

Oil Market Monthly Report

April-2025

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Oil sees marginal recovery from four-year lows...

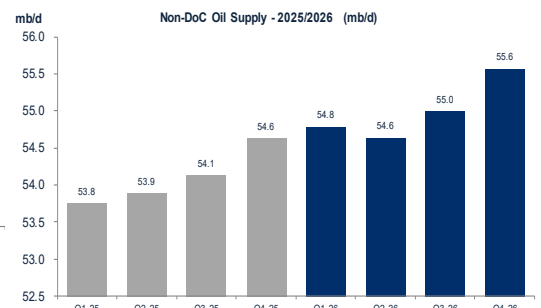
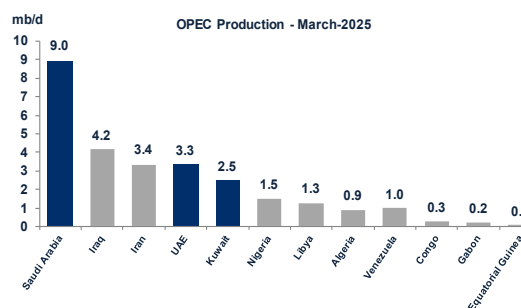
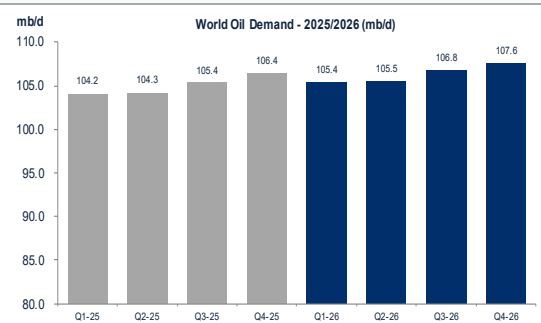
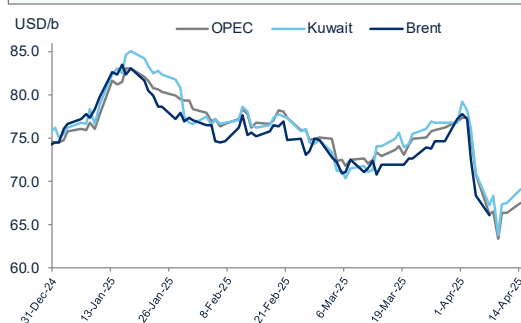
The global economic uncertainty led by the tariffs imposed by the US government and the reciprocal tariffs imposed by its trading partners, especially the EU countries and China, affected sentiments around crude oil demand sending prices to the lowest level since March-2021. The decline was exacerbated by the decision from OPEC+ countries to raise output by more than 0.4 mb/d starting from May-2024. Prices saw some support after the US postponed the implementation of the tariffs by 90 days on most countries, but the exception of China for the tariff relief kept downward pressure on oil prices. A sharp decline in USD that reached the lowest level in over two years against a basket of currencies also helped to offset some pressure on prices. On the geopolitical front, the talks between US, Iran and on Russia/Ukraine conflicts also moved markets over the last two weeks.

The recent news that the US may reconsider the 25% tariffs imposed on foreign auto and auto parts imports from Mexico, Canada and other countries and provide some possible reliefs also led to gain in crude oil prices. This comes after a similar relief was announced over the weekend in the form of exemptions on smartphones and other electronic items. Nevertheless, uncertainty continued over the future policies as recent statements also indicated new tariffs on semiconductor chips and pharmaceuticals are coming soon.

On the demand front, the latest crude oil import figures from China showed a y-o-y increase of 5% during March-2025 reaching 51.41 million tons, equivalent to 12.1 mb/d, as compared to 11.55 mb/d in March-2024 and an average import of 10.38 mb/d during the first two months of the year. This was the highest level of crude oil imports since August-2023, according to Reuters calculations. As per the report, the increase was led by higher crude oil imports from Iran and Russia, in addition to higher buying of crude oil from the Middle East, West Africa and South American suppliers by state energy refineries.

