2 MPC minutes. The language moved away from "intensify credit extension" towards "maintain steady support", suggesting a focus on sustaining lending levels without significant expansion. At the same time, greater weight was placed on relending programmes aimed at policy priority areas, underscoring the authorities' intent to channel credit more selectively to sectors aligned with longer-term economic goals. On the foreign exchange front, the discussions signalled a preference for a firmer yuan. This indicates an effort to balance monetary easing with currency stability, reinforcing the PBoC's broader objective of maintaining financial stability and supporting the yuan as a reserve currency, while at the same time managing growth-supportive measures in a more targeted and disciplined manner.

On the domestic front, the government's consumer goods trade-in programme has remained an important driver of household spending, sustaining private consumption at healthy levels. In addition, accommodative monetary conditions are anticipated to ensure ample liquidity, while targeted fiscal initiatives are supporting investment and public demand. Together, these measures are helping to stabilise growth and reduce the economy's vulnerability to external shocks.

Graph 3 - 10: China's trade balance

US\$ bn



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

World Economy

In the meantime, the latest PMI data for August indicate improving momentum in both the services and manufacturing sectors, despite export-related frontloaded activity in 1H25.

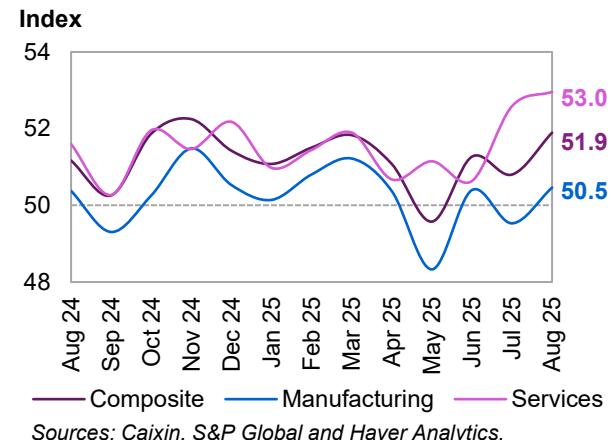
The Manufacturing PMI rebounded to move back above the expansionary level of 50 once again, standing at 50.5 in August, following 49.5 in July, 50.4 in June and 48.3 in May. This is also the highest level since March.

The Services PMI continued to improve, rising from 52.6 in July to 53 in August, signalling expansion in the sector. This compares with 50.6 in June and 51.1 in May, and marks the highest level since May 2024.

Given China's solid economic performance in early 2025, continued momentum in 3Q25, and the likely easing of trade tensions with the US, the country's robust growth trajectory is expected to be sustained. Looking ahead, the combination of pro-growth domestic policies and expectations for a normalisation of US-China trade relations provides a constructive backdrop for the near term. While external challenges will likely persist, the shift towards more diversified trade partners and steady domestic demand should help maintain a stable growth path. As a result, economic expansion in both 2025 and 2026 is forecast to remain well supported. While further upside potential may materialise in the near term, the economic growth forecast for 2025 remains unchanged at a healthy 4.8%.

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

Graph 3 - 11: China's PMI



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

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

	China
2025	4.8
Change from previous month	0.0
2026	4.5
Change from previous month	0.0

Note: * 2025-2026 = Forecast.

Source: OPEC.

India

Update on the latest developments

India's economy maintained a high growth dynamic in 2Q25. Following economic growth of 7.4%, y-o-y, in 1Q25, economic growth in 2Q25 expanded to stand at 7.8%. The services sector contributed more than two-thirds of this economic activity. At the same time, manufacturing held up well and slightly increased in 2Q25. Services sector growth rose to a two-year high of 9.3%, y-o-y, up from 7.3%, y-o-y, in 1Q25, mainly expanding in non-oil intensive areas like business and real-estate services, and financial and other services. This high growth in the services sector was unexpected and more than compensated for the anticipated slowdown in tourism and transport following the temporary closure of multiple airports during a border conflict in May and an airplane accident in mid-June. Moreover, manufacturing activity also strengthened, registering a five-quarter high of 7.7%, y-o-y, following 4.8% growth in 1Q25. In contrast, agricultural growth moderated to a one-year low of 3.7%, y-o-y, following growth of 5.7% in 1Q25. The slowdown in agriculture was somewhat surprising, given that high-frequency indicators pointed to robust summer-crop sowing, which rose by approximately 11%, y-o-y, in June. On the expenditure side, private consumption grew strongly, rising to a one-year high of 7.0%, y-o-y, from 6.0%, y-o-y, in 1Q25. Fixed investment remained robust, expanding by 7.8%, y-o-y, compared with 9.4%, y-o-y, in 1Q25, underpinned by strong central government capex, which grew by 50%, y-o-y, but also on a favourable base.

However, in the meantime, US tariffs on Indian exports have increased substantially to a level of 50%, up from global baseline tariff levels of 10% that were in place up to the beginning of August and compared with an average tariff rate of below 3% for India in 2024. Although India has increased its imports from the US most recently, trade negotiations between India and the US have not led to a lowering of the relatively high US tariffs. US imports from India total less than \$90 billion, slightly more than 2% of India's GDP. Thus, they remain relatively limited in scale compared to the size of India's economy. More than 40% of Indian exports to the US are exempt from tariffs, including pharmaceuticals, consumer electronics and semiconductors.

World Economy

In the meantime, the uncertainties in trade weakened the Indian rupee, which fell to a level of more than 88 Indian rupees per US dollar, a record low, by the end of August and after the 50% tariff level came into effect. The rupee has fallen around 3% against the dollar this year, making it one of the weakest currencies among the major Asian economies. It may be possible that the RBI will allow it to depreciate further to support exporters facing the steep tariffs.

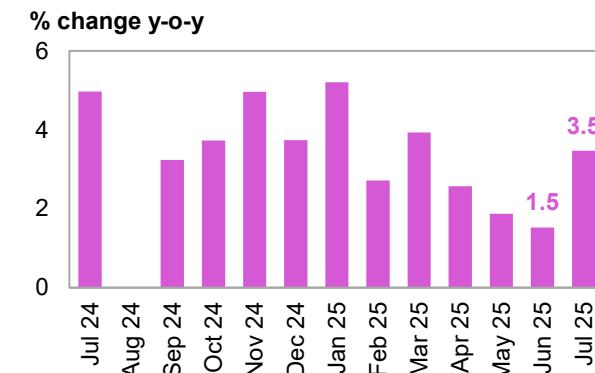
India's unemployment rate fell to its lowest level in recent months, standing at 6.3% in July, following a level of 6.8% in June and 7.5% in May. This was mainly driven by seasonal shifts in rural employment, with the rural unemployment rate falling from 7.5% in May to 6.4% in June, while the urban unemployment rate remained relatively stable, standing at 7.5% in June after 7.6% in May.

IP rebounded sharply on an annual basis, rising 3.5%, y-o-y, in July, after IP expanded by 1.5%, y-o-y, in June, and 1.9%, y-o-y, in May.

Headline inflation eased further to 1.6%, y-o-y, in July, down from 2.1% in June, 2.8% in May and 3.2% in April. The July reading marked the lowest level since 2017. A continued deflationary trend in vegetable prices led to this significant retraction in overall prices. Contrary to the slowing price trend in headline inflation, core inflation remained relatively more persistent, but retracted significantly as well, standing at 3.9%, y-o-y, in July, after a level of 4.4%, y-o-y, in June and following 4.2% in May. Core inflation was again mainly driven by continued high prices for precious metals, particularly gold and silver, in combination with persistently strong services inflation.

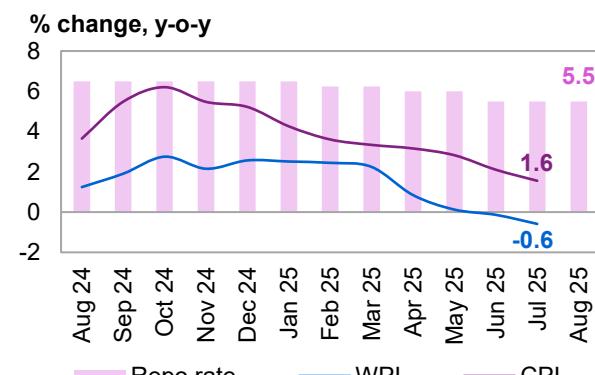
The RBI kept the key policy rate on hold, highlighting at its meeting in August uncertainties related to US tariffs that were still evolving, monetary policy transmission that was continuing, as well as the impact of the 100 basis-point rate cut since February 2025 on the broader economy, which is still unfolding and will need to be monitored in the very near term. The central bank kept its "neutral" stance, indicating that further rate cuts will depend on India's near-term growth-inflation dynamics, among other factors.

Graph 3 - 12: India's industrial production



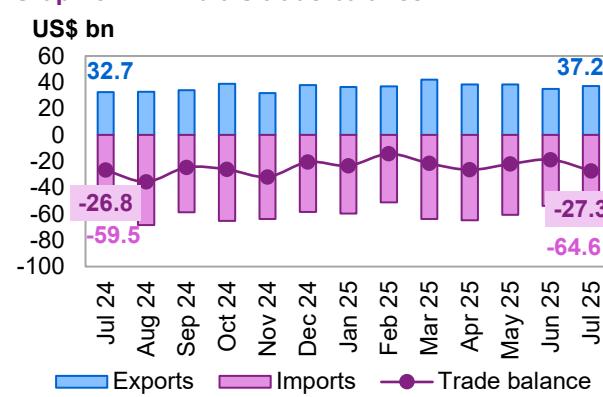
Sources: Ministry of Statistics and Program Implementation of India and Haver Analytics.

Graph 3 - 13: Repo rate and inflation in India



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

Graph 3 - 14: India's trade balance



Sources: Ministry of Commerce and Industry and Haver Analytics.

Near-term expectations

India's economy is expected to maintain a strong growth trajectory in 2025 and 2026. Although it is projected to post the highest growth among major Asian economies, this solid performance aligns broadly with the positive momentum seen across the region. Following an exceptionally high growth dynamic in 1H25, averaging 7.6%, y-o-y, growth in India is anticipated to be well maintained this year. The services sector showed a robust dynamic in the first six months of the year, government capex spending picked up and is expected to continue, and domestic consumption has also shown a healthy growth trend, particularly in 2Q25.

Headline inflation has hit a very low level, mainly due to the impact of declining vegetable prices and, to some extent, energy prices. Core inflation seems to have reacted with some time-lag and has retreated most recently. This may provide the RBI with some room to manoeuvre if counter-balancing monetary policies become necessary in response to some deceleration. Also, a reasonable depreciation of the rupee may help support exports. Considering the low inflationary environment, real incomes and purchasing power for consumers are also well supported in an environment of falling unemployment and an increasingly balanced labour market. Furthermore, the government is anticipated to continue its capex spending dynamic, as reflected in this fiscal year's budget, another factor that may prove supportive in the months to come. Sentiment indicators point to continued buoyant momentum in 3Q25 and possibly beyond. It is worth noting that the ongoing trade-related uncertainty and the currently suggested US tariffs of up to 50%, if not negotiated down, may have some dampening effect on 2H25 and 2026 growth levels. On the positive side, India's newly concluded trade agreements – such as with the UK and potentially the EU – are expected to provide further support to India's externally driven economic growth from trade going forward.

Moreover, the 2Q25 GDP data confirms that domestic momentum has improved further. This recovery in consumption has been supported by easing credit conditions, with the central bank lowering interest rates by 1 percentage point (pp) since the beginning of the year, and also steady rural demand, supported by a good harvest. Moreover, slowing food inflation, government welfare spending and a mild urban uplift from income tax cuts have been supportive as well, lifting spending power and leading to continued 2H25 momentum.

Monetary easing is anticipated to play an important role in offsetting the potential impact of US tariffs and supporting growth in the coming months, if needed. As inflation is projected to stay well below 4%, the RBI has further flexibility in monetary policy accommodation. Following comments from the latest monetary policy meeting in August, no further rate cuts are imminent in 2H25, although under its recently adopted "neutral" stance, the RBI has signalled that future policy decisions will be data-driven.

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

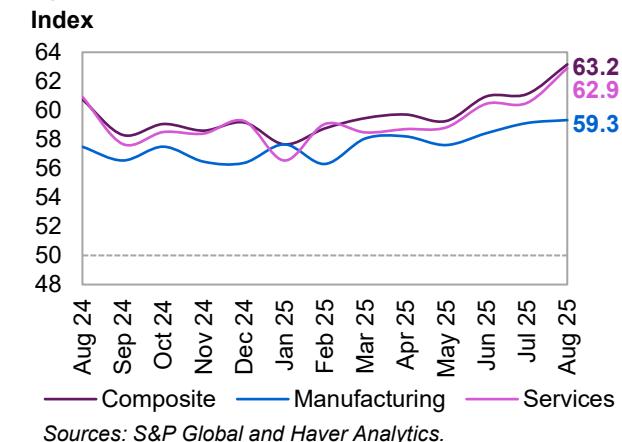
The manufacturing PMI rose slightly to stand at 59.3 in August, following a level of 59.1 in July and 58.4 in June, pointing to continued expansion.

The services sector PMI remained strong in August as well, with the index rising to 62.9, following an already strong level of 60.5 in July, and after 60.4 in June and 58.8 in May.

Supported by the strong 1H25 growth dynamic, the economic growth forecast for 2025 is well supported, standing at 6.5%, unchanged from the previous month. Given the above-mentioned improvements

stemming from the 1H25 growth dynamic, and in anticipation of a continued robust growth trend, economic growth for 2025 may see some further upside in the near term. However, it remains to be seen how ongoing trade relations with the US will develop and to what extent global trade dynamics may impact the Indian economy.

Graph 3 - 15: India's PMIs



World Economy

That said, it currently seems that the impact is limited, and it is expected that the currently introduced tariffs will be reduced through future negotiations. Assuming trade relations remain stable and the economy is able to counterbalance a limited negative impact, the Indian economy is expected to maintain its robust expansion, supported by policy continuity and easing inflation. As a result, economic growth is projected to hold steady at 6.5% in 2026.

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

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

Note: * 2025-2026 = Forecast.

Source: OPEC.

Brazil

Update on latest developments

Following sound growth in 1Q25, the latest available data for 2Q25 confirms a steady growth trend. Economic growth reportedly stood at 2.2%, y-o-y, in 2Q25, following growth of 2.9%, y-o-y, in 1Q25. While the numbers confirm an anticipated deceleration, growth was well supported in 2Q25, primarily by the services sector and the agricultural sector. On the demand side, household consumption rose 1.8%, y-o-y, compared with 2.6% in 1Q25, while government spending increased by 0.4%, y-o-y, following growth of 1.1%, y-o-y, in 1Q25. Gross fixed capital formation advanced 4.1%, y-o-y, a deceleration from the annual 9.1% gain seen in the previous quarter. From a supply perspective, the services sector grew 2.0%, almost matching the 2.1% from 1Q25, while industrial output expanded 1.1%, y-o-y, compared with 2.4% in 1Q25, with mixed results across subsectors: manufacturing stagnated at 0%, construction edged up 0.2%, mining – including the oil sector – surged 8.7%, and utilities contracted 4.0%. The agriculture and livestock sector posted strong growth again of 10.1% in 2Q25, nearly unchanged from the 10.2% seen in 1Q25. Sentiment indicators point to a continued deceleration in 2H25, albeit keeping growth well supported. The consumer sentiment index, in particular, indicates a continued expansion in consumer spending on a non-seasonally adjusted basis, though at a lower level than last year.

The Consumer Confidence Index rose by 1.4 index points in August to stand at 86.6, compared with an index level of 85.2 in July, on a non-seasonally adjusted basis. However, the composite business confidence indicator declined by 2.5 points in August to stand at 89.2, compared with 91.7 in July. Both confidence indices are provided by the Fundação Getulio Vargas. Business confidence fell across multiple sectors, including manufacturing, services, and retail. A key factor behind the slowdown on an annual basis, especially in business, but also in consumption to some extent, was the BCB monetary tightening cycle, with the BCB having maintained its rate-hiking cycle in 2025.

Furthermore, inflation remained relatively persistent, leading the central bank to continue pursuing a cautious monetary policy and keeping interest rates at a considerably high level. Moreover, the fiscal situation continues to be a concern, with rising debt levels and diminishing fiscal space. Hence, the next steps in improving the fiscal situation will need to be closely monitored. Moreover, US tariffs, while so far having had only a minor impact on Brazilian economic growth rates, remain an area of some concern, after the US administration unexpectedly lifted tariffs to stand at 50% by August. This could have a further impact in the near term if no agreement on lower tariffs between the two nations is found.

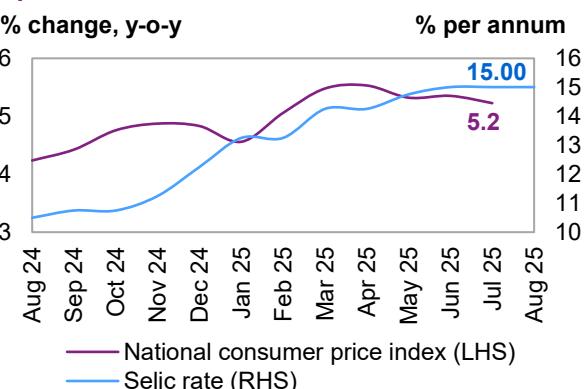
Headline inflation retracted slightly in July, standing at 5.2%, y-o-y, compared with 5.4%, y-o-y, in June and 5.3%, y-o-y, in May.

Core inflation remained stable in July, standing at 5.4%, y-o-y, the same level as in June, after rising from 5.1%, y-o-y, in May.

Due to persistent inflationary pressure, the BCB kept the Selic rate – its monetary policy rate – unchanged at its latest policy meeting in July, after lifting it by 25 bp to 15% in June.

In meeting minutes released from the July meeting, the BCB indicated that it will likely hold the policy rate at a significantly restrictive level for as long as it takes. In this regard, the BCB also noted that it was open to doing more and to being even more restrictive, if needed.

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



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

Near-term expectations

Following robust growth in 1H25, significantly supported by the agricultural and services sectors, growth is forecast to decelerate somewhat in 2H25. This is amid an ongoing subdued growth trend, seasonal support from agriculture fading, and the corporate sector being generally dampened by ongoing tight monetary policies. In addition, the high US tariffs of 50% on imports from Brazil will have some dampening impact as well. Following strong annual growth of 2.9% in 1Q25, growth in 2Q25 stood at 2.2%, y-o-y. It is estimated that this will be followed by a growth of 2.1%, y-o-y, in 2H25, reflecting a slight slowdown in the manufacturing sector and – to a lesser extent – a slowdown in the services sector. While the growth rates in 2025 remain robust, they compare to exceptionally high growth in 2H24, when growth stood at 3.6% in 4Q24 and 4.0% in 3Q24. The deceleration largely stems from the lingering effects of restrictive monetary policy and necessary fiscal tightening measures aimed at restoring public finance stability. Nonetheless, activity should continue to find some support from targeted fiscal transfers, higher real incomes and expanded credit initiatives, though the impact is likely to be more modest than before. At the same time, tighter financial conditions, elevated household leverage and capacity constraints could weigh further on the growth trajectory.

Looking into 2026, economic growth is expected to expand, reaching about 2.3% in 1H26 and roughly 2.6% in 2H26. This pickup is expected to be supported by monetary easing to prevent inflation from remaining below the lower end of the central bank's target. Even so, rising fiscal pressures, the recent US tariff hike to 50% and the persistence of tight monetary conditions suggest that these projections may need to be reassessed in the near term.

The recent announcement of 50% US tariffs on Brazilian exports poses some downside risk, albeit the impact in 2025 is assumed to be minor. With US-bound exports making up about 2% of Brazil's GDP, reduced demand is estimated to impact 2H25 growth by up to 0.4 pp. Brazil may offset some of the impact through negotiations or by redirecting exports – particularly of widely traded commodities like agricultural products, metals and fuels, which make up over half of its US exports – to other markets. However, in 2026, the effect could be larger, namely, more than 0.5 pp.

With reference to the challenging fiscal situation, Brazil's consolidated public sector posted a R\$66.6bn deficit in July, pushing the 12-month primary balance into a 0.2% of GDP deficit, which is projected to more than double by year-end. The overall fiscal deficit stands at 7.9% of GDP, while gross government debt has risen to 77.6% of GDP and is expected to keep climbing. A pro-cyclical fiscal stance, persistent spending pressures, and the absence of a credible fiscal anchor have weakened fiscal targets, added to overheating risks and fuelled higher risk premia, contributing to an upside in inflation expectations. Looking ahead, the debt dynamics will likely continue on an upward path. Achieving a sustainable decline in debt would require structural primary surpluses, possibly above 2% of GDP, an outcome that may be challenging to achieve in the near term. Considering that more than 90% of primary spending is tied to mandatory outlays, there is little room for adjustment, and rising social expenditures continue to strain the budget.

Several temporary factors contributed to the ongoing high level of inflation, including strong domestic consumption, the end of government subsidies on electricity bills in 2025, and higher gasoline and ethanol prices following the reinstatement of taxes on these fuels in January this year, among other elements. These temporary effects are anticipated to become less impactful towards the end of the year and in 2026. Inflation is expected to remain high at around 5% in 2025. An additional factor is the generally rising services inflation, pushed up by the increase in real wages. In response, the central bank is likely to keep monetary policy tight and may tighten further to re-anchor expectations, even at the risk of overshooting the target later. As a result, the BCB may start the easing cycle only towards the turn of the year.

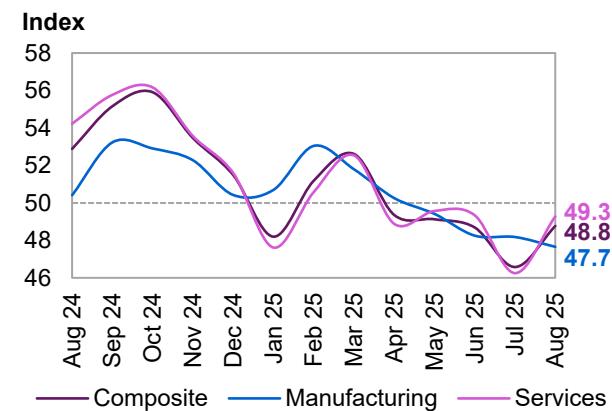
The August PMI indices reflect an obvious moderation in the economy's manufacturing sector, while the services sector has improved, mirroring the underlying growth trend.

The Services PMI rebounded considerably and rose by 3 index points to stand at 49.3 in August, compared with 46.3 in July and 49.3 in June. However, it remains below the growth-indicating threshold of 50.

The Manufacturing PMI fell again in August, declining to a level of 47.7, compared with 48.2 in July and 48.3 in June.

Noting the sound 1H25 growth dynamic, but at the same time reflecting the ongoing deceleration in the Brazilian economy and continued fiscal constraints, the 2025 economic growth forecast remains at 2.3%.

Graph 3 - 17: Brazil's PMIs



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

World Economy

Moreover, the announced 50% tariffs on US imports from Brazil may dampen GDP growth in 2H25 if a solution between the two nations is not found.

For 2026, the economic growth forecast stands at 2.5%, also unchanged from the previous month. This reflects an anticipated acceleration in growth, driven by monetary easing and some support from fiscal reforms, which in turn will boost domestic consumption and investments. However, fiscal developments and the lagged impact of tight monetary policies remain key uncertainties for the coming year. Moreover, the outcome of US import tariffs on Brazilian goods remains to be seen – a factor that could also dampen growth in the coming year.

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

Brazil
2025
Change from previous month
2026
Change from previous month

Note: * 2025-2026 = Forecast.

Source: OPEC.

Russia

Update on the latest developments

The Russian economy continued its normalising growth trajectory in 2Q25, following the trend from 1Q25 and considerable growth levels of more than 4% in both 2024 and 2023. Economic growth stood at 1.1%, y-o-y, in 2Q25, as activity slowed, also impacted by base effects. This follows growth of 1.4%, y-o-y, in 1Q25. Meanwhile, the central bank cut the policy rate by a combined 3 pp over the summer, counterbalancing some of the slowdown and taking advantage of a deceleration in consumer price inflation. Additionally, declining commodity prices have weighed on budget revenues and have limited the room for fiscal stimulus beyond the current levels. Amid this limited fiscal space, the government may need to tap different revenue sources, such as raising taxes, cutting government expenditure, or accepting higher deficits. While the most recent US-Russia summit in Alaska and subsequent meetings have not yet produced concrete results, positions may converge, with the potential to lift economic growth prospects. While the Russian ruble strengthened significantly in the first six months of the year compared to the US dollar, gaining around 30%, it has started to weaken marginally, declining by around 3% since then. Furthermore, inflation has continued to retreat, but the combination of a potentially weakening ruble and rising import bills, together with ongoing strong wage growth, provides strong tailwinds for ongoing persistent inflation levels.

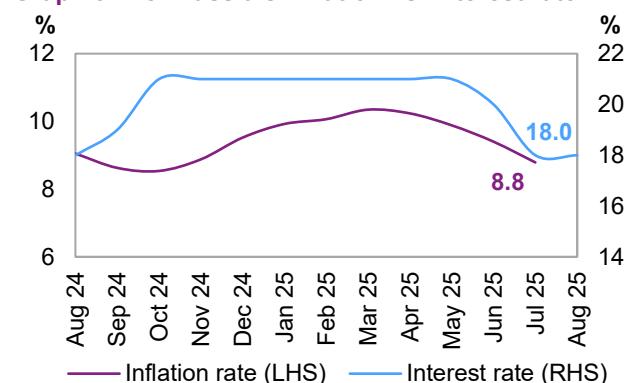
Meanwhile, headline CPI edged down further in July to 8.8%, compared with 9.4%, y-o-y, in June and 9.9%, y-o-y, in May. M-o-m inflation rose to 0.5%, following 0.2% in June and 0.4% in both May and April. Core inflation also moderated slightly, standing at 8.5% in July, down from 8.7%, y-o-y, in June, and 8.9%, y-o-y, in May.

Given these slowing inflation trends and the already very high key policy rate level, the CBR continued to lower the rate by 200 bp to 18% at its meeting in late July. The decision reflected a faster-than-expected decline in inflation. While the bank may update its projections at its September meeting, it has kept its forecast for Russian GDP growth in 2025 at 1.0–2.0%, as part of its medium-term forecast. The forecast for Russian GDP growth in 2026 stands at 0.5–1.5%.

The above-mentioned moderating growth trend continued into 3Q25, with IP retracting to only 0.8%, y-o-y, in July, following a pickup in June, when it rose by 2%, y-o-y, and following an expansion of 1.9%, y-o-y, in May, all on a non-seasonally adjusted basis. Retail sales growth on a volume basis saw a continued expansionary trend in July, rising by 1.7%, y-o-y, following a rise of 1.0%, y-o-y, in June, and an expansion of 1.6%, y-o-y, in May.

Moreover, the labour market remains tight, with the unemployment rate relatively steady in recent months, standing at 2.3% in July, unchanged from June, following 2.2% in May and 2.3% in April. The ongoing tight labour market continues to support accelerating wage growth and consumer spending, but is also keeping inflation at elevated levels. Russia's nominal average wages saw continued high growth in recent months. Wages expanded by 15%, y-o-y, in June, compared with 14.5%, y-o-y, in May, following a rise of 15.3%, y-o-y, in April and 10.5%, y-o-y, in March.

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 lower-than-expected economic growth in 1H25, averaging around 1.3%, y-o-y, a rebound from this low base is forecast to materialise in 2H25 and 2026. This may also be supported by a continued lowering of the key policy rate by the CBR, and by continued steady growth in domestic consumption. Although these normalised growth levels come after strong economic momentum in 2023 and 2024, it is worth noting that the Russian economy is still expected to maintain a solid growth trajectory in the near term, around matching its pre-pandemic growth levels of 1.5%–2%.

