Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

14 October 2024

Feature article:
Winter oil market outlook

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Oil Market Highlights

Crude Oil Price Movements

In September, the OPEC Reference Basket (ORB) value declined by $4.82/b, or 6.1%, m-o-m, to average $73.59/b. The ICE Brent's front-month contract fell by $6.01, or 7.6%, m-o-m, to average $72.87/b. The NYMEX WTI front-month contract dropped by $6.06, or 8.0%, m-o-m, to average $69.37/b. GME Oman's front-month contract fell by $4.63, or 6.0%, m-o-m, to average $72.91/b. The front-month ICE Brent-NYMEX WTI spread rose by 5¢, m-o-m, to average $3.50/b. The oil futures forward curves flattened in September, but remained in backwardation. Money managers turned more negative on oil futures, shifting to a net short in the ICE Brent contract.

World Economy

The world economic growth forecast remains unchanged from last month's assessment at 3.0% for 2024 and 2.9% for 2025. The US economic growth forecast for 2024 is revised up slightly to 2.5%, reflecting upward revisions to official 1H24 growth numbers. For 2025, US growth remains unchanged at 1.9%. Japan's economic growth forecast for 2024 is revised down slightly to 0.1%, reflecting minor downward revisions to official 1H24 growth numbers, while the 2025 forecast remains at 0.9%. For the Eurozone, growth forecasts for 2024 and 2025 remain unchanged at 0.8% and 1.2%, respectively. China's economic growth forecasts remain unchanged at 4.9% for 2024 and 4.6% for 2025. India's economic growth forecasts remain unchanged at 6.8% for 2024 and 6.3% for 2025. The economic growth forecast for Brazil is revised up to 2.5% for 2024, on the back of ongoing robust dynamics, but remains at 1.9% for 2025. Russia's economic growth forecasts are unchanged at 3.2% for 2024 and 1.5% for 2025.

World Oil Demand

The global oil demand growth forecast for 2024 is revised down by 106 tb/d to 1.9 mb/d, y-o-y, still well above the historical average of 1.4 mb/d seen before the COVID-19 pandemic. The adjustment reflects actual data received, combined with slightly lower expectations for some regions. OECD oil demand is expected to grow by more than 0.1 mb/d, y-o-y, in 2024, with the OECD Americas driving growth. Non-OECD oil demand is forecast to grow by 1.8 mb/d, y-o-y, this year. The forecast for world oil demand growth in 2025 is also revised down by 102 tb/d to 1.6 mb/d, y-o-y. Non-OECD oil demand is set to drive next year's growth, increasing by about 1.5 mb/d, y-o-y, led by contributions from China, Other Asia, the Middle East, and India. The OECD demand is forecast to expand by about 0.1 mb/d, y-o-y, with OECD Americas providing most of the contribution.

these guys are still bullish on chinese demand

World Oil Supply

Non-DoC liquids supply (i.e. liquids supply from countries not participating in the DoC) is expected to grow by 1.2 mb/d, y-o-y, in 2024, unchanged from last month's assessment. The main growth drivers are expected to be the US, Canada, Brazil and China. The non-DoC liquids supply growth forecast for 2025 is also unchanged at 1.1 mb/d, y-o-y. Growth is anticipated to be mainly driven by the US, Brazil, Canada, and Norway. Natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC is forecast to grow by about 0.1 mb/d, y-o-y, to average 8.3 mb/d in 2024, followed by an increase of about 70 tb/d, y-o-y, to reach 8.4 mb/d in 2025. Crude oil production by the countries participating in the DoC decreased by 0.56 mb/d in September compared with the previous month, averaging about 40.10 mb/d, as reported by available secondary sources.

Product Markets and Refining Operations

Refinery margins in September declined across regions, as high product availability continued to weigh on product markets with most losses stemming from gasoline and middle distillates. In the USGC, the combination of the end of the summer season and the strong refinery runs witnessed in the previous month led to weakness across the barrel. Despite a decline in total US product inventories, product markets remained well supplied, and product margins moved lower, particularly for gasoline, which exhibited the strongest m-o-m drop across the barrel. In Northwest Europe, closed arbitrage for gasoline shipments, robust diesel imports and weak air travel suppressed refining economics despite notable naphtha and fuel oil strength as demand for both products increased during the month. In Singapore, all products showed a decline in crack spreads, m-o-m, except naphtha. The recent release of Chinese product export quotas contributed to pressure on the already oversupplied region, amid strong product flows from the Middle East, particularly for gasoil. A healthy naphtha petrochemical intake prevented steeper losses in the Southeast Asian refining margins.

Tanker Market

Dirty spot freight rates for VLCCs and Suezmax experienced an improved performance in September, while Aframax rates moved lower. On the Middle East-to-East route, VLCC spot freight rates rose by 6%, m-o-m, in September, while rates on the West Africa-to-East route gained 4% over the same period. In the Suezmax market, rates on the US Gulf Coast-to-Europe route edged up by 2%, m-o-m. Aframax rates on the Caribbean-to-US East Cost route dropped by 16%, m-o-m, while the rates on the cross-Med route declined by 12%, m-o-m. Despite the mixed m-o-m performance, rates for all classes in September were higher compared to the same month last year. In the clean market, spot freight rates declined, m-o-m, on all monitored routes, except for the Middle East-to-East, which rose by 10%, m-o-m.

Crude and Refined Product Trade

Preliminary weekly data shows US crude exports in September remaining just under 4 mb/d for the second month in a row. US crude imports picked up from a relatively weak performance in the previous month to average 6.6 mb/d. US product imports fell to the lowest level since 1997 amid declines in gasoline, jet fuel and other product categories. US product exports remain close to a record high at 6.9 mb/d. Preliminary estimates point to OECD Europe crude imports declining further in September, amid seasonal refinery maintenance in the region, while product imports were steady, m-o-m, supported by increased flows from the US. Japan's crude imports recovered in August to reach a four-month high of 2.3 mb/d. Japan’s product imports increased for the second month in a row in August, averaging 911 tb/d, lifted by higher inflows of naphtha, jet fuel and gasoline. China’s crude imports rebounded by 16% m-o-m in August to average 11.6 mb/d but were still down 7% compared to the same month last year. Product imports into China reached a three-month high of 2.3 mb/d, supported by higher inflows of other products and naphtha, which offset a sharp drop in LPG. India’s crude imports began to pick up again in August, following seasonal declines, gaining 6%, y-o-y. India’s product imports and exports were both about 2% lower, m-o-m.

Commercial Stock Movements

Preliminary August 2024 data shows total OECD commercial oil stocks down by 8.4 mb, m-o-m. At 2,828 mb, they were 157 mb below the 2015–2019 average. Within the components, crude and product stocks fell by 6.5 mb and 1.9 mb, m-o-m, respectively. OECD commercial crude stocks stood at 1,319 mb. This is 128 mb less than the 2015–2019 average. OECD total product stocks stood at 1,511 mb. This is 29 mb below the 2015–2019 average. In terms of days of forward cover, OECD commercial stocks fell in August by 0.1 days, m-o-m, to stand at 61.3 days. This is 1.8 days less than the 2015–2019 average.

Balance of Supply and Demand

Demand for DoC crude (i.e. crude from countries participating in the Declaration of Cooperation) is revised down by 0.1 mb/d from the previous month’s assessment to stand at 42.8 mb/d in 2024, which is around 0.6 mb/d higher than the estimate for 2023. Demand for DoC crude in 2025 is revised down by 0.2 mb/d from the previous month’s assessment to stand at 43.2 mb/d, around 0.5 mb/d higher than the estimate for 2024.

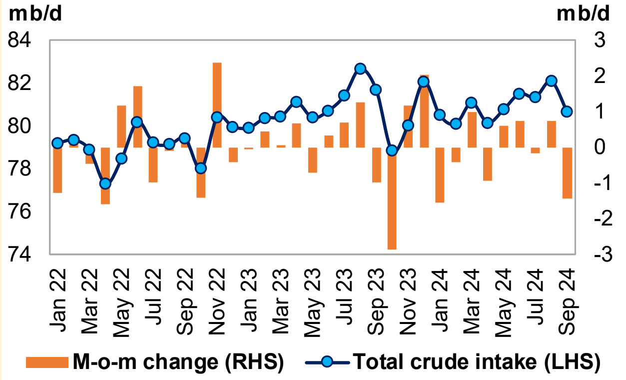
Feature Article

Winter oil market outlook

The global refinery intake has witnessed a gradual rising trend so far in 2024 and reached a year-to-date (y-t-d) high of 82 mb/d in August, albeit this was 600 tb/d lower, y-o-y. In September, however, this trend reversed, with the global refinery intake declining by 1.4 mb/d, m-o-m, (***Graph 1***) due to the start of the refinery maintenance in the Northern Hemisphere and an active hurricane season. Compared with a year earlier, the September global refinery intake was down by 1.0 mb/d. This decline aligns with historical trends and is expected to continue into October, with 1.7 mb/d of capacity scheduled for temporary shutdowns for heavy repair works. The higher refinery spare capacity and y-o-y output growth from recent capacity additions may soften the impact of the upcoming refinery maintenance season.

In addition to the planned maintenance, the ongoing hurricane season in the US may present further risks regarding product availability. The extent will depend on the locations where hurricanes make landfall and the severity of their impact on refinery operations.

Graph 1: Global refinery intake



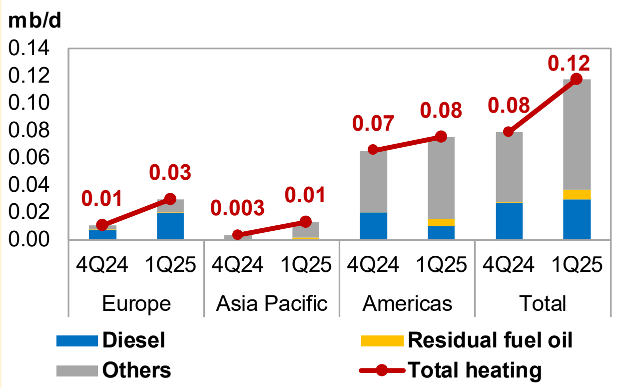
Source: OPEC.

In Europe, total product inventories have remained well-supplied, reflecting an 11 mb, y-o-y, increase as of 26 September. Gasoil represented 85% of this monthly rise, as Europe has been stockpiling gasoil in anticipation of the winter season, resulting in a surge of gasoil imports into the region. Going forward, however, product stocks are anticipated to face downward pressure due to the expected heavy maintenance season. Anticipated colder weather in the coming months in Europe could create upside potential for heating fuel markets, thereby exerting additional pressure on diesel stock levels in the near term.

In Asia, refinery runs are expected to remain healthy, supported by robust near-term regional requirements and the recent release of product export quotas in China. Although offline capacities in the region are projected to increase by 230 tb/d, m-o-m, reaching 1.7 mb/d in October, this can easily be compensated for, given the large scale of the Asian refining system. Despite the region's weak refining margin environment, reduced product output in the Northern Hemisphere is anticipated to support refinery runs in Asia during October before experiencing a decline in the following months.

In anticipation of the upcoming winter, a typical seasonal increase in heating oil demand is expected, driven by rising requirements in the Northern Hemisphere. Overall, OECD Europe, OECD Americas, and OECD Asia Pacific are projected to experience demand growth for fuel oil and diesel in 4Q24 (***Graph 2***). Accordingly, the OECD's total heating fuel demand in 4Q24 is forecast to increase by 80 tb/d, y-o-y. In OECD Europe and the US, heating oil is forecast to drive demand, while in OECD Asia Pacific, 'other fuels,' primarily LPG, are forecast to support 4Q24 demand. Among these regions, OECD Americas is expected to see the largest y-o-y demand increase of 65 tb/d, followed by OECD Europe with approximately 10 tb/d, while oil demand in OECD Asia Pacific remains broadly unchanged. In 1Q25, heating fuel demand in the OECD region is projected to grow by 117 tb/d, y-o-y, primarily driven by increases in the Americas and Europe, with a marginal rise expected in the Asia Pacific. Looking ahead, the World Meteorological Organization forecasts about a 60% chance of the La Niña weather phenomenon impacting the Northern Hemisphere from 4Q24 to 1Q25. This could lead to a relatively colder winter, thereby increasing the upside potential for heating fuel demand.

Graph 2: Heating fuel demand in OECD, y-o-y change



Note: 4Q24-1Q25 = Forecast. Source: OPEC.

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Crude Oil Price Movements

The OPEC Reference Basket (ORB) value fell in September by $4.82/b, or 6.1%, to stand at $73.59/b. The ICE Brent front-month contract dropped by $6.01, or 7.6%, m-o-m, to average $72.87/b in September, while NYMEX WTI dropped by $6.06, or 8.0%, m-o-m, to average $69.37/b. The GME Oman front-month contract dropped by $4.63, or 6.0%, m-o-m, to average $72.91/b. The ICE Brent-NYMEX WTI first month spread rose by 5¢ in September, compared to the August average, to average $3.50/b.

Hedge funds and other money managers continued to be bearish on oil futures in September. This fuelled volatility and accelerated the decline in oil futures prices. Similarly in petroleum products, speculators turned net bearish on gasoil/diesel in both US and European markets. Between the weeks of 27 August and 10 September, speculators sold an equivalent of 174 mb of oil in ICE Brent and NYMEX WTI futures and options.

The forward curve of all three crude benchmarks – ICE Brent, NYMEX WTI and GME Oman – flattened in September compared to the previous month, while the nearest time spreads contracted. The structure of oil futures prices remained in backwardation despite heavy selling pressure that weighed on the front-month contracts, indicating supportive physical crude market fundamentals. Unplanned supply outages in the Gulf of Mexico (GoM) and North Africa spurred demand for prompt loading of alternative grades, along with a decline in US crude oil stocks, and limited front-month contract declines compared to forward contracts.

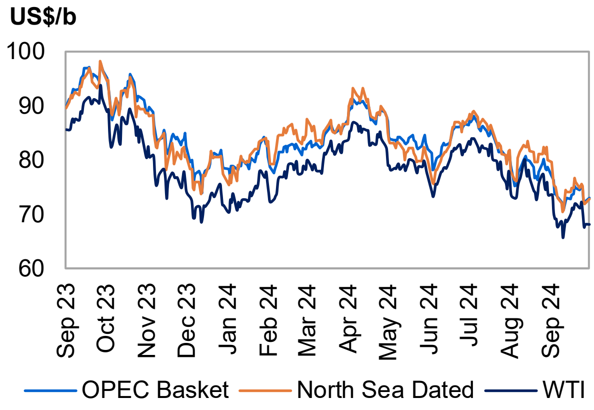
The sweet-sour crude differentials showed mixed movement among regions. In Europe and Asia, the spread contracted due to a softening of market fundamentals for light sweet crude, primarily driven by slowing demand during the maintenance season and the high availability of light sweet crude in the Atlantic Basin, including increased US crude exports. A decline in gasoline crack spreads in all refining hubs also weighed on the value of light sweet crude. However, the value of medium sour crudes experienced a smaller decline compared to light sweet crudes. In the US Gulf Coast (USGC), the sweet-sour crude spread widened slightly.

Crude spot prices

In September, crude oil spot prices continued their downward trend, extending losses from the previous month, as selling pressure from non-commercial participants in the oil futures market accelerated. Spot prices also came under pressure from lower refining margins in all markets, as well as the refinery maintenance season.

The drop in spot prices was particularly pronounced in light sweet benchmarks, specifically Brent. Speculators turned bearish, with the selloff concentrated in ICE Brent futures and options contracts. Lower refinery intakes and a sharp decline in gasoline crack spreads in Europe and the USGC largely offset the supportive impact of declining US crude stock draws and oil supply disruptions in North Africa and the GoM.

Graph 1 - 1: Crude oil price movements



Sources: Argus, OPEC and Platts.

Dubai also faced downward pressure, driven by a decline in middle distillate margins in the Asia-Pacific region, along with the ongoing refinery maintenance season and a weaker front-month Brent/Dubai Exchange of Futures for Swaps (EFS). The decline in the Brent/Dubai EFS reflected a more favourable west-to-east arbitrage, which pressured crude values in the East of Suez market. However, geopolitical developments in the Middle East limited the price drop for sour crudes.

Spot prices declined more than futures prices, but the North Sea Dated-ICE Brent spread stayed at a premium, mirroring the supportive physical market fundamentals. On a monthly average, the North Sea Dated-ICE Brent spread fell by 45¢ in September to stand at a premium of $1.39/b, compared to a premium of $1.84/b in August.

On a monthly basis, the North Sea Dated and WTI front-month contracts fell by $6.46 and $5.88, respectively, or 8.0% and 7.8%, to settle at $74.26/b and $69.67/b. Dubai's front-month fell by $4.17, or 5.4%, to settle at $73.39/b.

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

			Change		*Year-to-date*	
OPEC Reference Basket (ORB)	**Aug 24**	**Sep 24**	**Sep 24/Aug 24**	**%**	**2023**	**2024**
ORB	**78.41**	**73.59**	***-4.82***	***-6.1***	**82.12**	**82.02**
Arab Light	79.71	75.16	*-4.55*	*-5.7*	84.09	83.66
Basrah Medium	77.43	72.31	*-5.12*	*-6.6*	79.56	80.42
Bonny Light	81.99	77.08	*-4.91*	*-6.0*	82.32	84.35
Djeno	73.27	66.81	*-6.46*	*-8.8*	74.56	75.24
Es Sider	80.22	73.21	*-7.01*	*-8.7*	81.41	82.07
Iran Heavy	77.63	73.59	*-4.04*	*-5.2*	82.37	81.85
Kuwait Export	78.80	74.69	*-4.11*	*-5.2*	83.48	82.86
Merey	62.15	54.91	*-7.24*	*-11.6*	62.62	67.15
Murban	77.92	73.41	*-4.51*	*-5.8*	82.40	81.75
Rabi Light	80.26	73.80	*-6.46*	*-8.0*	81.55	82.23
Sahara Blend	81.72	76.21	*-5.51*	*-6.7*	82.91	83.74
Zafiro	82.69	76.31	*-6.38*	*-7.7*	82.68	84.16
Other Crudes						
North Sea Dated	80.72	74.26	*-6.46*	*-8.0*	82.01	82.68
Dubai	77.56	73.39	*-4.17*	*-5.4*	81.47	81.61
Isthmus	73.75	67.62	*-6.13*	*-8.3*	71.74	76.02
LLS	77.18	71.61	*-5.57*	*-7.2*	79.72	80.28
Mars	74.22	68.44	*-5.78*	*-7.8*	76.71	77.57
Minas	85.80	80.13	*-5.67*	*-6.6*	80.05	86.91
Urals	68.17	61.65	*-6.52*	*-9.6*	56.24	67.27
WTI	75.55	69.67	*-5.88*	*-7.8*	77.26	77.76
Differentials						
North Sea Dated/WTI	5.17	4.59	*-0.58*	-	4.75	4.91
North Sea Dated/LLS	3.54	2.65	*-0.89*	-	2.29	2.40
North Sea Dated/Dubai	3.16	0.87	*-2.29*	-	0.54	1.07

Sources: Argus, Direct Communication, OPEC and Platts.

Most light sweet-grade crude differentials weakened in the Atlantic Basin in September. North Sea crude differentials retreated on softer buying interest from European buyers, coupled with the higher availability of US and West African alternative grades. Weaker refining margins in Europe, specifically for gasoline, added downward pressure. Forties and Ekofisk crude differentials declined m-o-m by 38¢ and 53¢, respectively, to settle at premiums of $1.39/b and $2.34/b. Crude differentials for Johan Sverdrup also fell against North Sea Dated on weak demand for the grade. Johan Sverdrup's crude differential declined 43¢/b, m-o-m, to average at a discount of 68¢/b.

West African crude differentials weakened in September on soft demand from European and Asian buyers and ample availability of unsold volumes for October loadings. On a monthly average, Bonny Light, Forcados and Qua Iboe crude differentials to North Sea Dated declined by $1.31, 69¢ and $1.40, respectively, to stand at premiums of $1.09/b, $2.17/b and $1.29/b. The crude differential of Cabinda also fell m-o-m in December by 35¢ on average, to a premium of $1.34/b. This compares to a premium of $1.68/b in August.

In the Mediterranean, however, crude differentials strengthened on supply disruptions in Libya and the prospect of low availability of CPC Blend due to planned maintenance at the Kashagan field. Higher naphtha margins added support to light sweet grades. Saharan Blend crude differentials rose, m-o-m, increasing by 56¢ to stand at a premium of $1.72/b. Azeri Light crude differentials rose against the North Sea Dated by 30¢ to stand at a premium of $3.92/b. CPC Blend crude differentials rose by $1.06 to stand at flat to North Sea Dated.

In the Middle East spot market, several crude differentials strengthened against Dubai. The Oman crude differential increased by $1.16 m-o-m to a premium of $2.01/b. In the USGC, the crude differentials for Light Louisiana Sweet (LLS) and Mars sour strengthened against the WTI benchmark, amid lower crude stocks at PADD3 and as weather conditions raised concerns about GoM supply disruptions. LLS and Mars sour crude differentials rose m-o-m in September against WTI, increasing on a monthly average by 30¢ and 11¢, respectively, to a premium of $1.93/b and a discount of $1.23/b.

OPEC Reference Basket (ORB) value

In September, the ORB value fell by $4.82/b, or 6.1%, to average $73.59/b, as all ORB component-related crude oil benchmarks dropped, while crude differentials and official selling prices saw mixed movements.

In terms of the ORB values, light-sweet components fell the most. West and North African Basket components – Bonny Light, Djeno, Es Sider, Girassol, Rabi Light, Sahara Blend and Zafiro – declined m-o-m by $6.12, or 7.6%, to average $73.90/b in September. Multiple region destination grades – Arab Light, Basrah Light, Iran Heavy and Kuwait Export – fell m-o-m by $4.46, or 5.7%, to average $73.94/b. Murban crude declined m-o-m by $4.51, or 5.8%, to average $73.41/b, and the Merey crude component fell m-o-m by $7.24, or 11.6%, to average $54.91/b.

The oil futures market

Oil futures prices declined for a second consecutive month in September, dropping approximately 8% m-o-m, amid heightened market volatility. This downturn was largely fuelled by significant selling pressure from hedge funds and other money managers. For the first time, the ICE Brent contract turned net bearish, signalling a further negative sentiment shift among non-commercial participants. Market sentiment played a key role in driving oil prices over the month.

Early in September, oil futures fell to multi-month lows, underpinned by a broader decline in financial markets. Uncertainty about the significance of the US interest rate cut dampened overall sentiments and economic optimism. The release of weak US manufacturing data for August heightened economic concerns. Market sentiment was also affected by concerns about China's economic outlook. Worries of slowing demand in China persisted amid weak refining margins and the prospect of the Autumn refinery maintenance season.

During the third week of September, oil futures rebounded, recovering part of the earlier losses. This recovery followed a reduction in selling pressure as speculators started to close part of the large volume of short positions accumulated earlier in the month, specifically the Brent-related contract that had shifted to net bearish. Other factors also played a role in this recovery, including supply disruptions in the GoM due to weather conditions, and a positive market response to the US Federal Reserve's decision to cut interest rates by 50 basis points, the first such cut in four years. These monetary policy moves sparked cautious optimism about the potential for economic growth and an increase in energy demand.

Moreover, news of a significant monetary stimulus package in China helped ease concerns about the country's economic outlook, adding further support to oil prices. The market was also buoyed by the threat of further supply disruptions as Hurricane Helene approached the GoM. Additionally, data from the EIA indicated a decline in US commercial crude stocks, which in the week ending 20 September fell to their lowest level since April 2022. However, these gains were limited by softer-than-expected economic data from both the US and Eurozone, including weaker manufacturing PMI figures for August.

In the last week of September, oil futures turned lower again as traders began to anticipate the resolution of supply disruptions in North Africa, along with the minimal impact of Hurricane Helene on oil and gas infrastructure, which eased concerns about oil supply disruptions.

In September, the ICE Brent front-month contract fell by $6.01, or 7.6%, m-o-m, to average $72.87/b, while NYMEX WTI dropped by $6.06, or 8.0%, m-o-m, to average $69.37/b. ICE Brent was 12¢, or 0.1%, y-t-d lower at $81.82/b, while NYMEX WTI was higher by 33¢, or 0.4%, at $77.61/b, compared with the same period a year earlier. The GME Oman front-month contract fell in September by $4.63, or 6.0%, m-o-m, to average $72.91/b, and was almost unchanged y-t-d at $81.59/b.

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

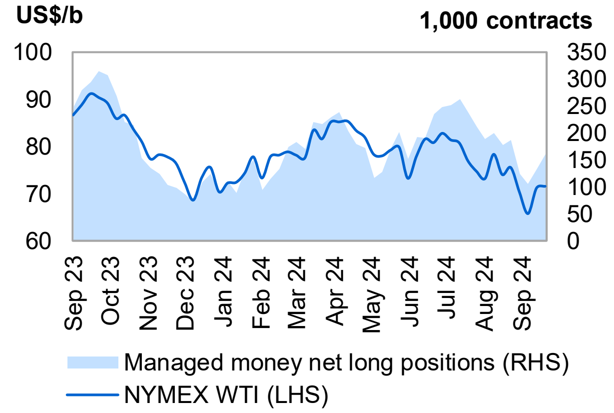
			Change		*Year-to-date*	
Crude oil futures	**Aug 24**	**Sep 24**	**Sep 24/Aug 24**	**%**	**2023**	**2024**
NYMEX WTI	75.43	69.37	-6.06	-8.0	77.28	77.61
ICE Brent	78.88	72.87	-6.01	-7.6	81.94	81.82
GME Oman	77.54	72.91	-4.63	-6.0	81.60	81.59
Spread						
ICE Brent-NYMEX WTI	*3.45*	*3.50*	*0.05*	*1.4*	*4.66*	*4.21*

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

The ICE Brent-NYMEX WTI front-month spread stayed narrow, at below $4/b, as the Brent price faced pressure following the heavy selloffs from speculative. The drop in net long positions related to ICE Brent futures and options contracts was larger compared to NYMEX WTI. A continued decline in US crude stocks, including at the Cushing trading hub and some supply disruptions in the GoM, limited the decline of the value of NYMEX WTI. The ICE Brent-NYMEX WTI first month spread rose 5¢ in September, compared to August, to stand at $3.50/b. The spread between North Sea Dated and WTI Houston narrowed last month, falling by 79¢ to a premium of $3.12/b, giving US crude competitiveness in the Atlantic Basin.

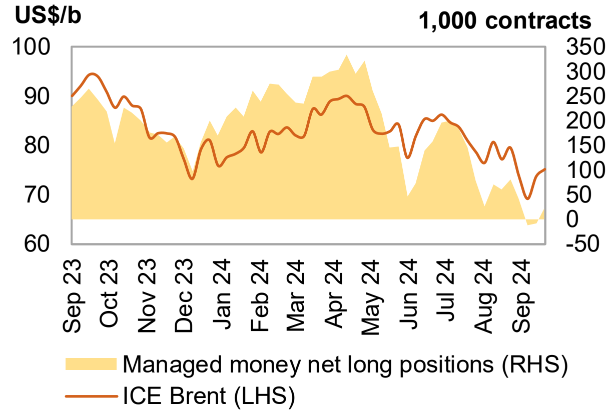
Hedge funds and other money managers turned more negative on oil futures in September, pushing ICE Brent contract net short, even exceeding levels registered during the COVID-19 crisis. In the week ending September 10, ICE Brent short positions increased 12,680 contracts more than long bets. This fuelled volatility and helped accelerate the decline in oil futures prices. Net long positions also fell in NYMEX WTI but remained net long by 105,024 contracts in the same week. Similarly in petroleum products, speculators turned net bearish on gasoil/diesel in both US and European markets. Between the weeks of 27 August and 10 September, speculators sold an equivalent of 174 mb of oil in ICE Brent and NYMEX WTI futures and options. Selling pressure eased in the second half of September, as speculators started to reduce the large volume of short positions accumulated earlier in the month, which led to oil futures prices rebounding. Between the weeks of 10 and 24 September, speculators bought back about 91 mb.

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



Sources: CFTC, CME and OPEC.

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



Sources: ICE and OPEC.

Selling was more pronounced in ICE Brent, which sold an equivalent of 93 mb in the first two weeks of September. Combined futures and options net long positions fell by 58,303 lots over the month, or 72.8%, to stand at 21,769 contracts in the week of 24 September, according to the ICE Exchange. This was due to a rise in short positions of 28,423 lots, or 24.5%, to 144,637 contracts, while long positions fell by 29,880 lots, or 15.2%, to 166,406 contracts over the same period.

Money managers also cut bullish NYMEX WTI positions, selling an equivalent of 82 mb in the first two weeks of September. Net long positions declined by 24,599 lots, or 13.2%, to 161,928 contracts between the weeks of 27 August and 24 September, according to the US Commodity Futures Trading Commission (CFTC). The increase in net long positions was mainly driven by a sharp increase in short positions of 20,800 lots, or 75.0%, to 48,541 contracts. During the same period, long positions declined by 3,799 lots, or 1.8%, to stand at 210,469 contracts.

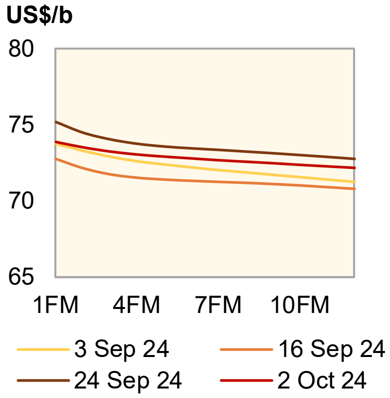
The long-to-short ratio of speculative positions in the NYMEX WTI contract fell to 4:1 in the week of 24 September, compared with 8:1 in the week of 27 August. ICE Brent's long-to-short ratio fell to 1:1 in the week of 24 September, compared to 2:1 in the week of 27 August.

Open interest volumes related to NYMEX WTI futures and options increased in September by 2.1%, or 47,157 lots, to stand at 2.24 million contracts in the week ending 24 September. Open interest volumes related to ICE Brent futures and options increased by 6.9%, or 195,641 contracts, m-o-m, to stand at 3.05 million contracts in the week ending 24 September.

The futures market structure

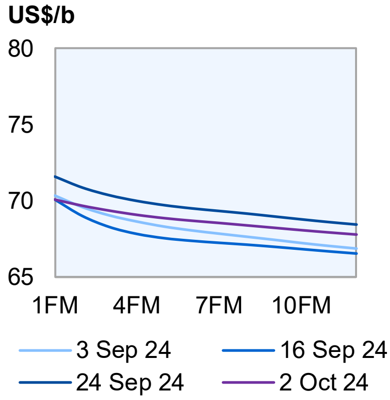
The forward curve of all three crude benchmarks ─ ICE Brent, NYMEX WTI and GME Oman ─ flattened in September compared with the previous month, while the nearest time spreads contracted. The structure of oil futures prices remained in backwardation despite heavy selling pressure that weighed on front-month contracts, indicating supportive physical crude market fundamentals. Unplanned supply outages in the GoM and North Africa that spurred demand for prompt loading of alternative grades, along with a decline in US crude oil stocks, limited the decline of front-month contracts compared to forward contracts.

Graph 1 - 4: ICE Brent forward curves



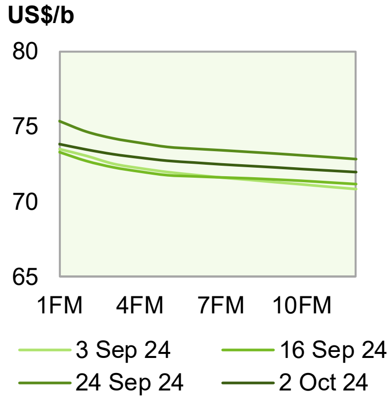
Sources: ICE and OPEC.

Graph 1 - 5: NYMEX WTI forward curves



Sources: CME and OPEC.

Graph 1 - 6: GME Oman forward curves



Sources: GME and OPEC.

The backwardation structure of ICE Brent weakened in September as the front-month contract witnessed selling pressure from speculators. While the ICE Brent M1-M3 spread remained in backwardation on average in September, it narrowed by 38¢ to stand at a backwardation of 98¢/b. Supply outages in North Africa and the GoM alleviated the pressure on Brent somewhat and limited the further narrowing of the backwardation structure. ICE Brent's M1-M6 spread also weakened but stayed at a backwardation of $1.39/b on average in September. It fell by $1.08, m-o-m, from a backwardation of $2.48/b in August.

The front end of the NYMEX WTI forward curve softened as selloffs weighed on the nearest futures contracts. However, the NYMEX WTI price structure remained stronger compared to ICE Brent, as the front-month contract was supported by a decline in US crude stocks, including at Cushing, and supply outages. The NYMEX WTI M1/M3-month spread was at a backwardation of $1.31/b, a drop of 50¢ from the August level.

The GME Oman price backwardation eased slightly last month, as geopolitical developments and the potential impacts on supply were offset by weak refining margins in the Asia Pacific region and refinery maintenance. On a monthly average, the GME Oman M1/M3 spread narrowed by 8¢, m-o-m, to a backwardation of $1.05/b in September.

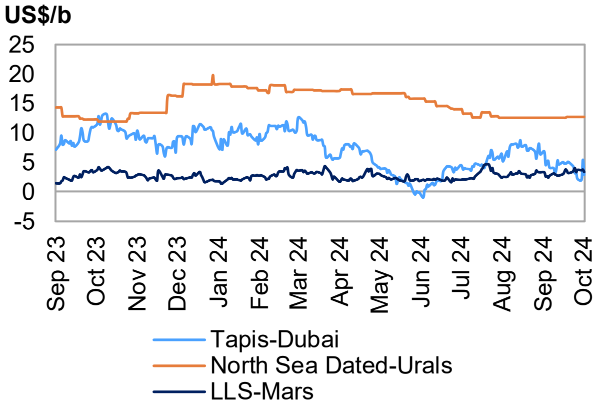
In terms of the M1/M3 structure, the North Sea Brent and WTI M1/M3 spread narrowed in September on a monthly average by 69¢ and 48¢, respectively, to a backwardation of $1.27/b and $1.36/b. However, the Dubai M1-M3 widened on average last month by $1.02 to a backwardation of $1.91/b, compared to a backwardation of 89¢/b the previous month.

Crude spreads

The sweet-sour crude differentials showed mixed movement among regions. In Europe and Asia, the spread contracted on a softening of market fundamentals for light sweet crude. This was primarily driven by slowing demand amid the maintenance season, and a high availability of light sweet crude in the Atlantic Basin, including from rising US crude exports. A decline in gasoline crack spreads in all refining hubs also weighed on the value of light sweet crude. However, the value of medium sour crudes experienced a smaller decline compared to light sweet crudes. In the USGC, the sweet-sour crude spread widened slightly.

In Europe, the premiums of light sweet crude over medium sour crude narrowed slightly as the value differentials of light and heavy refined products in Northwest Europe contracted significantly. This was on the back of stronger fuel oil margins and lower gasoline margins. The crack spread of fuel oil against Brent in Northwest Europe rose by nearly $5/b, m-o-m, to its narrowest monthly discount since August 2023. Moreover, a well-supplied light sweet market in Northwest Europe added down pressure, in addition to a sharp decline in gasoline margins in Northwest Europe, which fell by nearly $5/b, m-o-m. The Ekofisk–Johan Sverdrup spread narrowed in September by 10¢, m-o-m, to stand at a premium of $3.02/b. Urals crude differentials in the Baltic and Black Sea to the North Sea Dated fell respectively by 45¢ and 6¢, m-o-m, to stand at discounts of $12.78/b and $12.61/b.

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



Sources: Argus, OPEC and Platts.

In Asia, the sweet-sour crude differential represented by the Tapis-Dubai spread narrowed m-o-m by nearly $3/b in September, as the light sweet value weakened on lower similar crude quality in the Atlantic Basin. A favourable west-to-east arbitrage that encouraged the flow of light sweet crude from the Atlantic Basin to Asia contributed to pushing the value of sweet crudes lower in the Asia Pacific market. The Brent-Dubai spread narrowed by $2.29 in September, making Brent-related crude more competitive in the East of Suez market. Competitive Brent-related grades weighed on the value of light sweet crude in the Asia Pacific. The Brent-Dubai EFS also narrowed last month to $1.76, down by 43¢/b. The Tapis/Dubai differential narrowed by $2.86 to a premium of $4.37/b, from a $7.23/b premium in August.

In the USGC, the value of light sweet crude widened slightly last month against the value of sour crude, as sour grades were under more pressure on weak demand from refiners and subdued demand for exports. In mid-September, Mars crude differentials against WTI dropped to below a $2/b discount. The LLS premium over medium sour Mars rose by 21¢ to an average of $3.17/b.

Commodity Markets

Commodity price indices were mixed for a fifth consecutive month in September. The energy and other minerals' price indices declined for a second consecutive month, while the base and precious metals' price indices advanced over the same period.

The futures markets saw some signs of improved sentiment on the back of a better market fundamentals outlook. Combined money managers' net length decreased for a third consecutive month in September, albeit at a lower rate compared with the previous month. Moreover, combined open interest rose slightly over the same period.

Commodity prices benefited from higher-than-expected US Federal Reserve (Fed) interest rate cuts in September, though global macroeconomic uncertainties remained a drag on prices. China announced a series of monetary and fiscal stimulus packages to support the property and construction sectors, as well as the overall economy. Yet, as these announcements were made late in the month, support to prices was limited.

Trends in select energy commodity markets

The energy price index declined for a second consecutive month in September, falling by 7.1%, m-o-m. The decline was driven by losses in average crude oil, coal and EU natural gas prices, which were partially offset by gains in US natural gas prices. The energy price index was down by 19.0%, y-o-y, pressured by lower average crude oil, coal and US natural gas prices, but partially offset by higher EU natural gas prices over the same period.

Table 2 - 1: Select energy prices

Commodity	Unit	*Monthly average*			*% Change*		*Year-to-date*	
		Jul 24	Aug 24	Sep 24	Sep 24/ Aug 24	Sep 24/ Sep 23	2023	2024
Energy*	*Index*	**106.0**	**102.6**	**95.4**	**-7.1**	**-19.0**	**106.9**	**103.1**
Coal, Australia	*US$/boe*	13.1	13.9	13.3	-4.5	-14.3	17.6	12.9
Crude oil, average	*US$/b*	83.3	78.1	72.4	-7.3	-21.5	80.3	80.7
Natural gas, US	*US$/boe*	11.2	10.8	12.2	13.1	-14.7	13.4	11.4
Natural gas, Europe	*US$/boe*	56.0	66.9	63.7	-4.8	2.0	70.2	54.6

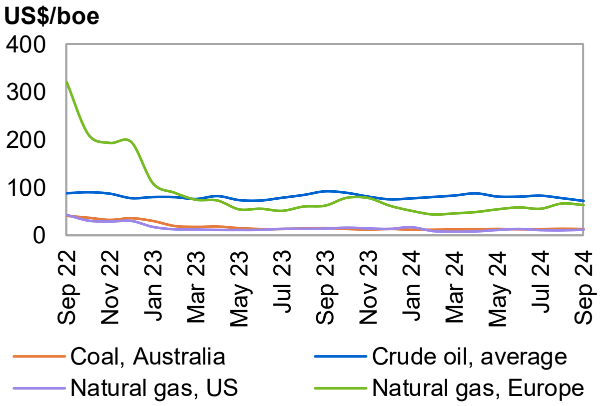
*Note: * World Bank commodity price index (2010 = 100).*
Sources: World Bank and OPEC.

Australian thermal coal prices receded in September, after two consecutive months of gains. Prices fell by 4.5%, m-o-m, pressured by reports of oversupply in China and demand weakness in India. Elsewhere, higher usage of renewable generation in the Eurozone added downward pressure, although the volatility of natural gas prices in the region partially offset losses. Prices were down by 14.3%, y-o-y.