Meanwhile, the latest forecasts of oil demand growth were slashed by both the OPEC and the IEA to reflect escalating trade tensions and deteriorating outlook for the global economy. The IEA lowered its oil demand forecast for 2025 by 0.3 mb/d from its previous forecast to a growth of 0.73 mb/d. The forecast for growth in 2026 was also lowered to 0.69 mb/d by the agency. OPEC forecasts for oil demand for 2025 was lowered marginally by 0.15 mb/d from its previous forecast to a growth of 1.28 mb/d reflecting actual data for Q1-2025 as well as expected impact of the tariffs on demand for the rest of the year.

In terms of supplies, OPEC oil production declined marginally during March-2025 to 26.8 mb/d as per OPEC secondary sources while overall OPEC+ production saw a smaller decline due to an increase in production in Kazakhstan. Oil production growth in the US also took a breather last week with a marginal decline from the record high of 13.58 mb/d during the previous week.



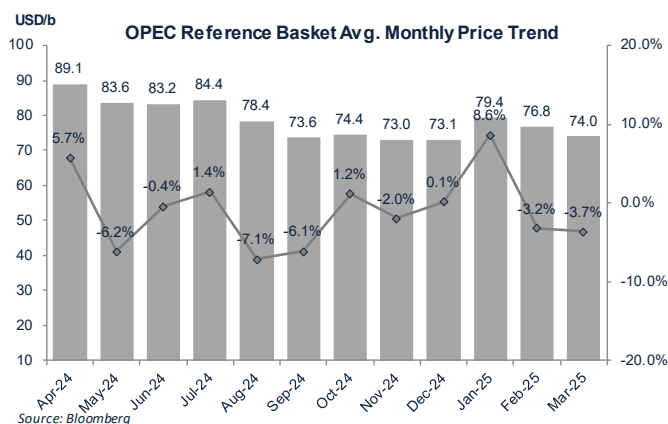
Sources : OPEC, EIA, Bloomberg

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Oil Prices

Crude oil traded at a five-week high level at the start of April-2025 led by supply worries related to sanctions on Russia and Iran. However, the market witnessed one of the fastest pace of declines during the first week, with Brent crude oil futures going below the USD 60/b mark during intra-day trades. This was reflected in the weekly performance chart that showed the steepest weekly decline in more than two years with a fall of 10.9% during the week ended 4-April-2025. The market remained volatile during the second week as well with the week closing with a decline of 1.2% despite a late week rally of 2.3% on 11-April-2025 after the announcement of the reversal of tariffs. Nevertheless, risk and uncertainty remained in the market and was seen in the record decline in net long positions held by hedge funds in Brent crude in the week to 08-April-2025 due to the market panic led by the tariffs, according to Bloomberg. Meanwhile, a decline in prices below the USD 60/b threshold set for Russian oil, tankers owned and insured by Western companies also started carrying Russian crude oil, further increasing the glut in the market, in addition to record high production in the US.

In terms of monthly price trend, prices of almost all crude grades continued to show declines for the second consecutive month during March-2025 as compared to the averages for February-2025. Average spot Brent crude oil price declined by 3.4% to reach USD 72.54/b during March-2025 as compared to an average of USD 75.1/b during February-2025. On the other hand, average OPEC reference basket price witnessed a slightly bigger decline of 3.7% to reach USD 74.0/b while Kuwait export grade crude prices witnessed a similar decline of 3.6% to average at USD 75.4/b during March-2025. Meanwhile, the consensus estimate for Brent crude showed downward revisions for the next four quarters with some recent forecasts suggesting a price of USD 60/b this year. The consensus forecast for Q2-2025 stood at USD 73.0/b, according to data from Bloomberg, while the forecast for Q1-2026 was down marginally to USD 71.0/b. The EIA also steeply lowered its forecast for Brent crude for 2025 at 68/b as compared to its previous forecast of USD 74/b while the forecast for 2026 was lowered to 61/b.



