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Argus Crude and Refined Products Outlook



Summary

- Opec+'s unwinding of the November 2023 cuts has been achieved a full year ahead of the schedule originally agreed. The fact that Opec+ has managed to do this without significantly weakening prices has encouraged it to consider unwinding the 1.66mn b/d of cuts introduced in April 2023. Assuming a 12-month phase-out of the cut, this implies monthly increments of about 137,000 b/d.

- Despite the consensus that the unwinding will push the market into surplus, the producers themselves remain steadfast in their view that they are taking the right course of action. The still-robust macro-economic environment and the fact that prices have remained fairly resilient lend support to this perception. But key to Opec+'s resolve is the belief that further unwinding will in fact not result in much oil actually returning to market.

- Since the unwinding started, the amount of crude returned to market has been short of what could have been returned. The inability of some producers to raise output in line with their targets has helped to keep the market more balanced than it might otherwise have been. The unwinding process has to date also coincided with peak summer cooling season in the Middle East, which has kept around 0.35mn b/d of crude from the export market.

- With the end of the cooling season, this volume of crude could become available for export. On the other hand, it might just not be produced. This seems the most likely outcome, since Opec+ seems to be tailoring production to what the market needs. So far, there is no sign of competition for market share, and while this remains the case prices will remain relatively stable.

Near-term price drivers

	Bullish	Bearish
Fundamentals	▲ Non-OECD demand up year on year (esp. China, India, Brazil) ▲ Gasoline demand in US and Europe still up on year ▲ Opec+ returning less crude than planned on paper ▲ Sudan/South Sudan export disruption following attacks	▼ Autumn refinery maintenance season in Europe/US ▼ China independent refiners running out of crude import quotas ▼ End of summer peak demand season ▼ Record crude output in Brazil, Argentina, Guyana, US
Sentiment	▲ E3 give notice of snapback sanctions against Iran ▲ New floating EU price cap for Russian crude in effect on 3 Sep ▲ US-Venezuela tensions on the rise	▼ Opec+ could announce unwinding of Apr 23 production cuts ▼ Indian PM declares that India will keep buying Russian oil, despite US pressure
Macroeconomics	▲ China maintains healthy growth in exports to non-US destinations ▲ Expectations of US Fed September rate cut ▲ China private sector manufacturing PMI back into expansion territory in August ▲ India August manufacturing PMI at 17-year high	▼ Weak US August jobs report ▼ Growing concern over inflation in US and Europe ▼ Global bond market weakness and gold market strength ▼ Market uncertainty around US Appeals Court ruling on Trump's tariffs ▼ US imposes 50pc trade tariffs on India

Petroleum
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Overview

At its most recent meeting in early August, Opec+ went ahead and agreed to return a further 547,000 b/d in September — similar to August's increment. This means that by October, the eight Opec+ countries involved will have returned the entire 2.2mn b/d of voluntary cuts imposed in November 2023. The decision was widely anticipated by the market, which took it in its stride.

This unwinding process has been achieved a full year ahead of the schedule originally agreed. The fact that the alliance has managed to do this without significantly weakening prices has encouraged it to consider forging straight ahead with the unwinding of the 1.66mn b/d of voluntary cuts introduced in April 2023 — by the same eight producers plus Gabon. A meeting scheduled for 7 September, is expected to decide whether to do this, with some countries reportedly in favour and others more inclined to pause things. Assuming a 12-month phase-out of the cut, this implies monthly increments of about 137,000 b/d.

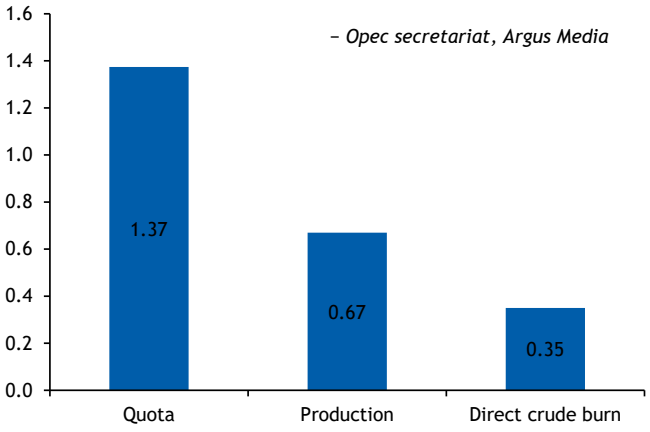
Despite the consensus that the Opec+ group's unwinding process will push the market into surplus, the producers themselves remain steadfast in their view that they are taking the right course of action. The still-robust macro-economic environment — despite the disruption surrounding US trade tariffs — and the fact that prices have remained fairly resilient clearly lend support to this perception. But key to producer resolve is the belief that a further extension to the unwinding process will in fact not result in much oil actually returning to market. The unwinding of the cut "will amount to nothing more than 700,000-800,000 b/d at best", one Opec+ delegate says. "If we bring it in a phased process, monthly increments will be around 60,000-70,000 b/d. The impact will be minimal."

There is no doubt that since the unwinding process started in April, the amount of crude returned to the market has been short of what could have been returned. Between March and July, quotas were raised by 1.37mn b/d, but actual production increased by just 0.67mn b/d — 49pc of the total possible (*see graph*) — although we should also note a combined 0.19mn b/d production increase from Nigeria and South Sudan during the same period.

The inability of some producers to raise their output in line with the unwinding process has clearly helped to keep the market more balanced than it might otherwise have been. Another important consideration is that the unwinding process has to date coincided with the peak summer cooling season in the Middle East, which diverts large amounts of crude in Saudi Arabia and Iraq for use in the power generation sector. This has probably kept around 0.35mn b/d from the export market.

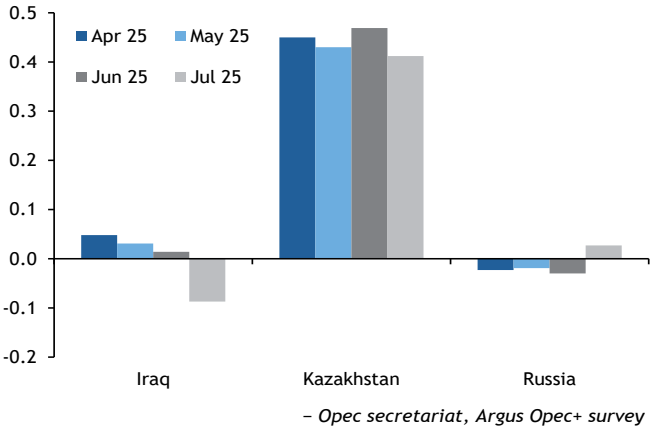
With the end of the summer's peak cooling season approaching, this volume of crude could become available for export. On the other hand, it might just not be produced. This seems the most likely outcome, since the alliance has seemed prepared to tailor production to what the market needs. So far, there is no sign of competition for market share, and while this remains the case prices will remain relatively stable.

Opec+ unwinding of the Nov23 round of cuts ***mn b/d***



– *Opec secretariat, Argus Media*

Production vs quotas after compensation ***'000 b/d***



– *Opec secretariat, Argus Opec+ survey*

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Summary of global oil balance												*mn b/d*
	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25	4Q25	2025	2026	2027
Demand	100.83	102.59	102.80	102.77	**102.25**	101.77	103.32	104.18	104.24	**103.38**	**104.27**	**105.16**
Supply	101.28	101.98	101.68	102.18	**101.78**	102.23	103.96	105.94	106.17	**104.58**	**106.84**	**109.78**
Opec crude	26.76	26.73	26.49	26.67	**26.66**	26.88	27.35	28.15	28.62	**27.75**	**28.64**	**29.68**
Opec NGL and condensate	5.40	5.40	5.40	5.40	**5.40**	5.56	5.56	5.56	5.56	**5.56**	**5.76**	**6.14**
Non-Opec crude and NGL	63.31	63.33	62.95	63.81	**63.35**	63.89	64.46	65.11	65.38	**64.71**	**65.70**	**67.08**
Other supply	5.81	6.52	6.84	6.30	**6.37**	5.89	6.59	7.12	6.61	**6.55**	**6.74**	**6.87**
Global balance*	0.32	-0.69	-1.22	-0.71	**-0.58**	0.35	0.58	1.77	1.93	**1.16**	**2.58**	**4.62**

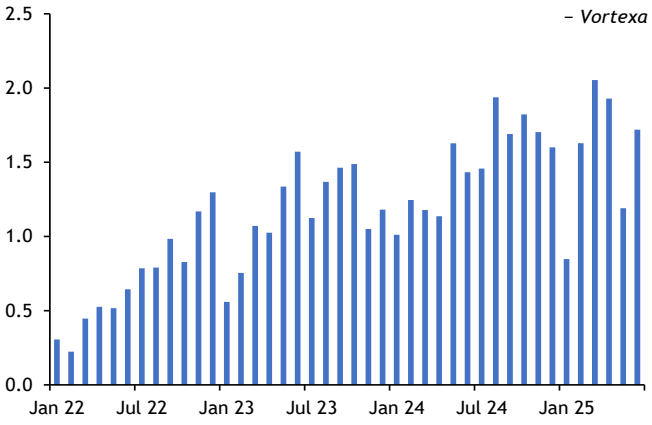
**equivalent to global stock change, assuming Opec+ production cuts get unwind as per official Opec+ announcements at the time of publication, but excluding compensation*

Also helping is the fact the compensation mechanism agreed in April appears to be starting to deliver results. Two of the three key overproducers from the past do appear to have kept their production close to where it should be in recent months, after taking into account compensation (*see graph*). Only Kazakhstan continues to blatantly overproduce. It is possible that compliance by Russia and Iraq might not be entirely voluntary and more just the result of circumstance — but this must nevertheless be helping to keep in check any tendency to compete for market share within the alliance.

For the moment, the unwinding process is proceeding without destabilising the market, but only because it is not actually happening as planned. And we should remind ourselves of our observation last month that since the start of 2023 more than 800mn bl of crude has 'vanished' into the Chinese system. This simply confirms the consensus that unwinding the Opec+ cuts risks oversupply and lower prices.