Average crude oil prices declined for a second consecutive month, falling by 7.3%, m-o-m, in September. Global macroeconomic uncertainties remained a drag on prices, but supply disruptions in the Gulf of Mexico partially offset losses amid the hurricane season. Prices were down by 21.5%, y-o-y.

Henry Hub's natural gas prices rebounded in September after two consecutive months of decreases, up by 13.1%, m-o-m. Prices rallied on the back of supply disruptions in the Gulf of Mexico amid the hurricane season. They were further supported by higher US LNG exports to Asia ahead of the winter demand season. Higher price differentials in Asia compared with Europe's prices supported more US LNG volumes heading to Asia.

Graph 2 - 1: Select energy prices



Sources: World Bank, Haver Analytics and OPEC.

In September, differentials between Asia LNG spot and Henry Hub prices reached $10.95/mmbtu, whereas differentials between Asian LNG spot and EU natural gas prices were at $9.53/mmbtu. Henry Hub prices were down by 14.7%, y-o-y.

The average Title Transfer Facility (TTF) price went from $12.37/mmbtu in August to $11.78/mmbtu in September, representing a 4.8%, m-o-m, decline. Prices experienced some volatility earlier in the month amid geopolitical developments and concerns over supply disruption from the US amid the hurricane season. However, reports of ample supplies – with EU storage levels remaining above 90% of capacity as of 30 September, according to data from Gas Infrastructure Europe – and softer demand exerted downward pressure on prices, helping to ease volatility, hence, prices were up by 2.0%, y-o-y only.

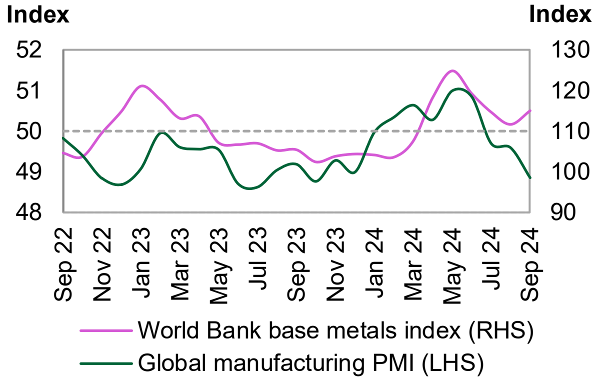
Trends in select non-energy commodity markets

The non-energy price index improved in September after trending downwards for four consecutive months, increasing by 2.3%, m-o-m. Both the agriculture and base metal indices advanced over the same period. The agricultural index rose by 2.7%, m-o-m, however, it was up by 3.1%, y-o-y. The non-energy price index was up by 2.0%, y-o-y.

Base metals

The base metal index rose in September, increasing by 3.1%, m-o-m. Most metal prices rose in September, supported by improved sentiment following the US Fed's interest rate cuts. The cuts had the dual effect of supporting base metal demand from both a lower US dollar perspective and an expected economic growth perspective. However, gains were capped by ongoing weakness in global industrial activity. The global manufacturing PMI decreased for a third consecutive month in September to 48.9, down from 49.6 in August, a 1.5%, m-o-m, decline, to remain below expansionary territory. The base metal index was up by 9.2%, 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 declined for a third consecutive month in September, falling by 3.9%, m-o-m; however, they were up by 93.5%, y-o-y. Combined cancelled warrants fell by 15.6%, m-o-m, signalling higher demand, however, they were up by 68.5%, y-o-y. Combined on-warrants rose by 2.7%, m-o-m, and were up by more than 100%, y-o-y.

Copper prices rose in September, increasing by 3.2%, m-o-m, and were up by 11.9%, y-o-y. At LME warehouses, stocks rose in September by 3.9%, m-o-m, and were up by more than 100%, y-o-y. Cancelled warrants fell marginally in September by 0.3%, m-o-m, and were up by more than 100%, y-o-y. On-warrants rose by 4.2%, m-o-m, in September, and were up by 99.2%, y-o-y.

Table 2 - 2: Base metal prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Jul 24	Aug 24	Sep 24	Sep 24/ Aug 24	Sep 24/ Sep 23	2023	2024
Non-energy*	*Index*	**111.7**	**109.0**	**111.6**	**2.3**	**2.0**	**110.9**	**111.4**
Base metal*	*Index*	**114.6**	**111.6**	**115.1**	**3.1**	**9.2**	**110.8**	**113.2**
Copper	*US$/mt*	9,416	8,996	9,284	3.2	11.9	8,611	9,158
Aluminium	*US$/mt*	2,359	2,352	2,467	4.9	12.5	2,284	2,377
Nickel	*US$/mt*	16,389	16,335	16,178	-1.0	-17.8	22,966	17,147
Lead	*US$/mt*	2,111	2,001	2,012	0.5	-10.5	2,136	2,101
Zinc	*US$/mt*	2,791	2,724	2,857	4.9	14.2	2,705	2,697
Iron Ore	*US$/mt*	109	100	93	-7.3	-23.0	118	111

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

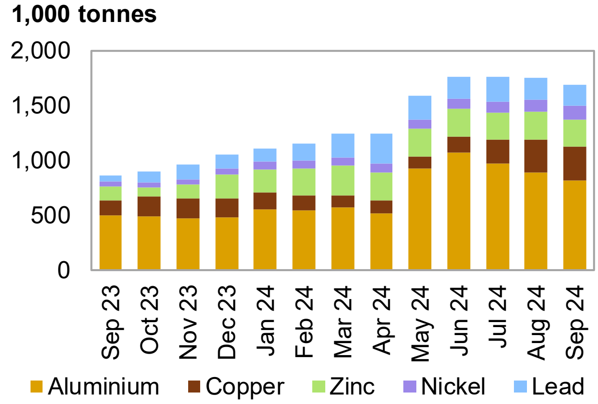
Sources: LME, Haver Analytics, World Bank and OPEC.

Aluminium prices advanced in September, rising by 4.9%, m-o-m. Prices were up by 12.5%, y-o-y. LME warehouse stocks declined in September by 8.2%, m-o-m, but were up by 65.5%, y-o-y. Cancelled warrants decreased in September by 13.9%, m-o-m, and were up by 73.0%, y-o-y. On-warrants rose slightly by 0.6%, m-o-m, in September and were up by 56.5%, y-o-y.

Nickel prices continued to trend downwards in September, falling by 1.0%, m-o-m, and 17.8%, y-o-y. At LME warehouses, stocks rose by 8.8%, m-o-m, and were up by more than 100%, y-o-y. Cancelled warrants rose in September by 15.3%, m-o-m, and were higher by more than 100%, y-o-y. On-warrants rose in September by 8.3%, m-o-m, and were up by more than 100%, y-o-y.

Lead prices rose in September by 0.5%, m-o-m, and were down by 10.5%, y-o-y. At LME warehouses, stocks fell by 6.4%, m-o-m, and were up by more than 100%, y-o-y. Cancelled warrants fell in September by 67.1%, m-o-m, and were up by more than 100%, y-o-y. On-warrants rose by 8.1%, m-o-m, and were up by more than 100%, y-o-y.

Graph 2 - 3: Inventories at the LME



Sources: LME, Thomson Reuters and OPEC.

Zinc prices increased by 4.9%, m-o-m, in September, and were up by 14.2%, y-o-y. At LME warehouses, stocks decreased by 1.9%, m-o-m, and were up by 93.5%, y-o-y. Cancelled warrants rose by 2.8%, m-o-m, in September, but were down by 42.3%, y-o-y. On-warrants fell by 2.4%, m-o-m, over the same period, but rose by more than 100%, y-o-y.

Iron ore prices declined in September, falling by 7.3%, m-o-m, and were down by 23.0%, y-o-y. Meanwhile, China's steel industry PMI rebounded in September after trending downwards for three consecutive months. The benchmark rose to 49 in September, up from 40.4 in August, a 21.3% m-o-m increase.

Precious metals

Table 2 - 3: Precious metal prices

Commodity	Unit	*Monthly average*			*% changes*		*Year-to-date*	
					Sep 24/	Sep 24/		
		Jul 24	Aug 24	Sep 24	Aug 24	Sep 23	2023	2024
Precious metals*	*Index*	**182.3**	**185.6**	**193.6**	**4.3**	**33.2**	**146.7**	**173.3**
Gold	*US$/Oz*	2,398	2,470	2,571	4.1	34.2	1,932	2,296
Silver	*US$/Oz*	29.8	28.5	30.1	5.6	30.4	23.4	27.2
Platinum	*US$/Oz*	979	945	967	2.3	5.0	985	951

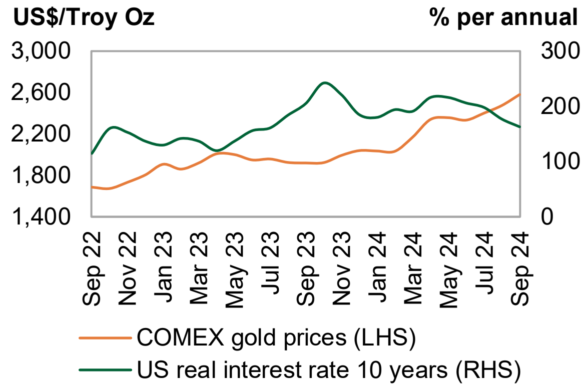
*Note: * World Bank commodity price index (2010 = 100).*

Sources: World Bank and OPEC.

The precious metals' index rose for a third consecutive month in September, increasing by 4.3%, m-o-m. Gold, silver and platinum prices rose by 4.1%, 5.6% and 2.3%, m-o-m, respectively, over the same period.

Gold prices reached a new high in September on the back of higher-than-expected US interest rate cuts. They were further supported by higher safe-haven appeal and geopolitical risk premiums. Silver and platinum prices benefited from higher demand on the industrial side amid a lower US dollar. The precious metals index was up by 33.2%, y-o-y. Gold, silver and platinum prices were also up by 34.2%, 30.4% and 5.0%, y-o-y, respectively.

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



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

Select other minerals

Table 2 - 4: Select other minerals prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Jul 24	Aug 24	Sep 24	Sep 24/ Aug 24	Sep 24/ Sep 23	2023	2024
Other minerals*	*Index*	**37.4**	**35.6**	**33.9**	**-4.7**	**-37.6**	**73.7**	**38.6**
Cobalt	*US$/mt*	26,465	25,231	24,153	-4.3	-26.9	35,090	27,071
Graphite	*US$/mt*	485	484	460	-4.9	-20.3	706	501
Lithium	*US$/mt*	11,255	10,518	9,913	-5.8	-60.0	47,175	11,971

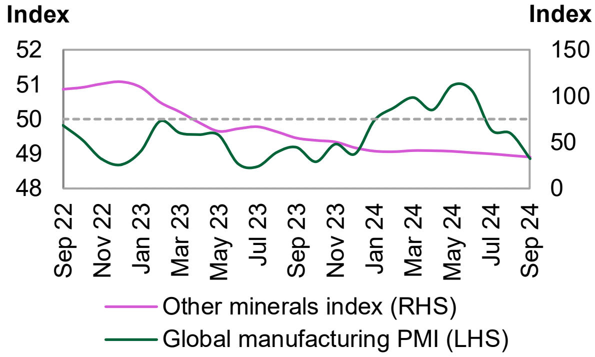
*Note: * OPEC price index (2022 = 100).*

Sources: LME, Haver Analytics and OPEC.

The other minerals price index decreased for a third consecutive month in September, falling by 4.7%, m-o-m. Sustained weakness in global industrial activity continued to drag down other mineral prices in September.

Lithium, graphite and cobalt prices fell by 5.8%, 4.9% and 4.3%, m-o-m, respectively. The index was down by 37.6%, y-o-y; lithium, graphite and cobalt prices were down by 60.0%, 20.3% and 26.9%, 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 decreased for a third consecutive month in September, falling by 3.6%, m-o-m. The net length decrease was driven by crude oil but partially offset by increases in natural gas, copper, and gold. The combined net length was up by 18.9%, y-o-y.

Combined open interest (OI) experienced a marginal increase in September, rising by 0.1%, m-o-m. The OI increase was driven by gold and copper but partially offset by a decrease in copper and natural gas. Combined OI was up by 15.9%, y-o-y.

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

Selected commodity	Open interest			Long		Short		Net length				
	Aug 24	Sep 24	Sep 24/ Aug 24	Aug 24	Sep 24	Aug 24	Sep 24	Aug 24	% OI	Sep 24	% OI	Sep 24/ Aug 24
Crude oil	2,256	2,277	***0.9%***	217	193	29	62	189	8	131	6	***-30.4%***
Natural gas	1,563	1,556	***-0.5%***	225	215	281	258	-56	-4	-43	-3	***-22.7%***
Gold	857	883	***3.0%***	235	261	15	21	220	26	240	27	***9.3%***
Copper	295	263	***-10.8%***	61	63	49	40	12	4	23	9	***91.7%***
Total	**4,971**	**4,978**	***0.1%***	**738**	**732**	**374**	**381**	**364**	**34**	**351**	**39**	***-3.6%***

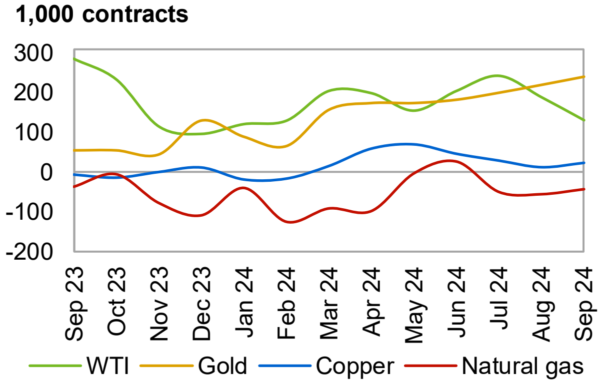
Crude oil (WTI) OI rose for a third consecutive month in September, increasing by 0.9%, m-o-m. Meanwhile, money managers cut net length for a second consecutive month over the same period by 30.4%, m-o-m. OI was down by 1.8%, y-o-y, while money managers' net length was down by 53.8%.

Natural gas (Henry Hub) OI decreased for a second consecutive month in September, falling by 0.5%, m-o-m. Meanwhile, money managers increased net length for a third consecutive month by 22.7%, m-o-m, on the back of higher short coverage. OI was up by 32.5%, y-o-y, while the net length was down by 17.2%, y-o-y.

Gold's OI increased in September by 3.0%, m-o-m. At the same time, money managers increased net length for a fourth consecutive month, up by 9.3%, m-o-m. OI was up by 50.7%, y-o-y, and net length was up by more than 100%, y-o-y.

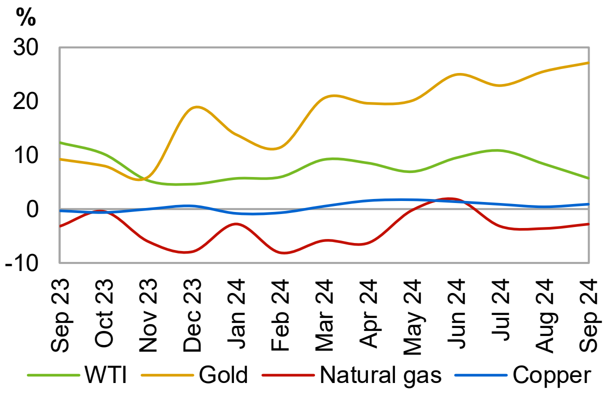
Copper's OI decreased for a third consecutive month in September, falling by 10.8%, m-o-m. Meanwhile, money managers increased net length over the same period after three consecutive months of decreases, up by 91.7%, m-o-m. OI was up by 20.8%, y-o-y, while the net length was down by more than 100%, y-o-y.

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 has maintained solid growth in the first three quarters of the year across most major economies. This positive momentum keeps global growth forecasts unchanged at 3% for 2024 and 2.9% for 2025. Downside risks, including geopolitical uncertainties, high sovereign debt, elevated real interest rates, and tight labour markets, may weigh on near-term growth. However, there remains potential for further improvement.

In the OECD, the US economy has performed well in 2024 thus far, driven by consumer spending on services, despite high interest rates. Elsewhere, the Eurozone has begun a gradual recovery following sluggish growth last year, while Japan started to recover in 2Q24 after three challenging quarters, two of which saw significant declines. However, industrial sector performance across OECD economies has been weak, with only modest improvements recently. As spending in the services sector is expected to slow relatively toward the end of 2024 and into 2025, a strengthening of industrial output will be crucial.

Non-OECD economies have generally outperformed expectations and are projected to continue this trend. Despite challenges in China's real estate sector and domestic consumption, the export-driven segments of the economy are performing well, and recent government-led stimulus is anticipated to support growth around the 5% target for 2024. India has demonstrated exceptional performance this year, with solid growth projected to continue, while Brazil has exceeded growth expectations and may see further upside. Russia has also experienced robust activity across various sectors and is likely to maintain strong growth in 2H24.

Looking ahead to the end of 2024 and into 2025, global industrial production (IP) is expected to pick up, helping to offset some of the anticipated slowdown in services spending. Inflation has significantly decreased since the beginning of the year in the US, Eurozone, and UK, which may lead central banks to adopt more accommodative monetary policies. Hence, global economic growth is expected to remain well-supported, though some uncertainties persist.

Table 3 - 1: Economic growth rate and revision, 2024–2025*, %

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2024	**3.0**	**2.5**	**0.8**	**0.1**	**4.9**	**6.8**	**2.5**	**3.2**
Change from previous month	0.0	0.1	0.0	-0.1	0.0	0.0	0.3	0.0
2025	**2.9**	**1.9**	**1.2**	**0.9**	**4.6**	**6.3**	**1.9**	**1.5**
Change from previous month	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Note: * 2024-2025 = Forecast. The GDP numbers have been adjusted to reflect 2021 ppp.*

Source: OPEC.

Update on the latest global developments

The latest output data from key economies, along with the lowering of key policy rates in the US and Eurozone and recent stimulus measures announced in China, suggest a continued positive trajectory for global economic growth. Depending on the scale of potential additional policy support, there is still upside potential. Furthermore, the decline in inflation across key economies is boosting real income. This, combined with the potential for a further easing of inflationary pressures, indicates that the growth trajectory may remain well supported in the near term.

Numerous revisions to 1H24 GDP growths have been reported by national sources. The US indicated slightly better 1H24 growth, while Japan experienced a minor downward revision. The Eurozone maintained a similar 1H24 growth level but is observing a quarterly level shift. In the US, official sources confirmed that economic growth for 2Q24 was 3% on a q-o-q SAAR. This reflects upward revised growth of 1.6% in 1Q24, up from the previous estimate of 1.4%, based on data from the Bureau of Economic Analysis (BEA). Japan's 2Q24 growth was slightly revised down to 2.9%, q-o-q, SAAR, compared to the earlier estimate of 3.1%, q-o-q, SAAR. This follows a slight downward adjustment in the 1Q24 growth figure, which now stands at -2.4%, q-o-q, SAAR, revised from the previously reported decline of 2.3%, q-o-q, SAAR, as reported by the Ministry of Economy, Trade and Industry. The Eurozone's GDP growth for 1Q24 was revised up to 1.3%, compared to a previous estimate of 1.1%, as reported by Eurostat. However, 2Q24 growth was revised down to 0.8%, q-o-q, SAAR, following an earlier figure of 1.2%.

In non-OECD economies, India continues to experience robust development in IP and other output measures at the beginning of 2H24. Sentiment indicators also point to solid growth in 3Q24, following strong growth dynamics in 2Q24, which recorded an annual growth rate of 6.7%, y-o-y, and 7.8%, y-o-y, in 1Q24. Additionally, the fiscal stimulus measures announced in India's budget are expected to further bolster near-term growth. In China, the growth trajectory appears largely dependent on buoyant exports. The government recently announced significant fiscal stimulus measures alongside central bank monetary support initiatives. These efforts aim to assist the real estate sector and provide an uplift to domestic consumption. China experienced a slight slowdown in 2Q24, with growth at 4.7%, y-o-y, following a robust annual growth rate of 5.3% in 1Q24. However, with the central government aiming to achieve its annual growth target of approximately 5%, the growth outlook seems well supported. In Brazil and Russia, output figures for 1H24 indicate robust developments that are expected to continue into 3Q24, further supporting global economic expansion moving forward.

Positively, inflation has retracted in several key economies, heightening expectations for continued accommodative monetary policies towards the end of 2024 and into 2025 in the US, Eurozone and UK. As of September, headline inflation in the US stood at 2.4%, y-o-y, gradually approaching the central bank's target of 2%. In the UK, the inflation rate for August stood at 2.2%, y-o-y. Meanwhile, in the Eurozone, September inflation—based on the latest available data—stood at 1.8%, y-o-y, below the European Central Bank's (ECB) inflation target of 2%. Core inflation rates, which are a primary focus for central banks, have also declined but nevertheless exhibit some resilience. In September, core inflation in the US rose slightly to 3.3%, y-o-y, while in the UK, it was reported at 3.5%, y-o-y. In the Eurozone, the latest data point from September indicated a slight retraction in core inflation, which stood at 2.7%, y-o-y.

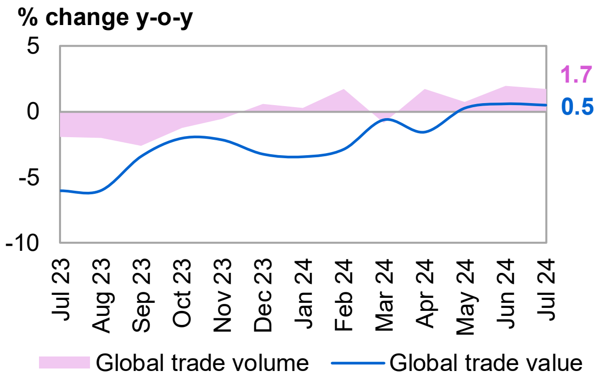
Hence, inflation levels in these economies have moved towards the 2% targets set by their respective central banks, bolstering the case for more accommodative monetary policies in the near term. The ECB and Bank of England (BoE) have each implemented interest rate cuts this year, with reductions of 50 basis points (bp) and 25 bp, respectively. Both are projected to pursue further rate reductions towards the end of 2024 and into 2025. Meanwhile, the US Federal Reserve (Fed) made a significant adjustment by reducing its key policy rate by 50 bp at its September meeting, signalling a potential shift towards a more accommodative monetary stance in the near term. In contrast, the Bank of Japan (BoJ), which maintained an exceptionally accommodative policy until early this year, has since raised interest rates by 35 basis points to address inflation and support the yen. Although this decision has posed challenges—especially in light of Japan's negative economic growth in 1Q24 and rising inflation—BoJ officials have indicated the possibility of further monetary tightening in the near term.

In non-OECD economies, Brazil has slightly revised its key policy rate upward amid concerns over resurging inflation. The country's central bank was proactive in its monetary tightening, implementing stricter policies as early as 2021, and has successfully managed to keep inflation in check since then. India has seen a significant reduction in headline inflation in July, followed by a modest uptick in August. Therefore, the Reserve Bank of India held interest rates unchanged in the October meeting, reflecting this fluctuating inflationary environment, particularly in food inflation. China, facing challenges in its property sector and domestic consumption, has announced substantial fiscal and monetary measures. These include the central bank deciding to lower the primary policy rate by 20 bp, implementing a 50-basis point cut on existing mortgages and reducing the reserve requirement ratio by 50 basis points to support the economy. In Russia, the central bank has continued to maintain a tight monetary stance, raising the key policy rate by one percentage point in September to control inflation, bolster the ruble, and mitigate further inflationary pressures amid robust underlying economic growth.

Global trade exhibited a continued gradual expansion in volume and value terms in July. Global trade volumes expanded by 1.7%, y-o-y, following a rise of 2.0%, y-o-y, in June and 0.7%, y-o-y, in May.

In terms of trade value, there was a y-o-y increase of 0.5% in July, reflecting a level nearly consistent with June's growth rate of 0.6%. This represents an improvement compared to May, which recorded growth of 0.2%. 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 has remained robust in 2024 and is projected to continue expanding at approximately 3% through the end of the year and into 2025. Steady growth is evident across all major economies. Although the Eurozone and Japan experienced low growth in 1H24, a rebound is expected in 2H24. This growth trajectory, coupled with ongoing robust performance in the US economy, is bolstering the growth dynamics of advanced economies, thereby enhancing global economic expansion. In non-OECD economies, growth patterns have also remained resilient in 1H24. Recent stimulus measures in China, along with sustained significant growth in India's economy and further upside potential in Brazil and Russia, indicate that global economic growth is well supported at the levels projected currently.

Overall, these trends indicate a steady global growth trajectory, with average global economic growth of 2.9%, y-o-y, in 1Q24, accelerating to above 3% in 2Q24 and 3Q24. Projections suggest that growth will remain slightly below 3% in the final quarter of 2024. Robust growth is expected to continue into 2025, driven by sustained expansion across most OECD countries and strong performance in major non-OECD economies, building on the growth dynamics established in 2024. The growth pattern in 2025 is anticipated to accelerate from 1H25 into 2H25, with an average rate of 3%, y-o-y, expected in the latter half of the year. Average quarterly growth rates for 2025 are projected to remain stable at approximately 2.9%, y-o-y, with the potential to increase to 3%, y-o-y, in 4Q25, consistent with the previous month's forecast.

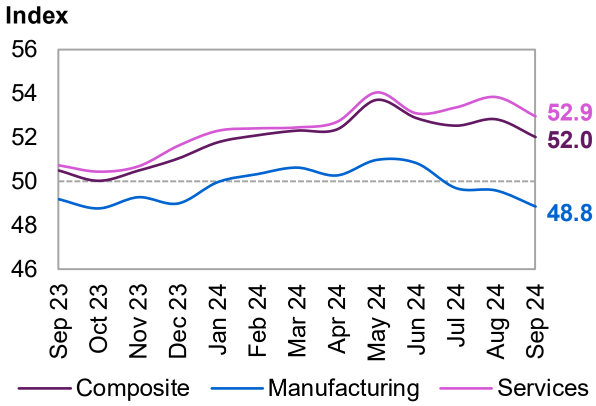
Thus far, the growth dynamics of most global economies have been primarily driven by activity in the services sector. This trend is particularly pronounced in OECD economies, where services have been the key force behind steady growth. In contrast, industrial output in advanced economies has faced ongoing challenges this year. Although there are expectations of a recovery toward the end of the year, its realization remains uncertain. Conversely, non-OECD economies have maintained momentum in their industrial sectors. However, it is evident that a recovery in the industrial sector of advanced economies will be critical for the growth forecast to materialize, especially if activity in the services sector begins to slow, as currently envisaged.

Key central banks are expected to maintain their accommodative monetary policies toward the end of 2024 and into 2025, with notable exceptions including the BoJ, the Central Bank of Russia, and potentially the Central Bank of Brazil. The ECB and BoE are projected to reduce interest rates by another 25 bp in 4Q24, with further cuts anticipated in 2025. The Fed is also likely to continue its accommodative monetary policy stance, which began in September, with potential additional rate cuts toward the end of the year. These actions will depend on economic data, particularly regarding inflation, labour market trends, and overall growth. Conversely, the BoJ is expected to continue its monetary tightening efforts, having already raised rates by 35 bp since the beginning of the year. This trend is supported by frequent comments made by the BoJ leadership. In emerging markets, China is anticipated to maintain its accommodative stance to bolster economic growth. If necessary, the Reserve Bank of India may also have room to lower interest rates to support growth. Collectively, these global monetary easing measures are expected to provide substantial support for global economic growth at the currently projected near-term levels.

In September, global purchasing managers' indices (PMIs) indicated ongoing challenges in the manufacturing sector. After a period of relatively stable dynamics, supported by slightly stronger performance in emerging economies, the global manufacturing PMI remained below the growth-indicating level of 50. This suggests persistent difficulties in the sector, particularly in advanced economies, signalling a continued slowdown. Additionally, the services sector index experienced a slight retraction, indicating that support from this critical area of the global economy is still present but starting to wane.

The global manufacturing PMI decreased to 48.8 in September, down from 49.6 in August, and 49.7 in July.

Graph 3 - 2: Global PMI



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

The global services sector PMI fell by 0.9 index points to 52.9 in September, down from 53.8 in August, and 53.3 in July.

After demonstrating robust growth momentum in 1H24, the global economic growth dynamic is projected to continue expanding at similar levels in 2H24. This maintains the global economic growth forecast for 2024 at 3.0%, unchanged from last month's expectations.

Looking ahead to 2025, the economic growth forecast remains steady at 2.9%, also unchanged from the previous month's assessment.

Table 3 - 2: World economic growth rate and revision, 2024–2025*, %

	World
2024	**3.0**
Change from previous month	0.0
2025	**2.9**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

OECD

US

Update on the latest developments

The US economy has demonstrated resilience in 3Q24, continuing the robust growth pattern seen in 1H24, largely driven by private household expenditures in the services sector. While the industrial sector has maintained its slow growth trajectory on an annual basis through August, it showed slight improvement on a monthly basis. The US Federal Reserve's (US Fed) decision to lower its key policy rate by 50 bp in September has supported asset prices and may further bolster business and consumer sentiment, especially as Fed officials signalled the likelihood of continued accommodative policies into 2024 and 2025. Additionally, headline inflation eased further in September, though core inflation has remained stubbornly persistent. On the positive side, the labour market stayed strong, as reflected in the latest September data. However, consumer confidence dipped significantly in September to 98.7, down from 105.6 in August—the highest level since January—raising concerns about near-term consumer spending.

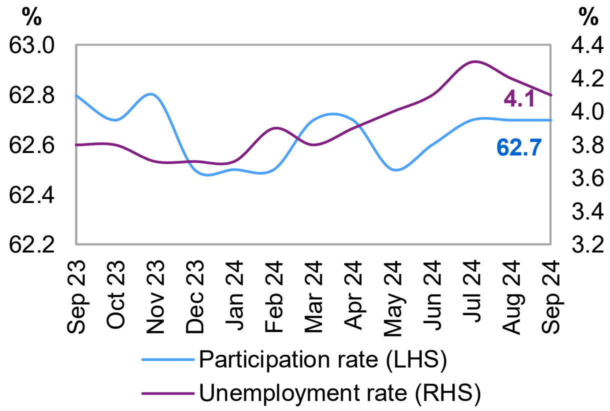
In its latest data release, the Bureau of Economic Analysis (BEA) confirmed the 2Q24 GDP growth estimate of 3%, q-o-q, SAAR. Additionally, the 1Q24 growth was revised upward from 1.4% to 1.6%, q-o-q, SAAR. Private household consumption surged by 2.8%, q-o-q, SAAR in 2Q24, up from 1.9%, q-o-q, SAAR in 1Q24, contributing 1.9 pp to the quarter's GDP growth. This rise was mainly driven by spending in the services sector, which accounted for 1.3 pp of the GDP growth contribution. Indications of continued strength in 3Q24 are evident, with the Atlanta Fed's GDPNow forecast for 3Q24 growth standing at 3.2%, q-o-q, SAAR at the beginning of October, based on a relatively complete set of quarterly data. Despite these positive trends, the industrial sector remains sluggish. In 2Q24, IP increased by a marginal 0.1%, y-o-y, reversing a 0.5%, y-o-y, decline in 1Q24. However, early 3Q24 data show IP declining again by 0.8%, y-o-y, in July and remaining stagnant in August.

Headline inflation continued its steady decline, standing at 2.4% in September, following levels of 2.5%, y-o-y in August and 2.9%, y-o-y, in July. However, core inflation rose slightly to stand at 3.3%, compared with a level of 3.2% in both August and July. On a positive note, headline inflation reached its lowest point since March 2021. The US Fed's preferred inflation measure, core personal consumption expenditures (PCE), rose slightly to 2.7%, y-o-y, in August, up from 2.6% in July. Housing costs, a key driver of inflation, increased by 4.9%, y-o-y, in September, a positive development, when compared to August, when it reached 5.2%, y-o-y. This has been the first level below 5% since February 2022. This may be an important development as housing-related price rises have contributed up to three-quarters to the overall headline inflation figure in past months, keeping core-inflation high. As a result, homeownership has played a significant role in inflationary pressures. Therefore, US homeowners, particularly those with fixed mortgage rates (which constitute the vast majority), have so far experienced a less burdensome inflation environment. Homeownership in the US stood at around two-thirds in 2Q24, according to data from the US Census Bureau.

In September, the US labour market showed signs of improvement. The unemployment rate edged down slightly to 4.1%, compared to 4.2% in August and 4.3% in July. Non-farm payrolls increased by 254,000 in September, exceeding expectations, and up from 159,000 in August, according to data from the Bureau of Labor Statistics. However, consistent with the ongoing challenges in the manufacturing sector, the sector experienced further job losses, with 7,000 jobs lost in September and 27,000 in August. The labour force participation rate remained steady at 62.7% in September.

Annual earnings growth edged up slightly in September again, rising for the second consecutive month. Hourly earnings increased by 4% in September, following 3.9% in August and 3.6% in July.

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

Near-term expectations

Following robust growth in 1H24, the US economy is projected to maintain sound growth in 3Q24, with some deceleration expected towards the year's end. This trend could lead to a slight reduction in annual growth for 2025. The uncertainty surrounding the upcoming presidential elections may influence fiscal and monetary policy, potentially altering the growth trajectory. Headline inflation is expected to continue its downward trend and normalize in 2025, but this will depend on labour costs, which have been rising recently. There remains some uncertainty about whether core inflation, which has remained relatively sticky throughout 2024, will follow this trend. Given the overall slowing of inflation, the US Fed is expected to maintain its accommodative monetary policies through 2024 and into 2025.

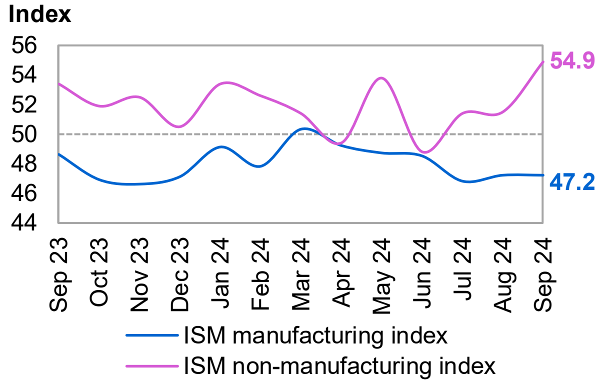
After US economic growth registered at 1.6%, q-o-q, SAAR in 1Q24, and 3% in 2Q24, growth is expected to remain robust at 1.8% in 3Q24 and 1% in 4Q24. However, recent data from the third quarter indicates potential upside, primarily driven by services sector spending. Challenges to this forecast include persistent weaknesses in industrial output and a reduction in the growth of disposable household income, which fell from approximately 8% in 2023 to below 4% in 1H24. Despite these headwinds, the positive dynamics in household consumption observed in 2Q24, along with the potential for this momentum to carry into 2H24, present upside potential for the annual growth forecast.

After the US Fed initiated a 50 bp rate cut in September 2024, recent comments from Fed officials indicate that a continuation of accommodative monetary policy is likely in the near term. This stance reflects developments in inflation, economic growth, and labour market conditions. However, the extent and timing of future easing measures will be heavily dependent on economic data. The Fed's economic projections from June suggest the possibility of another 50 bp rate reduction by the end of 2024. Substantial fiscal stimulus is not expected in 2024 or 2025, largely due to the uncertainty surrounding the upcoming November presidential elections, which could shift fiscal and monetary policy directions. Fiscal changes could also affect monetary decisions in 2025, potentially altering growth trends. Furthermore, the debt ceiling debate is anticipated to resurface after the elections, as the current suspension will expire in January 2025. The borrowing limit of $31.4 trillion was temporarily suspended in 2023. However, the US Treasury Department may employ temporary cash management strategies to avoid breaching the limit if necessary. Although, the resolution of this issue could impact broader fiscal policies and economic outlooks moving forward.

According to data from the Institute for Supply Management (ISM), the PMI for the manufacturing sector continued to indicate a contraction in the sector's activity in September. It stood at 47.2, unchanged from August, compared with 46.8 in July and 48.5 in June. This has kept the manufacturing PMI below the neutral threshold of 50 for most of 2024, signalling a continued contraction in the sector.

Positively, the PMI for the services sector, which comprises 70% of the US economy, rose sharply by 3.4 index points in September, standing at 54.9, following a level of 51.5, and compared with 51.4 in July. Moreover, this follows a level of only 48.8 in June, which lifted worries that the sector may move into a contraction.

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 1H24, the respective upward revision of 1Q24 growth and the expectation of ongoing robust momentum in 3Q24, the economic growth forecast for 2024 was revised up slightly to stand at 2.5%, compared with a growth projection of 2.4% in the previous month.

For 2025, the growth forecast remains unchanged at 1.9%, reflecting a continuation of the anticipated growth trend from 2H24.

Table 3 - 3: US economic growth rate and revision, 2024–2025*, %

	US
2024	**2.5**
Change from previous month	0.1
2025	**1.9**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Eurozone

Update on the latest developments

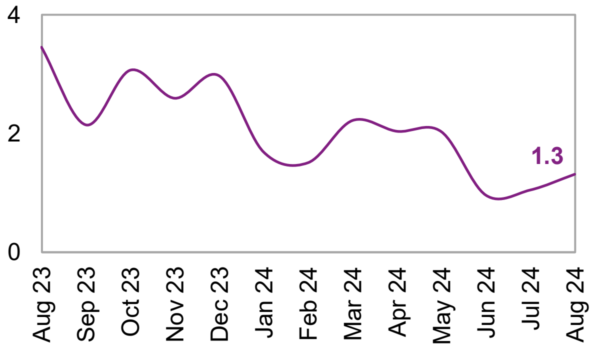
The Eurozone's economic growth trajectory has remained relatively stable, with minor revisions to quarterly growth rates, according to Eurostat, the European Union's statistical office. The revision of 1Q24 GDP growth to 1.3%, q-o-q, SAAR, marked a slight improvement from the previous estimate of 1.1%, q-o-q, SAAR. However, 2Q24 growth was revised downward to 0.8%, q-o-q, SAAR, from the earlier estimate of 1.2%, q-o-q, SAAR. Despite these adjustments, the overall growth pattern for 1H24 remained unchanged, showing gradual improvement compared to the previous year. Much of this growth has been driven by the services sector, a trend seen in other advanced economies. However, the Eurozone's industrial sector continues to face significant challenges. The IP index fell by 2.2%, y-o-y, in July, following declines of 4.2% in June and 3.4% in May. On a monthly basis, IP fell by 0.3% in July, remained steady in June, and decreased by 0.9% in May, with all figures seasonally adjusted.

On a positive note, inflationary pressures within the Eurozone have significantly moderated in recent months. In September, headline inflation was reported at 1.8%, y-o-y, a decrease from 2.1% in August and 2.5% in July. Meanwhile, core inflation, which excludes volatile food and energy prices, remained almost stable at 2.7%, y-o-y, in September, comparing with 2.8%, y-o-y, in both August and July. Consequently, the headline rate has now fallen below the ECB's target of 2%, indicating a potential for further easing of inflationary pressures in the near term. However, it is important to note that core inflation rates continue to exceed the ECB's inflation target. This situation afforded the ECB additional leeway to lower the deposit rate, currently the ECB’s focus in policy rate setting, by 25 bp during its latest monetary policy meeting in September, a strategy of monetary easing that is expected to persist into 2024 and 2025.

According to the latest data from Eurostat, the Eurozone's unemployment rate remained stable at 6.4% in both August and July, compared to 6.5% in 1H24. This reflects a stable labour market, with the unemployment rate remaining largely unchanged for over a year.

