Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

12 February 2025

Feature article:
The impact of monetary policies on the oil market

Organization of the Petroleum Exporting Countries

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Oil Market Highlights

Crude Oil Price Movements

In January, the OPEC Reference Basket (ORB) increased by $6.31, or 8.6%, m-o-m, to average $79.38/b. The ICE Brent front-month contract rose $5.22, or 7.1%, to average $78.35/b, while the NYMEX WTI front-month contract gained $5.40, or 7.7%, to average $75.10/b. The GME Oman front-month contract increased by $7.14, or 9.8%, m-o-m, to average $80.22/b. The ICE Brent-NYMEX WTI first-month spread contracted by 18¢, m-o-m, to average $3.25/b. Among major crude benchmarks, Dubai and GME Oman showed the most significant strengthening in price structure, outpacing Brent and WTI. Hedge funds and other money managers sharply increased their net long positions in ICE Brent along with substantial financial flows.

World Economy

The world economic growth forecasts remain unchanged at 3.1% for 2025 and 3.2% for 2026. The US growth forecast is unchanged at 2.4% for 2025 and 2.3% for 2026. Japan's growth forecasts stand at 1.0% for both 2025 and 2026, unchanged from the previous month's assessment. Eurozone economic growth for 2025 is revised down slightly and projected at 0.9% and is forecast to rise to 1.1% in 2026. China's economic growth forecast for 2025 remains at 4.7% with a slight deceleration to 4.6% in 2026. India's economic growth forecasts remain at 6.5% for both 2025 and 2026. Brazil's economic growth forecasts remain at 2.3% in 2025 and 2.5% in 2026. Russia's economic growth forecasts for 2025 and 2026 are unchanged at 1.9% and 1.5%, respectively.

World Oil Demand

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

World Oil Supply

Non-DoC liquids supply (i.e. liquids supply from countries not participating in the Declaration of Cooperation) is forecast to grow by 1.0 mb/d, y-o-y, in 2025, revised down by 0.1 mb/d from last month's assessment. The main growth drivers are expected to be the US, Brazil, Canada, and Norway. Non-DoC liquids supply growth in 2026 is also forecast at 1.0 mb/d, mainly driven by the US, Brazil and Canada. Meanwhile, natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to grow by about 80 tb/d, y-o-y, in 2025, to average 8.4 mb/d, followed by an increase of about 0.1 mb/d, y-o-y, in 2026 to average 8.5 mb/d. Crude oil production by the countries participating in the DoC decreased by 118 tb/d in January, m-o-m, averaging about 40.62 mb/d, as reported by available secondary sources.

Product Markets and Refining Operations

In January, refinery margins rose on the US Gulf Coast (USGC) as the recent refinery outages due to winter storms and refinery maintenance ramp-ups weighed on refinery product output. This coupled with robust US product exports in January resulted in gains in all parts of the barrel except for fuel oil. In contrast, margins declined both in Rotterdam and Singapore as stronger feedstock prices and high freight rates contributed to subdued product outflows. This placed added pressure on product crack performance in both regions except for middle distillates in Europe. Global refinery intake In January declined 1.0 mb/d, m-o-m, to average 81.3 mb/d, due to refinery outages amid severe weather in the US. However, compared to the same month last year, global intake rose was 750 tb/d higher.

Tanker Market

Dirty spot freight rates registered a slow start to the year. VLCCs showed the best performance in January, with the Middle East-to-East route up 38%, m-o-m, amid more activities on the longer haul routes. The Suezmax and Aframax markets fared less well, amid more muted activity due to renewed trade uncertainties. Suezmax rates on the US Gulf Coast-to-Europe route declined by 11%, m-o-m, while Aframax spot rates around the Mediterranean fell by 18%, m-o-m. In the clean tanker market, East of Suez rates rose by 20%, m-o-m, on average, while West of Suez rates fell by 5%, m-o-m.

Crude and Refined Product Trade

Available data for January shows US crude imports starting the year slightly above the previous five-year average at 6.4 mb/d. US crude exports came in just below 4 mb/d, despite icy weather in the shale-producing regions and the US Gulf Coast. US product imports fell 2%, with declines led by gasoline. Preliminary estimates for OECD Europe indicate crude imports in January were lower both m-o-m and y-o-y, as reduced flows to the Netherlands and France outweighed higher imports into the UK and Italy. OECD Europe product exports were down, amid reduced flows to Africa. Complete data for 2024 shows Japan's crude imports declined by about 9% last year, amid muted economic activity, particularly in the first half of the year. Japan's product imports were broadly unchanged, as a pickup in demand in the latter part of 2024 avoided a decline. In China, crude imports showed a decline in 2024, averaging 11.0 mb/d. In contrast, China's product imports marked a fresh record high, supported by refinery and petrochemical feedstock demand. India's crude and product imports recorded fresh record highs in 2024, averaging 4.8 mb/d and 1.2 mb/d, respectively. Higher inflows were supported by a healthy economy, as well as election activities at the start of the year. India's product exports also edged higher.

Commercial Stock Movements

Preliminary December 2024 data shows total OECD commercial oil stocks up by 4.3 mb, m-o-m. At 2,754 mb, they were 172.1 mb below the 2015–2019 average. Within the components, crude stocks went down by 0.8 mb, while products stocks rose by 5.1 mb, m-o-m. OECD commercial crude stocks stood at 1,307 mb, which is 120.7 mb less than the 2015–2019 average. OECD total product stocks stood at 1,447 mb, 51.4 mb below the 2015–2019 average. In terms of days of forward cover, OECD commercial stocks rose by 0.9 days, m-o-m, in December to stand at 61.3 days, which is 1.1 days lower than the 2015–2019 average.

Balance of Supply and Demand

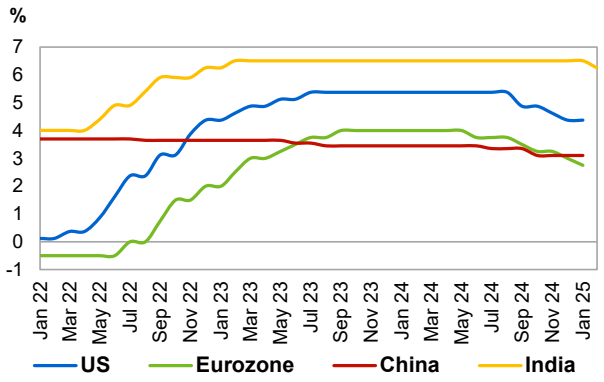
Demand for DoC crude (i.e. crude from countries participating in the DoC) in 2025 is revised up by around 0.1 mb/d from the previous month's assessment, to stand at 42.6 mb/d, about 0.4 mb/d higher than the estimate for 2024. For 2026, demand for DoC crude is revised up by around 0.2 mb/d from the previous month's assessment, to stand at 42.9 mb/d, about 0.3 mb/d higher than the forecast for 2025.

Feature Article

The impact of monetary policies on the oil market

The year has begun with diverging trends in monetary policy decisions from major central banks, amid persistent inflationary pressures, unbalanced growth dynamics and elevated trade policy uncertainties. In developed market economies, the US Federal Reserve (Fed) has kept interest rates unchanged, in a range of 4.25% to 4.50%. The January 2025 decision followed three consecutive monthly rate cuts at the end of 2024. The Fed noted that inflation was "somewhat elevated." Both the European Central Bank (ECB) and the Bank of England (BoE) cut rates by 25 basis points respectively (ECB in January and BoE in February). However, the Bank of Japan (BoJ) raised interest rates in January from 0.25% to 0.5%, the highest level in 17 years (***Graph 1***).

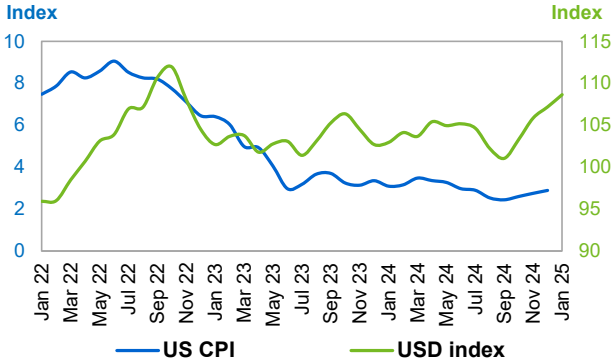
Graph 1: Key policy rates in selected key economies



Sources: ECB, FRB, PBoC, RBI and Haver Analytics.

The combination of the Fed's decision to hold interest rates steady and expectations of fewer interest rate cuts in 2025 are supporting factors for the US dollar. Indeed, the US dollar index closed 2024 up by 4.5%, y-o-y, and remained at high levels as of the end of January, up by 5.5%, y-o-y. The relative strength of the US dollar makes commodities priced in the currency more expensive, and therefore a downside risk to demand (***Graph 2***).

Graph 2: US inflation and USD index



Sources: Bureau of Labor Statistics, Haver Analytics, ICE and Thomson Reuters.

Dovish stances by the ECB and BOE are expected to stimulate demand and be part of broader efforts to support economic growth amid macroeconomic challenges in the region. These efforts could counterbalance some of the pressure from a stronger dollar, but they could also keep regional inflationary pressures at elevated levels. The BoJ's hawkish stance is supportive for the yen, and a counterbalancing factor to pressures from a stronger dollar.

In terms of emerging market economies, divergences are also apparent. The Central Bank of the People's Republic of China cut interest rates earlier in the year and lowered reserve requirements amid its ongoing interest rate reform. The Central Bank of India also cut interest rates for the first time in almost five years to support economic growth. However, Brazil's central bank raised interest rates as lingering concerns about inflationary pressures remained.

A hawkish stance from the Fed and a stronger dollar will likely maintain tighter financial conditions in emerging markets. Therefore, most major emerging market central banks are expected to adopt a similar stance as part of their efforts to maintain currency stability.

The combination of elevated rate levels and tighter financial conditions tends to challenge global economic growth. Moreover, the new US Administration's trade policy has added more uncertainty into markets, which has the potential to create supply-demand imbalances that are not reflective of market fundamentals, and therefore generate more volatility. In both developed economies and emerging markets, these trade uncertainties have increased inflation expectations above major central banks' targets and made it more challenging to cut interest rates in 2025.

The impact of US trade policy on global macroeconomic growth remains to be seen.

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Crude Oil Price Movements

In January, the OPEC Reference Basket (ORB) value increased by $6.31, or 8.6%, m-o-m, to stand at $79.38/b, as all ORB component values rose alongside their respective crude oil benchmarks.

The ICE Brent front-month contract averaged $5.22 higher in January, an increase of 7.1%, m-o-m, to stand at $78.35/b, while the NYMEX WTI front-month contract rose by $5.40, or 7.7%, m-o-m, to average $75.10/b. Compared to January 2024, the ICE Brent front-month contract averaged 80¢, or 1.0%, lower, while the NYMEX WTI front-month contract averaged $1.24, or 1.7%, higher. The GME Oman increased in January by $7.14, or 9.8%, m-o-m, to settle at $80.22/b. This is $1.27, or 1.6%, higher, y-o-y.

The ICE Brent-NYMEX WTI front-month spread continued to narrow in January to its lowest level since October 2023, as the rebound in value of the NYMEX WTI contract was more pronounced compared to the ICE Brent contract.

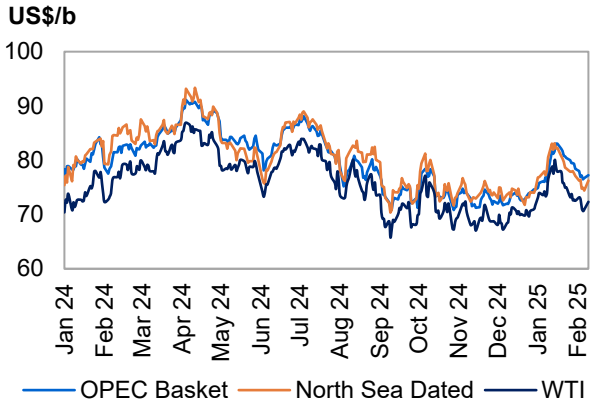
Hedge funds and other money managers sharply raised their net long positions in ICE Brent to their highest levels since April 2024. There were also substantial financial flows into ICE Brent, specifically in the first half of the month. Net long positions in ICE Brent and NYMEX WTI rose by 29.4% over January. Speculators bought the equivalent of 113 mb during the same period.

The premium of light sweet to medium sour crudes narrowed in January across all major regions, with the contraction more pronounced in the Asian and European markets. The sour crude market was supported by strong buying demand, driven by concerns over potential supply outages in some key sour crude streams. Meanwhile, the supply of light sweet crude remained ample, including US crude exports. Additionally, weaker light distillate margins, particularly for naphtha and gasoline, dampened the value of light sweet grades relative to sour crude.

Crude spot prices

Crude spot prices rebounded in January, after two consecutive months of decline, with the sour benchmark Dubai leading the gains, rising 10.2% m-o-m. The increase was driven by uncertainty over short-term oil supply, alongside easing concerns about demand in China. Supply concerns were further intensified by US trade policies that could disrupt crude flows from Eastern Europe and North America. Strong buying activity in the spot market, particularly for near-term loading volumes, as refiners rushed to secure supply, added further support. A decline in US crude stocks also contributed to the upward momentum, while short covering in futures markets provided an additional boost.

Graph 1 - 1: Crude oil price movements



Sources: Argus and OPEC.

However, gains were partially limited by lower refining margins in Europe and Asia, and reduced refinery intake in some regions, including the US, where outages reduced operations. By the second half of January, easing concerns over crude supply slowed the price rally.

Spot crude prices strengthened relative to futures, widening their premium as the market priced in a potential supply shortage. North Sea Dated stayed at a premium to ICE Brent's first-month contract on a monthly basis in January, with the spread rising 28¢/b, m-o-m, to 90¢/b.

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

OPEC Reference Basket (ORB)	Dec 24	Jan 25	Change Jan 25/Dec 24	Change %	Year-to-date 2024	Year-to-date 2025
ORB	**73.07**	**79.38**	***6.31***	***8.6***	**80.04**	**79.38**
Arab Light	74.56	80.78	*6.22*	*8.3*	82.14	80.78
Basrah Medium	71.87	77.98	*6.11*	*8.5*	78.21	77.98
Bonny Light	74.22	80.14	*5.92*	*8.0*	80.84	80.14
Djeno	66.30	71.80	*5.50*	*8.3*	72.90	71.80
Es Sider	71.90	77.55	*5.65*	*7.9*	79.66	77.55
Iran Heavy	73.00	79.65	*6.65*	*9.1*	80.14	79.65
Kuwait Export	73.70	80.40	*6.70*	*9.1*	80.84	80.40
Merey	61.13	66.86	*5.73*	*9.4*	66.50	66.86
Murban	73.35	80.41	*7.06*	*9.6*	79.06	80.41
Rabi Light	73.29	78.79	*5.50*	*7.5*	79.89	78.79
Sahara Blend	74.60	80.25	*5.65*	*7.6*	81.36	80.25
Zafiro	75.70	81.20	*5.50*	*7.3*	81.66	81.20
Other Crudes						
North Sea Dated	73.75	79.25	*5.50*	*7.5*	80.26	79.25
Dubai	73.04	80.55	*7.51*	*10.3*	78.73	80.55
Isthmus	67.60	73.33	*5.73*	*8.5*	72.34	73.33
LLS	72.33	77.51	*5.18*	*7.2*	76.40	77.51
Mars	70.45	75.70	*5.25*	*7.5*	74.24	75.70
Minas	76.36	82.07	*5.71*	*7.5*	78.06	82.07
Urals	61.96	66.48	*4.52*	*7.3*	62.36	66.48
WTI	69.79	75.27	*5.48*	*7.9*	73.87	75.27
Differentials						
North Sea Dated/WTI	3.96	3.98	*0.02*	-	6.39	3.99
North Sea Dated/LLS	1.42	1.74	*0.32*	-	3.86	1.74
North Sea Dated/Dubai	0.71	-1.30	*-2.01*	-	1.53	-1.29

Sources: Argus, Direct Communication, and OPEC.

Most crude oil differentials strengthened in January, specifically sour crude, supported by strong demand in the spot crude market. In the North Sea market, crude differentials were mixed in January, as light sweet crude mostly weakened, while sour crude strengthened. Light sweet crude retreated slightly amid ample supply availability and weaker light distillate margins, like naphtha and gasoline. However, firm demand for sour grades like Johan Sverdrup amid worries about a tightening sour market boosted the value of sour crude. Johan Sverdrup crude differentials rose in January by $2.23 m-o-m to settle at a premium of 25¢. However, the Forties and Ekofisk crude differentials weakened, falling, respectively, by 19¢ and 17¢, m-o-m, to stand at premiums of 51¢/b and $1.39/b.

In the Mediterranean, crude differentials were also mixed in January amid soft demand in the second half of the month, expectations for higher supply from the Caspian region and lower refining margins, specifically for light distillate margins. Azeri Light and CPC Blend crude differentials declined, respectively, by 28¢ and $1.33 m-o-m to average at a premium of $2.49/b and a discount of $1.95/b to North Sea Dated. However, Saharan Blend differentials increased by 61¢ m-o-m to average at a premium of 97¢/b to North Sea Dated.

West African crude values strengthened on firm demand from European and Asia Pacific refiners amid lower availability of unsold cargoes. In January, crude differentials of Bonny Light, Qua Iboe and Forcados rose on a monthly average by 13¢, 59¢ and 21¢, respectively, to stand at premiums of 82¢/b, 99¢/b and $1.63/b. Sour crude Cabinda also increased by 44¢, m-o-m, to stand at a premium of 63¢/b against North Sea Dated.

In the USGC, crude differentials weakened due to a strong related benchmark, WTI at Cushing, and a narrow Brent-WTI spread, which made WTI-related grades less attractive for exports. Lower refinery intakes in the Gulf Coast Petroleum Administration for Defense Districts 3 (PADD) also weighed on crude differentials. Light Louisiana Sweet (LLS) declined by 27¢ on a monthly basis to stand at a premium of $2.27/b to WTI, and Mars sour crude differentials fell by 21¢ on average to stand at a premium of 46¢/b against WTI.

The value of Dubai-related crudes in the Middle East strengthened the most compared to other markets, supported by strong demand from Asia Pacific refiners amid uncertainty over supply disruptions in other regions. Oman crude differentials rose by $2.31, m-o-m, to stand at a premium of $3.35/b.

OPEC Reference Basket (ORB) value

In January, the ORB value increased by $6.31, or 8.6%, m-o-m, to stand at $79.38/b, as all ORB component values rose alongside their respective crude oil benchmarks. This largely offset lower official crude selling prices, particularly toward Asian markets, and mixed movement in the value of crude differentials. The ORB value was 66¢, or 0.8%, lower in January 2025, compared to the same month last year. West and North African Basket components – Bonny Light, Djeno, Es Sider, Rabi Light, Sahara Blend and Zafiro – rose by an average of $5.62, or 7.7% m-o-m, to $78.29/b, and multiple-region destination grades – Arab Light, Basrah Medium, Iran Heavy and Kuwait Export – increased on average by $6.42, or 8.8%, m-o-m, to settle at $79.70/b. Murban crude rose by $7.06, or 9.6%, m-o-m, on average to settle at $80.41/b. The Merey component increased m-o-m by $5.73, or 9.4%, on average, to settle at $66.86/b.

The oil futures market

Oil prices exhibited some volatility in January, rallying to five-month highs before retreating in the second half of the month. The rally in the first half of the month was primarily driven by concerns over supply disruptions following the announcement of new US sanctions, which created concerns about oil supply and trade among market participants. This triggered increased buying activity in the spot market, particularly in the Asia Pacific region, where major importers such as China and India rushed to secure their requirements. Oil futures' upward momentum was further fuelled by higher financial flows along with a bullish stance from money managers. Speculative net-long positions soared to multi-month highs.

Adding to the upward momentum were signs of improving short-term demand. Optimism over China's economic recovery, coupled with cold weather in the Northern Hemisphere, spurred expectations of higher heating oil consumption. Additionally, a draw in US crude stocks for several weeks provided further support to oil futures prices during this period. However, the rally lost momentum in the second half of January. Easing geopolitical tensions in the Middle East and diminishing worries about oil flows from Eastern Europe reduced immediate supply risks, prompting some profit-taking after the strong price gains earlier in the month. The market also reacted cautiously to policy shifts under the new US administration. Plans to boost domestic oil and gas output through expedited permitting and reduced environmental regulations signalled a potential increase in supply, tempering the bullish sentiment. Meanwhile, uncertainties surrounding new US tariffs introduced a layer of caution among traders, dampening market enthusiasm. In the last week of the month, price volatility persisted amid temporary selloffs across broader financial markets, exerting downward pressure on market sentiment. Meanwhile, traders remained cautious over US tariffs on Canadian, Mexican and Chinese imports and their potential impacts on oil supply and demand.

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

			Change		Year-to-date	
Crude oil futures	Dec 24	Jan 25	Jan 25/Dec 24	%	2024	2025
NYMEX WTI	69.70	75.10	5.40	7.7	73.86	75.10
ICE Brent	73.13	78.35	5.22	7.1	79.15	78.35
GME Oman	73.08	80.22	7.14	9.8	78.95	80.22
Spread						
ICE Brent-NYMEX WTI	*3.43*	*3.25*	*-0.18*	*-5.2*	*5.29*	*3.25*

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

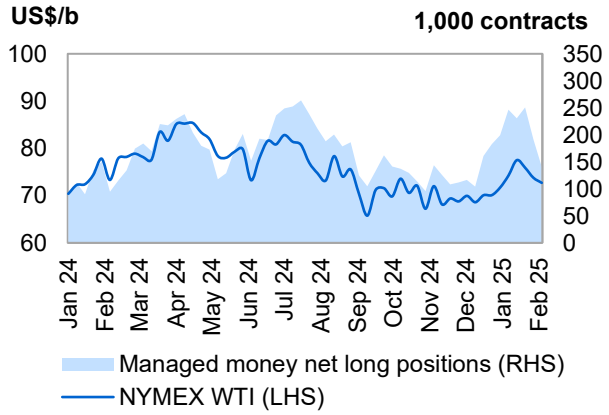
The ICE Brent front-month contract averaged $5.22 higher in January, an increase of 7.1%, m-o-m, to stand at $78.35/b, while the NYMEX WTI front-month contract rose by $5.40, or 7.7%, m-o-m, to average $75.10/b. Compared to January 2024, the ICE Brent front-month contract averaged 80¢, or 1.0%, lower, while the NYMEX WTI front-month contract averaged $1.24, or 1.7%, higher. The GME Oman front-month contract increased in January by $7.14, or 9.8%, m-o-m, to settle at $80.22/b. This is $1.27, or 1.6%, higher compared to January 2024.

The ICE Brent-NYMEX WTI front-month spread continued to narrow in January to its lowest level since October 2023, as the rebound in the value of the NYMEX WTI contract was more pronounced compared to the ICE Brent contract. The NYMEX WTI price remained supported by lower crude oil stocks and worries about potential supply disruptions, specifically from Canada, due to US tariffs on Canadian and Mexican energy imports. Meanwhile, easing geopolitical developments in the Middle East reduced the Brent-related risk premium. In January, the ICE Brent-NYMEX WTI front month spread contracted by 18¢, m-o-m, to stand at $3.25/b. The spread between North Sea Dated and WTI Houston rose slightly last month but remained narrow, stranding at below $3/b, which contributed to limiting arbitrage opportunities for WTI-related grades.

US crude exports remained below 4 mb/d in January according to EIA weekly data. The North Sea Dated-WTI Houston spread widened by 9¢, m-o-m, to a premium of $2.88/b.

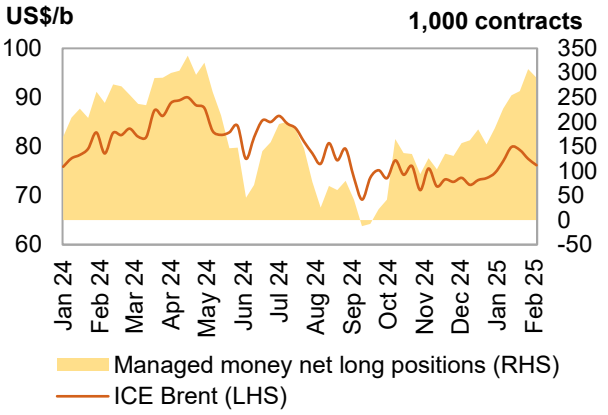
Hedge funds and other money managers sharply increased their net long positions in ICE Brent to their highest levels since April 2024. There were also substantial financial flows into the ICE Brent futures contract, specifically in the first half of the month. Net long positions in the two futures contracts, ICE Brent and NYMEX WTI, rose by 29.4% over January. Speculators bought an equivalent of 113 mb during the same period. The announcement of new US sanctions that could disrupt crude supply prompted speculators to raise bullish wagers, which, in turn, fuelled oil price momentum. However, in the last week of January, speculators showed mixed movements as WTI-related net long positions fell amid uncertainty about the impacts of US tariffs on energy imports from Canada and Mexico. Between the weeks of 31 December and 28 January, money managers bought an equivalent of 113 mb.

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



Sources: CFTC, CME and OPEC.

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



Sources: ICE and OPEC.

Money managers turned more optimistic about ICE Brent futures prices in January buying an equivalent of about 121 mb in ICE Brent contracts. The combined futures and options net long positions related to Brent increased by 120,789 lots, or 64.6%, over the month, to stand at 307,704 contracts during the week of 28 January, according to the ICE Exchange. This is due to long positions increasing by 120,222 lots, or 43.5%, to stand at 396,676 contracts and short positions falling by 567 lots, or 0.6%, to stand at 88,972 contracts over the same period.

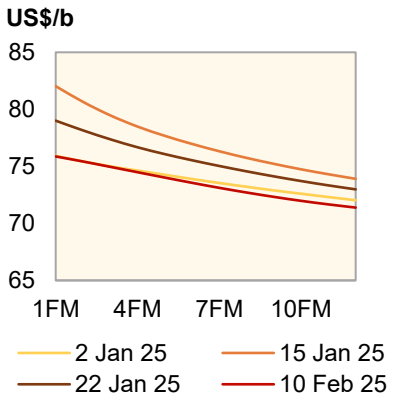
However, WTI-related net long positions showed some volatility over January, with net long positions in the week of 21 January rising to their highest point since July 2024 but falling in the last week of the month, which contributed to rising price volatility. Between the weeks of 31 December and 28 January, NYMEX WTI futures and options net long positions fell by 7,349 lots, or 3.7%, to stand at 191,792 contracts, according to the US Commodity Futures Trading Commission (CFTC). During the same period, gross short positions dropped by 6,305 lots, or 13.1%, to 41,667 contracts, and gross long positions fell by 13,654 lots, or 5.5%, to 233,459 contracts.

The ICE Brent long-to-short ratio of speculative positions rose slightly to 4:1 in January, compared to about 3:1 in December. However, the NYMEX WTI long-to-short ratio rose to 6:1 in late January, compared with about 4:1 in December. Total open interest volumes related to ICE Brent and NYMEX WTI futures and options increased in January by 178,885 lots, or 3.5%, to stand at 5.3 million contracts in the week ending 28 January. Open interest volumes related to ICE Brent futures and options rose by 202,162 contracts, or 7.0%, m-o-m, to stand at 3.1 million contracts in the week ending 28 January. However, open interest volumes related to NYMEX WTI futures and options declined by 23,277 lots, or 1.0%, to stand at 2.2 million contracts in the last week of January.

The futures market structure

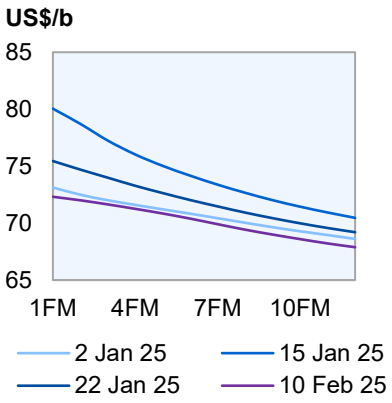
In January, crude oil futures saw a steepening of forward curves, with front-month prices rising more sharply than forward prices. This shift pushed the nearest time spreads into stronger backwardation, driven primarily by an increase in supply risk premiums. Market participants weighed the supply outlooks in Eastern Europe and North America. Among major crude benchmarks, Dubai and GME Oman showed the most significant strengthening in price structure, outpacing Brent and WTI. This was mainly due to short-term supply concerns in the East of Suez market, which led buyers to increase demand for prompt-loading cargoes, particularly for sour grades. Additionally, the prospect of improving oil demand, including in China, provided further support to near-term contract prices across all major oil benchmarks, reinforcing the steepening of oil futures forward curves.

Graph 1 - 4: ICE Brent forward curves



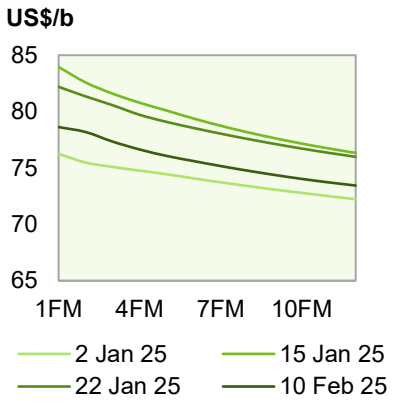
Sources: ICE and OPEC.

Graph 1 - 5: NYMEX WTI forward curves



Sources: CME and OPEC.

Graph 1 - 6: GME Oman forward curves



Sources: GME and OPEC.

The backwardation structure of Brent futures strengthened last month, with the first-to-third month spread rising by $1/b, mirroring an improving short-term world supply/demand outlook. Traders focused on a potential supply disruption in Eastern Europe, which raised demand for alternative Brent-related crudes in the Atlantic Basin. On a monthly average, the ICE Brent M1/M3 spread widened to a backwardation of $1.70/b in January, compared to 70¢/b in December. On monthly average, the ICE Brent M1/M3 spread rose to its highest level since April 2024. The ICE Brent M1/M6 spread widened last month by $2.08 with backwardation standing on average at $3.48/b compared with a backwardation of $1.40/b in December.

The NYMEX WTI forward curve steepened as prompt prices surged, driven by strong demand and concerns over the impact of US tariffs on oil imports from Canada and Mexico. Adding to the upward pressure, lower US crude inventories, including at Cushing, Oklahoma, provided further support to front-month prices. However, refinery maintenance season in the US, which is expected to reduce crude demand, contributed to limiting gains in front-month prices compared to forwards. The NYMEX WTI first-to-third month spread widened by 80¢ to a backwardation of $1.53/b on average in January, compared with a backwardation of 73¢/b in December.

The market structure of GME Oman strengthened the most amid concerns about a potential supply disruption, which raised demand in the spot market from Asia Pacific buyers, including China and India. An improving demand outlook in the coming months amid prospects of improving economic and oil demand growth in China added support. On a monthly average, the GME Oman M1/M3 spread widened by $1.16 to stand at a backwardation of 86¢/b in December, from a backwardation of 67¢/b in November.

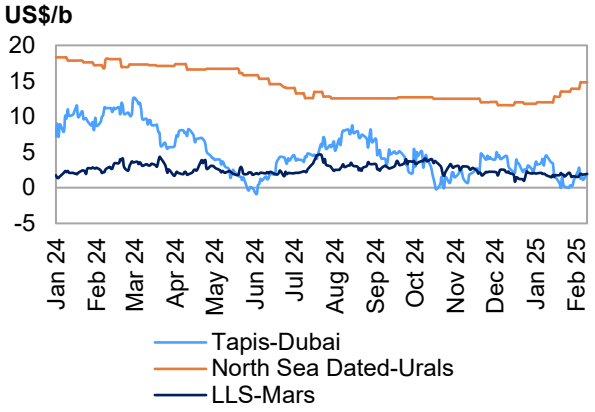
The North Sea Brent M1/M3 spread increased on a monthly average by $1.11 in January to stand at a backwardation of $2.01/b, compared to 90¢/b the month before. In the US, the WTI M1/M3 backwardation widened by 72¢ to $1.49/b, compared to a backwardation of 77¢/b in December. The Dubai M1/M3 backwardation rose the most, increasing by $2.69 on average in January, to stand at a backwardation of $3.61/b.

Crude spreads

The premium of light sweet to medium sour crudes narrowed in January across all major regions, with the contraction more pronounced in the Asian and European markets. The sour crude market was supported by strong buying demand, driven by concerns over potential supply outages in some key sour crude streams. Meanwhile, the supply of light sweet crude remained ample, including US crude exports. Additionally, weaker light distillate margins, particularly for naphtha and gasoline, dampened the value of light sweet grades relative to sour crude.

In Europe, sweet-sour crude differentials narrowed due to stronger sour crude prices, while light sweet gains were capped by abundant supply. The Ekofisk–Johan Sverdrup spread fell significantly in January by $2.41 m-o-m to $1.14/b, the lowest in seven months. This decline was driven by a surge in the value of Johan Sverdrup medium sour crude amid firm demand for prompt-loading cargoes, coupled with lower sour crude availability in Europe and rising prices of similar grades in the Middle East. Meanwhile, light sweet crude came under pressure in the second half of the month in Northwest Europe, as most buyers had already secured their requirements and US crude supply to Europe remained high. A drop in naphtha and gasoline margins also weighed on the value of light sweet crudes. However, the value of Urals weakened due to limited export opportunities, with Urals crude differentials to North Sea Dated in the Black and Baltic Seas falling by 98¢ and 47¢ m-o-m in January to stand at discounts of $12.77 and $13.38/b, respectively.

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



Sources: Argus and OPEC.

The crude quality differential followed a similar trend in the Asian market, as the value of sour crude rallied more than that of light sweet crude. This was reflected in the Tapis premium over Dubai, which narrowed by $1.37/b m-o-m to stand at $2.03/b in January, as the market priced in a potential short-term supply shortage in the sour market. The Brent-Dubai differential narrowed by $2.01 m-o-m, flipping to a discount of $1.30/b, compared with a 70¢/b premium in December. Firm demand from Asia Pacific buyers for medium and heavy sour crude in the East of Suez spot market buoyed sour crude values. At the same time, gains in light sweet crude in the Atlantic Basin were limited. Additionally, a sharp decline in light and middle distillate margins, including naphtha, gasoline and low-sulphur diesel, further pressured light sweet crude prices.

In the USGC, the value of sour crude continued to strengthen against light sweet crude in January. The LLS-Mars spread fell to its lowest level since July 2023 amid expectations of lower sour crude supply, amplified by reports of potential tariffs on oil imports from Canada and Mexico, which were later delayed. Gains in light sweet crude values were limited due to weaker demand from US refineries and limited arbitrage opportunities for exports. The LLS premium over medium sour Mars narrowed on average in January by 7¢ to settle at $1.81/b.

Commodity Markets

Commodity price indices advanced in January after lacklustre performances the previous month. The energy price index rebounded in January after two consecutive months of losses and non-energy price indices recovered some losses from the previous month.

In the futures markets, sentiment on non-energy commodities improved, m-o-m, in January, while it remained bullish on energy commodities. Combined money managers' net length rose for a second consecutive month and combined open interest rose after declining for two consecutive months.

Most commodity prices advanced in January on the back of uncertainties regarding US trade policy, offsetting downward pressure from a stronger US dollar. However, lingering macroeconomic uncertainties remained a drag on prices.

Trends in select energy commodity markets

The energy price index rose by 7.2%, m-o-m, and 2.3%, y-o-y, in January, supported by higher natural gas prices in both the US and EU as well as higher average crude oil prices. The index gains were partially offset by declines in coal prices over the respective periods.

Table 2 - 1: Select energy prices

Commodity	Unit	Monthly average			% Change		Year-to-date	
		Nov 24	Dec 24	Jan 25	Jan 25/ Dec 24	Jan 25/ Jan 24	2024	2025
Energy*	*Index*	**96.5**	**96.5**	**103.5**	**7.2**	**2.3**	**101.2**	**103.5**
Coal, Australia	*US$/boe*	13.6	12.4	11.3	-8.6	-5.0	11.9	11.3
Crude oil, average	*US$/b*	72.3	72.3	78.2	8.1	0.6	77.7	78.2
Natural gas, US	*US$/boe*	11.4	16.4	22.2	35.6	28.9	17.2	22.2
Natural gas, Europe	*US$/boe*	75.3	75.0	79.3	5.8	53.4	51.7	79.3

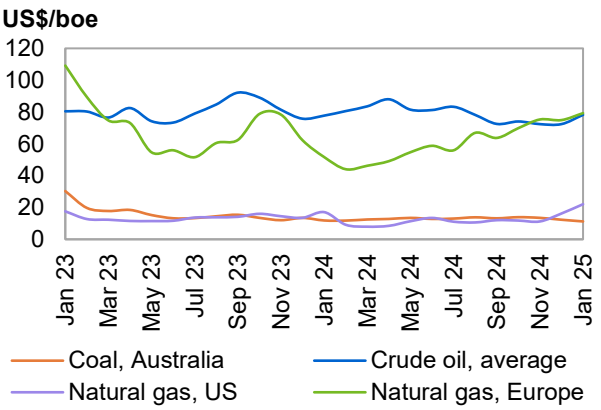
*Note: * World Bank commodity price index (2010 = 100).*
Sources: World Bank and OPEC.

Australian thermal coal prices fell for a third consecutive month in January, declining by 8.6%, m-o-m. Prices rose earlier in the month following the US sanctioning several Russian coal producers. Prices were further supported by higher natural gas and electricity prices in the EU, which added support to coal-fired power generation in the region. However, reports of high supply availability and limited demand in key consuming countries in Asia remained a drag on prices and offset early gains. Prices were down by 5.0%, y-o-y.

Average crude oil prices rose by 8.1%, m-o-m, in January. Prices rose on the back of uncertainties regarding US trade policy and its implications on supply disruptions. Prices were up by 0.6%, y-o-y.

Henry Hub's natural gas prices advanced for a second consecutive month in January, rising by 35.6%, m-o-m. Prices rose sharply in the first half of the month following unexpectedly colder weather across the US, leading to sharp declines in storage amid higher demand. According to data from the US Energy Information Administration (EIA), weekly average underground storage decreased in January by 16.5%, m-o-m. Henry Hub prices were up by 28.9%, y-o-y.

Graph 2 - 1: Select energy prices



Sources: World Bank, Haver Analytics and OPEC.

The average Title Transfer Facility (TTF) rose in January, increasing by 5.8%, m-o-m. Prices rose amid lingering supply concerns. According to data from Gas Infrastructure Europe, EU storage levels fell sharply to 53.6% of capacity as of 31 January, 18.6 percentage points below the previous month. Moderate demand partially offset gains amid sporadic cold snaps. However, a combination of US sanctions on Russia's LNG exports and uncertainties regarding US trade policy heightened TTF volatility in January. Prices were up by 53.4%, y-o-y.

Trends in select non-energy commodity markets

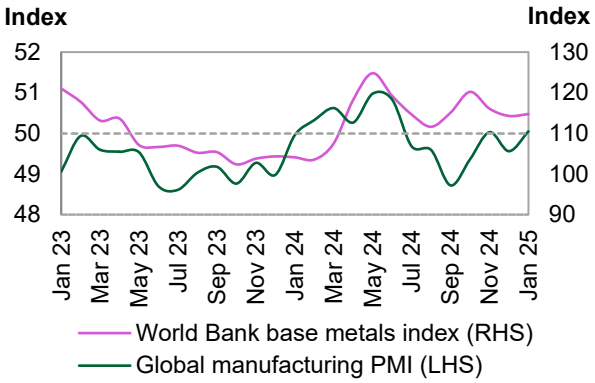
The non-energy price index rose for a fourth consecutive month in January, increasing by 0.3%, m-o-m. Both the base metals and agricultural price index rose over the same period. The agricultural price index rose by 0.3%, m-o-m, and was up by 11.2%, y-o-y. Meanwhile, the non-energy price index was up by 8.8%, y-o-y.

Base metals

The base metal index experienced a slight recovery of 0.4% in January after two consecutive months of declines. Metal prices remained mixed in January with upward support coming from improvements in global industrial activity. The global manufacturing PMI crossed over into expansionary territory in January, to stand at 50.1, up by 1.0%, m-o-m. However, the moderate increase in the base metal index underscores the demand challenges base metals face. China's demand uncertainties remained a drag on base metal prices amid ongoing property and construction sector challenges. China's manufacturing PMI receded to 49.1 in January, falling below expansionary territory.

Compared with the same period last year, the base metal index was up by 10.2%, y-o-y.

Graph 2 - 2: Global manufacturing PMI and World Bank base metals index



Sources: JP Morgan, IHS Markit, Haver Analytics, World Bank and OPEC.

