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# Argus Oil Fundamentals Outlook



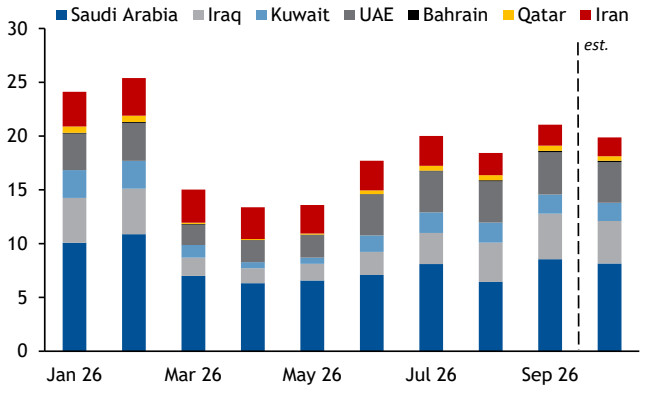
## Overview

It is early days still, and the situation between Iran and the US can change in an instant. But there is growing evidence that the market is adjusting and adjusting well to the new paradigm of a protracted — perhaps permanent — standoff.

Despite the impasse between Iran and the US and occasional outbreaks of hostility — the volume of oil transiting the strait of Hormuz has been growing steadily. Exports in September were at over 9mn b/d, the highest since the start of the disruption in March and around 60pc of pre-crisis levels. Intensifying Iranian attacks on shipping mean that traffic has dipped in October, but flows are still likely to average more than 8.5mn b/d, or some 57pc of pre-crisis levels.

With loadings at Yanbu and Fujairah, total Middle East exports in September came to 14.5mn b/d, which is 75-80pc of pre-crisis volumes. Other commentators say they believe that September exports might have been even higher, with some suggesting that flows were back to pre-crisis levels. But at this stage, we would prefer to remain conservative. Use of shuttle traffic through Hormuz with AIS switched off and then STS transfer outside the strait makes vessel tracking even less reliable than usual, and with increased scope for double-counting. We believe that there is still some way to go before we can say exports are back to their pre-crisis levels, but wellhead production in the region has staged an impressive recovery and was back to around 85pc of pre-crisis levels in September (*see graph*).

**Mideast Gulf countries: Crude output** ***mn b/d***




– *Argus Media Opec+ survey, Argus Media Consulting Services*

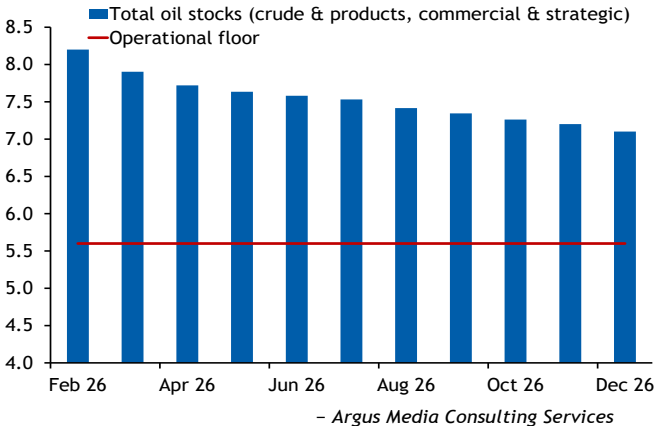
But can this be sustained? The fragile situation in the Gulf region and the determination of both Iran and the US to exercise some degree of control over the strait of Hormuz means a return to outright hostilities might always be just round the corner. Washington has made it clear that the US will not embark on a further round of strikes on Iran ahead of midterm elections on 3 November, although President Trump's capacity to surprise remains undiminished. Israel appears keen to 'finish the job' started in March and rumours persist that once the midterms are out of the way, the US is likely to strike again in an attempt to force Tehran to the negotiating table. A Democratic success in the elections and the subsequent removal of funding for the war by the next Congress in January could spur such a move.

While further major disruption cannot be ruled out, it would once again only be likely to be temporary. So we continue to model on the basis that Middle East exports will remain rela-

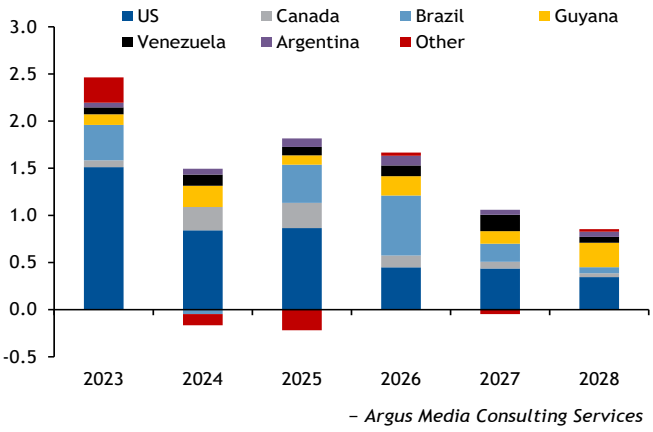


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**Global oil stocks** *bn bl*




**Americas: Total liquids annual change** *mn b/d*




tively robust. Flows will stay subject to disruption and Iranian exports are likely to remain limited by the US blockade. But we expect total Mideast Gulf exports of crude and condensate to be around 14mn b/d going forward, compared with 18mn-19mn b/d before the war and about 0.5mn b/d lower than September's recent peak.

But even this trajectory for Middle East exports is not enough to offset a global fourth-quarter deficit of about 1mn b/d, which already assumes a strategic stockdraw over the period of 0.7mn b/d.

On the basis of these latest developments — and the assumption that Middle East exports are resilient through to the year's end — the global inventory position tightens, but not to a dangerous degree. Some of the more despairing recent commentary paints a picture of an acutely tightening stock position. Since the start of the disruption in March, global stocks have fallen by almost 1bn bl, accounting for close to 45pc of the estimated supply loss of just over 2bn bl. The market has certainly tightened significantly, but global inventory is still above the minimum needed to ensure the system operates smoothly and efficiently (*see graph*). Early fears that global markets could grind to a halt now seem misplaced — thanks once again to their ability to find ways to cope with disruption.

Looking further ahead, it is possible that the market might need to refocus its attention on the potential for a surplus. Our base-case view now is that export flows from the Mideast Gulf will continue to be held back by the persistent disruption to flows caused by Iranian actions. How this actually affects exports will be an important factor in determining the market balance going forward. For now, we assume that exports will continue at around their current levels.

Global demand in 2027 is forecast to be weaker than it otherwise would due to ongoing trade disruption and high prices. Jet fuel demand, for instance, is expected to be down next year as airlines that are no longer hedged against high prices cut capacity and as consumers respond to steep increases in fares. Some additional demand for crude may emerge as companies seek to rebuild or repay stocks used to offset supply losses in 2026. But in overall terms, if Middle East exports can be sustained around their current levels, the market is going to look increasingly well supplied.

Partly underpinning this is continued strong growth in crude and NGL production in North and Latin America (*see graph*). This year, production growth in these regions has been instrumental in helping the market ride out the loss of Middle East supply and emerge in a much more comfortable position than might otherwise have been the case. Production in the Americas is forecast to average 1.6mn b/d in 2026, similar to the average of the last three years. Growth in 2027 and 2028 is projected at 1.1mn b/d and 0.9mn b/d, respectively.

As companies look to diversify supply chains away from a historical dependence on the Middle East, investment in Latin America in particular will grow. The UAE's state-owned Adnoc itself has signed preliminary agreements to invest in Venezuela. As the industry continues to find ways of coping with the disruption caused by the Iran war, it is simultaneously looking for ways to bypass the strait of Hormuz and find new sources. The supply chains of the future are going to be longer and more costly.

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# Supply and demand balance

| Global oil balance | | | | | | | | | | | | | *mn b/d* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2024** | **1Q25** | **2Q25** | **3Q25** | **4Q25** | **2025** | **1Q26** | **2Q26** | **3Q26** | **4Q26** | **2026** | **2027** | **2028** |
| Demand | | | | | | | | | | | | | |
| North America | **22.98** | 22.89 | 23.09 | 23.75 | 23.42 | **23.29** | 23.28 | 22.97 | 23.37 | 23.46 | **23.27** | **23.39** | **23.37** |
| Europe | **14.26** | 13.72 | 14.48 | 14.53 | 14.19 | **14.23** | 13.70 | 13.88 | 14.53 | 14.07 | **14.04** | **14.03** | **13.95** |
| Asia-Pacific | **38.20** | 38.96 | 38.43 | 38.37 | 39.65 | **38.85** | 40.40 | 34.43 | 36.04 | 38.05 | **37.23** | **38.39** | **38.80** |
| Latin America | **8.96** | 8.89 | 9.07 | 9.22 | 9.13 | **9.08** | 8.99 | 9.04 | 9.19 | 9.14 | **9.09** | **9.25** | **9.41** |
| Middle East | **9.30** | 8.99 | 9.42 | 9.81 | 9.28 | **9.37** | 8.70 | 8.47 | 9.55 | 9.31 | **9.01** | **9.33** | **9.50** |
| FSU | **4.87** | 4.85 | 4.91 | 4.94 | 5.01 | **4.93** | 4.78 | 4.57 | 5.03 | 5.15 | **4.88** | **5.00** | **5.16** |
| Africa | **4.79** | 4.88 | 4.90 | 4.96 | 5.06 | **4.95** | 4.96 | 4.84 | 4.67 | 4.84 | **4.83** | **5.08** | **5.16** |
| **Total** | **103.36** | **103.19** | **104.30** | **105.58** | **105.74** | **104.70** | **104.81** | **98.22** | **102.38** | **104.04** | **102.36** | **104.48** | **105.34** |
| Year-on-Year change | **1.00** | 1.35 | 0.80 | 1.55 | 1.66 | **1.34** | 1.62 | -6.09 | -3.21 | -1.70 | **-2.34** | **2.12** | **0.85** |
| | | | | | | | | | | | | | |
| Supply | | | | | | | | | | | | | |
| Non-Opec crude and NGL | | | | | | | | | | | | | |
| US | **20.31** | 20.35 | 21.07 | 21.60 | 21.66 | **21.17** | 21.16 | 21.80 | 21.86 | 21.67 | **21.62** | **22.06** | **22.40** |
| Canada | **5.89** | 6.17 | 5.85 | 6.23 | 6.40 | **6.16** | 6.32 | 6.16 | 6.26 | 6.42 | **6.29** | **6.36** | **6.40** |
| Europe | **3.23** | 3.33 | 3.28 | 3.40 | 3.48 | **3.37** | 3.48 | 3.28 | 3.13 | 3.24 | **3.28** | **3.23** | **3.24** |
| Latin America | **8.62** | 8.64 | 8.84 | 9.06 | 9.44 | **9.00** | 9.63 | 9.89 | 10.14 | 10.23 | **9.97** | **10.30** | **10.72** |
| Africa | **2.29** | 2.24 | 2.24 | 2.30 | 2.30 | **2.27** | 2.30 | 2.32 | 2.35 | 2.45 | **2.35** | **2.54** | **2.57** |
| Russia | **10.52** | 10.28 | 10.31 | 10.54 | 10.70 | **10.46** | 10.51 | 10.28 | 10.09 | 9.96 | **10.21** | **9.99** | **10.23** |
| Other FSU | **2.74** | 2.95 | 3.08 | 3.01 | 2.87 | **2.98** | 2.73 | 3.03 | 2.91 | 3.13 | **2.95** | **3.08** | **3.18** |
| Middle East | **6.80** | 6.77 | 6.85 | 7.18 | 7.29 | **7.03** | 6.20 | 5.13 | 6.95 | 6.96 | **6.31** | **8.05** | **8.82** |
| Asia-Pacific | **7.04** | 7.14 | 7.10 | 7.03 | 7.03 | **7.08** | 7.13 | 7.00 | 6.97 | 7.07 | **7.04** | **7.07** | **7.07** |
| **Total non-Opec supply** | **67.44** | **67.88** | **68.62** | **70.36** | **71.17** | **69.51** | **69.44** | **68.89** | **70.66** | **71.12** | **70.03** | **72.68** | **74.62** |
| Opec | | | | | | | | | | | | | |
| Opec crude | **23.72** | 23.98 | 24.37 | 24.92 | 25.34 | **24.65** | 23.29 | 17.59 | 21.00 | 21.53 | **20.85** | **22.51** | **22.93** |
| Opec NGL and condensate | **4.41** | 4.21 | 4.21 | 4.21 | 4.21 | **4.21** | 3.68 | 2.85 | 2.75 | 2.93 | **3.05** | **3.47** | **3.80** |
| **Total Opec supply** | **28.14** | **28.19** | **28.59** | **29.13** | **29.56** | **28.87** | **26.97** | **20.45** | **23.75** | **24.46** | **23.91** | **25.98** | **26.73** |
| Biofuels | **3.32** | 2.92 | 3.42 | 3.77 | 3.43 | **3.39** | 3.10 | 3.79 | 4.25 | 3.80 | **3.73** | **3.84** | **3.98** |
| GTLs and CTLs | **0.58** | 0.57 | 0.58 | 0.57 | 0.57 | **0.57** | 0.55 | 0.41 | 0.40 | 0.50 | **0.46** | **0.54** | **0.56** |
| Processing gains | **2.38** | 2.36 | 2.41 | 2.46 | 2.42 | **2.41** | 2.39 | 2.28 | 2.33 | 2.36 | **2.34** | **2.43** | **2.44** |
| **Global supply** | **101.86** | **101.92** | **103.62** | **106.29** | **107.15** | **104.75** | **102.46** | **95.82** | **101.38** | **102.23** | **100.47** | **105.48** | **108.34** |
| Strategic stocks | **0.11** | -0.01 | -0.04 | -0.03 | 0.12 | **0.01** | -0.09 | -1.93 | -0.47 | -0.70 | **-0.80** | **0.33** | **0.40** |
| **Global balance*** | **-1.62** | **-1.26** | **-0.64** | **0.74** | **1.29** | **0.03** | **-2.26** | **-0.47** | **-0.52** | **-1.11** | **-1.09** | **0.67** | **2.61** |
| Opec+ crude output** | **30.95** | 30.90 | 31.44 | 32.20 | 32.70 | **31.81** | 30.43 | 25.10 | 28.81 | 29.78 | **28.53** | **30.45** | **31.04** |