The constant background noise of sanctions is also helping keep prices supported. In latest developments, the US Treasury's Office of Foreign Assets Control has sanctioned two more Chinese oil terminals along with a Greek shipping company that has been involved in carrying Iranian crude. These latest moves are apparently aimed at reducing the flow of Iranian crude to China. In March-July, four other terminals were placed under sanctions.

Chinese crude imports from Iran *mn b/d*



Iranian crude typically prices $7-8/bl below competing grades on a delivered basis, making it highly attractive to Chinese refiners. Iranian crude now averages around 15pc of total Chinese imports and there is every likelihood that the low prices offered for Iranian crude will be enough to keep volumes flowing, despite this new round of sanctions. Although flows dipped after the first round of sanctions on import terminals in March, they had rebounded to 1.7mn b/d in July — not too far off the record 2mn b/d that was seen in March (*see graph*).

A much more severe threat to Chinese crude imports could be emerging from signs that the government will not be issuing any more crude import quotas to the Shandong province's independent refiners this year. Many of Shandong's independent refiners had used up 80pc of their 2025 crude import quotas by the end of August and — as usual — had been expecting to be able to continue buying crude through to the end of the year by 'borrowing' from their 2026 allowances. Several of the Shandong operators submitted applications in August for an early batch to be borrowed from 2026, with the expectation that another batch would be approved by the authorities in October. These requests, however, have been turned down, with the government apparently taking steps to reduce competition — and improve profitability — by forcing some of the less efficient producers to shut up shop. The last thing that the Opec+ alliance wants to see as it seeks to build back share is reduced demand in the world's largest crude import market.

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Forecast crude prices									$/bl
	Aug	Sep	Oct	Nov	3Q25	4Q25	2025	2026	2027
Ice Brent	67.26	67.10	66.10	65.20	68.00	65.10	**68.70**	**68.10**	**70.90**
Nymex WTI	64.02	63.60	62.60	61.70	64.90	61.60	**65.40**	**65.10**	**67.90**
North Sea Dated	68.24	68.00	67.00	66.00	69.10	66.00	**69.60**	**69.00**	**71.80**
Urals fob Primorsk	55.70	55.30	54.30	53.30	56.70	53.00	**56.20**	**53.50**	**56.60**
Urals Aframax fob Novorossiysk	56.15	55.70	54.90	53.90	57.00	53.70	**56.80**	**54.10**	**57.20**
Kebco cif Augusta	71.24	71.00	69.00	68.40	72.10	68.50	**71.80**	**71.40**	**73.90**
Johan Sverdrup	69.21	68.20	66.90	66.30	70.10	66.50	**70.40**	**69.50**	**72.40**
Saharan Blend	69.28	68.90	67.50	66.60	70.00	66.60	**70.20**	**69.40**	**72.90**
BTC Blend	69.79	70.20	69.70	68.70	71.20	68.60	**72.20**	**71.90**	**75.30**
CPC Blend	67.32	66.80	65.10	64.00	67.90	64.00	**67.60**	**66.60**	**69.80**
Qua Iboe	69.70	68.70	68.90	68.10	70.60	68.10	**71.00**	**70.20**	**73.00**
Dalia	69.05	67.80	68.00	67.60	69.50	67.40	**70.20**	**68.50**	**72.20**
Girassol	70.29	69.00	68.10	67.10	70.70	67.10	**71.20**	**70.50**	**73.40**
WTI Midland	64.79	64.80	63.70	62.70	65.80	62.80	**66.40**	**66.00**	**69.50**
WTI Houston	65.14	65.10	64.00	63.00	66.10	63.00	**66.70**	**66.30**	**69.80**
Mars	63.96	63.60	62.10	61.60	64.90	61.40	**66.00**	**64.90**	**67.90**
WCS Hardisty	50.81	50.30	49.20	48.60	52.00	48.40	**53.00**	**51.50**	**55.00**
WCS Houston	60.08	59.20	57.70	57.20	61.00	56.90	**61.50**	**61.80**	**65.00**
Vasconia	64.96	64.10	61.50	61.30	65.40	61.10	**65.40**	**64.90**	**68.30**
Dubai	69.27	68.90	67.80	67.00	69.70	66.80	**70.00**	**68.30**	**71.00**
Murban	70.10	69.00	68.00	67.20	70.10	67.10	**70.30**	**69.00**	**71.60**
ESPO Blend	63.34	62.10	60.80	59.90	63.50	59.40	**62.50**	**60.20**	**63.40**

Forecast crude differentials									$/bl
	Aug	Sep	Oct	Nov	3Q25	4Q25	2025	2026	2027
Ice Brent vs North Sea Dated	-0.98	-0.90	-0.90	-0.80	-1.10	-0.90	**-0.90**	**-0.90**	**-0.90**
Urals fob Primorsk vs N Sea Dated	-12.54	-12.70	-12.70	-12.70	-12.40	-13.00	**-13.40**	**-15.50**	**-15.20**
Urals Novo vs Urals Primorsk	0.45	0.40	0.60	0.60	0.30	0.70	**0.60**	**0.60**	**0.60**
Urals fob Novo vs N Sea Dated	-12.09	-12.30	-12.10	-12.10	-12.10	-12.30	**-12.80**	**-14.90**	**-14.60**
Kebco cif Augusta vs N Sea Dated	3.00	3.00	2.00	2.40	3.00	2.50	**2.20**	**2.40**	**2.10**
Johan Sverdrup vs North Sea Dated	0.97	0.20	-0.10	0.30	1.00	0.50	**0.80**	**0.50**	**0.60**
Saharan Blend vs North Sea Dated	1.04	0.90	0.50	0.60	0.90	0.60	**0.60**	**0.40**	**1.10**
BTC Blend vs North Sea Dated	1.55	2.20	2.70	2.70	2.10	2.60	**2.60**	**2.90**	**3.50**
CPC Blend vs North Sea Dated	-0.92	-1.20	-1.90	-2.00	-1.20	-2.00	**-2.00**	**-2.40**	**-2.00**
Qua Iboe vs North Sea Dated	1.46	0.70	1.90	2.10	1.50	2.10	**1.40**	**1.20**	**1.20**
Dalia vs North Sea Dated	0.82	-0.20	1.00	1.60	0.40	1.40	**0.60**	**-0.50**	**0.40**
Girassol vs North Sea Dated	2.05	1.00	1.10	1.10	1.60	1.10	**1.60**	**1.50**	**1.60**
Nymex WTI vs Ice Brent	-3.24	-3.50	-3.50	-3.50	-3.10	-3.50	**-3.30**	**-3.00**	**-3.00**
WTI Midland vs Nymex WTI	0.77	1.20	1.10	1.00	0.90	1.20	**1.00**	**0.90**	**1.60**
WTI Houston vs Nymex WTI	1.12	1.50	1.40	1.30	1.20	1.40	**1.30**	**1.20**	**1.90**
Mars vs Nymex WTI	-0.06	0.00	-0.50	-0.10	0.00	-0.20	**0.60**	**-0.20**	**0.00**
WCS Hardisty vs Nymex WTI	-13.21	-13.30	-13.40	-13.10	-12.90	-13.20	**-12.40**	**-13.60**	**-12.90**
WCS Houston vs Nymex WTI	-3.94	-4.40	-4.90	-4.50	-3.90	-4.70	**-3.90**	**-3.30**	**-2.90**
Vasconia vs Nymex WTI	0.94	0.50	-1.10	-0.40	0.50	-0.50	**0.00**	**-0.20**	**0.40**
Dubai vs Ice Brent	2.01	1.80	1.70	1.80	1.70	1.70	**1.30**	**0.20**	**0.10**
Murban vs Ice Brent	2.84	1.90	1.90	2.00	2.10	2.00	**1.60**	**0.90**	**0.70**
ESPO Blend vs Dubai	-5.93	-6.80	-7.00	-7.10	-6.20	-7.40	**-7.50**	**-8.10**	**-7.60**

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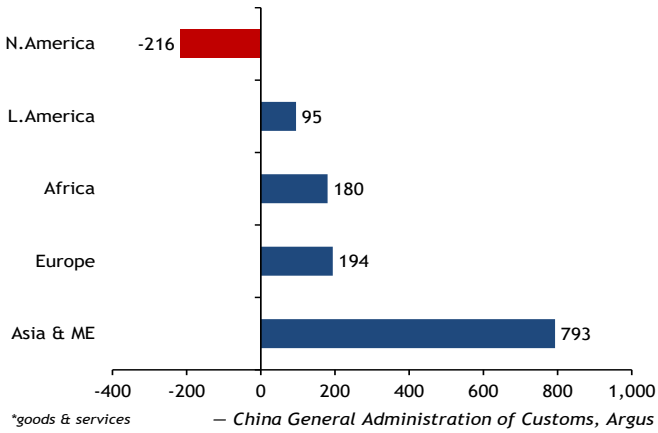
Macroeconomics and financial markets

During last year's election campaign, Donald Trump singled out Beijing as the key target in his proposed recalibration of global trade through import tariffs. So it is little surprise Chinese exports of goods and services to North America in January-July were down by 10pc year on year — a drop of more than 200bn yuan ($28bn). While well below the triple-digit levies mooted in April, tariffs nonetheless represent one more economic and financial headwind for China. July retail sales and fixed asset investment data show slowing momentum again, with real estate investment particularly weak — down by 12pc on the year in January-July. This slump is weighing on demand for commodities including steel and diesel, with severe knock-on impacts for broader consumer sentiment, as over 60pc of Chinese savings are tied-up in property.

Overall commodity imports were down by 3pc in the first seven months of the year, with coal, iron ore, natural gas and agricultural imports all looking weak. The recent agreement between Russia's Vladimir Putin and China's Xi Jinping to move ahead with the Power of Siberia 2 natural gas pipeline project was short on price and contract details, with any deliveries in any case unlikely to emerge until well into the 2030s. Moreover, Beijing probably holds most of the cards in upcoming negotiations since Russia's Gazprom will rely heavily on Chinese financing to build the line, while Moscow will have every incentive to ensure a competitive source of supply for volumes equivalent to around 25pc of those lost when Russian turned off pipeline supplies to Europe.

