Oil Market : 2025 - The Year That Was...

In this Report...

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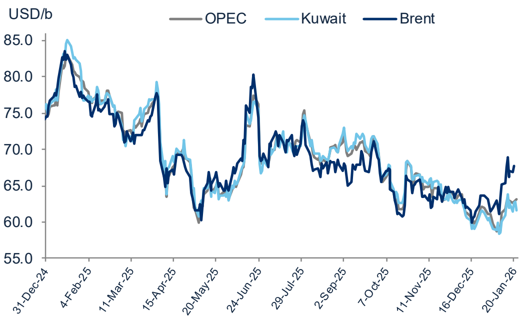
Crude oil regains USD 65/b level on geopolitical events, higher demand estimates...

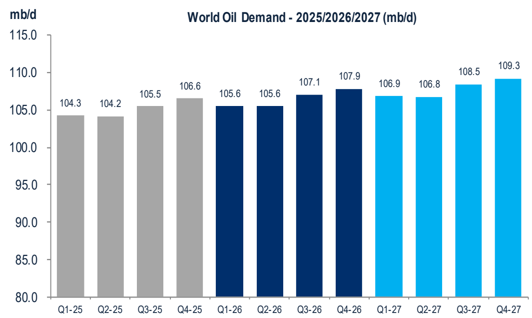
Crude oil prices remained subdued during December-2025 and traded below the USD 60/b mark by mid-month mainly led by oversupply concerns. However, geopolitical events at the start of 2026 pushed prices back to over USD 65/b mark, the highest in over three months. The gains were led by threats of an attack on Venezuela by the US as well as imposition of stricter sanctions on Russia. *The consistently failing talks between Russia and Ukraine also added to the gains. In the Middle-east the situation in Yemen and the growing speculations around attacks on Iran by the US also resulted in additional gain in prices.*

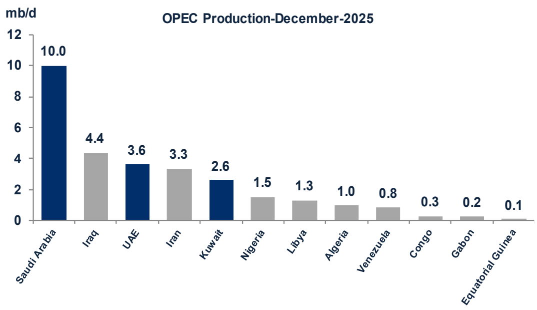
For the full year 2025, crude oil prices declined for the third consecutive year mainly led record oil production in the US and talks of further boosting crude oil production in the US by removing production hurdles in specific regions through new laws. Oil demand growth from China also normalized during the year while European economy failed to see a full recovery that could boost oil demand. *On the other hand, the impact of growing demand for EVs also affected overall demand sentiment for crude oil, although there was a significant downward revision to growth forecast for EVs.*

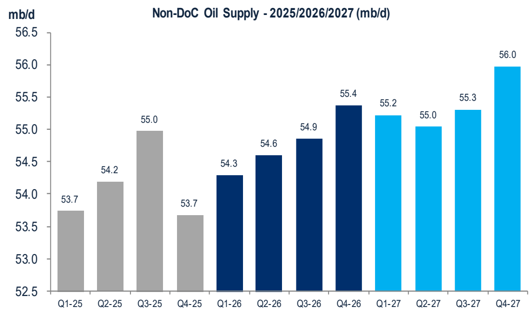
On the geopolitical front, the Russia/Ukraine war had the most influence over crude oil market in 2025. This was mainly led by push for sanctions on Russia as well as crude oil buyers from Russia. *The sanctions included the lowering of price cap on Russian crude oil, direct sanctions on Russian crude oil companies including Rosneft and Lukoil and the complete ban on Russian-derived refined products by the EU. Moreover, there were also ban on crude oil shadow fleet that carried Russian and Iranian crude oil. The diplomatic landscape in 2025 with respect to Russia and Ukraine was marked by a series of negotiations led primarily by the US. While several ceasefire frameworks were introduced, the negotiating parties failed to reach any final agreement by the end of the year.*

In terms of oil demand growth during 2025, there were several downward revisions by various agencies during the year. *Early projections by the IEA showed a demand growth of 1 mb/d during 2025. But this forecast was lowered sharply by mid-year to around a growth of 0.7 mb/d, the lowest yearly growth since 2009. Towards the end of 2025, the forecast saw a slight upward correction due to a rebound in petrochemical demand and macroeconomic improvement. The year-end estimate for 2025 growth was revised up to 830 kb/d in the December-2025 report.* ***On the supply front, the unwinding of supply cuts by the OPEC+ countries led to downward pressure on crude oil prices since April-2025. The targeted cuts since until December-2025 stood at 2.9 mb/d by the OPEC+ member countries with OPEC producers increasing production by 983 tb/d during 2025 as per OPEC monthly report.***