The current growth dynamic is nevertheless limited by tight labour markets and general capacity constraints. Among other factors, more moderate commodity prices and persistently high interest rates represent limiting factors as well. In addition, rising fiscal constraints may also limit the government's ability to provide similar broad-based support, as seen in the previous two years. However, the economy's resilience – having repeatedly outperformed pessimistic forecasts – calls for caution against overly negative expectations. Net exports continued, though more modestly government-driven support, remain important pillars of growth, even as increasing external pressures could begin to weigh more heavily in 2H25 and beyond.

While deflationary pressures are prevailing, and the CPI is seen declining towards the end of the year to a level of around 7%, the inflationary trend will need close monitoring. As the current account balance has weakened, and the ruble is expected to possibly further depreciate, inflation may rebound towards 2026. Moreover, with the value of exports contracting faster than the value of imports, continued ruble depreciation – and the resulting rise in import bills – may once again fuel more persistent inflation. Robust real wage growth and rising petrol prices are additional sources of inflation in the near term.

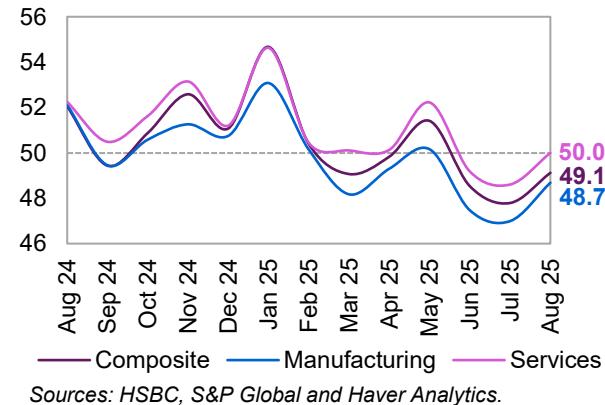
While it seems likely that the CBR will deliver another cut at its meeting in September, and possibly continue pursuing an accommodative monetary policy up to year-end and beyond into 2026, this will remain data-dependent, considering the upside risk of inflation.

The latest PMI figures from August show some gradual rebound in the outlook for both the manufacturing and services sectors.

The manufacturing PMI rose by a considerable 1.7 index points to stand at 48.7 in August, compared with 47 in July and 47.5 in June.

The services sector PMI rebounded as well to stand at 50, following a decline to an index level of 48.6 in July, after standing at 49.2 in June.

Graph 3 - 19: Russia's PMI Index



The economic growth projection for 2025 is unchanged from last month, standing at 1.8%, noting the normalisation in Russian growth in 1H25 and the gradual rebound in 2H25.

In 2026, the Russian economy is projected to see steady growth, with the economy expected to expand at 1.5%, unchanged from the previous month's estimate.

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

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

Note: * 2025-2026 = Forecast.

Source: OPEC.

Africa

South Africa

Update on the latest developments

The South African economy has shown some recovery following modest growth earlier in the year. This positive momentum is expected to have persisted into 2Q25, despite the array of challenges the economy continues to face. In 1Q25, annual economic growth reached 0.8%, indicating ongoing expansion. Notably,

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private consumption increased by 2.8%, y-o-y, up from 2.6% in 4Q24, suggesting that underlying domestic demand remains steady. However, amid lingering uncertainties, fixed investment stayed weak, contracting by 3.2%, y-o-y, continuing the trend observed in previous quarters. Meanwhile, South Africa's trade with the US remains likely to be impacted by newly imposed tariffs, namely 30% on most products, 25% on vehicle exports and 10% on a range of other products. This comes in tandem with the loss of preferential access through the African Growth and Opportunity Act. Related negotiations between both countries seem to be ongoing, but their outcome remains to be seen. Up to the implementation of these high US tariffs, monthly trade data suggested that South Africa's trade dynamic was rising at a steady pace. The trade surplus increased from 2.2% of GDP in 1Q25 to 2.6% of GDP in 2Q25. However, that was mainly due to lower imports, rather than an increase in exports.

Headline inflation rose from 3.0%, y-o-y, in June to 3.5%, y-o-y, in July, while core inflation edged up to 3.0% y-o-y, compared with a level of 2.9%, y-o-y. Key drivers included higher food inflation, which rose by 5.7%, y-o-y, and rising water tariffs, which increased by 7.1%, y-o-y. More positively, easing fuel deflation declined by 5.5%, y-o-y.

Despite rising inflation in South Africa, the South African Reserve Bank (SARB) reduced its key repo rate by 25 bp to 7% at its August meeting. This move reflects the likelihood of lower inflation, relative to historical norms. The rate cut continues the easing cycle that began in September last year, when the SARB started lowering rates from a 15-year peak of 8.25%. The Bank also reaffirmed its preference for gradually reducing the inflation target to 3%, noting that a lower target could support lower policy rates over the medium term, although short-term outcomes depend on the credibility of efforts to re-anchor inflation expectations.

Near-term expectations

South Africa's economy is expected to maintain the low growth trend seen in 1Q25, constrained by ongoing global trade challenges, as well as domestic policy and fiscal pressures. While some support may come from improving domestic demand and gradual structural reforms, overall momentum is likely to remain limited by a tight fiscal environment. Rising debt-to-GDP, which may approach 80% in the near term, continues to weigh on the fiscal outlook, with meaningful consolidation dependent on stronger economic growth. On the monetary side, downside surprises in core inflation in recent months have supported a more benign inflation outlook and a dovish shift in the SARB's stance. Inflation remains low, broad-based price pressures are limited, and inflation is expected to stay subdued in the coming quarters, albeit it remained relatively persistent in July. The central bank has cited weaker global growth, subdued inflation and falling energy prices as factors supporting further rate cuts, and market expectations point to additional easing in 2H25, with further reductions possible in 2026.

US tariffs on South African exports nevertheless remain a concern, and talks between the two economies will require close monitoring. In August 2025, the US imposed a 30% tariff on South African exports, posing a significant challenge for key sectors such as agriculture and manufacturing. While continuing to ease trade tensions, the government is also simultaneously diversifying export markets across Asia, Europe, the Middle East, and Africa. Furthermore, it is also supporting affected exporters through targeted measures. At the same time, the government is trying to implement structural reforms, and this, in combination with a supportive monetary policy framework, among other measures, may bolster economic resilience, mitigate tariff-related pressures and reduce dependence on any single market, all within the constraints of limited fiscal space.

August's S&P Global PMI reading supported South Africa's anticipated low-growth scenario, standing at an almost unchanged level of 50.1, following a level of 50.3 in July and 50.1 in June, all indicating gradual near-term expansion. This dynamic of continued improvement in private sector activity comes after several months of contraction.

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

Noting a low-growth dynamic and ongoing challenges, South Africa's 2025 economic outlook remains at 1%, unchanged from the previous month.

The 2026 economic growth forecast is also unchanged at 1.4%. This reflects expectations of a gradual recovery, despite persistent headwinds.

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

South Africa	
2025	1.0
Change from previous month	0.0
2026	1.4
Change from previous month	0.0

Note: * 2025-2026 = Forecast.

Source: OPEC.

Saudi Arabia

Saudi Arabia's economy experienced stronger-than-expected growth in 2Q25, with real GDP expanding by 4.1%, y-o-y, on a seasonally adjusted basis. The oil sector's reported activity stood at a growth of 5.2%, y-o-y, reflecting higher output and stronger momentum in the energy sector. This follows a decline of 0.3%, y-o-y, in 1Q25. Government expenditure contracted by 1.3%, y-o-y, reflecting fiscal discipline, following a rise of 3.7%, y-o-y, in 1Q25. The latest budget signals a recalibration of fiscal strategy, with higher medium-term projections for the overall balance but no change to its focus on sustainability, supported by economic growth. The FY25 plan foresees expenditure declining to SAR1.3tn from SAR1.4tn in 2024, while revenues are expected to ease to SAR1.18tn from SAR1.2tn, pointing to a narrower fiscal position next year. Non-oil activity remains resilient, also reflected in August's PMI numbers, with the PMI registering an almost unchanged level of 56.4 in August, following a level of 56.3 in July, remaining firmly in expansionary territory, supported by ongoing solid domestic demand and also leading to strengthened job creation in the private sector. The unemployment rate dropped to 2.8% in 1Q25, down from 3.5% in 4Q24, reflecting further improving labour market conditions. Among Saudi nationals, joblessness fell to 6.3% from 7% in the prior quarter. This marks further progress toward the revised Vision 2030 target of 5%, which was lowered after the original benchmark was achieved ahead of schedule.

Nigeria

Nigeria's near-term economic growth dynamics remain broadly intact, with only modest revisions to sectoral growth rates following the July GDP rebasing. Leading indicators suggest solid momentum into 2H25, supported by expansionary private sector activity in August and sustained oil production in July. Risks to the growth trajectory appear more balanced than in previous months, and potential upside stemming from stronger-than-anticipated manufacturing output and higher oil production volumes could possibly materialise as well. Inflation dynamics are expected to improve gradually, with headline CPI easing through late 2025. In July, headline inflation eased to 21.9%, y-o-y, down 0.3 pp from June and extending a four-month disinflationary trend. Core inflation also moderated, falling by 1 pp to 21.4%, y-o-y, compared with 22.4%, y-o-y, in June, underscoring a broadening slowdown in price pressures on an annual basis. Monetary policy is likely to remain cautious, with the policy rate held steady in the near term as authorities wait for further disinflationary confirmation. Meanwhile, private sector activity in Nigeria strengthened again in August, with the Stanbic IBTC Bank PMI standing at 54.2, following a level of 54 in July. This was supported by stronger output and new orders, with output growth at a four-month high and new orders at a 19-month peak. Price pressures eased, as purchasing cost inflation slowed for the fourth consecutive month and staff cost inflation fell to a three-month low.

United Arab Emirates (UAE)

Non-oil activity in the UAE remains resilient, with overall output growth steady, reflected also in a rebound of the August PMI, rising to 53.3, after the index had eased to stand at 52.9 in July, which marked the lowest level of the index in four years, as regional uncertainty and intensifying competition were weighing on new orders. The country's macroeconomic resilience is further underscored by the affirmation of its AA- by the rating agency Fitch, with a stable outlook, reflecting the strength of sovereign assets and supporting investor confidence. Strong non-oil trade performance highlights the robustness of diversification efforts, with foreign trade expanding 24% in 1H25, far surpassing global trade growth of 1.8%, reinforcing the UAE's role as a global trade hub and underpinning a strong non-oil dynamic in 2025. Tourism continues to serve as a vital driver, with Dubai welcoming almost 10 million visitors in the first six months, in line with the D33 agenda to establish the Emirate as a leading global destination, contributing to fiscal revenues and strengthening macroeconomic stability.

The impact of the USD and inflation on oil prices

The US dollar (USD) index experienced a marginal gain in August after six consecutive months of losses, increasing by 0.3%, m-o-m. The US Fed's cautious stance and some additional trade deals helped stabilise the USD during the month. Interest rate differentials (higher US interest rates vs. other developed economies) also added some support to the USD. However, the marginal gains underscored the ongoing challenges faced by the currency, particularly in the form of domestic political uncertainty, global risk sentiment and tariff-related distortions. Compared with the same period last year, the index was down by 3.9%, y-o-y.

In developed market currencies, the USD rose against all major currencies in August. It rose against the euro, yen and pound by 0.4%, 0.6%,

and 0.4%, m-o-m, respectively. Compared with the same period last year, the USD was down against the euro and pound by 5.3% and 3.9%, y-o-y, respectively, while it was up against the yen by 1.0%, y-o-y.

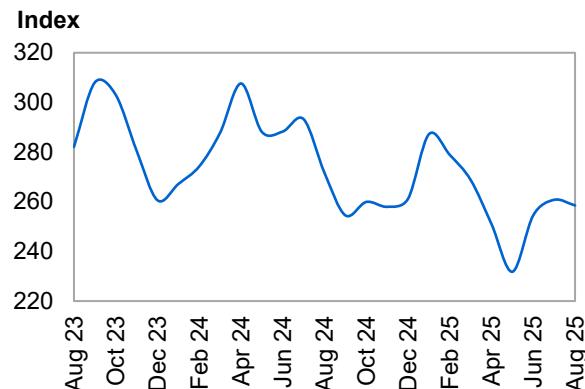
In terms of emerging markets' currencies, in August, the USD rose against the rupee by 1.6%, m-o-m; however, it declined against the real by 1.8%, m-o-m. Meanwhile, against the yuan, the USD was essentially flat, m-o-m, over the same period. Compared with the same period last year, the USD was up against the rupee and yuan by 4.3% and 0.3%, y-o-y, respectively. However, it was down against the real by 2.1%, y-o-y.

The differential between nominal and real ORB prices narrowed in August. Inflation (nominal price minus real price) decreased by 3.2%, m-o-m.

In nominal terms, accounting for inflation, the ORB price decreased by 1.7%, m-o-m, in August, and was down by 11.1%, y-o-y.

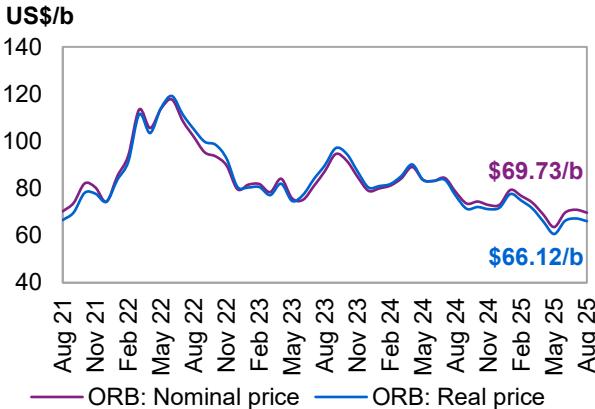
In real terms (excluding inflation), the ORB price fell by 1.7%, m-o-m, and was down by 13.9%, y-o-y.

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



Sources: IMF and OPEC.

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



Source: OPEC.

World Oil Demand

Global oil demand growth for 2025 is forecast at about 1.3 mb/d, year-on-year (y-o-y), unchanged from last month's assessment. The OECD oil demand is projected to expand by about 0.1 mb/d, y-o-y, mostly due to OECD Americas, supported by a marginal increase from OECD Europe. However, OECD Asia-Pacific demand is expected to show a slight y-o-y decline. In the non-OECD, oil demand is forecast to grow by about 1.2 mb/d, y-o-y, driven largely by Other Asia, China and India, with all other regions showing healthy growth as well.

The forecast for global oil demand growth in 2026 also remains unchanged from last month's assessment at a healthy 1.4 mb/d, y-o-y. The OECD is expected to grow by about 0.2 mb/d, y-o-y, with OECD Americas expected to lead oil demand growth in the region. In the non-OECD, oil demand is forecast to grow by about 1.2 mb/d, led by Other Asia, followed by India and China.

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

World oil demand	2024	1Q25	2Q25	3Q25	4Q25	2025	Change 2025/24
Americas	25.03	24.94	25.12	25.40	25.29	25.19	0.16
of which US	20.42	20.42	20.48	20.67	20.72	20.57	0.15
Europe	13.48	12.92	13.60	14.02	13.49	13.51	0.03
Asia Pacific	7.18	7.31	6.93	6.92	7.38	7.13	-0.04
Total OECD	45.69	45.17	45.64	46.34	46.16	45.83	0.14
China	16.65	16.86	16.47	17.03	17.04	16.85	0.20
India	5.55	5.70	5.70	5.50	5.91	5.70	0.15
Other Asia	9.65	9.85	10.23	9.74	9.74	9.89	0.24
Latin America	6.75	6.80	6.89	6.96	6.91	6.89	0.14
Middle East	8.85	8.78	8.83	9.28	9.15	9.01	0.16
Africa	4.65	4.89	4.58	4.68	5.07	4.80	0.16
Russia	3.98	4.01	3.85	4.04	4.19	4.02	0.04
Other Eurasia	1.26	1.42	1.31	1.18	1.32	1.31	0.05
Other Europe	0.80	0.81	0.83	0.77	0.87	0.82	0.02
Total Non-OECD	58.16	59.11	58.70	59.19	60.21	59.31	1.15
Total World	103.84	104.29	104.34	105.53	106.37	105.14	1.29
Previous Estimate	103.84	104.29	104.34	105.53	106.36	105.14	1.29
Revision	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

Source: OPEC.

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

World oil demand	2025	1Q26	2Q26	3Q26	4Q26	2026	Change 2026/25
Americas	25.19	25.02	25.22	25.61	25.38	25.31	0.12
of which US	20.57	20.45	20.59	20.88	20.80	20.68	0.11
Europe	13.51	12.95	13.64	14.07	13.54	13.55	0.04
Asia Pacific	7.13	7.31	6.91	6.89	7.36	7.12	-0.01
Total OECD	45.83	45.28	45.77	46.56	46.28	45.97	0.15
China	16.85	17.00	16.70	17.27	17.23	17.05	0.20
India	5.70	5.89	5.94	5.72	6.16	5.93	0.22
Other Asia	9.89	10.09	10.47	10.04	10.04	10.16	0.27
Latin America	6.89	6.94	7.02	7.08	7.04	7.02	0.13
Middle East	9.01	8.96	8.99	9.48	9.26	9.17	0.16
Africa	4.80	5.05	4.76	4.86	5.19	4.96	0.16
Russia	4.02	4.06	3.89	4.09	4.23	4.07	0.04
Other Eurasia	1.31	1.48	1.34	1.20	1.34	1.34	0.03
Other Europe	0.82	0.83	0.83	0.80	0.90	0.84	0.02
Total Non-OECD	59.31	60.30	59.93	60.54	61.39	60.54	1.23
Total World	105.14	105.58	105.70	107.10	107.67	106.52	1.38
Previous Estimate	105.14	105.58	105.70	107.10	107.67	106.52	1.38
Revision	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

Source: OPEC.

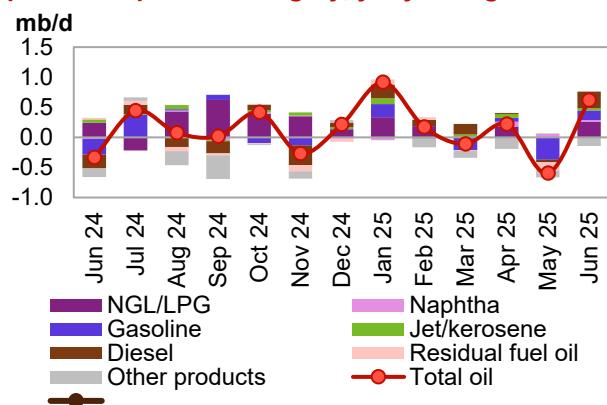
OECD

OECD Americas

Update on the latest developments

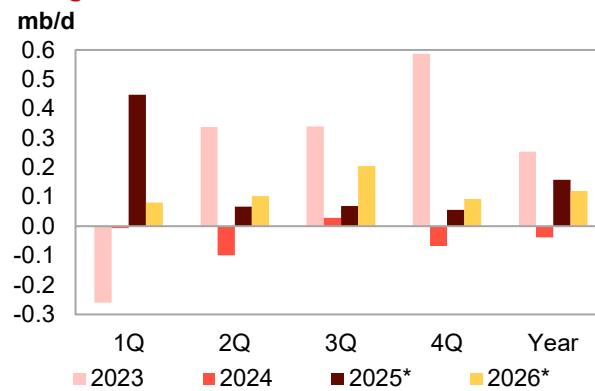
Oil demand in OECD Americas in June surged by 616 tb/d, y-o-y, up from a decline of 599 tb/d, y-o-y, in May. Within the region, oil demand in the US expanded by 470 tb/d, y-o-y, and in Canada by 122 tb/d, y-o-y, though remaining broadly flat in Mexico. In terms of petroleum products, NGLs/LPG saw the largest increase of 256 tb/d, y-o-y, followed by gasoil, which increased by 274 tb/d, y-o-y.

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



Sources: IEA, JODI, OPEC and national sources.

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



Note: * 2025-2026 = Forecast.

Source: OPEC.

US

In June, US oil demand expanded by 470 tb/d, y-o-y, up from a large decline of 565 tb/d, y-o-y, seen the previous month. Gasoil saw the largest product increase of 302 tb/d, y-o-y, up from a marginal increase of 20 tb/d, y-o-y, seen in May.

In terms of petrochemical feedstock, NGLs/LPG saw an increase of 164 tb/d, y-o-y, and naphtha inched up by 33 tb/d from an increase of 53 tb/d, y-o-y, seen the previous month. In terms of transportation fuels, jet/kerosene increased by 73 tb/d, y-o-y, and gasoline expanded by 63 tb/d, y-o-y, in June.

However, residual fuel oil demand was flat, y-o-y, though this was an improvement compared with a decline of 91 tb/d, y-o-y, seen the previous month. Demand for the 'other products' category contracted by 166 tb/d, y-o-y, down from a decline of 159 tb/d, y-o-y, in May.

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

US oil demand By product	Jun 24	Jun 25	Change
			Jun 25/Jun 24
NGL/LPG	3.45	3.61	0.16
Naphtha	0.12	0.16	0.03
Gasoline	9.20	9.26	0.06
Jet/kerosene	1.78	1.85	0.07
Diesel	3.66	3.97	0.30
Fuel oil	0.30	0.30	0.00
Other products	2.32	2.15	-0.17
Total	20.83	21.30	0.47

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

Sources: EIA and OPEC.

Near-term expectations

For the whole of 2025, in terms of products, the NGLs/LPG category is expected to drive oil demand growth, with an increase of around 90 tb/d, y-o-y, while gasoline demand is expected to rise by around 30 tb/d, y-o-y. The demand for jet/kerosene is projected to expand by about 20 tb/d, y-o-y, and diesel demand is expected to grow by around 30 tb/d, y-o-y. Demand for naphtha and the 'other products' category is projected to remain

World Oil Demand

flat, y-o-y. However, demand for residual fuel oil is expected to decline by 10 tb/d, y-o-y. In 2025, overall US oil demand is expected to grow by 153 tb/d, y-o-y, to average 20.6 mb/d.

In 2026, the US GDP is expected to continue to grow, surpassing the 2025 growth rate. Economic activity in the US is expected to be supported by resilient consumer demand, stabilising trade conditions and an anticipated easing of monetary policy. The US is expected to drive oil demand in the OECD, with an increase of 107 tb/d, y-o-y, largely stemming from transportation fuels and petrochemical feedstock. Overall, oil product demand in the US is forecast to average 20.8 mb/d in 2026.

OECD Europe

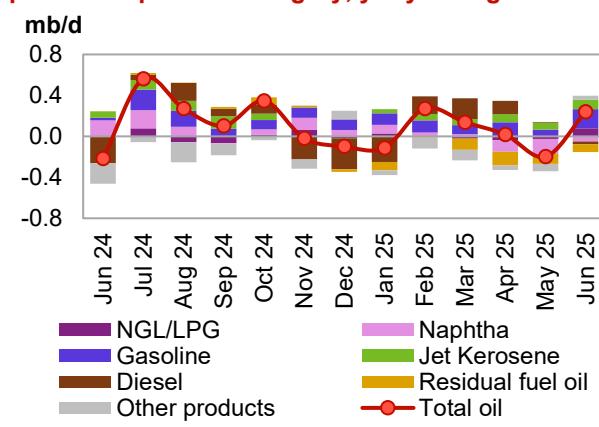
Update on the latest developments

Oil demand in OECD Europe in June expanded by 241 tb/d, y-o-y, after a decline of 198 tb/d was observed the previous month. The increase emanates from a large rise of 119 tb/d from Italy, supported by marginal growth in Germany, Spain and France, which more than offset a decline of 102 tb/d in the UK. A large increase in demand for gasoline, jet/kerosene, NGLs/LPG and the 'other products' category more than offset a y-o-y decline in demand for residual fuel oil, gas diesel oil and naphtha.

Regarding product categories, gasoline demand posted the largest y-o-y increase of 190 tb/d, up from an increase of 66 tb/d, y-o-y, seen the previous month. Demand for jet/kerosene expanded by 92 tb/d, y-o-y, up from an increase of 70 tb/d, y-o-y, in May. Demand for NGLs/LPG saw a y-o-y increase of 78 tb/d, up from a decline of 25 tb/d, y-o-y. Demand for 'other products', including bitumen, lube oil and petroleum coke, expanded by 38 tb/d, up from a y-o-y decline of 70 tb/d seen in May.

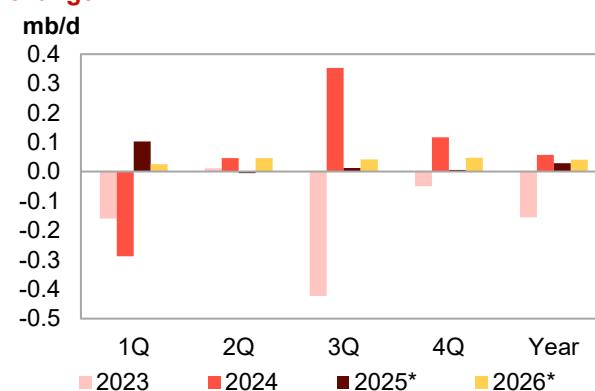
However, demand for residual fuel oil saw a y-o-y decline of 73 tb/d, and naphtha slipped by 51 tb/d, y-o-y.

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



Sources: IEA, JODI, OPEC and national sources.

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



Note: * 2025-2026 = Forecast.

Source: OPEC.

Near-term expectations

In the near term, the economy of the region is expected to be robust, supported by resilient consumer spending, slowing inflation and rising real wages amid declining interest rates. Overall, the Eurozone's economy is projected to be well supported and surpass growth rates seen in 2024.

Fiscal stimulus in Germany is expected to boost industrial production (IP), with expected positive spillover effects across EU countries. Furthermore, industrial activity is also showing signs of improvement, with manufacturing indicators showing resilience. Consistent with that, the Eurozone's manufacturing IP expanded in August for the first time since July 2022, as production rose for the sixth consecutive month.

Accordingly, these developments and observed signs of economic expansion in Europe are expected to continue into 4Q25, which will support oil demand in the near term. Meanwhile, forward-looking indicators are pointing to expected improvements in EU oil demand. Accordingly, the manufacturing PMI rose to 50.6 in August from 49.8 points in July and the services PMI has been above 50 points since June.

Meanwhile, the US and the EU have reached a trade deal on investment in some sectors. In addition, aircraft parts, chemicals, semiconductors and agriculture will be exempt from tariffs. The EU and the US have also committed to enhancing opportunities for technical cooperation. This development is expected to reduce ongoing trade-related uncertainties.

World Oil Demand

In 2025, gasoline is projected to lead regional oil demand growth by 60 tb/d, followed by jet/kerosene, which is expected to increase by around 70 tb/d, y-o-y. In terms of petrochemical feedstock, LPG/ethane is projected to inch up, y-o-y, by around 20 tb/d. Naphtha is projected to see growth of around 10 tb/d, y-o-y,. At the same time, diesel, residual fuel oil and the ‘other products’ category are projected to decline by 30 tb/d, 50 tb/d and 30 tb/d, y-o-y, respectively. Overall, the region is projected to see oil demand growth of about 30 tb/d, y-o-y, to average 13.5 mb/d.

In 2026, economic activity in the region is expected to remain similar to that in 2025, supporting oil demand growth of 40 tb/d, y-o-y, to average 13.5 mb/d in 2026.