In the retail area, growth in value terms showed gradual improvement, rising by 1.3% in August on an annual comparison, edging up slightly from 1.1% in July, and 1.0% in June. Despite the low growth level, the overall trend indicates an acceleration in the Eurozone's economy, supported by a relatively stable labour market and an ongoing expansion in consumer spending.

Graph 3 - 5: Eurozone retail sales



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

Near-term expectations

The gradual rebound in the growth dynamic observed in 1H24 is projected to continue into 2H24 and is forecast to accelerate in 2025. This momentum can be partially attributed to a cyclical recovery that is expected to persist throughout 2024 and 2025, following low growth rates in 2023. Additional factors supporting the anticipated growth trajectory include a more accommodative monetary policy by the ECB, rising real income levels—stemming from a significant slowdown in inflation—and a projected recovery in IP. As with other advanced economies, the services sector remains the primary driver of growth, with its expansion expected to bolster economic activity in the coming months. While a rebound in IP could positively contribute towards the end of the year, the realization of such a rebound remains uncertain, particularly given that the latest available data indicates a decline in IP through July 2024. Moreover, manufacturing orders in Germany, the Eurozone's major industrial economy, have declined by 2.9%, y-o-y, in the latest available data from August, following a rebound of 5.6%, y-o-y, in July, after a considerable decline of 10.7%, y-o-y, in June and 8.2%, y-o-y, in May. The current challenges in Germany’s industrial output play a critical role in the low growth dynamic in 2024. A recovery in 2025 is anticipated, but the magnitude of such a rebound remains to be seen.

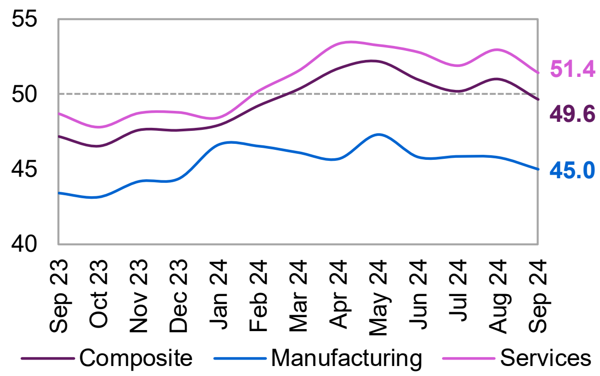
Moreover, the rise in real income has been bolstered by a continued reduction in headline inflation during 1H24. This decrease has prompted the ECB to adopt a more accommodative monetary policy stance, resulting in a reduction of the key policy rate. Given the current inflation trends and modest economic growth, this accommodative stance is anticipated to persist into 2H24 and 2025, potentially enhancing growth momentum. Following this year's 50 bp reduction in the key policy rate, the likelihood of an additional rate cut in 2024 appears feasible. This perspective is further supported by the current 2024 headline inflation forecast, which stands slightly below 2.5%. Inflation is projected to moderate to around 2% in 2025. Notably, both annual inflation projections remain unchanged from last month.

The Eurozone's September PMIs revealed that challenges in the manufacturing sector are likely to continue.

The manufacturing PMI continued to reflect persistent challenges, dropping to a level of 45.0 in September, following 45.8 in August and July. This figure remains significantly below the threshold of 50, indicating that the manufacturing sector has remained in contractionary territory for over two years.

The PMI for the services sector, which represents the largest segment of the Eurozone economy, retracted but remained comfortably above the growth-indicating level of 50. In September, it stood at 51.4, down from 52.9 in August, and following a level of 51.9 in July.

Graph 3 - 6: Eurozone PMIs



Sources: S&P Global and Haver Analytics.

Considering the counterbalancing revisions in 1Q24 and 2Q24 growth, alongside the expectation of continued steady growth in 2H24, the economic growth forecast for the Eurozone in 2024 remains unchanged at 0.8%. This forecast indicates ongoing modest growth, primarily driven by the services sector.

Looking ahead to 2025, the projected growth rate is expected to improve, supported by base effects, with the Eurozone's economy anticipated to gain momentum and reach 1.2%. This forecast remains consistent with the previous month's forecast.

Table 3 - 4: Eurozone economic growth rate and revision, 2024–2025*, %

	Eurozone
2024	**0.8**
Change from previous month	0.0
2025	**1.2**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Japan

Update on latest developments

Japan's economy experienced a rebound in 2Q24, following a sharp decline in 1Q24. Given the most recent economic indicators, a continuation of this recovery is anticipated in 2H24. Domestic demand has remained robust, and exports have continued to expand. However, the industrial sector is still facing challenges and is primarily supported by external demand, while the services sector continues to be the driving force domestically, similar to other advanced economies.

Revisions to 1H24 GDP growth have resulted in a slight downward adjustment by the Ministry of Economy and Trade (METI). Japan's 1Q24 economic contraction is now reported at 2.4%, slightly more pronounced than the previously reported 2.3%, q-o-q, SAAR. Furthermore, the rebound in 2Q24 has been revised down slightly, with the economy growing at 2.9%, q-o-q, SAAR, compared to the previously reported 3.1%, q-o-q, SAAR. This recovery in 2Q24 was notably supported by a sharp increase in private household consumption expenditures, which rose by 3.7%, q-o-q, SAAR, following four consecutive months of decline. However, relatively high inflation poses a challenge for the BoJ, which may need to raise its key policy rate further, as indicated by recent comments from the central bank's leadership.

The BoJ has already raised its benchmark interest rate from -0.1% to 0.25% in 2024, with a surprise 25 bp hike implemented in late July. This adjustment marks the highest key policy rate level in Japan since the global financial crisis of late 2008. Additionally, the BoJ announced plans to reduce its monthly bond purchases, scaling back its ¥6 trillion programme to approximately ¥3 trillion by spring 2026. These tightening measures also contributed to increased volatility in both Japanese and global asset markets in August. Despite these adjustments, the BoJ remains committed to controlling inflation while acknowledging the low growth dynamics present in the economy.

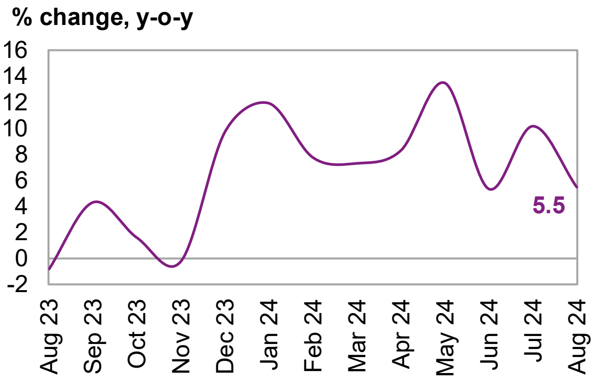
Retail sales continued to grow in August, increasing by 2.8%, y-o-y, compared to 2.7%, y-o-y in July, based on non-seasonally adjusted figures. Inflation rose again, reaching 3%, y-o-y, which is notably high for the Japanese economy, especially considering that inflation has been low or even negative since the beginning of the century. This August figure also represents the highest inflation level in over two decades, up from an already elevated 2.8%, y-o-y, in July. Core inflation, which excludes food and energy and serves as a critical metric for central bank policies, was significantly lower, standing at 1.7%, y-o-y, in August, compared to 1.6%, y-o-y, in July and 1.9%, y-o-y, in June.

Japan's IP growth has experienced volatility in recent months, with a notable decline in August, falling by 4.9%, y-o-y. This decline follows a robust increase of 2.9%, y-o-y, in June and a decrease of 7.9%, y-o-y, in May, all based on non-seasonally adjusted figures.

Similarly, goods exports have fluctuated significantly but have continued to support Japan's economic growth in recent months. In August, export growth, on a non-seasonally adjusted base, was 5.5%, y-o-y, following a rise of 10.2%, y-o-y, in July. This marks an increase from 5.4%, y-o-y, in June, but is down from 13.5%, y-o-y, in May.

Consumer confidence remained relatively strong, with the index standing at 36.6 in September, following 36.5 in August, 36.8 in July, and 36.6 in June.

Graph 3 - 7: Japan's exports



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

Near-term expectations

Following the decline in Japan's economy seen in 2H23 and 1Q24, a rebound was observed in 2Q24, with expectations of continued recovery in 2H24. This recovery is projected to be supported by ongoing improvements in domestic consumption and sustained expansion in external trade. However, given the significant contraction in 1Q24, Japan's annual economic growth forecast for 2024 remains modest. Following a pronounced contraction of 2.4%, q-o-q, SAAR in 1Q24, the Japanese economy rebounded significantly in 2Q24, achieving growth of 2.9%, q-o-q, SAAR. Leading indicators, such as the composite PMI, the Tankan survey, and consumer confidence indices, suggest continued improvements. Economic growth in 3Q24 is forecast to further improve, reaching 3.4%, q-o-q, SAAR, while growth in 4Q24 is expected to moderate to 1%, q-o-q, SAAR. Both 2H24 quarterly forecasts remain unchanged from the previous month. The steady growth trend anticipated in 2H24 is expected to carry into 2025, with robust external demand activity projected to persist through 2024 and 2025. While IP continues to face challenges, it is expected to improve gradually towards the end of the year, providing a positive carry-over effect into the following year. Activity in the services sector is also anticipated to normalize gradually.

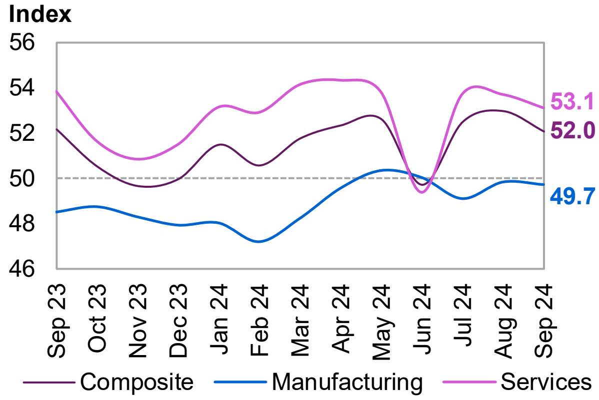
A critical factor influencing Japan's economic growth trajectory will be the near-term monetary policy actions of the BoJ. Following the rate hikes in March and late July, comments from BoJ officials underscore the central bank's commitment to addressing persistent inflation and strengthening the yen. Based on these indications, it appears likely that the BoJ will continue to raise interest rates through the end of the year and into 2025. On the fiscal front, it is uncertain what additional support measures the new government may introduce. After Prime Minister (PM) Ishiba took office in early October, succeeding former PM Kishida, the direction of potential fiscal actions remains unclear. With general elections set for October 27, the new Prime Minister has emphasized three main priorities for the economic package: addressing high inflation, promoting growth in both national and regional economies, and ensuring the safety and security of Japanese citizens. Detailed economic measures and a supplementary budget are expected to be unveiled after the election, with forecasts suggesting these will support economic growth in 2025, but certainly also depending on the outcome of the elections.

The September PMI data for Japan reflects a continued expansion in the country's services sector and an ongoing challenging situation in manufacturing.

In the manufacturing sector, the PMI remained virtually unchanged, exhibiting only a slight softening; however, it continues to indicate a contraction, with a reading below 50. The index stood at 49.7 in September, compared to 49.8 in August.

The services sector PMI, which represents a significant portion of Japan's economy, stood at 53.1 in September, down from 53.7 in August.

Graph 3 - 8: Japan's PMIs



Sources: S&P Global and Haver Analytics.

Following the slight downward revision in 1H24 economic growth, the growth forecast for Japan is revised down by a corresponding margin. The 2024 economic growth forecast now stands at 0.1%, compared to the previous month's forecast of 0.2%. Despite ongoing uncertainties, the outlook anticipates a continued rebound in economic activity in 2H24.

Table 3 - 5: Japan's economic growth rate and revision, 2024–2025*, %

	Japan
2024	**0.1**
Change from previous month	-0.1
2025	**0.9**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Looking ahead, the expected gradual improvement in economic momentum is anticipated to extend into 2025. With the BoJ likely to maintain its steady tightening of monetary policies in the coming year, economic growth for 2025 is forecast to rise slightly to 0.9%, unchanged from the previous month's forecast.

Non-OECD

China

Update on the latest developments

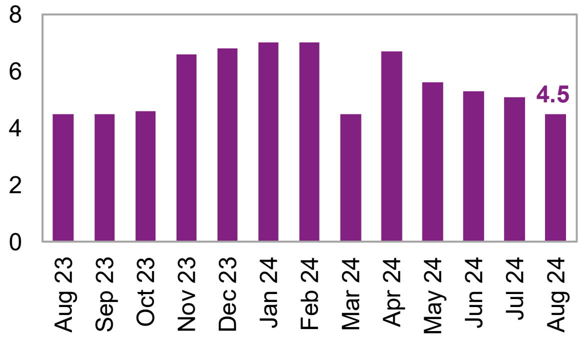
In late September, China announced a comprehensive stimulus package encompassing both monetary and fiscal policies. This was aimed at stabilizing its economy, with a particular focus on the housing sector. On the monetary front, the People's Bank of China (PBOC) enacted several critical measures to enhance liquidity and lower borrowing costs. The Reserve Requirement Ratio (RRR) was reduced by 50 bp, effectively releasing 1 trillion yuan (approximately $140 billion). This marks the second RRR cut this year, following a similar reduction in February. Additionally, the PBOC lowered the seven-day reverse repo rate by 20 bp to 1.5%. To further support the housing market, mortgage rates on existing loans were decreased by 50 bp, benefiting approximately 50 million households. Furthermore, the PBOC established a 500-billion-yuan (about $70 billion) liquidity facility to support stock market buybacks, enhancing overall financial stability.

On the fiscal front, China's Ministry of Finance announced the issuance of 2 trillion yuan (approximately $280 billion) in special sovereign bonds. Of this total, 1 trillion yuan has been earmarked to stimulate consumption, including subsidies for home appliances, electric vehicle trade-ins and regional consumption initiatives. Additionally, targeted cash handouts have been introduced for low-income households. The remaining 1 trillion yuan has been allocated to mitigate local government debt, fund essential public services and convert unsold housing stock into social housing. Furthermore, some of this fiscal support has potentially been earmarked to address rising urban youth unemployment, particularly for new graduates entering the job market.

These measures come in response to ongoing signs of a slowdown in several sectors. Retail sales increased by only 2.1%, y-o-y, in August, down from 2.7%, y-o-y, in July. In urban areas, retail sales slowed to 1.8%, y-o-y, down from 2.4%, y-o-y, in July. Concurrently, rural retail sales also experienced a slowdown, decreasing to 3.9%, y-o-y, from 4.6%, y-o-y, in the previous month. Additionally, the decline in housing prices also continued, contracting by 9.0%, y-o-y, in August, representing a sharper decrease than the 8.5% contraction, y-o-y, observed in July.

IP slowed to 4.5%, y-o-y, growth in August, down from 5.1%, y-o-y, growth in July. A closer examination of the data reveals a continued decline in construction-related industrial output but an expansion in high-tech manufacturing.

Graph 3 - 9: China's industrial production



Sources: China National Bureau of Statistics and Haver Analytics.

Construction-related production, primarily pig iron, crude steel, and rolled steel, contracted more sharply in August, decreasing by 8.8%, 10.4%, and 6.5%, y-o-y, respectively, compared to July's contractions of 8.0%, 9.0%, and 4.0%, y-o-y, respectively. Cement production also saw a decline of 12.0%, y-o-y, in August, following a 12.4%, y-o-y, decrease in July. While these products experienced contractions due to the ongoing slowdown in the housing sector, high-tech manufacturing continued to expand. Mobile telephone production grew by 7.9%, y-o-y, in August, an increase from 6.5%, y-o-y, in July. Additionally, integrated circuits and microcomputer equipment recorded healthy growth in August, with increases of 17.8%, y-o-y, albeit slower than the growth of 26.9%, y-o-y, observed in July.

Inflation saw a slight uptick, with the Consumer Price Index (CPI) rising to 0.6%, y-o-y, in August, up from 0.5%, y-o-y, in July. However, core inflation fell slightly to 0.3%, y-o-y, in August, down from 0.4%, y-o-y, in July. Concurrently, producer prices across all industries exhibited a contraction, with the Producer Price Index (PPI) declining by 1.8%, y-o-y, in August. This marked a steeper decline than the contraction of 0.8%, y-o-y, observed in July.

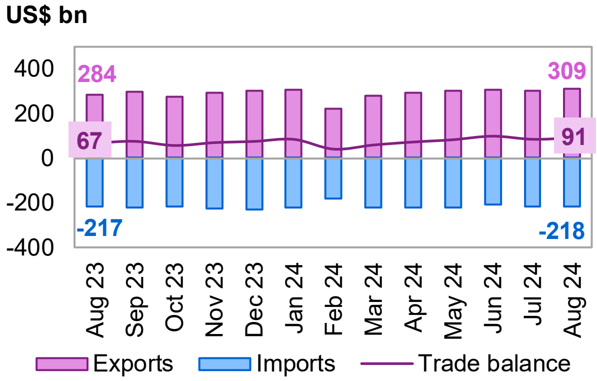
The unemployment rate experienced a slight increase in August, rising to 5.3% from 5.2% in July. Urban youth unemployment remains a significant contributor to this trend, increasing to 18.8% in August, up from 17.1% in July. Notably, urban youth unemployment rose sharply in July from 13.2% the previous month, coinciding with the entry of new university graduates into the job market.

On the trade front, exports increased by 8.7%, y-o-y, in August, up from 7.0%, y-o-y, in July, despite indications from some trade partners of increasing trade restrictions. These restrictions have been primarily limited to specific sectors, with a particular focus on electric vehicles (EVs) from the US, Canada, and the EU.

In August, imports rose by 0.5%, y-o-y, a decline from the increase of 7.2%, y-o-y, observed in July.

As a result, the Chinese trade surplus expanded to $91.0 billion in August, up from $84.6 billion in July.

Graph 3 - 10: China's trade balance



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

Near-term expectations

The continued slowdown in consumer demand and deeper contraction in the housing sector in August prompted a new round of policy interventions. The Chinese government previously indicated its willingness to implement direct measures in response to these challenges, which is now reflected in the latest interventions, including large-scale fiscal and monetary actions. The recent robust fiscal and monetary stimulus measures introduced by the Chinese government have already been largely anticipated and considered in this forecast, based on the pattern of government measures observed during previous economic downturns. This stimulus is expected to enhance consumer spending through a combination of lower interest rates, reduced RRRs to increase liquidity, and voucher programmes aimed at stimulating consumption.

However, the housing sector will likely decline due to an ongoing supply overhang. Initiatives such as converting existing apartments into social housing, lowering mortgage rates, and reducing down payment requirements for second-time homebuyers may help moderate the decline in housing prices. Nonetheless, the government's broader goal remains to manage the sector's correction while preventing wider economic spillovers.

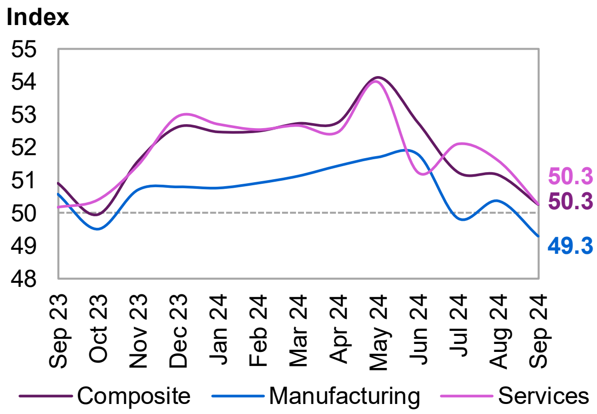
Although the current measures are larger in scale than those implemented earlier in the year, further actions are likely necessary. The PBOC has indicated that additional RRR cuts may be considered later this year, while further fiscal stimulus could also be introduced to counteract slowing consumer demand. The gradual implementation of increasingly substantial policy interventions is anticipated to help in achieving the growth target. Although measures to address unemployment have also been introduced, urban youth unemployment remains a significant structural challenge.

In the near term, exports and manufacturing are the largest contributors to achieving the 5% growth target for this year. While IP in construction-related subsectors is contracting, high-tech manufacturing is expected to offset these declines and drive export growth. Trade tensions are not anticipated to significantly reduce export volumes, as China maintains diversified markets, including Russia, where exports have been rising sharply. As IP shifts from construction-related products to high-tech manufacturing, energy requirements for the industrial sector will likely ease slightly due to the changing composition of industrial output.

The latest PMI data for September indicates a slight decline in China's manufacturing and services outlook. The Manufacturing PMI has fallen into contractionary territory, registering at 49.3, down from 50.4 in August.

Meanwhile, the services sector also experienced a slight slowdown, with the Services PMI contracting to 50.3 in September, down from 51.6 in August. Nonetheless, it remains in positive territory.

Graph 3 - 11: China's PMI



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

The latest round of government support had previously been anticipated in this outlook and keeps the forecast for 2024 at 4.9%, consistent with the previous month's estimate.

Similarly, the growth forecast for China in 2025 remains unchanged from the previous month's forecast of 4.6%.

Table 3 - 6: China's economic growth rate and revision, 2024–2025*, %

	China
2024	**4.9**
Change from previous month	0.0
2025	**4.6**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

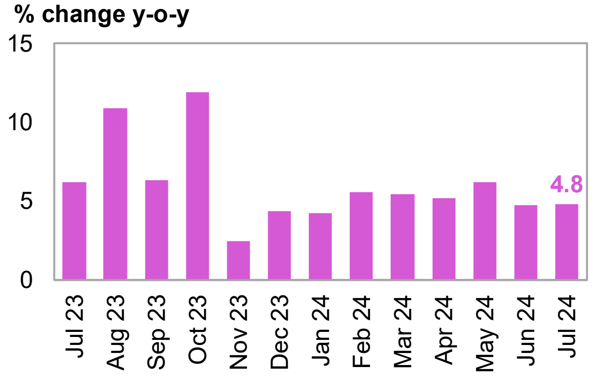
India

Update on the latest developments

The Indian economy experienced a slight deceleration in growth, registering 6.7%, y-o-y, in 2Q24, down from 7.8%, y-o-y, in 1Q24. This slowdown was primarily driven by a decrease in government expenditure during the election season. The services sector, which has constituted an average of 54% of the economy since 2021, saw growth accelerate to 7.2%, y-o-y, in 2Q24, up from 6.7%, y-o-y, in 1Q24. The construction sector also expanded robustly, growing by 10.5%, y-o-y, in 2Q24, up from 8.7%, y-o-y, in 1Q24. Agriculture returned to 2.0%, y-o-y, growth in 2Q24, up from 0.6%, y-o-y, in 1Q24, as the lingering effects of the weak 2023 monsoon season continued into early 2024. Meanwhile, manufacturing, the second-largest segment of the economy at approximately 18% since 2021, slowed slightly to 7.1%, y-o-y, in 2Q24, down from 8.9%, y-o-y, in 1Q24.

IP rose slightly in July to 4.8%, y-o-y, up from 4.7%, y-o-y, in June. However, the mining sector experienced a slowdown, registering growth of 3.7%, y-o-y, in July, down from 10.3%, y-o-y, in June. This decline was offset by stronger growth in manufacturing, which increased to 4.6%, y-o-y, in July, up from 3.3%, y-o-y, in June. Chemicals, chemical products, and apparel emerged as the top-performing subsectors in manufacturing, while electrical equipment, basic metals, and computer, electronic, and optical products continued to demonstrate robust, albeit slightly decelerated, growth in August.

Graph 3 - 12: India's industrial production

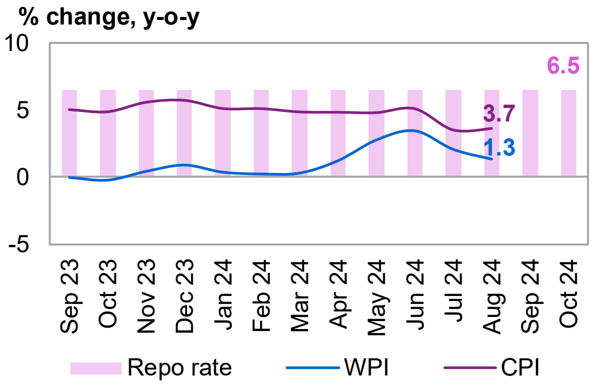


Sources: Ministry of Statistics and Program Implementation of India and Haver Analytics.

The unemployment rate declined to 7.8% in September, down from 8.5% in August. Delays in the monsoon season slightly elevated rural unemployment in June compared to 2023. A similar pattern emerged in September, as new hiring in the agricultural sector coincided with a positive monsoon season and the onset of the harvest.

Inflation ticked up to 3.7%, y-o-y, in August, rising from 3.5%, y-o-y, in July, but remained below 4% for the second consecutive month. This increase was primarily driven by food inflation, particularly in vegetables, which experienced a 10.7%, y-o-y, price rise in August, up from 6.8%, y-o-y, in July. From January through June, vegetable inflation averaged 28%, y-o-y, due to the weak 2023 monsoon. While the recovery in the harvest contributed to a decrease in vegetable inflation in July, above-average monsoon rains affected some crop outputs, causing prices to rise again. According to the Indian Meteorological Department (IMD), cumulative rainfall across the country through the end of September was 7.6% above the historical 40-year average.

Graph 3 - 13: Repo rate and inflation in India



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

However, rainfall distribution was uneven, with Central India receiving 19.5% above the historical average, while East and Northeast India experienced 13.8% below the historical average. South Peninsular India and Northwest India received 13.9% and 7% above the historical average, respectively.

On monetary policy, the key repo rate remained at 6.5%, following the last Reserve Bank of India (RBI) Monetary Policy Committee (MPC) meeting in early October. The MPC cited the balanced economic outlook, with resilient domestic growth, supported by private consumption and investment, as the main drivers of this decision. Additionally, ongoing inflationary concerns remain, particularly in food inflation that has seen a recent uptick. The committee also changed its stance from "withdrawal of accommodation" to "neutral," reflecting this adjusted outlook.

India's trade deficit widened sharply to $29.6 billion in August, down from $23.6 billion in July, and $24.0 billion in August 2023.

The widening deficit was primarily driven by a surge in gold imports following a reduction in customs duties on gold and silver from 15% to 6% in late July.

Total imports increased to $64.4 billion in August, up from $57.5 billion in July, while monthly exports also rose to $34.7 billion in August, up from $33.9 billion in July.

Graph 3 - 14: India's trade balance

Sources: Ministry of Commerce and Industry and Haver Analytics.

Near-term expectations

India's robust economic growth is expected to continue in 2H24, as government spending resumes following the slowdown in 2Q24 due to the election season. However, a slight deceleration is anticipated in the growth rates for 3Q24 and 4Q24, owing to the high baseline of growth in 2H23. On a quarterly basis, the Indian economy is projected to decelerate to 6.5%, y-o-y, in 3Q24 and 6.3%, y-o-y, in 4Q24.

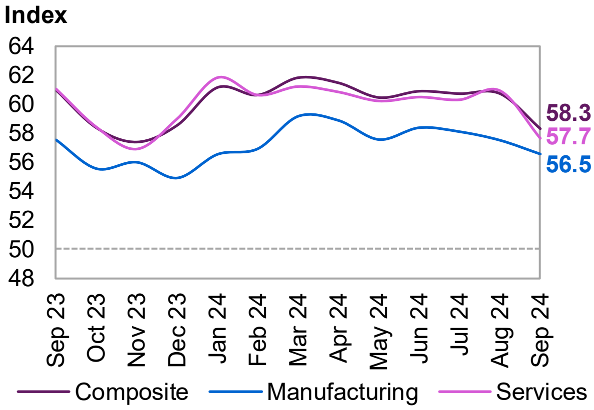
The coalition government formed in June 2024 has maintained policy continuity, with additional emphasis on addressing unemployment. Production-Linked Incentive (PLI) schemes remain in place, supporting industrial output in key sectors, including pharmaceuticals, telecommunications, and automobile manufacturing and components. Employment-Linked Incentives, announced in the 2024 Union Budget released in July, primarily provide financial incentives for first-time employees, benefiting both employers and workers, along with technical training and development initiatives. Additionally, youth internship opportunities are included to enhance job creation.

The programme is expected to positively impact unemployment reduction, although the time frame for achieving significant results is likely to be longer than that of the PLI schemes. Fluctuations in the unemployment rate will likely continue to be influenced by dynamics in the agricultural sector. With an above-average monsoon season, agricultural output is expected to increase through the end of the year; however, excessive rains in some regions could potentially weaken crop output, even while replenishing reservoir levels.

The above-average monsoon season is also expected to influence food inflation, as evidenced by the recent drop in vegetable inflation in July and August. While vegetable inflation could rise above 10% due to weaker output in certain varieties, overall inflation is not anticipated to return to the levels nearing 30% observed from January to June of this year. The decision by the RBI to hold interest rates unchanged is expected to help further ease inflationary pressures.

The S&P Global Manufacturing PMI contracted to 56.5 in September, down from 57.5 in August, but remains in positive territory. The Services PMI declined to 57.7 in September, from 60.9 in August, but remains exhibiting solid expansion.

Graph 3 - 15: India's PMIs



Sources: S&P Global and Haver Analytics.

With continued government support and spending, along with positive dynamics in consumer spending, India's growth rate for 2024 is projected to be 6.8%, y-o-y, consistent with the previous month's forecast.

In 2025, the growth rate is expected to decelerate from the high baseline of 2024 to 6.3%, y-o-y, which is also in line with the previous month's forecast.

Table 3 - 7: India's economic growth rate and revision, 2024–2025*, %

	India
2024	**6.8**
Change from previous month	0.0
2025	**6.3**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Brazil

Update on latest developments

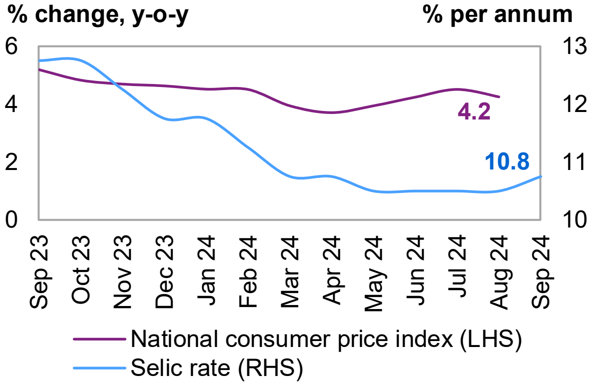
The Brazilian economy displayed strong growth of 3.3%, y-o-y, in 2Q24, accelerating from 2.5%, y-o-y, in 1Q24. The services sector, the largest in the Brazilian economy, expanded by 3.5%, y-o-y, in 2Q24, up from 3.0%, y-o-y, in 1Q24. The industrial sector also exhibited robust performance, growing by 3.9%, y-o-y, in 2Q24, an improvement from 2.8%, y-o-y, in 1Q24. Within this sector, manufacturing industries grew significantly at 3.6%, y-o-y, in 2Q24, up from 1.5%, y-o-y, in 1Q24. The construction sector recorded strong growth as well, of 4.4%, y-o-y, in 2Q24, up from 2.1%, y-o-y, in 1Q24. In contrast, the mineral extraction sector saw growth slow to 1.0%, y-o-y, in 2Q24, down from 5.9%, y-o-y, in 1Q24. The agricultural sector experienced a contraction of 2.9%, y-o-y, in 2Q24, slightly less than the 3.0%, y-o-y, contraction in 1Q24. This decline was anticipated, however, given the country's record agricultural output in 2023.

Retail sales in Brazil continued to grow robustly, reaching 9.3%, y-o-y, in July, up from 9.1%, y-o-y, in June. Motor vehicle sales showed particularly strong growth, increasing by 19.8%, y-o-y, in July, a significant rise from 7.5%, y-o-y, in June. However, IP decelerated to 2.2%, y-o-y, growth in August, down from 6.1%, y-o-y, in July. The manufacturing sector also slowed, recording 1.7%, y-o-y, growth in August, down from 7.3%, y-o-y, in July. A key driver of this deceleration was the machinery and equipment segment, which only grew by 1.0%, y-o-y, in August, compared to a robust 10.8%, y-o-y, in July. Unemployment in Brazil saw a slight decline, falling to 6.6% in August from 6.8% in July, marking the lowest unemployment rate since 2014.

Inflation in Brazil eased slightly to 4.2%, y-o-y, in August, down from 4.5%, y-o-y, in July. This figure remains within the upper limit of the Banco Central do Brasil's (BCB) inflation target of 3%, which has a tolerance band of up to 4.5%. Although inflation has exhibited volatility, it has generally remained under 4.6% throughout 2024. Food and non-alcoholic beverage inflation increased to 4.6%, y-o-y, in August, up from 4.2% in July, while transport inflation fell to 4.5%, y-o-y, in August from 4.9% in July, albeit remaining relatively elevated.

The continued inflationary pressures in Brazil led the BCB's Monetary Policy Committee (Copom) to raise the key Selic interest rate by 25 bp to 10.75% at its September meeting. This marked a reversal in the easing cycle that began in August 2023, following two consecutive meetings where interest rates were held steady. The Copom attributed the rate hike to several factors, including strong domestic economic activity, tight labour market conditions and rising inflation projections. Global economic uncertainties, particularly in the US, also played a role in the decision. The Copom's next meeting is scheduled for early November.

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 economy continues to exhibit positive signals in consumer demand; however, the industrial sector remains characterized by volatility. Declining unemployment rates and rising wages are anticipated to bolster robust domestic demand and sustain momentum in the services sector. The improvements in business and consumer confidence observed in September suggest further upside potential for the domestic economy. Nonetheless, the industrial sector is expected to experience ongoing volatility, particularly within the mining and quarrying sectors, as well as to durable and semi-durable goods.

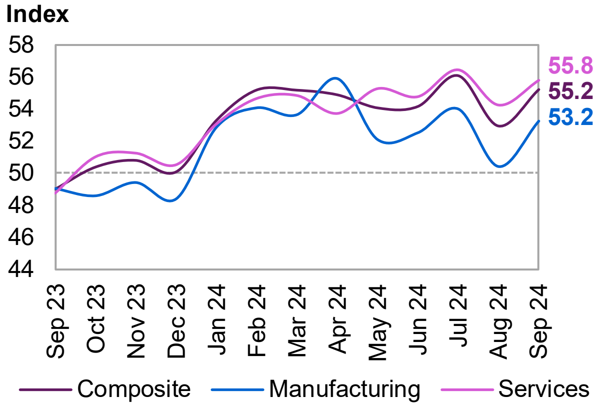
The agricultural sector is expected to improve after two consecutive quarters of contraction in 1Q24 and 2Q24, following the record baseline established in 2023. Regional output data indicates robust growth in grain production in Mato Grosso, as well as in sugarcane and fruit production in São Paulo. Additionally, grain production (soybeans, corn, cotton) and coffee are performing strongly in Bahia. These trends are expected to persist into 2025, albeit at lower levels than the peaks observed in 2023.

Regarding monetary policy, the initiation of a new tightening cycle occurs as the Brazilian economy continues to demonstrate strong domestic consumption and a tight labour market, raising renewed concerns about inflationary pressures. Additional interest rate hikes are anticipated. Continued government spending is expected to support economic growth, albeit slightly tempered by rising interest rates. A potential transition in leadership at the BCB in January 2025 may influence policy coordination, although the effectiveness of such changes remains to be seen.

In September, both the Manufacturing and Services PMIs increased further into positive territory.

The Manufacturing PMI rose to 53.2, up from 50.4 in August, while the Services PMI climbed to 55.8, up from 54.2 in August. Expectations indicate a continued expansion in consumer demand over the next year.

Graph 3 - 17: Brazil's PMIs



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

With continued strength in the domestic Brazilian economy counterbalanced partially by the tightening of monetary policy, the 2024 economic growth forecast is revised up to 2.5%.

For 2025, ongoing uncertainties surrounding inflation and monetary policy outlook are the key reasons for maintaining the y-o-y growth forecast at 1.9%, consistent with last month's forecast.

Table 3 - 8: Brazil's economic growth rate and revision, 2024–2025*, %

	Brazil
2024	**2.5**
Change from previous month	0.3
2025	**1.9**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Russia

Update on the latest developments

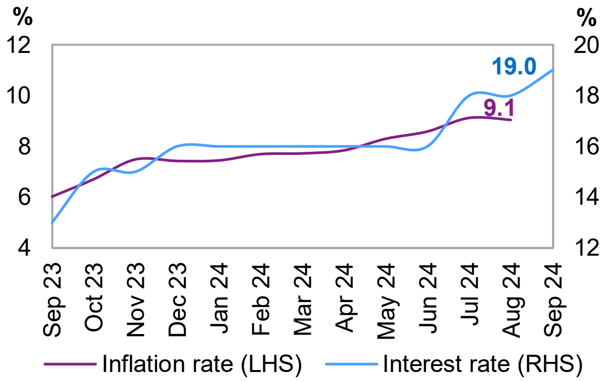
The Russian economy continues to exhibit strong growth patterns despite ongoing challenges. Early indicators from 3Q24 suggest signs of a slight slowdown. In 2Q24, the economy grew by 4.1%, y-o-y, down from 5.4%, y-o-y, in 1Q24. On a monthly basis, economic growth decelerated from 4.5%, y-o-y, in April and May to 3.0%, y-o-y, in June. Recent data indicates an economic growth rate of 3.4%, y-o-y, in July.

IP declined slightly in August to a growth rate of 2.8%, y-o-y, down from 3.3%, y-o-y, in July. Manufacturing output decreased to 4.7%, y-o-y, down from 6.7%, y-o-y, in July. In August, the mining and quarrying sector experienced a return to zero growth, y-o-y, following a contraction of 2.4%, y-o-y, in July. This development indicates the end of a contraction period that commenced in April 2024.

The labour market remains tight, with the unemployment rate at 2.4% in July for the second consecutive month. Under these conditions, upward pressure on wages persists, contributing to sustained high levels of consumer spending. In August, retail sales grew 5.2%, y-o-y, down slightly from 6.4%, y-o-y, in July. With a tight labour market and sustained consumer demand, particularly amidst constrained domestic supply and imports, inflation remains elevated. The CPI edged slightly down to 9.1%, y-o-y, in August from the peak inflation this year seen in July. Core inflation also decelerated slightly in August, reaching 8.4%, y-o-y, compared to 8.6%, y-o-y, in July.

In this inflationary environment, the Russian Central Bank (RCB) decided to raise interest rates to 19% at its September meeting, up from 18%, citing persistently high inflation driven by strong consumer spending and rising inflation expectations. The RCB had previously increased interest rates from 16% to 18% at its July meeting. The bank highlighted supply-side constraints, including labour shortages and logistical issues, as key factors limiting output amid high demand. The RCB indicated that further interest rate hikes are possible to achieve the 4% inflation target, although reaching this goal is not expected within the current year. On the external front, Russian exports increased by 6.3%, y-o-y, in July, up from 2.2%, y-o-y, in June. Meanwhile, imports contracted by 2.0%, y-o-y in July, albeit this was a smaller contraction than the June rate of 7.1%, y-o-y. The overall trade surplus stood at $8.7 billion in July, down from the June level of $11.7 billion but up from the July 2023 level of $6.2 billion.

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



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

Near-term expectations

The Russian economy continues to experience growth despite external challenges. Two key factors, namely persistent inflation and a tight labour market, are significantly impacting the economy. Supply-side constraints and elevated government spending are expected to sustain inflationary pressures. Wages are likely to rise further due to tight labour market conditions, although high interest rates may begin to dampen consumption and investment. Quarterly, the economy is projected to decelerate from 4.0%, y-o-y, in 2Q24 to 2.3%, y-o-y, in 3Q24 and 1.8%, y-o-y, in 4Q24.

Monetary policy is expected to remain tight, and the cancellation of subsidized mortgages provides greater policy leverage for effective monetary transmission. Early signs of disinflation suggest that further interest rate hikes may not be necessary. With inflation around 9%, the primary focus, before reaching the 4% inflation target, is to avoid double-digit inflation, which becomes increasingly difficult to control. Additionally, increased imports, bolstered by a high trade surplus with China, may help alleviate supply constraints in the economy.