At the London Metal Exchange (LME) warehouses, combined stocks of base metals declined in January after trending upwards for two consecutive months – a sign of improved demand. Stocks fell by 9.6%, m-o-m, and were up by 33.2%, y-o-y. Combined cancelled warrants declined for a second consecutive month in January, decreasing by 1.2%, m-o-m, while increasing by 49.8%, y-o-y. Combined on-warrants decreased in January by 13.1%, m-o-m, but increased by 26.8%, y-o-y.

Table 2 - 2: Base metal prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Nov 24	Dec 24	Jan 25	Jan 25/ Dec 24	Jan 25/ Jan 24	2024	2025
Non-energy*	*Index*	**114.7**	**116.3**	**116.7**	**0.3**	**8.8**	**107.2**	**116.7**
Base metal*	*Index*	**116.1**	**114.3**	**114.8**	**0.4**	**10.2**	**104.1**	**114.8**
Copper	*US$/mt*	9,098	8,936	9,019	0.9	7.8	8,367	9,019
Aluminium	*US$/mt*	2,590	2,551	2,585	1.3	17.2	2,206	2,585
Nickel	*US$/mt*	15,762	15,480	15,439	-0.3	-4.4	16,142	15,439
Lead	*US$/mt*	1,996	1,999	1,932	-3.4	-8.2	2,104	1,932
Zinc	*US$/mt*	3,005	3,036	2,831	-6.8	12.1	2,524	2,831
Iron Ore	*US$/mt*	102	105	103	-1.9	-25.2	138	103

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

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

Copper prices rose in January, increasing by 0.9%, m-o-m, and were up by 7.8%, y-o-y. At LME warehouses, stocks fell in January by 3.4%, m-o-m, and were up by 66.5%, y-o-y. Cancelled warrants rose in January by 31.2%, m-o-m, but were down by 31.6%, y-o-y. On-warrants fell by 5.3%, m-o-m, in January, but were up by 86.6%, y-o-y.

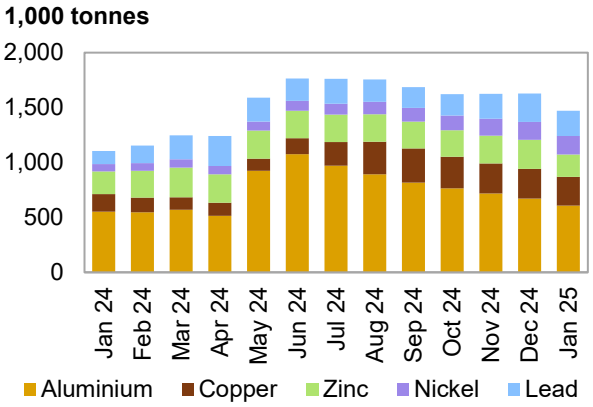
Aluminium prices increased by 1.5%, m-o-m, and 17.2%, y-o-y, in January. LME warehouse stocks declined by 9.2%, m-o-m, but were up by 9.8%, y-o-y. Cancelled warrants increased in January by 15.9%, m-o-m, and were up by 77.5%, y-o-y. On-warrants declined by 30.5%, m-o-m, and were down by 28.7%, y-o-y.

Nickel prices fell in January, dropping by 0.3%, m-o-m, and were down by 4.4%, y-o-y. At LME warehouses, stocks rose by 3.1%, m-o-m, and were up by more than 100%, y-o-y. Cancelled warrants declined in January by 33.0%, m-o-m, and registered an increase of more than 100%, y-o-y. On-warrants rose in January by 7.3%, m-o-m, and were up by more than 100%, y-o-y.

Lead prices increased in January by 3.4%, m-o-m, and were down by 8.2%, y-o-y. At LME warehouses, stocks declined by 11.8%, m-o-m, in January, and were up by 94.0%, y-o-y. Cancelled warrants declined by 31.7%, m-o-m, and were down by 20.8%, y-o-y. On-warrants fell by 8.4%, m-o-m, but were up by more than 100%, y-o-y.

Zinc prices decreased by 6.8%, m-o-m, in January, and were up by 12.1%, y-o-y. At LME warehouses, stocks decreased by 22.9%, m-o-m, in January, and were down by 1.5%, y-o-y. Cancelled warrants declined by 44.6%, m-o-m, in January, but were up by 15.7%, y-o-y. On-warrants declined by 11.1%, m-o-m, but were up by 6.2%, y-o-y.

Graph 2 - 3: Inventories at the LME



Sources: LME, Thomson Reuters and OPEC.

Iron ore prices declined by 1.9%, m-o-m, in January, and were down by 25.2%, y-o-y. Meanwhile, China's steel industry PMI declined for a third consecutive month in January. The benchmark stood at 43.3, down from 47.5 in December, representing an 8.8%, m-o-m, decrease.

Precious metals

The precious metals index rebounded in January after two consecutive months of declines, increasing by 1.8%, m-o-m. The index was supported by gains in gold and platinum, which rose by 2.3% and 1.2%, m-o-m, respectively, over the same period. Gains were partially offset by a decline in silver prices, which fell by 1.1%, m-o-m.

Table 2 - 3: Precious metal prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Nov 24	Dec 24	Jan 25	Jan 25/ Dec 24	Jan 25/ Jan 24	2024	2025
Precious metals*	*Index*	**199.6**	**199.0**	**202.6**	**1.8**	**32.8**	**152.6**	**202.6**
Gold	*US$/Oz*	2,651	2,648	2,710	2.3	33.2	2,034	2,710
Silver	*US$/Oz*	31.1	30.8	30.4	-1.1	32.7	22.9	30.4
Platinum	*US$/Oz*	966	938	949	1.2	2.5	926	949

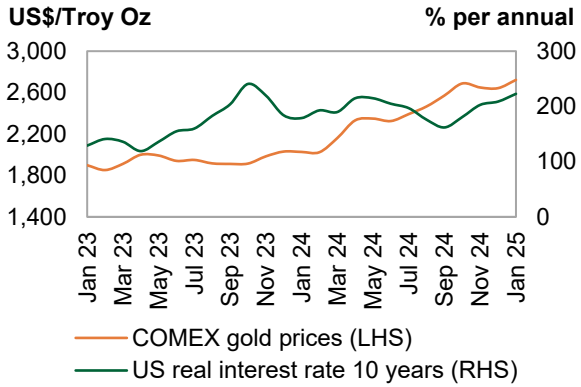
*Note: * World Bank commodity price index (2010 = 100).*

Sources: World Bank and OPEC.

Gold prices rose on the back of increased safe-haven appeal amid geopolitical developments and uncertainties regarding US trade policy. Gold was further supported by reports of higher central bank buying in emerging markets. A stronger US dollar capped gains as an alternative to safe-haven demand, weighing on silver prices. Meanwhile, improvements in global industrial activity lifted platinum prices amid concerns of supply disruptions.

The precious metals index was up by 32.8%, y-o-y; gold, silver and platinum prices were also up by 33.2%, 32.7% and 2.5%, y-o-y, respectively.

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



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

Select other minerals

The other minerals price index remained on a downward trajectory in January, falling by 1.4%, m-o-m. Lower cobalt prices continued to drag the index down in January, while graphite prices were flat over the same period. The losses were partially offset by a rebound in lithium prices over the same period.

Table 2 - 4: Select other minerals prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		Nov 24	Dec 24	Jan 25	Jan 25/ Dec 24	Jan 25/ Jan 24	2024	2025
Other minerals*	*Index*	**33.7**	**33.5**	**33.1**	**-1.4**	**-17.9**	**40.3**	**33.1**
Cobalt	*US$/mt*	24,300	24,300	23,756	-2.2	-17.4	28,769	23,756
Graphite	*US$/mt*	459	435	435	0.0	-21.2	552	435
Lithium	*US$/mt*	9,373	9,356	9,465	1.2	-18.3	11,586	9,465

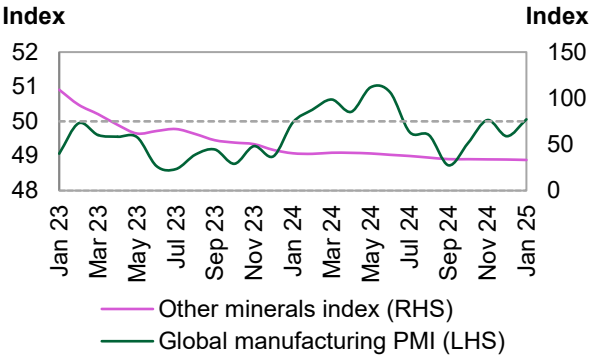
*Note: * OPEC price index (2022 = 100).*

Sources: LME, Haver Analytics and OPEC.

Other minerals prices were mixed in January and remained under pressure from softer market fundamentals. However, prices received some support from supply risk concerns amid uncertainties on US trade policy and improvements in global industrial activity. Lithium prices rose in January by 1.2%, m-o-m, after trending downwards for much of 2H24. Meanwhile, cobalt prices fell by 2.2%, m-o-m, and graphite prices remained unchanged, m-o-m, over the same period.

The other minerals price index was down by 17.9%, y-o-y; cobalt, graphite and lithium prices were down by 17.4%, 21.2% and 18.3%, y-o-y, respectively.

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



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

Investment flows into commodities

Combined money managers' net length rose for a second consecutive month in January, increasing by 62.3%, m-o-m. Net length rose across all select commodities, with natural gas experiencing the biggest increase. The combined net length was up by more than 100%, y-o-y.

Combined open interest (OI) rose in January after two consecutive months of decreases, increasing by 4.4%, m-o-m. OI rose across all select commodities in January, led by gold. Combined OI was up by 11.0%, y-o-y.

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

Selected commodity	Open interest			Long		Short		Net length				
	Dec 24	Jan 25	Jan 25/ Dec 24	Dec 24	Jan 25	Dec 24	Jan 25	Dec 24	% OI	Jan 25	% OI	Jan 25/ Dec 24
Crude oil	2,206	2,319	***5.2%***	213	270	60	40	153	7	230	10	***50.5%***
Natural gas	1,586	1,604	***1.1%***	171	190	217	146	-45	-3	44	3	***-196.7%***
Gold	707	774	***9.6%***	213	228	15	10	198	28	218	28	***9.9%***
Copper	243	254	***4.4%***	65	67	60	54	5	2	13	5	***150.3%***
Total	**4,741**	**4,951**	***4.4%***	**663**	**754**	**351**	**249**	**311**	**34**	**505**	**46**	***62.3%***

Note: Data on this table is based on a monthly average.
Data on this table is based on commitments of traders futures and options.
Open interest includes both commercial and non-commercial positions.

Sources: CFTC and OPEC.

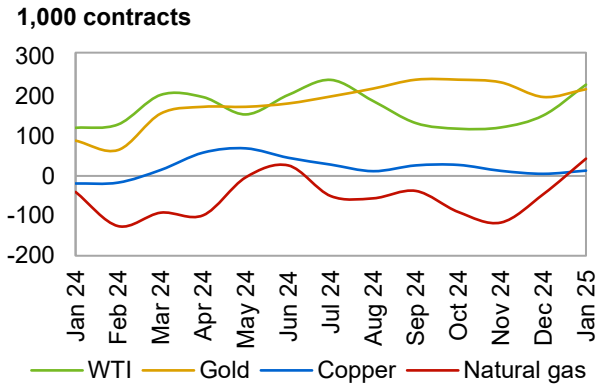
The crude oil (WTI) OI rose in January, increasing by 5.2%, m-o-m. Money managers increased net length for a third consecutive month over the same period, up by 50.5%, m-o-m. OI was up by 9.2%, y-o-y, and net length was up by 89.4%, y-o-y.

The natural gas (Henry Hub) OI decreased in January by 1.1%, m-o-m. At the same time, managers increased net length by more than 100%, m-o-m. OI was up by 10.4%, y-o-y, and net length was up by more than 100%, y-o-y.

Gold's OI increased in January by 9.6%, m-o-m. Money managers continued to increase net length over the same period, up by 9.9%, m-o-m. Gold's OI was up by 21.2%, y-o-y, and its net length was up by more than 100%, y-o-y.

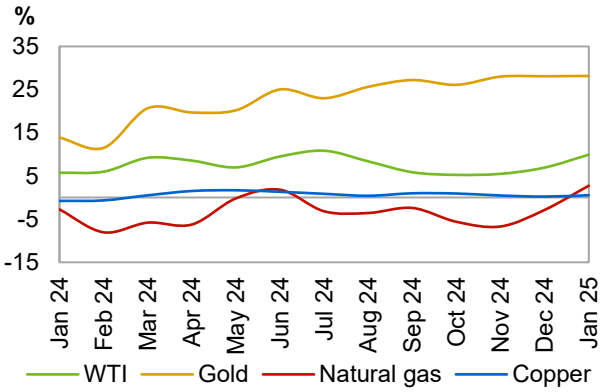
Copper's OI increased by 4.4%, m-o-m, in December. Money managers increased net length over the same period, up by more than 100%, m-o-m. OI was up by 11.0%, y-o-y, while the net length was down by more than 100%, y-o-y.

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



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

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



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

World Economy

Following the latest economic growth figures and output indicators, economic growth in 2025 and 2026 is anticipated to remain well supported, although uncertainties remain. Ongoing steady 4Q24 growth in the United States (US) and China supports this expectation. Additionally, with India, Brazil and Russia also sustaining strong growth trends, the solid momentum in global economic growth observed in 2H24 is forecast to continue in 2025. Moreover, while the Eurozone and Japan lagged behind in 2024 – as confirmed by the latest output data – they are projected to experience a mild rebound in 2025. Elsewhere, recent US-centred trade-related negotiations have introduced some uncertainty in the global economic growth dynamic. That said, given that a relatively swift, albeit temporary, resolution of most issues occurred, the impact is currently expected to be limited.

Economic growth for 2025, and even more so for 2026, will depend on a variety of key assumptions. It remains to be seen how and to what extent potential tariffs and other policy measures will play out. So far, they are not anticipated to materially impact the current underlying growth assumptions. However, the impact of potential tariffs and other policy measures remains uncertain, both in terms of their scope and significance. Inflation is forecast to continue declining gradually in 2025 and to normalize towards 2026. Consequently, monetary policy accommodation is expected to continue in major advanced economies in the near term, albeit at a more cautious pace, due to the lingering persistence of certain inflationary pressures. In Japan, the Bank of Japan (BoJ) is likely to continue gradually tightening its policy. Elsewhere, China is expected to maintain its policy of monetary easing, alongside fiscal measures aimed at achieving growth targets of up to 5%. The services sector is anticipated to remain the main driving force in global economic growth in the near term, with its growth dynamics normalizing in 2025 and continuing into 2026. The industrial sector is projected to gradually pick up, although uncertainties remain.

Taking these growth trends and dynamics into account, the global economic growth forecast for 2025 remains unchanged at 3.1%. Growth in 2026 is expected to accelerate modestly, with a forecast of 3.2%, reflecting steady and sustainable global economic expansion – also unchanged from last month's forecast.

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

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2025	**3.1**	**2.4**	**0.9**	**1.0**	**4.7**	**6.5**	**2.3**	**1.9**
Change from previous month	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
2026	**3.2**	**2.3**	**1.1**	**1.0**	**4.6**	**6.5**	**2.5**	**1.5**
Change from previous month	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Source: OPEC.

Update on the latest global developments

Global economic growth continued to exhibit positive dynamics in 2H24, with this trend expected to carry into 2025, although uncertainties remain. In the OECD, the US economy saw robust growth in 4Q24, albeit slowing slightly, supported by ongoing strong consumer spending. In the Eurozone, economic growth in 4Q24 slowed after a moderate recovery in the previous quarter, reflecting continued challenges, particularly in the industrial base. Japan's economy is estimated to have maintained its gradual recovery into 4Q24, continuing the trend from the prior quarter. In the non-OECD, economic growth remained strong across major economies in 2024. China achieved its growth target of 5% with a solid performance in 4Q24, aided by extensive fiscal and monetary support packages. India likely recovered from a slower 3Q24 in the last quarter, with early indicators showing a rebound in industrial output. Brazil and Russia both exceeded expectations in 2024, achieving strong growth despite inflationary challenges, with expectations of some of this momentum carrying over into 1Q25.

In the US, 4Q24 economic growth came in at 2.3%, q-o-q, on a seasonally adjusted annualised rate (SAAR) in the advanced estimate from the Bureau of Economic Analysis (BEA). This followed an expansion of 3.1%, q-o-q, SAAR, in 3Q24, after an upward revision in the third and final release by the BEA. The Eurozone saw growth of only 0.1%, q-o-q, SAAR, based on Eurostat data, after 1.6% growth in 3Q24, with continued weakness, particularly in the industrial sector. Japan's growth rate showed a slight rebound in 3Q24 at 1.2%, q-o-q, SAAR, following growth of 2.2% in 2Q24 and a contraction of 2.2% in 1Q24, as reported by the Ministry of Economy, Trade, and Industry.

In non-OECD economies, China ended 2024 with strong performance in the industrial sector and exports, while consumer spending expanded gradually. With fiscal and monetary stimulus packages and an improving outlook in the property sector, domestic consumption continued recovering. In India, the slowdown in the industrial sector seen in 3Q24 rebounded in 4Q24. Russia saw a decelerating growth rate in 3Q24, although overall growth remained strong and exceeded expectations. Brazil's growth rate in 3Q24 reached 4%, y-o-y, up from 3.3% in the previous quarter, supported by strong private consumption and infrastructure investments.

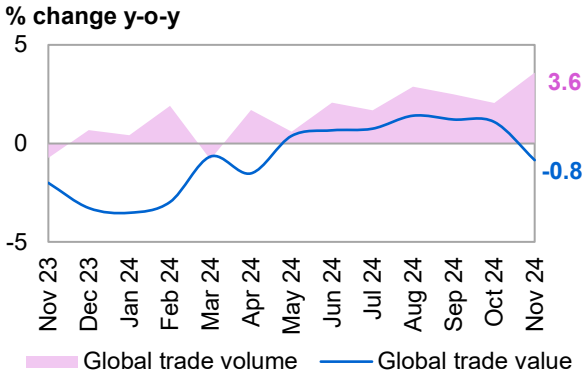
Inflation remained mostly in decline in major economies in 2024 but showed signs of a slight increase and persistence in recent months. In December, inflation in the US rose to 2.9%, y-o-y, from 2.7% in November and 2.6% in October, moving further away from the US Federal Reserve (Fed) target rate of 2%. In the Eurozone, inflation edged higher to 2.5%, y-o-y, in January, up from 2.4% in December and 2.2% in November. In the UK, inflation retracted slightly, rising by 2.5%, y-o-y, in December after increasing to 2.6% in November from 2.3% in October. With these inflationary concerns, the Fed paused its easing cycle and held interest rates unchanged in January. The ECB continued its easing cycle, lowering the interest rate by 25 bp to 2.75%. Similarly, the Bank of England cut interest rates by 25 basis points in its February meeting, lowering the rate to 4.5%. The BoJ moved to raise the benchmark interest rate by 25 bp to 0.5% in its January meeting after pausing its tightening cycle in December.

In non-OECD economies, Brazil raised its key policy rate by 100 bp in the January meeting, moving interest rates to 13.25%. This followed a rate increase of 175 bp in 2H24. Russia raised interest rates three times in 2H24 to reach 21% but held rates unchanged in its last meeting. China kept interest rates unchanged at the December meeting after cutting rates in 3Q24, although the central bank signalled additional cuts in 2025. The Reserve Bank of India (RBI) cut interest rates by 25 basis points in its February meeting, lowering the key repo rate to 6.25%, after keeping it unchanged since early 2023.

Global trade volume expanded in November; however, global trade in value terms contracted. Trade volume increased by 3.6%, y-o-y, in November, following an increase of 2.1% in October and 2.5% in September.

In value terms, global trade contracted by 0.8%, y-o-y, in November, after growing by 1.1% in October and 1.2% in September. These figures are from the CPB World Trade Monitor Index, provided by the CPB Netherlands Bureau for Economic Policy Analysis.

Graph 3 - 1: Global trade



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

Tariffs imposed by the US on China of 10% across all products were met with retaliatory measures from China. Data from China shows that exports increased sharply in 4Q24, likely in anticipation of US tariff measures. The US reached an agreement with Mexico and Canada to delay the implementation of 25% tariffs on both countries for one month, indicating the possibility of a full agreement to prevent further trade tensions. The US also signalled potential tariffs on the EU, although no concrete policies were released. However, the US announced that 25% tariffs on all steel and aluminium imports would take effect early March and the EU has announced already the likelihood of reciprocal tariffs, in the case that no agreement will be found in the meantime.

Near-term global expectations

The global economy is projected to sustain a solid trend in 2025 despite continued challenges, supported by strong growth in India, China, and the US. Japan and the Eurozone are also expected to rebound, further contributing to growth, although weakness remains in the Eurozone. Brazil and Russia are projected to continue their healthy economic growth but at a slower pace than in the previous year. For 2026, trade, inflation, and domestic policy shifts increase uncertainty in the outlook; however, continued economic growth with a slight acceleration is expected.

US tariffs on Mexico and Canada threatened to significantly impact growth in North America by reducing industrial output and increasing inflation, given the volume of trade and integration of the three economies. The postponement of the tariffs for one month may lead to a broader agreement to prevent their implementation, although risks remain. At the same time, US tariffs of 10% on China and China's retaliation with additional tariffs on liquefied natural gas (LNG), coal, and farm machinery, among other products, will have limited impact and are not expected to significantly alter growth trajectories in either economy.

Potential US tariffs on the EU could have a larger impact on growth in Europe, but it remains to be seen which industries will be targeted and how the EU will respond.

Headline inflation is forecast to continue declining gradually in 2025 and normalize approaching 2026, although trade disruptions could alter this outlook. Core inflation is expected to remain relatively persistent in major economies, driven by the services sector. This outlook and increasing uncertainties will likely lead to a more cautious stance by major central banks, as seen in the Fed's decision in January to pause the easing cycle. The latter is expected to resume in the US and continue in the Eurozone and UK through 2025, though decisions could be delayed to 2H25. Japan will likely continue its tightening cycle.

In emerging economies, China's monetary easing will likely resume in 2025 after holding interest rates unchanged in the December quarterly meeting. In February, India cut interest rates for the first time in almost five years. Brazil continued its tightening policy in the first meeting of 2025 and is expected to further tighten throughout the year. Russia's interest rates are expected to remain high, although further hikes could be delayed as previous increases take effect. Both Brazil and Russia could begin lowering rates by 2026 as inflation eases.

On fiscal policy, potential US measures under the new administration – including regulatory easing, further tax relief, and other growth-focused initiatives – are expected to be implemented in 2025, although the administration's priorities will determine the speed and scale of these policies. In the Eurozone, Germany could see an increase in fiscal spending after the election, should fiscal constraints be eased by the new government. Elsewhere in Europe, fiscal measures are expected to be limited due to constrained fiscal space. Japan is expected to continue fiscal support measures announced in November.

In the non-OECD, China is expected to continue providing fiscal support to achieve around 5% growth in 2025, though direct support for consumers could remain limited. In India, fiscal spending will likely resume as announced in the latest Union Budget, with a particular focus on addressing labour market imbalances. In Brazil, fiscal spending has been under pressure to meet the zero primary deficit target, as plans to trim social spending by auditing beneficiary lists were insufficient. This keeps Brazil's fiscal capacity limited for 2025, though it could recover slightly in 2026. In Russia, additional fiscal measures were announced in the draft budget released in late 2024. These measures will remain the primary driver of economic growth, though inflationary pressures and a tight labour market will limit capacity.

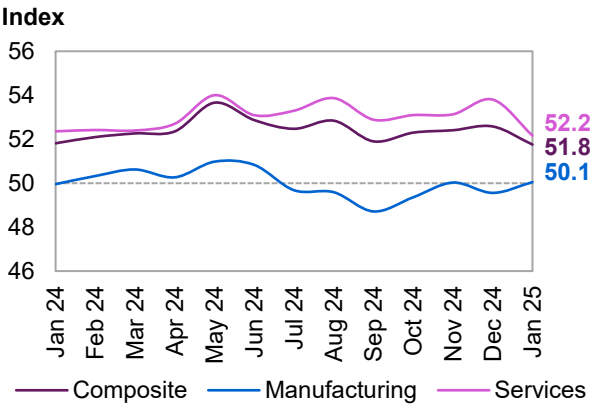
The industrial sector remains relatively weak, particularly in the OECD, although the expansion of the services sector is expected to continue and remain the main driver of growth. The industrial sector is expected to begin recovering and normalize in 2025 and into 2026, though the effects of reduced trade flows remain uncertain.

In January, global purchasing managers' indices (PMIs) indicated an improved outlook in the manufacturing sector returning to expansionary territory The services sector moved slightly down but remains in expansionary territory.

The global manufacturing PMI stood at 50.1, following a level of 49.6 in December and 50.0 in November.

The global services sector PMI retracted slightly to stand at 52.2 in January, down from 53.8 in December and 53.1 in both November and October.

Graph 3 - 2: Global PMI



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

With the expected carry-over effects from the end of 2024, global economic growth is projected to maintain momentum at 3.1% in 2025, unchanged from the previous outlook. The main drivers remain strong growth in India and China, along with sustained momentum in the US.

In 2026, further normalization in inflation and monetary easing is expected to provide additional support for major economies, accelerating global growth to 3.2%, also unchanged from the previous outlook.

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

	World
2025	**3.1**
Change from previous month	0.0
2026	**3.2**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

OECD

US

Update on the latest developments

Economic growth in the US registered 2.3%, q-o-q, SAAR in 4Q24, down from 3.1% in 3Q24, according to the first BEA release. Growth was driven by strong consumer and government spending, with private household expenditure rising to 4.2%, q-o-q, SAAR in 4Q24 from 3.7% in 3Q24, though this was partially offset by declining investment. This puts the overall economic growth figure in the US in 2024 at 2.8%. Growth momentum is expected to have continued early in 1Q25, with the Atlanta Fed's GDPNow forecast at 2.9%, q-o-q, SAAR as of early February.

The industrial sector showed a slight improvement in December, with industrial production (IP) rising 0.3%, y-o-y, after three consecutive months of contraction. Manufacturing returned to modest growth, increasing 0.1%, y-o-y, in December, following a contraction of 0.6%, y-o-y, in November and declines over the previous five months. Meanwhile, consumer confidence remained healthy but edged lower, with the Consumer Confidence Index at 104.1 in January, down from 109.5 in December, according to the Conference Board.

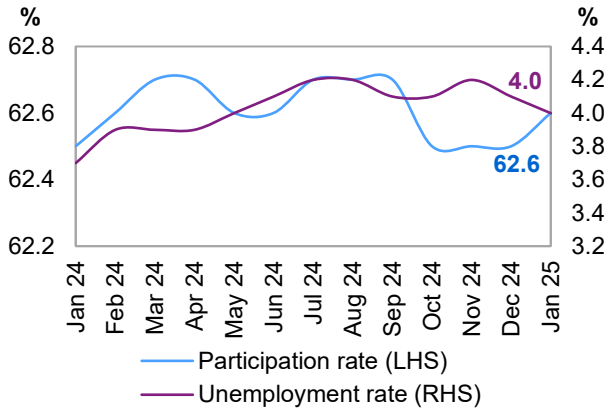
The new US administration moved swiftly to implement tariffs on Mexico, Canada, and China. The tariffs on Mexico and Canada were postponed by one month before implementation, leading to expectations of a broader trade deal that could prevent tensions within the integrated North American economy. However, the risk of renewed trade disputes remains. Tariffs on China, however, took effect in early February, imposing a 10% tariff on Chinese imports in addition to existing measures. China responded with 15% tariffs on US coal and LNG and 10% tariffs on crude oil and other industrial products. Additionally, China launched investigations into major US tech firms, restricted exports of key minerals and filed appeals at the WTO.

US imports of goods and services saw a sharp increase in December, rising 12.4%, y-o-y, up from 9.7%, y-o-y, in November and 4.8%, y-o-y, in October. At the same time, exports of goods and services increased 2.5%, y-o-y, in December, down from 6.6%, y-o-y, in November and up from 2.2%, y-o-y, in October. Throughout 2024, the large trade deficit was driven by growing US consumer spending, while the US automotive industry faced strikes and slower exports. However, the sharp rise in imports at the end of the year was also likely in anticipation of tariff implementations by the new administration.

Headline inflation continued to rise in December, the latest available figure. The Consumer Price Index (CPI) increased to 2.9%, y-o-y, up from 2.7%, y-o-y, in November and 2.6%, y-o-y, in October. Housing-related inflation contributed to the overall increase, rising 4.6%, y-o-y, in December, slightly down from 4.7%, y-o-y, in November and 4.9%, y-o-y, in October. Core inflation edged down to 3.2%, y-o-y, in December from 3.3%, y-o-y, in the previous three months. The Fed's preferred inflation measure, core personal consumption expenditures (PCE), remained unchanged at 2.8%, y-o-y, in December for the third consecutive month. The Fed held interest rates steady at its January meeting, citing strong economic activity, a stable unemployment rate and rising inflation as key factors in its decision.

In January, the job additions in the US labour market saw a slight deceleration in growth. Non-farm payrolls increased by 143,000, following an upwardly revised December figure of 307,000. However, the unemployment rate decreased slightly to 4.0% in January, down from 4.1% in December. Moreover, the labour force participation rate edged up to 62.6% from 62.5% in December. Annual earnings growth remained steady at 4.1% in January, unchanged from December and slightly down from 4.2% in November.

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

Near-term expectations

The US economy grew by 2.8%, y-o-y, in 2024, with momentum expected to continue into 2025. Quarterly growth is projected to remain at 2.2%, q-o-q, SAAR for the first three quarters of 2025, edging up to 2.3% in 4Q25. Consumer spending is expected to remain the primary driver, with an improving outlook for investment.

The impact of the new administration's policies remains to be seen, but short-term effects on economic growth are possible. Potential tariffs on Mexico and Canada placed pressure on the integrated North American market, while the last-minute postponement of their implementation eased some immediate concerns. However, future trade disruptions remain a possibility. Some US industrial firms, particularly in the automotive sector, may adjust production strategies to mitigate risks. Similarly, tariffs on China and countermeasures could influence IP, with a possible short-term increase in US manufacturing output. The potential for tariffs on the EU has been raised, but any economic impact on the US is expected to be limited. Overall, the effect of tariffs is expected to remain minimal, provided there is no major escalation in trade tensions.

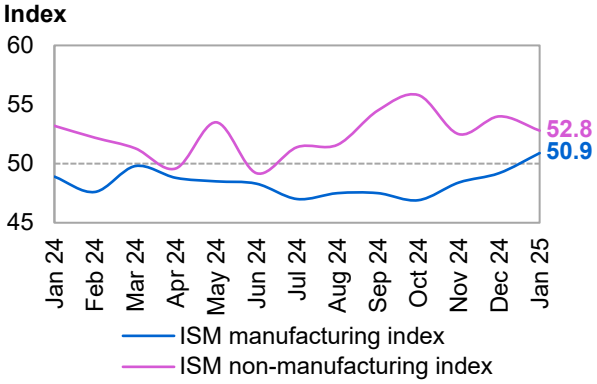
The inflation outlook remains uncertain following a rise in late 2024. While inflation is still expected to gradually decline in 2025, the trajectory could be influenced by the new administration's economic policies and labour market dynamics. The Fed is expected to remain cautious amid trade and domestic policy uncertainties after pausing the easing cycle at its January meeting. Current expectations are for two 25 bp rate cuts in 2025 and similar reductions in 2026, though the inflation outlook remains uncertain. Over the longer term, the Federal Open Market Committee (FOMC) projects the neutral funds rate at 3% in its most recent December update, 0.1 pp higher than its September update.

On the fiscal side, spending cuts at the federal level are expected to reduce government expenditure. However, the impact of the cuts will not materialize until late 2025 and into 2026 as the policy changes gradually take effect. Additionally, the 2017 tax cuts set to expire this year are expected to be extended for five years, providing ongoing economic support.

According to data from the Institute for Supply Management (ISM), the PMI for the manufacturing sector moved into expansionary territory. The index stood at 50.9 in January, up from 49.2 in December and 48.4 in November. Growth was driven by improvements in new orders and production, while inventories weakened.

The PMI for the services sector, which comprises 70% of the US economy, retracted slightly but remains in expansionary territory. The index stood at 52.8 in January, down from 54.0 in December and returning close to the November level of 52.5.

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



Sources: Institute for Supply Management and Haver Analytics.

The ongoing carry-over effects of strong economic growth in 2024, along with an improving outlook in the industrial sector, continue to support the 2025 forecast, with US economic growth expected at 2.4%, unchanged from the previous outlook.

This trend is expected to continue into 2026, though increasing uncertainty regarding trade and domestic policy will require ongoing assessment of potential economic impacts. The 2026 growth forecast remains at 2.3%, unchanged from the previous outlook.

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

	US
2025	**2.4**
Change from previous month	0.0
2026	**2.3**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Eurozone

Update on the latest developments

The Eurozone economy saw a sharp slowdown in 4Q24, growing only 0.1%, q-o-q, SAAR, after a 1.6%, q-o-q, SAAR expansion in 3Q24, placing the annual growth rate for 2024 at 0.7%, y-o-y. This deceleration reflects ongoing challenges in the industrial sector and continued political uncertainties. IP contracted by 1.9%, y-o-y, in November, a sharper decline than the 1.0%, y-o-y, contraction in October and the decline of 1.8%, y-o-y, in September.

Germany experienced a deeper contraction due to the size of its industrial sector when compared to other Euro-zone economies. The German economy contracted by 0.8%, q-o-q, SAAR, in 4Q24, following a slight 0.4%, q-o-q, SAAR, expansion in 3Q24. IP in Germany fell sharply in November, contracting 6.8%, y-o-y, compared to 1.0%, y-o-y, in October and 4.2%, y-o-y, in September. The upcoming German elections this month will determine the country's fiscal trajectory, with the potential relaxation of strict fiscal rules opening space for increased public spending. If fiscal constraints remain in place, growth prospects will be more subdued.

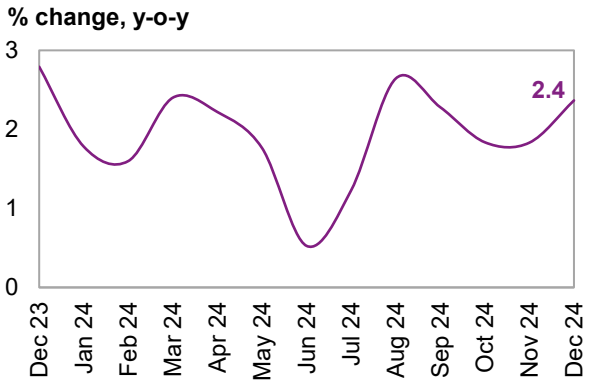
France also saw an economic contraction in 4Q24, with GDP declining 0.3%, q-o-q, SAAR, after 1.7%, q-o-q, SAAR, growth in 3Q24. Weak consumer sentiment weighed on private consumption, likely driven by the budgetary crisis and high interest rates. The French government budget, passed in early February, introduces spending cuts and tax increases aimed at addressing the wide fiscal deficit from 2024. These measures are expected to weigh on economic growth in the near term.

Inflation increased slightly to 2.5%, y-o-y, in January, up from 2.4%, y-o-y, in December and 2.2%, y-o-y, in November. Core inflation remained at 2.7%, y-o-y, in January, the same level as in November and December. Services inflation remained elevated, though it eased slightly to 3.9%, y-o-y, in January, down from 4.0%, y-o-y, in December. The ECB reduced key interest rates by 25 bp at its January meeting despite rising headline inflation. The central bank signalled that key underlying inflation indicators suggest inflation will continue to decline towards the 2% target and that policies will continue to support economic activity.

According to Eurostat, the unemployment rate remained stable, with a slight uptick to 6.3%, in December, y-o-y, up from 6.2%, y-o-y, in November, returning to October's level. Throughout 2024, unemployment remained relatively low, not exceeding 6.5%, y-o-y.

Retail sales improved in December, increasing 2.4%, y-o-y, up from 1.8%, y-o-y, in October and November. This growth was likely supported by stable employment levels, easing inflation, and lower interest rates.

Graph 3 - 5: Eurozone retail sales



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

Near-term expectations

The slowdown in economic performance in 4Q24 is expected to carry into 1H25 across the Eurozone. The services sector will remain a key supporting factor, particularly in economies with large tourism sectors, further benefiting from the strengthening dollar. The industrial sector, especially in Germany, continues to face challenges, though some recovery is expected in 2025 and into 2026.

On a quarterly basis, the Eurozone is projected to accelerate from 0.8%, q-o-q, SAAR in 1Q24 to a stable 1.2%, q-o-q, SAAR growth pattern for the remainder of the year, continuing into 1H26. This is primarily driven by rising real wages as inflation continues to decline, easing monetary policy, and cyclical adjustments following periods of weak growth. However, the outlook remains uncertain due to the potential for tariffs from the new US administration. Weaker manufacturing exports resulting from tariffs would further strain the industrial sector. While the expectation is that tariffs will be avoided through renewed trade arrangements, they cannot be ruled out entirely. Depending on the scope of US trade policy, tariffs on European exports could negatively impact particularly the German economy, but also France, Italy and Spain, which all account for a considerable share of the Eurozone's goods production and exports to the US.

On the fiscal side, the passing of France's budget has provided greater visibility and stability following the budgetary crisis. However, fiscal consolidation measures – including spending reductions and tax increases – aimed at addressing the deficit are likely to dampen growth. The French government remains committed to meeting EU fiscal rules, limiting its ability to introduce expansionary measures. In Germany, the upcoming election this month will shape fiscal policy for 2025. Relaxing fiscal rules would create additional space for stimulus measures and public investment, supporting growth in Europe's largest economy. However, this will depend on the election outcome. If fiscal constraints remain in place, Germany's economic growth is likely to stay muted in 2025.

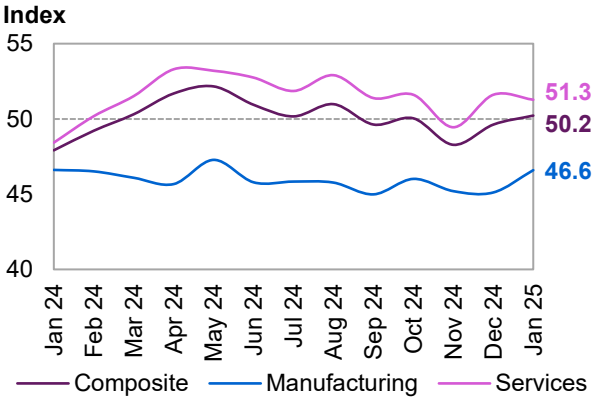
Regarding monetary policy, the ECB is expected to continue cutting rates to support economic activity but may adopt a more cautious approach if inflationary pressures resurface. However, underlying inflation indicators remain supportive of further easing. The January rate cut of 25 bp, which brought the key policy rate to 2.75%, aligns with the ECB's data-driven approach. Markets have already priced in additional cuts for 2025, though the exact trajectory will depend on inflation and growth dynamics.

Eurozone January PMI data indicates a slight improvement in the manufacturing sector, though it remains in contractionary territory, while the services sector continues to expand, albeit at a slower pace.

January's manufacturing PMI rose to 46.6, up from 45.1 in December and 45.2 in November. The improvement was driven by a slower decline in new orders and output. However, a continued decline in employment levels and high operating expenses remain a drag on the sector.

The services PMI stood at 51.3 in January, slightly down from 51.6 in December but up from 49.5 in November. Demand conditions continued to improve, though high operating costs weighed on the sector's outlook.

Graph 3 - 6: Eurozone PMIs



Sources: S&P Global and Haver Analytics.

With the continued weakness in the Eurozone observed in 4Q24 expected to persist into 1H25, along with ongoing challenges in the industrial sector, the 2025 growth forecast has been revised slightly downward to 0.9% from the previous month's estimate.

For 2026, an expected recovery in the industrial sector and improving real wages – as inflation continues to decline – provide additional support to the outlook, with growth projected to accelerate to 1.1%, unchanged from the previous month's forecast.

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

	Eurozone
2025	**0.9**
Change from previous month	-0.1
2026	**1.1**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Japan

Update on latest developments

Japan showed signs of a rebound in 3Q24, with its economy expanding 1.2%, q-o-q, SAAR. This gradually improving dynamic is estimated to have continued into 4Q24 and 1Q25. Economic growth in 3Q24 was driven primarily by growing private consumption, according to the Ministry of Economy and Trade (METI). The CPI increased by 3.7%, y-o-y, in December, up from 2.9%, y-o-y, in November and 2.2%, y-o-y, in October. Core inflation, excluding food and energy, remained relatively stable, edging down to 1.6%, y-o-y, in December from 1.7%, y-o-y, in November, unchanged from October.