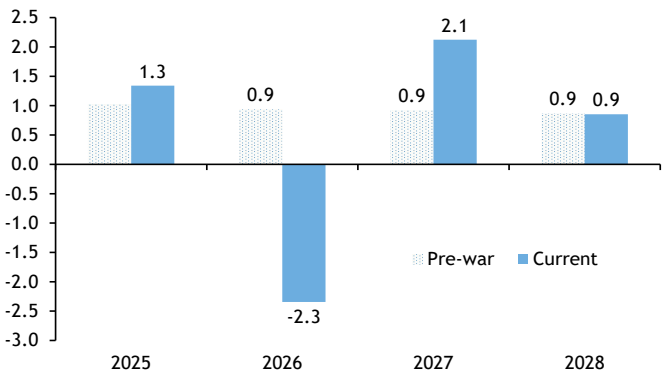
**equivalent to global stock change **not including Iran, Venezuela, Libya*

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# Demand

For this quarter, we see global oil demand falling by 1.7mn b/d on the year, slightly less than the 1.8mn b/d decline we projected in last month's report. And the estimate for the third quarter has been revised, with demand contracting by 3.21mn b/d on the year, rather than the 2.71mn b/d that we cited in September's report. We now expect overall 2026 demand to fall by 2.34mn b/d — out by 120,000 b/d from the drop that we forecast in last month's report. But in 2027, we see demand strengthening by 2.12mn b/d, up from the 2.04mn b/d increase that we projected last month. Our projected rise for 2028 is unchanged at 0.85mn b/d.

**Global oil demand: Annual increments** *mn b/d*




— *Argus Media Consulting Services*

Of this year's decline, 1mn b/d is estimated to be the result of falls in gasoline and diesel consumption, reflecting higher prices, fuel shortages and an uptick in vehicle electrification. Globally, battery electric vehicle (BEV) sales increased by 11pc on the year in January-August, while sales of plug-in hybrid electric vehicles (PHEVs) fell by 12pc and internal combustion engine vehicle sales declined by 6pc. BEVs accounted for 18pc of new car sales worldwide during the period, up from 16pc a year earlier. The acceleration in EV adoption has been particularly pronounced in certain markets — New Zealand, Australia, Thailand, Vietnam and Chile, for example — since the strait of Hormuz disruption began in March. Higher fuel prices and consumer concerns about transport costs following oil supply disruption partly drove faster EV adoption in these markets. The US is increasingly lagging behind other markets in EV adoption, with BEVs accounting for just 6pc of US light-duty vehicle sales in January-August.

## US gasoline demand down

Despite this low EV penetration rate, US gasoline consumption will still fall this year because increases in vehicle fuel economy and higher retail prices will more than offset growth in vehicle-miles travelled. Gasoline demand was at 8.78mn b/d during January-July, down by 190,000 b/d, or 2.1pc, on the year.

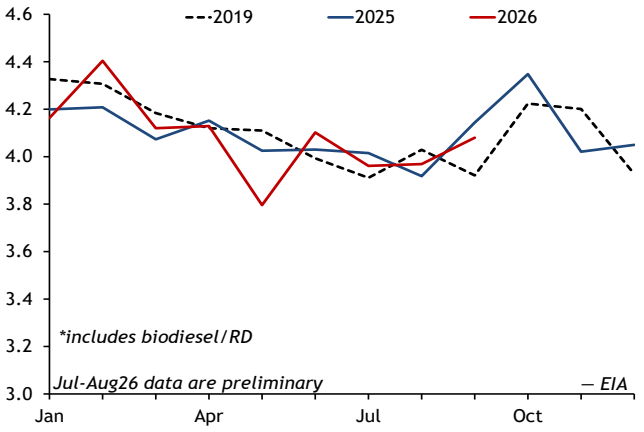
Jet fuel demand was at 1.75mn b/d in January-August, slightly higher on the year. While hosting the World Cup helped boost US consumption in July, overall visitors to the US fell this summer, with 2026 visitor numbers on course to drop by 2mn from 2025 and by 20pc from 2019's peak. US diesel/gasoil demand is forecast to decline this year as a result of record high retail diesel prices. But the declines in gasoline and diesel demand will be less pronounced than they would have been were it not for tax breaks and an easing of fuel use restrictions that have allowed an earlier switch to cheaper winter gasoline blends and highway use of dyed diesel. The latter is exempt from a 24.4¢/USG federal tax as it is only meant for offroad use — such as farming — but the federal and many state governments have lifted this restriction, mindful of the impending midterm elections.

**Demand by product** *mn b/d*

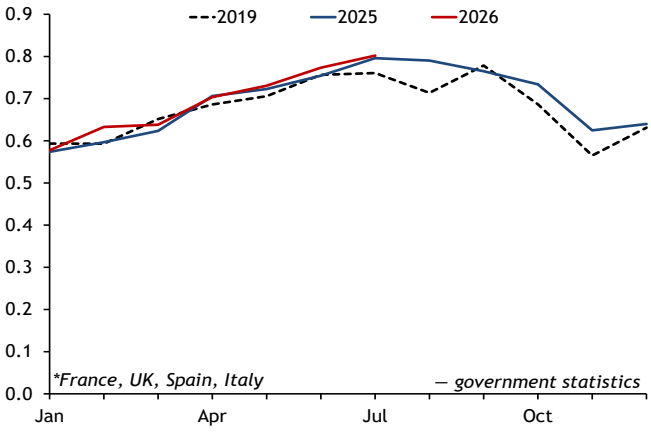
| | 2024 | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 2025 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LPG and ethane | **14.05** | 14.67 | 13.67 | 14.31 | 14.74 | **14.35** | 14.79 | 12.96 | 13.66 | 14.40 | **13.95** | **14.74** | **15.11** |
| Naphtha | **7.13** | 7.29 | 7.10 | 7.22 | 7.23 | **7.21** | 7.32 | 6.32 | 6.72 | 7.07 | **6.86** | **7.07** | **7.12** |
| Gasoline | **26.83** | 26.46 | 27.11 | 27.66 | 27.19 | **27.10** | 26.82 | 25.93 | 26.69 | 26.88 | **26.58** | **26.83** | **26.89** |
| Jet-kerosine | **7.30** | 7.43 | 7.47 | 7.84 | 7.55 | **7.57** | 7.68 | 7.23 | 7.90 | 7.95 | **7.69** | **8.00** | **8.30** |
| Diesel/gasoil | **28.82** | 28.47 | 28.97 | 28.88 | 29.54 | **28.96** | 28.74 | 27.25 | 28.07 | 29.31 | **28.34** | **28.78** | **28.76** |
| Fuel oil | **6.69** | 6.33 | 6.28 | 6.52 | 6.52 | **6.41** | 6.30 | 5.45 | 6.11 | 6.16 | **6.01** | **6.15** | **6.18** |
| Other | **12.54** | 12.53 | 13.70 | 13.16 | 12.98 | **13.09** | 13.15 | 13.08 | 13.22 | 12.27 | **12.93** | **12.91** | **12.97** |
| **Total** | **103.36** | **103.19** | **104.30** | **105.58** | **105.74** | **104.70** | **104.81** | **98.22** | **102.38** | **104.04** | **102.36** | **104.48** | **105.34** |

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**US diesel/gasoil demand** *mn b/d*




**Europe-4*: Jet fuel demand** *mn b/d*




## Europe's summer jet boom

In four key European oil markets for which up-to-date data are available — France, Spain, Italy and the UK — jet and gasoline demand are holding up relatively well compared with year-ago levels. Jet fuel sales in the four countries averaged 694,000 b/d in January-July, up by 1.8pc on the year and by 2.3pc on the same period of 2019, probably reflecting the fact that fares did not rise as much as surging jet fuel prices would have suggested. This is likely to be tied to the fact that many airlines are still being shielded to a great extent from higher jet fuel prices by their hedges. As these hedges start to expire — as many are expected to do in spring — the full impact on fares will be felt, and this is likely to depress passenger numbers. But in January-July, Italy (4.6pc up on 2019), France (0.6pc higher) and Spain (15.7pc higher) all registered record jet fuel demand, with only the UK lagging (by almost 5pc) its pre-pandemic 2019 levels. European flyers seem to be opting to holiday closer to home because of higher fares, while there has been an increase in the number of tourists from outside the continent this year — especially from the US — as the war makes Middle East destinations less attractive. Arrivals and departures data from Eurocontrol continue to show strong year-on-year rises in Europe through early October.

Meanwhile, gasoline demand across the four countries also rose on the year in January-July — by 2.8pc to 957,000 b/d. Italian gasoline demand rose on the year in all but one month in January-July, in line with reports of strong demand growth across southern Europe. Diesel/gasoil demand, however, fell by 5pc, or 116,000 b/d, reflecting multi-year or record high pump prices in several European countries, Europe's struggling industrial sector and the continuing de-dieselisation of the passenger car fleet. The steep decline in diesel demand, dragged down 'group-of-four' oil product sales by 2.5pc, or 126,000 b/d, on the year in January-July.

**US inland deliveries*** *'000 b/d*

| | Jan-Sep 25 | Jan-Sep 26 | ± | Sep 25 | Sep 26 | ± |
|---|---|---|---|---|---|---|
| Gasoline | 8,965 | 8,776 | -189 | 9,012 | 8,746 | -266 |
| Jet-kero | 1,738 | 1,745 | 8 | 1,688 | 1,748 | 60 |
| Distillate | 4,085 | 4,080 | -4 | 4,144 | 4,080 | -64 |
| Residual | 314 | 323 | 9 | 372 | 287 | -85 |
| Other | 5,616 | 5,697 | 81 | 5,652 | 6,001 | 349 |
| **Total** | **20,718** | **20,622** | **-96** | **20,868** | **20,862** | **-6** |

**Aug-Sep26 data are preliminary; distillate incl. biodiesel/RD* — *EIA*

**Europe-4* inland deliveries** *'000 b/d*

| | Jan-Jul 25 | Jan-Jul 26 | ± | Jul 25 | Jul 26 | ± |
|---|---|---|---|---|---|---|
| Gasoline | 931 | 957 | 26 | 1,018 | 1,047 | 29 |
| Jet-kero | 682 | 694 | 12 | 796 | 802 | 6 |
| Distillate | 2,471 | 2,355 | -116 | 2,597 | 2,460 | -137 |
| Residual | 183 | 175 | -7 | 168 | 190 | 22 |
| **Total** | **5,110** | **4,985** | **-126** | **5,403** | **5,236** | **-166** |

**France, Italy, Spain, UK* — *government statistics*

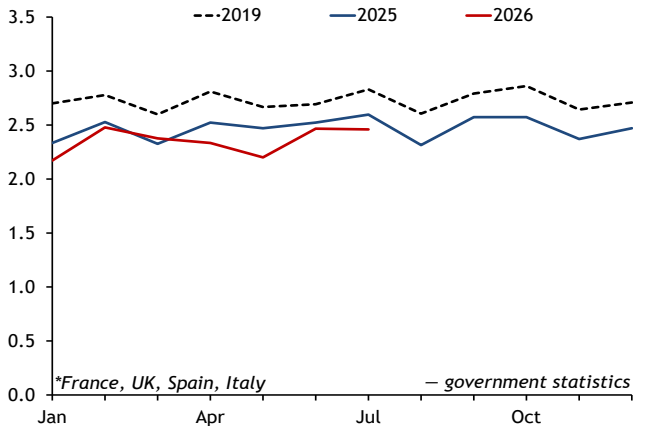
**Japan inland deliveries** *'000 b/d*

| | Jan-Aug 25 | Jan-Aug 26 | ± | Aug 25 | Aug 26 | ± |
|---|---|---|---|---|---|---|
| Gasoline | 745 | 731 | -13 | 845 | 814 | -31 |
| Diesel/ gasoil | 679 | 670 | -9 | 630 | 606 | -24 |
| Naphtha | 568 | 501 | -67 | 571 | 578 | 7 |
| Jet-kero | 256 | 256 | 0 | 140 | 132 | -8 |
| **Total** | **2,807** | **2,737** | **-71** | **2,674** | **2,621** | **-53** |

— *Meti*

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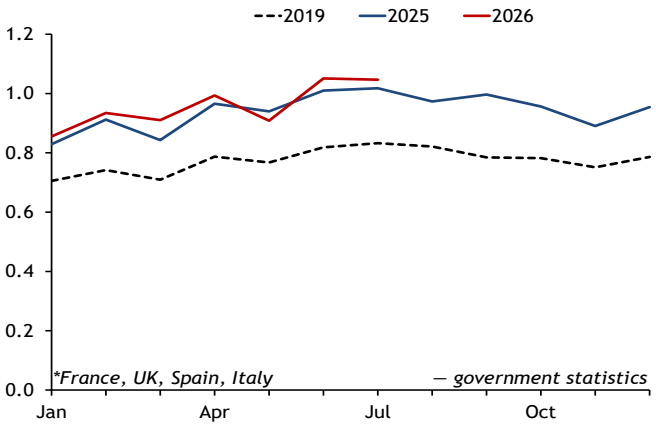
**Europe-4*: Diesel/gasoil demand** *mn b/d*




Diesel demand would have fallen even more sharply and gasoline demand might have fallen rather than rising modestly were it not for several European governments implementing some form of tax break or other consumer support measures. In Italy, for example, the government approved a temporary discount of 12.2¢/litre for 18-25 September, followed by a 6.1¢/litre discount for 26 September to 5 October. The government also approved a measure scrapping road tax for around 14.5mn cars and motorcycles throughout 2027 as part of efforts to offset higher prices.