Average Crude Oil Prices, USD/b	Feb-2025	Mar-2025	Change (USD)	YTD Avg. 2024	YTD Avg. 2025
OPEC Reference Basket	76.8	74.0	(2.8)	81.8	76.8
Arab Light	78.6	76.1	(2.5)	83.3	78.5
Basrah Light	75.7	73.8	(1.9)	79.8	75.9
Bonny Light	75.9	73.6	(2.3)	84.7	76.6
Djeno	67.7	65.0	(2.6)	75.7	68.2
Es Sider	74.0	71.2	(2.8)	82.9	74.3
Iran Heavy	77.4	74.8	(2.7)	81.3	77.3
Kuwait Export	78.2	75.4	(2.8)	82.1	78.0
Merey	65.0	61.1	(3.9)	68.2	64.3
Murban	77.6	72.6	(5.0)	81.4	76.9
Rabi	74.7	72.0	(2.6)	82.7	75.2
Saharan Blend	76.1	72.8	(3.2)	84.9	76.5
Zafiro	77.6	75.0	(2.6)	84.5	78.0
Other Crudes					
Brent	75.1	72.5	(2.6)	83.1	75.7
Dubai	77.8	72.6	(5.2)	81.2	77.0
Isthmus	70.6	68.1	(2.5)	75.5	70.7
LLS	74.5	71.1	(3.4)	79.7	74.4
Mars	72.8	69.3	(3.5)	76.9	72.7
Minas	78.2	75.5	(2.7)	84.0	78.6
Urals	60.8	58.3	(2.5)	65.6	61.9
WTI	71.2	68.0	(3.2)	77.0	71.6
Differentials					
Brent/WTI	3.9	4.5	0.7	6.1	4.1
Brent/LLS	0.6	1.4	0.8	3.4	1.3
Brent/Dubai	(2.7)	(0.1)	2.6	2.0	(1.3)

Source: OPEC Monthly Oil Market Report - Apr-2025

World Oil Demand

OPEC lowered its oil demand growth forecast for 2025 by 0.15 mb/d to a growth of 1.3 mb/d in its latest monthly report. The agency expects oil demand to reach 105.1 mb/d this year. The downward revision reflected data for Q1-2025 and the likely impact of the ongoing trade war between key oil consuming nations. Bulk of the growth in demand this year is expected to come from the non-OECD region that are forecasted to grow by 1.25 mb/d after a downward revision of 90 tb/d from the previous forecast. On the other hand, OECD region is expected to see a marginal growth of 0.04 mb/d, also reflecting a downward revision of 60 tb/d from the previous forecast. The IEA also slashed oil demand growth forecast for the year by 0.3 mb/d to a growth of 730 tb/d reflecting the escalating trade war. Meanwhile, the consensus forecast data on world real GDP growth witnessed a sharp decline after the recent tariffs announcements. The latest forecasts show world real GDP growth at 2.8% as compared to a growth of 3.0% expected at the start of the year. The real GDP growth for the US is expected to reach 1.8% as per the latest forecast vs. a forecast of 2.3% at the start of March-2025. Eurozone is expected to see a smaller growth

World Oil Demand - 2024/2025, mb/d	2024	Q1-25	Q2-25	Q3-25	Q4-25	2025	Y-o-Y Growth	% Chg.
Americas	24.94	24.56	24.89	25.32	25.20	24.99	0.05	0.19
of which US	20.42	20.02	20.40	20.67	20.72	20.46	0.03	0.17
Europe	13.55	12.85	13.62	14.02	13.66	13.54	(0.01)	(0.06)
Asia Pacific	7.21	7.53	6.98	6.93	7.39	7.21	0.00	0.04
Total OECD	45.70	44.94	45.49	46.28	46.24	45.74	0.04	0.10
China	16.68	16.94	16.68	17.05	17.11	16.95	0.27	1.62
India	5.55	5.79	5.84	5.50	5.92	5.76	0.21	3.76
Other Asia	9.66	9.96	10.28	9.75	9.75	9.93	0.28	2.87
Latin America	6.78	6.83	6.92	6.99	6.94	6.92	0.14	2.05
Middle East	8.78	8.84	8.66	9.21	9.08	8.95	0.17	1.88
Africa	4.56	4.69	4.40	4.58	4.98	4.66	0.10	2.24
Russia	3.98	4.02	3.85	4.04	4.19	4.03	0.05	1.13
Other Eurasia	1.26	1.37	1.29	1.18	1.32	1.29	0.03	2.51
Other Europe	0.80	0.79	0.83	0.77	0.87	0.82	0.01	1.40
Total Non-OECD	58.06	59.23	58.76	59.07	60.17	59.31	1.25	2.16
Total World	103.75	104.16	104.25	105.35	106.41	105.05	1.30	1.25

Source: OPEC Monthly Oil Market Report - Apr-2025

of 0.8% as compared to a growth of 1.0% at the start of the year.

