Investment Strategy & Research

Oil Market Monthly Report

April-2026

In this Report...

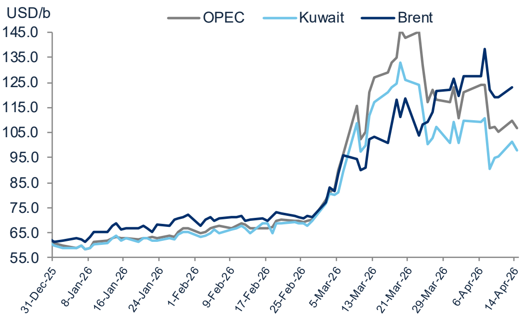
US-Iran tensions keep oil markets on the edge...

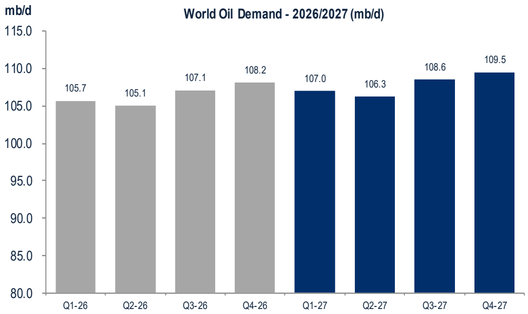
Brent crude oil briefly traded above the USD 100/b level last week after the US government announced a naval blockade of the Strait of Hormuz for vessels departing or entering the Iranian ports or coast lines. This came after the high stakes first round of peace talks between the US and Iran over the war in the Middle East were inconclusive. The escalation threatened a fragile two weeks ceasefire announced last week by the two sides. However, prices quickly receded during the same day after it emerged that the two countries are seeking to revive the peace talks via another round of talks aimed at achieving a longer term ceasefire. *The passage of a US-sanctioned crude oil vessel through the Strait of Hormuz despite the blockade by the US also calmed the markets indicating a flexible stand adopted by the US. A WSJ report also cited the pressure on the US from Saudi Arabia to drop the blockade and return to the negotiating table.*

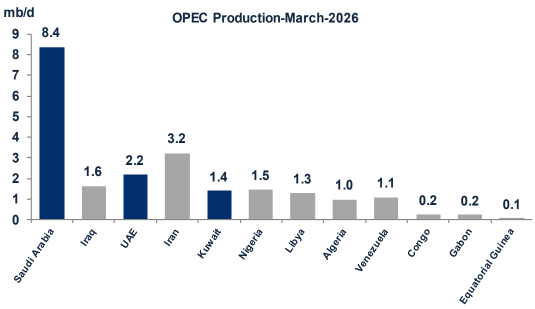
Meanwhile, the repercussions of the war was felt across the globe resulting from what is termed as the largest crude oil supply disruption in the history. Refinery run rates were lowered in a number of countries including in China and a number of countries announced rationing in the domestic fuel market while sectors like transportation and air travel were impacted due to prices doubling in some cases. *Reports showed that gasoline and diesel prices in the US rose to the highest level since 2022 while jet fuel and diesel prices in Europe have reached near record highs or at an all time highs above the USD 200/b level. Demand reduction measures like lower speed limits, reduced air travel, and increased reliance on public transport to curb fuel consumption were also advised by the IEA while a number of countries are limiting fuel exports to ensure domestic availability.*

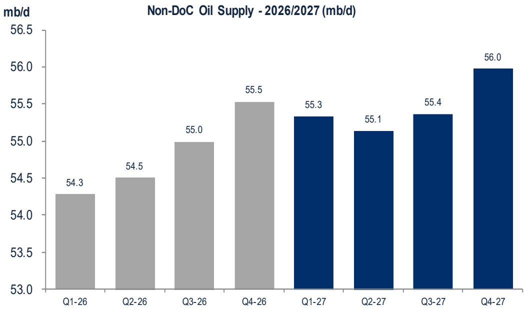
On the demand side, while OPEC retained its world oil demand growth projection at 1.4 mb/d this year, the IEA in its latest monthly report has projected a decline in oil demand this year as the increase in price would have a negative impact on consumption. The agency had previously expected a demand growth of 730 tb/d in 2026. As per the IEA, petrochemical feedstocks would see the most immediate impact of the war as the supply chain has been severely disrupted, especially in the Asian market.