The German government cut taxes on gasoline and diesel from 1 October until the end of the year and aims to introduce a fuel price cap by 1 January. German transport fuel buyers faced the highest retail prices since 2022 in September. Indications are that the temporary energy tax cut boosted diesel demand in early October. Consumers and service stations had limited buying in late September, but purchases rose sharply when prices fell at the start of this month.

**Europe-4*: Gasoline demand** *mn b/d*




## China — gasoline and diesel demand falling

In China, 2026 overall apparent oil demand is forecast to be 1mn b/d, or 6.3pc, lower than last year, accounting for the vast majority of the global oil demand decline. Consumption of almost all the key oil products is falling, with the exceptions being ethane and jet fuel.

Diesel demand is forecast to drop by 7.5pc, or some 300,000 b/d, this year, while gasoline demand is set to fall by 7.7pc, or 260,000 b/d. China's fuel consumers have become highly price sensitive as the country's new energy vehicle (NEV) fleet grows rapidly. Rising retail fuel prices in China are increasingly prompting drivers to switch to EVs, as reflected in higher electricity demand for charging. The NEV penetration rate reached a record 67pc in September, according to data from the China Passenger Car Association.

Diesel displacement is also being driven by rapid adoption of new energy heavy-duty trucks, sales of which climbed by 70pc on the year to 193,000 units in January-August. Advances in battery technology have improved vehicle economics, with some models capable of charging up to 800kWh at a time and travelling as far as 1,000km on a single charge.

**India inland deliveries** *'000 b/d*

| | Jan-Sep 25 | Jan-Sep 26 | ± | Sep 25 | Sep 26 | ± |
|---|---|---|---|---|---|---|
| Gasoline | 965 | 1,032 | 67 | 957 | 1,034 | 76 |
| Jet-kero | 204 | 207 | 4 | 199 | 201 | 2 |
| Distillate | 1,902 | 1,993 | 91 | 1,710 | 1,798 | 89 |
| Fuel oil | 107 | 119 | 12 | 113 | 119 | 6 |
| **Total** | **5,744** | **5,667** | **-77** | **5,497** | **5,641** | **143** |

*— Ministry of Petroleum*

**China apparent oil demand** *'000 b/d*

| | Jan-Aug 25 | Jan-Aug 26 | ± | Aug 25 | Aug 26 | ± |
|---|---|---|---|---|---|---|
| Crude production | 4,291 | 4,330 | 39 | 4,241 | 4,281 | 40 |
| Net imports | 12,486 | 10,656 | -1,830 | 12,692 | 9,414 | -3,278 |
| Crude | 11,250 | 9,682 | -1,569 | 11,641 | 8,970 | -2,671 |
| Products* | 1,480 | 1,426 | -54 | 1,326 | 804 | -523 |
| **Apparent demand** | **16,666** | **15,702** | **-964** | **16,740** | **14,715** | **-2,025** |
| Refinery runs | 14,665 | 13,714 | -952 | 14,945 | 13,911 | -1,034 |

*incl. ethane

*— National Bureau of Statistics, Argus Media Consulting Services calculations*

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# Opec supply

Opec wellhead crude production rose by 2.34mn b/d on the month to 22.05mn b/d in September, the highest level since the US-Iran war began. The increase was mainly the result of returning Saudi Arabian output, which had been curbed in August as attacks on Saudi shipping and oil infrastructure around the Red Sea intensified.

Mideast Gulf producers have shown some resilience in the face of the continuing conflict and attacks on shipping, with crude exports through the strait of Hormuz climbing in September. But Opec's total September output was still 4.45mn b/d down from pre-conflict February's 26.5mn b/d.

The eight Opec members of Opec+ (Opec-8) raised their output in September by 2.49mn b/d, driven by returning Saudi supply, which rose by 2.11mn b/d to 8.55mn b/d. September marked the end of the full unwinding of the 'voluntary' production cuts that the now seven core Opec+ members agreed back in April 2023. But these higher ceilings are largely out of reach to those Opec+ producers whose exports are constrained by conflict and sanctions. While the Opec-8's collective quota increased to 20.62mn b/d for September, actual output was 2.99mn b/d short of this level.

The escalation of both Iranian attacks on shipping in and around Hormuz and Saudi Arabia's conflict with Yemen's Iran-backed Houthi rebels remain major risks to future supply. *Argus* Analytics does not anticipate an early resolution to the conflict, and our short-term crude production forecast for the Mideast Gulf region remains below pre-conflict levels. Exports and production from Mideast Gulf producers reliant on exporting through the strait of Hormuz will remain hostage to attacks on shipping and infrastructure. But we see overall exports continuing to outperform previous expectations — assuming shuttling operations and ship-to-ship (STS) transfers can continue and that Saudi flows through the East-West pipeline to alternative export outlet Yanbu on the Red Sea remain free from any major disruption.

| Opec crude production | | | | | *mn b/d* |
|---|---|---|---|---|---|
| | **Jul 26** | **Aug 26** | **Sep 26** | **Sep 25** | **±Sep 26/25** |
| Saudi Arabia | 8.10 | 6.44 | 8.55 | 9.98 | -1.43 |
| Iran | 2.78 | 2.06 | 1.95 | 3.45 | -1.50 |
| Iraq | 2.89 | 3.65 | 4.23 | 4.08 | 0.15 |
| Kuwait | 1.92 | 1.87 | 1.79 | 2.52 | -0.73 |
| Algeria | 1.02 | 1.02 | 1.02 | 0.97 | 0.05 |
| Libya | 1.40 | 1.40 | 1.32 | 1.37 | -0.05 |
| Nigeria | 1.55 | 1.62 | 1.52 | 1.51 | 0.01 |
| Congo (Brazzaville) | 0.28 | 0.29 | 0.29 | 0.25 | 0.04 |
| Gabon | 0.19 | 0.21 | 0.19 | 0.21 | -0.02 |
| Equatorial Guinea | 0.04 | 0.04 | 0.04 | 0.05 | -0.01 |
| Venezuela | 1.08 | 1.11 | 1.15 | 1.05 | 0.10 |
| **Total** | **21.25** | **19.71** | **22.05** | **25.44** | **-3.39** |
| Opec-8 | 15.99 | 15.14 | 17.63 | 19.57 | -1.94 |
| Exempt-3 | 5.26 | 4.57 | 4.42 | 5.87 | -1.45 |

*Gabon (re)joined in July 2016, Equatorial Guinea in June 2017, Congo (Brazzaville) in June 2018, Angola left in January 2024, UAE left in May 2026*

Saudi crude output rose to 8.55mn b/d last month — the highest since the conflict began, despite a major attack on its 7mn b/d East-West pipeline on 10 September that temporarily closed the route. Attacks by the Houthis and Iraqi militias on shipping and the pipeline to Yanbu have forced Saudi Arabia to redirect exports back through Hormuz. The East-West pipeline was swiftly repaired, and Saudi energy minister Prince Abdulaziz bin Salman said the line was back to pumping 5.8mn b/d of crude by mid-month.

Saudi Arabia is one of several Mideast Gulf producers looking to develop new export routes to bypass the Hormuz chokepoint. The kingdom plans to raise its crude export bypass capacity by 3mn b/d to 10mn b/d within the next 2-3 years, Prince Abdulaziz said at the WPC Energy Congress in Riyadh earlier this month.

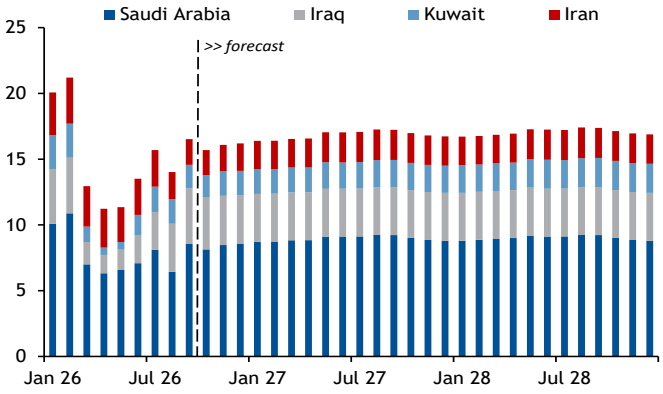
As well as planning to upgrade East-West pipeline pumping stations, the energy minister also announced an initiative to raise alternative export capacity by repurposing a Saudi Aramco gas pipeline for dual use. While the route was not disclosed, the minister said it should allow the country to send 1.2mn b/d of additional crude away from Hormuz within 7-8 weeks. The pipeline will have to be cleaned and switched back to carry gas in May each year in preparation for peak summer gas demand.

Aramco is studying two new routes to bypass the strait, in addition to the three it already has, according to chief executive Amin Nasser. But these plans are at the feasibility stage, he said, and probably several years from completion.

Kuwait produced 1.79mn b/d in September, a monthly fall of 80,000 b/d and 890,000 b/d below its Opec+ quota. Kuwait

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**Opec Mideast Gulf: Crude production** ***mn b/d***




*– Argus Media Opec+ survey, Argus Media Consulting Services*

is totally reliant on the strait for exporting its crude and is considering international collaboration over bypass pipeline projects with the UAE, Saudi Arabia and others — something that would spread investment costs. But these schemes would take years to complete.

Kuwait has ramped up exports in recent months by deploying its tanker fleet to shuttle crude through Hormuz. State-controlled KPC's chief executive, Sheikh Nawaf al-Sabah, said in early October that increasing exports has allowed it to boost output to 2mn b/d — the highest rate since the US-Iran war began.

Iraq raised its crude output by 580,000 b/d to 4.23mn b/d in September, matching pre-conflict February. Iraq relies on Hormuz for shipping out most of its exports, and unlike Saudi Arabia and the UAE lacks its own tanker fleet to handle shuttle operations. It is mitigating the Hormuz risks faced by customers — including Abu Dhabi's state-owned Adnoc, TotalEnergies and trading firm Vitol — by offering steep discounts for moving cargoes through Hormuz then carrying out STS transfers off Fujairah, all of which significantly eats into its export revenues.

Iraq continues to aggressively pursue international investment to develop its oil resources. It has ambitious plans to raise capacity to 8mn-10mn b/d within six years from its current level of around 4mn b/d.

TotalEnergies expects Iraq's 120,000 b/d Ratawi phase one project, in which it holds 45pc, to start up by the year's end and phase two to follow in 2028. BP, meanwhile, has taken over operatorship from North Oil of a consortium — including ConocoPhillips and Turkey's state-owned TPAO — that plans to redevelop the Kirkuk field together with the adjacent Bai Hassan, Jambur and Khabbaz fields. This project aims to initially boost the fields' output to 450,000 b/d.

Chevron continues to negotiate its potential entry into Iraq's 480,000 b/d West Qurna 2 oil project, with the talks likely to take several more months, according to chief executive Mike Wirth. Chevron is considering taking a stake in West Qurna 2 after US sanctions on Russian companies triggered operator Lukoil's exit last year. Discussions with the Iraqi government also encompass Chevron's potential involvement in the integrated Nasiriyah oil development.

Investing in developing Iraq's resources will undoubtedly look like a more attractive proposition if Baghdad can provide alternative export routes to the strait of Hormuz. It is looking at bypass pipeline projects — preferably developed and partly financed by international partners. Qatar's UCC Holding, Chevron and US-based Capital TI are considering the viability of a pipeline that would connect Iraq's Basrah oil fields to Haditha in northwest Iraq, with a branch extending to the port of Banias in Syria and another to the existing Iraq-Turkey pipeline to the port of Ceyhan. Iraq has said that it wants to pump up to 2mn b/d of crude by pipeline to the Mediterranean coast.

The three Opec members that are exempt from production restraint produced a collective 4.42mn b/d in September — down by 150,000 b/d on August. A 40,000 b/d uptick in Venezuelan crude output failed to offset lower production from Iran and Libya.

Iranian production fell by 110,000 b/d in September to 1.95mn b/d — its lowest in six years. The US Navy's blockade has effectively halted Iranian crude exports. A swift resolution to the conflict looks unlikely and unless the blockade is lifted Iranian production and exports will remain constrained. In retaliation to the blockade, Tehran has ramped up its attacks on shipping transiting Hormuz and in the Mideast Gulf and Gulf of Oman.

Libyan output fell by 80,000 b/d to 1.32mn b/d in September, as politically motivated disruption closed the key Zawia export pipeline in the Hamada region, forcing the shutdown of the 300,000 b/d El Sharara field from 21 September for seven days. The pipeline reopened on 28 September and the field restarted.

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# Non-Opec supply

Non-Opec crude and condensate output rose by 110,000 b/d in September to 59.44mn b/d. Higher than anticipated output from Brazil and increases from Russia offset falls from Kazakhstan and Canada during seasonal turnarounds.