Oil demand in China showed a healthy growth according to the latest government data. Crude oil imports reached 12.1 mb/d during March-2025, registering a growth of 4.8% y-o-y and 9.0% as compared to February-2025. The average crude imports during March-2025, however, showed a decline of 1.5% as compared to Q1-2024. Oil demand in India also showed a healthy m-o-m increase in March-2025 with a growth of 9.3% to reach 20.91 million metric tons during the month, according to government data. However, demand declined when compared to March-2024 by 3.1%.

The OPEC also lowered its world oil demand growth forecast for 2026 by 0.15 mb/d and now expects a demand growth of 1.28 mb/d with demand expected to average at 106.33 mb/d during the year. The revision reflected lowered demand forecast for both the OECD and non-OECD regions mainly led by the impact of the tariffs.

World Oil Demand - 2025/2026, mb/d	2025	Q1-26	Q2-26	Q3-26	Q4-26	2026	Y-o-Y Growth	% Chg.
Americas	24.99	24.64	24.90	25.44	25.23	25.05	0.06	0.25
of which US	20.46	20.05	20.42	20.80	20.74	20.50	0.05	0.24
Europe	13.54	12.87	13.62	14.05	13.65	13.55	0.01	0.08
Asia Pacific	7.21	7.55	6.99	6.92	7.39	7.21	0.01	0.07
Total OECD	45.74	45.06	45.51	46.42	46.27	45.82	0.08	0.17
China	16.95	17.09	16.93	17.31	17.30	17.16	0.21	1.25
India	5.76	5.99	6.11	5.74	6.19	6.01	0.25	4.26
Other Asia	9.93	10.20	10.52	10.05	10.04	10.2	0.27	2.73
Latin America	6.92	6.96	7.05	7.11	7.07	7.05	0.13	1.82
Middle East	8.95	8.98	8.82	9.40	9.17	9.09	0.14	1.60
Africa	4.66	4.80	4.53	4.70	5.06	4.77	0.11	2.32
Russia	4.03	4.07	3.89	4.09	4.23	4.07	0.04	1.12
Other Eurasia	1.29	1.44	1.31	1.20	1.34	1.32	0.03	2.52
Other Europe	0.82	0.81	0.83	0.80	0.90	0.83	0.02	2.18
Total Non-OECD	59.31	60.34	59.99	60.40	61.3	60.51	1.20	2.03
Total World	105.05	105.40	105.50	106.83	107.57	106.33	1.28	1.22

Source: OPEC Monthly Oil Market Report - Apr-2025

World Oil Supply

World oil supply increased by 0.59 mb/d to reach 103.6 mb/d in March-2025, as per IEA. According to the monthly report, the increase of 0.91 mb/d from March-2024 as well as compared to the previous month was mainly led by higher production in non-OPEC+ countries. Data on oil production in the US showed record oil production during March-2025 that reached a peak of 13.58 mb/d that came after consistent growth in production in eight out of nine previous weeks. The increase came despite flattish trend in the total number of oil rigs in the US. Data from Baker Hughes showed oil rigs in the US reaching 484 at the end of March-2025 and showed an increase of 5 rigs during the week ended 4-April-2025 to reach 489 rigs. However, the