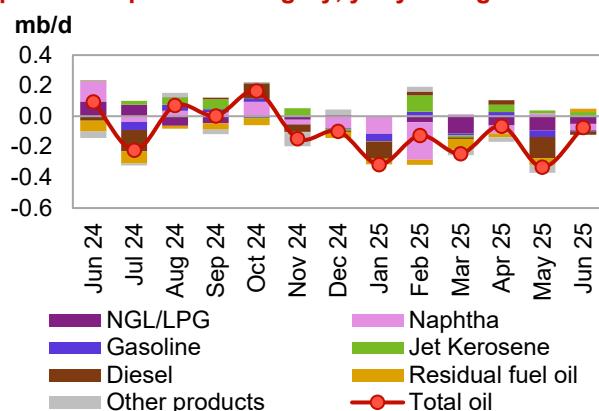
OECD Asia-Pacific

Update on the latest developments

Oil demand in the OECD Asia-Pacific region contracted by 74 tb/d, y-o-y, in June, though this is an improvement from a y-o-y contraction of 332 tb/d in May. Within the region, oil demand declines in Japan and South Korea more than offset a y-o-y increase of 51 tb/d in Australia.

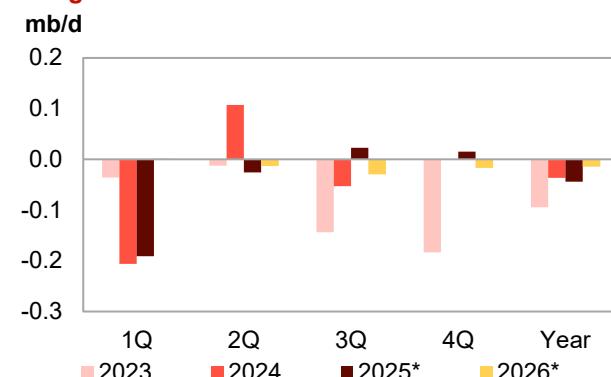
In terms of petroleum products, petrochemical feedstock experienced the largest y-o-y declines, with demand for NGLs/LPG contracting by 50 tb/d, y-o-y, though this is an improvement from a decline of 95 tb/d, y-o-y, seen the previous month. Naphtha posted a decline of 44 tb/d, y-o-y, down from an increase of 17 tb/d, y-o-y, in May. Meanwhile, gas/diesel oil contracted by 23 tb/d, although it was an improvement from a large decline of 138 tb/d, y-o-y, seen in May. Gasoline demand inched down by 6 tb/d, y-o-y, though this is an improvement over a y-o-y decline of 41 tb/d observed in May.

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



Sources: IEA, JODI, OPEC and national sources.

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



Note: * 2025-2026 = Forecast.

Source: OPEC.

Near-term expectations

Despite ongoing economic challenges in Japan and South Korea, a gradual economic rebound is expected towards the end of the year. From forward-looking indicators, PMI data in Japan indicate an improving outlook in manufacturing and an uptick in the services sector. Japan’s manufacturing PMI saw a rise to 49.6 in August from 48.9 in July, while the services PMI was at 53.6 points in July and 53.1 in August. However, South Korea’s manufacturing PMI retracted from 48.8 in June to 47 points in July.

In a related development, the US reached a trade agreement with its large trading partners in the region. Japan reached a deal with the US that allows for greater market access to American products, including autos and some agricultural products. Similarly, South Korea reached a trade agreement with the US under which there will be lower tariffs on South Korean imports of 15%, while South Korea will invest heavily in the US.

The outlook for oil demand in the OECD Asia-Pacific region in the short term sees some growth in jet/kerosene fuel. Furthermore, petrochemical sector requirements for naphtha are expected to support oil demand. In addition, heating requirements over winter are expected to support heating fuels in the region. Accordingly, oil demand is projected to increase by 15 tb/d, y-o-y, in 4Q25. However, overall in 2025, oil demand in the region is projected to contract by 44 tb/d, y-o-y, to average 7.1 mb/d.

In 2026, economic activity in the region is expected to slightly moderate but remain in positive territory. The region is forecast to see a marginal decline of 15 tb/d, y-o-y, to average 7.1 mb/d.

Non-OECD

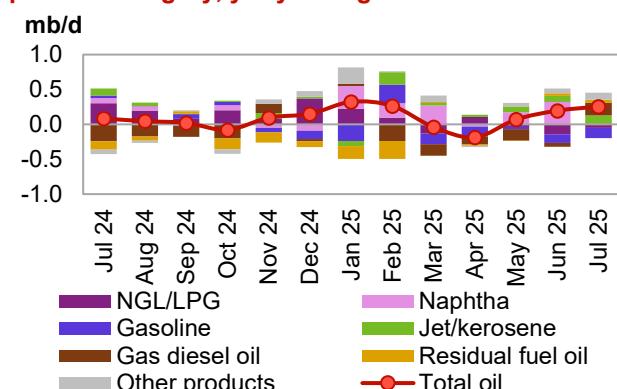
China

Update on the latest developments

China's oil demand in July increased by 253 tb/d, y-o-y, up from the y-o-y growth of 193 tb/d observed in June. Strong growth in gas/diesel oil, followed by increases in jet/kerosene and the 'other products' category, more than offset a decrease in gasoline and NGLs/LPG demand.

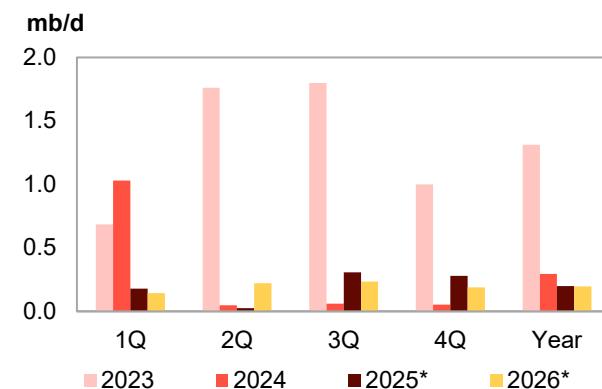
In terms of product demand, gas/diesel oil saw the largest y-o-y increase by 185 tb/d in July, up from a decline of 56 tb/d, y-o-y, in June. Similarly, demand for jet/kerosene expanded by 123 tb/d, y-o-y, up from a y-o-y increase of 89 tb/d observed in June. Jet/kerosene was supported by a rise in domestic and international travel demand. According to data from China's Civil Aviation Administration, domestic flights rose by 4.4%, y-o-y, in July, while international flights increased by 16.8% compared with July 2024. Demand for 'other products' expanded by 99 tb/d, y-o-y, in July, compared with growth of 71 tb/d, y-o-y, seen in June. Residual fuel oil demand increased further by 39 tb/d, y-o-y, up from y-o-y growth of 35 tb/d in June.

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



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

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



Note: * 2025-2026 = Forecast.

Source: OPEC.

However, gasoline saw the largest contraction, shrinking by 144 tb/d, y-o-y, in July, down from a y-o-y decline of 120 tb/d seen in June. Gasoline has been progressively declining for five months; it is under pressure from the penetration of electric vehicles and efficiency improvements in internal combustion engine (ICE) vehicles. Demand for NGLs/LPG eased by 54 tb/d, y-o-y, though this is an improvement compared with the 145 tb/d, y-o-y, decline observed in June. Improvements in NGLs/LPG in July are an outcome of the de-escalation of trade tensions between the US and China, which had led to a three-month decline in China's LPG imports from the US, affecting demand for LPG in China.

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

China's oil demand By product	Jul 24	Jul 25	Change
			Jul 25/Jul 24
NGL/LPG	3.22	3.17	-0.05
Naphtha	1.61	1.61	0.00
Gasoline	3.49	3.35	-0.14
Jet/kerosene	0.96	1.09	0.12
Diesel	3.45	3.63	0.19
Fuel oil	0.91	0.95	0.04
Other products	2.71	2.81	0.10
Total	16.35	16.60	0.25

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 current robust GDP and strong IP, supported by robust export performance and sustained infrastructure investment dynamics, are anticipated to continue. Business investment is expected to be well supported.

World Oil Demand

Manufacturing investment has remained stable, supported by industrial output that continued expanding significantly, rising by 5.7%, y-o-y, in July, though this is slightly below the 6.8%, y-o-y, seen in June and 5.8%, y-o-y, in May. Furthermore, merchandise exports increased by 7.2% in July, slightly above the 5.9%, y-o-y, seen in June. This was driven mostly by exports to key markets, including the EU and Southeast Asia, amid softening exports to the US, suggesting the rerouting of some exports to the US.

Meanwhile, on the ongoing US-China tariffs-related dispute, the impending deadline for massive US tariff increases on Chinese goods was deferred a second time on 12 August 2025. Washington and Beijing agreed to extend their tariff truce by 90 days until 10 November. Chinese producers are trying to export more to markets in Asia, Africa and Latin America to offset the impact of US tariffs.

Infrastructure-related fiscal spending is anticipated to remain stable, supported by fiscal stimulus. Beyond infrastructure spending, the Chinese government has also been very active in financing routine expenditures, including education, healthcare and public-sector wages. These measures are expected to support household consumption indirectly by easing pressure on disposable household income in the near term. In the meantime, a report showed that road traffic in major cities of China rose by 5.2% points in the week to 27 August.

All of these point to robust product demand going forward. With ongoing healthy petrochemical feedstock requirements and demand for transportation fuels expected to offer support, strong IP is expected to further back diesel demand in the country.

In terms of specific oil product demand, naphtha is projected to lead by 160 tb/d, y-o-y, in 2025 and NGLs/LPG is expected to grow by 40 tb/d, y-o-y. The increase in demand is on the back of an expected surge in petrochemical activity. Jet/kerosene is expected to grow by around 70 tb/d, y-o-y. However, gasoil/diesel is expected to decline by 40 tb/d, y-o-y and gasoline is projected to decrease by around 10 tb/d, y-o-y.

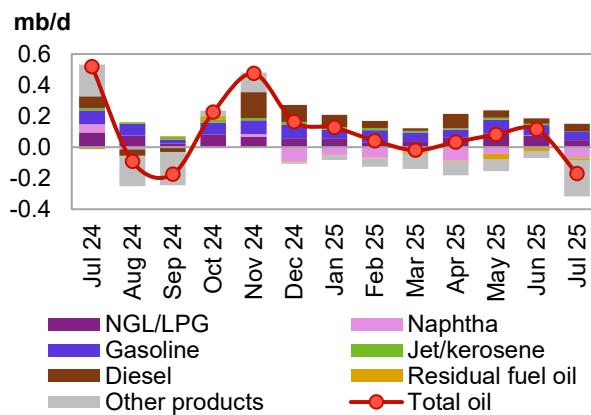
In 2026, economic activity in China is expected to remain robust, though with a slight deceleration from 2025. Fiscal stimulus and infrastructure spending are expected to continue to be supportive. Accordingly, consumption is predicted to be boosted by higher incomes and increased social spending amid low inflation. Consequently, oil product demand is projected to grow by 197 tb/d, y-o-y. Thus, oil demand in China is forecast to average 17 mb/d in 2026.

India

Update on the latest developments

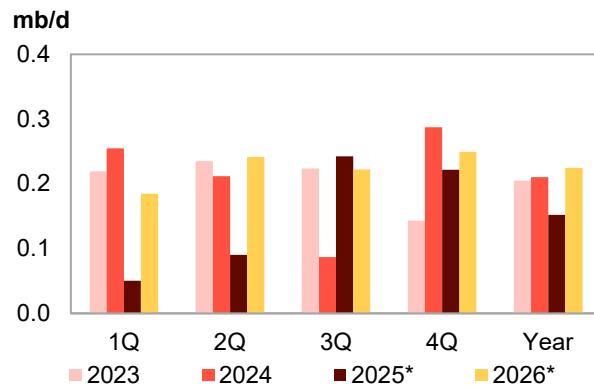
In July, India's oil demand declined by 169 tb/d, y-o-y, down from the growth of 115 tb/d, y-o-y, seen the previous month. The "other products" category led the oil demand decline in July.

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



Sources: PPAC, JODI and OPEC.

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



Note: * 2025-2026 = Forecast.

Source: OPEC.

In terms of specific products, demand for 'other products' posted the largest decline of 236 tb/d, y-o-y, up from a y-o-y decrease of 46 tb/d observed in the previous month. Demand for naphtha declined by 67 tb/d, y-o-y, down from broadly unchanged, y-o-y, from the previous month. Residual fuel declined by a slight 10 tb/d, y-o-y.

In terms of transportation fuels, gasoline demand expanded by 56 tb/d, y-o-y, from a y-o-y increase of 67 tb/d in June. Gas/diesel oil increased by 48 tb/d, y-o-y, up from the y-o-y growth of 36 tb/d observed in June. Meanwhile, demand for jet/kerosene slipped by a mere 6 tb/d, y-o-y, in June.

World Oil Demand

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

India's oil demand By product	Jul 24	Jul 25	Change
			Jul 25/Jul 24
NGL/LPG	0.99	1.04	0.05
Naphtha	0.35	0.29	-0.07
Gasoline	0.91	0.96	0.06
Jet/kerosene	0.20	0.19	-0.01
Diesel	1.75	1.79	0.05
Fuel oil	0.11	0.10	-0.01
Other products	1.21	0.97	-0.24
Total	5.51	5.34	-0.17

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

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

Near-term expectations

India's economic expansion is anticipated to continue steadily, driven by strong domestic demand, rising private consumption, policy reforms, and government support for key sectors.

Moreover, high-frequency data indicators suggest that economic activity in the country has remained solid since the beginning of the year. Accordingly, the country's manufacturing sector PMI rose to 58.7 in July 2025 – the highest point in 14 months – up from 57.6 in June and 58.2 in May. Similarly, the services sector PMI maintained a strong index level of 60.4 points in June, up from 58.8 points in May. Meanwhile, the manufacturing sector's contribution to India's GDP growth slightly increased in 2Q25. India's consumer inflation also continued to ease in July, dropping for the ninth straight month to 1.55%.

In the meantime, trade tensions between the US and India are ongoing. India is bracing for 50% tariffs on goods exported to the US, with an additional 25% in tariffs effective 27 August 2025. US goods exports account for about 2% of India's GDP, and about 20% of the country's total goods exports. Higher US tariffs will significantly impact micro, small and medium enterprises, which account for nearly 45% of India's total exports to the US. Despite that, the tariffs are not expected to inflict significant damage on the Indian economy or oil demand. Moreover, ongoing infrastructure spending, combined with fiscal and monetary stimulus measures, is expected to partially offset any likely impact of US tariffs on the Indian economy.

Accordingly, the near-term outlook reflects further positive signals for steady oil demand in India. Diesel is projected to continue to be a key driver of demand growth. Similarly, demand for bitumen in construction and petroleum coke in the cement, iron and steel industries is expected to remain strong, driven by ongoing infrastructure development and IP. Additionally, robust growth in transportation and manufacturing fuels is expected to support overall oil demand growth. Furthermore, increasing demand for petrochemical products, most of which rely on petrochemical derivatives, is anticipated to support demand for petrochemical feedstock.

Overall, in 2025, oil product demand in India is expected to grow by 152 tb/d, y-o-y, to average 5.7 mb/d. Transportation fuels are projected to drive oil demand growth. Gasoline and diesel are expected to increase by around 70 tb/d and 50 tb/d, y-o-y, respectively. Jet/kerosene demand is forecast to expand by around 10 tb/d, y-o-y, supported by strong international and domestic air travel demand. NGLs/LPG demand is predicted to increase by around 40 tb/d, y-o-y, mostly driven by household requirements for LPG for cooking. Naphtha is projected to show a decline of around 20 tb/d, y-o-y, due to anticipated weak demand from the petrochemical sector. The 'other products' category is expected to increase by around 10 tb/d, y-o-y. Meanwhile, demand for residual fuel oil is anticipated to decline marginally, y-o-y.

Ongoing strong economic dynamics in India are expected to continue, though with slight moderation in 2026, driven mostly by service sector activities amid sustained government support in key sectors, increasing consumer spending and easing inflation. In line with this, oil demand is projected to grow by 225 tb/d, y-o-y, to average about 5.8 mb/d.

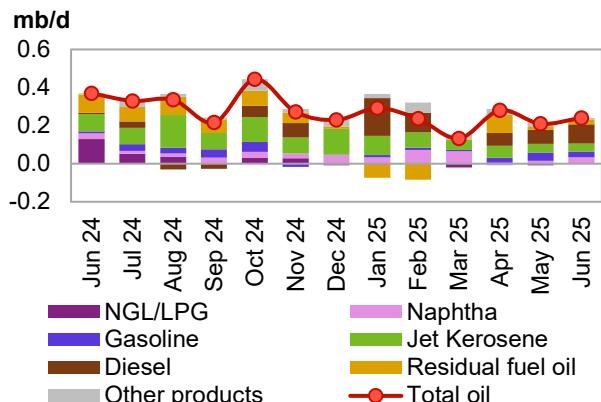
Other Asia

Update on the latest developments

Oil demand in Other Asia expanded by 241 tb/d, y-o-y, in June, up from a rise of 211 tb/d, y-o-y, observed the previous month. The increase was largely driven by a rise of 122 tb/d, y-o-y, from Indonesia and supported by requirements in major countries of the region, excluding Singapore, which saw a marginal y-o-y decline of 4 tb/d. The increase in oil demand mostly emanates from transportation fuels.

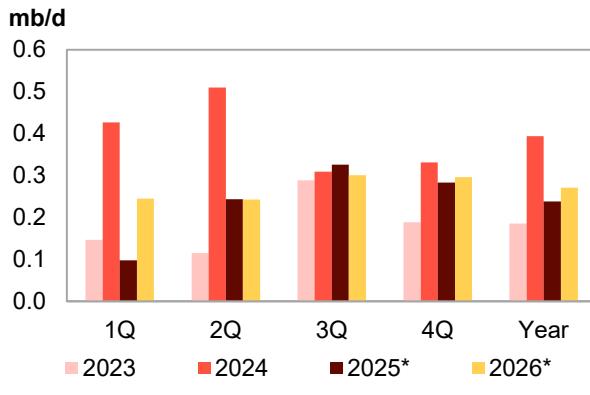
World Oil Demand

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



Sources: JODI, National sources, and OPEC.

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



Note: * 2025-2026 = Forecast.

Source: OPEC.

In terms of specific products, gas/diesel oil, including transportation diesel, led demand growth in June of 102 tb/d, y-o-y, up from a y-o-y rise of 73 tb/d observed in May. Jet/kerosene demand saw a y-o-y increase of 42 tb/d in June, slightly below the y-o-y increase of 46 tb/d seen in May. Gasoline demand expanded by 30 tb/d, y-o-y, down from a y-o-y increase of 44 tb/d in May. Residual fuel oil demand increased by 24 tb/d, y-o-y, in the same month, up from an increase of 18 tb/d, y-o-y, seen in May.

Demand for 'other products' increased by 9 tb/d, y-o-y, down from the growth of 23 tb/d, y-o-y, observed the previous month. In terms of petrochemical feedstock, demand for naphtha increased by 34 tb/d, y-o-y, up from the y-o-y growth of 16 tb/d observed in May. NGLs/LPG demand was flat, y-o-y, in June, an improvement compared with a y-o-y decline observed in May.

Near-term expectations

Economic activities in major oil-consuming countries in the region are expected to remain robust, supported by low inflation and consumer spending. Furthermore, ongoing steady driving mobility and air travel are expected to continue amid strong manufacturing and agricultural activity. These factors are expected to bolster oil product demand in the region, with y-o-y growth reaching an average of 283 tb/d in 4Q25.

Downside risks are associated with the likely impact of newly announced US tariffs on exports from major oil-consuming countries in the region, including Indonesia and Malaysia, which are actively negotiating with the US to secure lower import tariffs on their key exports to the country. Indonesia is committed to importing around \$15.5 billion in US energy products (crude oil, LPG, fuel oil) over an unspecified period. In exchange, the US agreed in principle to reduce its tariffs on Indonesian goods to 19%. Malaysia and the US concluded a new trade agreement in July, effective August, that includes a commitment from Malaysia to annually purchase \$3.4 billion of LNG from the US. The deal also involves Malaysia reducing tariffs and non-tariff barriers on US goods, and in return, the US lowered its tariffs on Malaysian goods to 19%. There are reports of ongoing bilateral negotiations between the US and some of the country's regional trading partners, including Thailand, aimed at reducing or postponing the implementation of tariffs or gaining exemptions for specific products.

Overall, in 2025, oil demand in the region is projected to expand by 238 tb/d, y-o-y, to average 9.9 mb/d, mostly driven by requirements from Singapore, Thailand, Hong Kong, Malaysia and Indonesia.

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

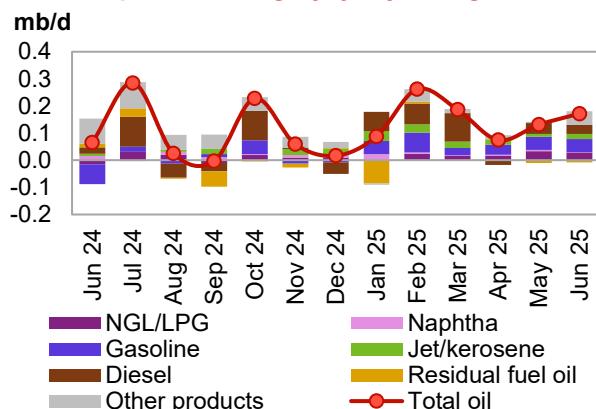
Latin America

Update on the latest developments

Oil demand in Latin America increased by 172 tb/d, y-o-y, in June, up from 131 tb/d, y-o-y, growth seen in the previous month. The increase came from Argentina, Brazil and Ecuador, which more than offset a minor decline in Venezuela.

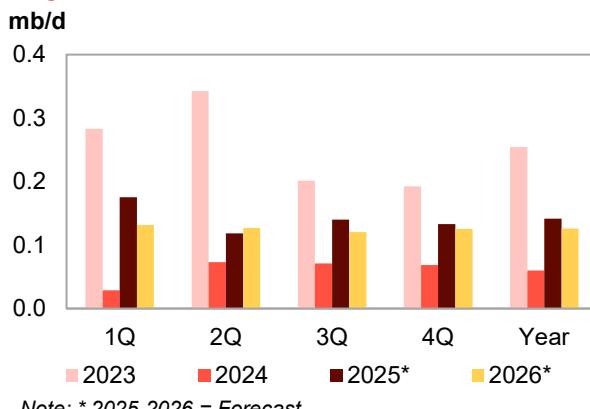
World Oil Demand

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: * 2025-2026 = Forecast.

Source: OPEC.

In terms of specific products, demand for the 'other products' category, including ethanol, led oil demand in June with growth of 50 tb/d, y-o-y, up from a minor growth of 4 tb/d, y-o-y, seen the previous month. Demand for gasoline expanded by 49 tb/d, y-o-y, slightly above a y-o-y increase of 48 tb/d seen the previous month. The increase in gasoline demand came largely from Brazil and was supported by a decline in ethanol demand, which fell by about 4.0% in June due to various factors, including reduced sugarcane milling in the centre-south region and a shift in consumer preference due to price fluctuations. Demand for diesel increased by 33 tb/d, y-o-y, down from a y-o-y increase of 40 tb/d in May. Meanwhile, jet/kerosene demand increased by 19 tb/d, y-o-y, up from the y-o-y growth of 12 tb/d seen the previous month.

In terms of petrochemical feedstock, while NGLs/LPG demand increased by 29 tb/d, y-o-y, in June, which was slightly below the growth of 33 tb/d, y-o-y, seen in May. Naphtha demand was broadly flat, y-o-y, down from a marginal increase of 5 tb/d, y-o-y, observed in May.

However, demand for residual fuel oil inched down by 9 tb/d, y-o-y, in June, though this was an improvement compared with a y-o-y decline of 11 tb/d the previous month.

Near-term expectations

The economy of Brazil, the largest oil-consuming country in the region, exhibited higher-than-expected growth in 1Q25, driven by strong agricultural sector performance and solid domestic demand. However, economic activity is projected to slightly moderate in 2025, compared with 2024. In 4Q25, economic activity in Brazil is expected to remain resilient, supported by robust wage increases amid cash transfer programmes. Furthermore, private investment is also anticipated to remain buoyant amid an expected easing in inflation.

While the country's exports to the US only make up around 2% of its GDP, it is now facing 50% tariffs on its exports to the US. Agricultural products and livestock are likely to be most affected by the new tariff hike. The US sources about 35% of its unroasted coffee from Brazil and depends heavily on the country for ground beef imports. Brazil also exports other products such as sugar, wood and oil to the US. Coffee and beef prices have already surged as tariffs on Brazil are expected to drive prices higher in the US. The latest consumer price index showed beef prices up by 1.5% in July from June. It should be noted that Brazil has a high potential to redirect some of its agricultural exports to China and other regions. Similarly, in Argentina, the second-largest consumer in the region, the economic recovery continues to strengthen, with private consumption, investment and exports expected to remain resilient. Argentinean inflation averaged 1.9% m-o-m in July, the third consecutive month below 2%.

Accordingly, indicators point to a positive outlook for short-term oil demand in Latin America, driving it to grow by 133 tb/d, y-o-y, in 4Q25. Overall, in 2025, oil demand in the region is expected to increase by 126 tb/d, y-o-y, to average 6.9 mb/d. Transportation fuels, including gasoline, jet/kerosene and diesel, are expected to drive demand growth, supported by an uptick in demand for the 'other products' category.

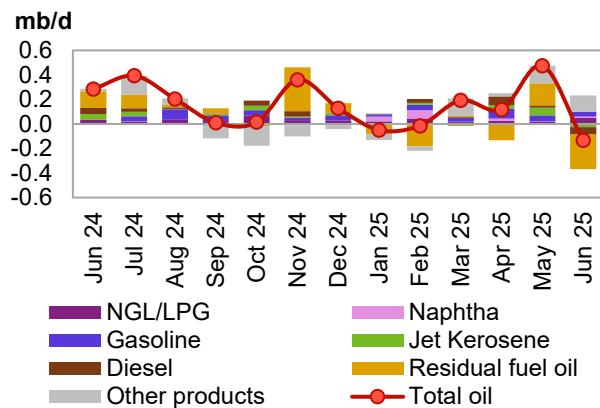
Monetary easing, along with fiscal reforms and a pickup in domestic consumption and investment, is expected for Brazil in 2026. Similarly, ongoing gradual improvements in Argentina's economy are expected to continue. Overall, the regional economy is projected to maintain strong momentum, building on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

Middle East

Update on the latest developments

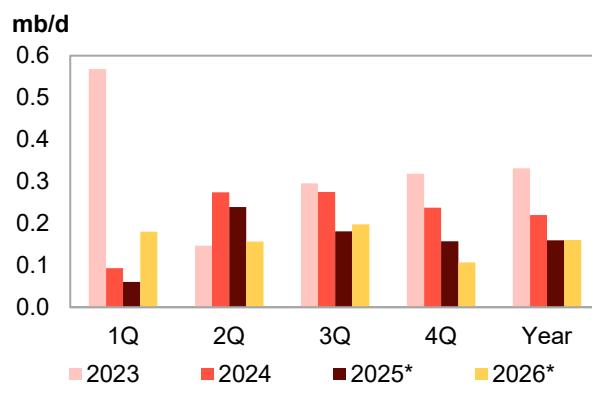
Oil demand in the Middle East in June contracted by 135 tb/d, y-o-y, down from the growth of 476 tb/d, y-o-y, observed the previous month. A large contraction of 163 tb/d, y-o-y, in Saudi Arabia and a decline of 46 tb/d, y-o-y, in IR Iran offset y-o-y demand growth from other countries in the region.

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



Sources: JODI, OPEC and national sources.

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



Note: * 2025-2026 = Forecast.

Source: OPEC.