On the supply front, OPEC oil production plunged to the lowest level since the Gulf War with average production reaching 22.05 mb/d during March-2026 as compared to a 3.5 year high level in the previous month, as per data from Bloomberg. The decline was the sharpest in the case of Iraq at 2.8 mb/d followed by Saudi Arabia, UAE and Kuwait. These declines were partially offset by higher production reported by Venezuela. *On the other hand, oil production in the US declined for the sixth consecutive week, albeit marginally, and stood at 13.6 mb/d.*









Sources : OPEC, EIA, Bloomberg

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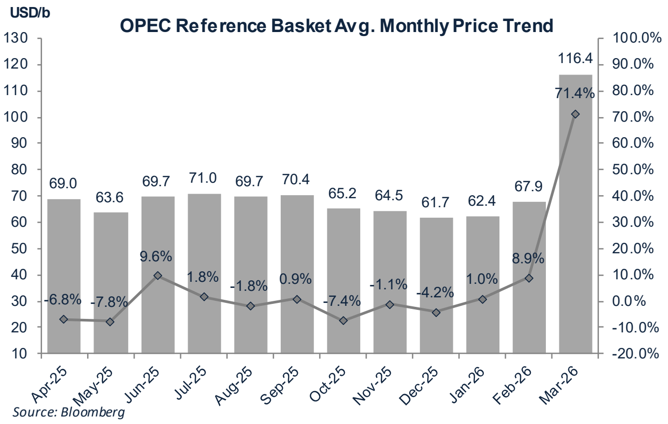
Oil Prices

Crude oil prices reached levels last seen at the start of the Russia-Ukraine in 2022. Brent oil futures prices stayed elevated over the USD 100/b mark during the last week of March-2026 after the flow of crude oil was disrupted from the Strait of Hormuz. The persistent attacks on oil infrastructure in the region also kept prices on the edge. However, the announcement of a temporary two-week ceasefire between the US and Iran tempered prices and futures prices receded around the USD 95/b level. On the other hand, the physical crude oil market remained extremely active as buyers snapped up available crude oil cargoes even at steep prices. A bloomberg report showed that for merely four bids out of forty were met with offers in the North Sea physical crude oil market with cargoes for coming weeks being traded at above the USD 140/b levels. The spread between dated brent, the key benchmark for physical oil market, and brent crude oil futures reached around USD 34/b at the peak of the crises just before the announcement of the ceasefire with dated brent at USD 144/b. The physical market benchmark dropped to USD 124/b after the ceasefire announcement but is seen climbing towards USD 130/b over the last few trading sessions due to the undersupply. The shortage has caused refiners in China to cut refinery run rates and their European counterparts are also planning to lower output due to the crude oil supply issues. The IEA has also warned that the futures prices do not reflect the severity of the unprecedented supply crisis and said that pain in the market is expected to increase in the coming months due to the disruption in supplies. .



Source: Bloomberg

In terms of monthly price trend, average crude oil prices saw gains for the second consecutive month during March-2026 led by the supply disruption caused by the Middle East conflict. Average spot Brent crude oil price reached the highest level in more than 3.5 years registering an increase of 46.1% to reach USD 103.8/b. On the other hand, average OPEC reference basket price witnessed a much larger increase of 71.4% to reach USD 116.4/b while Kuwait export grade crude prices witnessed a growth of 86.5% to average at USD 124.3/b during March-2026.