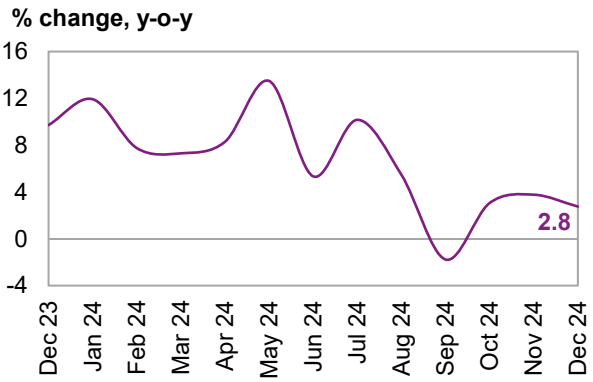
At its January meeting, the BoJ raised the benchmark interest rate by 25 bp to 0.5%, citing strengthening economic activity and rising prices. In December, the BoJ opted to hold rates at 0.25%, but expectations of continued economic recovery, supported by increased spending and expected wage hikes from spring labour-management negotiations, prompted the January rate hike. The BoJ noted that real rates remain negative, ensuring continued accommodative monetary policy. It also highlighted global uncertainties, including potential shifts in US policy under the new administration, but maintained cautious optimism about achieving its 2% inflation target.

IP declined by 0.9%, y-o-y, in December, albeit improving from a sharper contraction of 2.6%, y-o-y, in November. Non-durable consumer goods remained the only major industrial category to register growth, increasing 2.8%, y-o-y, in December, up from 1.5%, y-o-y, in November. This continues the pattern of fluctuations seen in the industrial sector over the past year. Meanwhile, the services sector continues to support the overall economic outlook.

Retail sales grew by 3.7%, y-o-y, in December, improving on the trend of 2.8%, y-o-y, growth in November and 1.3%, y-o-y, growth in October, reflecting expanding domestic consumption. Consumer confidence, after stabilizing in December, resumed its downward trend from 2Q24. The Consumer Confidence Index declined slightly to 34.4 in January from 35.4 in December and November.

Japan's exports slowed in December, increasing by 2.8%, y-o-y. This was down from 3.8%, y-o-y, in November and 3.1%, y-o-y, in October. The effects of potential US tariffs in Japan have yet to materialize, as Japan was not among the countries directly targeted in the first round of tariffs. However, spillover effects – such as through currency risk and weakened global business sentiment – could still impact the Japanese economy. The stimulus package announced in November is expected to provide additional support.

Graph 3 - 7: Japan's exports



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

Near-term expectations

Japan's economy is expected to have seen a gradual recovery in 4Q24, continuing its improvement from 3Q24. This trend is projected to extend into 2025, with GDP growth forecast at 1%, returning to its potential growth rate. The outlook remains stable into 2026, though uncertainty persists regarding potential trade disruptions with the US or US tariffs on its trading partners, which could weaken the global outlook and indirectly slow Japanese exports. However, a strengthening US dollar is expected to offset some of these effects. Additionally, improving domestic consumption will provide further support.

On monetary policy, continued tightening by the BoJ at the January meeting was anticipated given the rising inflation trend, with further hikes expected in 2025. BoJ officials reiterated their commitment to keeping inflation within target while acknowledging key risks. They expect strong wage growth and increased business investment to create a cycle of rising incomes and spending. However, they noted that while the weak yen supports exports, it also increases firms' sensitivity to currency fluctuations. A potential slowdown in major economies, particularly the US and China, if trade tensions escalate, remains a key concern influencing the BoJ outlook. However, officials expect domestic economic momentum to mitigate some external risks.

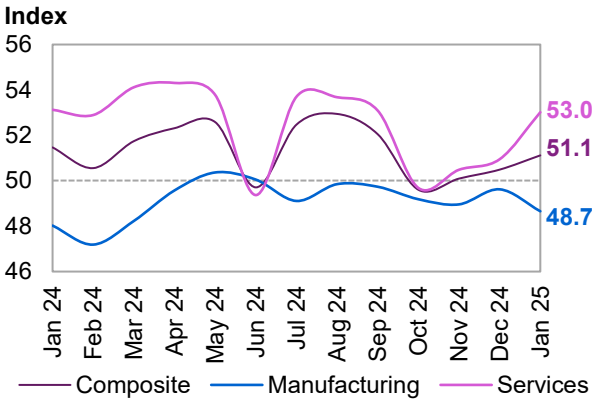
The services sector is expected to further support growth in 2025. The government's fiscal measures, announced in late 2024 and worth over $140 billion, are expected to provide additional support. The package aims to ease the cost of living through direct financial assistance and energy subsidies for low-income households, promote business innovation, and support regional economies. Including expected private sector spending, the overall impact is estimated at around $250 billion, with a particular focus on AI and semiconductor industries. However, the risk remains of a further rise in the debt-to-GDP ratio, which already exceeds 210%. With rising interest rates, debt-servicing costs will increase. Despite this, the fiscal package is expected to support overall growth in 2025 following the contraction in 2024.

January PMI data for Japan indicates an improving outlook in the services sector and a slowing trend in manufacturing.

The manufacturing PMI declined to 48.7 in January from 49.6 in December and 49.0 in November. Output and new orders contracted at a faster pace, signalling continued challenges in the sector into 2025.

Meanwhile, the services PMI showed a strong improvement, rising to 53.0 in January from 50.9 in December and 50.5 in November. Growth was driven by strengthening new work orders and expanding employment levels.

Graph 3 - 8: Japan's PMIs



Sources: S&P Global and Haver Analytics.

With these dynamics, the growth rate in 2025 is expected to recover to 1.0%, supported by exports and domestic demand, unchanged from the previous month's outlook.

In 2026, ongoing uncertainties related to debt levels, rising interest rates, and economic conditions with major trading partners, primarily the US and China, keep the forecast at 1.0%, unchanged from the previous month's outlook.

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

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

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Non-OECD

China

Update on the latest developments

Following strong growth rates in 4Q24, China achieved its full-year target of 5% for 2024. Both China's 4Q24 economic growth and December industrial production (IP) data exceeded general market expectations. Economic momentum strengthened towards the end of last year, with real GDP growth accelerating to 5.4%, y-o-y, in 4Q24, up from 4.6%, y-o-y, in 3Q24. This improvement was driven by coordinated and targeted monetary policy easing, fiscal support measures and a surge in exports, which were likely influenced by expectations of rising US tariffs. Consequently, IP also saw notable gains in December, particularly in the automobile and electric machinery sectors, while retail sales growth rebounded too. Moreover, the consumer goods trade-in programme continued to support demand, fuelling strong growth in home appliance sales. This positive momentum from late 2024 is anticipated to support healthy growth in early 2025, particularly as fiscal measures gain traction and monetary easing measures continue. Meanwhile, the property market continued to adjust, with policy efforts focused on stabilizing the sector. The ongoing policy support and anticipated resilient consumer demand could help offset external headwinds, as the latest trade-related dispute and the announcement of US tariffs on Chinese imported goods and the consequent retaliatory efforts of China could negatively impact economic growth going forward. At the beginning of February, the US imposed a 10% tariff on all Chinese imports. Consequently, China announced tariffs of 15% on US coal and LNG and tariffs of 10% on crude oil, agricultural machinery, and large cars. China also launched antitrust investigations into specific US companies. Additionally, China imposed export controls on critical rare earth materials. Furthermore, China vowed to challenge the tariffs at the World Trade Organization.

Housing prices continued to stabilize in December, according to the 70-city price index provided by Haver Analytics, with a slower decline of 7.6%, y-o-y, following a November contraction of 8.4%, y-o-y, and compared to -9.2%, y-o-y, in October. The trend has clearly improved since the release of the monetary stimulus package in late September, when prices declined by 9.6%, y-o-y. The 25 bp reduction in both the 1-year and 5-year prime loan rates in combination with the 50 bp reduction in mortgage rates on existing loans has continued to have a positive effect on real estate markets.

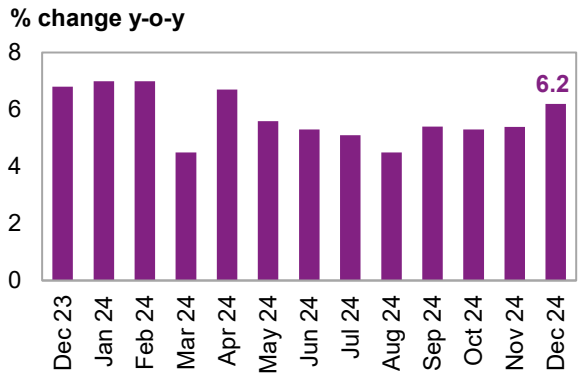
Moreover, household consumption showed signs of resilience. Retail sales grew 3.7%, y-o-y, in December, up from the 3%, y-o-y, recorded in November. This followed the considerable uptick of 4.8%, y-o-y, in October, which was bolstered by the Singles' Day shopping festival.

Thanks to increased spending related to the Lunar New Year, a general gradual recovery in domestic consumption and government efforts to support household spending, headline inflation picked up in January, rising to 0.5%, y-o-y. Although inflation remains low, this marks an increase from 0.1% in December and 0.2% in November. The upward trend was largely driven by the services sector, which benefited from increased travel activity during the Lunar New Year. Services sector inflation rose to 1.1%, y-o-y, up from 0.5% in December and 0.4% in November. Food inflation also rebounded, rising by 0.5%, y-o-y, in January after declining by 0.5% in December. Meanwhile, core inflation increased from 0.4% in December to 0.6% in January.

The urban unemployment rate remained relatively stable at 5.1% in December, following 5% in November and October. Urban youth unemployment, which peaked at almost 19% in August, following the entry of new college graduates into the labour market, continued to recede, reaching 16.1% in November and 15.7% in December, reflecting the gradual absorption of graduates into the workforce.

IP strengthened further in December, increasing by 6.2%, y-o-y, compared with 5.4%, y-o-y, in November and 5.3%, y-o-y, in October. Within IP, manufacturing accelerated, growing 7%, y-o-y, in December, following growth of 6.0%, y-o-y, in November and 5.4%, y-o-y, in October. Motor vehicle production increased by 9.3%, y-o-y, in December, following a rise of 11.1%, y-o-y, in November. New energy vehicle production continued at a strong rate, rising by 32.2%, y-o-y, in December, following a rise of 49.7%, y-o-y, in November and 50.3%, y-o-y, in October. With this, the retail penetration rate of new energy vehicles remains at almost 50% in China.

Graph 3 - 9: China's industrial production



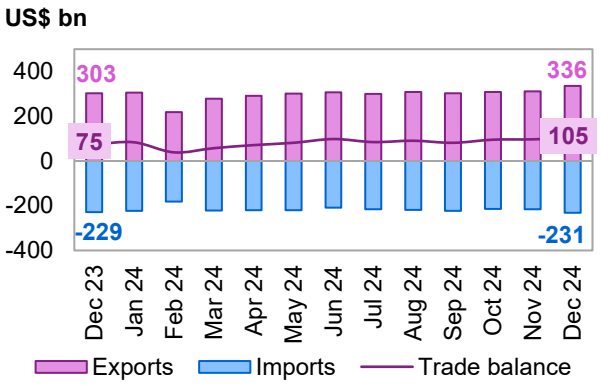
Sources: China National Bureau of Statistics and Haver Analytics.

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

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

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

Graph 3 - 10: China's trade balance



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

Near-term expectations

China's economic growth dynamic is anticipated to remain well supported in 2025 and 2026, normalizing at just below 5% growth on a quarterly average in the near term. Policymakers are expected to raise the official deficit from 3% of GDP last year to around 4% in 2025, with additional stimulus announcements anticipated at the forthcoming Two Sessions meeting in March, particularly in the form of higher bond quotas and further consumption-oriented support programmes. Furthermore, government support for the housing sector is expected to continue boosting household budgets, consequently resulting in increased consumer spending. Further support measures geared towards domestic demand will be critical in mitigating the effects of heightened trade tensions with major trading partners, including the US. Moreover, front-loaded exports were another temporary factor supporting GDP growth towards the end of 2024. This is not expected to continue in the near term, also given the additional US tariffs on Chinese imports.

Following the announcement of additional US tariffs on Chinese goods, the immediate impact on China's economic growth is currently considered to be minor. For now, the impact may be mitigated via various measures, such as currency dynamics, cost-cutting by both exporters and importers, reduced profit margins, and the redirection of US-bound exports to other markets. However, given the uncertainty surrounding the duration of these tariffs, the negative effects on China's near-term GDP growth could become more significant depending on how the situation evolves. Over the past several years, China has increasingly diversified its export markets, expanding into regions such as Latin America, the Middle East, and Russia, which are expected to potentially absorb additional volumes. Thus, China is anticipated to sustain high export volumes, even amid escalating trade tensions with the US.

Economic activity has shown solid gains in government-supported sectors, but broader organic growth remains relatively subdued. The GDP deflator reflects persistent deflationary pressures from sectoral oversupply and weak wage growth, making the path to reflation uneven. Given these challenges, further monetary and fiscal easing is expected to sustain growth near the 5% target.

In the meantime, amid global trade uncertainties and potential tariff risks, the People's Bank of China (PBoC) has shifted its currency strategy from 'flexibility' to 'resilience', signalling a focus on currency stability rather than targeting a specific exchange rate. The renminbi is expected to depreciate slightly over the course of

2025 against the dollar, and government bond yields are projected to decline similarly as monetary easing is forecast to continue. In the latest PBoC meetings, the central bank signalled more cuts to the reserve ratio requirements (RRR) and policy rates.

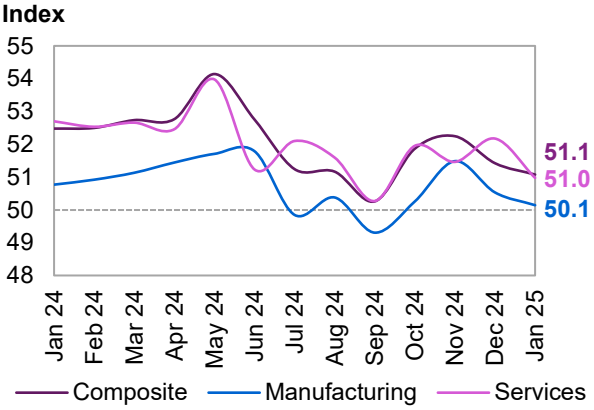
The labour market is forecast to remain stable and the most recent reduction in youth unemployment provides positive evidence that the seasonal influx of new college graduates can be absorbed to some extent, albeit this issue will potentially pose a recurring challenge in 2025 and possibly 2026.

The latest PMI data for January indicates an ongoing challenging situation in the manufacturing sector, while the services sector held up somewhat better. Positively, both indices remain in expansionary territory.

The Manufacturing PMI slowed to 50.1 in January, compared with 50.5 in December and 51.5 in November.

The Services PMI retracted to stand at 51 in January, following a level of 52.2 in December and 51.5 in November.

Graph 3 - 11: China's PMI



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

Considering China's ongoing sound robust economic expansion in 4Q24, and the anticipation of further counterbalancing support measures to be announced at the Two Sessions meetings in March, economic growth is forecast to be well supported in 2025. However, trade-related issues must be closely monitored, as they could dampen the growth dynamic in the near term. Consequently, the economic growth forecast remains at 4.7% for 2025, consistent with the previous month's report.

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

	China
2025	**4.7**
Change from previous month	0.0
2026	**4.6**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

In 2026, economic growth is also expected to remain well supported and to decelerate only marginally. Consequently, economic growth is forecast at 4.6%, unchanged from the previous month's forecast.

India

Update on the latest developments

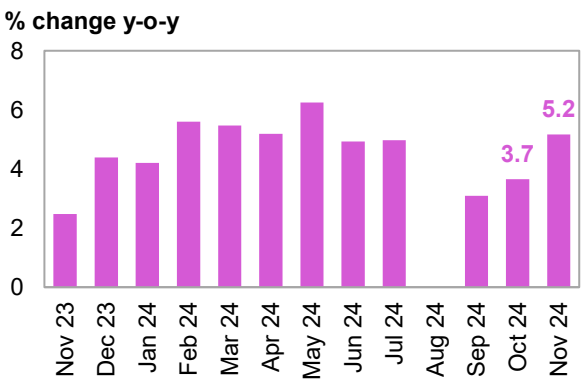
Following a slowdown in India's 3Q24 GDP growth dynamic, recent developments indicate a rebound. India's 3Q24 economic growth stood at 5.4%, y-o-y, down from 6.7%, y-o-y, in 2Q24, a retraction that was driven by a contraction in the manufacturing sector, among others. India's manufacturing sector, however, showed robust growth in 4Q24, with business sentiment indicators, including the January PMI, indicating a further recovery. This was largely driven by an improving labour market, supported by strong sales and a positive demand outlook. Business confidence rose to 138.4 in 4Q24, up from 134.3 in 3Q24, though still below the level of 149.8 seen in 2Q24. In addition, the most recently published budget underscores ongoing growth-related initiatives by the government. However, an important area to monitor is persistently high inflation and the impact of continued tight monetary policies. Inflation has been hovering close to the upper limit of the Reserve Bank of India's target range of 2%–6%, with the midpoint at 4%. Food inflation, in particular, remained elevated, impacted by the volatile supply of key vegetables.

India's latest budget focuses on economic growth, including tax breaks for middle-class earners and measures to improve the business environment, while keeping fiscal discipline. The government raised the income tax exemption threshold, reducing the tax burden on individuals with the aim of boosting household consumption and savings. The personal income tax threshold, below which taxpayers owe no tax, moved to INR 1.2 million (around $14,000), up from INR 700,000. Small and medium-sized businesses also received incentives to stimulate economic activity. Additionally, the government announced the formation of a committee for regulatory reforms to facilitate business activities. It was also announced that fiscal consolidation will continue, targeting a reduction in the fiscal deficit to 4.4% of GDP in FY26, down from the revised 4.8% in FY25. Meanwhile, central government capital expenditure is projected to remain steady.

Signs of recovery in the industrial sphere continued in 4Q24. IP grew 5.2%, y-o-y, in November, following growth of 3.7%, y-o-y, in October and growth of 3.1%, y-o-y, in September. However, vehicle sales, an indicator of consumer spending and confidence, fell by 12.5%, y-o-y, following a rise of 11.2%, y-o-y, in November and 32.1%, y-o-y, in October.

The unemployment rate remained almost unchanged, standing at 7.9% in January, following 7.8% in December, 7.7% in November and 8.9% in October. The trend was mainly driven by rising employment in rural areas, while urban unemployment remained relatively high at over 8%.

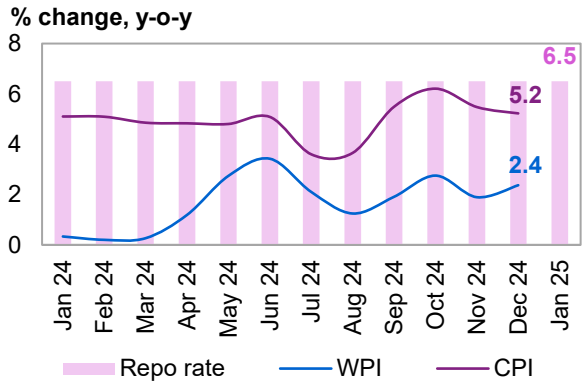
Graph 3 - 12: India's industrial production



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

Headline inflation also remained relatively high, but eased to stand at 5.2%, y-o-y, in December, compared with 5.5%, y-o-y, in November, and down from 6.2% in October. The high, albeit retracting Consumer Price Index (CPI) levels were largely driven by vegetable prices that previously pushed inflation higher. Food inflation stood at 9.8%, y-o-y, in October, but retracted to 8.2%, y-o-y, in November and 7.7%, y-o-y, in December. This brought inflation back within the upper limit of the Reserve Bank of India's (RBI) target range with the upper limit standing at 6%. Moreover, core inflation continued easing, standing at 3.6%, y-o-y, in December, a moderation from 3.7%, y-o-y, in November and 3.8%, y-o-y, in October. In its most recent February meeting, the RBI has consequently lowered the key policy rate by 25 bp to 6.25%.

Graph 3 - 13: Repo rate and inflation in India



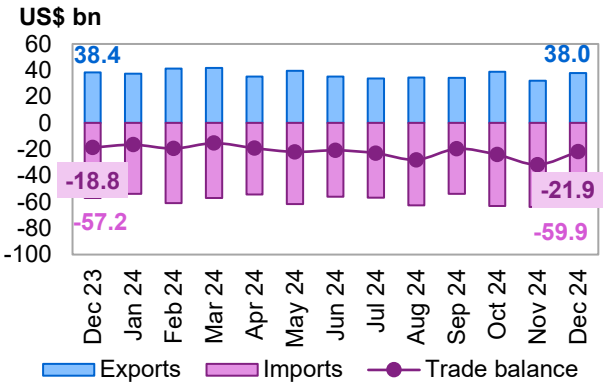
Sources: Ministry of Commerce and Industry, Reserve Bank of India and Haver Analytics.

India's trade deficit narrowed to $21.9 billion in December, compared with $31.8 billion in November, and $18.8 billion in December 2023.

Imports fell, following a sharp increase in gold imports in November. Overall imports reached $59.9 billion in December, down from $63.4 billion in November.

At the same time, exports rose to $38.0 billion in December, following $32.1 billion in November.

Graph 3 - 14: India's trade balance



Sources: Ministry of Commerce and Industry and Haver Analytics.

Near-term expectations

Following the 3Q24 retraction in economic growth, the Indian economy is anticipated to have rebounded in 4Q24 and is forecast to continue robust growth momentum in 2025 and 2026 as selective key indicators have already pointed at a rebound in underlying economic activity. This momentum is expected to be supported further by the expectation of gradual monetary easing in 2025 and 2026 in combination with an ongoing growth-friendly budget and additional government support measures. Also, inflation has continued retracting, providing room for potential central bank's monetary easing measures. However, the most recent weakening of the Indian rupee will need to be closely monitored in light of upcoming monetary policy decisions.

Inflation, including core inflation, has eased over the past two months. This has provided room to the Indian central bank to lower the key policy rate from 6.50% to 6.25% at its February meeting, its first rate cut in five years. It is widely anticipated that the RBI will lower the key policy rate by another 25 bp in 1H25. After the most recent liquidity injections into the banking system, accounting to around INR 1.5 trillion, the RBI is expected to continue its ongoing monetary policy accommodation, including the key policy rate. As a result of unsterilized foreign exchange interventions, the banking system faced a significant liquidity deficit, prompting the RBI to take steps to inject additional liquidity. However, banking liquidity is expected to remain in deficit, necessitating further liquidity measures. If liquidity remains in deficit, effectively transmitting any rate cut through the financial system would be challenging.

The outlook for the near term provides further positive signals, especially as consumption and investment could gain momentum into 2025 and 2026. While inflation, particularly for food staples, has remained high, it is expected to ease gradually, supporting real incomes over time. The labour market is also showing signs of recovery, with December data indicating improvements, mainly in rural areas. Public spending is set to strengthen in 1Q25 and beyond, providing further economic support. Additionally, conditions for private investment remain favourable, and as financing constraints ease, business confidence and spending could accelerate further. At the same time, uncertainties in global trade remain that could affect India through various channels, including indirect ones.

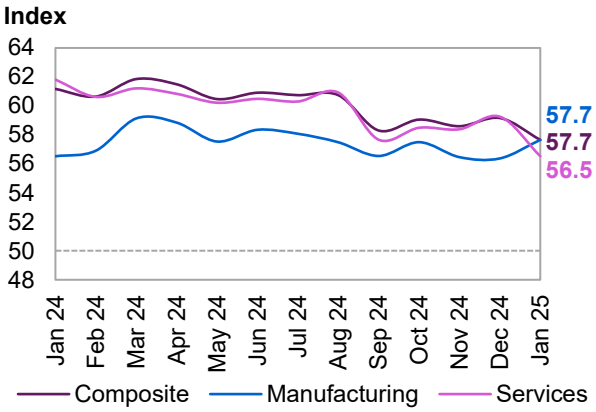
While economic activity is forecast to rebound in 4Q24, annual growth rates are anticipated to slow down. Following the 3Q24 economic growth rate of 5.4%, 4Q24 growth is expected to exceed 7% in 4Q24 before normalizing towards a quarterly average of 6.5% in 2025, with some slowdown towards the end of the year, before recovering again into 2026.

PMI figures for January support the ongoing steady growth trend, with improvements in the manufacturing sector, while the important services sector is holding up well, though reflecting some slight deceleration.

The manufacturing PMI improved to stand at 57.7 in January, following healthy levels of 56.4 in December and 56.5 in November.

The services sector PMI dipped to 56.5 in January, following an increase to 59.3 in December from 58.4 in November, and remains supported by business intakes and increasing international orders.

Graph 3 - 15: India's PMIs



Sources: S&P Global and Haver Analytics.

These trends suggest that economic growth will remain robust and steady in 2025 and 2026, albeit at a slightly slower pace than in 2024. This moderation is also partly due to the high base effect from the strong expansion observed in 2024, as well as lingering uncertainties surrounding global trade, India's labour market conditions and inflation. Nevertheless, the Indian economy is expected to continue its steady growth trajectory, bolstered by a mix of fiscal and monetary policies aimed at maintaining stability and sustaining momentum.

Economic growth in 2025 is expected to remain robust, driven by continued consumer spending, investment and government support for key sectors, with the forecast standing at 6.5%, unchanged from the previous month's forecast.

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

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

	India
2025	**6.5**
Change from previous month	0.0
2026	**6.5**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Brazil

Update on latest developments

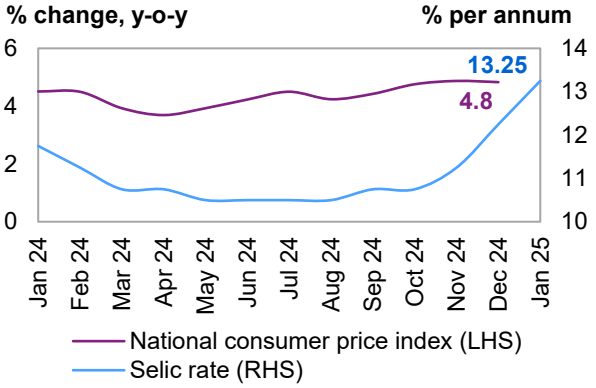
Brazil's economic growth dynamic lost some momentum towards the end of last year, following high growth rates in the first three quarters. This normalization of growth rates seems to have continued into 2025. Brazil's economic growth was reported at 4.0%, y-o-y, in 3Q24, supported by investment and services activity, following

growth of 3.3%, y-o-y, in 2Q24 and growth of 2.6%, y-o-y, in 1Q24. The Consumer Confidence Index dropped by 3.1 points in December, followed by a further 5.1-point decrease in January 2025, bringing the headline index to 86.2. Similarly, the composite business confidence indicator declined by 1.8 points in January to 94.8, reflecting weaker assessments of both current conditions – declining by 2.4 points to 96.3 – and future expectations – declining by 1.3 points – to stand at 93.2. Both confidence indices are provided by the Fundacao Getulio Vargas. Business confidence fell across multiple sectors, including construction, manufacturing, services, and retail. A key factor behind the reduced activity, especially in business, but also in consumption to some extent, was the swift action of the Banco Central do Brasil (BCB) in monetary tightening. The BCB has continued its rate-hiking cycle in 2025, even after maintaining a significantly tight stance in 2024.

This decelerating trend was accompanied by a retraction in IP, which expanded by only 0.5%, y-o-y, in December, on a seasonally adjusted basis. This translates into a contraction of 0.3%, m-o-m, the third consecutive monthly decline. When reviewing the details, the composition appears even softer than the headline suggests. Declines in capital goods, as well as both durable and non-durable consumer goods, contributed to the drop, which was partially offset by a rise in intermediate goods. Manufacturing production remains sluggish, with quarterly growth slowing to -0.1% in 4Q24 from +1.2% in 3Q24, reflecting broad-based deceleration.

Core inflation edged down slightly in December to stand at 3.9%, y-o-y, following 4.0%, y-o-y, in November. Headline inflation was almost unchanged as well, standing at 4.8% in December, y-o-y, compared with 4.9%, y-o-y, in November. This exceeds the BCB's upper limit target range of 4.5%. The unemployment rate rose slightly to stand at 6.2% in December, following a level of 6.1% in November and 6.2% in October, continuing the tight labour market trend.

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



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

In response to rising inflationary pressures, the BCB raised the Selic rate again in January by 1 pp, bringing it to 13.25%. The minutes released from the meeting pointed to likely continued monetary tightening. The inflation backdrop was highlighted as remaining challenging, with short-term drivers including the exchange rate and the broader underlying inflation dynamic. It was said that the balance of risks for inflation remains asymmetric, tilted to the upside.

Near-term expectations

Monthly contractions in real retail sales, service sector revenue, and IP indicate that economic momentum will continue to slow this year, while tighter monetary and fiscal policies are expected to further constrain growth. However, this aligns with expectations that Brazil's economic growth will continue to normalize, with steady momentum forecast for both 2025 and 2026. Consumer demand is expected to continue moderating in 2025, as high interest rates gradually weigh on consumption. However, rising wages in a tight labour market have continued to counterbalance this effect. On a sectoral level, industrial output is projected to improve again in 1H25. Moreover, the agricultural sector is set to rebound, benefiting from favourable weather conditions at the end of 2024, which are expected to boost output and positively impact related services such as transportation, storage, and logistics.

Following significant growth of 4%, y-o-y, in 3Q24, growth in the final quarter of last year is estimated at around 2.5%, y-o-y. Moving forward, quarterly growth levels in Brazil's economy are anticipated to stand at around this level, with a carryover of the 2.5%, y-o-y, growth dynamic into 1Q25, before slightly decelerating towards 2H25, when the Brazilian economy is forecast to expand by around 2.2% on an annual basis. This slowdown is impacted by monetary tightening by the BCB and the expectation of some fiscal consolidation by the government, with both measures leading to some normalization in Brazilian growth levels after the high growth rates seen in 2024. However, the growth dynamic is then anticipated to accelerate slightly, moving into 2026, with annual 1H26 economic growth of around 2.3%, accelerating further to around 2.6% in 2H26.

Meanwhile, it is anticipated that strong base effects will keep annual inflation elevated until 2H25. Consequently, it is expected that the BCB will likely raise the policy rate further by around 1 pp in 1H25, especially as it appears committed to prioritizing a quicker return to the inflation target within a few quarters, even at the risk of undershooting it later. It is likely that this expected phase of monetary tightening will be followed by cuts starting in 2026 to prevent inflation from falling below the target floor. This is anticipated to

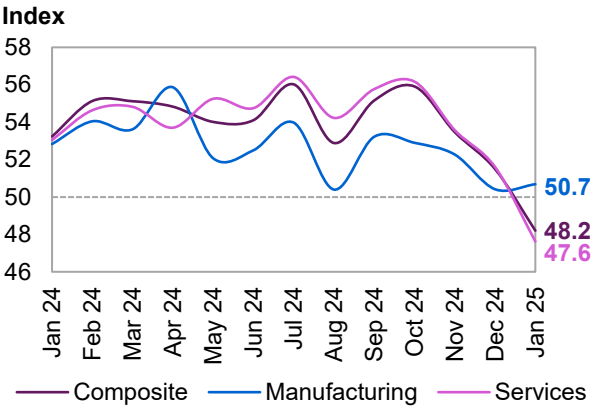
provide some support for growth in 2026 as well. In 2026, economic growth is expected to accelerate, as it is likely that reforms to the tax code will begin to positively impact the investment outlook. On the fiscal side, the newly proposed fiscal framework, which replaces the previous spending cap, allows government expenditure to grow by up to 2.5% annually in real terms, depending on revenue performance. Under this setup, the primary balance may not reach a debt-stabilizing level until the end of the decade, possibly leading to an increase in the debt-to-GDP ratio in the coming years. However, it is anticipated that the fiscal expansion in the near term will be done on a more cautious scale and that therefore fiscal support will also retrace, while at the same time providing sufficient support to economic growth. Some risks may come from the fact that a slow fiscal adjustment in an environment of high real interest rates may lead to a sharper slowdown in the near-term growth dynamic. Stabilizing debt at a higher level will be both costlier and riskier, increasing Brazil's vulnerability to global shocks and limiting its ability to respond to a downturn with tax cuts or targeted fiscal support. Although recent administrative changes at the BCB could help align fiscal and monetary policies more effectively, inflationary pressures nevertheless remain a significant obstacle for the BCB.

The January PMIs mirror the currently ongoing softening in Brazil's growth dynamic, while at the same time pointing to an ongoing steady dynamic in manufacturing.

The Services PMI fell to 47.6, following a level of 51.6 in December and 53.6 in November.

The Manufacturing PMI improved slightly to 50.7 in January, following 50.4 in December from 52.3 in November.

Graph 3 - 17: Brazil's PMIs



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

In reflecting the ongoing decelerating dynamic in the Brazilian economy, the 2025 economic growth forecast stands at 2.3%, unchanged from the previous month's report.

For 2026, the economic growth forecast stands at 2.5%, unchanged from the previous month. This anticipates an acceleration driven by monetary easing, a positive impact from the reformed tax code and a consequent pickup in domestic consumption and investments.

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

	Brazil
2025	**2.3**
Change from previous month	0.0
2026	**2.5**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Russia

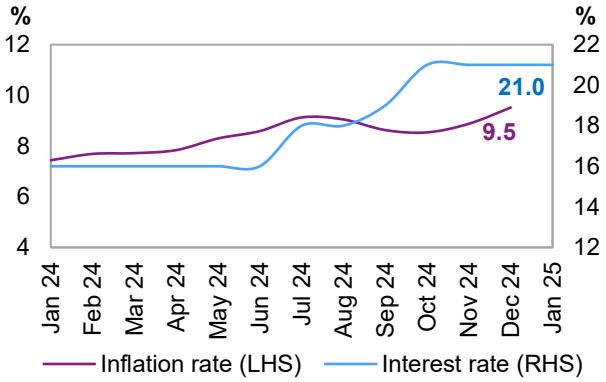
Update on the latest developments

Following economic growth of 3.1%, y-o-y, in 3Q24, the pace is estimated to have slowed in 4Q24, with this slowing economic growth dynamic likely to carry over into 2025. However, it should be noted that the current growth levels are still above pre-pandemic Russian economic growth levels, which averaged at or below 2%.

While the decelerating trend continued into 4Q24, IP rebounded strongly in December, growing by 8.2%, y-o-y, following growth of 3.5%, y-o-y, in November and 5.1%, y-o-y, in October. The main support came from manufacturing, which rose by 14.2%, y-o-y, in December, following an increase of 7.2%, y-o-y, in November, and a growth of 10.7%, y-o-y, in October. Retail sales growth slowed slightly in December to 5.1%, y-o-y, from 5.9%, y-o-y, in November, returning to October levels and remaining relatively strong.

In light of the steady growth pattern, inflation remained a considerable concern. The CPI edged up to 9.5%, y-o-y, in December, compared with 8.9%, y-o-y, in November. This re-emerging rising trend comes after three consecutive months of declines. In October, the CPI stood at 8.5%, y-o-y. December core inflation similarly moved up to 8.9%, y-o-y, compared with 8.3%, y-o-y, in November and 8.2%, y-o-y, in October. Although inflation remains elevated, the Bank of Russia held interest rates steady at 21%, y-o-y, in December, pausing the tightening cycle that began in July 2024, a hiking cycle that raised the key policy rate by 13.5 pp to 21%. In its statement, the central bank noted that credit conditions had tightened significantly, with lending rates in 4Q24 rising considerably more than the policy rate. As a result, it opted to pause further hikes to evaluate the economic impact of previous tightening measures.

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



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

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

The central bank published its first estimate for the balance of payments in 4Q24. The current account surplus stood at $4.8 billion, taking the current account for the full year to $53.8 billion, 2.5% of GDP. This is almost unchanged compared with the $50.1 billion in 2023. Both exports and imports of goods were slightly lower at 2% and 3%, y-o-y, as external difficulties continue to hinder the country's trade relations. Still, a constant and healthy current account surplus suggests that financing constraints are limited and the main constraint facing the economy and the authorities seems to be a labour shortage.

Near-term expectations

The Russian economy is anticipated to slow toward a more normalized growth pattern as high interest rates take effect, in combination with the limitations of an ongoing tight labour market, which is expected to remain tight in 1H25. Consequently, the economy remains well supported by sustained domestic demand, though some sectors may see a decelerating dynamic. Manufacturing output is likely to reach its natural limits due to labour shortages, while the high interest rates are expected to also weigh on investment demand. At the same time, goods exports and imports declined slightly by 2% and 3%, y-o-y, in 2024 reflecting the ongoing impact of trade restrictions. Furthermore, the combined effects of monetary tightening and planned fiscal consolidation, among other resource-related limitations, are expected to slow economic growth from the considerable growth rates seen up to 3Q24. Following growth of 3.1%, y-o-y, in 3Q24, the quarterly growth rates are seen at 2%, y-o-y, in both 4Q24 and 1Q25. A further decelerating trend is anticipated in 2H25, when the average quarterly growth rate is seen at around 1.8%. The growth rates are forecast to normalize further into 2026, with quarterly growth rates averaging 1.5%, y-o-y.

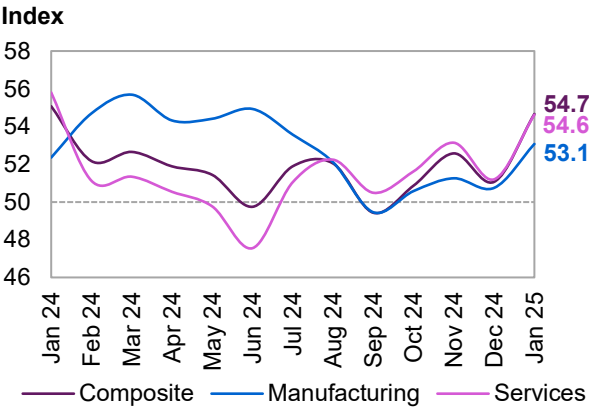
So far, government spending and fiscal support have been the main drivers of economic activity, sustaining a positive output gap that added to inflationary pressures. Going forward, inflation is projected to ease, as consumer demand is anticipated to soften and import demand will likely decline further in 2025 and 2026. The Bank of Russia has indicated that it may resume its tight monetary policy, but could pause at its February meeting, depending on key factors such as inflation dynamics and lending activity. While it maintains an inflation target of 4%, it does not expect to achieve this before 2026.

The latest PMI figures show a considerable pickup in both the manufacturing and services outlook, with both standing at healthy expansionary levels.

The manufacturing PMI rose to stand at 53.1 in January, following levels of 50.8 in December and 51.3 in November, reflecting a continued steady trend.

The Services PMI also moved up considerably, standing at 54.6 in January, compared with 51.2 in December and 53.2 in November.

Graph 3 - 19: Russia's PMI



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

Economic growth in 2025 is forecast to decelerate compared to 2024, with some carry-over effects from 4Q24 expected in 1H25. However, the Russian economy is forecast to expand at a steady pace in 2025. The growth projection stands at 1.9%, unchanged from the previous month's report.

In 2026, the Russian economy is projected to normalize further, with growth expected to reach 1.5%, unchanged from the previous month's estimate.

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

	Russia
2025	**1.9**
Change from previous month	0.0
2026	**1.5**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Africa

South Africa

Update on the latest developments

South Africa's economic conditions remain mixed, but modest positive momentum persists. Core inflation has retracted in the past months, supporting the momentum, which comes in combination with the most recent reductions in key policy rates by the South African Reserve Bank (SARB). Despite a slight dip in consumer confidence in late 2024, spending willingness remains strong, and consumer purchasing power is expected to continue improving. Consequently, retail trade saw strong growth at the beginning of 4Q2024, with sales rising by 8.9%, y-o-y, in October and 9.6%, y-o-y, in November. This surge was driven by favourable base effects and increased consumer spending ahead of the festive season. Retail sales have been on an upward trend in recent months, and this momentum is estimated to have continued into 2025.

The SARB recently cut its repo rate by 25 bp from 7.75% to 7.50%, aligning with forecasts and market expectations. While external factors have been inflationary, domestic inflation trends remain benign. Recent inflation data supports a cautious approach by the central bank, with headline inflation rising slightly from 2.9%, y-o-y, in November to 3.0%, y-o-y, in December, while core inflation eased from 3.8%, y-o-y, to 3.6%, y-o-y, in December. This marks the third consecutive significant downside inflation surprise and the fifth in the past six months, driven by weak underlying core inflation and an easing of last year's food supply shocks.

