Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

15 January 2025

Feature article:
Oil market outlook for 2026

Organization of the Petroleum Exporting Countries

Helferstorferstrasse 17, A-1010 Vienna, Austria

E-mail: prid(at)opec.org

Website: www.opec.org

Disclaimer

Oil Market Highlights

Crude Oil Price Movements

In December, the OPEC Reference Basket (ORB) rose by 9¢, or 0.1%, m-o-m, to average $73.07/b. The ICE Brent front-month contract fell by 27¢, or 0.4%, to average $73.13/b, while the NYMEX WTI front-month contract rose by 16¢, or 0.2%, to average $69.70/b. The GME Oman front-month contract increased by 68¢, or 0.9%, to average $73.16/b. The ICE Brent-NYMEX WTI first-month spread contracted, m-o-m, falling by 43¢ to average $3.43/b. The forward curves of oil futures prices strengthened, particularly for NYMEX WTI and GME Oman, with near-month time spreads shifting into a wider backwardation, reflecting a more optimistic outlook. The market sentiment of hedge funds and other money managers turned positive, leading to the closing of a large volume of NYMEX WTI-related short positions.

World Economy

Global economic growth is forecast to grow at 3.1% in 2025, accelerating slightly to 3.2% in 2026. This positive outlook is underpinned by anticipated inflation normalization and corresponding adjustments to monetary policies in major economies. The services sector is expected to remain the main driver of growth, supported by a gradual rebound in industrial production. For the US, the economic growth forecast in 2025 is revised upward to 2.4%, with 2026 forecast at 2.3%. In the Eurozone, the economic growth forecast for 2025 is revised slightly down to 1%, before rising to 1.1% in 2026. Japan's economic growth forecast for 2025 remains at 1% and is projected to see similar growth in 2026. China's economic growth forecast for 2025 remains at 4.7%, with the economic growth forecast for 2026 at 4.6%. India's economic growth forecast is revised up to 6.5% for 2025 and also expected to expand at the same level in 2026. Brazil's economic growth forecast for 2025 is revised up to 2.3% and is expected to rise further to 2.5% in 2026. Russia's economic growth forecast for 2025 is revised up to 1.9% and is expected to grow by 1.5% in 2026.

World Oil Demand

The global oil demand growth forecast for 2025 remains unchanged at 1.4 mb/d. The OECD is forecast to grow by about 0.1 mb/d, while the non-OECD is forecast to grow by about 1.3 mb/d. This robust oil demand growth is expected to continue in 2026. The global oil demand in 2026 is forecast to grow by 1.4 mb/d, y-o-y. The OECD is forecast to grow by about 0.1 mb/d, y-o-y, while demand in the non-OECD is forecast to grow by about 1.3 mb/d.

World Oil Supply

Non-DoC liquids supply (i.e. liquids supply from countries not participating in the Declaration of Cooperation) in 2025 is forecast to grow by 1.1 mb/d, y-o-y, unchanged from last month's assessment. The main growth drivers are expected to be the US, Brazil, Canada, and Norway. The non-DoC liquids supply growth in 2026 is also forecast to grow by at 1.1 mb/d, mainly driven by the US, Brazil and Canada. Meanwhile, natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to grow by about 90 tb/d, y-o-y, in 2025, to average 8.4 mb/d, followed by an increase of about 0.1 mb/d, y-o-y, in 2026 to average 8.5 mb/d. Crude oil production by the countries participating in the DoC dropped by 14 tb/d in December, m-o-m, averaging about 40.65 mb/d, as reported by available secondary sources.

Product Markets and Refining Operations

In December, refinery margins dropped in the US Gulf Coast (USGC) and Singapore. Weakness was seen across the barrel, except for jet/kerosene on the USGC and gasoline (92) in Singapore, as healthy refinery runs led to rising product availability while weak export incentives added to the pressure. However, in Rotterdam, refining margins extended their upward trajectory amid improved travel activities during the year-end holiday season, with gasoline, gasoil, and fuel oil (1.0% sulphur) backing the monthly gain. Global refinery intake increased further adding 1.1 mb/d, m-o-m, as offline capacities trended significantly lower in December, in line with historic data. Global intake reached an average of 82.2 mb/d in December, and was up slightly by 100 tb/d, y-o-y.

Tanker Market

Dirty spot freight rates showed diverse movements in the last month of the year, falling on routes to Asia and out of the Middle East, while strengthening in the Atlantic Basin and Mediterranean. On the Middle East-to-East route, VLCC spot freight rates fell by 18%, m-o-m, in December, while rates on the West Africa-to-East route dropped by 11%. In the Suezmax market, rates on the US Gulf Coast-to-Europe route partially regained the previous month's loss, up 9%, m-o-m. Aframax spot rates experienced gains on all monitored routes, except Indonesia to East, which saw a drop of 10%, m-o-m. The Caribbean-to-US East Coast route erased most of the previous month's sharp loss, with a jump of 42% m-o-m. In the clean tanker market, East of Suez rates edged up 1%, m-o-m, on average, while West of Suez rates showed a strong performance, gaining 20%, m-o-m.

Crude and Refined Product Trade

Available data for December shows US crude imports dropping, m-o-m, to average at a still robust level of 6.5 mb/d. US crude exports came in just below 4 mb/d. US product imports averaged 1.7 mb/d, while exports hit a record high of 7.01 mb/d, according to estimates based on weekly data. Preliminary estimates for OECD Europe indicate crude imports in December were lower both m-o-m and y-o-y, as higher inflows from South America were outpaced by declines in imports from Africa. OECD Europe product exports recovered from the sharp decline seen in September and October, following higher flows to North America. In November, Japan's crude imports rose by 11%, m-o-m, recovering from a weak performance in the previous month. Japan's product imports marked a 10-month high, following a rise of 12%, m-o-m, as gains in naphtha, LPG and kerosene outweighed lower gasoline imports. Crude imports into China showed a sharp improvement, surging to a 13-month high of 11.8 mb/d in November. Product imports into China fell to a nine-month low, while gains in product exports outpaced the previous month's sharp decline to register a five-month high. India's crude imports were unchanged, m-o-m, in November, averaging 4.7 mb/d, representing a 3% increase, y-o-y. India's product exports partially recovered from the previous month's decline, gaining almost 9% in November. Product imports were up by 3%.

Commercial Stock Movements

Preliminary November 2024 data shows total OECD commercial oil stocks down by 8.4 mb, m-o-m. At 2,770 mb, they were 171 mb below the 2015–2019 average. Among the components, crude and products stocks fell by 3.1 mb, and 5.2 mb, m-o-m, respectively. OECD commercial crude stocks stood at 1,313 mb, which is 137 mb less than the 2015–2019 average. OECD total product stocks stood at 1,457 mb, about 34 mb lower than the 2015–2019 average. In terms of days of forward cover, OECD commercial stocks rose by 0.1 day, m-o-m, in November, to stand at 60.9 days, which is 1.3 days below the 2015–2019 average.

Balance of Supply and Demand

Demand for DoC crude (i.e. crude from countries participating in the DoC) in 2025 is revised down by around 0.1 mb/d from the previous month's assessment, mainly due to changes in 2024 historical baseline data, to stand at 42.5 mb/d, around 0.3 mb/d higher than the estimate for 2024. It is worth highlighting again that growths in the global oil demand and non-DoC supply in 2025 remain unchanged as compared to last month. For 2026, demand for DoC crude is expected to reach 42.7 mb/d, around 0.2 mb/d higher than in 2025.

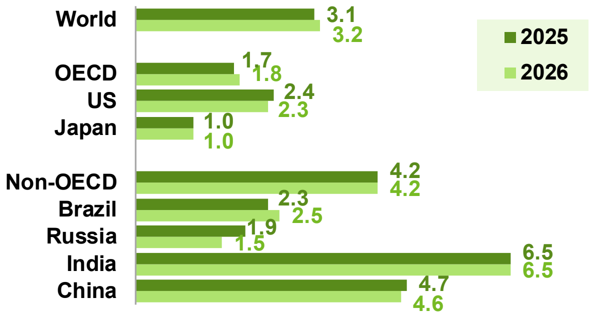
Feature Article

Oil market outlook for 2026

The **world economy** is forecast to see a continued robust growth of 3.2% in 2026, supported by relatively steady growth levels in major economies. This is up slightly from the forecast growth of 3.1% in 2025, reflecting a continued and sustainable global economic expansion.

Among OECD economies, the US is expected to see further solid growth, while the Eurozone and Japan are anticipated to see a gradual improvement in their modest growth rates. Within non-OECD economies, the key oil-consuming nations of China and India, along with other developing Asian economies, are projected to sustain their robust growth, contributing significantly to global economic expansion.

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



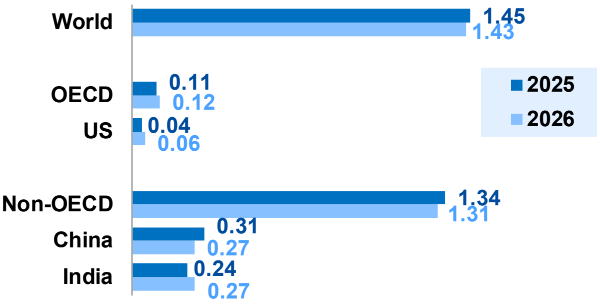
Source: OPEC.

This outlook assumes continued inflation normalization through 2026, providing support for further adjustments in monetary policies in major economies. The services sector is expected to drive global growth, alongside an expected gradual recovery in the industrial sector, despite prevailing uncertainties.

With this, **global oil demand** in 2026 is set to grow by a healthy 1.4 mb/d, y-o-y, sustained by continued solid economic activity in Asia and other non-OECD countries.

On a regional basis, OECD oil demand is forecast to expand by around 0.1 mb/d, y-o-y, entirely from the Americas, while non-OECD oil demand is expected to witness growth of around 1.3 mb/d, mostly in India, China, Other Asia, the Middle East and Latin America.

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



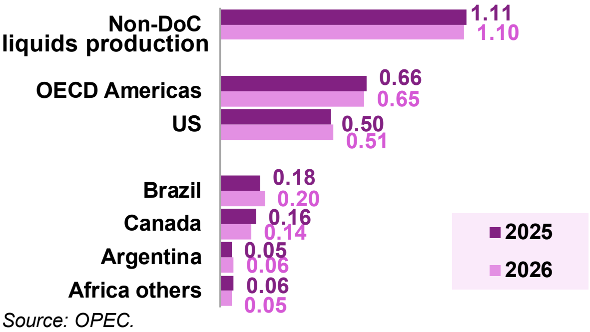
Source: OPEC.

In terms of oil products, transportation fuels are set to drive 2026 oil demand growth, with air travel expected to see further expansion, as both international and domestic traffic continues to increase. Gasoline requirements are also set to see support from steadily rising road mobility in major consuming countries and regions, such as China, the Middle East, India and the US. Both on-road diesel, including trucking, as well as industrial, construction and agricultural activities in non-OECD countries are expected to support diesel demand. Light distillates are projected to be supported by petrochemical capacity additions and margins, mostly in China and the Middle East.

Non-DoC liquids supply in 2026 is forecast to expand by 1.1 mb/d, y-o-y, supported by planned projects and expected upstream investment. Upstream oil investment in non-DoC countries in 2026 is expected at around $278 billion, slightly higher than anticipated spending in 2025.

Non-DoC liquids supply growth in 2026 is primarily set to come from OECD Americas at about 0.7 mb/d, y-o-y. US liquids production is forecast to expand by 0.5 mb/d, y-o-y, mainly from non-conventional NGLs, Permian crude oil and the Gulf of Mexico.

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



Source: OPEC.

In addition to the US, the other main growth drivers are forecast to be Brazil, Canada and Argentina, through various offshore asset developments , tight oil production enhancement and the extension of existing projects in oil sand facilities. Liquids production in OECD Europe is projected to see a decline, y-o-y, given a lack of sufficient new projects in the region.

Table of Contents

Table of Contents

Crude Oil Price Movements

In December, the OPEC Reference Basket (ORB) value rose by 9¢, or 0.1%, m-o-m, to stand at $73.07/b, amid a mixed performance of ORB component-related crude benchmarks.

The ICE Brent front-month contract averaged 27¢ lower in December, a drop of 0.4%, m-o-m, to stand at $73.13/b, while the NYMEX WTI rose by 16¢, or 0.2%, m-o-m, to average $69.70/b. In 2024, ICE Brent averaged $79.86/b, which was $2.31, or 2.8%, lower year-on-year (y-o-y) compared to 2023. NYMEX WTI was lower by $1.84, or 2.4%, y-o-y, to average $75.76/b in 2024.

The GME Oman front month contract increased by 60¢ in December, or 0.8%, m-o-m, to settle at $73.08/b. In 2024, GME Oman was lower by $2.46, or 3.0%, y-o-y, at $79.56/b.

The ICE Brent-NYMEX WTI front-month spread narrowed in December, as the value of the NYMEX WTI contract rose while the ICE Brent contract fell.

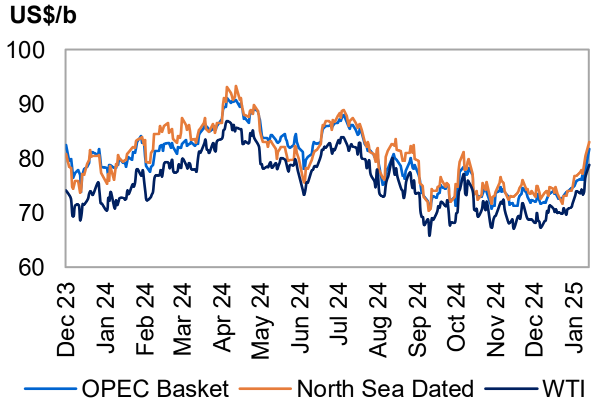
Hedge funds and other money managers closed a large volume of short futures and option positions in the NYMEX WTI futures market and raised long positions in both ICE Brent and NYMEX WTI futures and option contracts. Between the weeks of 26 November and 31 December, hedge funds and other money managers bought an equivalent of 144 mb of oil in Brent and WTI futures and options.

The crude market structure strengthened in December, particularly for NYMEX WTI and GME Oman, with the nearest months' time spreads moving into a wider backwardation. This reflected a more optimistic perception from traders. The front end of the forward curve for Brent futures remained in backwardation in December and was little changed compared with the previous month.

Sweet-sour crude differentials narrowed in the US Gulf Coast (USGC) and Europe in December, primarily driven by the elevated availability of light sweet crude in the Atlantic Basin, including from the US. In Asia, however, sweet-sour crude differentials widened in December, as the sweet crude market outperformed medium sour crudes.

Crude spot prices

Graph 1 - 1: Crude oil price movements



Sources: Argus and OPEC.

Crude spot prices showed mixed movements in December. This was despite signs of supportive physical crude market fundamentals, reflected in robust growth in the global refinery intake. The spot market witnessed firm buying interest, boosted by demand from European and Asia-Pacific buyers, which helped to clear January loading programmes. The strength of the market was also reflected in the continued decline in OECD commercial stocks in December, including in the US. The North Sea Dated price was little changed in December, averaging slightly lower, m-o-m, pressured by the high availability of light sweet crude from the USGC and West African markets. However, WTI and Dubai's first-month contract rose. The Dubai benchmark rose the most due to demand for Middle East crude in the Asia-Pacific, a strong sour market and supportive refinery margins in Singapore. WTI also rose buoyed by a higher refinery intake and lower US crude oil stocks. Spot crude prices have remained above futures prices, but the level narrowed, m-o-m, in December. On a monthly average, the North Sea Dated-ICE Brent spread stood at a premium of 62¢/b in December, falling by 22¢ compared to the previous monthly average.

In December, North Sea Dated fell by 50¢, or 0.7%, to settle at $73.75/b, while WTI and Dubai's first month increased by 19¢ and 38¢, respectively, or 0.3% and 0.5%, to settle at $69.79/b and $73.04/b.

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

			Change		*Annual average*	
OPEC Reference Basket (ORB)	**Nov 24**	**Dec 24**	**Dec 24/Nov 24**	**%**	**2023**	**2024**
ORB	**72.98**	**73.07**	***0.09***	***0.1***	**82.95**	**79.89**
Arab Light	74.47	74.56	*0.09*	*0.1*	84.94	81.49
Basrah Medium	71.73	71.87	*0.14*	*0.2*	80.68	78.37
Bonny Light	75.38	74.22	*-1.16*	*-1.5*	83.46	82.22
Djeno	66.80	66.30	*-0.50*	*-0.7*	75.12	73.20
Es Sider	72.00	71.90	*-0.10*	*-0.1*	82.21	79.72
Iran Heavy	72.81	73.00	*0.19*	*0.3*	83.13	79.71
Kuwait Export	73.56	73.70	*0.14*	*0.2*	84.26	80.65
Merey	59.58	61.13	*1.55*	*2.6*	64.37	65.26
Murban	72.81	73.35	*0.54*	*0.7*	82.85	79.73
Rabi Light	73.79	73.29	*-0.50*	*-0.7*	82.11	80.19
Sahara Blend	74.90	74.60	*-0.30*	*-0.4*	83.64	81.73
Zafiro	75.98	75.70	*-0.28*	*-0.4*	83.42	82.17
Other Crudes						
North Sea Dated	74.25	73.75	*-0.50*	*-0.7*	82.57	80.64
Dubai	72.66	73.04	*0.38*	*0.5*	82.02	79.57
Isthmus	67.00	67.60	*0.60*	*0.9*	73.14	74.01
LLS	71.47	72.33	*0.86*	*1.2*	80.08	78.33
Mars	68.98	70.45	*1.47*	*2.1*	77.13	75.65
Minas	76.76	76.36	*-0.40*	*-0.5*	80.58	84.45
Urals	61.91	61.96	*0.05*	*0.1*	59.57	66.02
WTI	69.60	69.79	*0.19*	*0.3*	77.58	75.91
Differentials						
North Sea Dated/WTI	4.65	3.96	*-0.69*	-	4.99	4.73
North Sea Dated/LLS	2.78	1.42	*-1.36*	-	2.48	2.31
North Sea Dated/Dubai	1.59	0.71	*-0.88*	-	0.55	1.07

Sources: Argus, Direct Communication, and OPEC.

Crude oil differentials of light sweet grades mostly strengthened in December buoyed by firm demand in the spot crude market. Most North Sea crude differentials rose in December buoyed by demand from European buyers, including for sour crude, as well as higher refining margins, although lower light distillate crack spreads weighed on the value of light grades. Ekofisk and Johan Sverdrup crude differentials increased in December by 14¢ and 20¢, m-o-m respectively, to settle at a premium of $1.56/b and a discount of $1.99/b. However, Forties crude differentials weakened, falling by 22¢ m-o-m to stand at a premium of 70¢/b.

Similarly, in the Mediterranean and Caspian regions, crude differentials strengthened on firm demand ahead of the end of the year holidays and higher refining margins in Europe. Azeri Light crude differentials rose firmly by 78¢ m-o-m to average a premium of $2.77/b to North Sea Dated. Saharan Blend and CPC Blend differentials also increased by 10¢ and 23¢, m-o-m, respectively, to average a premium of 36¢/b and a discount of 62¢/b to North Sea Dated.

West African crude values were mixed amid the high availability of unsold cargoes for January loading barrels, soft demand from European buyers and higher freight rates. In December, crude differentials of Bonny Light and Forcados rose on a monthly average by 64¢ and 35¢, respectively, to stand at premiums of 70¢/b and $1.42/b. However, Qua Iboe crude differentials declined by 8¢ m-o-m to stand at an average of 40¢/b premium to North Sea Dated. Sour crude Cabinda fell by 37¢, m-o-m, to stand at a premium of 19¢/b against North Sea Dated.

In the USGC, crude differentials to WTI at Cushing strengthened in December on firm demand from refineries in the US PADD3 (Petroleum Administration for Defence District) and lower crude stocks. Light Louisiana Sweet (LLS) rose by 68¢ on a monthly basis to stand at a premium of $2.55/b to WTI, and Mars sour crude differentials increased by $1.31 on average to a premium of 66¢/b against WTI. The value of Dubai-related crudes in the Middle East mostly rose in December, supported by robust demand from Asia-Pacific refiners. In the Middle East spot market, the value of Oman crude differentials rose by 53¢, m-o-m, to a premium of $1.04/b.

OPEC Reference Basket (ORB) value

In December, the ORB value rose slightly by 9¢, or 0.1%, m-o-m, to stand at $73.07/b, amid a mixed performance of ORB component-related crude benchmarks. A decline in most official selling prices (OSPs), the medium and heavy sour crudes exported to Asia, offset the higher OSP values of sweet grades and contributed to the ORB value decline. In 2024, the ORB value averaged $79.89/b, representing a decline of $3.06, or 3.7%, compared to 2023.

In terms of the mixed movement of ORB components in December, West and North African Basket components – Bonny Light, Djeno, Es Sider, Rabi Light, Sahara Blend and Zafiro – fell by an average of 47¢, or 0.6% m-o-m, to $72.67/b, while multiple-region destination grades – Arab Light, Basrah Medium, Iran Heavy and Kuwait Export – increased on average by 14¢, or 0.2%, m-o-m, to settle at $73.28/b. Murban crude rose by 54¢, or 0.7%, m-o-m, on average to settle at $73.35/b. The Merey component increased m-o-m by $1.55, or 2.6% on average, to settle at $61.13/b.

The oil futures market

Oil futures prices witnessed downward pressure in December due to thin trading activity, primarily driven by US public holidays and end-of-year holiday periods that typically result in lower market liquidity. Additionally, broader macroeconomic factors, particularly the strength of the US dollar, exerted some negative impact on crude prices. The US dollar index surged to its highest level in over a year, reducing the appeal of dollar-denominated commodities such as crude oil.

Another factor weighing on oil futures was the large build in US petroleum product inventories, particularly gasoline stocks. The increase in product inventories raised some concerns about the strength of demand in key consuming regions, which offset data indicating a seasonal decline in US crude oil stocks.

Despite these bearish pressures, however, several factors limited the downside for oil futures. Notable support came from renewed optimism about China's economic and demand recovery in 2025. In November, data showed China's factory activity expanded, signalling stronger industrial output. This trend continued into December, as the country's Manufacturing Purchasing Managers' Index (PMI) showed expansion for a third consecutive month. China's economic signals were closely monitored by market participants. Optimism about demand growth from China was bolstered by the government's plans for more initiative-taking monetary and fiscal policies aimed at stimulating economic growth. These measures are expected to have a positive impact on oil demand, particularly if industrial activity continues to expand.

Furthermore, the positive performance of major US equity markets that bolstered overall market sentiment, provided an additional layer of support. The oil futures market also saw support from speculative short covering, particularly in the NYMEX WTI contract. Money managers shifted their outlook to a less bearish stance in both ICE Brent and NYMEX WTI futures, by raising their total net long positions that lent support to oil futures prices.

Geopolitical developments remained a major driver of oil market uncertainty in December. Events in the Middle East and Eastern Europe continued to pose potential supply risks, thereby sustaining risk premiums in oil prices. Additionally, market sentiment was supported by expectations of increased middle distillate consumption due to a drop in temperatures across the northern hemisphere. Colder weather typically drives higher demand for heating fuels, which can provide support to oil prices.

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

			Change		*Annual average*	
Crude oil futures	**Nov 24**	**Dec 24**	**Dec 24/Nov 24**	**%**	**2023**	**2024**
NYMEX WTI	69.54	69.70	0.16	0.2	77.60	75.76
ICE Brent	73.40	73.13	-0.27	-0.4	82.17	79.86
GME Oman	72.48	73.08	0.60	0.8	82.02	79.56
Spread						
ICE Brent-NYMEX WTI	*3.86*	*3.43*	*-0.43*	*-11.1*	*4.57*	*4.10*

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

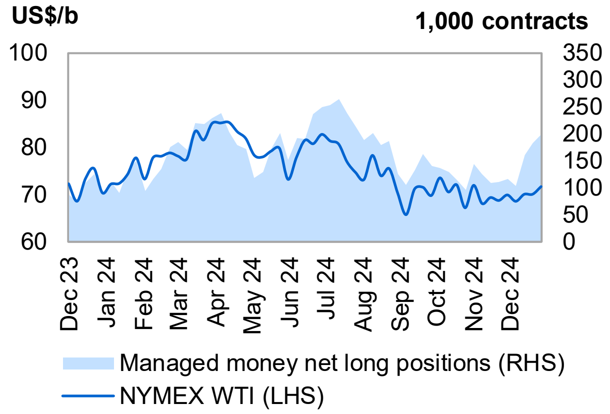
The ICE Brent front-month averaged 27¢ lower in December, a drop of 0.4%, m-o-m, to stand at $73.13/b, while the NYMEX WTI rose by 16¢, or 0.2%, m-o-m, to average $69.70/b. In 2024, ICE Brent averaged $79.86/b, which was $2.31, or 2.8%, lower compared to 2023. NYMEX WTI was lower by $1.84, or 2.4%, compared to 2023, to stand at $75.76/b in 2024. The GME Oman front month contract increased in December by 60¢, or 0.8%, m-o-m, to settle at $73.08/b. In 2024, GME Oman was lower by $2.46, or 3.0%, at $79.56/b.

The ICE Brent-NYMEX WTI front-month spread narrowed in December to its second lowest level since October 2023, as the value of the NYMEX WTI contract rose, and the ICE Brent contract fell. The NYMEX WTI price was buoyed in December by short covering in the futures market, higher crude demand from US refineries and lower crude oil stocks, while the ICE Brent contract was under pressure due to market sentiment regarding the global oil demand outlook. In December, the ICE Brent-NYMEX WTI front month spread contracted by 43¢, m-o-m, to stand at $3.43/b. The spread between North Sea Dated and WTI Houston also fell last month, narrowing by 38¢, m-o-m, to a premium of $2.79/b. Signs of a well-supplied North Sea market and lower values of benchmark-related grades weighed on North Sea Dated.

Hedge funds and other money managers turned positive about the oil price outlook in December, closing a large volume of short futures and options positions in the NYMEX WTI futures market, while raising long positions in both ICE Brent and NYMEX WTI futures and options contracts. This lent support to oil futures prices. Combined futures and options net long positions in ICE Brent and NYMEX WTI rose to their highest level since last July. Between the weeks of 26 November and 31 December, hedge funds and other money managers bought an equivalent of 144 mb of oil in Brent and WTI futures and options positions.

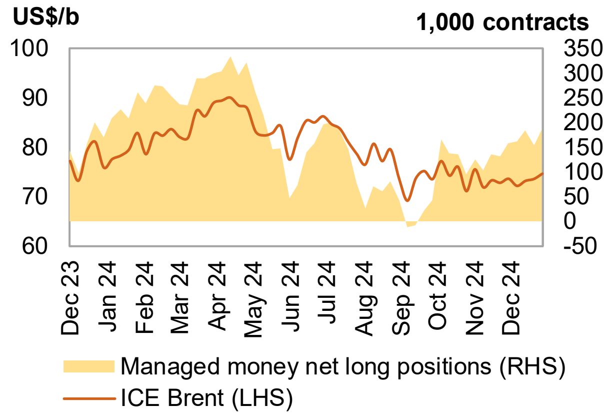
The rise in bullish positions was mainly concentrated in NYMEX WTI as related net long positions increased by 78.4% over this period, compared to a net long position rise of 42.8% in ICE Brent. Open interest in the two futures contracts was mixed. While ICE Brent-related open interest fell by 4.0% between the weeks of 26 November and 31 December, rose by 4.3% in NYMEX WTI.

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



Sources: CFTC, CME and OPEC.

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



Sources: ICE and OPEC.

Money managers were buyers of the equivalent of about 88 mb of the NYMEX WTI contract between the weeks of 26 November and 31 December. The combined futures and options net long positions related to WTI rose by 87,537 contracts to stand at 199,141 lots in the week of 31 December, according to the US Commodity Futures Trading Commission (CFTC). During the same period, gross short positions declined by 18,702 lots, or 28.0%, to 47,972 contracts, and gross long positions increased by 68,835 lots, or 38.6%, to 247,113 contracts, the highest level since July.

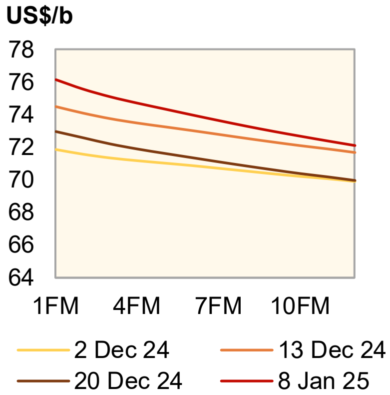
Money managers raised combined futures and options net long positions related to ICE Brent by 56,067 contracts between the weeks of 26 November and 31 December to stand at 186,915 lots in the week of 31 December, according to the ICE Exchange. This is due to a drop in short positions and an increase in long positions. In the week ending 31 December, gross short positions fell by 9,332 lots, or 9.4%, compared with the week of 26 November, to stand at 89,539 contracts. At the same time, gross long positions increased by 46,735 lots, or 20.3%, to stand at 276,454 contracts.

Total futures and options open interest volumes on the two exchanges fell between the weeks of 26 November and 31 December, dropping by 0.5%, or 25,533 contracts, m-o-m, to stand at 5.1 million contracts. The decline in open interest was only seen in NYMEX WTI futures and options contracts.

The futures market structure

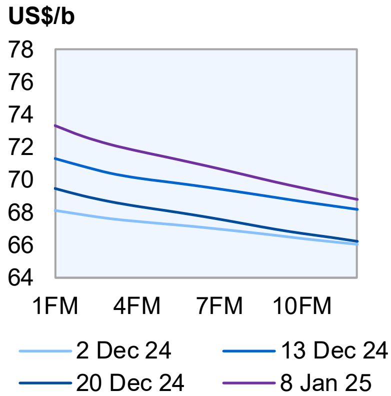
The crude market structure strengthened in December, particularly for NYMEX WTI and GME Oman, with the nearest months' time spreads moving into a wider backwardation. This reflected a more optimistic perception from traders about the supply/demand balance outlook. Short covering from speculators and rising bullish positions, as well as signs of supportive physical market fundamentals, buoyed front-month contracts more than forward contracts. Lower US crude oil stocks, and signs of robust physical crude market fundamentals supported WTI front-month prices. Firm demand from Asia Pacific buyers also boosted the value of prompt-month prices compared with forward-month prices.

Graph 1 - 4: ICE Brent forward curves



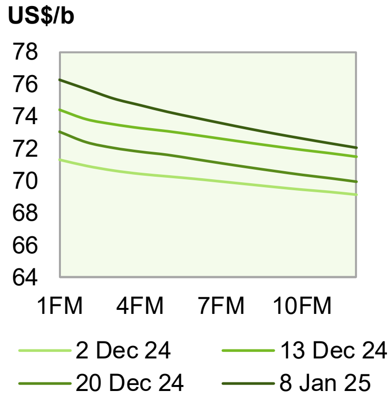
Sources: ICE and OPEC.

Graph 1 - 5: NYMEX WTI forward curves



Sources: CME and OPEC.

Graph 1 - 6: GME Oman forward curves



Sources: GME and OPEC.

The front end of the forward curve for Brent futures remained in backwardation in December and was little changed compared with the previous month. On a monthly average, the ICE Brent M1/M3 spread rose marginally by 1¢ to a backwardation of 70¢/b in December. The ICE Brent M1/M6 spread widened last month by 20¢ with backwardation standing on average at $1.40/b, compared with a backwardation of $1.20/b in November.

In the US, the structure of NYMEX WTI strengthened last month, with the front of the forward curve moving into a stronger backwardation. This came amid a drawdown in US crude stocks, including at the Cushing trading hub, and the prospect of higher demand amid stronger US refinery throughputs. The NYMEX WTI M1/M3 spread widened by 18¢ to an average backwardation of 73¢/b in December, compared to a 55¢/b backwardation one month earlier.

The market structure of GME Oman strengthened on renewed demand from Asia-Pacific buyers in the spot market and an improving demand outlook in the coming months, amid the prospect of improving economic and oil demand growth in China. On a monthly average, the GME Oman M1/M3 spread widened by 19¢ to a backwardation of 86¢/b in December, from a backwardation of 67¢/b in November.

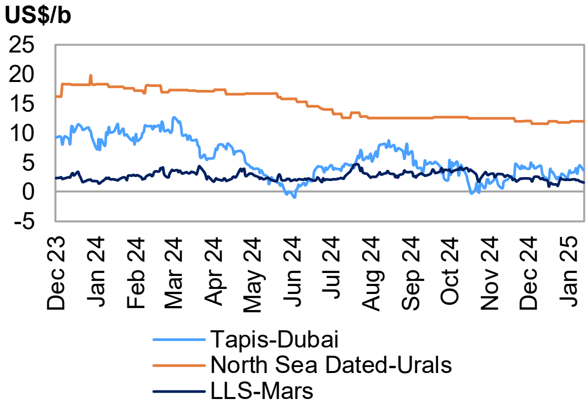
The North Sea Brent M1/M3 spread fell slightly on a monthly average by 2¢ to a backwardation of 90¢/b, compared to 92¢/b the month before. In the US, however, the WTI M1/M3 backwardation widened by 19¢ to 77¢/b, compared to a backwardation of 58¢/b in November. The Dubai M1/M3 backwardation rose by 21¢ on average in December to a backwardation of 92¢/b.

Crude spreads

Sweet-sour crude differentials narrowed in the USGC and Europe in December, primarily driven by the elevated availability of Atlantic Basin light sweet crudes, including from the US. In contrast, the sour crude market was supported by tighter supply in several regions. The narrowing spread was further influenced by weaker light distillate margins. In Asia, however, sweet-sour crude differentials widened last month, as the sweet crude market outperformed the medium sour crudes. Strong demand from Asia-Pacific refiners, coupled with reduced sour crude supply from other regions, provided additional support to the sour crude market in the region.

In Europe, sweet-sour crude differentials narrowed as the value of Brent-related light sweet crudes in the Atlantic Basin came under pressure from the high availability of prompt loading cargoes in the USGC and West African markets, and a decline in naphtha and jet fuel margins. Meanwhile, the sour crude market found some support from lower supply and higher fuel oil margins. This resulted in a narrowing of the spread between the values of light sweet crude Ekofisk against Johan Sverdrup by 23¢. It stood at a $3.38/b premium on average in December, compared to $3.61/b in November. The North Sea Dated-Urals crude spread also narrowed in December, as the assessment of the Urals value against North Sea Dated was seen higher last month.

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



Sources: Argus and OPEC.

The North Sea Dated-Urals crude differential narrowed by 55¢ m-o-m to average $11.79/b in December.

In the USGC, light sweet crude prices weakened in December relative to sour crude, pressured by ample light sweet supply from the Gulf of Mexico and lower naphtha and gasoline margins. Additionally, large builds in US gasoline and diesel inventories weighed on sweet crude values compared to sour grades. Meanwhile, Mars Sour crude continued to trade at a premium to the WTI benchmark, supported by strong demand from refiners and reduced supply from Mexico. The premium of LLS over medium sour Mars narrowed by an average of 61¢ in December, settling at $1.88/b.

In Asia, however, the Tapis premium over Dubai crude widened further in December, as sweet crude values outpaced sour crude. The Tapis-Dubai spread expanded by 67¢ m-o-m to average $3.40/b. The spread continued to recover from the low levels recorded in October, supported by firm demand from Asia-Pacific refiners for regional grades and stronger gasoline crack spreads. In contrast, gains in sour crude values were capped by improving west-to-east arbitrage flows, as the Brent-Dubai spread narrowed. The Brent-Dubai differential fell by 88¢ m-o-m to an average premium of 71¢/b, compared with a $1.59/b premium in November. Similarly, the Brent-Dubai Exchange of Futures for Swaps contract narrowed by 50¢ m-o-m to stand at a $1.02/b premium in December.

Commodity Markets

Non-energy commodity price indices continued to trend downwards in December, while the energy price index was essentially flat, m-o-m, over the same period.

In the futures markets, combined money managers' net length rose sharply in December on the back of improved sentiment on energy commodities, while sentiment on non-energy commodities remained cautious over the same period. At the same time, combined open interest decreased for a second consecutive month, largely driven by year-end profit-taking.

Trends in select energy commodity markets

The energy price index remained unchanged, m-o-m, in December, as higher US natural gas prices were offset by lower coal and EU natural gas prices. Meanwhile, average crude oil prices were muted over the same period. The index was down by 3.1%, y-o-y, pressured by lower average crude oil and coal prices, but these were partially offset by higher natural gas prices in both the EU and US over the same period.

Table 2 - 1: Select energy prices

Commodity	Unit	Monthly average			% Change		Annual average	
		Oct 24	Nov 24	Dec 24	Dec 24/ Nov 24	Dec 24/ Dec 23	2023	2024
Energy*	*Index*	**97.7**	**96.5**	**96.5**	**0.0**	**-3.1**	**107.0**	**101.5**
Coal, Australia	*US$/boe*	14.0	13.6	12.4	-8.7	-8.5	16.5	13.0
Crude oil, average	*US$/b*	74.0	72.3	72.3	0.0	-4.5	80.8	78.7
Natural gas, US	*US$/boe*	11.9	11.4	16.4	43.6	19.6	13.7	11.9
Natural gas, Europe	*US$/boe*	69.9	75.3	75.0	-0.5	20.4	70.9	59.3

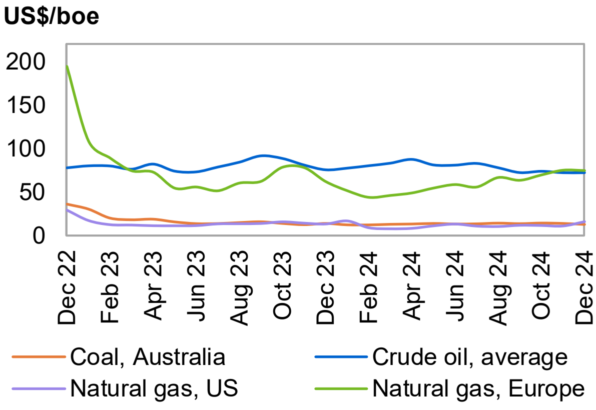
*Note: * World Bank commodity price index (2010 = 100).*
Sources: World Bank and OPEC.

Australian thermal coal continued its downward trajectory in December, falling by 8.7%, m-o-m. Softer demand in key consuming countries in Asia remained a drag on prices, particularly in China, where inventories were reported to be at healthy levels ahead of the country's new year holidays. In the EU, lower natural gas prices in December reduced incentives for gas-to-coal fuel switching and imports to the region saw a decline over the same period. Prices were down by 8.5%, y-o-y.

Average crude oil prices were flat, m-o-m, in December, as sentiment in the market remained cautious despite signs of improved market fundamentals. Compared with the same period last year, prices were down by 4.5%, y-o-y.

Henry Hub's natural gas prices rebounded in December after two consecutive months of declines. Prices experienced a sharp increase in the second half of the month, rising by 43.6%, m-o-m, on the back of expectations of colder weather across the US. Reports of a decline in underground storage levels in December underscored the increase in demand. According to data from the US Energy Information Administration (EIA), weekly average underground storage decreased in December by 9.5%, m-o-m. Henry Hub prices were up by 19.6%, y-o-y.

Graph 2 - 1: Select energy prices



Sources: World Bank, Haver Analytics and OPEC.

The average Title Transfer Facility (TTF) receded in December after trending upwards for two consecutive months, falling by 0.5%, m-o-m. TTF prices experienced higher volatility in December amid renewed supply risk concerns. Prices fell earlier in the month, pressured by a combination of lower-than-expected demand and higher LNG intake. However, prices rose sharply in the second half of the month, partially offsetting losses in the first half, ultimately resulting in a moderate decline, m-o-m. Nonetheless, according to data from Gas Infrastructure Europe, EU storage levels were at about 72% of capacity as of 31 December, 13 percentage points below the previous month, but still expected to provide enough buffer during the winter demand season. Prices were up by 20.4%, y-o-y.

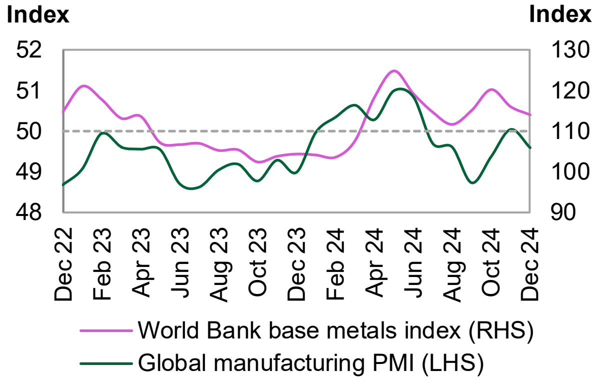
Trends in select non-energy commodity markets

The non-energy price index rose for a third consecutive month in December, increasing by 1.9%, m-o-m. The index was once again supported by the agricultural index – up by 3.4%, m-o-m – but gains were partially offset by a decline in the base metals index over the same period. The non-energy price and agricultural indices were up by 7.9% and 10.3%, respectively, y-o-y.