Sources : OPEC, EIA, Bloomberg

Oil Market in 2025

Year End Oil Prices (USD/b)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPEC	**53.30**	**64.47**	**51.55**	**67.96**	**50.24**	**77.97**	**81.29**	**78.44**	**74.59**	**61.01**
Change (%)	*85.3%*	*21.0%*	*-20.0%*	*31.8%*	*-26.1%*	*55.2%*	*4.3%*	*-3.5%*	*-4.9%*	*-18.2%*
Brent	**54.96**	**66.73**	**50.57**	**67.77**	**51.22**	**77.24**	**82.82**	**77.69**	**74.58**	**61.35**
Change (%)	*50.1%*	*21.4%*	*-24.2%*	*34.0%*	*-24.4%*	*50.8%*	*7.2%*	*-6.2%*	*-4.0%*	*-17.7%*

Average Oil Price for the Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPEC	**39.10**	**52.43**	**69.78**	**64.04**	**41.47**	**69.89**	**100.05**	**82.95**	**79.88**	**69.54**
Change (%)	*-19.8%*	*34.1%*	*33.1%*	*-8.2%*	*-35.2%*	*68.5%*	*43.1%*	*-17.1%*	*-3.7%*	*-12.9%*
Brent	**43.64**	**54.12**	**71.34**	**64.30**	**41.96**	**70.86**	**100.93**	**82.49**	**80.51**	**69.14**
Change (%)	*-16.6%*	*24.0%*	*31.8%*	*-9.9%*	*-34.7%*	*68.9%*	*42.4%*	*-18.3%*	*-2.4%*	*-14.1%*

Source : Bloomberg, EIA, Kamco Invest Research

Crude oil sees sharpest decline in five years...

The crude oil market in 2025 was defined by a combination of geopolitical issues to forecasts of significant global surplus, resulting in a consistent downward trend in prices. The market was characterized by continued risk on the geopolitical front with the continued war on Gaza, the Russia/Ukraine conflict, the attack on Iran as well as geopolitical situation in the Middle East. The year closed with escalating tensions around Venezuela with the US seizing crude oil shipments going out of Venezuela. The price chart for the oil market showed bearish a trend during the y ear, although the war risk premium acted as a volatility trigger for time to time during the year. The market remained structurally oversupplied that pushed prices down for most part of the year but ongoing wars and other geopolitical issues that included sanctions on oil supplies from specific countries as well as on key oil producing nations including Russia, Iran and Venezuela created sharp temporary spike in crude oil prices that prevented a total collapse in price. The imposition of tariffs by the US on its trading partners, the retaliatory tariffs announced by some of its trading partners as well as the regular tariff changes announced subsequently by the US also caused a significant volatility in prices during the year.

In terms of prices, the year started with Brent crude trading near USD 76/b and traded in a wide range as compared to the previous two years. The market in 2025 experienced their steepest annual decline since the 2020 pandemic, ending the year around the USD 60/b mark. Spot brent crude oil declined by 17.7% during the year and closed at USD 61.3/b while OPEC crude basket witnessed a slightly bigger decline of 18.2% to close the year at USD 61.0/b. Prices remained volatile during the year after peaking at the start of the year at USD 83.5/b. The trend showed consistent declines during the first four months of the year followed by a partial recovery during June-2025. The gains were led by tensions in the Middle East region due to fears of maritime trade disruptions around the Strait of Hormuz. However, prices declined remained subdued during 2H-2025 reaching below the USD 60/b mark during mid-December-2025. The year concluded with the market in a state of contango, signaling that traders expect the oversupply to persist well into 2026.

The consensus estimates on crude oil grades underwent drastic changes during 2025 as unprecedented events occurred during the year, in addition to underwhelming recovery in global oil demand, especially in China. The Bloomberg estimate for Brent crude oil futures prices in 2025 started the year with a forecast of USD 73.3 per barrel that remained almost steady until the announcement of tariffs by the US. There was a sharp and consistent decline in consensus forecasts during the remainder of the year reaching around USD 68/b during the second half of the year. A similar downgrade was seen in forecasts from the EIA for both Brent and WTI crude grades.

OPEC production in 2025 and spare capacity

OPEC Production (tb/d)	Average Production 2025	Dec-2025 Target	Capacity	Spare Capacity
Algeria	934	971	1,060	126
Congo	259	277	300	41
Equatorial Guinea	54	70	80	26
Gabon	227	181	230	3
Iran	3,261	Exempt	3,830	569
Iraq	4,011	4,273	4,800	789
Kuwait	2,475	2,576	2,820	345
Libya	1,296	Exempt	1,320	24
Nigeria	1,516	1,500	1,600	84
Saudi Arabia	9,472	10,103	12,000	2,528
UAE	3,143	3,411	4,650	1,507
Venezuela	935	Exempt	1,000	65
Total	**27,582**	**23,362**	**33,690**	**6,107**

Source : Bloomberg, LSEG Workspace, OPEC, Kamco Invest Research.
Note : Spare capacity is based on average production in 2025 and total capacity data from Bloomberg.