Chinese monthly consumer price inflation has averaged minus 0.1pc year on year so far in 2025. Ongoing fiscal and monetary stimulus will be crucial if China hopes to avoid a deflationary spiral, with the recent appreciation of the yuan against the US currency potentially providing some breathing space for the People's Bank of China to modestly loosen its monetary policy, without encouraging capital flight. Assuming an August agreement between Washington and Beijing to extend their trade truce can endure, there will in any case be less pressure on the central bank to weaken the currency any further.

China Jan-Jul25 exports*: Yr-on-yr change ***bn yuan***



*goods & services — China General Administration of Customs, Argus

More likely, stimulus will be predominantly fiscal in nature and continue to target high-tech manufacturing, in contrast to the infrastructure and property sector support of the 2010s. Indeed, despite the fall in exports to the US, aggregate Chinese exports during January-July were up by 7pc on the year, or by just over 1 trillion yuan. Beijing's policy makers are seemingly content to rely for now on industrial production and exports to sustain economic growth near the 5pc target for 2025. This could help to underpin commodity imports in the short term, but it does little to advance a necessary structural transformation of the Chinese economy away from reliance on export and towards a greater contribution from domestic demand.

China's imports of crude (up by 3pc year on year) and copper (up by 6pc) so far in 2025 illustrate how an economy confronting slowing growth can nevertheless contain pockets of expansion. Weaker absolute crude prices in 2025 have seen a 370,000 b/d rise in crude imports, with much of this funnelled into strategic storage. When it comes to refined products, apparent consumption still shows growth for jet fuel, LPG, gasoline, bunker fuels and intermediate products, offsetting declines in the use of diesel and naphtha.

Forecasters at Oxford Economics assume that ongoing stimulus and easing trade tensions with the US will help drive 4.7pc Chinese GDP growth this year and 4pc in 2026. Despite the likelihood that domestic oil product demand growth will continue to slow, China remains an 11.4mn b/d crude importer, so its economic health is a key preoccupation for Opec+ ministers who are due to meet this Sunday to decide output policy. While the worst of China's trade tariff spat with Washington might now have passed, however, the economic impact of looming US port fees on Chinese built and operated vessels that are supposed to take effect from October remains to be seen.

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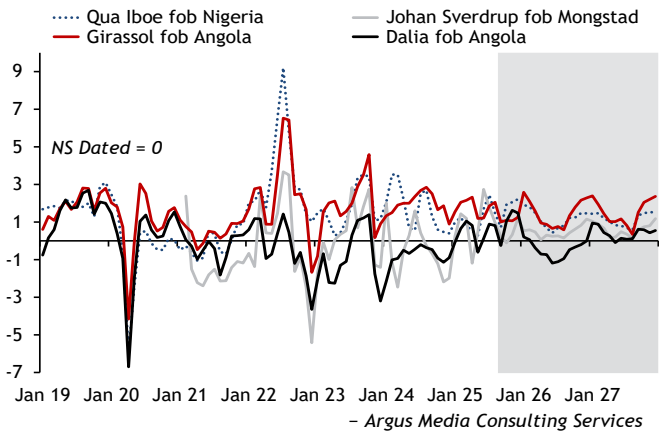
Northwest Europe

Most grades in northwest Europe will be coming under some degree of downwards pressure in the short term as overall demand for crude slows in Europe with the onset of autumn refinery maintenance. The exception has been WTI delivered to Rotterdam, which has seen a rebound in recent sessions for cargoes delivered in September-October, supported by Asian demand. Greater demand for WTI from Asian buyers has reduced availability for European refiners. Around 56mn bl of WTI was booked to head east this month, and some 50mn bl will load in October, according to traders. This could mark a new record high for WTI shipments to Asia-Pacific. Data from Vortexa put the existing high at slightly over 46mn bl — in March last year.

Since late July, light sweet WTI has also looked more competitive for Asian refiners against rival Abu Dhabi light sour Murban, according to Argus data. Higher prices for Murban have also opened the eastbound arbitrage for Kazakh-origin light sour CPC Blend. Both WTI and CPC Blend are staple light grades for European refiners, together comprising almost a quarter of total European crude imports since 2023. Higher flows of the two grades — especially of WTI — to Asia in September and October would have tightened availability for European buyers of cargoes for delivery from mid-September to mid-November. Transatlantic freight rates rose slightly in August for both Aframax and Suezmax vessels, and this added modest support for delivered WTI values.

But most North Sea light sweet grades, as well as medium sour Johan Sverdrup, are set to lose ground as summer demand for road fuels fades and as the autumn maintenance season approaches. Light crude prices have come under pressure as ample light/medium sweet supplies from the US, west Africa, north Africa, Brazil, Argentina, Guyana, Kazakhstan and Norway outpace demand. Permanent refinery closures have also reduced European crude demand this year, while crack spreads for naphtha and gasoline — key products yielded by many light grades — have remained weak. But the higher Asian demand for WTI we referenced earlier could limit losses for some Atlantic basin light sweet grades. Asian refiners seek WTI around two weeks earlier than European buyers because of the longer shipping time involved. Greater Asian appetite reduces the volume that is available for Europe.

Atlantic basin crudes vs North Sea Dated ***$/bl***



– *Argus Media Consulting Services*

For Johan Sverdrup, further downward pressure could emerge should Saudi Aramco decide to cut official formula prices for its October-loading cargoes — something that would probably result in more Saudi barrels hitting the market. Riyadh's production quota under the Opec+ alliance's agreement increased to 9.98mn b/d this month — up by 1mn b/d from March — although it remains to be seen whether or not actual output will hit this level. Recent increases in Saudi output have not necessarily translated into a rise in exports, particularly to Europe. But from September, a drop in Mideast Gulf countries' demand for crude to power air conditioning should see Aramco and other Mideast Gulf producers boosting their exports. These exports would have to be competitively priced in order to attract European refiners at a time of seasonally lower demand and ample supply. For medium grades with high middle-distillate yields, one factor that could put a floor under losses is the fact that middle distillate crack spreads are still firm and are forecast to remain so for September-October.

Europe's ebbing demand has also weighed on differentials for west African grades. The availability of competitively priced WTI — as well as crudes from Brazil, Guyana and the Mediterranean — has also pressured European demand for Nigerian crude and left an overhang of September cargoes into the October trade cycle. Market participants said that 10-15 of at least 46 scheduled September-loading cargoes of Nigerian crude have yet to find a buyer. Demand for Angolan crude from China has also been lacklustre as the country has been buying up large volumes of Brazilian crude. China's purchases of November-arrival Brazilian crude were running at 1mn b/d by late August, building on the high volumes bought for October.

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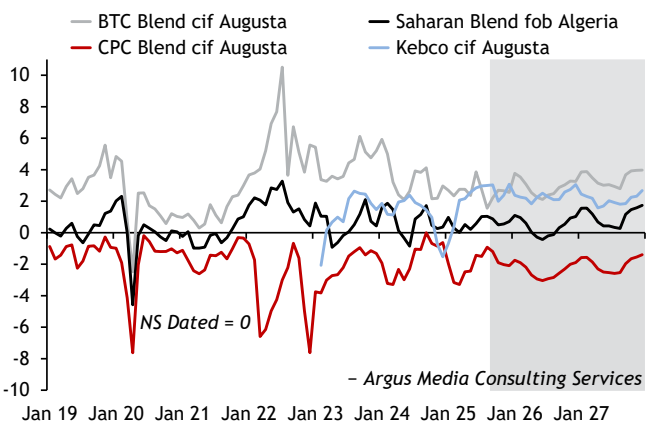
Mediterranean

Caspian light sour CPC Blend gained ground last month thanks to firm European demand, particularly from Rotterdam. Eastbound arbitrage economics were also favorable as the front-month Brent-Dubai EFS — Ice Brent's premium to Dubai swaps and a key measure of the west-east arbitrage — narrowed to 42¢/bl in August, in from the $1.41/bl average in July and the smallest since April. The EFS actually fell to an unusual discount of 9¢/bl on 27 August — the first negative spread since 4 April. A narrower EFS makes Dated-linked crudes such as CPC Blend more competitive than Dubai-linked alternatives such as Murban. As a result, Asian refiners booked at least 5mn bl (167,000 b/d) of September-loading Kazakh-origin CPC Blend for delivery in October-November. Around 4mn bl (130,000 b/d) of Kazakh CPC Blend was heard booked for the region in August, up from around 30,000 b/d shipped east in June-July. CPC Blend could continue finding support if the favourable eastbound arbitrage economics hold, although the EFS had crept back up to 60¢/bl as of 4 September and no October-loading CPC Blend cargoes have been heard booked to sail east.

Caspian light sweet BTC Blend regained ground last month after Azerbaijan's state-owned Socar suspended loadings of the grade from Ceyhan on 22 July, after high levels of organic chlorides were detected, although supplies resumed the next day. BTC Blend was shunned for a brief period by buyers in the Mediterranean — its main market — because of the quality concerns. BP said on 1 August that BTC Blend's quality had returned to normal.

Both CPC Blend and BTC Blend, as well as Algeria's Saharan Blend, are likely to lose ground this month against North Sea Dated as Europe's refinery maintenance season starts to get under way. But BTC Blend and Libya's medium sweet Es Sider have higher middle distillate yields than CPC Blend and Saharan Blend, and this — given the strength of middle distillate crack spreads — should limit any downside for the two grades.

Med/Caspian grades vs North Sea Dated *$/bl*



Although autumn maintenance season is upon us, a key Mediterranean plant brought back on stream a damaged CDU last month, which could provide support for certain Mediterranean grades. Crude deliveries to Motor Oil Hellas' Corinth refinery in Greece rose to an 11-month high in August, as the company brought a CDU back on line following a fire — apparently ahead of schedule. Corinth crude receipts rose to 200,000 b/d last month from 95,000 b/d in July, according to Argus tracking. Receipts in the first eight months of the year averaged just over 95,000 b/d, down from 185,000 b/d for the whole of 2024. Deliveries were cut after a fire severely damaged one of two CDUs on 17 September 2024. Originally, the CDU was scheduled to restart in the third quarter, and to return to capacity in the fourth quarter, but it appears that the unit was already running at full tilt in August. Last month, MOH received 130,000 b/d of Iraqi Basrah Medium, plus 35,000 b/d each of CPC Blend and Es Sider — all staple grades at Corinth.