Base metals

The base metal index declined for a second consecutive month in December, falling by 1.5%, m-o-m. Metal prices were mixed in December amid mounting pressure from a stronger US dollar, a slowdown in China's exports and a retraction in global industrial activity. The global manufacturing PMI fell below expansionary territory in December, after trending upwards for two consecutive months, to 49.6, down from 50.0 in November, a 0.9% decline, m-o-m. Compared with the same period last year, the base metal index was up by 9.5%, 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.

At the London Metal Exchange (LME) warehouses, combined stocks of base metals rose for a second consecutive month in December, albeit the increase was marginal. Stocks were up by 0.2%, m-o-m, and were up by 53.9%, y-o-y.

Combined cancelled warrants rose in December after two consecutive months of decreases, increasing by 23.1%, m-o-m, and 26.9%, y-o-y. Combined on-warrants decreased in December, by 6.8%, m-o-m; however, they were up by 69.6%, y-o-y.

Table 2 - 2: Base metal prices

Commodity	Unit	*Monthly average*			*% changes*		*Annual average*	
		Oct 24	Nov 24	Dec 24	Dec 24/ Nov 24	Dec 24/ Dec 23	2023	2024
Non-energy*	*Index*	**114.6**	**114.1**	**116.2**	**1.9**	**7.9**	**110.2**	**112.4**
Base metal*	*Index*	**120.2**	**116.1**	**114.3**	**-1.5**	**9.5**	**109.0**	**114.1**
Copper	*US$/mt*	9,565	9,098	8,936	-1.8	6.1	8,508	9,169
Aluminium	*US$/mt*	2,605	2,590	2,551	-1.5	16.4	2,263	2,429
Nickel	*US$/mt*	16,820	15,762	15,480	-1.8	-6.2	21,547	16,866
Lead	*US$/mt*	2,043	1,996	1,999	0.1	-1.8	2,131	2,079
Zinc	*US$/mt*	3,107	3,005	3,036	1.1	21.3	2,654	2,785
Iron Ore	*US$/mt*	104	102	105	2.8	-22.0	120	109

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

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

Copper prices declined in December, falling by 1.8%, m-o-m, though up by 6.1%, y-o-y. At LME warehouses, stocks fell in December by 0.3%, m-o-m, and were up by 55.5%, y-o-y. Cancelled warrants rose in December by 18.1%, m-o-m, but were down by 62.0%, y-o-y. On-warrants fell by 1.2%, m-o-m, in December, but were up by 87.3%, y-o-y.

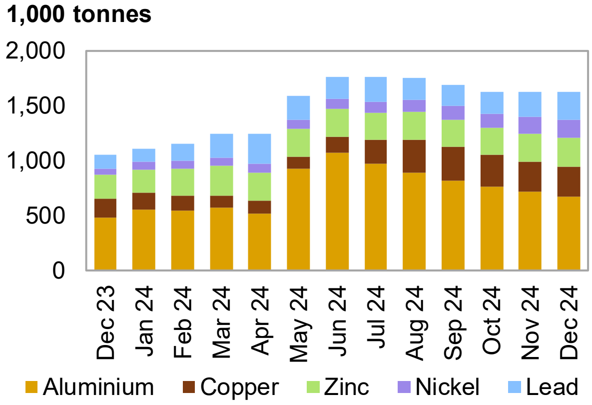
Aluminium prices receded by 1.5%, m-o-m, in December and were up by 16.4%, y-o-y. LME warehouse stocks declined over the month by 6.7%, m-o-m, but were up by 40.1%, y-o-y. Cancelled warrants decreased in December by 2.5%, m-o-m, but were up by 33.7%, y-o-y. On-warrants declined by 10.0%, m-o-m, in the same month, and were up by 46.0%, y-o-y.

Nickel prices fell in December, dropping by 1.8%, m-o-m, and were down by 6.2%, y-o-y. At LME warehouses, stocks rose by 6.0%, m-o-m, over the month, and were up by more than 100%, y-o-y. Cancelled warrants rose in December by 77.2%, m-o-m, and were higher by more than 100%, y-o-y. On-warrants rose in December by 1.3%, m-o-m, and were up by more than 100%, y-o-y.

Lead prices experienced a marginal increase in December, up by 0.1%, m-o-m, but down by 1.8%, y-o-y. At LME warehouses, stocks rose in December by 14.6%, m-o-m, and were up by 98.9%, y-o-y. Cancelled warrants rose in December by more than 100%, m-o-m, but were down by 21.7%, y-o-y. On-warrants rose by 3.7%, m-o-m, and were up by 99.5%, y-o-y.

Zinc prices increased by 1.1%, m-o-m, in December, and were up by 21.3%, y-o-y. At LME warehouses, stocks increased by 3.9%, m-o-m, in December, and were up by 20.7%, y-o-y. Cancelled warrants rose by more than 100%, m-o-m, in December, and were up by 87.2%, y-o-y. On-warrants declined by 23.0%, m-o-m, over the same period, and were up by 1.3%, y-o-y.

Graph 2 - 3: Inventories at the LME



Sources: LME, Thomson Reuters and OPEC.

Iron ore prices rose by 2.8%, m-o-m, in December, but were down by 22.0%, y-o-y. Meanwhile, China's steel industry PMI declined for a second consecutive month in December, falling below expansionary territory. The benchmark stood at 47.5 that month, down from 50.6 in November, representing a 6.1% decrease, m-o-m.

Precious metals

The precious metals index declined for a second consecutive month in December, falling by 0.3%, m-o-m. Gold, silver and platinum prices fell respectively by 0.1%, 1.1% and 2.9%, m-o-m, over the same period.

Table 2 - 3: Precious metal prices

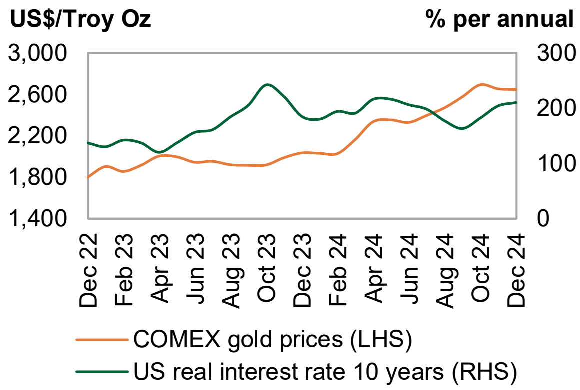
Commodity	Unit	*Monthly average*			*% changes*		*Annual average*	
		Oct 24	Nov 24	Dec 24	Dec 24/ Nov 24	Dec 24/ Dec 23	2023	2024
Precious metals*	*Index*	**203.4**	**199.6**	**199.0**	**-0.3**	**30.0**	**147.3**	**180.2**
Gold	*US$/Oz*	2,690	2,651	2,648	-0.1	30.7	1,943	2,388
Silver	*US$/Oz*	32.4	31.1	30.8	-1.1	28.8	23.4	28.3
Platinum	*US$/Oz*	999	966	938	-2.9	0.3	966	955

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

Gold prices remained under pressure from a stronger US dollar in December. A hawkish US Fed also weighed on gold prices, leading to sell-offs for profit-taking amid expectations of a stronger US dollar. Renewed safe-haven appeal stemming from geopolitical developments and higher central bank buying in some emerging markets partially offset losses. Meanwhile, softer global industrial activity remained a drag on silver and platinum prices.

The precious metals index was up by 30.0%, y-o-y; gold, silver and platinum prices were also up by 30.7%, 28.8% and 0.3%, y-o-y, respectively.

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



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

Select other minerals

The other minerals price index remained on a downward trajectory in December, falling by 0.5%, m-o-m. A decline in graphite and lithium prices dragged down the index in December, while cobalt prices were flat over the same period.

Table 2 - 4: Select other minerals prices

Commodity	Unit	*Monthly average*			*% changes*		*Annual average*	
					Dec 24/	Dec 24/		
		Oct 24	Nov 24	Dec 24	Nov 24	Dec 23	2023	2024
Other minerals*	*Index*	**33.9**	**33.7**	**33.5**	**-0.5**	**-23.7**	**67.4**	**37.4**
Cobalt	*US$/mt*	24,271	24,300	24,300	0.0	-19.6	34,348	26,376
Graphite	*US$/mt*	460	459	435	-5.2	-22.3	668	488
Lithium	*US$/mt*	9,700	9,373	9,356	-0.2	-35.5	39,992	11,348

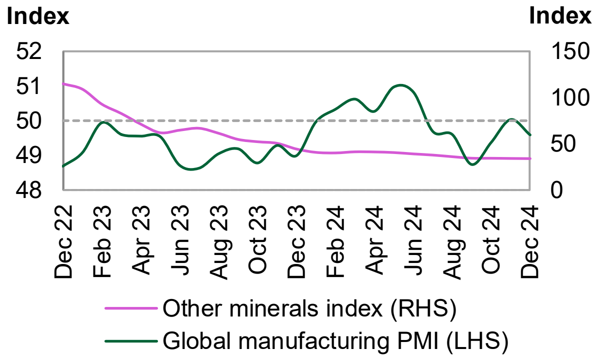
*Note: * OPEC price index (2022 = 100).*

Sources: LME, Haver Analytics and OPEC.

Other mineral prices declined in December under pressure from weakness in global industrial activity. Moreover, uncertainty on the trade outlook of these minerals remained a downside risk to demand. Graphite and lithium prices fell by 5.2% and 0.2%, respectively, m-o-m; meanwhile, cobalt prices remained unchanged, m-o-m, in the same period.

The other minerals' price index was down by 23.7%, y-o-y; cobalt, graphite and lithium prices were down by 19.6%, 22.3% and 35.5%, y-o-y, respectively.

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



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

Investment flows into commodities

Combined money managers' net length rose sharply in December, by 41.4%, m-o-m. The increase was driven by crude oil and natural gas but was partially offset by a decrease in copper and gold. The combined net length was up by more than 100%, y-o-y.

Combined open interest (OI) decreased for a second consecutive month in December, falling by 7.1%, m-o-m. All select commodities experienced a decrease in OI in December. Combined OI was up by 8.7%, y-o-y.

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

Selected commodity	*Open interest*			*Long*		*Short*		*Net length*				
	Nov 24	Dec 24	Dec 24/ Nov 24	Nov 24	Dec 24	Nov 24	Dec 24	Nov 24	% OI	Dec 24	% OI	Dec 24/ Nov 24
Crude oil	2,238	2,206	***-1.5%***	184	213	62	60	122	5	153	7	***24.8%***
Natural gas	1,749	1,586	***-9.3%***	188	171	305	217	-117	-7	-45	-3	***-61.3%***
Gold	840	707	***-15.9%***	221	213	20	15	202	24	198	28	***-1.7%***
Copper	275	243	***-11.5%***	69	65	56	60	13	5	5	2	***-58.3%***
Total	**5,102**	**4,741**	***-7.1%***	**663**	**663**	**443**	**351**	**220**	**27**	**311**	**34**	***41.4%***

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.

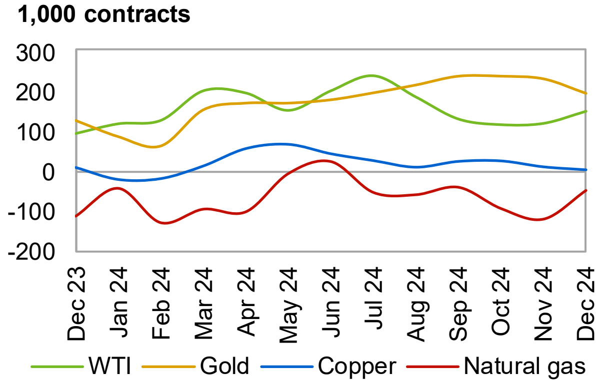
The crude oil (WTI) OI decreased for a second consecutive month in December, falling by 1.5%, m-o-m. Meanwhile, money managers increased net length for a second consecutive month over the same period, up by 24.8%, m-o-m. OI was also up by 5.6%, y-o-y, and money managers' net length was up by 54.4%, y-o-y.

The natural gas (Henry Hub) decreased in December by 9.3%, m-o-m. At the same time, managers increased net length by 61.3%, m-o-m. OI was up by 14.2%, y-o-y, and the net length was up by 61.4%, y-o-y.

Gold's OI decreased in December by 15.9%, m-o-m. Money managers continued to reduce net length over the same period; it was down by 1.7%, m-o-m. Gold's OI was up by 2.8%, y-o-y, and its net length was up by 55.3%, y-o-y.

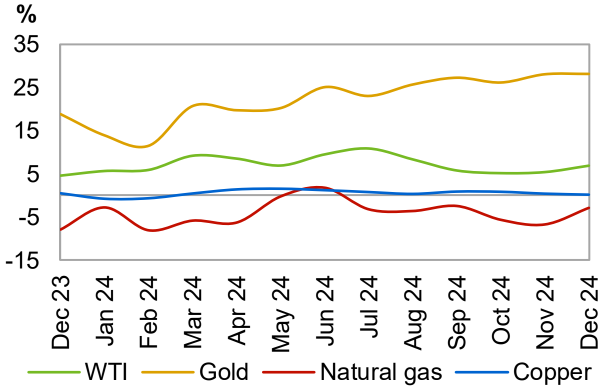
Copper's OI decreased by 11.5%, m-o-m, in December. Money managers cut net length for a second consecutive month over the same period, thus it was down by 58.3%, m-o-m. OI was up by 22.3%, y-o-y, while the net length was down by 53.5%, y-o-y.

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



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

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



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

World Economy

The global economy concluded 2024 on a stable trajectory. Economic growths in 2025 and 2026 are expected to be well supported, although uncertainties remain. Robust performance in 2H24 in the United States (US), India, and China contributed significantly to this outcome, with Brazil and Russia also sustaining strong growth trends. The solid growth momentum observed in 2H24 for the US, India, and China is forecast to persist in 2025, though a moderate slowdown is anticipated. Similarly, Brazil and Russia are expected to maintain steady growth in 2025, albeit at a slightly reduced pace. The Eurozone and Japan, having lagged behind in 2024, are projected to experience a mild rebound in 2025.

Economic growth for 2025, and even more so for 2026, will depend on a variety of key assumptions. Inflation is forecast to continue declining gradually in 2025 and to normalize towards 2026. Consequently, monetary policy accommodation is expected to continue in major advanced economies in the near term, but at a more cautious pace, due to the lingering persistence of certain inflationary pressures. In Japan, the Bank of Japan (BoJ) is likely to continue gradually tightening its policy. Elsewhere, China is expected to continue its policy of monetary easing, alongside fiscal measures aimed at achieving growth targets of up to 5%. The services sector is anticipated to remain the main driving force in global economic growth in the near term, with its growth dynamics normalizing in 2025 and continuing into 2026. The industrial sector is projected to gradually pick up, although uncertainties remain. It remains to be seen, in particular, what role potential tariffs and other policy measures by the incoming US administration will play.

Taking these growth trends and dynamics into consideration, the global economic growth forecast for 2025 stands at 3.1%, a slight uptick from last month's projection of 3%. Growth in 2026 is expected to accelerate modestly, with a forecast of 3.2%, reflecting steady and sustainable global economic expansion.

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

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2025	**3.1**	**2.4**	**1.0**	**1.0**	**4.7**	**6.5**	**2.3**	**1.9**
Change from previous month	0.1	0.2	-0.2	0.0	0.0	0.2	0.2	0.2
2026	**3.2**	**2.3**	**1.1**	**1.0**	**4.6**	**6.5**	**2.5**	**1.5**

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

Source: OPEC.

Update on the latest global developments

Global growth was well supported in 2024 and the dynamics seen in 2H24 are broadly anticipated to carry over into 2025. The quarterly expansion stood at more than 3% throughout the year, with only minor alterations. In the OECD, the US economy continued to perform very well in 2H24, driven particularly by strong consumer spending, following sound growth in 1H24. In the Eurozone, numerous challenges kept growth at a lower level; however, the region's gradual recovery continued in 3Q24 and possibly into 4Q24. After a challenging 1H24, Japan's economy is estimated to have recovered somewhat in 2H24. Among non-OECD economies, growth was exceptionally sound in 2024. In particular, India's economic performance was solid in 2024. A slowdown in its growth dynamic in 3Q24, mainly stemming from manufacturing, is expected to have rebounded in 4Q24. While China saw robust growth in most of 2024, the economy is facing challenges stemming from the country's real estate sector, ongoing subdued domestic consumption and possible US tariffs. However, supported by monetary and fiscal stimulus and strong exports, the economy is still expected to almost reach its 5% growth target for 2024. Brazil and Russia also outperformed expectations throughout 2024, with growth likely to have remained strong through the end of the year.

In the US, 3Q24 GDP growth was revised upwards in the third and final release of the Bureau of Economic Analysis (BEA). The revised growth stands at 3.1%, q-o-q, on a seasonally adjusted annual rate (SAAR). This marked an improvement over the previous two releases, which estimated 2.8%. It also follows a growth rate of 3%, q-o-q, SAAR in 2Q24. Eurozone GDP grew at 1.7%, q-o-q, SAAR in 3Q24, up from 0.7% in 2Q24, based on Eurostat data. Japan showed signs of a limited rebound, with 3Q24 growth at 1.2%, q-o-q, SAAR, following growth of 2.2%, q-o-q, SAAR in 2Q24 and after a contraction of 2.2% in 1Q24, as reported by the Ministry of Economy, Trade, and Industry.

In non-OECD economies, India likely rebounded in 4Q24 after the economy experienced a slowdown in 3Q24. The latter was mainly due to a slowdown in the manufacturing sector, coupled with a contraction in the mining sector. Elsewhere, China combined fiscal stimulus with central bank monetary support to assist the real estate sector and boost domestic consumption. These initiatives likely contributed to economic growth in 4Q24. In addition, anticipated increases in trade barriers from the US appear to have already begun positively impacting Chinese trade patterns in 4Q24. China's exports grew by 10.7%, y-o-y, in December, partly driven by front-loading ahead of expected tariffs, following an already strong increase of 6.7%, y-o-y, in November. In Brazil and Russia, sound 3Q24 output figures suggest continued momentum from 1H24. This steady growth trend is anticipated to continue, further contributing to global economic expansion.

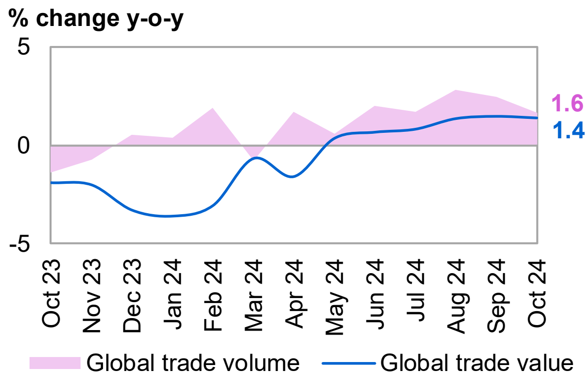
Growth in 2024 across major economies was driven mainly by the services sector, particularly in OECD economies, where services have been the main driver of stable growth. Conversely, industrial production (IP) in advanced economies struggled last year.

Inflation mostly retracted over the course of 2024 but remained relatively persistent in recent months. In November, US inflation measured 2.7%, y-o-y, an uptick from 2.6% in October and 2.4% in September, thus moving further away from the 2% target of the US Federal Reserve (Fed). In the UK, inflation in November stood at 2.6%, y-o-y, up from 2.3% in October and 1.7% in September. In the Eurozone, inflation reached 2.2%, y-o-y, in November, up from 2% in October and 1.7% in September. Core inflation rates were mostly unchanged in key economies, with US core inflation remaining at 3.3%, y-o-y, for the third consecutive month in November, the UK's rising to 3.6%, and the Eurozone's unchanged at 2.7% in November. Although the downward adjustments in inflation have paused in recent months, the central banks of the US, Eurozone and UK have continued cutting key policy rates. At their latest meetings at the end of the year, both the US Fed and European Central Bank (ECB) reduced their key policy rates by another 25 basis points (bp), while the Bank of England (BoE) kept the key policy rate unchanged. With these latest changes, the accumulated key policy rate cuts of the US Fed and the ECB in 2024 accounted to 100 bp, while the BoE reduced its key policy rate by 50 basis points (bp) in 2024. In contrast, the BoJ raised rates by 35 basis points last year to address inflation and bolster the yen. Moreover, it indicated most recently that it will continue its monetary tightening. In terms of non-OECD economies, Brazil raised its policy rate by 175 bp in 2H24, while India maintained a steady rate amid variable inflation. China implemented fiscal and monetary easing measures, including a 25-basis-point cut to its one-year loan prime rate and reduced mortgage rates to stimulate its economy. Meanwhile, Russia's central bank raised its policy rate by 5 percentage points (pp) in 2024, keeping it at an elevated 21% in December, aimed at controlling inflation and stabilizing the rouble.

Global trade exhibited a continued gradual expansion in volume and value terms in October. Global trade volumes expanded by 1.6%, y-o-y, in October, following a rise of 2.5%, y-o-y, in September and a rise of 2.8%, y-o-y, in August.

In terms of trade value, there was an increase of 1.4%, y-o-y, in October, unchanged from September and following a rise of 1.3% in August. These figures are derived from the CPB World Trade Monitor Index, provided by the CPB Netherlands Bureau for Economic Policy Analysis.

Graph 3 - 1: Global trade



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

Near-term global expectations

Global economic growth in 2025 is projected to sustain a robust trend, mainly supported by expansionary dynamics in China, India and the US. In addition, the Eurozone and Japan are projected to rebound in 2025, while Brazil and Russia are forecast to maintain healthy growth. Although detailed growth projections for 2026 are more challenging at this stage, some key assumptions can guide both this year's forecast and that of 2026.

Headline inflation is forecast to continue receding gradually in 2025 and to normalize towards 2026. However, core inflation is assumed to remain relatively more persistent in major economies. In anticipation of this inflationary path, corresponding adjustments to monetary policies in major economies are likely. That said, these adjustments may be more cautious and gradual than seen in 2024, especially considering the recent persistence of several headline inflation levels. In the US, Eurozone and UK, the normalization of monetary policies will lead these economies' respective central banks to continue their accommodative monetary policy stances. In contrast, Japan's BoJ will continue to gradually tighten. In emerging economies, particularly China, monetary easing will likely continue, alongside additional fiscal measures if needed, to achieve growth targets of up to 5%. In India, the central bank has sufficient room to counterbalance a slowdown in the economy and a reduction in key policy rates and aligning with global monetary policy levels seems likely towards 2026. Meanwhile, in Brazil and Russia, high interest rates are expected to persist for some time, though both countries' central banks are likely to lower their elevated key policy rates towards 2026 as well.

On the fiscal front, it remains to be seen which direction the US will take, but growth-focused measures like regulatory easing, possible tax relief, and tariffs are expected in early 2025. Specifics, including plans to limit migration, will likely emerge after the new administration takes office in January. However, policies that could increase the high debt burden may face challenges, and the effects of tariffs and immigration limits on inflation are yet to be seen. In the Eurozone, fiscal measures are anticipated to be limited due to limited fiscal space in most major economies, except Germany. Germany will face general elections at the end of February and a newly formed government could ease current fiscal constraints and increase spending, which may benefit growth in Germany and the Eurozone. In Japan, fiscal support measures were already announced and are likely to be continued. In non-OECD economies, China is projected to continue government spending measures to achieve growth of up to 5%. In India, fiscal spending was a vital component of last years' budgets and this is expected to continue in the upcoming fiscal year. In Brazil, the fiscal situation has become increasingly tense, making it unlikely that additional major fiscal spending measures will be introduced, especially as the economy has already shown sound underlying growth. In Russia, the economy was strongly supported by a variety of fiscal measures in 2024, a dynamic that is forecast to decrease somewhat in the near term. This will also depend on the region's geopolitical situation, with no escalation or spillover into other arenas expected in the near term.

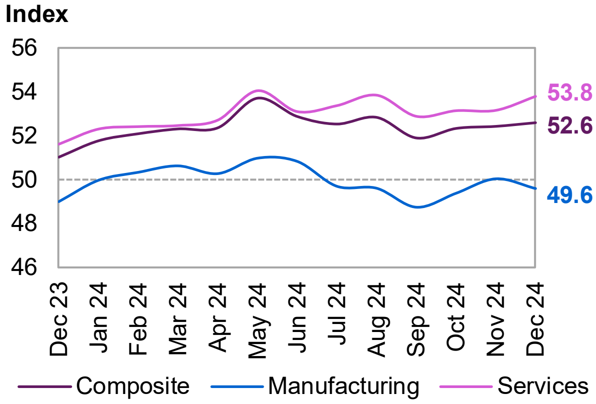
Moreover, the services sector is anticipated to remain the main driving force in global economic growth in the near term, with its growth dynamics normalizing in 2025 and continuing into 2026. The industrial sector is also expected to gradually pick up, although uncertainties remain. US trade barriers, as currently envisaged, may pose an additional challenge to this recovery, especially for car-exporting sectors in key economies in the Eurozone, as well as Japan, Mexico and Canada. Other economies may also need to adapt their industrial export sectors accordingly.

In December, global purchasing managers' indices (PMIs) indicated a slight retraction in manufacturing sector activity, pushing the index level back into contractionary territory below 50. The services sector index accelerated comfortably in December, indicating continued support from this critical area of the global economy.

The global manufacturing PMI stood at 49.6, following a level of 50.0 in November and 49.4 in October.

The global services sector PMI expanded to stand at 53.8 in December, following an already healthy level of 53.1 in both November and October.

Graph 3 - 2: Global PMI



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

Building on robust global momentum in 2024, global economic growth in 2025 is projected to continue expanding at a healthy pace. As a result, the global economic growth forecast is revised up slightly to stand at 3.1% for 2025. The main drivers of this growth are expected to be India, China, other developing Asian economies, and the US.

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

	World
2025	**3.1**
Change from previous month	0.1
2026	**3.2**

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Furthermore, this sound growth dynamic is anticipated to carry over into 2026 and see a slight acceleration, bringing the economic growth projection to 3.2%. However, this forecast assumes a normalization of inflation and monetary policies, and the absence of major trade-related friction or disruptions in other multilateral arenas.

OECD

US

Update on the latest developments

The latest upward revision of US 3Q24 growth, coupled with additional improvements in the growth dynamic towards the end of last year, indicate a robust dynamic in 4Q24, with a consequent carryover into 2025. The latest data from the BEA shows that GDP growth for 3Q24 stood at 3.1%, q-o-q, SAAR, compared with 2.8%, q-o-q, SAAR in the BEA's previous two estimates. This is slightly above the 3% growth that was reported for 2Q24 and indicates strong economic activity. A significant driver of this growth was private household expenditures, which grew by 3.7%, q-o-q, SAAR in 3Q24. This was largely supported by spending in the goods sector, which increased by 5.6%, q-o-q, SAAR. Growth in the current quarter is estimated to remain well supported, with the Atlanta Fed's GDPNow forecast for 4Q24 growth standing at 2.4%, q-o-q, SAAR, at the beginning of January. The industrial sector, however, has shown mixed results. In the latest available month, IP declined by 0.9%, y-o-y. While there was an improvement in demand for industrial goods in 3Q24, overall IP decreased by 0.3%, y-o-y, in that period. This followed a brief period of recovery in 2Q24 when IP grew by 0.2%, y-o-y. The drawdown in inventories during 3Q24 suggests the potential for a rebound if underlying demand remains strong, as businesses may need to replenish their stock. Meanwhile, consumer confidence remained at a healthy underlying level, although it retracted, with the Consumer Confidence Index standing at 102.7 in December, compared with a level of 112.8 in November, as reported by the Conference Board.

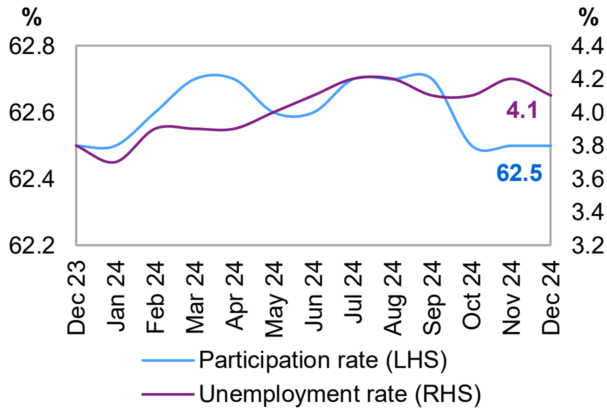
As part of several economic policy initiatives, the incoming US administration has unveiled a variety of policy measures, including new tariffs aimed at protecting domestic industries and addressing trade imbalances. The details of these proposed tariffs will need to be clarified and their implementation, likely to occur in 1H25, will require careful monitoring. It remains to be seen which imported goods may be affected and to what extent, but it is possible that these tariffs may lead to rising costs for consumers and businesses depending on these imports. Additionally, it will be important to monitor which industries and trading partners will be affected, the degree to which trade barriers will be implemented, and how these trading partners might retaliate, as seen during the trade disputes between 2017 and 2021.

Headline inflation continued to rise in the latest available monthly data in November. The US inflation rate for October 2024 stood at 2.7%, y-o-y, following a level of 2.6%, y-o-y, in October and 2.4%, y-o-y, in September. While housing costs were a key contributor to inflation, increasing by 4.7%, y-o-y, they continued to retract after rising by 4.9%, y-o-y, in October and September, following a level of 5.2%, y-o-y, in August. This is a significant development, as housing-related price increases have accounted for up to three-quarters of total headline inflation in recent months. It remains to be seen if other elements of inflation will also slow down, supporting this trend.

Core inflation remained steady at 3.3%, y-o-y, for a third consecutive month in November, compared with 3.2% in August. The Fed's preferred inflation measure, core personal consumption expenditures (PCE), remained unchanged at 2.8%, y-o-y, in November, following levels of 2.7%, y-o-y, from July to September.

In December, the US labour market improved more than widely expected. Non-farm payrolls saw a considerable pickup to stand at 256.000, following a slightly downwardly revised 212.000 in November and after the weather-related events in the Southeast and a strike at a large manufacturer led to only a modest improvement of an additional 36,000 jobs in October. The unemployment rate retracted to stand at 4.1%, compared with 4.2% in November. The October and September levels stood at 4.1%, after 4.2% in August and 4.3% in July. The labour force participation rate remained steady in December at 62.5%, unchanged for the third consecutive month. Annual earnings growth remained relatively steady as well in December, with hourly earnings increasing by 3.9%, following 4% in November and October and following a rise of 3.9% in September and August.

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

Near-term expectations

The US economy experienced solid growth for most of 2024, supported by consumer spending and investments, a dynamic that is projected to carry over into 2025. Growth for 3Q24 was most recently revised upward to 3.1%, q-o-q, SAAR, marking the highest growth level in 2024 so far, while 4Q24 growth is estimated at around 2.5%, q-o-q, based on the latest GDPNow forecast projections. Given the high growth rates the US economy experienced in 2024, the overall growth dynamic is projected to normalize in 2025 and 2026, averaging quarterly growth rates of slightly more than 2% on an annualized basis. The overall outlook for underlying US economic growth remains robust, though the new US administration's economic policies may shape this growth trajectory. The details of these policies, which will be announced soon, will require a close review.

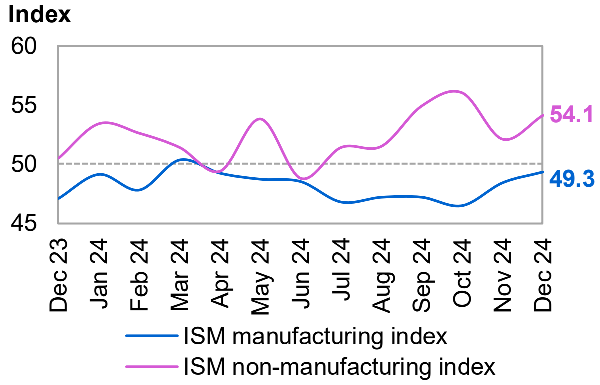
After a rise in inflation rates towards the end of the year, the near-term trajectory of inflation remains uncertain. The current forecast projects inflation rates to continue gradually declining in 2025 and normalizing towards 2026. However, the inflation dynamic will also be contingent upon labour market developments and the new administration's economic policy agenda, in particular. In addition, core inflation has proven relatively resilient recently. The Fed is likely to adopt a cautious approach, though it seems inclined to maintain an accommodative monetary stance through 2025 and 2026. The latest economic projections show a slightly less aggressive easing in the central bank's monetary policy stance. Assuming 25 bp cuts, the Fed indicated that it may lower the key policy rate twice in 2025, with officials indicating two more reductions in 2026. Over the longer term, the Fed's Federal Open Market Committee (FOMC) sees the neutral funds rate at 3%, 0.1 pp higher than the September update.

That said, the Fed's path for 2025 and 2026 will continue to be guided by evolving economic data. In addition, the currently proposed tariffs could lead to higher production costs for US businesses, which may be passed on to consumers in the form of higher prices, potentially pushing inflation higher. This could complicate the Fed's efforts to maintain price stability. However, the tariffs could also provide a boost to domestic producers by reducing competition from foreign imports, potentially supporting job growth in affected industries. Therefore, uncertainties persist regarding the new fiscal and trade policies and their potential effects on inflation and the overall economy. While the services sector continues to be the main driver of growth, the announced lifting of tariffs could support the ongoing moderate recovery in the industrial sector.

According to data from the Institute for Supply Management (ISM), the PMI for the manufacturing sector continued rebounding in December, indicating further improvement in the sector. However, it remains in contraction. It rose to stand at an index level of 49.3, following 48.4 in November and 46.5 in October. The manufacturing PMI remained below the neutral threshold of 50 for most of 2024, signalling ongoing challenges in the sector.

In addition, the PMI for the services sector, which comprises 70% of the US economy, rose by 2 index points, indicating a strengthening of this vital part of the economy. It stood at 54.1 in December, following 52.1 in November.

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



Sources: Institute for Supply Management and Haver Analytics.

In light of the steady momentum observed in 2H24, supported by ongoing robust underlying private household consumption, a dynamic that is forecast to extend into 2025, the economic growth forecast for 2025 is revised slightly upward to 2.4%.

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

	US
2025	2.4
Change from previous month	0.2
2026	2.3

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

In a continuation of this trend, the economic growth forecast for 2026 is projected to remain at the same level of 2.3%. However, upcoming details on US economic policy changes will require careful assessment regarding their potential economic impact. At present, it is generally anticipated that the easing of the regulatory framework, coupled with some additional supportive fiscal measures, will at least maintain the currently healthy growth trajectory in the US.

Eurozone

Update on the latest developments

The Eurozone's economy rebounded in 2H24 but has generally continued at a relatively subdued growth level, amid ongoing challenges in the industrial sector. In addition, political uncertainties, including a snap election in Germany in February and continued challenges in establishing a budget in France, have resulted in a limited response in fiscal and structural measures to counterbalance the current economic issues. Positively, the services sector has continued to perform well, with the latest leading indicators from the sector pointing at ongoing support from this area, despite the ongoing challenges in manufacturing, especially in the European car sector. However, the booming services sector has led to a persistently strong price environment, especially in travel, tourism and leisure. This dynamic inflation surpassed expectations again in December, which may prevent the ECB from engaging in further monetary easing in the very near term.

Quarterly growth for 3Q24 was revised up slightly in the latest data release by Eurostat, the European Commission's statistical agency. Growth for 3Q24 stood at 1.7%, q-o-q, SAAR, marking an improvement from the previous estimate of 1.5%, q-o-q, SAAR. This followed growth in 2Q24 of 0.7%, q-o-q, SAAR, and 1Q24 growth of 1.2%, q-o-q, SAAR. While support from the services sector benefitted those economies with a large tourism and leisure sector, like Spain, France and Italy, Germany was hit especially hard. The country only narrowly avoided a recession with growth of 0.4%, q-o-q, SAAR in 3Q24, following a decline of 1.1%, q-o-q, SAAR in 2Q24. In this respect, likely new tariffs from the incoming US administration could significantly impact the Eurozone, particularly its major economies and the automotive sectors in Germany, France, Italy and Spain, among other smaller economies that have a large automotive sector. In response to the economic situation, the ECB cut interest rates to stimulate economic activity up to December. Overall, it lowered the deposit benchmark rate by 100 bp in 2024, which now stands at 3%. It also pointed to the likelihood of further rate cuts, in light of weak growth and an inflation level that is only slightly above its target of around 2%.

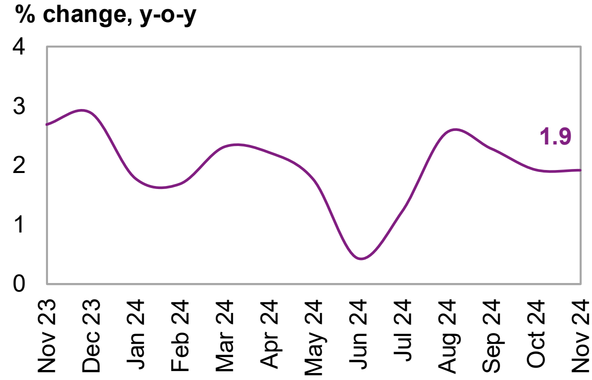
Moreover, the industrial sector continues to face a challenging situation. The IP index fell by 1.4%, y-o-y, in October, following a decline of 1.8%, y-o-y, in September, after narrowing to a contraction of 0.5%, y-o-y, in August. The monthly growth trend in IP was stagnant in October, following a decline of 1.5%, m-o-m, in September, which came after IP rose by 1.4% on a monthly basis in August. In addition, stocks of finished goods stood at a relatively high level in the latest available month of November, reaching 10.2%. Of note, pre-pandemic levels stood at around 5%.

Inflation rose slightly again, after pressure within the Eurozone moderated significantly to September. In December, headline inflation was reported at 2.4%, y-o-y, following a level of 2.3%, y-o-y, in November, 2% in October and 1.7% in September. Core inflation, which excludes volatile food and energy prices, remained unchanged in December, standing at 2.8%, y-o-y, compared with a level of 2.7%, y-o-y, in October. With the moderation in inflation stalling in recent months, it remains to be seen if the ECB will lower rates at its upcoming January meeting, a move that was expected after the most recent easing effort in December, when the ECB lowered the deposit benchmark rate by 25 bp.

Recent data from Eurostat shows that the Eurozone's unemployment rate remained steady at 6.3% in November, consistent with October, September and August, following a rate of 6.4% in July. This stability points to a continued resilient labour market, which has shown little fluctuation over the past year.

Meanwhile, the retail sector demonstrated steady growth with annual value growth rising by 1.9% in November, y-o-y, the same as in October. While decelerating somewhat from September, the trend indicates some ongoing improvement in consumption in the Eurozone's economy, supported by a relatively stable labour market and a general expansion in consumer spending.

Graph 3 - 5: Eurozone retail sales



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

Near-term expectations

After the Eurozone's relatively lacklustre growth dynamics in 1H24, the region's growth trend rebounded to some extent. However, subpar growth is forecast to continue into 2025. The German economy likely experienced a recession in 2024, as its industrially focused economic activity has been impacted by the global slowdown in IP. Similar effects were observed in France, Italy and Spain, all of which have significant automotive sectors. Positively, these economies also have a strong services sector, geared towards tourism and leisure activities, which helped them to offset some of the negative impacts from the decline in goods production. In this respect, the strong global services sector – further boosted by favourable currency exchange relations, particularly against the US dollar – provided substantial support to the Eurozone's economic activity in 2024 and is expected to carry on this dynamic to some extent. With some rebound expected in industrial activity in 2025, this year's growth momentum is projected to remain around the growth levels of 2H24, averaging around 1% annually on a quarterly basis. This momentum is then expected to gradually improve into 2026, when average quarterly growth levels are seen slightly exceeding 1%. These anticipated improvements are expected to be driven by a combination of cyclical recovery following a period of weak growth, continued accommodative monetary policy by the ECB, and rising real incomes as inflation slows.

While the services sector will remain the primary driver of the region's economic growth, an improving IP landscape is expected to contribute to the overall economic recovery in the near term. This trend of weak IP and strong services is also evident in other advanced economies but has become more pronounced in the Eurozone, given the importance of the industrial sector – especially in Germany, the Eurozone's largest and most influential economy. Moreover, the recently announced tariffs envisaged by the incoming US administration may dampen the region's industrial recovery, particularly in Germany, which has a substantial export-driven economy. This in turn could have a knock-on effect on the country's GDP growth.

Counterbalancing or even supportive measures could come from fiscal stimulus, such as increased public spending and targeted support for affected industries. However, given the limited fiscal space in most Eurozone economies, this may be challenging to implement. With its traditionally tight fiscal rules, Germany would have sufficient room for government-led growth spending initiatives. Some policymakers have already suggested easing these tight fiscal rules ahead of the upcoming elections in late February. If such initiatives materialize, they could bolster the German economy and also provide a positive spillover effect across the Eurozone. However, it remains to be seen what the outcome of the upcoming general elections will be.