On the demand front, the role of China reversed during 2025 from being a key driver of demand growth in 2024 to being a key factor on exerting downward pressure on prices as imports growth slowed during the year. As per OPEC monthly report, demand growth from China dropped from 0.31 mb/d in 2024 to 0.21 mb/d in 2025 to reach 16.87 mb/d during the year. The decline was mainly led by rapid technological shifts in the country as for the first time in a decade, China's demand for gasoline and diesel reached a plateau, as per the IEA. The country diversified into EVs that accounted for 50% of new car sales in the country in 2025, a surge in LNG powered trucks in the country as well as other forms of transportation including high speed rail network. However, the demand for petrochemicals remained robust in China with demand for Naphtha and LPG rising as new refineries ramping up operations during the year. Both state-owned and teapot refineries in China boosted throughput during the year aimed at maintaining domestic security.

Production ('000 b/d)	2021	2022	2023	2024	2025	5-Yr CAGR
Algeria	**913**	**1,017**	**973**	**905**	**934**	**0.7%**
Change (%)	*1.0%*	*11.4%*	*-4.3%*	*-7.0%*	*3.2%*	
Congo	**263**	**260**	**261**	**253**	**259**	**-2.2%**
Change (%)	*-9.0%*	*-1.1%*	*0.4%*	*-3.1%*	*2.4%*	
Equatorial Guinea	**98**	**84**	**56**	**57**	**54**	**-14.0%**
Change (%)	*-14.8%*	*-14.3%*	*-33.3%*	*1.8%*	*-5.3%*	
Gabon	**182**	**197**	**203**	**222**	**227**	**3.5%**
Change (%)	*-4.7%*	*8.2%*	*3.0%*	*9.4%*	*2.3%*	
Iran	**2,392**	**2,554**	**2,859**	**3,257**	**3,261**	**10.4%**
Change (%)	*20.1%*	*6.8%*	*11.9%*	*13.9%*	*0.1%*	
Iraq	**4,046**	**4,439**	**4,289**	**4,163**	**4,011**	**-0.3%**
Change (%)	*-0.7%*	*9.7%*	*-3.4%*	*-2.9%*	*-3.7%*	
Kuwait	**2,419**	**2,704**	**2,595**	**2,429**	**2,475**	**0.3%**
Change (%)	*-0.8%*	*11.8%*	*-4.0%*	*-6.4%*	*1.9%*	
Libya	**1,138**	**981**	**1,162**	**1,092**	**1,296**	**28.7%**
Change (%)	*210.1%*	*-13.8%*	*18.5%*	*-6.0%*	*18.7%*	
Nigeria	**1,373**	**1,204**	**1,315**	**1,426**	**1,516**	**-0.8%**
Change (%)	*-13.0%*	*-12.3%*	*9.2%*	*8.4%*	*6.3%*	
Saudi Arabia	**9,114**	**10,531**	**9,609**	**8,978**	**9,472**	**0.6%**
Change (%)	*-1.0%*	*15.5%*	*-8.8%*	*-6.6%*	*5.5%*	
UAE	**2,727**	**3,066**	**2,950**	**2,950**	**3,143**	**2.3%**
Change (%)	*-2.7%*	*12.4%*	*-3.8%*	*0.0%*	*6.5%*	
Venezuela	**553**	**688**	**749**	**867**	**935**	**12.8%**
Change (%)	*8.0%*	*24.4%*	*8.9%*	*15.8%*	*7.8%*	
Total OPEC	**25,218**	**27,725**	**27,021**	**26,600**	**27,582**	**2.4%**
Change (%)	*3.1%*	*9.9%*	*-2.5%*	*-1.6%*	*3.7%*	
US*	**11,311**	**12,004**	**12,943**	**13,235**	**13,604**	**3.7%**
Change (%)	*-0.2%*	*6.1%*	*7.8%*	*2.3%*	*2.8%*	

Source : OPEC, Bloomberg, EIA, Kamco Invest Research.

OPEC Production

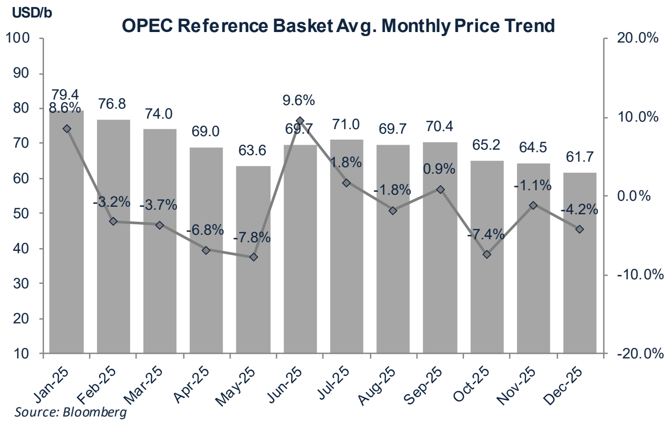
The supply-demand balance worsened during the year with OPEC monthly report showing world oil supply increased by 2.0% during 2025 or by 2.02 mb/d. OPEC oil production increased by close to 1 mb/d while non-OPEC producers showed a bigger increase in production. As per OPEC secondary sources, OPEC crude oil production averaged at 27.58 mb/d during the year vs. 26.60 mb/d during 2024. Average production from non-OPEC DoC countries, that includes Russia, showed only a marginal increase of 86 tb/d during the year to reach 14.35 mb/d during 2025. The overall DoC production averaged at 41.93 mb/d during 2025 as compared to 40.86 mb/d during 2024. Within the OPEC, Saudi Arabia showed the biggest increase in production during the year averaging at 9.47 mb/d vs. 8.98 mb/d during 2024, registering an increase of 494 tb/d. Libya was next with an increase of 204 tb/d reaching an average output of 1.3 mb/d followed by UAE and Nigeria with production growth of 193 tb/d and 90 tb/d reaching 3.14 mb/d and 1.52 mb/d in average output, respectively. Iraq, on the other hand, registered a decline in output during the year by 152 tb/d reaching an average output of 4.01 mb/d in 2025.