In the case of Basrah Medium, however, it is not certain that the grade will see much actual price upside — despite a key customer like Corinth taking more cargoes. This is because exports from the Mideast Gulf are likely to start increasing with the seasonal drop in domestic direct crude burn in the region following peak demand for cooling in the summer months. Meanwhile, at a meeting on 7 September, Opec+ will consider whether eight core members will unwind a 1.65mn b/d second tranche of additional output cuts that were scheduled to remain in place until the end of next year. But the probable slow pace of any unwinding means the effect could be muted. The group is weighing a 12-month phase-out of the 1.65mn b/d output cut, delegate sources have told Argus, implying monthly increments of about 138,000 b/d. And the group expected to maintain the flexibility to increase, pause, reduce or even reverse the policy on a month-to-month basis. Riyadh's production quota under the Opec+ agreement has increased to 9.98mn b/d this month — 1mn b/d higher than March — although it remains to be seen if actual output will hit this level.

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US

Nymex WTI's (Cushing) discount to Ice Brent widened last month to an average of $3.24/bl, out from July's $2.31/bl, which was the smallest monthly average discount since November 2021. So far this month, the spread has widened further to an average of $3.62/bl, which if it holds for all of September would be the widest for a full month since February this year. This widening is a reflection of higher US crude stocks as refineries gradually rein in throughputs now that the summer peak demand season is coming to a close and autumn maintenance is nearly upon us. At the same time, final EIA monthly data show that US crude output hit a fourth consecutive record high in June — rising by 133,000 b/d from May to 13.58mn b/d. Gains were reported in each of the largest producing areas — although the growth rate has slowed significantly. Furthermore, light sweet supplies in the Atlantic basin are on the rise because of record production from Brazil, Guyana and Argentina, while deliveries from Nigeria and Norway have also been climbing.

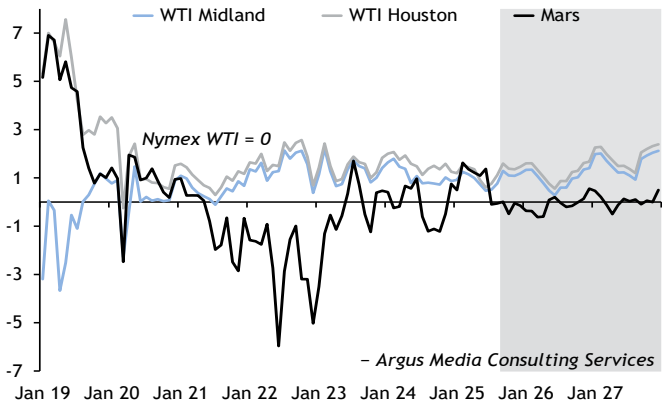
But at the same time, Nymex WTI's widening discount to the international benchmark meant there was more room for WTI Houston and WTI Midland differentials to strengthen against Nymex WTI — these averaged $1.12/bl and 77¢/bl last month, up from 76¢/bl and 51¢/bl in July, respectively. So far this month, these premiums to Nymex WTI have risen further — to a respective $1.37/bl and $1.09/bl. This is a reflection of how a wider WTI-Brent spread improves the export arbitrage for US crudes.

As a result of the export arbitrage being more favourable, firm demand for WTI emerged from Asia-Pacific and this could tighten WTI availability for European refiners. Some Asian buyers, including Indian refiners, are turning to WTI for its competitive pricing, and because Asian refiners typically book cargoes earlier, their appetite reduces the volumes available for Europe, where WTI has been the largest crude on the slate since late 2022. WTI Houston and Midland are likely to continue to find support from strong export demand from Asian buyers as WTI is looking more competitive for them than rival Abu Dhabi light sour Murban.

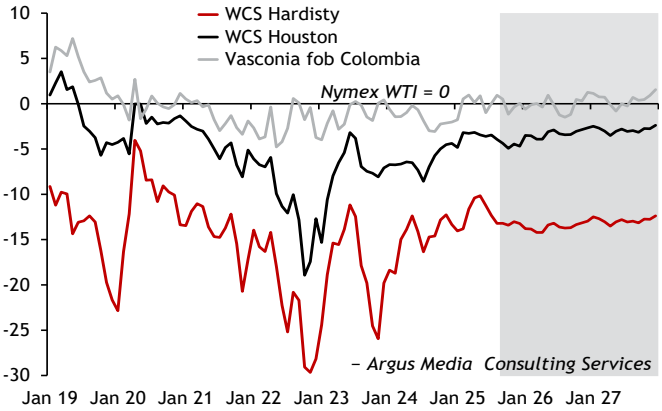
Medium sour Mars firmed slightly last month compared with July, but maintained a discount to Nymex WTI as a jump in medium and heavy sour crude supplies from Canada, Venezuela and Opec+ pressured sour values in the US. Venezuela registered as a source of imports for the US for the first time in seven weeks — deliveries from the South American country were at 74,000 b/d in the week to 22 August. Venezuelan crude has been able to return to the US after Chevron's licence was reinstated. Chevron previously had to wind down most of its work in the South American country by 27 May under orders from the Donald Trump administration. Before this, exports to the US from Venezuela were running at an estimated 200,000 b/d.

Production is also growing in the US Gulf of Mexico — averaging 1.92mn b/d in June, up from 1.85mn b/d in May and the highest since October 2023. Meanwhile, in Canada's top oil-producing province of Alberta, crude output was up by 8pc on the year in July as oil sands projects continued to ramp up after completing planned turnarounds during the second quarter. As a result, Canadian and Colombian medium/heavy sour values are all expected to face some downward pressure.

WTIs and Mars vs Nymex WTI *$/bl*



WCS and Vasconia vs Nymex WTI *$/bl*



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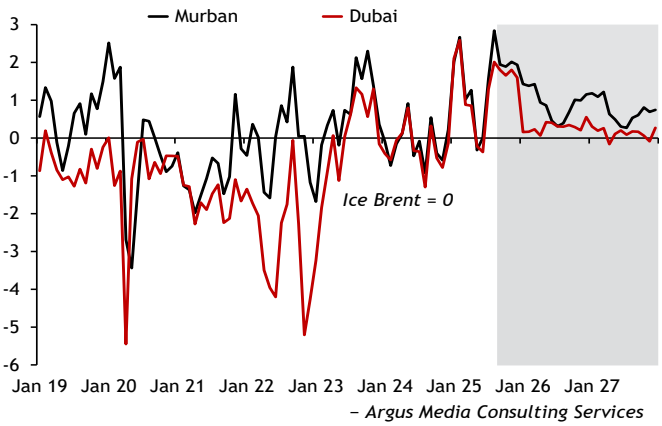
Asia-Pacific

Medium sour Dubai strengthened against Ice Brent last month to average an exceptionally strong premium of $2/bl, while light sour Murban surged to a record monthly premium to Ice Brent of $2.80/bl. The two Mideast benchmarks drew support from the prospect of increased demand after the US imposed sanctions on two oil terminals in China on 22 August for allegedly allowing the docking of vessels carrying Iranian crude. The new sanctions spurred demand for Mideast crude as buyers of Iranian crude looked for alternatives. Tension in the Mideast Gulf — as Iran laid the groundwork for ending co-operation with UN nuclear watchdog the IAEA — also helped push Dubai values higher.

As part of this same strengthening Mideast dynamic, the front-month October Brent-Dubai exchange of futures for swaps (EFS) — the premium of October Ice Brent futures to October Dubai swaps — fell to an unusual discount, of 9¢/bl, on 27 August. This was the first time the EFS had been in negative territory since 4 April and helped the EFS average of 42¢/bl in August. The Brent-Dubai EFS is a key indicator of arbitrage opportunity — a weaker EFS makes Dated-linked crude from the Atlantic basin more economical for Asia-Pacific refiners against Dubai-linked crude from the Mideast Gulf. But as it becomes more attractive to ship crude from the Atlantic basin to Asia-Pacific, Dubai and other Mideast Gulf grades will lose ground because of greater competition.

Asia-Pacific refiners booked at least 5mn bl of September-loading Kazakh-origin light sour CPC Blend in August, with the narrowing EFS. CPC Blend competes with Abu Dhabi's Murban as a light sour feedstock for Asian refiners.

Dubai and Murban vs Ice Brent ***$/bl***



– Argus Media Consulting Services

On the other hand, the Dubai backwardation — the premium of front-month October Dubai to the third-month December contract — averaged $2.48/bl last month, 44¢/bl down from the July average. The Opec+ eight — Saudi Arabia, Russia, Iraq, the UAE, Kuwait, Kazakhstan, Algeria and Oman — on 3 August raised their collective crude production target by 547,000 b/d for September, effectively releasing all of the 2.46mn b/d production increase, including a 300,000 b/d capacity-related adjustment for the UAE, a year ahead the initial schedule. The narrower Dubai backwardation in turn will most likely prompt Mideast Gulf producers, including Saudi Aramco, to lower official formula prices for their October-loading crude exports.

Overall, however, fundamentals remain broadly supportive of sour crude values, which have been propped up by tighter balances than those for light sweet crudes, as well as the persistent threat that more stringent sanctions will further reduce exports from Iran, Venezuela and Russia. The tighter heavier crude balances stem not only from Opec+ holding back barrels, but also from the demand side as the vast majority of incremental refining capacity that has come on stream over the course of recent years — globally, but especially east of Suez — is complex, with refineries equipped with hydrocrackers and cokers that allow for the processing of medium and heavy sour crude. This is an underlying dynamic that will keep medium sour crude values stronger for longer, even if the Opec+ alliance keeps returning production to the market.

And in the short term, there is likely to be more Opec+ crude hitting the market since the end of the peak summer demand period for air conditioning in the Mideast Gulf means that producers such as Saudi Arabia will have more oil available for export — even if they keep their rates of production relatively stable. And increased flows of medium sour Urals crude could emerge from Russia over the short term, given that Ukraine's summer campaign of drone attacks on refineries appears to be having a significant negative effect on Russia's downstream sector, with repairs still under way at several facilities. Recent strikes have probably forced several hundred thousand barrels a day of primary processing capacity off line in Russia, as well as damaging secondary units. But the availability of medium sour grades is under the perennial threat of more severe sanctions against Iran, Venezuela and Russia.