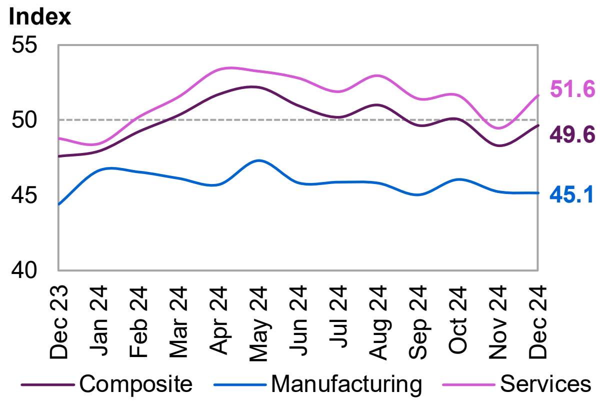
Additional counterbalancing or even growth-related support may come from continued monetary easing by the ECB. The central bank's leadership has pointed to maintaining an accommodative monetary policy in the near term, albeit this approach will be data driven. Current trends in inflation and the region's modest growth outlook underscore that this will be considered in 2025. However, the latest rise in inflation may keep the ECB from revising down key policy rates, at least at its upcoming meeting in late January. Since the December meeting of the ECB, market expectations have already begun pricing in a continued easing of the deposit rate in 1H25, considering the signs of weak growth and diminishing price pressures. Following a cumulative 100 bp reduction in the ECB's deposit rate earlier this year, the rate stands at 3%. Given that inflation reached 2.4% in December, it is likely that the ECB will adopt a more cautious approach in the coming months. Following an annual rate of 2.4% in 2024, headline inflation is projected to ease to around 2% in 2025, before remaining around this level in 2026.

Moreover, the Eurozone's November PMI data indicates that challenges in the manufacturing sector are likely to persist.

December's manufacturing PMI was almost unchanged from November, standing at 45.1, following 45.2 in November, following 46.0 in October. These figures remain well below the threshold of 50, signalling that the manufacturing sector has been in contractionary territory for over two years.

Positively, the PMI for the services sector, which represents the largest segment of the Eurozone economy, rebounded in December, standing at 51.6, following 49.5 in November, when it fell below the neutral threshold of 50. It stood at 51.6 in October.

Graph 3 - 6: Eurozone PMIs



Sources: S&P Global and Haver Analytics.

Looking ahead to 2025, the projected growth rate is forecast to accelerate slightly, albeit by marginally less than expected in the previous month. Next year's economic growth forecast is seen at 1.0%, reflecting ongoing modest growth primarily supported by the services sector and some recovery in industrial activity. However, challenges in the industrial sector, also due to the likelihood of US tariffs, may persist.

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

	Eurozone
2025	**1.0**
Change from previous month	-0.2
2026	**1.1**

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Economic growth in 2026 is forecast to grow slightly more, standing at 1.1%. This gradual improvement reflects a modest improvement in the industrial sector, predominantly in Germany. Additionally, the ECB is anticipated to continue its monetary easing efforts towards 2026, in response to the projected slowdown in inflation. Depending on potential fiscal stimulus measures, growth could see some further upside potential.

Japan

Update on latest developments

After a challenging 1H24, Japan's economy rebounded in 3Q24 and is estimated to have continued this positive trend in 4Q24. Meanwhile, the inflationary environment has remained somewhat elevated. The CPI increased by 2.7%, y-o-y, in November, following a rise of 2.3%, y-o-y, in October and 2.4%, y-o-y, in September. However, in August it stood at 3.0%, y-o-y. Core inflation, which excludes food and energy and serves as a critical metric for central bank policies, stood at 1.7%, y-o-y, in November, almost unchanged from 1.6%, y-o-y, in October and 1.7%, y-o-y, seen in September and August.

At its latest December meeting, the BoJ kept its benchmark interest rate unchanged and pointed at a slightly more cautious approach in the near term. This comes after it lifted the key policy rate from -0.1% to 0.25% in 2024, including a surprise 25 bp hike in late July. The central bank noted that it was seeking more clarity on Japanese wage growth and the potential impact of expected US tariffs, along with other US economic policies, on global financial markets.

GDP expanded by 1.2%, q-o-q, SAAR, in 3Q24, according to recent data released by the government's Ministry of Economy and Trade (METI). The growth was primarily supported by a rebound in consumption. Private consumption expenditure increased by 2.7%, q-o-q, SAAR, in 3Q24, following 2.5%, q-o-q, SAAR in 2Q24 and a contraction of 2.4% in 1Q24.

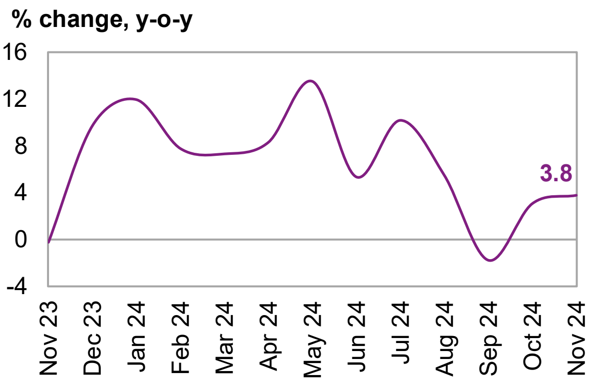
The industrial sector continues to face considerable fluctuations and exhibited a significant decline again in November, after growing in October. Moreover, the services sector has continued to provide substantial domestic support, mirroring trends in other advanced economies. Following a decline of 2.6%, y-o-y, in September, industrial activity rebounded with growth of 1.4%, y-o-y, in October, followed by a strong decline of 2.8%, y-o-y, in November, the latest available month.

Meanwhile, retail sales continued to grow in November, expanding significantly by 2.8%, y-o-y, following a rise of 1.3%, y-o-y, in October and a more modest 0.7%, y-o-y, in September, all based on non-seasonally adjusted figures. Consumer confidence remained stable at a level of 35.4 in December and November, following the index standing at 35.7 in October.

While Japan's economy still faces growth-related challenges, the government's efforts to stimulate domestic demand are projected to support the country's economic recovery in the near term. However, it remains to be seen to which extent the new US administration's tariffs and other possible economic policies may affect Japan's economy. These could impact Japan's exports and overall economic growth, as Japan remains a significant trading partner of the US. Meanwhile, exports performed well in 3Q24 and continued expanding at a healthy monthly level in November.

Goods exports also strengthened towards the end of the year, following a period of considerable fluctuation. Exports grew by 3.8%, y-o-y, in November, and 3.1%, y-o-y, in October, on a non-seasonally adjusted basis.

Graph 3 - 7: Japan's exports



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

Near-term expectations

Japan's economy is forecast to maintain a low growth pattern of around 1% in the near term. Following a rebound in 3Q24, when growth stood at 1.2%, q-o-q, SAAR, the country's gradual recovery is estimated to have continued in 4Q24. Furthermore, a similar dynamic of around 1% quarterly growth is forecast to carry over into 2025 and also 2026. Support for this momentum is projected to come from improvements in domestic consumption and exports. However, announced tariffs by the incoming US administration may impact these developments.

Japan's economic growth trajectory will also be impacted by the near-term monetary policy actions of the BoJ. Following the latest BoJ meeting in December, rate hikes in 2025 seem likely. Comments from BoJ officials highlight their commitment to tackling persistent inflation, despite the ongoing low growth environment. However, the latest comments from the December meeting show that the BoJ is moving towards a more cautious approach. Furthermore, it not only held interest rates stable, it also emphasized an increasingly data-driven process. While a January rate hike seemed likely, the BoJ's comments pointed to ongoing uncertainty, as a firm indication of a rate rise at the BoJ's next meeting in January was widely expected. The absence of such a signal sent the yen declining against the US dollar on the day of the interest rate decision.

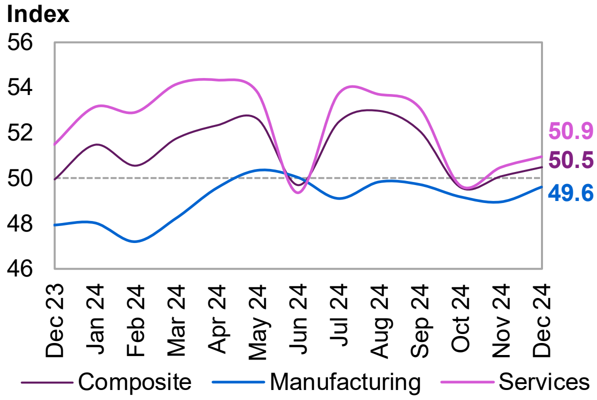
Despite the ongoing challenges in the industrial sector, a gradual improvement is anticipated to continue. Additionally, support from the services sector is expected to contribute to Japan's economic growth in both 2025 and 2026. Furthermore, the government announced fiscal support measures at the end of last year with an economic stimulus package worth more than $140 billion, marking the government's latest initiative to tackle inflation and boost growth. The package, valued at 21.9 trillion yen ($141 billion USD), is aimed at easing rising living costs, promoting business innovation and encouraging investment. The government estimates that the package could have an impact of up to ¥39 trillion ($252 USD billion), if private-sector spending as a result of the stimulus is considered as well. The government said that it will focus on creating growth driven by consistently rising wages and investments, with the aim of eliminating deflation as a decade-long phenomenon in the economy. However, it should also be noted that, given the current relatively high inflation levels, fiscal stimulus measure could make the BoJ's monetary policy to tame the current inflationary trend more challenging. Against this backdrop, the government plans to resume subsidies for gas and electricity bills in 1Q25. According to cabinet estimates, these subsidies are expected to potentially lower inflation by 0.3 pp on average per month from February to April. However, the cost of the package could lift the already high debt/GDP ratio, which is already one of the highest among developed economies, standing at more than double the country's GDP. Moreover, as the BoJ is expected to keep raising interest rates in 2025 and possibly 2026, repaying this rising debt level will cost more. Japan is expected to spend 27 trillion yen, or around a quarter of this year's budget, on debt-servicing costs.

The December PMI data for Japan indicates modest improvements, but ongoing challenges in expanding the economy beyond its current low growth levels persist.

In the manufacturing sector, the PMI experienced a slight increase, moving to 49.6 in December, compared with 49.0 in November and 49.2 in October. These levels indicate an ongoing contraction, as the index has remained below the neutral threshold of 50 for nearly two years.

The services sector PMI, which represents a significant portion of Japan's economy, appreciated slightly as well, remaining in expansionary territory at 50.9 in December, compared with 50.5 in November and 49.7 in October.

Graph 3 - 8: Japan's PMIs



Sources: S&P Global and Haver Analytics.

Looking ahead, the expected gradual improvement in economic momentum during 2H24 is projected to extend into 2025. With stable growth levels anticipated to carry over from 4Q24 into 2025, economic growth for 2025 is projected to expand by 1.0%, unchanged from the previous month's estimate.

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

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

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

The economy is anticipated to continue facing a tight labour market and an ongoing challenging export environment due to projected US tariffs and a maturing Chinese economy, Japan's most important Asian trading partner. Taking these factors into consideration, along with continued monetary tightening and fiscal constraints, the economy will face challenges in growing beyond its current expansionary levels. Consequently, economic growth is forecast to remain stable at 1.0% in 2026.

Non-OECD

China

Update on the latest developments

The latest economic data from China shows the economy is showing signs of recovery in key areas, although concerns regarding some sectors remain. Housing prices continued to stabilize in November, with a slower decline of 8.4%, y-o-y, compared to 9.2%, y-o-y, in October. The sharpest decline in housing prices occurred in September at 9.6%, y-o-y, but the trend has improved since the release of the monetary stimulus package in late September. This package included a 20 bp cut to the seven-day reverse repo rate, bringing it to 1.5%, and a 25 bp reduction in both the 1-year and 5-year prime loan rates, bringing them to 3.1% and 3.6%, respectively. The latter, closely linked to the housing sector, was accompanied by a 50 bp reduction in mortgage rates on existing loans, benefiting an estimated 50 million households. November's slower decline also followed an early November fiscal stimulus package aimed at assisting local governments in restructuring off-the-books debt, reducing debt servicing costs. While this package did not include direct consumer assistance, it indirectly benefited the housing market by enabling local governments to fulfil mandates to purchase unsold properties for conversion into social housing, as outlined in the 2024 stimulus measures.

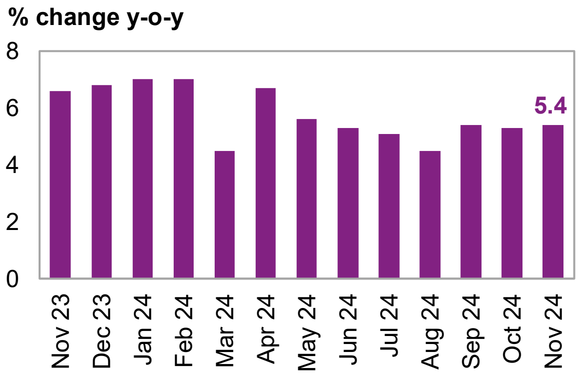
Moreover, household consumption showed signs of recovery, albeit at a slower pace. So too, retail sales grew 3.0%, y-o-y, in November, down from the 4.8%, y-o-y, recorded in October, which was bolstered by the Singles' Day shopping festival. Despite the post-festival slowdown, retail sales remained resilient in November.

Despite the increase in retail sales, inflation fell close to deflationary levels in December, with headline inflation standing at 0.1%, y-o-y, down from 0.2%, y-o-y, in November. This decline was largely attributed to a slowdown in food inflation, as high vegetable prices stabilized. Vegetable prices increased by only 0.5%, y-o-y, in December, compared to 10%, y-o-y, in November, and over 20%, y-o-y, between August and October. Core inflation, on the other hand, experienced a slight uptick, rising to 0.4%, y-o-y, in December from 0.3%, y-o-y, in November.

The urban unemployment rate remained stable at 5.0% in November, unchanged from October. Urban youth unemployment, which peaked at 17% in July following the entry of new college graduates into the labour market, continued to recede, reaching 16.1% in November, down from 17.1% in October. This reflects the gradual absorption of graduates into the workforce.

IP strengthened, increasing 5.4%, y-o-y, in November, up from 5.3%, y-o-y, in October. Within IP, manufacturing accelerated, growing 6.0%, y-o-y, in November compared to 5.4%, y-o-y, in October. However, high-tech manufacturing growth decelerated to 7.8%, y-o-y, in November, from 9.4%, y-o-y, in October. While construction-related output, such as cement and pig iron, slowed earlier in the year, November saw a more balanced IP performance, with these segments showing modest growth. High-tech products, including integrated circuits, smartphones, and solar cells, maintained strong output, albeit at a slower pace than in October.

Graph 3 - 9: China's industrial production



Sources: China National Bureau of Statistics and Haver Analytics.

Notably, new energy vehicle production surged by 51.1%, y-o-y, in November, continuing the strong growth seen in October of 48.6%, y-o-y.

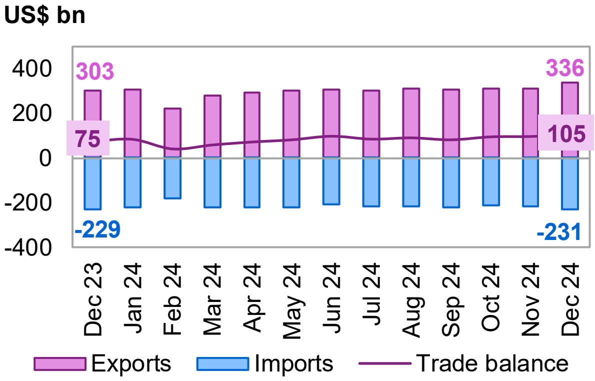
On the trade front, China implemented measures in response to anticipated US restrictions. These included extending bans on gallium, germanium, and antimony – critical components in electronics manufacturing. In parallel, the government has faced increased US scrutiny of Chinese chip manufacturing, prompting China to advance its own initiatives in this sector. Trade tensions are expected to intensify under the new US administration, which is likely to implement additional tariffs.

China's trade surplus widened to a record $104.8 billion in December, up from $97.4 billion in November, and notably surpassing the December 2023 level of $74.7 billion.

Export growth increased to 10.7%, y-o-y, in December, up from 6.7%, y-o-y, in November, reaching $335.6 billion.

Imports returned to growth of 1.0%, y-o-y, in December, from a contraction of 3.9%, y-o-y, in November, standing at $230.8 billion.

Graph 3 - 10: China's trade balance



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

Near-term expectations

The outlook for China remains stable, supported by the continued expectation of government support into 2025. The major concern for China remains deflationary pressure driven by low domestic consumption. However, government support for the housing sector is expected to continue boosting household budgets and result in increased consumer spending, particularly in terms of big-ticket items and durable goods. Furthermore, direct government support for consumers is expected to expand, with potential measures to be unveiled during the National People's Congress session in March.

IP is expected to maintain its momentum from 4Q24 into 2025, supported by strong global demand. However, trade policy remains a key uncertainty, with potential US tariffs and retaliatory measures from China beginning to take shape. While these developments are concerning, China has increasingly diversified its export markets, including Latin America, the Middle East, and Russia, which are expected to absorb additional volumes. Additionally, China has signalled its willingness to adopt stricter retaliatory measures in response to impending trade restrictions, as demonstrated by the recent extension and expansion of bans on gallium and other critical minerals essential to electronics manufacturing. Despite these challenges, China is anticipated to sustain high export volumes, even amid escalating trade tensions with the US.

Regarding monetary policy, the People's Bank of China (PBoC) has indicated plans to further reduce the seven-day repo rate below the current level of 1.5%. The focus is expected to shift towards the seven-day repo rate as the primary policy instrument, although adjustments to the 1-year and 5-year prime loan rates will continue to direct capital towards targeted sectors, particularly the struggling housing market.

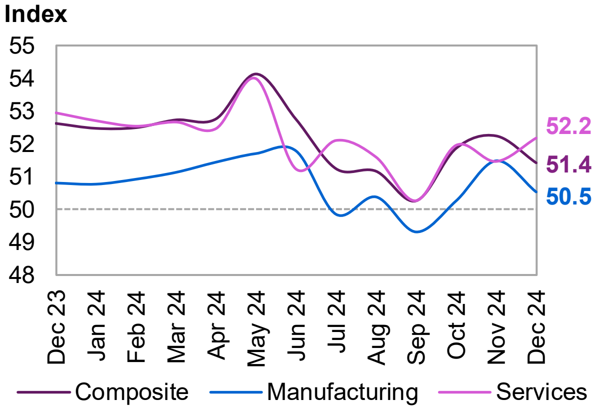
Unemployment is expected to remain stable, with the government maintaining its focus on labour market dynamics. The seasonal influx of new college graduates, as seen in mid-2024, will pose a recurring challenge. Boosting domestic demand will be critical to mitigating the effects of heightened trade tensions with major trading partners, including the US.

The latest PMI data for December indicates an improved outlook for the services sector and a decline in the manufacturing outlook, with both indices remaining in expansionary territory.

The Manufacturing PMI slowed to 50.5 in December, down from 51.4 in November.

The Services PMI improved to 52.2 in December, up from 51.5 in November.

Graph 3 - 11: China's PMI



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

The expansion of government domestic consumption, along with additional fiscal and monetary measures, is expected to maintain an economic growth rate of 4.7% for 2025, consistent with the previous month's report.

In 2026, economic growth is expected to decelerate slightly, partially due to tightening trade restrictions, and is forecast at 4.6%.

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

	China
2025	4.7
Change from previous month	0.0
2026	4.6

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

India

Update on the latest developments

India's economic growth is showing signs of recovery after decelerating in 3Q24, growing at 5.4%, y-o-y, down from 6.7%, y-o-y, in 2Q24. This slowdown was largely driven by contractions in the mining and manufacturing sectors. The mining sector was significantly affected by heavy rains in the northeastern regions disrupting operations. This led to a contraction of 0.1%, y-o-y, in 3Q24, compared to 7.2% y-o-y growth in 2Q24.

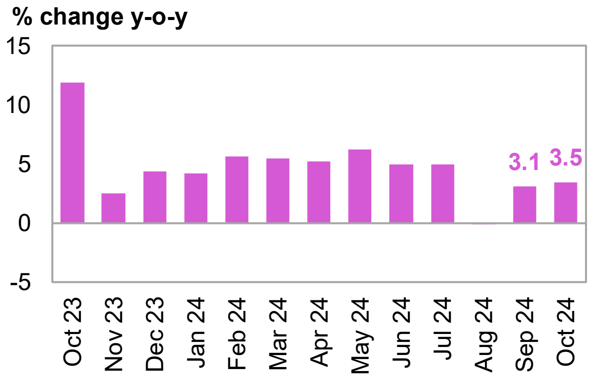
Persistent inflation weighed on consumer spending in 3Q24, as food inflation remained elevated due to a volatile supply of key vegetables. Private consumption slowed to 6.0%, y-o-y, down from 7.4%, y-o-y, in 2Q24. Government spending returned to slower-than-expected growth of 4.4%, y-o-y, in 3Q24, following a slight contraction of 0.2%, y-o-y, in 2Q24, a typical occurrence during election cycles. For comparison, government spending grew 14.0%, y-o-y, in 3Q23. Gross fixed capital formation also showed signs of slowing, growing by 5.4%, y-o-y, in 3Q24, down from 7.5%, y-o-y, in 2Q24.

The major factors driving this trend were high borrowing costs, with interest rates remaining at 6.5%, and elevated inflation. Additionally, consumer and business confidence declined. Business confidence dropped to 134 in 3Q24, down from 150 in 2Q24, while consumer confidence fell to 94 in November 2024, down from a high of 99 in March 2024.

Despite the slowdown, signs of recovery emerged in 4Q24. IP grew 3.5%, y-o-y, in October, up from 3.1%, y-o-y, in September and a contraction of 0.1%, y-o-y in August. Vehicle sales, an indicator of consumer spending and confidence, increased by 11.2%, y-o-y, in November and 32.1%, y-o-y, in October, after contracting by 9.3%, y-o-y, in September.

Unemployment stood at 7.8% in December, a slight increase from 7.7% in November but down from 8.9% in October. The decline was primarily driven by increasing employment in the rural sector, while urban unemployment remained relatively persistent.

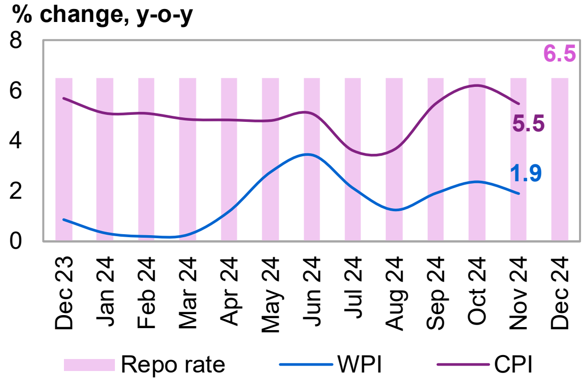
Graph 3 - 12: India's industrial production



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

Headline inflation eased to 5.5%, y-o-y, in November, down from 6.2% in October, largely due to a decline in vegetable prices that had previously driven food inflation higher. This brought inflation back within the upper limit of the Reserve Bank of India's (RBI) target range of 6%. Core inflation also moderated to 3.7%, y-o-y, in November, down from 3.8%, y-o-y, in October. The Wholesale Price Index (WPI) eased to 1.9%, y-o-y, in November, down from 2.4%, y-o-y, in October. The RBI kept interest rates unchanged at 6.5%, citing continued concerns about food inflation. However, it cut the cash reserve ratio (CRR) by 50 basis points to 4.0%, injecting additional liquidity into the banking system.

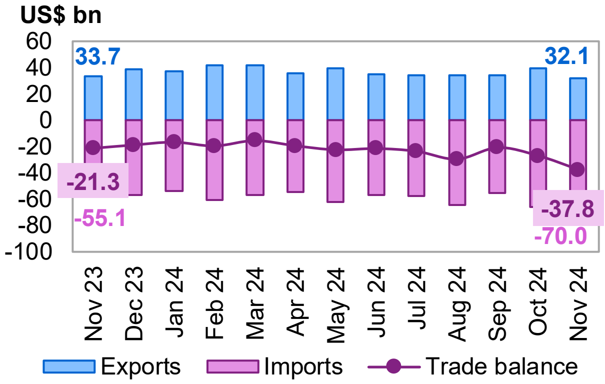
Graph 3 - 13: Repo rate and inflation in India



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

India's trade deficit widened sharply to $37.8 billion in November, up from $27.0 billion in October and $21.3 billion in November 2023. This was primarily driven by a sharp increase in gold imports, which nearly doubled to $15 billion in November, up from $7.0 billion in October, as the reduction in duties continued to boost gold imports during the festive season. Overall imports reached $70.0 billion in November, up from $66.1 billion in October. At the same time, exports fell to $32.1 billion, down from $39.2 billion.

Graph 3 - 14: India's trade balance



Sources: Ministry of Commerce and Industry and Haver Analytics.

Near-term expectations

The recent slowdown in India's economy is expected to be temporary, with key indicators already showing signs of stabilization. Government spending is recovering, alongside a gradual recovery in consumer spending. Inflation remains a challenge, dragging on the economy by reducing consumption capacity and discouraging private investment. However, the decline in the WPI is signalling that inflation is broadly in retreat. This trend strengthens the likelihood of an interest rate cut in 1H25, providing further support for the economy. Food inflation, however, continues to persist, with inadequate storage and processing capacity for key vegetable products driving price volatility. Nonetheless, the slowdown in inflation across other sectors is expected to have a moderating effect.

The slowdown in mining activity, caused by weather-related disruptions during the monsoon season, is also expected to ease as the season ends. Similarly, the sharp rise in imports, driven by loosened restrictions and reduced duties on gold and silver, is likely to be temporary. The surge in demand for these precious metals during the festive season has passed, and trade patterns are expected to normalize, further contributing to economic recovery and growth.

Agriculture is projected to rebound, thanks to monsoon rainfall that ended 6% above the historical average nationwide. This favourable outcome is expected to bolster agricultural production and improve rural incomes. However, unemployment remains a significant drag on the economy. Employment-Linked Incentive (ELI) schemes are still in the early stages of implementation, and their impact will take time to materialize. Addressing urban unemployment specifically is expected to become a focus for the government, as highlighted in the July Union Budget, alongside maintaining strong support for the manufacturing and industrial sectors.

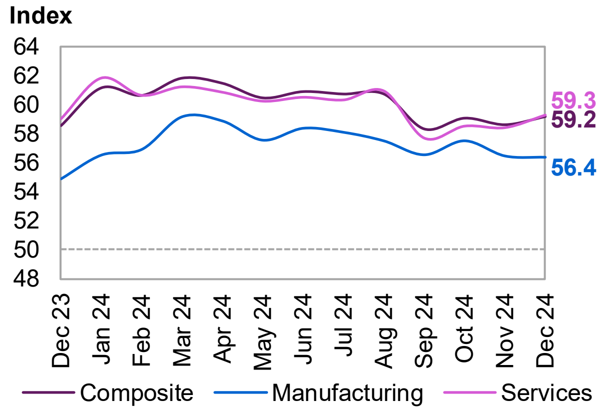
These trends point to continued solid economic growth in 2025 and 2026, though at a slight deceleration from 2024. This deceleration reflects both the high baseline effects of the strong growth witnessed in 2024 and ongoing uncertainties related to labour market dynamics and inflation. Despite these challenges, the Indian economy remains on track for steady expansion, supported by a combination of fiscal and monetary measures designed to sustain growth and stability.

PMI figures in December showed an improved outlook in the services sector, with the manufacturing sector remaining stable.

The Services PMI increased to 59.3 in December, up from 58.4 in November, driven by improved business intakes and increasing international orders.

The Manufacturing PMI remained relatively stable at 56.4 in December, compared to 56.5 in November.

Graph 3 - 15: India's PMIs



Sources: S&P Global and Haver Analytics.

Economic growth in 2025 is expected to remain robust, driven by continued government support for key sectors, with the forecast standing at 6.5%, a slight upward revision from the previous month's forecast.

In 2026, the Indian economy is expected to continue expanding, with policy continuity and inflation easing, and growth forecast at 6.5%.

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

	India
2025	6.5
Change from previous month	0.2
2026	6.5

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Brazil

Update on latest developments

In December 2024, Brazil's Congress passed fiscal and tax reforms aimed at addressing the country's growing fiscal deficit. The fiscal package, projected to save 70 billion reais ($11.5 billion) over two years, includes measures such as capping minimum wage increases and revising eligibility for social safety programmes. These reforms aim to achieve a zero primary deficit in 2025 and a 0.5% primary surplus of GDP in 2026.

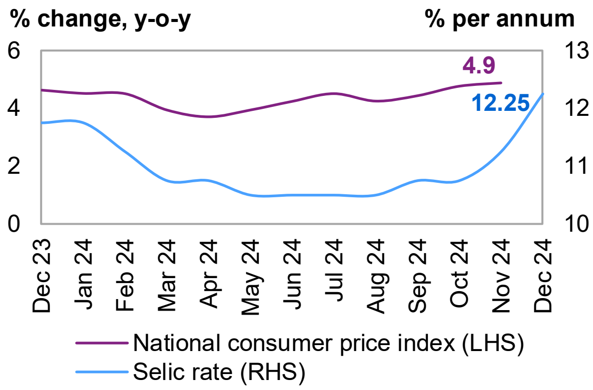
Brazil's economic growth remained robust, with GDP expanding by 4.0%, y-o-y, in 3Q24, supported by investment and services activity. Gross fixed capital formation accelerated to 10.8%, y-o-y, in 3Q24, up from 5.7%, y-o-y, in 2Q24, driven by government infrastructure spending. The services sector grew at a revised 4.1%, y-o-y, in 3Q24, up from 3.6%, y-o-y, in the previous quarter. However, early monthly data shows signs of deceleration in 4Q24. IP slowed in November to 1.7%, y-o-y, down from 5.9%, y-o-y, in October, as mineral extraction contracted 4.4%, y-o-y, and manufacturing growth decelerated to 2.9%, y-o-y, from 7.3%, y-o-y, over the same period. Consumer and business confidence declined in December, with consumer confidence falling to 93.3 from 96.6 in November and business confidence dropping to 50.1 from 52.6 during the same period.

Inflation remained a concern, with headline inflation rising to 4.9%, y-o-y, in November, up from 4.8%, y-o-y, in October, exceeding the Banco Central do Brasil's (BCB) upper limit target range of 4.5%. Producer price inflation (PPI) increased further to 7.6%, y-o-y, in November, up from 5.9%, y-o-y, in October, signalling persistent cost pressures.

Core inflation edged slightly downward to 4.0%, y-o-y, in November, down from 4.1%, y-o-y, in October. Unemployment declined to 6.1% in November, down from 6.2% in October, continuing the tight labour market trend and placing upward pressure on inflation.

In response to rising inflationary pressures, the BCB raised the Selic rate by 1.00 pp in December, bringing it to 12.25%. The Monetary Policy Committee (MPC) cited the widening output gap, stronger-than-expected economic activity, and elevated inflation expectations as key factors driving this decision.

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



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

Near-term expectations

Brazil's economic growth is projected to continue into 2025, albeit at a slower pace than the robust expansion seen in 2024. Persistent labour market tightness and low unemployment are expected to maintain upward pressure on wages and inflation. The BCB is anticipated to sustain its tight monetary policy, with the Producer Price Index (PPI) indicating that inflation will remain a concern. The BCB has signalled its willingness to raise interest rates by another 1 pp at its next meeting in late January.

The fiscal deficit remains a challenge despite recent legislative measures aimed at improving the government's fiscal position. While the passage of fiscal reforms is expected to lead to gradual improvements in 2025, high levels of government spending will likely offset some of the tightening effects of monetary policy. Recent administrative changes at the BCB could help align fiscal and monetary policies more effectively, but inflationary pressures remain a significant obstacle.

Consumer demand is expected to moderate in 2025, as high interest rates gradually weigh on consumption. Although rising wages in a tight labour market continue to support demand, slower real wage growth due to inflation is reducing this impact. On a sectoral level, industrial output is projected to remain strong through the first half of 2025, despite fluctuations. The agricultural sector is set to rebound, benefiting from favourable weather conditions at the end of 2024, which are expected to boost output and positively impact related services such as transportation, storage, and logistics.

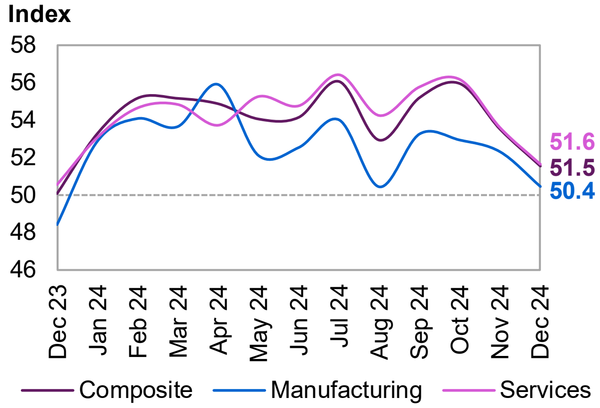
In 2026, economic growth is expected to accelerate, as reforms to the tax code begin to positively impact the investment outlook. Inflationary concerns are expected to ease, improving overall economic conditions. Additionally, government investment in infrastructure is expected to reduce the output gap by increasing the economy's overall productive potential.

In December, PMIs for services and manufacturing edged down but remained in positive territory,

The Services PMI fell to 51.6 in December from 53.6 in November, driven by a softer demand outlook.

The Manufacturing PMI declined to 50.4 in December from 52.3 in November, with continued increases in input costs and a constrained job market.

Graph 3 - 17: Brazil's PMIs



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

The 2025 economic growth forecast stands at 2.3%, a slight upward revision from the previous month's report.

For 2026, the economic growth forecast stands at 2.5%, with this expected acceleration driven by the reformed tax code and easing inflation.

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

	Brazil
2025	2.3
Change from previous month	0.2
2026	2.5

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

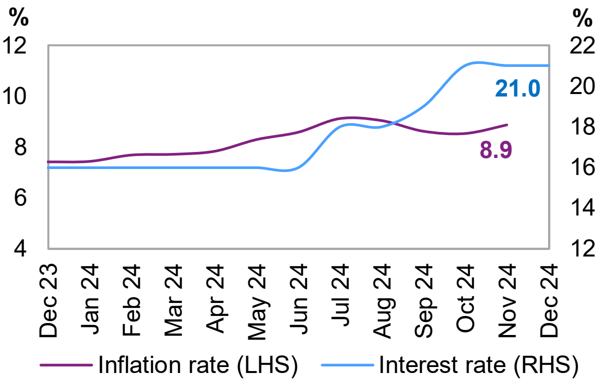
Russia

Update on the latest developments

The Russian economy continues to demonstrate strong expansion, although inflation remains a concern. Economic growth stood at 3.1%, y-o-y, in 3Q24, down from 4.1%, y-o-y, in 2Q24. This decelerating trend continued into 4Q24, as reflected in monthly indicators. IP slowed to growth of 3.6%, y-o-y, in November, down from 4.8%, y-o-y, in October. Similarly, growth in manufacturing decelerated to 7.1%, y-o-y, in November, down from 9.7%, y-o-y, in October. Retail sales picked up slightly to 5.9%, y-o-y, in November, up from 5.1%, y-o-y, in October but still below the 2Q24 average of 6.1%, y-o-y.

Despite this deceleration, inflation remains a concern. The CPI edged up to 8.9%, y-o-y, in November after three consecutive months of declines. In October, the CPI stood at 8.5%, y-o-y. Core inflation similarly moved up to 8.3%, y-o-y, from 8.2%, y-o-y, during the same period. In response to these inflationary dynamics, the Bank of Russia held interest rates at 21%, y-o-y, in December, pausing the tightening cycle that began in July 2024. It cited elevated inflation expectations, which require time to ease, as well as significant additional tightening caused by stricter banking regulations and higher lending rates, as the main drivers of the decision to hold interest rates steady.

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



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

The labour market remains tight, with unemployment holding at a historic low of 2.3%, y-o-y, in November. There are signs of easing in the labour market that could tame inflation, including reduced job vacancies and decreasing labour demand in key sectors such as construction and coal production. However, the tight labour market continues to accelerate wage growth and consumer spending.

Russia's trade surplus narrowed to $9.0 billion in October, down from $12.2 billion in September. This was also down from the October 2023 surplus of $10.9 billion. Imports grew, driven by strong consumer demand, rising to $27.4 billion in October from $26.8 billion in September, while exports declined to $36.4 billion from $40.0 billion over the same period.

Near-term expectations

The Russian economy may continue to decelerate toward a more normalized growth pattern as high interest rates take effect. The labour market is expected to remain tight in 1H25, driven by sustained domestic production demand, though easing in certain sectors may alleviate some pressures. Manufacturing output is likely to approach its natural limits as the available labour pool remains constrained, while the high-interest rate environment is expected to further dampen investment demand.

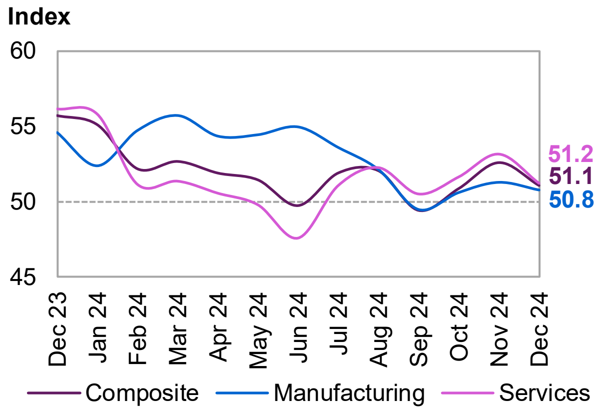
Government spending remains the primary driver of economic activity, sustaining a positive output gap that adds to inflationary pressures. However, inflation is projected to ease as consumer demand softens and import demand declines. Increased imports from China, as it seeks to diversify export destinations in 2025, may also contribute to reducing inflationary pressures. The Bank of Russia has indicated it will consider resuming the tightening cycle or continuing the pause at its February meeting, depending on key factors such as lending activity. While the Bank maintains an inflation target of 4%, it does not expect to achieve this before 2026. These trends suggest continued deceleration of economic growth through 2025 and into 2026, alongside a gradual return of inflation to the target.

The latest PMI figures show a slowdown in both the manufacturing and services outlook, although both remain in expansionary territory.

The Manufacturing PMI edged down to 50.8 in December from 51.3 in November, reflecting continued expansion in new orders but at a reduced pace, constrained by inflationary pressures.

The Services PMI also moved down to 51.2 in December from 53.2 in November, driven by weaker output growth as consumer demand eased.

Graph 3 - 19: Russia's PMI



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

Economic growth in 2025 is forecast to decelerate compared to 2024, with some carry-over effects expected in 1H25. The growth projection stands at 1.9%, a slight upward revision from the previous month's report.

In 2026, the Russian economy is projected to slow further, constrained by labour market limitations, with growth expected to reach 1.5%.

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

	Russia
2025	**1.9**
Change from previous month	0.2
2026	**1.5**

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Africa

South Africa

Update on the latest developments

Based on the latest officially released data, South Africa's GDP by expenditure showed mixed trends in 3Q24. Private consumption grew by 1.4%, y-o-y, up from 0.6%, y-o-y, in 2Q24, indicating stronger household spending. In contrast, public expenditure contracted by 0.2%, y-o-y, reversing from growth of 1.2%, y-o-y, in 2Q24. Gross fixed capital formation, a measure of investment in physical assets, remained in decline, contracting by 3.2%, y-o-y, in 3Q24, although this was an improvement on the steeper contraction of 7.3%, y-o-y, in 2Q24. External trade performance weakened, with exports declining by 6.8%, y-o-y, in 3Q24, compared to a 2.3%, y-o-y, drop in 2Q24, driven by reduced trade in precious metals, chemical products, and base metals. Imports also fell by 3.9%, y-o-y, in 3Q24, showing an improvement from the 8.4% decline, y-o-y, in 2Q24.

Inflation remained stable at 2.8%, y-o-y, in November, unchanged from October and below the South African Reserve Bank's (SARB) lower inflation target of 3%. In response to cooling inflation, the SARB Monetary Policy Committee (MPC) cut interest rates by 25 bp to 7.75% during its meeting in late November. However, the MPC cautioned that inflation is expected to rise in 2025 due to increasing electricity costs. The next MPC meeting is scheduled for late January.

The electricity generation sector has remained stable, avoiding load-shedding since March 2024. Electricity production in October grew by 4.8%, y-o-y, slightly lower than the growth of 5.0%, y-o-y, recorded in September. This represents 96.5% of the electricity generated in 2019. However, a water shortage in Johannesburg, stemming from infrastructure issues, is putting pressure on the domestic economy.

Near-term expectations

Structural challenges continue to constrain South Africa's growth potential, though some positive developments are emerging. Improved power grid management and upgrades have successfully prevented load-shedding and are expected to benefit manufacturing output, agriculture, and consumer demand. The liberalization of the power sector, adopted in August 2024, is anticipated to further stabilize electricity supply as new suppliers enter the market. The agricultural sector is also set to recover, supported by normalizing weather patterns after sharp declines in 2024. However, Johannesburg's emerging water shortages pose a risk of introducing new structural challenges in the country's economic hub.

With inflation below target, the SARB MPC is expected to resume monetary easing in the first half of 2025, which could boost consumer demand and investment, further supporting economic growth. High unemployment remains a critical issue, though the agricultural recovery and potential improvements in the tourism sector could help absorb some of the labour supply. The PMI fell slightly into contractionary territory in December, standing at 49.9. This was down from 50.9 in November.