IP is expected to remain robust despite the decline observed in August, supported by continued government spending and investment. Retail sales are also anticipated to remain relatively strong, although a slight deceleration is expected due to higher interest rates.

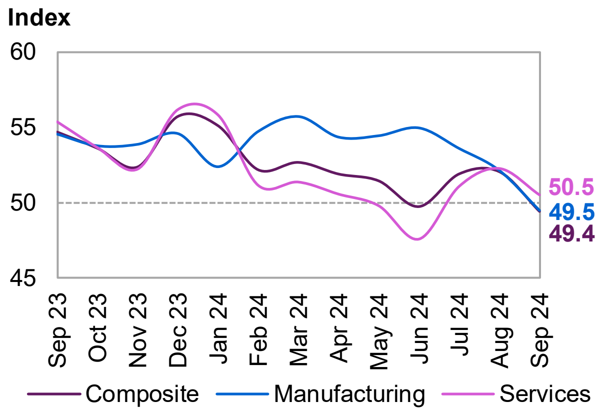
The tight labour market presents structural challenges that may necessitate greater investment in production capacity, which is currently constrained by the high-interest rate environment. Effectively navigating the policy trade-offs between controlling inflation through higher interest rates and fostering a broader investment cycle through lower rates will require careful policy management. Despite these challenges, there is potential for further growth in the Russian economy moving into 2025.

The latest PMI figures show that manufacturing edged slightly into contraction while services index declined but remained in expansionary territory.

In September, the Services PMI contracted to 50.5, down from 52.3 in August.

The Manufacturing PMI contracted to 49.5 in September, down from 52.1 in August.

Graph 3 - 19: Russia's PMI



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

Despite some signs of deceleration, the Russian economy continues to demonstrate strong performance. As a result, the growth forecast for 2024 remains at 3.2%, consistent with last month's report.

For 2025, growth rates are expected to continue their deceleration, with the forecast set at 1.5%, also in line with the previous month's report.

Table 3 - 9: Russia's economic growth rate and revision, 2024–2025*, %

	Russia
2024	**3.2**
Change from previous month	0.0
2025	**1.5**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Africa

South Africa

Update on the latest developments

Economic growth data released last month indicates that South Africa's economy grew by 0.4%, y-o-y, in 2Q24, a slight acceleration from the growth rate of 0.3%, y-o-y, recorded in 1Q24. Public consumption expenditure slowed to 1.2%, y-o-y, growth in 2Q24, down from 1.5%, y-o-y, growth in 1Q24. In contrast, private consumption expenditure grew by 0.9%, y-o-y, in 2Q24, recovering from the contraction of 0.3%, y-o-y, observed in 1Q24. Gross fixed capital formation experienced a sharp contraction of 7.4%, y-o-y, in 2Q24, down from a contraction of 2.6%, y-o-y, in 1Q24. This was largely driven by declines in the machinery and equipment sectors during 2Q24.

Inflation in South Africa continued to ease, with the CPI in August registering at 4.4%, y-o-y, down from 4.6%, y-o-y, in July. The CPI has shown consistent easing since February 2024, placing South Africa in the lower half of the inflation target range of 3% to 6%. Food inflation saw an uptick to 4.5%, y-o-y, in August, up from 4.0%, y-o-y, in July. Meanwhile, transport services, which constitute approximately 14% of the inflation basket, decreased to 2.6%, y-o-y, in August, down from 4.0%, y-o-y, in July, after remaining above 5% since February 2024.

The easing of inflation prompted the Monetary Policy Committee (MPC) of the South African Reserve Bank (SARB) to reduce the policy rate by 25 bp to 8% during the September meeting. The MPC also lowered the prime lending rate by 25 bp to 11.5%. This decision was supported by improved global conditions, which contributed to a more favourable inflation outlook. However, the MPC maintained a cautious stance, citing ongoing challenges in the power generation sector. While South Africa's stable electricity supply has positively influenced the economic outlook, concerns about slow investment recovery and rising electricity costs persist. The next MPC meeting is scheduled for mid-November.

Retail sales growth slowed to 2.0%, y-o-y, in July, down from a robust 4.1%, y-o-y, in June. Unemployment continues to be a challenge for the South African economy, rising to 33.2%, y-o-y, in 2Q24, up from 32.8%, y-o-y, in 1Q24.

Electricity production showed improvement in July and August. Electricity generated grew by 6.3%, y-o-y, in August, down from a strong growth rate of 8.5%, y-o-y, in July. Notably, electricity generation reached 99.0% of the 2019 baseline in August and 102.3% of the 2019 baseline in July.

Near-term expectations

The slight acceleration in growth observed in 2Q24 is expected to be sustained into 2H24 and continue into 2025. This growth is being driven by ongoing improvements in the power generation sector, as a more stable electricity grid is anticipated to positively impact the economy, particularly the industrial sector. These developments are also expected to benefit the labour market, with high unemployment rates projected to soften. The power sector will also benefit from market reforms that have increased competition, leading to more reliable output in the medium term.

Additionally, monetary easing is expected to continue following the 25-basis point rate cut in September, marking the beginning of the easing cycle. With inflation within the target range and below the midpoint, another rate cut is anticipated at the next meeting in November. According to MPC statements, interest rates could stabilize slightly above 7% in 2025, down from the current rate of 8%. These trends suggest that economic growth will accelerate in 2025.

The PMI rose to 51.0 in September, up from 50.5 in August, indicating a positive outlook. Although staffing and purchasing activity slowed slightly, business activity expanded due to an increase in new order intakes.

With improving economic conditions anticipated in 2H24 offsetting the slower growth observed in 1H24, the growth forecast for 2024 remains at 0.7%, consistent with last month's projections.

A sustained and stable power generation sector, along with continued monetary policy easing, is expected to further accelerate the economy into 2025. The forecast for 2025 stands at 1.3%, which is consistent with the previous month's outlook.

Table 3 - 10: South Africa's economic growth rate and revision, 2024–2025*, %

	South Africa
2024	**0.7**
Change from previous month	0.0
2025	**1.3**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Saudi Arabia

The IP in Saudi Arabia grew by 1.6%, y-o-y, in July, with the manufacturing sub-index rising by 4.6%, y-o-y. This growth was primarily driven by increased output in chemicals and chemical products, along with an expansion in food manufacturing, highlighting the continued expansion of the non-oil sector. The latest data indicates that the non-oil sector of the economy expanded by 4.4%, y-o-y, in 2Q24, up from 3.4%, y-o-y, in 1Q24.

In the labour market, recent data shows that unemployment fell to 3.3% in 2Q24, down from 3.5% in 1Q24. Notably, Saudi female working-age unemployment decreased to 11.9% in 2Q24, down from 13.4%, reflecting an increase in female labour force participation. Saudi male working-age unemployment also declined, falling to 3.0% from 3.3% over the same period. Non-oil exports grew by 19.0%, y-o-y, in July, driven by chemical products, plastics, and rubber, which collectively accounted for over 50% of Saudi exports in July. Imports rose by 12.6%, y-o-y, in July, with China remaining the largest trading partner for both Saudi imports and exports. Inflation saw a slight increase to 1.6%, y-o-y, in August, up from 1.5%, y-o-y, in July. This was primarily driven by rising apartment rental prices but was offset by declines in transport services and furnishings.

The Riyad Bank Saudi Arabia PMI rose for the second consecutive month, reaching 56.3 in September, up from 54.8 in August, driven by expansions in output and new orders. Increased domestic demand fuelled the acceleration in new orders, while non-oil companies continued to expand staffing. Overall, the accelerated growth in the non-oil sector, alongside rising labour market participation, is expected to support a sustained and balanced growth trajectory.

Nigeria

Inflation in Nigeria declined for the second consecutive month in August, falling to 32.2%, y-o-y, down from 33.4%, y-o-y, in July. Food inflation eased to 37.4%, y-o-y, in August, from 39.4%, y-o-y, in July, after staying above 40% between April and June of this year. However, transport inflation declined at a slower pace, edging up slightly in August to 25.7%, y-o-y, after dipping to 25.2%, y-o-y, in July. Core inflation saw a minor increase in August, rising to 27.6%, y-o-y, from 27.5%, y-o-y, in July. IP posted its second consecutive quarter of growth, but slowed to 3.4%, y-o-y, from 3.8%, y-o-y, in 4Q23. The unemployment rate rose slightly to 5.3% in 1Q24, up from 5.0% in 3Q23, while youth unemployment fell marginally to 8.4%, y-o-y, in 1Q24, down from 8.6%, y-o-y, in 3Q23.

The slowdown in inflation aligns with the positive momentum in 2Q24 economic growth, which registered a 3.2%, y-o-y, growth rate, up from 3.0%, y-o-y, in 1Q24. The services sector grew by 3.8%, y-o-y, in 2Q24, down from 4.3%, y-o-y, in 1Q24, while the industrial sector showed solid growth at 3.5%, y-o-y, in 2Q24, up from 2.2%, y-o-y, in 1Q24. At its September meeting, the Central Bank of Nigeria's (CBN) Monetary Policy Committee raised the key policy rate by 50 bp to 27.2% and increased the cash reserve ratio for deposit money banks to 50%. It also retained the asymmetric interest rate corridor at +500/-100 bp around the policy rate, emphasizing tighter monitoring of fiscal releases to manage liquidity and exchange rate pressures while maintaining the liquidity ratio at 30%. The committee is scheduled to reconvene in late November. The Stanbic IBTC Bank Nigeria PMI showed a slight decline to 49.8 in September from 49.9 in August. Although marginally in contractionary territory, new orders rose for the second consecutive month in September.

United Arab Emirates (UAE)

The latest economic growth data from the UAE indicates continued growth of 3.4%, y-o-y, in 1Q24, down from 4.3%, y-o-y, in 4Q23. The non-oil sector expanded by 4.0%, y-o-y, in 1Q24, compared to 6.7%, y-o-y, in 4Q23, with the deceleration attributed to slower growth in financial and insurance services, real estate activities, construction and manufacturing. Overall, the 2023 figures reflected additional growth from the lower baseline in 2022. The construction sector, however, maintained robust growth at 6.2%, y-o-y, in 1Q24, albeit down from 8.4%, y-o-y, in 1Q23. Similarly, transportation and storage posted strong growth of 7.3%, y-o-y, in 1Q24, down from 10.3%, y-o-y, in 4Q23. The oil sector returned to growth, registering 1.4%, y-o-y, in 1Q24, rebounding from a 2.2% contraction in 4Q23.

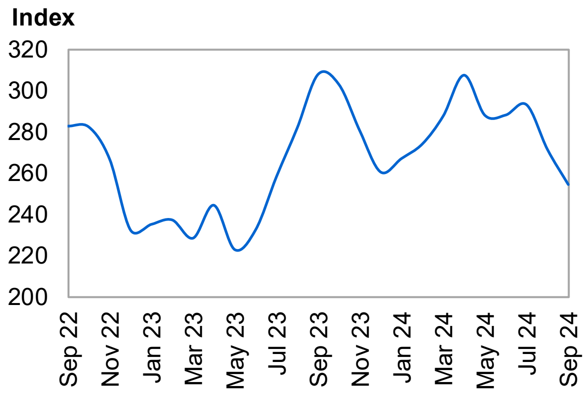
Inflation in Dubai experienced a slight uptick in August, rising to 3.4%, y-o-y, from 3.3%, y-o-y, in July, though it remains below the levels seen in May and June when inflation exceeded 3.8%, y-o-y. Food inflation, along with housing, water, electricity, gas, and other fuels, saw a slight acceleration in August compared to July. However, this was offset by slower inflation in insurance, financial services, and transport during the same period. Across the UAE, inflation edged up in 2Q24 to 2.3%, y-o-y, compared to 1.9%, y-o-y, in 1Q24. In September, the Central Bank of the UAE (CBUAE) cut the key policy rate by 50 bp, mirroring the US Fed's rate cuts.

Dubai experienced a rise in tourism, with 10.62 million overnight visitors from January through July 2024, up from 9.83 million during the same period in 2023, marking an 8% increase. Western Europe remains the leading source of visitors to Dubai, followed by South Asia and the Gulf Cooperation Council (GCC). The S&P Global UAE PMI slightly declined to 53.8 in September from 54.2 in August but remains in expansionary territory. Despite the dip, new business levels among non-oil sector firms continued to rise, though the overall slowdown was attributed to a more moderate expansion in business activity and new orders.

The impact of the US dollar (USD) and inflation on oil prices

The US dollar (USD) index declined for a third consecutive month in September, falling by 1.1%, m-o-m. The USD's safe-haven status was dampened by higher-than-expected US Fed interest rate cuts in September, namely 50 bps instead of the widely anticipated 25 bps. The USD was further pressured by a marginal increase in the personal consumption expenditures (PCE) price index (0.1%) in August, the US Fed's preferred measure of price stability, signalling lower inflationary pressures. Additionally, softer US macroeconomic indicators remained a drag on the USD. The index was down by 4.0% y-o-y.

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



Sources: IMF and OPEC.

In terms of developed market currencies, the USD fell against all major currencies for a third consecutive month in September. It declined against the euro, yen, and pound by 0.9%, 2.1%, and 2.6%, m-o-m, respectively. Compared with the same period last year, the USD was also down against the euro, yen, and pound by 3.9%, 3.1%, and 6.3%, y-o-y, respectively.

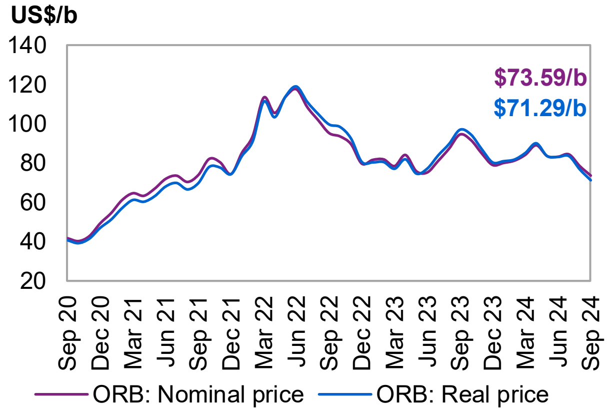
In terms of emerging market currencies, the USD fell against all major currencies in September. It declined against the rupee, yuan, and real by 0.1%, 1.1%, and 0.3%, m-o-m, respectively. Compared with the same period last year, the USD was up against the rupee, yuan, and real by 0.9%, 3.1%, and 12.0%, y-o-y, respectively.

The differential between nominal and real ORB prices widened in September. Inflation (nominal price minus real price) went from a premium of $1.62/b in August to a premium of $2.30/b in September, a 42.0% increase, m-o-m.

In nominal terms, accounting for inflation, the ORB price went from $78.41/b in August to $73.59/b in September, a 6.1% decrease, m-o-m. The ORB was down by 22.2%, y-o-y, in nominal terms.

In real terms (excluding inflation), the ORB went from $76.79/b in August to $71.29/b in September, a 7.2% decrease, m-o-m. The ORB was down by 26.6%, 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

For 2024, world oil demand growth is revised down by 106 tb/d from last month's assessment, largely due to actual data received combined with slightly lower expectations for the oil demand performance in some regions. World oil demand is forecast to grow by about 1.9 mb/d, y-o-y. Some minor adjustments were made to the OECD forecast in 2Q24 based on actual data received. In 3Q24, the forecast for the OECD Americas was slightly revised upwards to account for an expected improvement, largely in US oil demand. In the non-OECD, some adjustments were implemented, reflecting actual data as well as slightly lower expectations for the performance of some regions.

In terms of regions, OECD oil demand is expected to grow by more than 0.1 mb/d in 2024, with OECD Americas accounting for the bulk of oil demand growth, supported by marginal growth from OECD Asia Pacific. However, OECD Europe is projected to see a slight contraction, y-o-y. In the non-OECD, oil demand is expected to increase by 1.8 mb/d, y-o-y, driven mostly by China, with additional support from Other Asia, India, the Middle East, and Latin America. Total world oil demand is anticipated to reach 105.6 mb/d in 4Q24, to average 104.1 mb/d in 2024, bolstered by strong air travel demand and road mobility, including trucking, as well as healthy industrial, construction and agricultural activities, primarily in non-OECD countries. Similarly, refinery capacity additions in non-OECD countries – mostly in China and the Middle East – are also expected to contribute to oil demand growth. The global growth forecast is subject to uncertainties, including global economic developments.

For 2025, global oil demand growth is revised down by 102 tb/d in some sub-regions of the non-OECD. Accordingly, oil demand is forecast to grow by about 1.6 mb/d, y-o-y, to average 105.8 mb/d. Within the regions, the OECD is forecast to grow by 0.1 mb/d, y-o-y, while the non-OECD region is projected to drive growth by 1.5 mb/d, y-o-y.

Table 4 - 1: World oil demand in 2024*, mb/d

							Change 2024/23	
World oil demand	**2023**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**2024**	**Growth**	**%**
Americas	24.96	24.42	24.98	25.58	25.37	25.09	0.13	0.54
of which US	*20.36*	*19.92*	*20.47*	*20.71*	*20.85*	*20.49*	*0.13*	*0.62*
Europe	13.45	12.85	13.72	13.73	13.41	13.43	-0.02	-0.13
Asia Pacific	7.24	7.53	7.04	7.03	7.43	7.26	0.01	0.17
Total OECD	**45.65**	**44.80**	**45.74**	**46.34**	**46.21**	**45.78**	**0.13**	**0.28**
China	16.36	16.66	16.75	17.09	17.25	16.94	0.58	3.56
India	5.34	5.66	5.66	5.48	5.65	5.61	0.27	5.02
Other Asia	9.28	9.72	9.79	9.51	9.51	9.63	0.35	3.82
Latin America	6.69	6.67	6.77	6.92	6.88	6.81	0.12	1.77
Middle East	8.63	8.68	8.44	9.19	9.02	8.83	0.20	2.32
Africa	4.46	4.56	4.32	4.39	4.85	4.53	0.07	1.61
Russia	3.84	3.96	3.88	3.96	4.11	3.98	0.14	3.57
Other Eurasia	1.17	1.33	1.24	1.08	1.28	1.23	0.06	5.06
Other Europe	0.78	0.78	0.78	0.77	0.84	0.79	0.01	0.81
Total Non-OECD	**56.56**	**58.02**	**57.62**	**58.38**	**59.40**	**58.36**	**1.80**	**3.18**
Total World	**102.21**	**102.81**	**103.36**	**104.73**	**105.61**	**104.14**	**1.93**	**1.89**
Previous Estimate	102.21	102.90	103.61	104.81	105.61	104.24	2.03	1.99
Revision	0.00	-0.09	-0.25	-0.08	0.00	-0.11	-0.11	-0.10

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

Source: OPEC.

Table 4 - 2: World oil demand in 2025*, mb/d

World oil demand	2024	1Q25	2Q25	3Q25	4Q25	2025	Change 2025/24 Growth	%
Americas	25.09	24.48	25.04	25.70	25.45	25.17	0.08	0.31
of which US	*20.49*	*19.95*	*20.50*	*20.76*	*20.89*	*20.53*	*0.04*	*0.21*
Europe	13.43	12.87	13.73	13.75	13.43	13.45	0.02	0.12
Asia Pacific	7.26	7.54	7.04	7.04	7.44	7.27	0.01	0.15
Total OECD	**45.78**	**44.89**	**45.81**	**46.50**	**46.32**	**45.88**	**0.11**	**0.23**
China	16.94	17.09	17.14	17.53	17.64	17.36	0.41	2.44
India	5.61	5.88	5.90	5.73	5.88	5.85	0.24	4.27
Other Asia	9.63	9.99	10.11	9.84	9.81	9.93	0.30	3.15
Latin America	6.81	6.81	6.91	7.07	7.02	6.95	0.14	2.09
Middle East	8.83	8.93	8.65	9.52	9.23	9.08	0.25	2.82
Africa	4.53	4.64	4.41	4.50	4.94	4.62	0.09	2.03
Russia	3.98	4.02	3.93	4.02	4.15	4.03	0.05	1.35
Other Eurasia	1.23	1.36	1.27	1.13	1.31	1.26	0.03	2.56
Other Europe	0.79	0.79	0.79	0.78	0.85	0.80	0.01	1.42
Total Non-OECD	**58.36**	**59.52**	**59.10**	**60.11**	**60.83**	**59.90**	**1.54**	**2.63**
Total World	**104.14**	**104.41**	**104.91**	**106.61**	**107.15**	**105.78**	**1.64**	**1.58**
Previous Estimate	104.24	104.60	105.26	106.79	107.26	105.99	1.74	1.67
Revision	-0.11	-0.19	-0.35	-0.19	-0.10	-0.21	-0.10	-0.10

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

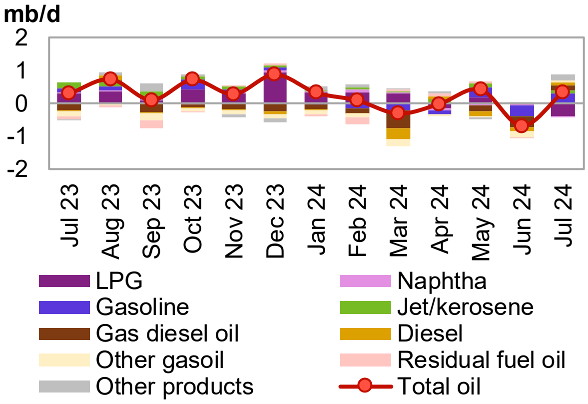
OECD

OECD Americas

Update on the latest developments

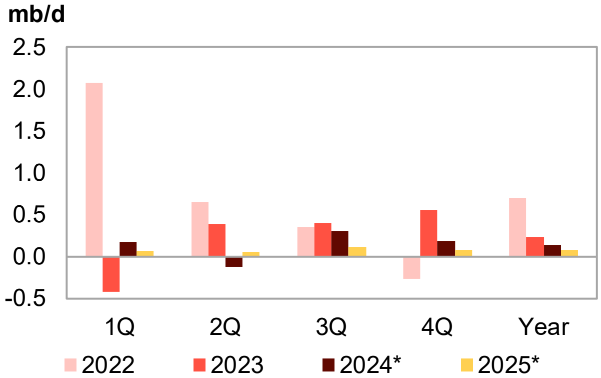
In July, oil demand in OECD Americas increased by 338 tb/d, y-o-y, up from the 688 tb/d y-o-y decline seen the previous month. This increase in monthly demand can largely be attributed to transportation fuel and diesel requirements in the US, which offset y-o-y declines seen in Canada and flat growth in Mexico.

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: * 2024-2025 = Forecast.*
Source: OPEC.

US

US oil demand in July expanded by 439 tb/d, y-o-y, up from a contraction of 506 tb/d, y-o-y, registered the previous month. The largest increase was recorded in transportation fuels amid the summer driving season.

In terms of products, gasoline led oil demand growth in July by 318 tb/d, y-o-y, up from 246 tb/d, y-o-y, a decline from the previous month. On the back of a surge in mobility during summer travel in the US, data from the US Department of Transportation showed that seasonally adjusted vehicle miles travelled for July 2024 increased by 0.6%, y-o-y. This also represents a 0.04% increase m-o-m. Diesel expanded by 110 tb/d, y-o-y, up from a decline of 384 tb/d, y-o-y, seen the previous month. The rise in diesel demand was partly supported by an increase in trucking activity in the US, as the American Trucking Association's (ATA) seasonally adjusted

Truck Tonnage Index increased by 0.4%, y-o-y, in July. The 'other products' category, notably petroleum coke, which is widely used in aluminium and steel manufacturing, expanded by 266 tb/d, y-o-y, up from lesser growth of 76 tb/d, y-o-y, seen in June. Jet/kerosene demand expanded by 68 tb/d, y-o-y, up from the 41 tb/d y-o-y decline registered the previous month. The increase in jet/kerosene demand aligned with developments in the air travel industry. According to a report from the International Air Travel Association (IATA), US domestic passenger traffic and international revenue passenger-kilometres (RPKs) increased by 5.0% and 6.4%, y-o-y, respectively in July. Residual fuels expanded by 43 tb/d, y-o-y, up from a minor growth of 14 tb/d, y-o-y, seen in the previous month.

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

US oil demand			*Change Jul 24/Jul 23*	
By product	**Jul 23**	**Jul 24**	**Growth**	**%**
LPG	3.45	3.10	-0.35	-10.1
Naphtha	0.14	0.12	-0.02	-11.8
Gasoline	8.98	9.30	0.32	3.5
Jet/kerosene	1.77	1.83	0.07	3.9
Diesel	3.58	3.69	0.11	3.1
Fuel oil	0.25	0.29	0.04	17.1
Other products	2.17	2.44	0.27	12.3
Total	**20.33**	**20.77**	**0.44**	**2.2**

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

Sources: EIA and OPEC.

In terms of petrochemical feedstock, LPG contracted by 350 tb/d, y-o-y, down from 78 tb/d y-o-y growth seen the previous month. Naphtha inched down by 16 tb/d, y-o-y.

Near-term expectations

In the near term, economic activity in the US is anticipated to remain healthy and the US economy is expected to experience ongoing support from private household consumption. Similarly, manufacturing activity is also expected to see a gradual improvement in 4Q24, albeit lower than in 3Q24. Furthermore, air travel activity is anticipated to remain healthy and support oil demand. However, driving activity is expected to slow during the winter season. In 4Q24, oil demand is anticipated to grow by 170 tb/d, y-o-y, to average 20.85 mb/d. On the back of continued robust air travel activity, jet kerosene is anticipated to continue to drive oil demand. In 2024, the US is forecast to grow by 126 tb/d to average 20.5 mb/d.

In 1Q25, economic activity is expected to remain healthy and support the petrochemical sector and mobility, which will help oil demand grow marginally by 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 has not yet shown a rebound. In 2025, US oil demand is projected to increase by 42 tb/d, y-o-y, to average 20.5 mb/d.

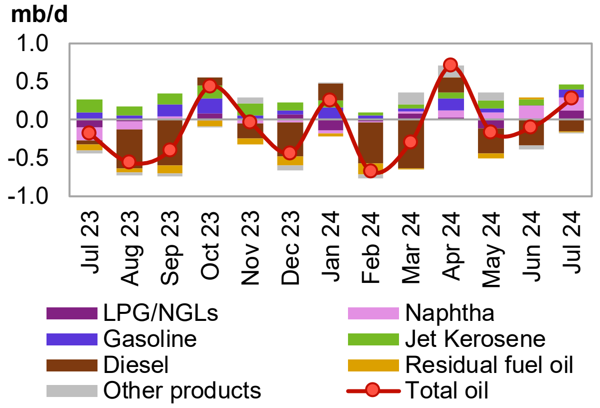
OECD Europe

Update on the latest developments

Oil demand in the OECD Europe rebounded by 272 tb/d, y-o-y, in July, up from a decline of 102 tb/d, y-o-y, the previous month. The demand increase stemmed from France, Spain, and the UK, which more than offset the observed oil demand decline in Germany and Italy. Petrochemical feedstock and transportation fuels were the products that accounted for the growth in oil demand.

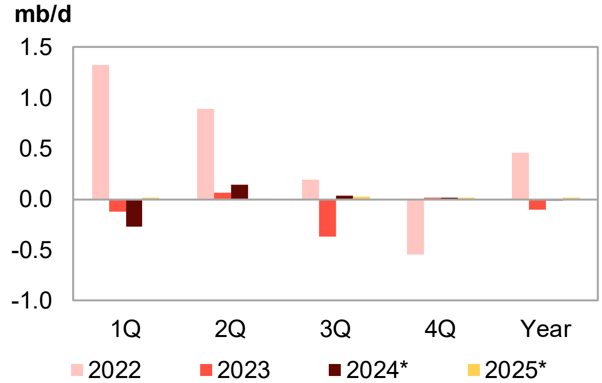
Regarding products, naphtha surged by 173 tb/d, y-o-y, up from 165 tb/d, y-o-y, growth seen in the previous month. LPG increased by 113 tb/d, y-o-y, up from 17 tb/d, y-o-y, growth observed the previous month. In terms of transportation fuels, gasoline expanded by 113, y-o-y, up from no growth the previous month. Jet/kerosene saw growth of 59 tb/d, y-o-y, slightly below the 79 tb/d, y-o-y, growth of the previous month. The monthly relative decline in jet/kerosene aligns closely with a report from IATA's Air Passenger Market Analysis showing that Europe's international RPKs grew by 8.3%, y-o-y, in July compared with 9.6%, y-o-y, growth witnessed in June. Diesel continued to see a contraction of 158 tb/d, y-o-y, in July.

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: * 2024-2025 = Forecast.
Source: OPEC.

Near-term expectations

In the near term, GDP for the region is expected to remain on a positive trajectory, albeit at a low rate in 2H24. Stronger-than-expected economic performance in both 1Q24 and 2Q24, primarily driven by the services sector, is anticipated to continue into 2H24. However, ongoing headwinds in manufacturing and petrochemical activity are expected to weigh on regional oil demand. Accordingly, the region is expected to see a moderate increase of 28 tb/d, y-o-y, in 2H24. Overall, Europe is projected to see a decline of 17 tb/d, y-o-y, in 2024 to average 13.4 mb/d.

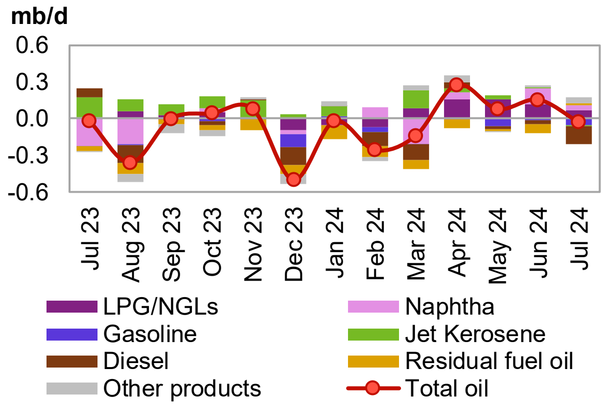
Expected improvements towards the end of 2024 are foreseen to continue into 2025, with anticipated positive GDP growth in the region slightly above the 2024 rate. Furthermore, air travel and driving activity are expected to remain steady and continue to drive oil demand. Accordingly, OECD Europe oil demand growth in 2025 is forecast at 17 tb/d, y-o-y, to average 13.5 mb/d.

OECD Asia Pacific

Update on the latest developments

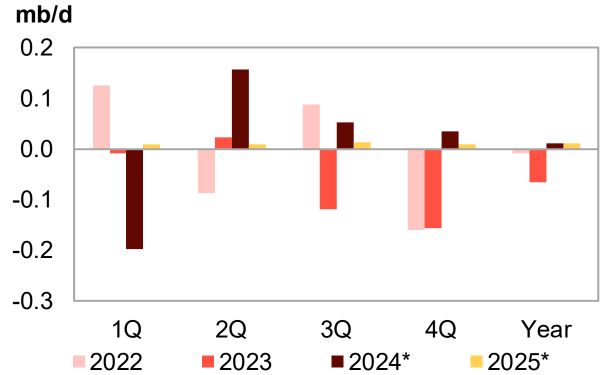
Oil demand in OECD Asia Pacific declined by 29 tb/d, y-o-y, down from 154 tb/d, y-o-y, growth seen in June. The relatively strong decline in Japan's oil demand offsets y-o-y growth from South Korea, while oil demand in Australia was flat, y-o-y.

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: * 2024-2025 = Forecast.
Source: OPEC.

In terms of petroleum products, the largest contraction stemmed from diesel requirements, which fell by 142 tb/d, y-o-y, down from a 29 tb/d, y-o-y, decline seen the previous month. Gasoline demand contracted by 56 tb/d, y-o-y, down from 14 tb/d, y-o-y, the previous month. Jet/kerosene inched down by 7 tb/d, y-o-y, from minor y-o-y growth of 4 tb/d observed the previous month.

In terms of petrochemical feedstock, LPG expanded by 70 tb/d, y-o-y, from y-o-y growth of 120 tb/d in June. Naphtha increased by 41 tb/d, y-o-y, down from 131 tb/d, y-o-y, growth the previous month. In the meantime, while residual fuels grew by 14 tb/d, y-o-y, the 'other fuels' category expanded by 51 tb/d, y-o-y, up from 14 tb/d y-o-y growth observed the previous month.

Near-term expectations

In the near term, economic activity in the region is anticipated to remain positive, albeit with variations among the region's countries. Economic activity in South Korea has been very steady, with all growth indicators being largely supportive. The Japanese economy is expected to gradually rebound in the near term. Accordingly, a steady air traffic recovery amid healthy driving activity and petrochemical industry operations is anticipated to support oil demand growth of 35 tb/d, y-o-y, in 4Q24. In 2024, oil demand in the Asia Pacific is forecast to increase moderately by 12 tb/d to average 7.3 mb/d.

In 2025, the region's GDP is projected to surpass the 2024 growth rate, and improvements in regional economic activity are anticipated to support the services sector. In addition, healthy air travel dynamics and requirements of the petrochemical sector in the region are projected to support slight oil demand growth of 11 tb/d, y-o-y. Overall, oil demand in the region is anticipated to average 7.3 mb/d in 2025.

Non-OECD

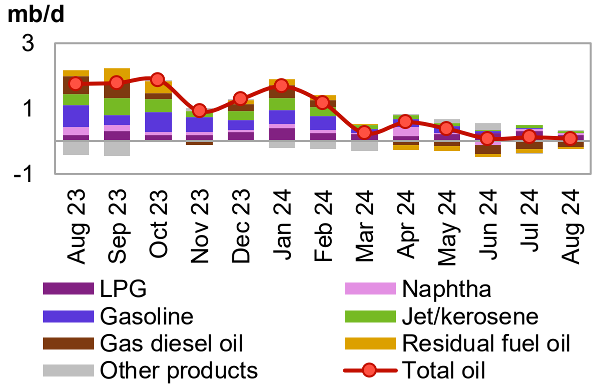
China

Update on the latest developments

China's oil demand in August inched up by 83 tb/d, y-o-y, down from 121 tb/d, y-o-y, growth seen the previous month. Demand was driven by strong petrochemical feedstock requirements.

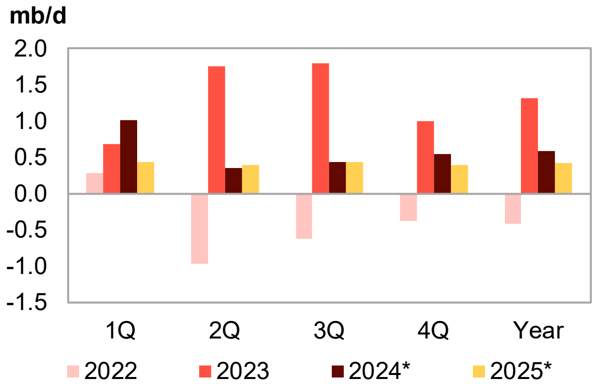
These rising requirements resulted in LPG expanding by 195 tb/d, y-o-y, though this is below the annual increase of 301 tb/d seen the previous month. Similarly, naphtha grew by 64 tb/d, y-o-y, slightly below y-o-y growth of 74 tb/d seen the previous month. China's LPG demand, including PDH demand for propane, was supported by capacity expansion.

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: * 2024-2025 = Forecast.*
Source: OPEC.

Jet/kerosene expanded by 50 tb/d, y-o-y, supported by both domestic and international flights. A report from China's Civil Aviation Administration shows that domestic and international air travel turnover increased by 10.7% and 49.4%, y-o-y, in August. Gasoline demand was flat in August, down from y-o-y growth of 36 tb/d seen the previous month. The 'other fuels' category inched up by 10 tb/d, y-o-y, showing an improvement from the 27 tb/d, y-o-y, decline seen the previous month.

Diesel demand contracted by 176 tb/d, y-o-y, in August, albeit an improvement from the annual decline of 246 tb/d seen the previous month. Diesel consumption continued to be subdued by slowing economic activity, mostly a slowdown in building and housing construction, and the substitution of liquefied natural gas (LNG) for petroleum diesel fuel in heavy-duty trucks. Residual fuels fell by 61 tb/d, y-o-y, although showing an improvement from the 117 tb/d, y-o-y, decline in July.

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

China's oil demand			*Change Aug 24/Aug 23*	
By product	**Aug 23**	**Aug 24**	**Growth**	**%**
LPG	2.46	2.66	0.19	7.9
Naphtha	1.86	1.92	0.06	3.4
Gasoline	3.53	3.53	0.00	0.0
Jet/kerosene	0.95	1.00	0.05	5.3
Diesel	3.92	3.75	-0.18	-4.5
Fuel oil	0.84	0.78	-0.06	-7.2
Other products	2.77	2.78	0.01	0.4
Total	**16.33**	**16.42**	**0.08**	**0.5**

*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

Looking ahead, the government has implemented some fiscal and monetary stimulus measures in response to ongoing headwinds in the Chinese economy, particularly in the housing sector, intending to boost economic activity, in turn, lead to an overall positive impact on consumer purchasing power. These measures are expected to support the construction sector and oil demand, particularly in 4Q24. The travel sector is expected to remain healthy, with jet/kerosene and gasoline expected to lead oil demand growth amid an ongoing air travel recovery and healthy road mobility. The industrial sector and manufacturing activity are expected to gain support from the government's policy to support manufacturing and high-tech industries. Moreover, robust global demand for finished goods for export is expected at the end of the year, feeding into demand for petrochemical products in 4Q24. Petrochemical feedstock demand is also expected to remain strong on the back of the new capacity additions that will require extra LPG, ethane, and naphtha for use as feedstock. Accordingly, China's oil product demand is expected to expand by around 484 tb/d, y-o-y, in 2H24. Overall, oil demand in 2024 is forecast to grow by 583 tb/d, y-o-y, to average 16.9 mb/d.

In 2025, the positive impact of government fiscal stimulus introduced in September 2024 is expected to take hold. Similarly, ongoing healthy petrochemical feedstock requirements and stable demand for transportation fuels are expected to support oil demand in 1H25, with China remaining the global leader in oil demand growth, which is expected to increase by 413 tb/d, y-o-y, to average 17.4 mb/d in 2025.

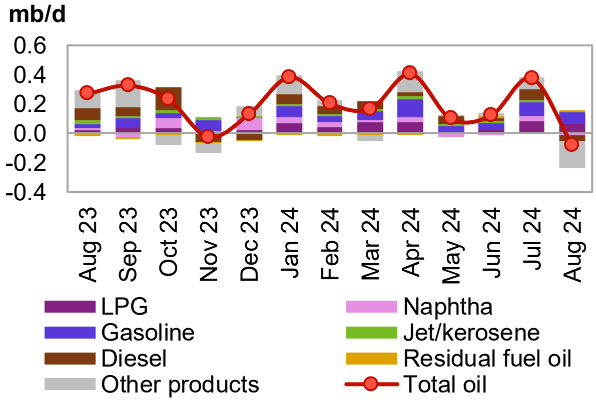
India

Update on the latest developments

India's oil demand in August contracted by 77 tb/d, y-o-y, down from the 378 tb/d, y-o-y, growth seen in July. Oil demand was subdued by extreme rainfall in some parts of India in August, which affected economic activity.