In terms of specific product demand, residual fuel oil saw the largest y-o-y decline of 280 tb/d in June, down from an increase of 179 tb/d, y-o-y, observed in May. Demand for gas/diesel oil contracted by 62 tb/d, y-o-y, following a y-o-y increase of 18 tb/d in May. Meanwhile, demand for jet/kerosene eased by 25 tb/d, y-o-y, down from an increase of 62 tb/d, y-o-y, in May.

Demand for the ‘other products’ category, including direct crude burning, saw the largest increase of 134 tb/d, y-o-y, in June, slightly below the y-o-y growth of 144 tb/d seen in May. Gasoline saw y-o-y growth of 38 tb/d in June, though this is below the increase of 52 tb/d, y-o-y, seen in May.

In terms of petrochemical feedstock demand, NGLs/LPG demand expanded by 51 tb/d, y-o-y, up from a marginal increase of 18 tb/d, y-o-y, the previous month, and naphtha demand saw an uptick of 9 tb/d, y-o-y, up from flat, y-o-y, in May.

Near-term expectations

Economic activity in the region is expected to remain well supported, mostly driven by the non-oil economy. This is consistent with high-frequency data, which corroborates strong growth momentum, particularly in Saudi Arabia and the UAE, where the non-oil economy in the region continues to expand, remaining well above the 50-point threshold that separates growth from contraction, reflecting sustained business confidence in the region’s economic outlook.

Saudi Arabia's annual inflation rate remained relatively stable, standing at 2.2% to 2.3% in the first half of 2025. Similarly, the annual inflation rate in the UAE was at 2.8% in July 2025. Meanwhile, the region is well placed to withstand tariff headwinds due to exemptions made for oil and gas, as well as limited exposure to US trading.

The outlook for short-term oil demand shows transportation fuels, gasoline, diesel and jet kerosene projected to lead growth, which is forecast to increase by 157 tb/d, y-o-y, in 4Q25, from growth of 218 tb/d, y-o-y, in 3Q25. Additionally, requirements for petrochemical feedstock are expected to remain steady; while NGLs/LPG is projected to increase by 50 tb/d, y-o-y, in 4Q25, naphtha is expected to grow by around 40 tb/d, y-o-y. However, demand for the ‘other products’ category, including direct crude burning for electricity generation, is anticipated to decline by around 80 tb/d in 4Q25, largely due to expected cold weather during winter, which should reduce demand for cooling in the region.

In 2025, demand for major oil products, including petrochemical feedstock, LPG/NGLs and naphtha, is expected to remain robust, with some new capacity additions, as many countries in the region are turning their attention to petrochemicals and taking advantage of higher margins. Furthermore, transportation fuels, including gasoline, diesel and jet/kerosene, are expected to be supported by heightened driving mobility and strong air travel. Diesel oil demand is projected to benefit from construction activity in Saudi Arabia. Residual fuel oil demand is also expected to be steady, with support from the power sector in Saudi Arabia and Iraq.

World Oil Demand

Overall, oil demand in the region is projected to increase by 160 tb/d, y-o-y, to average 9.0 mb/d in 2025. The bulk of demand growth is expected to come from Saudi Arabia, Iraq, and the UAE.

In 2026, the ongoing contribution of non-oil activity to regional GDP is expected to continue. Regional GDP growth is expected to slightly surpass 2025 growth rates, supported partly by factors such as increasing non-oil activity and government infrastructure-related spending. These factors, combined with solid petrochemical industry requirements and healthy mobility, are forecast to support y-o-y oil demand growth of 160 tb/d. Overall, oil demand in the Middle East is projected to average 9.2 mb/d in 2026.

World Oil Supply

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

In 2026, non-DoC liquids production is forecast to grow by 0.6 mb/d to average 54.6 mb/d, also unchanged from last month's assessment. The main liquids production growth drivers are again set to be Brazil, Canada, the US, and Argentina.

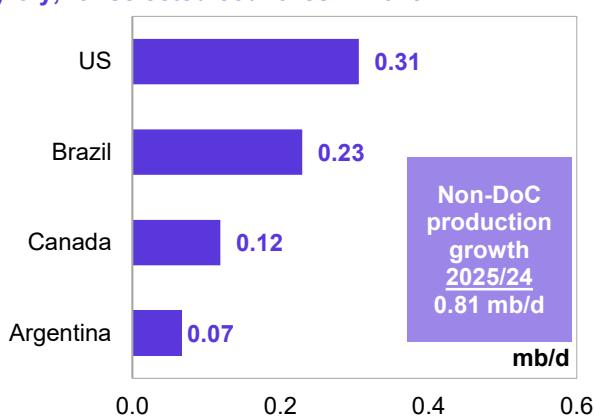
DoC NGLs and non-conventional liquids in 2025 are expected to expand by 0.1 mb/d to average 8.7 mb/d. In 2026, DoC NGLs and non-conventional liquids are forecast to grow by another 0.1 mb/d to average 8.8 mb/d. OPEC NGLs and non-conventional liquids production are set to rise by 130 tb/d in 2025 to average 5.9 mb/d, and then increase by 150 tb/d in 2026 to average 6.0 mb/d.

DoC crude oil production in August increased by 509 tb/d, m-o-m, averaging 42.40 mb/d, as reported by available secondary sources.

Key drivers of growth and decline

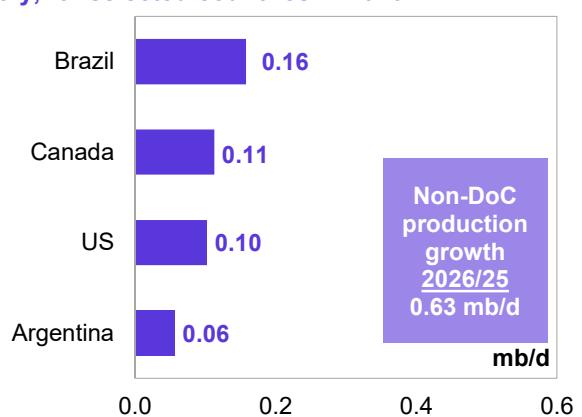
In 2025, non-DoC liquids production growth is expected at around 0.8 mb/d. The growth remains unchanged when compared to last month's assessment. Annual growth is set to be driven mainly by the US, Brazil, Canada, and Argentina.

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



Note: * 2025 = Forecast. Source: OPEC.

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



Note: * 2026 = Forecast. Source: OPEC.

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

Non-DoC liquids production in 2025 and 2026

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

Non-DoC liquids production	2024	1Q25	2Q25	3Q25	4Q25	2025	Change 2025/24
Americas	27.72	28.04	28.42	28.11	28.00	28.14	0.43
of which US	21.76	21.81	22.48	22.12	21.86	22.07	0.31
Europe	3.53	3.59	3.54	3.58	3.60	3.58	0.04
Asia Pacific	0.44	0.40	0.43	0.43	0.42	0.42	-0.01
Total OECD	31.69	32.03	32.39	32.12	32.02	32.14	0.46
China	4.56	4.69	4.66	4.55	4.53	4.61	0.05
India	0.81	0.83	0.82	0.82	0.80	0.82	0.02
Other Asia	1.60	1.62	1.63	1.58	1.56	1.60	0.00
Latin America	7.23	7.42	7.60	7.42	7.68	7.53	0.30
Middle East	1.99	2.01	2.01	2.00	2.00	2.01	0.02
Africa	2.33	2.30	2.24	2.30	2.29	2.28	-0.05
Other Eurasia	0.37	0.36	0.35	0.36	0.36	0.36	-0.01
Other Europe	0.10	0.09	0.10	0.10	0.10	0.10	0.00
Total Non-OECD	18.99	19.32	19.41	19.14	19.32	19.30	0.31
Total Non-DoC production	50.68	51.35	51.81	51.25	51.34	51.44	0.76
Processing gains	2.52	2.57	2.57	2.57	2.57	2.57	0.05
Total Non-DoC liquids production	53.20	53.92	54.38	53.82	53.91	54.01	0.81
Previous estimate	53.20	53.97	54.27	53.81	54.00	54.01	0.81
Revision	0.00	-0.05	0.11	0.01	-0.08	0.00	0.00

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

Source: OPEC.

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

Non-DoC liquids production	2025	1Q26	2Q26	3Q26	4Q26	2026	Change 2026/25
Americas	28.14	27.80	28.26	28.57	28.79	28.36	0.22
of which US	22.07	21.63	22.25	22.35	22.44	22.17	0.10
Europe	3.58	3.60	3.49	3.47	3.57	3.53	-0.04
Asia Pacific	0.42	0.43	0.40	0.41	0.40	0.41	-0.01
Total OECD	32.14	31.82	32.16	32.44	32.75	32.30	0.16
China	4.61	4.66	4.66	4.56	4.55	4.61	0.00
India	0.82	0.83	0.82	0.82	0.83	0.82	0.00
Other Asia	1.60	1.60	1.57	1.56	1.56	1.57	-0.02
Latin America	7.53	7.90	7.93	7.97	8.03	7.96	0.43
Middle East	2.01	2.03	2.04	2.05	2.06	2.05	0.04
Africa	2.28	2.27	2.25	2.25	2.33	2.27	-0.01
Other Eurasia	0.36	0.36	0.36	0.36	0.36	0.36	0.00
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00
Total Non-OECD	19.30	19.74	19.73	19.68	19.83	19.75	0.45
Total Non-DoC production	51.44	51.57	51.89	52.12	52.58	52.04	0.60
Processing gains	2.57	2.60	2.60	2.60	2.60	2.60	0.03
Total Non-DoC liquids production	54.01	54.17	54.49	54.72	55.18	54.64	0.63
Previous estimate	54.01	54.24	54.44	54.67	55.20	54.64	0.63
Revision	0.00	-0.07	0.04	0.05	-0.02	0.00	0.00

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

Source: OPEC.

OECD

For 2025, OECD liquids production (excluding DoC participating country Mexico) is expected to expand by about 0.5 mb/d to average 32.1 mb/d. OECD Americas leads the growth, with an expected rise of 0.4 mb/d to average 28.1 mb/d. Yearly, OECD Europe liquids production is set to expand by around 43 tb/d to average 3.6 mb/d, while OECD Asia Pacific is set to drop by a minor 13 tb/d to average 0.4 mb/d.

In 2026, OECD liquids production (excluding DoC participating country Mexico) is set to expand by 0.2 mb/d to average 32.3 mb/d. OECD Americas is again forecast to be the primary growth driver, with an increase of 0.2 mb/d to average 28.4 mb/d. Liquids production in OECD Europe is expected to drop by about 45 tb/d to average 3.5 mb/d, while OECD Asia Pacific is set to drop by about 14 tb/d, y-o-y, to average 0.4 mb/d.

US

US liquids production in June rose by 0.2 mb/d, m-o-m, to average 22.7 mb/d. This was 0.8 mb/d higher than in June 2024.

Crude oil and condensate production rose, m-o-m, by 133 tb/d to a new all-time high of 13.6 mb/d in June. This is up by about 0.3 mb/d, y-o-y.

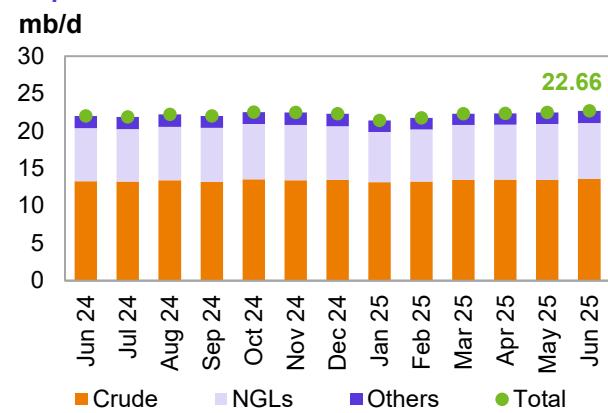
In terms of the crude and condensate production breakdown by region (PADDs), production increased on the US Gulf Coast (USGC) (PADD 3) by 121 tb/d to average 10.0 mb/d. Production in the Midwest (PADD 2) and Rocky Mountain (PADD 4) regions rose by 26 tb/d and 5 tb/d, m-o-m, respectively. Production on the East and West Coasts (PADD 1 and 5) regions dropped by 6 tb/d and 15 tb/d, m-o-m, respectively.

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



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

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



Sources: EIA and OPEC.

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

NGLs production rose by 12 tb/d, m-o-m, to average 7.5 mb/d in June. This was 0.5 mb/d higher, y-o-y. According to the US Department of Energy (DoE), the production of non-conventional liquids (mainly ethanol) increased by 53 tb/d, m-o-m, to average 1.6 mb/d. Preliminary estimates show that non-conventional liquids averaged about 1.5 mb/d in July, down by about 50 tb/d, m-o-m.

GoM production increased by 67 tb/d, m-o-m, to average 1.9 mb/d in June. This is higher by 0.1 mb/d, y-o-y. Oil production in the GoM is currently at its highest level since November 2023, and further support is expected from project ramp-ups in the coming months, although the risk of hurricanes has not been eliminated. In the onshore Lower 48, crude and condensate production increased by 78 tb/d, m-o-m, to average 11.2 mb/d in June.

World Oil Supply

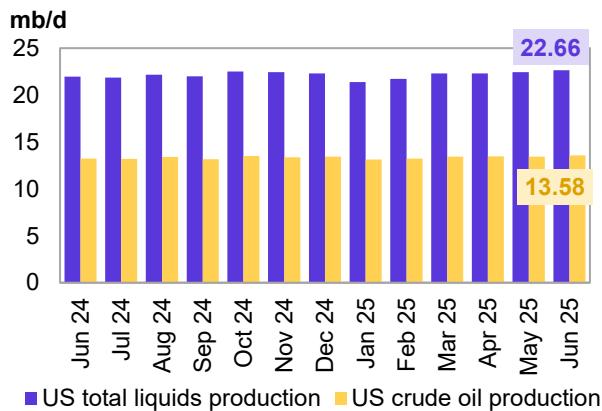
Table 5 - 3: US crude oil production by selected state and region, tb/d

State	Jun 24	May 25	Jun 25	Change	
				m-o-m	y-o-y
Texas	5,756	5,712	5,723	11	-33
New Mexico	1,975	2,199	2,239	40	264
Gulf of Mexico (GoM)	1,815	1,848	1,915	67	100
North Dakota	1,182	1,115	1,148	33	-34
Alaska	401	434	422	-12	21
Oklahoma	394	406	403	-3	9
Colorado	442	464	459	-5	17
Total	13,252	13,447	13,580	133	328

Sources: EIA and OPEC.

From the perspective of individual states, New Mexico's oil production increased by 40 tb/d, m-o-m, to average 2.2 mb/d. This is 264 tb/d higher than a year ago. Production in Texas rose by just 11 tb/d, m-o-m, to average 5.7 mb/d. This is 33 tb/d lower than a year ago. In the Midwest, North Dakota's production rose by 33 tb/d, m-o-m, to average 1.1 mb/d. This was down by 34 tb/d, y-o-y. Oklahoma's production remained largely unchanged, m-o-m, at an average of 0.4 mb/d. Production in Colorado and Alaska fell by 5 tb/d and 12 tb/d, m-o-m, respectively.

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



■ US total liquids production ■ US crude oil production

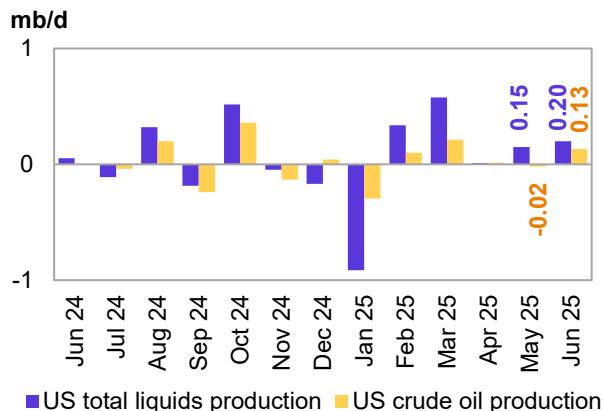
Sources: EIA and OPEC.

US tight crude production in June is estimated to have increased by 8 tb/d, m-o-m, to average 9.0 mb/d, according to the latest US Energy Information Administration (EIA) estimates. This was 114 tb/d higher than in the same month last year.

M-o-m production from shale and tight formations using horizontal wells from the Permian in Texas and New Mexico dropped by just 3 tb/d to average 5.7 mb/d. Y-o-y, this was up by 119 tb/d.

In the Williston Basin, Bakken shale oil production rose by 18 tb/d, m-o-m, to average 1.1 mb/d. However, this was down by 85 tb/d, y-o-y. Tight crude production at the Eagle Ford in Texas fell by a minor 4 tb/d to average 1.1 mb/d. This was up by 34 tb/d, y-o-y. Production at Niobrara-Codell in Colorado and Wyoming was largely unchanged, m-o-m, at about 468 tb/d.

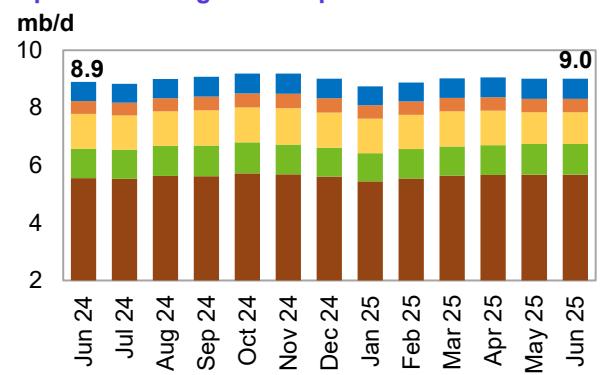
Graph 5 - 6: US monthly crude oil and total liquids production, m-o-m changes



■ US total liquids production ■ US crude oil production

Sources: EIA and OPEC.

Graph 5 - 7: US tight crude production breakdown



■ Permian ■ Eagle Ford ■ Bakken ■ Niobrara ■ Others

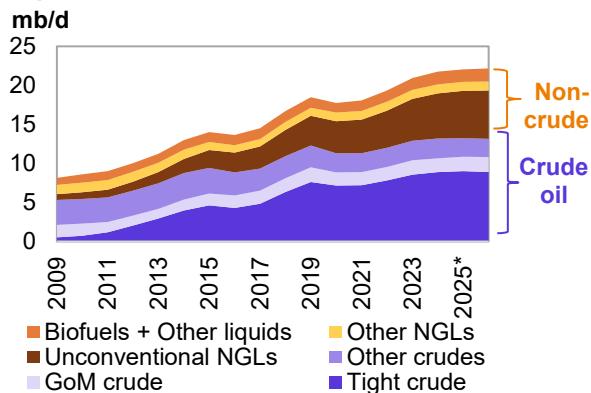
Sources: EIA and OPEC.

World Oil Supply

In 2025, US liquids production, excluding processing gains, is expected to expand by about 0.3 mb/d, y-o-y, to average 22.1 mb/d. It highlights sustained gains in productivity and efficiency throughout key shale regions, especially in the past few months.

Crude oil and condensate production is set to increase by 0.1 mb/d, y-o-y, to average 13.3 mb/d. At the same time, NGLs production is projected to rise by 0.2 mb/d, y-o-y, to average 7.2 mb/d. Non-conventional liquids, in particular ethanol, are set to remain largely unchanged, y-o-y, to average 1.6 mb/d. Tight crude production in 2025 is forecast to average 9.0 mb/d, up by 0.1 mb/d, y-o-y.

Graph 5 - 8: US liquids production developments by component



In 2026, US liquids production, excluding processing gains, is expected to expand by around 0.1 mb/d, y-o-y, to average 22.2 mb/d. Crude oil and condensate production is set to drop by about 0.1 mb/d, y-o-y, to average 13.2 mb/d. Conversely, NGLs production is projected to increase by 0.2 mb/d to average 7.3 mb/d and non-conventional liquids are set to increase by about 50 tb/d, y-o-y, to average 1.7 mb/d. Average tight crude production in 2026 is set to drop by about 0.1 mb/d, y-o-y, to average 8.9 mb/d. The 2026 forecast assumes disciplined capital spending, incremental gains in drilling and completion processes, a tapering of drilling activity and increased associated gas production in key shale oil regions.

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

US liquids	2024	Change		Change		Change 2026/25
		2024/23	2025*	2025/24	2026*	
Tight crude	8.92	0.35	9.02	0.10	8.92	-0.10
GoM crude	1.77	-0.10	1.84	0.07	1.91	0.07
Conventional crude oil	2.52	0.02	2.41	-0.10	2.33	-0.08
Total crude	13.21	0.27	13.27	0.06	13.16	-0.11
Unconventional NGLs	5.78	0.41	6.03	0.26	6.21	0.18
Conventional NGLs	1.16	0.03	1.15	-0.01	1.13	-0.02
Total NGLs	6.94	0.44	7.18	0.24	7.34	0.16
Biofuels + Other liquids	1.61	0.07	1.61	0.00	1.66	0.05
US total production	21.76	0.79	22.07	0.31	22.17	0.10

Note: * 2025-2026 = Forecast.

Sources: EIA, OPEC and Rystad Energy.

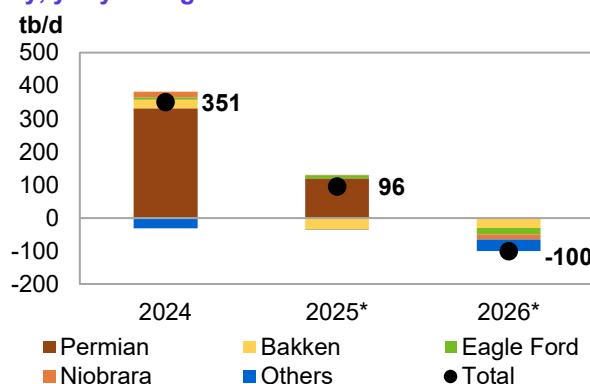
US tight crude production in the Permian Basin during 2025 is expected to increase by 0.1 mb/d, y-o-y, to average 5.7 mb/d. In 2026, it is forecast to remain largely unchanged.

In North Dakota, Bakken shale production is expected to see a decline of 35 tb/d and remain at around 1.2 mb/d in 2025. This remains below its pre-pandemic average of 1.4 mb/d. The expected drop of about 29 tb/d in 2026 could indicate a potential shift towards a mature basin.

Production in the Eagle Ford Basin in Texas is estimated to have averaged 1.0 mb/d in 2024. In 2025, modest growth of 10 tb/d is expected, while production is forecast to drop by 20 tb/d in 2026.

In the Niobrara region, production in 2024 is estimated to have increased by 17 tb/d, y-o-y, to reach an average of 466 tb/d. With nearly no expected growth in 2025 and a marginal drop of 15 tb/d in 2026, production is projected to remain at around 0.5 mb/d.

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



World Oil Supply

In the other tight oil plays, production is estimated to have dropped by 31 tb/d in 2024. Production is expected to remain largely unchanged in 2025, followed by a drop of 35 tb/d in 2026, owing to an expected slowdown in drilling and completion operations.

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

US tight oil	2024	Change		Change		Change
		2024/23	2025*	2025/24	2026*	
Permian tight	5.56	0.33	5.68	0.12	5.68	0.00
Bakken shale	1.22	0.03	1.19	-0.03	1.16	-0.03
Eagle Ford shale	1.01	0.01	1.02	0.01	1.00	-0.02
Niobrara shale	0.47	0.02	0.47	0.00	0.45	-0.02
Other tight plays	0.67	-0.03	0.67	0.00	0.63	-0.04
Total	8.92	0.35	9.02	0.10	8.92	-0.10

Note: * 2025-2026 = Forecast.

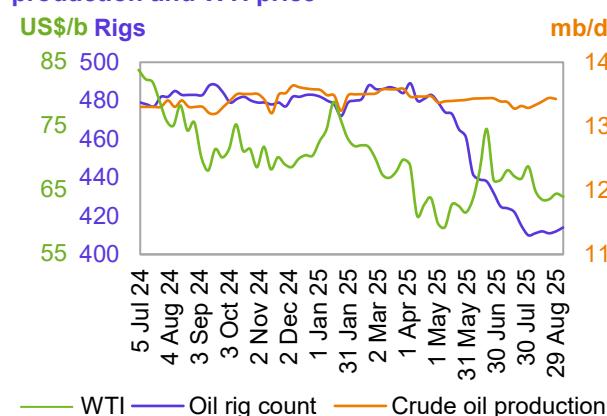
Source: OPEC.

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

The total number of active US oil and gas drilling rigs in the week ending 5 September 2025 rose by one, w-o-w, to 537, according to Baker Hughes. This is 45 fewer rigs than a year ago. The number of active offshore rigs remained unchanged, w-o-w, at 13. This is six fewer than in the same month a year earlier. The number of onshore oil and gas rigs rose by one, w-o-w, to 522 with two rigs in inland waters. This is down by 40 rigs, y-o-y.

The US horizontal rig count increased by two, w-o-w, to 470, compared with 520 horizontal rigs a year ago. The number of drilling rigs for oil rose by two, w-o-w, to 414, while the number of gas drilling rigs fell by one, w-o-w, to 118.

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



Sources: Baker Hughes, EIA and OPEC.

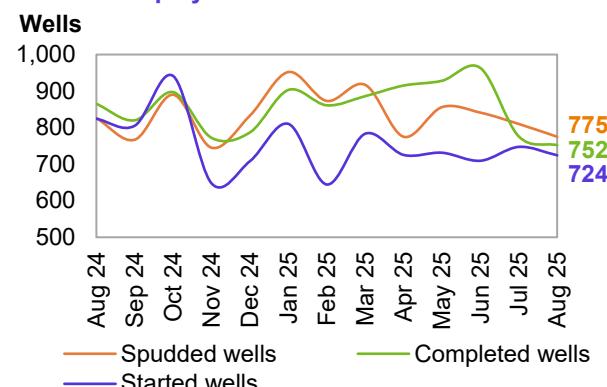
The Permian's rig count dropped by one, w-o-w, to 254. The rig count in the Williston, Eagle Ford, Cana Woodford and DJ-Niobrara Basins remained unchanged, w-o-w, at 29, 39, 17 and 9, respectively.

Per preliminary data, drilling and completion activities for oil-producing wells in all US shale plays include 810 horizontal wells spudded in July. This is down by 31, m-o-m, and is around 11% lower than in July last year.

Preliminary July data indicate a lower number of completed wells, m-o-m, at 776. This is down by about 12%, y-o-y. The number of started wells is estimated at 747, which is about 11% lower than a year earlier.

Preliminary data for August sees 775 spudded, 752 completed, and 724 started wells, according to Rystad Energy data.

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



Note: Jul 25-Aug 25 = Preliminary data.

Sources: Rystad Energy and OPEC.

World Oil Supply

In terms of identifying US oil and gas fracking operations, Rystad Energy reported that 978 wells began fracking in June. In July and August, it stated that 916 and 524 wells began fracking, respectively, according to preliminary numbers based on an analysis of high-frequency satellite data.

In regional terms, preliminary July 2025 data for the Permian Midland and Permian Delaware regions show that 287 and 227 wells started fracking, respectively. There was a gain of 55 wells in the Midland region and a loss of 16 in Delaware, compared with June. Data also indicates that during July, 35 wells began fracking in the DJ Basin, 43 in the Eagle Ford and 80 in the Bakken.

Canada

Canada's July liquids production is estimated to have increased by 0.2 mb/d, m-o-m, to average 6.3 mb/d. Production has been fully restored following maintenance activities across multiple oil sands projects.

Conventional crude production fell by 11 tb/d in July, m-o-m, to average 1.3 mb/d. NGLs production was up by about 11 tb/d, m-o-m, to average 1.3 mb/d.