With the continued improvements in the electricity grid providing a stable foundation, South Africa's economic growth forecast for 2025 remains steady at 1.3%, in line with the previous month's projection.

For 2026, continued structural improvements are expected to further accelerate the economy to 1.5%.

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

	South Africa
2025	1.3
Change from previous month	0.0
2026	1.5

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Saudi Arabia

The Saudi Arabian economy grew by 2.8%, y-o-y, in 3Q24 after contracting 0.4%, y-o-y, in 2Q24. Notable growth rates were also observed in the non-oil sector, though with some deceleration. The construction sector grew by 4.6%, y-o-y, down from 5.7%, y-o-y, in 2Q24. The transportation, storage, and communication sectors, as well as the finance, insurance, real estate, and business sectors, saw a slight deceleration in 3Q24 compared to the previous quarter but maintained growth above 4%, y-o-y. On the expenditure side, government final consumption expenditure softened to 6.2%, y-o-y, growth in 3Q24, down from 10.9% in 2Q24. Meanwhile, private consumption expenditure grew to 3.9%, y-o-y, from 2.8%, reflecting a return to balanced growth patterns. Gross fixed capital formation expanded to 4.5%, y-o-y, in 3Q24, up from 3.2% in the previous quarter, driven by private investment growth.

Government spending is expected to remain strong in 2025 and 2026, supported by robust consumer spending. Inflation and unemployment are forecast to remain stable. Infrastructure projects, including the expansion of the high-speed rail network, are expected to commence in 2025 and accelerate in 2026 with the awarding of the 2034 FIFA World Cup to Saudi Arabia. Other major projects will also continue to drive government spending. At the same time, healthy labour market dynamics are anticipated to boost domestic consumption, supporting growth in the non-oil sector. The Riyad Bank PMI remained firmly in expansionary territory at 58.4 in December, slightly below the 2024 high of 59.0 recorded in November.

Nigeria

The Nigerian economy recorded healthy growth in 3Q24 across key sectors. Economic growth reached 3.5%, y-o-y, in 3Q24, up from 3.2%, y-o-y, in 2Q24, despite the impact of tightening monetary policy. Inflation, however, remained a concern, rising to 34.6%, y-o-y, in November, from 33.9%, y-o-y, in October. The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) raised the monetary policy rate (MPR) by 25 bp to 27.5% and maintained its firm stance on bringing inflation down to target levels ahead of its next meeting at the end of January.

On a sectoral level, some sectors like the agricultural sector slowed in 3Q24 due to rising production costs and reduced rainfall in certain areas. However, the sector's outlook for 2025 is positive, supported by increasing government initiatives and normalizing weather patterns. This is expected to contribute to reducing food inflation, with the CBN emphasizing the importance of improving agricultural productivity and output. Imports also declined, particularly oil product imports, improving the outlook for the external sector. The services sector displayed robust growth, rising 5.2%, y-o-y, in 3Q24, up from 3.8%, y-o-y, in the previous quarter. Telecommunications services posted notable growth of 5.9%, y-o-y, in 3Q24, compared to 4.4%, y-o-y, in 2Q24. These trends are expected to continue in 1H25 as inflationary pressures ease.

United Arab Emirates (UAE)

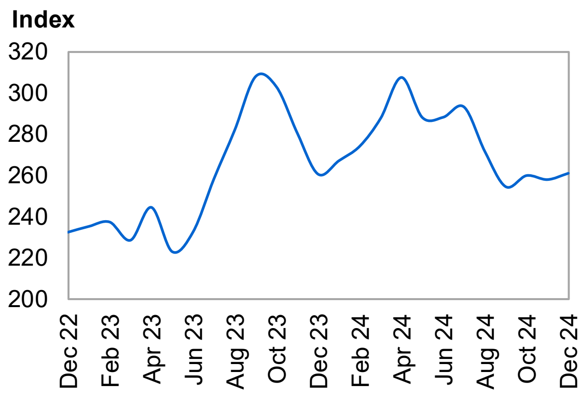
The economy of the UAE continues to demonstrate growth across multiple sectors. Trade is expected to expand further, following the Comprehensive Economic Partnership Agreement (CEPA) signed with Australia and the anticipated agreement with Mercosur in South America later in 2025. The CEPA with Australia eliminates tariffs on over 99% of Australian exports to the UAE, increasing access to agricultural and manufacturing goods. Simultaneously, the UAE will benefit from reduced tariffs on its petrochemical and manufacturing exports, including plastics, copper wire, glass containers, and furniture. The agreement also covers the services sector. The non-oil economy continued to grow, with data from Q2 2024 showing an increase of 4.8%, y-o-y, up from 4.0%, y-o-y, in Q1 2024. This growth was driven by expansion in the construction and manufacturing sectors. Financial markets in the UAE also expanded, with notable IPOs in 2024 resulting in total IPO capital raised exceeding that of any individual European stock market. The combined market capitalization of the Dubai and Abu Dhabi stock markets surpassed $1 trillion for the first time.

Tourism in Dubai also grew, with the emirate welcoming 16.8 million visitors between January and November 2024, a 9% increase compared to the same period in 2023, according to the Dubai Department of Economy and Tourism. Inflation in Dubai rose to 3.0%, y-o-y, in November, up from 2.4%, y-o-y, in October. This increase was driven primarily by slower deflation in the transport sector, where prices declined 4.4%, y-o-y, in November compared to a decline of 10.6%, y-o-y, in October. In Abu Dhabi, inflation showed an overall price contraction of 0.1%, y-o-y, in November, improving from a contraction of 0.8%, y-o-y, in October. The S&P Global UAE Purchasing Managers' Index (PMI) increased to 55.4 in December, up from 54.2 in November, reflecting an increase in new work orders and expanding business output.

The impact of the USD and inflation on oil prices

The US dollar (USD) rose for a third consecutive month in December, increasing by 1.3%, m-o-m. It continued to advance against the backdrop of another rate cut at the US Fed's December meeting. Support for the USD came from its safe-haven appeal amid geopolitical developments and a resilient US economy. The USD was further supported by a more hawkish US Fed, which introduced additional uncertainty into the macroeconomic backdrop with expectations of fewer rate cuts in 2025 than initially anticipated. Compared with the same period last year, the index was up by 4.5%, y-o-y.

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



Sources: IMF and OPEC.

On developed market currencies, the USD rose against the euro and the pound in December by 1.4% and 0.5%, m-o-m, respectively; however, it was down against the yen by 1.0%, m-o-m, over the same period. Compared with the same period last year, the USD was up against the euro and yen by 3.6% and 5.4%, y-o-y, respectively; however, it was down against the pound by 0.3%, y-o-y.

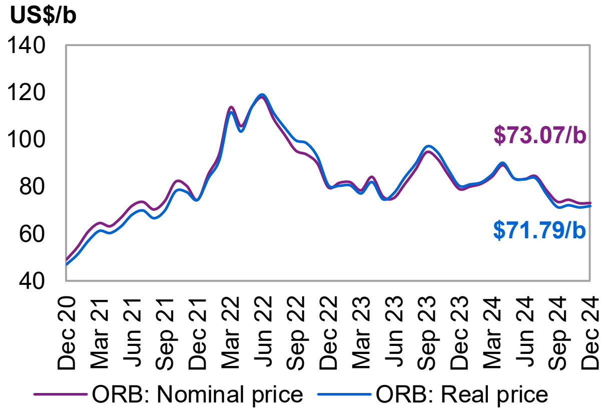
In terms of emerging market currencies, the USD continued to advance against all major currencies in December. It rose against the rupee, yuan, and real by 0.6%, 1.0%, and 5.0%, m-o-m, respectively. Compared with the same period last year, the USD was up against the rupee, yuan and real by 1.9%,1.8%, and 23.6%, y-o-y.

The differential between nominal and real ORB prices narrowed in December. Inflation (nominal price minus real price) went from a premium of $1.76/b in November to a premium of $1.28/b in December, a 27.3%, decrease, m-o-m.

In nominal terms, accounting for inflation, the ORB price rose from $72.98/b in November to $73.07/b in December, a 0.1% increase, m-o-m. The ORB was down by 7.5%, y-o-y, in nominal terms.

In real terms (excluding inflation), the ORB rose from $71.22/b in November to $71.79/b in December, a 0.8% increase, m-o-m. The ORB was down by 10.7%, y-o-y, in real terms.

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



Source: OPEC.

World Oil Demand

The global oil demand growth forecast for 2025 stands at a healthy 1.4 mb/d, y-o-y, unchanged from the previous month's assessment and comfortably above the pre-pandemic growth rate. The OECD is expected to grow by 0.1 mb/d, y-o-y, mostly driven by requirements from the Americas, supported by an uptick from OECD Europe and Asia Pacific. In the non-OECD, demand is forecast to expand by a much stronger 1.3 mb/d. Oil demand in the non-OECD is forecast to be mostly driven by requirements from China, supported by Other Asia, India, the Middle East and Latin America. Moreover, growth this year is expected to be bolstered by strong air travel demand and healthy road mobility, including on-road diesel and trucking, as well as healthy industrial, construction and agricultural activities in non-OECD countries. Similarly, capacity additions and petrochemical margins are expected to continue to contribute to oil demand growth. In terms of products, oil demand is projected to be driven by requirements for transportation fuels, led by jet/kerosene, followed by gasoline and diesel. Total world oil demand is anticipated to reach 104.2 mb/d in 1Q25 and 105.2 mb/d in 2025.

In 2026, global oil demand growth is forecast to grow by 1.4 mb/d, y-o-y. The OECD is projected to grow by around 0.1 mb/d, with increases seen mostly from OECD Americas. OECD Europe and the OECD Asia Pacific region are also projected to increase, albeit slightly, y-o-y. In the non-OECD, oil demand growth is forecast to rise by around 1.3 mb/d, y-o-y, driven by Other Asia, India and China, and supported further by Latin America and the Middle East. Total world oil demand is anticipated to reach 106.6 mb/d in 2026.

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

World oil demand	2024	1Q25	2Q25	3Q25	4Q25	2025	*Change 2025/24* Growth	%
Americas	25.03	24.48	25.01	25.45	25.50	25.11	0.08	0.31
of which US	*20.48*	*19.95*	*20.50*	*20.72*	*20.89*	*20.52*	*0.04*	*0.21*
Europe	13.50	12.88	13.63	14.11	13.43	13.51	0.02	0.12
Asia Pacific	7.24	7.54	6.99	6.94	7.54	7.25	0.01	0.15
Total OECD	**45.77**	**44.90**	**45.62**	**46.51**	**46.47**	**45.88**	**0.11**	**0.23**
China	16.74	16.99	16.89	17.12	17.19	17.05	0.31	1.85
India	5.55	5.88	5.86	5.55	5.89	5.79	0.24	4.31
Other Asia	9.60	10.00	10.08	9.75	9.81	9.91	0.30	3.16
Latin America	6.80	6.80	6.94	7.00	7.02	6.94	0.14	2.09
Middle East	8.76	8.82	8.60	9.17	9.08	8.92	0.16	1.81
Africa	4.48	4.64	4.32	4.43	4.91	4.57	0.09	2.05
Russia	3.98	4.01	3.91	4.05	4.17	4.04	0.05	1.35
Other Eurasia	1.25	1.37	1.28	1.15	1.33	1.28	0.03	2.53
Other Europe	0.80	0.79	0.83	0.77	0.85	0.81	0.01	1.40
Total Non-OECD	**57.97**	**59.30**	**58.72**	**58.99**	**60.24**	**59.32**	**1.34**	**2.32**
Total World	**103.75**	**104.20**	**104.34**	**105.50**	**106.71**	**105.20**	**1.45**	**1.40**
Previous Estimate	103.82	104.16	104.37	105.59	106.92	105.27	1.45	1.40
Revision	-0.07	0.05	-0.03	-0.09	-0.21	-0.07	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 Growth	%
Americas	25.11	24.61	25.03	25.60	25.54	25.20	0.09	0.35
of which US	*20.52*	*20.02*	*20.51*	*20.85*	*20.91*	*20.58*	*0.06*	*0.28*
Europe	13.51	12.92	13.63	14.15	13.43	13.54	0.02	0.17
Asia Pacific	7.25	7.57	7.00	6.93	7.55	7.26	0.01	0.14
Total OECD	**45.88**	**45.10**	**45.67**	**46.69**	**46.53**	**46.00**	**0.12**	**0.26**
China	17.05	17.19	17.20	17.44	17.44	17.32	0.27	1.58
India	5.79	6.11	6.14	5.82	6.19	6.06	0.27	4.67
Other Asia	9.91	10.27	10.34	10.07	10.12	10.20	0.29	2.94
Latin America	6.94	6.93	7.07	7.12	7.14	7.07	0.13	1.82
Middle East	8.92	8.96	8.76	9.36	9.17	9.06	0.14	1.61
Africa	4.57	4.75	4.45	4.55	4.98	4.68	0.11	2.37
Russia	4.04	4.07	3.95	4.11	4.21	4.09	0.05	1.24
Other Eurasia	1.28	1.43	1.31	1.17	1.35	1.31	0.03	2.54
Other Europe	0.81	0.81	0.83	0.80	0.88	0.83	0.02	2.19
Total Non-OECD	**59.32**	**60.52**	**60.05**	**60.43**	**61.48**	**60.62**	**1.31**	**2.21**
Total World	**105.20**	**105.63**	**105.72**	**107.12**	**108.00**	**106.63**	**1.43**	**1.36**

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

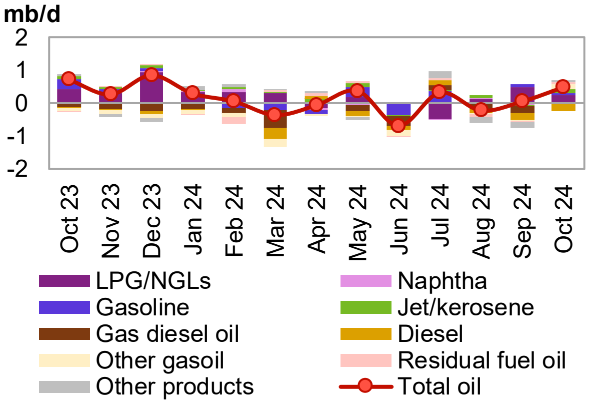
OECD

OECD Americas

Update on the latest developments

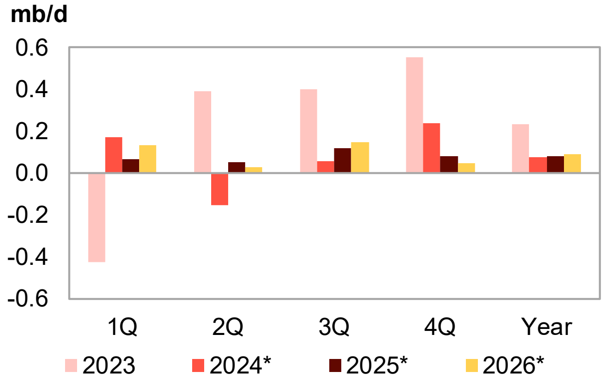
In October, oil demand in OECD Americas surged by 490 tb/d, y-o-y, up from 57 tb/d, y-o-y growth in September. The entire increase was recorded in the US and Canada. In terms of petroleum products, LPG and jet/kerosene recorded the largest increase.

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: * 2024 = Estimate and 2025-2026 = Forecast.*
Source: OPEC.

US

US oil demand in October expanded further by 379 tb/d, y-o-y, an increase from growth of 153 tb/d, y-o-y, registered in the previous month. The incremental demand was led by LPG.

In terms of products, LPG recorded the largest growth, amounting to 353 tb/d, y-o-y, only slightly below the 390 tb/d, y-o-y, growth seen in the previous month. Jet/kerosene increased by 37 tb/d, y-o-y, up from a 31 tb/d contraction, y-o-y, seen in September. Residual fuels increased by 38 tb/d, y-o-y, up from zero growth seen in the previous month.

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

US oil demand By product	Oct 23	Oct 24	Change Oct 24/Oct 23 Growth	%
LPG	3.50	3.85	0.35	10.1
Naphtha	0.12	0.12	0.00	-0.8
Gasoline	9.10	9.07	-0.03	-0.4
Jet/kerosene	1.70	1.74	0.04	2.2
Diesel	4.06	4.06	0.00	0.0
Fuel oil	0.27	0.31	0.04	14.1
Other products	2.17	2.16	-0.01	-0.6
Total	**20.92**	**21.30**	**0.38**	**1.8**

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

Sources: EIA and OPEC.

Gasoline demand contracted by 32 tb/d, y-o-y, down from the151 tb/d growth, y-o-y, seen in the previous month. Demand for diesel was flat, although a significant improvement from the 146 tb/d contraction, y-o-y, seen in the previous month. The 'other products' category, notably petroleum coke – widely used in aluminium and steel manufacturing – inched down by 14 tb/d, y-o-y, albeit showing an improvement from the 164 tb/d contraction, y-o-y, in September.

Near-term expectations

Going forward, economic activity is expected to remain healthy in 1Q25 and support both the petrochemical sector and mobility, which is projected to lead to slight oil demand growth of 35 tb/d. Jet/kerosene and LPG are expected to be the main drivers of product demand growth. However, demand for diesel and naphtha is expected to remain subdued, as manufacturing activity in the US has not yet shown a rebound.

In addition, ongoing robust private household consumption amid healthy economic activity supported by the services sector, which constitutes some 70% of the US economy, are expected to be sustained. Air travel and driving mobility are expected to also remain healthy and support oil demand. Furthermore, the US is expected to maintain its leading role in petrochemical feedstock demand, particularly in LPG/ethane production and consumption. In terms of products in 2025, gasoline is expected to drive oil demand growth by 30 tb/d, y-o-y. Diesel and jet/kerosene are projected to expand by about 20 tb/d, y-o-y, respectively. Regarding petrochemical feedstock, while LPG/ethane is projected to increase by 20 tb/d, y-o-y, growth in naphtha is anticipated to be limited, due to a strong baseline effect. Furthermore, the 'other products' category and residual fuels are anticipated to marginally contract by 9 tb/d and 21 tb/d, y-o-y, respectively. Overall, in 2025, US demand is expected to grow by around 42 tb/d, y-o-y, to average 20.5 mb/d.

The steady dynamic of robust US GDP growth in 2025 is expected to be sustained in 2026. Accordingly, the US is projected to drive oil demand in the OECD, largely in terms of transportation fuels and petrochemical feedstock. While gasoline is expected to expand by 50 tb/d, y-o-y, diesel is forecast to recover by 40 tb/d, y-o-y, and jet/kerosene is forecast to see growth of 30 tb/d, y-o-y. In terms of petrochemical feedstock, LPG/ethane is forecast to increase by 20 tb/d, y-o-y, while naphtha is forecast to decline marginally by 10 tb/d, y-o-y. Residual fuels and the 'other products' category are anticipated to show slight contractions. Accordingly, oil product demand in the US is forecast to increase by 57 tb/d, y-o-y, to an average of 20.6 mb/d.

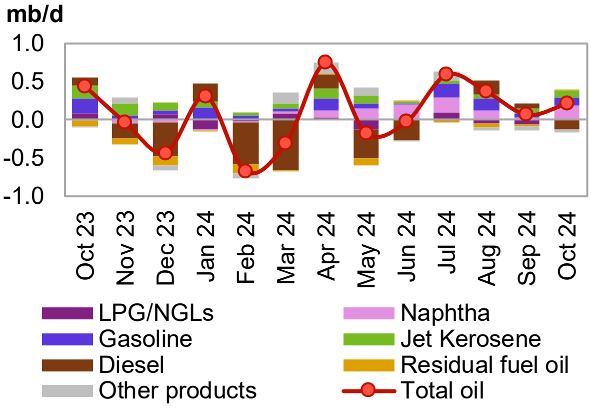
OECD Europe

Update on the latest developments

In October, oil demand in OECD Europe expanded by 211 tb/d, y-o-y, showing considerable growth from an increase of 64 tb/d, y-o-y, seen in the previous month. This was supported largely by requirements from the UK, Spain and France. In terms of products, petrochemical feedstock and transportation fuels accounted for the largest share of growth in oil demand.

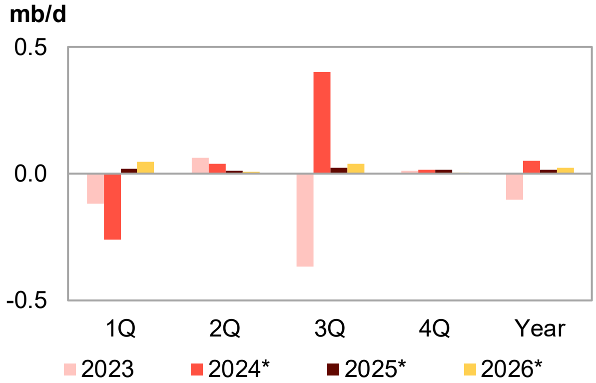
Regarding product categories, naphtha led oil demand growth in October of 168 tb/d, y-o-y, up from 26 tb/d, y-o-y, recorded in the previous month. Gasoline expanded by 107 tb/d, y-o-y, up from the growth of 51 tb/d, y-o-y, observed in September. Jet/kerosene demand increased by 84 tb/d, y-o-y, up from y-o-y growth of 71 tb/d, observed in the previous month. Residual fuels inched up by 8 tb/d, y-o-y, although showing an improvement from the contraction of 23 tb/d, y-o-y, seen in September. Diesel contracted by 130 tb/d, y-o-y, amid prolonged weak manufacturing activity in the region. The "other products" categories softened by 44 tb/d, y-o-y, similar to the decline of 47 tb/d, y-o-y, seen in September.

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: * 2024 = Estimate and 2025-2026 = Forecast.*
Source: OPEC.

In terms of petrochemical feedstock, naphtha demand expanded by 168 tb/d, y-o-y, in October, up from the 26 tb/d, y-o-y, increase seen in September. Naphtha was supported by increased gasoline blending activity in the region. LPG demand rose by 18 tb/d, y-o-y, showing an improvement from the decline of 70 tb/d, y-o-y, seen in the previous month. The 'other products' category contracted by 44 tb/d, y-o-y, broadly similar to the annual decline of 47 tb/d in September.

Near-term expectations

Looking ahead, the services sector remains a key driver of economic activity, particularly air travel and driving activity, in the region, in 2025. Accordingly, OECD Europe oil demand growth is forecast to expand marginally by 18 tb/d, y-o-y, in 1Q25.

Additional factors expected to support the growth path in 2025 include a more accommodative monetary policy by the ECB and gradually rising incomes, driven by a slowdown in inflation. Furthermore, air travel and driving activity in Europe are expected to continue to support transportation fuel demand and be the main drivers of growth. Jet/kerosene is expected to lead overall oil demand growth by around 70 tb/d, y-o-y, and gasoline is projected to inch up by 10 tb/d, y-o-y. In terms of petrochemical feedstock, naphtha demand is expected to see a slight uptick of 10 tb/d, y-o-y, while LPG/ethane is projected to weaken by around 10 tb/d, y-o-y. The residual fuels category is anticipated to increase by 10 tb/d, y-o-y, partly supported by a low baseline effect. However, diesel and the 'other products' category are anticipated to be subdued. Accordingly, OECD Europe oil demand growth is forecast at 17 tb/d, y-o-y, to average 13.5 mb/d in 2025.

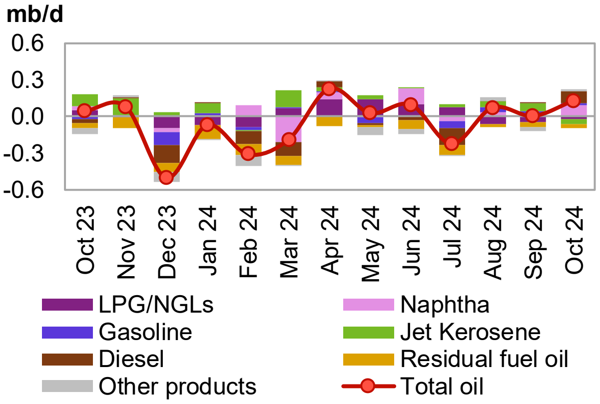
Looking ahead to 2026, the challenges in the industrial sector will likely continue, while some slowdown in services sector spending is anticipated as well. Despite that, transportation activities are expected to remain relatively healthy to support jet/kerosene and gasoline requirements to see an uptick of around 40 tb/d, y-o-y and 15 tb/d, y-o-y, respectively. However, forecast declines in diesel, and the ´other products´ category are expected to offset this projected increase in jet/kerosene and gasoline. Accordingly, the region is projected to see a slight growth of 24 tb/d, y-o-y, in 2026 to average 13.5 mb/d.

OECD Asia Pacific

Update on the latest developments

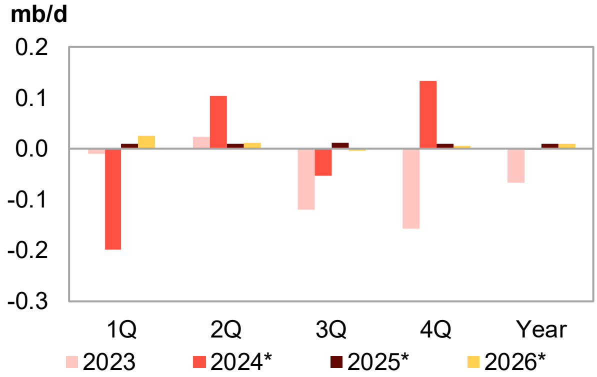
Oil demand in OECD Asia Pacific in October expanded by 129 tb/d, y-o-y, up from flat y-o-y growth in the previous month. This rebound in demand growth emanated from the growth of 201 tb/d, y-o-y, seen in South Korea and growth of 44 tb/d, y-o-y, in Australia seen over the month. However, a decline of 124 tb/d, y-o-y, in Japan's oil demand offset part of this regional growth.

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: * 2024 = Estimate and 2025-2026 = Forecast.*
Source: OPEC.

In terms of petroleum products, diesel saw the largest increase in the region by 102 tb/d, y-o-y, up from a growth of 10 tb/d, y-o-y, seen in the previous month. This demand stemmed from South Korea and Australia, supported by ongoing improvements in the petrochemical sectors of the countries, amid a well-supported macroeconomic backdrop. Naphtha requirements in the region increased by 94 tb/d, y-o-y, up from a growth of 25 tb/d, y-o-y, observed in the previous month. Growth in naphtha demand was largely supported by requirements from South Korea and smaller demand increases from Japan. Gasoline inched up by 12 tb/d, y-o-y, albeit slightly below the 21 tb/d, y-o-y growth seen in September. The “other products” category saw an uptick of 19 tb/d, y-o-y, up from a decline of 31 tb/d, y-o-y, observed in the previous month.

Jet/kerosene contracted by 44 tb/d, y-o-y down from the growth of 65 tb/d, y-o-y, in September, Residual fuels softened by 33 tb/d, y-o-y, though showed a slight improvement from a decline of 41 tb/d, y-o-y, in the previous month. LPG fell by 21 tb/d, y-o-y, albeit showing an increase from the 46 tb/d, y-o-y decline observed in the previous month.

Near-term expectations

Looking forward, the positive developments seen in 4Q24 are expected to continue into 1Q25. South Korea is expected to drive regional oil demand, supported by Australia and Japan. In terms of oil products, transportation fuels, jet/kerosene and gasoline are anticipated to account for the largest increase. Furthermore, recovering petrochemical sector requirements for naphtha are expected to support oil demand, as operations in petrochemical plants rise further. Accordingly, oil demand is expected to grow marginally by 9 tb/d, y-o-y, in 1Q25.

Looking ahead to 2025, economic activity in the region is expected to remain well supported, with GDP expected to surpass 2024 growth rates. The Japanese economy is projected to gradually rebound, and Australia is also expected to see an ongoing improvement in its GDP. Furthermore, steady air traffic growth, healthy driving activity and petrochemical industry operations are all anticipated to support oil demand.

In terms of the contribution of specific oil products, jet/kerosene is anticipated to drive overall regional oil demand growth by around 20 tb/d, y-o-y. Steady improvements in petrochemical feedstock requirements, particularly from South Korea, are expected to support naphtha demand to grow by more than 10 tb/d, y-o-y, and LPG/ ethane should inch up by almost 10 tb/d, y-o-y. Diesel is anticipated to expand by around 10 tb/d, y-o-y, and gasoline requirements are expected to rise by around the same amount. However, residual fuels and the ‘other products’ categories are anticipated to be weak. Overall, in 2025, the region is projected to expand by 11 tb/d, y-o-y, to average 7.2 mb/d.

The expected gradual improvement in economic momentum during 2025 is projected to extend into 2026, mostly due to improvements in services sector activity, which constitutes over 60% of the economy of the region. Accordingly, the transportation sector and petrochemical feedstock requirements are expected to support oil demand in these sectors. However, expected larger declines in residual fuels and the ´other products´ category are anticipated to limit the increase. In 2026, the region is forecast to see only marginal growth of 10 tb/d, y-o-y, with oil demand expected to average 7.3 mb/d.

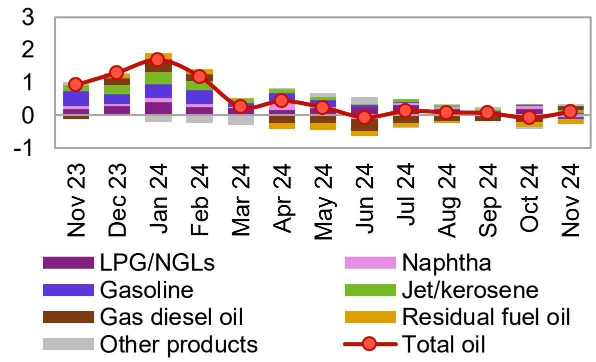
Non-OECD

China

Update on the latest developments

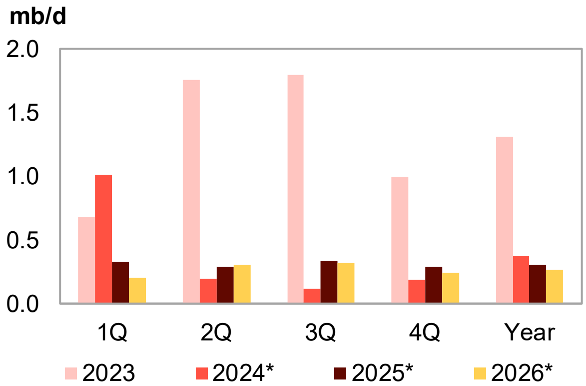
China's oil demand in November expanded by 93 tb/d, y-o-y, up from an 81 tb/d contraction, y-o-y, observed in October. The largest increases were seen in diesel, LPG and jet/kerosene requirements.

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: * 2024 = Estimate and 2025-2026 = Forecast.*
Source: OPEC.

In terms of product demand, diesel recorded the largest increase of 135 tb/d, y-o-y, in November, up from a decline of 201 tb/d, y-o-y, in the previous month. Jet/kerosene expanded by 75 tb/d, y-o-y, up from a 22 tb/d, y-o-y, increase seen in the previous month, supported by ongoing air travel recovery in China. The 'other products' category increased by 62 tb/d, y-o-y, showing an improvement from the 65 tb/d, y-o-y, decline seen in October. LPG increased by 82 tb/d, y-o-y. At the same time, residual fuels recorded the largest contraction of 146 tb/d, y-o-y. Gasoline fell by 65 tb/d, y-o-y, down from the growth of 46 tb/d, y-o-y, observed in the previous month and naphtha fell by 51 tb/d, y-o-y, down from the 70 tb/d growth, y-o-y, seen in the previous month.

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

China's oil demand			*Change Nov 24/Nov 23*	
By product	**Nov 23**	**Nov 24**	**Growth**	**%**
LPG	2.77	2.86	0.08	3.0
Naphtha	2.11	2.06	-0.05	-2.4
Gasoline	3.32	3.26	-0.07	-2.0
Jet/kerosene	1.03	1.11	0.08	7.3
Diesel	4.18	4.32	0.14	3.2
Fuel oil	0.55	0.40	-0.15	-26.5
Other products	2.61	2.67	0.06	2.4
Total	**16.58**	**16.67**	**0.09**	**0.6**

*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, the positive impact of government fiscal stimulus measures in 4Q24 is expected to continue into 1Q25. Similarly, ongoing healthy petrochemical feedstock requirements and stable demand for transportation fuels are expected to support oil demand, with China remaining the global leader in oil demand growth, increasing by 328 tb/d, y-o-y, in 1Q25.

Looking ahead to 2025, the overall outlook for China remains relatively stable, with continued fiscal support measures expected to maintain a robust dynamic growth. Accordingly, China is expected to maintain its role as the main driver of global oil demand. GDP growth in China is expected to remain robust, supported partly by the carry-over effects of ongoing fiscal and monetary stimulus measures. The industrial sector and manufacturing activity are expected to be well supported as domestic consumption recovers, and demand for exports, particularly from developing countries, continues to expand.

With rising per-capita incomes and improving air transportation facilities, China's international air travel demand has gradually recovered post-COVID. Furthermore, domestic travel is expected to remain firm. Accordingly, jet/kerosene is expected to drive oil product demand growth in 2025 by around 100 tb/d, y-o-y.

Furthermore, China represents almost half of global petrochemical demand and is currently the second-largest consumer of petrochemical feedstock in the world. The country is expected to maintain a leading role in 2025, as the development of propane dehydrogenation (PDH) plants has provided strong support for feedstock requirements in the country. In addition, petrochemical demand is expected to be supported by accelerated infrastructure development, consumer demand for cosmetics, household plastics, pharmaceuticals and medical requirements, which are expected to rise considerably. In the near term, more capacity additions are planned in China's petrochemical industry to support an expected increase in demand. Accordingly, while LPG/ethane is expected to grow by 80 tb/d, y-o-y, in 2025, naphtha is forecast to increase by 60 tb/d, y-o-y.

The road travel sector is expected to remain healthy, and the construction sector is expected to significantly improve from its current weakness. This, combined with expected demand from manufacturing, is thought to bolster demand for gasoline and diesel, which should grow by 60 tb/d, y-o-y, respectively, in 2025. However, residual fuel requirements and demand for the 'other products' category are projected to remain weak, with a decline of around 40 tb/d, y-o-y, for residual fuels and 10 tb/d, y-o-y, for the 'other products' category. Overall, in 2025, oil demand in China is projected to expand by a healthy 310 tb/d, y-o-y, to average 17.1 mb/d.

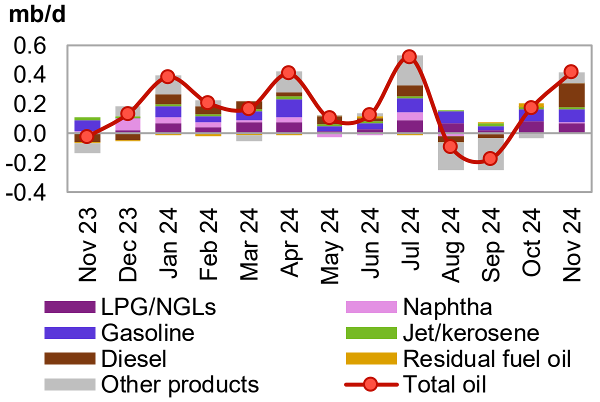
In 2026, economic activity in China is expected to improve further from 2025. Similarly, transportation activity is expected to remain healthy. The weakness in the construction sector is expected to subside. Combined with healthy petrochemical sector requirements, this is expected to support oil product demand to expand by nearly 270 tb/d, y-o-y. In terms of products, strong petrochemical feedstock requirements are expected to lead demand growth in which LPG /ethane and naphtha are projected to grow by 85 tb/d, y-o-y and 60 tb/d, y-o-y, respectively. Healthy air travel is expected to support jet/kerosene demand to expand by around 80tb/d, y-o-y. Furthermore, diesel, including transportation diesel, and gasoline are projected to expand by around 30 tb/d, y-o-y, respectively. The ´other products´ category is projected to inch up by 16 tb/d, y-o-y. Only residual fuels are expected to contract by 30 tb/d, y-o-y, in continuation with the decline seen in 2025. In 2026, oil demand in China is forecast to average 17.3 mb/d.

India

Update on the latest developments

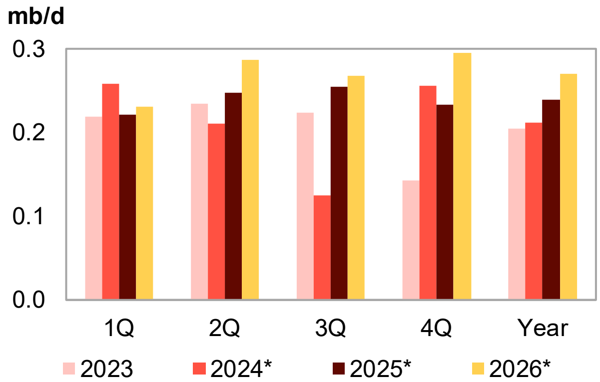
In November, India's oil demand surged further by 419 tb/d, y-o-y, up from growth of 175 tb/d, y-o-y, seen in the previous month. The oil demand surge reflects the continuation of economic activity after the end of the monsoon season. The largest monthly increases in oil product demand were recorded in diesel, gasoline, the 'other products' category and LPG.

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: * 2024 = Estimate and 2025-2026 = Forecast.*
Source: OPEC.

In terms of specific products, diesel demand posted the largest increase, growing by 168 tb/d, y-o-y, in November, the highest in six months. This is a remarkable improvement from the previous month. Diesel demand rebounded after being subdued by heavy rains and bad weather during the monsoon season, resulting in a slowdown in trucking as well as low agricultural activity. Diesel is the most widely used fuel in India, accounting for more than 40% of total oil consumption. The transportation sector accounts for about 70% of diesel consumption. The fuel is also used in agriculture, including for harvesters and tractors.

Gasoline expanded by 88 tb/d, y-o-y, in November, up slightly from the 78 tb/d y-o-y growth seen during the previous month. Growth in gasoline demand was supported by heightened demand for personal mobility at the beginning of the festival season. Vehicle sales in November grew by 13.3% m-o-m and by 11.2%, y-o-y. LPG grew by 70 tb/d, y-o-y, although slightly below the 85 tb/d, y-o-y increase seen in the previous month. LPG consumption during the month was largely driven by requirements for packaging, with a share of around 88%. Demand for jet/kerosene increased by 13 tb/d, y-o-y, in November, albeit slightly below the 17 tb/d, y-o-y growth seen in the previous month.

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

India's oil demand			*Change Nov 24/Nov 23*	
By product	Nov 23	Nov 24	Growth	%
LPG	0.97	1.04	0.07	7.3
Naphtha	0.31	0.31	0.00	1.3
Gasoline	0.89	0.98	0.09	10.0
Jet/kerosene	0.19	0.21	0.01	6.9
Diesel	1.89	2.05	0.17	8.9
Fuel oil	0.12	0.12	0.00	1.1
Other products	0.97	1.04	0.07	7.6
Total	**5.32**	**5.74**	**0.42**	**7.9**

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

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

The 'other products' category surged by 74 tb/d, y-o-y, in November, up from a contraction of 29 tb/d, y-o-y seen in the previous month. Demand for bitumen, which accounts for a large share of the 'other products' category, was supported by the resumption of construction activity after the end of the monsoon season, affecting road construction activity. Naphtha inched up by 4 tb/d, y-o-y, an improvement from the y-o-y decline of 4 tb/d, observed in the previous month. Residual fuels were flat, y-o-y, during the month.

Near-term expectations

Looking ahead, the current robust economic momentum in India is expected to continue in 1Q25. Furthermore, manufacturing and business activities in the country are expected to remain steady. Diesel is projected to continue to be the main driver of demand growth, followed by the 'other products' category, bitumen in particular. Additionally, robust growth in transport fuels and growth in LPG and naphtha demand are expected to support overall oil demand expansion in 1Q25 by 221 tb/d, y-o-y.

Overall, in 2025, India's GDP is expected to remain strong, albeit slightly below 2024 growth rates. Furthermore, steady manufacturing and agricultural activity are projected to continue amid healthy mobility levels. These factors are expected to bolster the demand for gasoline and diesel to grow by 50 tb/d, y-o-y, and 45 tb/d, y-o-y, respectively. In terms of road construction, India is expected to maintain its current momentum. According to the Indian Ministry of Road Transport and Highways, India's Cabinet Committee on Economic Affairs approved eight national high-speed road corridor projects in August, with an investment of $6.03 billion. Road construction projects are expected to bolster demand for bitumen, making it the largest component of the 'other products' category, by around 70 tb/d, y-o-y, in 2025. Furthermore, the Indian Government is reportedly planning to invest $11 billion in airport infrastructure. This is expected to be used for the construction of new airports and expansion of existing ones to reach 200 operational airports by 2025. At present, India has 157 airports. This new development is expected to support jet/kerosene growth by more than 20 tb/d, y-o-y, in 2025. Demand for petrochemical feedstock, including LPG requirements for households, is expected to increase by around 20 tb/d, y-o-y, and naphtha is projected to inch up by around 10 tb/d, y-o-y. Requirements for residual fuels are also expected to expand by about 20 tb/d, y-o-y. Overall in 2025, oil product demand in India is expected to grow by a healthy 239 tb/d, y-o-y, to average 5.8 mb/d.

