Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

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Feature article:
Review of global oil demand trends

Organization of the Petroleum Exporting Countries

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Oil Market Highlights

Crude Oil Price Movements

The OPEC Reference Basket (ORB) rose by $1.04, or 1.3%, m-o-m in January to average $80.04/b. Oil futures prices increased, with the ICE Brent front-month contract rising by $1.83, or 2.4%, m-o-m to $79.15/b, and the NYMEX WTI front-month contract rising by $1.74, or 2.4%, to average $73.86/b. The DME Oman front-month contract increased by $2.12, or 2.8%, m-o-m, to settle at $78.95/b. The front-month ICE Brent/NYMEX WTI spread further widened in January by 9¢ to average $5.29/b. The market structure of oil futures prices strengthened, with the front of forward curves for all major benchmarks flipping into backwardation. Selling pressure in oil futures markets eased, and money managers rebuilt part of their bullish positions in ICE Brent.

World Economy

The world economic growth forecast now stands at 2.7% for 2024 and 2.9% in 2025, following slight upward revisions for each year compared with the previous month's assessment. US economic growth for 2024 is revised up to 1.6%, as healthy momentum from 2H23 is expected to continue. The forecast for 2025 is also revised up from the previous assessment to 1.7%. The economic growth forecast for the Eurozone remains at 0.5% for 2024 and 1.2% for 2025, while Japan's economic growth forecast is unchanged at 0.9% in 2024 and 1% in 2025. China's economic growth forecast remains at 4.8% in 2024 and 4.6% in 2025. Meanwhile, India's economic growth forecast remains at 5.9% for 2024 and 6.1% in 2025. Brazil's economic growth forecast for 2024 is revised up to 1.5%, while the forecast for 2025 stays unchanged at 1.9%. Russia's economic growth forecast for 2024 is revised up to 1.7%, with growth in 2025 unchanged at 1.2%.

World Oil Demand

The global oil demand growth forecast for 2024 remains unchanged from last month's assessment at 2.2 mb/d. A slight upward adjustment to the US forecast has been made given the improving expectation for the US economy, which will have a positive impact on oil demand. This offsets the downward revision made in OECD Europe. The OECD is projected to expand by around 0.3 mb/d and the non-OECD by about 2.0 mb/d this year. In 2025, global oil demand is expected to see a robust growth of 1.8 mb/d, y-o-y, unchanged from the last month's assessment. The OECD is forecast to grow by 0.1 mb/d, while demand in the non-OECD is forecast to increase by 1.7 mb/d.

World Oil Supply

Non-OPEC liquids production in 2024 is expected to grow by 1.2 mb/d, revised down from the previous month's assessment. The main drivers for liquids supply growth in 2024 are expected to be the US, Canada, Guyana, Brazil and Norway. The forecast for non-OPEC liquids supply growth in 2025 stands at 1.3 mb/d, unchanged from the previous month, mainly driven by the US, Brazil, Canada, Norway, Kazakhstan and Guyana. Separately, OPEC natural gas liquids (NGLs) and non-conventional liquids are forecast to grow by around 64 tb/d this year to average 5.5 mb/d, followed by a growth of 110 tb/d in 2025 to average 5.6 mb/d. OPEC-12 crude oil production in January decreased by 350 tb/d, m-o-m, to average 26.34 mb/d, according to available secondary sources.

Product Markets and Refining Operations

In January, refinery margins showed solid gains on the US Gulf Coast (USGC), as reductions in product supplies caused by weather-related refinery outages constrained product stock builds ahead of the heavy maintenance season. In Singapore, gains were considerably more limited, as refinery maintenance in the region restricted product output, despite considerable growth in naphtha stocks. However, in Rotterdam, margins declined, with seasonal overall product market weakness having offset the bullish market sentiment derived from slower middle distillate imports amid ongoing geopolitical tension. Global refinery intake declined in January following a sharp upward trend witnessed over the previous two consecutive months to show a 1.1 mb/d decline in January, averaging 80.8 mb/d, compared with 81.9 mb/d the previous month. Nevertheless, January intake was still 1.1 mb/d higher relative to the same time a year earlier.

Tanker Market

Dirty freight rates rose in January, amid trade flow disruptions that further increased tonnage-mile demand. VLCC spot freight rates on the Middle East-to-West route increased by 24%, m-o-m, while a more modest gain of 5% was seen on the Middle East-to-East route. Suezmax rates on the USGC-to-Europe route increased by 34%, m-o-m, while Aframax rates around the Mediterranean rose by 26%, m-o-m, with gains reflecting tightening availability lists. Clean rates saw mixed movement. East of Suez rates surged by 45%, as trade disruptions triggered some rebooking, while West of Suez rates fell by 10%.

Crude and Refined Products Trade

Preliminary data shows that US crude imports averaged 6.2 mb/d in January, while US crude exports remained steady at strong levels in January, averaging 4.2 mb/d. China's crude imports averaged 11.4 mb/d in December, representing an increase of 1.1 mb/d, m-o-m. Gains came as the government provided advanced crude import quotas for 2024, allowing refiners to boost inflows in the final weeks of the year. India's crude imports in December reached a six-month high of 4.7 mb/d, supported by seasonal trends. Japan's crude imports averaged 2.7 mb/d in December, representing a decline of more than 10% compared with December 2022. OECD Europe crude imports are estimated to fluctuate around the turn of the year with inflows strengthening in December before falling back in January.

Commercial Stock Movements

Preliminary data for December 2023 shows total OECD commercial oil stocks down by 22.6 mb, m-o-m. At 2,767 mb, they were 159 mb below the 2015-2019 average. Within the components, crude and product stocks fell by 11.3 mb, m-o-m, each. OECD commercial crude stocks stood at 1,342 mb in December. This was 86 mb lower than the 2015–2019 average. OECD total product stocks stood at 1,425 mb. This was 73 mb below the 2015–2019 average. In terms of days of forward cover, OECD commercial stocks dropped by 0.4 days, m-o-m, in December, to stand at 60.6 days. This is 1.7 days less than the 2015-2019 average.

Balance of Supply and Demand

Demand for OPEC crude in 2024 stands at about 28.4 mb/d, which is 1.0 mb/d higher than the estimated level for 2023. Demand for OPEC crude in 2025 is expected to reach about 28.8 mb/d, an increase of about 0.5 mb/d over the forecast 2024 level.

Feature Article

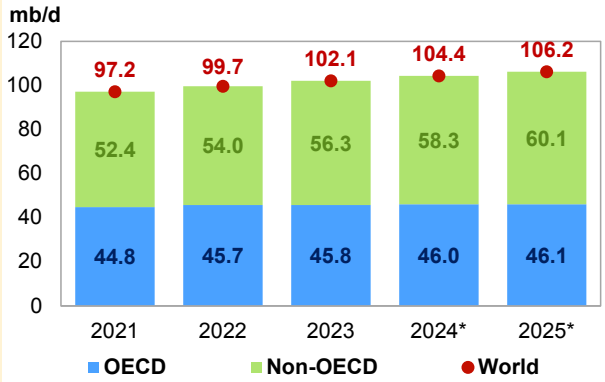
Review of global oil demand trends

Oil demand grew by a considerable 2.5 mb/d in 2023, mostly driven by solid economic activity in non-OECD countries, led by a strong rebound from COVID-19-related lockdowns in China. In 2024, global oil demand growth is forecast to stand at a healthy 2.2 mb/d, to reach a level of 104.4 mb/d (105.47 mb/d in 4Q24). This is reflecting the robust economic growth expected this year.

In the OECD, oil demand in 2024 is projected to rise by around 0.3 mb/d (*see **Graph 1***). Within the region, OECD Americas is projected to lead 2024 oil demand growth, increasing by 0.2 mb/d, y-o-y. OECD Europe and Asia Pacific are expected to grow by around 60 tb/d and 20 tb/d, y-o-y, respectively, showing improvement from the contraction seen in 2023.

In the non-OECD, oil demand in 2024 is expected to grow by around 2.0 mb/d, y-o-y, having surpassed pre-pandemic levels already in 2022. Oil demand is projected to be driven by China, with expected healthy growth of 0.6 m/d y-o-y, further supported by the Middle East with an approximate increase of 0.4 mb/d, y-o-y. Other Asia is seen increasing by 0.3 mb/d, y-o-y, and India growing by more than 0.2 mb/d, y-o-y.

Graph 1: Global oil demand by region, 2021–2025

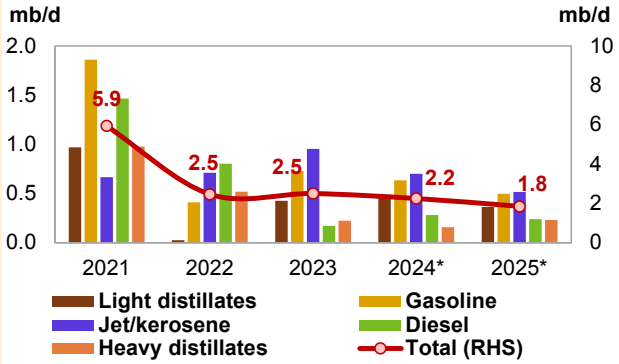


Note: 2024-2025 = Forecast. Source: OPEC.

In terms of products, transportation fuels are forecast to be the main drivers of global oil demand. Consumption of jet/kerosene and gasoline is forecast to increase by 0.7 mb/d and 0.6 mb/d, y-o-y, respectively. Gasoline is expected to average well above pre-pandemic levels, while jet/kerosene is projected to average just below the level seen in 2019. Diesel is projected to expand by 0.3 mb/d, y-o-y, exceeding pre-pandemic levels for the second year, supported by healthy economic activity. Heavy distillates are projected to grow by 0.2 mb/d (*see **Graph 2***). Light distillates are expected to grow by 0.5 mb/d on the back of healthy petrochemical sector requirements.

In the OECD, ongoing improvements in airline activities, combined with robust road mobility are expected to support jet/kerosene and gasoline as the main drivers of demand growth in 2024, growing by around 0.2 mb/d, y-o-y, each. Nonetheless, total volumes are expected to remain below 2019 pre-pandemic levels almost for all product groups. Only OECD demand for LPG surpassed pre-pandemic levels as early as 2021 and now stands 5% above the total demand seen in 2019, attributed to strong petrochemical sector requirements in OECD Americas. In 2024, however, LPG demand in the region is forecast to remain flat on a yearly basis. Gasoil/diesel is still forecast to show a y-o-y contraction in 2024, albeit to a lesser degree than a year earlier, due to an expected relative improvement in the manufacturing sector.

Graph 2: Global oil demand growth by product, y-o-y



Note: 2024-2025 = Forecast.
Source: OPEC.

In terms of products, non-OECD demand growth is expected to be led by y-o-y increases in jet/kerosene of around 0.5 mb/d, with total regional volumes almost reaching 2019 levels. Gasoline is also expected to increase by almost 0.5 mb/d, y-o-y, with the total volume surpassing pre-pandemic levels by around 10%. Gasoil/diesel in the region is projected to grow by more than 0.3 mb/d, y-o-y, also having surpassed pre-pandemic levels back in 2021.

Continued robust economic activity in China, global air travel recovery and expected healthy petrochemical feedstock requirements will be key for oil demand growth in 2024. However, inflation levels, monetary tightening measures and sovereign debt levels could weigh on global oil demand prospects in the current year.

Looking ahead, world oil demand in 2025 is projected to expand by a healthy 1.8 mb/d, y-o-y, to reach 106.2 mb/d. Within the regions, the OECD is forecast to grow by 0.1 mb/d, y-o-y, and the non-OECD is expected to increase by 1.7 mb/d.

Given current market circumstances, ongoing efforts by the countries participating in the Declaration of Cooperation (DoC) remain critical to achieving a balanced and stable oil market for the benefit of producers, consumers and global economy.

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Crude Oil Price Movements

The OPEC Reference Basket (ORB) value increased in January, rising by $1.04, or 1.3%, m-o-m, to stand at $80.04/b.

Crude oil futures prices trended higher against a backdrop of easing speculative selling pressure along with supply disruptions in several regions. Oil prices were further buoyed by stronger-than-expected macroeconomic data, specifically from the US, and signs of robust physical market fundamentals. Higher financial flows in oil futures contracts also supported the momentum in futures prices. In January, combined total open interest in ICE Brent and NYMEX WTI rose by 9.4%.

On a monthly average, the ICE Brent front-month averaged $1.83, or 2.4%, higher in January to stand at $79.15/b, and NYMEX WTI rose by $1.74, or 2.4%, to average $73.86/b. DME Oman crude oil futures prices increased in January by $2.12, or 2.8%, m-o-m, to settle at $78.95/b.

Selling pressure from hedge funds and money managers eased as speculators accelerated short covering for NYMEX WTI, and turned bullish for ICE Brent. Combined futures and options net long positions in ICE Brent and NYMEX WTI rose by 59% in January to their highest point since October 2023 with money managers buying an equivalent of 152 mb.

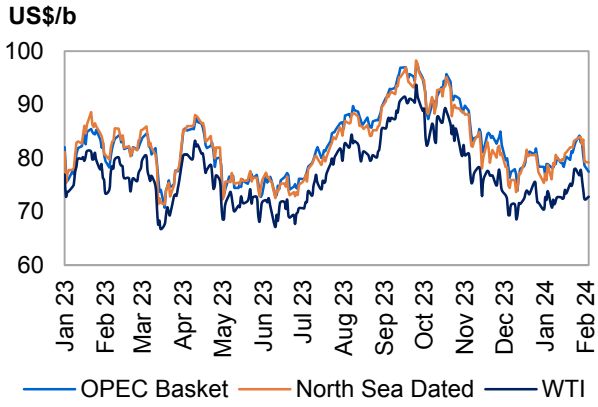
The oil market structure strengthened, with the forward curve for ICE Brent and DME Oman steepening in the front end, while NYMEX WTI flipped into backwardation. This reflected traders' perceptions on the short-term supply and demand outlook. Supply outages and robust physical market fundamentals boosted front-month contracts over forward ones, with lower US crude stocks supporting WTI front-month prices.

The premium of light sweet to medium sour crudes narrowed across all major regions due to a better performance of medium/heavier sour crudes compared to light sweet crudes. Trade flow disruptions and elevated freight costs tightened the sour crude market, especially in the Atlantic Basin. Additionally, reduced margins for light distillate products such as naphtha in Europe and Asia, combined with high margins for middle distillates, further contributed to narrowing the spread.

Crude spot prices

Crude spot market improved in January amid signs of further strengthening in fundamentals, with prices recovering after three consecutive months of declines. The rebound was preliminarily driven by easing futures' selling, providing a supportive environment for spot prices to strenghten. Additionally, ongoing geopolitical tensions and heightened risks in Eastern Europe following attacks on oil infrastructure in the Baltic Sea, added a risk premium to the market, bolstering prices.

Graph 1 - 1: Crude oil price movements



Sources: Argus, OPEC and Platts.

Supply disruptions in various regions further tightened the spot market, notably in the Atlantic Basin. The declaration of force majeure on the El Sharara oil field and the shutdown of a significant volume of oil production in North Dakota due to extremely cold weather raised supply concerns, adding upward pressure to prices. This contributed to a reduction in the availability of prompt loading cargoes and exacerbated supply tightness, while sustained demand for February loading cargoes from refiners provided additional support to spot prices. Renewed demand from Asia Pacific refiners, particularly in China, buoyed the value of Dubai crude.

Crude spot prices were also supported by higher refining margins, especially in Asia and the US Gulf Coast, which contributed to increased demand for crude oil, along with a substantial draw in US crude stocks in January. Moreover, lower OECD commercial oil stocks in December signalled strong supply-demand fundamentals, reinforcing positive sentiment among market participants. The North Sea Dated was further supported by reduced availability of WTI crude in Northwest Europe, supply outages in Libya and trade flow disruptions which delayed arrivals of crude from the east. Furthermore, weather-related supply disruptions in the US, stronger refining margins, and lower stocks at Cushing buoyed WTI prices.

Spot crude prices rose more than futures prices in January in a sign of a healthy physical crude market. North Sea Dated maintained a premium against ICE Brent's first-month contract in January on a monthly basis. On a monthly average, the North Sea Dated-ICE Brent spread stood at a premium of $1.11/b in January, compared with a premium of 66¢/b in December 2023.

All physical crude oil benchmarks rose m-o-m in January, with North Sea Dated increasing the most by $2.28, or 2.9%, settling at $80.26/b, and WTI and Dubai first-month prices rose by $1.79 and $1.42, or 2.5% and 1.8%, to settle at $73.87/b and $78.73/b, respectively.

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

			Change		Year-to-date	
OPEC Reference Basket (ORB)	Dec 23	Jan 24	Jan 24/Dec 23	%	2023	2024
ORB	**79.00**	**80.04**	***1.04***	***1.3***	**81.62**	**80.04**
Arab Light	81.27	82.14	*0.87*	*1.1*	83.80	82.14
Basrah Medium	77.64	78.21	*0.57*	*0.7*	77.82	78.21
Bonny Light	79.81	80.84	*1.03*	*1.3*	82.36	80.84
Djeno	70.53	72.90	*2.37*	*3.4*	75.41	72.90
Es Sider	77.78	79.66	*1.88*	*2.4*	81.01	79.66
Iran Heavy	79.06	80.14	*1.08*	*1.4*	81.56	80.14
Kuwait Export	80.11	80.84	*0.73*	*0.9*	82.94	80.84
Merey	65.23	66.50	*1.27*	*1.9*	61.74	66.50
Murban	77.68	79.06	*1.38*	*1.8*	82.53	79.06
Rabi Light	77.52	79.89	*2.37*	*3.1*	82.40	79.89
Sahara Blend	78.83	81.36	*2.53*	*3.2*	83.76	81.36
Zafiro	79.38	81.66	*2.28*	*2.9*	81.29	81.66
Other Crudes						
North Sea Dated	77.98	80.26	*2.28*	*2.9*	82.86	80.26
Dubai	77.31	78.73	*1.42*	*1.8*	80.75	78.73
Isthmus	70.67	72.34	*1.67*	*2.4*	68.82	72.34
LLS	74.96	76.40	*1.44*	*1.9*	80.73	76.40
Mars	72.59	74.24	*1.65*	*2.3*	74.73	74.24
Minas	76.69	78.06	*1.37*	*1.8*	81.57	78.06
Urals	59.97	62.36	*2.39*	*4.0*	44.37	62.36
WTI	72.08	73.87	*1.79*	*2.5*	78.19	73.87
Differentials						
North Sea Dated/WTI	5.90	6.39	*0.49*	-	4.67	6.39
North Sea Dated/LLS	3.02	3.86	*0.84*	-	2.13	3.86
North Sea Dated/Dubai	0.67	1.53	*0.86*	-	2.11	1.53

Note: As of January 2024: The basket price excludes the Angolan crude "Girassol".

Sources: Argus, Direct Communication, OPEC and Platts.

Crude oil differentials strengthened in January in almost all markets and for all crude qualities, amid improving demand in the spot crude market and firmer demand from Asia-Pacific refiners, specifically Chinese refiners. In the North Sea, the sour crude market strengthened the most, compared to light sweet, amid a tight sour crude market in northwest Europe, exacerbated by ongoing geopolitical tensions. Crude differentials of sour crude Johan Sverdrup rose to the highest level since last October on strong demand from European refiners. On a monthly average, Johan Sverdrup crude differentials increased by $3.43, m-o-m, to stand at an average $2.01/b premium to North Sea Dated. The Forties and Ekofisk crude value against North Sea Dated also strengthened on firm demand, supply outages in the Mediterranean and higher freight rate costs of several maritime routes, including WAF-UKC, which made North Sea crude more competitive. The Forties and Ekofisk crude differentials rose 11¢ and 35¢, m-o-m, respectively, on a monthly average in January to settle at premiums of $1.16/b and $2.72/b.

West African crude differentials also rose on firm demand from Asian refiners amid a favourable west-to-east arbitrage and robust middle distillate margins. On a monthly average, Bonny Light and Qua Iboe crude differentials to North Sea Dated rose by $1.16 and 87¢, respectively, to reach premiums of $1.95/b and $2.05/b. However, Forcados value weakened by 60¢, but maintained a strong differential of $2.98/b against North Sea Dated. The Cabinda crude differential rose by 13¢, m-o-m, to a premium of 36¢/b, compared with a premium of 24¢/b in December. Likewise, in the Mediterranean, Saharan Blend and Azeri Light crude differentials also strengthened last month amid strong demand and supply outages, increasing by $1.15 and

73¢, m-o-m, reaching a premium of $1.59/b and $5.73, respectively. However, the light sour Caspian CPC Blend crude weakened by 61¢ to stand at a $1.93/b discount to North Sea Dated lower demand for the grade from Asian buyers.

In the **Middle East**, most **crude differentials** to Dubai strengthened in January against a backdrop of firm demand from major Asian refiners, specifically China, trade flow disruptions, and stronger refining margins. The value of the Oman crude differential rose by 79¢, m-o-m, to a premium of 86¢/b.

In the **USGC**, the **crude differentials** of Light Louisiana Sweet (LLS) and Mars sour remained strong amid weather disruptions in the US and strong refining margins but fell m-o-m amid higher freight rate costs, which made the grades less competitive for exports. LLS crude differentials fell m-o-m by 38¢ on a monthly average, to a premium of $2.50/b, and Mars sour crude differentials declined by 17¢ to reach a 34¢/b premium to WTI.

OPEC Reference Basket (ORB)

The **ORB value** increased in January, rising by $1.04, or 1.3%, m-o-m, to stand at $80.04/b, along higher major crude benchmarks and stronger crude differentials, although most OSPs fell. Improving supply/demand fundamentals supported related crude benchmarks in January. The year-to-date ORB value was $1.58, or 1.9%, lower than the same period in 2023, at $80.04/b.

All **ORB component values** rose in January. West and North African Basket components – Bonny Light, Djeno, Es Sider, Girassol, Rabi Light, Sahara Blend and Zafiro – rose on average by $2.08, or 2.7%, m-o-m, to reach $79.39/b. Multiple region destination grades – Arab Light, Basrah Light, Iran Heavy, and Kuwait Export – increased on average by 81¢, or 1.0%, m-o-m, to settle at $80.33/b. Murban crude rose on average by $1.38, or 1.8%, m-o-m, to settle at $79.06/b, and the Merey component increased on average by $1.27, or 1.9%, m-o-m, to settle at $66.50/b.

The oil futures market

Crude oil futures prices trended higher in January as selling pressure from speculators eased and market participants turned their focus to geopolitical tensions, along with supply disruptions in several regions due to unplanned outages. Oil prices were further buoyed by stronger-than-expected macroeconomic data, specifically from the US, and signs of robust physical market fundamentals.

In the first half of the month, oil futures prices steadied following the heavy selloffs registered in November and December, and were pricing in a narrower band, although volatility persisted. Oil supply disruptions caused by geopolitical and weather conditions in several regions offset the mixed sentiment toward the global macroeconomic picture. Oil supply was affected by several outages, including in North Dakota where oil production fell by more than 600 tb/d due to severely cold weather, according to the North Dakota Pipeline Authority. Force majeure was declared at the 300 tb/d El Sharara oil field, while operations at the Baltic oil export terminal were suspended due to a fire. Selling pressure from money managers eased in the first half of January, and risk-off sentiment prevailed in the financial market, as participants awaited announcements from major central banks concerning monetary policies.

However, oil futures gains were limited by substantial builds in US gasoline and distillate stocks, which weighed on refining margins. Disappointing inflation data in the US and a jump in the US dollar also tempered the gains in futures prices.

In the second half of January, oil prices rallied to nearly three-month highs driven by an improving economic outlook and escalating geopolitical tensions. The rally in futures prices was further buoyed by accelerated short covering from speculators rushing to close short positions. Market sentiment was bolstered by economic stimulus in China and positive US economic growth in Q4 2023, coupled with signs of easing inflation. The prevailing sentiment was reinforced by an IMF report projecting higher global economic growth for 2024, particularly in the US and China amid inflation easing. Additionally, a substantial drawdown in US crude stocks, along with escalating geopolitical tensions, provided further support for the price rally.

Higher financial flows in both ICE Brent and NYMEX WTI – reflected in increased open interest – also supported the momentum in oil futures prices. In January, combined open interest in ICE Brent and NYMEX WTI rose by 9.4%.

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

Crude oil futures	Dec 23	Jan 24	Change Jan 24/Dec 23	Change %	Year-to-date 2023	Year-to-date 2024
NYMEX WTI	72.12	73.86	1.74	2.4	78.16	73.86
ICE Brent	77.32	79.15	1.83	2.4	83.91	79.15
DME Oman	76.83	78.95	2.12	2.8	80.89	78.95
Spread						
ICE Brent-NYMEX WTI	*5.20*	*5.29*	*0.09*	*1.7*	*5.75*	*5.29*

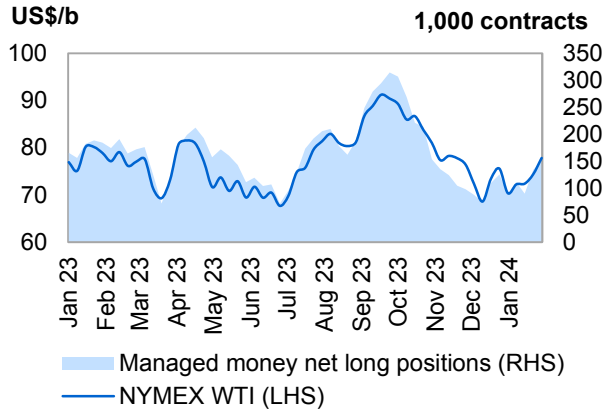
Note: Totals may not add up due to independent rounding.
Sources: CME, DME, ICE and OPEC.

The ICE Brent front-month averaged $1.83, or 2.4%, higher in January to stand at $79.15/b, and NYMEX WTI rose by $1.74, or 2.4%, to average $73.86/b. Y-t-d, ICE Brent was $4.76, or 5.7%, lower at $79.15/b, while NYMEX WTI was lower by $4.30, or 5.5%, at $73.86/b, compared with the same period a year earlier. DME Oman crude oil futures prices increased in January by $2.12, or 2.8%, m-o-m, to settle at $78.95/b. Y-t-d, DME Oman was lower by $1.94, or 2.4%, at $78.95/b.

The ICE Brent-NYMEX WTI front-month spread widened further in January, nearly reaching a $7/b premium on a daily basis. The ICE Brent contract rose more than WTI futures, buoyed by rising demand for prompt loading cargoes in the Atlantic Basin amid supply disruptions and geopolitical risks. Higher risk premiums gave more support to the international benchmark, ICE Brent. At the same time, a large build in US petroleum products, specifically gasoline and diesel, weighed on the NYMEX WTI price. The ICE Brent/NYMEX WTI spread widened in January on a monthly average of 9¢ to settle at $5.29/b, keeping US crude more competitive for international buyers. The spread between North Sea Dated and WTI Houston also widened last month, rising by 35¢ to a premium of $4.80/b.