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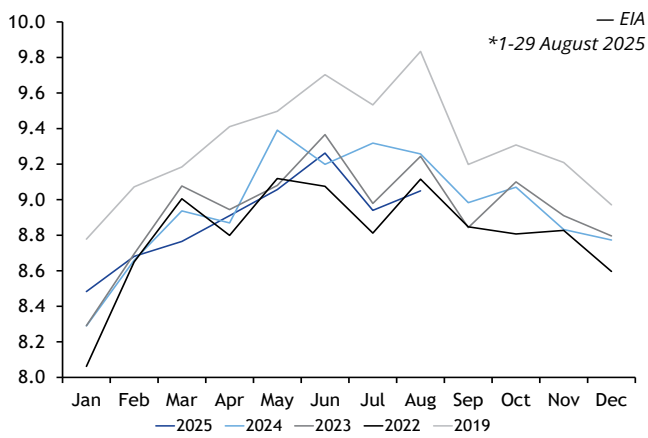
Light distillates

Gasoline cracks in northwest Europe were up by $2.16/bl on the month at $14.56/bl in August, even as exports of gasoline remained weak. Exports from northwest Europe were down by 26pc on the year at 643,000 b/d in August, according to preliminary data from Kpler. While regional demand has been firm through the summer driving season, this has not been enough to offset the structural decline in gasoline exports from the region. Instead, weakening crude and steady outright gasoline prices have supported rising cracks. North Sea Dated fell by 4pc in August, while outright northwest European gasoline values fell by just 1pc.

Weakening crude also supported gasoline cracks in the US, which rose by $3.26/bl to $16.37/bl in August. US gasoline demand was up on the month, but still down by 2pc on the year on 1-29 August, according to the latest EIA data.

As demand ebbs now that summer driving season has ended in the Atlantic basin, we see cracks falling, with further pressure from the transition to winter-specification gasoline in the latter part of the month. Autumn refinery maintenance will tighten supply, providing a floor for cracks. This will be particularly evident in northwest Europe, drawing more exports from the region. The RFCC at Nigeria's Dangote refinery was shut in early September, according to market participants, which would suggest a greater import requirement for west Africa, although Dangote denies the shutdown. Heavy maintenance in the Middle East will reduce supply in an already tight market, further buoying demand for European gasoline as we move into the fourth quarter.

US gasoline demand ***mn b/d***



Singapore gasoline cracks rose by $2.09/bl to $10.38/bl in August, supported by tighter supply from reduced Chinese exports, which fell by over 100,000 b/d, according to preliminary Kpler data. Sentiment remains firm as the current clean product export quota runs down, while heavy refinery maintenance in northeast Asia lends further support.

Naphtha cracks strengthened across the regions, driven by concern over reduced Russian exports and by firmer gasoline cracks. Ukraine stepped up drone strikes in August and damaged two of Novatek's three splitters at Ust-Luga — Russia's largest naphtha export hub. With volumes expected to fall, Asia — Novatek's key outlet — faces tighter supply. And this coincides with maintenance at several Middle Eastern refineries, which are significant exporters of naphtha to Asia.

Naphtha cracks on the US Gulf coast staged the strongest recovery, climbing to a three-month high. The crack rose by $3.40/bl, narrowing the discount to WTI Houston to just $0.60/bl in August. Stronger gasoline cracks as well as the anticipation of naphtha exports to Venezuela, contributed to naphtha cracks strengthening in the region.

Propane prices hit a two-year low in August, boosting the product's use in Europe's flexible steam crackers at the expense of naphtha. But as winter approaches, LPG prices are expected to rebound as buyers restock, creating upside potential for naphtha cracks though the rest of the year.

Light distillates crack spreads					*$/bl*
	Jul	Aug	Sep	Oct	Nov
Northwest Europe vs North Sea Dated					
Naphtha 65 para	-8.92	-5.82	-5.50	-5.30	-5.10
Gasoline Eurobob non-oxy	12.42	14.58	14.10	9.30	9.00
Mediterranean vs North Sea Dated					
Naphtha 65 para	-11.15	-8.01	-7.60	-7.60	-7.40
95R gasoline	14.50	16.73	16.50	11.10	11.00
US Gulf coast vs WTI Houston					
Naphtha	-4.03	-0.64	-0.20	-0.10	-0.40
87 conv gasoline (ex RVO)	13.10	16.37	15.90	9.70	6.40
Singapore vs Dubai					
Naphtha	-7.95	-6.57	-5.50	-4.90	-4.80
Naphtha Japan c+f	-6.12	-4.71	-3.80	-3.40	-3.30
95R gasoline	8.75	10.83	10.60	9.40	7.50

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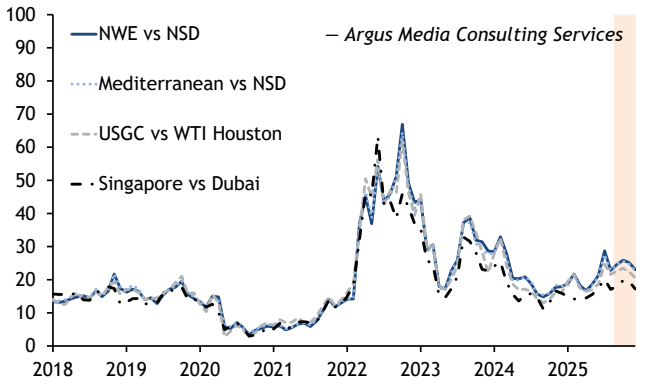
Middle distillates

Diesel cracks weakened following signs of rising inventories, especially in the US, and increased arbitrage flows from east to west, which helped ease prompt tightness in Europe. While the recent easing in market tightness offers temporary relief, it does little to conceal the underlying fragility in supply, especially as key refining hubs approach autumn maintenance season. With this in mind, we see crack spreads staying elevated through to the end of the year.

Diesel inventories in the US have increased steadily since early July and had reached their highest since late March, at around 115mn bl, by mid-August, as refinery runs rose and refiners prioritised diesel production, EIA data show. Elevated European prices in the wake of the Israel-Iran war also improved the arbitrage economics and led to an influx of cargoes from east of Suez. But any relief is likely to be temporary, as underlying tightness persists and inventories remain below historical norms, despite recent gains. Europe remains reliant on trans-regional flows to bridge the supply gap, driven by reduced refining capacity and a shift towards a lighter, sweeter crude slate.

All of this will coincide with seasonal tightness, as refineries in key hubs head into peak maintenance during September-October. As such, sentiment remains bullish, as reflected by the initial price reaction following reports of Ukrainian drone attacks on Russian refining assets around mid-August. While a significant decline in Russian diesel exports is not anticipated, the recent strength in Mediterranean diesel prices suggests growing concern among regional buyers regarding supply security. These worries are compounded by the recent flare-up of Houthi attacks on vessels in the Red Sea.

Diesel crack spreads *$/bl*



The upcoming EU ban on imports of refined products made from Russian crude could see a repeat of market dynamics before the EU embargo of Russian products in early 2023. The new restriction will mostly affect Turkish and Indian refiners, while European buyers could rush to stockpile ahead of the ban, potentially driving diesel prices higher after a year of limited inventory building.

The northwest European jet fuel crack softened by $1.86/bl to $20.10/bl in August, following the diesel crack trend and as the region received record-high jet fuel imports. That pushed up independently held ARA stocks by 21pc month on month to 7.8mn bl in August — the highest in four years. China and South Korea drove these robust receipts, with flows stimulated by arbitrage economics as the Europe-Asia jet fuel premium consistently exceeded $8/bl for a month from mid-June, up from $5/bl a year earlier.

We do not see such strong flows persisting. Not only has the spread softened to around $4/bl, but a heavy Asian refinery turnaround schedule coupled with increased kerosene demand from Japan as it stockpiles for winter, should keep regional flows east of Suez. This month, we expect cracks to remain elevated, supported by the diesel market rather than fundamentals, with supply west of Suez still ample.

Middle distillates crack spreads					*$/bl*
	Jul	Aug	Sep	Oct	Nov
Northwest Europe vs North Sea Dated					
Jet-kerosine	21.96	20.11	21.30	21.30	20.40
10ppm diesel	28.74	22.84	24.60	25.90	25.20
1,000ppm heating oil	24.98	20.24	22.00	22.00	21.40
Mediterranean vs North Sea Dated					
Jet-kerosine	20.25	18.54	20.30	19.70	18.80
10ppm diesel	27.60	22.83	24.70	25.60	24.80
1,000ppm heating oil	27.56	20.91	22.60	22.40	21.80
US Gulf coast vs WTI Houston					
Jet-kerosine	23.66	21.26	22.10	22.50	21.50
10ppm diesel (ex-RVO)	24.64	21.58	22.70	23.50	22.40
15ppm heating oil (NYH)	29.89	24.38	26.20	27.90	27.40
Singapore vs Dubai					
Jet-kerosine	16.29	15.18	15.40	16.30	15.90
10ppm diesel	20.06	17.08	18.10	19.70	19.50
500ppm gasoil	18.87	16.10	17.20	18.70	18.90

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Fuel oil

High-sulphur fuel oil (HSFO) crack spreads softened across the major refining hubs in August, with the downwards pressure likely to persist at a time of rising supply and waning refining feedstock demand.

On the US Gulf coast, HSFO cracks declined to a $3/bl discount, after briefly reaching parity with crude in July. This drop was driven by the resumption of Venezuelan crude imports, which eased the pressure on US refiners seeking heavy feedstocks. Additional supply of medium and heavy crude could also come from Canada and Opec+ members. And HSFO imports into the US Gulf coast have been rising since June and are projected to increase further in September. Unlike in the US, HSFO crack spreads in Asia have been trending lower since July, prompting a redirection of flows to the US Gulf coast. As a result, residual fuel oil stocks in the region have begun to recover from historical lows.