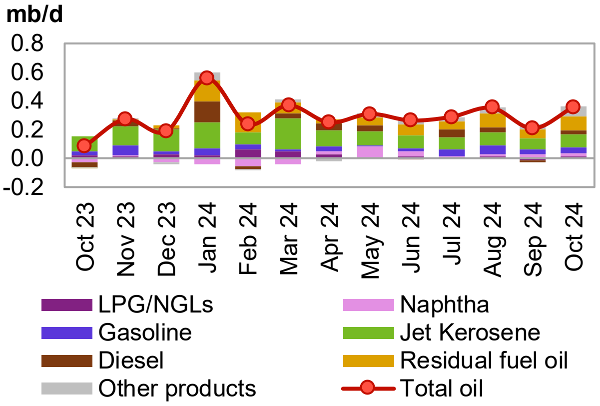
In 2026, India's oil demand is projected to grow by 271 tb/d, y-o-y, supported by robust economic growth amid healthy transportation and manufacturing activities. In terms of oil products, the ´other products´ category, which includes bitumen, is expected to drive growth by 119 tb/d, y-o-y, on the back of a projected acceleration in construction activity, including road construction. Transportation fuel requirements are expected to remain healthy, supporting diesel, gasoline, and jet/kerosene demand to expand by 44 tb/d, y-o-y, 41 tb/d, y-o-y and 19 tb/d, y-o-y, respectively. In terms of petrochemical feedstock, LPG/ethane is projected to expand by around 20 tb/d, y-o-y, and naphtha is forecast to inch up by 8 tb/d, y-o-y. Residual fuels are forecast to expand by 17 tb/d, y-o-y. Overall, oil products demand in India is projected to average at 6.1 mb/d.

Other Asia

Update on the latest developments

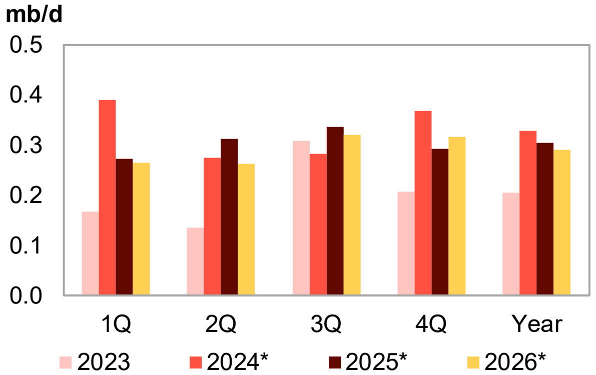
Oil demand in Other Asia surged by 357 tb/d, y-o-y, in October, up from 207 tb/d, y-o-y, growth seen in the previous month. Monthly oil demand was supported by requirements from the major consuming countries of the region, including, Singapore, Thailand, Hong Kong and Malaysia. The largest increases in oil demand emanate from transportation and residual fuels.

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



Sources: JODI, National sources, and OPEC.

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



*Note: * 2024 = Estimate and 2025-2026 = Forecast.*
Source: OPEC.

In terms of specific products, residual fuels saw the largest increase by 98 tb/d, y-o-y, in October, up from an increase of 62 tb/d, y-o-y, seen in the previous month. Jet/ kerosene expanded by 90 tb/d, y-o-y, up from the growth of 76 tb/d, y-o-y, seen in the previous month. Jet/kerosene demand was supported by ongoing air travel recovery in the region. Gasoline saw an increase of 42 tb/d, y-o-y, up from the growth of 32 tb/d, y-o-y, seen in September. The ´other product´ category grew by 64 tb/d, y-o-y, compared with an increase of 35 tb/d, y-o-y in September. In terms of petrochemical feedstock demand, while naphtha grew by 20 tb/d, y-o-y, LPG inched up by 17 tb/d, y-o-y. Demand for diesel increased by 27 tb/d, y-o-y, up from a 10 tb/d decline, y-o-y, seen in the previous month.

Near-term expectations

In 1Q25, ongoing steady economic activity, air travel and road mobility in the region are expected to be sustained. Furthermore, petrochemical sector requirements for naphtha and LPG in the region are anticipated to continue. Accordingly, these factors are expected to bolster oil product demand in the region to grow by an average of 272 tb/d, y-o-y.

In 2025, the GDP of the region is projected to be stable and well supported to surpass the 2024 growth rate. Furthermore, the ongoing air travel recovery and steady mobility is expected to be sustained. The region is also expected to remain as one of the hubs for global petrochemical feedstock demand. Accordingly, the Other Asia region is expected to be second only to China in terms of oil product demand growth in developing countries. In terms of specific product demand, transportation fuels are expected to lead growth, of which jet/kerosene is projected to expand by a healthy 110 tb/d, y-o-y, and gasoline is expected to grow by 75 tb/d, y-o-y. Furthermore, diesel, including transportation diesel, is expected to expand by 53 tb/d, y-o-y. While the ´other products´ category is projected to increase by 24 tb/d, y-o-y, residual fuels are expected to inch up by 10 tb/d, y-o-y. In terms of petrochemical feedstock requirements, LPG/ethane and naphtha are expected to grow by 25 tb/d, y-o-y and 7 tb/d, y-o-y, respectively. Overall, oil demand in the region is projected to expand by a healthy 304 tb/d, y-o-y, to average about 9.9 mb/d.

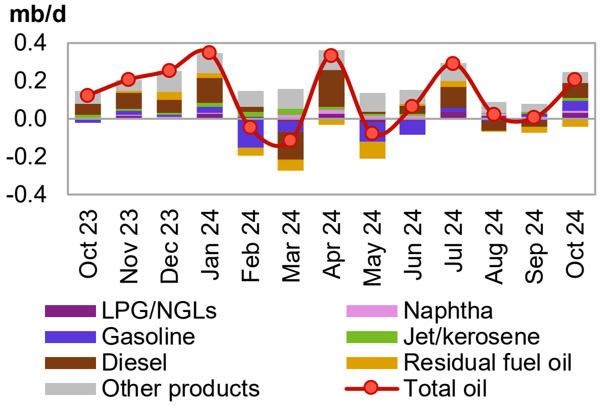
In 2026, economic activity in the major oil consuming countries of the region is expected to continue to be well supported. Similarly, healthy air travel amid strong driving mobility is expected to support oil product demand. Accordingly, oil demand in the region is forecast to increase by 291 tb/d, y-o-y, to average of 10.2 mb/d. In terms of products, jet/kerosene is projected to drive demand, increasing by 70 tb/d, y-o-y, followed by gasoline and diesel growing by 62 tb/d, y-o-y, and 47 tb/d, y-o-y, respectively. Residual fuels and the ´other products´ category are projected to grow by 14 tb/d and 47 tb/d, y-o-y, respectively. In terms of petrochemical products, LPG is forecast to grow by 24 tb/d, y-o-y, and naphtha will inch up by 26 tb/d, y-o-y.

Latin America

Update on the latest developments

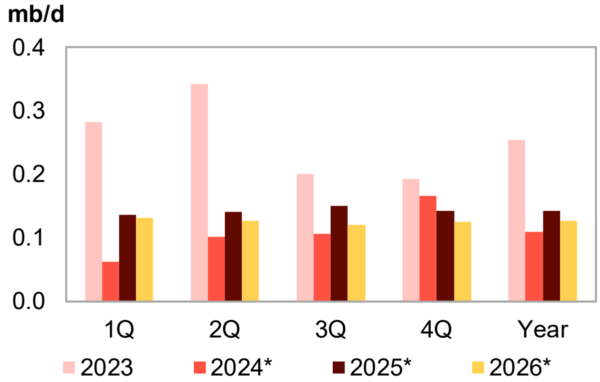
Oil demand growth in Latin America rebounded by 202 tb/d, y-o-y in October, up from no growth observed in the previous month. Within the region, oil demand growth was mostly from Brazil.

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: * 2024 = Estimate and 2025-2026 = Forecast.*
Source: OPEC.

In terms of product demand, in October diesel saw the largest increase of 80 tb/d, y-o-y, up from a contraction of 31 tb/d, y-o-y, in September. The "other products" category, which includes ethanol, increased by 57 tb/d, y-o-y, up from a 42 tb/d increase, y-o-y, seen in the previous month. In terms of transportation fuels, gasoline expanded by 51 tb/d, y-o-y, up from growth of 14 tb/d, y-o-y, seen in the previous month. Jet/kerosene increased by 15 tb/d, y-o-y, up from growth of 10 tb/d, y-o-y in the previous month. In terms of petrochemical feedstock, LPG saw an increase of 29 tb/d, y-o-y, up from an annual decline of 13 tb/d a month earlier. Naphtha increased by 13 tb/d, y-o-y, broadly unchanged from growth of 11 tb/d, y-o-y, seen in the previous month. However, residual fuels declined by 43 tb/d, y-o-y, down further from the 29 tb/d, y-o-y decline seen in September.

Near-term expectations

In near term, Brazil's economy, led by strong agricultural and manufacturing activity amid healthy travel demand, is expected to support regional oil demand growth of 136 tb/d, y-o-y, in 1Q25, to average 6.8 mb/d.

Looking at 2025, GDP growth in the region is expected to surpass that of 2024, supported by positive developments in Brazil and a projected rebound in Argentina. The economic activity of the region is expected to be supported by agricultural and manufacturing activity. The Brazilian economy is expected to be buoyed by a positive industrial sector, a record number of employed people, income transfer policies and government programmes, with an emphasis on the New Growth Acceleration Program (Novo PAC). Brazil is expected to lead oil demand growth in the region.

In terms of products, gasoline is projected to drive oil demand by around 70 tb/d, y-o-y, supported by healthy mobility and a low baseline effect. Ongoing air travel recovery in the region is expected to bolster jet/kerosene requirements to expand by around 40 tb/d, y-o-y. Similarly, agricultural and manufacturing sector requirements, particularly from Brazil, are expected to support demand for diesel, leading to forecasted growth of 30 tb/d, y-o-y. In terms of petrochemical feedstock requirements, while LPG/ethane is projected to inch up by 6 tb/d, y-o-y, naphtha is forecast to see a marginal uptick of 2 tb/d, y-o-y. Residual fuels are projected to grow by 15 tb/d, y-o-y, mostly supported by weak baseline effects. The 'other products' category, including ethanol, is projected to contract by around 20 tb/d, y-o-y, largely due to a strong baseline comparison. Overall, in 2025, oil demand in the region is expected to grow by 142 tb/d, y-o-y, to average 6.9 mb/d.

In 2026, Brazil's economy is projected to maintain strong momentum, building on the expected robust performance in 2025. Healthy agricultural and manufacturing activity are expected to bolster oil demand in the region, which is forecast to grow by 126 tb/d, y-o-y and average 7.1 mb/d. In terms of products, transportation fuels, including gasoline, diesel and jet/kerosene are expected to lead demand growth. Residual fuels, LPG and the other products category are also projected to provide some support.

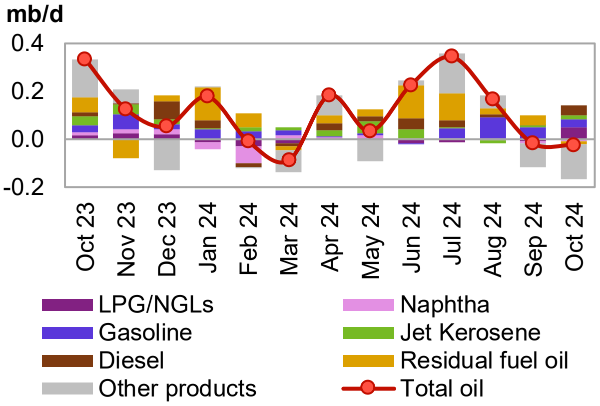
Middle East

Update on the latest developments

Oil demand in the Middle East in October contracted by 25 tb/d, y-o-y, down from the 19 tb/d, y-o-y decline seen in September. Declines in Saudi Arabia and Kuwait more than offset increases seen in Iraq and IR Iran.

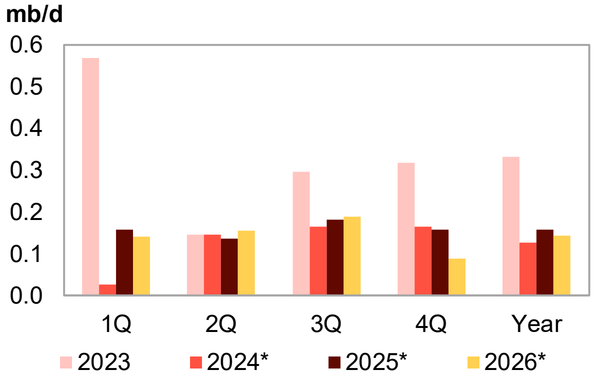
In terms of products, the "other products" category saw the largest decline of 147 tb/d, y-o-y, in October, down from the 101 tb/d annual contraction seen in the previous month. Demand for the 'other products' category was subdued by the decline in the requirements for air-conditioning due to the winter season prevailing in the region. Demand for residual fuels declined by 12 tb/d, y-o-y, down from growth of 40 tb/d, y-o-y, seen in the previous month. Naphtha softened by 8 tb/d, y-o-y, for the second consecutive month.

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



Sources: JODI, OPEC and national sources.

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



*Note: * 2024 = Estimate and 2025-2026 = Forecast.*
Source: OPEC.

On the positive side, LPG demand expanded by 50 tb/d, y-o-y, up from an 8 tb/d decline, y-o-y, observed in the previous month. In terms of transportation fuels, diesel, including transportation diesel, increased by 43 tb/d, y-o-y, and gasoline grew by 34 tb/d, y-o-y, slightly below the 48 tb/d, y-o-y growth seen in the previous month. Jet/kerosene requirements increased by 15 tb/d, y-o-y, up from minor growth of 8 tb/d, y-o-y, seen in the previous month.

Near-term expectations

In the near term, regional economic activity is expected to remain sustained. In addition, current healthy air travel and road mobility growth is expected to continue, with gasoline, transportation diesel and jet kerosene projected to lead oil demand growth, which is forecast to reach 159 tb/d, y-o-y, in 1Q25.

In 2025, steady economic activity in the region is anticipated to be supported by robust non-oil-related economic activity. Furthermore, ongoing strong international air traffic and driving mobility is forecast.

The petrochemical industry in the region has been growing over the last two decades and currently accounts for almost 17% of the region's total oil demand, with some new capacity additions expected to come onstream. LPG/ethane and naphtha are expected to expand by around 55 tb/d and 30 tb/d, y-o-y, respectively. Gasoline is expected to be the main driver of oil demand growth in the region, rising by 50 tb/d, y-o-y. The current air travel recovery is expected to bolster jet/kerosene demand to grow by 45 tb/d, y-o-y. Similarly, construction and manufacturing activity in the region are expected to support diesel demand growth by 45 tb/d, y-o-y. While residual fuels, mostly used in the industrial sector and for electricity generation, are forecast to increase by 20 tb/d, y-o-y, the 'other fuels category' is projected to contract by around 90 tb/d, mostly due to a strong baseline effect. Overall, in 2025, oil demand in the region is projected to grow by 159 tb/d, y-o-y, to average 8.9 mb/d. The bulk of demand growth is expected to come from Iraq, Saudi Arabia and the UAE.

In 2026, the ongoing contribution of non-oil activity in regional GDP is expected to continue. Furthermore, government spending on infrastructure is expected to be sustained. These factors, combined with solid petrochemical industry requirements and healthy mobility are forecast to support product demand in the region. The region is forecast to see oil demand growth of 143 tb/d, y-o-y, to average 9.1 mb/d. In terms of products, gasoline is expected to drive oil products demand growth by 64 tb/d, y-o-y. Diesel and jet/kerosene demand are expected to increase by 30 tb/d and 20 tb/d, y-o-y, respectively. In terms of petrochemical feedstock, LPG/ethane requirements are projected to increase by 45 tb/d, and naphtha is forecast to inch up by 15 tb/d, y-o-y. However, the ´other products´ category is anticipated to be weak.

World Oil Supply

Non-DoC liquids supply (i.e. liquids supply from countries not participating in the DoC) is estimated to have expanded by 1.3 mb/d in 2024 to average 53.2 mb/d.

US crude and condensate production set a record in October at an average of 13.5 mb/d, a jump of 0.3 mb/d, m-o-m, mainly on the back of the return of offshore platforms following seasonal hurricanes. At the same time, natural gas liquids (NGLs) production increased to a new record high of 7.2 mb/d, which was up by 0.4 mb/d, y-o-y. Expectations for US liquids supply growth for 2024 are now slightly higher at 0.7 mb/d. The other main drivers for non-DoC growth in 2024 are estimated to be Canada, Argentina and China. UK liquids production is likely to witness the largest decline.

In 2025, non-DoC liquids supply growth is expected at 1.1 mb/d to average 54.3 mb/d. Growth is expected to be driven by the US, Brazil, Canada and Norway, while the main decline is expected in Angola.

Non-DoC liquids supply in 2026 is forecast to grow by 1.1 mb/d to average 55.4 mb/d (including 30 tb/d in processing gains). OECD liquids supply is expected to increase next year by 0.6 mb/d, and non-OECD liquids output is set to expand by 0.5 mb/d. The main drivers for liquids supply growth are expected to be the US, Brazil and Canada. At the same time, Angolan production is forecast to see the largest drop.

DoC NGLs and non-conventional liquids in 2024 are estimated to have expanded by about 60 tb/d to average 8.3 mb/d. It is expected to increase by around 90 tb/d to average 8.4 mb/d in 2025, while an additional growth of about 140 tb/d is forecast in 2026 to average 8.5 mb/d. OPEC NGLs and non-conventional liquids production is estimated to have increased by around 60 tb/d in 2024 to average 5.5 mb/d. Additional growth of around 110 tb/d and 150 tb/d is forecast in 2025 and 2026 for an average of about 5.6 mb/d and 5.8 mb/d, respectively.

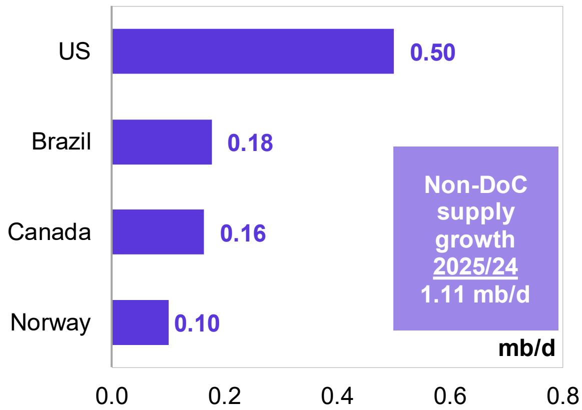
DoC crude oil production in December dropped by 14 tb/d, m-o-m, averaging 40.65 mb/d, as reported by available secondary sources.

Key drivers of growth and decline

Non-DoC liquids supply is estimated to have expanded by 1.3 mb/d in 2024. An upward revision in OECD Americas was partially offset by downward ones in Latin America and OECD Asia Pacific. The main drivers for non-DoC liquids supply growth in 2024 are set to be the US, Canada, Argentina and China.

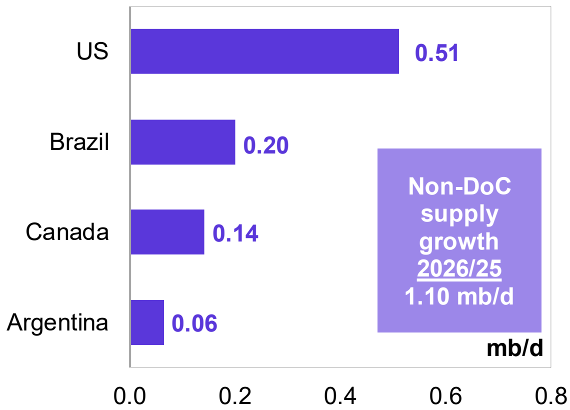
In 2025, non-DoC liquids supply growth is expected at 1.1 mb/d. Annual growth is set to be driven mainly by the US, Brazil, Canada and Norway.

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 supply in 2026 is forecast to grow by 1.1 mb/d. The main drivers for the expected growth are the US, Brazil, Canada 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 Growth	%
Americas	27.62	27.95	28.11	28.41	28.65	28.28	0.66	2.40
of which US	*21.71*	*21.84*	*22.24*	*22.35*	*22.41*	*22.21*	*0.50*	*2.30*
Europe	3.61	3.79	3.66	3.64	3.75	3.71	0.10	2.80
Asia Pacific	0.44	0.43	0.42	0.43	0.43	0.43	-0.01	-1.79
Total OECD	**31.66**	**32.16**	**32.19**	**32.48**	**32.83**	**32.42**	**0.76**	**2.39**
China	4.57	4.63	4.61	4.53	4.54	4.58	0.01	0.12
India	0.79	0.78	0.79	0.80	0.80	0.79	0.01	1.00
Other Asia	1.61	1.61	1.58	1.57	1.57	1.58	-0.03	-1.81
Latin America	7.24	7.41	7.44	7.52	7.64	7.50	0.27	3.67
Middle East	2.00	2.01	2.03	2.03	2.03	2.02	0.02	1.01
Africa	2.31	2.33	2.33	2.33	2.32	2.33	0.02	0.73
Other Eurasia	0.37	0.37	0.37	0.37	0.37	0.37	0.00	0.07
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00	2.02
Total Non-OECD	**18.99**	**19.24**	**19.26**	**19.25**	**19.36**	**19.28**	**0.29**	**1.52**
Total Non-DoC production	50.65	51.40	51.45	51.74	52.19	51.70	1.05	2.06
Processing gains	2.52	2.58	2.58	2.58	2.58	2.58	0.06	2.38
Total Non-DoC liquids production	**53.17**	**53.98**	**54.03**	**54.32**	**54.77**	**54.28**	**1.11**	**2.08**
Previous estimate	53.12	53.92	53.98	54.27	54.73	54.23	1.11	2.08
Revision	0.05	0.06	0.05	0.05	0.04	0.05	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 Growth	%
Americas	28.28	28.74	28.69	29.00	29.30	28.94	0.65	2.31
of which US	*22.21*	*22.49*	*22.67*	*22.79*	*22.93*	*22.72*	*0.51*	*2.30*
Europe	3.71	3.73	3.63	3.60	3.70	3.66	-0.04	-1.19
Asia Pacific	0.43	0.43	0.41	0.41	0.40	0.41	-0.01	-3.35
Total OECD	**32.42**	**32.91**	**32.72**	**33.02**	**33.40**	**33.01**	**0.59**	**1.83**
China	4.58	4.63	4.63	4.53	4.52	4.58	0.00	-0.01
India	0.79	0.80	0.79	0.79	0.80	0.80	0.00	0.39
Other Asia	1.58	1.58	1.56	1.55	1.55	1.56	-0.02	-1.43
Latin America	7.50	7.79	7.88	8.02	8.12	7.95	0.45	5.98
Middle East	2.02	2.04	2.06	2.07	2.08	2.06	0.04	1.89
Africa	2.33	2.32	2.31	2.31	2.38	2.33	0.00	0.15
Other Eurasia	0.37	0.37	0.37	0.37	0.37	0.37	0.00	0.91
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00	1.97
Total Non-OECD	**19.28**	**19.65**	**19.69**	**19.74**	**19.93**	**19.75**	**0.48**	**2.47**
Total Non-DoC production	51.70	52.56	52.41	52.76	53.33	52.77	1.07	2.07
Processing gains	2.58	2.61	2.61	2.61	2.61	2.61	0.03	1.16
Total Non-DoC liquids production	**54.28**	**55.17**	**55.02**	**55.37**	**55.94**	**55.38**	**1.10**	**2.03**

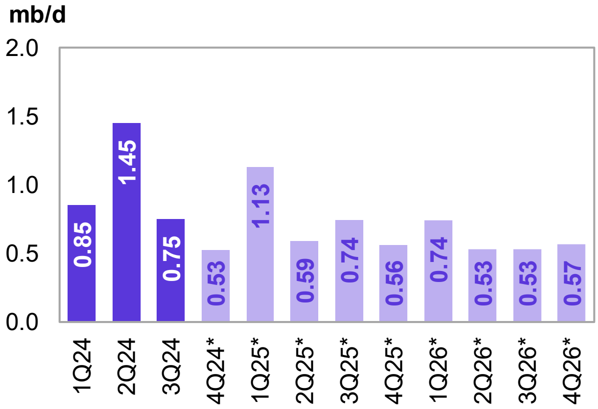
*Note: * 2025 and 2026 = Forecast. Totals may not add up due to independent rounding.*

Source: OPEC.

OECD

For 2024, OECD liquids production (excluding DoC participating country Mexico) is estimated to have expanded by about 0.9 mb/d to average 31.7 mb/d. Growth has been led by OECD Americas, with an estimated increase of 1.0 mb/d to average 27.6 mb/d. This is revised up by about 70 tb/d compared with the previous month's assessment. Yearly liquids production in OECD Europe is set to drop by about 50 tb/d to average 3.6 mb/d, which is a small downward revision of just 5 tb/d compared with the December 2024 MOMR. OECD Asia Pacific production is estimated to drop by about 10 tb/d, y-o-y, to average 0.4 mb/d.

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



*Note: * 4Q24-4Q26 = Forecast. Source: OPEC.*

OECD liquids production is forecast to grow by 0.8 mb/d to average 32.4 mb/d in 2025. OECD Americas is set to be the main growth driver, with an anticipated increase of 0.7 mb/d for an average of 28.3 mb/d. Yearly liquids production in OECD Europe is expected to grow by 0.1 mb/d to average 3.7 mb/d, while OECD Asia Pacific is expected to decline by a minor 8 tb/d, y-o-y, to average 0.4 mb/d.

In 2026, OECD liquids production is forecast to grow by 0.6 mb/d to average 33.0 mb/d. OECD Americas is expected to lead the growth, with an expected increase of 0.7 mb/d for an average of 28.9 mb/d. Yearly liquids production in OECD Europe is expected to drop by about 45 tb/d to average 3.7 mb/d, while OECD Asia Pacific is expected to decline by about 15 tb/d, y-o-y, to average 0.4 mb/d.

US

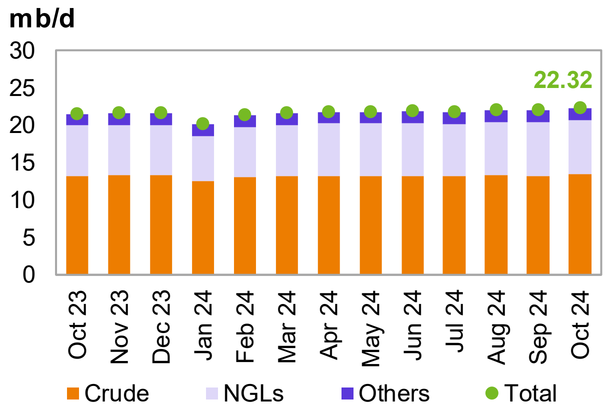
US liquids production in October 2024 rose by 347 tb/d, m-o-m, to average 22.3 mb/d. This was 0.8 mb/d higher than in October 2023.

Crude oil and condensate production jumped by 0.3 mb/d, m-o-m, to average 13.5 mb/d, up by 0.3 mb/d, y-o-y.

In terms of the crude and condensate production breakdown by region (PADDs), production rose on the US Gulf Coast (USGC) by 251 tb/d to average 9.8 mb/d. Production on the Midwest (PADD 2) dropped by 45 tb/d, m-o-m. Output in the East Coast (PADD 1), Rocky Mountain (PADD 4) and West Coast (PADD 5) regions rose by 9 tb/d, 28 tb/d and 17 tb/d, respectively, m-o-m.

The m-o-m production increase in the main producing regions can primarily be attributed to higher output in offshore Gulf of Mexico (GoM) platforms, due to a recovery from seasonal hurricanes, as well as Texas oil producing wells. Those gains were partially offset by losses in other regions, such as North Dakota.

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



Sources: EIA and OPEC.

NGLs production rose by 70 tb/d, m-o-m, to average 7.2 mb/d in October. This was 0.4 mb/d higher, y-o-y. According to the US Department of Energy (DoE), the production of non-conventional liquids (mainly ethanol) rose by 18 tb/d, m-o-m, to average 1.6 mb/d. Preliminary estimates show non-conventional liquids averaged about 1.6 mb/d in November, almost unchanged, m-o-m.

GoM production jumped by 0.2 mb/d, m-o-m, to average 1.8 mb/d in October, mostly due to a recovery from the impact of hurricanes. It should be noted that production at federal offshore fields is estimated to have been marginally affected by post-tropical cyclone Rafael in mid-November. Output is expected to be supported by new projects in the coming months. In the onshore Lower 48, crude and condensate production increased by 49 tb/d, m-o-m, to average 11.3 mb/d in October.

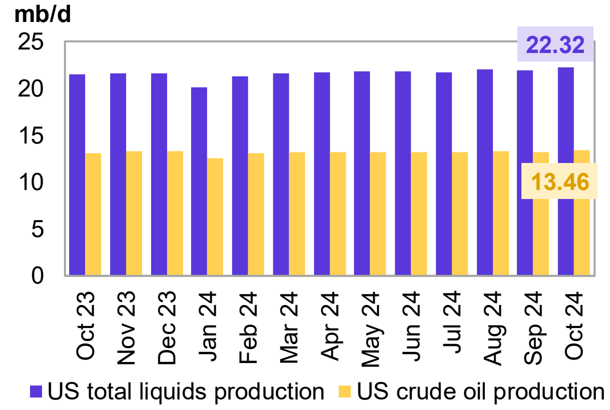
Table 5 - 3: US crude oil production by selected state and region, tb/d

State	Oct 23	Sep 24	Oct 24	Change m-o-m	Change y-o-y
Texas	5,586	5,800	5,855	*55*	*269*
New Mexico	1,804	2,089	2,084	*-5*	*280*
GoM	1,935	1,573	1,764	*191*	*-171*
North Dakota	1,253	1,205	1,161	*-44*	*-92*
Alaska	426	408	427	*19*	*1*
Oklahoma	416	389	393	*4*	*-23*
Colorado	472	476	499	*23*	*27*
Total	**13,149**	**13,198**	**13,457**	***259***	***308***

Sources: EIA and OPEC.

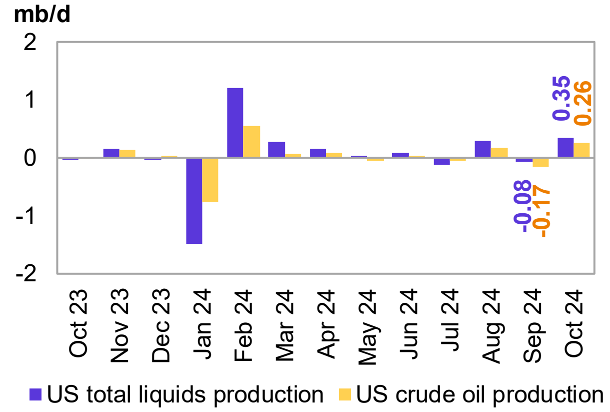
In terms of individual US states, New Mexico's oil production fell by a minor 5 tb/d to average 2.1 mb/d, which is 280 tb/d higher than a year ago. Production in Texas was up by 55 tb/d to average 5.9 mb/d, which is 269 tb/d higher than a year ago. In the Midwest, North Dakota's production dropped by 44 tb/d, m-o-m, to average 1.2 mb/d, down by 92 tb/d, y-o-y. Oklahoma's production increased by 4 tb/d, m-o-m, to average 0.4 mb/d. Production in Colorado rose by 23 tb/d, m-o-m, while output in Alaska increased by 19 tb/d, m-o-m.

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



Sources: EIA and OPEC.

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



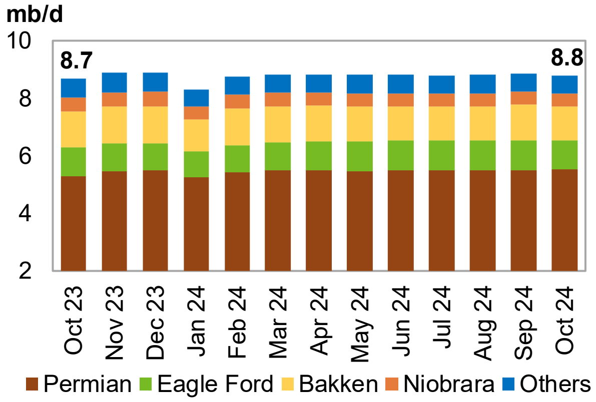
Sources: EIA and OPEC.

US tight crude output in October is estimated to have dropped by 56 tb/d, m-o-m, to an average of 8.8 mb/d, according to the latest estimates from the US Energy Information Administration (EIA). This was about 0.1 mb/d higher than in the same month last year.

The m-o-m production increase from shale and tight formations using horizontal wells came from the Permian shale in Texas, where output rose by 7 tb/d to average 5.5 mb/d. This was an increase of 0.2 mb/d, y-o-y.

In the Williston Basin, Bakken shale oil output fell by 60 tb/d, m-o-m, to an average of 1.2 mb/d. This was about 66 tb/d lower, y-o-y. Tight crude output at Eagle Ford in Texas fell by a minor 3 tb/d to average 1.0 mb/d. This was up by 38 tb/d, y-o-y. Production at Niobrara-Codell in Colorado and Wyoming was unchanged, m-o-m, at about 450 tb/d.

Graph 5 - 7: US tight crude output breakdown

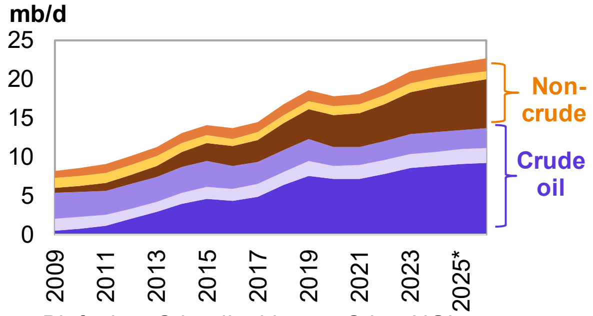


Sources: EIA and OPEC.

US liquids production in 2024, excluding processing gains, is estimated to have expanded by 0.7 mb/d, y-o-y, to average 21.7 mb/d. The growth is higher by about 70 tb/d from the previous assessment.

Crude oil and condensate output in 2024 is estimated to have increased by 0.3 mb/d, y-o-y, to average 13.2 mb/d. At the same time, NGLs production and that of non-conventional liquids, particularly ethanol, are estimated to have increased by 0.4 mb/d and 60 tb/d, y-o-y, to average 6.9 mb/d and 1.6 mb/d, respectively. Average tight crude output in 2024 is estimated to have reached 8.8 mb/d, up by 0.3 mb/d, y-o-y.

Graph 5 - 8: US liquids supply developments by component



*Note: * 2024 = Estimate and 2025-2026 = Forecast.*
Source: OPEC.

In 2025, US liquids production, excluding processing gains, is expected to expand by 0.5 mb/d, y-o-y, to average 22.2 mb/d. This assumes a mild increase in drilling activity, lower service cost inflation and continued well productivity and operational efficiency improvements in the key shale basins. Crude oil and condensate output are expected to jump by 0.3 mb/d, y-o-y, to average 13.5 mb/d. At the same time, NGLs production and that of non-conventional liquids, particularly ethanol, are projected to increase by 0.2 mb/d and 20 tb/d, y-o-y, to average 7.1 mb/d and 1.6 mb/d, respectively. Average tight crude output in 2025 is expected to reach 9.1 mb/d, up by 0.3 mb/d, y-o-y.

In 2026, US liquids production, excluding processing gains, is expected to grow by 0.5 mb/d, y-o-y, to average 22.7 mb/d. Crude oil and condensate output is expected to rise by 0.2 mb/d, y-o-y, to average 13.7 mb/d. At the same time, NGLs production and that of non-conventional liquids are projected to increase by 0.2 mb/d and 50 tb/d, y-o-y, to average 7.3 mb/d and 1.7 mb/d, respectively. Average tight crude output in 2026 is expected to reach 9.3 mb/d, up by 0.2 mb/d, y-o-y. The 2026 forecast assumes ongoing capital discipline and less inflationary pressure in the US upstream sector along with higher associated gas production in major shale oil plays.

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

US liquids	2024*	*Change* 2024/23	2025*	*Change* 2025/24	2026*	*Change* 2026/25
Tight crude	8.80	0.26	9.09	0.29	9.28	0.19
GoM crude	1.81	-0.06	1.89	0.09	1.93	0.04
Conventional crude oil	2.62	0.09	2.53	-0.09	2.52	-0.01
Total crude	**13.23**	**0.30**	**13.52**	**0.29**	**13.74**	**0.22**
Unconventional NGLs	5.74	0.37	5.95	0.21	6.21	0.26
Conventional NGLs	1.15	0.01	1.13	-0.02	1.11	-0.02
Total NGLs	**6.88**	**0.39**	**7.07**	**0.19**	**7.31**	**0.24**
Biofuels + Other liquids	1.60	0.06	1.62	0.02	1.67	0.05
US total supply	**21.71**	**0.74**	**22.21**	**0.50**	**22.72**	**0.51**

*Note: * 2024 = Estimate and 2025-2026 = Forecast.*

Sources: EIA, OPEC and Rystad Energy.

US tight crude production in the Permian Basin during 2024 is estimated to have increased by 0.3 mb/d, y-o-y, to average 5.5 mb/d. In 2025, it is forecast to grow by 0.2 mb/d, y-o-y, to average 5.7 mb/d, while a growth of 0.2 mb/d is expected for 2026.

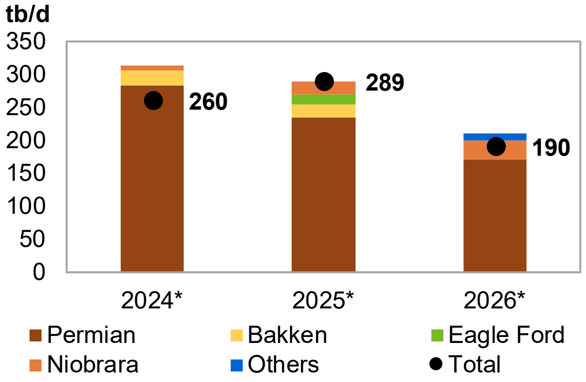
In North Dakota, Bakken shale production is estimated to have expanded by about 20 tb/d in 2024. It is set to remain below the pre-pandemic average of 1.4 mb/d with growth of just 20 tb/d in 2025 to average around 1.2 mb/d. Furthermore, a projected decline of about 20 tb/d in 2026 is a possible sign of a maturing basin.

Output in the Eagle Ford Basin in Texas is estimated to have averaged 1.0 mb/d in 2024. In 2025, growth of 15 tb/d is expected, while steady production is forecast for 2026.

Niobrara's production is estimated to have risen by around 8 tb/d, y-o-y, in 2024, to average 0.5 mb/d. With an expected growth of 20 tb/d and 30 tb/d in 2025 and 2026, respectively, output is forecast to remain at around 0.5 mb/d.

In the other tight oil plays, which are experiencing a slower pace of drilling and completion activities, production is estimated to have dropped by 53 tb/d in 2024. Following stabilized output in 2025, a minor increase of 10 tb/d is expected for 2026.

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



*Note: * 2024 = Estimate and 2025-2026 = Forecast.*
Sources: EIA and OPEC.

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

US tight oil	2024*	Change 2024/23	2025*	Change 2025/24	2026*	Change 2026/25
Permian tight	5.49	0.28	5.73	0.23	5.90	0.17
Bakken shale	1.22	0.02	1.24	0.02	1.22	-0.02
Eagle Ford shale	1.00	0.00	1.02	0.02	1.02	0.00
Niobrara shale	0.46	0.01	0.48	0.02	0.51	0.03
Other tight plays	0.63	-0.05	0.63	0.00	0.64	0.01
Total	**8.80**	**0.26**	**9.09**	**0.29**	**9.28**	**0.19**

*Note: * 2024 = Estimate and 2025-2026 = Forecast.*

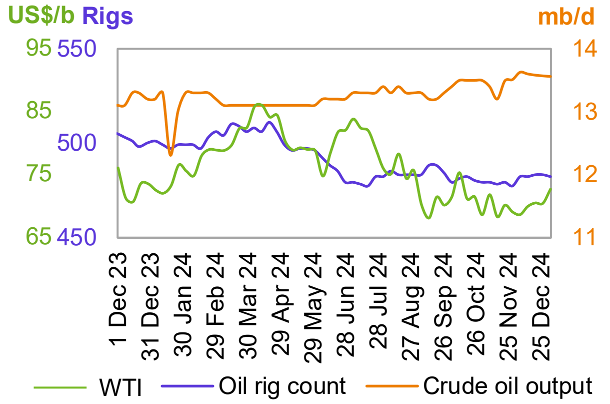
Source: OPEC.