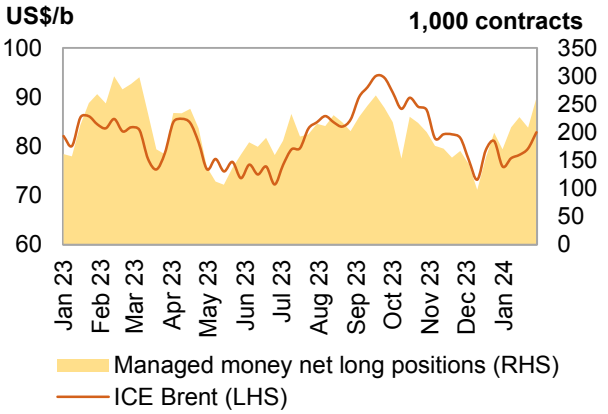
Selling pressure from hedge funds and other money managers eased in January after heavy selloffs were observed during November and December. Speculators recovered part of their bullish positions related to ICE Brent as prices turned higher amid supply disruptions and geopolitical developments, as well as signs of stronger physical market fundamentals. Meanwhile, short covering in NYMEX WTI accelerated as speculators rushed to close short positions, which contributed to the upward trend in oil futures. Total futures and options net long positions in both ICE Brent and NYMEX WTI rose by 59% over January to their highest point since October 2023 with money managers buying an equivalent of 152 mb during the same period. The jump in net long positions was in line with higher financial flows as total open interest rose 9.4%. Speculators were more bullish about the Brent futures price as the global crude benchmark was more exposed to geopolitical risk.

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 bullish about **ICE Brent** futures prices amid rising worries about oil supply against the backdrop of escalating tensions in the Middle East, coupled with supply disruptions in several regions. Money managers were buyers of an equivalent of about 92 mb in ICE Brent contracts in January, and long positions hit their highest level since October 2021. Combined futures and options net long positions related to Brent increased by 91,573 lots, or 53.9%, over the month, to stand at 261,416 contracts in the week of 30 January, according to the ICE Exchange. This is due to total long positions increasing by 84,732 lots, or 33.4%, to 338,532 contracts, and total short positions falling by 6,841 lots, or 8.1%, to stand at 77,116 contracts over the same period.

Money managers also raised **NYMEX WTI** net long positions albeit at a slower pace. Speculators increased net long positions by 60,898 lots, or 68.2%, between the weeks of 2 January and 30 January to 150,228 contracts, according to the US Commodity Futures Trading Commission (CFTC). The increase in net long positions was mainly driven by a large decline in total short positions by 55,804 lots, or 46.3%, to 64,850 contracts. During the same period, total long positions rose by 5,094 lots, or 2.4%, to 215,078 contracts.

The **long-to-short ratio of speculative positions** in the NYMEX WTI contract rose slightly to 3:1 in the week of 30 January, compared with 2:1 in the week of 2 January. The ICE Brent long-to-short ratio also rose slightly in the week of 30 January to stand at 4:1, compared to the week of 2 January at 3:1.

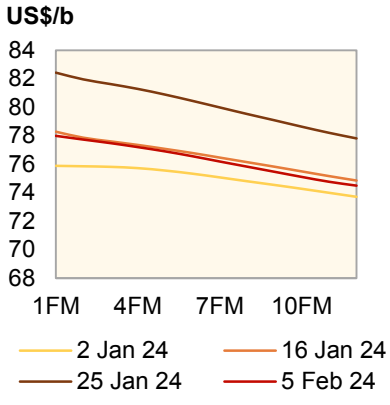
Total open interest volumes related to ICE Brent and NYMEX WTI futures and options increased in January by 432,460 lots, or 9.2%, to stand at 5.0 million contracts in the week ending 30 January. Open interest volumes related to NYMEX WTI futures and options rose by 215,980 lots, or 10.6%, to stand at 2.3 million contracts in the week ending 30 January. Open interest volumes related to ICE Brent futures and options also rose by 216,480 contracts, or 8.5%, m-o-m, to stand at 2.8 million contracts in the week ending 30 January.

The futures market structure

The **market structure** of oil futures prices strengthened, with the front of the forward curves of both ICE Brent and DME Oman steepening and the NYMEX WTI forward curve flipping into backwardation in the third week of January, mirroring a shift in traders' perception of the supply and demand outlook in the short-term. Several oil supply outages, the risk of supply disruptions, easing selling pressure from speculators, and signs of robust physical market fundamentals buoyed front-month contracts more than forward contracts. Lower crude oil stocks in the US and signs of robust physical crude market fundamentals supported WTI front-month prices. Firm demand from Asia Pacific buyers and higher refining margins also boosted the value of prompt-month prices compared with forward-month prices.

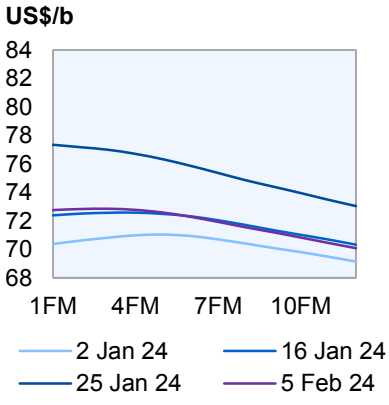
The front end of the forward curve for **Brent futures** steepened in January compared with the previous month. ICE Brent, as an international benchmark, was affected by the uncertain impact of the recent geopolitical developments on oil supply. Prompt prices were also buoyed by firm demand in the spot market and lower availability of prompt loading volumes for February, specifically in the Atlantic Basin. On a monthly average, the ICE Brent M1/M3 spread rose by 61¢ to a backwardation of 63¢/b in January. The ICE Brent M1/M6 spread also widened last month by $1.24 with backwardation standing at $1.48/b on average, compared with a backwardation of 24¢/b in December.

Graph 1 - 4: ICE Brent forward curves



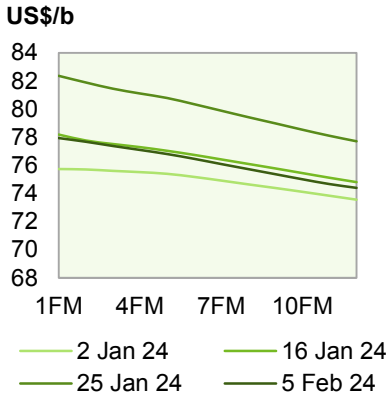
Sources: ICE and OPEC.

Graph 1 - 5: NYMEX WTI forward curves



Sources: CME and OPEC.

Graph 1 - 6: DME Oman forward curves



Sources: DME and OPEC.

In the US, the structure of **NYMEX WTI** also strengthened last month, with the front of the forward curve moving into backwardation. This came amid a drawdown in US crude stocks, including at Cushing, and the prospect of higher demand amid stronger economic data. The NYMEX WTI M1/M3 spread widened by 49¢ to an average backwardation of 5¢/b in January, compared to a 44¢/b contango one month earlier.

The market structure of **DME Oman** also strengthened on renewed demand from Asia Pacific refiners in the spot market and ongoing tensions in the Middle East. On a monthly average, the DME Oman M1/M3 spread widened by 58¢ to a backwardation of 65¢/b in January, from a backwardation of 7¢/b in December.

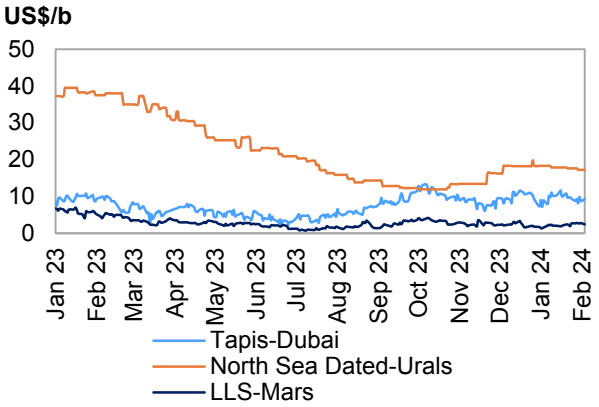
Regarding the **M1/M3 structure**, the **North Sea Brent** M1/M3 spread widened on a monthly average by $1.03 to a backwardation of $1.16/b, compared to 13¢/b in the month before. In the US, the **WTI** M1/M3 backwardation also widened by 55¢ to 9¢/b, compared to a contango of 47¢/b in December. The **Dubai** M1/M3 backwardation widened on average by 66¢, m-o-m, to a backwardation of 83¢/b in January.

Crude spreads

The **premium of light sweet to medium sour crudes** narrowed across all major regions due to a better performance of medium/heavier sour crudes compared to light sweet crudes. This narrowing in spreads was exacerbated by geopolitical tensions and elevated freight costs, which tightened the sour crude market, especially in the Atlantic Basin. Additionally, reduced margins for light distillate products such as naphtha in Europe and Asia, combined with high margins for middle distillates, further contributed to the narrowing of the spread.

In **Europe**, the Ekofisk–Johan Sverdrup spread narrowed significantly in January by $3.07, m-o-m, to stand at 70¢/b, as the value of the Johan Sverdrup medium sour crude was supported by strong demand for prompt loading cargoes from European refineries. This was amid a tight sour market in the Atlantic Basin and ongoing geopoltiticial tensions that could delay the arrivals of sour crude to Europe. High freight costs also prompted European refiners to buy domestic crude. The spread between North Sea Dated and Urals contracted slightly last month on the higher value of Urals, which was mainly exported to Asia. The North Sea Dated-Urals crude differentials narrowed by 11¢ to reach discounts of 17.90/b in January.

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



Sources: Argus, OPEC and Platts.

In **Asia**, the Tapis premium over Dubai narrowed as the value of sour crude rose more than light sweet crude. Firm demand from Asia Pacific buyers for crude in the East Suez spot market and trade flow disruptions supported the value of sour crude. However, the sweet-sour crude spread remained significantly wide in Asia as a strong light sweet crude value in other regions, including in the Atlantic Basin, lent support to similar grades in the East of the Suez market. The Tapis-Dubai spread narrowed by 49¢, m-o-m, in January to an average of $9.55/b. However, the Brent-Dubai differential widened by 86¢, m-o-m, to reach a premium of $1.53/b, compared with the 67¢/b premium recorded in December. The Brent-Dubai exchange of futures for swaps contract (EFS) also widened last month by 57¢, m-o-m, to stand at a $1.16/b premium.

In the **USGC**, the sweet/sour crude differentials contracted slightly on the back of a more attractive arbitrage of sour crude to Europe and Asia. However, supply outages in Bakken and a large draw in USGC crude stocks buoyed light sweet crude. Additionally, weaker HSFO margins limited the gains of Mars sour crude. LLS premium over medium sour Mars fell in January by 21¢, m-o-m, to reach $2.16/b.

Commodity Markets

Commodity price indices continued to display mixed performances in January. The energy price index rebounded in January after three consecutive months of declines, while both the base and precious metals indices receded over the same period.

In the futures market, sentiment was mixed but skewed towards the bullish side in January. Combined open interests recovered losses from the previous month, and combined money manager's net length rebounded after four consecutive months of decreases. However, short coverage was the main contributor to the increase in money managers' net length.

Strong market fundamentals, a lower US dollar, and improvements in the global macroeconomic outlook supported commodity prices in January. However, China's macroeconomic headwinds and uncertainties on when interest rate cuts in major developed economies will occur partially offset gains.

Trends in selected commodity markets

The **energy price index** rebounded in January after three consecutive months of declines. The index rose by 1.6%, m-o-m, supported by a rally of US natural gas prices and a rebound of average crude oil prices. A sharp decline in natural gas prices in Europe, as well as coal prices, partially offset the gains experienced by the index. The index was down by 15.2%, y-o-y.

Table 2 - 1: Commodity prices

Commodity	Unit	*Monthly averages*			*% Change*	*Year-to-date*	
		Nov 23	Dec 23	Jan 24	Jan 24/Dec 23	2023	2024
Energy*	Index	**106.2**	**99.6**	**101.2**	**1.6**	**119.3**	**101.2**
Coal, Australia	US$/mt	126.8	141.8	124.9	-11.9	318.0	124.9
Crude oil, average	US$/b	81.4	75.7	77.7	2.6	80.4	77.7
Natural gas, US	US$/mbtu	2.7	2.5	3.2	25.9	3.3	3.2
Natural gas, Europe	US$/mbtu	14.5	11.5	9.6	-16.9	20.2	9.6
Non-energy*	Index	**109.6**	**107.2**	**106.5**	**-0.7**	**115.0**	**106.5**
Base metal*	Index	**103.8**	**104.3**	**104.1**	**-0.2**	**121.0**	**104.1**
Precious metals*	Index	**149.9**	**153.0**	**152.6**	**-0.3**	**144.9**	**152.6**

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

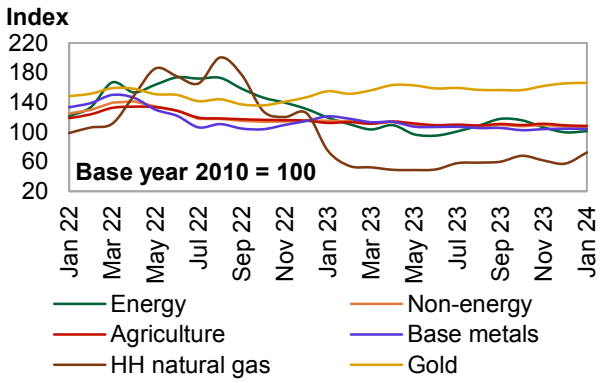
Average crude oil prices rose after three consecutive months of declines, increasing by 2.6%, m-o-m, in January. Improvements in the global macroeconomic outlook sent a bullish signal to the markets and improved market fundamentals. Prices were down by 3.4%, y-o-y.

Henry Hub's natural gas prices rallied in January and recovered losses from the two previous months. Prices rose sharply by 25.9%, m-o-m, on the back of colder weather across the US that increased demand for residential heating. The January gas draw brought US underground stores within the five-year average according to the US Energy Information Administration. Prices were further supported by concerns about the impact of the winter freeze on power grids and gas production given its resemblance to the 2021 winter freeze that led to shutdowns of some major power and gas infrastructure. Prices were down by 2.8%, y-o-y.

Natural gas prices in Europe continued their downward trajectory in January. The **average Title Transfer Facility (TTF) price** went from $11.5/mmbtu in December to $9.6/mmbtu in January, a 16.9% m-o-m decline. The EU's storage levels fell below the 2023 levels in January, but remained at comfortable levels. As of 31 January, EU gas storage was at 70.2% capacity according to data from Gas Infrastructure Europe. Moreover, demand remained weak amid mild weather, thus slowing down gas draws. Prices were down by 52.6%, y-o-y.

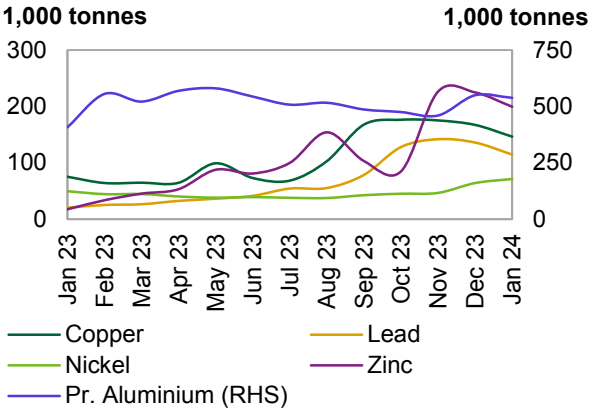
Australian thermal coal prices receded in January by 11.9%, m-o-m, erasing gains from the previous month. Coal prices fell amid a combination of lower imports and strong domestic production in China. It is worth highlighting that China's reinstatement of import tariffs on coal entered into effect in January, thus weighing on imports. Prices were down by 60.7%, y-o-y.

Graph 2 - 1: Major commodity price indices



Sources: World Bank, S&P Goldman Sachs, Haver Analytics and OPEC.

Graph 2 - 2: Inventories at the LME



Sources: LME, Thomson Reuters and OPEC.

The **non-energy price index** declined for a second consecutive month, falling in January by 0.7%, m-o-m. The decline was driven by a fall in both the agriculture (down by 0.7% m-o-m) and base metal indices (down by 0.2%). The index was down by 9.2%, y-o-y.

The **base metal index** receded in January after two consecutive months of increases. The index fell marginally by 0.2%, m-o-m, driven by mixed performance within its components. The Global Manufacturing Purchasing Manager's Index (PMI) improved to 50 in January, up by 1.4%, m-o-m. However, headwinds in China's industrial activity remained a drag on metal prices. China's manufacturing PMI stood at 49.2 in January, below the expansion level. Moreover, news of the liquidation of Evergrande, a major real estate developer in China, underscored the ongoing challenges faced by the property and construction sector in the country. The base metal index was down by 5.2%, y-o-y.

Aluminium prices rose in January, increasing by 0.5%, m-o-m. Prices advanced on news that the EU was considering a ban on Russian aluminium as part of a new package of sanctions. At the London Metal Exchange (LME) warehouses, inventories fell in January by 2.1%, m-o-m, highlighting a potential supply risk. Prices were down by 9.1%, y-o-y.

Average monthly copper prices fell in January after two consecutive months of gains. Prices declined by 0.7%, m-o-m, on signs of lower China imports and weaker demand outside China. LME cancelled warrants fell sharply by 77.0%, m-o-m. Prices were down by 7.7%, y-o-y, a trend reversal compared with the previous month.

Lead prices rebounded in January, increasing by 2.9%, m-o-m. At LME warehouses, inventories fell by 15.7%, m-o-m, over the same period, underscoring an increase in demand, m-o-m. Prices were down by 5.2%, y-o-y.

Nickel prices continued to decline in January, falling for the ninth consecutive month. Prices fell by 2.2%, m-o-m, as LME reported an 11.4% m-o-m increase in inventories over the same period. Prices were down by 42.9%, y-o-y.

Zinc prices rose in January by 0.5%, m-o-m. At LME warehouses, inventories fell by 11.3%, m-o-m, over the same period; however, the bullish sentiment was partially offset by a decline in LME cancelled warrants, which fell in January by 4.1%, m-o-m. Prices were down by 24.0%, y-o-y, a trend reversal compared with the previous month.

Iron ore prices receded in January after three consecutive months of increases, falling by 0.9%, m-o-m. Prices fell amid softer activity in China's steel industry. China's steel industry PMI stood at 46 in January, below expansionary territory, remaining essentially flat compared with the previous month. Prices were up by 11.1%, y-o-y.

The **precious metals index** fell in January after two consecutive months of increases. The index fell marginally by 0.3%, m-o-m, dragged by a decline in silver (down by 4.0%, m-o-m) and platinum (down by 1.0%, m-o-m), but the losses were partially offset by an increase in gold (up by 0.4%, m-o-m). Gold prices advanced for a third consecutive month, supported by geopolitical developments and a lower US dollar; however, a pushback against expectations on lower interest partially offset gains. Meanwhile, silver and platinum were down amid softer industrial demand. The index was up by 5.3%, y-o-y; gold prices were also up by 7.2%, y-o-y; meanwhile, platinum and silver prices were down by 12.1% and 3.1% respectively over the same period.

Investment flows into commodities

Combined money managers' net length rebounded in January after four consecutive months of declines. Net length increased sharply by 25.2%, m-o-m, driven by crude oil and natural gas, but the increase was partially offset by decreases in copper and gold.

Combined open interest (OI) rose in January by 2.2%, m-o-m, and recovered losses from the previous month. The increase in OI was driven by copper, natural gas, and crude oil, but was partially offset by a decrease in gold.

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

Selected commodity	*Open interest*		*Long*		*Short*		*Net length*			
	Dec 23	Jan 24	Dec 23	Jan 24	Dec 23	Jan 24	Dec 23	%OI	Jan 24	%OI
Crude oil	2,078	2,123	208	210	111	89	97	5	121	6
Natural gas	1,393	1,453	216	196	325	236	-110	-8	-40	-3
Gold	690	639	176	136	46	47	130	19	89	14
Copper	201	244	57	48	45	67	11	6	-19	-8

Note: Data on this table is based on a monthly average.
Open interest includes both commercial and non-commercial positions.
Sources: CFTC and OPEC.

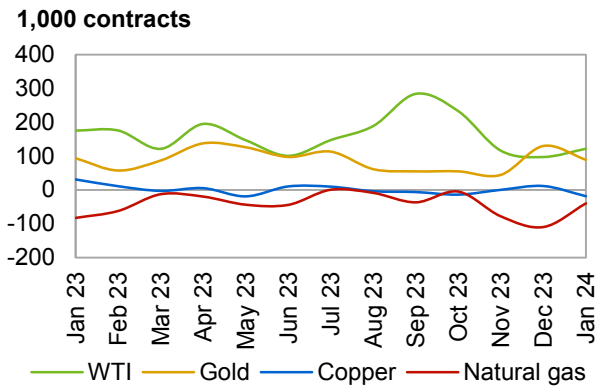
Total crude oil (WTI)'s OI increased in January after three consecutive months of decreases, rising by 1.7%, m-o-m. Money managers' net length also rose over the same period after three consecutive months of decreases, rising sharply by 22.7%, m-o-m. Optimism over the global macroeconomic outlook supported money managers' sentiment shift.

Total Henry Hub natural gas OI rose for a fourth consecutive month, increasing in January by 1.7%, m-o-m. Money managers' net length was also up by 65.9%, m-o-m, over the same period, mainly driven by a sharp reduction in short positions. The m-o-m rally of prices in January underpinned money managers' short coverage activity.

Gold's OI fell for a second consecutive month, decreasing in January by 7.0%, m-o-m. Money managers also reduced net length sharply over the same period by 30.4%, m-o-m. Expectations on interest rate levels and lower central bank buying weighed on money managers' sentiment.

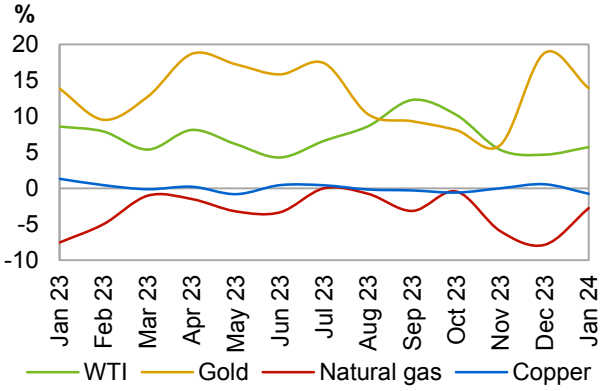
Copper's OI rose in January after two consecutive months of decreases, increasing sharply by 22.9%, m-o-m. However, money managers reduced net length by more than 100% over the same period. Money managers were bearish on the metal amid softer demand.

Graph 2 - 3: 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 - 4: 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

Global economic growth remains robust, and although average economic growth rates in most economies are still below pre-pandemic levels, the growth momentum in 2023 surpassed initial expectations. This positive trend is expected to extend into 1H24. Fiscal support measures, accumulated wealth, and continued consumption and investment appear to have supported growth so far. Although this year will see relatively lower growth than 2023, the global economic forecast has been slightly revised upward for the year. This improving momentum is also expected to impact 2025. Consequently, the world economic growth forecasts for both 2024 and 2025 have been adjusted upward by 0.1 percentage points. The revised forecast for 2024 projects economic growth at 2.7%, with the 2025 economic growth forecast standing at 2.9%. Further upside potential could materialize in all major OECD and non-OECD economies.

The positive trajectory is supported by the expectation of a continued easing in general inflation throughout 2024 and 2025, especially in major economies. This is anticipated to result in increasing real-income levels and improved spending ability. Simultaneously, it is expected that key central banks will reduce their interest rates in 2024. A shift towards more accommodative monetary policies is foreseen, particularly in 2H24 and throughout 2025, with the projection that key policy rates will peak in 1H24. Furthermore, it is anticipated that political and geopolitical developments will not significantly affect the growth momentum.

Economic growth exceeded expectations throughout 2H23 in most major economies, although a slowdown occurred towards the end of the last year. This dynamic is expected to persist in 1H24 before renewed acceleration is anticipated to take hold in 2H24, with ongoing improvement going into and throughout 2025. This is generally expected to be supported by monetary easing, driven by a sustained decline in inflation and a subsequent stabilization of global consumer trends. The scope for additional fiscal stimulus measures, beyond those already implemented, is anticipated to be limited, with the possible exception in Asian economies, particularly in China, India to some extent, and possibly Japan. In that respect, it will be important to closely monitor the outcomes of elections in several key economies, such as the US, Mexico, Russia, and India, as they have the potential to influence fiscal policies, geopolitical developments, and trade, which all impact growth dynamics.

Additional upside potential for global economic growth may arise from a less pronounced inflationary environment. This could enable major central banks to consider relatively more accommodative monetary policies, possibly as early as 1H24. Furthermore, within the non-OECD group of countries, Brazil and Russia might surpass expectations with further improvements in domestic demand and external trade. Additionally, the possibility of a more robust growth trajectory in Asian economies, particularly in India and possibly also in China, supported by supplementary government-led stimulus measures, has the potential to exceed the currently anticipated contribution to global economic growth in both 2024 and 2025. Moreover, the expected steady growth momentum in the US throughout 2024 and 2025 could accelerate further, resulting in economic growth surpassing current expectations.

Table 3 - 1: Economic growth rate and revision, 2024–2025*, %

	World	OECD	US	Eurozone	UK	Japan	China	India	Brazil	Russia
2024	**2.7**	**1.2**	**1.6**	**0.5**	**0.6**	**0.9**	**4.8**	**5.9**	**1.5**	**1.7**
Change from previous month	0.1	0.3	0.6	0.0	0.0	0.0	0.0	0.0	0.1	0.3
2025	**2.9**	**1.5**	**1.7**	**1.2**	**1.0**	**1.0**	**4.6**	**6.1**	**1.9**	**1.2**
Change from previous month	0.1	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Note: * 2024-2025 = Forecast. The GDP numbers have been adjusted to reflect 2017 ppp.*

Source: OPEC.

Update on the latest global developments

In **2023**, robust economic growth was evident in the US and China. Following a strong 4.9%, q-o-q, SAAR growth in the US economy in 3Q23, the momentum slightly slowed down, maintaining a steady level in 4Q23 with reported GDP growth at 3.3%, q-o-q, SAAR. This 2H23 acceleration resulted in a 2.5% US annual growth for 2023. Similarly, strong growth was reported in China in 2H23, with a y-o-y economic growth level of 4.9% in 3Q23 and a further increase to 5.2%, y-o-y, in 4Q23. In the Eurozone, growth slightly exceeded initial expectations in 2H23, showing flat GDP growth in 4Q23 after a less pronounced seasonally adjusted quarterly decline of 0.1% in 3Q23. However, European economies, notably Germany, faced challenges in 2023, experiencing a recession and contracting by 0.3%. The primary impact came from challenges in the industrial

sector, affecting not only Germany but also other major Eurozone economies like Italy and Spain. Japan's economic growth in 2H23 also slowed down, with a reported decline of 2.9%, q-o-q, SAAR in 3Q23, while growth is estimated to have rebounded to a stagnant GDP level in 4Q23. Positive growth trends observed in 1H23 persisted in India, Brazil, and Russia, with robust output numbers until 3Q23 and sustained momentum in 4Q23, leading to a sound growth dynamic likely to have carried over into 1Q24.