The year also saw the unwinding of output cuts by OPEC+ countries. As prices remained elevated at the start of the year, the OPEC+ member countries started contemplating gradually increasing group output in order to gain market share. The group decided to raise output in regular increments starting from April-2025. The first announced increase was marginal 138 tb/d but this was followed by steeper hikes of 411 tb/d for the next three months. The months of August-2025 and September-2025 witnessed even higher unwinding of 548 tb/d followed by 137 tb/d of hikes for the remainder of the year. However, with the sharp decline in prices, the group decided to pause the production hikes during Q1-2026. The cumulative unwinding of the production cuts stood at 2.9 mb/d by the end of the year.

US crude oil production

Oil production in the US reached a new record high of 13.8 mb/d in 2025 after a gradual and consistent growth in output since the start of the year. Average output during the year stood at 13.6 mb/d, also the highest level on record, after increasing by 2.8% or 369 tb/d as compared to 2024. The growth reflected continued growth in shale output during the year. Data from Bloomberg showed shale oil output reaching a record during 2025 at an average of 10.4 mb/d. The latest forecast from the US EIA showed oil production reaching 13.6 mb/d in 2026 but decline to 13.3 mb/d in 2027.

Oil Prices



Crude oil prices remained subdued at the start of 2026 with brent futures trading around the USD 60/b levels led by looming supply glut amid talks of peace between Russia and Ukraine. However, the political situation between the US and Venezuela pushed prices higher in subsequent trading sessions. The US continued to seize Venezuela-linked oil tankers in the Atlantic ocean while a drone attack on a Russia-bound oil tanker provided further support to prices. In addition, the protests in Iran raised speculations of an attack potentially disrupting supplies from the Middle East. The region remained alert even as protests subsided at the start of this week as the US slapped further sanctions on vessels that transport oil from Iran while the arrival of US warships in the Middle East region further intensified the geopolitical situation in the region. The threat of a winter storm in the US further supported crude oil prices in the US as it affected crude oil production and impacted refineries output on the US Gulf Coast. However, the news of resumption in crude oil supply from Kazakhstan partially offset the overall gains. As per estimates, the winter storm has affected 15% or close to 2 mb/d in output in the US over the weekend.

In terms of monthly price trend, average crude oil prices saw broad-based declines for the third consecutive month during December-2025. Average spot Brent crude oil price witnessed a decline of 1.5% to reach USD 62.7/b during December-2025, as compared to an average of USD 63.6/b during November-2025. On the other hand, average OPEC reference basket price witnessed a bigger decliner of 4.2% to reach USD 61.7/b as compared to USD 64.5/b during the previous month. Kuwait export grade crude prices also witnessed a similar decline of 6.2% to average at USD 61.2/b during December-2025 vs. USD 65.2/b during November-2025. Average crude oil prices during the full year have seen double-digit declines across the board in 2025. In terms of expectations, the consensus estimate for Brent crude saw further downgrades as compared to the estimates at the end of 2025. As per consensus forecasts, crude oil is expected to reach USD 60/b by the end of 2026 vs. last month's estimate of USD 63/b. There were downgrades to forecasts for all the four quarters in 2026.

Average Crude Oil Prices, USD/b	Nov-2025	Dec-2025	Change (USD)	Avg. 2024	Avg. 2025
OPEC Reference Basket	**64.5**	**61.7**	**(2.7)**	**79.9**	**69.5**
Arab Light	66.2	62.9	(3.3)	81.5	71.2
Basrah Light	63.9	60.9	(3.0)	78.4	69.1
Bonny Light	64.8	63.7	(1.1)	82.2	70.0
Djeno	56.2	55.2	(0.9)	73.2	61.5
Es Sider	63.4	62.7	(0.7)	79.7	68.5
Iran Heavy	64.3	61.8	(2.4)	79.7	69.5
Kuwait Export	**65.2**	**61.2**	**(4.0)**	**80.7**	**70.3**
Merey	47.5	45.5	(2.0)	65.3	55.7
Murban	65.5	63.0	(2.5)	79.7	69.8
Rabi	63.2	62.2	(0.9)	80.2	68.5
Saharan Blend	64.4	63.4	(0.9)	81.7	69.7
Zafiro	64.4	62.7	(1.8)	82.2	70.2
Other Crudes					
Brent	63.6	62.7	(0.9)	80.6	69.0
Dubai	64.5	62.0	(2.5)	79.6	69.4
Isthmus	57.3	55.7	(1.6)	74.0	64.3
LLS	60.8	59.9	(0.9)	78.3	67.2
Mars	58.7	57.1	(1.7)	75.7	65.2
Minas	67.4	67.2	(0.2)	84.5	72.6
Urals	41.1	35.6	(5.5)	66.0	54.1
WTI	59.5	58.0	(1.5)	75.9	64.9
Differentials					
Brent/WTI	4.2	4.7	0.6	4.7	4.1
Brent/LLS	2.8	2.8	(0.1)	2.3	1.8
Brent/Dubai	(0.8)	0.7	1.5	1.1	(0.4)