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 10 January 2025 dropped by five to 584, according to Baker Hughes. This is 35 fewer rigs than a year ago. The number of active offshore rigs remained unchanged, w-o-w, at 14. This is six less than in the same month a year earlier. The number of onshore oil and gas rigs fell by five, w-o-w, to 568, with two rigs in inland waters. This is down by 31 rigs, y-o-y.

The US horizontal rig count dropped by five, w-o-w, to 522, compared with 561 horizontal rigs a year ago. The number of drilling rigs for oil fell by two, w-o-w, to 480, while the number of gas drilling rigs dropped by three, w-o-w, to 100.

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



Sources: Baker Hughes, EIA and OPEC.

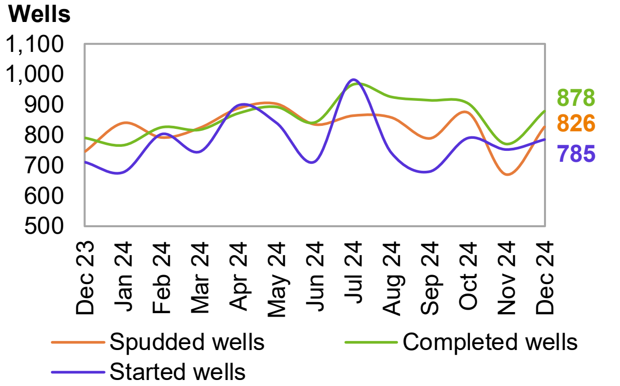
The Permian's rig count remained unchanged, w-o-w, at 304. The number of active rigs also remained unchanged, w-o-w, in the Williston and Cana Woodford Basins at 37and 21, respectively. The rig count in the Eagle Ford and DJ-Niobrara Basins dropped by two and one, w-o-w, to 43 and 6, respectively.

Drilling and completion activities for oil-producing wells in all US shale plays include 669 horizontal wells spudded in November, as per preliminary data. This is down by 204, m-o-m, and is about 12% lower than in November last year.

Preliminary data for November indicates a lower number of completed wells, m-o-m, at 770, with the number up by about 4%, y-o-y. The number of started wells is estimated at 752, which is about 5% higher than a year earlier.

Preliminary data for December saw 826 spudded, 878 completed and 785 started wells, according to Rystad Energy data.

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

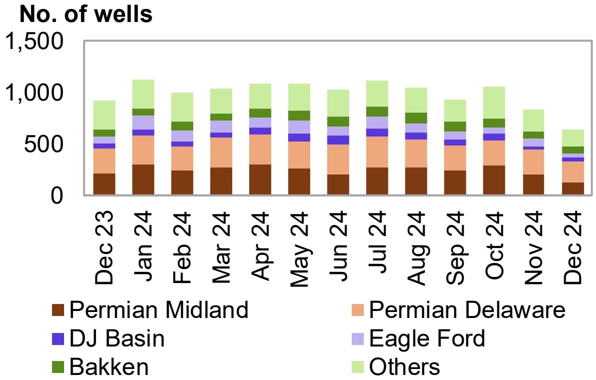


Note: Nov 24-Dec 24 = Preliminary data.
Sources: Rystad Energy and OPEC.

In terms of identifying US oil and gas fracking operations, Rystad Energy reported that 1,059 wells started fracking in October. In November and December, it stated that 840 and 650 wells began fracking, respectively, according to preliminary numbers based on an analysis of high-frequency satellite data.

In regional terms, preliminary data for November shows that 203 and 246 wells started fracking in the Permian Midland and Permian Delaware regions, respectively. There was a loss of 90 wells in the Midland region and no change in Delaware compared with October. Data also indicates that 29 wells began fracking in the DJ Basin, 76 in the Eagle Ford and 73 in the Bakken during November.

Graph 5 - 12: Started fracs per month by region



Note: Nov 24-Dec 24 = Preliminary data.
Sources: Rystad Energy Shale Well Cube and OPEC.

Canada

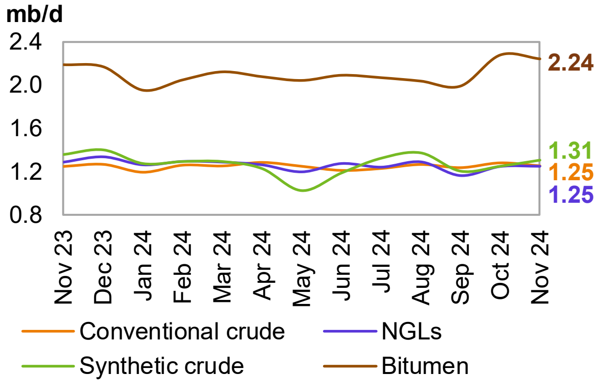
Canada's liquids production in November is estimated to remain unchanged, m-o-m, at an average of 6.1 mb/d. This is a stable output level, following the production recovery from planned maintenance in September.

Conventional crude production dropped by about 26 tb/d in November, m-o-m, to an average of 1.3 mb/d. NGLs output was down by a minor 3 tb/d, m-o-m, to an average of 1.2 mb/d.

Crude bitumen production output fell in November by 35 tb/d, m-o-m, while synthetic crude production increased by about 57 tb/d, m-o-m. Taken together, crude bitumen and synthetic crude production rose by about 22 tb/d to average 3.5 mb/d.

Liquids production in 4Q24 is estimated to have jumped by about 0.2 mb/d, q-o-q.

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

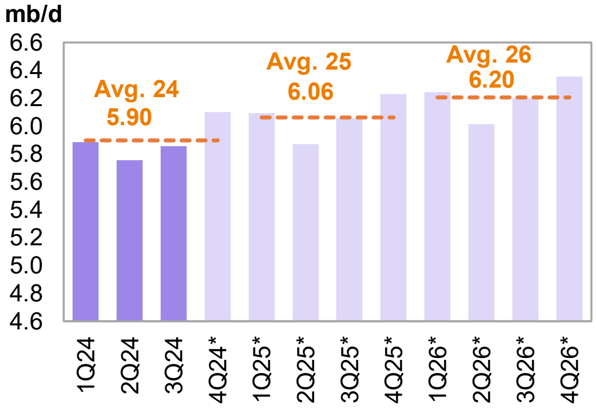


Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

In 2024, Canada's liquids production is estimated to have increased at a much faster pace than in 2023, rising by 0.2 mb/d to average 5.9 mb/d.

Canada's liquids production is forecast to grow by 0.2 mb/d to average 6.1 mb/d in 2025. Additional production is expected to come from expanding oil sands projects, optimization and additional well pads coming online at a number of facilities. Sources of further production are primarily expected from the Athabasca, Kearl, Horizon, Christina Lake, Suncor and Foster Creek oil sands projects. The main start-ups in 2025 are expected to be Syncrude Mildred Lake/Aurora, Narrows Lake, Cold Lake Oil Sands, Mannville Heavy Oil and the Montney Play.

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



*Note: * 4Q24-4Q26 = Forecast. Source: OPEC.*

In 2026, Canada's liquids production is forecast to grow by 0.1 mb/d to average 6.2 mb/d. Brownfield growth from several projects is expected to primarily drive oil sands production through asset expansion and the wider application of new drilling technologies. Principal sources of production 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.

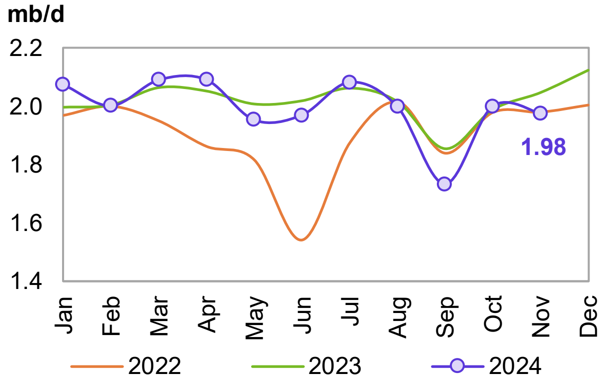
Norway

Norwegian liquids production in November dropped by 25 tb/d, m-o-m, to average 2.0 mb/d. Norway's crude production dropped by 45 tb/d, m-o-m, to average 1.7 mb/d. This was lower by about 70 tb/d, y-o-y. Nevertheless, monthly oil production was 3.2% higher than the Norwegian Offshore Directorate's (NOD) forecast.

Production of NGLs and condensate increased by 20 tb/d, m-o-m, to average 0.2 mb/d in November, according to NOD data.

For 2024, Norwegian liquids production is estimated to have dropped by about 20 tb/d to an average of 2.0 mb/d. This was unchanged from the previous month's assessment.

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



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

In 2025, Norwegian liquids production is forecast to grow by 0.1 mb/d to average 2.1 mb/d. Several small-to-large-scale projects are scheduled to ramp up, including Kristin, Eldfisk and Balder/Ringhorne. At the same time, start-ups are expected at the Balder/Ringhome, Norne floating, production, storage and offloading (FPSO), Maria and Kvitebjorn oil field projects. Norway's Var Energi recently announced the start-up of its Balder X oil project in the North Sea for 2Q25. The Johan Castberg FPSO, which is set to be the main source of output growth in the short term, is now expected to produce first oil in Norway's Barents Sea in January or February. This has been slightly delayed from the previous guidance of Norway's state-run Equinor due to bad weather conditions.

Norwegian liquids production is forecast to drop by about 40 tb/d to average 2.1 mb/d in 2026. Some projects at different scales are scheduled to ramp up in 2026, such as Johan Castberg, Edvard Grieg, Balder/Ringhorne, Heidrun, Grane, Valhall and Ivar Aasen. Simultaneously, start-ups are expected at limited assets, such as the Symra and Edvard Grieg oil field projects.

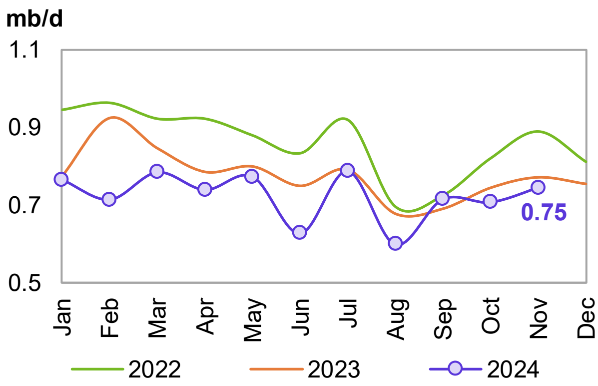
UK

In November, UK liquids production rose by 38 tb/d, m-o-m, to average 0.7 mb/d. Crude oil output decreased by 10 tb/d, m-o-m, to average 0.6 mb/d. This was lower by about 80 tb/d, y-o-y, according to official data. NGLs output rose by 48 tb/d, m-o-m, to average 0.1 mb/d.

For 2024, UK liquids production is estimated to have dropped by about 45 tb/d to average 0.7 mb/d. This is down by about 5 tb/d from the previous month's assessment, mainly due to lower-than-expected November output.

UK liquids production is forecast to remain steady at an average of 0.7 mb/d in 2025. Production ramp-ups are set to be seen at the Clair sites, Buzzard, ETAP, Magnus and Schiehallion projects. Elsewhere, project start-ups are expected at the Victory, Janice and Murlach (Skua redevelopment) assets. The Penguins FPSO unit is also expected to start commercial production in 1Q25. However, any additional volumes are expected to be largely offset by decline rates from the ageing reservoirs.

Graph 5 - 16: UK monthly liquids production development

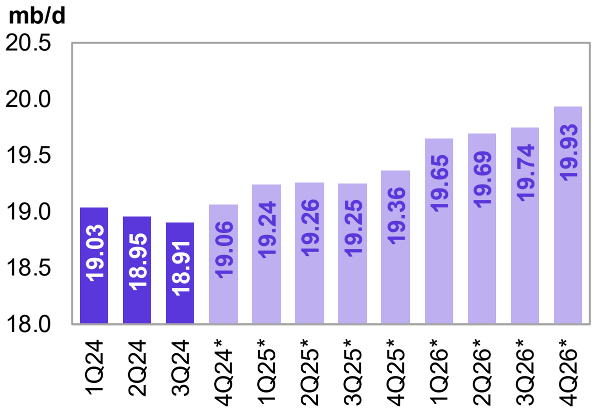


Sources: UK Department for Business, Energy and Industrial Strategy and OPEC.

In 2026, UK liquids production is forecast to remain largely unchanged at an average of 0.7 mb/d. Minor production ramp-ups are forecast at the Clair, Kraken and Schiehallion sites. Elsewhere, project start-ups are seen at Triton, Anasuria and Jackdaw. However, natural decline rates in mature oil fields are again expected to offset the additional volumes.

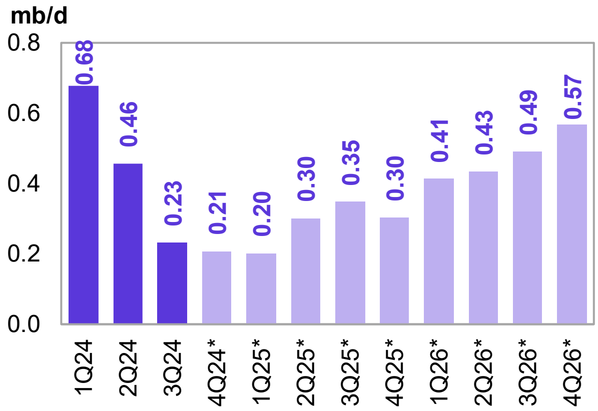
Non-OECD

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



*Note: * 4Q24-4Q26 = Forecast. Source: OPEC.*

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



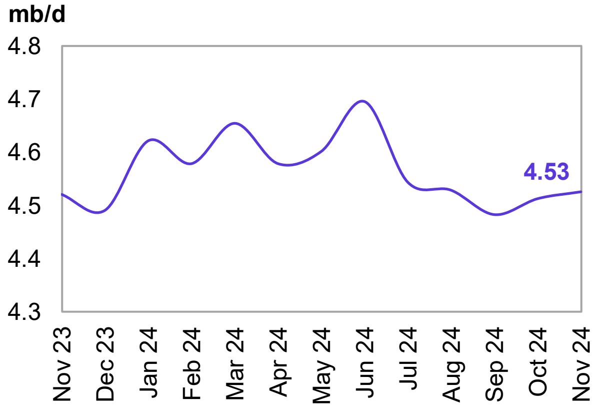
*Note: * 4Q24-4Q26 = Forecast. Source: OPEC.*

China

China's liquids production rose by 13 tb/d, m-o-m, to average 4.5 mb/d in November. This is up by just 5 tb/d, y-o-y, according to official data. Crude oil output in November averaged 4.2 mb/d, up by 13 tb/d compared with the previous month. This was higher by 11 tb/d, y-o-y.

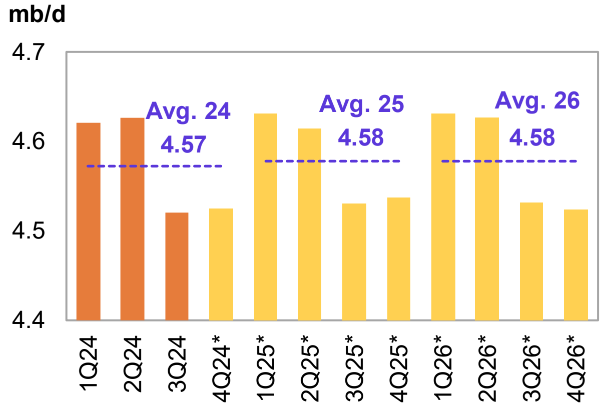
NGLs production remained unchanged, m-o-m, averaging 40 tb/d. This was 8 tb/d lower compared with the same month a year earlier.

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



Sources: CNPC and OPEC.

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



*Note: * 4Q24-4Q26 = Forecast. Sources: CNPC and OPEC.*

For 2024, China's liquids production is estimated to have risen by about 55 tb/d, y-o-y, to average 4.6 mb/d. This is largely unchanged from the previous assessment. Additional growth through more infill wells and EOR projects is estimated to have been mostly offset by decline rates at mature fields.

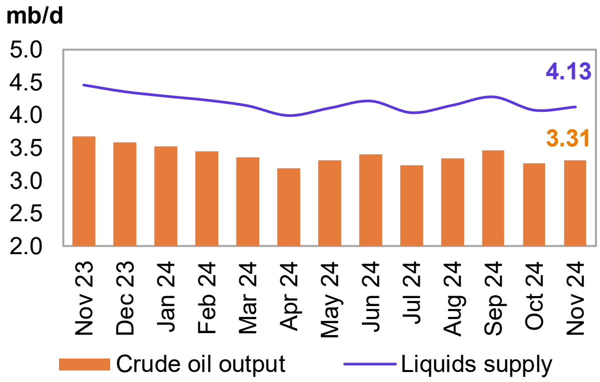
In 2025, Chinese liquids production is expected to remain broadly steady, y-o-y, at an average of 4.6 mb/d. Supply growth is primarily expected to come from the offshore sector following considerable recent exploration investments in Bohai Bay off northern China and the South China Sea. For this year, oil and gas condensate projects such as Songliaho, Peng Lai 19-9, Kenli 10-2, Shengli, Liaodong Bay West, Bozhong 26-6, Tianjin, Wenchang 9-7 – operated by CNOOC, PetroChina and Sinopec – are expected to come on stream. Additionally, key ramp-ups are planned for Shengli, Xibei, Jilin, Peng Lai 19-3 and Tarim. Furthermore, CNOOC delivered first offshore oil production in December 2024 from Huizhou 26-6 in the Pearl River Mouth Basin offshore China and Jinzhou 23-2 in the northern Bohai Sea offshore eastern China.

Chinese liquids production is expected to remain unchnaged, y-o-y, and is forecast to average 4.6 mb/d in 2026. For next year, 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, Jinxian JX1-1 in Tianjin, Wenchang 16-2 in Zhanjiang, Liaohe and Jianghan. Most of these are operated by CNOOC, Sinopec or PetroChina. At the same time, key ramp-ups are expected from the Daqing, Shengli, Xinjiang and Dagang projects.

Brazil

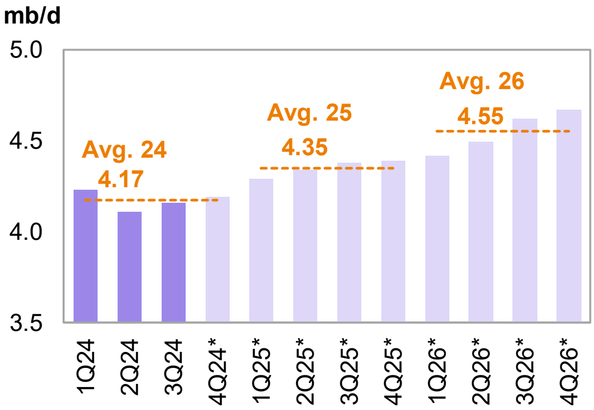
Brazil's crude output in November rose by 41 tb/d, m-o-m, to average 3.3 mb/d. The estimated increase was lower than expected and represents a continuation of underperformance in several offshore platforms. NGLs production rose by 9 tb/d to an average of around 80 tb/d and it is expected to remain flat in December. Biofuel output (mainly ethanol) is estimated to have been unchanged, m-o-m, at an average of 0.7 mb/d, with preliminary data showing a stable trend in December. The country's total liquids production increased by 50 tb/d in November to average 4.1 mb/d, which is lower by about 0.3 mb/d, y-o-y.

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



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

Graph 5 - 22: Brazil's quarterly liquids production



*Note: * 4Q24-4Q26 = Forecast. Sources: ANP and OPEC.*

For 2024, Brazil's liquids supply, including biofuels, is estimated to have remained unchanged, y-o-y, at an average of 4.2 mb/d. This was revised down by about 12 tb/d due to lower-than-expected production in recent months.

Brazil's liquids supply, including biofuels, is forecast to increase by 0.2 mb/d, y-o-y, to average 4.4 mb/d in 2025. Crude oil output 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), Mero (Libra NW), Wahoo and Lapa (Carioca) fields. Nonetheless, technical and operational issues could potentially delay the start-up of scheduled production from the platforms.

Brazil's liquids supply, including biofuels, is forecast to increase by 0.2 mb/d, y-o-y, to average 4.6 mb/d in 2026. Upstream liquids output is expected to increase through production ramp-ups in 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 Cluster. However, growing offshore development costs and inflationary pressure may continue to delay projects and moderate short-term growth.

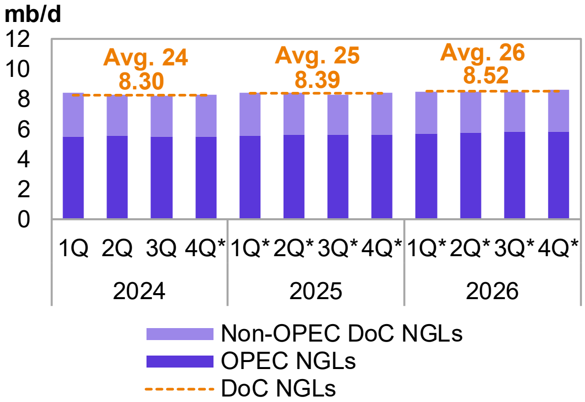
DoC NGLs and non-conventional liquids

DoC NGLs and non-conventional liquids are expected to have expanded by about 60 tb/d in 2024 to average 8.3 mb/d.

Preliminary data shows that NGLs and non-conventional liquids output in 4Q24 averaged 8.3 mb/d. According to preliminary November data, OPEC Member Countries and non-OPEC DoC countries are estimated to have produced 5.5 mb/d and 2.8 mb/d, respectively, of NGLs and non-conventional liquids.

The 2025 forecast points toward a combined increase of about 90 tb/d for an average of 8.4 mb/d. For OPEC Member Countries, NGLs and non-conventional liquids production are projected to grow by 0.1 mb/d to average 5.6 mb/d. However, a drop of about 20 tb/d is forecast for non-OPEC DoC countries.

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



*Note: * 4Q24-4Q26 = Forecast. Source: OPEC.*

In 2026, the forecast sees collective growth of 140 tb/d to average 8.5 mb/d. NGLs and non-conventional liquids for OPEC Member Countries are forecast to grow by 150 tb/d to average 5.8 mb/d. Non-OPEC DoC countries are expected to see a drop of about 10 tb/d.

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

DoC NGLs and non-coventional liquids	2024	Change 24/23	2025	Change 25/24	1Q26	2Q26	3Q26	4Q26	2026	Change 26/25
OPEC	**5.53**	*0.06*	**5.64**	*0.11*	5.70	5.77	5.82	5.85	**5.79**	*0.15*
Non-OPEC DoC	**2.77**	*0.00*	**2.75**	*-0.02*	2.77	2.75	2.67	2.77	**2.74**	*-0.01*
Total	**8.30**	***0.06***	**8.39**	***0.09***	**8.48**	**8.51**	**8.49**	**8.62**	**8.52**	***0.14***

Note: 2025-2026 = Forecast.

Source: OPEC.

DoC crude oil production

Total non-OPEC DoC crude oil production averaged 13.91 mb/d in December 2024, which is 40 tb/d lower, m-o-m.

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

Secondary sources	2023	2024	2Q24	3Q24	4Q24	Oct 24	Nov 24	Dec 24	*Change Dec/Nov*
Algeria	973	907	904	909	909	909	909	909	*0*
Congo	261	255	262	256	257	259	248	263	*16*
Equatorial Guinea	56	57	56	58	59	54	59	62	*4*
Gabon	203	212	208	210	215	213	212	219	*7*
IR Iran	2,859	3,259	3,238	3,312	3,307	3,281	3,326	3,314	*-12*
Iraq	4,289	4,190	4,214	4,244	4,049	4,085	4,042	4,019	*-22*
Kuwait	2,595	2,423	2,428	2,420	2,415	2,417	2,410	2,419	*9*
Libya	1,162	1,105	1,189	904	1,208	1,097	1,238	1,290	*53*
Nigeria	1,315	1,409	1,356	1,409	1,462	1,403	1,477	1,507	*30*
Saudi Arabia	9,609	8,973	8,962	8,976	8,958	8,973	8,962	8,938	*-23*
UAE	2,950	2,940	2,934	2,959	2,941	2,953	2,958	2,914	*-44*
Venezuela	749	856	838	878	888	902	877	886	*9*
Total OPEC	**27,021**	**26,586**	**26,590**	**26,535**	**26,667**	**26,545**	**26,715**	**26,741**	***26***
Azerbaijan	503	481	475	486	486	486	488	485	*-2*
Bahrain	183	179	186	170	183	179	185	183	*-2*
Brunei	71	77	66	84	77	77	77	77	*0*
Kazakhstan	1,597	1,529	1,555	1,545	1,405	1,298	1,477	1,442	*-35*
Malaysia	374	347	359	317	351	335	358	360	*2*
Mexico	1,655	1,586	1,598	1,590	1,545	1,555	1,534	1,546	*12*
Oman	819	766	765	765	761	764	764	756	*-8*
Russia	9,574	9,167	9,216	9,035	8,994	9,005	8,991	8,985	*-6*
Sudan	54	29	27	28	28	28	28	27	*0*
South Sudan	146	71	64	54	53	55	53	52	*-1*
Total Non-OPEC DoC	**14,975**	**14,232**	**14,311**	**14,075**	**13,882**	**13,782**	**13,953**	**13,913**	***-40***
Total DoC	**41,996**	**40,817**	**40,900**	**40,610**	**40,549**	**40,327**	**40,669**	**40,654**	***-14***

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

Source: OPEC.

OPEC crude oil production

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

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

Direct communication	2023	2024	2Q24	3Q24	4Q24	Oct 24	Nov 24	Dec 24	*Change Dec/Nov*
Algeria	973	907	905	909	908	909	908	906	*-2*
Congo	271	260	260	264	265	265	268	261	*-6*
Equatorial Guinea	55	57	60	57	58	52	62	60	*-2*
Gabon	223	..	..	..	..	..	..	..	*..*
IR Iran	..	..	..	..	..	..	..	..	*..*
Iraq	4,118	3,862	3,862	3,897	3,731	3,782	3,721	3,689	*-32*
Kuwait	2,590	2,411	2,413	2,413	2,404	2,400	2,405	2,407	*2*
Libya	1,189	..	1,217	936	..	..	..	..	*..*
Nigeria	1,187	1,340	1,270	1,328	1,434	1,333	1,486	1,485	*-1*
Saudi Arabia	9,606	8,955	8,937	8,970	8,935	8,972	8,926	8,906	*-20*
UAE	2,944	2,916	2,928	2,933	2,884	2,914	2,922	2,817	*-105*
Venezuela	783	921	904	933	982	989	960	998	*38*
Total OPEC	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	***..***

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

Source: OPEC.

Product Markets and Refinery Operations

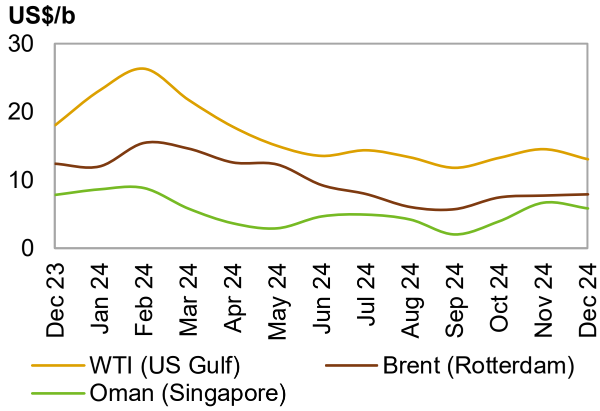
In December, refinery margins declined in the US Gulf Coast (USGC) and in Singapore. Weakness was seen all across the barrel except for jet/kerosene on the USGC and 92 gasoline in Singapore as healthy refinery runs led to rising product availability while weak export incentives added to the pressure. However, in Rotterdam, refining margins extended their upward trajectory amid improved travel activities during the year-end holiday season, with gasoline, gasoil and more pronouncedly fuel oil 1.0% backing the monthly gain.

Global refinery intake increased further adding 1.1 mb/d, m-o-m, as offline capacities trended significantly lower in December, in line with historic data. Global intakes reached an average of 82.2 mb/d in December and were slightly up by 100 tb/d, y-o-y. Going forward, run rates are expected to remain sustained, although softening refining margins stemming from ample product availability, seasonality, and downside risks for weather-related refinery outages, particularly in the US, could exert pressure on refinery runs.

Refinery margins

USGC refining margins retracted in December after reaching a six-month high in the previous month. Markets for most products experienced weakness, to the greatest extent high-sulphur fuel oil (HSFO), despite solid jet/kerosene-related gains. Gasoline markets showed mixed performance, with gasoline 92 crack spreads exhibiting an increase and gasoline 95 slightly declining. According to preliminary data, refinery intake in the USGC was 210 tb/d higher, m-o-m, averaging 16.95 mb/d in December, which represented a 126 tb/d y-o-y decline. Downside risks for US refinery runs due to the potential severe temperatures and winter storms around January and February, could pressure refinery intakes. USGC margins against WTI averaged $13.00/b in December, down by $1.49, m-o-m, and $5.03 lower, y-o-y.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

Refinery margins in Rotterdam against Brent managed to retain a slight upward momentum, in contrast to what was seen in other main trading hubs, with the modest monthly increase driving margins to a five-month high in December. Gasoline, gasoil and 1% fuel oil markets were supported by end-of-year travel activities on the back of limited diesel imports towards the beginning of the new year, despite product inventories at the Amsterdam-Rotterdam-Antwerp storage terminal showing a rise in December. Jet fuel inventories showed the largest stock draw in December compared to other key products in Northwest Europe. This reflected a boost in jet fuel crack spreads and demand particularly during the second half of the month, according to Argus. However, this short-lived support proved insufficient in helping European jet fuel crack spreads register a monthly gain.

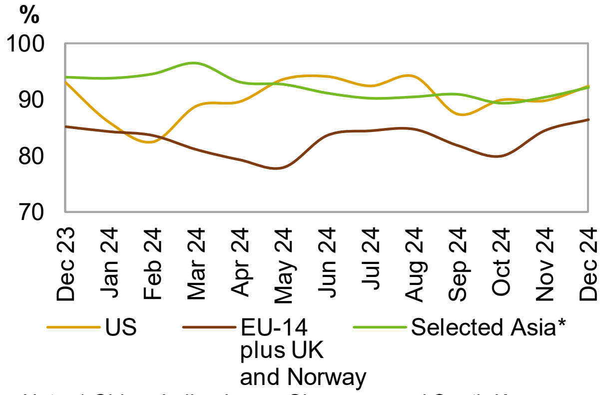
According to preliminary data, refinery intake in Europe was 230 tb/d higher, m-o-m, averaging 10.09 mb/d. Refinery margins against Brent in Europe averaged $7.88/b in December, which was 18¢ higher, m-o-m, but $4.51 lower, y-o-y.

Singapore's refining margins against Oman eased in December as product availability rose significantly in Singapore despite middle distillate stocks registering a decline. End-of-month total product stocks in Singapore rose for the second consecutive month and were up 3.0 mb, m-o-m, in December, with most of the upside attributed to light distillates and residual fuel, according to Platts. China's recent decision to reduce the product export tax cut in early December is expected to suppress Chinese product exports, leading to upward pressure on product crack spreads in Singapore in the near term. This potential development could eventually prompt other major Asian refiners such as India, South Korea and Japan to increase product flows to Singapore to compensate for lower Chinese deliveries. In December, combined refinery intakes in Japan, China, India, Singapore, and South Korea registered an increase of 510 tb/d, m-o-m, averaging 26.76 mb/d, according to preliminary data. Refinery margins against Oman in Singapore experienced an 83¢ drop in December, m-o-m, to average $5.82/b, which was $1.96 lower, y-o-y.

Refinery operations

US refinery utilization rates showed a 2.6 pp rise to an average 92.47% in December, corresponding to throughput of 16.95 mb/d. This represents a 210 tb/d rise relative to the level registered in the previous month. Compared with the previous year, the December refinery utilization rate was 0.6 pp lower, with throughput showing a 126 tb/d drop.

Graph 6 - 2: Refinery utilization rates



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

EU-14 plus the UK and Norway refinery utilization averaged 86.51% in December, corresponding to throughput of 10.09 mb/d. This represents a 2.0 pp, or 230 tb/d, rise, m-o-m. On a yearly basis, the utilization rate was up by 1.3 pp, and throughput was 76 tb/d higher.

In Selected Asia – Japan, China, India, Singapore, and South Korea – refinery utilization rates increased to an average of 92.15% in December, corresponding to throughput of 26.76 mb/d. Compared with the previous month, utilization rates were up 1.7 pp, and throughput was higher by 510 tb/d. Relative to the previous year, utilization rates were 1.8 pp lower, and throughput was 145 tb/d lower.

Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				*Refinery utilization, %*			
	Oct 24	Nov 24	Dec 24	Change Dec/Nov	Oct 24	Nov 24	Dec 24	Change Dec/Nov
US	**16.51**	**16.74**	**16.95**	**0.21**	**90.00**	**89.87**	**92.47**	**2.6 pp**
Euro-14, plus UK and Norway	**9.33**	**9.87**	**10.09**	**0.23**	**79.97**	**84.55**	**86.51**	**2.0 pp**
France	0.97	0.96	1.00	0.04	83.85	83.59	86.82	3.2 pp
Germany	1.71	1.69	1.73	0.03	83.11	82.52	84.12	1.6 pp
Italy	1.15	1.34	1.35	0.01	63.55	74.01	74.61	0.6 pp
UK	0.87	0.95	0.97	0.03	74.17	80.58	82.76	2.2 pp
Selected Asia*	**25.83**	**26.26**	**26.76**	**0.51**	**89.34**	**90.41**	**92.15**	**1.7 pp**

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

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

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

Refinery crude throughput	2021	2022	2023	4Q23	1Q24	2Q24	3Q24	4Q24
OECD Americas	**17.79**	**18.68**	**18.71**	**18.47**	**18.19**	**19.17**	**19.44**	**19.19**
of which US	*15.66*	*16.48*	*16.50*	*16.47*	*15.78*	*16.96*	*16.95*	*16.73*
OECD Europe	**10.93**	**11.44**	**11.38**	**11.40**	**11.44**	**11.05**	**11.37**	**11.36**
of which:								
France	*0.69*	*0.84*	*0.93*	*0.95*	*0.83*	*0.89*	*0.98*	*0.98*
Germany	*1.72*	*1.83*	*1.62*	*1.59*	*1.76*	*1.79*	*1.74*	*1.71*
Italy	*1.23*	*1.32*	*1.30*	*1.32*	*1.30*	*1.16*	*1.19*	*1.28*
UK	*0.92*	*1.04*	*0.97*	*0.89*	*0.97*	*0.98*	*0.95*	*0.93*
OECD Asia Pacific	**5.79**	**6.08**	**5.83**	**5.89**	**5.90**	**5.61**	**5.47**	**5.62**
of which Japan	*2.49*	*2.71*	*2.56*	*2.54*	*2.55*	*2.27*	*2.19*	*2.35*
Total OECD	**34.51**	**36.21**	**35.92**	**35.76**	**35.54**	**35.83**	**36.28**	**36.17**
Latin America	**3.50**	**3.37**	**3.48**	**3.53**	**3.46**	**3.58**	**3.58**	**3.64**
Middle East	**6.80**	**7.28**	**7.61**	**7.43**	**7.91**	**8.14**	**8.08**	**8.16**
Africa	**1.77**	**1.73**	**1.71**	**1.71**	**1.71**	**1.71**	**1.93**	**2.01**
India	**4.73**	**5.00**	**5.18**	**5.10**	**5.30**	**5.31**	**5.13**	**5.17**
China	**14.07**	**13.49**	**14.78**	**14.57**	**14.64**	**14.25**	**14.04**	**14.19**
Other Asia	**4.72**	**4.94**	**5.02**	**5.14**	**4.95**	**4.90**	**4.80**	**4.89**
Russia	**5.61**	**5.46**	**5.50**	**5.43**	**5.33**	**5.28**	**5.47**	**5.32**
Other Eurasia	**1.23**	**1.15**	**1.14**	**1.19**	**1.18**	**1.09**	**1.15**	**1.17**
Other Europe	**0.44**	**0.50**	**0.47**	**0.47**	**0.43**	**0.47**	**0.57**	**0.58**
Total Non-OECD	**42.88**	**42.91**	**44.88**	**44.56**	**44.92**	**44.74**	**44.75**	**45.12**
Total world	**77.38**	**79.12**	**80.80**	**80.32**	**80.46**	**80.56**	**81.03**	**81.30**

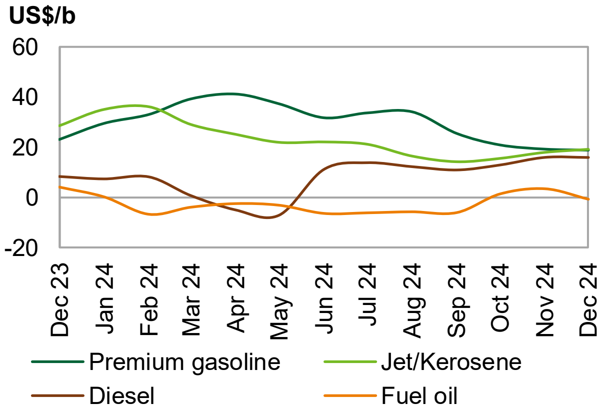
Note: Totals may not add up due to independent rounding.

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

Product markets

US market

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



Sources: Argus and OPEC.

The USGC gasoline crack spread against WTI weakened further amid winter season demand pressures, in line with historic trends, leading to gasoline stock builds. The boost in transport activity around the year-end holiday season in the US lent short-lived support and prevented steeper losses. Compared to the previous month, the gasoline (US grade 93) wholesale price decline was more muted, only shedding 21¢, m-o-m (versus a $3.66 decline seen in November), to remain at relatively healthy levels. Following the year-end holidays and refineries currently running at high rates, gasoline balances are expected to lengthen in the Northern Hemisphere and an overall bearish market sentiment for gasoline during the winter season is expected to keep gasoline markets under pressure in the near term. The USGC gasoline crack spread lost 40¢, m-o-m, reaching an average of $18.78/b in December, and was $4.25 lower, y-o-y.

The USGC jet/kerosene crack spread against WTI increased to a five-month high and was the sole positive performer in the US compared to all other key products. This reflected a pick-up in air travel activities in December as air passenger volumes rose 4%, m-o-m (Argus). Jet/kerosene inventories in the US continued to fall for the fourth consecutive month since their September highs as the heavy refinery maintenance season restricted jet/kerosene output. This pointed to prevailing tightness despite rising refinery output. In the near term, jet/kerosene markets will most likely see pressure as air travel activities tend to subside following the year-end holiday season. The USGC jet/kerosene crack spread gained $1.21, m-o-m, to average $19.25/b in December and was $9.40 lower, y-o-y.

The USGC gasoil crack spread against WTI remained nearly unchanged and showed a marginal decline as rising heating fuels demand amid colder temperatures provided support. The increased heating fuel requirements helped offset the impact of stronger refinery output in December. Although total US gasoil inventories increased in December, the trend was the opposite in the USGC, with the significant m-o-m inventory decline reflecting a tighter gasoil balance in the Gulf Coast relative to the other trading hubs in the country. The US gasoil crack spread against WTI averaged $16.05/b, marginally down by 4¢, m-o-m, but up $7.57/b, y-o-y.

The USGC fuel oil 3.5% crack spread against WTI weakened notably and fell back into negative territory following two consecutive months of positive margins. Lower residual requirements for feedstock blending and poor conversion economics amid weaker gasoline margins weighed on residual fuel crack spreads in the US. In December, the US fuel oil crack spread against WTI lost $4.16, m-o-m, to average negative 71¢/b, and was $4.84 lower, y-o-y.

European market

The gasoline crack spread in Rotterdam against Brent increased slightly on healthy exports although gasoline inventories at the Amsterdam-Rotterdam-Antwerp storage hub remained high. The gasoline inventory builds are expected to extend into the coming month amid a lengthening gasoline balance in the Atlantic Basin due to winter-season demand-side pressures. The ongoing recovery in gasoline refinery output levels will likely exacerbate the already bearish market sentiment. Moreover, the ongoing operational ramp-up efforts at Nigeria's new Dangote refinery and its gasoline exports to the international market will likely weigh further on the European gasoline market. Continued gasoline production in Nigeria, a country that has relied heavily on imports to meet its domestic fuel needs in the past, will most likely continue to free up gasoline volumes in international markets which will call for new destinations and flow adjustments for the extra volumes going forward. Similarly, European light distillates continue to lose ground on the back of increasingly lighter and sweeter refinery crude diets in Europe and sanctioned Russian crude imports, leading to stronger naphtha production. The resulting naphtha surplus coupled with the declining petrochemical cracking capacity in Europe has weighed on the regional naphtha market.

The gasoline crack spread against Brent averaged $13.00/b, which was 18¢ higher, m-o-m, but was $21.52 lower, y-o-y.