The estimated global growth rates for 1Q23 were recorded at 2.8%, y-o-y, showing a significant increase to 3.6% y-o-y in 2Q23. For 3Q23, global economic growth is estimated at 3%, y-o-y, slightly below the previous month's estimate of 3.1%, y-o-y. The sustained robust momentum in global growth has led to an upward revision in the economic growth expectation for 4Q23 to 2.8%, y-o-y, compared to the previous month's estimate of 2.6%, y-o-y. This adjustment reflects higher output levels in key economies such as the US and China, among others.

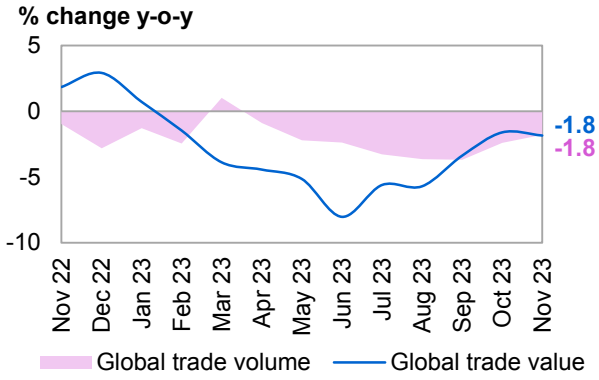
In recent months, there has been a significant decline in **core inflation**, an important indicator guiding central bank policies, across most major economies. However, core inflation rates continue to remain relatively high in the G4 economies, comprising the US, the Eurozone, Japan, and the UK. The policy decisions of these economies are closely monitored, and although there has been a softening trend in the general price trajectory, core inflation levels remained almost unchanged in the US, Japan, and the Eurozone. As of the latest available data from December, core inflation stands at 3.9%, y-o-y, in the US and 3.6% in the Eurozone. Despite the overall softening trend in prices over the past months, inflation remains a concern in the monetary policy landscape of G4 economies. Consequently, these key central banks have indicated their intention to maintain stringent monetary policies for the time being.

In terms of **global trade,** there has been a gradual improvement in both volume and value, albeit it remains negative on a yearly comparison up to November 2023. Nevertheless, several factors, such as trade disputes, persistent supply-chain bottlenecks, geopolitical issues, and the partial consequences of recent challenges in global shipping, have collectively played a role in dampening the international exchange of goods over the last few months.

Trade in value terms declined by 1.8%, y-o-y, in November, compared with a decline of 1.6%, y-o-y, in October and following a decline of 3.4%, y-o-y, in September, based on the CPB World Trade Monitor Index, provided by the CPB Netherlands Bureau for Economic Policy Analysis.

Trade in volume terms experienced a y-o-y decline of 1.8% in November, following a decrease of 2.4%, y-o-y, in October.

Graph 3 - 1: Global trade



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

Near-term global expectations

Global economic growth exceeded expectations in both 3Q23 and 4Q23, and the consistent momentum towards the end of the year is expected to carry over into 2024. The dampening effect from the tight **monetary policies** implemented by G4 central banks so far has been relatively mild. Although a slight impact on global economic growth is anticipated in 1H24, the effects are expected to be gradual. While the industrial sector's dynamics were subdued throughout 2023, improvements have become visible towards the end of the year, and this trend is expected to continue into 1H24. Despite the prevailing consensus that G4 central banks might shift towards a more accommodative monetary policy by 2H24, uncertainties persist in the near term, particularly regarding the persistence of core inflation. This uncertainty is a key reason why both the heads of the US Fed and the ECB emphasized the need to keep interest rates unchanged for the time being. The current market consensus suggests that elevated interest rates and their associated dampening effect are expected to persist throughout much of 2024, with key policy rates anticipated to reach their peak in 1H24, followed by a subsequent shift towards more accommodative monetary policies. In this scenario, it is projected that headline inflation will continue to decrease further in 2024 and 2025. However, core inflation in major economies is expected to exhibit relative persistence, with some moderation projected for 2024 and more pronounced moderation anticipated in 2025.

While large-scale **fiscal stimulus** is not expected to materialize in key economies, there is potential for more impactful support measures from China and India. In this regard, the outcomes of the 2024 elections in key economies, including the US, India, and Russia, hold the potential to influence fiscal policies and growth dynamics. Additionally, it is expected that global trade, after experiencing a decline in 2023, will likely demonstrate an improving trend in 2024 and 2025.

The currently anticipated growth trend for 2024 and 2025 suggests a steady and potentially accelerating growth momentum. However, there exists upside potential for economic growth in both 2024 and 2025. This potential could be supported by a less pronounced inflationary environment and the prospect of more accommodative monetary policies. Moreover, the impact of tight monetary policies may be milder on economic growth in 2024 and 1H25 than currently anticipated. Additionally, emerging economies, including India, Brazil, and Russia, may surpass expectations, demonstrating improved domestic demand and trade. China's growth, potentially backed by additional stimulus, could play a more substantial role in global economic growth in 2024 and 2025, and the sustained momentum in the US may exceed current growth expectations as well.

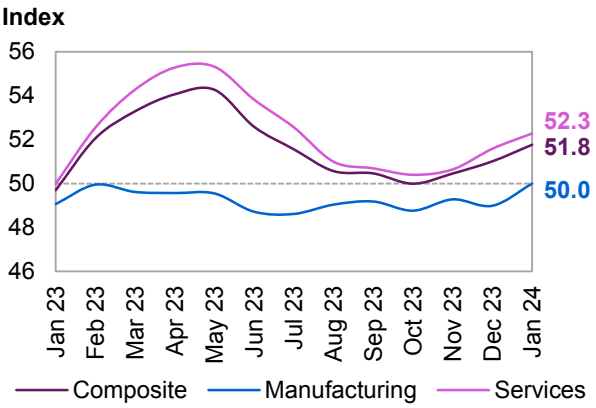
From a quarterly perspective, a slight moderation in growth in 4Q23 is anticipated to extend into the beginning of 2024. Growth in 1H24 is projected to display average quarterly rates of 2.6%, y-o-y, followed by an increase to 2.7%, y-o-y, in 2H24. Quarterly growth rates in 2025 are forecasted to be more evenly distributed, averaging around 2.9%, with an acceleration to 3% towards the end of the year.

Global purchasing managers' indices (PMIs) in January indicate improvements in the global manufacturing sector, especially in advanced economies. Meanwhile, the services sector has rebounded in both advanced and emerging economies.

The global **manufacturing PMI** reflected the ongoing improvements in the manufacturing sector's dynamic in major economies. The manufacturing index level stood at 50 in January, up from 49 in December and 49.3 in November.

Also reflecting a positive dynamic, the global **services sector PMI** increased to 52.3 in January from 51.6 in December and 50.6 in November.

Graph 3 - 2: Global PMI



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

Considering the resilient global economic growth trend observed through 3Q23 and 4Q23, along with the recently released economic growth figures from the US and China, and anticipating a likely carry-over of the supportive global growth dynamic into **2024**, the economic growth forecast has been revised up slightly. The global economic growth forecast for this year now stands at 2.7%, compared with 2.6% in the previous month.

Table 3 - 2: World economic growth rate and revision, 2024–2025*, %

	World
2024	**2.7**
Change from previous month	0.1
2025	**2.9**
Change from previous month	0.1

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Looking ahead to **2025**, economic growth is expected to accelerate slightly. Supported by the stronger momentum expected in 2024, the forecast for economic growth in 2025 is now 2.9%, compared to the previous month's estimate of 2.8%.

OECD

OECD Americas

US

Update on the latest developments

The Bureau of Economic Analysis (BEA) released the **initial estimate of the 4Q23** dynamics, confirming a continued strong momentum that materialized towards the end of the year. This robust performance has been evident in various underlying economic indicators, including consistently positive data from the labour market. Moreover, this momentum likely continued into 1Q24, as suggested by the Fed's Atlanta branch GDP Now forecast, a widely observed now-casting indicator, standing at 3.4%, q-o-q, SAAR for 1Q24. The strong momentum in 4Q23 follows a substantial growth level of 4.9%, q-o-q, SAAR in 3Q23. While the growth in 3Q23 was significantly influenced by a notable increase in investments, the growth in 4Q23 was more balanced across various sub-categories. A significant portion of the growth in 4Q23 originated from private household consumption, contributing 1.9 percentage points, or approximately 60%, to the overall growth level.

Industrial output demonstrated an improvement, expanding by 1%, y-o-y, in December. This follows y-o-y declines of 0.7% and 0.9% in November and October, respectively. Additionally, signalling a continued positive trend in the industrial sector, manufacturing orders increased by 2.3%, y-o-y, in December, building on a strong 3.3%, y-o-y, rise in November. These indicators suggest an ongoing rebound in US industrial activity expected to extend into 1H24.

Supported by the sound momentum in the economy, and despite persistent inflation and high-interest rate levels, the **consumer confidence index**, reported by the Conference Board, exhibited a significant improvement. It reached 114.8 in January, rising from 108 in December. This represents a consistent increase from 101 in November and the 99.1 recorded in October.

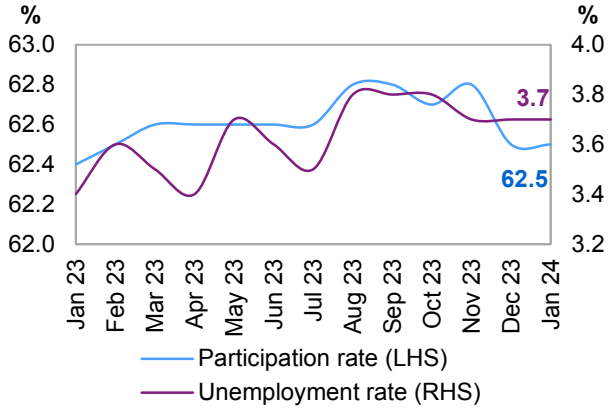
Headline **inflation** remained nearly unchanged at 3.4%, y-o-y, in December, compared with 3.1% in November and 3.2% in October. Core inflation also exhibited persistence, standing at 3.9%, y-o-y, in December, following 4% in both November and October. While persistent core inflation is a notable phenomenon in the US, similar to other advanced economies, this figure represents the lowest core inflation level in more than two years. It is equally important to monitor the performance of the Fed's preferred inflation indicator, the core personal consumption expenditures (PCE), for December. The last available data point indicates a December y-o-y rate of 2.9%, compared with 3.2% in November and 3.4% in October.

The labour market remained relatively healthy in January, with the **unemployment rate** holding steady at 3.7% for the third consecutive month.

The **participation rate** was unchanged as well, standing at 62.5% in December, compared to the previous month.

Earnings remained sound, as **hourly earnings growth** reached 4.5%, y-o-y, in January, compared with 4.3%, y-o-y, in December and November.

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

Near-term expectations

The robust growth observed towards the end of the year supports the expectation of continued yet somewhat moderated momentum, likely materializing in 1H24. Indicative of this ongoing strong dynamic is the relatively healthy development in **4Q23 household consumption**. Personal consumption expenditures rose by 2.8%, q-o-q, SAAR, accounting for approximately 60% of the 4Q23 growth level. So far, the negative influence of relatively high-interest rates on debt-related consumption in the US has been limited. Moving forward, the impact on US spending patterns is anticipated to be gradual, primarily materializing in 1H24. The current projection for 2024 envisions a steady but slightly lower economic growth trajectory. The extent of the potential

slowdown is yet to be determined, considering the expectations of sustained positive dynamics towards the end of 2024. Hence, there is upside potential to the current forecast, which relies strongly on the slowing effect on economic growth resulting from tight monetary policies. However, these policies have not played out at the same magnitude as in similar circumstances in the past.

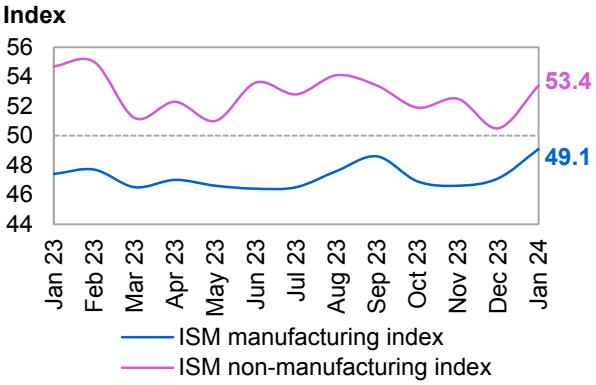
Following a projected slowdown in growth during 1H24, momentum is expected to pick up in 2H24. This recovery is anticipated to be supported, among other factors, by an accommodative **monetary policy** from the Fed. Key policy rates are expected to peak at 5.5% in 1H24, with the expectation that the Fed will transition to a more accommodative policy stance by 2H24. The chairman of the Fed and the latest outlook of the FOMC have already indicated plans for a 75 basis points rate cut until the end of 2024, an expectation that has consequently been reflected in the economic growth forecast. This transition in lowering interest rates is contingent upon the assumption that, following an inflation rate of around 4.1% for 2023, price growth will decline to approximately 3% in 2024 and around 2% in 2025. While no major fiscal stimulus is anticipated for 2024 and 2025, the outcome of the elections in 4Q24 could potentially reshape US fiscal policies and, consequently, impact growth dynamics.

January **PMI** levels, as reported by the Institute for Supply Management (ISM), highlighted an ongoing sound growth momentum in 1Q24.

The January **manufacturing PMI** improved by 2 index points to stand at a level of 49.1, after 47.1 in December, and following an index level of 46.6 in November, but remaining below the growth-indicating level of 50.

The index level for the **services sector**, representing around 70% of the US economy, rebounded considerably by 2.9 index points in January, reaching 53.4 and entirely compensating last month's retraction of 2.1 points, when it stood at 50.5, indicating steady momentum in the sector.

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



Sources: Institute for Supply Management and Haver Analytics.

Supported by the strong momentum in 2H23, and anticipating a continuation of this dynamic into 1H24, driven by the expectation that growth in 1Q24 will be similar to the 4Q23 growth of more than 3%, this year's economic growth forecast has been revised up. The **2024** economic growth forecast now stands at 1.6%, compared with last month's forecast of 1%. This anticipates a moderation in growth levels in 1H24, albeit from very high levels in 2H23, followed by a pick-up in 2H24. However, considering the better-than-expected positive momentum from 2023 extending into 2024, there is a possibility of even stronger growth than currently projected.

Table 3 - 3: US economic growth rate and revision, 2024–2025*, %

	US
2024	**1.6**
Change from previous month	0.6
2025	**1.7**
Change from previous month	0.2

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

The expected pick-up in 2H24 momentum is forecast to carry over into **2025**, leading the economic growth forecast slightly higher as well. Economic growth is forecast to stand at 1.7% in 2025, compared with a level of 1.5% in the previous month.

OECD Europe

Eurozone

Update on the latest developments

The latest release of 4Q23 economic growth data by the Eurozone's statistical office confirmed the challenges that the economic region is currently facing. A persistent negative impact from a substantial decline in **industrial production** in Germany, as well as in Italy and Spain, coupled with a relatively slow dynamic in the services sector, has collectively contributed to stagnant growth in 2H23. Following an insignificant decline of around 0.1%, q-o-q, SAAR in 3Q23, growth in the Eurozone remained flat in 4Q23. A major dampening effect for the region came from Germany, which faced a recession in 2023 with an annual decline of 0.3%.

The German economy, highly exposed to global challenges in industrial production, contracted by almost 0.6%, y-o-y, in 2H23. Industrial production (IP) in Germany declined by 1.5% in 2023. While IP data in the Eurozone is only available up to November, it witnessed substantial declines of 6.4%, y-o-y, in November, following a decline of 5.7%, y-o-y, in October and a decrease of 6.3%, y-o-y, in September.

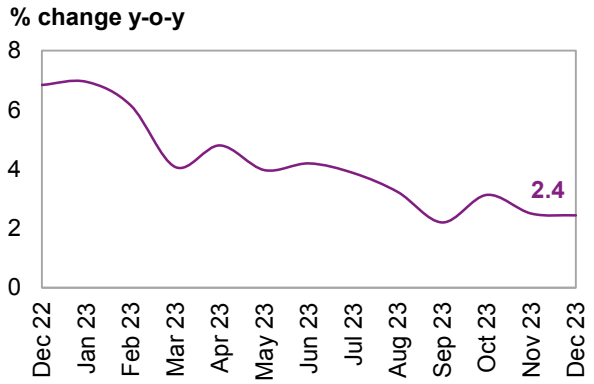
Despite the challenges faced by the Eurozone, there are selective positive signals, including an uptick in bank lending activity and steady consumer confidence. As a result, the stabilized economic momentum in 4Q23 is estimated to have improved modestly in 1Q24.

Given the sluggish state of the economy, headline **inflation** has experienced a notable decrease in recent months, driven in part by lower energy prices towards the end of 2023. Particularly, the decline in prices of consumer-bound services has contributed to a drop in core inflation as well. In the latest available month of January, inflation rose by 2.8%, y-o-y, compared with 3.0%, y-o-y, growth in December and the 2.4%, y-o-y, growth recorded in November. Core inflation, having retracted, maintained an elevated level, standing at 3.6%, y-o-y, in January, compared with 3.9%, y-o-y, in December. This follows y-o-y increases of 4.2% and 5% in November and October, respectively.

The **labour market** remained relatively tight despite weakness in the economy. According to the latest numbers from Eurostat, the December unemployment rate was unchanged from November, standing at 6.4%, compared with 6.5% in October.

Retail sales expanded in value terms by 2.4%, y-o-y, in December, compared with 2.5%, y-o-y, in November, following a 3.1%, y-o-y, rise in October, pointing at a downward shift, reflecting the current domestic economic environment.

Graph 3 - 5: Eurozone retail sales



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

Near-term expectations

The **economic growth dynamic** in the Eurozone is forecasted to remain sluggish in 1H24, slightly picking up in 2H24, with a consequent carry-over of the improving trend into 2025. Positively, the expected rise in real income in 2024 and the positive impact this may have on this year's spending ability is anticipated to support growth towards 2H24. The forecast is underpinned by expectations of stabilized bank lending, as seen towards the end of 2023, and a rebound in industrial activity in 1H24 and beyond. Similarly, the slowdown in the services sector is expected to stabilize during this period. Moreover, a more accommodative monetary policy by the ECB in 2H24 is anticipated to support growth going forward.

The near-term **inflation** expectation will be a key element of the 2024 and 2025 growth pattern. Core inflation stood at a significant annual level of 6.1% in 2023, and is forecast to retract further from the 2H23 trend when it stood at 5.2%, y-o-y. The forecast for core inflation levels in 2024, defined as headline inflation excluding energy and unprocessed food, is set at around 3%, and around 2% in 2025, unchanged from the previous month. This is expected to provide the European Central Bank (ECB) with room for a relatively more accommodative monetary policy in 2H24, as highlighted by some central bank officials very recently. The comments by the President of the ECB since the beginning of the year also tie into the assumptions that the ECB will continue its tight monetary policy in 1H24, maintaining the main key policy rate at least at the current 4.5%, and transition towards a more accommodative monetary policy by 2H24.

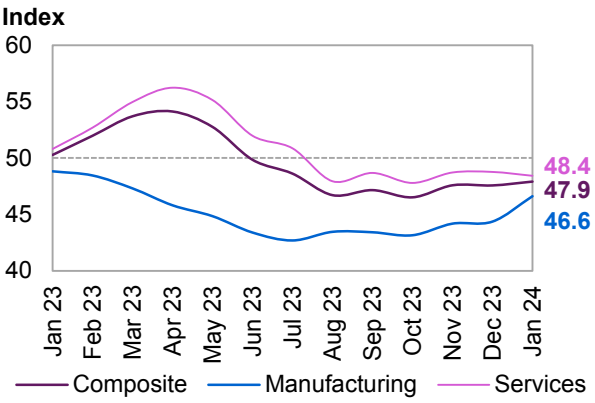
Quarterly growth in 2024 is projected to stay within a relatively tight range, achieving 0.6% annualized quarterly averages in 1H24 and accelerating to 1.2% annualized quarterly average growth rates in 2H24. The forecast for 2024 anticipates gradual progress in the industrial sector, fuelled by both domestic and external demand, especially in 2H24. In terms of EU Member State contributions, a recovery in German output will certainly be an important support factor in 2024 and even more so in 2025. Additionally, the gradual improvements in real income are expected to bolster consumer spending in 2H24. This, combined with the potential for a more accommodative monetary policy by the ECB, is anticipated to support the expected acceleration in 2H24 and carry the momentum into 2025. In 2025, annual economic growth is forecasted to more than double from the low levels observed in 2023 and 2024.

The **Eurozone's January PMIs** indicated ongoing sluggishness in both the manufacturing and services sectors as both sectorial indices remained in contractionary territory.

The **PMI for services**, representing the largest sector in the Eurozone, continued to stay below the growth indicating level of 50, registering 48.4 in January, following a level of 48.8 in December and 48.7 in November.

The **manufacturing PMI** showed some improvement in January, although it remained below the growth threshold, standing at 46.6, compared with 44.4 in December and 44.2 in November.

Graph 3 - 6: Eurozone PMIs



Sources: S&P Global and Haver Analytics.

After the confirmation of relatively flat growth in 2H23, the economic dynamic is forecast to only gradually expand in 2024, with an accelerating momentum in 2H24. For the time being, **2024** economic growth is forecast to remain at the 2023 growth level of 0.5%, unchanged from the previous month. Potential improvements may materialize, contingent on factors such as monetary policies, inflation, and real-income developments.

Table 3 - 4: Eurozone economic growth rate and revision, 2024–2025*, %

	Eurozone
2024	**0.5**
Change from previous month	0.0
2025	**1.2**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Potential improvements in 2H24 are then expected to carry over into **2025** when the Eurozone's economic growth is forecasted to gain traction and reach 1.2%, unchanged from the previous month's estimate as well.

OECD Asia Pacific

Japan

Update on latest developments

While the economy in Japan declined in 3Q23, the latest indicators point to a recovery materializing in 4Q23, potentially demonstrating stagnant growth. Underlying economic activity in Japan is expected to slightly rebound in 1Q24, with growth seemingly well-supported by a low but recovering activity level. This was confirmed by lead indicators like the PMIs, as well as consumer confidence, showing improvement and pointing to a continued sustained rebound.

Positively, **industrial production** in December rose by 1%, y-o-y, on a seasonally adjusted basis, following a decline of 1.4%, y-o-y, in November. Moreover, **inflation** started to normalize as well, standing at 2.6%, y-o-y, in December, after registering 2.8% y-o-y in November and 3.3%, y-o-y, in October. In comparison to the headline inflationary trend, core inflation – which excludes food and energy and serves as a key metric for central bank policies – rose slightly, standing at 2.8% in December, up by 0.1 percentage points from the November level of 2.7%, y-o-y.

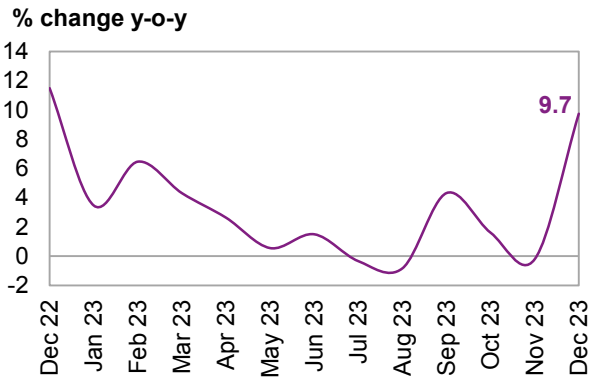
In the meantime, the Bank of Japan (BoJ) kept its **key policy rate** unchanged at -0.1% in its end-of-January meeting after reintroducing a more restrictive approach to yield curve control (YCC) at the end of last year. This decision is also the outcome of an updated inflation forecast. For the fiscal year to March 2025, the BoJ stated it expected consumer price inflation to stand at 2.4%, compared with the 2.8% forecast released in October.

Goods exports recovered significantly, rising by 9.7%, y-o-y, in December, compared with a decline of 0.2%, y-o-y, in November. This follows 1.6%, y-o-y, growth in October and 4.3%, y-o-y, growth in September and marks the most significant rise in exports in more than a year.

However, **retail sales** exhibited a retraction, rising by only 2.1%, y-o-y, compared with an expansion of 5.4%, y-o-y, in November, following growth of 4.1%, y-o-y, in October. All these figures are based on non-seasonally adjusted value terms.

Consumer confidence remained sound and experienced a marginal increase, with the consumer confidence index reaching 37.3 in January, compared with 36.7 in December. This is an improvement from the 35.5 seen in November and 35.4 in October, pointing at an ongoing steady consumption trend.

Graph 3 - 7: Japan's exports



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

Near-term expectations

After a decline in 2H23, the Japanese economy is forecast to rebound in 1H24 and mean-revert to pre-pandemic growth levels of around 1%. Some rebound has already materialized at the end of the year after a decline in 3Q23, as indicated by lead indicators like the PMI index levels and consumer confidence, among others. **Economic growth rates** will continue to normalize towards the economy's growth potential of around 1% in 2024. Growth rates are projected to stand at around this level in 1H24, with a slight pickup in activity anticipated in 2H24, aligning with global growth expectations. Forecasts for 2H24 indicate quarterly average growth rates of around 2% on a seasonally adjusted annualized quarterly basis. After the services sector's slowdown in 2H23, IP and exports are forecasted to gradually pick up in 2024, as was already seen in the latest IP and export data at the turn of the year. With improving momentum in 2H24, a continuation of this trend is forecasted in 2025.

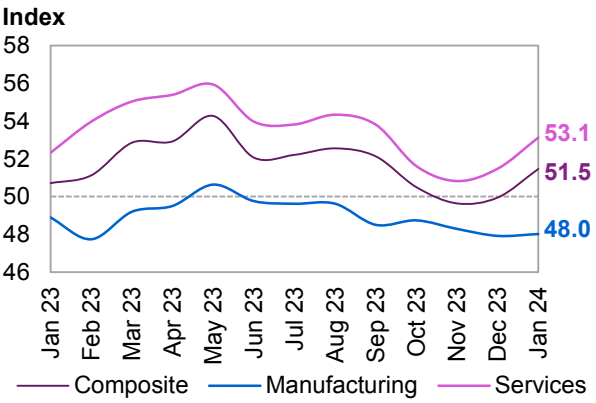
Following the slowdown in inflationary growth, among other factors, the **BoJ** is expected to have become a bit more accommodative in its path of gradual tightening. In the latest release of its economic outlook, the BoJ pointed out that the likelihood of reaching its 2% inflation target has continued to gradually rise, highlighting some confidence that policy normalization is likely to materialize in the near term. This trajectory may still involve a sustained emphasis on its YCC policies.

January PMI numbers indicate improvements in particularly the services sector and less so in the manufacturing sector, which continues to experience a contractionary trend. The services sector expanded considerably and remained above the growth-indicating threshold of 50.