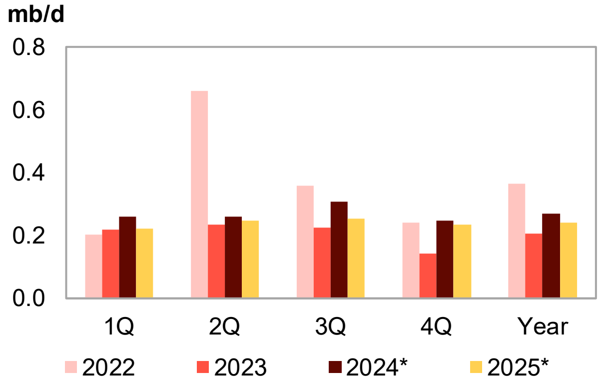
Specifically, the 'other products' category, which includes bitumen, saw the largest contraction by 181 tb/d, y-o-y, down from 85 tb/d, y-o-y, growth observed the previous month. Bitumen consumption during August contracted by 17.2%, y-o-y, due to heavy rainfall in some parts of the country, which affected road construction. Road building normally accounts for 98% of bitumen consumption in India. Diesel, the most widely used oil product in India, fell by 40 tb/d, y-o-y. Diesel was also affected by heavy flooding, which contributed to restricted mobility and reduced agricultural activity. According to data from the Federation of Automobile Dealers Association Research, domestic sales of commercial vehicles and tractors fell by 6.0%, y-o-y, and 11.4%, y-o-y, respectively, in August. Naphtha declined by 14 tb/d, y-o-y, after growth of 33 tb/d, y-o-y, was seen in July.

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



Sources: PPAC, JODI and OPEC.

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



*Note: * 2024-2025 = Forecast.*
Source: OPEC.

On a positive note, gasoline demand led growth in August with a y-o-y increase of 76 tb/d, albeit showing a slight decline from the 90 tb/d, y-o-y, growth observed the previous month. LPG grew by 68 tb/d, y-o-y, down from growth of 88 tb/d, y-o-y, witnessed the previous month. Household requirements accounted for approximately 89% of LPG consumption during the month. Growth in LPG was supported by a price reduction. Jet/kerosene increased by 10 tb/d, y-o-y, marginally below the 14 tb/d y-o-y growth seen the previous month. Residual fuel requirements inched up by 3 tb/d, y-o-y, from a 7 tb/d, y-o-y, contraction in July.

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

India's oil demand			*Change Aug 24/Aug 23*	
By product	**Aug 23**	**Aug 24**	**Growth**	**%**
LPG	0.92	0.99	0.07	7.4
Naphtha	0.35	0.33	-0.01	-3.9
Gasoline	0.85	0.92	0.08	9.0
Jet/kerosene	0.19	0.20	0.01	5.3
Diesel	1.62	1.58	-0.04	-2.5
Fuel oil	0.11	0.11	0.00	3.2
Other products	1.20	1.02	-0.18	-15.1
Total	**5.24**	**5.16**	**-0.08**	**-1.5**

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

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

Near-term expectations

In the near term, current healthy economic activity, combined with steady mobility in India, is expected to be sustained. In addition, the government's proposed increase in capital spending is forecast to boost economic activity. In 4Q24, oil demand is forecast to see an increase of 246 tb/d, y-o-y, with transportation fuels expected to be the main driver. In 2024, India's oil demand is forecast to grow by 268 tb/d to average 5.6 mb/d.

Specifically, demand for transportation fuels, gasoline and jet/kerosene is expected to remain steady on the back of healthy driving mobility and ongoing air travel recovery. The country's traditional annual festivities are set to support transportation activity and boost gasoline demand. Moreover, jet fuel demand may also surge, due to Indian carrier fleets being supplemented by an additional 84 aircraft this year. Overall, these factors are expected to bolster India's oil demand.

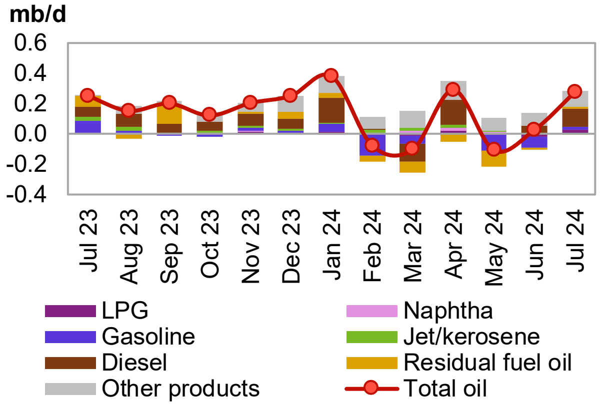
India's robust economic momentum is expected to be sustained in 2025. Manufacturing and business activities in the country are expected to remain steady, supporting a 239 tb/d y-o-y oil demand increase forecast for next year, to average 5.8 mb/d. Diesel is expected to continue acting as the main driver 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 during the year.

Latin America

Update on the latest developments

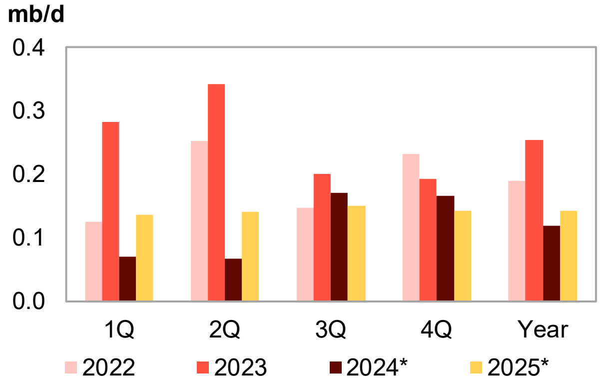
Oil demand in Latin America in July surged by 278 tb/d, y-o-y, amid strong demand for diesel and 'other products' in Brazil and Venezuela, which offset weakness from Argentina.

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



Sources: JODI, OPEC and national sources.

Graph 4 - 12: Latin America's oil demand, y-o-y change



Note: * 2024-2025 = Forecast.
Source: OPEC.

In terms of product demand, diesel saw the largest growth by 118 tb/d, y-o-y, up from 40 tb/d, y-o-y, growth observed the previous month. Diesel consumption was supported by increased agricultural activity due to the beginning of the harvest season. The 'other products' category, including ethanol primarily from Brazil, expanded by 103 tb/d, y-o-y, surging further from 85 tb/d, y-o-y, growth seen the previous month.

In terms of petrochemical feedstock, while LPG increased by 26 tb/d, y-o-y, up from an annual decline of 21 tb/d, y-o-y, seen the previous month, naphtha was flat, down, from the slight 6 tb/d, y-o-y, growth recorded the previous month. In terms of transportation fuel demand, while gasoline inched up by 18 tb/d, y-o-y, jet/kerosene demand was broadly flat. Residual fuels increased by 17 tb/d, y-o-y, an improvement from a 14 tb/d, y-o-y, decline seen the previous month.

Near-term expectations

Looking ahead, oil demand in the region is expected to remain relatively strong in 2H24, amid projected healthy economic growth and steady air travel recovery. Improving service PMIs in the region's big consuming countries, combined with rising consumer and business confidence, are anticipated to support regional oil demand. Oil demand in Latin America is projected to grow by 165 tb/d, y-o-y, in 4Q24, to average 6.9 mb/d. For 2024, the region's oil demand is forecast to grow by 118 tb/d, to average 6.8 mb/d.

Healthy GDP growth combined with expected improvements in air travel is expected to support oil demand growth, which is forecast at 136 tb/d, y-o-y, in 1Q25. This will be driven the most by transportation fuel demand, followed by diesel and petrochemical feedstock. Overall, in 2025, oil demand in the region is expected to grow by 142 tb/d, y-o-y, to average 7.0 mb/d.

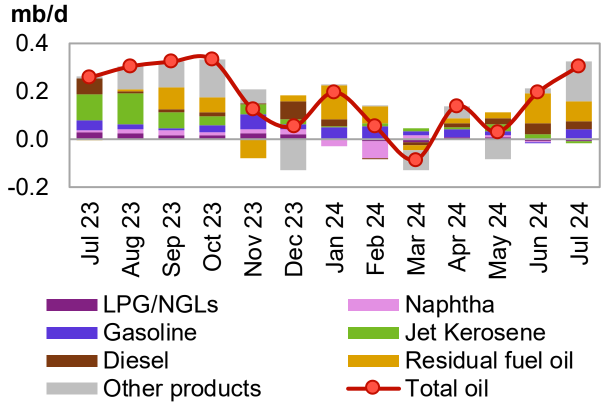
Middle East

Update on the latest developments

Oil demand in the Middle East surged further in July, by 304 tb/d, up from a growth of 196 tb/d, y-o-y, in June. The increase in oil demand was largely supported by the 'other products' category and residual fuel demand for electricity generation in the hot summer season, mostly from Saudi Arabia.

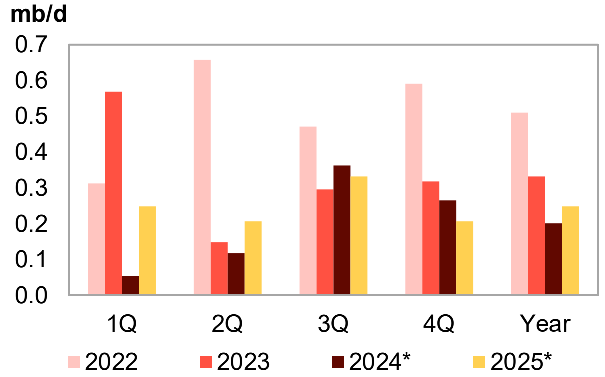
Looking at demand for specific products, the 'other products' category led regional demand growth by 168 tb/d, y-o-y, up from a 19 tb/d, y-o-y, increase observed the previous month. Residual fuels expanded by 81 tb/d, y-o-y, albeit still below the 127 tb/d, y-o-y, growth of the previous month. In terms of transportation fuels, while gasoline expanded by 38 tb/d, y-o-y, up from a minor decline of 2 tb/d, y-o-y, seen the previous month, jet/kerosene inched down by 9 tb/d, y-o-y, a drop from y-o-y growth of 19 tb/d seen a month earlier. Diesel demand grew by 34 tb/d, y-o-y, down from 45 tb/d, y-o-y, growth in June. In terms of petrochemical feedstock, LPG fell by 11 tb/d, y-o-y, similar to the 10 tb/d, y-o-y, decline observed in the previous month. Naphtha saw an uptick of 2 tb/d, y-o-y, an improvement from zero y-o-y growth reported in the previous month.

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



Sources: JODI, OPEC and national sources.

Graph 4 - 14: Middle East's oil demand, y-o-y change



*Note: * 2024-2025 = Forecast.*
Source: OPEC.

Near-term expectations

Steady economic activity in the region is expected to be sustained in the near term. In addition, ongoing strength in international air traffic and driving mobility due to the reopening of schools and expatriate workers returning from holidays should boost gasoline and jet/kerosene demand and support oil demand growth in the region. Accordingly, oil demand in the area is expected to expand by an average of 265 tb/d, y-o-y, in 4Q24. For 2024, the Middle East oil demand is forecast to grow by 200 tb/d to average 8.8 mb/d.

Regional economic activity is expected to remain healthy in 1Q25, as 2025 GDP growth rates are forecast to surpass those of 2024. In addition, air travel is expected to fully recover and surpass pre-pandemic levels. Gasoline, transportation diesel and jet/kerosene are expected to lead oil demand growth, which is expected to stand at 249 tb/d, y-o-y, in 1Q25. Overall, in 2025, the Middle East is expected to see y-o-y growth of 249 tb/d, averaging 9.1 mb/d. The bulk of demand growth is expected to come from Iraq, Saudi Arabia, and the UAE.

World Oil Supply

Non-DoC liquids supply (i.e. liquids supply from countries not participating in the DoC) is expected to grow by 1.2 mb/d in 2024 to average 53.1 mb/d, unchanged from last month's assessment.

US crude and condensate production dropped marginally in July. While natural gas liquids (NGLs) production fell m-o-m, output remained strong at about 6.9 mb/d, higher by 0.4 mb/d, y-o-y. Accordingly, US liquids supply growth for 2024 is expected at 0.6 mb/d. The other main drivers for expected non-DoC growth in 2024 are Canada, Brazil and China.

In 2025, non-DoC liquids supply growth is expected at 1.1 mb/d, for an average of 54.2 mb/d, which is also unchanged from last month's assessment. Growth is expected to be driven mainly by the US, Brazil, Canada and Norway, while the main decline is expected in Angola.

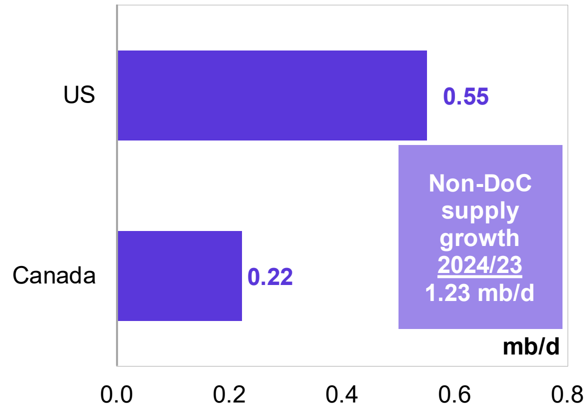
DoC NGLs and non-conventional liquids are forecast to grow by around 0.1 mb/d to average 8.3 mb/d in 2024, followed by an increase of around 70 tb/d to average 8.4 mb/d in 2025. OPEC NGLs and non-conventional liquids production are expected to increase by around 60 tb/d to average 5.5 mb/d in 2024, while additional growth of 110 tb/d is forecast in 2025 for an average of 5.6 mb/d.

DoC crude oil production in September decreased by 0.56 mb/d, m-o-m, averaging 40.10 mb/d, as reported by available secondary sources.

Key drivers of growth and decline

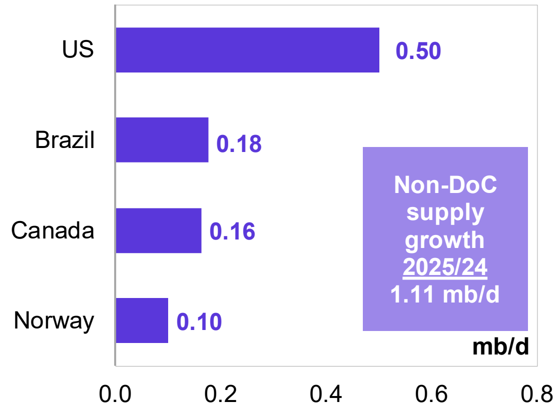
Non-DoC liquids supply is expected to grow by 1.2 mb/d in 2024, unchanged from the previous month's assessment. Upward revisions in OECD Americas and Africa were offset by downward shifts in Latin America and OECD Europe. The main drivers for non-DoC liquids supply growth in 2024 are expected to be the US, Canada, Brazil, and China.

Graph 5 - 1: Annual liquids production changes, y-o-y, for selected countries in 2024*



*Note: * 2024 = Forecast. Source: OPEC.*

Graph 5 - 2: Annual liquids production changes, y-o-y, for selected countries in 2025*



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

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

Non-DoC liquids production in 2024 and 2025

Table 5 - 1: Non-DoC liquids production in 2024*, mb/d

Non-DoC liquids production	2023	1Q24	2Q24	3Q24	4Q24	2024	*Change 2024/23* Growth	%
Americas	26.67	26.91	27.58	27.57	27.70	27.44	0.77	2.90
of which US	*20.97*	*21.02*	*21.81*	*21.64*	*21.62*	*21.52*	*0.55*	*2.63*
Europe	3.65	3.66	3.59	3.58	3.73	3.64	-0.01	-0.39
Asia Pacific	0.45	0.46	0.43	0.47	0.45	0.45	0.01	1.43
Total OECD	**30.77**	**31.03**	**31.59**	**31.62**	**31.89**	**31.54**	**0.77**	**2.49**
China	4.52	4.62	4.63	4.53	4.50	4.57	0.05	1.17
India	0.79	0.80	0.79	0.79	0.79	0.79	0.01	0.97
Other Asia	1.61	1.62	1.62	1.60	1.59	1.61	-0.01	-0.46
Latin America	6.96	7.28	7.19	7.18	7.46	7.28	0.32	4.57
Middle East	2.02	2.00	2.00	2.01	2.02	2.01	-0.02	-0.76
Africa	2.22	2.24	2.26	2.34	2.29	2.28	0.06	2.86
Other Eurasia	0.37	0.37	0.37	0.37	0.37	0.37	0.00	-1.32
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00	-1.63
Total Non-OECD	**18.60**	**19.03**	**18.96**	**18.91**	**19.13**	**19.01**	**0.41**	**2.22**
Total Non-DoC production	49.37	50.06	50.56	50.53	51.02	50.55	1.18	2.39
Processing gains	2.47	2.52	2.52	2.52	2.52	2.52	0.05	2.02
Total Non-DoC liquids production	**51.84**	**52.58**	**53.08**	**53.05**	**53.54**	**53.07**	**1.23**	**2.37**
Previous estimate	51.84	52.58	53.08	53.12	53.47	53.07	1.23	2.37
Revision	0.00	0.00	0.00	-0.07	0.07	0.00	0.00	0.00

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

Source: OPEC.

Table 5 - 2: Non-DoC liquids production in 2025*, mb/d

Non-DoC liquids production	2024	1Q25	2Q25	3Q25	4Q25	2025	*Change 2025/24* Growth	%
Americas	27.44	27.77	27.94	28.24	28.47	28.11	0.66	2.42
of which US	*21.52*	*21.66*	*22.05*	*22.16*	*22.22*	*22.02*	*0.50*	*2.33*
Europe	3.64	3.82	3.69	3.67	3.78	3.74	0.10	2.77
Asia Pacific	0.45	0.45	0.44	0.45	0.45	0.45	-0.01	-1.74
Total OECD	**31.54**	**32.04**	**32.07**	**32.36**	**32.70**	**32.29**	**0.76**	**2.40**
China	4.57	4.63	4.61	4.53	4.53	4.57	0.01	0.12
India	0.79	0.79	0.80	0.81	0.81	0.80	0.01	0.99
Other Asia	1.61	1.60	1.58	1.56	1.56	1.58	-0.03	-1.81
Latin America	7.28	7.44	7.48	7.56	7.69	7.54	0.27	3.64
Middle East	2.01	2.01	2.04	2.04	2.03	2.03	0.02	1.01
Africa	2.28	2.31	2.30	2.30	2.30	2.30	0.02	0.74
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	**19.01**	**19.25**	**19.28**	**19.27**	**19.39**	**19.30**	**0.29**	**1.52**
Total Non-DoC production	50.55	51.28	51.34	51.63	52.10	51.59	1.05	2.07
Processing gains	2.52	2.58	2.58	2.58	2.58	2.58	0.06	2.38
Total Non-DoC liquids production	**53.07**	**53.86**	**53.92**	**54.21**	**54.68**	**54.17**	**1.11**	**2.08**
Previous estimate	53.07	53.96	53.90	54.13	54.68	54.17	1.10	2.08
Revision	0.00	-0.10	0.02	0.08	0.00	0.00	0.00	0.00

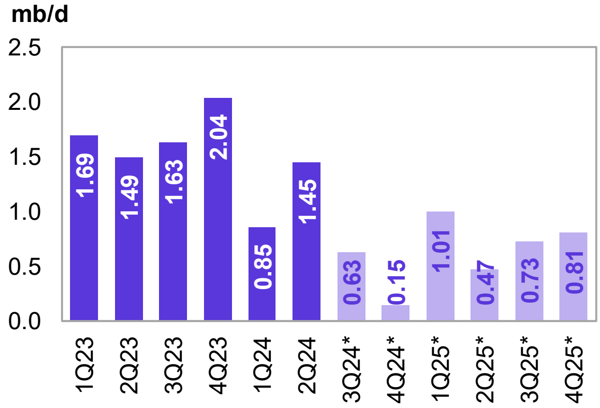
*Note: * 2025 = Forecast. Totals may not add up due to independent rounding.*

Source: OPEC.

OECD

For 2024, OECD liquids production (excluding DoC participating country Mexico) is anticipated to expand by about 0.8 mb/d to average 31.5 mb/d. Growth is set to be led by OECD Americas, with an expected increase of 0.8 mb/d to average 27.4 mb/d. This is revised up by about 40 tb/d compared with the previous month's assessment. Yearly liquids production in OECD Europe is set to drop by about 15 tb/d to average 3.6 mb/d, which is a downward revision of 28 tb/d compared with the September MOMR. OECD Asia Pacific is expected to remain largely unchanged, y-o-y, to average 0.5 mb/d.

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



*Note: * 3Q24-4Q25 = Forecast. Source: OPEC.*

OECD liquids production is forecast to grow by 0.8 mb/d to average 32.3 mb/d in 2025. OECD Americas is expected to be the main growth driver, with an anticipated increase of 0.7 mb/d for an average of 28.1 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.

US

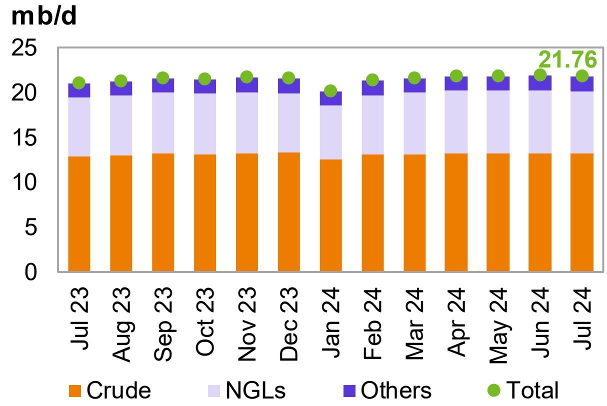
US liquids production in July fell by 0.1 mb/d, m-o-m, to average 21.8 mb/d. This was 0.8 mb/d higher than in July 2023.

Crude oil and condensate production dropped by 25 tb/d, m-o-m, to average 13.2 mb/d in July, up by 0.3 mb/d, y-o-y.

In terms of the crude and condensate production breakdown by region (PADDs), production decreased on the US Gulf Coast (USGC) by just 7 tb/d to average 9.7 mb/d. Production in the East Coast (PADD 1) and Rocky Mountain (PADD 4) remained broadly unchanged. Output in the Midwest (PADD 2) dropped by 22 tb/d, while the West Coast (PADD 5) region increased by 7 tb/d, m-o-m.

A m-o-m decrease in production in the main producing regions can primarily be attributed to lower output in Texas and North Dakota. Those losses were partially offset by gains in New Mexico and Alaska.

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



Sources: EIA and OPEC.

NGLs production dropped by 118 tb/d, m-o-m, to average 6.9 mb/d in July. 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) increased by 40 tb/d, m-o-m, to average 1.7 mb/d. Preliminary estimates show non-conventional liquids averaging about 1.6 mb/d in August, lower by about 80 tb/d, m-o-m.

Gulf of Mexico (GoM) production remained largely unchanged, m-o-m, for an average of 1.8 mb/d in July. Production at federal offshore fields was hit by hurricanes Francine and Helene in September; however, damage to oil and gas infrastructure was negligible, and output is expected to be recovered shortly and supported by new projects in the coming months. In the onshore Lower 48, crude and condensate production fell by 36 tb/d, m-o-m, to average 11.0 mb/d in July.

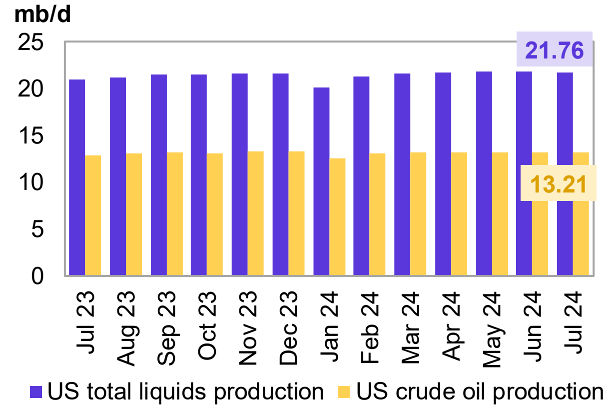
Table 5 - 3: US crude oil production by selected state and region, tb/d

State	Jul 23	Jun 24	Jul 24	*Change* m-o-m	y-o-y
Texas	5,560	5,740	5,706	*-34*	*146*
New Mexico	1,748	2,010	2,035	*25*	*287*
Gulf of Mexico (GOM)	1,925	1,803	1,805	*2*	*-120*
North Dakota	1,173	1,181	1,161	*-20*	*-12*
Colorado	457	450	446	*-4*	*-11*
Alaska	397	399	408	*9*	*11*
Oklahoma	439	387	378	*-9*	*-61*
Total	**12,935**	**13,230**	**13,205**	***-25***	***270***

Sources: EIA and OPEC.

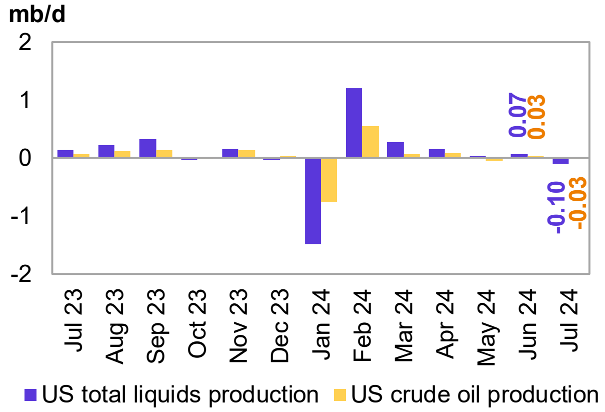
In terms of individual US states, New Mexico's oil production rose by 25 tb/d to average 2.0 mb/d, which is 287 tb/d higher than a year ago. Production from Texas was down by 34 tb/d to average 5.7 mb/d, which is 146 tb/d higher than a year ago. In the Midwest, North Dakota's production dropped by 20 tb/d, m-o-m, to average 1.2 mb/d, down by 12 tb/d, y-o-y. Meanwhile, Oklahoma's production fell by 9 tb/d, m-o-m, to average 0.4 mb/d. Production in Colorado dropped by a minor 4 tb/d, m-o-m, while output in Alaska rose by 9 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



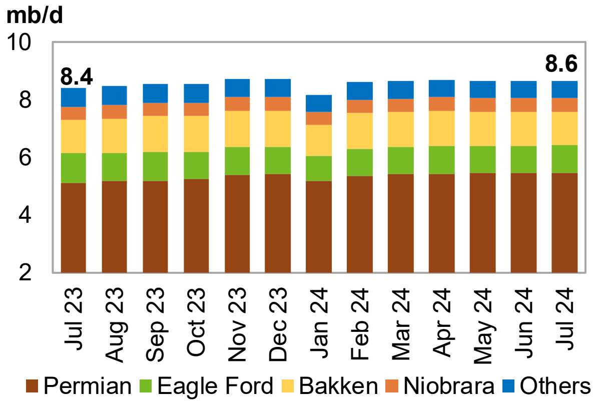
Sources: EIA and OPEC.

US tight crude output in July is estimated to have remained largely unchanged, m-o-m, at an average of 8.6 mb/d, according to the latest estimates from the US Energy Information Administration (EIA). This was 0.2 mb/d higher than in the same month last year.

The m-o-m production increases from shale and tight formations using horizontal wells came mainly from the Permian shale in Texas, where output rose by 10 tb/d to average 5.5 mb/d. This was an increase of 0.3 mb/d, y-o-y.

In North Dakota, Bakken shale oil output remained unchanged, m-o-m. It averaged 1.2 mb/d, or about 20 tb/d higher, y-o-y. Tight crude output at Eagle Ford in Texas declined marginally to average 1.0 mb/d. This was down by about 60 tb/d, y-o-y. Production at Niobrara-Codell in Colorado and Wyoming was largely unchanged, m-o-m, at an average of 480 tb/d.

Graph 5 - 7: US tight crude output breakdown

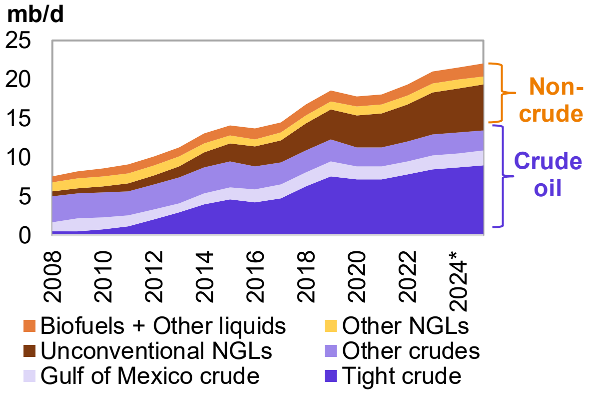


Sources: EIA and OPEC.

US liquids production in 2024, excluding processing gains, is expected to grow by 0.6 mb/d, y-o-y, to average 21.5 mb/d. The growth is higher by about 45 tb/d from the previous assessment. The forecast assumes a modest level of drilling and completion activities and fewer logistical issues this year at prolific major shale sites. To date, the hurricane season has affected crude oil production in the GoM during September; however, a rapid recovery is expected in October due to a lack of critical disruptions at offshore platforms.

Crude oil and condensate output in 2024 are expected to increase by about 250 tb/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 projected to increase by 0.3 mb/d and 40 tb/d, y-o-y, to average 6.8 mb/d and 1.6 mb/d, respectively.

Graph 5 - 8: US liquids supply developments by component



*Note: * 2024-2025 = Forecast.*
Source: OPEC.

Average tight crude output in 2024 is expected to reach 8.7 mb/d, up by 0.3 mb/d, y-o-y. The 2024 forecast assumes ongoing capital discipline and less inflationary pressure, as well as moderating supply chain issues and oil field service constraints. At the same time, well productivity and operational efficiency improvements are expected to support crude production, despite a decline in drilling rig counts.

US liquids production, excluding processing gains, is expected to grow by 0.5 mb/d, y-o-y, to average 22.0 mb/d in 2025. This assumes a mild increase in drilling activity, lower service cost inflation and continued well productivity improvements in the key shale basins. Crude oil and condensate output are expected to rise 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 7.0 mb/d and 1.6 mb/d, respectively. Average tight crude output in 2025 is expected to reach 9.0 mb/d, up by 0.3 mb/d, y-o-y. The 2025 forecast also assumes ongoing capital discipline in the US upstream sector.

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

US liquids	2023	Change 2023/22	2024*	Change 2024/23	2025*	Change 2025/24
Tight crude	8.40	0.64	8.71	0.30	9.01	0.31
Gulf of Mexico crude	1.87	0.13	1.81	-0.06	1.89	0.09
Conventional crude oil	2.66	0.17	2.67	0.01	2.56	-0.11
Total crude	**12.93**	**0.94**	**13.18**	**0.25**	**13.47**	**0.29**
Unconventional NGLs	5.36	0.58	5.63	0.27	5.84	0.21
Conventional NGLs	1.14	-0.02	1.13	-0.01	1.11	-0.02
Total NGLs	**6.50**	**0.57**	**6.76**	**0.26**	**6.95**	**0.19**
Biofuels + Other liquids	1.54	0.10	1.58	0.04	1.60	0.02
US total supply	**20.97**	**1.61**	**21.52**	**0.55**	**22.02**	**0.50**

*Note: * 2024-2025 = Forecast.*

Sources: EIA, OPEC and Rystad Energy.

US tight crude production in the Permian Basin during 2024 is expected to increase by 0.3 mb/d, y-o-y, to average 5.5 mb/d. In 2025, it is forecast to grow by 0.3 mb/d, y-o-y, to average 5.7 mb/d.

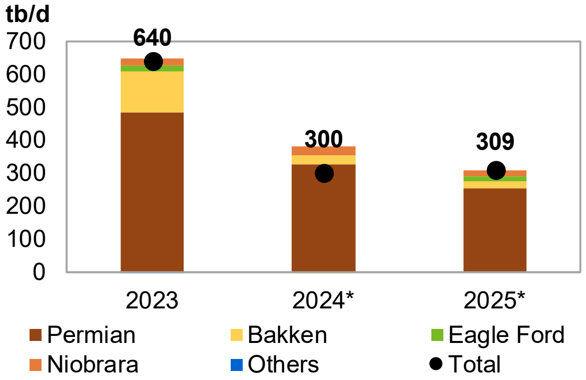
In North Dakota, Bakken shale production is expected to remain below the pre-pandemic average of 1.4 mb/d. Growth of just 30 tb/d and 20 tb/d is expected for 2024 and 2025, respectively, to average around 1.2 mb/d in both years. This trend could indicate a maturing basin.

Output in the Eagle Ford basin in Texas is estimated to have averaged 1.0 mb/d in 2023. In 2024, a decline of 25 tb/d is expected for the basin, while growth of 15 tb/d is forecast for 2025.

Niobrara's production is expected to rise by around 25 tb/d, y-o-y, in 2024, to average 0.5 mb/d. With expected growth of 20 tb/d in 2025, output is forecast to remain at 0.5 mb/d.

In the other tight plays, which are experiencing a modest pace of drilling and completion activities, production is expected to drop by about 55 tb/d this year, before stabilizing in 2025.

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



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

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

US tight oil	2023	Change 2023/22	2024*	Change 2024/23	2025*	Change 2025/24
Permian tight	5.15	0.48	5.48	0.33	5.73	0.25
Bakken shale	1.16	0.13	1.19	0.03	1.21	0.02
Eagle Ford shale	0.99	0.02	0.96	-0.02	0.98	0.02
Niobrara shale	0.45	0.02	0.48	0.02	0.50	0.02
Other tight plays	0.66	-0.01	0.60	-0.06	0.60	0.00
Total	**8.40**	**0.64**	**8.70**	**0.30**	**9.01**	**0.31**

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

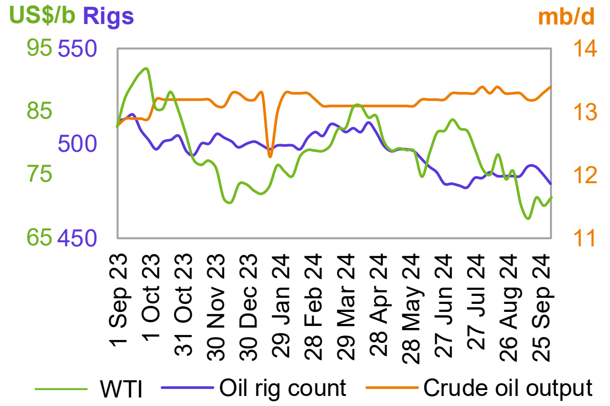
US rig count, spudded, completed, DUC wells and fracking activity

The total number of active US oil and gas drilling rigs in the week ending 4 October 2024 dropped by two to 585, according to Baker Hughes. This is 34 fewer rigs than a year ago. The number of active offshore rigs dropped by one, w-o-w, to 18. This is two less than in the same month a year earlier. The number of onshore oil and gas rigs dropped by one, w-o-w, to stand at 566, with one rig in inland waters. This is down by 30 rigs, y-o-y.

The US horizontal rig count dropped by one, w-o-w, to 522, compared with 553 horizontal rigs a year ago. The number of drilling rigs for oil fell by five, w-o-w, to 479, while the number of gas drilling rigs rose by three, w-o-w, to 102.

The Permian's rig count fell by two, w-o-w, to 304, while the DJ-Niobrara basin saw a gain of one, w-o-w, to eight. Rig counts remained unchanged in the Williston, Eagle Ford, and Cana Woodford basins at 34, 48, and 18, respectively.

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



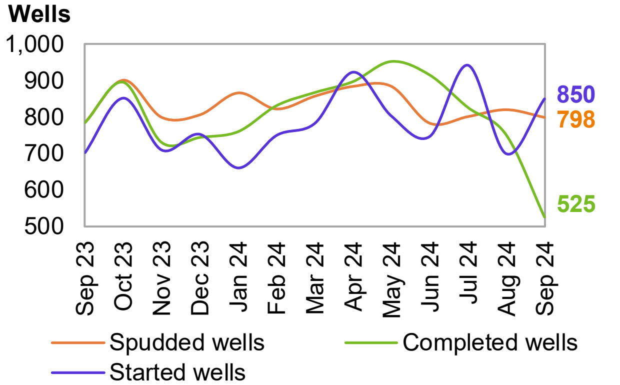
Sources: Baker Hughes, EIA and OPEC.

Drilling and completion activities for oil-producing wells in all US shale plays include 819 horizontal wells spudded in August, as per preliminary data. This is up by 19, m-o-m, and about 3% lower than August last year.

Preliminary data for August indicates a lower number of completed wells, m-o-m, at 750, and the number is down by about 8%, y-o-y. The number of started wells is estimated at 700, which is 21% lower than a year earlier.

Preliminary data for September saw 798 spudded, 525 completed and 850 started wells, based on Rystad Energy data.

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

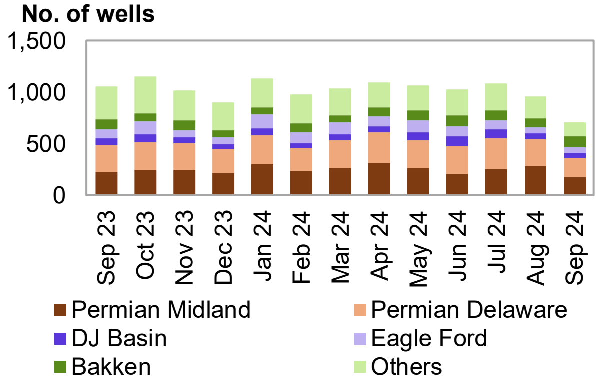


Note: Aug 24-Sep 24 = Preliminary data.
Sources: Rystad Energy and OPEC.

In terms of identifying US oil and gas fracking operations by region, Rystad Energy reported that 1,083 wells started fracking in July. In August and September, it stated that 965 and 712 wells began fracking, respectively, according to preliminary numbers based on an analysis of high-frequency satellite data.

In regional terms, preliminary data for August shows that 282 and 263 wells started fracking in the Permian Midland and Permian Delaware regions, respectively. There was a gain of 25 wells in the Midland region and a loss of 34 in Delaware compared with July. Data also indicates that 58 wells began fracking in the DJ Basin, 59 in Eagle Ford and 88 in Bakken during August.

Graph 5 - 12: Started fracs per month by region



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

Canada

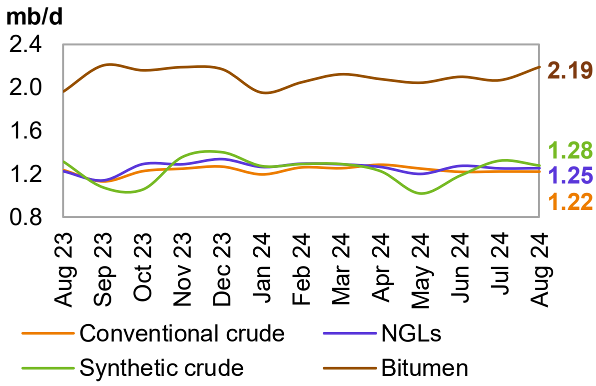
Canada's liquids production in August is estimated to have risen by about 80 tb/d, m-o-m, to average 6.0 mb/d, indicating a full recovery from disruptions in May and June.

Conventional crude production remained unchanged in August, m-o-m, at an average of 1.2 mb/d. NGLs output was also largely unchanged, m-o-m, at an average of 1.3 mb/d.

Crude bitumen production output rose in August by 120 tb/d, m-o-m, while synthetic crude production decreased by 45 tb/d, m-o-m. Taken together, crude bitumen and synthetic crude production rose by 75 tb/d to average 3.5 mb/d.

Liquids production in 3Q24 is expected to rise by 0.2 mb/d, q-o-q, as wildfire disruptions and major scheduled maintenance are already passed.