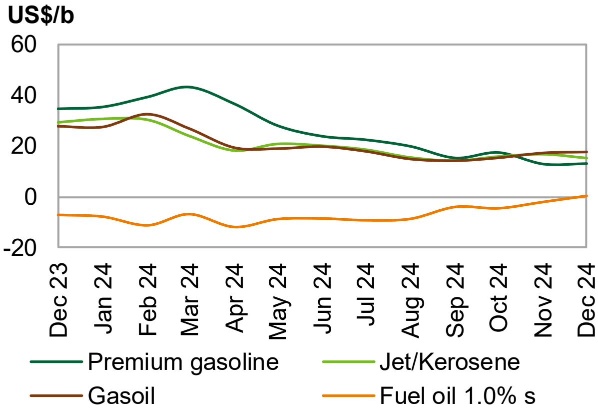
In December, the jet/kerosene crack spread in Rotterdam against Brent moved lower as supplies outweighed demand, despite European jet fuel imports from East of Suez reportedly reaching a 4-month low amid challenging arbitrage economics. According to Platts, jet fuel import volumes from the East of Suez into Europe dipped 21.7% in December, ending the year on a four-month low. A busy air travel season during the year-end holidays boosted jet fuel requirements, driving an increase in jet fuel crack spreads during the second and third weeks of December. Nonetheless, this upturn proved to be insufficient to lift the jet fuel crack spread monthly average as it was offset by the weakness registered in the first week of the month. Going forward jet/kerosene markets are expected to weaken further as travel activities tend to soften following the year-end holiday season. However, projections for lower jet fuel imports into Europe in the near term due to oversupply and challenging arbitrage openings could offset some of the potential downside risk for jet fuel crack spreads.

The Rotterdam jet/kerosene crack spread against Brent averaged $15.21/b, down by $1.53, m-o-m, and down $14.07, y-o-y.

The gasoil crack spread in Rotterdam against Brent experienced a slight gain on the back of rising heating demand.

Stronger transport activities and colder winter temperatures in the Northern Hemisphere continue to support gasoil markets. The positive market sentiment for heating oil markets during the winter season is expected to continuously support product markets. The gasoil crack spread against Brent averaged $17.57/b, up 39¢, m-o-m, but down $10.07, y-o-y.

Graph 6 - 4: Rotterdam crack spreads vs. Brent



Sources: Argus and OPEC.

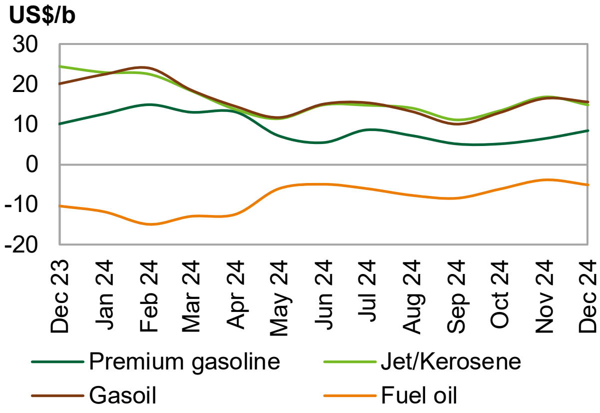
At the bottom of the barrel, fuel oil 1.0% crack spreads in Rotterdam against Brent continued to trend upwards, breaking into positive territory for the first time since March 2021. Support stemmed from rising LSFO prices and demand, in light of Amsterdam's plan to ban open-loop scrubbers on seagoing vessels starting 1 January 2025.

Fuel oil 1.0% wholesale prices were up by $1.86/b compared to the $1.14 m-o-m increase registered in the previous month, registering an average of $74.77/b in December. Meanwhile, the crack spread averaged 36¢/b in December, representing a $2.36 increase, m-o-m, and a $7.39 rise, y-o-y.

Asian market

The Southeast Asia gasoline 92 crack spread against Dubai rose to a five-month high and benefitted from the policy changes in China that led to lower gasoline exports to Singapore, following the implementation of the export tax rebate cuts in early December. According to Argus, gasoline exports from China declined 50% in December. Moreover, firm gasoline demand from Indonesia provided further support. Going forward, seasonality, softening East-West flow incentives and solid upside potential for gasoline refinery output are all expected to put pressure on Asian gasoline markets. Any potential Asian gasoline market support, for the time being, will have to emerge from within the region, assuming all other factors remain unchanged. The product's margin averaged $8.28/b in December, up $1.98, m-o-m, but down $1.68, y-o-y.

Graph 6 - 5: Singapore crack spreads vs. Dubai



Sources: Argus and OPEC.

The Asian naphtha crack spread continued to trend downwards pressured by weaker gasoline blending demand. Naphtha inventories rose 2.3 mb, m-o-m, with the product representing the largest monthly contributor to Singapore's total December product stock build. In the coming month, naphtha margins are expected to regain strength in China as petrochemical operators increase production rates to meet seasonally higher chemical demand around the Chinese Lunar New Year. The Singapore naphtha crack spread against Dubai averaged negative $3.54/b, which was 80¢ lower, m-o-m, but $1.08 higher, y-o-y.

In the middle of the barrel, the jet/kerosene crack spread registered the most negative performance across the barrel in Southeast Asia, with weaker fundamentals amid strong availability placing Asian jet/kerosene markets under pressure. Asian jet fuel/kerosene market fundamentals are expected to remain pressured in the near term on the back of a rising refinery output and an overall lengthening global balance. The Singapore jet/kerosene crack spread against Dubai averaged $14.77/b, down $1.97, m-o-m, and down $9.57, y-o-y.

The Singapore gasoil crack spread eased with softening East-West arbitrage economics. The Singapore gasoil crack spread against Dubai averaged $15.49/b, down by 89¢, m-o-m, and by $4.58, y-o-y.

The Singapore fuel oil 3.5% crack spread reversed course and exhibited solid loss due to rising imports. According to Platts data, month-end residual fuel inventories rose 2.0 mb, m-o-m, in Singapore, signaling a well-supplied region and subdued demand. Singapore's HSFO crack spread against Dubai averaged negative $5.14/b, down $1.23, m-o-m, but up $5.22, y-o-y.

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

Event	Time frame	Observations	Asia	Europe	US
Chinese Lunar New Year festivities	Feb 25	Could boost petrochemicals demand and air travel activities in China. However, this support will be temporary.	↑ Support naphtha, jet/kerosene crack spreads	-	-
China's export tax rebate cut	Jan 25 onwards	The measure is expected to weigh on Chinese product exports, leading to upward pressure on product crack spreads in Singapore.	↑ Support product crack spreads	-	-
Winter season	Jan 25–Mar 25	Road transport activities are expected to soften in line with seasonal patterns. This weighs further on transport fuel crack spreads.	↓ Pressure on select transport fuel markets	↓ Pressure on select transport fuel markets	↓ Pressure on select transport fuel markets
Heating fuel markets	Jan 25–Mar 25	Forecasts of a colder-than-average winter are expected to support heating fuel markets (gasoil, LPG, kerosene) in the Northern Hemisphere and parts of Asia.	↑ Support heating fuels crack spreads	↑ Support heating fuels crack spreads	↑ Support heating fuels crack spreads
Impact of the most recent refinery capacity additions	Jan 25 onwards	New product volumes entering international markets from Yulong petrochemical, Olmeca and Dangote refineries are set to lengthen product balances going forward, particularly for gasoline.	↓ Pressure on product markets	↓ Pressure on product markets	↓ Pressure on product markets

Source: OPEC.

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

		Nov 24	Dec 24	Change Dec/Nov	Annual average 2023	2024
US Gulf (Cargoes FOB)						
Naphtha*		67.93	66.24	-1.69	72.51	74.02
Premium gasoline	(unleaded 93)	88.78	88.57	-0.21	117.23	106.21
Regular gasoline	(unleaded 87)	82.65	82.13	-0.52	104.59	94.42
Jet/Kerosene		87.64	89.04	1.40	113.51	98.81
Gasoil	(0.2% S)	85.69	85.84	0.15	78.57	84.13
Fuel oil	(3.0% S)	65.54	66.22	0.68	68.14	69.05
Rotterdam (Barges FOB)						
Naphtha		68.81	67.51	-1.30	71.06	72.52
Premium gasoline	(unleaded 98)	87.07	86.75	-0.32	125.96	106.14
Jet/Kerosene		90.99	88.96	-2.03	111.74	100.61
Gasoil/Diesel	(10 ppm)	91.43	91.32	-0.11	111.19	100.70
Fuel oil	(1.0% S)	72.25	74.11	1.86	74.29	73.78
Fuel oil	(3.5% S)	71.68	70.30	-1.38	72.79	72.12
Mediterranean (Cargoes FOB)						
Naphtha		67.45	65.64	-1.81	68.45	70.43
Premium gasoline**		83.61	82.75	-0.86	101.80	95.24
Jet/Kerosene		88.87	86.11	-2.76	107.77	97.31
Diesel		91.24	90.08	-1.16	109.08	99.64
Fuel oil	(1.0% S)	75.96	77.98	2.02	78.85	78.25
Fuel oil	(3.5% S)	68.08	67.00	-1.08	66.47	69.17
Singapore (Cargoes FOB)						
Naphtha		69.92	69.50	-0.42	69.53	72.73
Premium gasoline	(unleaded 95)	84.59	84.88	0.29	98.62	92.98
Regular gasoline	(unleaded 92)	78.96	81.32	2.36	94.00	88.33
Jet/Kerosene		89.40	87.81	-1.59	104.68	95.20
Gasoil/Diesel	(50 ppm)	89.12	88.77	-0.35	105.99	95.98
Fuel oil	(180 cst)	88.94	88.32	-0.62	102.35	94.56
Fuel oil	(380 cst 3.5% S)	68.75	67.90	-0.85	69.23	71.16

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

Sources: Argus and OPEC.

Tanker Market

Dirty spot freight rates showed diverse movements in the last month of the year, falling on routes to Asia and out of the Middle East, while strengthening in the Atlantic Basin and Mediterranean.

On the Middle East-to-East route, VLCC spot freight rates fell 18%, m-o-m, in December, while rates on the West Africa-to-East route dropped by 11%.

In the Suezmax market, rates on the US Gulf Coast-to-Europe route partially regained the previous month's loss, rising 9%, m-o-m.

Aframax spot rates experienced increases on all monitored routes, except Indonesia-to-East, which saw a drop of 10%, m-o-m. The Caribbean-to-US East Coast route erased most of the previous month's sharp loss, with a jump of 42% m-o-m, while Med routes rose by around 15%, m-o-m.

In the clean tanker market, East of Suez rates edged up 1%, m-o-m, on average, while West of Suez rates showed a strong performance, gaining 20%, m-o-m.

Spot fixtures

Global spot fixtures declined m-o-m in December, averaging 12.6 mb/d for the month, representing a drop of 1.3 mb/d, or about 9%, m-o-m. Compared with December 2023, global spot fixtures were down 1.8 mb/d, or 12%.

Middle East-to-East fixtures fell by 0.6 mb/d, or 8%, m-o-m, to average 6.3 mb/d. However, y-o-y, fixtures on the route were 0.5 mb/d, or 9%, higher.

In December, spot fixtures on the Middle East-to-West route fell 0.2 mb/d, or about 17%, m-o-m, to average 0.9 mb/d. Compared with the same month last year, fixtures were down by less than 0.1 mb/d, or about 5%.

Spot fixtures on 'Outside Middle East' routes also declined, down 0.3 mb/d, or 11%, m-o-m, to average 2.3 mb/d. Compared with the same month in 2023, fixtures were down by 0.6 mb/d, or 20%.

Table 7 - 1: Spot fixtures, mb/d

Spot fixtures	Oct 24	Nov 24	Dec 24	*Change* Dec 24/Nov 24
All areas	15.2	13.9	12.6	-1.3
Middle East/East	7.5	6.9	6.3	-0.6
Middle East/West	1.0	1.1	0.9	-0.2
Outside Middle East	2.8	2.6	2.3	-0.3

Sources: Oil Movements and OPEC.

Sailings and arrivals

Middle East sailings were broadly unchanged in December averaging around 16.4 mb/d. Y-o-y, sailings from the region were 0.2 mb/d, or 1%, higher.

Table 7 - 2: Tanker sailings and arrivals, mb/d

Sailings	Oct 24	Nov 24	Dec 24	*Change* Dec 24/Nov 24
Middle East	16.4	16.4	16.4	0.0
Arrivals				
North America	9.7	9.9	9.6	-0.3
Europe	11.9	12.0	11.8	-0.2
Far East	13.4	14.5	14.5	0.0
West Asia	9.1	8.4	9.5	1.1

Sources: Oil Movements and OPEC.

Crude arrivals were mixed East and West of Suez, experiencing gains and declines, respectively. Far East arrivals averaged 14.5 mb/d in December, representing a marginal gain of less than 1%. Y-o-y, arrivals were down, however, falling 0.5 mb/d, or about 3%. Arrivals in West Asia saw stronger gains, rising 1.1 mb/d, or 13%, to average 9.5 mb/d. Compared with the same month last year, arrivals in the region were up 1.9 mb/d, or almost 26%.

In contrast, North American arrivals fell 0.3 mb/d, or about 3%, to average 9.6 mb/d. Compared with December 2023, they were 0.4 mb/d, or about 4%, higher. Arrivals to Europe fell by 0.2 mb/d, or less than 2%, m-o-m, to average 11.8 mb/d. Compared with the same month in 2023, they were down 0.5 mb/d, or 3%.

Dirty tanker freight rates

Very large crude carriers (VLCC)

Spot freight rates for VLCCs declined on all monitored routes for the second month in a row in December. On average, VLCC spot freight rates fell by 15%, m-o-m, and declined by 24% compared with the same month in 2023.

On the Middle East-to-East route, rates averaged WS42 in December, falling 18% compared to the previous month. Y-o-y, rates were 29% lower. The Middle East-to-West route also registered a loss in December, declining 12%, m-o-m, to average WS29. Compared with the same month in 2023, rates on the route fell by 22%.

Spot freight rates on the West Africa-to-East route also moved lower, dropping 11%, m-o-m, to average WS48 in December. Compared with the same month in 2023, rates were down 19%.

Table 7 - 3: Dirty VLCC spot tanker freight rates, Worldscale (WS)

VLCC	Size *1,000 DWT*	Oct 24	Nov 24	Dec 24	*Change* Dec 24/Nov 24
Middle East/East	230-280	56	51	42	-9
Middle East/West	270-285	35	33	29	-4
West Africa/East	260	60	54	48	-6

Sources: Argus and OPEC.

Suezmax

Suezmax spot rates showed an improvement in December, rising by 7%, m-o-m. However, they were still lower by 17%, y-o-y.

On the West Africa-to-USGC route, spot freight rates in December averaged WS79, representing an increase of 5%, m-o-m. Spot rates were still 17% lower compared with the same month in 2023. Rates on the USGC-to-Europe route showed a larger increase, rising 9% to average WS71. Compared with the same month in 2023, rates were also 17% lower.

Table 7 - 4: Dirty Suezmax spot tanker freight rates, WS

Suezmax	Size *1,000 DWT*	Oct 24	Nov 24	Dec 24	*Change* Dec 24/Nov 24
West Africa/US Gulf Coast	130-135	91	75	79	4
US Gulf Coast/ Europe	150	87	65	71	6

Sources: Argus and OPEC.

Aframax

Aframax spot freight rates showed an improved performance in December after the previous month's decline. On average, rates were up 14%, m-o-m, while y-o-y spot rates were just 3% lower than in the same month of 2023.

Table 7 - 5: Dirty Aframax spot tanker freight rates, WS

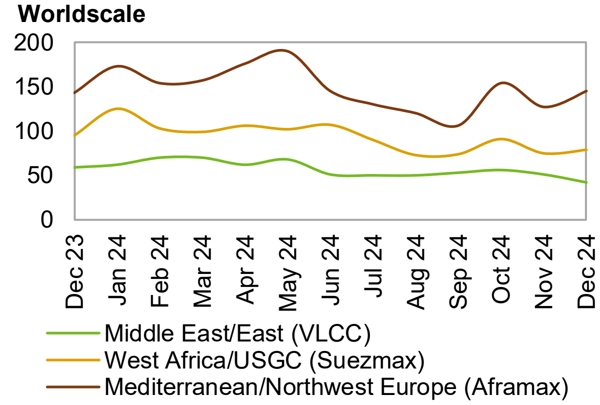
Aframax	Size *1,000 DWT*	Oct 24	Nov 24	Dec 24	*Change* Dec 24/Nov 24
Indonesia/East	80-85	152	134	121	-13
Caribbean/US East Coast	80-85	168	111	158	47
Mediterranean/Mediterranean	80-85	157	128	148	20
Mediterranean/Northwest Europe	80-85	154	127	145	18

Sources: Argus and OPEC.

Rates on the Indonesia-to-East route were the only monitored route to register a decline, m-o-m. Rates dropped 10% from the previous month's levels to an average WS121 in December. Y-o-y, spot rates on the route were down 24%.

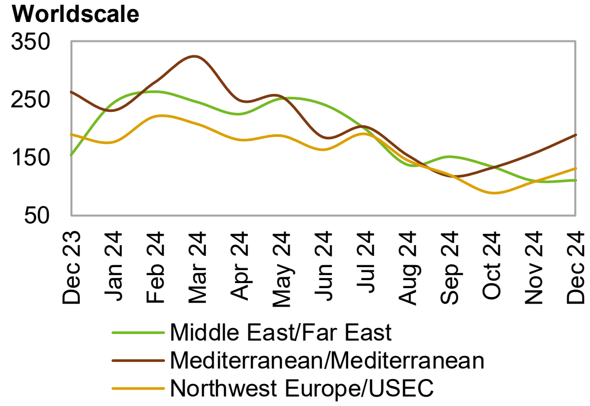
Spot rates on the Caribbean-to-USEC route jumped 42%, m-o-m, to average WS158 in December, largely erasing the previous month's decline. Rates were 17% higher than the same month last year. Cross-Med spot freight rates rose 16%, m-o-m, to average WS148. Compared with the same month last year, spot rates on the route were slightly lower, down 2%. Rates on the Med-to-Northwest Europe (NWE) route averaged WS145, representing an increase of 14%, m-o-m. Compared with the same month in 2023, rates were 1% higher.

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



Sources: Argus and OPEC.

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



Sources: Argus and OPEC.

Clean tanker freight rates

Clean spot freight rates improved, m-o-m, across all monitored routes in December. East of Suez rates rose a marginal 1% on average, while West of Suez rates rose 20%. Compared to the previous year, East of Suez rates were down 27% and West of Suez rates were 28% lower.

Table 7 - 6: Clean spot tanker freight rates, WS

East of Suez	Size *1,000 DWT*	Oct 24	Nov 24	Dec 24	*Change* Dec 24/Nov 24
Middle East/East	30-35	134	109	110	1
Singapore/East	30-35	150	133	135	2
West of Suez					
Northwest Europe/US East Coast	33-37	89	108	131	23
Mediterranean/Mediterranean	30-35	132	157	189	32
Mediterranean/Northwest Europe	30-35	142	167	199	32

Sources: Argus and OPEC.

Rates on the Middle East-to-East route edged 1% higher, m-o-m, to average WS110 in December. Compared with the same month in 2023, rates were 29% lower. Clean spot freight rates on the Singapore-to-East route also saw a gradual increase, up 2%, m-o-m. Rates on the route averaged WS135, representing a 26% decline compared with the same month in 2023.

Rates in the Atlantic basin fared better, with spot freight rates on the NWE-to-USEC route up 21%, m-o-m. Rates averaged WS131, which represents a drop of 31% compared with December 2023. Rates around the Mediterranean showed similar gains, m-o-m. Rates on the Cross-Med route were up 20%, m-o-m, to average WS189 but were 28% lower, y-o-y. Rates on the Med-to-NWE route increased 19%, m-o-m, but were 27% lower, y-o-y, averaging WS199.

Crude and Refined Products Trade

Available data for December shows US crude imports dropping back somewhat from the strong performance of the previous month to average 6.5 mb/d. US crude exports slipped below 4 mb/d. US product imports averaged just under 1.7 mb/d, while exports hit a record high of 7.0 mb/d, according to estimates based on weekly data.

Preliminary estimates for OECD Europe indicate crude imports in December were lower both m-o-m and y-o-y, as higher inflows from South America were outpaced by declines in imports from Africa. Product imports into OECD Europe also declined m-o-m with declines across all major products.

In December, Japan's crude imports rose by 11%, m-o-m, recovering from a weak performance in the previous month. Japan's product imports marked a 10-month high, following a rise of 12%, m-o-m, as gains in naphtha and LPG outweighed lower gasoline imports.

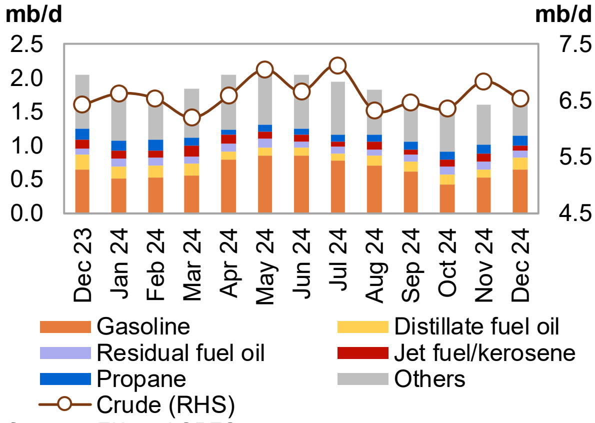
Crude imports into China showed a sharp improvement, surging to a 13-month high of 11.8 mb/d in December. Despite the strong gains, year-to-date numbers were still indicating a muted performance in 2024. Product imports fell to a nine-month low, while gains in product exports outpaced the previous month's sharp decline to mark a five-month high.

India's crude imports were unchanged, m-o-m, in December, averaging 4.7 mb/d. This represents a 3% increase, y-o-y. India's product exports partially recovered from the previous month's decline, gaining almost 9% in December. Product imports were up 3%.

US

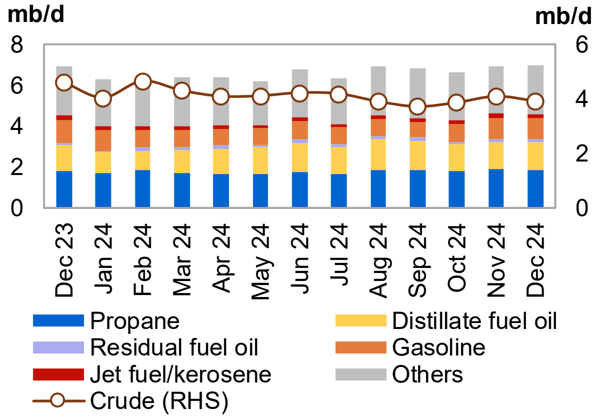
US crude imports reversed some of the previous month's gains, dropping 0.3 mb/d, or about 5%, m-o-m, to average 6.5 mb/d in December. According to preliminary EIA weekly data, the decline was driven by lower flows from Saudi Arabia and Ecuador, which were partly offset by high imports from Mexico and Canada. Compared with the same month last year, crude imports rose 0.1 mb/d, or about 2%.

Graph 8 - 1: US imports of crude and products



Sources: EIA and OPEC.

Graph 8 - 2: US exports of crude and products



Sources: EIA and OPEC.

US crude exports in December slipped below 4 mb/d, according to estimates based on available weekly data. US crude outflows averaged 3.9 mb/d, representing a decline of 0.2 mb/d, or 4%, m-o-m. According to tanker tracking data, the increase in flows was driven by Asia – specifically China and India – as exports to Europe remained steady at high levels. Y-o-y, crude outflows dropped 0.7 mb/d, or about 15%.

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

US	Oct 24	Nov 24	Dec 24	*Change* Dec 24/Nov 24
Crude oil	2.49	2.74	2.61	-0.14
Total products	-5.13	-5.35	-5.33	0.02
Total crude and products	**-2.64**	**-2.61**	**-2.73**	**-0.12**

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

In December, US net crude imports averaged 2.6 mb/d, down from 2.7 mb/d in November. In the same month last year, US net crude imports averaged 1.8 mb/d.

On the products side, imports in December edged higher, up 70 tb/d, or 4%, m-o-m, to reach a seven-month high of 1.7 mb/d. Gasoline led gains, rising by more than 0.1 mb/d, offsetting a 47 tb/d decline in jet fuel. Compared with the same month of 2023, product inflows were down 0.4 mb/d, or about 18%.

Product exports moved up slightly to set a record high, according to estimates based on weekly data, and thus subject to revision. Inflows averaged 7.0 mb/d, following a 54 tb/d, or less than 1%, m-o-m, increase. Gains in distillate fuel exports were offset by declines in outflows of propane/propylene, fuel oil and jet fuel. Compared with the same month last year, product exports were up 67 tb/d, or 1%.

As a result, net product exports averaged 5.3 mb/d in December, compared with 5.4 mb/d the previous month and 4.9 mb/d in December 2023. Net product exports have remained above 5.1 mb/d since August 2024. Combined net crude and product exports averaged 2.7 mb/d in December, compared to 2.6 mb/d the month before and 3.1 mb/d in December 2023.

OECD Europe

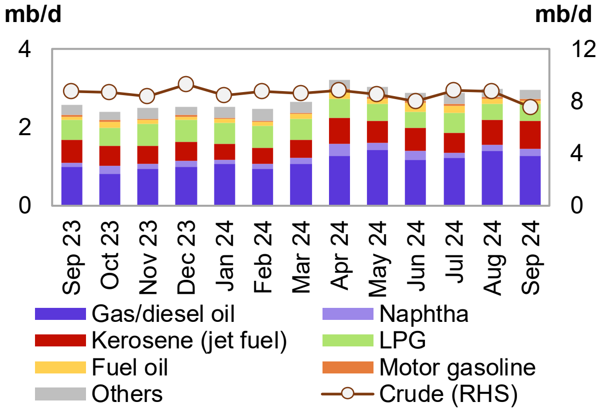
The latest official data for OECD Europe shows that crude imports fell sharply in September, amid a heavy maintenance season. Crude imports into OECD Europe averaged 7.5 mb/d for the month, down 1.2 mb/d, m-o-m, or almost 14%. This was the lowest since June 2020. Crude imports were down 1.2 mb/d, or 14%, compared to the same month last year.

In terms of import sources from outside the region, the US provided the highest contribution in September with 1.7 mb/d, up from 1.6 mb/d the month before. Kazakhstan was second with 0.9 mb/d, followed by Iraq with 0.5 mb/d.

Crude exports averaged 119 tb/d in September, compared to 60 tb/d the month before. In the same month last year, crude outflows averaged 30 tb/d. China was the top destination for crude exports from the OECD Europe region in September, taking in around 67 tb/d, followed by Türkiye with 58 mb/d.

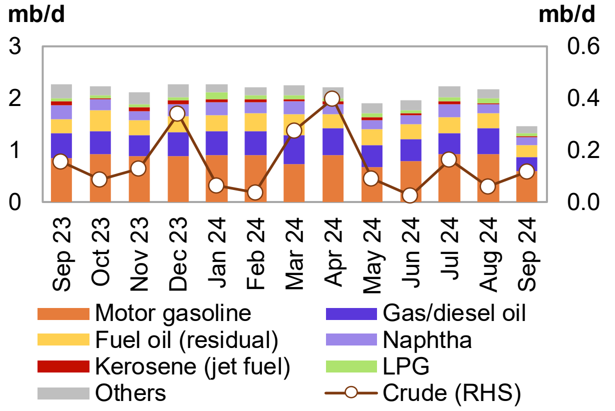
Net crude imports averaged 7.4 mb/d in September, down from 8.6 mb/d in the previous month. Net crude imports averaged 8.6 mb/d in September 2023.

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 were broadly unchanged m-o-m in September, continuing to average just under 3.0 mb/d. Compared with September 2023, product inflows were up 382 tb/d, or 15%.

Product exports averaged 1.5 mb/d in September, reflecting a decline of 709 tb/d, or 33%, m-o-m. Compared with the same month last year, product exports were down 803 tb/d, or 35%.

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

OECD Europe	Jul 24	Aug 24	Sep 24	*Change* Sep 24/Aug 24
Crude oil	8.66	8.68	7.42	-1.26
Total products	0.65	0.82	1.50	0.68
Total crude and products	**9.31**	**9.50**	**8.92**	**-0.58**

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

Sources: IEA and OPEC.

Net product imports averaged 1.5 mb/d in September, compared with 818 tb/d the month before and 312 tb/d in September 2023. Combined, net crude and product imports averaged 8.9 mb/d in September, down from 9.5 mb/d the month before and 8.9 mb/d in September 2023.

Japan

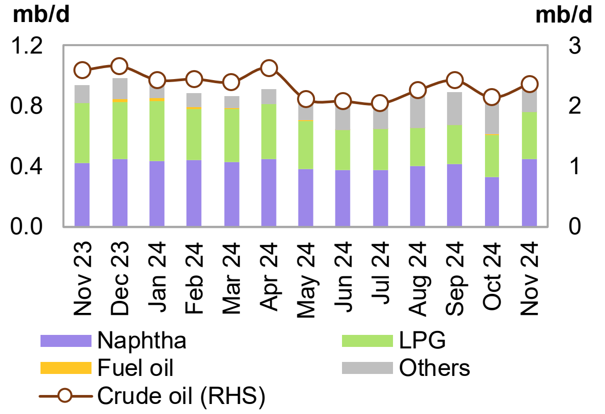
Japan's crude imports increased in November, after a weak performance the month before. In November, crude inflows averaged 2.4 mb/d, representing a gain of 226 tb/d, or almost 11%, m-o-m. Compared to the same period last year, crude imports were down 223 tb/d, or almost 9%.

In terms of crude imports by source, Saudi Arabia moved into the top spot in November, with a share of 44%, up from 42% the month before. The United Arab Emirates was second with around 38%, followed by Kuwait with 7%.

Product imports, including LPG, also rose compared to the previous month, increasing 103 tb/d, or about 12%, m-o-m, to average 933 tb/d in November. Gains in naphtha, kerosene and LPG outweighed lesser declines in gasoline, as product consumption shifted toward the winter season. Compared with November 2023, product inflows were marginally unchanged, edging down by less than 1%.

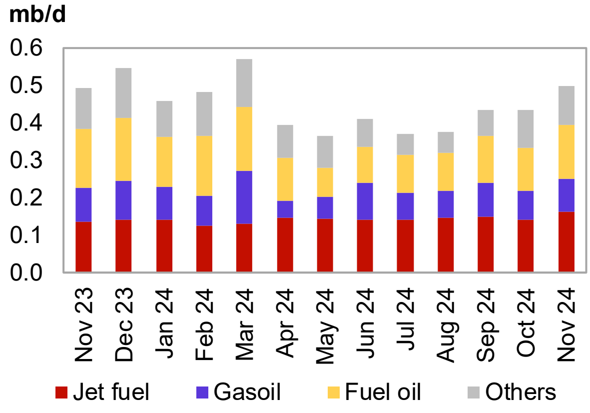
Product exports, including LPG, increased over the previous month in November to average 496 tb/d. Gains were driven by fuel oil, jet fuel, gasoline and gasoil. Product outflows were broadly in line with the same month last year, up by less than 1%.

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.

Consequently, Japan's net product imports, including LPG, averaged 436 tb/d in November. This compares with 396 tb/d the month before and 448 tb/d in November 2023.

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

Japan	Sep 24	Oct 24	Nov 24	*Change* Nov 24/Oct 24
Crude oil	2.42	2.14	2.37	0.23
Total products	0.46	0.40	0.44	0.04
Total crude and products	**2.88**	**2.54**	**2.80**	**0.27**

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

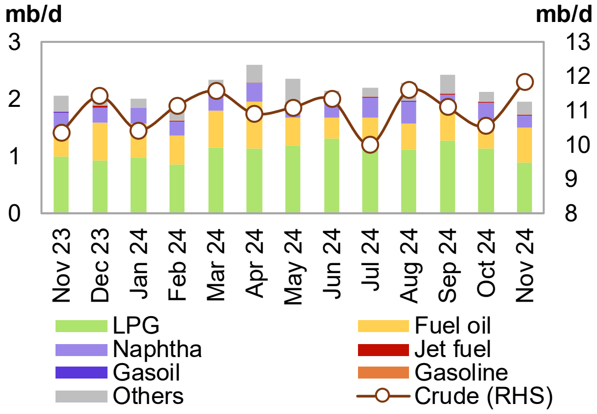
Sources: METI and OPEC.

China

China's crude imports saw a strong surge in November to average 11.8 mb/d. This represents a jump of 1.3 mb/d, or 12%, m-o-m. Compared to the same month last year, crude imports were 1.5 mb/d or over 14% higher. Recently released, preliminary customs data shows China crude imports averaging 11.3 mb/d in December.

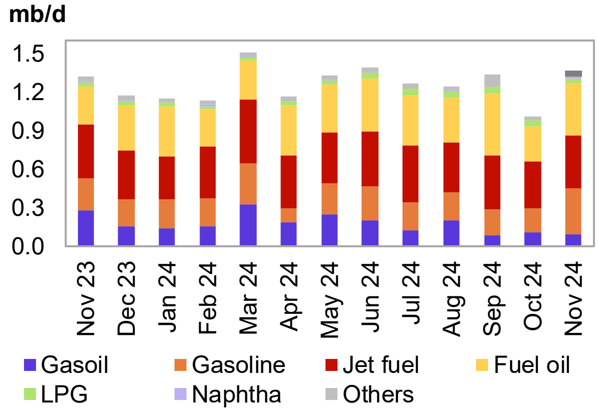
In terms of crude imports by source, Russia remained at the top spot in November with close to 18%, down from 22% in the previous month. Despite the overall increase in imports, inflows from Russia fell 9%, m-o-m. Saudi Arabia was second with 14%, up by more than 24% from the previous month, followed by Malaysia with almost 14%, down from 17% in October.

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 imports, including LPG, fell below 2 mb/d for the first time in nine months, as inflows averaged 1.95 mb/d in November. This represents a drop of 171 tb/d, m-o-m, or 8%. Declines were led by LPG, which came down from a strong performance the month before, as well as the other products category, offsetting increased inflows of fuel oil. Compared to the same period in 2023, product imports were down 105 tb/d, or 5%.

Product exports, including LPG, jumped by 354 tb/d, or about 35%, m-o-m, to average 1.4 mb/d in November, recovering from the weak performance seen the month before. Gasoline exports almost doubled, while fuel oil outflows were also sharply higher. Jet fuel outflows also increased. Compared to the same month in 2023, product exports rose 44 tb/d, or 3%.

Net product imports averaged 585 tb/d in November, down sharply from the previous month's average of 1.1 mb/d. In the same month last year, net product imports averaged 734 tb/d in the same month last year.

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

China	Sep 24	Oct 24	Nov 24	Change Nov 24/Oct 24
Crude oil	11.04	10.51	11.78	1.27
Total products	1.08	1.11	0.58	-0.53
Total crude and products	**12.12**	**11.62**	**12.36**	**0.75**

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

Sources: GACC and OPEC.

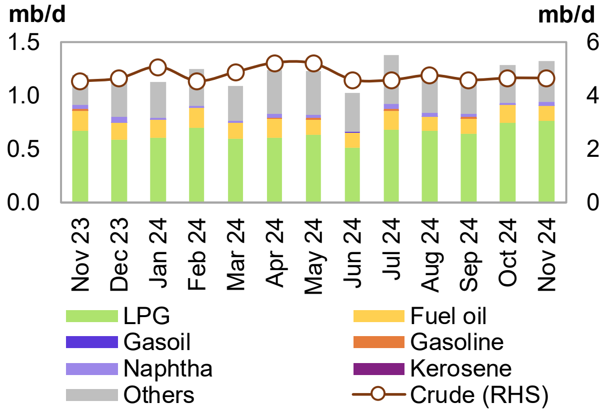
India

India's crude imports in November averaged 4.7 mb/d for the second month in a row, unchanged from October. Compared with the same month last year, crude imports were 117 tb/d, or about 3% higher, y-o-y.

In terms of crude imports by source, Vortexa data shows Russia had a 38% share of India's total crude imports in November, down from 40% in the previous month. Iraq was second with 19%, followed by Saudi Arabia with 13%.

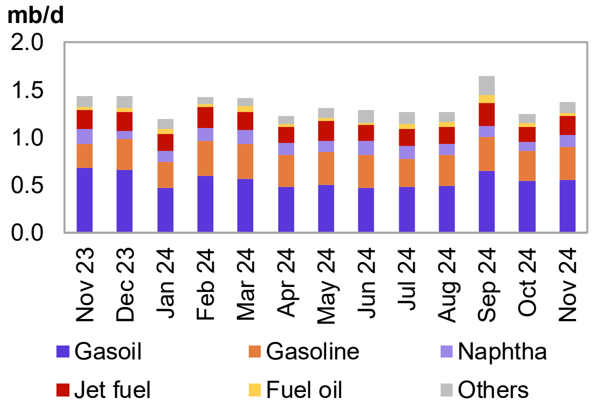
For products, imports increased by 42 tb/d, or about 3%, m-o-m, to 1.3 mb/d. Gains were driven by other products – typically bitumen for India – signally a return to road building following the end of the monsoon season. LPG and naphtha inflows also increased. Y-o-y, product imports were 136 tb/d, or 11%, higher.

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



Sources: PPAC and OPEC.

Graph 8 - 10: India's exports of products



Sources: PPAC and OPEC.

Product exports increased for the second month in a row in November. Outflows rose 123 tb/d, or almost 10%, m-o-m, to an average of almost 1.4 mb/d, representing an eight-month high. Exports of gasoline and naphtha drove the increase. Compared to November 2023, product exports fell 61 tb/d, or 4%.

India slipped back into being a net product exporter, with net exports averaging 49 tb/d in November 2024, compared with net imports of 31 tb/d the month before and net exports of 246 tb/d in November 2023.

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

India	Sep 24	Oct 24	Nov 24	Change Nov 24/Oct 24
Crude oil	4.58	4.65	4.65	0.00
Total products	-0.55	0.03	-0.05	-0.08
Total crude and products	**4.04**	**4.69**	**4.60**	**-0.08**

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

India data table does not include information for crude import and product export by Reliance Industries.

Sources: PPAC and OPEC.

Eurasia

Total crude oil exports from Russia and Central Asia averaged 6.4 mb/d in November. This represents a decline of around 78 tb/d, or 1%, m-o-m. Declines across the Transneft system were partially offset by higher flows from CPC and BTC pipelines. Compared to the same month in 2023, outflows were down 45 tb/d or about 7%.

Crude exports through the Transneft system declined 277 tb/d, or about 7%, m-o-m, in November, to average 3.8 mb/d. Exports were broadly in line with levels seen in the same month of 2023. Exports through Novorossiysk declined 42 tb/d, or 8%, m-o-m, to average 488 tb/d. Crude exports from Baltic Sea ports dropped 138 tb/d, or more than 8%, m-o-m, to average 1.5 mb/d. Within the Baltic Sea region, flows from Primorsk fell by 180 tb/d, or 18%, m-o-m, to average 803 tb/d. In contrast, exports from Ust-Luga rose 42 tb/d, or about 6%, m-o-m, to average 738 tb/d.

Shipments via the Druzhba pipeline edged lower in November, down 7 tb/d to average 313 tb/d. Compared to the same month of 2023, exports via the pipeline experienced a slight increase of 15 tb/d, or 5%. Exports to inland China via the ESPO pipeline remained around 630 tb/d in November. This is 36 tb/d, or 6%, higher than in November 2023. Exports from the Pacific port of Kozmino dropped 92 tb/d, or about 10%, m-o-m, to average 863 tb/d. Compared to the same month last year, export flows via the port were about 1% higher.

In the Lukoil system, exports via the Varandey offshore platform in the Barents Sea declined in November. M-o-m, exports fell by 11 tb/d, or 11%, to average 92 tb/d. This was a drop of 13 tb/d, or about 12%, from the same month last year.

On other routes, exports from Russia's Far East port Aniva Bay slipped 2 tb/d, or about 3%, m-o-m, while De Kastri averaged about 7 tb/d, or 4%, higher over the same period. Combined, the two ports exported 240 tb/d of crude on average in November.

Central Asian exports averaged 232 tb/d in November, representing an increase of 4 tb/d, or about 2%, m-o-m, compared to the previous month, and a gain of 11 tb/d, or 5%, compared with the same month of 2023.

Total Black Sea exports from the CPC terminal rebounded from a low in October, increasing by 140 tb/d, or around 12%, m-o-m. However, exports were still 46 tb/d, or 3%, lower compared with the same month last year. Exports via the BTC pipeline in November were up 62 tb/d, or about 10%, m-o-m, to average 656 tb/d. This was a gain of 45 tb/d, or about 7%, compared with the same month last year.

Total product exports from Russia and Central Asia increased by 42 tb/d, or 2%, m-o-m, to average 2.2 mb/d in November. Gains were mainly due to gasoil, offsetting a strong decline in fuel oil exports. Y-o-y, total product exports were down 365 tb/d, or 14%, amid lower outflows of gasoil and gasoline.

Commercial Stock Movements

Preliminary November 2024 data shows total OECD commercial oil stocks down by 8.4 mb, m-o-m. At 2,770 mb, they were 19.3 mb lower than the same time a year ago, 97.7 mb less than the latest five-year average, and 171.5 mb below the 2015–2019 average.