The **services sector PMI**, constituting around two-thirds of the Japanese economy, grew to a level of 53.1 in January, following 51.5 in December and 50.8 in November.

At the same time, the **manufacturing PMI** was almost unchanged, standing at 48 in January, after 47.9 in December and 48.3 in November.

Graph 3 - 8: Japan's PMIs



Sources: S&P Global and Haver Analytics.

The projection for **2024** remains unchanged and stands at 0.9%, influenced by a carry-over of impacts from the subdued performance in 2H23. IP and exports are forecast to gradually pick up in 2024.

The improving momentum, particularly in 2H24, is forecast to continue into 2025. While the BoJ is forecast to gradually tighten its monetary policies in 2024 and possibly 2025, economic growth in **2025** is forecast to pick up slightly and reach a level of 1%.

Table 3 - 5: Japan's economic growth rate and revision, 2024–2025*, %

	Japan
2024	**0.9**
Change from previous month	0.0
2025	**1.0**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Non-OECD

China

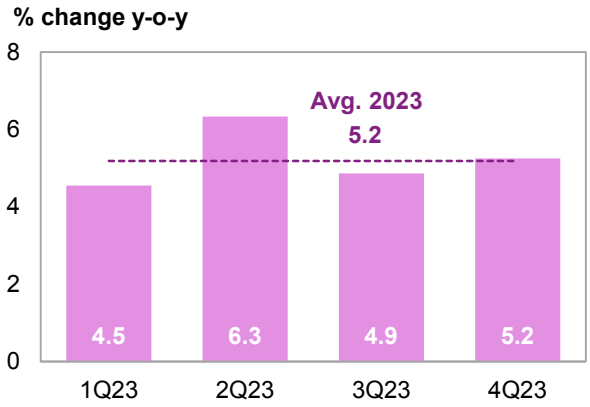
Update on the latest developments

China's growth level accelerated slightly in 4Q23 to 5.2%, y-o-y, supported by government policy actions. This end-of-year momentum supported the achievement of the economy's growth target of 5% growth in 2023, as annual growth stood at 5.2%.

Quarterly, the 4Q23 economic growth acceleration follows economic growth of 4.9%, y-o-y, in 3Q23, while y-o-y growth in 2Q23 and 1Q23 stood at 6.3% and 4.5%, respectively. The main growth contribution in 2023 came from pent-up demand across the services sector. Challenges continue in the housing sector, where property values remain in decline. Stimulus measures were evident in 4Q23 with industrial output edging upward. Support measures are being rolled out on the monetary side, with the reserve requirement ratio (RRR) reducing the amount of capital injected into the economy.

Retail sales growth recovered further, reaching 7.4%, y-o-y, in December, after a rise of 10.1%, y-o-y, in November and 7.6%, y-o-y, in October.

Graph 3 - 9: China's economic growth



Sources: National Bureau of Statistics and Haver Analytics.

In a similarly positive trend, **IP** rose by 6.8%, y-o-y, in December, following 6.6%, y-o-y, growth in November and 4.6% in October. Recent developments in external trade suggest a similarly steady improvement.

Export volumes showed continued recovery in December, rising by 13.3%, y-o-y, following an increase of 12%, y-o-y, in November and 7.4%, y-o-y, in October. This marks a rebound after a period of declining exports from May to July, according to data reported by China's General Administration of Customs.

Consumer prices pushed further into deflationary territory in January. The headline **inflation** rate was registered at -0.8%, y-o-y, in January following -0.3% and -0.4% in December and November, respectively. The closely monitored inflation rate for urban areas mirrored the national CPI pattern, falling by 0.8% in January, following y-o-y declines of 0.3% and 0.4% in December and November, respectively.

Near-term expectations

The momentum of relatively sound 5.2%, y-o-y, economic growth in 4Q23 is expected to carry over into 1Q24, with a potential slowdown as property sector problems persist. The declining prices in the housing sector continue to challenge China's economic outlook. The deflationary effects of the housing sector on overall inflation will likely push for an expansionary fiscal policy and structural reforms to target a higher inflation rate. The 6.8%, y-o-y, uptick in industrial production in December suggests a positive outlook for the manufacturing sector in 1Q24. The services sector is expected to slow down gradually in 2024 amid sluggish consumption rates.

Looking to 2024, the **quarterly** growth rate is expected to pick up pace in the second half of the year, accelerating from 4.5% and 4.6% in 1Q24 and 2Q24, respectively, to 5.0% in 2H24. This places the annual growth rate at 4.8% for 2024. Recent stimulus measures, including the reduction in the RRR by 0.5 pp, highlight the government's commitment to achieving the expected target growth rate of around 5%. Another round of key policy rate cuts could be on the table if necessary.

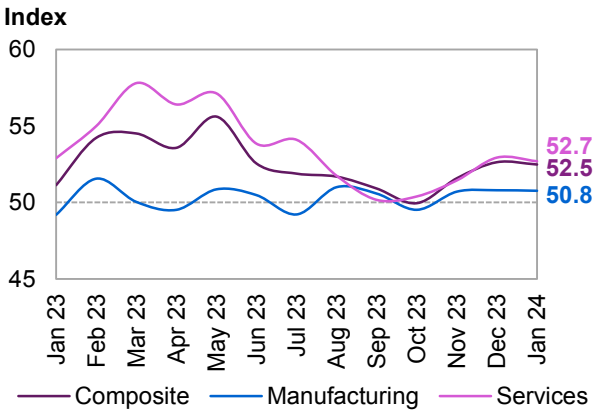
Inflation is forecast to sustain low growth dynamics in 2024, with expectations of a gradual increase in the same year. After headline CPI declined by 0.8%, y-o-y, in January, it is forecast to grow mildly for the remainder of 1Q24. This projection is expected to provide the government with additional flexibility to implement economic support measures through both monetary and fiscal channels.

January PMI readings from S&P Global indicate that activity in the services sector dipped slightly in January while the manufacturing sector remained flat but in positive territory. The Composite showed a slight decline to 52.5 in January.

The **manufacturing PMI** remained at 50.8 in January since the previous month registering only a marginal increase from the November level of 50.7.

The **services sector index** fell slightly to 52.7 in January from 52.9 in December but remains in expansionary territory.

Graph 3 - 10: China's PMI



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

The economic growth forecast for **2024** remains unchanged at 4.8%. Fiscal and monetary support is expected to sustain the growth momentum from the end of 2023 with a slight deceleration from the 2023 growth rate of 5.2%.

Economic growth in **2025** is forecast to remain unchanged from the previous month at 4.6%. Economic support measures are expected to continue in 2024 and carry over into 2025.

Table 3 - 6: China's economic growth rate and revision, 2024–2025*, %

	China
2024	**4.8**
Change from previous month	0.0
2025	**4.6**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

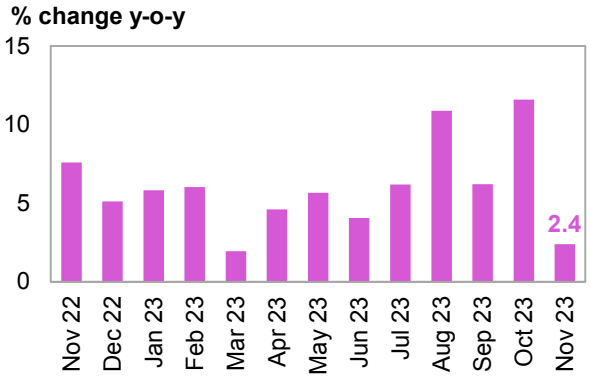
Other Asia

India

Update on the latest developments

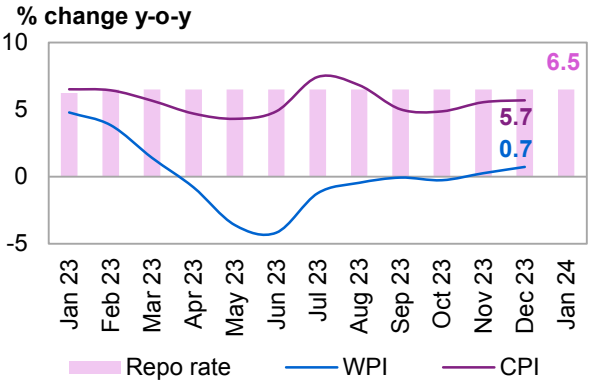
India's economic performance is estimated to have edged slightly downward in 4Q23, with the 2023 estimate reaching 6.8%. Among other factors, the quarterly deceleration reflects the softening in India's industrial production towards the end of the year across key sectors. The overall growth rate in 2023 was driven by strong fiscal policy spending, particularly infrastructure spending, and an expansion in the financial sector. This follows a strong 2Q23 where the economy registered 7.8% growth, as well as the 7.6% demonstrated in 3Q23.

Graph 3 - 11: India's industrial production



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

Graph 3 - 12: Repo rate and inflation in India



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

Inflation concerns softened mid-year, but sustained high vegetable prices in December kept inflation elevated. Interest rates have remained unchanged since March as the inflationary pressure extends tight monetary policies. In that respect, volatile weather patterns and the impact this may have on agricultural output continue to be a key driver of uncertainty in the food sector. With that said, core CPI was under the central bank's target of 4% in December. India's industrial production growth rate decreased to 2.4%, y-o-y, in November after strong growth the month before. However, positive signs remain, including the strong labour market supporting consumption and an upward trend in the PMI. Improving consumer confidence further supports the positive view, with a slight downturn in business confidence registered in 4Q23.

Headline inflation in India increased by 5.8%, y-o-y, in December, maintaining the rising trend from the previous month. The CPI recorded a level of 5.5%, y-o-y, in November. Food and beverage inflation stood at 8.7%, y-o-y, in December, marking the second consecutive month of a level over 8%. Core inflation fell to 3.8%, y-o-y, in December, extending the downward trend experienced since the summer of 2023. **Interest rates** have remained unchanged since March, as the inflationary pressure extends tight monetary policies.

India's **trade balance** declined in December to $19.8 billion, compared to $23.1 billion in the same month a year earlier.

Monthly **exports** amounted to $38.5 billion in December, a slight increase from $38.1 billion in December of the previous year.

Monthly **imports** stood at $58.3 billion in December, down from $61.2 billion a year earlier.

Graph 3 - 13: India's trade balance

Sources: Ministry of Commerce and Industry and Haver Analytics.

Near-term expectations

India's economy is projected to maintain solid economic growth in 2024 with an expected moderation from high 2023 growth rates. In 1Q24, growth is expected to retract slightly to 5.6%, down from the 4Q23 estimated rate of 5.8%. In 2H24, quarterly growth rates are expected to return to 6.0% for an annual average of 5.9% by the end of the year.

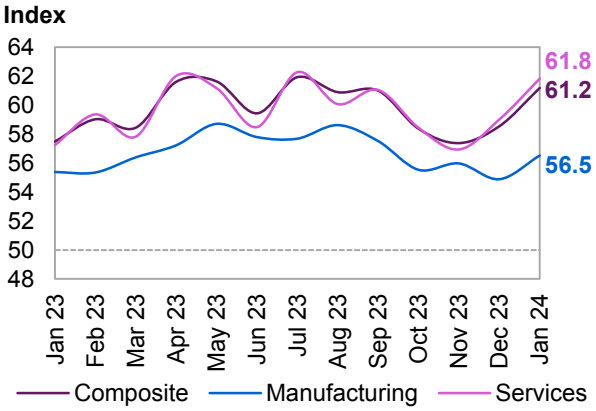
Government-led policies will be an important component of growth in 2024, particularly infrastructure spending and continued support of industrial production. The services sector is expected to remain a key driver of growth following a strong performance in 2023. The decline in industrial production seen towards the end of 2023 could weigh on growth in 2024, but an improvement in the PMI suggests the decline was temporary. Food inflation could have a negative effect on private consumption, offsetting the effects of higher government spending.

The **Reserve Bank of India** (RBI) is expected to maintain interest rates at 6.5%, given the latest uptick in food sector inflation. As core inflation falls under the target, food inflation will moderate the response of the RBI in the direction of monetary easing.

The **SPGCI Manufacturing PMI** for India increased in January after last month's decline to reach 56.5 compared to 54.9 in December and 56 in November, indicating a robust expansion.

The **Services PMI** indicated strong dynamics in January, recording a level of 61.8 in January, following 59 in December and 56.9 in November.

Graph 3 - 14: India's PMIs



Sources: S&P Global and Haver Analytics.

The moderating growth estimated for 4Q23 in India is expected to carry over into 1Q24 at 5.8%, y-o-y. In 2H24, growth rates are expected to return to 6.0%, y-o-y, with annual growth in **2024** reaching 5.9%, in line with the previous estimate. The deceleration of growth is also linked to the effects of strong 2023 growth, especially in the services sector.

The growth forecast for **2025** remains unchanged from last month's forecast at 6.1%. The continued fiscal support and government spending will drive growth in 2025 at an accelerated pace.

Table 3 - 7: India's economic growth rate and revision, 2024–2025*, %

	India
2024	**5.9**
Change from previous month	0.0
2025	**6.1**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Latin America

Brazil

Update on latest developments

Brazil's annual economic growth is estimated to have stood at 3.0% in 2023 but with a slowing rate towards the end of the year. On a quarterly basis, Brazil's 4Q23 growth is estimated at 2.3%, y-o-y, compared with 2.5%, y-o-y, in 3Q23 and 3.5% in 1H23. This deceleration is expected to continue into 1Q24.

While the **industrial sector** experienced a slowdown throughout 2023, there was an improving trend towards the end of the year, particularly accentuated in 4Q23. According to the latest December industry confidence index data from the Fundação Getúlio Vargas Institute, the index for the services sector rose from 93.8 in December to 95.7 in January. The manufacturing sector index expanded from 95.3 to 97.4.

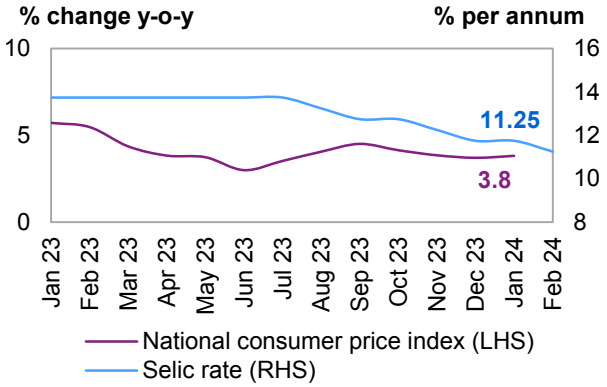
The **consumer confidence** index, also measured by the Fundação Getúlio Vargas Institute, exhibited a slight uptick, according to the latest available December data. The seasonally adjusted index rose to 93.7 in December, compared with 93 in November and 93.2 in October. The quarterly level for 4Q23 was 93.3, compared to 96.2 in 3Q23, indicating a quarterly deceleration.

In response to an easing economic growth trend and reduced inflationary momentum, the Banco Central do Brasil (BCB) opted to lower its **key policy rate**.

After the Banco Central do Brasil (BCB) decided to decrease the **SELIC key policy rate** by half a percentage point in both August and September, the central bank implemented an additional 50 basis point reduction, bringing the key policy rate to 11.75% in December. It was lowered further in January. This latest reduction by another 50 bp brought the interest rate to 11.25%.

Inflation saw an uptick in January to 3.8%, y-o-y, after decreasing in December to 3.7%, y-o-y, from the November rate of 3.9%. The increasing inflation comes on the back of reversals in government subsidies from the previous administration taking effect. The BCN's inflation target for 2023 stands at 3.25%, slightly below the present inflation level.

Graph 3 - 15: Brazil's inflation vs. interest rate



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

Unemployment continued to decline to 7.4% in December, down from 7.5% in November and 7.6% in October. This continued reduction in unemployment has been a trend since March 2023.

Near-term expectations

Economic growth in Brazil is expected to continue but at a decelerated pace following the quarterly trend from 2023. The growth rate in 1H23 stood at around 3.5%, but declined to 2.5% in 3Q23 and an estimated 2.3% in 4Q23. The growth forecast for 2024 is expected to moderate from the transitory growth rates of 2023 to 1.5%, y-o-y. Quarterly, growth rates are expected at 1.3% in 1Q24, 1.5% in 2Q24 and 3Q24, and 1.6% in 4Q24. Growth in 2025 is expected to pick up pace and reach 1.9%, y-o-y, on a quarterly average basis. The 1H25 growth rate is forecast at 1.8%, y-o-y, and is expected to increase to 1.9% in 3Q25 and 2.2% in 4Q25. The

recent uptick in inflation does not change the expectation that key interest rates will come down but will likely remain high. A decline in unemployment further points to an economic upside. Improving confidence in both services and manufacturing provides positive indicators for growth potential in 2024.

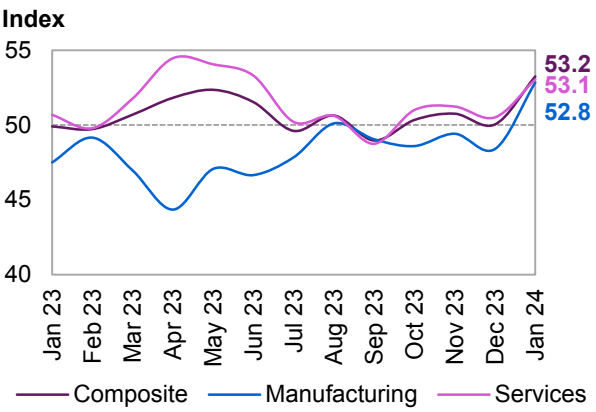
Overall, Brazil's investment environment and the potential monetary easing support robust growth in 2024 with a carry-over effect from the 2H23 slowdown. It is expected that the SELIC rate will be reduced by 100 basis points in 2024 to around 10%. This forecast envisions inflation averaging around 3.5% in 2024, indicating a favourable trajectory in the inflationary landscape that is expected to be maintained at around the same level in 2025. Positive leading indicators point to a potential upside to the forecast as more 4Q23 and 1Q24 data are released. Uncertainty remains with the speed and magnitude of key government policies, especially as the transition from the previous administration unfolds.

January PMI indices signal a solid expansion in both the services sector and the manufacturing sector reversing the declining trend from last month.

The **manufacturing PMI** increased by 4.4 index points to 52.8 in January, up from 48.4 in December, and 49.4 in November.

The **services PMI** also experienced an increase to 53.1 in January from 50.5 in December and 51.2 in November.

Graph 3 - 16: Brazil's PMIs



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

The deceleration of growth in 2023 will continue in 1Q24 but improved confidence in both the services and manufacturing sectors and the improved outlook in the labour market supporting domestic demand and consumption prompt an upward revision for the **2024** economic growth forecast to 1.5%, an increase from last month's forecast of 1.4%.

The **2025** economic growth outlook remains unchanged at 1.9% from last month's forecast. The potential easing of monetary policy along with continued support for the industrial sector and increased household income with higher employment are key factors to support growth.

Table 3 - 8: Brazil's economic growth rate and revision, 2024–2025*, %

	Brazil
2024	**1.5**
Change from previous month	0.1
2025	**1.9**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Africa

South Africa

Update on the latest developments

After a decline in 3Q23, South Africa's economy is expected to show signs of recovery in 4Q23. Economic growth contracted by 0.5%, y-o-y, in 3Q23, contrasting with 0.2%, y-o-y, growth in 1Q23 and 1.5%, y-o-y, growth in 2Q23. Although private consumption expenditure expanded by 0.5%, y-o-y, the economy slipped into negative territory primarily due to supply-side shortages and ensuing inventory drawdowns. The electricity sector contracted by 3.5%, y-o-y. The unemployment rate remained high at 31.9% in 3Q23, compared with 32.6% in 2Q23. The primary challenge faced by the economy in 2023 was an ongoing shortage of power supply due to issues with its main power provider.

Meanwhile, at the beginning of 2024, the long-awaited draft of the Integrated Resources Plan for Electricity (IRP) was published for public comment, outlining the expansion of generation capacity through various energy mix scenarios in the medium to long term. The updated draft suggests that load shedding will persist, negatively impacting the economy until at least 2028.

On the **monetary policy** front, the South African Reserve Bank (SARB) kept the policy interest rate steady at 8.25% in January 2024.

The **inflation** rate eased to 5.1% in December 2023 from 5.5% in November 2023, approaching the preferred 4.5% midpoint of the 3-6% target range set by the SARB. This deceleration was primarily attributed to lower fuel prices. Monthly, consumer prices remained unchanged in December, following a 0.1% decline in the previous month.

Near-term expectations

South Africa's economic outlook for 1H24 may face challenges due to elevated interest rates, persistent issues in power supply, uncertainties related to upcoming elections, and ongoing geopolitical tensions. However, the second half of the year is anticipated to bring improvements with the initiation of monetary easing and modest enhancements in power and logistics infrastructure, likely stimulating economic activity. Additionally, there may be increased clarity regarding near-term fiscal support after the upcoming election. Positive momentum in the second half of 2024 is also expected to extend into 2025, contributing to further economic growth.

The seasonally adjusted **Purchasing Managers' Index** in January remained below the growth-indicating level of 50 at 49.2, almost unchanged from the December level of 49, pointing to sustained economic challenges.

Given the ongoing economic uncertainties, the growth forecast for **2024** was revised from last month to 0.9%, reflecting expectations of monetary easing and modest enhancements in power and logistics infrastructure. These positive trends are also driven by an anticipated improvement in domestic demand dynamics and a gradual increase in commodity exports in 2H24.

The accelerating momentum in 2H24 is expected to carry over into **2025**, with growth forecast to stand at 1.4%.

Table 3 - 9: South Africa's economic growth rate and revision, 2024–2025*, %

	South Africa
2024	**0.9**
Change from previous month	0.1
2025	**1.4**
Change from previous month	0.1

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Russia and Central Asia

Russia

Update on the latest developments

After a robust 3Q23, with a quarterly growth rate of 5.5%, y-o-y, Russia's economic growth is estimated to have slightly decelerated, although 4Q23 growth remained strong at 3.0%, y-o-y. This occurred despite ongoing external challenges. On an annual basis, the Russian economy is estimated to have grown 3.0% in 2023, driven by solid household consumption and government spending. Government-led support measures buoyed domestic demand, particularly in 2Q23 and 2H24. Additionally, imports showed improvement during the same period. However, the softening of commodity income led to a drop in government revenue in 4Q23, with some carry-over effects into 1Q24.

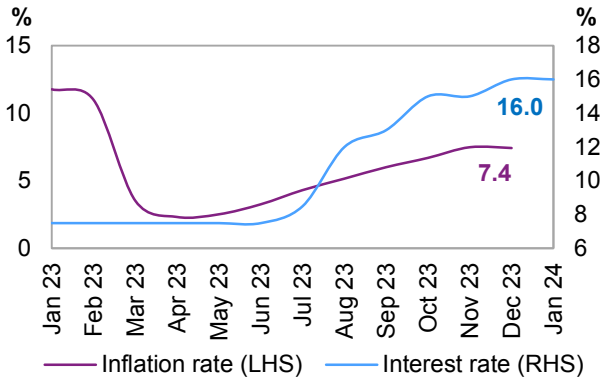
Industrial production remains positive but is showing signs of slowing down, albeit from the high levels seen in previous months. Industrial production growth stood at 2.8%, y-o-y, in December, compared with 4.7% in November and 5.6% in October. **Retail sales** maintained a positive trend in December with 10.1%, y-o-y, growth but are starting to exhibit signs of a slight slowdown compared to previous months. However, both industrial production and retail sales are once again being compared with the high levels from the previous year, contributing to the apparent slowdown. Business confidence edged downward slightly in 4Q23 but remained positive.

The **unemployment rate** edged slightly upward in December to 3.0%, up from the October and November levels of 2.9%. Despite this slight increase, unemployment remains at the lower end of historic levels. The positive effects of low unemployment are evident in the growing private consumption recorded in 2Q23 and 3Q23, which is expected to continue in the 4Q23 data.

Inflation rates fell slightly after several months of increases in response to interest rate hikes. Consumer inflation fell slightly from 7.5% in November to 7.4% in December. This comes after a continuous increase in consumer prices since 2Q23.

In January, the central bank maintained the **key policy interest rate** at 16%, unchanged from the previous month. Future rate hikes are still possible given the inflationary pressures of increasing domestic demand amid constrained output capacity.

Graph 3 - 17: Russia's inflation vs. interest rate



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

Near-term expectations

The Russian economy is forecast to continue weathering the ongoing challenges relatively well in both 2024 and 2025, albeit with a somewhat moderated growth dynamic compared to the strong growth of around 3% in 2023. This slight deceleration is expected to materialize in 4Q23, following strong growth in 3Q23 and 2Q23. The moderating trend is forecast to carry over into 2024. **Government-led initiatives** are anticipated to play a mitigating role in addressing ongoing economic challenges. With these support measures, income levels are expected to remain resilient, and consumer spending is projected to maintain its steady momentum, with private household expenditures driving this trend.

After strong growth in 2Q23 and 3Q23, economic growth in 4Q23 is estimated to decelerate and reach 3%, y-o-y. This compares to a 4Q23 growth estimate of 2.5%, y-o-y, in the previous month. 1H24 economic growth is forecast to moderate to levels of slightly more than 2%, followed by growth of around 1.5%, y-o-y, on a quarterly average in 2H24. Growth in 2025 is forecast to continue to decelerate and stand at around 1%, y-o-y, on a quarterly average in 1H25, and to accelerate to 1.4%, y-o-y, on a quarterly average in 2H25.

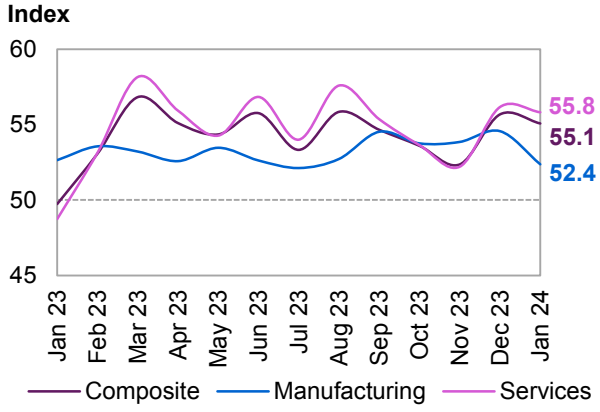
Inflation is anticipated to remain elevated due to buoyant consumption. While y-o-y inflationary levels of 7.4% in December and 7.5% in November lead to a 5.9% annual inflation level, price dynamics are expected to decelerate in 2024, with annual inflation expected to stand at around 5.5% in both 2024 and 2025.

The **PMI index** for both the manufacturing and services sectors continued to demonstrate a supportive dynamic in January, standing clearly above the growth indicating level of 50, but having retracted slightly.

The SPGCI **manufacturing PMI** stood at 52.4 in January, following 54.6 in December and 53.8 in November and October.

After the **services PMI** experienced a significant rise of 4 index points in December, having confirmed a buoyant dynamic going forward, the index remained almost unchanged in January. As such, it stood at 55.8 in January, after 56.2 in December and compared with 52.2 in November.