Average Crude Oil Prices, USD/b	Feb-2026	Mar-2026	Change (USD)	YTD Avg. 2025	YTD Avg. 2026
OPEC Reference Basket	**67.9**	**116.4**	**48.5**	**76.8**	**83.0**
Arab Light	68.4	121.3	52.9	78.5	85.0
Basrah Light	66.8	117.6	50.9	75.9	82.7
Bonny Light	72.0	104.6	32.6	76.6	81.9
Djeno	63.6	96.4	32.8	68.2	73.6
Es Sider	71.1	103.7	32.6	74.3	81.1
Iran Heavy	66.6	124.1	57.5	77.3	84.8
Kuwait Export	**66.6**	**124.3**	**57.6**	**78.0**	**84.8**
Merey	52.3	85.9	33.6	64.3	61.0
Murban	69.5	110.9	41.4	76.9	82.1
Rabi	70.6	103.4	32.8	75.2	80.6
Saharan Blend	73.6	104.2	30.7	76.5	82.3
Zafiro	68.4	102.1	33.7	78.0	79.6
Other Crudes					
Brent	71.1	103.8	32.8	75.7	81.1
Dubai	68.3	128.3	60.0	77.0	87.2
Isthmus	61.1	90.1	29.0	70.7	70.0
LLS	66.4	96.0	29.6	74.4	75.2
Mars	64.2	98.1	33.9	72.7	74.3
Minas	75.4	113.8	38.4	78.6	87.1
Urals	41.0	73.8	32.8	61.9	51.3
WTI	64.4	91.2	26.7	71.6	72.4
Differentials					
Brent/WTI	6.7	12.7	6.0	4.1	8.7
Brent/LLS	4.7	7.9	3.2	1.3	5.9
Brent/Dubai	2.8	(24.4)	(27.2)	(1.3)	(6.1)

Source: OPEC Monthly Oil Market Report - Apr-2026

World Oil Demand

Global oil demand growth forecast for 2026 was kept unchanged in the latest monthly report from OPEC at a growth of 1.38 mb/d with demand expected to reach 106.53 mb/d during the year. However, there were minor adjustments to estimates at the regional level that showed downward adjustments to demand forecasts for the OECD region that was fully offset by an upward adjustment to demand in the non-OECD regions. As per the OPEC report, demand forecast for the US was lowered for Q2-2026 and Q4-2026 as compared to the previous report while the OECD Europe and the OECD Asia Pacific regions saw downgrades for 1H-2026 and Q2-2026 demand forecast. These downward adjustments were offset by upward adjustment to forecasts for China, Latin America, Africa and Other Asia while forecasts for India and the Middle East region was lowered for the year. The IEA, on the other hand, has forecasted a contraction in global oil demand during the year. The agency expects demand to contract by 80 tb/d this year, a decline of around 730 tb/d from its previous month's forecast, reflecting the impact on global economy from the war. The steepest downgrade for made for demand in the Middle East region with the IEA lowering

World Oil Demand - 2025/2026, mb/d	2025	Q1-26	Q2-26	Q3-26	Q4-26	2026	Y-o-Y Growth	% Chg.
Americas	25.42	25.11	25.27	26.12	25.60	25.53	0.11	0.43
of which US	20.74	20.45	20.71	21.31	20.87	20.84	0.10	0.48
Europe	13.43	12.92	13.67	13.77	13.45	13.46	0.03	0.22
Asia Pacific	7.10	7.34	6.65	6.89	7.43	7.08	(0.02)	(0.28)
Total OECD	**45.94**	**45.38**	**45.59**	**46.78**	**46.49**	**46.07**	**0.13**	**0.28**
China	16.88	17.22	16.73	17.30	17.29	17.14	0.25	1.54
India	5.65	5.85	5.90	5.61	6.13	5.87	0.22	3.89
Other Asia	9.85	10.07	10.27	10.07	10.06	10.12	0.26	2.74
Latin America	6.94	6.96	7.08	7.13	7.09	7.07	0.13	1.87
Middle East	8.82	8.81	8.64	9.15	9.21	8.95	0.14	1.47
Africa	4.92	5.07	4.85	5.00	5.39	5.08	0.16	3.25
Russia	4.01	4.07	3.86	4.06	4.21	4.05	0.04	1.00
Other Eurasia	1.31	1.47	1.33	1.20	1.37	1.34	0.03	2.29
Other Europe	0.83	0.83	0.82	0.82	0.92	0.85	0.02	2.41
Total Non-OECD	**59.21**	**60.36**	**59.48**	**60.34**	**61.66**	**60.46**	**1.26**	**2.11**
Total World	**105.15**	**105.74**	**105.07**	**107.12**	**108.16**	**106.53**	**1.38**	**1.31**