The nine non-Opec members of Opec+ produced 12.61mn b/d in September, 20,000 b/d lower than in August and 1.23mn b/d below their collective target of 13.84mn b/d. Production in Kazakhstan fell by 130,000 b/d to 1.77mn b/d as the 9bn bl Karachaganak field underwent scheduled maintenance in mid-September. Russian production rose by 60,000 b/d on the month to 8.76mn b/d in September, but remained well below its Opec+ ceiling of 9.95mn b/d as Ukrainian attacks on its oil infrastructure continue to limit its ability to maintain output growth.

The UAE increased its crude production by 80,000 b/d to 3.92mn b/d in September. Output was some 400,000 b/d higher than in pre-conflict February, although the UAE was at that time still constraining production as a member of Opec+. The UAE has been able to bypass the strait of Hormuz chokepoint to some extent thanks to its 1.8mn b/d Adcop pipeline, carrying crude from its Adnoc onshore concession to Fujairah, east of the strait. Adnoc has fast-tracked construction of an adjoining string that should boost pipeline export capacity to about 3.3mn b/d next year.

More alternative export pipeline capacity will be key to the UAE's plans to raise production capacity to 5mn b/d by 2027. TotalEnergies' chief executive, Patrick Pouyanne, says the company plans to continue to invest in the Middle East and regards the cost of new pipeline investment as necessary — even if these lines become redundant if and when Hormuz reopens. TotalEnergies is investing in the UAE's upstream sector, both onshore and offshore, and its new pipelines.

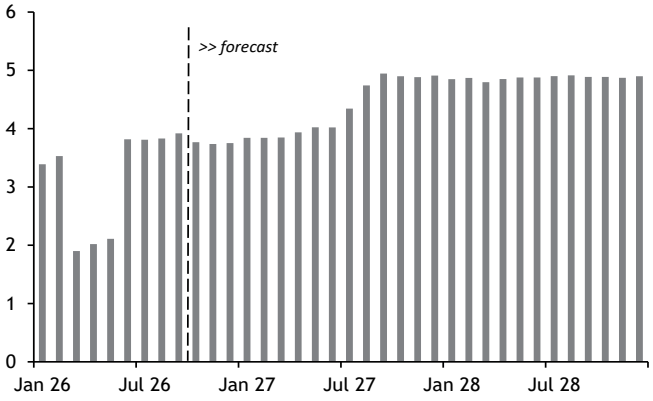
Mideast producers are keen to incorporate Syria in their pipeline bypass plans — something that dovetails with Syria's long-term strategy of becoming a regional oil and gas corridor. Syrian state-owned SPC's chief executive, Yousef Qiblawy, has said he is hopeful work can begin on a pipeline from Iraq to Syria as soon as the first quarter of next year.

Syria produced around 400,000 b/d in 2011, but 13 years of civil war decimated production, which fell at one point to less than 20,000 b/d. The removal of key western sanctions after the fall of Bashar al-Assad's regime has kindled hopes of an upstream revival, initially targeting a restart of shut-in

| Non-Opec crude and condensate production | | | | | *mn b/d* |
|---|---|---|---|---|---|
| | **Jul 26** | **Aug 26** | **Sep 26** | **Sep 25** | **±Sep 26/25** |
| US | 13.95 | 13.95 | 13.95 | 13.92 | 0.03 |
| Canada | 5.22 | 5.00 | 4.80 | 5.01 | -0.21 |
| **Total North America** | **19.17** | **18.95** | **18.75** | **18.92** | **-0.17** |
| Mexico | 1.96 | 1.95 | 1.94 | 1.92 | 0.02 |
| Brazil | 4.50 | 4.61 | 4.60 | 3.91 | 0.69 |
| Colombia | 0.73 | 0.73 | 0.75 | 0.75 | -0.00 |
| Ecuador | 0.46 | 0.46 | 0.46 | 0.47 | -0.01 |
| Guyana | 0.89 | 0.82 | 0.95 | 0.77 | 0.18 |
| Argentina | 0.91 | 0.93 | 0.92 | 0.83 | 0.08 |
| Other Latin America | 0.15 | 0.16 | 0.16 | 0.16 | 0.00 |
| **Total Latin America** | **9.59** | **9.68** | **9.78** | **8.82** | **0.96** |
| Russia | 9.90 | 9.70 | 9.76 | 10.39 | -0.63 |
| Azerbaijan | 0.55 | 0.55 | 0.55 | 0.57 | -0.03 |
| Kazakhstan | 1.82 | 2.15 | 2.02 | 2.04 | -0.02 |
| Other FSU | 0.24 | 0.22 | 0.22 | 0.25 | -0.03 |
| **Total FSU** | **12.51** | **12.62** | **12.54** | **13.25** | **-0.71** |
| UAE | 4.22 | 4.18 | 4.33 | 3.79 | 0.54 |
| Oman | 1.15 | 1.17 | 1.17 | 1.01 | 0.16 |
| Qatar | 0.60 | 0.62 | 0.64 | 1.22 | -0.59 |
| Other Middle East | 0.20 | 0.25 | 0.29 | 0.24 | 0.05 |
| **Total Middle East** | **6.17** | **6.22** | **6.43** | **6.26** | **0.17** |
| China | 4.24 | 4.28 | 4.35 | 4.27 | 0.08 |
| Indonesia | 0.55 | 0.56 | 0.58 | 0.56 | 0.01 |
| India | 0.55 | 0.56 | 0.57 | 0.57 | 0.00 |
| Australia | 0.21 | 0.22 | 0.23 | 0.18 | 0.04 |
| Malaysia | 0.38 | 0.42 | 0.42 | 0.48 | -0.07 |
| Other Asia-Pacific | 0.60 | 0.59 | 0.58 | 0.57 | 0.01 |
| **Total Asia-Pacific** | **6.54** | **6.62** | **6.71** | **6.63** | **0.08** |
| UK | 0.51 | 0.42 | 0.55 | 0.47 | 0.08 |
| Norway | 1.79 | 1.90 | 1.75 | 1.92 | -0.18 |
| Other Europe | 0.66 | 0.59 | 0.58 | 0.65 | -0.07 |
| **Total Europe** | **2.96** | **2.91** | **2.88** | **3.04** | **-0.16** |
| Egypt | 0.49 | 0.50 | 0.50 | 0.49 | 0.00 |
| Angola | 1.01 | 1.00 | 1.00 | 1.06 | -0.06 |
| Other Africa | 0.75 | 0.84 | 0.86 | 0.75 | 0.11 |
| **Total Africa** | **2.25** | **2.33** | **2.35** | **2.30** | **0.05** |
| **Total** | **59.20** | **59.33** | **59.44** | **59.23** | **0.21** |

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**UAE: Wellhead crude output** ***mn b/d***




– *Argus Media Opec+ survey, Argus Media Consulting Services*

wells. The government retook oil-producing assets in the northwest of the country from Kurdish-led forces earlier this year. Production has risen to around 130,000 b/d, and at the recent Energy Intelligence Forum in London, Yousef Qiblawy said Syria is targeting 250,000 b/d by the end of 2027. Gulfsands Petroleum and HKN Energy are among the companies expected to help drive the recovery in output.

US crude production is on track to reach 14mn b/d by the year's end and is set to post a year-on-year increase of close to 200,000 b/d. October output will be at least 225,000 b/d lower than previously forecast as Gulf of Mexico producers shut in over 7mn b/d as Hurricane Isaias swept through the region on 6-13 October.

US crude production has been slowly increasing since the second quarter on rising shale output, but sustained high oil prices have not prompted a boom in drilling across the shale plays. Rather, operators have maintained capital discipline — prioritising shareholder returns and debt reduction over investing bumper profits in growing production. Upcoming fourth-quarter earnings calls should provide a better picture of investment planned for 2027.

There are signs of a modest uptick in drilling activity, with the oil rig count rising by 10pc year-on-year to 462 in the week ending 9 October, according to Baker Hughes. Service company executives responding to the latest Federal Reserve Bank of Dallas' *Energy Survey* say that investment in upgrades to equipment have allowed producers to maintain production from fewer, longer wells. Upgrades are expensive and can end up increasing costs, despite extending a well's production lifespan.

E&P company respondents to the survey blame the uncertain geopolitical environment and volatile oil prices for muted capital expenditure. They said they believe that the unique circumstances driving up the price of oil have disconnected price forecasting from the usual supply and demand dynamics, complicating future investment and hedging decisions. Costs are rising, according to one E&P executive who responded to the survey — "increased geopolitical volatility, including tariffs, increasing cost of doing business and increasing lead times for execution are issues affecting our business". Another respondent stated that "instability will be the word for energy markets... until oil delivery stabilises in the Middle East".

Canadian output is set to climb over the next few years, driven by rising bitumen output, as operators look to step up long-term investment. The ATB Capital Markets *Fall 2026 Energy Sector Survey* reported feedback from executives at 91 companies, including in the E&P, energy services and institutional investment segments. Sentiment is bullish and respondents expect the Canadian oil sector to grow in 2027 because of progress on proposed export pipelines. A more favourable federal energy policy is also anticipated.

Oil sands producers are investing for the long term. Cenovus Energy has signed a C$5.7bn ($4bn) deal to acquire smaller rival Athabasca Oil. The purchase will add 40,000 b/d of production, but more importantly it increases reserves of projects close to existing Cenovus assets. Cenovus plans to almost triple Athabasca's output to 115,000 b/d by 2032. It is also considering developing Athabasca's Corner asset, which could become the first greenfield oil sands project to be realised since 2013.

Production expansion coincides with the planned start-up of Canada's 1mn b/d Pacific Link pipeline to the west coast. Prime minister Mark Carney has deemed Pacific Link of national importance, ensuring its application receives fast-track treatment by the federal Major Projects Office.

Suncor Energy is restructuring its asset base to concentrate on oil sands operations. It has sold offshore Atlantic Canada interests for C$1.2bn to UK independent Ithaca Energy. Suncor has regulatory approval to produce 160,000 b/d of bitumen at its proposed Lewis project near Fort McMurray, Alberta. The company this year also applied to increase the capacity of its Firebag steam-assisted gravity drainage project to 700,000 b/d from 331,500 b/d.

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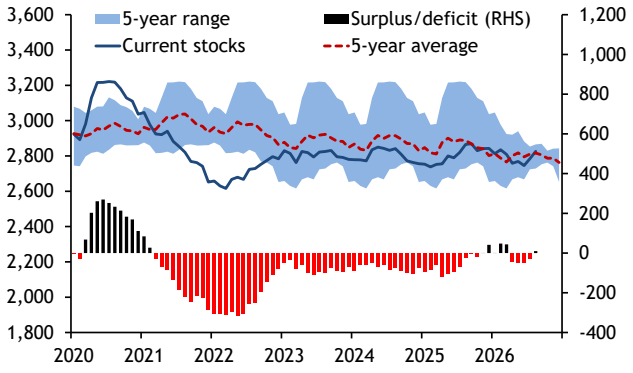
# Inventories

The latest IEA MODS data for August suggest that commercial stocks of crude and refined products held across the OECD rose by 41mn bl over the course of the month *(see graph)*, even as the volume of crude emerging from the Middle East fell. The build in commercial stocks was, however, offset by a continued draw on government stocks, which finished August 19mn bl lower than they were at the start of the month.

Since the beginning of the US-Iran conflict, OECD countries have almost entirely relied on government stocks to help offset the loss of Mideast Gulf oil exports. Government stocks have fallen by 217mn bl since the end of February and are now 17pc down on the start of the year, and 31pc lower than at the start of 2022, prior to the draws that were needed in the wake of Russia's special military operation in Ukraine. Commercial stocks held across the OECD, meanwhile, are just 1pc lower than at the start of the year, having built by some 80mn bl over July-August.

In September, the US proposed banning diesel exports in an attempt to rein in pump prices ahead of November's midterm elections. The proposal was quickly shelved after opposition from American petroleum industry groups, but it did elicit a commitment by the G7 to release 100mn bl of government oil stocks. It was not immediately clear if this release would come in addition to the commitment announced in March under the IEA to release 400mn bl of oil stocks. Nevertheless, the 100mn bl release was supposed to be frontloaded to within the first 20 days of the announcement on 2 October.

**OECD surplus commercial stocks** ***mn bl***




*— IEA, Argus Media Consulting Services*

There have been no concrete details about this stock release actually reaching the market as additional supply, and we will probably need to wait until October data become available to gain more clarity about this. Reports did suggest that France and Germany had signed off on respective diesel releases of 10mn bl and 19.5mn bl from their stockpiles, but it was not clear how much of this was actually purchased. For now, we assume 500,000 b/d of government stockdrawing from OECD Europe in October, plus 200,000 b/d each from OECD North America and OECD Asia-Pacific, yielding a total release of 900,000 b/d this month, before slowing to 600,000 b/d across November-January.