Improved power grid management and upgrades have successfully prevented load-shedding and are expected to benefit manufacturing output, agriculture, and consumer demand. The liberalization of the power sector, adopted in August 2024, is anticipated to further stabilize electricity supply as new suppliers enter the market. Electricity production in December grew by 3.3%, y-o-y, following a rise of 6.6%, y-o-y, in November. However, a water shortage in Johannesburg, stemming from infrastructure issues, is putting pressure on the domestic economy. Additionally, ongoing soft global demand, especially in China, is keeping non-gold commodity prices under pressure.

Near-term expectations

Domestic demand is likely to strengthen in 2025 as consumer purchasing power is expected to improve gradually throughout 2025, supporting economic activity and boosting manufacturing. However, the mining sector may take longer to see the benefits of improved power supply and potential government efficiencies.

With an accommodative inflation outlook, another 25 bp rate cut in the SARB's key policy rate is expected in March. This may then be followed by data-dependent pauses and cuts at alternating meetings until reaching a 6.5% terminal rate. However, risks lean toward a slower pace of easing, particularly if external pressures, such as rand volatility, push the central bank to hold rates steady. The rate-cutting cycle is projected to conclude by 2H25. The SARB's most recent 4–2 split vote and the acknowledgement of upside inflation risks signal a cautious stance.

The absence of load-shedding has benefitted the economy's industry and is forecast to continue, although logistical challenges persist. The electricity generation sector has remained stable, avoiding load-shedding since March 2024. However, Johannesburg's ongoing water shortages pose a risk of introducing new structural challenges in the country's economic hub. Contrary to the current positive signals in domestic demand, the PMI fell further, remaining in contractionary territory in January, standing at 47.4, following a level of 49.9 in December and 50.9 in November.

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

For 2026, continued structural improvements are expected to further accelerate the economy to 1.5%, also unchanged from the previous month.

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

	South Africa
2025	**1.3**
Change from previous month	0.0
2026	**1.5**
Change from previous month	0.0

*Note: * 2025-2026 = Forecast.*

Source: OPEC.

Saudi Arabia

Preliminary data for 4Q24 confirms that Saudi Arabia's GDP grew by 4.4%, y-o-y, aligning with expectations and marking a sharp increase from the 3% recorded in the previous quarter. This brings total growth for 2024 to 1.4%, in line with general projections. The non-oil sector remains a key driver, expanding by 4.6% during the quarter, reflecting ongoing diversification efforts. This positive trend is expected to continue into 2025. Fitch has reaffirmed Saudi Arabia's A+ credit rating with a stable outlook, citing strong fiscal and external balances. The government's net asset position is expected to remain solid through 2025, with the budget deficit being reduced to 1.6% of GDP this year from 2.6% in 2024. Meanwhile, government debt is projected to rise slightly to 30.2% of GDP, up from 29.6% in 2024, but will remain low by international standards. Infrastructure projects, including the expansion of the high-speed rail network, are expected to commence in 2025 and accelerate in 2026 following the awarding of the 2034 FIFA World Cup to Saudi Arabia. Other major projects will also continue to drive government spending. At the same time, healthy labour market dynamics are anticipated to boost domestic consumption, supporting growth in the non-oil sector. Inflation held steady at 1.9%, y-o-y, in December, leading the 2024 annual level standing at 1.7%. While food and housing costs remained relatively elevated, around a third of the consumer price index was subject to deflation. Consequently, it is widely expected that inflation will rise only moderately at around 2% in 2025. The Riyad Bank PMI remained firmly in expansionary territory at 60.5 in January, after an already high level of 58.4 in December and 59.0 recorded in November.

Nigeria

After the Nigerian economy recorded healthy growth in 3Q24 across key sectors, economic growth is anticipated to have been steady in 4Q24 as well. Economic growth reached 3.5%, y-o-y, in 3Q24, up from 3.2%, y-o-y, in 2Q24. This came despite the impact of tightening monetary policy, with the non-oil sector playing an increasingly important role in driving growth, supported by easing price pressures and a potential loosening of tight monetary policy. However, the oil sector remains central to the economy, and the Dangote Refinery reaching full production capacity should help stabilize the petroleum product supply and possibly lower petrol prices. While inflation remains high, early signs of cooling have emerged, partly due to base effects from the naira's devaluation. The central bank appears to be nearing the end of its tightening cycle, following its rate hikes in 2H24, with the key policy rate standing at 27.5%. Consequently, real interest rates remain deeply negative. Inflation rose to 34.9%, y-o-y, in December, following 34.6%, y-o-y, in November and 33.9%, y-o-y, in October. The S&P PMI remained at an expansionary level of 52 in January, compared with 52.7 in December.

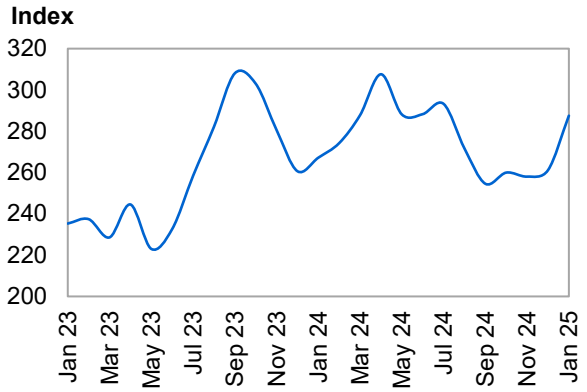
United Arab Emirates (UAE)

Heading into 2025, the UAE's non-oil economy continued to exhibit strong growth momentum, with 3Q24 data highlighting robust expansion. The January PMI remained almost unchanged, standing at 55, compared with 55.4 in December. This trend is expected to continue, with non-oil GDP growth set to rise considerably in 2025, supporting overall economic resilience. The non-oil economy continued to grow, with data from 2Q2024 showing an increase of 4.8%, y-o-y, up from 4.0%, y-o-y, in 1Q2024. This growth was driven by expansion in the construction and manufacturing sectors. Financial markets in the UAE also expanded, with notable initial public offerings (IPOs) in 2024 resulting in total IPO capital raised exceeding that of any individual European stock market. Additionally, the combined market capitalization of the Dubai and Abu Dhabi stock markets surpassed $1 trillion for the first time. Moreover, the UAE continues to expand its trade network, securing agreements with New Zealand and Malaysia, while working toward 26 comprehensive economic partnership deals. These agreements are seen as vital for enhancing market access and mitigating trade volatility, which will help bolster investment and private-sector collaboration, supporting long-term economic growth.

The impact of the USD and inflation on oil prices

The US dollar (USD) continued to advance in January, rising for a fourth consecutive month. The USD rose by 1.3%, m-o-m, amid uncertainties surrounding US trade policy. The prospects of US tariffs elevated inflation expectations and dampened market expectations regarding US Fed interest rate cuts. Indeed, the Fed kept interest rates unchanged in January, noting that inflation was "somewhat elevated" and removing from its December statement that inflation had made progress towards policymakers' 2% target. Compared with the same period last year, the index was up by 5.5%, y-o-y.

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



Sources: IMF and OPEC.

Regarding developed market currencies, the USD rose against all major currencies in January. It rose against the euro, yen and pound by 1.3%, 2.6%, and 2.7%, m-o-m, respectively. Compared with the same period last year, the USD also advanced against all major currencies. It was up against the euro, yen and pound by 5.3%, 6.7%, and 2.8%, y-o-y, respectively.

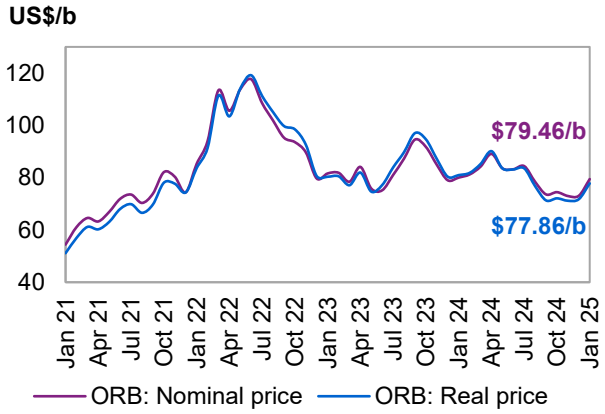
In terms of emerging market currencies, the USD advanced for a fourth consecutive month in January against the rupee and yuan, increasing by 1.7% and 0.4%, m-o-m, respectively; however, it declined against the real by 0.9%, m-o-m, over the same period. Compared with the same period last year, the USD was up against the rupee, yuan and real by 3.8%, 1.9%, and 22.4%, y-o-y.

The differential between nominal and real ORB prices widened in January. Inflation (nominal price minus real price) rose from $1.26/b in December to $1.60/b in January, an increase of 27.0%, m-o-m.

In nominal terms, accounting for inflation, the ORB price rose from $73.07/b in December to $79.46/b in January, an 8.7% increase, m-o-m. The ORB was down by 2.2%, y-o-y, in nominal terms.

In real terms (excluding inflation), the ORB increased from $71.81/b in December to $77.86/b in January, an 8.4% increase, m-o-m. The ORB was down by 4.9%, y-o-y, in real terms.

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



Source: OPEC.

World Oil Demand

Global oil demand for 2025 is forecast to grow by a healthy 1.4 mb/d, y-o-y, broadly unchanged from the previous month's assessment. The OECD is expected to grow by about 0.1 mb/d, y-o-y, mostly driven by requirements from the Americas, while marginal increases are forecast in OECD Europe and Asia Pacific. In the non-OECD region, demand is forecast to increase by a robust 1.3 mb/d, y-o-y, mostly driven by requirements from China, in addition to Other Asia, India, the Middle East and Latin America. Growth this year is expected to be driven by transportation fuels on the back of strong air travel demand and healthy road mobility. Support is also expected to come from the industrial, construction and agricultural sectors in non-OECD countries. Similarly, capacity additions and petrochemical margins are expected to continue to contribute to oil demand growth. In terms of products, jet/kerosene is expected to drive oil demand, followed by gasoline, LPG, diesel and naphtha. Total world oil demand is anticipated to reach 104.1 mb/d in 1Q25 and average 105.1 mb/d in 2025.

In 2026, global oil demand growth is projected to grow by about 1.4 mb/d, y-o-y, unchanged from the previous month's assessment. The OECD is forecast to expand by around 0.1 mb/d, largely driven by requirements from OECD Americas. In the non-OECD region, oil demand growth is forecast to expand by around 1.3 mb/d, y-o-y, driven by Other Asia, India and China, as well as Latin America and the Middle East. Total world oil demand is anticipated to average 106.6 mb/d in 2026.

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

World oil demand	2024	1Q25	2Q25	3Q25	4Q25	2025	Change 2025/24 Growth	Change 2025/24 %
Americas	25.00	24.47	25.02	25.42	25.38	25.08	0.08	0.31
of which US	*20.46*	*19.95*	*20.50*	*20.72*	*20.84*	*20.51*	*0.04*	*0.21*
Europe	13.55	12.88	13.62	14.11	13.63	13.56	0.02	0.12
Asia Pacific	7.25	7.54	6.99	6.94	7.59	7.26	0.01	0.15
Total OECD	**45.80**	**44.89**	**45.63**	**46.47**	**46.60**	**45.91**	**0.11**	**0.23**
China	16.67	16.99	16.74	17.08	17.12	16.98	0.31	1.86
India	5.55	5.88	5.86	5.55	5.89	5.79	0.24	4.31
Other Asia	9.65	10.00	10.26	9.79	9.75	9.95	0.30	3.15
Latin America	6.79	6.80	6.94	7.00	6.98	6.93	0.14	2.10
Middle East	8.76	8.82	8.60	9.17	9.08	8.92	0.16	1.81
Africa	4.49	4.64	4.32	4.45	4.91	4.58	0.09	2.05
Russia	3.98	4.02	3.87	4.05	4.20	4.04	0.05	1.35
Other Eurasia	1.25	1.37	1.28	1.16	1.33	1.28	0.03	2.52
Other Europe	0.80	0.79	0.83	0.77	0.85	0.81	0.01	1.40
Total Non-OECD	**57.95**	**59.31**	**58.71**	**59.03**	**60.11**	**59.29**	**1.34**	**2.32**
Total World	**103.75**	**104.20**	**104.34**	**105.50**	**106.71**	**105.20**	**1.45**	**1.40**
Previous Estimate	103.75	104.20	104.34	105.50	106.71	105.20	1.45	1.40
Revision	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

Source: OPEC.

Table 4 - 2: World oil demand in 2026*, mb/d

World oil demand	2025	1Q26	2Q26	3Q26	4Q26	2026	Change 2026/25 Growth	Change 2026/25 %
Americas	25.08	24.61	25.04	25.56	25.43	25.16	0.09	0.35
of which US	*20.51*	*20.02*	*20.51*	*20.85*	*20.86*	*20.56*	*0.06*	*0.28*
Europe	13.56	12.92	13.63	14.15	13.63	13.59	0.02	0.17
Asia Pacific	7.26	7.57	7.00	6.93	7.60	7.27	0.01	0.14
Total OECD	**45.91**	**45.10**	**45.68**	**46.65**	**46.66**	**46.03**	**0.12**	**0.26**
China	16.98	17.19	17.05	17.40	17.37	17.25	0.27	1.58
India	5.79	6.11	6.14	5.82	6.19	6.06	0.27	4.67
Other Asia	9.95	10.27	10.53	10.11	10.07	10.24	0.29	2.93
Latin America	6.93	6.93	7.07	7.12	7.10	7.06	0.13	1.82
Middle East	8.92	8.96	8.76	9.36	9.17	9.06	0.14	1.61
Africa	4.58	4.75	4.45	4.57	4.98	4.69	0.11	2.36
Russia	4.04	4.08	3.91	4.11	4.24	4.09	0.05	1.24
Other Eurasia	1.28	1.43	1.31	1.18	1.35	1.32	0.03	2.54
Other Europe	0.81	0.81	0.83	0.80	0.88	0.83	0.02	2.19
Total Non-OECD	**59.29**	**60.53**	**60.04**	**60.47**	**61.34**	**60.60**	**1.31**	**2.21**
Total World	**105.20**	**105.63**	**105.72**	**107.12**	**108.00**	**106.63**	**1.43**	**1.36**
Previous Estimate	105.20	105.63	105.72	107.12	108.00	106.63	1.43	1.36
Revision	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

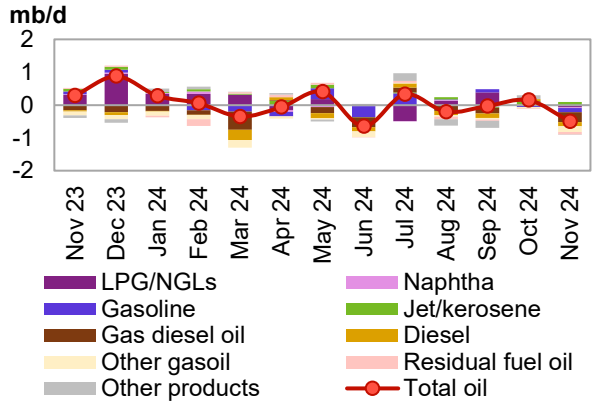
OECD

OECD Americas

Update on the latest developments

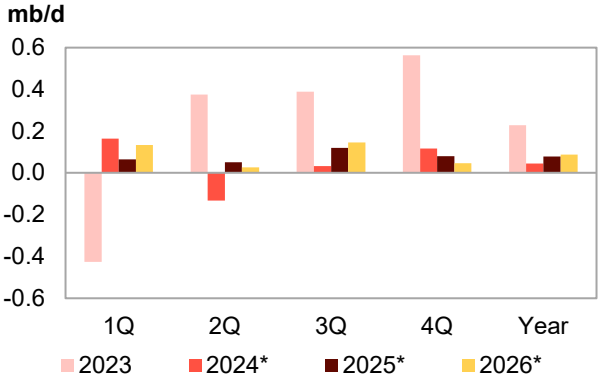
In November, oil demand in OECD Americas contracted by 497 tb/d, y-o-y, after a growth of 149 tb/d, y-o-y, seen in October. The US saw the largest decline, with a drop of 504 tb/d, y-o-y, in the region, followed by a 30 tb/d y-o-y drop in Mexico. This was slightly offset by y-o-y growth of 35 tb/d seen in Canada. In terms of petroleum products, only jet/kerosene recorded a y-o-y increase during the month in the region.

Graph 4 - 1: OECD Americas' oil demand by main petroleum product category, y-o-y change



Sources: IEA, JODI, OPEC and national sources.

Graph 4 - 2: OECD Americas' oil demand, y-o-y change



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

US

US oil demand in November contracted by 504 tb/d, y-o-y, down from 379 tb/d, y-o-y, growth seen in the previous month. All products recorded declines, except jet/kerosene, which saw an increase of 56 tb/d, y-o-y.

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

US oil demand			Change	Nov 24/Nov 23
By product	Nov 23	Nov 24	Growth	%
LPG	3.85	3.81	-0.05	-1.2
Naphtha	0.17	0.15	-0.02	-9.7
Gasoline	8.91	8.81	-0.10	-1.1
Jet/kerosene	1.62	1.68	0.06	3.4
Diesel	3.95	3.68	-0.27	-6.9
Fuel oil	0.36	0.29	-0.07	-19.6
Other products	2.17	2.12	-0.05	-2.4
Total	**21.03**	**20.53**	**-0.50**	**-2.4**

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

Sources: EIA and OPEC.

In terms of products, diesel recorded the largest decline, amounting to 274, tb/d, y-o-y, down from the flat y-o-y growth seen in the previous month. Diesel was partly subdued by a decline in trucking and tonnage, which accounts for a large share of diesel use in the US. According to data from the American Trucking Association, the US Truck Tonnage Index fell by 1.9%, y-o-y, in November. Gasoline demand contracted by 102 tb/d, y-o-y, down from a decline of 32 tb/d, y-o-y, seen in the previous month. The m-o-m decline in gasoline demand was partly due to a relative decline in vehicle miles travelled, as the seasonally adjusted vehicle miles travelled for November declined by 0.7%, m-o-m, compared with October 2024. Additional factors weighing on gasoline demand in the US, according to the Energy Information Administration (EIA), are increasing fleet efficiencies, reflecting both an increasing share of electric vehicles in the US passenger vehicle fleet, as well as increasing fuel economy in cars with conventional internal combustion engines. Demand for residual fuels fell by 70 tb/d, y-o-y, down from an increase of 38 tb /d, y-o-y, observed in the previous month. Demand for the 'other products' category, notably petroleum coke, widely used in aluminium and steel manufacturing, fell by 51 tb/d, y-o-y, down from a lesser decline of 14 tb/d, y-o-y, in the previous month. In terms of petrochemical feedstock, LPG requirements contracted by 47 tb/d, y-o-y, down from growth of 353 tb/d, y-o-y, seen in the previous month. Naphtha demand inched down by 16 tb/d, y-o-y, from flat growth, y-o-y, seen in the previous month.

On a positive note, demand for jet/kerosene increased by 56 tb/d, y-o-y, in November, up from 37 tb/d, y-o-y, growth seen in the previous month.

Near-term expectations

In the near term, the robust economic dynamic in 4Q24 supported by consumer spending and investments is projected to carry over into 2025. Accordingly, these factors are expected to support both the petrochemical sector and mobility, which is projected to lead to slight oil demand growth of 35 tb/d in 1Q25. Jet/kerosene and LPG are expected to be the main drivers of product demand growth. LPG is expected to be driven by requirements for heating on the back of the *La Niña* phenomenon. However, demand for diesel and naphtha is expected to remain subdued as manufacturing activity in the US has not yet shown a rebound.

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

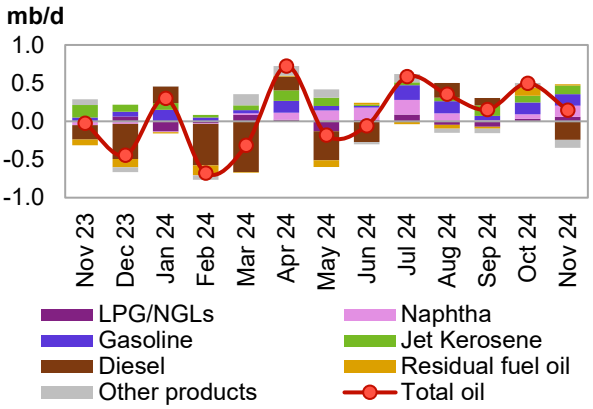
The steady dynamic of robust US GDP growth in 2025 is expected to be sustained in 2026. Accordingly, the US is projected to drive oil demand in the OECD, largely in terms of transportation fuels and petrochemical feedstock. While gasoline demand is expected to expand by 50 tb/d, y-o-y, diesel is forecast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

OECD Europe

Update on the latest developments

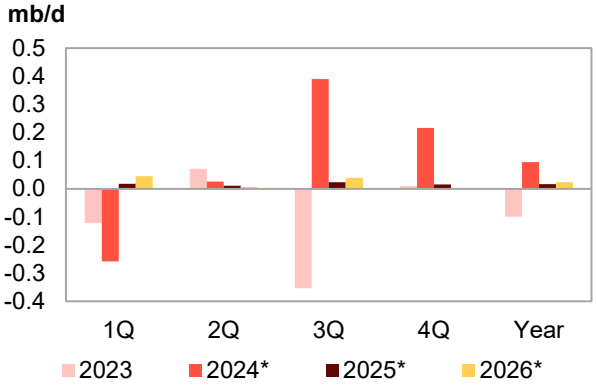
In November, oil demand in OECD Europe expanded by 147 tb/d, y-o-y, down from the growth of 500 tb/d, y-o-y seen in the previous month. This was supported largely by requirements from Germany, the UK and Italy. In terms of products, transportation fuels and petrochemical feedstock accounted for the largest share of growth in oil demand for the second consecutive month.

Graph 4 - 3: OECD Europe's oil demand by main petroleum product category, y-o-y change



Sources: IEA, JODI, OPEC and national sources.

Graph 4 - 4: OECD Europe's oil demand, y-o-y change



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

Regarding product categories, gasoline increased by 151 tb/d, y-o-y, broadly in line with the 154 tb/d, y-o-y, growth observed in October. Jet/kerosene expanded by 113 tb/d, y-o-y, up, from 89 tb/d, y-o-y growth seen in the previous month. The observed increase in jet/kerosene demand aligned with a report from IATA's Air Passenger Monthly Analysis in November 2024, showing that European carriers achieved strong growth in November, with international passenger traffic increasing by 9.4%, y-o-y. In terms of petrochemical feedstock, naphtha expanded by 145 tb/d, y-o-y, compared with 59 tb/d, y-o-y growth seen a month earlier. LPG increased by 62 tb/d, y-o-y, up from 36 tb/d, y-o-y growth seen in the previous month. Residual fuels inched up by 19 tb/d, y-o-y, down from 102 tb/d, y-o-y, growth observed in the previous month.

However, diesel contracted further by 240 tb/d, y-o-y, from a marginal decline of 3 tb/d, y-o-y, seen in the previous month. The "other products" category declined by 104 tb/d, y-o-y, down from 62 tb/d, y-o-y growth seen in the previous month.

Near-term expectations

Looking ahead, the GDP of the region is expected to grow modestly, supported by the services sector and some recovery in industrial activity. Air travel and driving mobility are expected to be the main drivers of oil demand in the region during 2025. Additionally, an improving industrial production (IP) outlook is expected to provide further support to overall regional economic growth in the near term. Gasoline is projected to see a slight uptick, driven by the robust use of ICE vehicles in the region amid slower electric vehicle penetration. Similarly, diesel could also inch up on the back of heating requirements during winter. Accordingly, OECD Europe oil demand growth is forecast to expand marginally by 18 tb/d, y-o-y, in 1Q25.

Additional factors expected to support growth in 2025 include a more accommodative monetary policy by the European Central Bank (ECB)and gradually rising incomes, driven by a slowdown in inflation. Furthermore, air travel and driving activity in Europe are expected to continue to support transportation fuel demand and be the main drivers of growth. Jet/kerosene is expected to lead overall oil demand growth by around 70 tb/d, y-o-y, and gasoline is projected to inch up by 10 tb/d, y-o-y. In terms of petrochemical feedstock, naphtha demand is expected to see a slight uptick of 10 tb/d, y-o-y, while LPG/ethane is projected to weaken by around 10 tb/d, y-o-y. The residual fuels category is anticipated to increase by 10 tb/d, y-o-y, partly supported by a low baseline effect. However, diesel and the 'other products' category, as well as fuel oil are anticipated to be subdued. Accordingly, OECD Europe oil demand growth is forecast at 17 tb/d, y-o-y, for an average of 13.6 mb/d in 2025. However, downside risks are associated with potential tariffs envisaged by the incoming US administration, which could dampen the region's industrial recovery, particularly in Germany, and weigh on diesel demand. Furthermore, in the Mediterranean, the new regulation regarding the Emission Control Area (ECA), effective in May 2025, will set the limit for sulfur in fuel oil used onboard ships at 0.10% mass by

mass (m/m) in the Mediterranean Sea. This is likely to subdue fuel oil demand but supports marine diesel demand, partially offsetting the expected decline in diesel due to weak industrial activity.

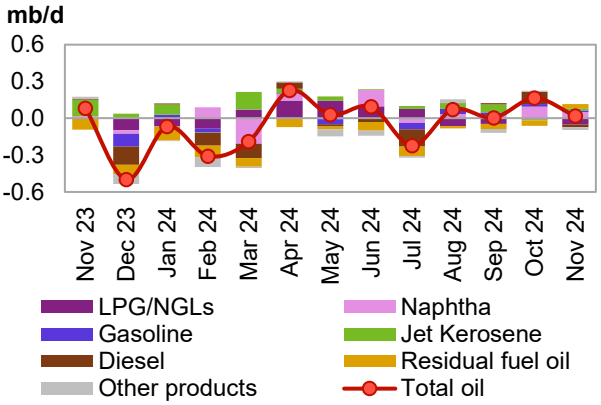
Looking ahead to 2026, economic activities are expected to improve slightly from 2025. This gradual improvement reflects expected modest improvements in the industrial sector, predominantly in Germany. Additionally, the ECB is anticipated to continue its monetary easing efforts towards 2026 in response to the projected slowdown in inflation. Furthermore, transportation activities are expected to remain relatively healthy, boosting jet/kerosene and gasoline requirements to a forecasted uptick of around 40 tb/d, y-o-y and 15 tb/d, y-o-y, respectively. However, forecasted declines in diesel and the ´other products´ category are expected to offset this projected increase in jet/kerosene and gasoline. Fuel oil is expected to be subdued by ECA regulations. Accordingly, the region is projected to see a slight growth of 24 tb/d, y-o-y, in 2026 to average 13.6 mb/d.

OECD Asia Pacific

Update on the latest developments

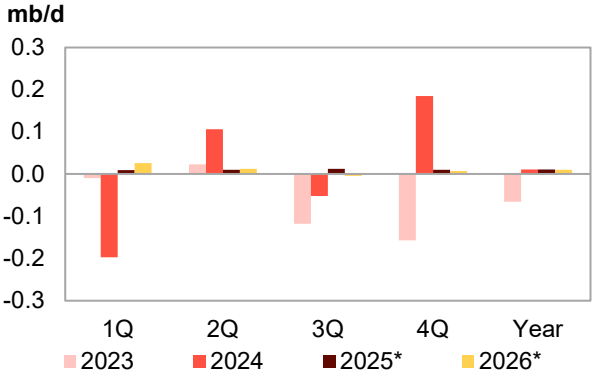
Oil demand in OECD Asia Pacific in November saw an uptick of 18 tb/d, y-o-y, down from 164 tb/d, y-o-y, growth observed in the previous month. This was largely due to a growth of 104 tb/d, y-o-y, seen in South Korea and an increase of 14 tb/d, y-o-y, in Australia over the month. However, a decline of 98 tb/d, y-o-y, in Japan's oil demand offset a large part of this regional growth.

Graph 4 - 5: OECD Asia Pacific oil demand by main petroleum product category, y-o-y change



Sources: IEA, JODI, OPEC and national sources.

Graph 4 - 6: OECD Asia Pacific oil demand, y-o-y change



*Note: * 2025-2026 = Forecast.*
Source: OPEC.

In terms of petroleum products, naphtha led oil demand growth by 50 tb/d, y-o-y, albeit coming in below the 93 tb/d, y-o-y, increase seen in the previous month. Residual fuels rebounded by 33 tb/d, y-o-y, after more than one year of consecutive y-o-y declines. In terms of transportation fuels, gasoline expanded by 14 tb/d, y-o-y, down from 21 tb/d, y-o-y growth seen in the previous month. Jet/kerosene increased by 18 tb/d, y-o-y, up from a decline of 7 tb/d, y-o-y seen in the previous month.

LPG contracted further by 50 tb/d, y-o-y, down from a 10 tb/d, y-o-y, decline seen in the previous month. Diesel fell by 21 tb/d, y-o-y, compared to growth of 102 tb/d, y-o-y, seen in the previous month. The "other products" category declined by 25 tb/d, y-o-y, down from 8 tb/d, y-o-y growth observed in October.

Near-term expectations

Looking ahead, South Korea is expected to drive regional oil demand, supported by Australia and Japan. However, South Korea is facing some political uncertainty and weakening domestic demand amid frail economic sentiment, which could impact oil demand in the region. Despite that, demand for transportation fuels, jet/kerosene and gasoline, is anticipated to grow and account for the largest increase in oil demand in the region. Furthermore, recovering petrochemical sector requirements for naphtha are expected to support oil demand as operations in petrochemical plants rise further. Accordingly, oil demand is expected to grow marginally by 9 tb/d, y-o-y, in 1Q25.

For 2025, the Japanese economy is projected to gradually rebound, and Australia is expected to see ongoing improvement in its GDP. Furthermore, steady air traffic growth, healthy driving activity and robust petrochemical industry operations are all anticipated to support oil demand. In terms of the contribution of specific oil products, jet/kerosene is anticipated to drive overall regional oil demand growth by around 20 tb/d, y-o-y. Steady improvements in petrochemical feedstock requirements, particularly from South Korea, are

expected to support naphtha demand growth of more than 10 tb/d, y-o-y, while LPG/ ethane should inch up by almost 10 tb/d, y-o-y. Diesel is anticipated to expand by around 10 tb/d, y-o-y, and gasoline requirements are expected to rise by around the same amount. However, residual fuels and the 'other products' categories are anticipated to be weak. Overall, in 2025, the region is projected to expand by 11 tb/d, y-o-y, to average 7.3 mb/d.

The expected gradual improvement in economic momentum in Japan and Australia during 2025 is projected to extend into 2026, mostly due to improvements in services sector activity, which constitutes over 60% of the region's economy. Moreover, the transportation and petrochemical sectors are also expected to see increases in oil demand. In 2026, the region is forecast to see growth of 10 tb/d, y-o-y, to average 7.3 mb/d.

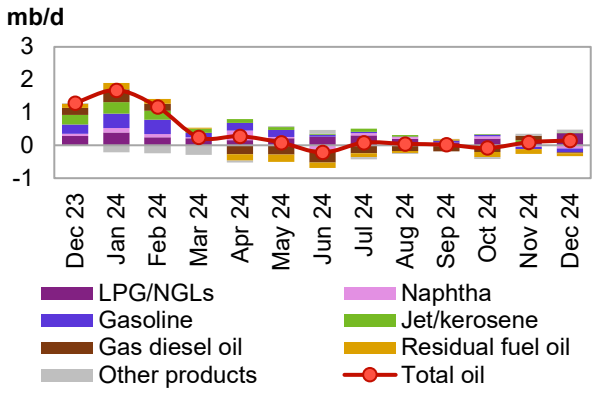
Non-OECD

China

Update on the latest developments

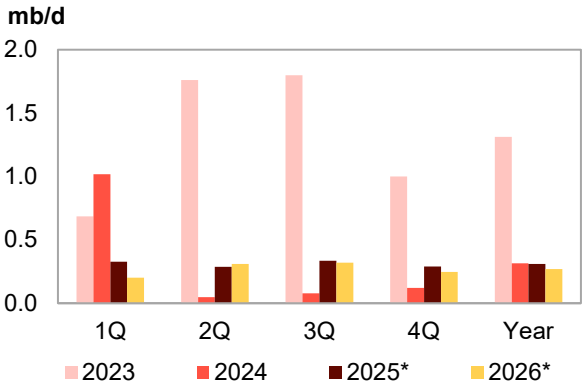
China's oil demand in December increased by 148 tb/d, y-o-y, up from 93 tb/d, y-o-y, growth observed in the previous month. The largest increases were seen in LPG, followed by jet/kerosene requirements and the ´other products´ category.

Graph 4 - 7: China's oil demand by main petroleum product category, y-o-y change



Sources: Argus Media, Chinese Customs, Chinese National Bureau of Statistics, JODI and OPEC.

Graph 4 - 8: China's oil demand, y-o-y change



*Note: * 2025-2026 = Forecast.*
Source: OPEC.

In terms of product demand, LPG recorded the largest increase of 370 tb/d, y-o-y, in December, up from 82 tb/d, y-o-y growth in the previous month. The 'other products' category, (comprised of bitumen, petroleum coke and lubricants) increased by 82 tb/d, y-o-y, up from growth of 62 tb/d, y-o-y observed in November. Jet/kerosene inched up by 23 tb/d, y-o-y, down from an increase of 75 tb/d, y-o-y, seen in the previous month.

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

China's oil demand			Change Dec 24/Dec 23	
By product	Dec 23	Dec 24	Growth	%
LPG	2.95	3.32	0.37	12.5
Naphtha	2.07	1.98	-0.09	-4.4
Gasoline	3.55	3.43	-0.12	-3.4
Jet/kerosene	1.28	1.30	0.02	1.8
Diesel	3.85	3.82	-0.03	-0.9
Fuel oil	0.63	0.55	-0.08	-13.0
Other products	2.57	2.66	0.08	3.2
Total	**16.90**	**17.05**	**0.15**	**0.9**

*Note: * Apparent oil demand. Totals may not add up due to independent rounding.*

Sources: Argus Media, Chinese Customs, Chinese National Bureau of Statistics, JODI and OPEC.

Gasoline recorded the largest decline of 120 tb/d, y-o-y, down from a decline of 65 tb/d, y-o-y, observed in November, on the back of a strong baseline effect. Naphtha fell by 92 tb/d, y-o-y, down from the 51 tb/d, y-o-y, a drop seen in the previous month. Residual fuels have continued to contract since April 2024, and fell by 81 tb/d, y-o-y, down from a decline of 146 tb/d, y-o-y, in the previous month. Diesel inched down by 33 tb/d, y-o-y, down from growth of 135 tb/d, y-o-y, seen in the previous month.

Near-term expectations

In the near term, the positive impact of government fiscal stimulus measures in 4Q24 is expected to continue into 1Q25. Similarly, China is expected to celebrate its Lunar New Year festival at the end of January, with the Ministry of Transportation projecting that some nine billion inter-provincial passenger trips, on all forms of transport combined, are expected to be made during and after the holidays. In January, the gasoline crack spread rose to a five-month high of $7.10 /b. Accordingly, Chinese state-owned refineries increased crude runs and gasoline yields in January to meet the expected surge in demand due to the festival. Similarly, diesel demand is also expected to inch up as local governments award construction tenders. Cash raised through treasury bond sales has already been allocated to specific projects in December, partly going to construction projects. Ongoing healthy petrochemical feedstock requirements and demand for transportation fuels are expected to be bolstered by the expected surge in travel during the New Year celebrations. Accordingly, oil demand growth is projected to increase by 328 tb/d, y-o-y, in 1Q25.

Looking ahead, potential new stimulus measures could further boost household incomes and support domestic consumption. Furthermore, the housing market is expected to stabilize, and consumption is projected to pick up. Moreover, fiscal stimulus is expected to support demand for consumer goods and bolster oil demand, particularly in the manufacturing sector. Accordingly, China is expected to maintain its role as the main driver of global oil demand in the region with GDP growth expected to remain robust. The industrial sector and manufacturing activity are expected to be well-supported as domestic consumption recovers, and demand for exports, particularly from developing countries, continues to expand. Improving and expanding air transportation facilities are expected to support China's international air travel. Accordingly, jet/kerosene is expected to drive oil product demand growth in 2025 by around 100 tb/d, y-o-y.

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

The road transportation sector is expected to remain healthy, and the construction sector is expected to significantly improve from its current weakness due to the positive impacts of the new stimulus package. This, combined with expected demand from manufacturing, is expected to bolster demand for gasoline and diesel, which is forecast to grow by 60 tb/d, y-o-y, respectively, in 2025. However, residual fuel requirements and demand for the 'other products' category are projected to remain weak, with a decline of around 40 tb/d, y-o-y, for residual fuels and 10 tb/d, y-o-y, for the 'other products' category. Overall, in 2025, oil demand in China is projected to expand by a healthy 310 tb/d, y-o-y, to average 17.0 mb/d.

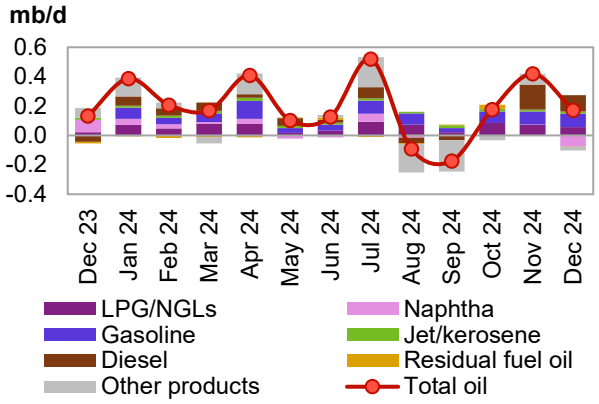
In 2026, economic activity in China is expected to improve further. Transportation activity is expected to remain healthy, while weakness in the construction sector is expected to subside. Combined with healthy petrochemical sector requirements, this is expected to support oil product demand growth of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

India

Update on the latest developments

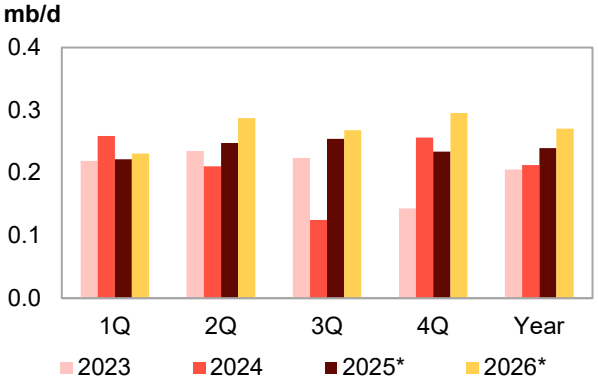
In December, India's oil demand expanded by 172 tb/d, y-o-y, down from a growth of 419 tb/d, y-o-y, seen in the previous month. The oil demand increase reflects the continuation of economic activity after the end of the monsoon season. The largest monthly increases in oil product demand were recorded in diesel, gasoline and LPG.

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



Sources: PPAC, JODI and OPEC.

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



*Note: * 2025-2026 = Forecast.*
Source: OPEC.

In terms of specific products, diesel demand posted the largest increase, growing by 112 tb/d, y-o-y, albeit below the 168 tb/d, y-o-y increase seen in the previous month. Diesel is the most widely used fuel in India, accounting for more than 40% of total oil consumption. Diesel was largely supported by holiday travel and continued higher growth in rural demand in the agriculture sector due to crop sowing. In addition, commercial vehicles and tractor sales increased by 25.8%, y-o-y, in December, supporting demand for diesel. Gasoline demand expanded by 92 tb/d, y-o-y, up slightly from the 88 tb/d y-o-y growth seen in the previous month. Furthermore, the gradual shift from diesel to gasoline vehicles in the 4-wheel drive SUV category continues to drive growth in gasoline consumption. In line with this development, vehicle sales also increased by 11.4% y-o-y, in December, supporting gasoline demand. Demand for jet/kerosene increased by 15 tb/d, y-o-y, slightly above the 13 tb/d, y-o-y, growth seen in the previous month.

LPG grew by 55 tb/d, y-o-y, slightly below the 70 tb/d, y-o-y, increase seen in the previous month. LPG consumption during the month was from household requirements, largely driven by higher consumption from Pradhan Mantri Ujjwala Yojana (PMUY), a programme launched by the Indian government in 2016 to distribute 50 million LPG connections to women from families living below the poverty line. This programme accounts for 88.3% of LPG consumption in India.