Source: OPEC Monthly Oil Market Report - Apr-2026

its forecast by 1.5 mb/d for Q2-2026, the steepest declines since the Covid-19 pandemic. The IEA expects the demand declines to spread to other countries in the Asia Pacific region, mainly for naphtha, LPG and jet fuel and said that the demand destruction will spread due to shortage and increase in prices. This was evident in the latest energy import figures for China. As per Bloomberg, crude oil imports by China dropped by 2.8% during March-2026 to reach 49.98 million tons. In terms of sellers, reports showed that China is shifting from Middle Eastern producer to Central Asian producers, mainly Kazakhstan. Imports to India has also shifted to Russia as refiners took advantage of the oil import waiver from the US. The country also imported its first Iranian crude shipment in seven years but the blockade of the Strait of Hormuz has once again impacted India's purchase of crude oil from the Middle East.

Oil demand growth forecast for 2027 was also kept unchanged by the OPEC at a growth of 1.34 mb/d reaching 107.87 mb/d. Revisions once again showed lowered forecast for OECD countries that was offset by higher non-OECD demand.

World Oil Demand - 2026/2027, mb/d	2026	Q1-27	Q2-27	Q3-27	Q4-27	2027	Y-o-Y Growth	% Chg.
Americas	25.53	25.19	25.34	26.23	25.69	25.62	0.09	0.35
of which US	20.84	20.53	20.78	21.41	20.95	20.92	0.08	0.38
Europe	13.46	12.95	13.72	13.81	13.49	13.49	0.04	0.22
Asia Pacific	7.08	7.33	6.63	6.87	7.42	7.06	(0.02)	(0.28)
Total OECD	**46.07**	**45.46**	**45.69**	**46.92**	**46.60**	**46.17**	**0.10**	**0.22**
China	17.14	17.38	16.89	17.53	17.53	17.33	0.20	1.11
India	5.87	6.07	6.11	5.83	6.36	6.09	0.22	3.75
Other Asia	10.12	10.34	10.53	10.32	10.34	10.38	0.27	2.57
Latin America	7.07	7.10	7.23	7.25	7.22	7.20	0.14	1.84
Middle East	8.95	8.98	8.76	9.35	9.36	9.11	0.16	1.79
Africa	5.08	5.23	4.99	5.18	5.55	5.24	0.16	3.15
Russia	4.05	4.12	3.91	4.10	4.26	4.10	0.05	1.23
Other Eurasia	1.34	1.51	1.36	1.24	1.40	1.38	0.03	2.99
Other Europe	0.85	0.85	0.84	0.84	0.94	0.87	0.02	2.35
Total Non-OECD	**60.46**	**61.58**	**60.62**	**61.64**	**62.94**	**61.70**	**1.24**	**2.05**
Total World	**106.53**	**107.04**	**106.31**	**108.56**	**109.54**	**107.87**	**1.34**	**1.26**

Source: OPEC Monthly Oil Market Report - Apr-2026

World Oil Supply

World oil supply plunged during March-2026 that added to the supply declines over the previous few months. Data from IEA showed that world oil supply declined by 10.1 mb/d in March-2026 to reach an average of 97 mb/d led by fall in output from both OPEC+ and non-OPEC+ producers. The decline in OPEC+ was due to the continued attacks on oil infrastructure in the Middle East region. This caused OPEC+ production to drop by 9.4 mb/d during the month to an average of 42.4 mb/d. Non-OPEC+ supply also declined by 770 tb/d during March-2026 mainly led by fall in output from Qatar that more than offset gain in output from Brazil and the United States.