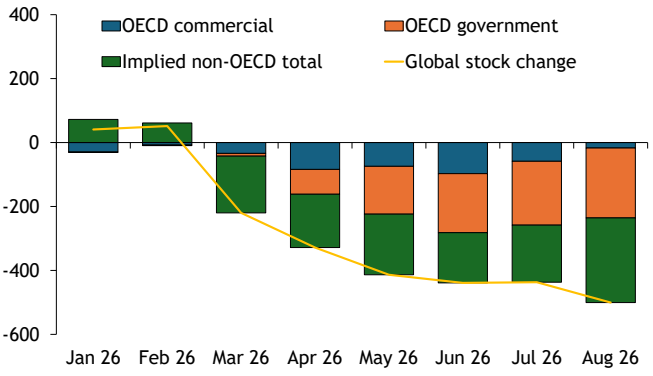
That would take the total draw on government stocks since the start of the conflict to 312mn bl — still well short of the 400mn bl announced in March. Nevertheless, we assume stock rebuilding begins by the second quarter of 2027, at an assumed rate of 500,000 b/d and with the build focused on

**Stocks in key countries*** ***mn bl***

| | Jul 26 | Aug 26 | Sep 26 | Sep 25 | ±Sep 26/25 |
|---|---|---|---|---|---|
| Crude | | | | | |
| OECD Europe | 276 | 279 | 272 | 272 | -0.4 |
| US | 409 | 426 | 424 | 408 | 15.8 |
| Japan | 72 | 78 | 67 | 67 | 0.4 |
| **Total** | **757** | **784** | **763** | **747** | **15.8** |
| Products | | | | | |
| US | 821 | 819 | 816 | 882 | -66.6 |
| Japan | 63 | 63 | na | 67 | na |
| **Total** | **884** | **882** | **na** | **949** | **na** |

**end-month* *— Kpler, EIA, Meti*

**Global cumulative stockdraw** ***mn bl***



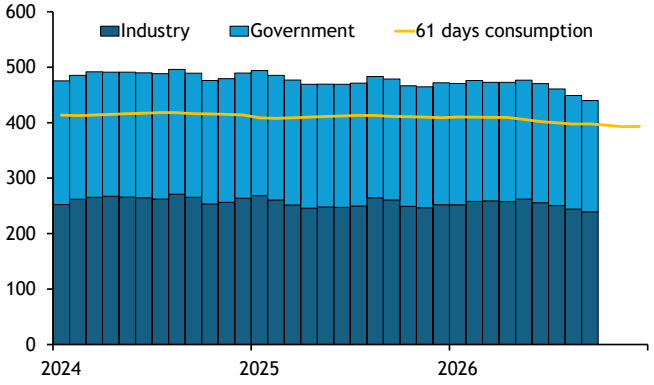

*— IEA, Argus Media Consulting Services*

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crude in the US and products in Asia – the two geographies with the largest stockdraws this year.

This level of strategic restocking would be comfortably absorbed by our forecast supply-demand balance for next year. Despite assuming that Mideast Gulf crude exports — and therefore wellhead production — remain 3mn b/d lower than pre-conflict, we still see 2027 Mideast Gulf production climbing by 2.5mn b/d from this year. Netting off the assumed build in government stocks, this leaves the global oil market 690,000 b/d oversupplied in 2027, which will be welcome given the 1.06mn b/d implied draw in global commercial stocks expected this year.

**OECD Europe middle distillate stocks** ***mn bl***




*— IEA, Argus Media Consulting Services*

## Minimum operating and obligated stock levels

Oil stocks have drawn considerably this year. OECD commercial inventories have dropped by just 17mn bl since the start of 2026, but OECD government stocks have fallen by close to 218mn bl since the start of the US-Iran conflict. Our global supply-demand balance suggests total oil inventories have fallen by 500mn bl since the start of the year, implying that non-OECD stocks are down by 265mn bl *(see graph)*.

The drop in global oil inventories has prompted talk of the industry running the risk of falling close to minimum operating levels — the oil needed in the system to ensure infrastructure continues to work. This includes pipelines having enough oil to function, tank bottoms being maintained, and minimum volumes to ensure the continual running of refinery units, avoiding the need for a shutdown.

Middle distillate stocks have been hardest hit — not just as a result of the Middle East conflict but also because of the Russian diesel export ban that has been in place since July. US distillate exports have been running at record highs to help ease tight global diesel markets, driving down stocks. Distillate stocks in the US were at 103mn bl on 9 October, according to the latest weekly data from the EIA, 19pc lower than at the start of the year. The minimum operating level for distillate stocks in the US is estimated to be 95mn-100mn bl — which would leave current stocks just 3mn bl above the upper limit. Distillate stocks have not been as low as 103mn bl in more than 22 years.

Meanwhile, OECD Europe stocks of middle distillates remain far higher, with the latest IEA MODS data, for July, putting the number at 465mn bl. But while Europe is in no danger of its stocks falling below the minimum operating level, the region does risk seeing stocks dropping below minimum obligated levels. Under the OECD, all member states are obligated to hold a minimum of 90 days of the previous year's net imports. But this would only result in a minimum stock requirement of 100mn-120mn bl in Europe.

The more stringent EU Oil Stocks Directive requires member states to hold 61 days of consumption. This would take Europe's middle distillate minimum obligation up to 400mn-410mn bl *(see graph)* and provides the context for the region's current level of stocks. The directive stipulates that in times of major supply disruption, members can hold stocks below the minimum level in accordance with the European Commission, but that measures should also be taken to restrict consumption.

**Independent product stocks*** ***mn bl***

| | Jul 26 | Aug 26 | Sep 26 | Sep 25 | ±Sep 26/25 |
|---|---|---|---|---|---|
| Singapore | | | | | |
| Light distillates | 12.2 | 10.9 | 10.5 | 13.6 | -3.1 |
| Middle distillates | 7.6 | 8.1 | 8.8 | 9.8 | -1.0 |
| Residual | 18.5 | 20.1 | 18.7 | 24.3 | -5.6 |
| **Total** | **38.4** | **39.1** | **38.0** | **47.6** | **-9.6** |
| Amsterdam-Rotterdam-Antwerp | | | | | |
| Naphtha | 5.4 | 3.4 | 2.4 | 4.2 | -1.9 |
| Gasoline | 8.2 | 7.1 | 7.7 | 10.3 | -2.6 |
| Jet-kerosine | 4.3 | 4.1 | 3.5 | 8.8 | -5.3 |
| Gasoil | 10.6 | 12.2 | 13.4 | 16.4 | -3.1 |
| Fuel oil | 3.8 | 5.4 | 6.1 | 6.1 | -0.1 |
| **Total** | **32.3** | **32.2** | **33.1** | **45.9** | **-12.9** |

**end of month* *— Singapore government data, Insights Global*

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# Trade flows

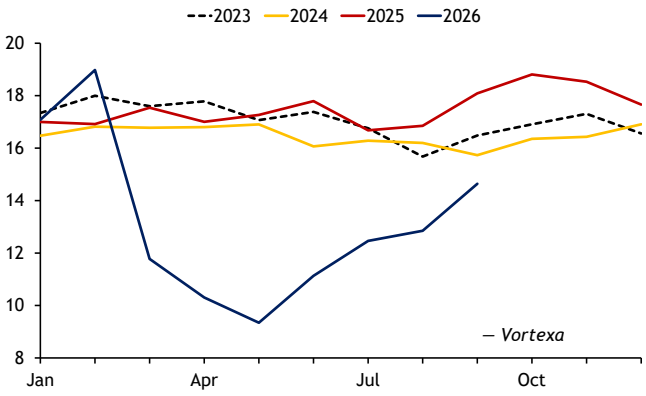
## Opec loadings up on the month

Opec loadings increased by around 2.1mn b/d on the month to almost 15mn b/d in September, although this was still 3mn b/d lower on the year, according to vessel-tracking data from Vortexa. This was primarily attributed to more exports from the Middle East, despite the continuing tensions in the region. An increase in ship-to-ship (STS) transfers off the coast of Oman continued to facilitate crude flows out of the Mideast Gulf, largely offsetting disrupted operations on Saudi Arabia's East-West Pipeline, which was forced to shut down on 10 September.

## Mideast Gulf flows recover on STS transfers

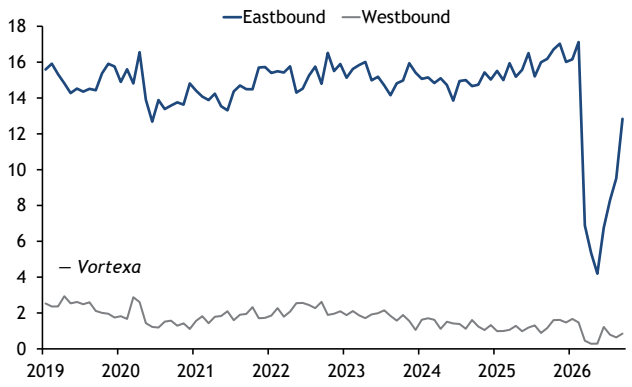
Crude flows through the strait of Hormuz increased markedly in September — to 9.1mn b/d, up by over 2.7mn b/d from August — Vortexa data show. Despite the surge, shipments through this vital waterway remained well below the 14mn b/d recorded a year earlier. Regional producers including the UAE, Iraq and Saudi Arabia have stepped up STS transfers to facilitate exports from the Gulf. STS transfers have risen steadily from less than 1mn b/d before the war to 6.6mn b/d last month. The UAE and Iraq were the main drivers of STS growth before September, when Saudi Arabia responded to disruption to East-West pipeline and Red Sea shipments by shifting its focus back to Hormuz. Greater access to export routes has in turn prompted a rise in upstream production — Opec crude output increased by almost 2.5mn b/d on the month to 17.6mn b/d in September, the highest since the war started, driven by Iraq and Saudi Arabia.

**Opec loadings** *mn b/d*




Saudi Arabia shut the 7mn b/d East-West pipeline on 10 September following a drone strike, but state-controlled Aramco created a temporary bypass that rerouted crude around a damaged pumping station. This allowed flows through the line to recover to some extent, although the line's outage meant that Saudi exports from Yanbu fell by around 670,000 b/d on the month to just 2.4mn b/d in September, the lowest since the war started. But Yanbu loadings rose to over 2.8mn b/d on 1-16 October, according to Vortexa. The threat of attacks continues to hang over export, refining and upstream facilities around Yanbu. This has already caused some buyers in Asia, notably South Korea and Japan, to reroute their Yanbu-loaded cargoes through the Suez Canal and on around the cape of Good Hope instead of transiting

**Mideast Gulf east vs west liftings** *mn b/d*



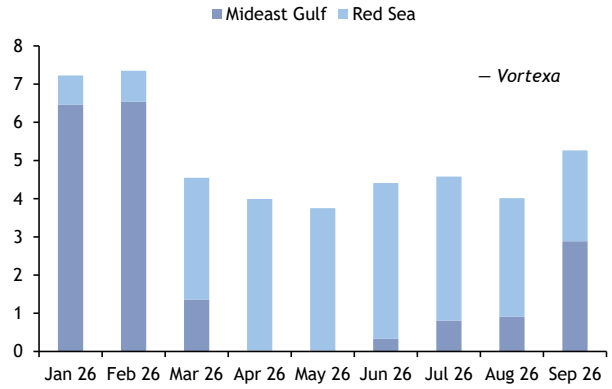

**Oil at sea**

| | Jul 26 | Aug 26 | Sep 26 | Sep 25 | ±Sep 26/25 |
|---|---|---|---|---|---|
| Liftings | | | | | *mn b/d* |
| Opec | 12.46 | 12.85 | 14.96 | 18.09 | -3.12 |
| Mideast Gulf | 9.08 | 10.16 | 13.76 | 17.35 | -3.59 |
| Eastbound | 8.29 | 9.52 | 12.84 | 16.19 | -3.35 |
| Westbound | 0.79 | 0.64 | 0.85 | 1.16 | -0.31 |
| Non-Opec | 26.88 | 28.02 | 27.93 | 27.35 | 0.59 |
| West Africa | 3.22 | 3.33 | 3.27 | 3.57 | -0.30 |
| **All regions** | **39.34** | **40.87** | **42.90** | **45.43** | **-2.54** |
| Stocks at sea* | | | | | *mn bl* |
| Opec | 407 | 373 | 445 | 493 | -48 |
| ME Gulf eastbound | 373 | 344 | 397 | 383 | 14 |
| ME Gulf westbound | 48 | 37 | 38 | 51 | -13 |
| Non-Opec | 733 | 714 | 728 | 642 | 87 |
| **Total** | **1,144** | **1,091** | **1,183** | **1,138** | **45** |

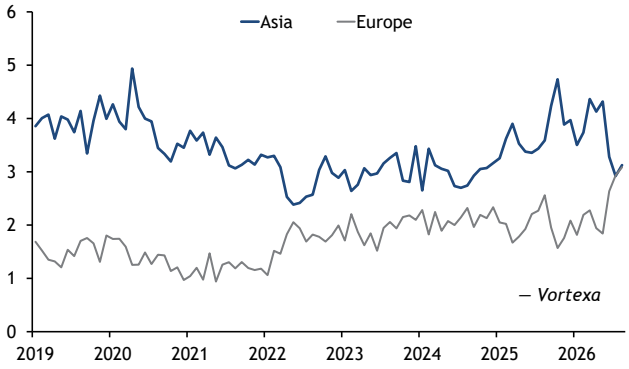
**end of month* — *Vortexa*

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**Saudi Arabia crude exports** *mn b/d*




**Atlantic Basin east vs west loadings** *mn b/d*




the Bab el-Mandeb strait. But the increase in spot offers facilitated by STS transfers from the Mideast Gulf has provided some relief for Asian buyers.

As producers try to reclaim Asian market share, they have continued to lower term prices for November loadings to multi-year lows against regional benchmarks. At the same time, Saudi Aramco and Abu Dhabi's Adnoc remain active in the spot market, offering large volumes to Asian buyers. This is especially unusual for Aramco, which has traditionally only sold through term contracts. But since early September, over 140mn bl of Saudi crude has been offered on a spot basis, mainly to customers in Asia-Pacific, either on a fob Ras Tanura basis within the Mideast Gulf, by STS transfer in the Gulf of Oman, or on a delivered basis direct to buyers.