Graph 3 - 18: Russia's PMI



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

Considering the ongoing improving trend, Russia's economic growth towards the end of 2023 and the consequent carry-over of this momentum into 1H24, the **2024** economic growth forecast is revised up slightly to stand at 1.7%, compared with 1.4% in the previous month. While the estimate carries ongoing upside risk, there remains a high degree of uncertainty amid the ongoing challenges for the Russian economy going forward.

Table 3 - 10: Russia's economic growth rate and revision, 2024–2025*, %

	Russia
2024	**1.7**
Change from previous month	0.3
2025	**1.2**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

As these many uncertainties remain, economic growth in **2025** is forecast at 1.2%, unchanged from the previous month.

OPEC Member Countries

Saudi Arabia

According to preliminary estimates, Saudi Arabia's economy contracted by 3.7%, y-o-y, in 4Q23, following a 4.4%, y-o-y, contraction in 3Q23. Notably and positively, non-oil activities sustained a growth dynamic, increasing by 4.3%, y-o-y, in 4Q23 compared with the already considerable y-o-y growth of 3.5% registered in 3Q23. Similarly, **public spending** grew by 3.1%, y-o-y, in 3Q23 compared to 1.9%, y-o-y, in 4Q23. On a seasonally adjusted quarterly basis, GDP expanded by 0.4%, rebounding from a 3.2% decline in the previous quarter. Throughout 2023, the economy contracted by 1.2%, y-o-y, on a seasonally adjusted base, following 9% growth in 2022. Meanwhile, **Riyad Bank Saudi Arabia's PMI** continued to hold up very well, but retracted to 55.4 in January 2024 from 57.5 in December 2023, pointing to a somewhat weakening expansion. In the near term, the non-oil Saudi Arabia economic growth dynamic will likely be supported further by services-oriented sectors. Moreover, annual **inflation** eased further for the seventh consecutive month, registering an inflation level of 1.5%, y-o-y, in December, compared with the 1.7% registered in November and 1.6% in October.

Nigeria

Recently published data shows that in the latest available month of September 2023, Nigeria boasted a significant **trade surplus** of 1,438.4 billion naira (NGN), a strong rebound from the NGN7.2 billion deficit recorded in September 2022. Exports rose by 115%, y-o-y, reaching an unprecedented high of NGN3,867 billion, while imports surged by 34.5% to NGN2,429 billion. Throughout 3Q23, exports witnessed a remarkable 60.8% increase, and imports soared by 47.7%, culminating in a trade surplus of NGN1,888.92 billion in that period. In late January, the naira exchange rate was devalued from NGN975/US$ to NGN1,414/US$. As a consequence, imported **inflation** may rise, although the weakened local currency could offer further support to non-oil exports. Nevertheless, there is significant uncertainty regarding the currency's trajectory, given historical trends. Additionally, concerns persist regarding inflationary pressures in Nigeria, with the inflation rate reaching 28.9% in December, marking the highest level in 2023. Meanwhile, growth in the private sector persisted, as Nigeria's **January Stanbic IBTC Bank Purchasing Managers' Index** (PMI) rose to 54.5 in January 2024, up from 52.7 in December 2023. This improvement in business conditions is attributed to an expansion in purchasing activities. Moreover, **business confidence** has improved compared to the previous month, with firms maintaining a positive outlook on output growth in the year ahead. Nigeria's near-term downside risks may be driven by challenges in the power grid, an intensification of monetary tightening, exchange rate fluctuations, inflation volatility, and global geopolitical uncertainty.

The United Arab Emirates (UAE)

According to Abu Dhabi Statistics Centre data, the non-oil GDP of the UAE witnessed a robust expansion of 7.7%, y-o-y, in 3Q23, contributing to an overall growth rate of 8.6%, y-o-y, for the non-oil economy during the initial nine months of 2023. Recent **inflation** data suggested that the inflation rate remained unchanged at 3.3% in December. In comparison, the inflation rate in the UAE averaged 1.7% from 1990 until 2023.

The most recent United Nations Conference on Trade and Development revealed that the UAE secured the second position in global rankings for **greenfield investment**, trailing only the US. The UAE showcased a notable 28% surge in greenfield FDI inflows. Total FDI inflows to the UAE are estimated to be around AED90 billion (US$24.5 billion) in 2023, with continued growth in FDI necessary to meet the government's target of AED550 billion (US$150 billion) by 2031.

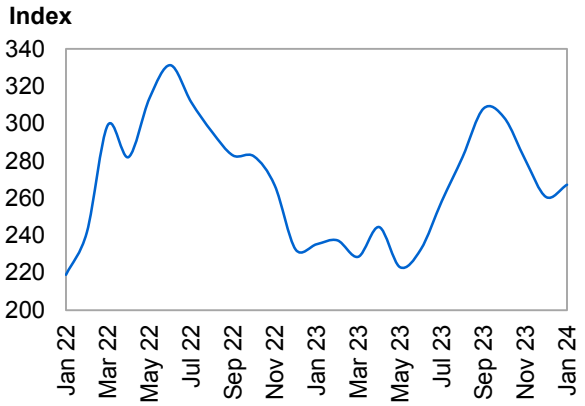
In January, the **S&P Global United Arab Emirates non-oil private sector Purchasing Managers' Index** (PMI) retracted marginally to 56.6, down from 57.4 in December, marking the lowest expansion in five months. Despite this, businesses maintained confidence in the short-term outlook. The resilience and positive short-term outlook of the UAE might be bolstered by government policies, particularly the expansion of manufacturing capacity, evidenced by a 51% increase in the number of new industrial licenses issued in 2023.

The impact of the US dollar (USD) and inflation on oil prices

The **US dollar (USD) index** declined for a third consecutive month in January, falling by 0.7%, m-o-m. The USD declined amid expectations of lower interest rates since the US Federal Reserve paused interest rate hikes for a fourth consecutive time in its January meeting. However, the decline was less severe compared with the previous two months amid uncertainty on when the interest rate cuts will occur, and investors' shift towards safe-haven assets. Y-o-y, the index was down by 0.7%.

On **developed market (DM) currencies**, the USD rose against the yen by 1.4%, m-o-m, in January. However, it fell for a third consecutive month against the euro and the pound by 0.3% and 0.5%, m-o-m, respectively. The USD was up against the yen by 12.5%, y-o-y, but was down against the euro and the pound by 1.2% and 3.8%, y-o-y, respectively.

Graph 3 - 19: The Modified Geneva I + US$ Basket (base June 2017 = 100)



Sources: IMF and OPEC.

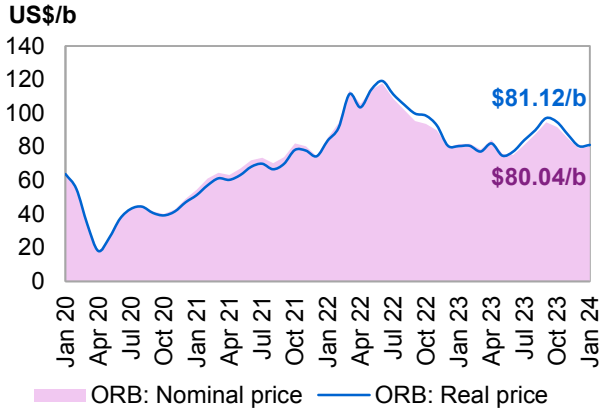
In terms of **emerging market (EM) currencies**, the USD rose against the yuan and the real by 0.3% and 0.1%, m-o-m, in January; however, it fell against the rupee by 0.2% over the same period. The USD was up by 1.5% and 5.5%, y-o-y, against the rupee and yuan, respectively; however, it was down against the real by 5.4% over the same period.

The differential between nominal and real **ORB** prices narrowed for a third consecutive month in January. I**nflation** (nominal price minus real price) went from a discount of $2.41/b in December to a discount of $1.08/b in January, a 23.4% m-o-m decline.

In **nominal terms**, accounting for inflation, the ORB price went from $79.00/b in December to $80.04/b in January, a 1.3% increase, m-o-m. The ORB was down by 1.9%, y-o-y, in nominal terms.

In **real terms** (excluding inflation), the ORB went from $0.41/b in December to $81.12/b in January, a 0.9% increase, m-o-m. The ORB was down by 0.9%, y-o-y, in real terms.

Graph 3 - 20: Impact of inflation and currency fluctuations on the spot ORB price (base June 2017 = 100)



Source: OPEC.

World Oil Demand

The global oil demand growth forecast for 2024 remains broadly unchanged from the previous month's assessment of 2.2 mb/d. A slight upward adjustment to the US forecast has been made due to an improving expectation for the US economy, which will have a positive impact on oil demand. This offsets a downward revision in OECD Europe.

Oil demand in the OECD is projected to grow by around 0.3 mb/d, led by OECD Americas and supported by a minor uptick from OECD Europe and Asia Pacific. In the non-OECD, oil demand is forecast to see a healthy growth of 2 mb/d y-o-y, driven by China and supported by the Middle East, Other Asia, India and Latin America. In 1Q24, oil demand is expected to grow by 2.0 mb/d y-o-y. Total world oil demand is expected to reach 104.4 mb/d in 2024, bolstered by strong air travel demand and increased road mobility, including on-road diesel and trucking, as well as healthy industrial, construction and agricultural activities, particularly in non-OECD countries. Similarly, capacity additions and petrochemical margins in non-OECD countries – mostly in China and the Middle East – are expected to contribute to oil demand growth. However, the forecast remains subject to many uncertainties, including global economic developments.

In 2025, global oil demand is expected to see robust growth of 1.8 mb/d, y-o-y. The OECD is expected to grow by 0.1 mb/d, y-o-y, while demand in the non-OECD is forecast to increase by 1.7 mb/d.

Table 4 - 1: World oil demand in 2024*, mb/d

							Change 2024/23	
World oil demand	**2023**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**2024**	**Growth**	**%**
Americas	25.01	24.68	25.38	25.58	25.22	25.22	0.21	0.84
of which US	*20.30*	*20.09*	*20.67*	*20.67*	*20.47*	*20.48*	*0.17*	*0.85*
Europe	13.41	13.12	13.57	13.66	13.40	13.44	0.03	0.19
Asia Pacific	7.35	7.84	6.97	7.09	7.59	7.37	0.02	0.29
Total OECD	**45.77**	**45.64**	**45.93**	**46.33**	**46.21**	**46.03**	**0.26**	**0.56**
China	16.19	16.13	16.77	17.09	17.29	16.82	0.63	3.89
India	5.34	5.63	5.64	5.40	5.59	5.56	0.22	4.11
Other Asia	9.28	9.61	9.74	9.49	9.51	9.59	0.31	3.34
Latin America	6.68	6.79	6.88	6.97	6.84	6.87	0.19	2.84
Middle East	8.63	8.91	8.76	9.38	9.00	9.01	0.38	4.40
Africa	4.46	4.65	4.37	4.39	4.82	4.56	0.10	2.24
Russia	3.84	3.89	3.80	3.99	4.08	3.94	0.10	2.61
Other Eurasia	1.17	1.27	1.24	1.08	1.28	1.22	0.04	3.77
Other Europe	0.79	0.81	0.78	0.77	0.84	0.80	0.01	1.75
Total Non-OECD	**56.39**	**57.68**	**57.99**	**58.55**	**59.26**	**58.37**	**1.99**	**3.53**
Total World	**102.16**	**103.32**	**103.91**	**104.88**	**105.47**	**104.40**	**2.25**	**2.20**
Previous Estimate	102.11	103.32	103.92	104.89	105.29	104.36	2.25	2.20
Revision	0.04	-0.01	0.00	-0.01	0.19	0.04	0.00	0.00

*Note: * 2024 = Forecast.*

Totals may not add up due to independent rounding.

Source: OPEC.

Table 4 - 2: World oil demand in 2025*, mb/d

World oil demand	2024	1Q25	2Q25	3Q25	4Q25	2025	Change 2025/24 Growth	Change 2025/24 %
Americas	25.22	24.74	25.43	25.70	25.30	25.30	0.08	0.31
of which US	*20.48*	*20.12*	*20.70*	*20.73*	*20.52*	*20.52*	*0.04*	*0.21*
Europe	13.44	13.14	13.58	13.68	13.41	13.46	0.02	0.12
Asia Pacific	7.37	7.85	6.98	7.10	7.60	7.38	0.01	0.14
Total OECD	**46.03**	**45.73**	**46.00**	**46.48**	**46.32**	**46.13**	**0.11**	**0.23**
China	16.82	16.56	17.15	17.53	17.68	17.23	0.41	2.44
India	5.56	5.85	5.88	5.61	5.82	5.79	0.23	4.10
Other Asia	9.59	9.90	10.07	9.82	9.81	9.90	0.31	3.25
Latin America	6.87	6.99	7.07	7.19	7.04	7.07	0.20	2.91
Middle East	9.01	9.29	9.10	9.84	9.35	9.40	0.38	4.24
Africa	4.56	4.77	4.47	4.52	4.93	4.67	0.11	2.47
Russia	3.94	3.95	3.85	4.05	4.12	3.99	0.05	1.37
Other Eurasia	1.22	1.30	1.27	1.12	1.31	1.25	0.03	2.59
Other Europe	0.80	0.82	0.79	0.78	0.85	0.81	0.01	1.41
Total Non-OECD	**58.37**	**59.42**	**59.66**	**60.45**	**60.91**	**60.11**	**1.74**	**2.98**
Total World	**104.40**	**105.15**	**105.65**	**106.94**	**107.23**	**106.25**	**1.85**	**1.77**
Previous Estimate	104.36	105.15	105.65	106.95	107.05	106.21	1.85	1.77
Revision	0.04	-0.01	0.00	-0.01	0.19	0.04	0.00	0.00

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

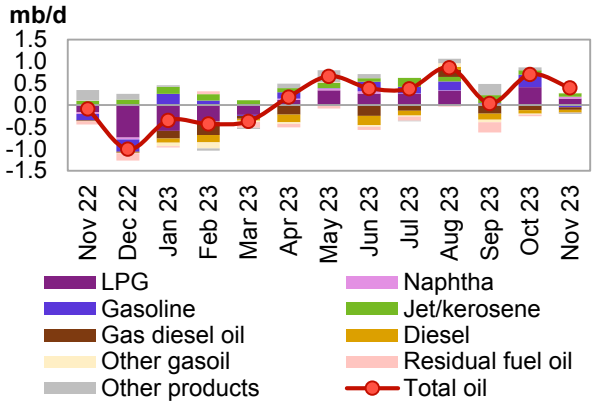
OECD

OECD Americas

Update on the latest developments

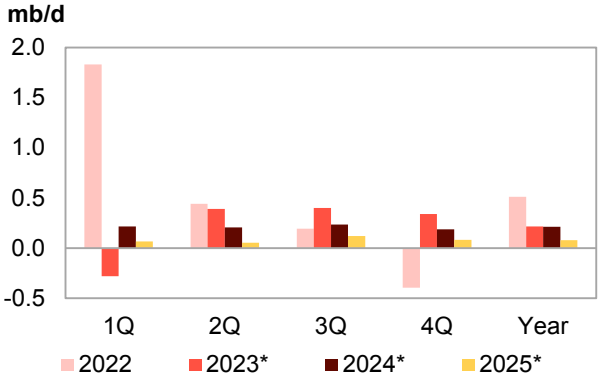
Oil demand in OECD Americas expanded by 394 tb/d, y-o-y, in **November**, down from a growth of 701 tb/d, y-o-y, in October. Incremental oil demand over the month came entirely from the US for the second consecutive month, while Canada and Mexico remained weak. The lesser oil demand growth in November, compared with that of October, is due to y-o-y declines in Canada and Mexico, which offset some of the increase seen in the US. The growth seen in the US was supported by a negative baseline amid strong petrochemical feedstock requirements and healthy transportation fuel demand. Details of various product contributions are discussed below.

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: * 2023 = Estimate and 2024-2025 = Forecast.*
Source: OPEC.

Oil demand in the **US** increased by 496 tb/d, y-o-y in November, down from growth of 673 tb/d, y-o-y, in the previous month. Growth was driven by healthy petrochemical and transportation sector activity amid a weak baseline effect. LPG recorded the largest increase of 394 tb/d, up from the previous month's demand of 318 tb/d, y-o-y, on the back of seasonal strength and a low baseline in the previous year. Gasoline increased

by 18 tb/d, y-o-y, and air travel activity saw jet/kerosene demand increasing by 30 tb/d, y-o-y. According to a report from the International Air Travel Association (IATA), US international traffic levels remained robust in November, with high demand for air travel around the Thanksgiving holiday in the US, pushing domestic travel revenue passenger kilometres (RPKs) to a new high. The month saw a 9.1% increase over pre-COVID levels, with international RPKs 7.4% above those in November 2019. While the 'other products' category increased by 83 tb/d, y-o-y, demand for naphtha saw an uptick of 22 tb/d, y-o-y, up from a 4 tb/d increase seen the previous month.

However, US diesel demand saw a contraction due to weak industrial activity for the second consecutive month, declining by 48 tb/d, y-o-y. Residual fuels were broadly flat, y-o-y.

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

US oil demand			Change	Nov 23/Nov 22
By product	Nov 22	Nov 23	Growth	%
LPG	3.42	3.82	0.39	11.5
Naphtha	0.14	0.17	0.02	15.3
Gasoline	8.83	8.85	0.02	0.2
Jet/kerosene	1.59	1.62	0.03	1.9
Diesel	4.06	4.01	-0.05	-1.2
Fuel oil	0.36	0.36	0.00	-0.8
Other products	2.10	2.19	0.08	3.9
Total	**20.50**	**21.00**	**0.50**	**2.4**

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

Sources: EIA and OPEC.

Near-term expectations

In the near term, US economic growth for **2024** will follow expected growth levels in 1H24, supported by private household consumption. In addition, improvements in air travel and road mobility are expected to continue. Accordingly, these factors are expected to support jet/kerosene and gasoline demand. Furthermore, LPG is also expected to see an uptick, due to healthy petrochemical feedstock requirements for ethylene. Meanwhile, the index level for the services sector, representing around 70% of the US economy, has been on an expansion trajectory. However, the US manufacturing sector continued to contract, though some improvements were seen in January. Accordingly, oil demand is projected to increase by an average of about 170 tb/d y-o-y in 1H24, mostly supported by demand for jet/kerosene, gasoline and LPG. However, diesel demand is projected to be subdued by weak manufacturing activity.

Overall, US oil demand in **2024** is expected to increase by 173 tb/d, mostly supported by transportation fuels and light distillates. In **2025**, oil demand in the US is projected to increase by 42 tb/d, y-o-y.

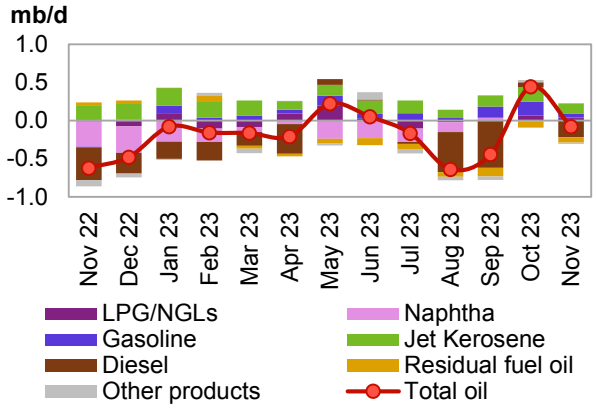
OECD Europe

Update on the latest developments

Oil demand in OECD Europe recorded a slight decrease of 76 tb/d, y-o-y, in **November**, after seeing a strong increase of 444 tb/d, y-o-y, in the previous month. Declines in demand were mostly driven by diesel and residual fuels.

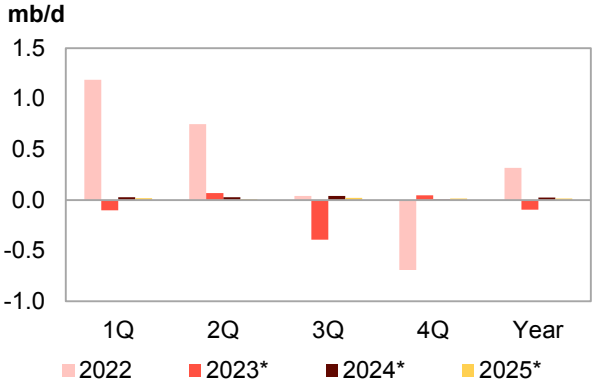
Diesel is still under pressure from ongoing weak regional manufacturing activity, leading to a decline of 217 tb/d, y-o-y, down from the slight growth of 60 tb/d seen the previous month. Diesel demand's ongoing decline was caused by persistent weak manufacturing activity amid macroeconomic headwinds in the region's major countries. Demand in the residual fuels and 'other products' category also contracted by 69 tb/d and 16 tb/d, y-o-y, respectively.

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: * 2023 = Estimate and 2024-2025 = Forecast.*
Source: OPEC.

On the positive side, jet/kerosene posted the largest increase of 136 tb/d, y-o-y, supported by solid demand for air travel in the region. A report from the International Air Transport Association (IATA) Air Passenger Market Analysis states that in November, international RPKs provided by European carriers increased by 14.8% y-o-y to reach 97.1% of pre-pandemic levels. In line with seasonal norms for winter, gasoline increased moderately by 52 tb/d, y-o-y, below the growth of 180 tb/d y-o-y seen the previous month. Meanwhile, LPG saw growth of 33 tb/d, y-o-y, down from growth of 70 tb/d, y-o-y, seen the previous month. LPG was supported by winter heating demand in the region. Finally, naphtha increased marginally by 5 tb/d, albeit an improvement from a 10 tb/d y-o-y decline seen in the previous month. Naphtha is still under pressure from low petrochemical steam cracker unit demand.

Near-term expectations

Looking ahead to **2024**, the Eurozone's economic growth is expected to remain sluggish. At the same time, some recent indicators – including bank lending, PMI and inflation rates – suggest the ongoing slump may be bottoming out. Oil demand growth is expected to average around 30 tb/d, y-o-y, in 1H24, supported by regional jet/kerosene and gasoline consumption on the back of air and road transportation activity. However, ongoing weak manufacturing and petrochemical activity are anticipated to weigh on diesel and naphtha. Overall, the region is expected to see an average growth of 25 tb/d, y-o-y, for the year, mostly supported by transportation fuels. Similarly, LPG and residual fuels are expected to record a slight uptick.

Potential improvements towards the end of 2024 are expected to carry over into **2025**, when the Eurozone's economic growth is forecast to gain traction. Similarly, air travel and driving activity are expected to remain stable and support oil demand growth of 17 tb/d y-o-y. However, an increase in the penetration of electrical vehicles amid ongoing increasing environmental regulations is expected to subdue gasoline and, to a lesser degree, diesel demand. Similarly, the European naphtha market is poised for major changes in fundamentals, mostly due to high production costs and environmental regulations that could weigh on demand going forward.

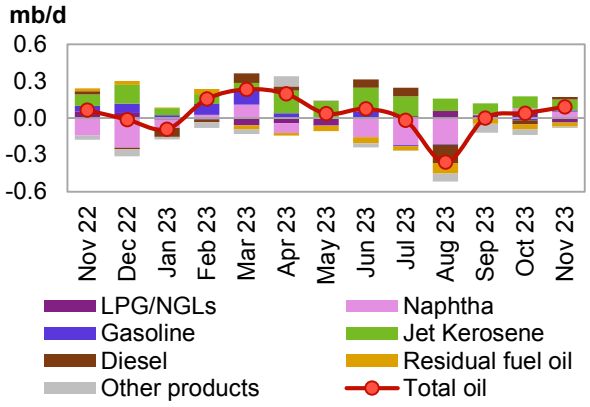
OECD Asia Pacific

Update on the latest developments

Oil demand in OECD Asia Pacific increased further by 92 tb/d, y-o-y, in **November**, up from a growth of 40 tb/d in October. The uptick was supported by requirements from South Korea and Australia for transportation fuels and petrochemical feedstock, amid steady air travel recovery and healthy petrochemical feedstock requirements.

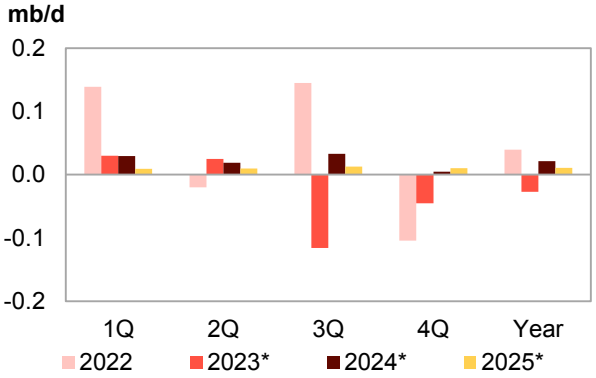
Jet/kerosene led oil demand growth by 87 tb/d, y-o-y, supported by air travel demand across all three major consuming countries in the region. A report from the IATA's Air Passenger Market Analysis shows that Asia Pacific airlines saw a modest improvement in November traffic on the road to recovery to pre-pandemic levels. International RPKs reached 83% of levels recorded in November 2019. After the lacklustre performance, petrochemical feedstock demand in the region has shown signs of recovery in recent months, with naphtha expanding by 51 tb/d, y-o-y, up from growth of 24 tb/d seen in the previous month. Diesel saw an uptick of 23 tb/d, y-o-y, an improvement from the 32 tb/d, y-o-y decline in the previous month.

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



Sources: IEA, JODI, METI and OPEC.

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



*Note: * 2023 = Estimate and 2024-2025 = Forecast.*
Source: OPEC.

Similarly, gasoline inched up by 12 tb/d, y-o-y, from an annual decline of 19 tb/d in the previous month. The moderate increase in gasoline demand came from South Korea which showed an increase of 25 tb/d, y-o-y, though this was partly offset by declines in Japan and Australia.

The 'other products' category and residual fuels saw annual declines of 11 tb/d and 34 tb/d, respectively.

Near-term expectations

In **2024**, economic growth rates in the region are expected to continue to normalize and settle below rates seen in 2023, with variations among countries. Forward-looking indicators, including services and manufacturing PMIs, also vary among major oil-consuming countries in the region, although most numbers indicate a gradual improvement in both the services and manufacturing sectors, as January PMIs in Japan and Australia are in expansion territory. Similarly, Korean manufacturing PMIs are also on an expansion trajectory. Steady air traffic recovery, along with driving activity and petrochemical industry operations, are anticipated to support oil demand growth of 24 tb/d, y-o-y, on average in 1H24. Overall, demand is projected to expand by an average of 22 tb/d, y-o-y.

In **2025**, oil demand in OECD Asia Pacific is expected to increase by an average of 11 tb/d, y-o-y, mostly supported by transportation fuels.