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	28.82	29.04	28.56	0.26	0.95
of which US	22.22	21.78	22.40	22.60	22.69	22.37	0.15	0.68
Europe	3.63	3.74	3.55	3.52	3.63	3.61	(0.02)	(0.55)
Asia Pacific	0.41	0.41	0.38	0.39	0.38	0.39	(0.01)	(4.88)
Total OECD	**32.32**	**32.10**	**32.35**	**32.72**	**33.05**	**32.56**	**0.24**	**0.74**
China	4.62	4.67	4.67	4.57	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	1.64	1.64	1.62	1.61	1.61	1.62	(0.02)	(1.22)
Latin America	7.55	8.04	7.96	8.02	8.16	8.05	0.50	6.62
Middle East	1.99	1.73	1.83	1.98	1.99	1.88	(0.11)	(5.53)
Africa	2.27	2.24	2.23	2.24	2.31	2.25	(0.01)	(0.88)
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	**19.34**	**19.61**	**19.58**	**19.69**	**19.91**	**19.70**	**0.36**	**1.86**
Total Non-DoC Production	**51.66**	**51.71**	**51.93**	**52.42**	**52.96**	**52.26**	**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	**54.20**	**54.28**	**54.50**	**54.99**	**55.53**	**54.83**	**0.63**	**1.16**
DoC NGLs and non-conventionals	**8.63**	**8.68**	**8.76**	**8.74**	**8.87**	**8.76**	**0.13**	**1.53**
DoC Crude Oil Production	**41.93**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total World Supply	**104.76**	**-**	**.**	**-**	**-**	**-**	**-**	**-**

Source: OPEC Monthly Oil Market Report - Apr-2026

The monthly report from OPEC showed no change in the supply forecast for non-DoC liquids production as compared to the previous month's estimates. As per OPEC, supply from non-DoC producers is expected to grow by 0.63 mb/d in 2026 to reach an average output of 54.83 mb/d during the year. At the regional level, there were minor upward adjustments to supply data for the OECD region that was offset by a downward revision to forecast for the non-OECD region. Supply forecasts from the US was raised for 2H-2026 while minor upward revision was made to data for OECD Europe for 1H-2026. The US EIA, meanwhile, lowered its supply forecast for the country by 0.1 mb/d to 13.51 mb/d in its latest STEO. In the non-OECD region, supply forecast was raised by the Latin America region that was offset by a downward adjustment to supplies from the Middle East and Africa regions. The report made an upward adjustment to demand growth forecast for Brazil from a growth of 160 tb/d last month to 210 t/d in the latest report with average production reaching 4.6 mb/d. The increase is led by higher output at the Buzios (Franco), Mero (Libra NW), Marlim and Bacalhau (x-Carcara) projects.

For 2027, the OPEC once again kept its forecast largely unchanged as compared to last month and expects non-DoC output to increase by 0.62 mb/d to an average of 55.45 mb/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	28.56	28.59	28.51	28.75	29.01	28.72	0.16	0.56
of which US	22.37	22.26	22.39	22.43	22.52	22.40	0.03	0.13
Europe	3.61	3.64	3.53	3.48	3.59	3.56	(0.05)	(1.39)
Asia Pacific	0.39	0.39	0.37	0.39	0.39	0.38	(0.01)	(2.56)
Total OECD	**32.56**	**32.61**	**32.41**	**32.62**	**32.99**	**32.66**	**0.10**	**0.31**
China	4.62	4.65	4.64	4.54	4.56	4.60	(0.02)	(0.43)
India	0.82	0.81	0.80	0.80	0.81	0.81	(0.01)	(1.22)
Other Asia	1.62	1.60	1.59	1.59	1.61	1.60	(0.02)	(1.23)
Latin America	8.05	8.31	8.35	8.45	8.62	8.43	0.39	4.72
Middle East	1.88	2.00	2.01	2.03	2.05	2.02	0.14	7.45
Africa	2.25	2.29	2.28	2.27	2.28	2.28	0.02	1.33
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	**19.70**	**20.13**	**20.13**	**20.15**	**20.39**	**20.20**	**0.50**	**2.54**
Total Non-DoC Production	**52.26**	**52.74**	**52.54**	**52.77**	**53.38**	**52.86**	**0.60**	**1.15**
Processing gains	2.57	2.59	2.59	2.59	2.59	2.59	0.02	0.78
Total Non-DoC Supply	**54.83**	**55.33**	**55.13**	**55.36**	**55.97**	**55.45**	**0.62**	**1.13**