Non-DoC Oil Supply - 2024/2025, mb/d	2024	Q1-25	Q2-25	Q3-25	Q4-25	2025	Y-o-Y Growth	% Chg.
Americas	27.71	27.97	28.13	28.32	28.60	28.26	0.55	1.97
of which US	21.76	21.73	22.22	22.30	22.41	22.17	0.40	1.85
Europe	3.53	3.58	3.56	3.57	3.63	3.58	0.05	1.43
Asia Pacific	0.44	0.42	0.42	0.43	0.43	0.43	(0.01)	(2.30)
Total OECD	31.68	31.98	32.10	32.31	32.67	32.27	0.59	1.85
China	4.56	4.62	4.61	4.52	4.53	4.57	0.01	0.12
India	0.8	0.84	0.83	0.84	0.84	0.84	0.03	4.05
Other Asia	1.61	1.62	1.59	1.57	1.57	1.59	(0.03)	(1.65)
Latin America	7.22	7.33	7.37	7.49	7.64	7.46	0.23	3.22
Middle East	1.99	1.99	2.01	2.00	2.00	2.00	0.01	0.55
Africa	2.33	2.35	2.35	2.35	2.34	2.35	0.01	0.64
Other Eurasia	0.37	0.36	0.37	0.37	0.37	0.37	0.00	(0.47)
Other Europe	0.10	0.09	0.10	0.10	0.10	0.10	0.00	0.04
Total Non-OECD	19.00	19.21	19.22	19.24	19.38	19.26	0.27	1.41
Total Non-DoC Production	50.68	51.18	51.32	51.56	52.06	51.53	0.86	1.69
Processing gains	2.52	2.57	2.57	2.57	2.57	2.57	0.05	1.98
Total Non-DoC Supply	53.2	53.75	53.89	54.13	54.63	54.1	0.91	1.70
DoC NGLs and non-conventionals	8.29	-	-	-	-	8.40	0.11	1.33
DoC Crude Oil Production	40.88	40.90	-	-	-	-	-	-
Total World Supply	102.37	-	-	-	-	-	-	-

Source: OPEC Monthly Oil Market Report - Apr-2025

latest weekly report showed a steep decline in oil rigs last week with a fall of 9 rigs to reach 480, the biggest weekly decline since June-2023. The decline in the number of rigs reflect the forecast of weakening oil demand in the US shale patch with oil trading at around USD 60/b in the local market.

Non-DoC liquids supply growth forecast for 2025 was lowered marginally by 0.1 mb/d in OPEC's latest monthly report. The supply from the group is expected to grow by 0.91 mb/d this year and average at 54.1 mb/d. The downward revision mainly reflected lowered supply forecast for the OECD region with the US supply growth forecast lowered by 0.05 mb/d to 22.17 mb/d OECD Europe supply growth forecast lowered by 0.04 mb/d to 3.58 mb/d. World oil supply forecast from the IEA also showed a downward revision of 0.26 mb/d with growth expected to reach 1.2 mb/d this year. This revision mainly reflected a revisions to supply forecast for the US and Venezuela. The forecast for supply growth from non-DoC countries in 2026 also showed a downward revision of 0.1 mb/d, as per OPEC, and supply from the group is expected to grow by 0.9 mb/d to an average of 55.0 mb/d, including processing gains. The downward revision was once again led by lowered supply forecast from the US.

Non-DoC Oil Supply - 2025/2026, mb/d	2025	Q1-26	Q2-26	Q3-26	Q4-26	2026	Y-o-Y Growth	% Chg.
Americas	28.26	28.56	28.51	28.82	29.11	28.75	0.49	1.74
of which US	22.17	22.32	22.50	22.62	22.76	22.55	0.38	1.72
Europe	3.58	3.60	3.50	3.48	3.58	3.54	(0.04)	(1.24)
Asia Pacific	0.43	0.43	0.41	0.41	0.40	0.41	(0.01)	(3.37)
Total OECD	32.27	32.59	32.41	32.70	33.09	32.70	0.43	1.34
China	4.57	4.62	4.62	4.52	4.52	4.57	0.00	(0.01)
India	0.84	0.85	0.84	0.83	0.84	0.84	0.00	0.38
Other Asia	1.59	1.59	1.56	1.55	1.55	1.56	(0.02)	(1.42)
Latin America	7.46	7.71	7.80	7.94	8.04	7.87	0.42	5.59
Middle East	2.00	2.02	2.03	2.05	2.05	2.04	0.04	1.91
Africa	2.35	2.33	2.32	2.32	2.39	2.34	(0.01)	(0.32)
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	2.01
Total Non-OECD	19.26	19.59	19.63	19.69	19.87	19.70	0.43	2.25
Total Non-DoC Production	51.53	52.19	52.04	52.39	52.96	52.4	0.87	1.68
Processing gains	2.57	2.60	2.60	2.60	2.60	2.60	0.03	1.17
Total Non-DoC Supply	54.1	54.79	54.64	54.99	55.56	55	0.90	1.66