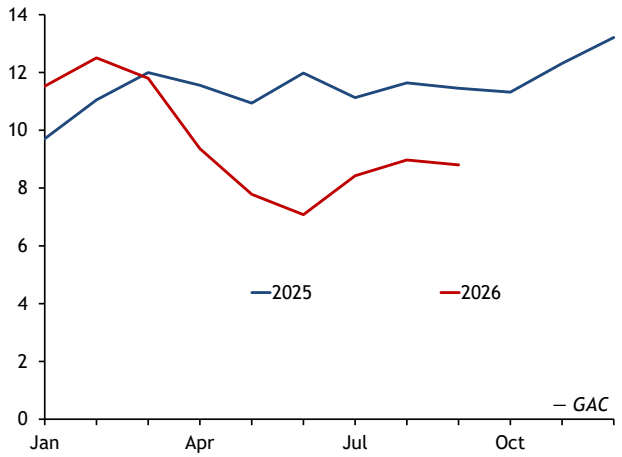
These spot offers, with competitive pricing and flexibility, give northeast Asian refiners a better option as high freight rates dim the appeal of long-haul shipments from the Atlantic basin. But as the surge in Middle Eastern exports helps Asian buyers avoid costlier Atlantic basin cargoes, it has also reduced tanker availability, pushing freight rates to record highs that were already underpinned by hefty risk premiums.

## High freight rates weigh on long-haul flows

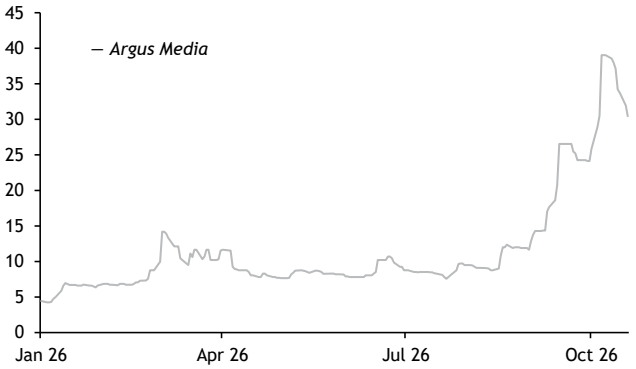
Greater Middle Eastern availability and higher freight rates are likely to limit Asian appetite for crudes from the Atlantic basin, such as US WTI which typically competes with light sour Murban from the UAE. Asian interest in WTI has been slow to emerge in the current trading cycle for January deliveries — unlike in early September, when some Asia-Pacific buyers turned to WTI as an alternative after the attacks on the East-West pipeline. Crude loadings from the US to Asia have also fallen to just over 1.4mn b/d in October, down by 500,000 b/d on the month, Vortexa data show.

Elevated freight rates have also played a major role in deterring Asian purchases of long-haul crude. The *Argus*-assessed

**China: Crude imports** *mn b/d*

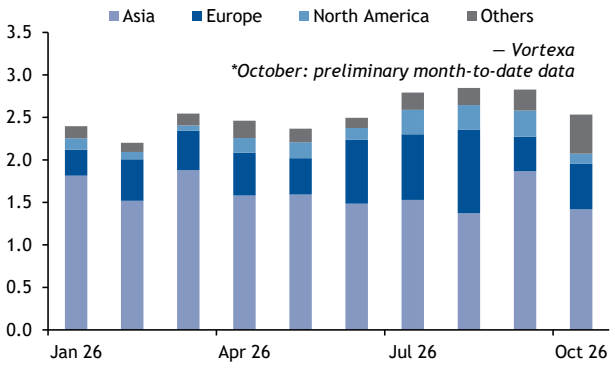



**WTI VLCC to South Korea/Japan** *$/bl*

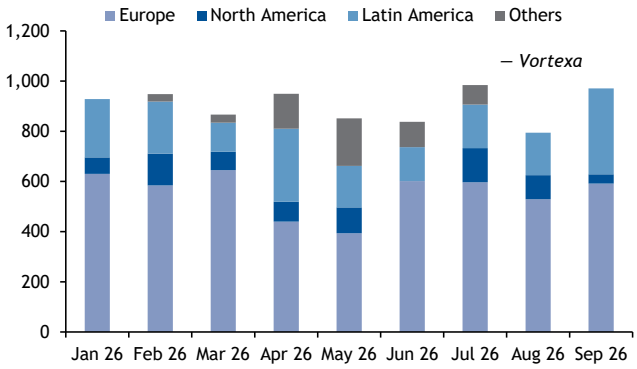



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**Brazil crude exports by destination** *mn b/d*




**Guyana crude exports by destination** *mn b/d*




freight rate for a VLCC to ship from the US Gulf coast to South Korea or Japan — both major destinations for WTI — had jumped from less than $12/bl at the start of September to almost $40/bl by early October, before trending lower to around $30/bl earlier this week. This coincided with more tankers choosing to reroute via Suez and the Cape of Good Hope after picking up crude at Yanbu — a detour that effectively adds almost a month to the journey, tightening tanker availability. But given the scope for escalation in the Middle East, some Asian refiners are expected to keep relying on WTI to offset any uncertainty over Middle East supply.

High freight rates and expectations of increased Saudi deliveries are also weighing on European demand for long-haul crude. And as demand for long-haul crude weakens, some sellers have been prompted to reduce fob offers to compensate for higher shipping costs.

Brazilian sellers lowered their fob offers as freight rates to destinations in Europe and Asia-Pacific reached record highs. Brazilian crude exports have been increasing steadily since early 2025 — from less than 1.8mn b/d in the first quarter of last year to over 2.8mn b/d last quarter, according to Vortexa data, underpinned by robust upstream production growth. In September, Brazilian loadings for buyers in the Asia-Pacific region increased by almost 500,000 b/d on the month to nearly 1.9mn b/d as buyers sought to address the Saudi export disruption. But as Middle Eastern availability has improved, Asia-bound shipments have slowed in October to around 1.4mn b/d, while shipments to Europe have also remained at a relatively low level of less than 600,000 b/d, against the 0.7mn-1mn b/d recorded in June-August. Freight for a Suezmax cargo of Brazilian crude bound for Europe has more than doubled from September's $10.30/bl to almost $25/bl in October. West African grades have faced similar pressure as they struggle to compete with Mideast Gulf cargoes at a time of elevated freight rates.

Europe could turn to more promptly available Mideast Gulf alternatives, as Saudi Aramco has also started to offer spot cargoes — from the Egyptian port of Sidi Kerir and Yanbu — to European refiners, according to market participants. But the recent surge in crude prices and freight rates has also started to erode refining margins in Europe, especially for plants that do not have hydrocracking units. Falling fluid catalytic cracker margins could raise the risk that these refiners will have to scale back runs.

### Guyana's Golden age

Guyana's exports of light and medium sweet crude increased by more than 170,000 b/d on the month to almost 1mn b/d in September, most of which headed to Europe and the US, Vortexa data show. The country's exports have averaged around 900,000 b/d in January-September, up from around 650,000 b/d during the same period of last year.

This robust growth is underpinned by increasing upstream capacity — the Yellowtail project started production of new crude grade Golden Arrowhead in August last year and the country's crude output is expected to rise further to 1mn b/d by December, when production of another new grade — Uaru Gold — is due to start.

Programmes seen by *Argus* suggest that the first cargo of Uaru Gold is scheduled to load on 11-12 December, with a total of four cargoes planned across that month. This is expected to lift the country's crude exports to a new record high of 1.09mn b/d.

