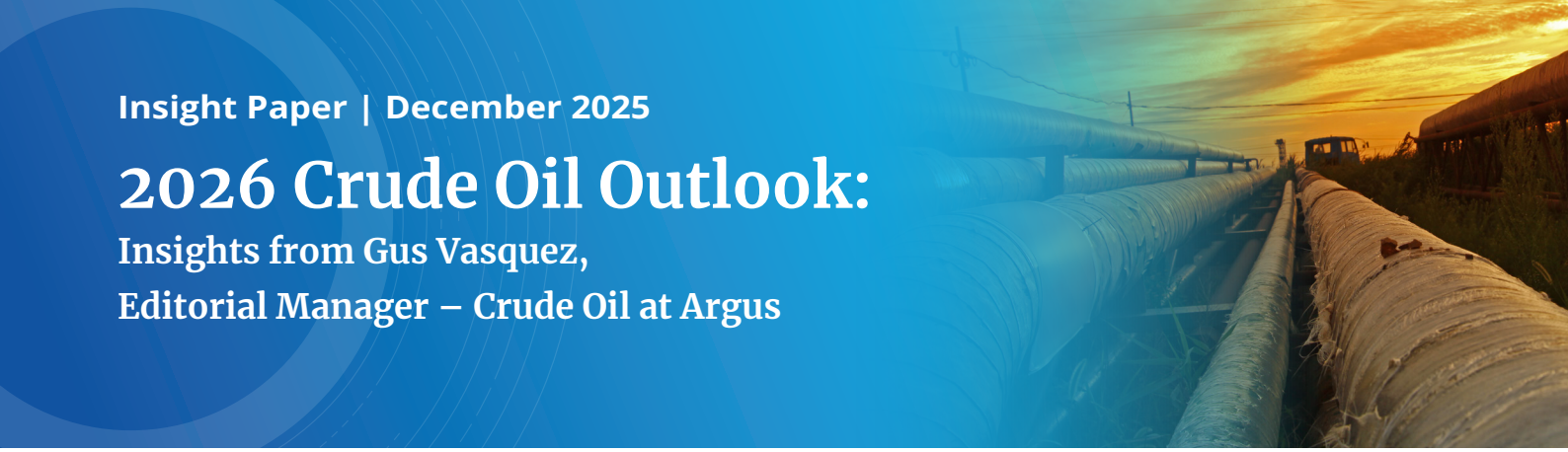
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2026 Crude Oil Outlook:

Insights from Gus Vasquez, Editorial Manager – Crude Oil at Argus



As the global oil market enters a period of significant transition, understanding the evolving supply landscape and its impact on prices is more crucial than ever. With US production reaching new highs, Opec+ holding steady, and Latin American exporters expanding their reach, 2026 is set to test the industry's adaptability amid oversupply concerns and shifting trade flows. The closure of major US West Coast refineries will reshape traditional supply routes, while wider light-heavy crude spreads are prompting refiners to reconsider their strategies. In this exclusive Q&A, Gus Vasquez, Editorial Manager – Crude Oil at Argus, examines the key drivers, supply risks, and price outlook for the year ahead—offering vital insights for industry leaders as they navigate a complex and rapidly changing market.

What are the current expectations for oil prices given, what supply may look like going into 2026 and further out?

While prices remain difficult to predict with any degree of confidence given the currently fluid geopolitical environment, the general view is that there will be fundamental pressure to the downside for crude oil prices in 2026, and maybe farther out, due to ample availability of barrels around the globe. Production out of the US, which stands atop the global producer's list, is expected to average almost 13.6mn b/d in 2026. This is a figure that the EIA arrived at most recently after revising its forecasts higher for the last three months in a row. The EIA's global production forecast was lifted to 107.37mn b/d in 2026, representing an increase of 200,000 b/d from the prior forecast.

For now, Opec+ will hold production at current levels to prevent additional volumes from coming into a market that is looking oversupplied already, despite sanctions on Russia.

And in Latin America, Brazil, Guyana, and Argentina all have expansion plans that will allow them to export greater volumes of crude to a larger number of customers across more regions and those plans show no signs of slowing. Whether a lower price environment eventually does impact any of those plans still remains to be seen.

How will changes along the US West Coast impact global flows for crude and products in 2026?

Refining capacity will be reduced by a total of some 17pc early in 2026 once both P66's 139,000 b/d and Valero's 145,000 b/d Benecia refineries shut down operations permanently early in the year. And a further 85,000 b/d of capacity are in question still as Valero contemplates the future of its Wilmington refinery. This will inevitably have an impact on traditional crude suppliers to the region, both in Latin America as well as the Middle East.

On the products side, we're already seeing refineries in the Pacific Northwest gearing up to supply gasoline to California in the short term. In the longer term, US refiners are looking at a fresh batch of midstream solutions that could move fuel from the other regions to western states, including Arizona and Nevada, which depend heavily on California for fuel.

What is the expectation for the light-heavy spread in the US and how might refinery diets change as a result going into next year?

US refiners are expecting wider differentials between light and heavy crude in the fourth quarter and the early part of 2026 as a result of increased US Gulf coast, Canadian, and Opec+ supplies.

In the US Gulf Coast, three new offshore projects have the EIA expecting output to hit 2.03mn b/d by the end of this year. Shenandoah reached its 100,000 b/d target in the fall, and the Argos Southwest Extension project will add 20,000 b/d of oil equivalent to an existing platform. By mid-2026, the Salamanca project, which achieved first oil in the third quarter, is expected to ramp up to its design capacity of 50,000 b/d.

For Canada, expectations are that total production will rise by some 100,000 b/d next year and dredging at the Vancouver port, which is currently underway, is set to be completed by 2027 to allow vessels to load at higher capacities.

For now, Opec+ will hold its production steady but increase volumes from those seen earlier in the year from the group are pressuring heavier values enough to help reinforce refinery decisions to switch away from lighter grades.

Gus Vasquez, Editorial Manager – Crude Oil

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Relevant conference topics:

Monday, 2 February 2026 — Pre-conference workshop

- Argus interactive workshop: Global crude market fundamentals and strategic insights for 2026–2027

Tuesday, 3 February 2026 — Main conference, Day One

- 13:50 – Keynote trader panel: How are crude traders interpreting the current volatility, and what signals are shaping their strategies?
- 14:30 – Producer panel: North America's oil frontier: innovation, consolidation, and growth in Permian and Bakken
- 16:00 – Freight panel: Adapting to changing crude export patterns

Wednesday, 4 February 2026 — Main conference, Day Two

- 10:00 – Refinery perspectives: What do today's refiners want and what does it mean for crude markets?
- 11:30 – Latin America's oil surge: Can it rebalance Western Hemisphere crude flows?
- 13:30 – Canada's infrastructure moment: What's required to make Canada a leading force in global heavy crude markets?



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