Naphtha saw the largest decline, dropping by 76 tb/d, y-o-y, down from the slight 4 tb/d, y-o-y growth seen in the previous month. Consumption of naphtha was largely from the requirements of the petrochemicals sector, with a share of 86% of total naphtha demand, whereas 14% of naphtha consumption took place in "miscellaneous industries", including power production. The "other products" category, including bitumen, petroleum coke and lubricants, fell by 26 tb/d, y-o-y, down from growth of 74 tb/d, y-o-y, seen in the previous month. Demand for residual fuels was flat, y-o-y, for the second consecutive month. Residual fuels consumption has been on a declining trend since 2023, partly due to environmental policies of the Indian government, mandating industries to substitute residual fuels with natural gas for energy requirements. Accordingly, some companies shifted their consumption from fuel oil to compressed natural gas (CNG) to meet environmental obligations. Bunkering fuel oil consumption reduced marginally during the month.

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

India's oil demand			*Change Dec 24/Dec 23*	
By product	Dec 23	Dec 24	Growth	%
LPG	0.99	1.04	0.06	5.6
Naphtha	0.38	0.30	-0.08	-20.0
Gasoline	0.82	0.91	0.09	11.3
Jet/kerosene	0.19	0.21	0.01	7.7
Diesel	1.85	1.96	0.11	6.1
Fuel oil	0.12	0.12	0.00	-0.4
Other products	1.16	1.13	-0.03	-2.2
Total	**5.51**	**5.68**	**0.17**	**3.1**

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

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

Near-term expectations

Looking ahead, the current robust economic momentum in India is expected to continue to recover from the weakness seen in 3Q24, both in terms of bolstered government spending, as well as a gradual recovery in

consumer spending. Furthermore, agriculture is expected to rebound after the end of the monsoon season. This outcome is expected to boost agricultural production and improve rural incomes to support consumer spending. Furthermore, manufacturing and business activities in the country are expected to remain steady. Diesel is projected to continue to be the main driver of demand growth, followed by the 'other products' category, bitumen in particular. Additionally, robust growth in transport fuels and growth in LPG and naphtha demand are expected to support overall oil demand expansion in 1Q25 by 221 tb/d, y-o-y.

Overall, in 2025, India's economy is expected to remain robust, supported by a combination of fiscal and monetary measures designed to sustain growth, stability and support for key sectors, Furthermore, steady manufacturing and agricultural activity are projected to continue amid healthy mobility levels. These factors are expected to bolster demand for gasoline and diesel to grow by 50 tb/d, y-o-y, and 45 tb/d, y-o-y, respectively. The ongoing airport infrastructure expansion drive, combined with increased tourism due to relaxed visa restrictions, are expected to bolster jet/kerosene demand to grow by more than 20 tb/d, y-o-y, in 2025. In terms of road construction, India is expected to maintain its current momentum of road construction projects, which is expected to bolster demand for bitumen, the largest component of the 'other products' category, which is forecast to grow by around 70 tb/d, y-o-y, in 2025. Demand for petrochemical feedstock, including LPG requirements for the PMUY programme for less privileged households, is expected to increase by around 20 tb/d, y-o-y, and naphtha is projected to inch up by around 10 tb/d, y-o-y. Requirements for residual fuels are also expected to expand by about 20 tb/d, y-o-y. Overall in 2025, oil product demand in India is expected to grow by a healthy 239 tb/d, y-o-y, to average 5.8 mb/d.

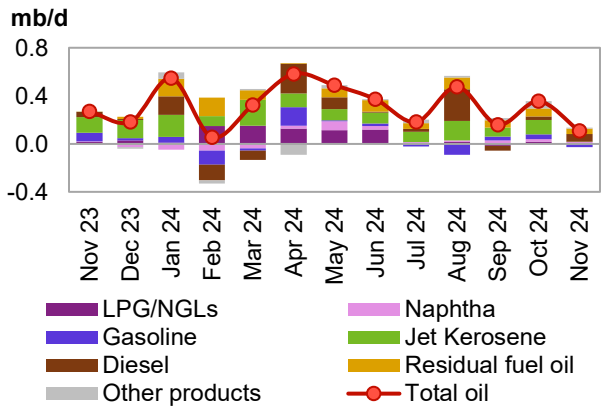
In 2026, India's oil demand is projected to grow by 271 tb/d, y-o-y, supported by robust economic growth amid healthy transportation and manufacturing activities. In terms of oil products, the ´other products´ category, which includes bitumen, is expected to drive growth by 119 tb/d, y-o-y, on the back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

Other Asia

Update on the latest developments

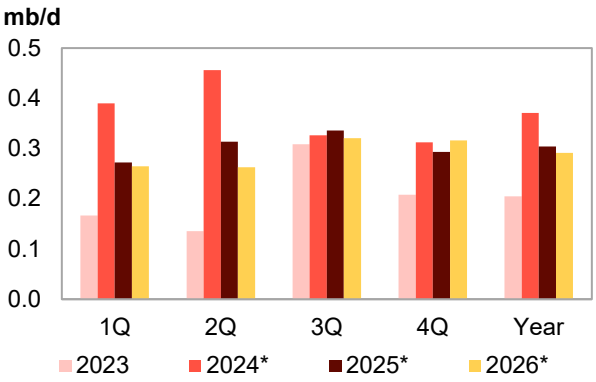
Oil demand in Other Asia increased by 108 tb/d, y-o-y, in November, down from growth of 355 tb/d, y-o-y, observed in the previous month. Monthly oil demand was supported by requirements from the major consuming countries of the region, including Thailand, Hong Kong, Taiwan and Singapore. However, Indonesia posted a decline of 74 tb/d, y-o-y, which partly offset the growth seen in regional oil demand. The increases in oil demand mostly emanate from diesel and residual fuels.

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



Sources: JODI, National sources, and OPEC.

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



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

In terms of specific products, diesel saw the largest increase by 64 tb/d, y-o-y, in November, up from an increase of 27 tb/d, y-o-y, seen in the previous month. Residual fuels expanded by 44 tb/d, y-o-y, albeit down from growth of 68 tb/d, y-o-y, seen in the previous month. In terms of petrochemical feedstock, naphtha increased by 13 tb/d, y-o-y, and LPG inched up by 4 tb/d, y-o-y. Jet/kerosene demand was flat, y-o-y, down from a 120 tb/d, y-o-y increase seen in October. The m-o-m decline in November compared with October was largely due to decline of 60 tb/d, y-o-y observed in Indonesia. Gasoline fell by 28 tb/d, y-o-y, down from 42 tb/d,

y-o-y growth observed in previous month. The largest decline of 30 tb/d, y-o-y, in gasoline demand emanates from Indonesia.

Near-term expectations

Looking ahead, the GDP of the region is expected to remain robust and surpass 2024 growth rates. Furthermore, ongoing air travel recovery amid healthy road mobility is expected to continue. Furthermore, petrochemical sector requirements for naphtha and LPG in the region are anticipated to be sustained. Accordingly, these factors are expected to bolster oil product demand in the region to grow by an average of 272 tb/d, y-o-y, in 1Q25.

In 2025, with projected strong GDP amid the ongoing air travel recovery and steady mobility, transportation fuels are expected to drive oil demand growth, of which jet/kerosene is projected to expand by a healthy 110 tb/d, y-o-y, and gasoline is expected to grow by 75 tb/d, y-o-y. Furthermore, diesel, including transportation diesel, is expected to expand by 53 tb/d, y-o-y. Current healthy requirements for petrochemical feedstock in the region are expected to be sustained, LPG/ethane and naphtha are expected to grow by 25 tb/d, y-o-y and 7 tb/d, y-o-y, respectively. While the ´other products´ category is projected to increase by 24 tb/d, y-o-y, residual fuels are expected to inch up by 10 tb/d, y-o-y. Overall, oil demand in the region is projected to expand by a healthy 304 tb/d, y-o-y, to average about 9.9 mb/d, mostly driven by requirements from Singapore, Thailand, Hong Kong, Malaysia and Indonesia.

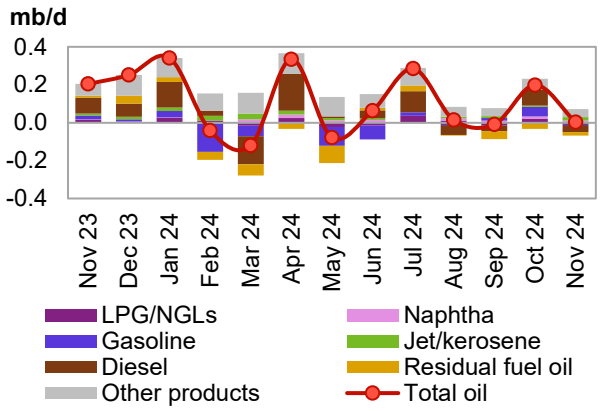
In 2026, economic activity in the major oil-consuming countries of the region is expected to continue to be well-supported. Similarly, healthy air travel and strong driving mobility are expected to support oil product demand. Accordingly, oil demand in the region is forecast to increase by 291 tb/d,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

Latin America

Update on the latest developments

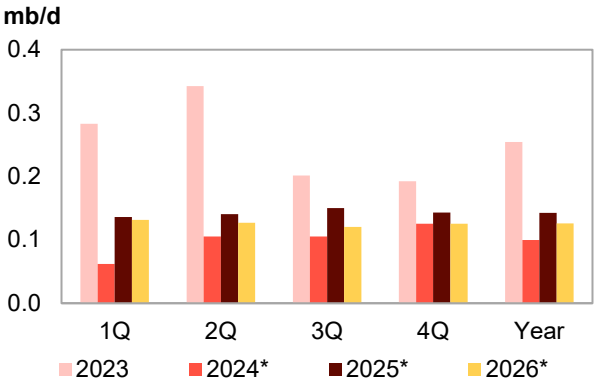
Oil demand growth in Latin America was broadly flat, y-o-y in November, down from 199 tb/d, y-o-y growth observed in the previous month. Within the region, a 51 tb/d, y-o-y contraction in Argentina largely offset the 47 tb/d, y-o-y, growth in Brazil.

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



Sources: JODI, OPEC and national sources.

Graph 4 - 14: Latin America's oil demand, y-o-y change



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

In terms of product demand, in November, the "other products" category, saw the largest increase of 41 tb/d, y-o-y, down from 57tb/d, y-o-y, growth seen in the previous month. Ethanol from Brazil accounted for an 80% share of growth in the ´other products´ category in November. Jet/kerosene expanded by 19 tb/d, y-o-y, up from 8 tb/d, y-o-y growth observed in the previous month. Brazil and Venezuela accounted for the entire growth in jet/kerosene. According to a report from the IATA's Air Passenger Monthly Analysis in November 2024, Latin American carriers achieved strong growth of 11.4%, y-o-y, in international passenger traffic. In terms of petrochemical feedstock, while naphtha saw an uptick of 9 tb/d, y-o-y, LPG inched up by 3 tb/d, y-o-y.

Diesel saw the largest contraction of 36 tb/d, y-o-y, down from an increase of 84 tb/d, y-o-y seen in the previous month. The decline in diesel requirements emanates entirely from Argentina. Residual fuels fell by 19 tb/d, y-o-y albeit showing an improvement from a decline of 33 tb/d, y-o-y observed in the previous month. Gasoline contracted by 13 tb/d, y-o-y, down from an increase of 51 tb/d, y-o-y seen in the previous month. Gasoline was subdued by stiff competition from cheaper ethanol from Brazil.

Near-term expectations

In the near term, Brazil is expected to drive regional oil demand in 1Q25. Rising wages in a tight labour market continue to support demand in Brazil. Furthermore, the agricultural sector is expected to continue to be strong, benefiting from favourable weather conditions at the end of 2024, which are expected to boost output and positively impact related services such as transportation, storage and logistics. Regional oil demand is expected to grow by 136 tb/d, y-o-y, in 1Q25, to average 6.8 mb/d.

Looking at 2025, GDP growth in the region is expected to remain healthy, albeit at a slower pace than the robust expansion seen in 2024. The economic activity of the region is expected to be supported by agricultural and manufacturing activity. Oil demand is expected to be supported by a positive industrial sector, as well as relatively lower inflation and fuel prices. Furthermore, income transfer policies and government programmes, with an emphasis on the New Growth Acceleration Program (Novo PAC) are expected to support consumer spending in Brazil. Accordingly, Brazil is expected to lead oil demand growth in the region.

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

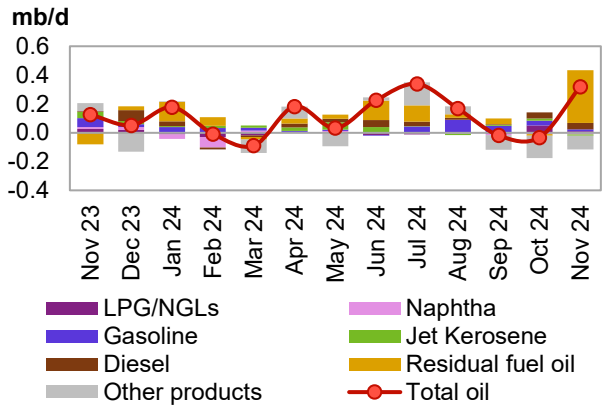
In 2026, Brazil's economy is projected to maintain strong momentum, building on the expected robust performance in 2025. Healthy agricultural and manufacturing activity is expected to bolster oil demand in the region, which is forecast to grow by 126 tb/d, y-o-y, and average 7.1 mb/d. In terms of products,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

Middle East

Update on the latest developments

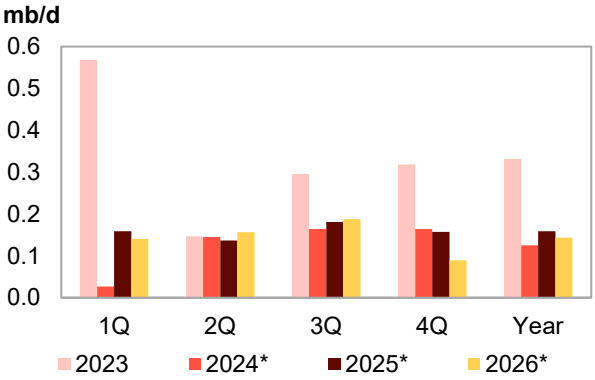
Oil demand in the Middle East in November surged by 320 tb/d, y-o-y, up from a decline of 33 tb/d, y-o-y, seen in October. The increase in oil demand was supported by requirements from Saudi Arabia, Iraq and IR Iran.

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



Sources: JODI, OPEC and national sources.

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



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

In terms of products, residual fuels posted the largest increase of 367 tb/d, y-o-y, up from a decline of 12 tb/d, y-o-y, seen in the previous month. Strong growth in the regional residual fuels demand was due to a weak baseline comparison. Diesel demand expanded by 44 tb/d, y-o-y, for the second consecutive month. In terms of transportation fuels, while gasoline increased by 13 tb/d, y-o-y, jet/kerosene fell by 9 tb/d, y-o-y. The 'other products' category saw the largest decline of 95 tb/d, y-o-y, albeit an improvement from a decline of 155 tb/d, y-o-y, seen in October.

Near-term expectations

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

In 2025, steady economic activity in the region is anticipated to be supported by robust non-oil-related economic activity. Furthermore, government spending is expected to remain strong, supported by robust consumer spending. Inflation and unemployment are forecast to remain stable. Furthermore, ongoing strong international air traffic and road transportation are forecast to continue growing. These factors are expected to support transportation fuel demand. Gasoline is expected to be the main driver of oil demand growth in the region, rising by 50 tb/d, y-o-y. The current air travel recovery is expected to bolster jet/kerosene demand to grow by 45 tb/d, y-o-y. Furthermore, ongoing mega projects will also continue to drive government spending on construction. Together with manufacturing activity in the region, this is expected to support diesel demand growth of 45 tb/d, y-o-y. While residual fuels, mostly used in the industrial sector and for electricity generation, are forecast to increase by 20 tb/d, y-o-y, while the 'other fuels category' is projected to contract by around 90 tb/d, mostly due to a strong baseline effect

The currently robust petrochemical industry, with some new capacity additions expected to come on stream, is expected to bolster feedstock demand in the region. Accordingly, LPG/ethane and naphtha are expected to expand by around 55 tb/d and 30 tb/d, y-o-y, respectively. Overall, in 2025, oil demand in the region is projected to grow by 159 tb/d, y-o-y, to average 8.9 mb/d. The bulk of demand growth is expected to come from Iraq, Saudi Arabia and the UAE.

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

World Oil Supply

Non-DoC liquids supply (i.e. liquids supply from countries not participating in the DoC) is estimated to have expanded by 1.4 mb/d in 2024 to average 53.2 mb/d.

US crude and condensate production dropped by 0.1 mb/d in November, following a record level in October, to average 13.3 mb/d. This was mainly due to lower production from offshore platforms. Conversely, natural gas liquids (NGLs) production increased to a new record high of 7.3 mb/d, up by 0.5 mb/d, y-o-y. Estimation for US liquids supply growth for 2024 are now slightly higher at 0.8 mb/d. The other main drivers for non-DoC growth in 2024 are estimated to be Canada, Argentina and China. UK liquids production is likely to witness the largest decline.

In 2025, non-DoC liquids supply growth is expected at 1.0 mb/d to average 54.2 mb/d. Growth is set to be driven by the US, Brazil, Canada and Norway, while the main decline is expected in Angola.

Non-DoC liquids supply in 2026 is forecast to grow by 1.0 mb/d to average 55.2 mb/d (including 30 tb/d in processing gains). OECD liquids supply is expected to increase by 0.5 mb/d, and non-OECD liquids output is set to expand by 0.4 mb/d. The main drivers for liquids supply growth are expected to be the US, Brazil and Canada. At the same time, Norwegian production is forecast to see the largest drop.

DoC NGLs and non-conventional liquids in 2024 are estimated to have expanded by about 75 tb/d to average 8.3 mb/d. It is expected to increase by around 80 tb/d to average 8.4 mb/d in 2025, while an additional growth of about 135 tb/d is forecast in 2026 to average 8.5 mb/d. OPEC NGLs and non-conventional liquids production is estimated to have increased by around 60 tb/d in 2024 to average 5.5 mb/d. Additional growth of around 110 tb/d and 150 tb/d is forecast in 2025 and 2026 for an average of about 5.6 mb/d and 5.8 mb/d, respectively.

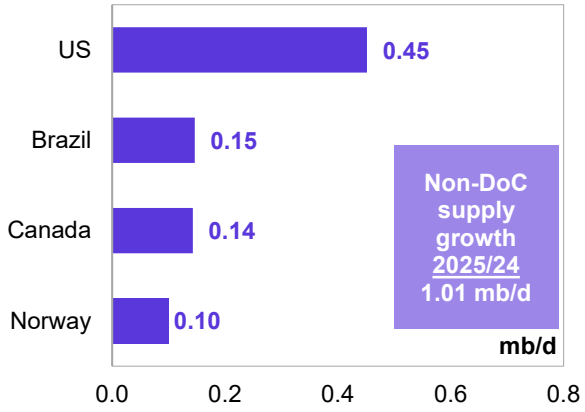
DoC crude oil production in January decreased by 118 tb/d, m-o-m, averaging 40.62 mb/d, as reported by available secondary sources.

Key drivers of growth and decline

Non-DoC liquids supply is estimated to have expanded by 1.4 mb/d in 2024. An upward revision in OECD Americas was partially offset by downward ones in Africa and Latin America. The main drivers for non-DoC liquids supply growth in 2024 are set to be the US, Canada, Argentina and China.

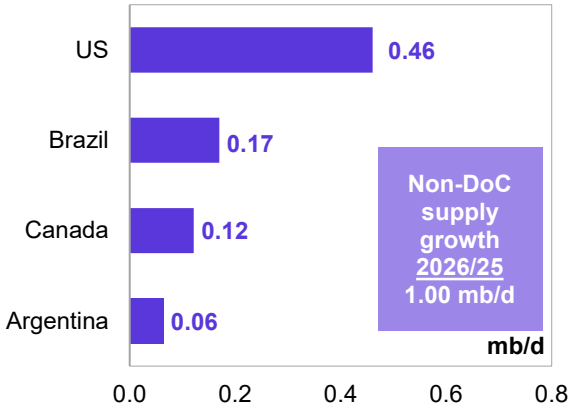
In 2025, non-DoC liquids supply growth is expected at 1.0 mb/d. Annual growth is set to be driven mainly by the US, Brazil, Canada and Norway.

Graph 5 - 1: Annual liquids production changes, y-o-y, for selected countries in 2025*



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

Graph 5 - 2: Annual liquids production changes, y-o-y, for selected countries in 2026*



*Note: * 2026 = Forecast. Source: OPEC.*

Non-DoC liquids supply in 2026 is forecast to grow by 1.0 mb/d. The main drivers for this growth are expected to be the US, Brazil, Canada and Argentina.

Non-DoC liquids production in 2025 and 2026

Table 5 - 1: Non-DoC liquids production in 2025*, mb/d

Non-DoC liquids production	2024	1Q25	2Q25	3Q25	4Q25	2025	Change 2025/24 Growth	Change 2025/24 %
Americas	27.68	27.94	28.10	28.40	28.64	28.27	0.59	2.15
of which US	*21.76*	*21.84*	*22.23*	*22.34*	*22.41*	*22.21*	*0.45*	*2.08*
Europe	3.60	3.78	3.65	3.63	3.74	3.70	0.10	2.80
Asia Pacific	0.43	0.43	0.42	0.43	0.43	0.43	-0.01	-1.79
Total OECD	**31.71**	**32.14**	**32.17**	**32.46**	**32.81**	**32.40**	**0.69**	**2.17**
China	4.57	4.63	4.61	4.53	4.54	4.58	0.01	0.12
India	0.79	0.79	0.79	0.81	0.80	0.80	0.01	1.00
Other Asia	1.61	1.61	1.58	1.57	1.57	1.58	-0.03	-1.81
Latin America	7.23	7.37	7.40	7.48	7.61	7.47	0.24	3.26
Middle East	2.00	2.01	2.03	2.03	2.03	2.02	0.02	1.01
Africa	2.30	2.33	2.32	2.32	2.31	2.32	0.02	0.73
Other Eurasia	0.37	0.37	0.37	0.37	0.37	0.37	0.00	0.07
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00	2.05
Total Non-OECD	**18.97**	**19.19**	**19.21**	**19.21**	**19.32**	**19.23**	**0.26**	**1.36**
Total Non-DoC production	50.68	51.33	51.38	51.67	52.13	51.63	0.95	1.87
Processing gains	2.52	2.58	2.58	2.58	2.58	2.58	0.06	2.38
Total Non-DoC liquids production	**53.20**	**53.91**	**53.96**	**54.25**	**54.71**	**54.21**	**1.01**	**1.89**
Previous estimate	53.17	53.98	54.03	54.32	54.77	54.28	1.11	2.08
Revision	0.03	-0.07	-0.07	-0.07	-0.07	-0.07	-0.10	0.00

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

Source: OPEC.

Table 5 - 2: Non-DoC liquids production in 2026*, mb/d

Non-DoC liquids production	2025	1Q26	2Q26	3Q26	4Q26	2026	Change 2026/25 Growth	Change 2026/25 %
Americas	28.27	28.66	28.61	28.92	29.22	28.85	0.58	2.06
of which US	*22.21*	*22.44*	*22.62*	*22.74*	*22.88*	*22.67*	*0.46*	*2.07*
Europe	3.70	3.72	3.62	3.59	3.69	3.65	-0.04	-1.19
Asia Pacific	0.43	0.43	0.41	0.41	0.40	0.41	-0.01	-3.36
Total OECD	**32.40**	**32.81**	**32.63**	**32.92**	**33.31**	**32.92**	**0.52**	**1.62**
China	4.58	4.63	4.63	4.53	4.52	4.58	0.00	-0.01
India	0.80	0.81	0.80	0.79	0.80	0.80	0.00	0.39
Other Asia	1.58	1.58	1.56	1.55	1.55	1.56	-0.02	-1.43
Latin America	7.47	7.72	7.81	7.95	8.05	7.88	0.42	5.61
Middle East	2.02	2.04	2.06	2.07	2.08	2.06	0.04	1.89
Africa	2.32	2.32	2.30	2.30	2.38	2.32	0.00	0.15
Other Eurasia	0.37	0.37	0.37	0.37	0.37	0.37	0.00	0.91
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00	1.99
Total Non-OECD	**19.23**	**19.58**	**19.62**	**19.67**	**19.85**	**19.68**	**0.45**	**2.32**
Total Non-DoC production	51.63	52.39	52.25	52.59	53.16	52.60	0.97	1.88
Processing gains	2.58	2.61	2.61	2.61	2.61	2.61	0.03	1.16
Total Non-DoC liquids production	**54.21**	**55.00**	**54.86**	**55.20**	**55.77**	**55.21**	**1.00**	**1.84**
Previous estimate	54.28	55.17	55.02	55.37	55.94	55.38	1.10	2.03
Revision	-0.07	-0.17	-0.17	-0.17	-0.17	-0.17	-0.10	-0.18

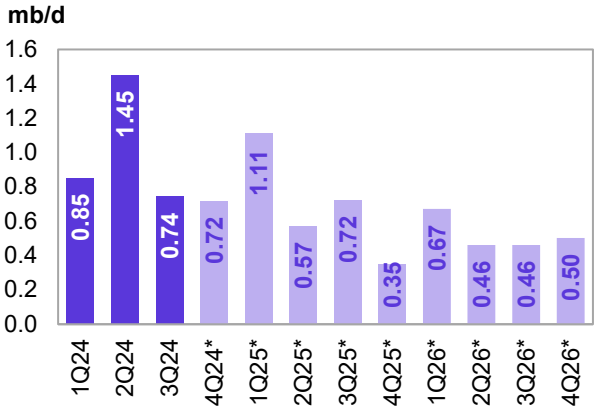
*Note: * 2025 and 2026 = Forecast. Totals may not add up due to independent rounding.*

Source: OPEC.

OECD

For 2024, OECD liquids production (excluding DoC participating country Mexico) is estimated to have expanded by about 0.9 mb/d to average 31.7 mb/d. Growth has been led by OECD Americas, with an estimated increase of 1.0 mb/d to average 27.7 mb/d. This is revised up by about 57 tb/d compared with the previous month's assessment. Yearly liquids production in OECD Europe is set to drop by about 57 tb/d to average 3.6 mb/d, which is a small downward revision of 9 tb/d compared with the January 2025 MOMR. OECD Asia Pacific production is estimated to drop by about 14 tb/d, y-o-y, to average 0.4 mb/d.

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



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

OECD liquids production is forecast to grow by 0.7 mb/d to average 32.4 mb/d in 2025. OECD Americas is set to be the main growth driver, with an anticipated increase of 0.6 mb/d to average of 28.3 mb/d. Yearly liquids production in OECD Europe is expected to grow by 0.1 mb/d to average 3.7 mb/d, while OECD Asia Pacific is expected to decline by a minor 8 tb/d, y-o-y, to average 0.4 mb/d.

In 2026, OECD liquids production is forecast to grow by 0.5 mb/d to average 32.9 mb/d. OECD Americas is expected to lead the growth, with an expected increase of 0.6 mb/d for an average of 28.9 mb/d. Yearly liquids production in OECD Europe is expected to drop by about 45 tb/d to average 3.7 mb/d, while OECD Asia Pacific is anticipated to decline by about 15 tb/d, y-o-y, to average 0.4 mb/d.

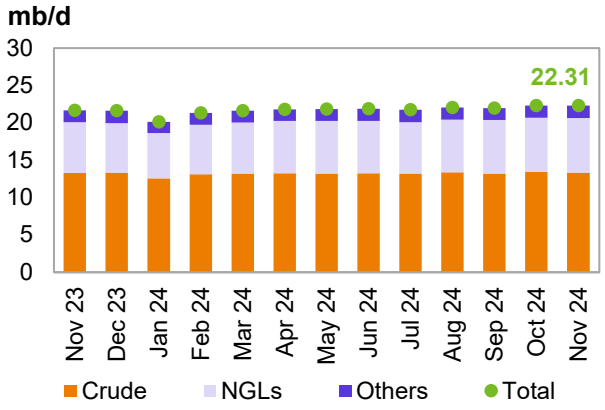
US

US liquids production in November 2024 rose by 14 tb/d, m-o-m, to average 22.3 mb/d. This was 0.7 mb/d higher than in November 2023.

Crude oil and condensate production dropped by 0.1 mb/d, m-o-m, to average 13.3 mb/d, albeit up by 33 tb/d, y-o-y.

In terms of the crude and condensate production breakdown by region (PADDs), production fell on the US Gulf Coast (USGC) (PADD 3) by 218 tb/d to average 9.6 mb/d. Production on the East Coast (PADD 1) remained largely unchanged, m-o-m. Output in the Midwest (PADD 2), Rocky Mountain (PADD 4) and West Coast (PADD 5) regions rose by 59 tb/d, 33 tb/d and 10 tb/d, respectively, m-o-m.

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



Sources: EIA and OPEC.

The m-o-m production increase in the main producing regions can primarily be attributed to higher output in North Dakota and Colorado. Gains there, however, were offset by losses in offshore Gulf of Mexico (GoM) platforms, as well as output drops in Texas and New Mexico.

NGLs production rose by 59 tb/d, m-o-m, to average 7.3 mb/d in November. This was 0.5 mb/d higher, y-o-y. According to the US Department of Energy (DoE), the production of non-conventional liquids (mainly ethanol) rose by 77 tb/d, m-o-m, to average 1.7 mb/d. Preliminary estimates show non-conventional liquids averaged about 1.6 mb/d in December, a drop of 70 tb/d, m-o-m.

GoM production dropped by 0.1 mb/d, m-o-m, to average 1.7 mb/d in November, primarily due to the effect of Hurricane Rafael in mid-November. Output is expected to be supported by new projects in the coming months, such as the deepwater Whale platform that started production in January. In the onshore Lower 48, crude and condensate production fell by 26 tb/d, m-o-m, to average 11.2 mb/d in November.

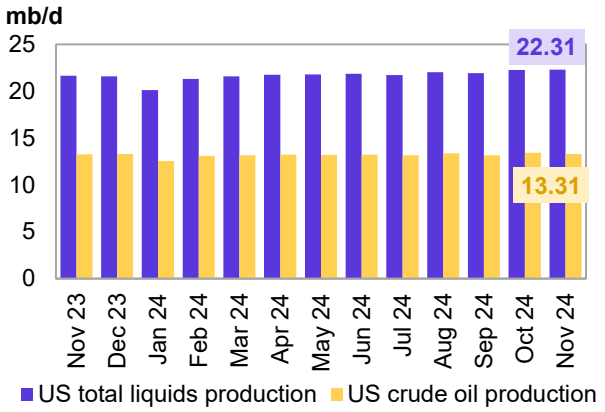
Table 5 - 3: US crude oil production by selected state and region, tb/d

State	Nov 23	Oct 24	Nov 24	Change m-o-m	Change y-o-y
Texas	5,658	5,831	5,761	*-70*	*103*
New Mexico	1,894	2,102	2,064	*-38*	*170*
GoM	1,856	1,764	1,656	*-108*	*-200*
North Dakota	1,278	1,156	1,197	*41*	*-81*
Colorado	483	495	522	*27*	*39*
Alaska	428	427	439	*12*	*11*
Oklahoma	418	392	404	*12*	*-14*
Total	**13,281**	**13,436**	**13,314**	***-122***	***33***

Sources: EIA and OPEC.

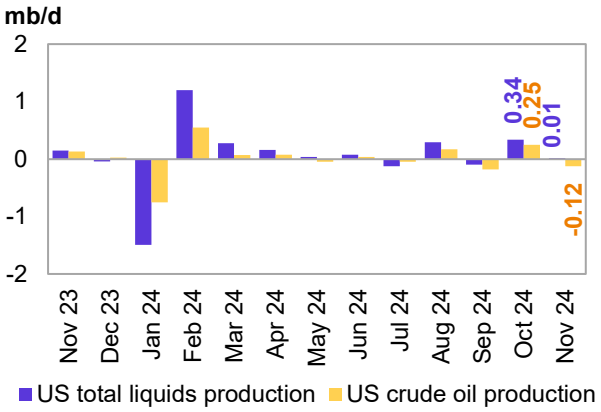
In terms of individual US states, New Mexico's oil production fell by 38 tb/d to average 2.1 mb/d, which is 170 tb/d higher than a year ago. Production in Texas was down by 70 tb/d to average 5.8 mb/d, which is 103 tb/d higher than a year ago. In the Midwest, North Dakota's production rose by 41 tb/d, m-o-m, to average 1.2 mb/d, albeit down by 81 tb/d, y-o-y. Oklahoma's production increased by 12 tb/d, m-o-m, to average 0.4 mb/d. Production in Colorado rose by 27 tb/d, m-o-m and output in Alaska increased by 12 tb/d, m-o-m.

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



Sources: EIA and OPEC.

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



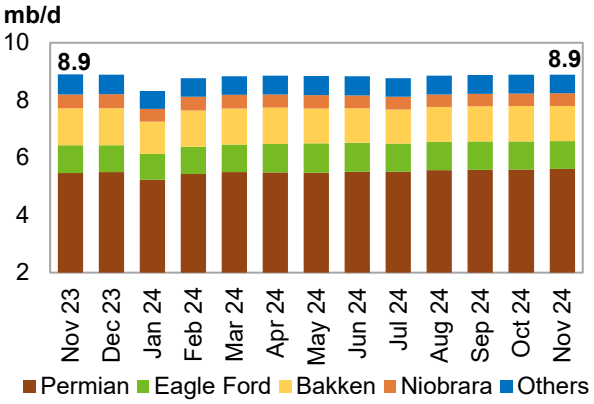
Sources: EIA and OPEC.

US tight crude output in November is estimated to have increased by 7 tb/d, m-o-m, to average 8.9 mb/d, according to the latest estimates from the US Energy Information Administration (EIA). This was just 6 tb/d lower than in the same month last year.

The m-o-m production increase from shale and tight formations using horizontal wells came from the Permian shale in Texas and New Mexico, where output rose by 13 tb/d to average 5.6 mb/d. This was an increase of 0.1 mb/d, y-o-y.

In the Williston Basin, Bakken shale oil output was almost unchanged, m-o-m, at an average of 1.2 mb/d. This was about 71 tb/d lower, y-o-y. Tight crude output at Eagle Ford in Texas fell by a minor 3 tb/d to average 1.0 mb/d. This was up by 11 tb/d, y-o-y. Production at Niobrara-Codell in Colorado and Wyoming was unchanged, m-o-m, at about 436 tb/d.

Graph 5 - 7: US tight crude output breakdown

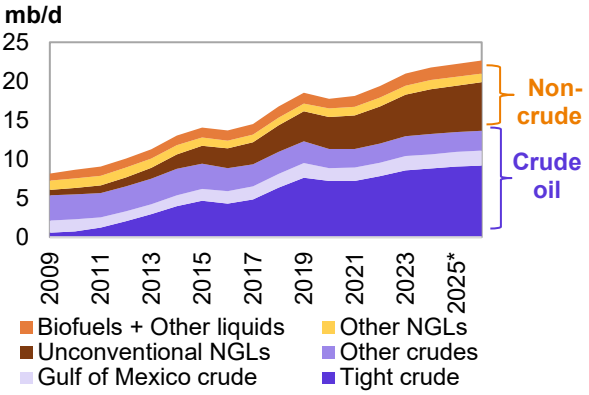


Sources: EIA and OPEC.

US liquids production in 2024, excluding processing gains, is estimated to have expanded by 0.8 mb/d, y-o-y, to average 21.8 mb/d. The growth is higher by about 46 tb/d from the previous assessment.

Crude oil and condensate output in 2024 is estimated to have increased by 0.3 mb/d, y-o-y, to average 13.2 mb/d. At the same time, NGLs production and that of non-conventional liquids, particularly ethanol, are estimated to have increased by 0.4 mb/d and 70 tb/d, y-o-y, to average 6.9 mb/d and 1.6 mb/d, respectively. Average tight crude output in 2024 is estimated to have reached 8.8 mb/d, up by 0.3 mb/d, y-o-y.

Graph 5 - 8: US liquids supply developments by component



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

In 2025, US liquids production, excluding processing gains, is expected to expand by 0.5 mb/d, y-o-y, to average 22.2 mb/d. This assumes a mild increase in drilling activity, lower service cost inflation and continued well productivity and operational efficiency improvements in the key shale basins. Crude oil and condensate output is set to jump by 0.2 mb/d, y-o-y, to average 13.5 mb/d. At the same time, NGLs production and that of non-conventional liquids, particularly ethanol, are projected to increase by 0.2 mb/d and 20 tb/d, y-o-y, to average 7.1 mb/d and 1.6 mb/d, respectively. Average tight crude output in 2025 is expected to reach 9.0 mb/d, up by 0.2 mb/d, y-o-y.

In 2026, US liquids production, excluding processing gains, is expected to grow by 0.5 mb/d, y-o-y, to average 22.7 mb/d. Crude oil and condensate output is set to rise by 0.2 mb/d, y-o-y, to average 13.6 mb/d. At the same time, NGLs production and that of non-conventional liquids are projected to increase by 0.2 mb/d and 50 tb/d, y-o-y, to average 7.4 mb/d and 1.7 mb/d, respectively. Average tight crude output in 2026 is expected to reach 9.2 mb/d, up by 0.1 mb/d, y-o-y. The 2026 forecast assumes ongoing capital discipline and less inflationary pressure in the US upstream sector, along with higher associated gas production in major shale oil plays.

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

US liquids	2024*	Change 2024/23	2025*	Change 2025/24	2026*	Change 2026/25
Tight crude	8.81	0.26	9.05	0.24	9.19	0.14
GoM crude	1.79	-0.08	1.88	0.09	1.92	0.04
Conventional crude oil	2.63	0.11	2.54	-0.09	2.53	-0.01
Total crude	**13.23**	**0.29**	**13.47**	**0.24**	**13.64**	**0.17**
Unconventional NGLs	5.76	0.40	5.97	0.21	6.23	0.26
Conventional NGLs	1.16	0.02	1.14	-0.02	1.12	-0.02
Total NGLs	**6.92**	**0.42**	**7.11**	**0.19**	**7.35**	**0.24**
Biofuels + Other liquids	1.61	0.07	1.63	0.02	1.68	0.05
US total supply	**21.76**	**0.78**	**22.21**	**0.45**	**22.67**	**0.46**

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

Sources: EIA, OPEC and Rystad Energy.

US tight crude production in the Permian Basin during 2024 is estimated to have increased by 0.3 mb/d, y-o-y, to average 5.5 mb/d. In 2025, it is forecast to grow by 0.2 mb/d, y-o-y, to average 5.7 mb/d, while growth of 0.1 mb/d is expected for 2026.

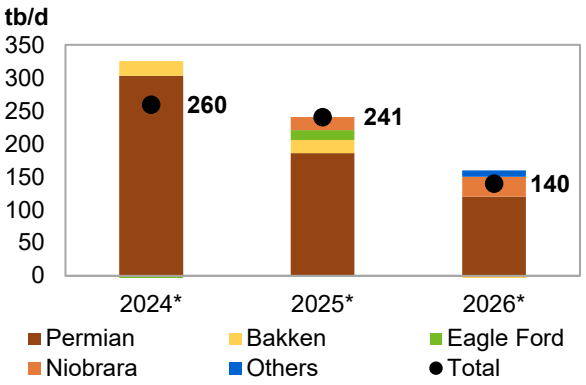
In North Dakota, Bakken shale production is estimated to have expanded by about 20 tb/d in 2024. It is set to remain below the pre-pandemic average of 1.4 mb/d to average around 1.2 mb/d in 2025, with further growth of just 20 tb/d. A projected decline of about 20 tb/d in 2026 could be a sign of a mature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

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

Niobrara's production is estimated to have remained unchanged, y-o-y, in 2024, at an average of 0.4 mb/d. With the expected growth of 20 tb/d and 30 tb/d in 2025 and 2026, respectively, output is forecast to remain at around 0.5 mb/d.

In the other tight oil plays, which are experiencing a slower pace of drilling and completion activities, production is estimated to have dropped by 45 tb/d in 2024. Following stabilized output in 2025, a minor increase of 10 tb/d is expected for 2026.