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

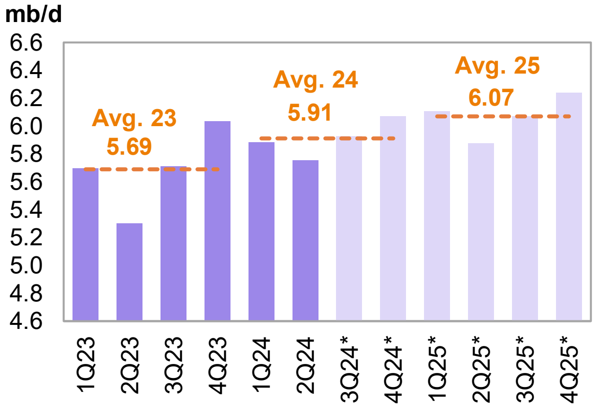


Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

In 2024, Canada's liquids production is forecast to increase at a much faster pace compared with 2023, rising by 0.2 mb/d to average 5.9 mb/d. Incremental production is expected to come from oil sands project ramp-ups, optimization and the expansion of existing facilities in areas like Montney, Kearl, Duvernay and Fort Hills, in addition to some conventional field growth. At the same time, new export opportunities following the commissioning of the Trans Mountain Expansion (TMX) pipeline is expected to stimulate production in the coming months.

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 and additional well pads coming online at a number of facilities. Sources of 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 and the Montney Play.

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



*Note: * 3Q24-4Q25 = Forecast. Source: OPEC.*

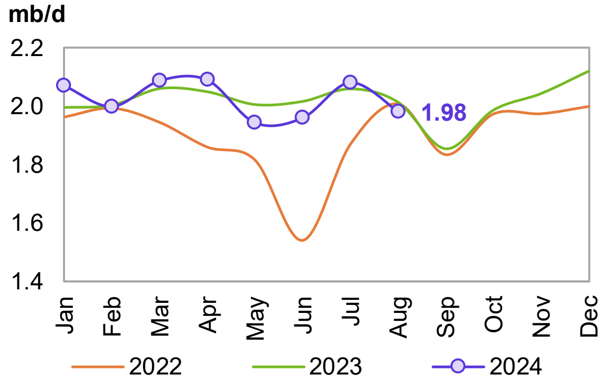
Norway

Norwegian liquids production in August dropped by 0.1 mb/d, m-o-m, to average 2.0 mb/d. Norway's crude production decreased by about 60 tb/d, m-o-m, in August to average 1.8 mb/d. This was down by 25 tb/d, y-o-y. Nevertheless, monthly oil production was 7.5% higher than the Norwegian Offshore Directorate's (NOD) forecast.

Production of NGLs and condensate decreased by 40 tb/d, m-o-m, to average 0.2 mb/d in August, according to NOD data.

For 2024, Norwegian liquids production is forecast to remain unchanged at an average of 2.0 mb/d. This was revised down by 27 tb/d from the previous month's assessment, mainly due to expected higher and longer maintenance at several offshore platforms and deferrals of some new projects. Several projects have been scheduled to ramp up this year. In addition to a few new projects at Hanz, Eldfisk, Kristin and Snorre that started production this year, further start-ups are expected at the Kvitebjorn, Tyrving and Aasgard floating, production, storage and offloading (FPSO) projects. Johan Castberg is projected to be the main source of output growth, with first oil planned later this year. Hookup operations have started at the Johan Castberg's FPSO in September, following the offshore anchoring of the unit, according to Equinor.

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 Johan Castberg, Kristin, Eldfisk and Balder/Ringhorne. At the same time, start-ups are expected at the Ormen Lange, Balder/Ringhome, Snohvit, Halten East, Eirin, Norne FPSO, Maria and Alve projects. Norway's Var Energi recently postponed the start-up of its Balder X oil project in the North Sea to the 2Q25.

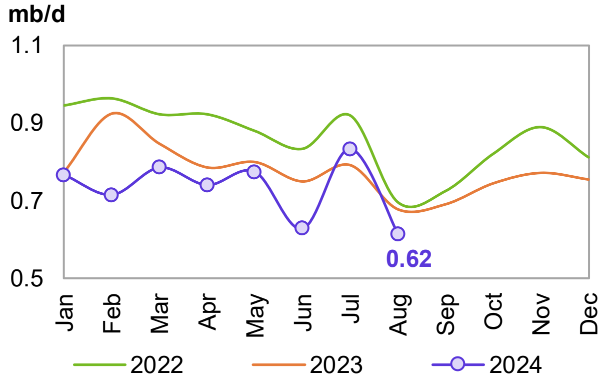
UK

In August, UK liquids production dropped by 0.2 mb/d, m-o-m, to average 0.6 mb/d. Crude oil output decreased by 0.2 mb/d, m-o-m, to average 0.5 mb/d. However, this was lower by 60 tb/d, y-o-y, according to official data. NGLs output fell by 14 tb/d, m-o-m, to an average 59 tb/d.

For 2024, UK liquids production is forecast to drop by 25 tb/d to average 0.7 mb/d. Production ramp-ups will be seen at the ETAP and Clair sites, as well as the Captain enhanced oil recovery (EOR) and a start-up is forecast at the Josephine project. Furthermore, the Penguins FPSO unit is expected to be towed out to the UK's North Sea fields in 4Q24.

UK liquids production is forecast to stay steady at an average of 0.7 mb/d in 2025. Production ramp-ups will be seen at the Clair sites and at Schiehallion. Elsewhere, project start-ups are expected at the Victory, Janice and Murlach (Skua redevelopment) assets. However, decline rates from the ageing basins are expected to be largely offset by any additional volumes.

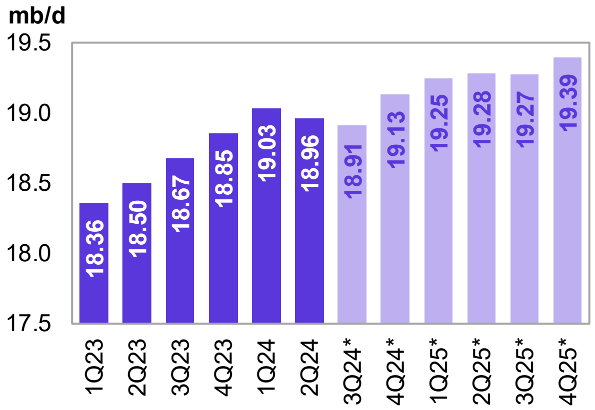
Graph 5 - 16: UK monthly liquids production development



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

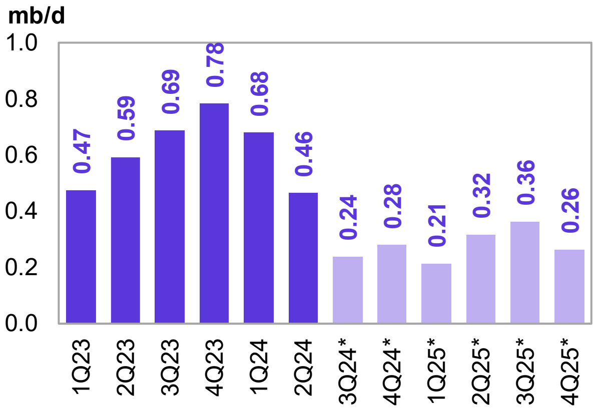
Non-OECD

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



*Note: * 3Q24-4Q25 = Forecast. Source: OPEC.*

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



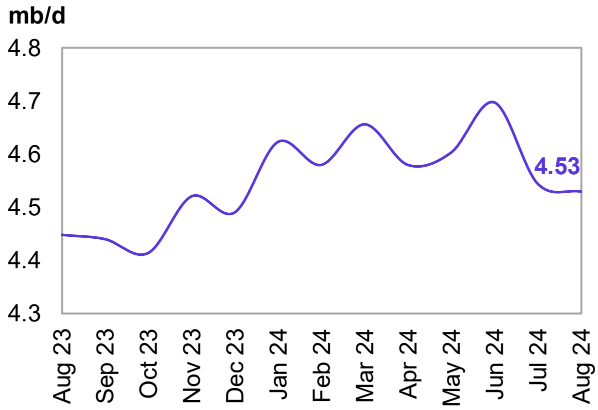
*Note: * 3Q24-4Q25 = Forecast. Source: OPEC.*

China

China's liquids production dropped by 15 tb/d, m-o-m, to average 4.5 mb/d in August. This is up by 81 tb/d, y-o-y, according to official data. Crude oil output in August averaged 4.2 mb/d, down by 15 tb/d compared with the previous month. This was also higher by 86 tb/d, y-o-y.

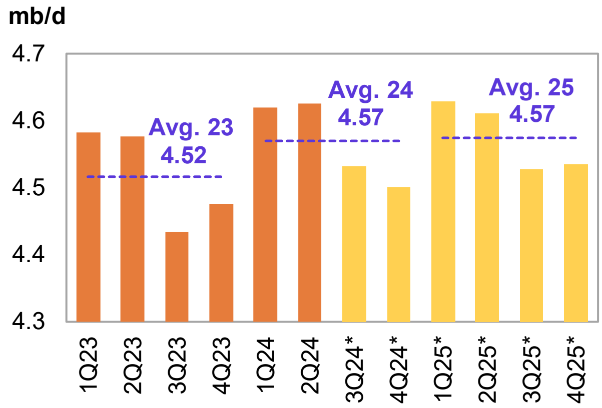
NGLs production remained unchanged, m-o-m, averaging 41 tb/d. This was lower by 7 tb/d compared with the same month a year earlier.

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



Sources: CNPC and OPEC.

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



*Note: * 3Q24-4Q25 = Forecast. Sources: CNPC and OPEC.*

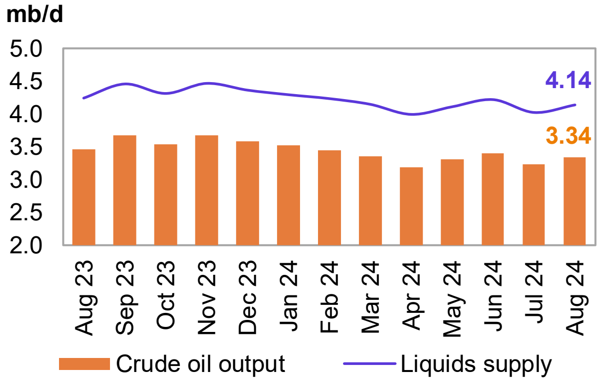
For 2024, China's liquids production is expected to rise by about 50 tb/d, y-o-y, to average 4.6 mb/d. This is largely unchanged from the previous assessment. Additional growth through more infill wells and EOR projects is anticipated to be largely offset by decline rates at mature fields. Chinese operators are poised to maintain high upstream CAPEX in 2024 in line with the seven-year exploration and development plan (2019-2025) to scale up exploration activities and to help boost domestic production. Several projects have already started production like Liuhua 11-1, Suizhong 36-1, Huizhou 26-6, Lufeng 8-1/9-2/14-8 and Enping 21-4 since January. At the same time, projects like Wushi 17-2, Lingshui 17-2 Gas Complex (Phase 2), Bozhong 19-2 and Suizhong 36-2 – operated by CNOOC and PetroChina – are still expected to start operation in 2024. Furthermore, key ramp-ups are planned for Changqing, Kenli 10-2, Wushi 17-2 and Kenli 6-4.

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 in the South China Sea. For next year, oil and gas condensate projects like Songliaho, Peng Lai 19-9, Kenli 10-2, Shengli, Liaodong Bay West, Xijiang 30-2, Wenchang 9-7 – operated by CNOOC, PetroChina and Sinopec – are expected to come on stream. Meanwhile, key ramp-ups are planned for Changqing, Tarim, Xibei, Peng Lai 19-9 and Xi'nan.

Brazil

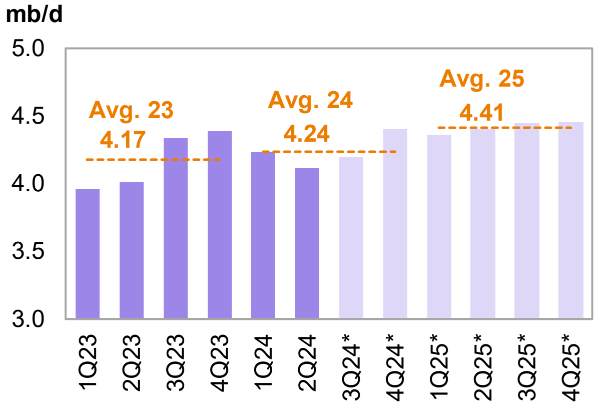
Brazil's crude output in August rose by 110 tb/d, m-o-m, to average 3.3 mb/d. The output partially recovered from low July figures; however, it has still been affected by extensive maintenance, operational issues, and slow ramp-ups. NGLs production remained largely unchanged at an average of around 80 tb/d and is expected to remain flat in September 2024. Biofuel output (mainly ethanol) is estimated to remain unchanged, m-o-m, at average 0.7 mb/d, with preliminary data showing a stable trend in September. The country's total liquids production increased by 114 tb/d in August to average 4.1 mb/d, albeit lower by about 0.1 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: * 3Q24-4Q25 = Forecast. Sources: ANP and OPEC.*

For 2024, Brazil's liquids supply, including biofuels, is forecast to grow by about 60 tb/d, y-o-y, to average 4.2 mb/d. This was revised down by 50 tb/d due to lower-than-expected production in recent months. Crude oil output is expected to increase through production ramp-ups at the Buzios (Franco), Mero (Libra NW), Tupi (Lula) and Itapu (Florim) fields. Oil project start-ups are expected mainly through the Mero 3, Atlanta and Maria Quiteria FPSOs. However, technical and operational issues could potentially delay the start-up of scheduled production platforms.

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 rise through production ramp-ups at the Buzios (Franco), Mero (Libra NW), Tupi (Lula), Marlim and Atlanta fields. Oil project start-ups are expected at the Buzios, Bacalhau (x-Carcara), Wahoo, Parque das Baleias and Lapa (Carioca) fields. However, growing offshore development costs and inflationary pressure may continue to delay projects and moderate short-term growth.

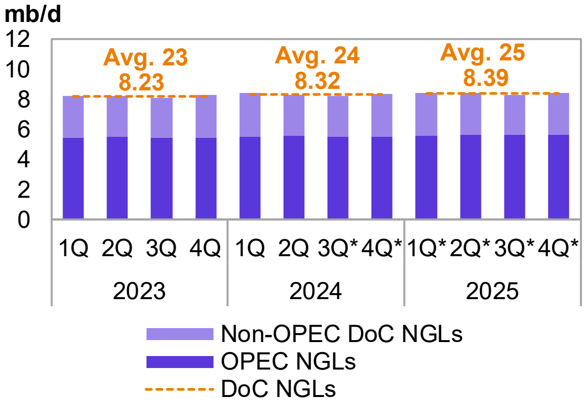
DoC NGLs and non-conventional liquids

DoC NGLs and non-conventional liquids are expected to expand by about 0.1 mb/d in 2024 to average 8.3 mb/d.

Preliminary data shows that NGLs and non-conventional liquids output in 3Q24 averaged 8.2 mb/d. According to preliminary August 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 70 tb/d for an average of 8.4 mb/d. NGLs and non-conventional liquids production are projected to grow by 0.1 mb/d to average 5.6 mb/d for OPEC Member Countries. However, a drop of about 40 tb/d is forecast for non-OPEC DoC countries.

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



*Note: * 3Q24-4Q25 = Forecast. Source: OPEC.*

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

DoC NGLs and non-coventional liquids	2023	Change 23/22	2024	Change 24/23	1Q25	2Q25	3Q25	4Q25	2025	Change 25/24
OPEC	5.46	0.06	5.53	0.06	5.60	5.67	5.64	5.64	5.64	0.11
Non-OPEC DoC	2.77	0.20	2.79	0.02	2.79	2.77	2.68	2.76	2.75	-0.04
Total	8.23	0.26	8.32	0.08	8.40	8.43	8.31	8.40	8.39	0.07

Note: 2024-2025 = Forecast.
Source: OPEC.

DoC crude oil production

According to secondary sources, **total OPEC-12 crude oil production** averaged 26.04 mb/d in September 2024, which is 604 tb/d lower, m-o-m. Crude oil output increased mainly in IR Iran and Kuwait, while production in Libya, Iraq, Nigeria, and Saudi Arabia decreased.

At the same time, **total non-OPEC DoC crude oil production** averaged 14.06 mb/d in September 2024, which is 47 tb/d higher, m-o-m. Crude oil output increased mainly in Kazakhstan, while production in Russia decreased.

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

Secondary sources	2022	2023	1Q24	2Q24	3Q24	Jul 24	Aug 24	Sep 24	*Change Sep/Aug*
Algeria	1,013	973	907	904	909	908	910	909	*0*
Congo	261	261	246	262	257	252	264	254	*-11*
Equatorial Guinea	84	56	54	56	58	57	57	60	*3*
Gabon	195	204	215	210	213	210	217	211	*-6*
IR Iran	2,554	2,859	3,179	3,238	3,300	3,289	3,295	3,316	*21*
Iraq	4,439	4,289	4,265	4,234	4,235	4,324	4,267	4,112	*-155*
Kuwait	2,704	2,595	2,430	2,429	2,421	2,415	2,418	2,430	*13*
Libya	981	1,162	1,119	1,189	894	1,180	950	540	*-410*
Nigeria	1,210	1,315	1,413	1,366	1,415	1,401	1,438	1,405	*-33*
Saudi Arabia	10,531	9,609	9,000	8,965	8,984	8,987	8,994	8,971	*-23*
UAE	3,066	2,950	2,926	2,934	2,959	2,953	2,964	2,958	*-6*
Venezuela	684	749	816	838	871	863	875	877	*3*
Total OPEC	**27,722**	**27,021**	**26,570**	**26,624**	**26,515**	**26,838**	**26,648**	**26,044**	***-604***
Azerbaijan	560	503	477	475	486	487	482	488	*6*
Bahrain	193	183	174	182	162	171	160	156	*-4*
Brunei	76	73	82	67	86	89	84	85	*2*
Kazakhstan	1,489	1,597	1,614	1,555	1,528	1,569	1,471	1,545	*75*
Malaysia	396	374	359	359	348	351	346	348	*2*
Mexico	1,652	1,655	1,615	1,599	1,593	1,592	1,595	1,593	*-3*
Oman	850	819	772	765	766	765	766	765	*-1*
Russia	9,771	9,574	9,426	9,216	9,037	9,079	9,029	9,001	*-28*
Sudan	62	54	34	25	26	26	27	27	*0*
South Sudan	144	145	113	65	53	52	54	52	*-2*
Total Non-OPEC DoC	**15,193**	**14,978**	**14,666**	**14,310**	**14,085**	**14,182**	**14,013**	**14,060**	***47***
Total DoC	**42,915**	**41,999**	**41,236**	**40,934**	**40,601**	**41,020**	**40,661**	**40,104**	***-557***

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 September, 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	2022	2023	1Q24	2Q24	3Q24	Jul 24	Aug 24	Sep 24	*Change Sep/Aug*
Algeria	1,020	973	907	905	909	909	910	908	*-2*
Congo	262	271	252	260	264	257	270	265	*-6*
Equatorial Guinea	81	55	53	60	..	57	..	52	*..*
Gabon	191	223	..	..	..	..	..	..	*..*
IR Iran	..	..	..	..	..	..	..	..	*..*
Iraq	4,453	4,118	3,957	3,862	3,897	3,993	3,904	3,792	*-112*
Kuwait	2,707	2,590	2,413	2,413	2,413	2,413	2,413	2,413	*0*
Libya	..	1,189	1,149	..	..	..	..	..	*..*
Nigeria	1,138	1,187	1,327	1,270	1,328	1,307	1,352	1,324	*-27*
Saudi Arabia	10,591	9,606	8,979	8,937	8,970	8,941	8,992	8,975	*-17*
UAE	3,064	2,944	2,919	2,928	2,933	2,933	2,935	2,931	*-4*
Venezuela	716	783	864	904	933	928	927	943	*16*
Total OPEC	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	***..***

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

Source: OPEC.

Product Markets and Refinery Operations

In September, refinery margins declined across key regions as high product availability continued to weigh on product markets, with most losses stemming from gasoline and middle distillates.

On the US Gulf Coast (USGC), a combination of the summer season's end and strong refinery runs witnessed the previous month led to weakness across the barrel. Despite a monthly decline in total US product inventories, US product markets remained well supplied, and this drove product margins lower, particularly for gasoline, which exhibited the strongest m-o-m drop across the barrel.

In Northwest Europe, closed arbitrage for gasoline shipments, robust diesel imports and weak air travel suppressed refining economics despite notable naphtha and fuel oil strength, as demand for both products increased during the month.

All products showed a decline in crack spreads, m-o-m, in Singapore, except naphtha. The recent release of Chinese product export quotas likely contributed to pressure on an already oversupplied region, amid strong product flows from the Middle East, most pronouncedly for gasoil. Positive naphtha performance owing to healthy naphtha petrochemical intake likely prevented steeper losses in Southeast Asian refining margins.

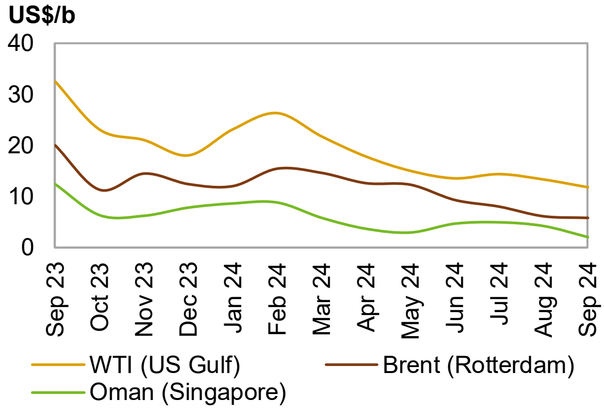
Global refinery intake fell by 1.4 mb/d, m-o-m, with the start of the heavy refinery turnaround season, to reach an average of 80.6 mb/d in September, an increase of 1.0 mb/d, y-o-y. Going forward, run rates are expected to remain under pressure, particularly in the Atlantic Basin, which should support refining margins in the coming month.

Refinery margins

USGC refining margins continued to retract against WTI for the second consecutive month, with supply-side pressure leading to losses across the barrel. The impact of strong refinery runs seen in August, along with a seasonal decline in road transportation fuels amid the end of the driving season, kept product markets well supplied despite a monthly decline in total US product inventories. These combined supply-side and seasonality-related pressures offset solid demand support linked with robust diesel exports to Europe and Brazil.

The landfall of hurricanes Francine and Helene in September resulted in power outages, floods and damage across several states. There is the possibility of temporary and indirect logistical, infrastructure and fuel distribution constraints, though the direct impact on refining activities, plants and refinery intake was deemed limited.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

Less optimistic market sentiment at the end of the summer season led to a stronger wholesale product price decline across the barrel, m-o-m. The average USGC product price drop across the barrel was $8.71/b in September at the refinery gate. This was most pronounced for gasoline, which was $14.54/b, m-o-m, lower. Although diesel exports to Europe were robust throughout the month, slower overall product demand led to inventory builds.

According to preliminary data, refinery intake in the USGC was 920 tb/d, m-o-m, lower, averaging 16.03 mb/d in September. USGC margins against WTI averaged $11.74/b in September, down by $1.54, m-o-m, and $20.83, y-o-y.

Refinery margins in Rotterdam against Brent declined for the seventh consecutive month but showed the smallest decline over this time in September, compared with registered margins in the USGC against WTI and Singapore against Oman.

Reports of a surge in diesel imports from Asia and the US to intentionally build diesel stock ahead of the winter season likely exacerbated already strong product availability in the region. As refinery runs climbed in recent months in the Northern Hemisphere, product markets were set to face pressure. Ongoing progress on operational ramp-up efforts at the Dangote refinery and rising product output levels from Nigeria are likely suppressing traditional European product exports to Nigeria. In Rotterdam, abundant product availability weighed mostly on gasoline, jet/kerosene, and gasoil markets.

In contrast to what was seen in the US, light and heavy distillates in Rotterdam aggregated solid gains. Stronger low-sulphur fuel oil requirements in Asia and growing naphtha feedstock preferences over LPG for flexible crackers in Europe and Asia provided significant support and likely limited the downturn in Northwestern Europe refining economics.

The impact of refinery run cuts amid the start of heavy maintenance season is expected to reflect on product markets going forward once the market starts to absorb an increasingly significant contraction in product balance.

According to preliminary data, refinery intake in Europe was 390 tb/d, m-o-m, lower, averaging 9.86 mb/d. Refinery margins against Brent in Europe averaged $5.70/b in September, which was 32¢, m-o-m, lower, and $14.37 lower, y-o-y.

Singapore's refining margins against Oman declined for the second consecutive month, exhibiting the largest drop compared with observations for the USGG vs. WTI and Rotterdam vs. Brent. Weaker gasoline requirements from the West, a surge in Chinese jet fuel exports to Singapore and firm diesel flows from the Middle East weakened regional product markets, despite a significant decline in total product inventories in Singapore over the month of September.

The release of a third batch of Chinese export quotas on 20 September will likely pave the way for stronger exports in the coming month, though the upside is likely to be limited due to seasonality, y-o-y global product supply growth and seasonally weak margins.

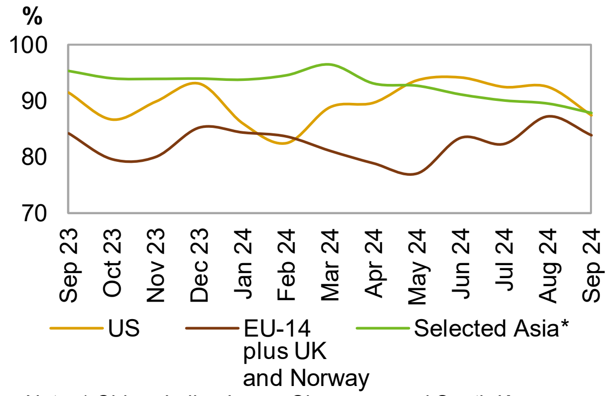
In China, naphtha imports declined significantly in August as the country focused on domestic production. Moreover, concerns over tighter supplies from the Northern Hemisphere, a gradual improvement in petrochemical margins and less favourable LPG prices contributed to a rise in Asian naphtha demand and crack spreads.

In September, combined refinery intakes in Japan, China, India, Singapore, and South Korea registered an increase of 130 tb/d, m-o-m, averaging 25.40 mb/d, according to preliminary data. Refinery margins against Oman in Singapore experienced a $2.15 decrease in September, m-o-m, to average $2.06/b, which was $10.23 lower, y-o-y.

Refinery operations

US refinery utilization rates showed a 5.1 pp drop to average 87.46% in September, corresponding to throughput of 16.03 mb/d. This represents a 920 tb/d decline relative to the previous month. Compared with the previous year, the September refinery utilization rate was down by 4.0 pp, with throughput showing a 683 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 UK and Norway refinery utilization averaged 83.89% in September, corresponding to throughput of 9.86 mb/d. This represents a drop of 3.3 pp, or 390 tb/d, m-o-m. On a yearly basis, the utilization rate was up by 0.3 pp, and throughput was 60 tb/d lower.

In Selected Asia – Japan, China, India, Singapore, and South Korea – refinery utilization rates decreased to an average of 87.86% in September, corresponding to throughput of 25.40 mb/d. Compared with the previous month, utilization rates were down by 1.7 pp, and throughput was lower by 130 tb/d. Relative to the previous year, utilization rates were 7.5 pp lower, and throughput was 2.0 mb/d lower.

Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				Refinery utilization, %			
	Jul 24	Aug 24	Sep 24	Change Sep/Aug	Jul 24	Aug 24	Sep 24	Change Sep/Aug
US	**16.95**	**16.95**	**16.03**	**-0.92**	**92.50**	**92.53**	**87.46**	**-5.1 pp**
Euro-14, plus UK and Norway	**9.68**	**10.25**	**9.86**	**-0.39**	**82.37**	**87.21**	**83.89**	**-3.3 pp**
France	0.99	1.01	0.97	-0.04	85.84	87.78	84.18	-3.6 pp
Germany	1.64	1.76	1.71	-0.05	79.84	85.80	83.29	-2.5 pp
Italy	1.15	1.34	1.31	-0.03	60.68	70.66	69.06	-1.6 pp
UK	1.00	1.07	0.99	-0.08	85.51	91.13	84.72	-6.4 pp
Selected Asia*	**25.68**	**25.52**	**25.40**	**-0.13**	**90.09**	**89.54**	**87.86**	**-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	3Q23	4Q23	1Q24	2Q24	3Q24
OECD Americas	**17.79**	**18.68**	**18.71**	**19.27**	**18.47**	**18.19**	**19.17**	**19.40**
of which US	*15.66*	*16.48*	*16.50*	*17.02*	*16.47*	*15.78*	*16.96*	*16.64*
OECD Europe	**10.93**	**11.44**	**11.38**	**11.72**	**11.40**	**11.44**	**11.06**	**11.31**
of which:								
France	*0.69*	*0.84*	*0.93*	*1.06*	*0.95*	*0.83*	*0.89*	*0.99*
Germany	*1.72*	*1.83*	*1.62*	*1.67*	*1.59*	*1.76*	*1.79*	*1.70*
Italy	*1.23*	*1.32*	*1.30*	*1.32*	*1.32*	*1.30*	*1.16*	*1.27*
UK	*0.92*	*1.04*	*0.97*	*0.96*	*0.89*	*0.97*	*0.98*	*1.02*
OECD Asia Pacific	**5.79**	**6.08**	**5.83**	**5.69**	**5.89**	**5.90**	**5.61**	**5.48**
of which Japan	*2.49*	*2.71*	*2.56*	*2.54*	*2.54*	*2.55*	*2.27*	*2.16*
Total OECD	**34.51**	**36.21**	**35.92**	**36.68**	**35.76**	**35.54**	**35.84**	**36.19**
Latin America	**3.50**	**3.37**	**3.48**	**3.45**	**3.53**	**3.40**	**3.60**	**3.64**
Middle East	**6.80**	**7.28**	**7.61**	**7.92**	**7.43**	**7.80**	**8.02**	**8.24**
Africa	**1.77**	**1.73**	**1.70**	**1.69**	**1.70**	**1.78**	**1.79**	**1.91**
India	**4.73**	**5.00**	**5.18**	**5.03**	**5.10**	**5.30**	**5.31**	**5.07**
China	**14.07**	**13.49**	**14.78**	**15.19**	**14.57**	**14.64**	**14.25**	**14.02**
Other Asia	**4.72**	**4.94**	**5.02**	**4.90**	**5.14**	**5.18**	**5.10**	**5.20**
Russia	**5.61**	**5.46**	**5.50**	**5.49**	**5.43**	**5.33**	**5.35**	**5.50**
Other Eurasia	**1.23**	**1.15**	**1.14**	**1.05**	**1.19**	**1.15**	**1.10**	**1.12**
Other Europe	**0.44**	**0.50**	**0.47**	**0.52**	**0.47**	**0.43**	**0.44**	**0.49**
Total Non-OECD	**42.88**	**42.91**	**44.87**	**45.24**	**44.54**	**45.01**	**44.96**	**45.18**
Total world	**77.38**	**79.12**	**80.79**	**81.92**	**80.30**	**80.55**	**80.80**	**81.37**

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

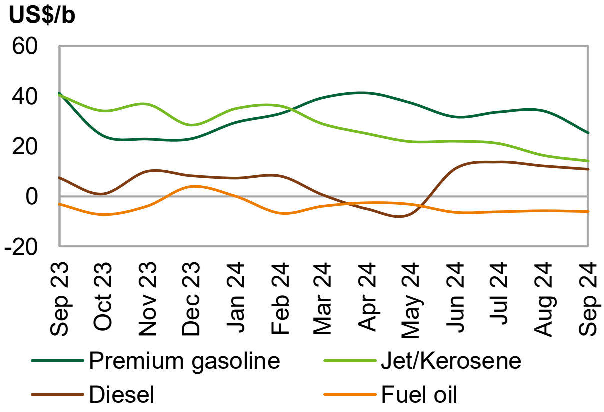
Sources: AFREC, APEC, EIA, IEA, Euroilstock, PAJ, Ministry data, including Ministry of Energy of the Russian Federation, Ministry of Petroleum and Natural Gas of India, OPEC and JODI.

Product markets

US market

The USGC gasoline crack spread against WTI changed directions and fell to show the largest drop compared to all other key products. Weaker gasoline consumption levels amid the end of the driving season contributed to the downturn. This demand-side pressure led to slightly higher inventories despite reportedly solid US gasoline exports and the start of heavy maintenance works. Going forward, the seasonal reduction in gasoline output levels is expected to compensate to some degree for the demand-side pressure. This should provide a temporary lift for gasoline crack spreads in the coming month before they correct downward once again towards the end of the year. The USGC gasoline crack spread lost $8.67, m-o-m, reaching an average of $25.43/b in September, and was $15.75 lower, y-o-y.

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



Sources: Argus and OPEC.

The USGC jet/kerosene crack spread against WTI receded further in September to a 34-month low and became the second strongest negative performer across the barrel, following gasoline. Jet/kerosene crack spreads in September reached the lowest level seen since November of 2021 on high availability as US Jet/kerosene inventories climbed to a multi-year high in the first week of September. The USGC jet/kerosene crack spread lost $2.26, m-o-m, to average $14.29/b in September and was $26.29 lower, y-o-y.

The USGC gasoil crack spread against WTI continued to decline in September. Although diesel exports to Europe and South America were strong over the month, slow domestic demand and firm imports from the Middle East led to inventory builds. The US gasoil crack spread against WTI averaged $12.39/b, down by $1.58, m-o-m, but $4.29/b higher, y-o-y.

The USGC fuel oil crack spread against WTI decreased, albeit experiencing the smallest decline across the barrel in the USGC. In September, the US fuel oil crack spread against WTI lost 32¢, m-o-m, to average minus $6.02/b, and was $3.02 lower, y-o-y.

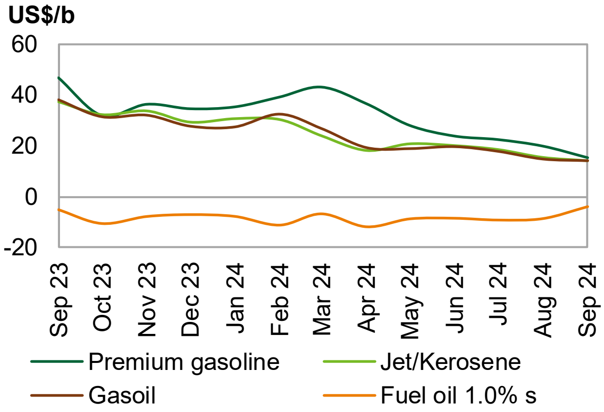
European market

The gasoline crack spread in Rotterdam against Brent dropped as the elevated refinery runs witnessed in the previous months contributed to a well-supplied region. In addition, a decline in gasoline exports to the US and West Africa weighed further. Supply-side pressures are expected to ease in the coming month with the ongoing refinery maintenance activities, which could lend support to European gasoline markets in the near term. The gasoline crack spread against Brent averaged $15.21/b, which was $4.57 lower, m-o-m, and $31.52 lower, y-o-y.

In September, the jet/kerosene crack spread in Rotterdam against Brent showed the second-largest decline across the barrel, following gasoline on weaker fundamentals, affected by demand-side dynamics. The end of the peak demand season and the subsequent drop-in air travel activities weighed heavily on the product market. Production of winter-grade diesel in Europe should lead to slightly lower Jet fuel yields going forward. The Rotterdam jet/kerosene crack spread against Brent averaged $14.17/b, down by $1.29, m-o-m, and $23.08, y-o-y.

The gasoil crack spread in Rotterdam against Brent showed a slight loss, likely pressured by a surge in imports over the month as the region prepared diesel stock builds ahead of the winter season. This was reflected in the m-o-m, and y-o-y gasoil stock builds registered at the end of September at the Amsterdam-Rotterdam-Antwerp (ARA) storage hub. This likely exacerbated the ample gasoil availability witnessed in the previous month amid weak diesel demand from the manufacturing sector in Europe. The gasoil crack spread against Brent averaged $14.15/b, down 65¢, m-o-m, and $23.80, y-o-y.

Graph 6 - 4: Rotterdam crack spreads vs. Brent



Sources: Argus and OPEC.

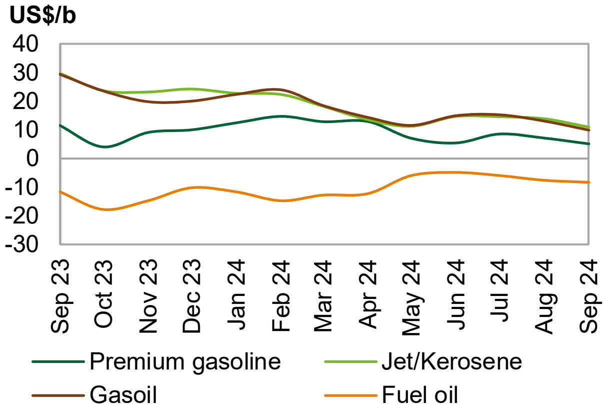
At the bottom of the barrel, fuel oil 1.0% crack spreads in Rotterdam against Brent showed solid gains, m-o-m due to a tightening balance, mostly owed to lower imports. In terms of prices, fuel oil 1.0% decreased by $1.82, m-o-m, to $70.32/b, while the crack spread averaged minus $3.94/b in September, representing both a $4.64, m-o-m, and a $1.19, y-o-y, rise.

Asian market

The Southeast Asia gasoline 92 crack spread against Dubai extended its downward trend due to a lengthening balance. This was a result of challenging export opportunities, as Western markets were generally well-supplied and had softer regional requirements.

The East of Suez gasoline market is expected to tighten further going forward, with the recent release of the new product export quotas available to refiners in China. This upside is expected particularly around October, amid the onset of the heavy maintenance season in the Atlantic Basin. The product's margin averaged $4.98/b in September, down $2.07, m-o-m, and $6.56, y-o-y.

Graph 6 - 5: Singapore crack spreads vs. Dubai



Sources: Argus and OPEC.

The Asian naphtha crack spread was again the sole positive performer across the barrel in September. Petrochemical feedstock requirements increased on the back of tightening supplies, and as cracker operators continued to favour naphtha as an alternative feedstock, LPG became less economically feasible. Naphtha requirements saw an additional boost from the restart of several cracker units in the region. The Singapore naphtha crack spread against Dubai averaged minus $3.10/b, which is $1.68 higher, m-o-m, and $15.10 higher, y-o-y.

In the middle of the barrel, the jet/kerosene crack spread in Singapore continued to experience losses for the second consecutive month due to weaker fundamentals and challenging east-to-west arbitrage. Jet/kerosene wholesale prices dropped, along with all other products across the barrel in Singapore, to show a $6.82/b decline, m-o-m, in August. The Singapore jet/kerosene crack spread against Dubai averaged $11.04/b, down $2.94, m-o-m, and $18.80, y-o-y.

The Singapore gasoil crack spread trended downwards as weak gasoil demand continued to pose a challenge and contributed to an oversupply even beyond the region. In China, a crisis in property markets amid lower growth in the manufacturing sector weighed on gasoil consumption levels. Consequently, some Chinese refiners have opted to reduce gasoil output due to low margins. Sinopec's Shanghai Petrochemical, generally representative of China's integrated state-owned refineries, was reported to have reduced its gasoil production by 24.9%, y-o-y, to 1.39 million metric tons in the first six months of the year, as domestic demand for the fuel declined, while it raised jet fuel production by 51% to 1.23 mt during the same period (Platts). The Singapore gasoil crack spread against Dubai averaged $9.90/b, down $3.13, m-o-m, and $19.61, y-o-y.

The Singapore fuel oil 3.5% crack spread retracted further and showed the second-largest loss across the barrel, following gasoil. Residual fuel crack spreads were pressured by weaker demand from the bunker sector and ample supply. However, much attention was directed to very low-sulphur fuel oil (VLSFO) as its crack spread jumped to a nine-month high due to tight supplies and Asian LSFO imports falling to a nine-month low, according to Kpler. This situation also resulted in a widening deviation between VLSFO crack spreads in Singapore vs. Dubai compared with that in NWE vs. North Sea Dated Brent and the USGC vs. WTI, Kpler reported. Singapore's HSFO crack spread against Dubai averaged minus $8.45/b, down by 72¢, m-o-m, but up $3.30, y-o-y.