Source: OPEC Monthly Oil Market Report - Jan-2026

World Oil Demand

The global oil demand growth forecast for 2026 was kept unchanged by the OPEC in its latest monthly report. The agency expects demand to grow by 1.4 mb/d this year to reach 106.5 mb/d. However, there were revisions to demand data at the country level with OECD demand growth lowered by 0.02 mb/d that fully offset by an upward revision to demand data for the non-OECD region. Within the OECD region, the OECD Europe and Asia Pacific regions witnessed downward revisions that were partially offset by a marginal upward revision to demand forecast for the US. The IEA also remained upbeat on demand growth in 2026 after it upgraded its growth forecast to 930 tb/d from 850 tb/d for 2026.

For 2027, the first forecast report from the OPEC pointed to a slight y-o-y decline in oil demand growth. World oil demand is expected to increase by 1.3 mb/d next year to reach 107.9 mb/d led by a broad-based growth across regions with only the OECD Asia Pacific region expected to see a decline in demand during the year. Oil demand growth is expected to be the

World Oil Demand - 2025/2026, mb/d	2025	Q1-26	Q2-26	Q3-26	Q4-26	2026	Y-o-Y Growth	% Chg.
Americas	25.40	25.03	25.30	26.02	25.71	25.52	0.12	0.47
of which US	20.81	20.45	20.74	21.36	21.11	20.92	0.11	0.53
Europe	13.44	12.93	13.68	13.83	13.50	13.48	0.04	0.30
Asia Pacific	7.10	7.31	6.79	6.87	7.36	7.08	(0.01)	(0.28)
Total OECD	**45.94**	**45.27**	**45.77**	**46.72**	**46.58**	**46.09**	**0.15**	**0.33**
China	16.87	17.00	16.70	17.30	17.25	17.06	0.20	1.13
India	5.65	5.89	5.92	5.57	6.10	5.87	0.22	3.89
Other Asia	9.82	10.05	10.41	10.01	9.90	10.09	0.27	2.75
Latin America	6.88	6.92	7.02	7.05	7.04	7.01	0.13	1.89
Middle East	8.94	8.96	8.91	9.29	9.24	9.10	0.16	1.79
Africa	4.87	5.06	4.80	4.98	5.28	5.03	0.16	3.29
Russia	4.04	4.11	3.90	4.10	4.23	4.09	0.04	1.24
Other Eurasia	1.31	1.47	1.33	1.20	1.35	1.34	0.03	2.29
Other Europe	0.83	0.83	0.82	0.84	0.90	0.84	0.02	1.20
Total Non-OECD	**59.20**	**60.28**	**59.81**	**60.33**	**61.29**	**60.43**	**1.23**	**2.08**
Total World	**105.14**	**105.55**	**105.57**	**107.05**	**107.87**	**106.52**	**1.38**	**1.31**

Source: OPEC Monthly Oil Market Report - Jan-2026

strongest in the Other Asia region with an expected growth of 273 tb/d in 2027 to reach an average of 10.4 mb/d as economic activity in major oil-consuming countries in the region is expected to improve supported by steady consumer spending.

India is next with an expected demand growth of 224 tb/d to reach 6.1 mb/d in 2027 mainly led by steady economy growth and expectations of healthy transportation and manufacturing activity. The ongoing government support for households and the new capacity addition in the petrochemical sector is expected to support growth in oil demand. Oil demand growth in China is expected to closely follow with an expected growth of 196 tb/d to an average of 17.3 mb/d in 2027. The growth is expected to be supported by steady economic activity in China coupled with healthy transportation activity. However, weakness in construction sector is expected to partially offset the overall growth. For the US, demand is expected to grow by 83 tb/d in 2027 to an average of 21.0 mb/d. The growth is expected to reflect healthy economic growth, robust consumer spending and easing trade uncertainty. In the OECD Europe region, demand is expected to growth marginally by 35 tb/d in 2027 as challenges to the industrial sector subside while road mobility and air travel are expected to remain relatively healthy.