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



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

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

US tight oil	2024*	Change 2024/23	2025*	Change 2025/24	2026*	Change 2026/25
Permian tight	5.52	0.30	5.70	0.19	5.82	0.12
Bakken shale	1.22	0.02	1.24	0.02	1.22	-0.02
Eagle Ford shale	0.98	-0.02	0.99	0.02	0.99	0.00
Niobrara shale	0.45	0.00	0.47	0.02	0.50	0.03
Other tight plays	0.65	-0.05	0.65	0.00	0.66	0.01
Total	**8.81**	**0.26**	**9.05**	**0.24**	**9.19**	**0.14**

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

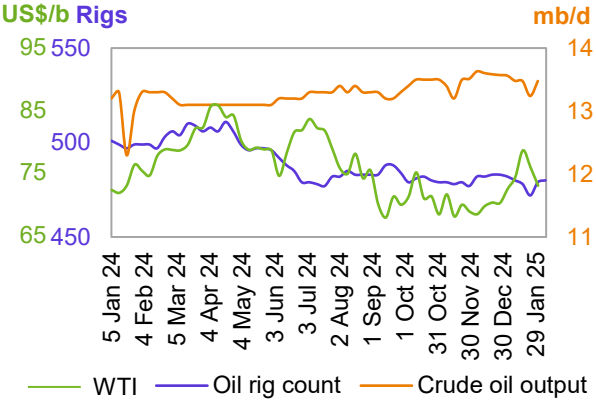
Source: OPEC.

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

The total number of active US oil and gas drilling rigs in the week ending 7 February 2025 rose by four to 586, according to Baker Hughes. This is 37 fewer rigs than a year ago. The number of active offshore rigs rose by one, w-o-w, to 14. This is seven less than in the same month a year earlier. The number of onshore oil and gas rigs increased by three, w-o-w, to 570, with two rigs in inland waters. This is down by 32 rigs, y-o-y.

The US horizontal rig count rose by four, w-o-w, to 523, compared with 560 horizontal rigs a year ago. The number of drilling rigs for oil grew by one, w-o-w, to 480, while the number of gas drilling rigs increased by two, w-o-w, to 100.

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



Sources: Baker Hughes, EIA and OPEC.

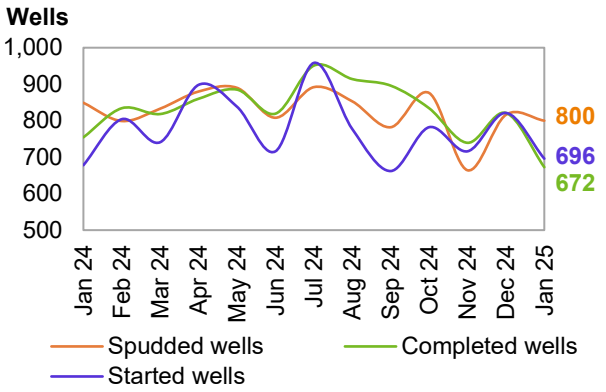
The Permian's rig count remained unchanged, w-o-w, at 303. The number of active rigs rose by two, w-o-w, in the Eagle Ford to 48. The rig count in each of the DJ-Niobrara, Williston and Cana Woodford Basins remained unchanged, w-o-w, at 6, 34 and 19, respectively.

Drilling and completion activities for oil-producing wells in all US shale plays include 816 horizontal wells spudded in December, as per preliminary data. This is up by 152, m-o-m, and is about 5% higher than in December last year.

Preliminary data for December indicates a higher number of completed wells, m-o-m, at 821, with the number up by about 9%, y-o-y. The number of started wells is estimated at 821, which is about 15% higher than a year earlier.

Preliminary data for January saw 800 spudded, 672 completed and 696 started wells, according to Rystad Energy data.

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

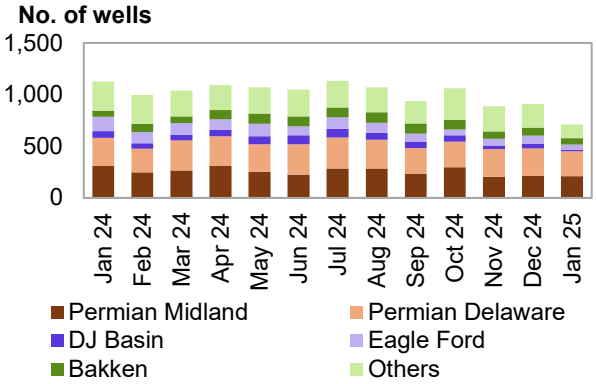


Note: Dec 24-Jan 25 = Preliminary data.
Sources: Rystad Energy and OPEC.

In terms of identifying US oil and gas fracking operations, Rystad Energy reported that 886 wells started fracking in November. In December 2024 and January 2025, it stated that 908 and 710 wells began fracking, respectively, according to preliminary numbers based on an analysis of high-frequency satellite data.

In regional terms, preliminary data for December 2024 shows that 211 and 266 wells started fracking in the Permian Midland and Permian Delaware regions, respectively. There was a gain of eight wells in the Midland region and a loss of four wells in Delaware compared with November 2024. Data also indicates that 47 wells began fracking in the DJ Basin, 78 in the Eagle Ford and 79 in the Bakken during December.

Graph 5 - 12: Started fracs per month by region



Note: Dec 24-Jan 25 = Preliminary data.
Sources: Rystad Energy Shale Well Cube and OPEC.

Canada

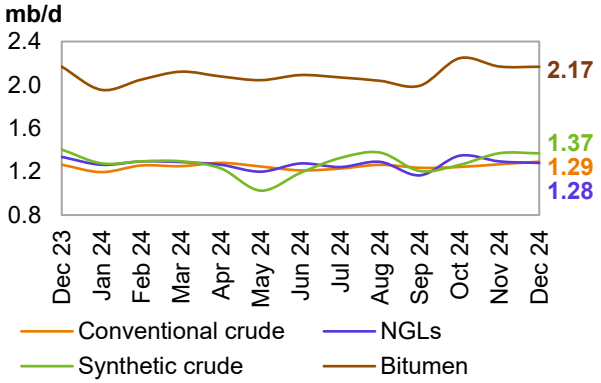
Canada's liquids production in December is estimated to have increased by just 7 tb/d, m-o-m, to an average of 6.2 mb/d. There has been a stable output level since October 2024 when most operators finished their scheduled maintenance.

Conventional crude production dropped by about 24 tb/d in December, m-o-m, to an average of 1.3 mb/d. NGLs output was down by 14 tb/d, m-o-m, to an average of 1.3 mb/d.

Crude bitumen production output remained largely unchanged in December, m-o-m, and synthetic crude production remained steady. Taken together, crude bitumen and synthetic crude production averaged 3.5 mb/d in December.

Liquids production in 4Q24 is estimated to have jumped by about 0.3 mb/d, q-o-q, to set a new record.

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



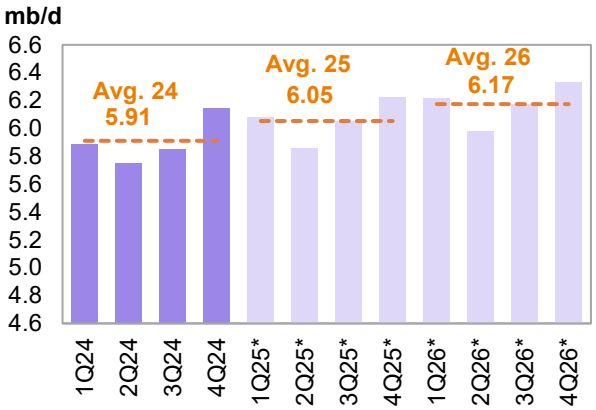
Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

In 2024, Canada's liquids production is estimated to have increased by 0.2 mb/d to average 5.9 mb/d.

Canada's liquids production is forecast to grow by 0.1 mb/d to average 6.1 mb/d in 2025. Additional production is expected to come from expanding oil sands projects, optimization and additional well pads coming online at several facilities. Sources of further production are primarily expected from the Athabasca, Kearl, Horizon, Christina Lake, Suncor and Foster Creek oil sands projects. The main start-ups in 2025 are expected to be Syncrude Mildred Lake/Aurora, Narrows Lake, Cold Lake Oil Sands, Mannville Heavy Oil and the Montney Play.

Alberta's government has recently announced plans to directly dedicate barrels of oil for new pipeline projects to accelerate production expansion in the western Canadian province. However, this could change given the possible impact of US tariffs on crude imports from Canada.

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



*Note: * 1Q25-4Q26 = Forecast. Source: OPEC.*

In 2026, Canada's liquids production is forecast to grow by 0.1 mb/d to average 6.2 mb/d. Brownfield growth from several projects is expected to primarily drive oil sands production through asset expansion and the wider application of new drilling technologies. Principal sources of production are expected from the Montney play, Athabasca, Syncrude Mildred Lake, Kearl, Horizon, Christina Lake, Suncor, Foster Creek, Firebag and Fort Hills projects. The main start-ups in 2026 are expected to be Leismer, Foster Creek, White Rose Extension, Horizon Oil Sands Project, Christina Lake Regional Project, Meota SAGD, Lindbergh (Strathcona) and Reford SAGD projects.

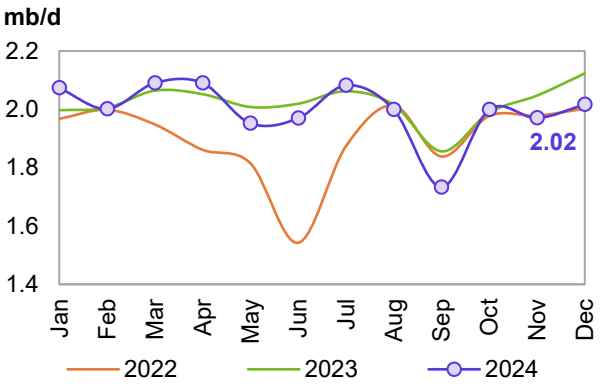
Norway

Norwegian liquids production in December rose by 46 tb/d, m-o-m, to average 2.0 mb/d. Norway's crude production increased by 53 tb/d, m-o-m, to average 1.8 mb/d. This was lower by about 87 tb/d, y-o-y. Monthly oil production was also 0.8% lower than the Norwegian Offshore Directorate's (NOD) forecast.

NGLs and condensate production fell by 7 tb/d, m-o-m, to average 0.2 mb/d in December, according to NOD data.

For 2024, Norwegian liquids production is estimated to have dropped by about 23 tb/d to average 2.0 mb/d. This is a minor drop of 5 tb/d from the previous month's assessment.

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



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

In 2025, Norwegian liquids production is forecast to grow by 0.1 mb/d to average 2.1 mb/d. Several small-to-large-scale projects are scheduled to ramp up, including Kristin, Eldfisk and Balder/Ringhorne. At the same time, start-ups are expected at the Balder/Ringhome, Norne floating, production, storage and offloading (FPSO), Maria and Kvitebjorn oil field projects. Norway's Var Energi recently announced the start-up of its Balder X oil project in the North Sea for 2Q25. According to Equinor, the Johan Castberg FPSO is expected to produce the first oil in Norway's Barents Sea in January or February, after being delayed by bad weather conditions. According to Statistics Norway, total oil and gas investment on the Norwegian continental shelf for 2025 is forecast to rise by about 3%, y-o-y, supporting expected growth this year.

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

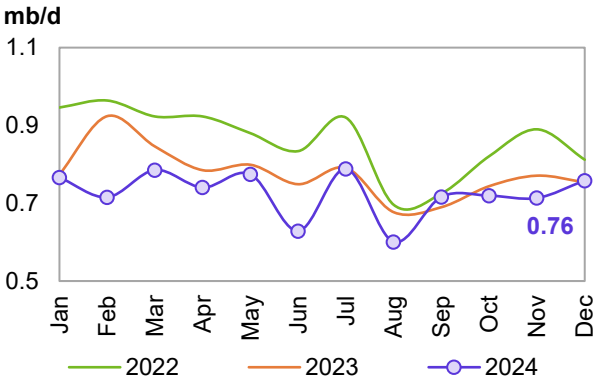
UK

In December, UK liquids production rose by 45 tb/d, m-o-m, to average 0.8 mb/d. Crude oil output increased by 57 tb/d, m-o-m, to average 0.6 mb/d. This was lower by just 4 tb/d, y-o-y, according to official data. NGLs output dropped by 12 tb/d, m-o-m, to average 71 tb/d.

For 2024, UK liquids production is estimated to have dropped by about 48 tb/d to average 0.7 mb/d. This is down by about 4 tb/d from the previous month's assessment.

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

Graph 5 - 16: UK monthly liquids production development

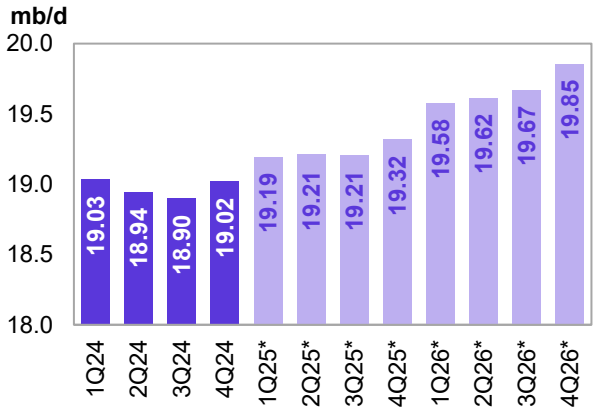


Sources: UK Department for Business, Energy and Industrial Strategy and OPEC.

In 2026, UK liquids production is forecast to drop by about 10 tb/d, y-o-y, to average 0.7 mb/d. Minor production ramp-ups are forecast at the Clair, Kraken and Schiehallion sites. Elsewhere, project start-ups are seen at Triton, Anasuria and Jackdaw. However, natural decline rates in mature oil fields are again expected to offset the additional volumes. Recently, Shell and Norway's Equinor announced a merger of their offshore British oil and gas assets to create a new company. This could optimize their production and save costs in the medium term.

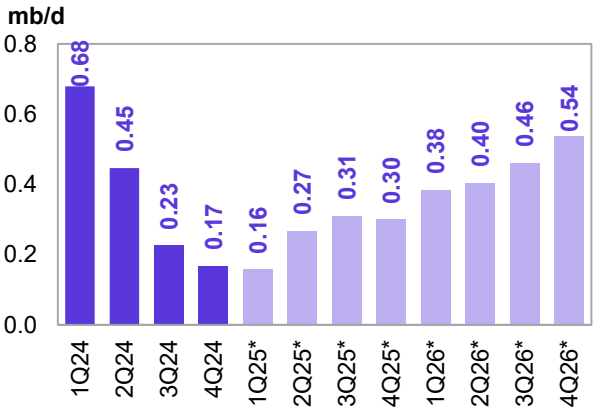
Non-OECD

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



*Note: * 1Q25-4Q26 = Forecast. Source: OPEC.*

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



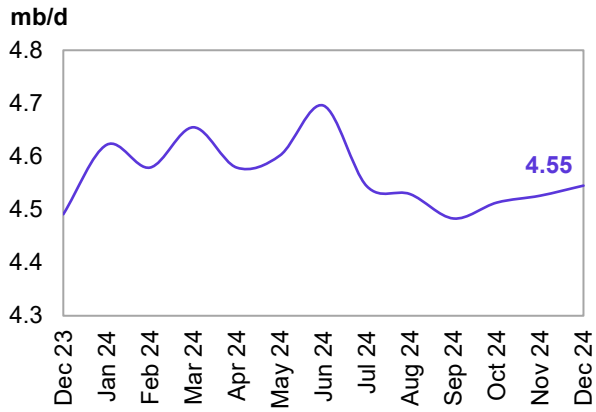
*Note: * 1Q25-4Q26 = Forecast. Source: OPEC.*

China

China's liquids production rose by 19 tb/d, m-o-m, to average 4.5 mb/d in December. This is up by 54 tb/d, y-o-y, according to official data. Crude oil output in December averaged 4.2 mb/d, up by 19 tb/d compared with the previous month. This was higher by 60 tb/d, y-o-y.

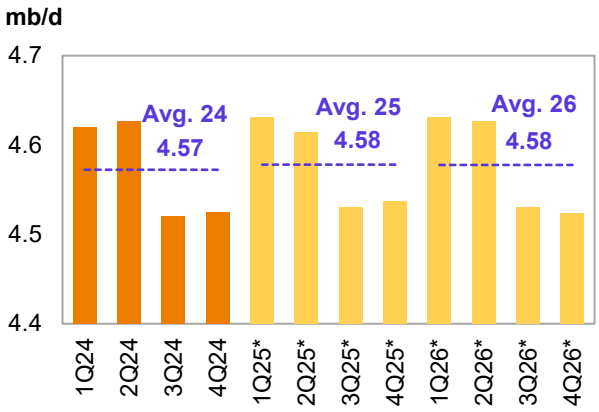
NGLs production remained unchanged, m-o-m, averaging 40 tb/d. This was 8 tb/d lower compared with the same month a year earlier.

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



Sources: CNPC and OPEC.

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



*Note: * 1Q25-4Q26 = Forecast. Sources: CNPC and OPEC.*

For 2024, China's liquids production is estimated to have risen by about 55 tb/d, y-o-y, to average 4.6 mb/d. This is largely unchanged from the previous assessment.

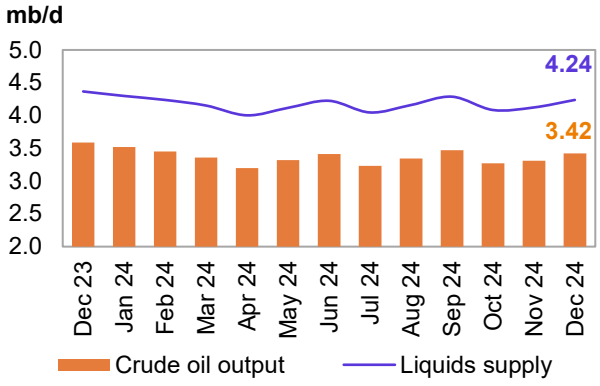
In 2025, Chinese liquids production is expected to remain broadly steady, y-o-y, at an average of 4.6 mb/d. Supply growth is primarily expected to come from the offshore sector following considerable recent exploration investments in Bohai Bay off northern China and the South China Sea. Additional infill wells and EOR projects are expected to mostly offset decline rates at mature fields. For this year, oil and gas condensate projects such as Songliaho, Peng Lai 19-9, Kenli 10-2, Shengli, Liaodong Bay West, Bozhong 26-6, Tianjin, Wenchang 9-7 – operated by CNOOC, PetroChina and Sinopec – are expected to come on stream. Additionally, key ramp-ups are planned for Shengli, Xibei, Jilin, Peng Lai 19-3 and Tarim. Furthermore, China's CNOOC, is set to keep spending almost flat in 2025, while revising its output targets lower for this year and next.

Chinese liquids production is expected to remain unchanged, y-o-y, and is forecast to average 4.6 mb/d in 2026. For next year, several oil and gas condensate projects are set to come on stream, namely Jinzhou 25-1 and 25-3 in Tianjin, Weizhou 11-4 and 11-12 in Zhanjiang, Jinxian JX1-1 in Tianjin, Wenchang 16-2 in Zhanjiang, Liaohe and Jianghan. Most of these are operated by CNOOC, Sinopec or PetroChina. At the same time, key ramp-ups are expected from the Daqing, Shengli, Xinjiang and Dagang projects.

Brazil

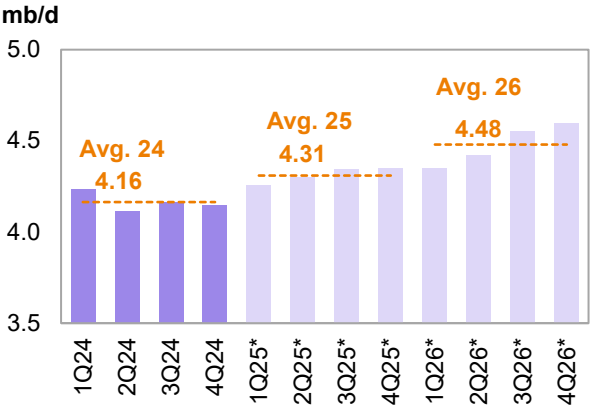
Brazil's crude output in December rose by 109 tb/d, m-o-m, to average 3.4 mb/d on the back of new FPSOs that came online recently. However, underperformance in several offshore platforms has also been reported. NGLs production rose by 6 tb/d to an average of around 75 tb/d and this is expected to remain flat in January. Biofuel output (mainly ethanol) is estimated to have been unchanged, m-o-m, at an average of 0.7 mb/d, with preliminary data showing a stable trend in January. The country's total liquids production increased by 115 tb/d in December to average 4.2 mb/d, which is lower by about 0.1 mb/d, y-o-y.

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



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

Graph 5 - 22: Brazil's quarterly liquids production



*Note: * 1Q25-4Q26 = Forecast. Sources: ANP and OPEC.*

For 2024, Brazil's liquids supply, including biofuels, is estimated to have dropped by about 10 tb/d, y-o-y, to an average of 4.2 mb/d. This was revised down by about 10 tb/d from the previous month's assessment.

Brazil's liquids supply, including biofuels, is forecast to increase by about 150 tb/d, y-o-y, to average 4.3 mb/d in 2025. Crude oil output is expected to expand through production ramp-ups at the Buzios (Franco), Mero (Libra NW), Tupi (Lula), Marlim, Peregrino, Atlanta and Parque das Baleias fields. Oil project start-ups are expected at the Buzios, Bacalhau (x-Carcara), Mero (Libra NW), Wahoo and Lapa (Carioca) fields. Nonetheless, technical and operational issues could potentially delay the start-up of scheduled production from the platforms. Brava Energia started production through the FPSO Atlanta on the Atlanta post-salt heavy oil field in the Santos Basin offshore Brazil at the end of December last year and it is set to be completed by 2Q25.

Brazil's liquids supply, including biofuels, is forecast to increase by 0.2 mb/d, y-o-y, to average 4.5 mb/d in 2026. Upstream liquids output is expected to increase through production ramp-ups at the Buzios (Franco), Mero (Libra NW), Marlim and Bacalhau (x-Carcara) projects. Oil project start-ups are expected at the Buzios, Albacora Leste and Pampo-Enchova Cluster. However, growing offshore development costs and inflationary pressure may continue to delay projects and moderate short-term growth.

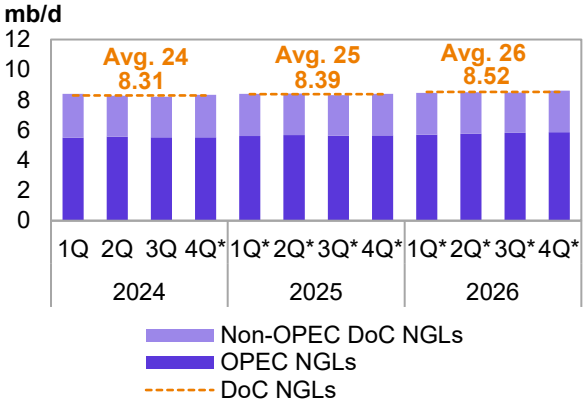
DoC NGLs and non-conventional liquids

DoC NGLs and non-conventional liquids are estimated to have expanded by about 75 tb/d in 2024 to average 8.3 mb/d.

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

The 2025 forecast points toward a combined increase of about 80 tb/d for an average of 8.4 mb/d. For OPEC Member Countries, NGLs and non-conventional liquids production are projected to grow by 0.1 mb/d to average 5.6 mb/d. However, a drop of about 30 tb/d is forecast for non-OPEC DoC countries.

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



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

In 2026, the forecast sees collective growth of around 135 tb/d to average 8.5 mb/d. NGLs and non-conventional liquids for OPEC Member Countries are forecast to grow by 150 tb/d to average 5.8 mb/d. Non-OPEC DoC countries are expected to see a drop of about 15 tb/d.

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

DoC NGLs and non-coventional liquids	2024	Change 24/23	2025	Change 25/24	1Q26	2Q26	3Q26	4Q26	2026	Change 26/25
OPEC	**5.53**	*0.06*	**5.64**	*0.11*	5.70	5.77	5.82	5.85	**5.79**	*0.15*
Non-OPEC DoC	**2.78**	*0.01*	**2.75**	*-0.03*	2.77	2.75	2.67	2.77	**2.74**	*-0.02*
Total	**8.31**	***0.07***	**8.39**	***0.08***	**8.48**	**8.51**	**8.49**	**8.62**	**8.52**	***0.13***

Note: 2025-2026 = Forecast.
Source: OPEC.

DoC crude oil production

Total DoC crude oil production averaged 40.62 mb/d in January 2025, which is 118 tb/d lower, m-o-m.

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

Secondary sources	2023	2024	2Q24	3Q24	4Q24	Nov 24	Dec 24	Jan 25	*Change* Jan/Dec
Algeria	969	904	903	903	903	905	903	895	*-8*
Congo	261	254	260	254	255	249	260	260	*1*
Equatorial Guinea	57	57	57	58	59	60	63	61	*-2*
Gabon	213	223	218	222	230	226	236	236	*1*
IR Iran	2,884	3,257	3,253	3,316	3,290	3,302	3,293	3,280	*-14*
Iraq	4,266	4,188	4,216	4,254	4,037	4,029	4,004	3,999	*-5*
Kuwait	2,595	2,430	2,426	2,433	2,425	2,417	2,426	2,412	*-14*
Libya	1,152	1,092	1,177	903	1,180	1,220	1,260	1,277	*17*
Nigeria	1,337	1,435	1,387	1,437	1,485	1,497	1,525	1,495	*-29*
Saudi Arabia	9,618	8,981	8,973	8,981	8,964	8,962	8,950	8,937	*-13*
UAE	2,970	2,977	2,968	2,999	2,990	3,004	2,970	2,933	*-37*
Venezuela	763	874	856	895	909	898	910	892	*-17*
Total OPEC	**27,084**	**26,672**	**26,695**	**26,656**	**26,728**	**26,769**	**26,800**	**26,678**	***-121***
Azerbaijan	504	482	478	483	486	488	484	484	*0*
Bahrain	185	176	185	165	182	184	183	182	*0*
Brunei	72	80	67	89	84	83	87	85	*-2*
Kazakhstan	1,600	1,538	1,558	1,556	1,421	1,480	1,465	1,538	*73*
Malaysia	374	349	361	323	348	356	352	346	*-6*
Mexico	1,652	1,583	1,594	1,588	1,538	1,530	1,532	1,490	*-42*
Oman	819	766	765	765	761	764	756	761	*4*
Russia	9,596	9,193	9,250	9,058	9,015	9,010	9,004	8,977	*-27*
Sudan	53	28	26	27	26	26	25	24	*-1*
South Sudan	141	71	63	54	56	56	54	59	*5*
Total Non-OPEC DoC	**14,995**	**14,266**	**14,346**	**14,107**	**13,919**	**13,977**	**13,943**	**13,947**	***3***
Total DoC	**42,078**	**40,938**	**41,041**	**40,763**	**40,646**	**40,746**	**40,743**	**40,625**	***-118***

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

Source: OPEC.

OPEC crude oil production

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

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

Direct communication	2023	2024	2Q24	3Q24	4Q24	Nov 24	Dec 24	Jan 25	*Change* Jan/Dec
Algeria	973	907	905	909	908	908	906	907	*1*
Congo	271	260	260	264	265	268	261	251	*-11*
Equatorial Guinea	55	57	60	57	58	62	60	62	*2*
Gabon	223	..	..	..	..	..	..	..	..
IR Iran	..	..	..	..	..	..	..	..	..
Iraq	4,118	3,862	3,862	3,897	3,731	3,721	3,689	3,687	*-2*
Kuwait	2,590	2,411	2,413	2,413	2,404	2,405	2,407	2,400	*-7*
Libya	1,189	1,138	1,217	936	1,252	1,302	1,310	..	..
Nigeria	1,187	1,340	1,270	1,328	1,434	1,486	1,485	1,539	*54*
Saudi Arabia	9,606	8,955	8,937	8,970	8,935	8,926	8,906	8,918	*12*
UAE	2,944	2,916	2,928	2,933	2,884	2,922	2,817	2,906	*89*
Venezuela	783	921	904	933	982	960	998	1,031	*33*
Total OPEC	..	..	..	..	..	..	..	..	..

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

Source: OPEC.

Product Markets and Refinery Operations

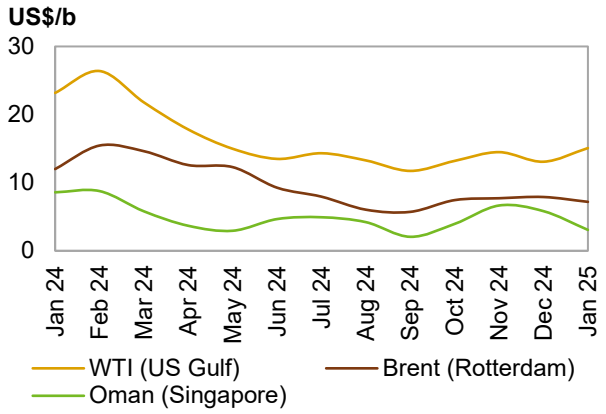
In January, refinery margins rose on the US Gulf Coast (USGC) as the recent refinery outages due to winter storms and refinery maintenance ramp-ups weighed on refinery product output. This, coupled with robust US product exports in January resulted in gains in all parts of the barrel except for fuel oil. In contrast, margins declined both in Rotterdam and Singapore with stronger feedstock prices and high freight rates contributing to subdued product outflows. This placed additional pressure on product crack performance in both regions, with European middle distillates being the exception.

Global refinery intake declined 1.0 mb/d, m-o-m, on the back of refinery outages due to severe weather in the US. Global intakes reached an average of 81.3 mb/d in January and were 750 tb/d, higher, y-o-y. Going forward, run rates are expected to subside further with the rise of refinery maintenance interventions at the start of the historically heavy spring turnaround season.

Refinery margins

USGC refining margins reversed directions following the previous month's downturn to reach an eight-month high in January. Crack spreads for most major products increased, most pronouncedly for naphtha, which jumped $4.19/b, m-o-m. Transportation fuel cracks performed positively, with the middle distillate crack spreads up by $3.48/b and $2.63/b for jet/kerosene and diesel, respectively. According to preliminary data, refinery intake in the USGC was 1.04 mb/d lower, m-o-m, averaging 15.91 mb/d in January. The improvement in refining economics was largely attributed to product output reductions as severe weather caused temporary refinery shutdowns. Although the impact of winter storms on refineries in the USGC in January was limited, secondary unit outages contributed to short-lived product supply disruptions, thus providing support to product markets. Moreover, an increase in refinery turnaround works ahead of the heavy maintenance season further weighed on product supplies, strengthening product margins. USGC margins against WTI averaged $15.08/b in January, up by $2.00, m-o-m, but down $8.08, y-o-y.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

Refinery margins in Rotterdam against Brent registered a slight decrease while continuously demonstrating significant stability for the fourth consecutive month compared to the margin performance seen in the USGC and Singapore. Crack spreads of all key products decreased, except for jet/kerosene and gasoil cracks, which moved up, m-o-m. Platts data from 30 January indicated a significant total product inventory rise at the Amsterdam-Rotterdam-Antwerp storage hub in January. This was the largest monthly total product stock build registered since February 2024, signalling a growing demand-supply imbalance leading to an overall weaker product market in Northwest Europe. Refinery runs in January reversed trends and moved down by an estimated 200 tb/d, m-o-m, before settling at 9.77 mb/d across the EU-14 plus Norway and the UK. Refinery margins against Brent in Europe averaged $7.17/b in January, which was 71¢ lower, m-o-m, and $4.82 lower, y-o-y.

Singapore's refining margins against Oman exhibited solid losses for the second consecutive month in January, reaching the lowest level recorded since September 2024 with crack spreads for all major products showing a monthly decline. Stronger feedstock prices along with higher freight rates weighed on Asian refining economics. Moreover, towards the end of the month, firm product supplies with refineries returning online led to stronger gasoline output particularly from Malaysia, while higher middle distillate flows from China and the Middle East exacerbated the pressure on Asian product markets. In January, combined refinery intake in Japan, China, India, Singapore, and South Korea registered an increase of 440 tb/d, m-o-m, averaging 27.03 mb/d, according to preliminary data. Refinery margins against Oman in Singapore experienced a $2.75, m-o-m, drop in January to an average of $3.08/b, which was $5.51 lower, y-o-y.

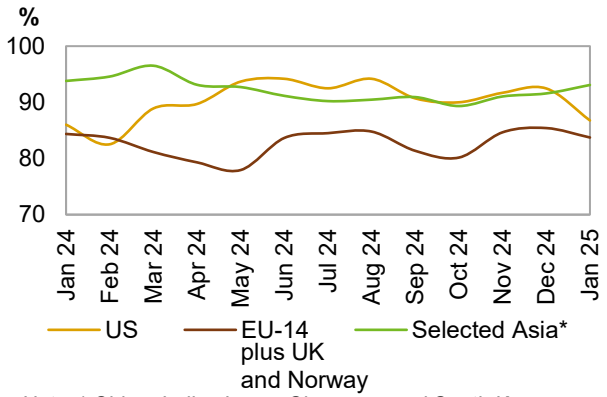
Refinery operations

US refinery utilization rates showed a 5.7 pp decline to an average of 86.76% in January, corresponding to throughput of 15.91 mb/d. This represents a 1.0 mb/d drop relative to the level registered in the previous month. Compared with the previous year, the January refinery utilization rate was 0.8 pp higher, with throughput showing a 57 tb/d increase.

EU-14 plus the UK and Norway refinery utilization averaged 83.74% in January, corresponding to throughput of 9.8 mb/d. This represents a 1.7 pp, or 200 tb/d, m-o-m, decline. On a yearly basis, the utilization rate was down by 0.6 pp, and throughput was 145 tb/d lower.

In Selected Asia – Japan, China, India, Singapore, and South Korea – refinery utilization rates increased to an average of 93.08% in January, corresponding to a throughput of 27.03 mb/d. Compared with the previous month, utilization rates were up 1.5 pp, and throughput was higher by 440 tb/d. Relative to the previous year, utilization rates were 0.7 pp lower, while throughput was 180 tb/d higher.

Graph 6 - 2: Refinery utilization rates



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

Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				*Refinery utilization, %*			
	Nov 24	Dec 24	Jan 25	Change Jan/Dec	Nov 24	Dec 24	Jan 25	Change Jan/Dec
US	**16.83**	**16.95**	**15.91**	**-1.04**	**91.70**	**92.47**	**86.76**	**-5.7 pp**
Euro-14, plus UK and Norway	**9.88**	**9.97**	**9.77**	**-0.20**	**84.67**	**85.42**	**83.74**	**-1.7 pp**
France	1.01	0.99	0.96	-0.03	87.41	86.28	83.29	-3.0 pp
Germany	1.78	1.72	1.68	-0.03	86.67	83.77	82.09	-1.7 pp
Italy	1.19	1.25	1.22	-0.03	65.64	68.67	66.92	-1.7 pp
UK	1.10	1.05	1.01	-0.04	93.95	89.69	86.31	-3.4 pp
Selected Asia*	**26.44**	**26.60**	**27.03**	**0.44**	**91.05**	**91.58**	**93.08**	**1.5 pp**

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

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

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

Refinery crude throughput	2022	2023	2024	1Q24	2Q24	3Q24	4Q24	1Q25
OECD Americas	**18.68**	**18.71**	**19.00**	**18.19**	**19.17**	**19.44**	**19.19**	**18.69**
of which US	*16.48*	*16.50*	*16.62*	*15.78*	*16.96*	*16.95*	*16.76*	*16.01*
OECD Europe	**11.44**	**11.38**	**11.32**	**11.44**	**11.05**	**11.35**	**11.44**	**11.34**
of which:								
France	*0.84*	*0.93*	*0.92*	*0.83*	*0.89*	*0.98*	*0.99*	*0.79*
Germany	*1.83*	*1.62*	*1.75*	*1.76*	*1.79*	*1.74*	*1.72*	*1.98*
Italy	*1.32*	*1.30*	*1.21*	*1.30*	*1.16*	*1.19*	*1.19*	*1.22*
UK	*1.04*	*0.97*	*0.98*	*0.97*	*0.98*	*0.95*	*1.01*	*0.83*
OECD Asia Pacific	**6.08**	**5.83**	**5.65**	**5.90**	**5.61**	**5.47**	**5.62**	**5.66**
of which Japan	*2.71*	*2.56*	*2.35*	*2.55*	*2.27*	*2.19*	*2.41*	*2.53*
Total OECD	**36.21**	**35.92**	**35.97**	**35.54**	**35.83**	**36.27**	**36.26**	**35.70**
Latin America	**3.43**	**3.54**	**3.61**	**3.50**	**3.58**	**3.59**	**3.75**	**3.80**
Middle East	**7.28**	**7.61**	**8.05**	**7.91**	**8.14**	**8.08**	**8.07**	**8.24**
Africa	**1.73**	**1.71**	**1.84**	**1.71**	**1.72**	**1.93**	**2.01**	**1.96**
India	**5.00**	**5.18**	**5.25**	**5.30**	**5.31**	**5.13**	**5.25**	**5.49**
China	**13.49**	**14.78**	**14.25**	**14.64**	**14.25**	**14.04**	**14.08**	**14.60**
Other Asia	**4.94**	**5.02**	**5.08**	**4.95**	**4.97**	**5.23**	**5.18**	**5.28**
Russia	**5.46**	**5.50**	**5.35**	**5.33**	**5.28**	**5.47**	**5.32**	**5.40**
Other Eurasia	**1.15**	**1.14**	**1.14**	**1.18**	**1.09**	**1.15**	**1.15**	**1.12**
Other Europe	**0.50**	**0.47**	**0.51**	**0.43**	**0.47**	**0.55**	**0.56**	**0.51**
Total Non-OECD	**42.98**	**44.94**	**45.08**	**44.95**	**44.81**	**45.17**	**45.36**	**46.39**
Total world	**79.19**	**80.86**	**81.05**	**80.50**	**80.64**	**81.43**	**81.62**	**82.09**

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

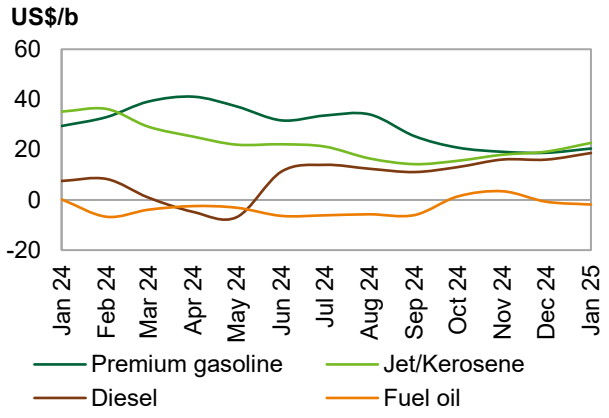
Sources: AFREC, APEC, EIA, IEA, Euroilstock, PAJ, Ministry data, including Ministry of Energy of the Russian Federation, Ministry of Petroleum and Natural Gas of India, OPEC and JODI.

Product markets

US market

The USGC gasoline crack spread against WTI recovered some ground following four consecutive months of declines. Although refineries in the USGC were subject to only limited impacts from the winter storms in January, temporary second-unit outages contributed to short-lived product supply disruptions providing support to most products including gasoline. However, despite a slow-down in momentum during January, US total gasoline inventories continued to surge, rising for the third consecutive month. In the near term, an expectation of deeper refinery run cuts amid the upcoming intense refinery repair work season could provide added support to US gasoline markets. The USGC gasoline crack spread gained $1.70, m-o-m, reaching an average of $20.48/b in January, but was $8.99 lower, y-o-y.

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



Sources: Argus and OPEC.

The USGC jet/kerosene crack spread against WTI increased to a six-month high outperforming gasoline and acting as the second strongest refining margin gain contributor following naphtha in January. This reflected a tighter jet/kerosene balance as inventories for the same product fell in the second half of the month in the US. Recent jet/kerosene crack spread dynamics have shown volatility with inventories dropping sharply in response to the pick-up in air travel activities in December as air passenger volumes rose 4%, m-o-m (Argus). These fluctuations point to further volatility in the near term and further upside potential for the US jet/kerosene market in the coming month. The USGC jet/kerosene crack spread gained $3.48, m-o-m, to average $22.73/b in January but was $12.44 lower, y-o-y.

The USGC gasoil crack spread against WTI increased with a decline in gasoil production while heating oil demand lent further support amid the cold winter temperatures. According to Kpler, the seasonal gasoil strength made way for Middle Eastern gasoil arrivals in New York. This was likely the result of the recently implemented sanctions on vessels linked to the Russian oil sector. The US gasoil crack spread against WTI averaged $18.68/b, up $2.63, m-o-m, and $11.16, y-o-y.

The USGC fuel oil 3.5% crack spread against WTI inched deeper into negative territory with ample supplies in the West of Suez markets indicating continued pressure. However, the recent US sanctions on Russia as well as raising maintenance works at primary crude distillation columns could lead to a contracting fuel oil balance in the US, thus supporting residual fuel markets in the near term. In January, the US fuel oil crack spread against WTI lost $1.13, m-o-m, to average negative $1.84/b, and was $2.06 lower, y-o-y.