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

Event	Time frame	Observations	Asia	Europe	US
Start of the winter season	Oct 24–Nov 24	Transport activities are expected to soften in line with seasonal patterns. This weighs further on transport fuel crack spreads.	↓ Pressure on transport fuel markets	↓ Pressure on transport fuel markets	↓ Pressure on transport fuel markets
Autumn refinery maintenance season	Oct 24–Nov 24	Product prices, crack spreads and refining margins are expected to see some upside, with declining product output amid heavy turnarounds.	↑ Support product crack spreads	↑ Support product crack spreads	↑ Support product crack spreads
Heating fuel markets	Nov 24–Mar 25	Forecasts of a colder winter are expected to support heating fuel markets (gasoil, LPG, kerosene) in the northern hemisphere and parts of Asia.	↑ Support product crack spreads	↑ Support product crack spreads	↑ Support product crack spreads
Refinery capacity additions	As of Oct 24	New product volumes entering international markets from Yulong petrochemical and Dangote refineries as they start up their FCC units are set to lengthen product balances going forward, particularly for gasoline.	↓ Pressure on transport fuel markets	↓ Pressure on transport fuel markets	↓ Pressure on transport fuel markets
Refinery closures	As of Oct 24	A recent court order for the closures of three refineries in China is set to somewhat support product markets in China, but will have limited impact on global product markets once fully materialized.	↑ Support for product markets	-	-
US hurricane season	Oct 24–Nov 24	The ongoing hurricane season in the US continues to pose a downward risk to US refinery intake, which could exacerbate the impact of heavy maintenance season. This could lead to a product output decline, exerting upward pressure on product crack spreads.	↑ Support product crack spreads	↑ Support product crack spreads	↑ Support product crack spreads
Chinese product exports	Oct 24–Nov 24	Chinese product exports are expected to rise cautiously during the heavy turnaround season in the West of Suez on quota availability following the recently awarded batch of product export quotas.	↑ Support Chinese refinery runs	↓ Pressure on product markets	↓ Pressure on product markets
Chinese fuel oil consumer tax	As of Oct 24	China plans to temporarily remove the fuel oil consumer tax rebate. If this materializes, it would diminish teapot refiners' reliance on the fuel for feedstock blending and weigh on fuel oil markets, particularly in Asia.	↓ Pressure on fuel oil markets	↓ Pressure on fuel oil markets	↓ Pressure on fuel oil markets

Source: OPEC.

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

		Aug 24	Sep 24	*Change* Sep/Aug	*Annual avg.* 2023	*Year-to-date* 2024
US Gulf (Cargoes FOB)						
Naphtha*		76.22	68.70	-7.52	72.51	75.72
Premium gasoline	(unleaded 93)	109.64	95.10	-14.54	117.23	111.64
Regular gasoline	(unleaded 87)	95.57	83.22	-12.35	104.59	98.08
Jet/Kerosene		92.09	83.96	-8.13	113.51	102.42
Gasoil	(0.2% S)	87.94	80.76	-7.18	78.57	83.71
Fuel oil	(3.0% S)	69.68	64.12	-5.56	68.14	69.78
Rotterdam (Barges FOB)						
Naphtha		72.69	68.99	-3.70	71.06	73.61
Premium gasoline	(unleaded 98)	100.50	89.47	-11.03	125.96	111.88
Jet/Kerosene		96.18	88.43	-7.75	111.74	103.99
Gasoil/Diesel	(10 ppm)	95.52	88.41	-7.11	111.19	103.87
Fuel oil	(1.0% S)	72.14	70.32	-1.82	74.29	74.21
Fuel oil	(3.5% S)	70.60	64.95	-5.65	72.79	71.99
Mediterranean (Cargoes FOB)						
Naphtha		71.40	68.22	-3.18	68.45	71.28
Premium gasoline**		93.05	84.27	-8.78	101.80	98.70
Jet/Kerosene		93.55	86.29	-7.26	107.77	100.43
Diesel		94.91	88.82	-6.09	109.08	102.66
Fuel oil	(1.0% S)	75.85	74.23	-1.62	78.85	78.94
Fuel oil	(3.5% S)	68.54	61.52	-7.02	66.47	69.08
Singapore (Cargoes FOB)						
Naphtha		72.78	70.29	-2.49	69.53	73.36
Premium gasoline	(unleaded 95)	88.95	82.87	-6.08	98.62	95.61
Regular gasoline	(unleaded 92)	84.61	78.37	-6.24	94.00	91.12
Jet/Kerosene		91.54	84.43	-7.11	104.68	97.48
Gasoil/Diesel	(50 ppm)	92.01	84.14	-7.87	105.99	98.47
Fuel oil	(180 cst)	90.26	83.06	-7.20	102.35	96.70
Fuel oil	(380 cst 3.5% S)	69.83	64.94	-4.89	69.23	72.10

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

Sources: Argus and OPEC.

Tanker Market

Dirty spot freight rates for VLCCs and Suezmax witnessed an improved performance in September, while Aframax rates moved lower.

VLCC spot freight rates on the Middle East-to-East route rose 6%, m-o-m, while rates on the West Africa-to-East route gained 3% over the same period. In the Suezmax market, rates on the US Gulf Coast (USGC)-to-Europe route edged up 2%, m-o-m. Aframax rates on the Caribbean-to-US East Cost (USEC) route dropped 16%, m-o-m, while the rates on the cross-Med route fell by 12%. Despite the mixed m-o-m performance, rates for all classes were higher compared to the same month last year.

In the clean market, spot freight rates declined m-o-m on all monitored routes, except for Middle East-to-East, which rose 10%, m-o-m.

Spot fixtures

Global spot fixtures improved further m-o-m in September, the exception being 'Outside Middle East' where fixtures fell. Global fixtures averaged 14.4 mb/d for the month, representing an increase of 0.7 mb/d, or about 5%, m-o-m. Compared with September 2023, global spot fixtures were down by 0.3 mb/d, or 2%.

OPEC spot fixtures averaged 9.9 mb/d in September, representing an increase of 0.6 mb/d, or around 7%, m-o-m. Compared with the same month last year, fixtures were down by 1.0 mb/d, or about 9%.

Middle East-to-East fixtures rose by 0.6 mb/d, or almost 11%, m-o-m, to average 6.4 mb/d. Y-o-y, fixtures on the Middle East-to-East route were 0.4 mb/d, or 6%, higher.

Spot fixtures on the Middle East-to-West route gained 0.2 mb/d, or 21%, m-o-m, to average 1.3 mb/d. Compared with the same month last year, fixtures were down 0.1 mb/d, or almost 6%, y-o-y.

In contrast to other routes, spot fixtures on 'Outside Middle East' routes declined, falling by 0.2 mb/d, or 10%, m-o-m, to average 2.2 mb/d. Compared with the same month in 2023, fixtures were down by 1.3 mb/d, or 37%.

Table 7 - 1: Spot fixtures, mb/d

Spot fixtures	Jul 24	Aug 24	Sep 24	*Change* Sep 24/Aug 24
All areas	13.0	13.6	14.4	0.7
OPEC	9.4	9.3	9.9	0.6
Middle East/East	6.0	5.8	6.4	0.6
Middle East/West	0.7	1.1	1.3	0.2
Outside Middle East	2.8	2.4	2.2	-0.2

Sources: Oil Movements and OPEC.

Sailings and arrivals

OPEC sailings were broadly flat in September, averaging 21.1 mb/d. Compared with the same month in 2023, however, OPEC sailings were up 2.4 mb/d, or almost 13%. Middle East sailings were negligibly higher, m-o-m, averaging 16.5 mb/d in September. Y-o-y, sailings from the region were down by 0.4 mb/d, or almost 3%.

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

Sailings	Jul 24	Aug 24	Sep 24	*Change* Sep 24/Aug 24
OPEC	20.0	21.2	21.1	0.0
Middle East	16.2	16.4	16.5	0.0
Arrivals				
North America	10.1	10.0	9.7	-0.4
Europe	13.0	12.5	12.8	0.4
Far East	14.5	13.6	15.8	2.2
West Asia	7.0	8.9	8.9	0.0

Sources: Oil Movements and OPEC.

Crude arrivals showed mixed movements. North American arrivals fell by about 0.4 mb/d, or about 4%, to average 9.7 mb/d. Compared with September 2023, they were 0.2 mb/d higher, or about 3%. In contrast, arrivals to Europe increased by about 0.4 mb/d, or almost 3%, m-o-m, to average 12.8 mb/d. Compared with the same month in 2023, they were 1.1 mb/d, or 9%, higher.

Far East arrivals averaged 15.8 mb/d in September, representing a gain of 2.2 mb/d, or almost 17%. Y-o-y, arrivals in the region were 1.2 mb/d, or over 8%, higher. Arrivals in West Asia were negligibly lower m-o-m in September, averaging 8.9 mb/d. Compared with the same month last year, however, arrivals in the region still showed an increase of 1.8 mb/d, or 25%.

Dirty tanker freight rates

Very large crude carriers (VLCC)

Spot freight rates for VLCCs improved further in September, after having been stagnant the month before. On average, VLCC spot freight rates rose by 4%, m-o-m, and they were 26% higher compared with the same month in 2023.

On the Middle East-to-East route, rates averaged WS53 in September, up 6% compared to the previous month. Y-o-y, rates were up 26%. The Middle East-to-West route also showed gains in September, rising 3%, m-o-m, to average WS34. Compared with the same month in 2023, rates on the route were also 26% higher.

Spot freight rates on the West Africa-to-East route rose 4%, m-o-m, to average WS57 in September. Compared with the same month in 2023, rates were up 21%.

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

VLCC	Size *1,000 DWT*	Jul 24	Aug 24	Sep 24	*Change* Sep 24/Aug 24
Middle East/East	230-280	50	50	53	3
Middle East/West	270-285	34	33	34	1
West Africa/East	260	54	55	57	2

Sources: Argus and OPEC.

Suezmax

Suezmax spot rates picked up slightly, by 1%, m-o-m, after a strong decline in August. Y-o-y, rates were up 19%.

On the West Africa-to-USGC route, spot freight rates in September averaged WS74, representing a small gain of 1%, m-o-m. Spot rates were up by a stronger 10% compared with the same month in 2023. Rates on the USGC-to-Europe route rose 2%, m-o-m, to average WS64. Compared with the same month in 2023, they were 28% higher.

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

Suezmax	Size *1,000 DWT*	Jul 24	Aug 24	Sep 24	*Change* Sep 24/Aug 24
West Africa/US Gulf Coast	130-135	90	73	74	1
US Gulf Coast/ Europe	150	82	63	64	1

Sources: Argus and OPEC.

Aframax

In contrast to the larger classes, Aframax spot freight rates experienced declines on all monitored routes for the second month in a row. On average, Aframax rates fell 10%, m-o-m, although rates were still 10% higher compared to the same month last year.

Rates on the Indonesia-to-East route fell 4%, m-o-m, to average WS136 in September. This still represents a gain of 8% compared to the same month last year.

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

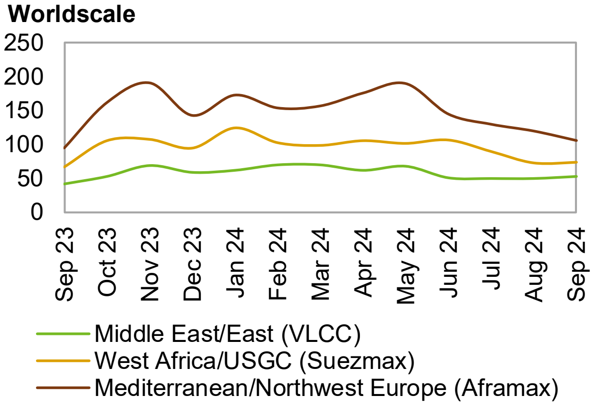
Aframax	Size *1,000 DWT*	Jul 24	Aug 24	Sep 24	*Change* Sep 24/Aug 24
Indonesia/East	80-85	156	141	136	-5
Caribbean/US East Coast	80-85	189	111	93	-18
Mediterranean/Mediterranean	80-85	141	126	111	-15
Mediterranean/Northwest Europe	80-85	130	120	106	-14

Sources: Argus and OPEC.

Spot rates on the Caribbean-to-US USEC route experienced the sharpest decline for the second consecutive month, dropping 16%, m-o-m, to average WS93 in September. Nonetheless, rates remained 9% higher compared with the same month in 2023.

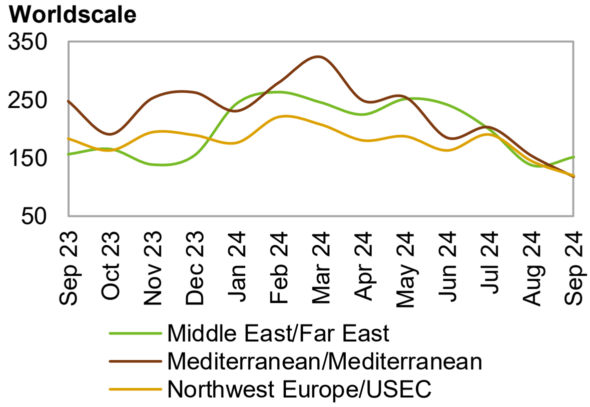
Cross-Med spot freight rates fell 12%, m-o-m, to average WS111. Compared with the same month last year, spot rates on the route were 13% higher. Rates on the Med-to-Northwest Europe (NWE) route averaged WS106, representing a decline of 12%, m-o-m. Compared with the same month in 2023, rates were up 12%.

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 saw mixed movements in September, as a strong performance on the Middle East-to-East route boosted East of Suez rates while all other monitored routes experienced declines. Consequently, East of Suez rates rose 3%, while West of Suez rates fell 22%. Clean freight rates remained below last year's elevated levels, with East of Suez rates down 22%, y-o-y, and West of Suez rates 47% lower than the same month in 2023.

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

East of Suez	Size *1,000 DWT*	Jul 24	Aug 24	Sep 24	*Change* Sep 24/Aug 24
Middle East/East	30-35	199	137	151	14
Singapore/East	30-35	229	151	147	-4
West of Suez					
Northwest Europe/US East Coast	33-37	190	145	120	-25
Mediterranean/Mediterranean	30-35	203	154	118	-36
Mediterranean/Northwest Europe	30-35	213	164	128	-36

Sources: Argus and OPEC.

Rates on the Middle East-to-East route rose 10%, m-o-m, to average WS151 in September. Compared with the same month in 2023, rates were still 3% lower. Clean spot freight rates on the Singapore-to-East route dropped 3%, m-o-m. Rates on the route averaged WS147, representing a 36% decline compared with the same month in 2023.

Spot freight rates on the NWE-to-USEC route fell 17%, m-o-m. Rates averaged WS120, which represents a 34% drop compared with September 2023.

Rates around the Mediterranean continued to decline, both in m-o-m and y-o-y terms. Rates on the Cross-Med route lost 23%, m-o-m, to average WS118 and were down 52%, y-o-y. Rates on the Med-to-NWE route fell 22%, m-o-m, and were down by 50%, y-o-y, to average WS128.

Crude and Refined Products Trade

Preliminary weekly data shows US crude exports in September were at just under 4 mb/d for the second consecutive month. US crude imports picked up from a relatively weak performance in August to average 6.6 mb/d. US product imports fell to the lowest level since 1997, amid declines in gasoline, jet fuel and the other products category. US product exports remained close to a record high at 6.9 mb/d.

Preliminary estimates point to OECD Europe crude imports declining further in September, amid seasonal regional refinery maintenance, while product imports were seen steady m-o-m, amid increased flows from the US.

Japan's crude imports recovered in August to reach a four-month high of 2.2 mb/d. The country's product imports increased for the second month in a row, averaging 911 tb/d, lifted by higher inflows of naphtha, jet fuel and gasoline.

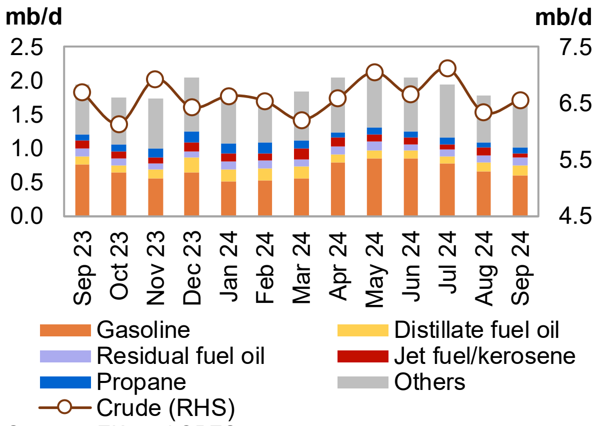
China's crude imports rebounded by 16% m-o-m in August to average 11.6 mb/d, but were still down 7% compared to the same month last year. Product imports into China reached a three-month high of 2.3 mb/d, supported by higher inflows of other products and naphtha, which offset a sharp drop in LPG.

India's crude imports began to pick up again in August, following seasonal declines, and were up by 6%, y-o-y. India's product imports and exports were both about 2% lower, m-o-m.

US

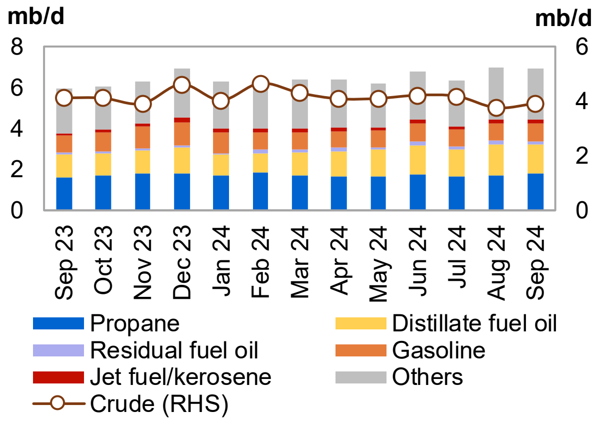
Preliminary data for September shows that US crude imports rebounded from a five-month low to average 6.6 mb/d. This represents a m-o-m gain of 0.2 mb/d, or about 4%. According to preliminary EIA weekly data, the increase was due to sharply higher flows from Venezuela and Canada, which outweighed lower inflows from Brazil. Compared with the same month last year, crude imports were down 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 September were below 4 mb/d for the second consecutive month, according to preliminary estimates based on weekly data. The last time US crude exports were below this level for two consecutive months in the months June and July 2023. US crude outflows averaged 3.9 mb/d, representing an increase of 0.2 mb/d, or 4%, m-o-m. According to tanker tracking data, lower flows to Europe were partly balanced by higher flows to Asia, amid a return in Chinese buying. Y-o-y, crude outflows were down by 0.2 mb/d, or about 5%.

In September, US net crude imports averaged 2.62 mb/d, up slightly from 2.55 mb/d in August. In September last year, US net crude imports averaged 2.54 mb/d.

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

US	Jul 24	Aug 24	Sep 24	*Change* Sep 24/Aug 24
Crude oil	2.93	2.55	2.62	0.06
Total products	-4.43	-5.22	-5.31	-0.09
Total crude and products	**-1.50**	**-2.66**	**-2.69**	**-0.02**

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

On the product side, imports in September fell to the lowest level since 1997. For the month, product inflows averaged 1.6 mb/d, representing a decline of 136 tb/d, or about 8%, m-o-m. Declines were shared across gasoline, jet fuel and other products. Compared with the same month of 2023, product inflows were down by 300 tb/d, or over 15%.

Product exports also declined in September, but remained close to August's record high levels. Product outflows averaged 6.9 mb/d, for a decline of 48 tb/d, or less than 1%, m-o-m. The current strength in US product exports has been supported by all product categories. Compared with the same month last year, product exports were considerably higher, up by 0.9 mb/d, or about 16%.

As a result, net product exports averaged almost 5.3 mb/d in September, compared with 5.2 mb/d the previous month and 4.0 mb/d in September 2023. Combined, net crude and product exports averaged 2.69 mb/d in September, compared to 2.66 mb/d the month before and 1.5 mb/d in September 2023.

OECD Europe

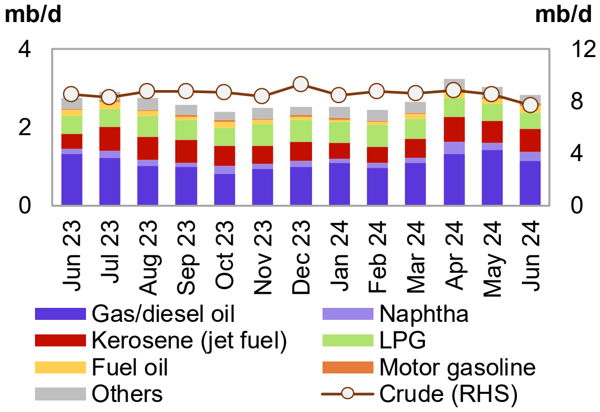
The latest official data for OECD Europe shows that crude imports declined further in June, falling 878 tb/d, m-o-m, or about 10%, to average 7.7 mb/d. Compared with the same month in 2023, crude imports fell 868 tb/d, or over 10%.

In terms of the region's import sources, the US provided the highest contribution in June at 1.4 mb/d, albeit down from almost 1.9 mb/d in May. Kazakhstan was second with 0.9 mb/d, down from 1.1 mb/d the month before, followed by Libya with 0.7 mb/d, compared with 0.9 mb/d the previous month.

Crude exports dipped in June to average 25 tb/d, compared to exports of 91 tb/d the month before. In the same month last year, crude outflows averaged 192 tb/d. Türkiye was the top destination for crude exports from the OECD Europe region in June, taking in 49 tb/d.

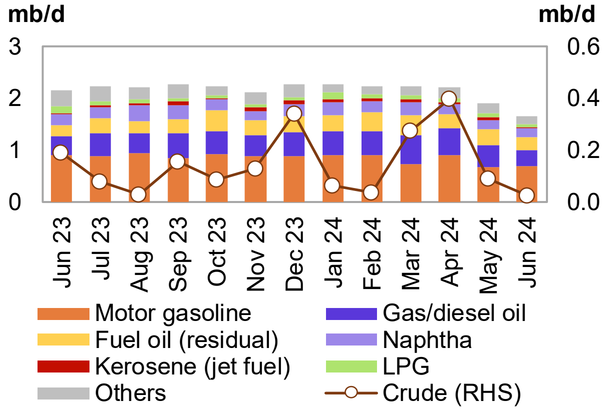
Net crude imports averaged 7.6 mb/d in June, compared with 8.5 mb/d the month before and 8.3 mb/d in June 2023.

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 averaged 2.8 mb/d in June, representing a drop of 216 tb/d, or 7%, m-o-m. Losses were primarily driven by diesel inflows that fell by 19%. Compared with June 2023, product inflows were up by 70 tb/d, or about 3%.

Product exports averaged 1.7 mb/d in June, representing a decline of 241 tb/d, or about 13%, m-o-m. Declines were seen across most major products, the exception being gasoline that saw a slight increase. However, this was still sharply lower compared with the same month last year. Y-o-y, product exports were 494 tb/d, or about 23%, lower.

Net product imports averaged 1.2 mb/d in June, compared with 1.1 mb/d the month before and 0.6 mb/d in June 2023.

Combined, net crude and product imports averaged 8.8 mb/d in June, down from 9.6 mb/d the month before and 8.9 mb/d in June 2023.

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

OECD Europe	Apr 24	May 24	Jun 24	*Change* Jun 24/May 24
Crude oil	8.41	8.46	7.65	-0.81
Total products	1.02	1.13	1.16	0.02
Total crude and products	**9.43**	**9.59**	**8.81**	**-0.79**

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

Sources: IEA and OPEC.

Japan

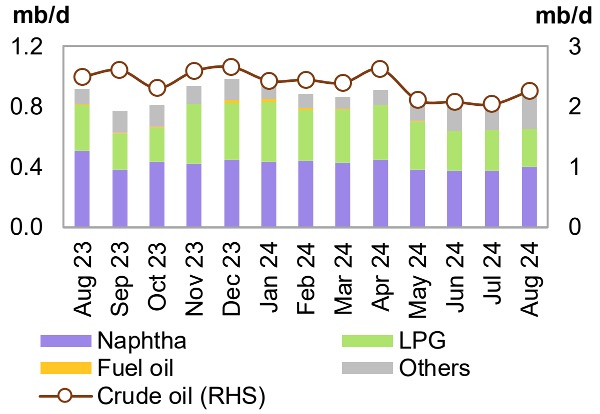
After three months of decline, Japan's crude imports picked up in August, averaging 2.3 mb/d. M-o-m, crude imports into Japan rose by 221 tb/d, or about 11%. Compared to the same period last year, however, crude imports were down 230 tb/d, or almost 10%.

In terms of crude imports by source, the United Arab Emirates retained the highest share with over 45% in August, down from 49% the month before. Saudi Arabia was second with around 39%, up from 36% the month before, followed by Kuwait with about 6%, after registering 8% in July.

Product imports, including LPG, increased by 65 tb/d, or almost 8%, m-o-m, to average 911 tb/d in August. Gains were seen in naphtha, kerosene and gasoline. Compared with August 2023, product inflows were down by just 10 tb/d, or a little more than 1%.

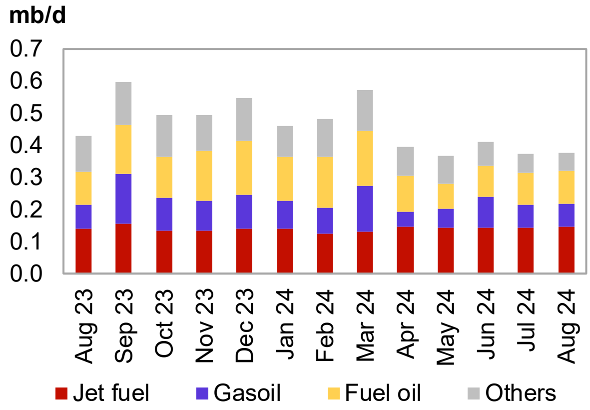
Product exports, including LPG, edged higher in August to average 376 tb/d. M-o-m, exports rose by 5 tb/d, or a little over 1%. A decline in gasoline was offset by a similar volume increase in kerosene, with smaller gains seen in jet fuel and fuel oil. Compared to the same month last year, product exports in August were 53 tb/d, or about 12%, lower.

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 535 tb/d in August. This compares with 475 tb/d the month before and 492 tb/d in August 2023.

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

Japan	Jun 24	Jul 24	Aug 24	*Change* Aug 24/Jul 24
Crude oil	2.08	2.04	2.26	0.22
Total products	0.40	0.47	0.53	0.06
Total crude and products	**2.49**	**2.51**	**2.79**	**0.28**

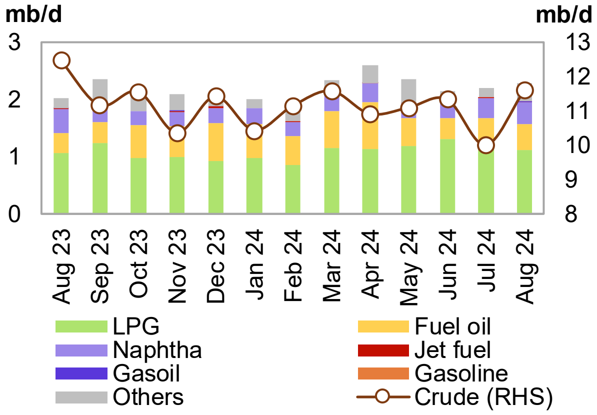
Note: Totals may not add up due to independent rounding.

Sources: METI and OPEC.

China

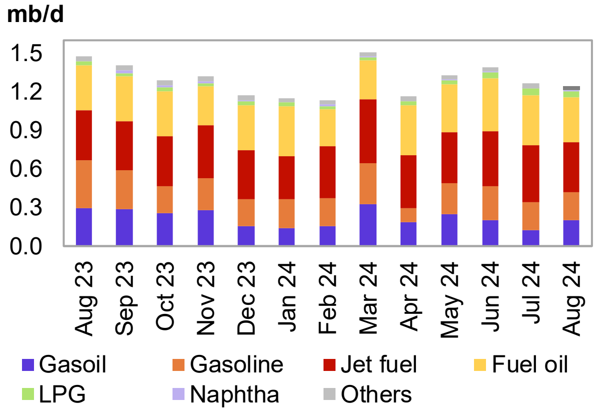
After a poor performance the previous month, China's crude imports jumped in August, m-o-m, to average 11.6 mb/d. This represented an increase of 1.6 mb/d, or 16%, m-o-m. However, compared to the same month last year, crude imports were still down by 0.9 mb/d, or 7%.

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.

In terms of crude imports by source, Russia retained the top spot in August with 19%, up from around 18% in July, but down from 20% in August 2023. Malysia was second with 15%, slightly higher than the previous month. Iraq was third with about 14%, followed by Saudi Arabia with around 11%.

Product imports, including LPG, continued to pick up for the second month in a row, averaging 2.2 mb/d in August. This represents a gain of 82 tb/d, m-o-m, or about 4%. A strong performance in the other products category offset a sharp decline in LPG inflows, and this was further supported by higher fuel oil and naphtha inflows. Compared to the same period in 2023, product imports were 252 tb/d, or more than 12%, higher.

Product exports, including LPG, declined by about 2%, or 20 tb/d, m-o-m, to average 1.2 mb/d in August. Declines in fuel oil and jet fuel were partly outweighed by a jump in diesel exports. Compared to the same month in 2023, product exports were down by 235 tb/d, or 16%.

Net product imports averaged 1.0 mb/d in August, compared to 939 tb/d in July, and about 553 tb/d in August 2023.

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

China	Jun 24	Jul 24	Aug 24	*Change* Aug 24/Jul 24
Crude oil	11.32	9.99	11.47	1.48
Total products	0.76	0.94	1.04	0.10
Total crude and products	**12.08**	**10.93**	**12.51**	**1.58**

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

Sources: China OGP and OPEC.

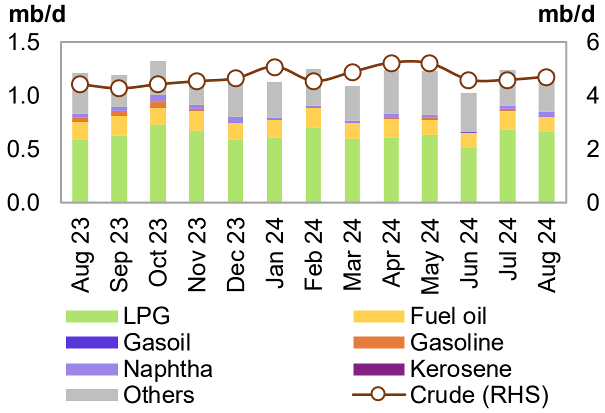
India

India's crude imports began to pick up seasonally in August, averaging 4.7 mb/d. This kept the level in the upper end of the five-year range (2019-2023). This represents a gain of 110 tb/d, or over 2%, m-o-m, and a rise of 283 tb/d, or over 6%, y-o-y.

In terms of crude imports by source, Kpler data shows Russia had a 40% share of India's total crude imports in August, down from 45% the month before. Iraq was second with 19%, up from 17% the month before, followed by Saudi Arabia with 12%, compared with 9% in July.

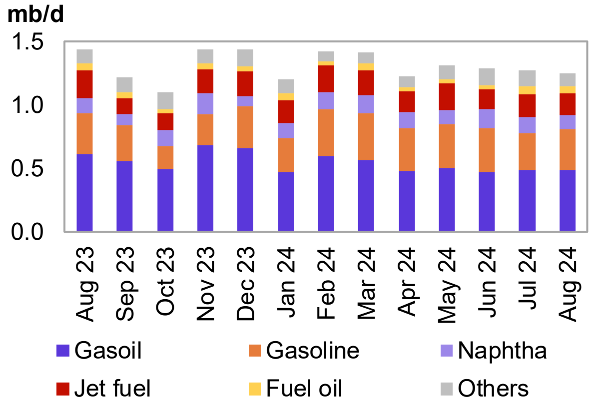
For products, imports slipped by about 2%, or 20 tb/d, m-o-m, to average 1.2 mb/d. Declines were led by fuel oil, with further contributions from LPG and gasoline. These were offset by gains in naphtha and other products, which in India is primarily bitumen. Y-o-y, product imports were up by less than 1%, or 11 tb/d.

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



Sources: PPAC and OPEC.

Graph 8 - 10: India's exports of products



Sources: PPAC and OPEC.

Product exports in August declined by a further 21 tb/d, or almost 2%, m-o-m, to remain at around 1.3 mb/d. Gains in gasoline were outweighed by lower outflows of naphtha and the other products category. Compared to August 2023, product exports were down by 192 tb/d, or about 13%.

Net product exports averaged 25 tb/d in August, compared with 27 tb/d in both July 2024 and August 2023.

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

India	Jun 24	Jul 24	Aug 24	*Change* Aug 24/Jul 24
Crude oil	4.59	4.59	4.70	0.11
Total products	-0.26	-0.03	-0.03	0.00
Total crude and products	**4.33**	**4.56**	**4.68**	**0.11**

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 declined in August by about 0.3 mb/d, or about 4.6%, m-o-m, to average around 6.1 mb/d. The drop was primarily driven by a sharp fall in volumes at the CPC port terminal, lower flows on the Druzhba pipeline, and smaller adjustments elsewhere. Compared to the same month in 2023, outflows were broadly flat.

In contrast, crude exports in August through the Transneft system increased, amid higher flows at the company's Novorossiysk port terminal on the Black Sea. Exports were up 81 tb/d, or over 2%, to average close to 3.8 mb/d. Compared to the same month of 2023, exports were still 170 tb/d, or 5%, higher. Exports through Novorossiysk jumped 120 tb/d, or almost 25%, m-o-m, to average 604 tb/d. Crude exports from Baltic Sea ports rose 20 tb/d, or over 1%, m-o-m, and remained at 1.4 mb/d. Within the Baltic Sea region, flows from Primorsk were up 33 tb/d, or more than 4%, m-o-m, to average 788 tb/d. Exports from Ust-Luga dropped by 14 tb/d, or over 2%, m-o-m, to average 593 tb/d.

Shipments via the Druzhba pipeline in August dropped 75 tb/d, or around 26%, m-o-m, to average 213 tb/d. Compared to the same month of 2023, exports via the pipeline were down by 127 tb/d, or 37%. Exports to inland China via the ESPO pipeline rose 17 tb/d, or about 3%, m-o-m, to average 628 tb/d in August. This is just 9 tb/d, or 1%, higher than in August 2023. Exports from the Pacific port of Kozmino declined marginally to average 930 tb/d, which was a drop of just 1 tb/d. Compared to the same month last year, export flows via the port were 90 tb/d, or 11%, higher than in August 2023.

In the Lukoil system, exports via the Varandey offshore platform in the Barents Sea in August rose 9 tb/d, or about 12%, m-o-m, to average 85 tb/d. This was down 12 tb/d, or 12%, from the same month last year.

On other routes, combined exports from Russia's Far East ports, De Kastri and Aniva Bay, were broadly flat as the former declined by 24 tb/d and the latter rose by 23 tb/d. The two ports combined averaged 233 tb/d in August. This was a drop of 15 tb/d, or 6%, compared with the volumes shipped in July 2023.

Central Asian exports averaged 222 tb/d in August, representing an increase of about 7% compared to July 2024 and a decline of about 2% compared with the same month of 2023.

Black Sea total exports from the CPC terminal plunged by 251 tb/d in August, or about 17%, m-o-m, to average 1.2 mb/d. This represents a drop of 96 tb/d, or 7%, compared with the same month of 2023. Exports via the Baku-Tbilisi-Ceyhan (BTC) pipeline fell 119 tb/d in August, or around 17%, m-o-m, to average 568 tb/d. This was a drop of 30 tb/d, or 5%, compared with the same month last year.

Total product exports from Russia and Central Asia contracted 379 tb/d, or about 15%, m-o-m, to average almost 2.1 mb/d in August. Gasoil, naphtha and jet fuel made up the bulk of the declines. Y-o-y, total product exports were lower by 331 tb/d, or 4%, amid strong declines in gasoil and naphtha exports.

Commercial Stock Movements

Preliminary August 2024 data shows total OECD commercial oil stocks down by 8.4 mb, m-o-m. At 2,828 mb, they were 4.8 mb higher than the same time a year ago, but 86.0 mb less than the latest five-year average, and 157.4 mb below the 2015–2019 average. Within the components, crude and product stocks fell by 6.5 mb and 1.9 mb, respectively.

OECD commercial crude stocks stood at 1,319 mb. This was 18.5 mb lower than the same time a year ago, 64.1 mb below the latest five-year average, and 128.1 mb less than the 2015–2019 average.

OECD total product stocks stood at 1,509 mb. This is 23.2 mb higher than the same time a year ago, but 21.8 mb lower than the latest five-year average, and 29.2 mb below the 2015–2019 average.

In terms of days of forward cover, OECD commercial stocks fell in August by 0.1 days, m-o-m, to stand at 61.3 days. This is 0.1 days lower than the level registered in August 2023, 2.9 days lower than the latest five-year average, and 1.8 days less than the 2015–2019 average.

OECD

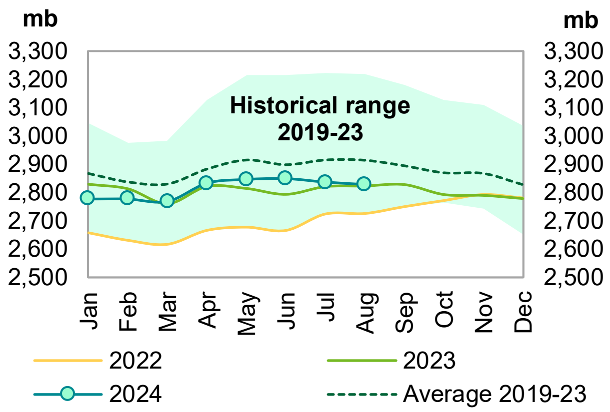
Preliminary August 2024 data shows total OECD commercial oil stocks down by 8.4 mb, m-o-m. At 2,828 mb, they were 4.8 mb higher than the same time a year ago, but 86.0 mb less than the latest five-year average, and 157.4 mb below the 2015–2019 average.

Within the components, crude and product stocks fell by 6.5 mb and 1.9 mb respectively.

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

OECD commercial crude stocks fell by 6.5 mb, m-o-m, ending August at 1,319 mb. This was 18.5 mb lower than the same time a year ago, 64.1 mb below the latest five-year average, and 128.1 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 Americas saw crude stock draws of 8.9 mb, m-o-m, while crude stocks in OECD Asia Pacific and OECD Europe rose by 1.5 mb and 0.9 mb, m-o-m, respectively.

OECD total product stocks fell by 1.9 mb, m-o-m, in August to stand at 1,509 mb. This is 23.2 mb higher than the same time a year ago, but 21.8 mb lower than the latest five-year average, and 29.2 mb below the 2015–2019 average.

Within the OECD regions, product stocks in OECD Asia Pacific and OECD Europe witnessed a build of 2.8 mb and 6.8 mb, m-o-m, respectively. OECD Americas product stocks declined by 11.5 mb, m-o-m.

Table 9 - 1: OECD commercial stocks, mb

OECD stocks	Aug 23	Jun 24	Jul 24	Aug 24	*Change Aug 24/Jul 24*
Crude oil	1,337	1,362	1,325	1,319	*-6.5*
Products	1,486	1,487	1,511	1,509	*-1.9*
Total	**2,823**	**2,848**	**2,836**	**2,828**	***-8.4***
Days of forward cover	**61.4**	**61.5**	**61.4**	**61.3**	***-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 fell in August by 0.1 days, m-o-m, to stand at 61.3 days. This is 0.1 days lower than the level registered in August 2023, 2.9 days less than the latest five-year average, and 1.8 days less than the 2015–2019 average.