Source: OPEC Monthly Oil Market Report - Apr-2026

OPEC Oil Production & Spare Capacity

From the highest level in 3.5 years in February-2026, OPEC crude oil production reached the lowest level since the Gulf War led by the Middle East conflict from. Average group output declined by 7.56 mb/d during the month and stood at 22.05 mb/d, according to data from Bloomberg. Within the group, Iraq witnessed the steepest decline of 2.8 mb/d with output averaging at 1.63 mb/d during March-2026. Saudi Arabia also showed output decline of more than 2 mb/d with a drop of 2.07 mb/d to reach an average of 8.36 mb/d, while UAE and Kuwait showed output declines of 1.44 mb/d and 1.17 mb/d, respectively. OPEC secondary sources also showed a slightly steeper output decline of 7.9 mb/d with output averaging at 20.79 mb/d during March-2026. Meanwhile, oil output in Iran witnessed a much smaller decline as compared to the rest of the Middle East producers dropping by 0.18 mb/d to an average of 3.2 mb/d, as per Bloomberg. On the other hand, Venezuela was the only

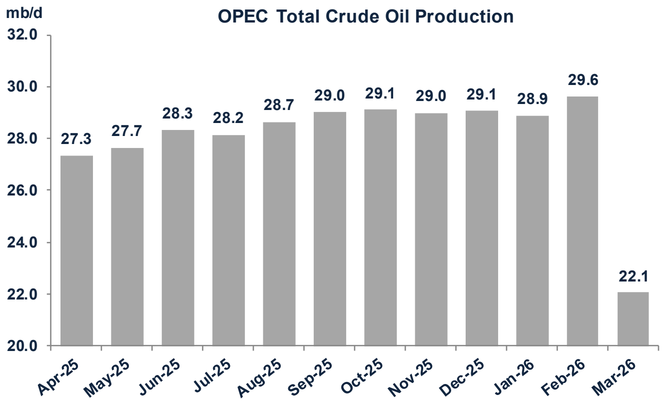
Production ('000 b/d)	Feb-26	Mar-26	Change		Capacity	Spare Capacity
Total OPEC-12	**29,610**	**22,050**	**-7,560**	**-25.53%**	**33,690**	**11,640**
Saudi Arabia	10,430	8,360	-2,070	-19.8%	12,000	3,640
Iraq	4,390	1,630	-2,760	-62.9%	4,800	3,170
UAE	3,600	2,160	-1,440	-40.0%	4,650	2,490
Iran	3,410	3,230	-180	-5.3%	3,830	600
Kuwait	2,550	1,380	-1,170	-45.9%	2,820	1,440
Nigeria	1,450	1,450	0	0.0%	1,600	150
Libya	1,300	1,270	-30	-2.3%	1,320	50
Algeria	970	980	10	1.0%	1,060	80
Venezuela	980	1,080	100	10.2%	1,000	-80
Congo	270	240	-30	-11.1%	300	60
Gabon	220	220	0	0.0%	230	10
Equatorial Guinea	40	50	10	25.0%	80	30
Total OPEC-11	**25,220**	**20,420**	**-4,800**	**-19.03%**	**28,890**	**8,470**

Source: Bloomberg

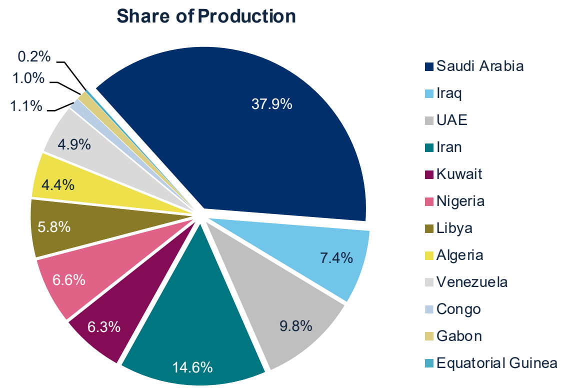
producer in the group that showed a noticeable increase in output during the month. Bloomberg data showed Venezuela output reaching an average of 1.08 mb/d after increasing by 100 tb/d during March-2026 while OPEC secondary sources showed a slightly smaller increase of 79 tb/d with output averaging at 988 tb/d.

Output from the broader DoC producers group showed a slightly smaller production decline of 7.7 mb/d, as per OPEC secondary sources, with average output from the broader OPEC+ group reaching 35.06 mb/d during March-2026. The non-OPEC DoC group showed a production increase of 176 tb/d during March-2026 mainly led by a sharp increase in output from Kazakhstan for the second consecutive month that was partially offset by a decline in production in Bahrain. Average production in the country reached 1.44 mb/d during the month after increasing by 251 tb/d.