Non-OECD

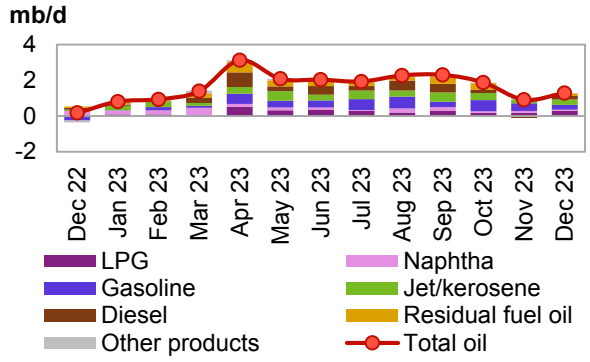
China

Update on the latest developments

Oil demand in China surged further in **December**, with growth of 1.3 mb/d, y-o-y, up from the 0.9 mb/d, y-o-y, increase seen in November. Growth was partly supported by a low baseline effect, amid healthy economic activity and steady petrochemical feedstock requirements.

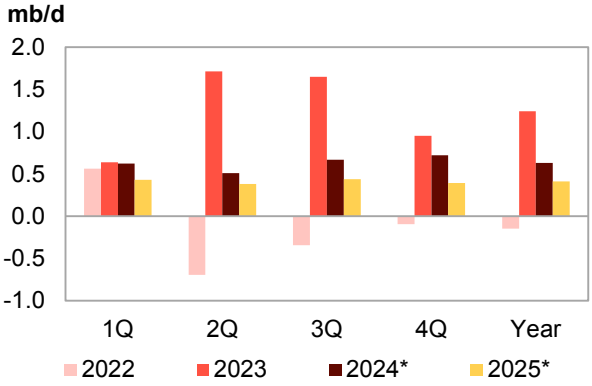
On the back of steady air travel recovery, jet/kerosene posted the highest growth among oil products by 296 tb/d, y-o-y, in December, up from 195 tb/d in November. According to a report by China's Civil Aviation Authority, passenger turnover on domestic routes jumped by 147% y-o-y in December, while international routes recorded an astounding 905% y-o-y increase in terms of passenger kilometres travelled. LPG expanded by 280 tb/d, y-o-y, supported by healthy petrochemical feedstock requirements, up from 189 tb/d seen the previous month, while naphtha increased by 76 tb/d, y-o-y, slightly below the 97 tb/d, y-o-y, seen the month before. Demand was supported by the growing need for plastics produced by the petrochemical industry. Gasoline demand expanded by 277 tb/d, y-o-y, supported by healthy driving mobility. A report from the China National Bureau of Statistics/Haver Analytics indicates that road and passenger traffic growth increased by 26.5% y-o-y in December, compared with an increase of 23.5% in November.

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



Sources: Chinese Petroleum Data Monthly, Chinese National Bureau of Statistics, JODI, Non-OECD Energy Statistics, Argus Global Markets, Argus China, and OPEC.

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



*Note: * 2024-2025 = Forecast.*
Source: OPEC.

Similarly, diesel demand surged by 206 tb/d, y-o-y, up from a 98 tb/d, y-o-y, decline seen in November. Residual fuel demand grew by 132 tb/d, y-o-y, up from an annual growth of 16 tb/d the previous month. Finally, the ´other products´ category saw an uptick of 23 tb/d, below the annual growth of 78 tb/d recorded in November.

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

China's oil demand			Change	Dec 23/Dec 22
By product	Dec 22	Dec 23	Growth	%
LPG	2.67	2.95	0.28	10.5
Naphtha	2.00	2.07	0.08	3.8
Gasoline	3.27	3.55	0.28	8.5
Jet/kerosene	0.98	1.28	0.30	30.1
Diesel	3.65	3.85	0.21	5.6
Fuel oil	0.50	0.63	0.13	26.7
Other products	2.55	2.57	0.02	0.9
Total	**15.61**	**16.90**	**1.29**	**8.3**

*Note: * Apparent oil demand. Totals may not add up due to independent rounding.*
Sources: Argus Global Markets, China OGP (Xinhua News Agency), Facts Global Energy, JODI, National Bureau of Statistics China and OPEC.

Near-term expectations

Looking ahead, China is expected to be the engine of global oil demand in 2024. Expected healthy economic activity amid anticipated healthy manufacturing and driving activity would seem to indicate robust and resilient demand for oil products in the near term. January PMI readings from SPGCI indicate that activity in the services sector continued in expansion territory, and also the manufacturing sector exhibited a tangible recovery, remaining above the expansionary level of 50 since November. Furthermore, growing petrochemical capacity in 1H24 is expected to strengthen petrochemical feedstock demand, thus boosting demand for naphtha in the near term. Additionally, the upcoming Chinese Lunar New Year holiday is expected to considerably boost transportation oil demand in 1Q24. This will be supported by healthy economic activity amid an increase in worker purchasing power, due to the annual bonus usually paid before the vacation. Consequently, China's jet fuel and gasoline demand are expected to increase further on the prospect of continuously rising driving mobility and air transportation demand. Ongoing Chinese government support measures primarily targeting the real estate market and household consumption are expected to provide additional support for oil demand. Finally, expected warmer temperatures will improve the consumption of diesel in the construction and agricultural sectors. Accordingly, oil demand in the country is anticipated to grow by a healthy 565 tb/d, y-o-y, in 1H24.

Overall in 2024, despite an expected easing in the momentum of China's GDP growth compared with 2023, oil demand is expected to be supported by sustained services sector activity, a recovery in manufacturing activity, and surging petrochemical activity, supporting demand for feedstock. Moreover, a further surge in international air travel is expected, as China has lifted a ban on overseas group tours. This could encourage more people to travel abroad. Furthermore, increased transportation activity is expected to boost demand for gasoline and diesel. China's oil demand is anticipated to expand by a healthy 630 tb/d, y-o-y, for the year.

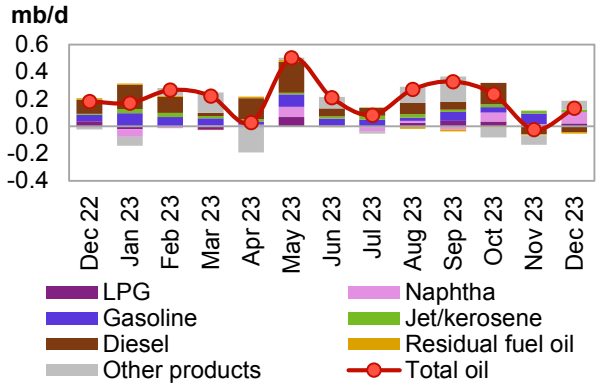
China's product demand is expected to continue to expand in 2025, albeit with less momentum, after increasing by 630 tb/d in 2024. Demand for all products is expected to recover fully to pre-pandemic levels, and China's GDP is projected to remain healthy. The country's stimulus measures are also expected to impact oil demand growth next year, although likely to a lesser degree than in 2024. China is also projected to be a global leader in petrochemical feedstock demand, while its jet fuel demand is expected to rise on the prospect of growing air transportation requirements. Finally, manufacturing and construction activity is also projected to accelerate on the back of healthy economic activity. In 2025, the country is expected to post strong oil demand growth of 410 tb/d, y-o-y.

India

Update on the latest developments

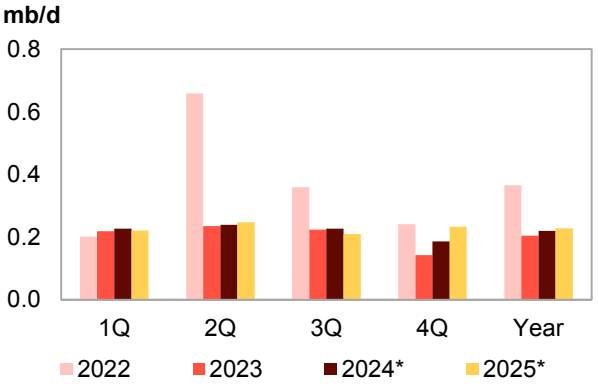
Oil demand in India in December expanded by 133 tb/d, y-o-y, up from a slight contraction of 23 tb/d, y-o-y, seen in the previous month. The increase in demand was largely supported by demand for LPG and naphtha on the back of industrial and petrochemical requirements, as well as the "other products" category, which includes bitumen used for road construction.

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



Sources: PPAC, JODI, Non-OECD Energy Statistics and OPEC.

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



*Note: * 2024-2025 = Forecast.*
Source: OPEC.

The largest increase was recorded in naphtha, which increased by 82 tb/d, y-o-y. In addition to a low base effect and resulting high growth value, some petrochemical companies increased naphtha consumption, to optimize the use of feedstock based on the natural gas pricing in December. The 'other products' category also increased by 65 tb/d, y-o-y. According to a December 2023 report by the Indian Petroleum Planning and Analysis Cell, demand for bitumen was boosted by road construction activity, which was in full swing to meet end-2023 targets amid favourable weather in some parts of the country. LPG saw an increase of 22 tb/d, y-o-y, from 12 tb/d observed the previous month. LPG was affected by rising demand from foam and ceramics industries based near the Morbi region, which earlier used imported propane and butane, but shifted to indigenous LPG because of more favourable pricing. Jet/kerosene increased by 16 tb/d, y-o-y, as the number of domestic passengers in India increased 8.4% over December 2022 due to holiday traffic moving in a shorter holiday window compared with the longer summer holiday window. Gasoline demand stayed broadly flat, y-o-y.

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

India's oil demand			Change	Dec 23/Dec 22
By product	Dec 22	Dec 23	Growth	%
LPG	0.97	0.99	0.02	2.3
Naphtha	0.30	0.38	0.08	27.5
Gasoline	0.82	0.82	0.00	0.2
Jet/kerosene	0.18	0.19	0.02	8.8
Diesel	1.89	1.85	-0.04	-2.3
Fuel oil	0.13	0.12	-0.01	-7.8
Other products	1.09	1.16	0.06	5.9
Total	**5.38**	**5.51**	**0.13**	**2.5**

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

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

However, diesel demand weakened by 43 tb/d, y-o-y, subdued by Cyclone Michaung, which struck southeastern India. Moreover, diesel sales in various states were affected by a transportation strike in protest against a new penal law on hit-and-run crimes. Finally, residual fuels declined by 10 tb/d, y-o-y.

Near-term expectations

In the near term, despite facing the challenge of high inflation, India's economy is expected to maintain sound economic growth in **2024**. This will be largely driven by robust investment and services amid an expected surge in the manufacturing and construction sector, due to government spending and an improved investment environment, which is expected to support India's oil demand in 1H24. Forward-looking indicators show healthy manufacturing and services PMIs, and suggest strong prospects for near-term oil demand. Accordingly, India's oil demand is projected to expand by an average of 233 tb/d, y-o-y, in 1H24. Distillates are expected to be the driver of oil demand growth, supported mostly by agriculture, construction and manufacturing activities. Additionally, annual traditional festivities are expected to support transportation activity and boost gasoline demand. Finally, the ongoing air travel recovery is expected to bolster jet/kerosene demand. Overall, India is expected to see healthy oil demand growth of 220 tb/d, y-o-y, in 2024.

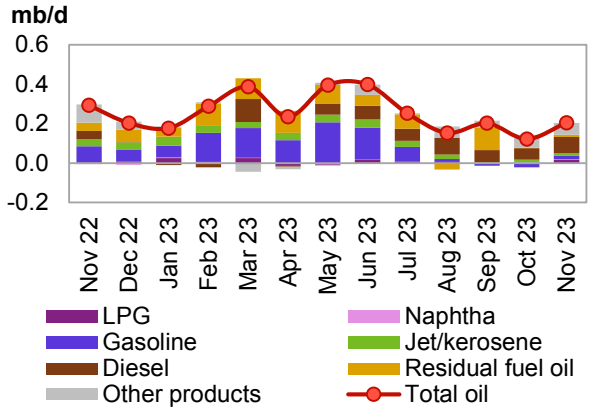
In **2025**, India's GDP growth is expected to remain resilient. Similarly, manufacturing and business activities are expected to remain healthy. These factors are thought to support oil demand in India by an average of 228 tb/d. Distillates are expected to be the main driver of demand, followed by the 'other products' category. Similarly, demand for transportation fuels and petrochemical feedstock is expected to remain healthy and support oil demand over the year.

Latin America

Update on the latest developments

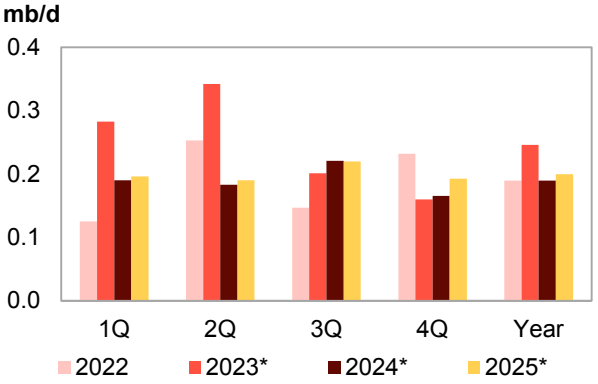
Oil demand in Latin America surged by 204 tb/d y-o-y in November, up from growth of 122 tb/d the previous month. Oil demand growth in the region came mostly from Brazil and Argentina.

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



Sources: JODI, Non-OECD Energy Statistics and OPEC.

Graph 4 - 12: Latin America's oil demand, y-o-y change



*Note: * 2023 = Estimate and 2024-2025 = Forecast.*
Source: OPEC.

In terms of specific product demand, diesel was the main driver in November, with y-o-y growth of 84 tb/d, higher than the 58 tb/d y-o-y increase seen the previous month. In addition, the 'other products' category expanded by 61 tb/d, y-o-y, slightly below growth of 64 tb/d seen in November. In terms of transportation fuels, while gasoline expanded by 20 tb/d, y-o-y, from an annual decline of 22 tb/d the previous month, jet/kerosene saw growth of 10 tb/d, y-o-y, slightly below the growth of 14 tb/d recorded a month earlier.

In terms of petrochemical feedstock, while LPG saw an uptick of 15 tb/d from zero growth the previous month, naphtha has remained broadly flat for four consecutive months. Finally, residual fuels grew by 10 tb/d, y-o-y, up from growth of 4 tb/d, y-o-y, seen the previous month.

Near-term expectations

Looking ahead, Latin America's economic growth momentum is expected to continue in 2024, supported by a spillover of healthy economic growth in 2023, with a continued recovery in air travel and ongoing support from the services and manufacturing sectors. Thus, regional oil demand growth of 187 tb/d, y-o-y, is expected in 1H24. Overall, continued healthy economic activity, combined with improvements in both manufacturing activity and air travel in **2024,** is expected to support oil demand growth of 190 tb/d, y-o-y.

The oil demand growth outlook sees demand for transportation fuels – jet kerosene and gasoline – expanding the most, followed by diesel and petrochemical feedstock.

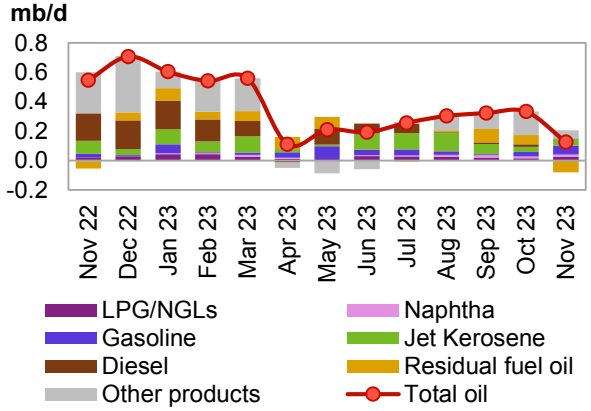
In **2025**, economic activity in the region is expected to remain healthy, as GDP growth is projected to improve further from 2024. Furthermore, both transportation and manufacturing activities are expected to be steady, supporting average oil demand growth of 200 tb/d, y-o-y. Transportation fuels, including gasoline, jet/ kerosene and diesel, are expected to drive demand growth, supported by an uptick in demand for LPG and residual fuels.

Middle East

Update on the latest developments

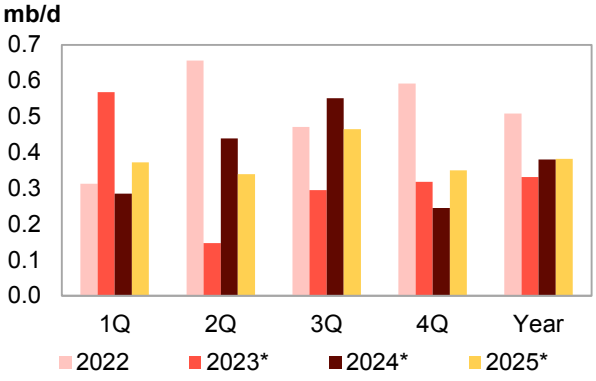
Oil demand growth in the Middle East was impacted by a strong y-o-y baseline effect, and thus expanded by 126 tb/d, y-o-y, in **November**, down from annual growth of 334 tb/d recorded in October. November demand was mostly supported by demand for transportation fuels – gasoline and jet/kerosene – and the 'other products' categories in Iraq and Saudi Arabia.

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



Sources: JODI, Non-OECD Energy Statistics and OPEC.

Graph 4 - 14: Middle East's oil demand, y-o-y change



*Note: * 2023 = Estimate and 2024-2025 = Forecast.*
Source: OPEC.

Ongoing strong oil demand in the region was supported by healthy economic activity. In November, gasoline led with demand growth of 61 tb/d y-o-y, which was higher than the 31 tb/d y-o-y increase seen in the previous month. Demand was supported by healthy driving mobility. Jet/kerosene increased by 45 tb/d, y-o-y, on the back of ongoing air travel recovery, up from the 35 tb/d seen last month.

Table 4 - 6: Iraq's oil demand, mb/d

Iraq's oil demand By product	Dec 22	Dec 23	Change Growth	Dec 23/Dec 22 %
LPG	0.07	0.07	0.00	-0.2
Naphtha	0.00	0.01	0.01	272.1
Gasoline	0.18	0.18	0.01	5.1
Jet/kerosene	0.06	0.06	0.00	-1.9
Diesel	0.15	0.15	0.00	-0.3
Fuel oil	0.18	0.22	0.04	24.8
Other products	0.19	0.18	0.00	-2.0
Total	**0.82**	**0.88**	**0.06**	**6.9**

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

Sources: JODI and OPEC.

According to a report from IATA, Middle Eastern carriers posted positive results in November. Passenger traffic was 1.2% above pre-pandemic figures and seating capacity was only 4.4% below pre-pandemic levels. The 'other products' category expanded by 57 tb/d, y-o-y. In terms of petrochemical requirements, LPG posted growth of 26 tb/d, y-o-y, and naphtha saw growth of 15 tb/d, y-o-y. Finally, while diesel demand increased marginally by 3 tb/d, y-o-y, residual fuel demand contracted by 81 tb/d y-o-y, down from 62 tb/d, y-o-y, growth seen in the previous month.

Near-term expectations

Looking ahead, economic activity in the region is expected to remain solid in 1H24, supportive of oil demand. In addition, the current focus on petrochemical sector development is expected to bolster petrochemical feedstock requirements in the region. Furthermore, ongoing strong growth in international air traffic is expected to continue.

Accordingly, these factors are expected to support oil demand growth in the region, which is forecast to expand by a healthy 362 tb/d, y-o-y, in 1H24. Overall in **2024**, GDP growth rates in the region are forecast to surpass those of 2023, amid expected healthy transportation activity, supporting gasoline, transportation diesel and jet/kerosene demand. Accordingly, the Middle East is expected to see healthy demand growth of 380 tb/d, y-o-y.

In **2025**, economic activity in the region is projected to continue healthy. In addition, mobility and petrochemical sector requirements are expected to remain steady. These factors should support demand for transportation fuels and other distillates in the region. Accordingly, regional oil demand in 2025 is expected to expand by an average of 382 tb/d, y-o-y.

World Oil Supply

Non-OPEC liquids production in 2024 is forecast to grow by 1.2 mb/d to average 70.5 mb/d, including 50 tb/d in processing gains. This reflects an about 150 tb/d downward revision compared with the previous month's assessment. OECD liquids supply is forecast to increase by 0.9 mb/d to average 33.6 mb/d, while non-OECD liquids supply is seen growing by 0.3 mb/d to average 34.4 mb/d. Non-OPEC liquids supply growth is expected to be primarily supported by US tight oil assets, oil sands expansion in Canada, and offshore projects in Latin America and the North Sea. The main drivers for expected growth are the US, Canada, Guyana, Brazil and Norway, while the largest declines are seen in Russia and Mexico.

In 2025, non-OPEC liquids production is forecast to grow by 1.3 mb/d to average 71.8 mb/d, including 60 tb/d in processing gains. OECD liquids supply is forecast to increase next year by 0.8 mb/d, and the non-OECD region is projected to grow by 0.4 mb/d. The main drivers for liquids supply growth are expected to be the US, Brazil, Canada, Norway, Kazakhstan and Guyana, while production is forecast to see a major decline in Mexico and Angola.

OPEC NGLs and non-conventional liquids production is expected to increase by around 60 tb/d to average 5.5 mb/d in 2024 and additional growth of 110 tb/d is forecast for 2025 to average 5.6 mb/d. OPEC-12 crude oil production in January decreased by 350 tb/d, m-o-m, to average 26.34 mb/d, according to available secondary sources.

Non-OPEC liquids production in January, including OPEC NGLs, is estimated to have decreased by 0.2 mb/d, m-o-m, to average 75.5 mb/d. This represents a y-o-y increase of 1.6 mb/d. As a result, preliminary data indicates that January's global oil supply was down by 0.6 mb/d, m-o-m, to average 101.8 mb/d, while increasing by 0.2 mb/d, y-o-y.

Non-OPEC liquids production in 2023 is estimated to grow by 2.4 mb/d, y-o-y, reaching 69.4 mb/d. Upward revisions to the estimation for the US and Russia offset downward revisions to the UK and Azerbaijan.

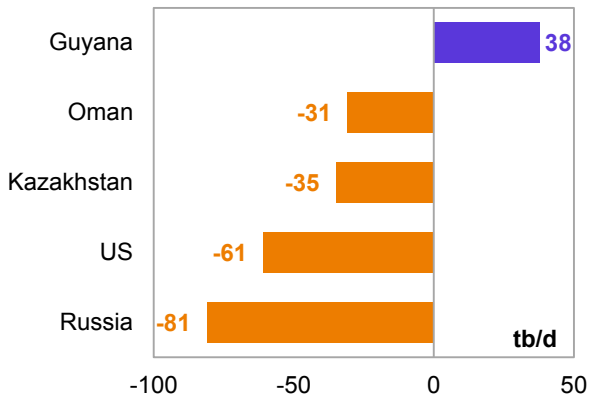
Overall, OECD supply growth for 2023 is revised higher. While OECD Europe remains largely unchanged, OECD Americas is revised up owing to the US and Canada. OECD Asia Pacific's output growth is estimated to marginally decline. The non-OECD supply growth estimation for 2023 is revised up to 0.5 mb/d, y-o-y. Latin America is estimated to be the main growth driver in the non-OECD region, followed by China and Other Eurasia.

The **non-OPEC liquids production** growth forecast in **2024** is revised down from the previous month's assessment to 1.2 mb/d. It is worth noting that this takes into account all the announced additional voluntary production adjustments by some countries in the Declaration of Cooperation (DoC) to the end of 2024.

Upward revisions to the supply forecasts of Guyana and Other Asia are primarily offset by downward changes to Russia, the US and a few other countries.

The **non-OPEC liquids production** growth forecast for **2025** remains unchanged from the previous month's assessment at 1.3 mb/d.

Graph 5 - 1: Major revisions to annual supply change forecast in 2024*, MOMR Feb 24/Jan 24

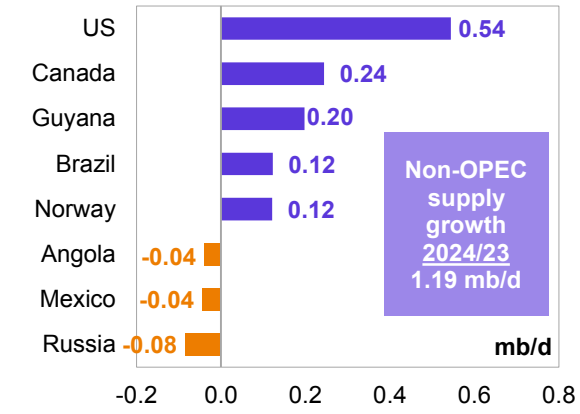


*Note: * 2024 = Forecast. Source: OPEC.*

Key drivers of growth and decline

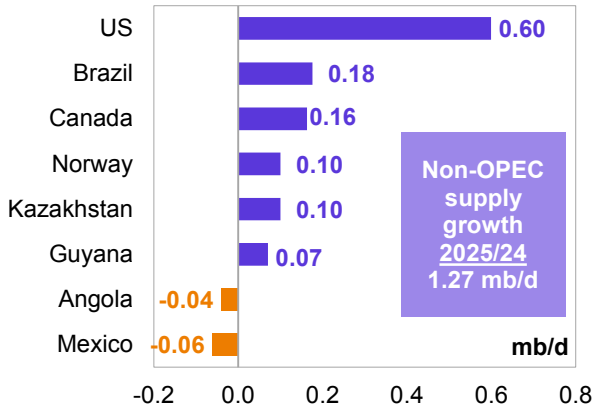
For **2024**, the key drivers of non-OPEC supply growth are forecast to be the US, Canada, Guyana, Brazil and Norway, while oil production is projected to see the largest decline in Russia, Mexico and Angola.

Graph 5 - 2: Annual liquids production changes, y-o-y, for selected countries in 2024*



*Note: * 2024 = Forecast. Source: OPEC.*

Graph 5 - 3: Annual liquids production changes, y-o-y, for selected countries in 2025*



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

The key drivers of growth for non-OPEC supply in **2025** are forecast to be the US, Brazil, Canada, Norway, Kazakhstan and Guyana, while oil production is anticipated to drop primarily in Mexico and Angola.

Non-OPEC liquids production in 2024 and 2025

Table 5 - 1: Non-OPEC liquids production in 2024*, mb/d

							Change 2024/23	
Non-OPEC liquids production	**2023**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**2024**	**Growth**	**%**
Americas	28.66	28.97	29.14	29.59	29.89	29.40	0.74	2.59
of which US	*20.89*	*21.00*	*21.35*	*21.61*	*21.76*	*21.43*	*0.54*	*2.60*
Europe	3.63	3.83	3.72	3.66	3.81	3.75	0.13	3.50
Asia Pacific	0.44	0.45	0.42	0.43	0.42	0.43	-0.01	-2.91
Total OECD	**32.73**	**33.25**	**33.28**	**33.69**	**34.12**	**33.59**	**0.86**	**2.62**
China	4.57	4.60	4.59	4.56	4.56	4.58	0.01	0.24
India	0.77	0.79	0.79	0.79	0.78	0.79	0.01	1.70
Other Asia	2.27	2.28	2.24	2.21	2.21	2.24	-0.04	-1.57
Latin America	6.94	7.24	7.22	7.33	7.39	7.30	0.35	5.07
Middle East	3.27	3.25	3.28	3.27	3.28	3.27	0.00	-0.06
Africa	2.40	2.36	2.36	2.40	2.43	2.39	-0.01	-0.57
Russia	10.92	10.80	10.84	10.84	10.86	10.84	-0.08	-0.78
Other Eurasia	2.91	2.86	2.97	2.97	2.99	2.95	0.04	1.45
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00	-1.15
Total Non-OECD	**34.16**	**34.29**	**34.40**	**34.48**	**34.60**	**34.44**	**0.28**	**0.82**
Total Non-OPEC production	66.89	67.54	67.68	68.16	68.72	68.03	1.14	1.70
Processing gains	2.47	2.52	2.52	2.52	2.52	2.52	0.05	2.03
Total Non-OPEC liquids production	**69.36**	**70.06**	**70.20**	**70.68**	**71.24**	**70.55**	**1.19**	**1.71**
Previous estimate	69.06	69.96	70.00	70.52	71.10	70.40	1.34	1.94
Revision	0.30	0.10	0.20	0.17	0.14	0.15	-0.15	-0.22

*Note: * 2024 = Forecast.*

Totals may not add up due to independent rounding.