Source: OPEC Monthly Oil Market Report - Apr-2025

OPEC Oil Production & Spare Capacity

After a steep gain in output during February-2025, OPEC oil production showed a decline during March-2025. According to data from Bloomberg, average OPEC oil production declined by 110 tb/d last month and averaged at 27.43 mb/d. The decline was led by a broad-based decline in output reported by most producers in the group that was partially offset by marginal growth in output by the UAE, Congo and Gabon. Data from OPEC secondary sources also showed a decline, but a relatively smaller fall of 78 tb/d to an average of 26.8 mb/d during March-2025. Data from OPEC also showed a broad-based decline across producers, mainly Iraq, Nigeria, Libya and the UAE. Output from the broader DoC producer showed a relatively smaller production decline of 37 tb/d after output from the non-OPEC DoC countries showed an increase during the month. This increase was mainly led by higher output from Kazakhstan.

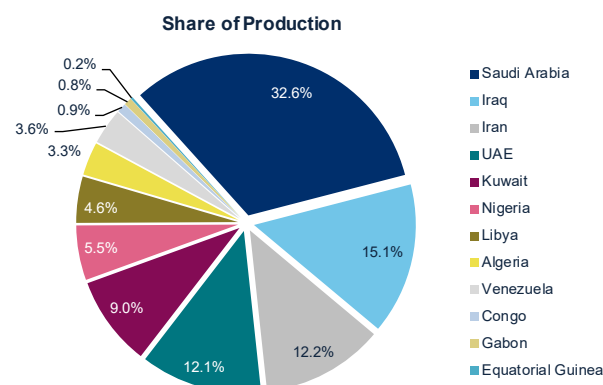
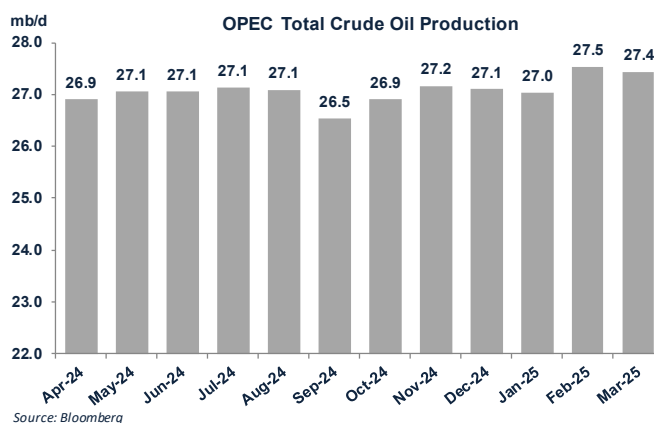
Production ('000 b/d)	Feb-25	Mar-25	Change		Capacity	Spare Capacity
Total OPEC-12	27,540	27,430	-110	-0.40%	33,640	6,210
Saudi Arabia	8,970	8,950	-20	-0.2%	12,000	3,050
Iraq	4,190	4,150	-40	-1.0%	4,800	650
Iran	3,370	3,350	-20	-0.6%	3,830	480
UAE	3,300	3,330	30	0.9%	4,650	1,320
Kuwait	2,470	2,470	0	0.0%	2,820	350
Nigeria	1,550	1,500	-50	-3.2%	1,600	100
Libya	1,290	1,270	-20	-1.6%	1,290	20
Algeria	910	910	0	0.0%	1,060	150
Venezuela	980	980	0	0.0%	980	0
Congo	240	250	10	4.2%	300	50
Gabon	200	210	10	5.0%	230	20
Equatorial Guinea	70	60	-10	-14.3%	80	20
Total OPEC-11	23,350	23,280	-70	-0.30%	28,840	5,560

Source: Bloomberg

Meanwhile, in a surprise move, the OPEC+ members decided to make a larger-than-expected oil supply hike in May-2025 in its latest monthly meeting, putting pressure on oil prices, in addition to the pressure from tariffs. The group decided to increase output by 411 tb/d next month, almost three times the agreed output hike for April-2025. As per the delegates, the larger cut was intended to put pressure on producers that have been producing above their quotas.