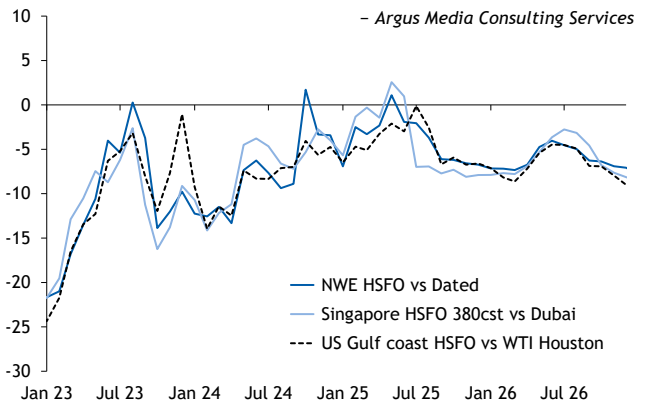
Fuel oil availability in the Middle East is expected to grow following the end of the summer cooling season. At the same time, US feedstock demand is likely to slow with the conclusion of the summer driving season, and refinery runs are expected to decline as we approach the autumn maintenance programme. These factors are expected to support HSFO inventory rebuilding and continue to pressure crack spreads. However, some potential upside risk could stem from the reduction in HSFO imports from Mexico. Mexico's state-owned Pemex has been working to curb excess HSFO production through refinery upgrades, although this is proving a challenging process.

In contrast, the very low-sulphur fuel oil (VLSFO) crack spread on the US Gulf coast strengthened to $8/bl against WTI in August, up from $6/bl in July. The rise was driven by reduced availability as strong middle distillate cracks discouraged VLSFO production. VLSFO cracks will probably remain supported by lower availability of blending components during the upcoming spell of refinery maintenance.

In Europe, HSFO cracks also weakened in August and are expected to continue trending down. The resumption of Venezuelan crude flows to the US might have knock-on effects in Europe as stock building along the US Gulf coast could free up more HSFO for the European market in the event of supply disruptions. Additional pressure could come from the restart of Motor Oil Hellas' 180,000 b/d Corinth refinery in Greece — a key HSFO producer in the Mediterranean. The plant's crude distillation unit, which had been off line following a fire last year, is now operational. During the outage, MOH increased HSFO imports, mainly from Iraq and Turkey, to feed secondary units, tightening regional supply.

Singapore HSFO cracks remained at $7/bl discount to Dubai crude in August amid ample supply. Although floating storage inventories began to decline at the end of August, the outlook remains downbeat. This is being driven by rising fuel oil exports from the Middle East, increased Opec+ production and seasonal refinery turnarounds. But escalating drone attacks on Russian oil infrastructure could offer some support to Asian HSFO cracks by tightening regional supply.

HSFO crack spreads vs regional crudes ***$/bl***



Fuel oil crack spreads					*$/bl*
	Jul	Aug	Sep	Oct	Nov
Northwest Europe vs North Sea Dated					
VLSFO (0.5% sul)	4.76	2.69	2.50	3.50	3.50
HSFO (3.5% sul)	-2.06	-3.69	-6.10	-6.20	-6.60
Mediterranean vs North Sea Dated					
VLSFO (0.5% sul)	11.84	9.54	9.30	10.30	10.40
HSFO (3.5% sul)	-4.69	-6.28	-8.50	-8.60	-8.90
US Gulf coast vs WTI Houston					
VLSFO (0.5% sul)	6.23	8.06	7.80	8.00	8.00
HSFO (No 6 / 3% sul)	-0.13	-2.57	-5.80	-5.90	-6.60
Singapore vs Dubai					
VLSFO (0.5% sul)	7.53	5.97	5.10	5.20	5.60
HSFO 380cst	-6.99	-6.94	-7.50	-7.20	-8.00

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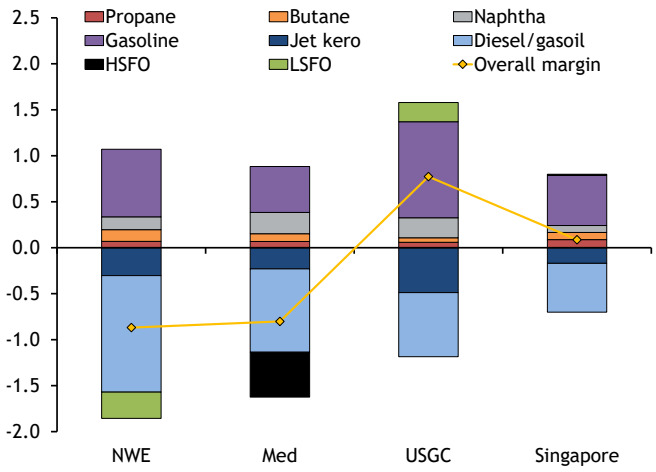
Refining margins

August was a mixed month, with northwest Europe and the Mediterranean seeing declines in indicator FCC margins, and the US Gulf coast seeing a rise. Singapore's margin was little changed. Overall, margins are relatively strong in the Atlantic basin, supported by generally tight middle distillate markets. Asian margins have not shown that kind of strength.

In northwest Europe, the FCC margin against North Sea Dated fell by $0.87/bl on the month to $9.65/bl in August. But the margin was almost $5/bl up on the year. Diesel cracks in Europe have been underpinning the strength in refining margins, and while diesel prices retreated by $6/bl on the month in August, they remain at a premium of over $20/bl to crude. The diesel market is expected to remain relatively tight through to the end of the year, although cracks are not expected to be back at the highs of July. This underpins expectations that refining margins will wane over the remainder of 2025, although the fourth quarter should still be some $1.50/bl up on the year.

Mediterranean refining margins — while also forecast to stay well supported compared with year-ago levels — could face some downwards pressure from the restart of a crude distillation unit at Motor Oil Hellas' 180,000 b/d Corinth refinery in Greece. One of the refinery's two CDUs was forced off line in September 2024 following a fire, but has reportedly now restarted. Indicator FCC margins in the Mediterranean against CPC Blend averaged $9.11/bl in August, and we forecast that this will have fallen by $1.50/bl by the end of the year.

Yield-weighted m-o-m crack changes: Aug vs Jul ***$/bl***



The US Gulf coast was the only region to see any appreciable increase in refining margins in August, as the indicator FCC margin against WTI Houston rose by $0.77/bl on the month to $10.39/bl — the first time it has reached double digits in almost a year and a half. Unlike in Europe — where middle distillates have been the major driver of strong refining margins — the US saw higher refining margins in August thanks to gains in gasoline cracks as the summer driving season ended on a high note. Despite expectations of easing gasoline cracks from September as the transition to winter-specification gasoline gets under way, North American refining margins could draw support from a heavy autumn refinery turnaround season, with a number of refineries in Canada in particular due to be taken off line. Irving Oil's 300,000 b/d Saint John, Suncor's 142,000 b/d Edmonton and Shell's 100,000 b/d Scotford refineries are all scheduled for maintenance beginning in September.

A number of Russian refineries have been attacked by Ukrainian drones and forced off line. Argus estimates that up to 600,000 b/d of CDU capacity might be impacted, but the lack of official information makes it difficult to know how severely the units were damaged and for how long capacity will remain off line. Nevertheless, the attacks could tighten product markets — particularly in Latin America, which has become a key importer of Russian product, and this could further strengthen US Gulf coast margins.

Refining margins					*$/bl*
	Jul	Aug	Sep	Oct	Nov
Northwest Europe					
vs North Sea Dated	10.52	9.65	10.00	8.70	8.30
vs Johan Sverdrup	3.54	3.46	4.19	3.94	3.23
Mediterranean					
vs Kebco cif Augusta	4.04	3.24	3.31	3.34	2.63
vs CPC Blend	10.47	9.11	10.30	9.60	9.50
US Gulf coast					
vs WTI Houston	9.61	10.39	10.90	9.50	8.20
vs Mars	6.20	5.98	5.50	4.70	3.00
Singapore					
vs Dubai	3.01	3.10	3.30	3.60	2.80
vs ESPO Blend	13.29	13.01	13.80	14.20	13.90

Gross refining margins calculated based on FCC unit yields

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Forecast crude prices															$/bl
	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026	1Q27	2Q27	3Q27	4Q27	2027
Ice Brent	74.92	66.76	67.95	65.13	**68.69**	65.09	68.70	70.20	68.24	**68.06**	69.56	71.55	72.39	70.06	**70.89**
Nymex WTI	71.42	63.74	64.94	61.63	**65.43**	62.09	65.70	67.20	65.24	**65.06**	66.56	68.55	69.39	67.06	**67.89**
North Sea Dated	75.63	67.73	69.06	66.00	**69.61**	66.00	69.67	71.17	69.17	**69.00**	70.50	72.50	73.33	71.00	**71.83**
Urals fob Primorsk	60.98	54.05	56.66	53.01	**56.17**	51.01	53.97	55.17	53.80	**53.49**	55.72	57.03	57.86	55.81	**56.60**
Urals Aframax fob Novo	61.85	54.71	56.99	53.67	**56.80**	51.66	54.55	55.73	54.40	**54.08**	56.32	57.61	58.44	56.40	**57.20**
Kebco cif Augusta	76.22	70.26	72.07	68.48	**71.76**	68.27	71.86	73.33	71.96	**71.35**	72.81	74.27	75.19	73.42	**73.92**
Johan Sverdrup	76.59	68.40	70.06	66.47	**70.38**	66.53	69.87	71.45	70.04	**69.47**	71.37	72.79	73.69	71.91	**72.44**
Saharan Blend	76.06	68.17	70.04	66.59	**70.22**	66.89	69.44	71.16	70.00	**69.37**	71.94	73.01	73.92	72.60	**72.87**
BTC Blend	78.23	70.73	71.23	68.64	**72.21**	69.46	71.97	73.75	72.36	**71.88**	74.24	75.57	76.47	74.95	**75.31**
CPC Blend	72.83	65.61	67.86	63.99	**67.57**	64.05	66.78	68.39	67.10	**66.58**	68.83	70.06	70.97	69.47	**69.83**
Qua Iboe	76.65	68.58	70.60	68.07	**70.97**	67.74	70.38	72.07	70.56	**70.19**	71.87	73.39	74.21	72.51	**72.99**
Dalia	76.17	67.84	69.55	67.38	**70.24**	65.97	68.79	70.32	68.99	**68.52**	71.26	72.61	73.61	71.52	**72.25**
Girassol	77.55	69.31	70.70	67.14	**71.17**	68.09	70.49	72.06	71.24	**70.47**	72.43	73.57	74.22	73.20	**73.36**
WTI Midland	72.52	64.48	65.79	62.75	**66.39**	63.34	66.22	67.92	66.49	**65.99**	68.46	69.85	70.66	69.09	**69.51**
WTI Houston	72.81	64.70	66.09	63.02	**66.66**	63.60	66.49	68.19	66.76	**66.26**	68.73	70.12	70.93	69.36	**69.79**
Mars	72.58	64.97	64.89	61.40	**65.96**	61.64	65.60	67.06	65.46	**64.94**	66.74	68.39	69.40	67.24	**67.94**
WCS Hardisty	58.26	53.14	52.02	48.41	**52.96**	48.15	52.11	53.52	52.08	**51.47**	53.82	55.43	56.33	54.43	**55.00**
WCS Houston	67.65	60.34	61.02	56.94	**61.49**	58.44	62.40	63.82	62.38	**61.76**	63.82	65.43	66.33	64.43	**65.00**
Vasconia	71.32	63.74	65.43	61.13	**65.41**	61.85	65.86	65.89	65.92	**64.88**	67.44	68.24	69.66	68.03	**68.34**
Dubai	76.78	66.85	69.66	66.81	**70.02**	65.28	69.00	70.52	68.59	**68.35**	69.81	71.60	72.53	70.14	**71.02**
Murban	76.82	67.08	70.07	67.07	**70.26**	66.50	69.46	70.66	69.29	**68.98**	70.72	72.03	72.86	70.81	**71.60**
ESPO Blend	67.59	59.53	63.47	59.37	**62.49**	56.90	60.72	62.63	60.71	**60.24**	62.13	64.02	64.83	62.67	**63.41**