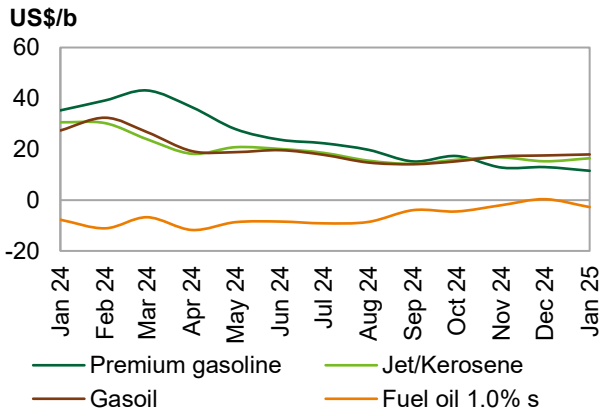
European market

The gasoline crack spread in Rotterdam against Brent decreased but managed to keep its loss limited, as refinery outages in the region reduced gasoline production, although ARA gasoline inventories remained elevated. With this decline, Rotterdam gasoline crack spreads reached their lowest level seen since March 2021. The seasonal demand-side pressure continued to play a role while exports to the US and West Africa were limited, according to Argus. The refinery outages prompted higher gasoline deliveries from ARA to Germany, however, this supporting factor proved insufficient in softening overall pressure on European gasoline markets. The gasoline crack spread against Brent averaged $11.56/b, which was $1.44 lower, m-o-m, and $23.69 lower, y-o-y.

In January, the jet/kerosene crack spread in Rotterdam against Brent increased as the strength witnessed in the US propagated to European markets with the cross-regional price differential sufficient in sustaining exports. In January, ARA jet fuel inventories declined 8%, m-o-m, according to Platts. The Rotterdam jet/kerosene crack spread against Brent averaged $16.40/b, up by $1.19, m-o-m, but down $14.23, y-o-y.

The gasoil crack spread in Rotterdam against Brent experienced a slight gain in response to the recent US sanctions on Russia and supportive heating demand. The positive market sentiment for heating oil during the winter season is expected to continuously support product markets. The gasoil crack spread against Brent averaged $17.97/b, up 40¢, m-o-m, but down $9.37, y-o-y.

Graph 6 - 4: Rotterdam crack spreads vs. Brent



Sources: Argus and OPEC.

At the bottom of the barrel, fuel oil 1.0% crack spreads in Rotterdam against Brent decreased, losing all ground gained in the previous month, with high regional availability weighing on the residual fuel performance. Bitumen (a residual fuel-derived product) prices across Europe gained some support in January from tighter supplies stemming from routine winter maintenance combined with some unplanned refinery-related challenges, particularly in Germany.

Rising high-sulphur fuel oil (HSFO) prices in January provided support to the market and helped push waterborne cargo prices up, despite the lack of export demand this time of year. As is typical for January, demand has reached its lowest yearly level. A hypothetical increase in activity in late February or March would depend on weather conditions.

Fuel oil 1.0% crack spread averaged negative $2.75/b in January, representing a solid $3.11 decrease, m-o-m, but a $4.97 rise, y-o-y.

Asian market

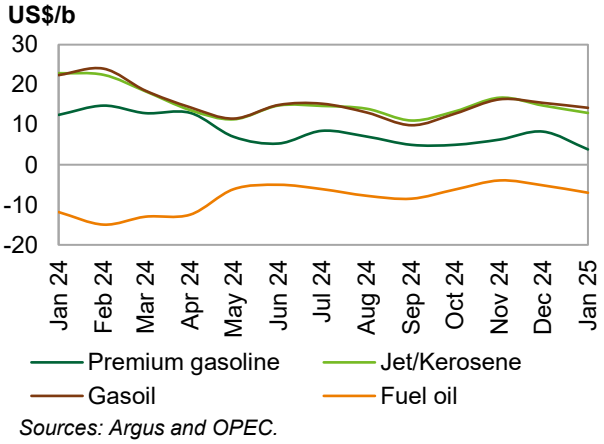
The Southeast Asia gasoline 92 crack spread against Dubai fell from the five-month high reached in the previous month. In January gasoline showed the strongest downturn across the barrel in Southeast Asia with stronger feedstock prices and firm gasoline output within the region weighing on the product's performance. The product's margin averaged $3.85/b in January, down $4.43, m-o-m, and $8.60, y-o-y.

The Asian naphtha crack spread continued to trend downwards in contrast to the solid gains attained in the USGC and NWE. The product represented the second strongest negative performer following gasoline.

The Singapore naphtha crack spread against Dubai averaged negative $7.44/b, which was $3.90 lower, m-o-m, and $1.74 lower, y-o-y.

In the middle of the barrel, the jet/kerosene crack spread registered a significant loss, with weaker fundamentals amid strong availability putting pressure on Asian jet/kerosene markets. Asian jet fuel/kerosene market fundamentals are expected to remain under pressure in the near term although the upcoming start of the heavy refinery maintenance season in the Northern Hemisphere may offer export opportunities. The Singapore jet/kerosene crack spread against Dubai averaged $12.93/b, down $1.84, m-o-m, and $9.92, y-o-y.

Graph 6 - 5: Singapore crack spreads vs. Dubai



Sources: Argus and OPEC.

The Singapore gasoil crack spread eased with higher Chinese exports leading to higher gasoil availability in Singapore. Additionally, weaker demand from Europe amid a tight arbitrage, a weak cross-regional price spread and stronger freight rates further contributed to weaker Asian gasoil margins. The Singapore gasoil crack spread against Dubai averaged $14.26/b, down by $1.23, m-o-m, and $8.17, y-o-y.

The Singapore fuel oil 3.5% crack spread extended the downward trend seen in the previous month, pressured by subdued demand. Singapore's HSFO crack spread against Dubai averaged negative $6.97/b, down $1.83, m-o-m, but up $4.81, y-o-y.

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

Event	Time frame	Observations	Asia	Europe	US
New US sanctions on Russa, as announced on 15 January	Feb 25 onwards	Asia refiners that previously relied on Russian crude will have to find pricier alternatives. At the same time, the reduction in Russian product outflows will support product margins in the near term.	↓ Pressure Chinese Teapots, Indian refining margins	↑ Support naphtha, diesel, and fuel oil crack spreads	↑ Support naphtha, diesel, and fuel oil crack spreads
US/China tariffs on energy resources	Feb 25 onwards	If fully materialized as initially announced, the impact of product/crude flow adjustments could induce upward pressure on fuel prices until the markets adjust, and this negative impact subsides.	↑ Upward pressure on product prices	↑ Upward pressure on product prices	↑ Upward pressure on product prices
Start of the heavy refinery maintenance season	Feb 25 – May 25	Product prices, crack spreads, and refining margins are expected to see some support as product availability declines with the start of heavy turnarounds.	↑ Support product crack spreads	↑ Support product crack spreads	↑ Support product crack spreads
Heating fuel markets	Jan 25 – Mar 25	The ongoing winter season is expected to continue supporting heating fuel markets – such as gasoil, LPG, and kerosene – in the Northern Hemisphere and parts of Asia.	↑ Support heating fuels crack spreads	↑ Support heating fuels crack spreads	↑ Support heating fuels crack spreads
Impact of the most recent refinery capacity additions	Jan 25 onwards	Upside potential for new product volumes entering international markets from Yulong petrochemical, Olmeca and Dangote refineries lengthening product balances going forward, particularly for gasoline.	↓ Pressure on product markets	↓ Pressure on product markets	↓ Pressure on product markets

Source: OPEC.

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

		Dec 24	Jan 25	Change Jan/Dec	Annual avg. 2024	Year-to-date 2025
US Gulf (Cargoes FOB)						
Naphtha*		66.24	75.91	9.67	74.02	75.91
Premium gasoline	(unleaded 93)	88.57	95.75	7.18	106.21	95.75
Regular gasoline	(unleaded 87)	82.13	88.15	6.02	94.42	88.15
Jet/Kerosene		89.04	98.00	8.96	98.81	98.00
Gasoil	(0.2% S)	85.84	93.95	8.11	84.13	93.95
Fuel oil	(3.0% S)	66.22	69.91	3.69	69.05	69.91
Rotterdam (Barges FOB)						
Naphtha		67.51	71.72	4.21	72.52	71.72
Premium gasoline	(unleaded 98)	86.75	90.81	4.06	106.14	90.81
Jet/Kerosene		88.96	95.65	6.69	100.61	95.65
Gasoil/Diesel	(10 ppm)	91.32	97.22	5.90	100.70	97.22
Fuel oil	(1.0% S)	74.11	76.50	2.39	73.78	76.50
Fuel oil	(3.5% S)	70.30	71.80	1.50	72.12	71.80
Mediterranean (Cargoes FOB)						
Naphtha		65.64	70.07	4.43	70.43	70.07
Premium gasoline**		82.75	88.16	5.41	95.24	88.16
Jet/Kerosene		86.11	93.17	7.06	97.31	93.17
Diesel		90.08	95.98	5.90	99.64	95.98
Fuel oil	(1.0% S)	77.98	79.68	1.70	78.25	79.68
Fuel oil	(3.5% S)	67.00	68.70	1.70	69.17	68.70
Singapore (Cargoes FOB)						
Naphtha		69.50	73.11	3.61	72.73	73.11
Premium gasoline	(unleaded 95)	84.88	86.70	1.82	92.98	86.70
Regular gasoline	(unleaded 92)	81.32	84.40	3.08	88.33	84.40
Jet/Kerosene		87.81	93.48	5.67	95.20	93.48
Gasoil/Diesel	(50 ppm)	88.77	95.21	6.44	95.98	95.21
Fuel oil	(180 cst)	88.32	94.56	6.24	94.56	94.56
Fuel oil	(380 cst 3.5% S)	67.90	73.58	5.68	71.16	73.58

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

Sources: Argus and OPEC.

Tanker Market

Dirty spot freight rates registered a slow start to the year. VLCCs showed the best performance in January, with the Middle East-to-East route up 38%, m-o-m, amid increasing activities on the longer haul routes.

The Suezmax and Aframax markets fared less well, amid more muted activities. Suezmax rates on the US Gulf Coast-to-Europe route declined 11%, m-o-m, while Aframax spot rates around the Mediterranean fell 18%, m-o-m.

In the clean tanker market, East of Suez rates rose 20%, m-o-m, on average, while West of Suez rates fell 5%, m-o-m.

Dirty tanker freight rates

Very large crude carriers (VLCC)

After a sluggish performance at the end of 2024, spot freight rates for VLCCs picked up in January on all monitored routes. On average, VLCC spot freight rates were up 31%, m-o-m. Gains, however, were not enough to outpace the same month last year. As a result, VLCC spot rates were down 11% on average, y-o-y.

On the Middle East-to-East route, rates averaged WS58 in January, representing a gain of 38% compared to the previous month. Y-o-y, rates were 6% lower. The Middle East-to-West route also saw higher rates, m-o-m, with a gain of 21% to average WS35. Compared with the same month in 2024, rates on the route were down 24%.

Spot freight rates on the West Africa-to-East route also increased in January, rising 25%, m-o-m, to average WS60. Compared with the same month in 2024, rates were down 8%.

Table 7 - 1: Dirty VLCC spot tanker freight rates, Worldscale (WS)

VLCC	Size *1,000 DWT*	Nov 24	Dec 24	Jan 25	*Change* Jan 25/Dec 24
Middle East/East	230-280	51	42	58	16
Middle East/West	270-285	33	29	35	6
West Africa/East	260	54	48	60	12

Sources: Argus and OPEC.

Suezmax

Spot freight rates for Suezmax vessels fell further in January, amid limited activities. Spot rates declined 12%, m-o-m, and were down 45%, y-o-y.

On the West Africa-to-USGC route, spot freight rates in January averaged WS69, representing a decline of 13%, m-o-m. Spot rates were 45% lower compared with the same month in 2024. Rates on the USGC-to-Europe route fell 11% to average WS63. Compared with the same month in 2024, rates were also 45% lower.

Table 7 - 2: Dirty Suezmax spot tanker freight rates, WS

Suezmax	Size *1,000 DWT*	Nov 24	Dec 24	Jan 25	*Change* Jan 25/Dec 24
West Africa/US Gulf Coast	130-135	75	79	69	-10
US Gulf Coast/ Europe	150	65	71	63	-8

Sources: Argus and OPEC.

Aframax

Aframax spot freight rates showed the largest m-o-m decline, down 16% in January. Y-o-y, Aframax spot rates were down 41% compared with the same month in 2024.

Rates on the Indonesia-to-East route dropped by only 3%, m-o-m, to an average of WS117 in January. Y-o-y, rates on the route were down 31%.

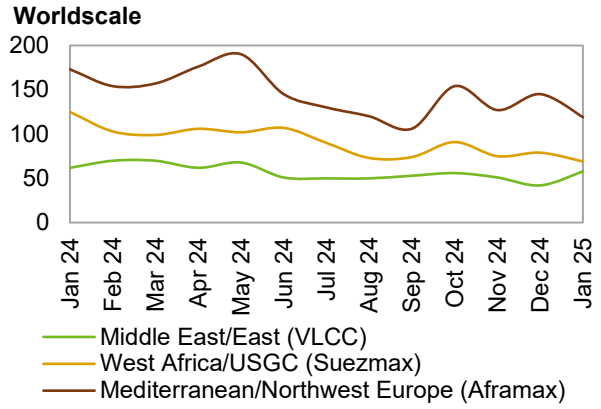
Table 7 - 3: Dirty Aframax spot tanker freight rates, WS

Aframax	Size 1,000 DWT	Nov 24	Dec 24	Jan 25	Change Jan 25/Dec 24
Indonesia/East	80-85	134	121	117	-4
Caribbean/US East Coast	80-85	111	158	124	-34
Mediterranean/Mediterranean	80-85	128	148	121	-27
Mediterranean/Northwest Europe	80-85	127	145	119	-26

Sources: Argus and OPEC.

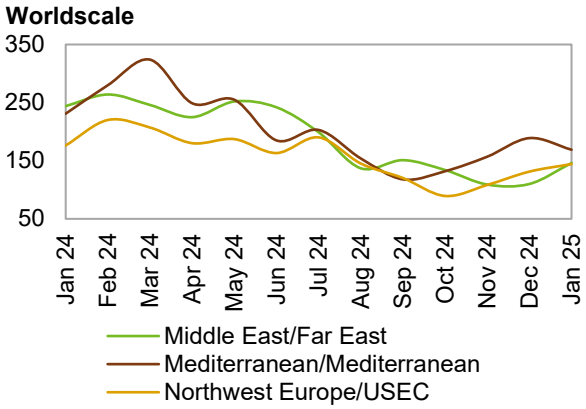
On the Caribbean-to-USEC, spot freight rates were down 22%, m-o-m, to average WS124 in January. Y-o-y, rates were 56% lower than in the same month last year. Meanwhile, cross-Med spot freight rates dropped 18%, m-o-m, to average WS121. Compared with the same month last year, spot rates on the route were 36% lower. Rates on the Med-to-Northwest Europe (NWE) route averaged WS119, representing a decline of 18%, m-o-m. Compared with the same month in 2024, rates were 31% higher.

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



Sources: Argus and OPEC.

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



Sources: Argus and OPEC.

Clean tanker freight rates

Clean spot freight rates showed mixed movements, m-o-m, in January. East of Suez rates moved 20% higher on average, while West of Suez rates edged down 5%. Compared to the previous year, East of Suez rates were still 40% lower and West of Suez rates were down 24%.

Table 7 - 4: Clean spot tanker freight rates, WS

East of Suez	Size 1,000 DWT	Nov 24	Dec 24	Jan 25	Change Jan 25/Dec 24
Middle East/East	30-35	109	110	146	36
Singapore/East	30-35	133	135	146	11
West of Suez					
Northwest Europe/US East Coast	33-37	108	131	144	13
Mediterranean/Mediterranean	30-35	157	189	169	-20
Mediterranean/Northwest Europe	30-35	167	199	179	-20

Sources: Argus and OPEC.

Rates on the Middle East-to-East route rose 33%, m-o-m, to average WS146 in January. Compared with the same month in 2024, rates were down 40%. Clean spot freight rates on the Singapore-to-East route saw a lesser increase, rising 8%, m-o-m. Rates on the route averaged WS146, representing a 40% decline compared with the same month in 2024.

Over in the Atlantic basin, clean rates on the NWE-to-USEC route averaged WS144. This was a gain of 10%, m-o-m, but a drop of 18%, y-o-y. In contrast, rates around the Mediterranean moved lower. On the Cross-Med route, spot freight rates fell 11%, m-o-m, to average WS169 and were 27% lower, y-o-y. Rates on the Med-to-NWE route averaged WS179, representing a decline of 10%, m-o-m, and a loss of 26%, y-o-y.

Crude and Refined Products Trade

US crude imports dropped back in January from a strong performance the month before to average 6.4 mb/d, while exports slipped below 4 mb/d. Product exports fell back from a record level in November to average 6.5 mb/d according to preliminary estimates for January.

Preliminary estimates for OECD Europe show crude imports in January were lower both m-o-m and y-o-y, as reduced flows to the Netherlands and France outweighed higher imports from the UK and Italy. OECD Europe product exports were down amid lower flows to Africa.

Complete data for 2024 shows Japan's crude imports declined last year by 225 tb/d, or 9%, amid muted economic activity, particularly in the first half of the year. Product imports were broadly unchanged at around 0.9 mb/d, as a pickup in the latter part of the year avoided an annual decline. Product exports were down 9% to average 549 tb/d.

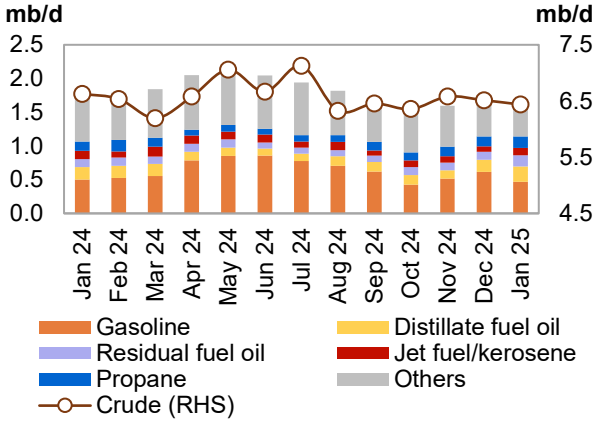
China's crude imports in 2024 showed a y-o-y decline of 230 tb/d, or 2%, to average 11.0 mb/d. This followed strong growth of 1.1 mb/d in the previous year. Product imports marked a fresh record high of 2.2 mb/d, supported by refinery and petrochemical feedstock demand. China's product exports were down by 7% to average 1.2 mb/d in 2024, with declines in gasoil and gasoline offsetting an increase in jet fuel.

India's crude imports recorded a fresh record high of just under 4.8 mb/d in 2024, supported by a healthy economy. Product imports also registered a record high of 1.2 mb/d in 2024, boosted by election activities at the start of the year. India's product exports gained 2% in 2024 to average 1.3 mb/d for the year.

US

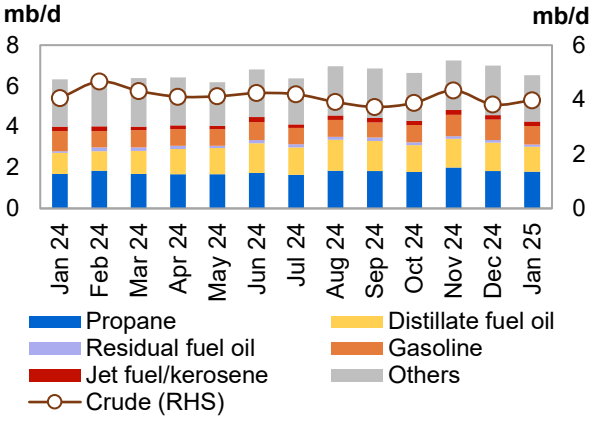
US crude imports fell further in January, slipping by 77 tb/d, or about 1%, m-o-m, to average 6.4 mb/d. According to preliminary EIA weekly data, the decline was partly driven by lower flows from Mexico and Brazil, and despite higher inflows from Canada and Saudi Arabia. Compared with the same month last year, crude imports were down by 189 tb/d, or almost 3%.

Graph 8 - 1: US imports of crude and products



Sources: EIA and OPEC.

Graph 8 - 2: US exports of crude and products



Sources: EIA and OPEC.

US crude exports in January rose by 153 tb/d, or 4%, m-o-m, to average just under 4 mb/d. This was despite icy weather around the US Gulf Coast. According to tanker tracking data, the increase in flows was partly driven by higher flows to Asia and Latin America – specifically Peru. Y-o-y, crude outflows dropped by 83 tb/d, or 2%.

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

US	Nov 24	Dec 24	Jan 25	Change Jan 25/Dec 24
Crude oil	2.24	2.70	2.47	-0.23
Total products	-5.64	-5.31	-4.87	0.44
Total crude and products	**-3.40**	**-2.60**	**-2.40**	**0.21**

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

Sources: EIA and OPEC.

In January, US net crude imports averaged 2.5 mb/d, down from 2.7 mb/d in December. In the same month last year, US net crude imports averaged 2.6 mb/d.

On the products side, imports in January slipped, falling by 38 tb/d, or 2%, m-o-m, to average over 1.6 mb/d. Declines were led by gasoline, which was sufficient to outweigh gains in distillates and residual fuel oil. Compared with the same month of 2023, product inflows were down by 175 tb/d, or about 10%.

Product exports fell further back from the record high level of 7.2 mb/d seen in November. Inflows averaged 6.5 mb/d, representing a decline of almost 473 tb/d, or 7%, m-o-m. Decreased outflows of distillates and gasoline were the main contributors to the lower exports. Compared with the same month last year, product exports were still up by 194 tb/d, or 3%.

As a result, net product exports averaged 4.9 mb/d in January, compared with 5.3 mb/d in the previous month and 4.5 mb/d in January 2023. Combined net crude and product exports averaged 2.4 mb/d in January, compared to 2.6 mb/d the month before and 1.9 mb/d in January 2023.

OECD Europe

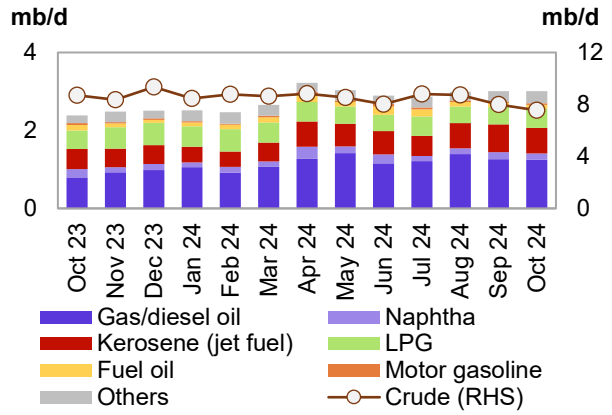
The latest official regional data for OECD Europe shows that crude imports continued to fall in October, amid an ongoing heavy maintenance season. Crude imports into OECD Europe averaged 7.5 mb/d for the month, down by 460 tb/d, or about 6%, m-o-m. This was the lowest since February 2021. Y-o-y, crude imports declined by 1.2 mb/d, or 13%, compared to the same month last year.

In terms of import sources from outside the region, the US provided the highest contribution in October with 1.5 mb/d, down from 1.7 mb/d the month before. Kazakhstan was second with 0.9 mb/d, followed by Saudi Arabia with 0.7 mb/d.

Crude exports averaged 128 tb/d in October, compared to 119 tb/d the month before. In the same month last year, crude outflows averaged 87 tb/d. China was the top destination for crude exports from the OECD Europe region in October, taking in just under 100 tb/d, followed by Türkiye with 47 mb/d.

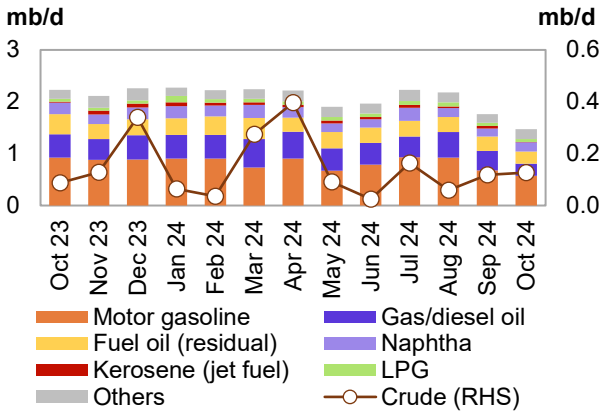
Net crude imports averaged 7.4 mb/d in October, down from 7.8 mb/d in the previous month. In the same month of 2023, net crude imports averaged 8.6 mb/d.

Graph 8 - 3: OECD Europe's imports of crude and products



Sources: IEA and OPEC.

Graph 8 - 4: OECD Europe's exports of crude and products



Sources: IEA and OPEC.

Product imports were broadly unchanged m-o-m in October, continuing to average just over 3.0 mb/d. Compared with October 2023, product inflows were up by 624 tb/d, or 26%. The y-o-y gains were driven by diesel and, to a lesser extent, jet kerosene.

Product exports averaged 1.5 mb/d in October, reflecting a decline of 291 tb/d, or 17%, m-o-m, with motor fuels leading losses. Compared with the same month last year, product exports were down by 758 tb/d, or 34%.

Net product imports averaged 1.5 mb/d in October, compared with 1.3 mb/d the month before and just 160 tb/d in October 2023. Combined net crude and product imports averaged just under 9 mb/d in October, down from 9.1 mb/d the month before and 8.8 mb/d in October 2023.

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

OECD Europe	Aug 24	Sep 24	Oct 24	Change Oct 24/Sep 24
Crude oil	8.68	7.89	7.42	-0.47
Total products	0.82	1.25	1.54	0.29
Total crude and products	**9.50**	**9.14**	**8.96**	**-0.18**

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

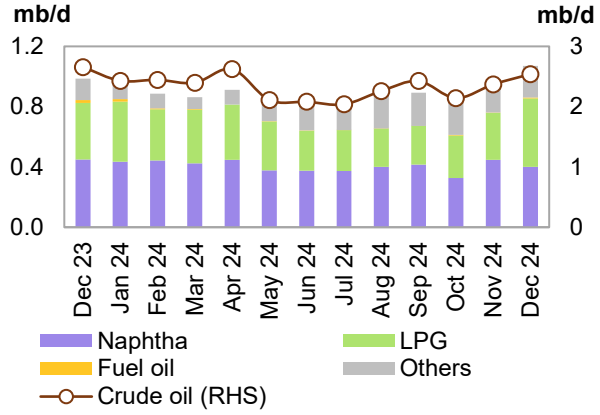
Sources: IEA and OPEC.

Japan

Japan's crude imports continued to move higher in December, picking up for the second month in a row. Crude inflows averaged 2.5 mb/d, representing a gain of 171 tb/d, or over 7%, m-o-m. Compared to the same period last year, crude imports were still down by 118 tb/d, or more than 4%. For the year, Japan's crude imports in 2024 averaged 2.3 mb/d, representing a decline of 225 tb/d, or 9%, from the previous year.

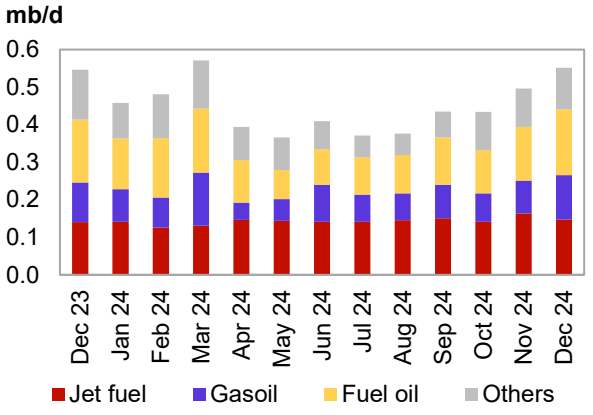
In terms of crude imports by source, the United Arab Emirates moved up to the top spot in December, according to Kpler data, with a share of 46%, up from 38% the month before. Saudi Arabia was second with around 39%, down from 44% the month before, and followed by Kuwait with 6%. For the year, the United Arab Emirates held the top spot in terms of share, with 44%, followed by Saudi Arabia with 39% and Kuwait with 6%.

Graph 8 - 5: Japan's imports of crude and products



Sources: METI and OPEC.

Graph 8 - 6: Japan's exports of products



Sources: METI and OPEC.

Product imports, including LPG, also showed further gains for the second month in a row, supported by seasonal demand. Product inflows rose by 139 tb/d, or about 15%, m-o-m, to average 1.1 tb/d in December. Gains were driven primarily by LPG, with further support from kerosene and gasoil, which outweighed declines in naphtha and, to a lesser extent, gasoline. The jump in LPG demand was driven by winter heating demand, as LPG is used to adjust the calorific value of city gas. Compared with December 2023, product inflows were up by 85 tb/d or almost 9%. In 2024, product imports into Japan averaged 899 tb/d, broadly unchanged from the previous year. Declines in naphtha, fuel oil and LPG were broadly balanced by gains in gasoline and gasoil.

Product exports, including LPG, strengthened over the previous month to average 552 tb/d in December. Higher outflows were due to a strong increase in fuel oil and diesel exports amid higher flows to South Korea and Australia, respectively, according to Vortexa data. Product outflows were broadly in line with the same month last year, up 1%. For the year, product flows out of Japan averaged 445 tb/d, representing a decline of 44 tb/d, or 9%, compared to 2023. Declines were spread across most major products, with only jet fuel registering an increase.

Consequently, Japan's net product imports, including LPG, averaged 519 tb/d in December. This compares with 436 tb/d the month before and 440 tb/d in December 2023.

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

Japan	Oct 24	Nov 24	Dec 24	Change Dec 24/Nov 24
Crude oil	2.14	2.37	2.54	0.17
Total products	0.40	0.44	0.52	0.08
Total crude and products	**2.54**	**2.80**	**3.06**	**0.25**

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

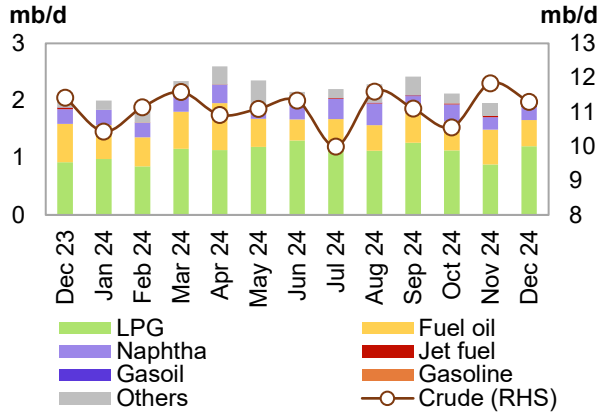
Sources: METI and OPEC.

China

China's crude imports fell back following a strong surge the month before, averaging 11.3 mb/d. This represents a drop of 542 tb/d, or 5%, m-o-m. Compared to the same month last year, crude imports were 122 tb/d, or about 1%, lower. For the year, China's crude imports in 2024 averaged 11.1 mb/d in 2024, down 230 tb/d, or 2%, from the previous year.

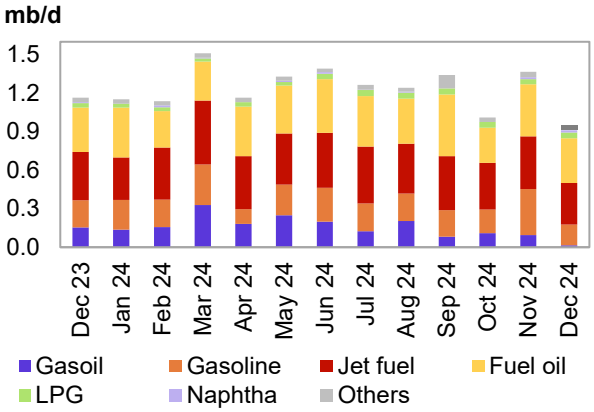
In terms of crude imports by source, Russia remained at the top spot in December with close to 18%, down from 22% in the previous month. Despite the overall increase in imports, inflows from Russia fell 9%, m-o-m. Saudi Arabia was second with 14%, up by more than 24% from the previous month, followed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

Graph 8 - 7: China's imports of crude and total products



Sources: GACC and OPEC.

Graph 8 - 8: China's exports of total products



Sources: GACC and OPEC.

Product imports, including LPG, partly recovered in December following two months of declines. Inflows averaged 2.1 mb/d for the month, a gain of 118 tb/d, or 6%, m-o-m. The increase was led by LPG, recovering from a drop the month before and offsetting declines in fuel oil, which fell due to a less favourable tax regime. Compared to the same period in 2023, product imports were down by 29 tb/d, or just over 1%. In 2024, China's total product imports averaged 2.2 mb/d, representing an increase of 5% over the previous year. In volume terms, gains were driven by LPG and fuel oil, used as feedstocks for independent refiners and petrochemical plants, respectively. This was partly offset by declines in naphtha.

Product exports, including LPG, fell by 417 tb/d, or about 31%, m-o-m, to average 949 tb/d in December. Declines were seen across most major products, led by gasoline, amid reports that refiners had maxed out product export quotas. Compared to the same month in 2023, product exports rose by 44 tb/d, or 3%. In 2024, total product exports averaged 1.2 mb/d, representing a decline of 95 tb/d, or 7%, compared to 2023. Gasoil and gasoline were the main contributors to the decline, pushed lower by weak regional demand and, to a lesser degree, a shortfall in product export quotas.

Net product imports averaged 585 tb/d in December, down sharply from the previous month's average of 1.1 mb/d. In the same month last year, net product imports averaged 734 tb/d. In 2024, China's net product imports averaged 957 tb/d, up from 748 tb/d in 2023, boosted by higher product imports and a decline in exports.

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

China	Oct 24	Nov 24	Dec 24	*Change* Dec 24/Nov 24
Crude oil	10.51	11.78	11.20	-0.58
Total products	1.11	0.58	1.12	0.54
Total crude and products	**11.62**	**12.36**	**12.32**	**-0.04**

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

Sources: GACC and OPEC.

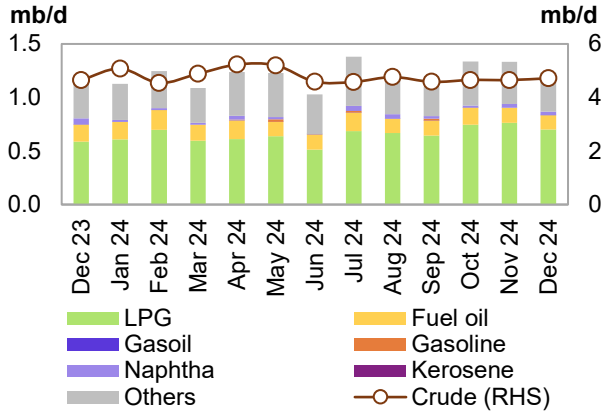
India

India's crude imports edged higher in December, averaging 4.7 mb/d, following a gain of 65 tb/d, or 2%, m-o-m. Compared with the same month last year, crude imports were similarly higher, up by 71 tb/d, or about 2%. In 2024, India's crude imports averaged just under 4.8 mb/d, an increase of 117 tb/d, or 3%, compared to the previous year. Higher imports were driven by the country's good economic performance over the course of the year, as well as election year activities in the first half.

In terms of crude imports by source, Kpler data shows Russia had a 38% share of India's total crude imports in December, unchanged from the previous month. Iraq was second with 19%, followed by Saudi Arabia with 13%. For the year, Russia was the top supplier in 2024, with a share of 38%, down from 39% the year before. Iraq was second with 20% and Saudi Arabia third with 14%.

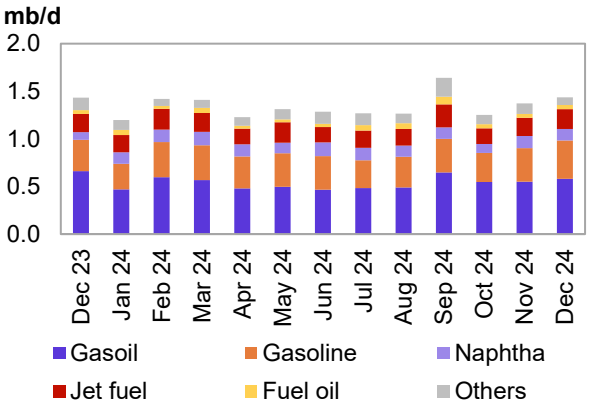
For products, imports declined by 100 tb/d, or about 8%, m-o-m, to average 1.2 mb/d. Declines were driven by a sharp drop in LPG imports as well as in the 'other products' category – typically bitumen for India. Y-o-y, product imports rose 81 tb/d, or 7%. For the year, India's product imports averaged 1.2 mb/d, a gain of 85 tb/d, or 8%, over 2023. LPG inflows contributed the most to the increase, up 71 tb/d, or 12%, boosted by clean cooking programmes targeted to support low-income families. This outweighed lesser declines in fuel oil, gasoline and naphtha imports, as local refiners focused on meeting domestic demand.

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



Sources: PPAC and OPEC.

Graph 8 - 10: India's exports of products



Sources: PPAC and OPEC.

Product exports increased for the third month in a row in December. Outflows were up 64 tb/d, or almost 5%, m-o-m, to average 1.4 mb/d, representing a 16-month high. Exports of gasoline and diesel drove the increase. Y-o-y, product exports were broadly in line with average exports in the same month last year. In 2024, total product exports averaged 1.3 mb/d, representing a 28 tb/d, or 2%, increase over the previous year. The rise in exports was driven by a combination of jet fuel, fuel oil and gasoline, partly offset by a decline in gasoil.

Net product exports from India strengthened in December, averaging 207 tb/d, compared with net exports of 42 tb/d the month before and net exports of 285 tb/d in December 2023. In annual terms, net product exports averaged 131 tb/d in 2024, compared to net exports of 187 tb/d in the previous year.

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

India	Oct 24	Nov 24	Dec 24	*Change* Dec 24/Nov 24
Crude oil	4.65	4.65	4.72	0.07
Total products	0.08	-0.04	-0.21	-0.16
Total crude and products	**4.74**	**4.61**	**4.51**	**-0.10**

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

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

Sources: PPAC and OPEC.

Eurasia

Total crude oil exports from Russia and Central Asia averaged 5.9 mb/d in December. This represents a sharp decline of 446 tb/d, or 7%, m-o-m. This was largely due to a drop in crude flows via the Transneft system in both the Black and Baltic seas, and, to a lesser degree, on the Druzhba pipeline. Flows via the Kozmino port, however, were sharply higher. Y-o-y, the decline was broadly similar, down by 439 tb/d, or about 7%, compared with December 2023 levels.

In total, crude exports through the Transneft system declined by 347 tb/d, or about 9%, m-o-m, in December, to average 3.5 mb/d. Exports were similarly lower compared with levels during the same month of 2023. Exports through Novorossiysk declined by 135 tb/d, or almost 28%, m-o-m, to average 353 tb/d. Crude exports from Baltic Sea ports were down by 271 tb/d, or about 18%, m-o-m, to average 1.3 mb/d. Flows from Primorsk were down by 68 tb/d, or about 9%, m-o-m, to average 735 tb/d. Exports from Ust-Luga fell by 203 tb/d, or about 28%, m-o-m, to average 535 tb/d.

Meanwhile, shipments via the Druzhba pipeline declined by 64 tb/d, or 20%, to average 249 tb/d. Compared to the same month of 2023, exports via the pipeline were marginally lower. Exports to inland China via the ESPO pipeline remained around 630 tb/d in December. This is 27 tb/d, or 5%, higher than in December 2023. Exports from the Pacific port of Kozmino rose by 123 tb/d, or about 14%, m-o-m, to average 986 tb/d. Compared to the same month last year, export flows via the port were 78 tb/d, or 9%, higher.

In the Lukoil system, exports via the Varandey offshore platform in the Barents Sea rose by 5 tb/d, or 5%, m-o-m, to average 97 tb/d. This was a drop of 6 tb/d, or 6%, from the same month last year.

On other routes, exports from Russia's Far East port Aniva Bay gained 1 tb/d, or about 2%, m-o-m, while De Kastri averaged about 19 tb/d, or 11%, higher over the same period. Combined, the two ports exported 259 tb/d of crude, on average, in December.

Central Asian exports averaged 234 tb/d in December, representing an increase of 2 tb/d, or about 1%, m-o-m, compared to the previous month, and a gain of 10 tb/d, or 5%, compared with the same month of 2023.