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| Global oil supply | | | | | | | | | | | | | | | | mn b/d |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 2025 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 2026 | 1Q27 | 2Q27 | 3Q27 | 4Q27 | 2027 | 2028 |
| Middle East | | | | | | | | | | | | | | | | |
| Saudi Arabia | 8.93 | 9.30 | 9.65 | 10.04 | **9.48** | 9.32 | 6.66 | 7.70 | 8.42 | **8.02** | 8.78 | 9.04 | 9.22 | 8.91 | **8.99** | **9.04** |
| Iran | 3.35 | 3.39 | 3.36 | 3.33 | **3.36** | 3.27 | 2.78 | 2.26 | 1.84 | **2.54** | 2.03 | 2.14 | 2.26 | 2.22 | **2.16** | **2.24** |
| Iraq | 4.02 | 3.95 | 4.00 | 4.10 | **4.02** | 3.37 | 1.70 | 3.59 | 3.78 | **3.11** | 3.64 | 3.64 | 3.64 | 3.64 | **3.64** | **3.64** |
| Kuwait | 2.42 | 2.42 | 2.49 | 2.56 | **2.47** | 2.12 | 0.89 | 1.86 | 1.82 | **1.67** | 1.87 | 1.97 | 2.05 | 2.06 | **1.99** | **2.16** |
| UAE | 3.31 | 3.38 | 3.68 | 3.80 | **3.54** | 3.28 | 2.97 | 4.24 | 4.16 | **3.66** | 4.25 | 4.40 | 5.09 | 5.31 | **4.76** | **5.28** |
| Qatar | 1.20 | 1.21 | 1.22 | 1.22 | **1.21** | 0.86 | 0.28 | 0.62 | 0.61 | **0.59** | 0.74 | 0.88 | 0.93 | 0.94 | **0.87** | **1.00** |
| Oman | 0.99 | 0.99 | 1.01 | 1.02 | **1.00** | 1.03 | 1.11 | 1.16 | 1.15 | **1.12** | 1.15 | 1.15 | 1.15 | 1.15 | **1.15** | **1.15** |
| Other Middle East | 0.25 | 0.24 | 0.24 | 0.22 | **0.24** | 0.16 | 0.14 | 0.25 | 0.31 | **0.21** | 0.31 | 0.31 | 0.33 | 0.36 | **0.33** | **0.40** |
| **Total Middle East** | **24.46** | **24.89** | **25.65** | **26.29** | **25.32** | **23.40** | **16.54** | **21.69** | **22.08** | **20.93** | **22.78** | **23.54** | **24.66** | **24.59** | **23.89** | **24.91** |
| North America | | | | | | | | | | | | | | | | |
| US | 13.32 | 13.58 | 13.83 | 13.91 | **13.66** | 13.58 | 13.88 | 13.95 | 13.92 | **13.83** | 13.77 | 14.07 | 14.23 | 14.30 | **14.09** | **14.32** |
| Canada | 4.95 | 4.70 | 5.05 | 5.15 | **4.96** | 5.05 | 4.96 | 5.01 | 5.18 | **5.05** | 5.13 | 5.15 | 5.17 | 5.27 | **5.18** | **5.20** |
| **Total North America** | **18.27** | **18.29** | **18.88** | **19.06** | **18.62** | **18.63** | **18.83** | **18.96** | **19.10** | **18.88** | **18.90** | **19.22** | **19.40** | **19.57** | **19.27** | **19.52** |
| Latin America | | | | | | | | | | | | | | | | |
| Mexico | 1.87 | 1.89 | 1.85 | 1.92 | **1.88** | 1.94 | 1.94 | 1.95 | 1.89 | **1.93** | 1.90 | 1.90 | 1.85 | 1.85 | **1.88** | **1.87** |
| Venezuela | 0.92 | 0.97 | 1.02 | 0.98 | **0.97** | 0.93 | 1.08 | 1.11 | 1.23 | **1.09** | 1.25 | 1.25 | 1.25 | 1.28 | **1.26** | **1.32** |
| Brazil | 3.52 | 3.69 | 3.92 | 3.94 | **3.77** | 4.09 | 4.37 | 4.57 | 4.60 | **4.41** | 4.60 | 4.60 | 4.53 | 4.65 | **4.60** | **4.65** |
| Colombia | 0.76 | 0.74 | 0.75 | 0.74 | **0.75** | 0.74 | 0.72 | 0.74 | 0.75 | **0.74** | 0.75 | 0.75 | 0.75 | 0.75 | **0.75** | **0.75** |
| Ecuador | 0.47 | 0.47 | 0.36 | 0.47 | **0.44** | 0.46 | 0.46 | 0.46 | 0.46 | **0.46** | 0.46 | 0.46 | 0.46 | 0.46 | **0.46** | **0.45** |
| Guyana | 0.63 | 0.65 | 0.71 | 0.87 | **0.72** | 0.92 | 0.89 | 0.89 | 0.99 | **0.92** | 1.00 | 1.00 | 1.03 | 1.18 | **1.05** | **1.31** |
| Argentina | 0.75 | 0.76 | 0.82 | 0.86 | **0.79** | 0.87 | 0.89 | 0.92 | 0.92 | **0.90** | 0.92 | 0.95 | 0.95 | 0.98 | **0.95** | **1.00** |
| Other Latin America | 0.16 | 0.17 | 0.16 | 0.16 | **0.16** | 0.15 | 0.15 | 0.16 | 0.16 | **0.16** | 0.16 | 0.16 | 0.16 | 0.16 | **0.16** | **0.16** |
| **Total Latin America** | **9.07** | **9.32** | **9.59** | **9.94** | **9.48** | **10.10** | **10.51** | **10.79** | **11.00** | **10.60** | **11.04** | **11.07** | **10.98** | **11.31** | **11.10** | **11.51** |
| Europe | | | | | | | | | | | | | | | | |
| UK | 0.64 | 0.61 | 0.54 | 0.60 | **0.60** | 0.60 | 0.54 | 0.50 | 0.60 | **0.56** | 0.62 | 0.59 | 0.56 | 0.57 | **0.59** | **0.56** |
| Norway | 1.76 | 1.77 | 1.96 | 1.94 | **1.86** | 1.98 | 1.85 | 1.81 | 1.76 | **1.85** | 1.83 | 1.77 | 1.75 | 1.80 | **1.79** | **1.80** |
| Other Europe | 0.64 | 0.64 | 0.65 | 0.67 | **0.65** | 0.63 | 0.64 | 0.61 | 0.59 | **0.62** | 0.60 | 0.60 | 0.59 | 0.58 | **0.59** | **0.57** |
| **Total Europe** | **3.05** | **3.03** | **3.15** | **3.21** | **3.11** | **3.20** | **3.03** | **2.92** | **2.95** | **3.03** | **3.05** | **2.96** | **2.89** | **2.95** | **2.96** | **2.93** |
| FSU | | | | | | | | | | | | | | | | |
| Russia | 9.99 | 10.02 | 10.24 | 10.40 | **10.16** | 10.22 | 9.99 | 9.79 | 9.67 | **9.92** | 9.65 | 9.67 | 9.80 | 9.80 | **9.73** | **9.95** |
| Kazakhstan | 1.97 | 2.11 | 2.04 | 1.89 | **2.00** | 1.78 | 2.09 | 2.00 | 2.20 | **2.02** | 2.20 | 2.10 | 2.08 | 2.20 | **2.15** | **2.22** |
| Azerbaijan | 0.57 | 0.56 | 0.57 | 0.58 | **0.57** | 0.55 | 0.55 | 0.55 | 0.57 | **0.56** | 0.57 | 0.57 | 0.57 | 0.57 | **0.57** | **0.57** |
| Other FSU | 0.25 | 0.25 | 0.25 | 0.25 | **0.25** | 0.24 | 0.24 | 0.22 | 0.22 | **0.23** | 0.22 | 0.22 | 0.22 | 0.22 | **0.22** | **0.22** |
| **Total FSU** | **12.79** | **12.94** | **13.11** | **13.12** | **12.99** | **12.81** | **12.87** | **12.56** | **12.65** | **12.72** | **12.64** | **12.55** | **12.67** | **12.79** | **12.66** | **12.96** |
| Africa | | | | | | | | | | | | | | | | |
| Nigeria | 1.53 | 1.54 | 1.55 | 1.51 | **1.53** | 1.50 | 1.60 | 1.56 | 1.60 | **1.57** | 1.60 | 1.60 | 1.60 | 1.60 | **1.60** | **1.65** |
| Libya | 1.37 | 1.35 | 1.36 | 1.34 | **1.35** | 1.29 | 1.34 | 1.37 | 1.32 | **1.33** | 1.32 | 1.32 | 1.32 | 1.32 | **1.32** | **1.32** |
| Angola | 1.05 | 1.01 | 1.04 | 1.06 | **1.04** | 1.03 | 1.05 | 1.00 | 1.05 | **1.03** | 1.06 | 1.10 | 1.10 | 1.10 | **1.09** | **1.06** |
| Algeria | 0.91 | 0.92 | 0.96 | 0.97 | **0.94** | 0.98 | 0.99 | 1.02 | 1.00 | **1.00** | 1.01 | 1.01 | 1.01 | 1.01 | **1.01** | **1.01** |
| Other Africa | 1.69 | 1.73 | 1.76 | 1.71 | **1.72** | 1.76 | 1.78 | 1.83 | 1.89 | **1.82** | 1.95 | 1.96 | 1.99 | 1.99 | **1.97** | **2.00** |
| **Total Africa** | **6.55** | **6.55** | **6.66** | **6.59** | **6.59** | **6.55** | **6.77** | **6.79** | **6.86** | **6.74** | **6.94** | **6.98** | **7.02** | **7.02** | **6.99** | **7.04** |
| Asia-Pacific | | | | | | | | | | | | | | | | |
| China | 4.32 | 4.30 | 4.24 | 4.18 | **4.26** | 4.38 | 4.32 | 4.29 | 4.32 | **4.33** | 4.30 | 4.30 | 4.30 | 4.25 | **4.29** | **4.24** |
| Indonesia | 0.58 | 0.58 | 0.59 | 0.58 | **0.58** | 0.55 | 0.55 | 0.56 | 0.59 | **0.56** | 0.60 | 0.60 | 0.60 | 0.60 | **0.60** | **0.60** |
| India | 0.59 | 0.59 | 0.58 | 0.57 | **0.58** | 0.56 | 0.56 | 0.56 | 0.57 | **0.56** | 0.58 | 0.58 | 0.57 | 0.57 | **0.57** | **0.57** |
| Australia | 0.25 | 0.26 | 0.23 | 0.24 | **0.25** | 0.23 | 0.21 | 0.22 | 0.25 | **0.23** | 0.26 | 0.26 | 0.26 | 0.26 | **0.26** | **0.26** |
| Malaysia | 0.47 | 0.46 | 0.47 | 0.50 | **0.48** | 0.47 | 0.44 | 0.40 | 0.44 | **0.44** | 0.44 | 0.46 | 0.46 | 0.46 | **0.46** | **0.46** |
| Other Asia-Pacific | 0.56 | 0.55 | 0.57 | 0.59 | **0.57** | 0.59 | 0.58 | 0.59 | 0.57 | **0.58** | 0.57 | 0.56 | 0.55 | 0.55 | **0.56** | **0.55** |
| **Total Asia-Pacific** | **6.78** | **6.74** | **6.66** | **6.67** | **6.71** | **6.78** | **6.66** | **6.62** | **6.73** | **6.70** | **6.75** | **6.76** | **6.75** | **6.69** | **6.74** | **6.68** |
| **Total** | **80.97** | **81.75** | **83.71** | **84.88** | **82.83** | **81.46** | **75.21** | **80.33** | **81.39** | **79.60** | **82.09** | **83.07** | **84.37** | **84.92** | **83.61** | **85.54** |
| NGL and other | 15.67 | 16.04 | 16.35 | 16.42 | **16.12** | 15.50 | 14.53 | 14.48 | 14.69 | **14.80** | 14.95 | 15.64 | 15.98 | 15.82 | **15.60** | **16.37** |
| *of which* | | | | | | | | | | | | | | | | |
| Opec NGL & condensate | 4.21 | 4.21 | 4.21 | 4.21 | **4.21** | 3.68 | 2.85 | 2.75 | 2.93 | **3.05** | 3.13 | 3.47 | 3.64 | 3.64 | **3.47** | **3.80** |
| Biofuels | 2.92 | 3.42 | 3.77 | 3.43 | **3.39** | 3.10 | 3.79 | 4.25 | 3.80 | **3.73** | 3.03 | 3.99 | 4.43 | 3.91 | **3.84** | **3.98** |
| Processing gains | 2.36 | 2.41 | 2.46 | 2.42 | **2.41** | 2.39 | 2.28 | 2.33 | 2.36 | **2.34** | 2.37 | 2.44 | 2.46 | 2.45 | **2.43** | **2.44** |
| **Total oil supply** | **101.92** | **103.62** | **106.29** | **107.15** | **104.75** | **102.46** | **95.82** | **101.38** | **102.23** | **100.47** | **102.45** | **105.14** | **107.24** | **107.09** | **105.48** | **108.34** |

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| Global oil demand | | | | | | | | | | | | | | | | mn b/d |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 2025 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 2026 | 1Q27 | 2Q27 | 3Q27 | 4Q27 | 2027 | 2028 |
| OECD | | | | | | | | | | | | | | | | |
| US | 20.38 | 20.69 | 21.09 | 20.78 | **20.73** | 20.72 | 20.54 | 20.73 | 20.91 | **20.73** | 20.79 | 20.51 | 20.94 | 21.00 | **20.81** | **20.76** |
| Canada | 2.51 | 2.41 | 2.66 | 2.64 | **2.55** | 2.56 | 2.44 | 2.63 | 2.55 | **2.55** | 2.58 | 2.51 | 2.63 | 2.61 | **2.58** | **2.61** |
| **Total North America** | **22.89** | **23.09** | **23.75** | **23.42** | **23.29** | **23.28** | **22.97** | **23.37** | **23.46** | **23.27** | **23.37** | **23.02** | **23.56** | **23.61** | **23.39** | **23.37** |
| Chile | 0.40 | 0.38 | 0.38 | 0.38 | **0.38** | 0.38 | 0.38 | 0.38 | 0.38 | **0.38** | 0.38 | 0.39 | 0.39 | 0.38 | **0.38** | **0.39** |
| Mexico | 1.87 | 1.95 | 1.93 | 1.88 | **1.91** | 1.90 | 1.95 | 1.90 | 1.90 | **1.91** | 1.94 | 1.95 | 1.93 | 1.94 | **1.94** | **1.97** |
| **Total Latin America** | **2.40** | **2.47** | **2.45** | **2.40** | **2.43** | **2.40** | **2.44** | **2.41** | **2.42** | **2.42** | **2.46** | **2.46** | **2.44** | **2.45** | **2.45** | **2.48** |
| France | 1.49 | 1.56 | 1.58 | 1.52 | **1.54** | 1.45 | 1.49 | 1.57 | 1.48 | **1.50** | 1.48 | 1.50 | 1.57 | 1.46 | **1.50** | **1.47** |
| Germany | 1.96 | 2.12 | 2.04 | 2.00 | **2.03** | 2.00 | 1.94 | 2.00 | 2.00 | **1.98** | 1.94 | 1.96 | 2.04 | 1.98 | **1.98** | **1.99** |
| Italy | 1.17 | 1.24 | 1.27 | 1.21 | **1.22** | 1.10 | 1.18 | 1.22 | 1.21 | **1.18** | 1.11 | 1.16 | 1.20 | 1.17 | **1.16** | **1.14** |
| Spain | 1.30 | 1.32 | 1.34 | 1.35 | **1.33** | 1.30 | 1.35 | 1.35 | 1.32 | **1.33** | 1.29 | 1.31 | 1.35 | 1.33 | **1.32** | **1.29** |
| UK | 1.40 | 1.45 | 1.40 | 1.41 | **1.41** | 1.40 | 1.36 | 1.38 | 1.37 | **1.38** | 1.34 | 1.36 | 1.37 | 1.35 | **1.35** | **1.33** |
| Other Europe | 5.59 | 5.96 | 6.08 | 5.86 | **5.87** | 5.64 | 5.74 | 6.11 | 5.86 | **5.84** | 5.50 | 5.89 | 6.19 | 5.87 | **5.86** | **5.87** |
| **Total Europe** | **12.91** | **13.66** | **13.69** | **13.35** | **13.40** | **12.90** | **13.06** | **13.62** | **13.23** | **13.20** | **12.66** | **13.18** | **13.71** | **13.15** | **13.18** | **13.09** |
| Australia | 1.12 | 1.15 | 1.14 | 1.18 | **1.15** | 1.16 | 1.11 | 1.12 | 1.15 | **1.14** | 1.13 | 1.15 | 1.14 | 1.17 | **1.14** | **1.15** |
| Japan | 3.36 | 2.90 | 2.89 | 3.22 | **3.09** | 3.29 | 2.59 | 2.77 | 3.03 | **2.92** | 3.21 | 2.63 | 2.68 | 3.01 | **2.88** | **2.84** |
| New Zealand | 0.17 | 0.15 | 0.16 | 0.17 | **0.16** | 0.17 | 0.15 | 0.16 | 0.17 | **0.16** | 0.17 | 0.16 | 0.15 | 0.17 | **0.16** | **0.16** |
| South Korea | 2.49 | 2.42 | 2.53 | 2.42 | **2.46** | 2.49 | 1.98 | 2.32 | 2.39 | **2.30** | 2.30 | 2.31 | 2.32 | 2.28 | **2.30** | **2.28** |
| Total Asia-Pacific | 7.15 | 6.63 | 6.71 | 6.98 | **6.87** | 7.11 | 5.83 | 6.37 | 6.74 | **6.51** | 6.81 | 6.25 | 6.29 | 6.62 | **6.49** | **6.44** |
| **Total Middle East** | **0.23** | **0.22** | **0.22** | **0.23** | **0.22** | **0.24** | **0.24** | **0.24** | **0.22** | **0.23** | **0.24** | **0.23** | **0.24** | **0.23** | **0.24** | **0.24** |
| **Total** | **45.63** | **46.13** | **46.89** | **46.45** | **46.27** | **45.98** | **44.61** | **46.07** | **46.14** | **45.70** | **45.60** | **45.21** | **46.32** | **46.14** | **45.82** | **45.68** |
| Non-OECD | | | | | | | | | | | | | | | | |
| China | 16.70 | 16.61 | 16.95 | 17.30 | **16.89** | 17.76 | 14.42 | 14.97 | 16.17 | **15.83** | 16.48 | 16.73 | 16.21 | 16.17 | **16.40** | **16.31** |
| India | 5.86 | 5.90 | 5.48 | 5.95 | **5.80** | 6.04 | 5.52 | 5.45 | 6.00 | **5.75** | 6.17 | 6.28 | 5.88 | 6.30 | **6.16** | **6.54** |
| Total Asia-Pacific | 31.82 | 31.80 | 31.66 | 32.67 | **31.99** | 33.29 | 28.60 | 29.67 | 31.31 | **30.72** | 31.94 | 32.34 | 31.56 | 31.75 | **31.90** | **32.36** |
| FSU | 4.80 | 4.84 | 4.87 | 4.94 | **4.86** | 4.72 | 4.51 | 4.96 | 5.09 | **4.82** | 4.76 | 4.70 | 5.09 | 5.20 | **4.94** | **5.10** |
| Europe | 0.81 | 0.83 | 0.84 | 0.85 | **0.83** | 0.80 | 0.82 | 0.91 | 0.84 | **0.84** | 0.76 | 0.86 | 0.94 | 0.86 | **0.85** | **0.86** |
| Americas | 6.49 | 6.61 | 6.77 | 6.72 | **6.65** | 6.59 | 6.60 | 6.78 | 6.72 | **6.67** | 6.62 | 6.81 | 6.89 | 6.88 | **6.80** | **6.93** |
| Middle East | 8.77 | 9.20 | 9.59 | 9.05 | **9.15** | 8.46 | 8.23 | 9.31 | 9.09 | **8.77** | 8.51 | 9.11 | 9.54 | 9.21 | **9.09** | **9.26** |
| Africa | 4.88 | 4.90 | 4.96 | 5.06 | **4.95** | 4.96 | 4.84 | 4.67 | 4.84 | **4.83** | 5.17 | 5.07 | 4.98 | 5.11 | **5.08** | **5.16** |
| **Total non-OECD** | **57.56** | **58.18** | **58.69** | **59.29** | **58.43** | **58.83** | **53.60** | **56.30** | **57.90** | **56.66** | **57.76** | **58.89** | **59.00** | **59.02** | **58.67** | **59.66** |
| Global demand | 103.19 | 104.30 | 105.58 | 105.74 | **104.70** | 104.81 | 98.22 | 102.38 | 104.04 | **102.36** | 103.36 | 104.10 | 105.32 | 105.16 | **104.48** | **105.34** |