Forecast crude differentials															$/bl
	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026	1Q27	2Q27	3Q27	4Q27	2027
Ice Brent vs North Sea Dated	-0.71	-0.98	-1.11	-0.87	**-0.92**	-0.91	-0.96	-0.97	-0.93	**-0.94**	-0.94	-0.95	-0.95	-0.94	**-0.95**
Urals fob Primorsk vs N Sea Dated	-14.66	-13.68	-12.41	-12.99	**-13.43**	-14.99	-15.70	-16.00	-15.37	**-15.51**	-14.78	-15.47	-15.48	-15.19	**-15.23**
Urals Novo vs Urals Primorsk	0.87	0.66	0.33	0.66	**0.63**	0.65	0.58	0.56	0.61	**0.60**	0.60	0.59	0.59	0.59	**0.59**
Urals fob Novo vs N Sea Dated	-13.79	-13.02	-12.07	-12.33	**-12.80**	-14.34	-15.12	-15.44	-14.76	**-14.92**	-14.18	-14.89	-14.89	-14.60	**-14.64**
Kebco cif Augusta vs N Sea Dated	0.59	2.53	3.00	2.48	**2.15**	2.27	2.19	2.16	2.79	**2.35**	2.31	1.77	1.86	2.42	**2.09**
Johan Sverdrup vs North Sea Dated	0.96	0.67	1.00	0.47	**0.78**	0.53	0.20	0.28	0.87	**0.47**	0.87	0.29	0.36	0.91	**0.61**
Saharan Blend vs North Sea Dated	0.43	0.44	0.98	0.59	**0.61**	0.89	-0.23	-0.00	0.83	**0.37**	1.44	0.51	0.59	1.60	**1.03**
BTC Blend vs North Sea Dated	2.60	2.99	2.17	2.64	**2.60**	3.46	2.30	2.58	3.19	**2.88**	3.74	3.07	3.14	3.95	**3.47**
CPC Blend vs North Sea Dated	-2.80	-2.12	-1.21	-2.01	**-2.03**	-1.95	-2.89	-2.78	-2.07	**-2.42**	-1.67	-2.44	-2.36	-1.53	**-2.00**
Qua Iboe vs North Sea Dated	1.01	0.84	1.54	2.07	**1.37**	1.74	0.71	0.91	1.39	**1.19**	1.37	0.89	0.87	1.51	**1.16**
Dalia vs North Sea Dated	0.54	0.11	0.49	1.38	**0.63**	-0.03	-0.87	-0.84	-0.18	**-0.48**	0.76	0.11	0.27	0.52	**0.41**
Girassol vs North Sea Dated	1.92	1.57	1.64	1.14	**1.57**	2.09	0.83	0.90	2.08	**1.47**	1.93	1.07	0.89	2.20	**1.52**
Nymex WTI vs Ice Brent	-3.51	-3.01	-3.02	-3.50	**-3.26**	-3.00	-3.00	-3.00	-3.00	**-3.00**	-3.00	-3.00	-3.00	-3.00	**-3.00**
WTI Midland vs Nymex WTI	1.11	0.73	0.86	1.12	**0.95**	1.25	0.51	0.72	1.26	**0.94**	1.90	1.30	1.27	2.03	**1.63**
WTI Houston vs Nymex WTI	1.39	0.96	1.16	1.40	**1.23**	1.51	0.79	0.99	1.53	**1.21**	2.17	1.57	1.54	2.30	**1.90**
Mars vs Nymex WTI	1.16	1.23	-0.05	-0.23	**0.53**	-0.45	-0.11	-0.13	0.23	**-0.12**	0.18	-0.17	0.02	0.18	**0.05**
WCS Hardisty vs Nymex WTI	-13.16	-10.60	-12.91	-13.22	**-12.47**	-13.94	-13.60	-13.67	-13.15	**-13.59**	-12.73	-13.12	-13.06	-12.63	**-12.88**
WCS Houston vs Nymex WTI	-3.76	-3.40	-3.91	-4.69	**-3.94**	-3.65	-3.30	-3.38	-2.86	**-3.30**	-2.73	-3.12	-3.06	-2.63	**-2.88**
Vasconia vs Nymex WTI	-0.10	0.00	0.49	-0.50	**-0.03**	-0.24	0.15	-1.31	0.68	**-0.18**	0.88	-0.31	0.27	0.98	**0.46**
Dubai vs Ice Brent	1.86	0.09	1.70	1.69	**1.33**	0.19	0.30	0.32	0.35	**0.29**	0.25	0.05	0.14	0.08	**0.13**
Murban vs Ice Brent	1.90	0.32	2.12	1.95	**1.57**	1.41	0.75	0.46	1.05	**0.92**	1.17	0.48	0.47	0.75	**0.72**
ESPO Blend vs Dubai	-9.19	-7.32	-6.19	-7.44	**-7.53**	-8.38	-8.28	-7.89	-7.88	**-8.11**	-7.68	-7.58	-7.71	-7.47	**-7.61**

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Product prices															$/bl
	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026	1Q27	2Q27	3Q27	4Q27	2027
Northwest Europe															
Naphtha 65 para	71.30	61.50	62.30	60.80	**64.00**	59.90	63.10	64.60	63.90	**62.90**	66.00	66.70	67.70	66.90	**66.80**
Gasoline Eurobob non-oxy	83.30	80.90	82.80	74.20	**80.30**	72.50	82.40	83.30	75.30	**78.40**	77.20	85.00	84.90	77.00	**81.00**
Jet-kerosine	92.20	85.70	90.20	86.40	**88.60**	81.80	82.50	85.10	82.00	**82.80**	82.70	84.90	87.20	83.70	**84.60**
10ppm diesel	95.20	86.60	94.50	90.70	**91.80**	84.80	83.90	85.90	84.30	**84.80**	84.80	86.40	88.00	86.10	**86.30**
1,000ppm heating oil	92.70	83.20	91.50	87.20	**88.60**	82.00	81.50	83.10	80.80	**81.80**	82.00	83.90	85.20	82.50	**83.40**
VLSFO (0.5% sul)	78.90	70.50	72.40	69.50	**72.80**	69.10	71.90	74.50	71.30	**71.70**	72.30	75.00	76.30	73.00	**74.10**
HSFO (3.5% sul)	71.40	66.70	65.10	59.50	**65.70**	58.80	64.50	65.90	62.40	**62.90**	62.80	66.10	67.80	63.20	**65.00**
Mediterranean															
Naphtha 65 para	68.50	59.20	60.20	58.70	**61.60**	57.10	60.60	62.30	61.30	**60.30**	63.20	64.10	65.30	64.20	**64.20**
95R gasoline	85.70	82.00	85.00	76.70	**82.30**	74.70	83.70	84.70	76.60	**79.90**	78.40	86.30	86.60	77.80	**82.30**
Jet-kerosine	90.30	84.00	88.70	84.70	**86.90**	79.90	81.00	83.60	80.20	**81.20**	80.80	83.30	85.60	81.90	**82.90**
10ppm diesel	94.80	86.30	94.10	90.40	**91.40**	84.40	83.60	85.60	83.50	**84.30**	84.40	85.90	87.50	85.60	**85.80**
1,000ppm heating oil	92.00	84.40	92.70	87.60	**89.20**	81.80	80.40	82.10	80.70	**81.20**	81.70	83.70	84.80	82.20	**83.10**
VLSFO (0.5% sul)	85.40	77.50	79.30	76.30	**79.60**	75.90	78.70	81.40	78.10	**78.50**	79.10	81.80	83.10	79.80	**81.00**
HSFO (3.5% sul)	69.10	64.20	62.60	57.10	**63.30**	56.50	62.20	63.50	60.10	**60.60**	60.40	63.80	65.30	60.90	**62.60**
US Gulf coast															
Naphtha	75.90	64.00	64.50	62.70	**66.80**	62.10	65.40	66.80	65.40	**64.90**	68.30	69.00	69.90	68.40	**68.90**
87 conv gasoline (ex-RVO)	82.80	79.50	81.20	70.80	**78.60**	69.80	79.80	80.80	72.80	**75.80**	75.40	82.50	81.90	73.40	**78.30**
Jet-kerosine	93.90	84.70	88.40	84.80	**88.00**	80.70	81.00	84.00	80.50	**81.50**	81.10	82.80	85.70	82.00	**82.90**
10ppm diesel (ex-RVO)	92.30	82.10	89.10	85.20	**87.20**	80.20	79.90	82.30	80.50	**80.70**	81.30	82.70	84.00	82.70	**82.70**
15ppm heating oil (NYH)	96.40	85.80	92.90	90.10	**91.30**	84.90	83.50	85.50	84.60	**84.60**	85.70	86.00	87.00	86.60	**86.30**
VLSFO (0.5% sul)	80.40	69.90	73.50	71.00	**73.70**	71.10	72.20	73.50	73.30	**72.50**	74.30	74.60	76.60	75.00	**75.10**
HSFO (No 6 / 3% sul)	67.40	61.90	63.30	56.70	**62.30**	55.60	60.80	62.80	58.80	**59.50**	60.00	63.20	64.60	60.10	**62.00**
Singapore															
Naphtha	71.70	62.60	63.00	62.10	**64.90**	62.00	64.40	65.10	64.70	**64.00**	67.70	68.20	68.00	68.20	**68.00**
Naphtha Japan c+f	73.10	64.00	64.80	63.60	**66.40**	63.50	66.20	67.70	67.10	**66.10**	69.30	70.00	70.70	70.60	**70.20**
95R gasoline	84.70	78.40	79.70	74.40	**79.30**	73.60	79.70	81.40	76.20	**77.70**	79.40	82.90	83.00	77.90	**80.80**
Jet-kerosine	90.10	81.20	85.30	82.50	**84.80**	79.80	80.20	80.90	78.70	**79.90**	79.70	81.90	82.80	80.30	**81.20**
10ppm diesel	91.20	82.70	88.10	85.60	**86.90**	80.50	80.20	81.90	80.20	**80.70**	81.00	82.50	83.90	81.80	**82.30**
500ppm gasoil	90.20	81.90	87.10	84.80	**86.00**	79.40	79.00	80.50	79.10	**79.50**	79.90	81.30	82.50	80.60	**81.10**
VLSFO (0.5% sul)	83.40	76.70	75.90	72.30	**77.10**	72.10	74.90	77.50	74.30	**74.70**	75.30	78.00	79.30	76.00	**77.10**
HSFO 380cst	74.30	67.50	62.50	59.10	**65.90**	57.50	63.70	67.00	61.10	**62.30**	61.50	66.30	67.80	63.10	**64.70**