Source: OPEC.

Table 5 - 2: Non-OPEC liquids production in 2025*, mb/d

Non-OPEC liquids production	2024	1Q25	2Q25	3Q25	4Q25	2025	Change 2025/24 Growth	Change 2025/24 %
Americas	29.40	29.92	29.82	30.19	30.48	30.10	0.70	2.39
of which US	*21.43*	*21.78*	*21.94*	*22.14*	*22.26*	*22.03*	*0.60*	*2.80*
Europe	3.75	3.93	3.81	3.79	3.89	3.86	0.10	2.67
Asia Pacific	0.43	0.43	0.42	0.43	0.43	0.42	-0.01	-1.81
Total OECD	**33.59**	**34.27**	**34.04**	**34.40**	**34.80**	**34.38**	**0.79**	**2.37**
China	4.58	4.62	4.60	4.56	4.56	4.58	0.01	0.12
India	0.79	0.78	0.79	0.80	0.80	0.80	0.01	1.00
Other Asia	2.24	2.22	2.18	2.16	2.15	2.18	-0.06	-2.63
Latin America	7.30	7.49	7.52	7.59	7.65	7.56	0.27	3.66
Middle East	3.27	3.28	3.32	3.31	3.31	3.31	0.03	1.05
Africa	2.39	2.41	2.40	2.40	2.40	2.40	0.02	0.71
Russia	10.84	10.88	10.86	10.85	10.88	10.87	0.03	0.28
Other Eurasia	2.95	3.05	3.09	3.03	3.07	3.06	0.11	3.75
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00	1.97
Total Non-OECD	**34.44**	**34.84**	**34.87**	**34.80**	**34.93**	**34.86**	**0.42**	**1.21**
Total Non-OPEC production	68.03	69.11	68.91	69.20	69.73	69.24	1.21	1.78
Processing gains	2.52	2.58	2.58	2.58	2.58	2.58	0.06	2.38
Total Non-OPEC liquids production	**70.55**	**71.69**	**71.49**	**71.78**	**72.31**	**71.82**	**1.27**	**1.80**
Previous estimate	70.40	71.54	71.34	71.63	72.16	71.67	1.27	1.80
Revision	0.15	0.15	0.15	0.15	0.15	0.15	0.00	0.00

*Note: * 2025 = Forecast.*

Totals may not add up due to independent rounding.

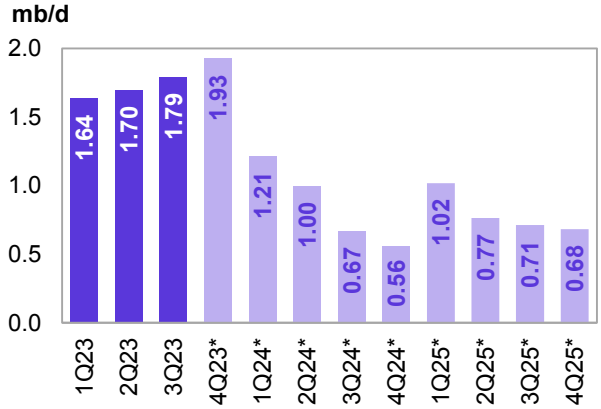
Source: OPEC.

OECD

OECD liquids production in 2023 is estimated to expand by 1.8 mb/d to average 32.7 mb/d. An upward adjustment was made following revisions to OECD Americas.

Growth is set to be led by OECD Americas, which is estimated to expand by 1.7 mb/d to average 28.7 mb/d. This is up by about 160 tb/d compared with the previous month's assessment. Yearly liquids production in OECD Europe is estimated to grow by 0.1 mb/d to average 3.6 mb/d. This remains unchanged compared with the previous assessment. OECD Asia Pacific liquids production is estimated to decline by about 33 tb/d, y-o-y, to average 0.4 mb/d.

Graph 5 - 4: OECD quarterly liquids supply, y-o-y changes



*Note: * 4Q23-4Q25 = Forecast. Source: OPEC.*

For **2024**, OECD liquids production is likely to grow by 0.9 mb/d to average 33.6 mb/d. Growth will once again be led by OECD Americas, with an expected increase of 0.7 mb/d for an average of 29.4 mb/d. Yearly liquids production in OECD Europe is expected to grow by 0.1 mb/d to average 3.8 mb/d, while OECD Asia Pacific is expected to decline by 13 tb/d, y-o-y, to average 0.4 mb/d.

OECD liquids production is forecast to grow by 0.8 mb/d to average 34.4 mb/d in **2025**. OECD Americas is expected to be the main growth driver, with an expected increase of 0.7 mb/d for an average of 30.1 mb/d. Yearly liquids production in OECD Europe is expected to grow by 0.1 mb/d to average 3.9 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.

OECD Americas

US

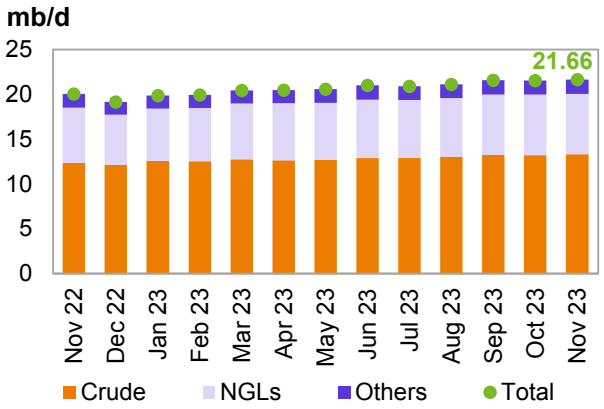
US liquids production in **November** rose by 120 tb/d, m-o-m, to average 21.7 mb/d, setting the highest level on record. This was up by 1.6 mb/d compared with November 2022.

Crude oil and condensate production rose by 84 tb/d, m-o-m, to an average of 13.3 mb/d in **November**. This was up by 0.9 mb/d, y-o-y.

In terms of **crude and condensate production breakdown by region (PADDs)**, production increased on the US Gulf Coast (USGC) by about 39 tb/d to average 9.6 mb/d. Output in the Rocky Mountains and the Midwest showed a rise of 22 tb/d, and 20 tb/d, m-o-m, respectively. Production in the East and West Coast regions remained broadly unchanged.

A drop in production in the main regions was primarily driven by lower output in the offshore Gulf of Mexico (GoM) and Oklahoma-producing wells, while output in main producing basins in Texas, New Mexico and North Dakota increased.

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



Sources: EIA and OPEC.

NGL production remained largely unchanged, m-o-m, to average 6.8 mb/d in November. This was higher by 0.6 mb/d, y-o-y. According to the US Department of Energy (DoE), the production of **non-conventional liquids** (mainly ethanol) rose by 42 tb/d, m-o-m, to average 1.6 mb/d. Preliminary estimates show non-conventional liquids averaging about 1.6 mb/d in December, broadly unchanged m-o-m.

GoM production dropped by 78 tb/d, m-o-m, to average 1.9 mb/d in November, due to unexpected outages and an oil spill, but was still supported by new project ramp-ups. In the **onshore Lower 48**, crude and condensate production increased by 160 tb/d, m-o-m, to average 11.0 mb/d in November.

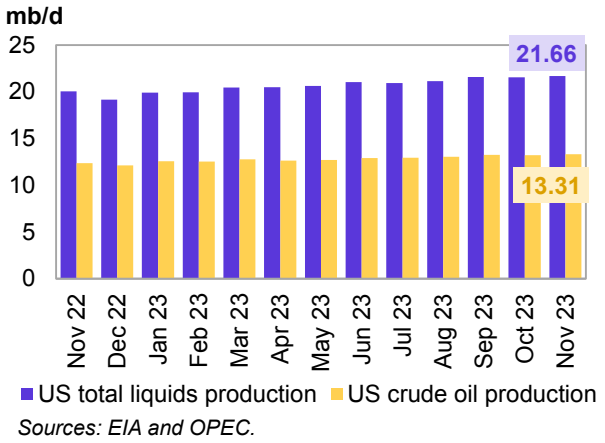
Table 5 - 3: US crude oil production by selected state and region, tb/d

State	Nov 22	Oct 23	Nov 23	Change m-o-m	Change y-o-y
Texas	5,220	5,586	5,662	*76*	*442*
Gulf of Mexico (GOM)	1,797	1,951	1,873	*-78*	*76*
New Mexico	1,725	1,839	1,884	*45*	*159*
North Dakota	1,088	1,273	1,290	*17*	*202*
Colorado	451	469	481	*12*	*30*
Alaska	445	426	428	*2*	*-17*
Oklahoma	441	424	420	*-4*	*-21*
Total	**12,376**	**13,224**	**13,308**	***84***	***932***

Sources: EIA and OPEC.

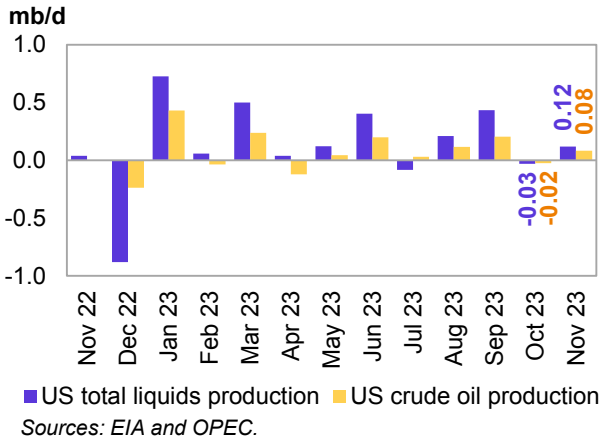
Looking at **individual US states**, New Mexico's oil production rose by 45 tb/d to average 1.9 mb/d, which is 159 tb/d higher than a year ago. Production from Texas was up by 76 tb/d to average 5.7 mb/d, which is 442 tb/d higher than a year ago. In the Midwest, North Dakota's production rose by 17 tb/d, m-o-m, to average 1.3 mb/d, up 202 tb/d, y-o-y, while Oklahoma's production remained largely unchanged, averaging 0.4 mb/d, m-o-m. Production in Colorado rose by 12 tb/d, m-o-m, while output in Alaska remained primarily unchanged.

Graph 5 - 6: US monthly crude oil and total liquids supply



Sources: EIA and OPEC.

Graph 5 - 7: US monthly crude oil and total liquids supply, m-o-m changes



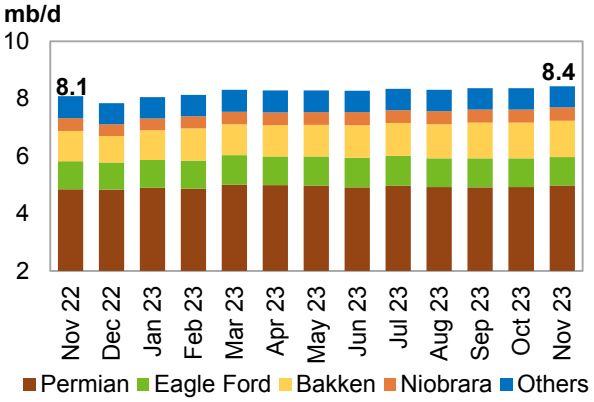
Sources: EIA and OPEC.

US tight crude output in **November** is estimated to have risen by 67 tb/d, m-o-m, to average 8.4 mb/d, according to the latest estimates by the US Energy Information Administration (EIA). This was 0.3 mb/d higher than the same month last year.

The m-o-m increase from shale and tight formations using horizontal wells came mainly from Permian shale production in Texas and New Mexico, where output rose by 53 tb/d for an average of 5.0 mb/d. This was up by 125 tb/d, y-o-y.

In North Dakota, Bakken shale oil output rose by 19 tb/d, m-o-m, averaging 1.3 mb/d, up by 207 tb/d, y-o-y. Tight crude output at Eagle Ford in Texas dropped by a minor 3 tb/d to average 1.0 mb/d, up by 23 tb/d, y-o-y. Production at Niobrara-Codell in Colorado and Wyoming was unchanged at an average of 457 tb/d.

Graph 5 - 8: US tight crude output breakdown

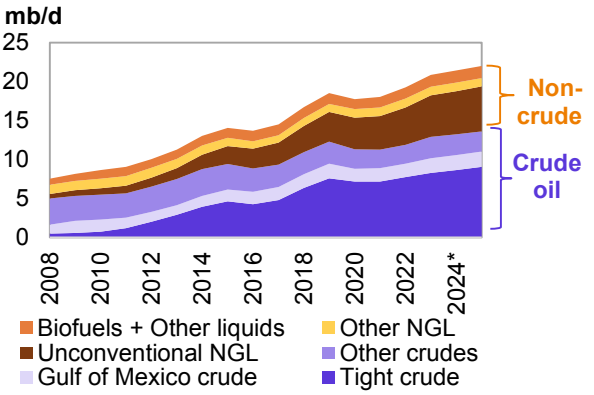


Sources: EIA and OPEC.

US liquids production in **2023**, excluding processing gains, is estimated to expand by 1.6 mb/d, y-o-y, to average 20.9 mb/d, given stronger-than-expected output in recent months and considering the EIA's weekly production data trend. Well productivity and operational efficiency improvements, as well as usage of drilled-but-uncompleted wells helped boost production, despite declining drilling activity.

Given a sound level of oil field drilling and well completions, **crude oil and condensate** output is estimated to increase by 1.0 mb/d, y-o-y, to average 12.9 mb/d. Average tight crude output in 2023 is estimated at 8.3 mb/d, up by 0.5 mb/d, y-o-y.

Graph 5 - 9: US liquids supply developments by component



*Note: * 2023 = Eatimate and 2024-2025 = Forecast.*
Source: OPEC.

At the same time, NGL production and non-conventional liquids, particularly ethanol, are estimated to increase by 0.5 mb/d and 92 tb/d, y-o-y, to average 6.4 mb/d and 1.5 mb/d, respectively.

US liquids production in **2024**, excluding processing gains, is expected to grow by 0.5 mb/d, y-o-y, to average 21.4 mb/d. This is revised down slightly from the previous assessment due to adverse weather conditions at the beginning of January. The forecast assumes a modest level of drilling activity and less supply chain/logistical issues at the prolific Permian, Bakken and Eagle Ford shale sites this year. **Crude oil and condensate** output is expected to jump by 0.3 mb/d, y-o-y, to average 13.2 mb/d. At the same time, NGL

production and that of non-conventional liquids, particularly ethanol, is projected to increase by 0.2 mb/d and 30 tb/d, y-o-y, to average 6.6 mb/d and 1.6 mb/d, respectively.

Average tight crude output in 2024 is expected to reach 8.7 mb/d, up by 0.4 mb/d, y-o-y. The 2024 forecast assumes ongoing capital discipline and less inflationary pressure, as well as moderating supply chain issues and oil field service constraints (labour and equipment).

US liquids production, excluding processing gains, is expected to grow by 0.6 mb/d, y-o-y, to average 22.0 mb/d in **2025**, assuming a mild increase in drilling activity, lower service cost inflation and well productivity improvements in key shale basins. **Crude oil and condensate** output is expected to jump by 0.4 mb/d, y-o-y, to average 13.6 mb/d. At the same time, NGLs production and that of non-conventional liquids, particularly ethanol, is projected to increase by 0.2 mb/d and 20 tb/d, y-o-y, to average 6.8 mb/d and 1.6 mb/d, respectively. Average tight crude output in 2025 is expected to reach 9.1 mb/d, up by 0.4 mb/d, y-o-y. The 2025 forecast assumes ongoing capital discipline and less inflationary pressure in the US upstream sector.

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

US liquids	2023*	Change 2023/22	2024*	Change 2024/23	2025*	Change 2025/24
Tight crude	8.31	0.54	8.67	0.36	9.07	0.40
Gulf of Mexico crude	1.88	0.15	1.91	0.03	1.98	0.07
Conventional crude oil	2.75	0.34	2.66	-0.09	2.57	-0.09
Total crude	**12.93**	**1.02**	**13.24**	**0.31**	**13.61**	**0.38**
Unconventional NGLs	5.30	0.52	5.54	0.24	5.76	0.22
Conventional NGLs	1.12	-0.03	1.09	-0.03	1.07	-0.02
Total NGLs	**6.42**	**0.49**	**6.63**	**0.21**	**6.83**	**0.20**
Biofuels + Other liquids	1.53	0.09	1.56	0.03	1.58	0.02
US total supply	**20.89**	**1.60**	**21.43**	**0.54**	**22.03**	**0.60**

*Note: * 2023 = Estimate, 2024-2025 = Forecast.*

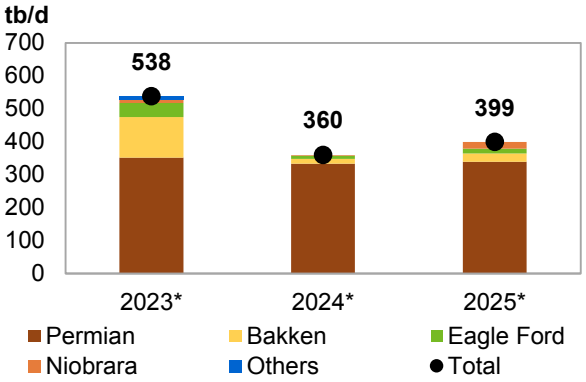
Sources: EIA, OPEC and Rystad Energy.

US tight crude production in the **Permian** during 2023 is estimated to increase by 0.4 mb/d, y-o-y, to average 5.0 mb/d. In 2024, it is forecast to grow by 0.3 mb/d, y-o-y, to average 5.3 mb/d, while growth of 0.3 mb/d is expected for 2025.

In North Dakota, **Bakken** shale production is still expected to remain below the pre-pandemic average of 1.4 mb/d. In 2023, growth is estimated at 0.1 mb/d, to average 1.2 mb/d. Growth of just 15 tb/d and 25 tb/d is expected for 2024 and 2025, respectively, for an average of 1.2 mb/d over both years, demonstrating maturity in the basin.

The **Eagle Ford** in Texas saw an output of 1.2 mb/d in 2019, followed by declines from 2020 to 2021 and no growth in 2022. With an estimated growth of about 42 tb/d for 2023, output rests at an average of 1.0 mb/d. At the same time, minor growth of 10 tb/d and 15 tb/d is expected for 2024 and 2025, respectively.

Graph 5 - 10: US tight crude output by shale play, y-o-y changes



*Note: * 2023 = Estimate and 2024-2025 = Forecast.*
Sources: EIA and OPEC.

Niobrara's production is estimated to rise by around 10 tb/d, y-o-y, in 2023, to an average of 445 tb/d. With no meaningful expected growth for 2024, output is forecast to rise by 20 tb/d in 2025. In the remaining other tight plays, a modest pace in drilling and completion activities, and production is estimated to lead to an increase of 9 tb/d in 2023, before becoming steady in 2024 and 2025.

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

US tight oil	2023*	Change 2023/22	2024*	Change 2024/23	2025*	Change 2025/24
Permian tight	4.95	0.35	5.29	0.33	5.63	0.34
Bakken shale	1.15	0.12	1.17	0.01	1.19	0.03
Eagle Ford shale	1.01	0.04	1.02	0.01	1.03	0.02
Niobrara shale	0.45	0.01	0.45	0.00	0.47	0.02
Other tight plays	0.75	0.01	0.75	0.00	0.75	0.00
Total	**8.31**	**0.54**	**8.67**	**0.36**	**9.06**	**0.40**

*Note: * 2023 = Estimate and 2024-2025 = Forecast.*

Source: OPEC.

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

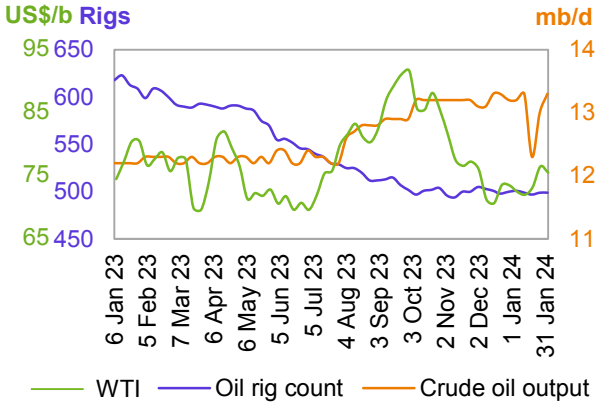
The total number of **active US drilling rigs** in the week ending 2 February 2024 fell by two to 619, according to Baker Hughes, 140 rigs less than a year ago. The number of active offshore rigs remained unchanged, w-o-w, at 19. This is seven more than in the same month a year earlier. Onshore oil and gas rigs were lowered by two, w-o-w, to stand at 600, with no rigs added in inland waters. This is down by 145 rigs, y-o-y.

The **US horizontal rig count** fell by one, w-o-w, to 558, compared with 700 horizontal rigs a year ago. The number of drilling rigs for oil remained unchanged, w-o-w, at 499, while the number of gas-drilling rigs fell by two, w-o-w, to 117.

The Permian's rig count rose by one, w-o-w, to 311. Rig counts remained unchanged in Williston and Niobrara at 34 and 13, respectively. Meanwhile, the number of rigs dropped by two in Eagle Ford, rising by one, w-o-w, in Cana Woodford to 24.

No operating oil rig has been reported in the Barnett Basin since 19 January.

Graph 5 - 11: US weekly rig count vs. US crude oil output and WTI price



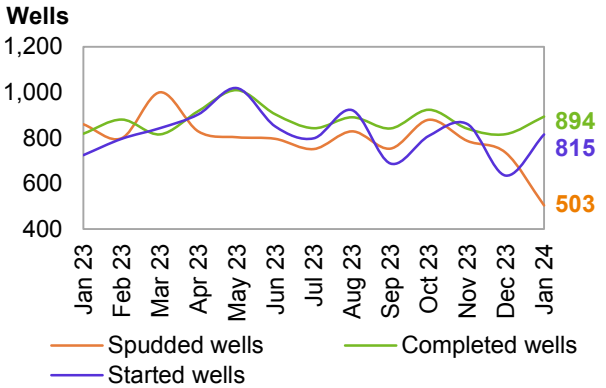
Sources: Baker Hughes, EIA and OPEC.

Drilling and completion (D&C) activities for spudded, completed and started oil-producing wells in all US shale plays included 735 horizontal wells spudded in December (as per preliminary data), based on EIA-DPR regions. This is down by 52, m-o-m, and 12% lower than in December 2022.

Preliminary data for December indicates a lower number of completed wells at 817, up by 6%, y-o-y. The number of started wells is estimated at 634, which is 12% lower than a year earlier.

Preliminary data for January 2024 saw 503 spudded, 894 completed and 815 started wells, according to Rystad Energy.

Graph 5 - 12: Spudded, completed and started wells in US shale plays

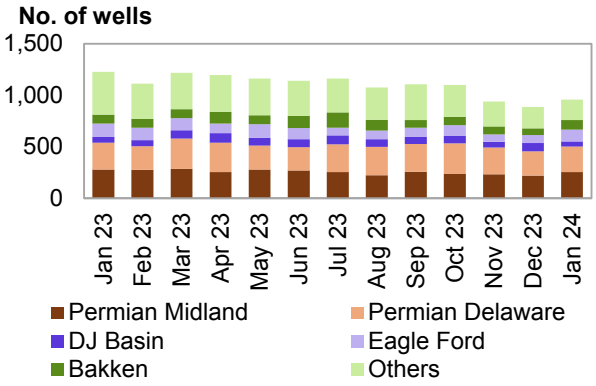


Note: Dec 23-Jan 24 = Preliminary data.
Sources: Rystad Energy and OPEC.

In terms of identified **US oil and gas fracking operations** by region, Rystad Energy reported that 938 wells were fracked in November. In December 2023 and January 2024, it stated that 887 and 957 wells began fracking, respectively, according to preliminary numbers based on the analysis of high-frequency satellite data.

In regional terms, preliminary December 2023 data shows that 221 and 235 wells were fracked in the Permian Midland and Permian Delaware regions, respectively. There was a decrease of 11 wells in the Midland region and a drop of 27 in Delaware compared with November. Data also indicates that 79 wells were fracked in the DJ Basin, 79 in Eagle Ford and 66 in Bakken during December.

Graph 5 - 13: Fracked wells count per month



Note: Dec 23-Jan 24 = Preliminary data.
Sources: Rystad Energy Shale Well Cube and OPEC.

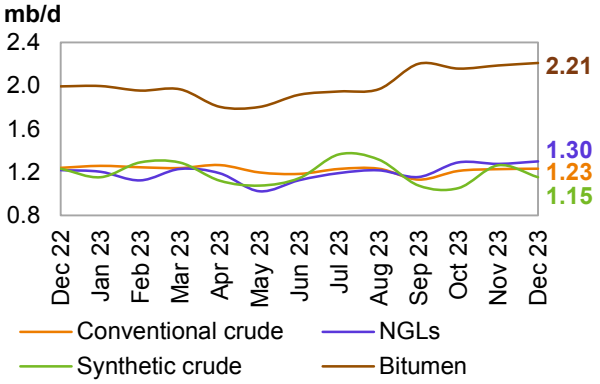
Canada

Canada's liquids production in **December** is estimated to have dropped by 60 tb/d, m-o-m, to average 5.9 mb/d; however, it was higher than previous expectations.

Conventional crude production remained unchanged, m-o-m, in December to average 1.2 mb/d. NGL output was up by 23 tb/d m-o-m, averaging 1.3 mb/d.

Crude bitumen production output rose in December by 23 tb/d, m-o-m, while synthetic crude decreased by 110 tb/d, m-o-m. Taken together, crude bitumen and synthetic crude production fell by 87 tb/d to 3.4 mb/d.

Graph 5 - 14: Canada's monthly liquids production development by type



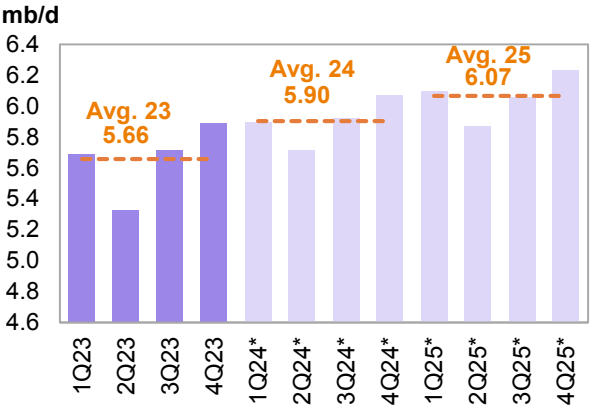
Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

For **2023**, Canada's liquids production is estimated to increase by about 40 tb/d to average 5.7 mb/d. This is revised up by 31 tb/d compared with the previous month's assessment due to historical adjustment.