Crude bitumen production rose by 191 tb/d m-o-m in July, while synthetic crude production remained largely unchanged. Taken together, crude bitumen and synthetic crude production averaged 3.6 mb/d in July.

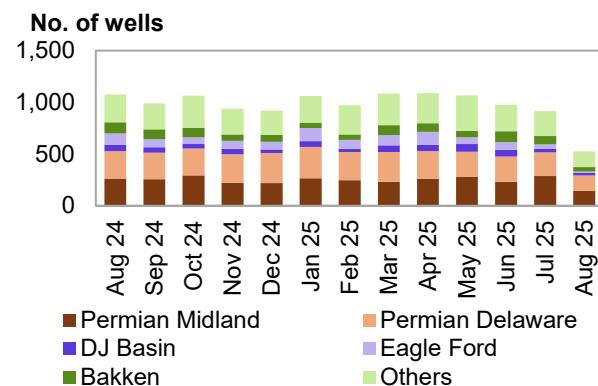
Liquids production in 3Q25 is expected to remain robust, as most of the scheduled maintenance across oil sands projects has already been completed.

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

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, emphasising asset expansion, debottlenecking initiatives and the broader adoption of advanced drilling technologies.

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

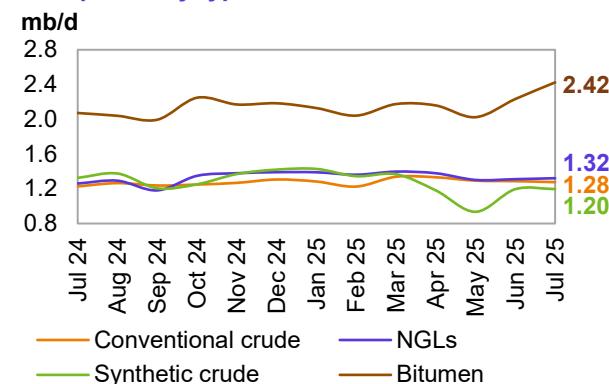
Graph 5 - 12: Started fracs per month by region



Note: Jul 25-Aug 25 = Preliminary data.

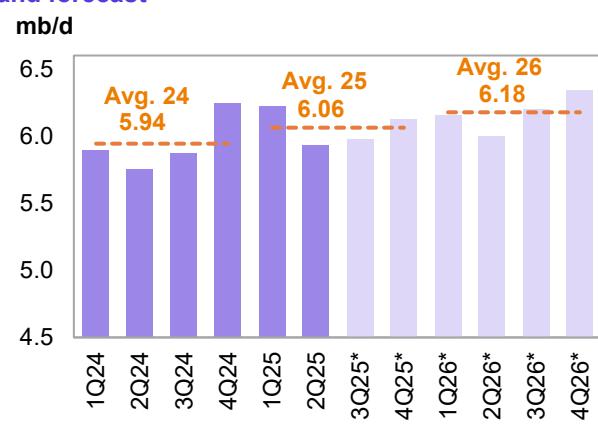
Sources: Rystad Energy Shale Well Cube and OPEC.

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



Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

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



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

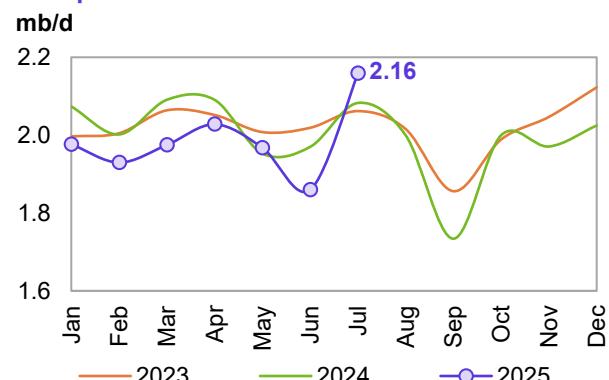
Norway

Norwegian liquids production in July rose by 0.3 mb/d, m-o-m, to average 2.2 mb/d. Norway's crude production increased by 281 tb/d, m-o-m, to average 2.0 mb/d. This was higher by around 132 tb/d, y-o-y. Monthly oil production was 8.2% higher than the Norwegian Offshore Directorate's (NOD) forecast.

NGLs and condensate production increased m-o-m by 18 tb/d in July to average 0.2 mb/d, according to NOD data.

In 2025, Norwegian liquids production is forecast to grow by about 20 tb/d to average 2.0 mb/d. This is unchanged from the previous assessment.

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



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

Additional start-ups are expected at the Ringhorne and Norne floating, production, storage, and offloading (FPSO) platforms, as well as at the Maria and Kvitebjorn oil field projects. At the same time, ramp-ups are anticipated at the Kristin, Eldfisk and Balder/Ringhorne projects. Production from the Johan Castberg FPSO is set to remain strong, while output from the refurbished Jotun FPSO in the Balder region is set to ramp up in the second half of the year.

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

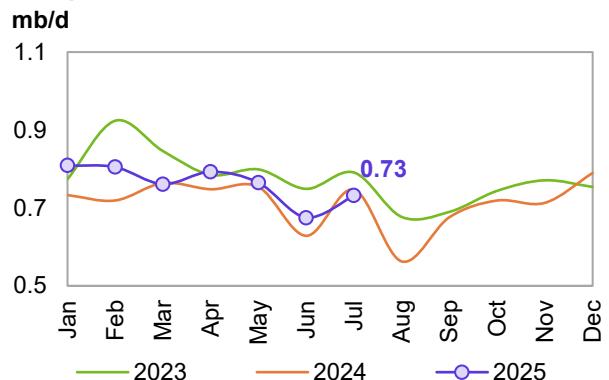
UK

In July, UK liquids production rose by 57 tb/d, m-o-m, to average 0.7 mb/d. Crude oil production increased by 50 tb/d, m-o-m, to average 0.6 mb/d. The July crude level was higher by about 8 tb/d, y-o-y, according to official data. NGLs production increased by about 7 tb/d, m-o-m, to average 74 tb/d.

In 2025, UK liquids production is forecast to rise by about 10 tb/d to average 0.7 mb/d. Production ramp-ups are estimated to come through the Clair sites, Penguins, Buzzard, ETAP, Magnus and Schiehallion projects. Elsewhere, project start-ups are anticipated at the Janice and Murlach (Skua redevelopment) assets. However, the increase in volumes is expected to be largely balanced by a continued decline in output from the UK's mature reservoirs over the year.

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

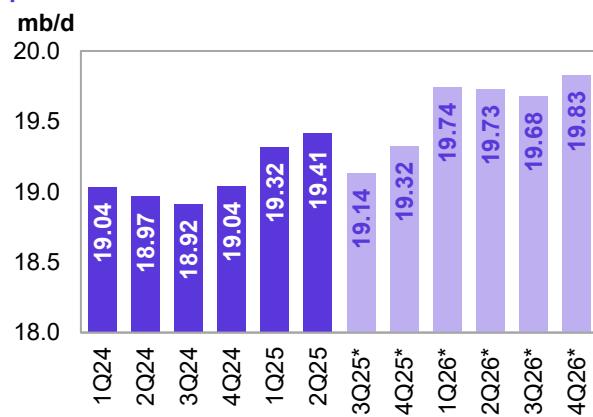
Graph 5 - 16: UK monthly liquids production development



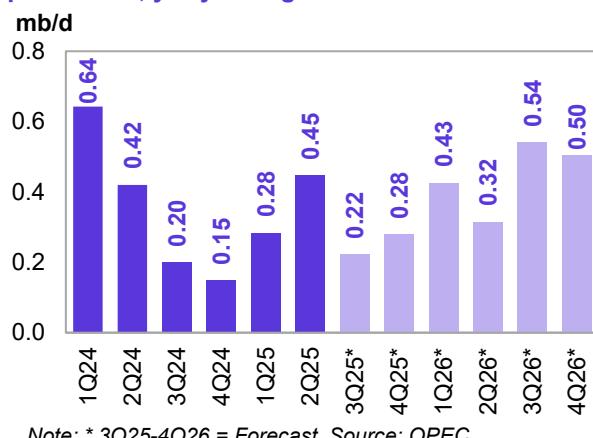
Sources: UK Department for Business, Energy and Industrial Strategy and OPEC.

Non-OECD

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



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

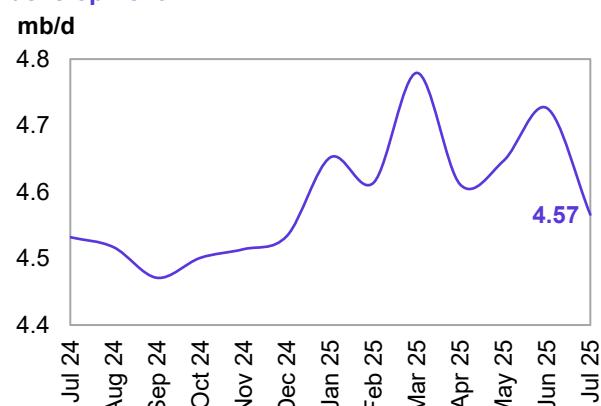


China

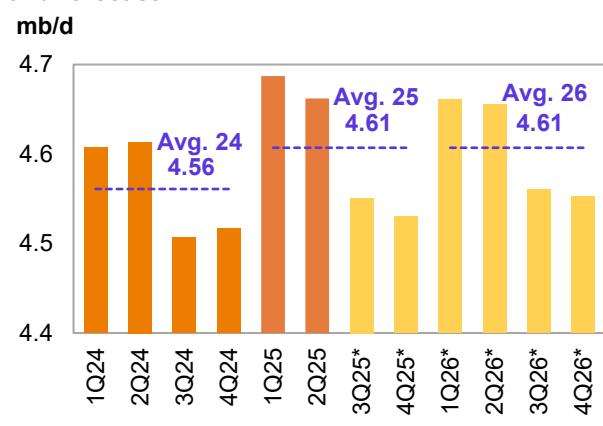
China's liquids production fell by 160 tb/d, m-o-m, to average 4.6 mb/d in July. According to official data, this is up by 34 tb/d, y-o-y. July crude oil production averaged 4.3 mb/d. This was down by about 160 tb/d from June, albeit higher by 53 tb/d, y-o-y.

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

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



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



In 2025, Chinese liquids production is expected to increase by around 46 tb/d, y-o-y, to average 4.6 mb/d. This is higher by about 12 tb/d compared with the previous assessment. Production growth is expected to be led by the offshore sector, driven by substantial recent exploration investments in Bohai Bay, northern China, as well as the South China Sea. The deployment of additional infill wells and EOR initiatives is expected to largely mitigate decline rates in mature fields.

For the remainder of the year, oil and gas condensate projects such as Songliao, Peng Lai 19-9, Shengli, Liaodong Bay West, Tianjin – operated by CNOOC, PetroChina and Sinopec – are expected to come on stream. In addition, key ramp-ups are planned for Shengli, Xibei, Jilin, Kenli 10-2, Peng Lai 19-3 and Tarim.

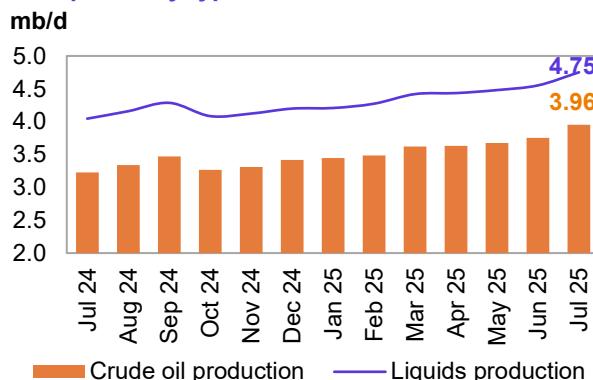
In 2026, Chinese liquids production is expected to remain unchanged, y-o-y, to average 4.6 mb/d. Several oil and gas condensate projects are set to come on stream, namely Jinzhou 25-1 and 25-3 in Tianjin, Weizhou 11-4 and 11-12 in Zhanjiang, Jinxiang JX1-1 in Tianjin, Wenchang 16-2 in Zhanjiang, Liaohe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

World Oil Supply

Brazil

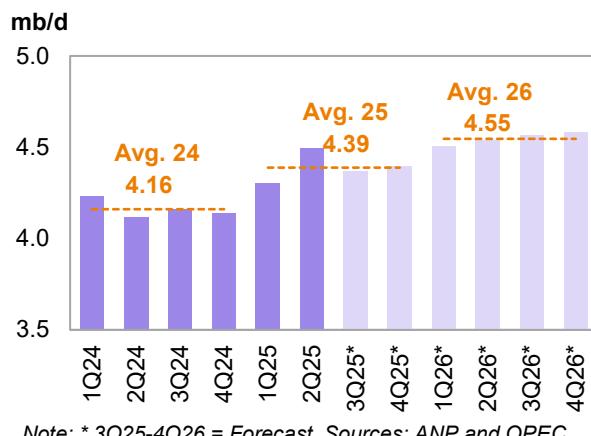
Brazil's crude production in July increased by 199 tb/d, m-o-m, to average 4.0 mb/d, driven by strong production from recently started projects. NGLs production remained largely unchanged at an average of around 72 tb/d, and this is expected to remain largely flat in August. Biofuel production (mainly ethanol) is estimated to have been largely unchanged, m-o-m, at an average of 0.7 mb/d, with preliminary August data showing a stable trend. The country's total liquids production rose by 0.2 mb/d in July to average 4.8 mb/d. This is higher by 0.7 mb/d, y-o-y, and is a record-breaking production level for the country.

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



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

Graph 5 - 22: Brazil's quarterly liquids production



Note: * 3Q25-4Q26 = Forecast. Sources: ANP and OPEC.

In 2025, Brazil's liquids production, including biofuels, is forecast to increase by about 230 tb/d, y-o-y, to average 4.4 mb/d. Crude oil production is expected to expand through production ramp-ups at the Buzios (Franco), Mero (Libra NW), Tupi (Lula), Marlim, Peregrino, Atlanta and Parque das Baleias fields. Oil project start-ups are expected at the Buzios, Bacalhau (x-Carcara), Wahoo and Lapa (Carioca) fields. It should be noted, however, that production timelines may be affected by operational challenges, risk management supervisions and unexpected disruptions in some platforms.

In 2026, Brazil's liquids production, including biofuels, is forecast to increase by around 160 tb/d, y-o-y, to average 4.5 mb/d. Upstream liquids production is expected to increase through production ramp-ups at the Buzios (Franco), Mero (Libra NW), Marlim and Bacalhau (x-Carcara) projects. Oil project start-ups are expected at the Buzios, Albacora Leste and Pampo-Enchova Clusters. However, rising offshore project costs, combined with inflationary pressures, could impede timely project execution.

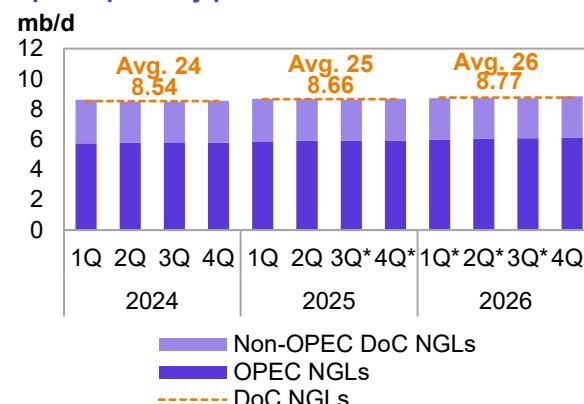
DoC NGLs and non-conventional liquids

DoC NGLs and non-conventional liquids are expected to expand by 120 tb/d in 2025 to average 8.7 mb/d.

Preliminary data show that NGLs and non-conventional liquids production in 2Q25 averaged 8.7 mb/d. According to preliminary July data, OPEC Member Countries and non-OPEC DoC countries are estimated to have produced 5.9 mb/d and 2.8 mb/d of NGLs and non-conventional liquids, respectively.

The 2026 forecast points towards a combined increase of about 110 tb/d for an average of 8.8 mb/d. For OPEC Member Countries, NGLs and non-conventional liquids production is projected to expand by about 150 tb/d to average 6.0 mb/d. However, a drop of about 40 tb/d is forecast for non-OPEC DoC countries for an average of 2.7 mb/d.

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



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

World Oil Supply

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

DoC NGLs and non-conventional liquids	Change		Change		Change		Change		Change 26/25	
	2024	24/23	2025	25/24	1Q26	2Q26	3Q26	4Q26		
OPEC	5.77	0.14	5.90	0.13	5.96	6.03	6.08	6.11	6.05	0.15
Non-OPEC DoC	2.77	0.03	2.76	-0.01	2.75	2.73	2.65	2.75	2.72	-0.04
Total	8.54	0.17	8.66	0.12	8.72	8.75	8.73	8.86	8.77	0.11

Note: 2025-2026 = Forecast.

Source: OPEC.

DoC crude oil production

Total DoC crude oil production averaged 42.40 mb/d in August 2025, which is 509 tb/d higher, m-o-m.

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

Secondary sources	Change								Aug/Jul
	2023	2024	4Q24	1Q25	2Q25	Jun 25	Jul 25	Aug 25	
Algeria	969	905	904	910	920	927	930	940	10
Congo	261	254	255	259	258	258	263	259	-4
Equatorial Guinea	57	57	59	60	55	53	53	51	-2
Gabon	213	223	230	229	231	233	230	226	-4
IR Iran	2,884	3,257	3,290	3,307	3,306	3,257	3,245	3,218	-27
Iraq	4,265	4,163	4,015	3,998	3,957	3,953	3,893	4,015	122
Kuwait	2,595	2,429	2,422	2,415	2,431	2,444	2,452	2,492	40
Libya	1,153	1,092	1,183	1,288	1,285	1,283	1,305	1,299	-6
Nigeria	1,337	1,426	1,485	1,518	1,527	1,543	1,557	1,549	-8
Saudi Arabia	9,618	8,978	8,959	8,948	9,178	9,356	9,450	9,709	258
UAE	2,954	2,950	2,947	2,939	2,994	3,060	3,169	3,255	87
Venezuela	760	867	905	926	924	919	924	936	13
Total OPEC	27,065	26,602	26,654	26,797	27,065	27,286	27,470	27,948	478
Azerbaijan	504	482	487	467	462	463	460	457	-4
Bahrain	185	176	182	186	183	186	186	187	0
Brunei	70	79	82	88	84	85	85	86	1
Kazakhstan	1,603	1,539	1,417	1,758	1,827	1,872	1,836	1,814	-23
Malaysia	374	347	345	350	346	340	340	336	-4
Mexico	1,651	1,578	1,519	1,455	1,459	1,454	1,456	1,452	-4
Oman	819	766	761	755	763	768	777	784	7
Russia	9,596	9,197	9,013	8,969	8,995	9,022	9,123	9,173	50
Sudan	56	30	26	25	26	27	26	25	-1
South Sudan	146	72	55	71	107	124	132	139	7
Total Non-OPEC DoC	15,004	14,264	13,888	14,124	14,252	14,341	14,422	14,452	31
Total DoC	42,069	40,866	40,542	40,921	41,317	41,627	41,891	42,400	509

Notes: Totals may not add up due to independent rounding, given available secondary sources to date.

Source: OPEC.

OPEC crude oil production

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

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

Direct communication	2023	2024	4Q24	1Q25	2Q25	Jun 25	Jul 25	Aug 25	Change Aug/Jul
Algeria	973	907	908	909	920	927	937	947	10
Congo	271	260	265	260	267	263	271	271	0
Equatorial Guinea	55	57	58	56	46	46	48
Gabon	223
IR Iran
Iraq	4,118	3,862	3,731	3,667	3,632	3,627	3,692*	3,742*	50
Kuwait	2,590	2,411	2,404	2,406	2,418	2,420	2,445	2,489	44
Libya	1,189	1,136	1,252	1,386	1,367	1,367	1,377	1,380	3
Nigeria	1,187	1,345	1,435	1,468	1,481	1,505	1,507	1,434	-73
Saudi Arabia	9,606	8,955	8,935	8,941	9,183	9,360**	9,525**	9,722	197
UAE	2,944	2,916	2,884	2,906	2,958	3,033	3,141	3,240	99
Venezuela	783	921	982	1,035	1,062	1,069	1,084	1,098	14
Total OPEC

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

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

** Saudi Arabia's supply to the market was 9,360 tb/d in June and 9,525 tb/d in July 2025;

Saudi Arabia's production was 9,752 tb/d in June and 9,201 tb/d in July 2025.

Source: OPEC.

Product Markets and Refinery Operations

In August, US Gulf Coast (USGC) refinery margins trended upwards with gains for the second consecutive month. This was on the back of strength at the top section of the barrel that outweighed weakness in the middle distillates and residual fuels. In Rotterdam and Singapore, however, margins declined m-o-m, pressured by the downward correction in gasoil crack spreads and softer fuel oil margins. Additionally, strong refinery runs led to lengthening balances, which weighed on margins for middle distillates and residual fuel.

According to preliminary data, the global refinery intake in August rose further to reach a new record-high of 83.9 mb/d. This was 482 tb/d higher, m-o-m, and 1.8 mb/d higher, y-o-y.

Refinery margins

USGC refining margins against WTI extended their upward trend to reach a 6-month high in August. Seasonal gasoline strength amid notable naphtha demand drove refining economics higher. The positive margin performance came against a backdrop of a significant improvement in USGC middle distillate balances after the historically low diesel inventory levels and diesel production constraints witnessed in previous months. This exerted downward pressure on diesel/gasoil prices and crack spreads. Higher refinery runs and higher product output weighed on middle distillate and residual fuel markets. Nevertheless, the gains recorded at the top section of the barrel outweighed the losses witnessed at the middle and bottom sections.

According to preliminary August data, USGC refinery intake added 110 tb/d to the previous month's level, to average 17.35 mb/d. USGC margins against WTI averaged \$15.07/b, up by 42¢, m-o-m, and by \$1.80, y-o-y.

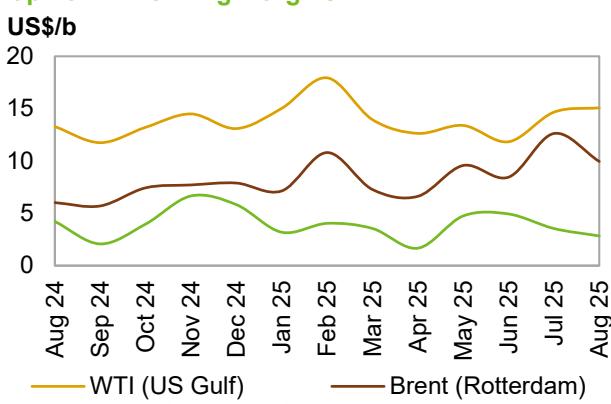
Rotterdam refinery margins against Brent declined following the robust performance registered in July. This was mainly a reflection of a sharp drop in gasoil crack spreads, while smaller, albeit significant losses linked to jet/kerosene and residual fuel also contributed to the downside. According to Platts data, as of 28 August, total Amsterdam-Rotterdam-Antwerp (ARA) product stocks were up by 2.3 mb (+5.7%) m-o-m at the end of the month, with the vast majority of the inventory rise, 2.6 mb (+114%), attributed to gasoil, following a 837 tb (-2.0%) total product decline in July. This suggests a significant m-o-m improvement in product availability in the region. Compared to last year, however, August total product ARA stocks were 3.7 mb (7.9%) lower, which suggests that the European product balance is shorter this year compared to the previous year.

According to preliminary data, refinery runs in August showed a 190 tb/d m-o-m rise to an average of 9.62 mb/d in EU-14 plus Norway and the UK. Refinery margins against Brent in Europe averaged \$9.94/b in August, which was \$2.67 lower, m-o-m, but higher by \$3.92, y-o-y.

Singapore's refining margins against Oman fell for the second consecutive month in August, albeit the monthly loss was less than seen in Rotterdam. Similar to Rotterdam, most of the weakness was from gasoil amid additional pressures from jet/kerosene and fuel oil segments. Product stocks in Singapore rose 1.4 mb (3.0%) in August, following a 376 tb (0.8%) rise in the previous month, according to Platts data as of 27 August. Compared to the previous year, product stocks were 2.4 mb (5.3%) higher in August.

According to preliminary data, the combined August refinery intake for Japan, China, India, Singapore, and South Korea registered an increase of 60 tb/d, m-o-m, to average 27.06 mb/d. Refinery margins against Oman averaged \$2.83/b, which was 71¢ lower, m-o-m, and \$1.38 lower, y-o-y.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

Refinery operations

US refinery utilisation rates showed a monthly 1.2 pp rise to average 95.56% in August. This corresponds to a throughput of 17.35 mb/d and represents a 110 tb/d rise relative to the July level. Compared with the previous year, the August refinery utilisation rate was 1.2 pp higher, with throughput showing a 78 tb/d rise.

EU-14 plus the UK and Norway refinery utilisation averaged 85.98% in August, corresponding to a throughput of 9.62 mb/d. This represents a 1.7 pp rise, or 190 tb/d, m-o-m. On a yearly basis, the utilisation rate was up by 1.7 pp, with throughput 276 tb/d lower.

In Selected Asia – Japan, China, India, Singapore and South Korea – refinery utilisation rates increased to an average of 92.43% in August, corresponding to a throughput of 27.06 mb/d. Compared with the previous month, utilisation rates were up 0.2 pp, and throughput was higher by 60 tb/d. Relative to the previous year, rates were 0.2 pp higher, while throughput was 1.32 mb/d higher.