World Oil Demand - 2026/2027, mb/d	2026	Q1-27	Q2-27	Q3-27	Q4-27	2027	Y-o-Y Growth	% Chg.
Americas	25.52	25.10	25.37	26.14	25.80	25.61	0.09	0.35
of which US	20.92	20.53	20.81	21.46	21.18	21.00	0.08	0.38
Europe	13.48	12.95	13.72	13.87	13.53	13.52	0.04	0.30
Asia Pacific	7.08	7.30	6.77	6.85	7.35	7.07	(0.02)	(0.14)
Total OECD	**46.09**	**45.35**	**45.87**	**46.85**	**46.68**	**46.19**	**0.10**	**0.22**
China	17.06	17.16	16.86	17.53	17.48	17.26	0.20	1.17
India	5.87	6.11	6.13	5.79	6.33	6.09	0.22	3.75
Other Asia	10.09	10.32	10.66	10.27	10.18	10.36	0.27	2.68
Latin America	7.01	7.06	7.17	7.18	7.16	7.14	0.14	1.85
Middle East	9.10	9.12	9.03	9.49	9.40	9.26	0.16	1.76
Africa	5.03	5.22	4.95	5.16	5.44	5.19	0.16	3.18
Russia	4.09	4.16	3.95	4.14	4.28	4.13	0.05	0.98
Other Eurasia	1.34	1.51	1.36	1.24	1.38	1.37	0.03	2.24
Other Europe	0.84	0.84	0.84	0.86	0.92	0.86	0.02	2.38
Total Non-OECD	**60.43**	**61.50**	**60.95**	**61.64**	**62.57**	**61.67**	**1.24**	**2.05**
Total World	**106.52**	**106.85**	**106.81**	**108.49**	**109.26**	**107.86**	**1.34**	**1.26**

Source: OPEC Monthly Oil Market Report - Jan-2026

Oil Supply

According to the IEA, world oil supply continued to decline during December-2025, in line with declines during the previous few months. Total global oil supply reached 107.4 mb/d during the month after falling by 350 tb/d vs. the previous month. The decline was led by a fall in production in Kazakhstan and a number of Middle Eastern OPEC producers. On the other hand, a rebound in output in Russia partially offset the overall decline. As per the report, Russian domestic refinery operations and exports rebounded sharply during December-2025 with crude output up by 550 tb/d to a 33-month high level.

Non-DoC Oil Supply - 2025/2026, mb/d	2025	Q1-26	Q2-26	Q3-26	Q4-26	2026	Y-o-Y Growth	% Chg.
Americas	28.29	27.95	28.41	28.72	28.94	28.51	0.21	0.78
of which US	22.22	21.78	22.40	22.50	22.59	22.32	0.10	0.45
Europe	3.59	3.61	3.50	3.48	3.58	3.54	(0.04)	(1.39)
Asia Pacific	0.41	0.41	0.39	0.39	0.38	0.39	(0.01)	(4.88)
Total OECD	**32.29**	**31.97**	**32.31**	**32.59**	**32.90**	**32.44**	**0.16**	**0.46**
China	4.62	4.68	4.67	4.58	4.57	4.62	0.00	0.00
India	0.82	0.83	0.82	0.82	0.83	0.82	0.00	0.00
Other Asia	1.62	1.62	1.59	1.58	1.59	1.60	(0.02)	(1.23)
Latin America	7.55	7.90	7.92	7.98	8.11	7.98	0.43	5.70
Middle East	1.99	2.01	2.03	2.04	2.05	2.03	0.04	2.01
Africa	2.27	2.26	2.24	2.24	2.32	2.26	(0.01)	(0.44)
Other Eurasia	0.36	0.36	0.36	0.36	0.36	0.36	0.00	0.00
Other Europe	0.09	0.09	0.09	0.09	0.09	0.09	0.00	0.00
Total Non-OECD	**19.32**	**19.75**	**19.72**	**19.70**	**19.90**	**19.77**	**0.44**	**2.33**
Total Non-DoC Production	**51.61**	**51.72**	**52.03**	**52.28**	**52.80**	**52.21**	**0.60**	**1.16**
Processing gains	2.54	2.57	2.57	2.57	2.57	2.57	0.03	1.18
Total Non-DoC Supply	**54.15**	**54.29**	**54.60**	**54.85**	**55.37**	**54.78**	**0.63**	**1.16**

Source: OPEC Monthly Oil Market Report - Jan-2026

Meanwhile, the OPEC kept its forecast for the growth in non-DoC liquids supply in 2026 unchanged at a growth of 0.6 mb/d to reach an average of 54.8 mb/d during the year. At the global level, the IEA reversed its previous months move of lowering the supply forecast for 2026 and once again expects a supply growth of 2.5 mb/d to reach an average of 108.7 mb/d. The increase is expected to be almost equally split between the OPEC+ and non-OPEC+ countries with the later accounting for an increase of 1.3 mb/d in 2026. For its forecast for 2026, the IEA assumes OPEC+ to stay on its current production policy and no major downshifts in US shale oil production.

For 2027, the OPEC expects non-DoC liquids supply growth to come in at 0.61 mb/d to reach 55.39 mb/d during the year. The growth is expected to be driven by higher production in the Americas that is expected to increase output by 0.16 mb/d coupled with higher supplies from Latin America and the Middle East regions that are forecasted to increase production by 0.39 mb/d and 0.12 mb/d, respectively. At the country level, Brazil is expected to show the biggest increase in non-DoC output with an expected increase of 0.14 mb/d in 2027. Canada is next with a forecasted production growth of 0.13 mb/d followed by Qatar and Argentina with production growth of 0.11 mb/d and 0.09 mb/d in 2027. Meanwhile, oil production in the US is expected to increase marginally by 30 tb/d.