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Product crack spreads															$/bl
	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026	1Q27	2Q27	3Q27	4Q27	2027
Northwest Europe vs North Sea Dated															
Naphtha 65 para	-4.33	-6.20	-6.74	-5.16	**-5.61**	-6.11	-6.56	-6.53	-5.23	**-6.11**	-4.46	-5.79	-5.65	-4.13	**-5.01**
Gasoline Eurobob non-oxy	7.69	13.21	13.70	8.20	**10.70**	6.49	12.70	12.17	6.13	**9.38**	6.71	12.53	11.59	6.01	**9.21**
Jet-kerosine	16.55	17.94	21.12	20.39	**19.00**	15.76	12.79	13.93	12.85	**13.83**	12.25	12.39	13.82	12.74	**12.80**
10ppm diesel	19.61	18.88	25.40	24.71	**22.15**	18.82	14.27	14.74	15.17	**15.75**	14.30	13.87	14.63	15.07	**14.47**
1,000ppm heating oil	17.08	15.42	22.41	21.19	**19.03**	15.99	11.80	11.95	11.65	**12.85**	11.47	11.39	11.84	11.55	**11.56**
VLSFO (0.5% sul)	3.30	2.79	3.31	3.47	**3.22**	3.08	2.21	3.35	2.09	**2.68**	1.79	2.48	2.92	1.97	**2.29**
HSFO (3.5% sul)	-4.24	-1.05	-3.95	-6.50	**-3.94**	-7.23	-5.17	-5.26	-6.79	**-6.11**	-7.71	-6.39	-5.58	-7.78	**-6.86**
Mediterranean vs North Sea Dated															
Naphtha 65 para	-7.10	-8.60	-8.90	-7.30	**-8.00**	-8.90	-9.10	-8.90	-7.90	**-8.70**	-7.30	-8.40	-8.00	-6.80	**-7.60**
95R gasoline	10.10	14.30	15.90	10.70	**12.70**	8.70	14.00	13.50	7.40	**10.90**	7.90	13.80	13.20	6.80	**10.40**
Jet-kerosine	14.60	16.20	19.70	18.70	**17.30**	13.90	11.30	12.40	11.10	**12.20**	10.30	10.80	12.30	10.90	**11.10**
10ppm diesel	19.20	18.60	25.00	24.40	**21.80**	18.40	13.90	14.40	14.30	**15.30**	13.90	13.40	14.20	14.60	**14.00**
1,000ppm heating oil	16.30	16.70	23.70	21.60	**19.60**	15.80	10.70	11.00	11.50	**12.20**	11.20	11.20	11.50	11.20	**11.30**
VLSFO (0.5% sul)	9.70	9.80	10.20	10.30	**10.00**	9.90	9.10	10.20	8.90	**9.50**	8.60	9.30	9.80	8.80	**9.10**
HSFO (3.5% sul)	-6.50	-3.50	-6.50	-8.90	**-6.30**	-9.50	-7.40	-7.60	-9.10	**-8.40**	-10.10	-8.70	-8.00	-10.10	**-9.20**
US Gulf coast vs WTI Houston															
Naphtha	3.10	-0.70	-1.60	-0.30	**0.10**	-1.50	-1.10	-1.40	-1.30	**-1.30**	-0.40	-1.10	-1.10	-1.00	**-0.90**
87 conv gasoline (ex-RVO)	10.00	14.80	15.10	7.70	**11.90**	6.20	13.30	12.60	6.00	**9.50**	6.70	12.30	11.00	4.00	**8.50**
Jet-kerosine	21.10	20.00	22.30	21.80	**21.30**	17.10	14.50	15.80	13.70	**15.30**	12.40	12.70	14.80	12.60	**13.10**
10ppm diesel (ex-RVO)	19.50	17.40	23.00	22.20	**20.50**	16.60	13.50	14.10	13.70	**14.50**	12.60	12.60	13.10	13.40	**12.90**
15ppm heating oil (NYH)	23.60	21.10	26.80	27.10	**24.60**	21.30	17.00	17.30	17.80	**18.30**	17.00	15.90	16.10	17.30	**16.60**
VLSFO (0.5% sul)	7.60	5.20	7.40	8.00	**7.00**	7.50	5.70	5.30	6.50	**6.30**	5.60	4.50	5.70	5.60	**5.30**
HSFO (No 6 / 3% sul)	-5.40	-2.80	-2.80	-6.30	**-4.30**	-8.00	-5.70	-5.40	-8.00	**-6.80**	-8.70	-6.90	-6.30	-9.30	**-7.80**
Singapore vs Dubai															
Naphtha	-5.00	-4.30	-6.70	-4.70	**-5.20**	-3.30	-4.60	-5.50	-3.80	**-4.30**	-2.10	-3.40	-4.50	-2.00	**-3.00**
Naphtha Japan c+f	-3.70	-2.80	-4.90	-3.20	**-3.60**	-1.80	-2.80	-2.80	-1.50	**-2.20**	-0.60	-1.60	-1.80	0.50	**-0.90**
95R gasoline	7.90	11.60	10.00	7.60	**9.30**	8.40	10.70	10.90	7.60	**9.40**	9.50	11.30	10.50	7.80	**9.80**
Jet-kerosine	13.30	14.40	15.60	15.60	**14.70**	14.50	11.20	10.30	10.10	**11.50**	9.90	10.30	10.30	10.20	**10.10**
10ppm diesel	14.40	15.90	18.40	18.80	**16.90**	15.20	11.20	11.40	11.60	**12.30**	11.20	10.90	11.30	11.60	**11.30**
500ppm gasoil	13.40	15.10	17.40	18.00	**16.00**	14.10	10.00	10.00	10.50	**11.20**	10.10	9.70	9.90	10.50	**10.00**
VLSFO (0.5% sul)	6.60	9.90	6.20	5.50	**7.10**	6.80	5.90	7.00	5.70	**6.30**	5.50	6.40	6.70	5.80	**6.10**
HSFO 380cst	-2.40	0.70	-7.20	-7.70	**-4.10**	-7.80	-5.30	-3.50	-7.50	**-6.00**	-8.30	-5.30	-4.70	-7.10	**-6.30**

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Refining margins															$/bl
	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026	1Q27	2Q27	3Q27	4Q27	2027
Northwest Europe															
vs North Sea Dated	6.20	8.50	10.10	7.90	**8.20**	5.00	5.40	5.70	3.70	**5.00**	3.50	5.10	5.50	3.50	**4.40**
vs Johan Sverdrup	1.40	3.30	3.70	2.80	**2.80**	0.60	1.10	1.30	-0.60	**0.60**	-0.90	0.70	1.10	-0.90	**0.00**
Mediterranean															
vs Kebco cif Augusta	3.40	3.00	3.50	2.40	**3.10**	0.10	0.30	0.60	-1.60	**-0.20**	-1.40	0.30	0.80	-1.60	**-0.50**
vs CPC Blend	7.80	8.50	10.00	9.30	**8.90**	6.30	6.30	6.50	4.50	**5.90**	4.10	5.80	6.20	3.80	**5.00**
US Gulf coast															
vs WTI Houston	8.70	8.80	10.30	8.60	**9.10**	5.90	6.10	6.30	4.80	**5.80**	4.50	5.40	5.70	3.90	**4.90**
vs Mars	2.80	3.80	5.90	3.60	**4.00**	1.60	1.80	2.30	0.50	**1.50**	0.80	1.90	2.00	0.20	**1.20**
Singapore															
vs Dubai	2.80	5.30	3.10	2.80	**3.50**	2.50	2.10	2.60	0.90	**2.00**	1.10	2.00	2.10	1.20	**1.60**
vs ESPO Blend	15.10	16.00	13.40	14.10	**14.60**	14.70	13.50	13.30	12.50	**13.50**	12.70	12.80	13.00	12.30	**12.70**

Margins calculated based on FCC unit yields

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