Within the OECD regions, OECD Americas stood at 3.4 days and OECD Asia Pacific at 3.9 days below the latest five-year average, standing at 60.3 days and 49.0 days, respectively. OECD Europe was 1.5 days less than the latest five-year average, standing at 69.6 days.

OECD Americas

OECD Americas' total commercial stocks fell in August by 20.4 mb, m-o-m, to settle at 1,532 mb. This is 18.3 mb higher than the same month in 2023, but 23.3 mb below the latest five-year average.

Commercial crude oil stocks in OECD Americas fell in August by 8.9 mb, m-o-m, to stand at 740 mb, which is 5.8 mb higher than in August 2023, but 20.5 mb less than the latest five-year average.

Total product stocks in OECD Americas decreased by 11.5 mb, m-o-m, in August to stand at 792 mb. This is 12.5 mb higher than the same month in 2023, but 2.8 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 August by 7.7 mb, m-o-m, to settle at 946 mb. This is 4.9 mb higher than the same month in 2023, but 28.3 mb below the latest five-year average.

OECD Europe's commercial crude stocks rose by 0.9 mb, m-o-m, to end August at 404 mb. This is 12.5 mb less than one year ago and 17.7 mb lower than the latest five-year average.

Total product stocks also increased by 6.8 mb, m-o-m, to end August at 541 mb. This is 17.4 mb higher than the same time a year ago, but 10.6 mb below the latest five-year average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks rose in August by 4.3 mb, m-o-m, to stand at 349 mb. This is 18.5 mb lower than the same time a year ago and 34.4 mb below the latest five-year average.

OECD Asia Pacific's crude stocks rose by 1.5 mb, m-o-m, to end August at 174 mb. This is 11.8 mb lower than one year ago, and 25.9 mb below the latest five-year average.

OECD Asia Pacific's total product stocks also went up by 2.8 mb, m-o-m, to end August at 175 mb. This is 6.7 mb less than one year ago, and 8.5 mb below the latest five-year average.

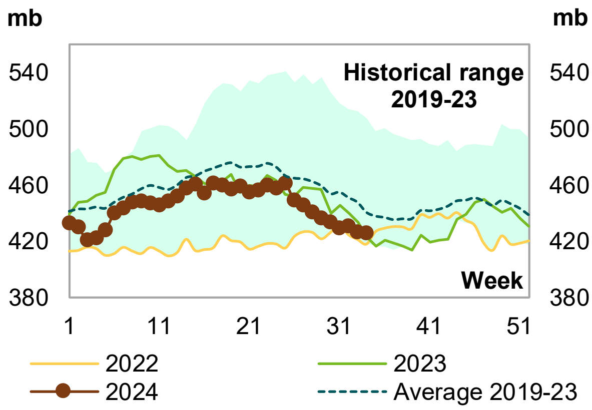
US

Preliminary data for September 2024 shows that total US commercial oil stocks fell by 3.1 mb, m-o-m, to stand at 1,267 mb. This is 15.4 mb, or 1.2%, lower than the same month in 2023, and 27.0 mb, or 2.1%, below the latest five-year average. Crude and product stocks fell by 1.4 mb and 1.8 mb, m-o-m, respectively.

US commercial crude stocks in September stood at 416.9 mb. This is 0.9 mb, or 0.2%, lower than the same month in 2023, and 21.2 mb, or 4.8%, below the latest five-year average. The monthly draw in crude oil stocks came despite lower crude runs, which decreased by 920 tb/d, m-o-m, to average 16.03 mb/d in September.

Total product stocks also fell in September to stand at 850.1 mb. This is 14.4 mb, or 1.7%, less than in September 2023, and 5.8 mb or 0.7%, lower than the latest five-year average. The product stock draw can be attributed to higher product consumption.

Graph 9 - 2: US weekly commercial crude oil inventories



Sources: EIA and OPEC.

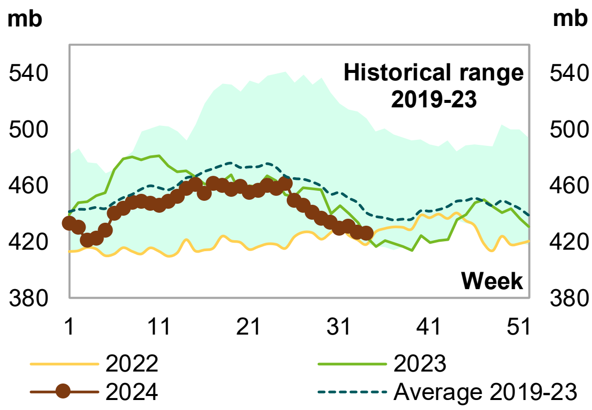
Distillate stocks in September decreased by 1.1 mb, m-o-m, to stand at 121.6 mb. This is 2.8 mb, or 2.4%, higher than the same month in 2023, but 11.5 mb, or 8.7%, below the latest five-year average.

Residual fuel oil stocks in September went down by 1.1 mb, m-o-m. At 24.5 mb, they were 3.2 mb, or 11.7%, less than a year earlier and 4.5 mb, or 15.5%, below the latest five-year average.

Jet fuel stocks fell by 1.1 mb, m-o-m, ending September at 45.6 mb. This is 2.2 mb, or 5.0%, higher than the same month in 2023, and 4.4 mb, or 10.6%, above the latest five-year average.

By contrast, gasoline stocks rose in September by 2.0 mb, m-o-m, to settle at 221.2 mb. This is 6.7 mb or 2.9% lower than the same month in 2023, and 3.6 mb, or 1.6%, below the latest five-year average.

Graph 9 - 3: US weekly gasoline inventories



Sources: EIA and OPEC.

Table 9 - 2: US commercial petroleum stocks, mb

US stocks	Sep 23	Jul 24	Aug 24	Sep 24	*Change* Sep 24/Aug 24
Crude oil	**417.9**	**427.2**	**418.3**	**416.9**	***-1.4***
Gasoline	227.9	224.0	219.2	221.2	*2.0*
Distillate fuel	118.8	129.6	122.7	121.6	*-1.1*
Residual fuel oil	27.8	26.1	25.7	24.5	*-1.1*
Jet fuel	43.5	45.4	46.8	45.6	*-1.1*
Total products	**864.6**	**858.5**	**851.9**	**850.1**	***-1.8***
Total	**1,282.4**	**1,285.7**	**1,270.2**	**1,267.1**	***-3.1***
SPR	**351.3**	**375.4**	**379.7**	**382.6**	***2.9***

Sources: EIA and OPEC.

Japan

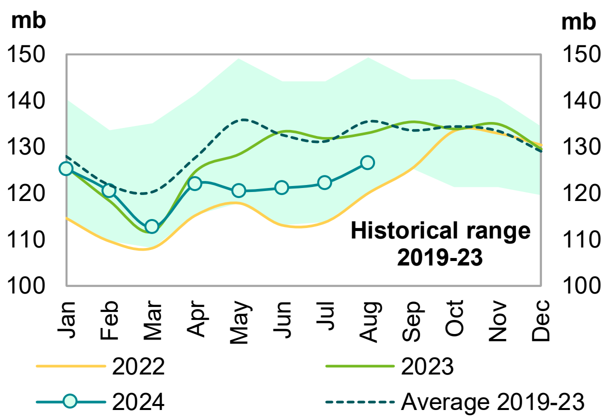
In Japan, total commercial oil stocks in August 2024 rose by 4.3 mb, m-o-m, to settle at 126.5 mb. This is 6.4 mb, or 4.8%, lower than the same month in 2023 and 8.9 mb, or 6.6%, below the latest five-year average. Crude and product stocks rose by 1.5 mb and 2.8 mb, m-o-m, respectively.

Japanese commercial crude oil stocks rose in August by 1.5 mb, m-o-m, to stand at 68.1 mb. This is 1.7 mb, or 2.4 %, lower than the same month in 2023 and 5.1 mb, or 7.0%, below the latest five-year average.

Gasoline stocks remained unchanged, m-o-m, to stand at 9.5 mb in August. This is 0.2 mb, or 1.7%, lower than a year earlier, and 0.8 mb, or 7.7%, below the latest five-year average.

Total residual fuel oil stocks also decreased, m-o-m, by 0.3 mb to end August at 12.3 mb. This is 1.8 mb, or 12.7%, less than the same month in 2023 and 0.2 mb, or 1.8%, lower than the latest five-year average. Within the components, fuel oil A stocks rose by 0.8%, m-o-m, while fuel oil BC stocks fell by 5.7%, m-o-m.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

By contrast, middle distillate stocks rose by 3.1 mb, m-o-m, to end August at 28.1 mb. This is 0.5 mb, or 1.9%, lower than the same month in 2023, and 1.6 mb, or 5.5%, lower than the latest five-year average. Within the distillate components, jet fuel stocks fell by 1.6%, while gasoil and kerosene stocks rose by 17.6% and 14.1%, m-o-m, respectively.

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

Japan's stocks	Aug 23	Jun 24	Jul 24	Aug 24	Change Aug 24/Jul 24
Crude oil	**69.7**	**63.3**	**66.5**	**68.1**	***1.5***
Gasoline	9.7	10.8	9.5	9.5	*0.0*
Naphtha	10.8	8.5	8.6	8.5	*-0.1*
Middle distillates	28.7	25.8	25.0	28.1	*3.1*
Residual fuel oil	14.1	12.7	12.5	12.3	*-0.3*
Total products	**63.2**	**57.8**	**55.6**	**58.4**	***2.8***
Total**	**132.9**	**121.1**	**122.2**	**126.5**	***4.3***

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

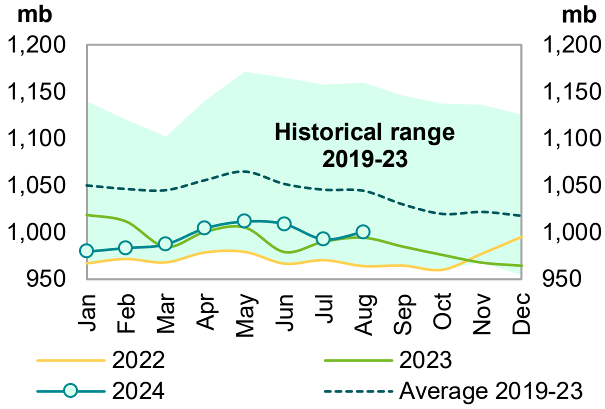
Sources: METI and OPEC.

EU-14 plus UK and Norway

Preliminary data for August 2024 showed that total European oil stocks rose by 7.7 mb, m-o-m, to stand at 999.8 mb. At this level, they were 6.0 mb, or 0.6%, higher than the same month in 2023, but 44.5 mb, or 4.3%, beneath the latest five-year average. Crude and product stocks rose by 0.9 mb and 6.8 mb, m-o-m, respectively.

European crude stocks stood at 399.8 mb in August. This is 5.7 mb, or 1.4%, lower than the same month in 2023 and 20.0 mb, or 4.8% less than the latest five-year average. The build in crude oil stocks came despite higher refinery throughput in the EU-14, plus the UK and Norway, which increased by 570 tb/d, m-o-m, to stand at 10.25 mb/d.

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



Sources: OilX and OPEC.

Total European product stocks also rose by 6.8 mb, m-o-m, to end August at 600.0 mb. This is 11.7 mb, or 2.0%, higher than the same month in 2023, but 24.5 mb, or 3.9%, below the latest five-year average. The stock build can be attributed to lower demand in the region.

Gasoline stocks fell in August by 0.1 mb, m-o-m, to stand at 104.8 mb, which is 1.8 mb, or 1.7%, higher than the same time in 2023, but 3.7 mb, or 3.4%, lower than the latest five-year average.

Residual fuel stocks in August were down by 0.6 mb, m-o-m, to stand at 62.7 mb. This is 4.2 mb, or 7.1%, higher than the same month in 2023, and 0.7 mb, or 1.1%, above the latest five-year average.

By contrast, middle distillate stocks rose in August by 6.7 mb, m-o-m, to stand at 397.8 mb. This is 3.4 mb, or 0.9%, higher than the same month in 2023, but 27.0 mb, or 6.4%, lower than the latest five-year average.

Naphtha stocks also increased in August by 0.8 mb, m-o-m, ending the month at 34.6 mb. This is 2.4 mb, or 7.4%, higher than the same month in 2023, and 5.5 mb, or 18.7%, above the latest five-year average.

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

EU stocks	Aug 23	Jun 24	Jul 24	Aug 24	Change Aug 24/Jul 24
Crude oil	**405.5**	**408.8**	**399.0**	**399.8**	***0.9***
Gasoline	103.1	105.0	104.9	104.8	*-0.1*
Naphtha	32.2	34.0	33.8	34.6	*0.8*
Middle distillates	394.4	397.1	391.1	397.8	*6.7*
Fuel oils	58.6	63.6	63.3	62.7	*-0.6*
Total products	**588.2**	**599.7**	**593.2**	**600.0**	***6.8***
Total	**993.7**	**1,008.5**	**992.1**	**999.8**	***7.7***

Sources: OilX and OPEC.

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

Singapore

In August, total product stocks in Singapore fell by 0.1 mb, m-o-m, to stand at 45.2 mb. This is 4.2 mb, or 10.1%, higher than the same month in 2023, but 0.6 mb, or 1.2%, less than the latest five-year average.

Middle distillate stocks fell in August by 0.3 mb, m-o-m, to stand at 11.0 mb. This is 2.9 mb, or 36.0%, higher than in August 2023 and 0.2 mb, or 2.3%, above the latest five-year average.

Residual fuel oil stocks went down by 1.1 mb, m-o-m, ending August at 18.4 mb. This is 1.4 mb, or 7.2%, lower than in August 2023, and 3.0 mb, or 14.0%, below the latest five-year average.

By contrast, light distillate stocks rose in August by 1.3 mb, m-o-m, to stand at 15.7 mb. This is 2.7 mb or 20.5% higher than the same month in 2023, and 2.2 mb, or 16.1%, above the latest five-year average.

ARA

Total product stocks in ARA in August rose by 2.7 mb, m-o-m. At 46.8 mb, they were 7.0 mb, or 17.7%, above the same month in 2023, and 3.9 mb, or 9.2%, higher than the latest five-year average.

Gasoline stocks fell by 0.5 mb, m-o-m, ending August at 8.5 mb. This is 2.9 mb, or 25.6%, lower than in August 2023 and 1.3 mb, or 13.6%, below the latest five-year average.

Fuel oil stocks decreased in August by 0.5 mb, m-o-m, to stand at 8.5 mb. This is 1.6 mb, or 23.4%, higher than in August 2023 and 1.2 mb, or 15.7%, above the latest five-year average.

By contrast, gasoil stocks in August rose by 3.0 mb, m-o-m, to stand at 18.1 mb. This is 4.2 mb, or 30.4%, higher than the same month in 2023 and 1.7 mb, or 10.2%, above the latest five-year average.

Jet oil stocks also increased by 0.1 mb, m-o-m, to stand at 7.5 mb in August. This is 2.4 mb, or 46.8%, higher than the level seen in August 2023 and 1.2 mb, or 18.1%, above the latest five-year average.

Fujairah

During the week ending 30 September 2024, total oil product stocks in Fujairah rose by 0.37 mb, w-o-w, to stand at 15.0 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 3.57 mb lower than at the same time a year ago.

Light distillate stocks rose by 0.51 mb, w-o-w, to stand at 5.19 mb, which is 0.6 mb higher than a year ago.

Middle distillate stocks also increased by 0.81 mb, w-o-w, to stand at 2.31 mb, which is 0.02 mb below the same time last year.

By contrast, heavy distillate stocks dropped by 0.96 mb, w-o-w, to stand at 7.5 mb, which is 4.15 mb less 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 42.8 mb/d in 2024. This is around 0.6 mb/d higher than the estimate for 2023.

Demand for DoC crude in 2025 is revised down by 0.2 mb/d from the previous assessment to stand at 43.2 mb/d. This is around 0.5 mb/d higher than the estimate for 2024.

Balance of supply and demand in 2024

Demand for DoC crude

Demand for DoC crude (i.e. crude from countries participating in the Declaration of Cooperation) in 2024 is revised down by 0.1 mb/d from the previous assessment to stand at 42.8 mb/d. This is around 0.6 mb/d higher than the estimate for 2023.

Table 10 - 1: DoC supply/demand balance for 2024*, mb/d

	2023	1Q24	2Q24	3Q24	4Q24	2024	*Change 2024/23*
(a) World oil demand	**102.2**	**102.8**	**103.4**	**104.7**	**105.6**	**104.1**	***1.9***
Non-DoC liquids production	51.8	52.6	53.1	53.1	53.5	53.1	*1.2*
DoC NGL and non-conventionals	8.2	8.4	8.3	8.2	8.3	8.3	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**60.1**	**61.0**	**61.4**	**61.3**	**61.9**	**61.4**	***1.3***
Difference (a-b)	**42.1**	**41.8**	**42.0**	**43.4**	**43.7**	**42.8**	***0.6***
DoC crude oil production	**42.0**	**41.2**	**40.9**	**40.6**			
Balance	**-0.2**	**-0.6**	**-1.1**	**-2.8**			

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

Source: OPEC.

Balance of supply and demand in 2025

Demand for DoC crude

Demand for DoC crude (i.e. crude from countries participating in the Declaration of Cooperation) in 2025 is revised down by 0.2 mb/d from the previous assessment to stand at 43.2 mb/d. This is around 0.5 mb/d higher than the estimate for 2024.

Table 10 - 2: DoC supply/demand balance for 2025*, mb/d

	2024	1Q25	2Q25	3Q25	4Q25	2025	*Change 2025/24*
(a) World oil demand	**104.1**	**104.4**	**104.9**	**106.6**	**107.2**	**105.8**	***1.6***
Non-DoC liquids production	53.1	53.9	53.9	54.2	54.7	54.2	*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	**61.4**	**62.3**	**62.4**	**62.5**	**63.1**	**62.6**	***1.2***
Difference (a-b)	**42.8**	**42.1**	**42.6**	**44.1**	**44.1**	**43.2**	***0.5***

*Note: * 2025 = 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	2021	2022	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25	4Q25	2025
World demand													
Americas	24.0	24.7	25.0	24.4	25.0	25.6	25.4	25.1	24.5	25.0	25.7	25.4	25.2
of which US	*19.8*	*20.2*	*20.4*	*19.9*	*20.5*	*20.7*	*20.8*	*20.5*	*20.0*	*20.5*	*20.8*	*20.9*	*20.5*
Europe	13.1	13.6	13.4	12.8	13.7	13.7	13.4	13.4	12.9	13.7	13.8	13.4	13.4
Asia Pacific	7.3	7.3	7.2	7.5	7.0	7.0	7.4	7.3	7.5	7.0	7.0	7.4	7.3
Total OECD	**44.4**	**45.6**	**45.6**	**44.8**	**45.7**	**46.3**	**46.2**	**45.8**	**44.9**	**45.8**	**46.5**	**46.3**	**45.9**
China	15.5	15.0	16.4	16.7	16.7	17.1	17.3	16.9	17.1	17.1	17.5	17.6	17.4
India	4.8	5.1	5.3	5.7	5.7	5.5	5.7	5.6	5.9	5.9	5.7	5.9	5.8
Other Asia	8.7	9.1	9.3	9.7	9.8	9.5	9.5	9.6	10.0	10.1	9.8	9.8	9.9
Latin America	6.2	6.4	6.7	6.7	6.8	6.9	6.9	6.8	6.8	6.9	7.1	7.0	7.0
Middle East	7.8	8.3	8.6	8.7	8.4	9.2	9.0	8.8	8.9	8.6	9.5	9.2	9.1
Africa	4.2	4.4	4.5	4.6	4.3	4.4	4.9	4.5	4.6	4.4	4.5	4.9	4.6
Russia	3.6	3.8	3.8	4.0	3.9	4.0	4.1	4.0	4.0	3.9	4.0	4.2	4.0
Other Eurasia	1.2	1.2	1.2	1.3	1.2	1.1	1.3	1.2	1.4	1.3	1.1	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	0.8	0.8
Total Non-OECD	**52.8**	**54.1**	**56.6**	**58.0**	**57.6**	**58.4**	**59.4**	**58.4**	**59.5**	**59.1**	**60.1**	**60.8**	**59.9**
(a) Total world demand	**97.2**	**99.7**	**102.2**	**102.8**	**103.4**	**104.7**	**105.6**	**104.1**	**104.4**	**104.9**	**106.6**	**107.2**	**105.8**
Y-o-y change	***5.9***	***2.5***	***2.6***	***1.6***	***1.6***	***2.4***	***2.1***	***1.9***	***1.6***	***1.5***	***1.9***	***1.5***	***1.6***
Non-DoC liquids production													
Americas	23.5	25.0	26.7	26.9	27.6	27.6	27.7	27.4	27.8	27.9	28.2	28.5	28.1
of which US	*18.1*	*19.4*	*21.0*	*21.0*	*21.8*	*21.6*	*21.6*	*21.5*	*21.7*	*22.0*	*22.2*	*22.2*	*22.0*
Europe	3.8	3.6	3.7	3.7	3.6	3.6	3.7	3.6	3.8	3.7	3.7	3.8	3.7
Asia Pacific	0.5	0.5	0.4	0.5	0.4	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4
Total OECD	**27.9**	**29.1**	**30.8**	**31.0**	**31.6**	**31.6**	**31.9**	**31.5**	**32.0**	**32.1**	**32.4**	**32.7**	**32.3**
China	4.3	4.4	4.5	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	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Latin America	6.0	6.3	7.0	7.3	7.2	7.2	7.5	7.3	7.4	7.5	7.6	7.7	7.5
Middle East	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Africa	2.3	2.3	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Other Eurasia	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other Europe	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Non-OECD	**17.6**	**18.0**	**18.6**	**19.0**	**19.0**	**18.9**	**19.1**	**19.0**	**19.2**	**19.3**	**19.3**	**19.4**	**19.3**
Total Non-DoC production	45.4	47.0	49.4	50.1	50.6	50.5	51.0	50.5	51.3	51.3	51.6	52.1	51.6
Processing gains	2.3	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.6	2.6
Total Non-DoC liquids production	**47.7**	**49.4**	**51.8**	**52.6**	**53.1**	**53.1**	**53.5**	**53.1**	**53.9**	**53.9**	**54.2**	**54.7**	**54.2**
DoC NGLs	7.6	8.0	8.2	8.4	8.3	8.2	8.3	8.3	8.4	8.4	8.3	8.4	8.4
(b) Total Non-DoC liquids production and DoC NGLs	**55.3**	**57.4**	**60.1**	**61.0**	**61.4**	**61.3**	**61.9**	**61.4**	**62.3**	**62.4**	**62.5**	**63.1**	**62.6**
Y-o-y change	***0.6***	***2.0***	***2.7***	***1.7***	***2.0***	***1.1***	***0.5***	***1.3***	***1.3***	***1.0***	***1.2***	***1.2***	***1.2***
OPEC crude oil production (secondary sources)	25.2	27.7	27.0	26.6	26.6	26.5							
Non-OPEC DoC crude production	15.0	15.1	15.0	14.7	14.3	14.1							
DoC crude oil production	**40.3**	**42.8**	**42.0**	**41.2**	**40.9**	**40.6**							
Total liquids production	**95.6**	**100.2**	**102.0**	**102.2**	**102.2**	**101.9**							
Balance (stock change and miscellaneous)	*-1.6*	*0.6*	*-0.2*	*-0.6*	*-1.1*	*-2.8*							
OECD closing stock levels, *mb*													
Commercial	2,652	2,781	2,778	2,768	2,848								
SPR	1,484	1,214	1,207	1,219	1,226								
Total	**4,136**	**3,995**	**3,984**	**3,987**	**4,074**								
Oil-on-water	1,348	1,546	1,438	1,460	1,396								
Days of forward consumption in OECD, *days*													
Commercial onland stocks	58	61	61	61	61								
SPR	33	27	26	27	26								
Total	**91**	**88**	**87**	**87**	**88**								
Memo items													
(a) - (b)	**41.8**	**42.3**	**42.1**	**41.8**	**42.0**	**43.4**	**43.7**	**42.8**	**42.1**	**42.6**	**44.1**	**44.1**	**43.2**

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	2021	2022	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25	4Q25	2025
World demand													
Americas	-	-	-	-	-0.2	0.1	-	0.0	-	-0.2	0.1	-	0.0
of which US	*-*	*-*	*-*	*-*	*0.0*	*0.0*	*-*	*0.0*	*-*	*0.0*	*0.0*	*-*	*0.0*
Europe	-	-	-	-	0.1	-	-	0.0	-	0.1	-	-	0.0
Asia Pacific	-	-	-	-	0.1	-	-	0.0	-	0.1	-	-	0.0
Total OECD	**-**	**-**	**-**	**-**	**-0.1**	**0.1**	**-**	**-**	**-**	**-0.1**	**0.1**	**-**	**-**
China	-	-	-	-	-0.1	-0.2	-	-0.1	-	-0.1	-0.2	-	-0.1
India	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	0.0	-	-	-	-	0.0	-	-	-
Latin America	-	-	-	-	-0.1	-	-	0.0	-0.1	-0.1	-0.1	-0.1	-0.1
Middle East	-	-	-	0.0	-0.1	-	-	0.0	-0.1	-0.1	0.0	0.0	-0.1
Africa	-	-	-	0.0	-0.1	-	-	0.0	-0.1	-0.1	0.0	0.0	-0.1
Russia	-	-	-	0.0	0.1	-	-	0.0	0.0	0.1	-	-	0.0
Other Eurasia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	0.0	-	-	-	-	0.0	-	-	-	-
Total Non-OECD	**-**	**-**	**-**	**-0.1**	**-0.2**	**-0.2**	**-**	**-0.1**	**-0.2**	**-0.3**	**-0.3**	**-0.1**	**-0.2**
(a) Total world demand	**-**	**-**	**-**	**-0.1**	**-0.3**	**-0.1**	**-**	**-0.1**	**-0.2**	**-0.4**	**-0.2**	**-0.1**	**-0.2**
Y-o-y change	***-***	***-***	***-***	***-0.1***	***-0.3***	***-0.1***	***-***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***
Non-DoC liquids production													
Americas	-	-	-	-	-	0.0	0.1	0.0	-0.1	0.1	0.1	0.0	0.0
of which US	*-*	*-*	*-*	*-*	*0.0*	*0.0*	*0.1*	*0.0*	*-0.1*	*0.1*	*0.1*	*0.0*	*0.0*
Europe	-	-	-	-	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Asia Pacific	-	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total OECD	**-**	**-**	**-**	**-**	**-**	**0.0**	**0.1**	**0.0**	**-0.1**	**0.0**	**0.1**	**0.0**	**0.0**
China	-	-	-	-	-	-	0.0	0.0	-	-	0.0	-	-
India	-	-	-	-	-	0.0	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-0.1	-0.1	-0.1	0.0	0.0	-0.1	0.0	0.0
Middle East	-	-	-	-	-	0.0	-	-	-	-	-	-	-
Africa	-	-	-	-	-	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Eurasia	-	-	-	-	-	0.0	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**-**	**-**	**-**	**-0.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Total Non-DoC production	-	-	-	-	-	-0.1	0.1	-	-0.1	0.0	0.1	-	-
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-DoC liquids production	**-**	**-**	**-**	**-**	**-**	**-0.1**	**0.1**	**-**	**-0.1**	**0.0**	**0.1**	**-**	**-**
DoC NGLs	-	-	-	-	0.0	0.0	-	0.0	-	-	-	-	-
(b) Total Non-DoC liquids production and DoC NGLs	**-**	**-**	**-**	**-**	**0.0**	**-0.1**	**0.1**	**0.0**	**-0.1**	**0.0**	**0.1**	**-**	**-**
Y-o-y change	***-***	***-***	***-***	***-***	***0.0***	***-0.1***	***0.1***	***0.0***	***-0.1***	***0.1***	***0.2***	***-0.1***	***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)	-	-	-	*0.1*	*0.2*								
OECD closing stock levels, *mb*													
Commercial	-	-	-	-	21.3								
SPR	-	-	-	-	-0.9								
Total	**-**	**-**	**-**	**-**	**20.4**								
Oil-on-water	-	-	-	-	-								
Days of forward consumption in OECD, *days*													
Commercial onland stocks	-	-	-	-	0.4								
SPR	-	-	-	-	-0.1								
Total	**-**	**-**	**-**	**-**	**0.3**								
Memo items													
(a) - (b)	**0.0**	**0.0**	**0.0**	**-0.1**	**-0.2**	**0.0**	**-0.1**	**-0.1**	**-0.1**	**-0.4**	**-0.3**	**-0.1**	**-0.2**

*Note: * This compares Table 11 - 1 in this issue of the MOMR with Table 11 - 1 in the September 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	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Closing stock levels, mb											
OECD onland commercial	**2,652**	**2,781**	**2,778**	**2,750**	**2,781**	**2,759**	**2,793**	**2,828**	**2,778**	**2,768**	**2,848**
Americas	1,470	1,492	1,518	1,473	1,492	1,489	1,513	1,539	1,518	1,499	1,552
Europe	857	936	906	918	936	920	921	924	906	934	951
Asia Pacific	325	353	353	359	353	351	359	365	353	334	345
OECD SPR	**1,484**	**1,214**	**1,207**	**1,246**	**1,214**	**1,217**	**1,206**	**1,209**	**1,207**	**1,219**	**1,226**
Americas	596	374	357	418	374	373	349	353	357	366	374
Europe	479	461	466	448	461	460	470	471	466	470	468
Asia Pacific	409	378	384	380	378	383	387	384	384	383	384
OECD total	**4,136**	**3,995**	**3,984**	**3,996**	**3,995**	**3,976**	**3,999**	**4,037**	**3,984**	**3,987**	**4,074**
Oil-on-water	**1,348**	**1,546**	**1,438**	**1,554**	**1,546**	**1,560**	**1,449**	**1,367**	**1,438**	**1,460**	**1,396**
Days of forward consumption in OECD, days											
OECD onland commercial	**58**	**61**	**61**	**60**	**62**	**61**	**61**	**62**	**62**	**60**	**62**
Americas	59	60	60	60	62	59	60	61	62	59	61
Europe	63	70	68	69	71	68	67	69	71	69	69
Asia Pacific	44	49	49	47	46	51	51	49	47	48	49
OECD SPR	**33**	**27**	**26**	**27**	**27**	**27**	**26**	**26**	**27**	**27**	**26**
Americas	24	15	14	17	15	15	14	14	15	15	15
Europe	35	34	35	33	35	34	34	35	36	35	34
Asia Pacific	56	52	53	50	49	56	55	52	51	55	55
OECD total	**93**	**96**	**95**	**88**	**89**	**87**	**87**	**88**	**89**	**87**	**88**

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

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

Non-DoC liquids production and DoC NGLs	2023	*Change* 23/22	1Q24	2Q24	3Q24	4Q24	2024	*Change* 24/23	1Q25	2Q25	3Q25	4Q25	2025	*Change* 25/24
US	21.0	*1.6*	21.0	21.8	21.6	21.6	21.5	*0.6*	21.7	22.0	22.2	22.2	22.0	*0.5*
Canada	5.7	*0.1*	5.9	5.8	5.9	6.1	5.9	*0.2*	6.1	5.9	6.1	6.2	6.1	*0.2*
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	**26.7**	***1.7***	**26.9**	**27.6**	**27.6**	**27.7**	**27.4**	***0.8***	**27.8**	**27.9**	**28.2**	**28.5**	**28.1**	***0.7***
Norway	2.0	*0.1*	2.1	2.0	2.0	2.0	2.0	*0.0*	2.2	2.1	2.1	2.2	2.1	*0.1*
UK	0.8	*-0.1*	0.8	0.7	0.7	0.8	0.7	*0.0*	0.8	0.8	0.7	0.8	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	**3.7**	***0.1***	**3.7**	**3.6**	**3.6**	**3.7**	**3.6**	***0.0***	**3.8**	**3.7**	**3.7**	**3.8**	**3.7**	***0.1***
Australia	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 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***	**0.5**	**0.4**	**0.5**	**0.5**	**0.5**	***0.0***	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***
Total OECD	**30.8**	***1.7***	**31.0**	**31.6**	**31.6**	**31.9**	**31.5**	***0.8***	**32.0**	**32.1**	**32.4**	**32.7**	**32.3**	***0.8***
China	**4.5**	***0.1***	**4.6**	**4.6**	**4.5**	**4.5**	**4.6**	***0.1***	**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**	**1.6**	**1.6**	**1.6**	***0.0***
Argentina	0.8	*0.0*	0.9	0.9	0.9	0.9	0.9	*0.0*	0.9	0.9	0.9	0.9	0.9	*0.1*
Brazil	4.2	*0.5*	4.2	4.1	4.2	4.4	4.2	*0.1*	4.4	4.4	4.4	4.4	4.4	*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	0.5	0.5	*0.0*
Latin America others	0.7	*0.1*	0.9	0.9	0.9	0.9	0.9	*0.2*	0.9	0.9	1.0	1.1	1.0	*0.1*
Latin America	**7.0**	***0.6***	**7.3**	**7.2**	**7.2**	**7.5**	**7.3**	***0.3***	**7.4**	**7.5**	**7.6**	**7.7**	**7.5**	***0.3***
Qatar	1.9	*0.0*	1.9	1.9	1.9	1.9	1.9	*0.0*	1.9	1.9	1.9	1.9	1.9	*0.0*
Middle East others	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
Middle East	**2.0**	***0.0***	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	***0.0***	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	***0.0***
Angola	1.1	*0.0*	1.2	1.2	1.2	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	0.6	0.6	0.6	0.6	*0.0*
Ghana	0.1	*0.0*	0.2	0.2	0.1	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	0.2	*0.0*	0.2	0.2	0.3	0.3	0.2	*0.1*	0.3	0.3	0.3	0.3	0.3	*0.1*
Africa	**2.2**	***-0.1***	**2.2**	**2.3**	**2.3**	**2.3**	**2.3**	***0.1***	**2.3**	**2.3**	**2.3**	**2.3**	**2.3**	***0.0***
Other Eurasia	**0.4**	***0.0***	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***
Other Europe	**0.1**	***0.0***	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	***0.0***	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	***0.0***
Total Non-OECD	**18.6**	***0.6***	**19.0**	**19.0**	**18.9**	**19.1**	**19.0**	***0.4***	**19.2**	**19.3**	**19.3**	**19.4**	**19.3**	***0.3***
Non-DoC production	49.4	*2.3*	50.1	50.6	50.5	51.0	50.5	*1.2*	51.3	51.3	51.6	52.1	51.6	*1.0*
Processing gains	2.5	*0.1*	2.5	2.5	2.5	2.5	2.5	*0.0*	2.6	2.6	2.6	2.6	2.6	*0.1*
Non-DoC liquids production	**51.8**	***2.4***	**52.6**	**53.1**	**53.1**	**53.5**	**53.1**	***1.2***	**53.9**	**53.9**	**54.2**	**54.7**	**54.2**	***1.1***
DoC NGLs	**8.2**	***0.3***	**8.4**	**8.3**	**8.2**	**8.3**	**8.3**	***0.1***	**8.4**	**8.4**	**8.3**	**8.4**	**8.4**	***0.1***
Non-DoC liquids production and DoC NGLs	**60.1**	***2.7***	**61.0**	**61.4**	**61.3**	**61.9**	**61.4**	***1.3***	**62.3**	**62.4**	**62.5**	**63.1**	**62.6**	***1.2***

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

Table 11 - 5: World rig count, units

World rig count	2021	2022	2023	*Change 2023/22*	1Q24	2Q24	3Q24	Aug 24	Sep 24	*Change Sep/Aug*
US	475	722	688	*-34*	623	603	586	586	587	*1*
Canada	133	174	177	*3*	210	138	209	218	217	*-2*
Mexico	45	47	55	*8*	58	50	49	49	48	*-1*
OECD Americas	**654**	**945**	**921**	***-24***	**893**	**792**	**846**	**855**	**853**	***-3***
Norway	17	17	17	*0*	14	15	12	10	14	*4*
UK	8	10	12	*2*	8	8	9	9	10	*1*
OECD Europe	**58**	**65**	**66**	***1***	**63**	**66**	**63**	**60**	**65**	***5***
OECD Asia Pacific	**23**	**24**	**25**	***1***	**24**	**25**	**26**	**24**	**27**	***3***
Total OECD	**735**	**1,034**	**1,012**	***-22***	**979**	**882**	**935**	**939**	**945**	***6***
Other Asia*	174	186	204	*18*	210	221	205	204	214	*10*
Latin America	91	119	120	*1*	105	107	104	107	105	*-2*
Middle East	57	62	61	*-1*	63	62	62	59	61	*2*
Africa	46	64	67	*3*	63	52	46	46	46	*0*
Other Europe	9	10	11	*1*	9	9	9	9	10	*1*
Total Non-OECD	**377**	**441**	**463**	***22***	**450**	**450**	**426**	**425**	**436**	***11***
Non-OPEC rig count	**1,112**	**1,475**	**1,475**	***0***	**1,430**	**1,332**	**1,361**	**1,364**	**1,381**	***17***
Algeria	26	32	36	*4*	41	43	43	42	43	*1*
Congo	0	1	1	*0*	2	1	1	1	1	*0*
Equatorial Guinea**	0	0	0	*0*	0	0	0	0	0	*0*
Gabon	2	3	3	*0*	3	4	5	4	5	*1*
Iran**	117	117	117	*0*	117	117	117	117	117	*0*
Iraq	39	51	61	*10*	62	62	62	62	62	*0*
Kuwait	25	27	24	*-3*	27	30	33	34	30	*-4*
Libya	13	7	14	*7*	20	18	18	18	18	*0*
Nigeria	7	10	14	*4*	17	17	14	14	14	*0*
Saudi Arabia	62	73	83	*10*	87	84	79	80	79	*-1*
UAE	42	47	57	*10*	62	63	68	68	69	*1*
Venezuela	6	3	2	*-1*	2	3	2	2	3	*1*
OPEC rig count	**339**	**371**	**412**	***41***	**439**	**442**	**442**	**442**	**441**	***-1***
World rig count* **	**1,451**	**1,846**	**1,887**	***41***	**1,869**	**1,774**	**1,803**	**1,806**	**1,822**	***16***
of which:										
Oil	1,143	1,463	1,498	*35*	1,479	1,421	1,443	1,449	1,458	*9*
Gas	275	352	357	*5*	345	312	311	310	308	*-3*
Others	33	31	32	*1*	45	42	50	47	56	*9*

*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*

Down 4.82 in September

September 2024	73.59
August 2024	78.41
Year-to-date	**82.02**

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

Down 0.60 in September

September 2024	26.04
August 2024	26.65

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

Up 0.05 in September

September 2024	14.06
August 2024	14.01

Economic growth rate *per cent*

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2024	3.0	2.5	0.8	0.1	4.9	6.8	2.5	3.2
2025	2.9	1.9	1.2	0.9	4.6	6.3	1.9	1.5

Supply and demand *mb/d*

2024		**24/23**	**2025**		**25/24**
World demand	104.1	1.9	World demand	105.8	1.6
Non-DoC liquids production	53.1	1.2	Non-DoC liquids production	54.2	1.1
DoC NGLs	8.3	0.1	DoC NGLs	8.4	0.1
Difference	**42.8**	**0.6**	**Difference**	**43.2**	**0.5**

OECD commercial stocks *mb*

	Jun 24	Jul 24	Aug 24	Aug 24/Jul 24
Crude oil	1,362	1,325	1,319	-6.5
Products	1,487	1,511	1,509	-1.9
Total	**2,848**	**2,836**	**2,828**	**-8.4**
Days of forward cover	**61.5**	**61.4**	**61.3**	**-0.1**

Next report to be issued on 12 November 2024.