Graph 6 - 2: Refinery utilisation rates

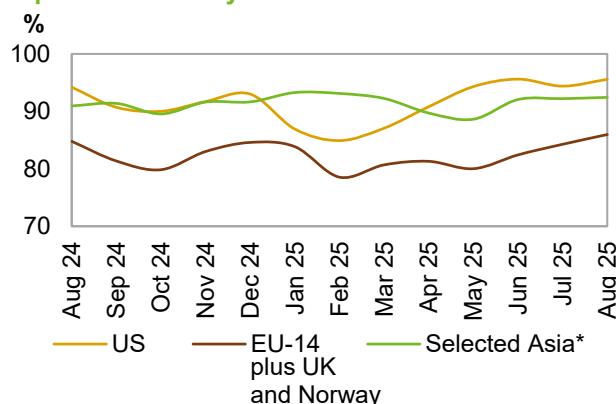


Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				Refinery utilization, %				Change Aug/Jul
	Jun 25	Jul 25	Aug 25	Change Aug/Jul	Jun 25	Jul 25	Aug 25	Change Aug/Jul	
US	17.36	17.24	17.35	0.11	95.60	94.38	95.56	1.2 pp	
Euro-14, plus UK and Norway	9.22	9.43	9.62	0.19	82.43	84.28	85.98	1.7 pp	
France	0.94	0.95	0.99	0.03	81.76	82.73	85.62	2.9 pp	
Germany	1.69	1.71	1.72	0.01	98.71	99.64	100.16	0.5 pp	
Italy	1.18	1.21	1.24	0.03	65.14	66.66	68.17	1.5 pp	
UK	1.00	1.01	1.02	0.01	96.89	98.12	99.30	1.2 pp	
Selected Asia	27.14	26.99	27.06	0.06	92.06	92.21	92.43	0.2 pp	
China	15.21	14.91	14.95	0.04	88.88	88.22	88.46	0.2 pp	
India	5.41	5.49	5.40	-0.09	107.07	108.56	106.88	-1.7 pp	
Japan	2.09	2.15	2.21	0.06	67.33	69.10	71.17	2.1 pp	
South Korea	2.90	2.95	2.99	0.04	96.18	97.83	99.04	1.2 pp	

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

Product Markets and Refinery Operations

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

Refinery crude throughput	2022	2023	2024	2Q24	4Q24	1Q25	2Q25	3Q25
OECD Americas	18.68	18.71	18.96	19.17	19.04	18.22	18.88	19.12
of which US	16.48	16.50	16.62	16.96	16.81	15.93	16.97	17.12
OECD Europe	11.44	11.38	11.28	11.07	11.25	11.07	10.92	11.21
of which:								
France	0.84	0.93	0.92	0.89	1.00	0.93	0.83	0.95
Germany	1.83	1.62	1.76	1.81	1.73	1.64	1.66	1.69
Italy	1.32	1.30	1.21	1.16	1.21	1.16	1.23	1.21
UK	1.04	0.97	0.98	0.98	1.02	0.92	1.00	1.01
OECD Asia Pacific	6.08	5.86	5.71	5.64	5.76	5.63	5.59	5.65
of which Japan	2.71	2.56	2.37	2.27	2.47	2.43	2.27	2.31
Total OECD	36.21	35.95	35.96	35.88	36.05	34.92	35.39	35.98
Latin America	3.44	3.54	3.69	3.70	3.70	3.64	3.53	3.61
Middle East	7.24	7.53	7.96	8.06	7.90	8.05	8.12	8.29
Africa	1.77	1.76	1.94	1.85	2.12	2.13	2.19	2.23
India	5.00	5.18	5.30	5.36	5.30	5.62	5.41	5.44
China	13.49	14.78	14.25	14.25	14.08	14.80	14.46	14.99
Other Asia	4.97	5.00	5.05	4.90	5.14	5.22	5.08	5.20
Russia	5.46	5.50	5.35	5.28	5.31	5.28	5.31	5.04
Other Eurasia	1.02	1.02	1.04	1.04	1.01	1.09	1.11	1.17
Other Europe	0.52	0.48	0.51	0.47	0.56	0.50	0.53	0.56
Total Non-OECD	42.91	44.78	45.08	44.91	45.13	46.34	45.74	46.53
Total world	79.12	80.73	81.03	80.80	81.18	81.26	81.12	82.51

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

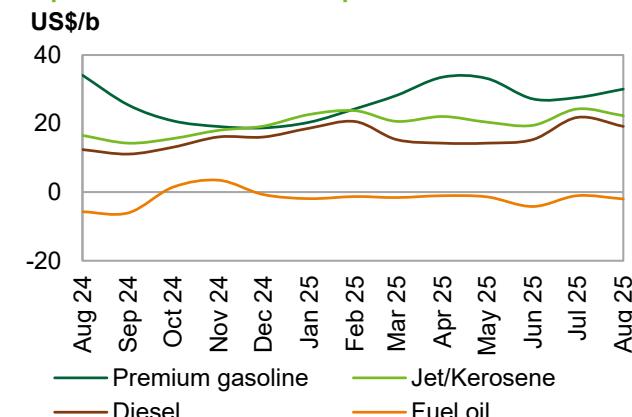
In line with seasonal trends, the USGC gasoline crack spread against WTI increased, with strong inventory draws recorded, particularly at the start of August. In US product markets, gasoline was the second strongest performer after naphtha. Moreover, in contrast to most oil products, gasoline availability contracted amid firm late-summer demand. At the lower sections of the barrel, product balances expanded. Looking ahead, new gasoline supplies from the Dangote refinery entering the international markets, along with an increase in Brazil's biofuel blending mandate from 27.5% to 30% starting 1 August, could contribute to some easing in US gasoline tightness in the near term.

The USGC gasoline crack spread gained \$2.42, m-o-m, to reach an average of \$30.05/b in August, albeit this was \$4.04 lower, y-o-y.

The USGC jet/kerosene crack spread against WTI witnessed solid losses in August, with only gasoil seeing higher losses across the barrel. Rising output led to increased jet/kerosene availability in the country, which weighed on crack spreads for the corresponding product. The USGC jet/kerosene crack spread dropped \$1.98, m-o-m, to average \$22.32/b in August, which was \$5.78 higher than the previous year.

The USGC gasoil crack spread against WTI retreated from the robust performance witnessed in the previous month as inventory levels recovered over the month. Weaker fundamentals and rising supplies amid stronger refinery run weighed on margin performance. Moreover, the decline in gasoil margins also reflected declining

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



Sources: Argus and OPEC.

Product Markets and Refinery Operations

concerns over Europe's sanctions on Russian-originated refined products, which had previously boosted speculative trade. The US gasoil crack spread against WTI averaged \$19.16/b, which was \$2.63 lower, m-o-m, but \$6.77 higher, y-o-y.

The USGC fuel oil 3.5% crack spread against WTI receded and remained in negative territory for the ninth consecutive month. According to Kpler, although inventories continue to set new historical lows, US fuel oil production has been rising since mid-May, reaching the highest seasonal level in the past five years. In August, the US fuel oil crack spread against WTI fell 96 ¢, m-o-m, to average a negative \$1.99/b, although this was \$3.72 higher, y-o-y.

European market

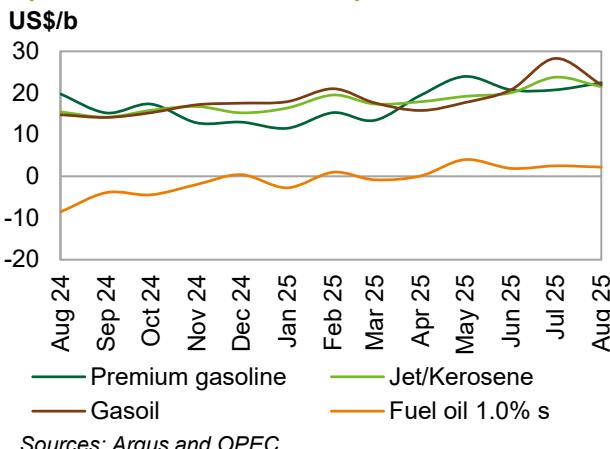
The gasoline crack spread in Rotterdam against Brent rose in August to reach a three-month high. This was on the back of a pick-up in demand amid seasonality-backed gasoline markets. Going forward, the start of heavy Autumn refinery maintenance could exacerbate gasoline tightness in the northern hemisphere and keep gasoline crack spreads elevated despite summer season demand-side support gradually approaching an end. The gasoline crack spread against Brent averaged \$22.47/b, which was \$1.71 higher, m-o-m, and \$2.70 higher, y-o-y.

In August, the jet/kerosene crack spread in Rotterdam against Brent fell, receding from the 16-month high witnessed in July. This weakness is attributed to a notable rise in ARA jet/kerosene independent storage, pointing to softer fundamentals. Reports from secondary sources stated that Euro air space service capacity constraints and a continent-wide heatwave contributed to shifting demand patterns for jet/kerosene. Additionally, record-high East to West jet/kerosene flows registered in July have driven ARA stocks above their typical seasonal level with more cargoes on water headed to Europe, according to Kpler. The Rotterdam jet/kerosene crack spread against Brent averaged \$21.44/b, down by \$2.32, m-o-m, but up by \$5.99, y-o-y.

The gasoil crack spread in Rotterdam against Brent saw a sharp decline, representing the main source of weakness for North-West Europe refining economics. According to Kpler, gasoil imports surged to a five-month high in August. Expectations of supply constraints, however, due to refinery outages in Russia and the upcoming heavy maintenance season, are set to keep gasoil crack spreads volatile. The gasoil crack spread against Brent averaged \$21.99/b, down \$6.32, m-o-m, but up \$7.20, y-o-y.

At the bottom of the barrel, fuel oil 1.0% crack spreads in Rotterdam against Brent exhibited a slight loss but remained in positive territory. Limited bunker demand and firm seasonal refinery runs weighed on the market. The fuel oil 1.0% crack spread averaged \$2.17 in August, which represented a 30¢ drop, m-o-m, but a \$10.76 gain, y-o-y.

Graph 6 - 4: Rotterdam crack spreads vs. Brent



Asian market

The Southeast Asia gasoline 92 crack spread against Dubai rebounded following two consecutive monthly losses. Several gasoline-producing unit outages suppressed Chinese gasoline exports, and a late-summer demand uptick in several countries across the region provided support. The margin averaged \$8.53/b in August, up \$1.45, m-o-m, and \$1.48, y-o-y.

The Asian naphtha crack spread showed solid improvement in August, despite remaining deep in negative territory. Improved demand in response to seasonality, as well as rising petrochemical capacity within the region, backed naphtha markets. Furthermore, subdued naphtha supplies from Russia due to several refinery outages contributed to lower availability, and this is expected to provide additional strength to Asian naphtha markets in the near term. The Singapore naphtha crack spread against Dubai averaged negative \$6.72/b, which was \$1.21 higher, m-o-m, but \$1.94 lower, y-o-y.

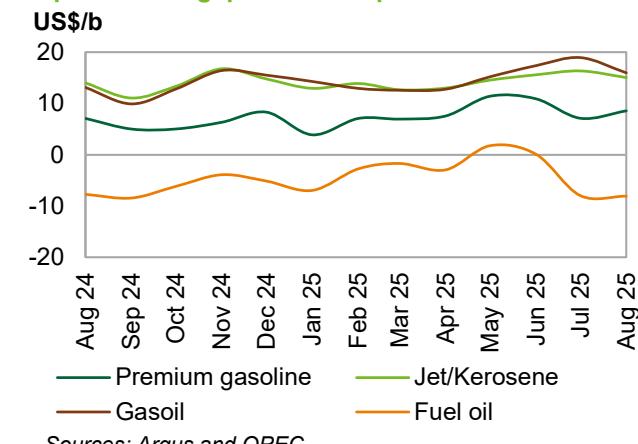
In the middle of the barrel, the jet/kerosene crack spread fell, pressured by rising availability in the region amid weaker fundamentals and closing arbitrage.

Product Markets and Refinery Operations

The Singapore jet/kerosene crack spread against Dubai averaged \$15.03/b, down \$1.29, m-o-m, but up \$1.05, y-o-y.

The Singapore gasoil crack spread reversed direction from the robust performance seen in the previous month, dropping back from the multi-month high reached in July. Nonetheless, gasoil crack spreads in absolute levels remained the top margin driver in August, closely followed by jet/kerosene. The middle distillate balance expansion in the northern hemisphere likely contributed to the pressure, limiting East-West gasoil deliveries due to softening buying interest and economics. The Singapore gasoil crack spread against Dubai averaged \$15.94/b, down \$2.96, m-o-m, but up \$2.85, y-o-y.

Graph 6 - 5: Singapore crack spreads vs. Dubai



The Singapore fuel oil 3.5% crack spread continued to trend downwards following the plunge registered in July, falling deeper into negative territory. Strong fuel oil production levels owing to several fuel oil conversion unit (RFCC) issues across regions led to ample supplies, weighing on residual fuel economics. Going forward, residual fuel markets could experience added pressure as seasonal demand for power generation in the Middle East approaches an end. Singapore's high sulphur fuel oil crack spread against Dubai averaged negative \$8.09/b, down 11¢, m-o-m, and 36¢, y-o-y.

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

Event	Time frame	Observations	Asia	Europe	US
Autumn heavy refinery maintenance season	Sep 25 – Oct 25	Refinery product output is expected to decline in the near term amid the start of heavy refinery turnarounds. This could lead to a contraction in product balances, providing upward pressure on product crack spreads.	↑ Support product crack spreads	↑ Support product crack spreads	↑ Support product crack spreads
Summer season	Sep 25 – Oct 25	Despite summer coming to an end, projections of ongoing support from transport fuels, particularly for gasoline and jet fuel, on healthy road transport and air traffic activity should sustain product markets in the near term amid rising refinery outages.	↑ Support transport fuel crack spreads	↑ Support transport fuel crack spreads	↑ Support transport fuel crack spreads
Impact of the most recent refinery capacity additions	Sep 25 onwards	The potential influx of new product volumes into international markets, particularly from Yulong Petrochemical, Olmeca and Dangote refineries, is expected to lengthen product balances.	↓ Pressure on product markets	↓ Pressure on product markets	↓ Pressure on product markets
Impact of the most recent refinery closures	Sep 25 onwards	Around 860 tb/d of refining capacity losses are expected for 2025; however, at the same time, expansions and new refineries are expected to ramp up with considerable volumes.	↑ Support product markets	↑ Support product markets	↑ Support product markets

Source: OPEC.

Product Markets and Refinery Operations

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

		Jul 25	Aug 25	Change Aug/Jul	Annual avg. 2024	Year-to-date 2025
US Gulf (Cargoes FOB)						
Naphtha*		62.23	62.66	0.43	74.02	66.61
Premium gasoline	(unleaded 93)	95.00	94.13	-0.87	106.21	95.32
Regular gasoline	(unleaded 87)	87.86	88.01	0.15	94.42	86.92
Jet/Kerosene		91.67	86.40	-5.27	98.81	89.22
Gasoil	(0.2% S)	89.16	83.24	-5.92	84.13	84.67
Fuel oil	(3.0% S)	67.70	62.56	-5.14	69.05	64.82
Rotterdam (Barges FOB)						
Naphtha		61.34	61.72	0.38	72.52	64.64
Premium gasoline	(unleaded 98)	91.71	90.71	-1.00	106.14	89.62
Jet/Kerosene		94.71	89.68	-5.03	100.61	90.59
Gasoil/Diesel	(10 ppm)	99.26	90.23	-9.03	100.70	91.31
Fuel oil	(1.0% S)	73.42	70.41	-3.01	73.78	72.14
Fuel oil	(3.5% S)	68.29	64.54	-3.75	72.12	68.09
Mediterranean (Cargoes FOB)						
Naphtha		59.80	60.22	0.42	70.43	62.87
Premium gasoline**		85.46	84.98	-0.48	95.24	84.21
Jet/Kerosene		91.20	86.77	-4.43	97.31	87.58
Diesel		97.13	89.70	-7.43	99.64	90.04
Fuel oil	(1.0% S)	77.66	74.57	-3.09	78.25	75.79
Fuel oil	(3.5% S)	64.75	60.54	-4.21	69.17	64.52
Singapore (Cargoes FOB)						
Naphtha		62.89	62.71	-0.18	72.73	66.08
Premium gasoline	(unleaded 95)	79.59	80.11	0.52	92.98	81.12
Regular gasoline	(unleaded 92)	77.90	77.96	0.06	88.33	79.37
Jet/Kerosene		87.14	84.46	-2.68	95.20	85.70
Gasoil/Diesel	(50 ppm)	90.49	86.09	-4.40	95.98	87.05
Fuel oil	(180 cst)	88.34	84.46	-3.88	94.56	85.66
Fuel oil	(380 cst 3.5% S)	62.84	61.34	-1.50	71.16	67.88

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

Sources: Argus and OPEC.

Tanker Market

Dirty tanker spot freight rates largely recovered from the previous month's declines. Suezmax rates saw the strongest gains, up 34% on average, m-o-m, and 38%, y-o-y. Spot freight rates on the West Africa-to-US Gulf Coast (USGC) route jumped 38%.

VLCC spot freight rates were lifted by routes terminating in the East of Suez. Spot freight rates on the Middle East-to-East route rose 19%, m-o-m, while rates on the Middle East-to-West route rose by a more moderate 3%.

The Aframax market was mixed. Spot freight rates around the Mediterranean rose by about 9%. In contrast, rates on the Indonesia-to-East route declined 7%, m-o-m.

In the clean tanker market, spot rates were broadly lower, with only the Middle East-to-East route registering positive growth, up 13%. Rates around the Mediterranean declined by 1%, m-o-m.

Dirty tanker freight rates

Very large crude carriers (VLCC)

VLCC spot freight rates rose, m-o-m, in August, driven by gains East of Suez. On average, VLCC spot freight rates increased 11%, m-o-m, and were up 7% compared with the same month last year.

On the Middle East-to-East route, rates averaged WS57 in August, representing a gain of 19% from the previous month. Rates were 14% higher, y-o-y.

Spot freight rates on the Middle East-to-West route also increased, up 3%, m-o-m, to average WS34. Rates were similarly higher compared with the same month in 2024, increasing by 3%.

On the West Africa-to-East route, spot freight rates rose by 14%, m-o-m, to average WS58. Compared with the same month in 2024, rates were 5% higher.

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

VLCC	Size 1,000 DWT				Change Aug 25/Jul 25
		Jun 25	Jul 25	Aug 25	
Middle East/East	230-280	60	48	57	9
Middle East/West	270-285	35	33	34	1
West Africa/East	260	58	51	58	7

Sources: Argus and OPEC.

Suezmax

Spot freight rates for Suezmax vessels showed a strong performance on average in August, surging by 34%, m-o-m. Compared with the same month last year, average rates for the vessel class were 38% higher.

On the West Africa-to-USGC route, spot freight rates in August averaged WS101, representing an increase of 38%, m-o-m. Compared with the same month in 2024, spot rates on the route were up by a similar 38%. Rates on the USGC-to-Europe route rose 31%, m-o-m, to average WS88. Compared with the same month in 2024, rates were 40% higher.

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

Suezmax	Size 1,000 DWT				Change Aug 25/Jul 25
		Jun 25	Jul 25	Aug 25	
West Africa/US Gulf Coast	130-135	77	73	101	28
US Gulf Coast/Europe	150	72	67	88	21

Sources: Argus and OPEC.

Aframax

Aframax spot freight rates also saw gains in August. On average, Aframax rates rose by 9%, m-o-m. Compared with the same month last year, rates for the vessel class were up 10% on average.

The Indonesia-to-East route was the one exception to the positive performance across all monitored dirty tanker routes in August. In August, dirty spot freight rates on the route fell 7%, m-o-m, to WS109. Y-o-y, rates on the route were down 23%.

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

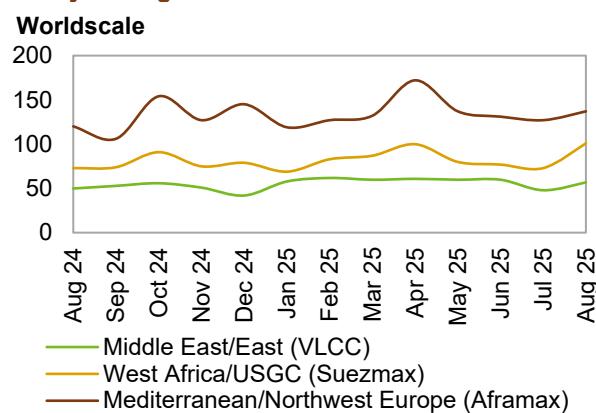
Aframax	Size 1,000 DWT				Change Aug 25/Jul 25
		Jun 25	Jul 25	Aug 25	
Indonesia/East	80-85	118	117	109	-8
Caribbean/US East Coast	80-85	152	130	160	30
Mediterranean/Mediterranean	80-85	134	131	144	13
Mediterranean/Northwest Europe	80-85	131	127	137	10

Sources: Argus and OPEC.

In contrast, spot freight rates on the Caribbean-to-US East Coast (USEC) route jumped 23%, m-o-m, to average WS160. Compared with the same month last year, rates were 44% higher.

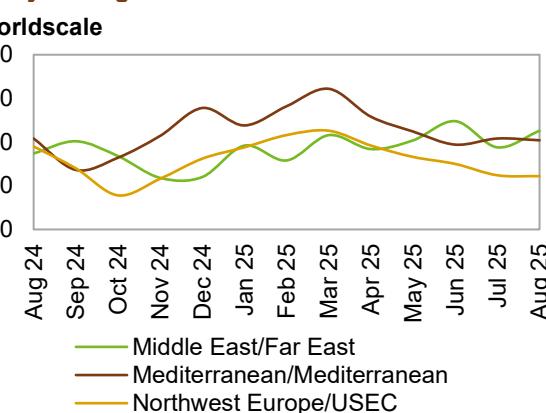
Spot freight rates around the Mediterranean saw more moderate gains. Cross-Med rates rose 10%, m-o-m, to average WS144. Y-o-y, spot rates on the route were up 14%. Rates on the Med-to-Northwest Europe (NWE) route rose 8%, m-o-m, to average WS137. Compared with the same month in 2024, rates were up 14%.

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



Sources: Argus and OPEC.

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



Sources: Argus and OPEC.

Clean tanker freight rates

Clean spot freight rates were slightly lower on most monitored routes, with the exception of Middle East-to-East voyages, which registered a positive performance. This allowed East of Suez rates to record an increase of 5% on average, m-o-m, while West of Suez rates declined by 1%. Compared with the previous year, East of Suez rates were up 12%, while West of Suez rates fell by 8% on average.

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

East of Suez	Size 1,000 DWT				Change Aug 25/Jul 25
		Jun 25	Jul 25	Aug 25	
Middle East/East	30-35	174	144	163	19
Singapore/East	30-35	171	162	160	-2
West of Suez					
Northwest Europe/US East Coast	33-37	125	112	111	-1
Mediterranean/Mediterranean	30-35	147	154	152	-2
Mediterranean/Northwest Europe	30-35	157	164	162	-2

Sources: Argus and OPEC.

Rates on the Middle East-to-East route bucked the general downward trend, rising 13%, m-o-m, to average WS163. Compared with August 2024, rates were 19% higher. Clean spot freight rates on the Singapore-to-East routes slipped by 1%, m-o-m, to average WS160. However, this was still a 6% increase compared with the same month in 2024.

In the Atlantic Basin, clean rates on the NWE-to-USSEC route averaged WS111, representing a drop of 1%, m-o-m, and 23%, y-o-y. Rates around the Mediterranean also edged lower, with the Cross-Med averaging WS152, representing a drop of 1%. Rates on the Med-to-NWE route averaged WS162, also representing a 1% decline. Y-o-y, spot freight rates on both routes were down by 1% each.

Crude and Refined Products Trade

In August, US crude imports jumped to a seven-month high of 6.5 mb/d. US crude exports recovered from a five-month slide to average 3.9 mb/d, the highest since March. US product imports reached a 12-month high, averaging 1.8 mb/d, while product exports were broadly unchanged at 6.9 mb/d.

OECD Europe crude imports picked up in July, approaching the five-year average. Product imports into the region remained at the bottom of the five-year range, while product exports saw a seasonal improvement.

Japan's crude imports recovered slightly in July to average 2.0 mb/d, after dipping below 2 mb/d for the first time since 2021, the month before. Product imports, including LPG, rose from a more than 5-year low seen the month before, supported by gains in gasoline and naphtha. Japan's product exports, including LPG, edged up, as a sharp drop in gasoil exports was offset by gains across all other major products except LPG.

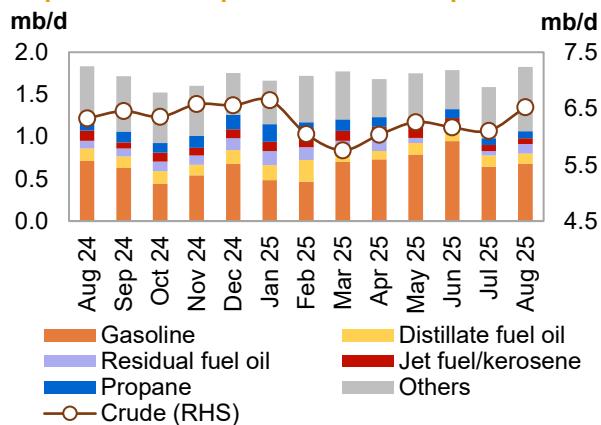
China's crude imports in July fell back from a 22-month high the month before, but still averaged 11.1 mb/d amid ongoing support from inventory buying. Product imports, including LPG, averaged 2.4 mb/d in July, with gains led by fuel oil, supported by changes in tax rebates, which boosted feedstock demand. Product exports were broadly unchanged, m-o-m, at 1.4 mb/d, as fuel oil exports fell back from the high levels seen in the month before, offsetting higher outflows of diesel oil, jet fuel and gasoline.

India's crude imports in July dropped to a 22-month low of 4.4 mb/d, amid tariff- and sanction-related uncertainties. Product imports fell back from a seven-month high the month before to average 1.2 mb/d but remained well above the five-year range. Product exports fell further in July to average 1.3 mb/d, with declines seen across all major product categories.

US

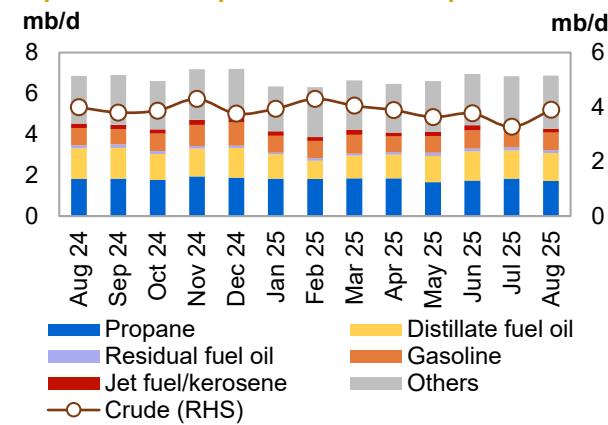
US crude imports jumped to a seven-month high in August, averaging 6.5 mb/d. M-o-m, imports were up 418 tb/d or just under 7%. Preliminary EIA weekly data shows the gains were driven largely by higher inflows from Brazil, Mexico and Canada, which offset a decline in flows from Ecuador. Compared with the same month last year, crude imports were up by 198 tb/d, or about 3%.

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.

After sliding lower over the last five months, US crude exports rebounded in August to average 3.9 mb/d, the highest since March. M-o-m, crude oil outflows rose by 620 tb/d, or 19%. According to Kpler data, declines were primarily due to higher flows to Europe and Asia, particularly South Korea and India. Compared with the same month last year, crude exports were 93 tb/d, or over 2%, lower.

In August, US net crude imports averaged 2.6 mb/d. This compares with net crude exports of 2.8 mb/d in the previous month and 2.3 mb/d in August of last year.

In the oil products trade, US imports rose by 235 tb/d, or 15%, m-o-m, to average over 1.8 mb/d, the highest since the same month last year. Gains were driven by the other products category, residual fuel oil, and gasoline imports. Compared with the same month in 2024, product inflows were negligibly lower.

Product exports were marginally higher in August at 6.9 mb/d. This represents a slight gain of 35 tb/d, or less than 1%, over the prior month. Declines across most major products were offset by higher outflows of the other products category. Compared with the same month last year, product exports inched up 23 tb/d, also representing a gain of less than 1%.

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

US	Jun 25	Jul 25	Aug 25	Aug 25/Jul 25
Crude oil	2.40	2.83	2.63	-0.20
Total products	-5.17	-5.25	-5.05	0.20
Total crude and products	-2.76	-2.41	-2.42	0.00

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

Sources: EIA and OPEC.

As a result, net product exports averaged 5.0 mb/d in August, down from 5.2 mb/d the month before. In August 2024, net product exports also averaged 5.0 mb/d. Combined net crude and product exports averaged 2.4 mb/d in August, largely unchanged from the previous month and compared with 2.7 mb/d in the same month last year.

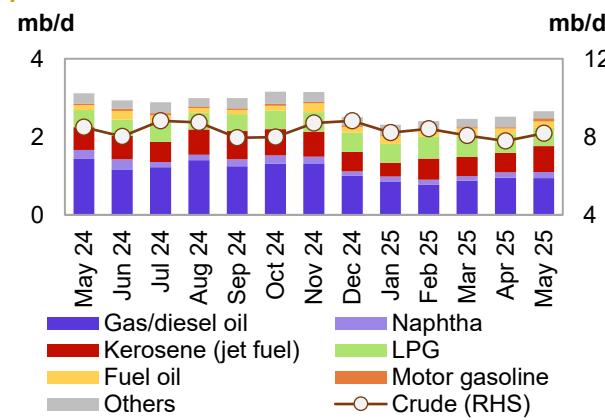
OECD Europe

The latest official regional data for OECD Europe shows that crude imports rose, m-o-m, in May to average 8.2 mb/d. Imports improved in seasonal terms to stand close to the five-year average. Dollar weakness also made crude and crude products more economical for euro buyers. Compared with the previous month, this was an increase of 387 tb/d, or 5%, m-o-m, but a decline of 312 tb/d, or about 4%, y-o-y.