OECD commercial crude stocks stood at 1,313 mb. This is 43.0 mb lower than the same time a year ago, 71.9 mb below the latest five-year average, and 137.3 mb less than the 2015–2019 average.

OECD total product stocks stood at 1,457 mb. This is 23.7 mb higher than the same time a year ago, but 25.8 mb less than the latest five-year average, and 34.2 mb below the 2015–2019 average.

In terms of days of forward cover, OECD commercial stocks rose by 0.1 days, m-o-m, in November to stand at 60.9 days. This is 0.9 days lower than the level registered in November 2023, 3.0 days less than the latest five-year average, and 1.3 days less than the 2015–2019 average.

OECD

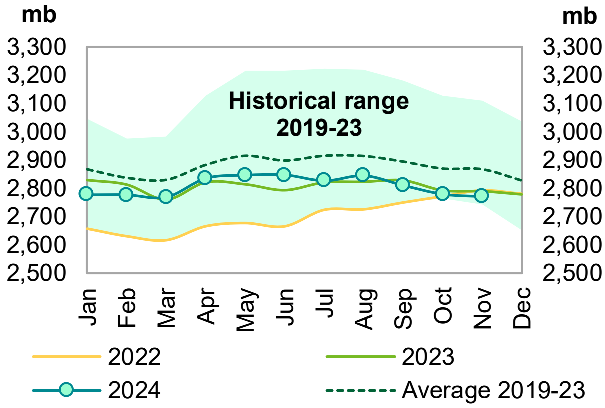
Preliminary November 2024 data shows total OECD commercial oil stocks down by 8.4 mb, m-o-m. At 2,770 mb, they were 19.3 mb lower than the same time a year ago, 97.7 mb less than the latest five-year average, and 171.5 mb below the 2015–2019 average.

Within the components, crude and products stocks fell by 3.1 mb and 5.2 mb, m-o-m, respectively.

Within the OECD regions, in November, total commercial oil stocks rose in OECD Europe, while they fell in OECD Asia Pacific and OECD Americas.

OECD commercial crude stocks fell by 3.1 mb, m-o-m, ending November at 1,313 mb. This was 43.0 mb lower than the same time a year ago, 71.9 mb below the latest five-year average, and 137.3 mb less than the 2015–2019 average.

Graph 9 - 1: OECD commercial oil stocks



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

Within the OECD regions, OECD Asia Pacific saw a crude stock draw of 2.2 mb, m-o-m, while crude stocks in OECD Americas and OECD Europe decreased by 0.3 mb and 0.7 mb, m-o-m, respectively.

OECD total product stocks also fell by 5.2 mb, m-o-m, in November to stand at 1,457 mb. This is 23.7 mb higher than the same time a year ago, but 25.8 mb less than the latest five-year average, and 34.2 mb below the 2015–2019 average.

Within the OECD regions, product stocks in OECD America and OECD Asia Pacific witnessed a drop of 12.4 mb and 0.5 mb, m-o-m, respectively. OECD Europe product stocks rose by 7.7 mb, m-o-m.

Table 9 - 1: OECD commercial stocks, mb

OECD stocks	Nov 23	Sep 24	Oct 24	Nov 24	*Change* Nov 24/Oct 24
Crude oil	1,356	1,309	1,316	1,313	*-3.1*
Products	1,433	1,500	1,462	1,457	*-5.2*
Total	**2,789**	**2,809**	**2,778**	**2,770**	***-8.4***
Days of forward cover	**61.8**	**60.6**	**60.8**	**60.9**	***0.1***

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

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

In terms of days of forward cover, OECD commercial stocks rose by 0.1 days, m-o-m, in November to stand at 60.9 days. This is 0.9 days lower than the level registered in November 2023, 3.0 days less than the latest five-year average, and 1.3 days less than the 2015–2019 average.

Within the OECD regions, OECD Americas stood at 3.5 days and OECD Europe at 2.7 days below the latest five-year average, standing at 60.8 days and 70.9 days, respectively. OECD Asia Pacific was 2.4 days lower than the latest five-year average, standing at 44.8 days.

OECD Americas

OECD Americas' total commercial stocks fell in November by 12.6 mb, m-o-m, to settle at 1,501 mb. This is 32.0 mb lower than the same month in 2023, and 42.1 mb below the latest five-year average.

Commercial crude oil stocks in OECD Americas decreased in November by 0.3 mb, m-o-m, to stand at 737 mb, which is 34.4 mb lower than in November 2023 and 33.4 mb below the latest five-year average.

Total product stocks in OECD Americas also fell by 12.4 mb, m-o-m, in November to stand at 764 mb. This is 2.4 mb higher than the same month in 2023, but 8.7 mb below the latest five-year average. Higher consumption in the region was behind the product stock draw.

OECD Europe

OECD Europe's total commercial stocks rose in November by 7.0 mb, m-o-m, to settle at 919 mb. This is 20.1 mb higher than the same month in 2023, but 31.4 mb below the latest five-year average.

OECD Europe's commercial crude stocks fell by 0.7 mb, m-o-m, to end November at 402 mb. This is 0.8 mb less than one year ago and 17.1 mb lower than the latest five-year average.

By contrast, total product stocks rose by 7.7 mb, m-o-m, to end November at 517 mb. This is 21.0 mb higher than the same time a year ago, but 14.4 mb below the latest five-year average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks dropped in November by 2.7 mb, m-o-m, to stand at 350 mb. This is 7.4 mb lower than the same time a year ago, and 24.2 mb below the latest five-year average.

OECD Asia Pacific's crude stocks fell by 2.2 mb, m-o-m, to end November at 174 mb. This is 7.7 mb lower than one year ago, and 21.5 mb below the latest five-year average.

Asia Pacific's total product stocks also went down by 0.5 mb, m-o-m, to end November at 176 mb. This is 0.3 mb higher than one year ago at the same time, but 2.8 mb below the latest five-year average.

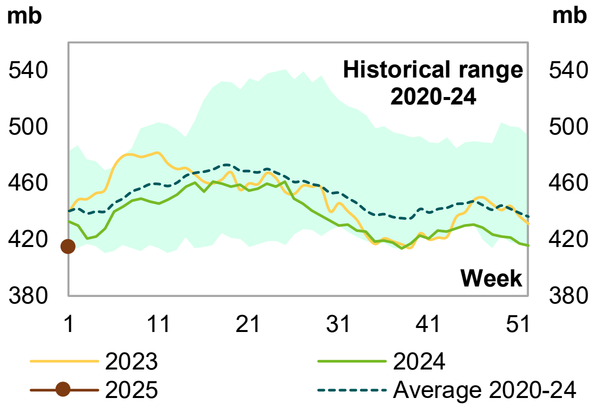
US

Preliminary data for December 2024 shows that total US commercial oil stocks fell by 2.5 mb, m-o-m, to stand at 1,235 mb. This is 16.6 mb, or 1.3%, lower than the same month in 2023, and 24.8 mb, or 2.0%, below the latest five-year average. Crude stocks fell by 8.7 mb, while product stocks rose by 6.2 mb, m-o-m.

US commercial crude stocks in December stood at 414.6 mb. This is 11.8 mb, or 2.8%, lower than the same month in 2023, and 24.6 mb, or 5.6%, below the latest five-year average. The monthly stock draw came on the back of higher crude runs, which increased by around 210 tb/d, m-o-m, to average 16.95 mb/d in December.

By contrast, total product stocks rose in December to stand at 820.2 mb. This is 4.8 mb, or 0.6%, less than in December 2023, and 0.2 mb lower than the latest five-year average. The product stock build can be attributed to lower product consumption.

Graph 9 - 2: US weekly commercial crude oil inventories



Sources: EIA and OPEC.

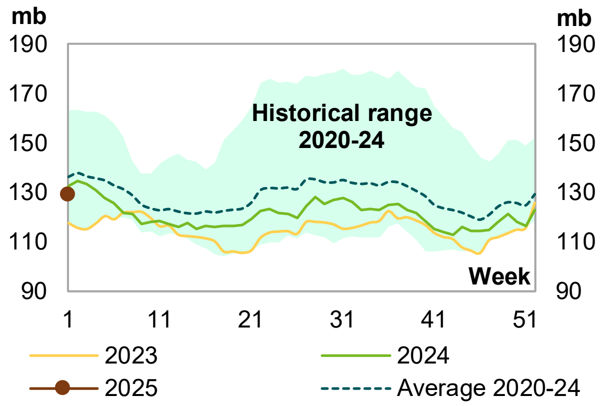
Gasoline stocks rose in December by 23.1 mb, m-o-m, to settle at 237.7 mb. This is 3.0 mb, or 1.2%, lower than the same month in 2023, and 1.2 mb, or 0.5%, below the latest five-year average.

Distillate stocks in December also increased by 10.8 mb, m-o-m, to stand at 128.9 mb. This is 1.5 mb, or 1.2%, lower than the same month in 2023 and 7.2 mb, or 5.3%, below the latest five-year average.

Residual fuel oil stocks in December went up by 1.4 mb, m-o-m. At 24.4 mb, they were 0.3 mb, or 1.2%, higher than a year earlier, but 3.9 mb, or 13.7%, below the latest five-year average.

Jet fuel stocks remained unchanged, m-o-m, ending December at 41.6 mb. This is 1.8 mb, or 4.7%, higher than the same month in 2023, and 3.7 mb, or 9.7%, above the latest five-year average.

Graph 9 - 3: US weekly distillate inventories



Sources: EIA and OPEC.

Table 9 - 2: US commercial petroleum stocks, mb

US stocks	Dec 23	Oct 24	Nov 24	Dec 24	*Change* Dec 24/Nov 24
Crude oil	**426.5**	**423.6**	**423.4**	**414.6**	***-8.7***
Gasoline	240.7	213.2	214.6	237.7	*23.1*
Distillate fuel	130.5	117.9	118.1	128.9	*10.8*
Residual fuel oil	24.1	23.9	23.0	24.4	*1.4*
Jet fuel	39.8	43.6	41.7	41.6	*0.0*
Total products	**824.9**	**826.5**	**813.9**	**820.2**	***6.2***
Total	**1,251.4**	**1,250.1**	**1,237.3**	**1,234.8**	***-2.5***
SPR	**354.7**	**387.2**	**391.8**	**393.8**	***2.0***

Sources: EIA and OPEC.

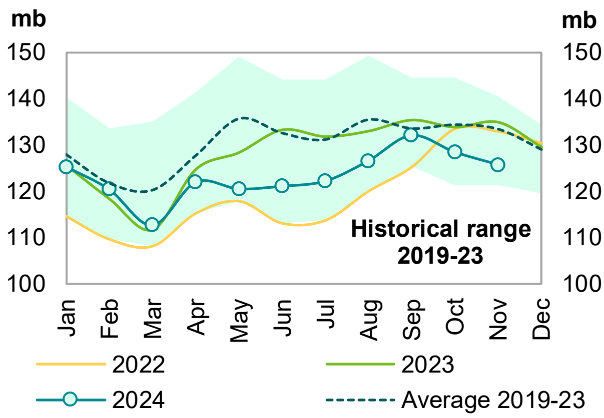
Japan

In Japan, total commercial oil stocks in November 2024 fell by 2.7 mb, m-o-m, to settle at 125.7 mb. This is 9.1 mb, or 6.8%, lower than the same month in 2023 and 7.6 mb, or 5.7%, below the latest five-year average. Crude and products stocks fell by 2.2 mb and 0.5 mb, m-o-m, respectively.

Japanese commercial crude oil stocks fell in November by 2.2 mb, m-o-m, to stand at 61.9 mb. This is 10.4 mb, or 14.4%, lower than the same month in 2023 and 6.5 mb, or 9.6%, below the latest five-year average. The drop in crude oil stocks could be attributed to higher crude runs, which increased by around 1.3%, m-o-m, to stand at 2.44 mb/d.

Gasoline stocks rose by 0.1 mb, m-o-m, to stand at 10.8 mb in November. This is 0.3 mb or 3.2% higher than a year earlier at the same period, but 0.3 mb, or 2.5%, below the latest five-year average. The build in gasoline stocks came on the back of higher output, which increased in November, m-o-m, by 2.8%. Higher imports, which rose by 10.6%, m-o-m, also supported the build in gasoline stocks.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

By contrast, middle distillate stocks fell by 0.7 mb, m-o-m, to end November at 31.0 mb. This is in line with the same month in 2023, but 1.3 mb, or 3.9%, lower than the latest five-year average. Within the distillate components, jet fuel and kerosene stocks went down by 11.7% and 1.6%, respectively, while gasoil stocks rose by 2.7%, m-o-m.

Total residual fuel oil stocks also went down, m-o-m, by 0.9 mb to end November at 12.3 mb. This is in line with the same month in 2023, but 0.2 mb, or 1.4%, below the latest five-year average. Within the components, fuel oil A stocks rose by 0.9%, while fuel oil B.C fell by 10.8%, m-o-m.

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

Japan's stocks	Nov 23	Sep 24	Oct 24	Nov 24	Change Nov 24/Oct 24
Crude oil	**72.3**	**69.9**	**64.1**	**61.9**	**-2.2**
Gasoline	10.4	10.0	10.7	10.8	*0.1*
Naphtha	8.7	9.5	8.7	9.7	*1.0*
Middle distillates	31.0	30.4	31.8	31.0	*-0.7*
Residual fuel oil	12.4	12.2	13.2	12.3	*-0.9*
Total products	**62.5**	**62.1**	**64.3**	**63.8**	**-0.5**
Total**	**134.9**	**132.0**	**128.4**	**125.7**	**-2.7**

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

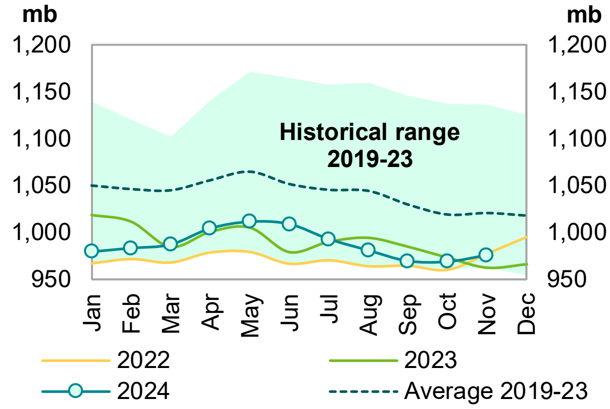
Sources: METI and OPEC.

EU-14 plus UK and Norway

Preliminary data for November 2024 showed that total European oil stocks rose by 7.0 mb, m-o-m, to stand at 975.3 mb. At this level, they were 13.3 mb or 1.4% higher than the same month in 2023, but 45.3 mb, or 4.4%, beneath the latest five-year average. Crude stocks fell by 0.7 mb, while product stocks rose by 7.7 mb, m-o-m.

European crude stocks stood at 390.6 mb in November. This is 5.8 mb, or 1.5%, lower than the same month in 2023 and 25.1 mb, or 6.0%, 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 540 tb/d, m-o-m, to stand at 9.87 mb/d.

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



Sources: OilX and OPEC.

By contrast, total European product stocks rose by 7.7 mb, m-o-m, to end November at 584.7 mb. This is 19.1 mb, or 3.4%, higher than the same month in 2023, but 20.2 mb, or 3.3%, below the latest five-year average. The stock build can be attributed to lower demand in the region.

Gasoline stocks rose in November by 2.2 mb, m-o-m, to stand at 105.0 mb, which is 0.8 mb, or 0.8%, higher than the same time in 2023, but 6.5 mb, or 5.9%, lower than the latest five-year average.

Middle distillate stocks increased in November by 1.8 mb, m-o-m, to stand at 390.5 mb. This is 21.0 mb, or 5.7%, higher than the same month in 2023, but 12.8 mb, or 3.2%, lower than the latest five-year average.

Residual fuel stocks in November also were up by 2.2 mb, m-o-m, to stand at 57.3 mb. This is 3.1 mb or 5.2% less than the same month in 2023, and 4.6 mb, or 7.4%, below the latest five-year average.

Naphtha stocks also rose in November by 1.4 mb, m-o-m, ending the month at 31.9 mb. This is 0.4 mb, or 1.3%, higher than the same month in 2023, and 3.7 mb, or 13.0%, above the latest five-year average.

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

EU stocks	Nov 23	Sep 24	Oct 24	Nov 24	Change Nov 24/Oct 24
Crude oil	**396.4**	**387.2**	**391.3**	**390.6**	**-0.7**
Gasoline	104.2	102.9	102.8	105.0	*2.2*
Naphtha	31.5	31.3	30.6	31.9	*1.4*
Middle distillates	369.4	393.1	388.6	390.5	*1.8*
Fuel oils	60.5	54.7	55.1	57.3	*2.2*
Total products	**565.6**	**582.0**	**577.1**	**584.7**	**7.7**
Total	**962.1**	**969.2**	**968.4**	**975.3**	**7.0**

Sources: OilX and OPEC.

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

Singapore

In November, total product stocks in Singapore rose by 5.3 mb, m-o-m, to stand at 43.0 mb. This is 2.8 mb, or 6.9%, higher than the same month in 2023, but 1.1 mb, or 2.4%, less than the latest five-year average.

Light distillate stocks rose in November by 1.4 mb, m-o-m, to stand at 13.6 mb. This is 1.8 mb or 15.3% higher than the same month in 2023, and 1.2 mb or 9.8% above the latest five-year average.

Middle distillate stocks also increased in November by 0.9 mb, m-o-m, to stand at 10.3 mb. This is 1.3 mb, or 14.8%, higher than in November 2023, but they are in line with the latest five-year average.

Residual fuel oil stocks went up by 3.0 mb, m-o-m, ending November at 19.0 mb. This is 0.4 mb, or 1.9%, lower than in November 2023, and 2.3 mb, or 10.8%, below the latest five-year average.

ARA

Total product stocks in ARA in November rose by 1.4 mb, m-o-m. At 47.1 mb, they were 7.0 mb, or 17.5%, above the same month in 2023, and 6.3 mb, or 15.6%, higher than the latest five-year average.

Gasoline stocks rose by 0.8 mb, m-o-m, ending November at 10.1 mb. This is 1.0 mb, or 9.1%, lower than in November 2023, but 0.7 mb, or 7.1%, higher than the latest five-year average.

Gasoil stocks in November rose by 0.9 mb, m-o-m, to stand at 16.6 mb. This is 3.6 mb, or 27.4%, higher than the same month in 2023 and 1.6 mb, or 10.4%, above the latest five-year average.

Jet oil stocks also went up by 0.5 mb, m-o-m, to stand at 7.7 mb in November. This is 1.9 mb, or 32.6%, higher than the level seen in November 2023 and 1.3 mb, or 19.7%, above the latest five-year average.

By contrast, fuel oil stocks decreased in November by 0.8 mb, m-o-m, to stand at 8.0 mb. This is 0.2 mb, or 2.6%, lower than in November 2023, but 0.5 mb, or 6.4%, above the latest five-year average.

Fujairah

During the week ending 6 January, total oil product stocks in Fujairah rose by 2.07 mb, w-o-w, to stand at 17.61 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 0.63 mb lower than at the same time a year ago.

Light distillate stocks rose by 0.47 mb, w-o-w, to stand at 6.53 mb, which is 0.30 mb lower than the same time a year ago.

Middle distillate stocks also increased by 0.18 mb, w-o-w, to stand at 2.15 mb, which is 0.65 mb less than the same time last year.

Heavy distillate stocks went up by 1.42 mb, w-o-w, to stand at 8.93 mb, which is 0.32 mb higher than the same time a year ago.

Balance of Supply and Demand

Demand for DoC crude (i.e. crude from countries participating in the Declaration of Cooperation) is revised down by 0.1 mb/d from the previous assessment to stand at 42.5 mb/d in 2025. This is around 0.3 mb/d higher than the 2024 estimate.

Based on the initial world oil demand and non-DoC supply forecast for 2026, demand for DoC crude is expected to reach 42.7 mb/d, around 0.2 mb/d higher than the forecast 2025 level.

Balance of supply and demand in 2025

Demand for DoC crude

Demand for DoC crude (i.e. crude from countries participating in the DoC) in 2025 is revised down by 0.1 mb/d from the previous assessment to stand at 42.5 mb/d. This is mainly due to the historical data revisions, as growths in demand and non-DoC supply remain unchanged in 2025 compared to the last month's assessments. This is around 0.3 mb/d higher than the 2024 estimate.

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

	2024	1Q25	2Q25	3Q25	4Q25	2025	*Change 2025/24*
(a) World oil demand	**103.7**	**104.2**	**104.3**	**105.5**	**106.7**	**105.2**	***1.4***
Non-DoC liquids production	53.2	54.0	54.0	54.3	54.8	54.3	*1.1*
DoC NGL and non-conventionals	8.3	8.4	8.4	8.3	8.4	8.4	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**61.5**	**62.4**	**62.5**	**62.6**	**63.2**	**62.7**	***1.2***
Difference (a-b)	**42.3**	**41.8**	**41.9**	**42.9**	**43.5**	**42.5**	***0.3***
DoC crude oil production	**40.8**						
Balance	**-1.5**						

*Note: * 2024 = Estimate and 2025 = Forecast. Totals may not add up due to independent rounding.*

Source: OPEC.

Balance of supply and demand in 2026

Demand for DoC crude

Based on the initial world oil demand and non-DoC supply forecast for 2026, demand for DoC crude is expected to reach 42.7 mb/d, around 0.2 mb/d higher than the forecast 2025 level.

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

	2025	1Q26	2Q26	3Q26	4Q26	2026	*Change 2026/25*
(a) World oil demand	**105.2**	**105.6**	**105.7**	**107.1**	**108.0**	**106.6**	***1.4***
Non-DoC liquids production	54.3	55.2	55.0	55.4	55.9	55.4	*1.1*
DoC NGL and non-conventionals	8.4	8.5	8.5	8.5	8.6	8.5	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**62.7**	**63.6**	**63.5**	**63.9**	**64.6**	**63.9**	***1.2***
Difference (a-b)	**42.5**	**42.0**	**42.2**	**43.3**	**43.4**	**42.7**	***0.2***

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

Source: OPEC.

Appendix

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

World oil demand and supply balance	2022	2023	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026
World demand													
Americas	24.7	25.0	25.0	24.5	25.0	25.5	25.5	25.1	24.6	25.0	25.6	25.5	25.2
of which US	*20.2*	*20.4*	*20.5*	*20.0*	*20.5*	*20.7*	*20.9*	*20.5*	*20.0*	*20.5*	*20.9*	*20.9*	*20.6*
Europe	13.6	13.4	13.5	12.9	13.6	14.1	13.4	13.5	12.9	13.6	14.2	13.4	13.5
Asia Pacific	7.3	7.2	7.2	7.5	7.0	6.9	7.5	7.3	7.6	7.0	6.9	7.5	7.3
Total OECD	**45.6**	**45.6**	**45.8**	**44.9**	**45.6**	**46.5**	**46.5**	**45.9**	**45.1**	**45.7**	**46.7**	**46.5**	**46.0**
China	15.0	16.4	16.7	17.0	16.9	17.1	17.2	17.0	17.2	17.2	17.4	17.4	17.3
India	5.1	5.3	5.6	5.9	5.9	5.5	5.9	5.8	6.1	6.1	5.8	6.2	6.1
Other Asia	9.1	9.3	9.6	10.0	10.1	9.7	9.8	9.9	10.3	10.3	10.1	10.1	10.2
Latin America	6.4	6.7	6.8	6.8	6.9	7.0	7.0	6.9	6.9	7.1	7.1	7.1	7.1
Middle East	8.3	8.6	8.8	8.8	8.6	9.2	9.1	8.9	9.0	8.8	9.4	9.2	9.1
Africa	4.4	4.5	4.5	4.6	4.3	4.4	4.9	4.6	4.7	4.5	4.5	5.0	4.7
Russia	3.8	3.8	4.0	4.0	3.9	4.1	4.2	4.0	4.1	4.0	4.1	4.2	4.1
Other Eurasia	1.2	1.2	1.2	1.4	1.3	1.1	1.3	1.3	1.4	1.3	1.2	1.3	1.3
Other Europe	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.8
Total Non-OECD	**54.1**	**56.6**	**58.0**	**59.3**	**58.7**	**59.0**	**60.2**	**59.3**	**60.5**	**60.1**	**60.4**	**61.5**	**60.6**
(a) Total world demand	**99.7**	**102.2**	**103.7**	**104.2**	**104.3**	**105.5**	**106.7**	**105.2**	**105.6**	**105.7**	**107.1**	**108.0**	**106.6**
Y-o-y change	***2.5***	***2.6***	***1.5***	***1.4***	***1.4***	***1.6***	***1.4***	***1.4***	***1.4***	***1.4***	***1.6***	***1.3***	***1.4***
Non-DoC liquids production													
Americas	25.0	26.7	27.6	27.9	28.1	28.4	28.7	28.3	28.7	28.7	29.0	29.3	28.9
of which US	*19.4*	*21.0*	*21.7*	*21.8*	*22.2*	*22.3*	*22.4*	*22.2*	*22.5*	*22.7*	*22.8*	*22.9*	*22.7*
Europe	3.6	3.7	3.6	3.8	3.7	3.6	3.7	3.7	3.7	3.6	3.6	3.7	3.7
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**	**30.8**	**31.7**	**32.2**	**32.2**	**32.5**	**32.8**	**32.4**	**32.9**	**32.7**	**33.0**	**33.4**	**33.0**
China	4.4	4.5	4.6	4.6	4.6	4.5	4.5	4.6	4.6	4.6	4.5	4.5	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	1.5	1.5	1.6
Latin America	6.3	7.0	7.2	7.4	7.4	7.5	7.6	7.5	7.8	7.9	8.0	8.1	8.0
Middle East	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.1
Africa	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.4	2.3
Other Eurasia	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other Europe	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Non-OECD	**18.0**	**18.6**	**19.0**	**19.2**	**19.3**	**19.3**	**19.4**	**19.3**	**19.7**	**19.7**	**19.7**	**19.9**	**19.8**
Total Non-DoC production	47.0	49.4	50.7	51.4	51.4	51.7	52.2	51.7	52.6	52.4	52.8	53.3	52.8
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**	**51.8**	**53.2**	**54.0**	**54.0**	**54.3**	**54.8**	**54.3**	**55.2**	**55.0**	**55.4**	**55.9**	**55.4**
DoC NGLs	8.0	8.2	8.3	8.4	8.4	8.3	8.4	8.4	8.5	8.5	8.5	8.6	8.5
(b) Total Non-DoC liquids production and DoC NGLs	**57.4**	**60.1**	**61.5**	**62.4**	**62.5**	**62.6**	**63.2**	**62.7**	**63.6**	**63.5**	**63.9**	**64.6**	**63.9**
Y-o-y change	***2.0***	***2.7***	***1.4***	***1.4***	***1.1***	***1.2***	***1.0***	***1.2***	***1.3***	***1.1***	***1.2***	***1.4***	***1.2***
OPEC crude oil production (secondary sources)	27.7	27.0	26.6										
Non-OPEC DoC crude production	15.1	15.0	14.2										
DoC crude oil production	**42.8**	**42.0**	**40.8**										
Total liquids production	**100.2**	**102.0**	**102.3**										
Balance (stock change and miscellaneous)	*0.6*	*-0.2*	*-1.5*										
OECD closing stock levels, *mb*													
Commercial	2,781	2,778											
SPR	1,214	1,207											
Total	**3,995**	**3,984**											
Oil-on-water	1,546	1,438											
Days of forward consumption in OECD, *days*													
Commercial onland stocks	61	61											
SPR	27	26											
Total	**88**	**87**											
Memo items													
(a) - (b)	**42.3**	**42.1**	**42.3**	**41.8**	**41.9**	**42.9**	**43.5**	**42.5**	**42.0**	**42.2**	**43.3**	**43.4**	**42.7**

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

Source: OPEC.

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

World oil demand and supply balance	2022	2023	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026
World demand													
Americas	-	-	-	-	-	-	-	-	-	-	-	-	-
of which US	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	0.0	0.0	0.0	-0.1	-	0.0	-	-	-	-	-
Asia Pacific	-	-	0.0	-	-	-	0.1	0.0	-	-	-	-	-
Total OECD	**-**	**-**	**0.0**	**0.0**	**0.0**	**-0.1**	**0.1**	**0.0**	**-**	**-**	**-**	**-**	**-**
China	-	-	-0.1	-	-	-	-0.2	-0.1	-	-	-	-	-
India	-	-	-	-	-	-	0.0	-	-	-	-	-	-
Other Asia	-	-	0.0	0.0	-	0.0	-	0.0	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	0.0	-	0.0	-	-0.1	0.0	-	-	-	-	-
Africa	-	-	-0.1	-	-0.1	-0.1	-0.1	-0.1	-	-	-	-	-
Russia	-	-	0.0	-	0.0	0.0	0.0	0.0	-	-	-	-	-
Other Eurasia	-	-	-	-	-	-	0.0	-	-	-	-	-	-
Other Europe	-	-	-	-	-	0.0	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**-0.1**	**0.0**	**0.0**	**0.0**	**-0.3**	**-0.1**	**-**	**-**	**-**	**-**	**-**
(a) Total world demand	**-**	**-**	**-0.1**	**0.1**	**0.0**	**-0.1**	**-0.2**	**-0.1**	**-**	**-**	**-**	**-**	**-**
Y-o-y change	**-**	**-**	***-0.1***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-DoC liquids production													
Americas	-	-	0.1	0.1	0.1	0.1	0.1	0.1	-	-	-	-	-
of which US	-	-	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	-	-	-	-	-
Europe	-	-	0.0	-	-	-	-	-	-	-	-	-	-
Asia Pacific	-	-	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-
Total OECD	**-**	**-**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**-**	**-**	**-**	**-**	**-**
China	-	-	-	-	-	-	-	-	-	-	-	-	-
India	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	0.0	-	0.0	0.0	0.0	0.0	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Eurasia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**0.0**	**-**	**0.0**	**0.0**	**0.0**	**0.0**	**-**	**-**	**-**	**-**	**-**
Total Non-DoC production	-	-	0.1	0.1	0.1	0.1	0.0	0.1	-	-	-	-	-
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-DoC liquids production	**-**	**-**	**0.1**	**0.1**	**0.1**	**0.1**	**0.0**	**0.1**	**-**	**-**	**-**	**-**	**-**
DoC NGLs	-	-	0.0	-	-	-	-	-	-	-	-	-	-
(b) Total Non-DoC liquids production and DoC NGLs	**-**	**-**	**0.0**	**0.1**	**0.1**	**0.1**	**0.0**	**0.1**	**-**	**-**	**-**	**-**	**-**
Y-o-y change	**-**	**-**	***0.0***	***0.1***	***0.1***	***0.1***	***-0.2***	***0.0***	**-**	**-**	**-**	**-**	**-**
OPEC crude oil production (secondary sources)	-	-											
Non-OPEC DoC crude production	-	-											
DoC crude oil production	**-**	**-**											
Total liquids production	**-**	**-**											
Balance (stock change and miscellaneous)	-	-											
OECD closing stock levels, *mb*													
Commercial	-	-											
SPR	-	-											
Total	**-**	**-**											
Oil-on-water	-	-											
Days of forward consumption in OECD, *days*													
Commercial onland stocks	-	-											
SPR	-	-											
Total	**-**	**-**											
Memo items													
(a) - (b)	**0.0**	**0.0**	**-0.1**	**0.0**	**-0.1**	**-0.1**	**-0.3**	**-0.1**					

*Note: * This compares Table 11 - 1 in this issue of the MOMR with Table 11 - 1 in the December 2024 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	2021	2022	2023	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Closing stock levels, mb											
OECD onland commercial	**2,652**	**2,781**	**2,778**	**2,781**	**2,759**	**2,793**	**2,828**	**2,778**	**2,768**	**2,846**	**2,809**
Americas	1,470	1,492	1,518	1,492	1,489	1,513	1,539	1,518	1,499	1,552	1,528
Europe	857	936	906	936	920	921	924	906	934	949	924
Asia Pacific	325	353	353	353	351	359	365	353	334	345	357
OECD SPR	**1,484**	**1,214**	**1,207**	**1,214**	**1,217**	**1,206**	**1,209**	**1,207**	**1,219**	**1,226**	**1,235**
Americas	596	374	357	374	373	349	353	357	366	374	384
Europe	479	461	466	461	460	470	471	466	470	468	467
Asia Pacific	409	378	384	378	383	387	384	384	383	384	383
OECD total	**4,136**	**3,995**	**3,984**	**3,995**	**3,976**	**3,999**	**4,037**	**3,984**	**3,987**	**4,072**	**4,044**
Oil-on-water	**1,348**	**1,546**	**1,438**	**1,546**	**1,560**	**1,449**	**1,367**	**1,438**	**1,460**	**1,396**	**1,378**
Days of forward consumption in OECD, days											
OECD onland commercial	**58**	**61**	**61**	**62**	**61**	**61**	**62**	**62**	**61**	**61**	**61**
Americas	59	60	61	62	59	60	61	62	60	61	60
Europe	63	70	67	71	68	67	69	70	69	67	69
Asia Pacific	44	49	49	46	51	51	49	47	48	50	47
OECD SPR	**33**	**27**	**26**	**27**	**27**	**26**	**26**	**27**	**27**	**26**	**27**
Americas	24	15	14	15	15	14	14	15	15	15	15
Europe	35	34	35	35	34	34	35	36	35	33	35
Asia Pacific	56	52	53	49	56	55	52	51	55	55	51
OECD total	**93**	**96**	**95**	**89**	**87**	**87**	**88**	**89**	**88**	**88**	**87**

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

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

Non-DoC liquids production and DoC NGLs	2024	Change 24/23	1Q25	2Q25	3Q25	4Q25	2025	Change 25/24	1Q26	2Q26	3Q26	4Q26	2026	Change 26/25
US	21.7	0.7	21.8	22.2	22.3	22.4	22.2	0.5	22.5	22.7	22.8	22.9	22.7	0.5
Canada	5.9	0.2	6.1	5.9	6.1	6.2	6.1	0.2	6.2	6.0	6.2	6.4	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	27.6	1.0	27.9	28.1	28.4	28.7	28.3	0.7	28.7	28.7	29.0	29.3	28.9	0.7
Norway	2.0	0.0	2.1	2.0	2.1	2.1	2.1	0.1	2.1	2.0	2.0	2.1	2.1	0.0
UK	0.7	0.0	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	3.6	0.0	3.8	3.7	3.6	3.7	3.7	0.1	3.7	3.6	3.6	3.7	3.7	0.0
Australia	0.4	0.0	0.4	0.3	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	32.2	32.2	32.5	32.8	32.4	0.8	32.9	32.7	33.0	33.4	33.0	0.6
China	4.6	0.1	4.6	4.6	4.5	4.5	4.6	0.0	4.6	4.6	4.5	4.5	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	1.5	1.5	1.6	0.0
Argentina	0.9	0.1	0.9	0.9	0.9	0.9	0.9	0.1	1.0	1.0	1.0	1.0	1.0	0.1
Brazil	4.2	0.0	4.3	4.3	4.4	4.4	4.4	0.2	4.4	4.5	4.6	4.7	4.6	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	0.5	0.5	0.5	0.0	0.5	0.5	0.5	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	7.4	7.5	7.6	7.5	0.3	7.8	7.9	8.0	8.1	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	2.1	2.1	2.1	2.1	0.0
Angola	1.2	0.0	1.1	1.1	1.1	1.1	1.1	0.0	1.1	1.1	1.1	1.1	1.1	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	0.6	0.6	0.6	0.6	0.6	0.0	0.6	0.5	0.5	0.5	0.5	0.0
Ghana	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
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	0.1
Africa	2.3	0.1	2.3	2.3	2.3	2.3	2.3	0.0	2.3	2.3	2.3	2.4	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	19.2	19.3	19.3	19.4	19.3	0.3	19.7	19.7	19.7	19.9	19.8	0.5
Non-DoC production	50.7	1.3	51.4	51.4	51.7	52.2	51.7	1.0	52.6	52.4	52.8	53.3	52.8	1.1
Processing gains	2.5	0.0	2.6	2.6	2.6	2.6	2.6	0.1	2.6	2.6	2.6	2.6	2.6	0.0
Non-DoC liquids production	53.2	1.3	54.0	54.0	54.3	54.8	54.3	1.1	55.2	55.0	55.4	55.9	55.4	1.1
DoC NGLs	8.3	0.1	8.4	8.4	8.3	8.4	8.4	0.1	8.5	8.5	8.5	8.6	8.5	0.1
Non-DoC liquids production and DoC NGLs	61.5	1.4	62.4	62.5	62.6	63.2	62.7	1.2	63.6	63.5	63.9	64.6	63.9	1.2

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	*Change 2024/23*	2Q24	3Q24	4Q24	Nov 24	Dec 24	*Change Dec/Nov*
US	722	688	599	*-89*	603	586	586	584	589	*5*
Canada	174	177	188	*11*	138	209	195	205	162	*-44*
Mexico	47	55	50	*-5*	50	49	43	45	34	*-11*
OECD Americas	**945**	**921**	**839**	***-82***	**792**	**846**	**826**	**836**	**787**	***-50***
Norway	17	17	13	*-4*	15	12	13	11	13	*2*
UK	10	12	8	*-4*	8	9	8	9	8	*-1*
OECD Europe	**65**	**66**	**64**	***-2***	**66**	**63**	**65**	**63**	**65**	***2***
OECD Asia Pacific	**24**	**25**	**25**	***0***	**25**	**26**	**25**	**24**	**22**	***-2***
Total OECD	**1,034**	**1,012**	**928**	***-84***	**882**	**935**	**916**	**923**	**874**	***-50***
Other Asia*	186	204	212	*8*	221	205	211	208	209	*1*
Latin America	119	120	104	*-16*	107	104	100	98	100	*2*
Middle East	62	61	62	*1*	62	62	63	64	61	*-3*
Africa	64	67	52	*-15*	52	46	47	46	49	*3*
Other Europe	10	11	9	*-2*	9	9	9	9	9	*0*
Total Non-OECD	**441**	**463**	**439**	***-24***	**450**	**426**	**430**	**425**	**428**	***3***
Non-OPEC rig count	**1,475**	**1,475**	**1,367**	***-108***	**1,332**	**1,361**	**1,346**	**1,348**	**1,302**	***-47***
Algeria	32	36	42	*6*	43	43	42	42	41	*-1*
Congo	1	1	1	*0*	1	1	1	1	2	*1*
Equatorial Guinea**	0	0	0	*0*	0	0	0	0	0	*0*
Gabon	3	3	4	*1*	4	5	3	2	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*	30	33	32	31	30	*-1*
Libya	7	14	18	*4*	18	18	18	18	18	*0*
Nigeria	10	14	15	*1*	17	14	11	11	12	*1*
Saudi Arabia	73	83	81	*-2*	84	79	75	78	70	*-8*
UAE	47	57	66	*9*	63	68	70	68	73	*5*
Venezuela	3	2	2	*0*	3	2	1	1	1	*0*
OPEC rig count	**371**	**412**	**439**	***27***	**442**	**442**	**432**	**431**	**429**	***-2***
World rig count* **	**1,846**	**1,887**	**1,806**	***-81***	**1,774**	**1,803**	**1,778**	**1,779**	**1,731**	***-49***
of which:										
Oil	1,463	1,498	1,439	*-59*	1,421	1,443	1,415	1,414	1,370	*-44*
Gas	352	357	320	*-37*	312	311	311	312	309	*-3*
Others	31	32	47	*15*	42	50	53	53	51	*-2*

*Note: * Other Asia includes India and offshore rigs for China.*
*** Estimated data when Baker Hughes Incorporated did not reported the data.*
**** Data excludes onshore China as well as Russia and other Eurasia.*
Totals may not add up due to independent rounding.
Sources: Baker Hughes and OPEC.

Glossary of Terms

Abbreviations

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

Acronyms

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

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

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

OPEC Basket average price

US$/b

Up 0.09 in December

December 2024	73.07
November 2024	72.98
Annual average	**79.89**

December OPEC crude production

mb/d, according to secondary sources

Up 0.03 in December

December 2024	26.74
November 2024	26.72

December Non-OPEC DoC crude production

mb/d, according to secondary sources

Down 0.04 in December

December 2024	13.91
November 2024	13.95

Economic growth rate

per cent

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2025	3.1	2.4	1.0	1.0	4.7	6.5	2.3	1.9
2026	3.2	2.3	1.1	1.0	4.6	6.5	2.5	1.5

Supply and demand

mb/d

2025		**25/24**	**2026**		**26/25**
World demand	105.2	1.4	World demand	106.6	1.4
Non-DoC liquids production	54.3	1.1	Non-DoC liquids production	55.4	1.1
DoC NGLs	8.4	0.1	DoC NGLs	8.5	0.1
Difference	**42.5**	**0.3**	**Difference**	**42.7**	**0.2**

OECD commercial stocks

mb

	Sep 24	Oct 24	Nov 24	Nov 24/Oct 24
Crude oil	1,309	1,316	1,313	–3.1
Products	1,500	1,462	1,457	–5.2
Total	**2,809**	**2,778**	**2,770**	**–8.4**
Days of forward cover	60.6	60.8	60.9	0.1

Next report to be issued on 12 February 2025.