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| Products demand | | | | | | | | | | | | | | | | mn b/d |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 2025 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 2026 | 1Q27 | 2Q27 | 3Q27 | 4Q27 | 2027 | 2028 |
| LPG and ethane | | | | | | | | | | | | | | | | |
| North America | 4.45 | 3.78 | 4.23 | 4.51 | **4.24** | 4.68 | 3.98 | 4.17 | 4.59 | **4.36** | 4.82 | 3.96 | 4.08 | 4.66 | **4.38** | **4.40** |
| Latin America | 0.38 | 0.37 | 0.38 | 0.38 | **0.38** | 0.39 | 0.39 | 0.37 | 0.37 | **0.38** | 0.40 | 0.37 | 0.37 | 0.38 | **0.38** | **0.38** |
| Europe | 1.08 | 1.05 | 1.01 | 1.09 | **1.06** | 1.00 | 0.99 | 1.02 | 1.06 | **1.02** | 1.03 | 1.03 | 1.04 | 1.02 | **1.03** | **1.06** |
| Asia-Pacific | 0.78 | 0.71 | 0.69 | 0.78 | **0.74** | 0.80 | 0.64 | 0.67 | 0.70 | **0.70** | 0.74 | 0.68 | 0.68 | 0.70 | **0.70** | **0.71** |
| **Total OECD** | **6.71** | **5.93** | **6.33** | **6.78** | **6.44** | **6.89** | **6.01** | **6.25** | **6.74** | **6.47** | **7.02** | **6.06** | **6.19** | **6.78** | **6.51** | **6.57** |
| China | 2.84 | 2.80 | 2.92 | 2.84 | **2.85** | 2.65 | 2.25 | 2.55 | 2.60 | **2.51** | 2.98 | 3.02 | 2.90 | 2.81 | **2.93** | **2.96** |
| India | 1.05 | 0.99 | 1.06 | 1.11 | **1.05** | 1.06 | 0.83 | 0.91 | 1.02 | **0.96** | 1.06 | 0.98 | 1.02 | 1.08 | **1.03** | **1.10** |
| **Total World** | **14.67** | **13.67** | **14.31** | **14.74** | **14.35** | **14.79** | **12.96** | **13.66** | **14.40** | **13.95** | **15.40** | **14.24** | **14.37** | **14.95** | **14.74** | **15.11** |
| Naphtha | | | | | | | | | | | | | | | | |
| North America | 0.19 | 0.20 | 0.20 | 0.20 | **0.20** | 0.24 | 0.20 | 0.21 | 0.20 | **0.21** | 0.20 | 0.19 | 0.20 | 0.20 | **0.20** | **0.21** |
| Latin America | 0.04 | 0.05 | 0.03 | 0.03 | **0.04** | 0.03 | 0.04 | 0.04 | 0.03 | **0.04** | 0.03 | 0.04 | 0.04 | 0.03 | **0.04** | **0.04** |
| Europe | 0.98 | 0.81 | 0.76 | 0.77 | **0.83** | 0.90 | 0.84 | 0.80 | 0.80 | **0.84** | 0.93 | 0.82 | 0.83 | 0.81 | **0.85** | **0.86** |
| Asia-Pacific | 1.77 | 1.66 | 1.78 | 1.69 | **1.73** | 1.72 | 1.34 | 1.63 | 1.61 | **1.57** | 1.62 | 1.53 | 1.57 | 1.57 | **1.57** | **1.54** |
| **Total OECD** | **3.00** | **2.74** | **2.78** | **2.72** | **2.81** | **2.91** | **2.44** | **2.69** | **2.66** | **2.68** | **2.80** | **2.59** | **2.65** | **2.63** | **2.67** | **2.67** |
| China | 2.28 | 2.32 | 2.35 | 2.52 | **2.37** | 2.54 | 2.15 | 2.08 | 2.41 | **2.29** | 2.51 | 2.54 | 2.41 | 2.55 | **2.50** | **2.56** |
| India | 0.33 | 0.33 | 0.31 | 0.34 | **0.33** | 0.33 | 0.30 | 0.35 | 0.28 | **0.32** | 0.31 | 0.29 | 0.30 | 0.29 | **0.30** | **0.29** |
| **Total World** | **7.29** | **7.10** | **7.22** | **7.23** | **7.21** | **7.32** | **6.32** | **6.72** | **7.07** | **6.86** | **7.28** | **6.93** | **6.97** | **7.10** | **7.07** | **7.12** |
| Gasoline | | | | | | | | | | | | | | | | |
| North America | 9.42 | 9.98 | 10.03 | 9.69 | **9.78** | 9.37 | 9.74 | 9.73 | 9.61 | **9.61** | 9.23 | 9.70 | 9.84 | 9.49 | **9.56** | **9.49** |
| Latin America | 0.86 | 0.90 | 0.89 | 0.88 | **0.88** | 0.88 | 0.89 | 0.89 | 0.91 | **0.89** | 0.90 | 0.91 | 0.91 | 0.93 | **0.91** | **0.93** |
| Europe | 2.19 | 2.43 | 2.44 | 2.34 | **2.35** | 2.24 | 2.38 | 2.45 | 2.27 | **2.33** | 2.14 | 2.37 | 2.44 | 2.27 | **2.30** | **2.27** |
| Asia-Pacific | 1.29 | 1.30 | 1.42 | 1.35 | **1.34** | 1.30 | 1.25 | 1.34 | 1.28 | **1.29** | 1.23 | 1.25 | 1.35 | 1.31 | **1.28** | **1.27** |
| **Total OECD** | **13.84** | **14.69** | **14.87** | **14.34** | **14.43** | **13.87** | **14.34** | **14.50** | **14.15** | **14.22** | **13.58** | **14.32** | **14.62** | **14.09** | **14.15** | **14.05** |
| China | 3.52 | 3.24 | 3.45 | 3.38 | **3.40** | 3.61 | 2.89 | 2.86 | 3.18 | **3.13** | 3.00 | 2.97 | 3.09 | 3.04 | **3.03** | **2.89** |
| India | 0.94 | 1.00 | 0.96 | 0.99 | **0.97** | 1.00 | 1.06 | 1.00 | 1.05 | **1.03** | 1.09 | 1.18 | 1.14 | 1.21 | **1.16** | **1.27** |
| **Total World** | **26.46** | **27.11** | **27.66** | **27.19** | **27.10** | **26.82** | **25.93** | **26.69** | **26.88** | **26.58** | **25.96** | **26.92** | **27.43** | **26.99** | **26.83** | **26.89** |
| Jet-kerosine | | | | | | | | | | | | | | | | |
| North America | 1.78 | 1.97 | 2.00 | 1.90 | **1.91** | 1.80 | 1.94 | 2.00 | 1.94 | **1.92** | 1.88 | 2.00 | 2.07 | 1.99 | **1.98** | **2.04** |
| Latin America | 0.15 | 0.14 | 0.14 | 0.14 | **0.14** | 0.15 | 0.13 | 0.14 | 0.14 | **0.14** | 0.15 | 0.14 | 0.15 | 0.15 | **0.15** | **0.15** |
| Europe | 1.35 | 1.62 | 1.77 | 1.54 | **1.57** | 1.43 | 1.61 | 1.78 | 1.53 | **1.59** | 1.44 | 1.65 | 1.85 | 1.56 | **1.62** | **1.66** |
| Asia-Pacific | 1.04 | 0.71 | 0.67 | 0.91 | **0.83** | 1.05 | 0.64 | 0.67 | 0.96 | **0.83** | 1.08 | 0.69 | 0.69 | 0.97 | **0.86** | **0.88** |
| **Total OECD** | **4.33** | **4.47** | **4.60** | **4.51** | **4.48** | **4.47** | **4.36** | **4.63** | **4.60** | **4.52** | **4.57** | **4.52** | **4.79** | **4.69** | **4.64** | **4.76** |
| China | 0.85 | 0.75 | 0.95 | 0.69 | **0.81** | 0.90 | 0.77 | 0.88 | 0.87 | **0.86** | 0.90 | 0.91 | 0.94 | 0.91 | **0.91** | **0.97** |
| India | 0.21 | 0.21 | 0.19 | 0.21 | **0.21** | 0.22 | 0.21 | 0.20 | 0.22 | **0.21** | 0.23 | 0.22 | 0.22 | 0.22 | **0.22** | **0.24** |
| **Total World** | **7.43** | **7.47** | **7.84** | **7.55** | **7.57** | **7.68** | **7.23** | **7.90** | **7.95** | **7.69** | **7.90** | **7.80** | **8.21** | **8.11** | **8.00** | **8.30** |
| Diesel/gasoil | | | | | | | | | | | | | | | | |
| North America | 4.74 | 4.61 | 4.62 | 4.73 | **4.68** | 4.79 | 4.56 | 4.57 | 4.69 | **4.65** | 4.87 | 4.64 | 4.64 | 4.78 | **4.73** | **4.72** |
| Latin America | 0.61 | 0.64 | 0.62 | 0.60 | **0.62** | 0.59 | 0.63 | 0.61 | 0.62 | **0.61** | 0.62 | 0.63 | 0.61 | 0.62 | **0.62** | **0.62** |
| Europe | 5.64 | 5.98 | 5.87 | 5.91 | **5.85** | 5.60 | 5.47 | 5.69 | 5.86 | **5.66** | 5.46 | 5.48 | 5.65 | 5.77 | **5.59** | **5.43** |
| Asia-Pacific | 1.76 | 1.77 | 1.76 | 1.80 | **1.77** | 1.81 | 1.66 | 1.67 | 1.80 | **1.73** | 1.73 | 1.68 | 1.66 | 1.77 | **1.71** | **1.68** |
| **Total OECD** | **12.84** | **13.10** | **12.97** | **13.15** | **13.01** | **12.88** | **12.42** | **12.65** | **13.05** | **12.75** | **12.77** | **12.53** | **12.66** | **13.03** | **12.75** | **12.54** |
| China | 3.84 | 3.82 | 3.98 | 4.14 | **3.95** | 3.85 | 3.31 | 3.46 | 3.97 | **3.65** | 3.37 | 3.61 | 3.77 | 3.85 | **3.65** | **3.57** |
| India | 1.94 | 2.07 | 1.70 | 2.02 | **1.93** | 2.04 | 2.11 | 1.82 | 2.09 | **2.02** | 2.16 | 2.29 | 1.94 | 2.21 | **2.15** | **2.26** |
| **Total World** | **28.47** | **28.97** | **28.88** | **29.54** | **28.96** | **28.74** | **27.25** | **28.07** | **29.31** | **28.34** | **28.23** | **28.65** | **28.78** | **29.47** | **28.78** | **28.76** |
| Fuel oil | | | | | | | | | | | | | | | | |
| North America | 0.37 | 0.29 | 0.35 | 0.36 | **0.34** | 0.36 | 0.40 | 0.31 | 0.33 | **0.35** | 0.37 | 0.34 | 0.38 | 0.32 | **0.35** | **0.35** |
| Latin America | 0.11 | 0.12 | 0.14 | 0.12 | **0.12** | 0.11 | 0.12 | 0.13 | 0.12 | **0.12** | 0.11 | 0.12 | 0.13 | 0.12 | **0.12** | **0.12** |
| Europe | 0.66 | 0.63 | 0.63 | 0.62 | **0.64** | 0.61 | 0.60 | 0.60 | 0.57 | **0.60** | 0.60 | 0.58 | 0.59 | 0.57 | **0.58** | **0.57** |
| Asia-Pacific | 0.38 | 0.34 | 0.36 | 0.39 | **0.37** | 0.39 | 0.30 | 0.33 | 0.36 | **0.34** | 0.40 | 0.32 | 0.30 | 0.33 | **0.34** | **0.33** |
| **Total OECD** | **1.53** | **1.40** | **1.49** | **1.49** | **1.48** | **1.48** | **1.42** | **1.37** | **1.39** | **1.41** | **1.49** | **1.37** | **1.40** | **1.35** | **1.40** | **1.37** |
| China | 0.81 | 0.70 | 0.73 | 0.79 | **0.76** | 0.85 | 0.35 | 0.61 | 0.73 | **0.64** | 0.73 | 0.72 | 0.60 | 0.58 | **0.66** | **0.64** |
| India | 0.11 | 0.11 | 0.11 | 0.12 | **0.11** | 0.12 | 0.11 | 0.12 | 0.11 | **0.12** | 0.13 | 0.12 | 0.12 | 0.12 | **0.12** | **0.13** |
| **Total World** | **6.33** | **6.28** | **6.52** | **6.52** | **6.41** | **6.30** | **5.45** | **6.11** | **6.16** | **6.01** | **6.14** | **6.19** | **6.22** | **6.04** | **6.15** | **6.18** |

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