Non-DoC Oil Supply - 2026/2027, mb/d	2026	Q1-27	Q2-27	Q3-27	Q4-27	2027	Y-o-Y Growth	% Chg.
Americas	28.51	28.54	28.46	28.70	28.96	28.67	0.16	0.56
of which US	22.32	22.21	22.34	22.38	22.47	22.35	0.03	0.13
Europe	3.54	3.57	3.46	3.41	3.53	3.49	(0.05)	(1.41)
Asia Pacific	0.39	0.39	0.37	0.39	0.39	0.38	(0.01)	(2.56)
Total OECD	**32.44**	**32.50**	**32.29**	**32.50**	**32.87**	**32.54**	**0.10**	**0.31**
China	4.62	4.65	4.64	4.55	4.57	4.60	(0.02)	(0.43)
India	0.82	0.81	0.8	0.8	0.81	0.81	(0.01)	(1.22)
Other Asia	1.6	1.58	1.56	1.57	1.59	1.57	(0.02)	(1.88)
Latin America	7.98	8.24	8.28	8.38	8.55	8.36	0.39	4.76
Middle East	2.03	2.08	2.12	2.16	2.24	2.15	0.12	5.91
Africa	2.26	2.31	2.30	2.29	2.29	2.30	0.03	1.77
Other Eurasia	0.36	0.36	0.36	0.36	0.36	0.36	0.00	0.00
Other Europe	0.09	0.10	0.10	0.10	0.10	0.10	0.00	11.11
Total Non-OECD	**19.77**	**20.14**	**20.16**	**20.21**	**20.51**	**20.25**	**0.49**	**2.43**
Total Non-DoC Production	**52.21**	**52.63**	**52.45**	**52.72**	**53.38**	**52.8**	**0.59**	**1.13**
Processing gains	2.57	2.59	2.59	2.59	2.59	2.59	0.02	0.78
Total Non-DoC Supply	**54.78**	**55.22**	**55.04**	**55.31**	**55.97**	**55.39**	**0.61**	**1.11**

Source: OPEC Monthly Oil Market Report - Jan-2026

OPEC Oil Production & Spare Capacity

OPEC crude oil production showed a marginal increase in December-2025 after witnessing a sharp decline during the previous month. Data from Bloomberg showed OPEC output reaching 29.03 mb/d after registering a marginal growth of 40 tb/d as compared to November-2025 output. The increase was marginal despite a broad-based growth in output across the group as a sharp decline in output from Venezuela by 130 tb/d dented the overall growth. Oil production in Iraq witnessed the biggest m-o-m growth of 80 tb/d to reach 4.37 mb/d followed by marginal increase in output from most producers in Africa. Output from Saudi Arabia, Iran and Kuwait remained unchanged from the previous month while UAE showed a marginal drop of 20 tb/d. Data from OPEC secondary sources showed a slightly bigger production growth of 105 tb/d with OPEC output reaching 28.56 mb/d during December-2025. The data from OPEC secondary sources showed a smaller decline in output from Venezuela by 60 tb/d with output reaching 896 tb/d during the month.

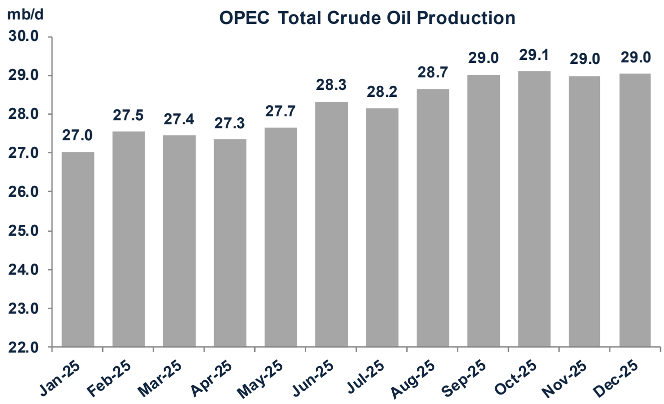
Production ('000 b/d)	Nov-25	Dec-25	Change		Capacity	Spare Capacity
Total OPEC-12	**28,990**	**29,030**	**40**	**0.14%**	**33,690**	**4,660**
Saudi Arabia	10,000	10,000	0	0.0%	12,000	2,000
Iraq	4,290	4,370	80	1.9%	4,800	430
UAE	3,610	3,590	-20	-0.6%	4,650	1,060
Iran	3,330	3,330	0	0.0%	3,830	500
Kuwait	2,560	2,560	0	0.0%	2,820	260
Nigeria	1,500	1,520	20	1.3%	1,600	80
Libya	1,270	1,300	30	2.4%	1,320	20
Algeria	970	970	0	0.0%	1,060	90
Venezuela	960	830	-130	-13.5%	1,000	170
Congo	250	270	20	8.0%	300	30
Gabon	210	230	20	9.5%	230	0
Equatorial Guinea	40	60	20	50.0%	80	20
Total OPEC-11	**24,700**	**24,660**	**-40**	**-0.16%**	**28,890**	**4,230**