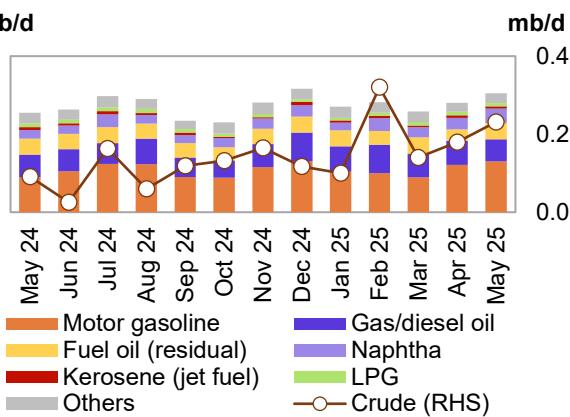
In terms of import sources from outside the region, the US once again provided the highest contribution in May at 1.4 mb/d, down from close to 1.5 mb/d the month before. Kazakhstan and Libya contributed about 1.2 mb/d and 1.0 mb/d, respectively.

Crude exports outside the region averaged 231 tb/d in May, compared with 180 tb/d the month before and 91 tb/d in the same month last year. Gains were driven by higher flows of Johan Sverdrup to China, which remained the top destination outside the region. Exports to China averaged 191 tb/d in May, up from 131 tb/d the month before.

Net crude imports averaged just under 8 mb/d in May, compared with 7.6 mb/d the month before. In the same month of 2024, net crude imports averaged 8.4 mb/d.

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

Sources: IEA and OPEC.

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

Sources: IEA and OPEC.

Product imports averaged 2.7 mb/d in May, an increase of 141 tb/d, or about 6%, m-o-m. Imports were led by jet fuel, amid increased summer travel demand, partially offset by declines in ethane. Compared with May 2024, product inflows were lower by 454 tb/d, or about 15%.

Product exports rose by 186 tb/d, or around 9%, m-o-m, to average 2.3 mb/d in May. Gains were driven by fuel oil, motor gasoline, and naphtha. The higher exports of fuel oil came as new IMO regulations lowered marine fuel sulphur limits to 0.1% in the Mediterranean, reducing VLSFO demand and boosting marine gasoil consumption. Compared with the same month in 2024, product exports declined by 378 tb/d, or about 20%.

Crude and Refined Products Trade

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

OECD Europe	Mar 25	Apr 25	May 25	Change May 25/Apr 25
Crude oil	7.93	7.61	7.95	0.34
Total products	0.52	0.42	0.37	-0.05
Total crude and products	8.45	8.03	8.32	0.29

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

Sources: IEA and OPEC.

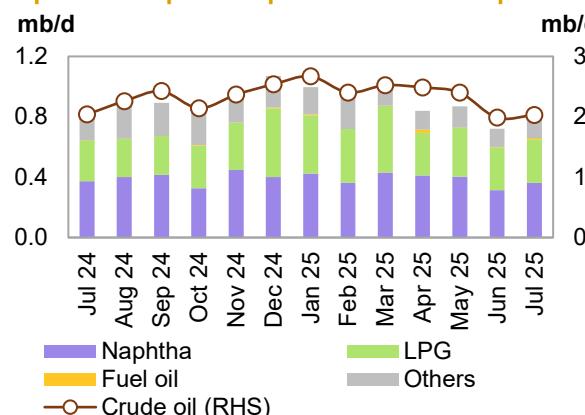
Net product imports averaged 371 tb/d in May, compared with 417 tb/d the month before and 1.2 mb/d in May 2024. Combined net crude and product imports averaged 8.3 mb/d in May. This was up from 8.0 mb/d the month before and 9.6 mb/d in May 2024.

Japan

Japan's crude imports recovered slightly in July after dipping below 2 mb/d for the first time since 2021 in the previous month to stand at 2.0 mb/d. Crude inflows remained at seasonally low levels near the bottom of the five-year range, as structural shifts weighed on crude needs. M-o-m, crude imports rose 46 tb/d, or around 2%. Crude imports were broadly in line with the same month last year.

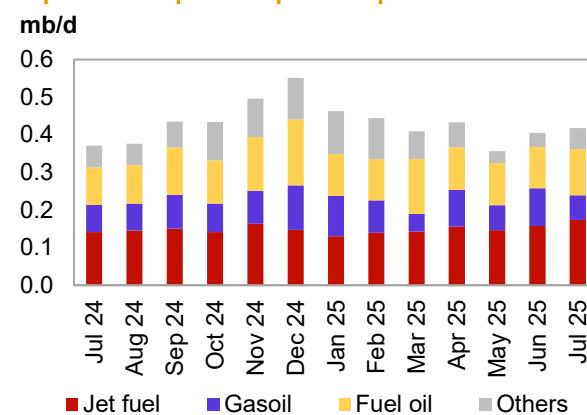
The United Arab Emirates retained the largest share of Japan's crude imports in July, with 43%, compared with 52% the month before. Saudi Arabia was second with close to 36%, up from 33% the month before, while the US was third with over 9%, compared with less than 1% the month before.

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, averaged 813 tb/d in July, up from a more than 5-year low the month before. M-o-m, product imports rose by 91 tb/d, or almost 13%. Gasoline and naphtha led gains, with fuel oil and LPG providing further support. Compared with July 2024, product imports were 33 tb/d, or just under 4%, lower.

Product exports, including LPG, edged up 12 tb/d, or about 3%, m-o-m, to average 418 tb/d. A sharp drop in gasoil exports was offset by gains across all other major products except LPG. Product outflows increased by 47 tb/d, or about 13%, compared with the same month last year.

Consequently, Japan's net product imports, including LPG, averaged 395 tb/d in July. This compares with 316 tb/d the month before and 475 tb/d in July 2024.

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

Japan	May 25	Jun 25	Jul 25	Change Jul 25/Jun 25
Crude oil	2.40	1.99	2.03	0.05
Total products	0.51	0.32	0.39	0.08
Total crude and products	2.92	2.30	2.43	0.12

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

Sources: METI and OPEC.

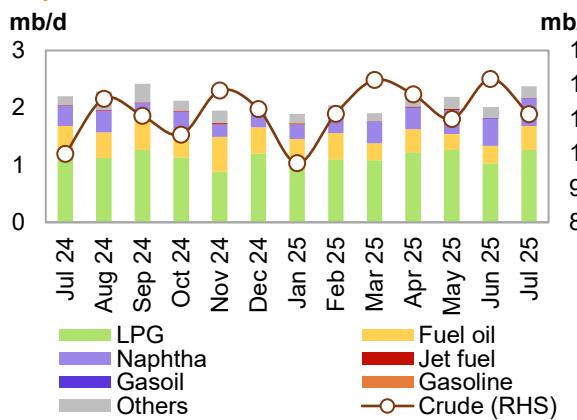
China

China's crude imports in July fell back from a 22-month high the month before. M-o-m, crude imports declined by 1.0 mb/d, or over 8%, to average 11.1 mb/d. Despite the decline, imports remained supported by continued buying for inventory builds. Compared with the same month last year, crude imports were up by almost 1.2 mb/d, or close to 12%.

In July, the highest share of crude imports came from Russia with 18%, up from 17% the month before. Saudi Arabia was second with about 16%, unchanged from the month before, followed by Iraq with over 10% and Malaysia with close to 9%.

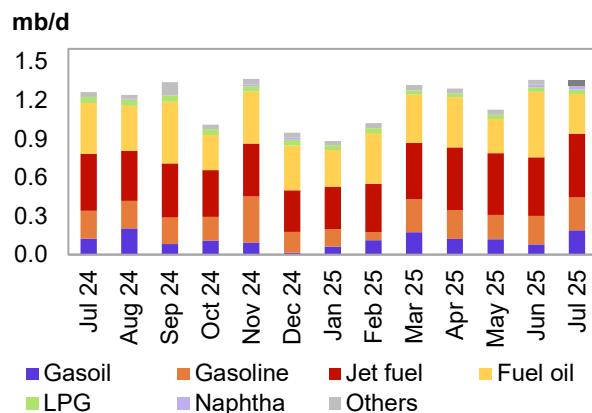
Product imports, including LPG, averaged 2.4 mb/d in July. This represents an increase of 369 tb/d, or over 18%, m-o-m. Gains were led by LPG and fuel oil, which jumped by 23% and 36%, respectively. The increase in fuel oil imports was supported by changes in tax rebates, which made their use as feedstocks more economical. Compared with the same period in 2024, product imports were up 175 tb/d, or 8%.

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



Sources: GACC and OPEC.

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



Sources: GACC and OPEC.

Product exports, including LPG, were broadly unchanged, m-o-m, at 1.4 mb/d. Fuel oil exports fell back from the high levels seen the month before, when changes in quota availability boosted outflows. This was offset by gains in diesel oil, jet fuel and gasoline, leaving product exports broadly flat. Compared with the same month in 2024, product outflows rose by 91 tb/d, or about 7%.

Net product imports averaged 1.0 tb/d in July, compared with 650 tb/d the month before. In the same month last year, net product imports averaged 937 tb/d.

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

China	May 25	Jun 25	Jul 25	Change	
				Jul 25/Jun 25	Jul 25/Jun 25
Crude oil	10.96	11.87	11.07		-0.79
Total products	1.06	0.65	1.02		0.37
Total crude and products	12.03	12.52	12.09		-0.42

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

Sources: GACC and OPEC.

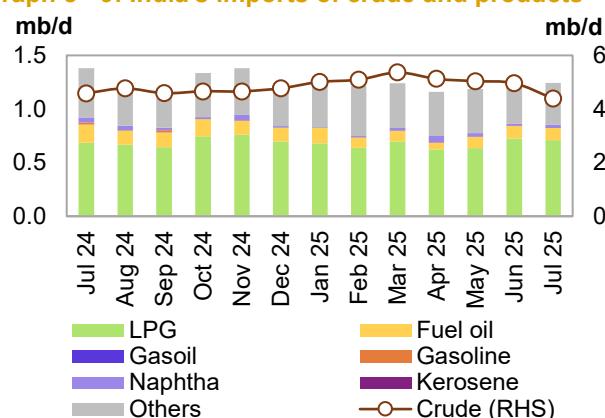
India

India's crude imports in July dropped to a 22-month low of 4.4 mb/d, falling 574 tb/d, or about 12%, m-o-m. The decline was largely driven by tariff- and sanction-related uncertainties, which made buyers cautious. Y-o-y, crude imports were up by 199 tb/d, or about 4%.

In terms of crude imports by source, Kpler data shows Russia accounted for 34% of India's total crude imports in July, down from 45% in the previous month. Iraq was second with 17%, followed by Saudi Arabia and the United Arab Emirates with 14% each.

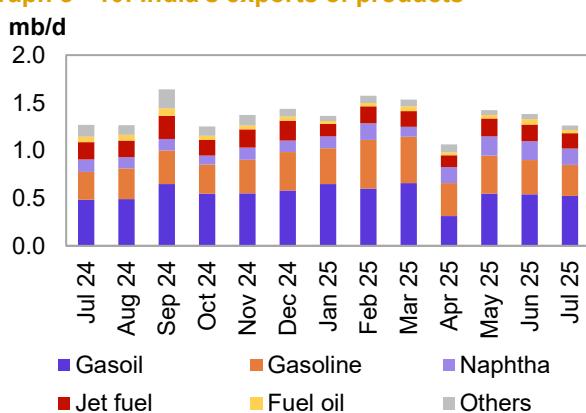
Crude and Refined Products Trade

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.

For products, imports fell back from a seven-month high the month before to average 1.2 mb/d but remained well above the five-year average. This represented a decline of 38 tb/d, or about 3%, m-o-m. Declines in LPG and fuel oil outpaced increased imports of naphtha. Y-o-y, product imports were 137 tb/d, or about 10%, lower.

Product exports fell further in July to average 1.3 mb/d. Inflows dipped by 122 tb/d, or almost 9%, m-o-m. All major product categories experienced declines, led by gasoline. Product exports were broadly in line with the same month last year.

Net product exports averaged 20 tb/d in July. This compares with net exports of 104 tb/d the month before and net imports of 110 tb/d in July of last year.

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

India	May 25	Jun 25	Jul 25	Change
				Jul 25/Jul 25
Crude oil	5.04	4.96	4.38	-0.57
Total products	-0.24	-0.10	-0.02	0.08
Total crude and products	4.80	4.85	4.36	-0.49

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 continued to edge higher, m-o-m, in July, amid higher flows out of the Black Sea on both the Transneft and CPC systems. For the month, crude outflows averaged 6.5 mb/d, which represents a m-o-m gain of 76 tb/d, or about 1%. Y-o-y, total crude exports rose by 167 tb/d, or almost 3%.

In the Transneft system, crude exports rose by 143 tb/d, or almost 4%, m-o-m, in July. Outflows averaged close to 3.9 mb/d, representing a gain of 180 tb/d, or almost 5%, compared with the same month last year. Exports through Novorossiysk on the Black Sea jumped 115 tb/d, or over 24%, m-o-m, to average 587 tb/d. In contrast, crude exports via Baltic Sea ports declined. Flows from Primorsk edged down by 7 tb/d, or less than 1%, m-o-m, to average 834 tb/d, while exports via Ust-Luga dropped 86 tb/d, or about 13%, to average 581 tb/d. Combined, crude exports via Transneft's Baltic Sea terminals were 93 tb/d, or 6%, lower compared to June, averaging 1.4 mb/d. Y-o-y, combined Baltic Sea flows were 53 tb/d, or 4%, higher.

Shipments via the Druzhba pipeline edged up 9 tb/d, or about 4%, m-o-m, to average 247 tb/d. Compared with the same month in 2024, exports via the pipeline declined 41 tb/d, or 14%. Exports to inland China via the ESPO pipeline increased 27 tb/d, or about 5%, compared with June, to average 630 tb/d. Y-o-y, this represented a gain of 19 tb/d, or about 3%. Exports from the Pacific port of Kozmino rose by 85 tb/d, or about 10%, m-o-m, to average 977 tb/d. Compared with the same month last year, exports via Kozmino were up by 46 tb/d, or almost 5%.

In the Lukoil system, exports via the Varandey offshore platform in the Barents Sea averaged 125 tb/d, representing an increase of 27 tb/d, or about 28%, compared to the previous month. Compared with the same month last year, crude exports from the platform were up 49 tb/d, or 65%.

On other routes, exports from Russia's far east port of Aniva Bay declined by 26 tb/d, or about 52%, m-o-m, while flows from De Kastri fell 12 tb/d, or about 7%, over the same period. Combined, the two ports exported 172 tb/d of crude on average in July.

Central Asian exports averaged 201 tb/d in July, representing a drop of 37 tb/d, or about 16%, m-o-m. Compared with the same month last year, exports were down by 36 tb/d, or about 15%.

Black Sea exports from the CPC terminal increased 43 tb/d, or about 3%, m-o-m, to average 1.7 mb/d in July. Y-o-y, exports were up by 206 tb/d, or about 14%. Exports via the BTC pipeline fell by 61 tb/d, or almost 11%, to average 517 tb/d. This represents a decline of 170 tb/d, or 25%, compared with the same month last year.

Total product exports from Russia and Central Asia declined by 116 tb/d, or about 5%, m-o-m, to average 2.3 mb/d in July. Across the board, declines were seen on all major products, except VGO. Y-o-y, total product exports were down 189 tb/d, or almost 8%, with declines led by gasoil.

Commercial Stock Movements

Preliminary July 2025 data show that OECD commercial inventories stood at 2,761 mb, which is 2.4 mb higher than the previous month. At this level, OECD commercial stocks were 66.5 mb lower than the same month last year, 128.5 mb lower than the latest five-year average, and 208.6 mb below the 2015–2019 average. Within the components, crude stocks went up by 3.6 mb, while product stocks fell by 1.3 mb, m-o-m.

OECD crude oil commercial stocks stood at 1,317 mb. This was 17.3 mb lower than a year ago, 71.9 mb below the latest five-year average, and 144.8 mb less than the 2015–2019 average.

OECD total product stocks stood at 1,444 mb. This is 49.2 mb lower than a year ago, 56.6 mb less than the latest five-year average, and 63.7 mb below the 2015–2019 average.

In terms of days of forward cover, OECD commercial oil stocks rose by 0.2 days, m-o-m, in July to stand at 59.6 days. This is 1.3 days lower than the level registered in July 2024, 4.4 days less than the latest five-year average, and 2.8 days lower than the 2015–2019 average.

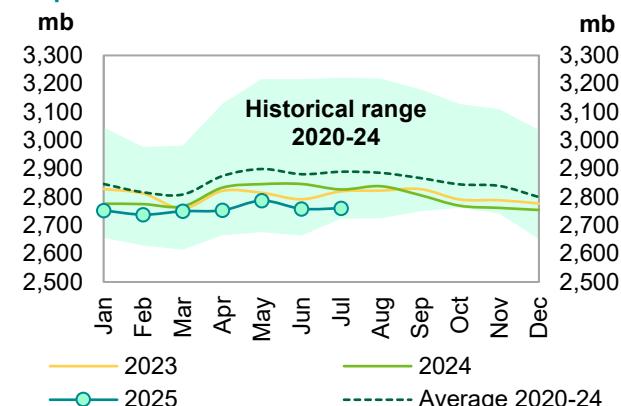
OECD

Preliminary July 2025 data show that OECD commercial inventories stood at 2,761 mb, a build of 2.4 mb from the previous month. At this level, OECD commercial stocks were 66.5 mb less than the same time last year, 128.5 mb lower than the latest five-year average, and 208.6 mb below the 2015–2019 average.

Within the components, crude stocks rose by 3.6 mb, m-o-m, while product stocks fell by 1.3 mb, m-o-m.

Within the OECD regions, OECD Europe and OECD Asia Pacific saw a stock draw in July, while OECD America witnessed a stock build when compared to the previous month.

Graph 9 - 1: OECD commercial oil stocks



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

OECD commercial crude stocks rose by 3.6 mb, m-o-m, ending July at 1,317 mb. This was 17.3 mb lower than the same time a year ago, 71.9 mb below the latest five-year average, and 144.8 mb less than the 2015–2019 average.

Within the OECD regions, OECD America saw a crude stock build of 9.8 mb, m-o-m, while crude stocks in OECD Europe and OECD Asia-Pacific dropped by 2.2 mb and 4.0 mb, m-o-m, in July, respectively.

By contrast, OECD total product stocks decreased by 1.3 mb, m-o-m, in July to stand at 1,444 mb. This is 49.2 mb lower than the same time a year ago, 56.6 mb less than the latest five-year average, and 63.7 mb below the 2015–2019 average.

Within the OECD regions, product stocks in OECD America witnessed a stock build of 5.5 mb, while OECD Europe and OECD Asia Pacific crude stocks saw a draw of 5.7 mb and 1.1 mb, m-o-m, respectively.

Table 9 - 1: OECD commercial stocks, mb

OECD stocks	Jul 24	May 25	Jun 25	Jul 25	Change
					Jul 25/Jun 25
Crude oil	1,334	1,353	1,313	1,317	3.6
Products	1,493	1,434	1,445	1,444	-1.3
Total	2,827	2,787	2,758	2,761	2.4
Days of forward cover	60.9	59.9	59.4	59.6	0.2

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

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

Commercial Stock Movements

In terms of days of forward cover, OECD commercial stocks rose by 0.2 days, m-o-m, in July, to stand at 59.6 days. This is 1.3 days lower than the level registered in July 2024, 4.4 days less than the latest five-year average, and 2.8 days lower than the 2015–2019 average.

Within the OECD regions, OECD Americas stood at 4.2 days below the latest five-year average, at 59.5 days. OECD Europe was 6.6 days below the five-year average, at 64.1 days. OECD Asia Pacific was 0.8 days less than the latest five-year average, standing at 50.9 days.

OECD Americas

OECD Americas' total commercial stocks rose by 15.2 mb, m-o-m, in July, to settle at 1,513 mb. This is 31.8 mb lower than the same month in 2024, and 49.1 mb below the latest five-year average.

Commercial crude oil stocks in OECD Americas increased in July by 9.8 mb, m-o-m, to stand at 735 mb, which is 13.6 mb lower than in July 2024, and 39.0 mb below the latest five-year average.

Total product stocks in OECD Americas also went up by 5.5 mb, m-o-m, in July to stand at 778 mb. This is 18.2 mb lower than the same month in 2024, and 10.1 mb below the latest five-year average. Lower consumption in the region was behind the product stock build.

OECD Europe

OECD Europe's total commercial stocks fell in July by 7.8 mb, m-o-m, to settle at 892 mb. This is 39.8 mb lower than the same month in 2024, and 73.5 mb below the latest five-year average.

OECD Europe's commercial crude stocks decreased by 2.2 mb, m-o-m, to end July at 397 mb. This is 8.5 mb lower than one year ago, and 27.3 mb less than the latest five-year average.

Total product stocks also fell by 5.7 mb, m-o-m, to end July at 495 mb. This is 31.3 mb lower than the same time a year ago, and 46.2 mb below the latest five-year average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks went down in July by 5.1 mb, m-o-m, to stand at 356 mb. This is 5.1 mb higher than the same time a year ago, but 5.9 mb below the latest five-year average.

OECD Asia Pacific's crude stocks fell by 4.0 mb, m-o-m, to end July at 185 mb. This is 4.8 mb higher than one year ago, but 5.6 mb less than the latest five-year average.

OECD Asia Pacific's product stocks also decreased by 1.1 mb, m-o-m, to end July at 171 mb. This is 0.3 mb higher than one year ago, but 0.3 mb below the latest five-year average.

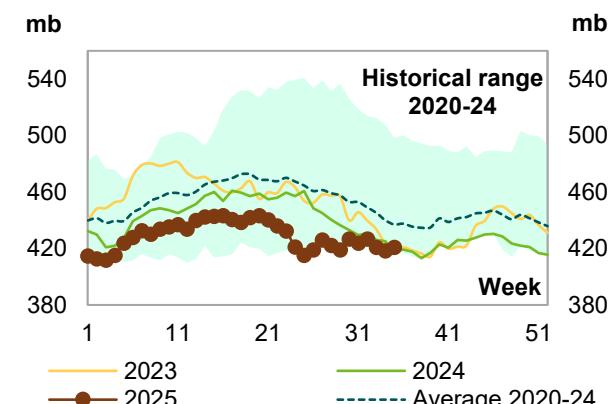
US

Preliminary data for August 2025 shows that total US commercial oil stocks rose by 6.0 mb, m-o-m, to stand at 1,266 mb. This is 10.8 mb, or 0.8%, lower than the same month in 2024; and 21.3 mb, or 1.7%, below the latest five-year average. Crude stocks dropped by 3.0 mb, m-o-m, while products stocks rose by 8.9 mb, m-o-m.

US commercial crude stocks in August stood at 420.7 mb. This is 3.0 mb, or 0.7%, higher than the same month in 2024, but 15.4 mb, or 3.5%, below the latest five-year average. The monthly draw in crude oil stocks was seen on the back of higher crude runs, which increased by 110 tb/d, m-o-m, to stand at 17.35 mb/d.

By contrast, total product rose in August to stand at 845.1 mb. This is 13.9 mb, or 1.6%, lower than

Graph 9 - 2: US weekly commercial crude oil inventories



Sources: EIA and OPEC.

August 2024, and 5.9 mb, or 0.7%, below the latest five-year average. The product stock build can be attributed to lower product consumption along with higher product output.

Commercial Stock Movements

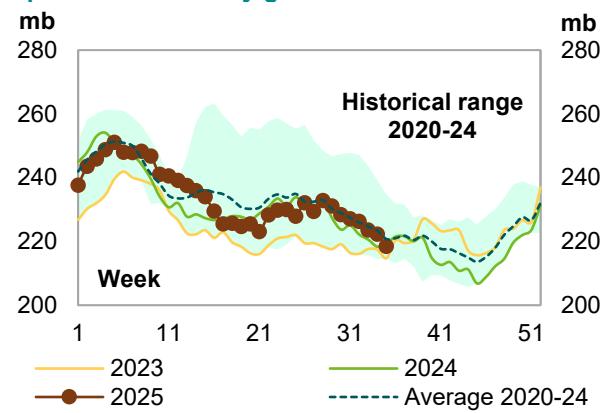
Gasoline stocks fell in August by 8.5 mb, m-o-m, to settle at 218.5 mb. This is 2.2 mb, or 1.0%, lower than the same month in 2024, and 5.2 mb, or 2.3%, below the latest five-year average.

Jet fuel stocks also went down by 1.6 mb, m-o-m, ending August at 42.8 mb. This is 3.3 mb, or 7.2%, lower than the same month in 2024, but 0.9 mb, or 2.0%, above the latest five-year average.

By contrast, distillate stocks in August rose by 3.0 mb, m-o-m, to stand at 115.9 mb. This is 10.3 mb, or 8.2%, lower than the same month in 2024, and 18.7 mb, or 13.9%, below the latest five-year average.

Residual fuel oil stocks in August also increased by 0.1 mb, m-o-m. At 19.9 mb, they were 5.1 mb, or 20.4%, less than a year earlier, and 8.9 mb, or 30.8%, below the latest five-year average.

Graph 9 - 3: US weekly gasoline inventories



Sources: EIA and OPEC.

Table 9 - 2: US commercial petroleum stocks, mb

US stocks	Aug 24	Jun 25	Jul 25	Aug 25	Change	
					Aug 25/Jul 25	Avg 25/Jul 25
Crude oil	417.7	413.9	423.7	420.7		-3.0
Gasoline	220.7	232.8	227.1	218.5		-8.5
Distillate fuel	126.2	108.4	113.0	115.9		3.0
Residual fuel oil	25.0	22.7	19.8	19.9		0.1
Jet fuel	46.1	44.4	44.4	42.8		-1.6
Total products	859.0	830.7	836.2	845.1		8.9
Total	1,276.6	1,244.6	1,259.8	1,265.8		6.0
SPR	379.7	403.0	403.0	404.7		1.7

Sources: EIA and OPEC.

Japan

In Japan, total commercial oil stocks in July 2025 fell by 5.1 mb, m-o-m, to settle at 129.3 mb. This is 7.1 mb, or 5.8%, higher than the same month in 2024, and 0.3 mb, or 0.3%, above the latest five-year average. Crude and products stocks decreased by 4.0 mb and 1.1 mb, m-o-m, respectively.

Japanese commercial crude oil stocks went down in July by 4.0 mb, m-o-m, to stand at 70.8 mb. This is 4.3 mb, or 6.5%, higher than the same month in 2024, but 0.2 mb, or 0.3%, below the latest five-year average. The drop in crude oil stocks could be attributed to higher crude runs, which increased by 96 tb/d, or 4.6%, m-o-m, to stand at 2.17 mb/d.

Gasoline stocks fell in July by 1.3 mb, m-o-m, to stand at 9.1 mb. This is 0.4 mb, or 4.1%, lower than the level recorded during the same period last year, and 2.3 mb, or 19.9%, below the latest five-year average. The draw in gasoline stocks was driven by higher gasoline domestic sales, which increased by nearly 11%.

Total residual fuel oil stocks also decreased by 0.4 mb, m-o-m, to end July at 11.9 mb. At this level, they are 0.6 mb or 4.8% lower than the same month in 2024, and 0.3 mb, or 2.1%, less than the latest five-year average. Within the components, fuel oil A stocks rose by 2.2%, m-o-m, while fuel B.C stocks fell by 5.9%, m-o-m.