Total Black Sea exports from the CPC terminal declined by 79 tb/d, or around 6%, m-o-m, in December. Y-o-y, exports were down by 122 tb/d, or 9%, compared with the same month last year. Exports via the BTC pipeline in December declined by 47 tb/d, or about 7%, m-o-m, to average 609 tb/d. This was a slight gain of 5 tb/d, or about 1%, compared with the same month last year.

Total product exports from Russia and Central Asia increased by 308 tb/d, or 14%, m-o-m, to average almost 2.5 mb/d in December. Gains were mainly driven by fuel oil and gasoil, offsetting a decline in vacuum gas oil (VGO). Y-o-y, total product exports increased by 126 tb/d, or 5%, supported by fuel oil and naphtha.

Commercial Stock Movements

Preliminary December 2024 data shows total OECD commercial oil stocks up by 4.3 mb, m-o-m. At 2,754 mb, they were 24.3 mb lower than the same time a year ago, 74.7 mb less than the latest five-year average, and 172.1 mb below the 2015–2019 average.

Within the components, crude stocks went down by 0.8 mb, while products stocks rose 5.1 mb, m-o-m.

OECD commercial crude stocks stood at 1,307 mb. This is 26.7 mb lower than the same time a year ago, 56.4 mb below the latest five-year average, and 120.7 mb less than the 2015–2019 average.

OECD total product stocks stood at 1,447 mb. This is 2.4 mb higher than the same time a year ago, but 18.4 mb less than the latest five-year average, and 51.4 mb below the 2015–2019 average.

In terms of days of forward cover, OECD commercial stocks rose by 0.9 days, m-o-m, in December to stand at 61.3 days. This is 0.7 days lower than the level registered in December 2023, 2.3 days less than the latest five-year average, and 1.1 days lower than the 2015–2019 average.

OECD

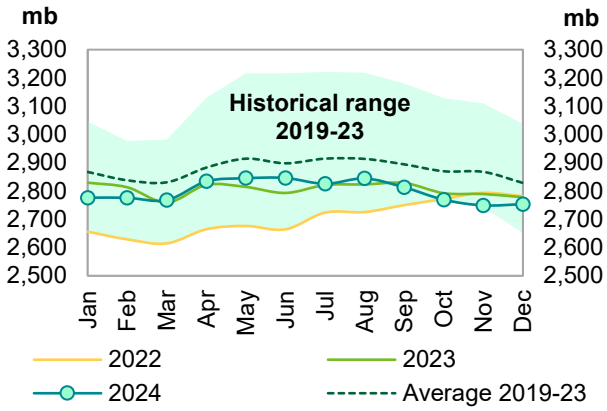
Preliminary December 2024 data shows total OECD commercial oil stocks up by 4.3 mb, m-o-m. At 2,754 mb, they were 24.3 mb lower than the same time a year ago, 74.7 mb less than the latest five-year average, and 172.1 mb below the 2015–2019 average.

Within the components, crude stocks went down by 0.8 mb, while products stocks rose by 5.1 mb, m-o-m.

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

OECD commercial crude stocks fell by 0.8 mb, m-o-m, ending December at 1,307 mb. This was 26.7 mb lower than the same time a year ago, 56.4 mb below the latest five-year average, and 120.7 mb less than the 2015–2019 average.

Graph 9 - 1: OECD commercial oil stocks



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

Within the OECD regions, OECD America and OECD Asia Pacific saw a crude stock draw of 6.7 mb and 2.0 mb, m-o-m, while crude stocks in OECD Europe increased by 7.8 mb, m-o-m.

By contrast, OECD total product stocks rose by 5.1 mb, m-o-m, in December to stand at 1,447 mb. This is 2.4 mb higher than the same time a year ago, but 18.4 mb less than the latest five-year average, and 51.4 mb below the 2015–2019 average.

Within the OECD regions, product stocks in OECD America and OECD Europe witnessed a build of 4.6 mb and 4.5 mb, m-o-m, respectively. OECD Asia Pacific product stocks fell by 4.0 mb, m-o-m.

Table 9 - 1: OECD commercial stocks, mb

OECD stocks	Dec 23	Oct 24	Nov 24	Dec 24	*Change* Dec 24/Nov 24
Crude oil	1,333	1,319	1,307	1,307	*-0.8*
Products	1,445	1,451	1,442	1,447	*5.1*
Total	**2,778**	**2,769**	**2,749**	**2,754**	***4.3***
Days of forward cover	**62.0**	**60.7**	**60.4**	**61.3**	***0.9***

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

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

In terms of days of forward cover, OECD commercial stocks rose by 0.9 days, m-o-m, in December to stand at 61.3 days. This is 0.7 days lower than the level registered in December 2023, 2.3 days less than the latest five-year average, and 1.1 days lower than the 2015–2019 average.

Within the OECD regions, OECD Americas stood at 2.5 days and OECD Europe at 2.3 days below the latest five-year average, standing at 61.1 days and 71.2 days, respectively. OECD Asia Pacific was 1.9 days lower than the latest five-year average, standing at 45.1 days.

OECD Americas

OECD Americas' total commercial stocks fell in December by 2.1 mb, m-o-m, to settle at 1,496 mb. This is 22.0 mb lower than the same month in 2023, and 26.8 mb below the latest five-year average.

Commercial crude oil stocks in OECD Americas decreased in December by 6.7 mb, m-o-m, to stand at 730 mb, which is 21.0 mb lower than in December 2023 and 27.1 mb below the latest five-year average.

By contrast, total product stocks in OECD Americas rose by 4.6 mb, m-o-m, in December to stand at 767 mb. This is 0.9 mb lower than the same month in 2023, but 0.3 mb above the latest five-year average. Lower consumption in the region was behind the product stock build.

OECD Europe

OECD Europe's total commercial stocks rose in December by 12.3 mb, m-o-m, to settle at 917 mb. This is 11.0 mb higher than the same month in 2023, but 26.9 mb below the latest five-year average.

OECD Europe's commercial crude stocks rose by 7.8 mb, m-o-m, to end December at 407 mb. This is 6.8 mb higher than one year ago, but 6.5 mb lower than the latest five-year average.

Total product stocks also rose by 4.5 mb, m-o-m, to end December at 510 mb. This is 4.2 mb higher than the same time a year ago, but 20.4 mb below the latest five-year average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks dropped in December by 5.9 mb, m-o-m, to stand at 340 mb. This is 13.4 mb lower than the same time a year ago, and 21.1 mb below the latest five-year average.

OECD Asia Pacific's crude stocks fell by 2.0 mb, m-o-m, to end December at 170 mb. This is 12.5 mb lower than one year ago, and 22.8 mb below the latest five-year average.

Asia Pacific's total product stocks also went down by 4.0 mb, m-o-m, to end December at 170 mb. This is 0.9 mb lower than the same time a year ago but 1.7 mb higher than the latest five-year average.

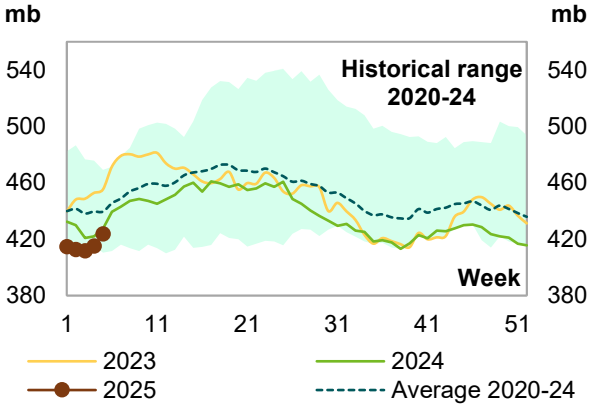
US

Preliminary data for January 2025 shows that total US commercial oil stocks fell by 24.2 mb, m-o-m, to stand at 1,211 mb. This is 23.1 mb, or 1.9%, lower than the same month in 2024, and 52.3 mb, or 4.1%, below the latest five-year average. Crude stocks rose by 9.1 mb, while product stocks fell by 33.3 mb, m-o-m.

US commercial crude stocks in January stood at 423.8 mb. This is 4.1 mb, or 1.0%, lower than the same month in 2024, and 19.7 mb, or 4.4%, below the latest five-year average. The monthly stock build came on the back of lower crude runs, which decreased by around 1.0 mb/d, m-o-m, to average 15.91 mb/d in December.

By contrast, total product stocks fell in January to stand at 786.9 mb. This is 19.0 mb, or 2.4%, less than in January 2024, and 32.6 mb or 4.0% lower than the latest five-year average. The product stock drop can be attributed to higher product consumption.

Graph 9 - 2: US weekly commercial crude oil inventories



Sources: EIA and OPEC.

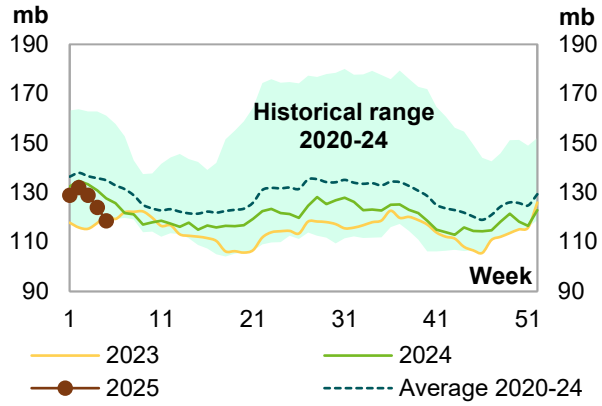
Gasoline stocks rose in January by 13.4 mb, m-o-m, to settle at 251.1 mb. This is 1.3 mb, or 0.5%, lower than the same month in 2024, and 1.9 mb, or 0.7%, below the latest five-year average.

Jet fuel stocks also rose by 0.7 mb, m-o-m, ending January at 42.3 mb. This is 0.8 mb, or 1.9%, higher than the same month in 2024, and 2.0 mb, or 4.9%, above the latest five-year average.

By contrast, distillate stocks in January decreased by 10.5 mb, m-o-m, to stand at 118.5 mb. This is 10.2 mb, or 7.9%, lower than the same month in 2024 and 18.3 mb, or 13.4%, below the latest five-year average.

Residual fuel oil stocks in January also went down by 0.8 mb, m-o-m. At 23.5 mb, they were 3.4 mb, or 12.6%, lower than a year earlier, and 6.2 mb, or 13.4%, below the latest five-year average.

Graph 9 - 3: US weekly distillate inventories



Sources: EIA and OPEC.

Table 9 - 2: US commercial petroleum stocks, mb

US stocks	Jan 24	Nov 24	Dec 24	Jan 25	*Change* Jan 25/Dec 24
Crude oil	**427.9**	**421.3**	**414.6**	**423.8**	***9.1***
Gasoline	252.4	221.6	237.7	251.1	*13.4*
Distillate fuel	128.7	125.0	128.9	118.5	*-10.5*
Residual fuel oil	26.9	22.5	24.4	23.5	*-0.8*
Jet fuel	41.6	43.8	41.6	42.3	*0.7*
Total products	**805.9**	**826.4**	**820.2**	**786.9**	***-33.3***
Total	**1,233.7**	**1,247.7**	**1,234.8**	**1,210.6**	***-24.2***
SPR	**358.0**	**391.8**	**393.8**	**395.1**	***1.2***

Sources: EIA and OPEC.

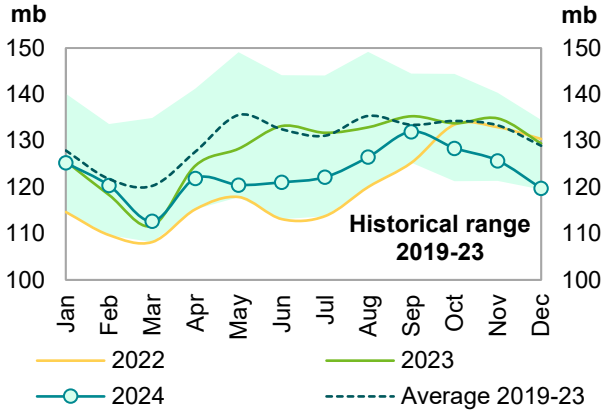
Japan

In Japan, total commercial oil stocks in December 2024 fell by 5.9 mb, m-o-m, to settle at 119.8 mb. This is 9.7 mb, or 7.5%, lower than the same month in 2023 and 9.2 mb, or 7.1%, below the latest five-year average. Crude and products stocks fell by 2.0 mb and 4.0 mb, m-o-m, respectively.

Japanese commercial crude oil stocks fell in December by 2.0 mb, m-o-m, to stand at 59.9 mb. This is 11.6 mb, or 16.2%, lower than the same month in 2023 and 8.7 mb, or 12.7%, below the latest five-year average. The drop in crude oil stocks could be attributed to higher crude runs, which increased by 154 tb/d or 6.3%, m-o-m, to stand at 2.6 mb/d.

Gasoline stocks remain unchanged, m-o-m, to stand at 10.7 mb in December. This is 0.8 mb or 8.2% higher than a year earlier at the same period, but 0.1 mb, or 0.8%, below the latest five-year average.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

By contrast, middle distillate stocks fell by 3.6 mb, m-o-m, to end December at 27.4 mb. This is 0.6 mb or 2.2% higher than the same month in 2023, but 0.7 mb, or 2.5%, lower than the latest five-year average. Within the distillate components, jet fuel, kerosene and gas oil stocks went down by 3.8%, 17.2 % and 6.1%, m-o-m, respectively.

Total residual fuel oil stocks also went down, m-o-m, by 0.1 mb to end December at 12.2 mb. This is 0.3 mb or 2.6% lower than the same month in 2023, but 0.1 mb, or 0.7%, higher than the latest five-year average. Within the components, fuel oil A stocks rose by 0.4%, while fuel oil B.C fell by 1.8%, m-o-m.

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

Japan's stocks	Dec 23	Oct 24	Nov 24	Dec 24	Change Dec 24/Nov 24
Crude oil	**71.5**	**64.1**	**61.9**	**59.9**	***-2.0***
Gasoline	9.9	10.7	10.8	10.7	*0.0*
Naphtha	8.7	8.7	9.7	9.5	*-0.2*
Middle distillates	26.8	31.8	31.0	27.4	*-3.6*
Residual fuel oil	12.5	13.2	12.3	12.2	*-0.1*
Total products	**57.9**	**64.3**	**63.8**	**59.8**	***-4.0***
Total**	**129.5**	**128.4**	**125.7**	**119.8**	***-5.9***

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

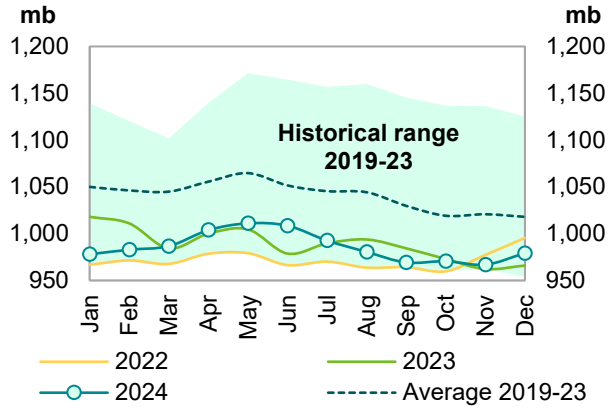
Sources: METI and OPEC.

EU-14 plus the UK and Norway

Preliminary data for December 2024 showed that total European oil stocks rose by 12.3 mb, m-o-m, to stand at 979.2 mb. At this level, they were 13.4 mb or 1.4% higher than the same month in 2023, but 38.7 mb, or 3.8%, beneath the latest five-year average. Crude and products stocks rose by 7.8 mb and 4.5 mb, respectively.

European crude stocks stood at 402.9 mb in December. This is 9.7 mb, or 2.5%, higher than the same month in 2023, but 8.4 mb, or 2.1%, less than the latest five-year average. The build in crude oil stocks came despite higher refinery throughput in the EU-14, plus the UK and Norway, which increased by around 90 tb/d, m-o-m, to stand at 9.97 mb/d.

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



Sources: OilX and OPEC.

Total European product stocks also rose by 4.5 mb, m-o-m, to end December at 576.3 mb. This is 3.7 mb, or 0.6%, higher than the same month in 2023, but 30.3 mb, or 5.0%, below the latest five-year average. The stock build can be attributed to lower demand in the region.

Gasoline stocks fell in December by 1.0 mb, m-o-m, to stand at 102.9 mb, which is 2.0 mb, or 1.9%, higher than the same time in 2023, but 8.0 mb, or 7.2%, lower than the latest five-year average.

By contrast, middle distillate stocks increased in December by 3.7 mb, m-o-m, to stand at 388.1 mb. This is 9.2 mb, or 2.4%, higher than the same month in 2023, but 17.2 mb, or 4.2%, lower than the latest five-year average.

Residual fuel stocks in December also were up by 1.0 mb, m-o-m, to stand at 54.8 mb. This is 4.9 mb or 8.2% lower than the same month in 2023, and 6.5 mb, or 10.6%, below the latest five-year average.

Naphtha stocks also rose in December by 0.8 mb, m-o-m, ending the month at 30.5 mb. This is 2.6 mb, or 7.8%, lower than the same month in 2023, but 1.5 mb, or 5.0%, above the latest five-year average.

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

EU stocks	Dec 23	Oct 24	Nov 24	Dec 24	Change Dec 24/Nov 24
Crude oil	**393.2**	**398.4**	**395.1**	**402.9**	***7.8***
Gasoline	100.9	103.2	103.9	102.9	*-1.0*
Naphtha	33.1	28.8	29.7	30.5	*0.8*
Middle distillates	378.9	386.7	384.4	388.1	*3.7*
Fuel oils	59.7	53.5	53.8	54.8	*1.0*
Total products	**572.6**	**572.2**	**571.8**	**576.3**	***4.5***
Total	**965.8**	**970.6**	**966.9**	**979.2**	***12.3***

Sources: OilX and OPEC.

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

Singapore

In December, total product stocks in Singapore rose by 3.0 mb, m-o-m, to stand at 46 mb. This is 3.4 mb, or 8.0%, higher than the same month in 2023 and 1.9 mb, or 4.3%, less than the latest five-year average.

Light distillate stocks rose in December by 2.3 mb, m-o-m, to stand at 15.9 mb. This is 2.8 mb or 21.1% higher than the same month in 2023, and 2.8 mb or 21.1% above the latest five-year average.

Residual fuel oil stocks also went up by 2.0 mb, m-o-m, ending December at 21.1 mb. This is 0.7 mb, or 3.3%, lower than in December 2023, but remained in line with the latest five-year average.

By contrast, middle distillate stocks fell in December by 1.3 mb, m-o-m, to stand at 9.0 mb. This is 1.3 mb, or 17.4%, higher than in December 2023, but 0.9 mb or 8.9% below the latest five-year average.

ARA

Total product stocks in ARA in December rose by 3.5 mb, m-o-m. At 50.6 mb, they were 12.8 mb, or 33.9%, above the same month in 2023, and 8.3 mb, or 19.7%, higher than the latest five-year average.

Gasoline stocks rose by 1.8 mb, m-o-m, ending December at 11.9 mb. This is 4.1 mb, or 53.6%, higher than in December 2023, and 2.4 mb, or 25.1%, higher than the latest five-year average.

Gasoil stocks in December rose by 1.4 mb, m-o-m, to stand at 18.0 mb. This is 4.5 mb, or 33.2%, higher than the same month in 2023 and 2.2 mb, or 13.9%, above the latest five-year average.

Fuel oil stocks also went up in December by 1.6 mb, m-o-m, to stand at 9.5 mb. This is 0.9 mb, or 10.8%, higher than in December 2023, and 1.8 mb, or 23.1%, above the latest five-year average.

By contrast, jet oil stocks fell by 1.0 mb, m-o-m, to stand at 6.8 mb in December. This is 1.1 mb, or 19.7%, higher than the level seen in December 2023 and 0.3 mb, or 4.2%, above the latest five-year average.

Fujairah

During the week ending 3 February, total oil product stocks in Fujairah fell by 0.53 mb, w-o-w, to stand at 18.33 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 0.43 mb lower than at the same time a year ago.

Light distillate stocks rose by 0.88 mb, w-o-w, to stand at 8.34 mb, which is 1.71 mb higher than the same time a year ago.

By contrast, middle distillate stocks fell by 0.89 mb, w-o-w, to stand at 1.84 mb, which is 0.70 mb less than the same time last year.

Heavy distillate stocks also went down by 0.52 mb, w-o-w, to stand at 8.15 mb, which is 1.44 mb lower than the same time a year ago.

Balance of Supply and Demand

Demand for DoC crude (i.e. crude from countries participating in the Declaration of Cooperation) is revised up by 0.1 mb/d from the previous assessment to stand at 42.6 mb/d in 2025. This is around 0.4 mb/d higher than the 2024 estimate.

Demand for DoC crude is revised up by 0.2 mb/d from the previous assessment to stand at 42.9 mb/d in 2026. This is around 0.3 mb/d higher than the 2025 forecast.

Balance of supply and demand in 2025

Demand for DoC crude

Demand for DoC crude (i.e. crude from countries participating in the DoC) in 2025 is revised up by 0.1 mb/d from the previous assessment to stand at 42.6 mb/d. This is around 0.4 mb/d higher than the 2024 estimate.

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

	2024	1Q25	2Q25	3Q25	4Q25	2025	Change 2025/24
(a) World oil demand	**103.7**	**104.2**	**104.3**	**105.5**	**106.7**	**105.2**	***1.4***
Non-DoC liquids production	53.2	53.9	54.0	54.3	54.7	54.2	*1.0*
DoC NGL and non-conventionals	8.3	8.4	8.4	8.3	8.4	8.4	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**61.5**	**62.3**	**62.4**	**62.6**	**63.1**	**62.6**	***1.1***
Difference (a-b)	**42.2**	**41.9**	**41.9**	**42.9**	**43.6**	**42.6**	***0.4***
DoC crude oil production	**40.9**						
Balance	**-1.4**						

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

Source: OPEC.

Balance of supply and demand in 2026

Demand for DoC crude

Demand for DoC crude in 2026 is revised up by 0.2 mb/d from the previous assessment to stand at 42.9 mb/d. This is around 0.3 mb/d higher than the 2025 forecast.

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

	2025	1Q26	2Q26	3Q26	4Q26	2026	Change 2026/25
(a) World oil demand	**105.2**	**105.6**	**105.7**	**107.1**	**108.0**	**106.6**	***1.4***
Non-DoC liquids production	54.2	55.0	54.9	55.2	55.8	55.2	*1.0*
DoC NGL and non-conventionals	8.4	8.5	8.5	8.5	8.6	8.5	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**62.6**	**63.5**	**63.4**	**63.7**	**64.4**	**63.7**	***1.1***
Difference (a-b)	**42.6**	**42.2**	**42.4**	**43.4**	**43.6**	**42.9**	***0.3***

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

Source: OPEC.

Appendix

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

World oil demand and supply balance	2022	2023	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026
World demand													
Americas	24.7	25.0	25.0	24.5	25.0	25.4	25.4	25.1	24.6	25.0	25.6	25.4	25.2
of which US	*20.2*	*20.4*	*20.5*	*20.0*	*20.5*	*20.7*	*20.8*	*20.5*	*20.0*	*20.5*	*20.9*	*20.9*	*20.6*
Europe	13.6	13.5	13.5	12.9	13.6	14.1	13.6	13.6	12.9	13.6	14.2	13.6	13.6
Asia Pacific	7.3	7.2	7.3	7.5	7.0	6.9	7.6	7.3	7.6	7.0	6.9	7.6	7.3
Total OECD	**45.6**	**45.6**	**45.8**	**44.9**	**45.6**	**46.5**	**46.6**	**45.9**	**45.1**	**45.7**	**46.7**	**46.7**	**46.0**
China	15.0	16.4	16.7	17.0	16.7	17.1	17.1	17.0	17.2	17.0	17.4	17.4	17.3
India	5.1	5.3	5.6	5.9	5.9	5.5	5.9	5.8	6.1	6.1	5.8	6.2	6.1
Other Asia	9.1	9.3	9.6	10.0	10.3	9.8	9.8	10.0	10.3	10.5	10.1	10.1	10.2
Latin America	6.4	6.7	6.8	6.8	6.9	7.0	7.0	6.9	6.9	7.1	7.1	7.1	7.1
Middle East	8.3	8.6	8.8	8.8	8.6	9.2	9.1	8.9	9.0	8.8	9.4	9.2	9.1
Africa	4.4	4.5	4.5	4.6	4.3	4.5	4.9	4.6	4.7	4.5	4.6	5.0	4.7
Russia	3.8	3.8	4.0	4.0	3.9	4.1	4.2	4.0	4.1	3.9	4.1	4.2	4.1
Other Eurasia	1.2	1.2	1.3	1.4	1.3	1.2	1.3	1.3	1.4	1.3	1.2	1.3	1.3
Other Europe	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.8
Total Non-OECD	**54.1**	**56.6**	**57.9**	**59.3**	**58.7**	**59.0**	**60.1**	**59.3**	**60.5**	**60.0**	**60.5**	**61.3**	**60.6**
(a) Total world demand	**99.7**	**102.2**	**103.7**	**104.2**	**104.3**	**105.5**	**106.7**	**105.2**	**105.6**	**105.7**	**107.1**	**108.0**	**106.6**
Y-o-y change	***2.5***	***2.6***	***1.5***	***1.4***	***1.4***	***1.6***	***1.4***	***1.4***	***1.4***	***1.4***	***1.6***	***1.3***	***1.4***
Non-DoC liquids production													
Americas	25.0	26.7	27.7	27.9	28.1	28.4	28.6	28.3	28.7	28.6	28.9	29.2	28.9
of which US	*19.4*	*21.0*	*21.8*	*21.8*	*22.2*	*22.3*	*22.4*	*22.2*	*22.4*	*22.6*	*22.7*	*22.9*	*22.7*
Europe	3.6	3.7	3.6	3.8	3.7	3.6	3.7	3.7	3.7	3.6	3.6	3.7	3.7
Asia Pacific	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total OECD	**29.1**	**30.8**	**31.7**	**32.1**	**32.2**	**32.5**	**32.8**	**32.4**	**32.8**	**32.6**	**32.9**	**33.3**	**32.9**
China	4.4	4.5	4.6	4.6	4.6	4.5	4.5	4.6	4.6	4.6	4.5	4.5	4.6
India	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Other Asia	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.6
Latin America	6.3	7.0	7.2	7.4	7.4	7.5	7.6	7.5	7.7	7.8	8.0	8.1	7.9
Middle East	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.1
Africa	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.4	2.3
Other Eurasia	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other Europe	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Non-OECD	**18.0**	**18.6**	**19.0**	**19.2**	**19.2**	**19.2**	**19.3**	**19.2**	**19.6**	**19.6**	**19.7**	**19.9**	**19.7**
Total Non-DoC production	47.0	49.4	50.7	51.3	51.4	51.7	52.1	51.6	52.4	52.2	52.6	53.2	52.6
Processing gains	2.4	2.5	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Total Non-DoC liquids production	**49.4**	**51.8**	**53.2**	**53.9**	**54.0**	**54.3**	**54.7**	**54.2**	**55.0**	**54.9**	**55.2**	**55.8**	**55.2**
DoC NGLs	8.0	8.2	8.3	8.4	8.4	8.3	8.4	8.4	8.5	8.5	8.5	8.6	8.5
(b) Total Non-DoC liquids production and DoC NGLs	**57.4**	**60.1**	**61.5**	**62.3**	**62.4**	**62.6**	**63.1**	**62.6**	**63.5**	**63.4**	**63.7**	**64.4**	**63.7**
Y-o-y change	***2.0***	***2.7***	***1.4***	***1.3***	***1.0***	***1.2***	***0.8***	***1.1***	***1.1***	***1.0***	***1.1***	***1.3***	***1.1***
OPEC crude oil production (secondary sources)	27.7	27.1	26.7										
Non-OPEC DoC crude production	15.1	15.0	14.2										
DoC crude oil production	**42.8**	**42.0**	**40.9**										
Total liquids production	**100.2**	**102.1**	**102.4**										
Balance (stock change and miscellaneous)	*0.6*	*-0.1*	*-1.4*										
OECD closing stock levels, *mb*													
Commercial	2,781	2,778	2,754										
SPR	1,214	1,207	1,243										
Total	**3,995**	**3,984**	**3,997**										
Oil-on-water	1,546	1,438	1,380										
Days of forward consumption in OECD, *days*													
Commercial onland stocks	61	61	60										
SPR	27	26	27										
Total	**88**	**87**	**87**										
Memo items													
(a) - (b)	**42.3**	**42.1**	**42.2**	**41.9**	**41.9**	**42.9**	**43.6**	**42.6**	**42.2**	**42.4**	**43.4**	**43.6**	**42.9**

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

Source: OPEC.

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

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

*Note: * This compares Table 11 - 1 in this issue of the MOMR with Table 11 - 1 in the January 2025 issue.*
This table shows only where changes have occurred.
Source: OPEC.

Table 11 - 3:OECD oil stocks and oil on the water at the end of the period

OECD oil stocks and oil on water	2022	2023	2024	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Closing stock levels, mb											
OECD onland commercial	**2,781**	**2,778**	**2,754**	**2,759**	**2,793**	**2,828**	**2,778**	**2,768**	**2,846**	**2,813**	**2,754**
Americas	1,492	1,518	1,496	1,489	1,513	1,539	1,518	1,499	1,552	1,530	1,496
Europe	936	906	917	920	921	924	906	934	949	926	917
Asia Pacific	353	353	340	351	359	365	353	334	345	357	340
OECD SPR	**1,214**	**1,207**	**1,243**	**1,217**	**1,206**	**1,209**	**1,207**	**1,219**	**1,226**	**1,235**	**1,243**
Americas	374	357	395	373	349	353	357	366	374	384	395
Europe	461	466	463	460	470	471	466	470	468	467	463
Asia Pacific	378	384	385	383	387	384	384	383	384	383	385
OECD total	**3,995**	**3,984**	**3,997**	**3,976**	**3,999**	**4,037**	**3,984**	**3,987**	**4,072**	**4,048**	**3,997**
Oil-on-water	**1,546**	**1,438**	**1,380**	**1,560**	**1,449**	**1,367**	**1,438**	**1,460**	**1,396**	**1,378**	**1,380**
Days of forward consumption in OECD, days											
OECD onland commercial	**61**	**61**	**60**	**61**	**61**	**62**	**62**	**61**	**61**	**61**	**61**
Americas	60	61	60	59	60	61	62	60	61	60	61
Europe	70	67	68	68	67	69	70	69	67	69	71
Asia Pacific	49	49	47	51	51	49	47	48	50	47	45
OECD SPR	**27**	**26**	**27**	**27**	**26**	**26**	**27**	**27**	**26**	**27**	**28**
Americas	15	14	16	15	14	14	15	15	15	15	16
Europe	34	35	34	34	34	35	36	35	33	35	36
Asia Pacific	52	53	53	56	55	52	51	55	55	51	51
OECD total	**96**	**95**	**95**	**87**	**87**	**88**	**89**	**88**	**88**	**87**	**89**

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

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

Non-DoC liquids production and DoC NGLs	2024	Change 24/23	1Q25	2Q25	3Q25	4Q25	2025	Change 25/24	1Q26	2Q26	3Q26	4Q26	2026	Change 26/25
US	21.8	0.8	21.8	22.2	22.3	22.4	22.2	0.5	22.4	22.6	22.7	22.9	22.7	0.5
Canada	5.9	0.2	6.1	5.9	6.0	6.2	6.1	0.1	6.2	6.0	6.2	6.3	6.2	0.1
Chile	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OECD Americas	**27.7**	**1.0**	**27.9**	**28.1**	**28.4**	**28.6**	**28.3**	**0.6**	**28.7**	**28.6**	**28.9**	**29.2**	**28.9**	**0.6**
Norway	2.0	0.0	2.1	2.0	2.1	2.1	2.1	0.1	2.1	2.0	2.0	2.1	2.1	0.0
UK	0.7	0.0	0.8	0.7	0.7	0.7	0.7	0.0	0.7	0.7	0.7	0.7	0.7	0.0
Denmark	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Other OECD Europe	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0
OECD Europe	**3.6**	**-0.1**	**3.8**	**3.7**	**3.6**	**3.7**	**3.7**	**0.1**	**3.7**	**3.6**	**3.6**	**3.7**	**3.7**	**0.0**
Australia	0.4	0.0	0.4	0.3	0.4	0.4	0.4	0.0	0.4	0.3	0.3	0.3	0.3	0.0
Other OECD Asia Pacific	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
OECD Asia Pacific	**0.4**	**0.0**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.0**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.0**
Total OECD	**31.7**	**0.9**	**32.1**	**32.2**	**32.5**	**32.8**	**32.4**	**0.7**	**32.8**	**32.6**	**32.9**	**33.3**	**32.9**	**0.5**
China	**4.6**	**0.1**	**4.6**	**4.6**	**4.5**	**4.5**	**4.6**	**0.0**	**4.6**	**4.6**	**4.5**	**4.5**	**4.6**	**0.0**
India	**0.8**	**0.0**	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	**0.0**	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	**0.0**
Indonesia	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0
Thailand	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0
Vietnam	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0
Asia others	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0
Other Asia	**1.6**	**0.0**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	**0.0**	**1.6**	**1.6**	**1.5**	**1.5**	**1.6**	**0.0**
Argentina	0.9	0.1	0.9	0.9	0.9	0.9	0.9	0.1	1.0	1.0	1.0	1.0	1.0	0.1
Brazil	4.2	0.0	4.3	4.3	4.3	4.3	4.3	0.1	4.3	4.4	4.5	4.6	4.5	0.2
Colombia	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0
Ecuador	0.5	0.0	0.5	0.5	0.5	0.5	0.5	0.0	0.5	0.5	0.5	0.4	0.5	0.0
Latin America others	0.9	0.2	0.9	0.9	1.0	1.1	1.0	0.1	1.2	1.2	1.2	1.2	1.2	0.2
Latin America	**7.2**	**0.3**	**7.4**	**7.4**	**7.5**	**7.6**	**7.5**	**0.2**	**7.7**	**7.8**	**8.0**	**8.1**	**7.9**	**0.4**
Qatar	1.9	0.0	1.9	1.9	1.9	1.9	1.9	0.0	1.9	1.9	1.9	1.9	1.9	0.0
Middle East others	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Middle East	**2.0**	**0.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**0.0**	**2.0**	**2.1**	**2.1**	**2.1**	**2.1**	**0.0**
Angola	1.2	0.0	1.1	1.1	1.1	1.1	1.1	0.0	1.1	1.1	1.1	1.1	1.1	0.0
Chad	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Egypt	0.6	0.0	0.6	0.6	0.6	0.6	0.6	0.0	0.6	0.5	0.5	0.5	0.5	0.0
Ghana	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0
South Africa	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Africa others	0.3	0.1	0.3	0.3	0.3	0.3	0.3	0.1	0.3	0.3	0.4	0.4	0.4	0.1
Africa	**2.3**	**0.1**	**2.3**	**2.3**	**2.3**	**2.3**	**2.3**	**0.0**	**2.3**	**2.3**	**2.3**	**2.4**	**2.3**	**0.0**
Other Eurasia	**0.4**	**0.0**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.0**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.0**
Other Europe	**0.1**	**0.0**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.0**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.0**
Total Non-OECD	**19.0**	**0.4**	**19.2**	**19.2**	**19.2**	**19.3**	**19.2**	**0.3**	**19.6**	**19.6**	**19.7**	**19.9**	**19.7**	**0.4**
Non-DoC production	50.7	1.3	51.3	51.4	51.7	52.1	51.6	0.9	52.4	52.2	52.6	53.2	52.6	1.0
Processing gains	2.5	0.0	2.6	2.6	2.6	2.6	2.6	0.1	2.6	2.6	2.6	2.6	2.6	0.0
Non-DoC liquids production	**53.2**	**1.4**	**53.9**	**54.0**	**54.3**	**54.7**	**54.2**	**1.0**	**55.0**	**54.9**	**55.2**	**55.8**	**55.2**	**1.0**
DoC NGLs	**8.3**	**0.1**	**8.4**	**8.4**	**8.3**	**8.4**	**8.4**	**0.1**	**8.5**	**8.5**	**8.5**	**8.6**	**8.5**	**0.1**
Non-DoC liquids production and DoC NGLs	**61.5**	**1.4**	**62.3**	**62.4**	**62.6**	**63.1**	**62.6**	**1.1**	**63.5**	**63.4**	**63.7**	**64.4**	**63.7**	**1.1**

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

Table 11 - 5: World rig count, units

World rig count	2022	2023	2024	Change 2024/23	2Q24	3Q24	4Q24	Dec 24	Jan 25	Change Jan/Dec
US	722	688	599	-89	603	586	586	589	582	-7
Canada	174	177	188	11	138	209	195	162	208	47
Mexico	47	55	50	-5	50	49	43	34	24	-10
OECD Americas	**945**	**921**	**839**	**-82**	**792**	**846**	**826**	**787**	**817**	**30**
Norway	17	17	13	-4	15	12	13	13	14	1
UK	10	12	8	-4	8	9	8	8	7	-1
OECD Europe	**65**	**66**	**64**	**-2**	**66**	**63**	**65**	**65**	**65**	**0**
OECD Asia Pacific	**24**	**25**	**25**	**0**	**25**	**26**	**25**	**22**	**22**	**0**
Total OECD	**1,034**	**1,012**	**928**	**-84**	**882**	**935**	**916**	**874**	**904**	**30**
Other Asia*	186	204	212	8	221	205	211	209	197	-12
Latin America	119	120	104	-16	107	104	100	100	105	5
Middle East	62	61	62	1	62	62	63	61	63	2
Africa	64	67	52	-15	52	46	47	49	47	-2
Other Europe	10	11	9	-2	9	9	9	9	9	0
Total Non-OECD	**441**	**463**	**439**	**-24**	**450**	**426**	**430**	**428**	**421**	**-7**
Non-OPEC rig count	**1,475**	**1,475**	**1,367**	**-108**	**1,332**	**1,361**	**1,346**	**1,302**	**1,325**	**23**
Algeria	32	36	42	6	43	43	42	41	44	3
Congo	1	1	1	0	1	1	1	2	1	-1
Equatorial Guinea**	0	0	0	0	0	0	0	0	0	0
Gabon	3	3	4	1	4	5	3	3	3	0
Iran**	117	117	117	0	117	117	117	117	117	0
Iraq	51	61	62	1	62	62	62	62	62	0
Kuwait	27	24	31	7	30	33	32	30	30	0
Libya	7	14	18	4	18	18	18	18	18	0
Nigeria	10	14	15	1	17	14	11	12	12	0
Saudi Arabia	73	83	81	-2	84	79	75	70	81	11
UAE	47	57	66	9	63	68	70	73	73	0
Venezuela	3	2	2	0	3	2	1	1	1	0
OPEC rig count	**371**	**412**	**439**	**27**	**442**	**442**	**432**	**429**	**442**	**13**
World rig count* **	**1,846**	**1,887**	**1,806**	**-81**	**1,774**	**1,803**	**1,778**	**1,731**	**1,767**	**36**
of which:										
Oil	1,463	1,498	1,439	-59	1,421	1,443	1,415	1,370	1,403	33
Gas	352	357	320	-37	312	311	311	309	311	2
Others	31	32	47	15	42	50	53	51	52	1

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

Sources: Baker Hughes and OPEC.

Glossary of Terms

Abbreviations

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

Acronyms

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

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

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

OPEC Basket average price

US$/b

Up 6.31 in January

January 2025	79.38
December 2024	73.07
Year-to-date	**79.38**

January OPEC crude production

mb/d, according to secondary sources

Down 0.12 in January

January 2025	26.68
December 2024	26.80

January Non-OPEC DoC crude production

mb/d, according to secondary sources

Unchanged in January

January 2025	13.95
December 2024	13.94

Economic growth rate

per cent

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2025	3.1	2.4	0.9	1.0	4.7	6.5	2.3	1.9
2026	3.2	2.3	1.1	1.0	4.6	6.5	2.5	1.5

Supply and demand

mb/d

2025		**25/24**	**2026**		**26/25**
World demand	105.2	1.4	World demand	106.6	1.4
Non-DoC liquids production	54.2	1.0	Non-DoC liquids production	55.2	1.0
DoC NGLs	8.4	0.1	DoC NGLs	8.5	0.1
Difference	**42.6**	**0.4**	**Difference**	**42.9**	**0.3**

OECD commercial stocks

mb

	Oct 24	Nov 24	Dec 24	Dec 24/Nov 24
Crude oil	1,319	1,307	1,307	-0.8
Products	1,451	1,442	1,447	5.1
Total	**2,769**	**2,749**	**2,754**	**4.3**
Days of forward cover	60.6	60.4	61.3	0.9

Next report to be issued on 12 March 2025.