Source: Bloomberg

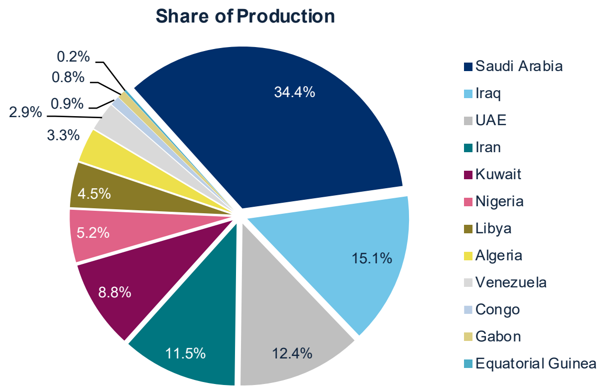
Output from the broader DoC producers group showed a sharp decline in production mainly led by a fall in output from non-OPEC DoC countries that more than offset the increase in output from OPEC producers. As per the report, oil production from non-OPEC DoC producers fell 344 tb/d during the month to 14.27 mb/d mainly led by a fall in output from most producers in the group. Kazakhstan reported the biggest decline in production by 237 tb/d averaging at 1.52 mb/d during December-2025. A noticeable decline in production in Russia and South Sudan further added to the fall in output from the group.

The decline in oil production in Kazakhstan was led by by export restrictions via the Caspian Pipeline Consortium (CPC) following drone attacks as well as adverse weather conditions in the Black Sea. As per industry data, exports from CPC dropped by 24% in December-2025. The country declared force majeure at its largest oilfield, Tengiz, following a fire. Recent reports showed that the country's main oil export route via the Russian Black Sea coast has regained some capacity after CPC said one of its offshore loading facilities had returned to services.

Oil output in Venezuela witnessed a sharp decline in December-2025 following geopolitical issues with the US that restricted the movement of oil shipments, filled storage and blocked exports. Recent developments show that the US is pushing oil companies to quickly ramp up output in Venezuela.



Source: Bloomberg



Source: Bloomberg

Brent Crude Oil Price Forecast

Firm	As Of	Q1-26	Q2-26	Q3-26	Q4-26
BloombergNEF	23/Jan/26	61.0	56.0	54.0	52.0
Standard Chartered Bank	22/Jan/26	62.0	63.0	64.0	64.5
Citigroup Inc	21/Jan/26	60.0	62.0	62.0	62.0
JYSKE BANK AS	19/Jan/26	57.0	55.0	60.0	60.0
HSBC Holdings PLC	16/Jan/26	65.0	65.0	65.0	65.0
JPMorgan Chase & Co	16/Jan/26	60.0	59.0	56.0	55.0
Landesbank Baden-Wuerttemberg	16/Jan/26	65.0	60.0	60.0	60.0
Commerzbank AG	13/Jan/26	60.0	60.0	60.0	60.0
Goldman Sachs Group Inc/The	12/Jan/26	59.0	57.0	54.0	54.0
Intesa Sanpaolo SpA	12/Jan/26	63.0	63.0	63.0	63.0
Rabobank	9/Jan/26	60.0	57.0	57.0	59.0
ING Groep NV	8/Jan/26	58.0	56.0	58.0	54.0
Julius Baer	5/Jan/26	58.3	57.5	57.5	60.0
Natixis SA	5/Jan/26	57.0	60.0	64.0	66.0
Morgan Stanley	2/Jan/26	57.5	55.0	57.5	60.0
UBS Group AG	2/Jan/26	62.0	65.0	65.0	67.0
BMI, a Fitch Solutions company	31/Dec/25	62.0	66.0	69.0	71.0
Kshitij Consultancy Services Pvt Ltd	31/Dec/25	68.0	64.5	73.0	
Market Risk Advisory Co Ltd	23/Dec/25	59.9	61.0	62.3	
Australia & New Zealand Banking Group Ltd	19/Dec/25	65.0	65.0	68.0	70.0
Westpac Banking Corp	19/Dec/25	60.9	60.3	59.3	58.3
Bank of America Merrill Lynch	17/Dec/25	59.0	60.0	61.0	60.0
Tradingeconomics.com	15/Dec/25	64.0	65.5	67.0	
MPS Capital Services Banca per le Imprese SpA	11/Dec/25	59.0	58.0	58.0	
United States Department of Energy	9/Dec/25	54.9	54.0	55.3	56.0
Macquarie Group Ltd	4/Dec/25	57.0	59.0	60.0	67.0
BNP Paribas SA	1/Dec/25	54.6	57.3	62.6	63.0
OCBC Bank	13/Nov/25	64.0	62.5	61.1	58.5
Emirates NBD PJSC	6/Nov/25	65.0	65.0	65.0	65.0
Panmure Liberum	1/Oct/25	65.0	65.0	66.0	66.0
Median		**60.0**	**60.0**	**61.1**	**60.0**
Mean		**60.8**	**60.5**	**61.5**	**61.4**
High		**68.0**	**66.0**	**73.0**	**71.0**
Low		**54.6**	**54.0**	**54.0**	**52.0**
Current Fwd		**63.4**	**62.6**	**62.3**	**62.3**
Difference (Median - Current)		**-3.4**	**-2.6**	**-1.3**	**-2.3**

Source: Bloomberg

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