Meanwhile, the near double-blockade of the Strait of Hormuz almost fully stopped the flow of crude oil from the region. Reports showed that the US expects Iran to run out of oil storage while the latter was reportedly mulling a pause in shipments. As per the IEA, the total loss of production prior to the blockade by the US stood at around 13 mb/d. With the current situation, the losses could be even more as Iran was exporting close to 2 mb/d of crude oil during the crisis. With the lost production, the spare capacity with OPEC producers has exceeded 11.6 mb/d as of the end of March-2026.



Source: Bloomberg



Source: Bloomberg

Brent Crude Oil Price Forecast

Firm	As Of	Q2-26	Q3-26	Q4-26	Q1-27
Standard Chartered	8/Apr/26	98.0	85.0	80.5	78.0
JPMorgan Chase & Co	6/Apr/26	59.0	56.0	55.0	55.0
MPS Capital Services Banca per le Imprese SpA	3/Apr/26	90.0	80.0	75.0	70.0
BMI, a Fitch Solutions company	1/Apr/26	66.0	67.0	69.0	
Citigroup Inc	31/Mar/26	95.0	80.0	75.0	
Morgan Stanley	30/Mar/26	110.0	100.0	90.0	80.0
Macquarie Group Ltd	27/Mar/26	113.0	78.0	86.0	
Commerzbank AG	26/Mar/26	90.0	80.0	80.0	75.0
BloombergNEF	25/Mar/26	94.4	77.8	62.2	
Bank of America Merrill Lynch	24/Mar/26	80.0	76.0	74.0	68.0
Market Risk Advisory Co Ltd	24/Mar/26	93.3	83.3	76.7	71.7
JYSKE BANK AS	23/Mar/26	80.0	75.0	75.0	65.0
Rabobank	23/Mar/26	107.0	96.0	90.0	87.0
UBS Group	23/Mar/26	100.0	65.0	67.0	67.0
Goldman Sachs Group Inc	20/Mar/26	99.0	82.0	80.0	80.0
Intesa Sanpaolo SpA	20/Mar/26	125.0	85.0	70.0	67.0
Julius Baer Group Ltd	13/Mar/26	74.2	62.5	60.0	60.0
Landesbank Baden-Wuerttemberg	12/Mar/26	75.0	75.0	70.0	70.0
HSBC Holdings PLC	10/Mar/26	88.0	78.0	73.0	70.0
Barclays PLC	5/Mar/26	82.8	75.4	72.2	
ING Groep NV	5/Mar/26	71.0	68.0	62.0	58.0
Westpac Banking Corp	16/Feb/26	68.0	65.7	63.0	60.7
Kshitij Consultancy Services Pvt Ltd	5/Feb/26	74.0	75.0	82.0	
Deutsche Bank AG	26/Jan/26	60.0	63.0	63.0	
Panmure Gordon & Co PLC	13/Jan/26	65.0	66.0	66.0	68.0
Natixis SA	5/Jan/26	60.0	64.0	66.0	63.5
Australia & New Zealand Banking Group Ltd	19/Dec/25	65.0	68.0	70.0	70.0
Tradingeconomics.com	15/Dec/25	65.5	67.0		
United States Department of Energy	9/Dec/25	54.0	55.3	56.0	
BNP Paribas SA	1/Dec/25	57.3	62.6	63.0	65.9
OCBC Bank	13/Nov/25	62.5	61.1	58.5	
Emirates NBD PJSC	6/Nov/25	65.0	65.0	65.0	
Median		**77.5**	**75.0**	**70.0**	**68.0**
Mean		**80.8**	**73.1**	**70.8**	**69.0**
High		**125.0**	**100.0**	**90.0**	**87.0**
Low		**54.0**	**55.3**	**55.0**	**55.0**
Current Fwd		**97.1**	**86.5**	**82.5**	**80.0**
Difference (Median - Current)		**-19.6**	**-11.5**	**-12.5**	**-12.0**

Source: Bloomberg

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