By contrast, middle distillate stocks went up by 0.6 mb, m-o-m, to end July at 28.6 mb. This is 3.6 mb, or 14.5%, higher than the same month in 2024, and 3.5 mb, or 13.9%, above the latest five-year average.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

Commercial Stock Movements

Within the distillate components, jet fuel oil and gasoil stocks fell 3.6% and 11.4%, m-o-m, respectively, while kerosene stocks went up by 16.1%, m-o-m.

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

Japan's stocks	Jul 24	May 25	Jun 25	Jul 25	Change
					Jul 25/Jun 25
Crude oil	66.5	77.7	74.8	70.8	-4.0
Gasoline	9.5	11.6	10.4	9.1	-1.3
Naphtha	8.6	9.6	8.8	8.8	-0.1
Middle distillates	25.0	28.0	28.0	28.6	0.6
Residual fuel oil	12.5	12.8	12.3	11.9	-0.4
Total products	55.6	62.0	59.6	58.5	-1.1
Total**	122.1	139.7	134.3	129.3	-5.1

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

Sources: METI and OPEC.

EU-14 plus the UK and Norway

Preliminary data for July 2025 showed that total European oil stocks fell by 7.8 mb, m-o-m, to stand at 959 mb. At this level, they were 23.6 mb, or 2.4%, lower than the same month in 2024, and 70.1 mb, or 6.8%, below the latest five-year average. Crude and products stocks decreased by 2.2 mb and 5.7 mb, m-o-m, respectively.

European crude stocks stood at 392.3 mb in July. This is 5.4 mb, or 1.4%, lower than the same month in 2024, and 31.4 mb, or 7.5%, less than the latest five-year average. The drop in crude oil stocks came on the back of higher refinery throughput in the EU-14, plus the UK and Norway, which increased by around 190 tb/d, m-o-m, to stand at 9.62 mb/d.

Total European product stocks also fell by 5.7 mb, m-o-m, to end July at 566.7 mb. This is 18.2 mb, or 3.1%, lower than the same month in 2024, and 27.9 mb, or 4.6%, below the latest five-year average. The stock draw can be attributed to higher demand in the region.

Gasoline stocks dropped in July by 1.1 mb, m-o-m, to stand at 106.1 mb, which is 3.5 mb, or 3.4%, higher than the same time in 2024, and 3.6 mb, or 3.3%, above the latest five-year average.

Middle distillate stocks also decreased in July by 2.3 mb, m-o-m, to stand at 370.0 mb. This is 23.2 mb, or 5.9%, lower than the same month in 2024, and 42.5 mb, or 10.3%, less than the latest five-year average.

Naphtha stocks fell in July by 1.1 mb, m-o-m, ending the month at 31.4 mb. This is 1.0 mb, or 3.4%, higher than the same month in 2024, and 1.0 mb, or 3.4%, above the latest five-year average.

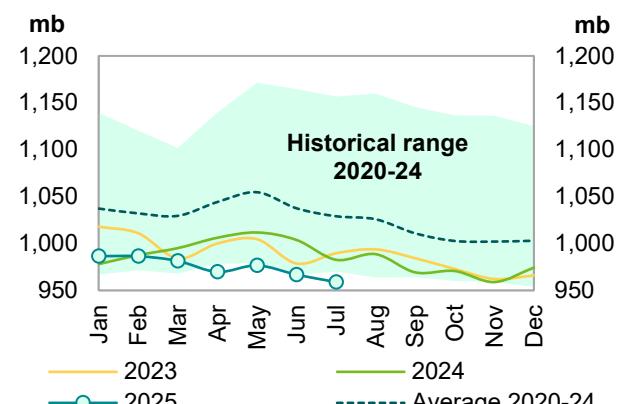
Residual fuel stocks also decreased in July by 1.2 mb, m-o-m, to stand at 59.2 mb. This is 0.5 mb, or 0.9%, higher than the same month in 2024, but 2.7 mb, or 4.3%, below the latest five-year average.

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

EU stocks	Jul 24	May 25	Jun 25	Jul 25	Change
					Jul 25/Jun 25
Crude oil	397.7	399.2	394.5	392.3	-2.2
Gasoline	102.6	109.4	107.2	106.1	-1.1
Naphtha	30.4	29.5	32.5	31.4	-1.1
Middle distillates	393.2	378.7	372.2	370.0	-2.3
Fuel oils	58.7	59.9	60.3	59.2	-1.2
Total products	584.9	577.5	572.3	566.7	-5.7
Total	982.6	976.7	966.8	959.0	-7.8

Sources: OilX and OPEC.

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



Sources: OilX and OPEC.

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

Singapore

In July, total product stocks in Singapore rose by 0.4 mb, m-o-m, to stand at 46.2 mb. This is 0.9 mb, or 1.9%, higher than the same month in 2024, but 0.4 mb, or 0.9%, less than the latest five-year average.

Light distillate stocks rose in July by 0.1 mb, m-o-m, to stand at 12.8 mb. This is 1.6 mb or 11.2% lower than the same month in 2024, and 2.3 mb, or 15.2%, below the latest five-year average.

Residual fuel oil stocks also increased by 1.8 mb, m-o-m, ending July at 24.9 mb. This is 5.3 mb, or 27.4%, higher than in July 2024, and 3.6 mb or 17.0%, above the latest five-year average.

In contrast, middle distillate stocks went down in July by 1.5 mb, m-o-m, to stand at 8.5 mb. This is 2.9 mb or 25.2% lower than the level of July 2024, and 1.8 mb, or 17.1%, below the latest five-year average.

ARA

Total product stocks in ARA in July fell by 0.8 mb, m-o-m. At 40.9 mb, they were 3.2 mb, or 7.3%, below the same month in 2024, and 2.8 mb, or 6.5%, less than the latest five-year average.

Gasoline stocks increased by 0.5 mb, m-o-m, ending July at 10.0 mb. This is 0.9 mb, or 9.9%, higher than in July 2024, but they are 0.1 mb or 1.1% less than the latest five-year average.

Jet oil stocks also rose by 0.1 mb, m-o-m, to stand at 6.5 mb in July. This is 0.9 mb, or 12.0%, lower than the level seen in July 2024 and 0.8 mb, or 10.4%, less than the latest five-year average.

By contrast, gasoil stocks in July decreased by 1.2 mb, m-o-m, to stand at 12.9 mb. This is 2.1 mb, or 14.0%, lower than the same month in 2024, and 2.4 mb, or 15.6%, below the latest five-year average.

Fuel oil stocks also went down in July by 0.1 mb, m-o-m, to stand at 6.3 mb. This is 2.7 mb, or 29.8%, below the July 2024 level, and 1.7 mb, or 21.1%, less than the latest five-year average.

Fujairah

During the week ending 1 September, total oil product stocks in Fujairah fell by 1.5 mb, w-o-w, to stand at 14.51 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 2.35 mb lower than at the same time a year ago.

Light distillate stocks decreased by 1.01 mb, w-o-w, to stand at 6.65 mb, which is 0.15 mb higher than the same time a year ago.

Heavy distillate stocks also went down by 0.91 mb, w-o-w, to stand at 5.55 mb, which is 2.45 mb less than the same time a year ago.

In contrast, middle distillate stocks rose by 0.42 mb, w-o-w, to stand at 2.30 mb, which is 0.05 mb below the same time last year.

Balance of Supply and Demand

Demand for DoC crude (i.e., crude from countries participating in the Declaration of Cooperation) remains unchanged from the previous month, standing at 42.5 mb/d in 2025. This represents an increase of 0.4 mb/d compared to the 2024 estimate.

The demand for DoC crude in 2026 is also unchanged from the previous month at 43.1 mb/d, approximately 0.6 mb/d higher than the 2025 projection.

Balance of supply and demand in 2025

Demand for DoC crude

Demand for DoC crude (i.e., crude from countries participating in the Declaration of Cooperation) remains unchanged from the previous month, standing at 42.5 mb/d in 2025. This represents an increase of 0.4 mb/d compared to the 2024 estimate.

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

	2024	1Q25	2Q25	3Q25	4Q25	2025	Change 2025/24
(a) World oil demand	103.8	104.3	104.3	105.5	106.4	105.1	1.3
Non-DoC liquids production	53.2	53.9	54.4	53.8	53.9	54.0	0.8
DoC NGL and non-conventionals	8.5	8.7	8.7	8.6	8.7	8.7	0.1
(b) Total non-DoC liquids production and DoC NGLs	61.7	62.6	63.0	62.4	62.6	62.7	0.9
Difference (a-b)	42.1	41.7	41.3	43.1	43.8	42.5	0.4
DoC crude oil production	40.9	40.9	41.3				
Balance	-1.2	-0.8	0.0				

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

Source: OPEC.

Balance of supply and demand in 2026

Demand for DoC crude

The demand for DoC crude in 2026 is also unchanged from the previous month at 43.1 mb/d, approximately 0.6 mb/d higher than the 2025 projection.

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

	2025	1Q26	2Q26	3Q26	4Q26	2026	Change 2026/25
(a) World oil demand	105.1	105.6	105.7	107.1	107.7	106.5	1.4
Non-DoC liquids production	54.0	54.2	54.5	54.7	55.2	54.6	0.6
DoC NGL and non-conventionals	8.7	8.7	8.8	8.7	8.9	8.8	0.1
(b) Total non-DoC liquids production and DoC NGLs	62.7	62.9	63.2	63.5	64.0	63.4	0.7
Difference (a-b)	42.5	42.7	42.5	43.6	43.6	43.1	0.6

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

Source: OPEC.

Appendix

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

World oil demand and production balance	2022	2023	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026
World demand													
Americas	24.8	25.1	25.0	24.9	25.1	25.4	25.3	25.2	25.0	25.2	25.6	25.4	25.3
of which US	20.2	20.4	20.4	20.4	20.5	20.7	20.7	20.6	20.5	20.6	20.9	20.8	20.7
Europe	13.6	13.4	13.5	12.9	13.6	14.0	13.5	13.5	12.9	13.6	14.1	13.5	13.5
Asia Pacific	7.3	7.2	7.2	7.3	6.9	6.9	7.4	7.1	7.3	6.9	6.9	7.4	7.1
Total OECD	45.7	45.7	45.7	45.2	45.6	46.3	46.2	45.8	45.3	45.8	46.6	46.3	46.0
China	15.0	16.4	16.7	16.9	16.5	17.0	17.0	16.9	17.0	16.7	17.3	17.2	17.1
India	5.1	5.3	5.6	5.7	5.7	5.5	5.9	5.7	5.9	5.9	5.7	6.2	5.9
Other Asia	9.1	9.3	9.7	9.8	10.2	9.7	9.7	9.9	10.1	10.5	10.0	10.0	10.2
Latin America	6.4	6.7	6.7	6.8	6.9	7.0	6.9	6.9	6.9	7.0	7.1	7.0	7.0
Middle East	8.3	8.6	8.9	8.8	8.8	9.3	9.2	9.0	9.0	9.0	9.5	9.3	9.2
Africa	4.5	4.6	4.6	4.9	4.6	4.7	5.1	4.8	5.1	4.8	4.9	5.2	5.0
Russia	3.8	3.8	4.0	4.0	3.9	4.0	4.2	4.0	4.1	3.9	4.1	4.2	4.1
Other Eurasia	1.2	1.2	1.3	1.4	1.3	1.2	1.3	1.3	1.5	1.3	1.2	1.3	1.3
Other Europe	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.9	0.8
Total Non-OECD	54.2	56.6	58.2	59.1	58.7	59.2	60.2	59.3	60.3	59.9	60.5	61.4	60.5
(a) Total world demand	99.9	102.4	103.8	104.3	104.3	105.5	106.4	105.1	105.6	105.7	107.1	107.7	106.5
Y-o-y change	2.5	2.5	1.5	1.3	1.0	1.5	1.3	1.3	1.3	1.4	1.6	1.3	1.4
Non-DoC liquids production													
Americas	25.0	26.7	27.7	28.0	28.4	28.1	28.0	28.1	27.8	28.3	28.6	28.8	28.4
of which US	19.4	21.0	21.8	21.8	22.5	22.1	21.9	22.1	21.6	22.3	22.4	22.4	22.2
Europe	3.6	3.6	3.5	3.6	3.5	3.6	3.6	3.6	3.6	3.5	3.5	3.6	3.5
Asia Pacific	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total OECD	29.1	30.7	31.7	32.0	32.4	32.1	32.0	32.1	31.8	32.2	32.4	32.8	32.3
China	4.4	4.5	4.6	4.7	4.7	4.6	4.5	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	6.3	7.0	7.2	7.4	7.6	7.4	7.7	7.5	7.9	7.9	8.0	8.0	8.0
Middle East	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.0
Africa	2.3	2.2	2.3	2.3	2.2	2.3	2.3	2.3	2.3	2.2	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	17.9	18.6	19.0	19.3	19.4	19.1	19.3	19.3	19.7	19.7	19.7	19.8	19.7
Total Non-DoC production	47.0	49.4	50.7	51.4	51.8	51.3	51.3	51.4	51.6	51.9	52.1	52.6	52.0
Processing gains	2.4	2.5	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Total Non-DoC liquids production	49.4	51.9	53.2	53.9	54.4	53.8	53.9	54.0	54.2	54.5	54.7	55.2	54.6
DoC NGLs	8.0	8.4	8.5	8.7	8.7	8.6	8.7	8.7	8.7	8.8	8.7	8.9	8.8
(b) Total Non-DoC liquids production and DoC NGLs	57.4	60.2	61.7	62.6	63.0	62.4	62.6	62.7	62.9	63.2	63.5	64.0	63.4
Y-o-y change	2.1	2.8	1.5	1.4	1.5	0.8	0.0	0.9	0.3	0.2	1.0	1.4	0.7
OPEC crude oil production (secondary sources)	27.7	27.1	26.6	26.8	27.1								
Non-OPEC DoC crude production	15.2	15.0	14.3	14.1	14.2								
DoC crude oil production	42.9	42.1	40.9	40.9	41.3								
Total liquids production	100.3	102.3	102.6	103.5	104.3								
Balance (stock change and miscellaneous)	0.4	-0.1	-1.2	-0.8	0.0								
OECD closing stock levels, mb													
Commercial	2,781	2,778	2,754	2,749	2,758								
SPR	1,214	1,207	1,245	1,244	1,241								
Total	3,995	3,984	4,000	3,994	3,999								
Oil-on-water	1,546	1,438	1,373	1,436	1,473								
Days of forward consumption in OECD, days													
Commercial onland stocks	61	61	60	60	60								
SPR	27	26	27	27	27								
Total	87	87	87	88	86								
Memo items													
(a) - (b)	42.5	42.1	42.1	41.7	41.3	43.1	43.8	42.5	42.7	42.5	43.6	43.6	43.1

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

Source: OPEC.

Appendix

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

World oil demand and production balance	2022	2023	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026
World demand													
Americas	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
of which US	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Asia Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	0.1	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-
India	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-
Russia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Eurasia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	-	-	-	-	-	-	-	-	-
(a) Total world demand	0.1	-	-	-	-	-	-	-	-	-	-	-	-
Y-o-y change	0.0	-0.1	-	-	-	-	-	-	-	-	-	-	-
Non-DoC liquids production													
Americas	-	-	0.0	0.0	0.1	-	-0.1	-	-0.1	0.0	0.0	0.0	0.0
of which US	-	-	-	0.0	0.1	-	-0.1	-	-0.1	-	-0.1	0.0	-
Europe	-	-	-	-	0.0	0.0	0.0	0.0	-	-	-	-	0.0
Asia Pacific	-	-	-	-	0.0	0.0	-	-	-	-	-	-	-
Total OECD	-	-	0.0	0.0	0.1	0.0	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0
China	-	-	-	-	-	0.1	-	0.0	0.0	0.0	0.0	0.0	0.0
India	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	0.0	0.0	0.0	0.0	-	0.0	0.0	-	-	-	-	-	-
Latin America	0.0	0.0	-	-	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	0.0	0.0	0.0	-	-	-	-	0.0	-	-
Other Eurasia	-	-	-	-	-	0.0	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	-0.1	0.0	0.1	0.0	0.0
Total Non-DoC production	0.0	0.0	-	-0.1	0.1	0.0	-0.1	-	-0.1	0.0	0.1	0.0	-
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-DoC liquids production	0.0	0.0	-	-0.1	0.1	0.0	-0.1	-	-0.1	0.0	0.1	0.0	-
DoC NGLs	-	0.0	-	-	0.0	0.0	-	-	-	-	-	-	-
(b) Total Non-DoC liquids production and DoC NGLs	0.0	0.0	-	-0.1	0.1	0.0	-0.1	-	-0.1	0.0	0.1	0.0	-
Y-o-y change	-	-	0.0	-0.1	0.1	0.0	-0.1	-	0.0	-0.1	0.0	0.1	-
OPEC crude oil production (secondary sources)	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-OPEC DoC crude production	-	-	-	-	-	-	-	-	-	-	-	-	-
DoC crude oil production	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liquids production	-	-	-	-	-	0.1	-	-	-	-	-	-	-
Balance (stock change and miscellaneous)	-0.1	-	-	-	-	0.1	-	-	-	-	-	-	-
OECD closing stock levels, mb													
Commercial	-	-	-	-	1	-30	-	-	-	-	-	-	-
SPR	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	1	-31	-	-	-	-	-	-	-
Oil-on-water	-	-	-	-	-	-	-	-	-	-	-	-	-
Days of forward consumption in OECD, days													
Commercial onland stocks	-	-	-	-	-	-1	-	-	-	-	-	-	-
SPR	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-1	-	-	-	-	-	-
Memo items													
(a) - (b)	0.1	0.0	0.0	0.0	0.0	-0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0

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

This table shows only where changes have occurred.

Source: OPEC.

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

OECD oil stocks and oil on water	2022	2023	2024	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Closing stock levels, mb											
OECD onland commercial	2,781	2,778	2,754	2,829	2,778	2,767	2,847	2,807	2,754	2,749	2,758
Americas	1,492	1,518	1,496	1,539	1,518	1,499	1,552	1,530	1,496	1,461	1,498
Europe	936	906	925	925	906	934	949	920	925	940	900
Asia Pacific	353	353	333	365	353	335	345	357	333	349	361
OECD SPR	1,214	1,207	1,245	1,209	1,207	1,219	1,226	1,235	1,245	1,244	1,241
Americas	374	357	395	353	357	366	374	384	395	398	404
Europe	461	466	466	471	466	470	468	467	466	461	457
Asia Pacific	378	384	384	384	384	383	384	383	384	386	380
OECD total	3,995	3,984	4,000	4,038	3,984	3,986	4,072	4,042	4,000	3,994	3,999
Oil-on-water	1,546	1,438	1,373	1,367	1,438	1,459	1,394	1,373	1,373	1,436	1,473
Days of forward consumption in OECD, days											
OECD onland commercial	61	61	60	61	62	61	62	61	61	60	60
Americas	60	61	60	61	62	60	61	61	60	58	59
Europe	70	67	68	69	71	68	68	68	71	69	64
Asia Pacific	49	49	47	49	47	48	50	48	45	50	52
OECD SPR	27	26	27	26	27	27	27	27	28	27	27
Americas	15	14	16	14	15	15	15	15	16	16	16
Europe	34	34	34	35	36	35	33	35	36	34	32
Asia Pacific	52	53	54	52	51	55	55	52	52	55	55
OECD total	87	87	87	88	89	87	88	88	89	88	86

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

Appendix

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

Non-DoC liquids production and DoC NGLs	Change						Change						Change	
	2024	24/23	1Q25	2Q25	3Q25	4Q25	2025	25/24	1Q26	2Q26	3Q26	4Q26	2026	26/25
US	21.8	0.8	21.8	22.5	22.1	21.9	22.1	0.3	21.6	22.3	22.4	22.4	22.2	0.1
Canada	5.9	0.3	6.2	5.9	6.0	6.1	6.1	0.1	6.2	6.0	6.2	6.3	6.2	0.1
Chile	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OECD Americas	27.7	1.1	28.0	28.4	28.1	28.0	28.1	0.4	27.8	28.3	28.6	28.8	28.4	0.2
Norway	2.0	0.0	2.0	2.0	2.1	2.1	2.0	0.0	2.0	1.9	2.0	2.0	2.0	0.0
UK	0.7	-0.1	0.8	0.7	0.7	0.7	0.7	0.0	0.7	0.7	0.7	0.7	0.7	0.0
Denmark	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Other OECD Europe	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0
OECD Europe	3.5	-0.1	3.6	3.5	3.6	3.6	3.6	0.0	3.6	3.5	3.5	3.6	3.5	0.0
Australia	0.4	0.0	0.3	0.4	0.4	0.4	0.4	0.0	0.4	0.3	0.3	0.3	0.3	0.0
Other OECD Asia														
Pacific	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
OECD Asia Pacific	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0
Total OECD	31.7	0.9	32.0	32.4	32.1	32.0	32.1	0.5	31.8	32.2	32.4	32.8	32.3	0.2
China	4.6	0.1	4.7	4.7	4.6	4.5	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	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0
Thailand	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0
Vietnam	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0
Asia others	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0
Other Asia	1.6	0.0	1.6	1.6	1.6	1.6	1.6	0.0	1.6	1.6	1.6	1.6	1.6	0.0
Argentina	0.9	0.1	0.9	0.9	1.0	1.0	0.9	0.1	1.0	1.0	1.0	1.0	1.0	0.1
Brazil	4.2	0.0	4.3	4.5	4.4	4.4	4.4	0.2	4.5	4.5	4.6	4.6	4.5	0.2
Colombia	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0
Ecuador	0.5	0.0	0.5	0.5	0.3	0.5	0.4	0.0	0.5	0.5	0.4	0.4	0.5	0.0
Latin America others	0.9	0.2	0.9	0.9	1.0	1.1	1.0	0.1	1.2	1.2	1.2	1.2	1.2	0.2
Latin America	7.2	0.3	7.4	7.6	7.4	7.7	7.5	0.3	7.9	7.9	8.0	8.0	8.0	0.4
Qatar	1.9	0.0	1.9	1.9	1.9	1.9	1.9	0.0	1.9	1.9	1.9	1.9	1.9	0.0
Middle East others	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Middle East	2.0	0.0	2.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0	2.1	2.1	2.0	0.0
Angola	1.2	0.0	1.1	1.0	1.1	1.1	1.1	-0.1	1.1	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	0.6	0.0	0.5	0.5	0.5	0.5	0.5	0.0	0.5	0.5	0.5	0.5	0.5	0.0
Ghana	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
South Africa	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Africa others	0.3	0.1	0.3	0.3	0.3	0.3	0.3	0.1	0.3	0.3	0.4	0.4	0.4	0.0
Africa	2.3	0.1	2.3	2.2	2.3	2.3	2.3	-0.1	2.3	2.2	2.3	2.3	2.3	0.0
Other Eurasia	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0
Other Europe	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Total Non-OECD	19.0	0.4	19.3	19.4	19.1	19.3	19.3	0.3	19.7	19.7	19.7	19.8	19.7	0.4
Non-DoC production	50.7	1.3	51.4	51.8	51.3	51.3	51.4	0.8	51.6	51.9	52.1	52.6	52.0	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	53.2	1.3	53.9	54.4	53.8	53.9	54.0	0.8	54.2	54.5	54.7	55.2	54.6	0.6
DoC NGLs	8.5	0.2	8.7	8.7	8.6	8.7	8.7	0.1	8.7	8.8	8.7	8.9	8.8	0.1
Non-DoC liquids production and DoC NGLs	61.7	1.5	62.6	63.0	62.4	62.6	62.7	0.9	62.9	63.2	63.5	64.0	63.4	0.7

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

Source: OPEC.

Table 11 - 5: World rig count, units

World rig count	2022	2023	2024	2024/23	Change			Jul 25	Aug 25	Change Aug/Jul
					4Q24	1Q25	2Q25			
US	722	688	599	-89	586	588	571	541	538	-2
Canada	174	177	188	11	195	216	129	167	179	12
Mexico	47	55	50	-5	43	21	24	30	28	-2
OECD Americas	945	921	839	-82	826	827	725	738	746	8
Norway	17	17	13	-4	13	15	15	18	16	-2
UK	10	12	8	-4	8	8	9	8	6	-2
OECD Europe	65	66	64	-2	65	66	68	72	64	-8
OECD Asia Pacific	24	25	25	0	25	20	15	18	20	2
Total OECD	1,034	1,012	927	-85	916	912	808	828	830	2
Other Asia*	186	204	212	8	211	200	200	203	207	4
Latin America	119	120	104	-16	100	107	109	112	114	2
Middle East	62	61	62	1	63	63	61	61	62	1
Africa	64	67	52	-15	47	46	44	45	44	-1
Other Europe	10	11	9	-2	9	10	12	11	11	0
Total Non-OECD	441	463	439	-24	430	425	427	432	438	6
Non-OPEC rig count	1,475	1,475	1,367	-108	1,346	1,337	1,235	1,260	1,268	8
Algeria	32	36	42	6	42	43	44	42	40	-2
Congo	1	1	1	0	1	1	1	1	1	0
Equatorial Guinea**	0	0	0	0	0	0	1	1	0	-1
Gabon	3	3	4	1	3	3	3	4	3	-1
Iran**	117	117	117	0	117	117	117	117	117	0
Iraq	51	61	62	1	62	62	62	62	62	0
Kuwait	27	24	31	7	32	30	30	31	32	1
Libya	7	14	18	4	18	18	18	18	18	0
Nigeria	10	14	15	1	11	11	10	13	15	2
Saudi Arabia***	73	83	295	212	280	275	254	234	232	-2
UAE	47	57	66	9	70	73	71	74	76	2
Venezuela	3	2	2	0	1	2	2	0	0	0
OPEC rig count	371	412	653	241	637	635	613	597	596	-1
World rig count****	1,846	1,887	2,019	132	1,983	1,972	1,848	1,857	1,864	7
of which:										
Oil	1,463	1,498	1,559	61	1,518	1,504	1,400	1,394	1,394	0
Gas	352	357	413	56	412	416	398	403	411	8
Others	31	32	47	15	53	52	51	60	60	-1

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

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

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

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

Totals may not add up due to independent rounding.

Sources: Baker Hughes Incorporated and OPEC.

Glossary of Terms

Abbreviations

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

Acronyms

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

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

Glossary of Terms

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

OPEC Basket average price

US\$/b



down 1.24 in August

August 2025

69.73

July 2025

70.97

Year-to-date

71.61

August OPEC crude production

mb/d, according to secondary sources



Up 0.48 in August

August 2025

27.95

July 2025

27.47

August Non-OPEC DoC crude production

mb/d, according to secondary sources



Up 0.03 in August

August 2025

14.45

July 2025

14.42

Economic growth rate

per cent

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2025	3.0	1.8	1.2	1.0	4.8	6.5	2.3	1.8
2026	3.1	2.1	1.2	0.9	4.5	6.5	2.5	1.5

Supply and demand

mb/d

2025	25/24	2026	26/25		
World demand	105.1	1.3	World demand	106.5	1.4
Non-DoC liquids production	54.0	0.8	Non-DoC liquids production	54.6	0.6
DoC NGLs	8.7	0.1	DoC NGLs	8.8	0.1
Difference	42.5	0.4	Difference	43.1	0.6

OECD commercial stocks

mb

	May 25	Jun 25	Jul 25	Jul 25/Jun 25
Crude oil	1,353	1,313	1,317	3.6
Products	1,434	1,445	1,444	-1.3
Total	2,787	2,758	2,761	2.4
Days of forward cover	59.9	59.4	59.6	0.2

Next report to be issued on 13 October 2025.