Oil production in Libya declined marginally from an almost 12-year high level achieved in February-2025 to reach 1.27 mb/d during March-2025. Oil officials from the country's NOC said that they are set to offer 22 areas for oil exploration and development, the first such bidding in more than 17 years, according to Reuters. The deals would involve production sharing agreements and the aim is to increase the country's oil production to 2 mb/d from the current peak capacity of around 1.4 mb/d.

Oil production in Nigeria also declined during the month to reach 1.5 mb/d, the lowest in four months, according to data from Bloomberg. The country's oil ministry claimed that the output was in compliance with OPEC+ quotas during March-2025. The production decline was led by fall in production from the Quaoboe and Forcados oil terminals. Moreover, there were recent reports of pipeline sabotage attacks on oil infrastructure in the Niger Delta region that affected operations at oil company Oanda's recently acquired facilities.



Source: Bloomberg

Brent Crude Oil Price Forecast

Firm	As Of	Q2-25	Q3-25	Q4-25	Q1-26
Julius Baer	9/Apr/25	60.0	60.0	60.0	60.0
Standard Chartered Bank	8/Apr/25	73.0	77.0	82.0	85.0
Morgan Stanley	7/Apr/25	65.0	62.5	62.5	
JYSKE BANK AS	7/Apr/25	68.0	70.0	68.0	65.0
JPMorgan Chase & Co	4/Apr/25	77.0	73.0	69.0	64.0
Citigroup Inc	4/Apr/25	68.0	63.0	60.0	
ING Groep NV	4/Apr/25	74.0	75.0	68.0	67.0
UBS Group AG	4/Apr/25	80.0	80.0	80.0	80.0
Bank of America Merrill Lynch	1/Apr/25	69.0	68.0	69.0	71.0
RBC	27/Mar/25	67.0	64.0	63.0	63.0
Rabobank	27/Mar/25	72.0	69.0	68.0	66.5
Market Risk Advisory Co Ltd	24/Mar/25	72.8	72.0	72.0	72.0
HSBC Holdings PLC	18/Mar/25	73.0	72.0	70.0	70.0
Australia & New Zealand Banking Group Ltd	18/Mar/25	75.0	72.0	71.0	75.0
Commerzbank AG	18/Mar/25	75.0	75.0	75.0	75.0
Panmure Liberum	18/Mar/25	71.0	70.0	70.0	69.0
Tradingeconomics.com	12/Mar/25	71.1	71.5	71.9	
Intesa Sanpaolo SpA	11/Mar/25	74.0	73.0	75.0	74.0
Macquarie Group Ltd	11/Mar/25	66.0	72.0	72.0	
Goldman Sachs Group Inc/The	10/Mar/25	80.0	78.0	77.0	75.0
United States Department of Energy	6/Mar/25	74.0	75.0	73.0	71.0
Landesbank Baden-Wuerttemberg	28/Feb/25	70.0	70.0	70.0	70.0
Emirates NBD PJSC	28/Feb/25	75.0	72.5	70.0	70.0
Kshitij Consultancy Services Pvt Ltd	28/Feb/25	74.0	74.6	70.0	
Natixis SA	19/Feb/25	70.0	75.0	73.0	74.0
Deutsche Bank AG	10/Feb/25	74.0	70.0	70.0	
MPS Capital Services Banca per le Imprese SpA	7/Feb/25	78.0	74.0		
MUFG Bank	30/Jan/25	69.0	74.0	77.0	
Barclays PLC	16/Dec/24	84.0	84.0	80.0	
BNP Paribas SA	13/Dec/24	75.0	76.0	75.0	73.0
TD Securities	6/Dec/24	71.0	73.0	73.0	75.0
Panmure Gordon & Co PLC	13/Nov/24	73.0	73.0	72.0	72.0
Median		73.0	72.8	71.0	71.0
Mean		72.4	72.1	71.2	71.2
High		84.0	84.0	82.0	85.0
Low		60.0	60.0	60.0	60.0
Current Fwd		63.9	62.8	62.4	62.5
Difference (Median - Current)		9.1	10.0	8.6	8.5

Source: Bloomberg

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