For **2024**, Canada's liquids production is forecast to increase at a much faster pace compared with 2023, rising by 0.2 mb/d to average 5.9 mb/d. Incremental production is expected to come through oil sands project ramp-ups and expansion at existing facilities in areas like Montney, Kearl and Fort Hills, in addition to some conventional field growth.

Canada's liquids production is forecast to grow by 0.2 mb/d to average 6.1 mb/d in **2025**. Additional production is expected to come through oil sands project expansion and some conventional field growth. Sources of production are primarily expected from Athabasca, Syncrude Mildred Lake, 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, Lloyd Thermal, Cold Lake Oil Sands and Montney Play.

Graph 5 - 15: Canada's quarterly liquids production and forecast



*Note: * 1Q24-4Q25 = Forecast. Source: OPEC.*

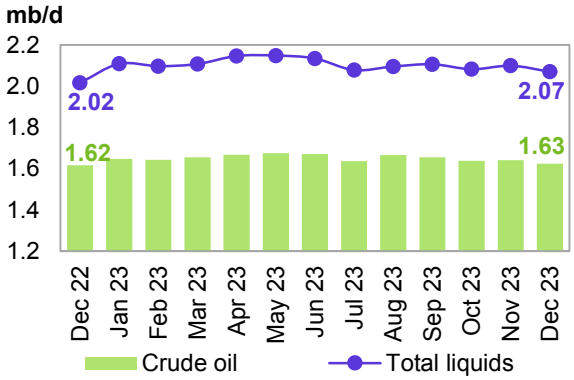
Mexico

Mexico's crude output dropped by 17 tb/d, m-o-m, in **December** to average 1.6 mb/d, while NGLs output fell by 12 tb/d. Mexico's total December liquids output dropped by 29 tb/d, m-o-m, to average 2.1 mb/d, according to the Comisión Nacional de Hidrocarburos (CNH). This was almost in line with previous expectations.

For **2023**, liquids production is estimated to rise by about 0.1 mb/d for an average of 2.1 mb/d. This is largely unchanged from the previous month's assessment.

For **2024**, liquids production is forecast to decline by 45 tb/d to average 2.1 mb/d. In general, declines from mature fields are expected to offset any gains from new projects. Pemex's total crude production decline in mature areas like Ku-Maloob-Zaap and Integral Yaxche-Xanab is forecast to outweigh production ramp-ups in Area-1 and El Golpe-Puerto Ceiba, and from a few start-ups, namely TM-01, Paki and AE-0150-Uchukil.

Graph 5 - 16: Mexico's monthly liquids and crude production development



Sources: Mexico Comision Nacional de Hidrocarburos (CNH) and OPEC

Mexico's liquids production is forecast to drop by 60 tb/d to average 2.0 mb/d in **2025**. Production ramp-ups in projects like Mezcalapa, Amoca-Yaxche, Okom, Tucoo-Xaxamani and Amoca-Mizton-Tecoalli are expected to be more than offset by declines in several fields such as Quesqui and Tupilco Profundo. Meanwhile, output in the Ku-Maloob-Zaap asset is expected to remain stable.

OECD Europe

Norway

Norwegian liquids production in **December** rose by 53 tb/d, m-o-m, to average 2.1 mb/d. On an annual basis, Norwegian overall liquids output rose by 6%.

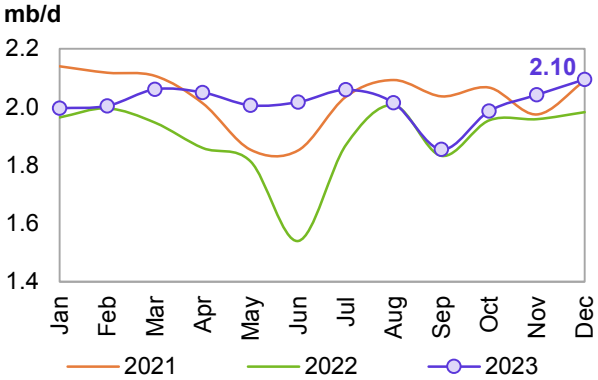
Norway's crude production increased by 42 tb/d, m-o-m, in December to average 1.8 mb/d and hit a multi-year high, up by 76 tb/d, y-o-y. Monthly oil production was 1.9% higher than the Norwegian Offshore Directorate's (NOD's) forecast.

Production of NGLs and condensate, meanwhile, rose by 11 tb/d, m-o-m, to average 0.2 mb/d, according to NOD data.

In **2023**, Norwegian liquids production is estimated to expand by 0.1 mb/d, revised up by 13 tb/d compared with last month's forecast, for an average of 2.0 mb/d, due to better-than-expected output in December. Technical challenges, operational irregularities and periodical shut-downs have been the main cause of output declines on some offshore platforms in Norwegian fields in 2023.

For **2024**, Norwegian liquids production is forecast to grow by 120 tb/d to average 2.1 mb/d. Some small-to-large projects are scheduled to ramp up this year. At the same time, start-ups are expected at the Balder/Ringhorne, Eldfisk, Kristin, Alvheim FPSO, Hanz, Skarv Aasgard FPSO and PL636 offshore projects. Johan Castberg is projected to be the main source of output increases this year, with the first oil planned in 4Q24.

Graph 5 - 17: Norway's monthly liquids production development



Sources: The Norwegian Petroleum Directorate (NPD) and OPEC.

Norwegian liquids production is forecast to grow by 100 tb/d to average 2.2 mb/d in **2025**. Several small-to-large scale projects are scheduled to ramp up in 2025, such as Johan Castberg, Kristin, Eldfisk and Balder/Ringhorne. At the same time, start-ups are expected at the Ormen Lange, Snohvit, Halten East, Tyrving, Eirin, Norne FPSO, Maria and Verdande projects.

UK

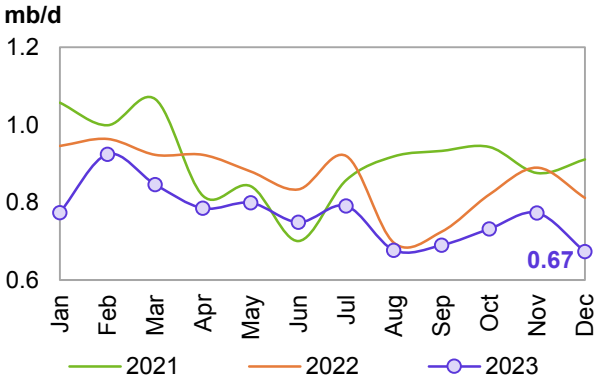
In **December**, **UK liquids production** fell by 0.1 mb/d, m-o-m, to average 0.7 mb/d. Crude oil output decreased by 103 tb/d, m-o-m, to average 0.6 mb/d, lower by 126 tb/d, y-o-y, according to official data. NGL output remained largely unchanged, averaging 68 tb/d. UK liquids output in December was down by 17% compared with December 2022, mainly due to unexpected outages and a lower production base last year.

For **2023**, UK liquids production is estimated to drop by almost 90 tb/d to average 0.8 mb/d, down by about 15 tb/d from the previous month's assessment, mainly due to lower-than-expected December output.

For **2024**, UK liquids production is forecast to stay steady at an average of 0.8 mb/d. Production ramp-ups will be seen at the ETAP and Clair sites, as well as at the Anasuria and Captain enhanced oil recovery (EOR) start-up projects. The Penguins FPSO is expected to be towed out to the UK North Sea field in 1H24.

UK liquids production is forecast to stay steady at an average of 0.8 mb/d in **2025**. Production ramp-ups will be seen at the ETAP and Clair sites.

Graph 5 - 18: UK monthly liquids production development

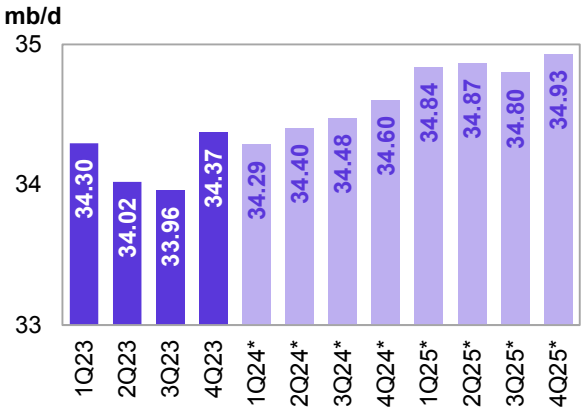


Sources: UK Department for Business, Energy and Industrial Strategy and OPEC.

Meanwhile, project start-ups are expected at the Alwyn, Laggan-Tormore, Murlach (Skua redevelopment) and Janice's assets. However, decline rates from mature fields are expected to offset these additional volumes.

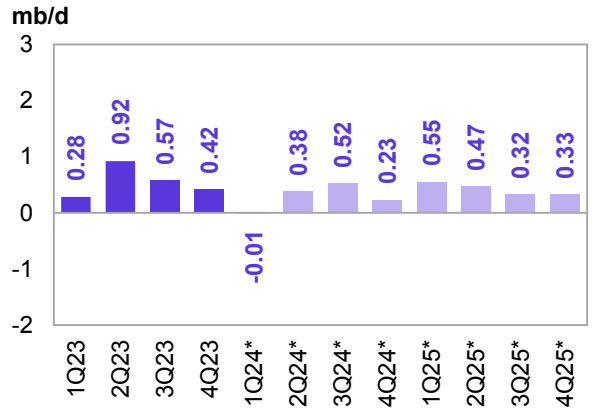
Non-OECD

Graph 5 - 19: Non-OECD quarterly liquids production and forecast



*Note: * 1Q24-4Q25 = Forecast. Source: OPEC.*

Graph 5 - 20: Non-OECD quarterly liquids supply, y-o-y changes

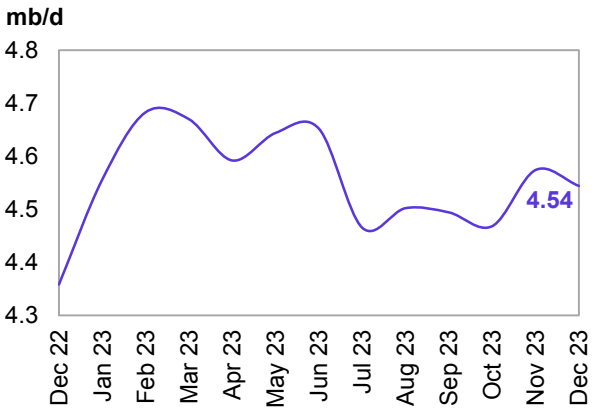


*Note: * 1Q24-4Q25 = Forecast. Source: OPEC.*

China

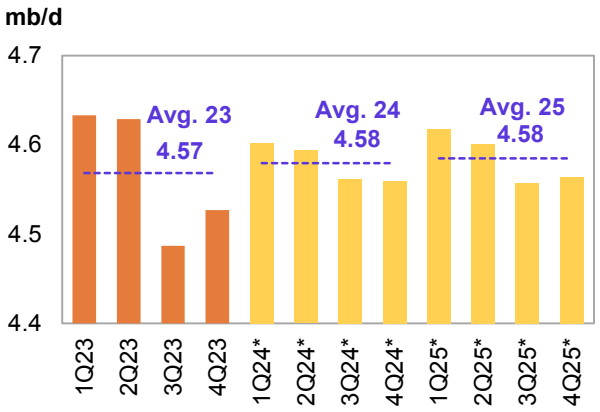
China's liquids production fell by 30 tb/d, m-o-m, to average 4.5 mb/d in **December**. This is up by 186 tb/d, y-o-y, according to official data. Crude oil output in December averaged 4.2 mb/d, down by 30 tb/d compared with the previous month, but higher by 183 tb/d, y-o-y. NGL and condensate production was largely stable, m-o-m, averaging 48 tb/d.

Graph 5 - 21: China's monthly liquids production development



Sources: CNPC and OPEC.

Graph 5 - 22: China's quarterly liquids production and forecast



*Note: * 1Q24-4Q25 = Forecast. Sources: CNPC and OPEC.*

For **2023**, y-o-y growth of about 90 tb/d is estimated, for an average of 4.6 mb/d. This is roughly unchanged from the previous month's assessment. Natural decline rates are expected to be offset by additional growth through more infill wells and EOR projects amid efforts made by state-owned oil companies to further enhance energy security. The Chinese National Offshore Oil Company (CNOOC) commenced production from the Lufeng oilfield phase 2 development project in December, which consists of Lufeng 8-1, Lufeng 9-2 and Lufeng 14-8 oilfields; it is expected to reach peak production of about 25 tb/d of crude oil in 2025.

For **2024**, Chinese liquids production is expected to rise by a minor 10 tb/d, y-o-y, and is forecast to average 4.6 mb/d. For next year, Lingshui 17-2, Lufeng, Liuhua 11-1, Xi'nan, Shayan and Liuhua 4-1 (redevelopment), operated by CNOOC, PetroChina and Sinopec, are planned to come on stream. At the same time, key ramp-ups are expected from Changqing, Kenli 10-2, Wushi 17-2 and Kenli 6-4.

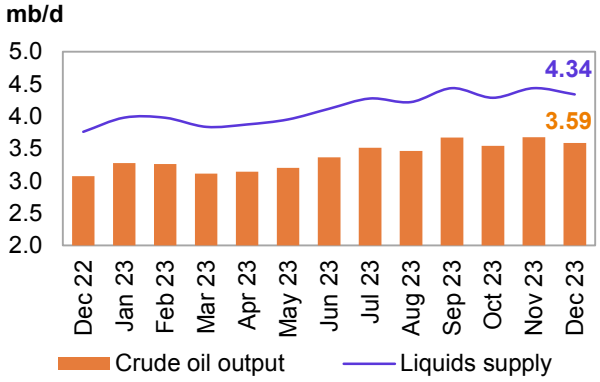
Chinese liquids production is expected to remain steady, y-o-y, and is forecast to average 4.6 mb/d in **2025**. For next year, oil and gas condensate projects like Bozhong 19-6, Huizhou 26-6, Peng Lai 19-9, Shengli, Wushi 17-2, Liaohe and Xijiang 30-2, operated by CNOOC and Sinopec, are planned to come on stream. At the same time, key ramp-ups are expected from Changqing, Tarim, Xibei, Peng Lai 19-9 and Xi'nan.

Latin America

Brazil

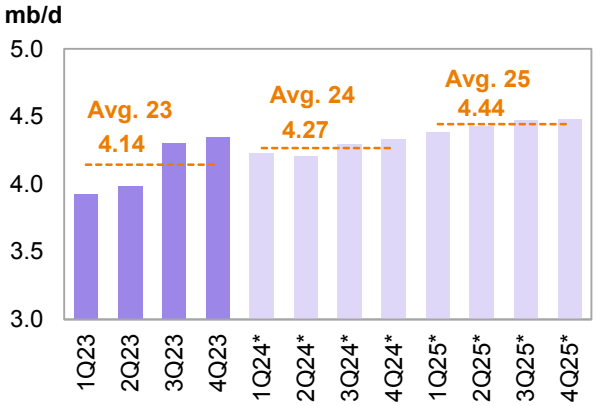
Brazil's crude output in **December** fell by 93 tb/d, m-o-m, to average 3.6 mb/d. NGL production, however, remained largely unchanged at an average of around 80 tb/d and was expected to remain flat in January 2024. Biofuel output (mainly ethanol) remained mostly unchanged at an average of 0.7 mb/d, with preliminary data showing a stable trend in January 2024. The country's total liquids production decreased by 96 tb/d in December to average 4.3 mb/d, but was higher by 0.6 mb/d, y-o-y.

Graph 5 - 23: Brazil's monthly liquids production development by type



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

Graph 5 - 24: Brazil's quarterly liquids production



*Note: * 1Q24-4Q25 = Forecast. Sources: ANP and OPEC.*

For **2023**, Brazil's liquids supply, including biofuels, is estimated to rise by 0.4 mb/d, y-o-y, to average 4.1 mb/d, unchanged from the previous month's assessment. Higher production bases last year were due to the ramp-ups of new units, improving performance of existing assets, and fewer maintenance events.

For **2024**, Brazil's liquids supply, including biofuels, is forecast to increase by about 120 tb/d, y-o-y, to average 4.3 mb/d. Crude oil output is expected to increase through production ramp-ups in the Buzios (Franco), Mero (Libra NW), Tupi (Lula) and Itapu (Florim) fields. Oil project start-ups are expected at the Atlanta, Pampo-Enchova Cluster and Vida sites. However, increasing costs in the offshore market and inflation might continue to delay projects and could temper growth in the short term.

Brazil's liquids supply, including biofuels, is forecast to increase by about 180 tb/d, y-o-y, to average 4.4 mb/d in **2025**. Crude oil output is expected to increase through production ramp-ups in the Buzios (Franco), Mero (Libra NW), Tupi (Lula), Marlim and Atlanta fields. Oil project start-ups are expected at the Buzios, Bacalhau (x-Carcara), Parque das Baleias, and Lapa (Carioca) fields.

Russia

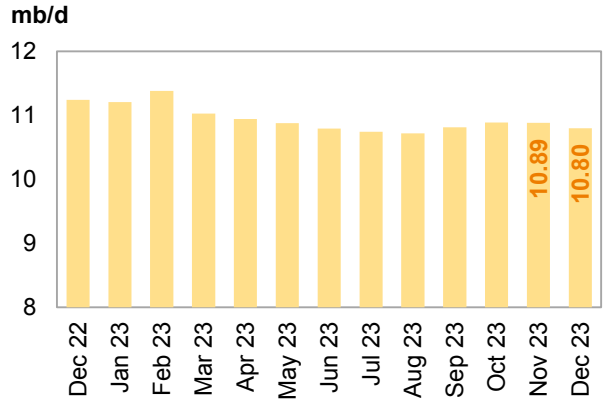
Russia's liquids production in December is estimated to fall by about 90 tb/d, m-o-m, to average 10.8 mb/d. This includes 9.5 mb/d of crude oil and 1.3 mb/d of NGLs and condensate.

For **2023**, Russian liquids production is estimated to drop by 0.1 mb/d, to average 10.9 mb/d.

For **2024**, Russian liquids production is forecast to drop by about 80 tb/d compared with the previous year, averaging 10.8 mb/d. It is worth noting that this takes into account the announced production adjustments to the end of 2024. In addition to project ramp-ups at several oil fields, there will be start-ups by Rosneft, Russneft, Lukoil, Gazprom, Neftisa and TenderResurs. However, overall additional liquids production is expected to be offset by declines at mature fields.

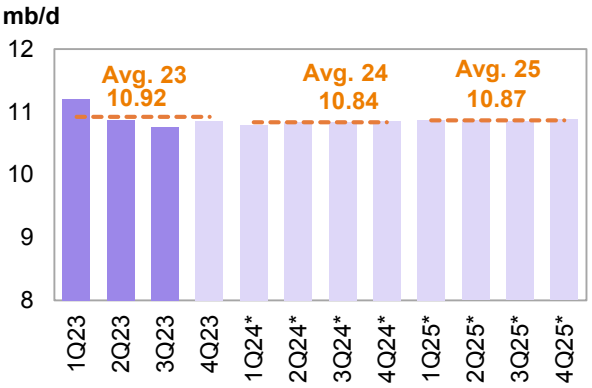
Russian liquids production is forecast to increase marginally by 30 tb/d compared with the previous year, averaging 10.9 mb/d in **2025**. In addition to project ramp-ups at several oil fields, there will be start-ups by Lukoil, Russneft, Sheshmaoil, Gazprom, Rosneft and Sintek-Oil.

Graph 5 - 25: Russia's monthly liquids production



Sources: Nefte Compass and OPEC.

Graph 5 - 26: Russia's quarterly liquids production



*Note: * 1Q24-4Q25 = Forecast.*
Sources: Nefte Compass and OPEC.

Caspian

Kazakhstan & Azerbaijan

Liquids output in Kazakhstan rose by 57 tb/d, m-o-m, to average 2.0 mb/d in **December**. Crude production was up by 38 tb/d, m-o-m, to average 1.6 mb/d. NGL and condensate output increased by 19 tb/d, m-o-m, to an average of 0.4 mb/d.

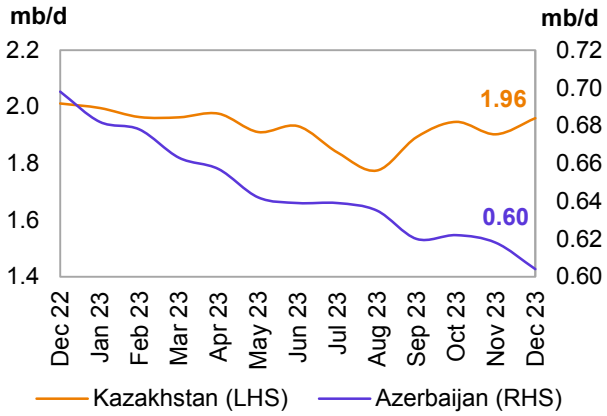
For **2023**, liquids supply is estimated to increase by 0.1 mb/d for an average of 1.9 mb/d, up by a minor 7 tb/d from the previous forecast.

Kazakh oil production disruptions in late November due to storms near the Russian port of Novorossiysk completely recovered in December.

For **2024**, the liquids supply is forecast to increase by about 20 tb/d to average 1.9 mb/d, revised down by 35 tb/d compared with the previous assessment, considering adjustment levels by countries in the DoC. Growth is expected mainly from production ramp-ups in the Tengiz oil field, given the expansion at the Tengizchevroil Future Growth Project (FGP) and the Wellhead Pressure Management Project in 2H24.

Kazakhstan's liquids supply is forecast to rise by about 100 tb/d to average 2.0 mb/d in **2025**. Growth is forecast to come mainly from the FGP oil (second phase) and several gas condensate project ramp-ups. Oil production in the Kashagan field and gas condensate output in the Karachaganak field are also expected to rise marginally.

Graph 5 - 27: Caspian monthly liquids production development by selected country



Sources: Nefte Compass, JODI and OPEC.

Azerbaijan's liquids production in **December** fell by 14 tb/d, m-o-m, averaging 0.6 mb/d, which is a drop of 94 tb/d, y-o-y. Crude production averaged 482 tb/d, with NGL output at 122 tb/d, according to official sources.

Azerbaijan's liquids supply for **2023** is estimated to drop by about 60 tb/d to average 0.6 mb/d. This is a downward revision of about 15 tb/d stemming from lower-than-expected production at major oil fields in December. The majority of declines in legacy reservoirs, like the Azeri-Chirag-Guneshli (ACG) oil fields, were estimated to offset ramp-ups in other fields last year.

Azerbaijan's liquids supply for **2024** is forecast to rise by about 20 tb/d to an average of 0.7 mb/d. Growth is forecast to come partly from the Shah Deniz, Absheron and Umid-Babek gas condensate projects. Production in Azerbaijan's ACG oil fields should also get a boost this year due to a seventh ACG platform.

Liquids supply in Azerbaijan is forecast to increase slightly by about 10 tb/d to average 0.7 mb/d in **2025.** Production increases in several projects like ACG and Umid-Babek are expected to largely offset declines from other mature fields.

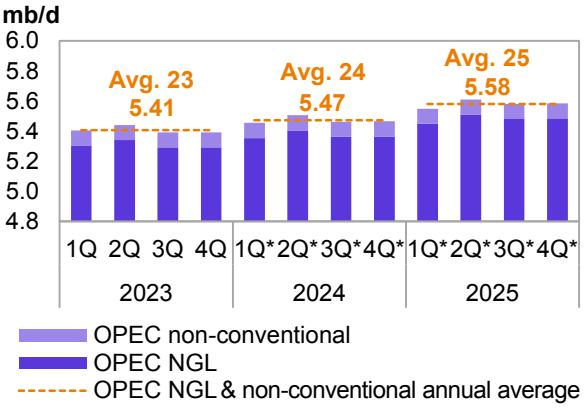
OPEC NGLs and non-conventional oils

OPEC NGLs and non-conventional liquids are estimated to expand by about 50 tb/d in **2023** to average 5.4 mb/d. NGL production is projected to grow by 50 tb/d to average 5.3 mb/d, while non-conventional liquids are forecast to remain unchanged at 0.1 mb/d.

Preliminary data shows NGL output in 4Q23 averaging 5.3 mb/d, while non-conventional output is estimated to remain steady at 0.1 mb/d. Taken together, 5.4 mb/d is estimated for December, according to preliminary data.

The preliminary **2024** forecast indicates a combined growth of 65 tb/d for an average of 5.5 mb/d. NGL production is projected to grow by 65 tb/d to average 5.4 mb/d, while non-conventional liquids are projected to remain unchanged at 0.1 mb/d.

Graph 5 - 28: OPEC NGLs and non-conventional liquids quarterly production and forecast



*Note: * 1Q24-4Q25 = Forecast. Source: OPEC.*

The primary **2025** forecast points toward a combined growth of 110 tb/d for an average of 5.6 mb/d. NGL production is projected to grow by 110 tb/d to average 5.5 mb/d, while non-conventional liquids are projected to remain unchanged at 0.1 mb/d.

Table 5 - 6: OPEC NGLs + non-conventional oils, mb/d

OPEC NGL and non-coventional oils	2023	Change 23/22	2024	Change 24/23	1Q25	2Q25	3Q25	4Q25	2025	Change 25/24
OPEC NGL	**5.31**	*0.05*	**5.37**	*0.06*	5.45	5.51	5.48	5.48	**5.48**	*0.11*
OPEC non-conventional	**0.10**	*0.00*	**0.10**	*0.00*	0.10	0.10	0.10	0.10	**0.10**	*0.00*
Total	**5.41**	***0.05***	**5.47**	***0.06***	**5.55**	**5.61**	**5.58**	**5.58**	**5.58**	***0.11***

Note: 2023 = Estimate, 2024-2025 = Forecast.
Source: OPEC.

OPEC crude oil production

According to secondary sources, total **OPEC-12 crude oil production** averaged 26.34 mb/d in January 2024, lower by 350 tb/d, m-o-m. Crude oil output increased mainly in the UAE, Saudi Arabia and Venezuela, while production in Libya, Kuwait, Iraq and Algeria decreased.

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

Secondary sources	2022	2023	2Q23	3Q23	4Q23	Nov 23	Dec 23	Jan 24	Change Jan/Dec
Algeria	1,018	977	980	953	962	963	958	911	*-46*
Congo	261	260	264	259	250	252	241	247	*5*
Equatorial Guinea	84	58	62	61	55	53	54	61	*7*
Gabon	194	203	203	202	216	216	220	211	*-9*
IR Iran	2,554	2,858	2,698	3,003	3,151	3,165	3,168	3,163	*-5*
Iraq	4,439	4,275	4,135	4,289	4,305	4,270	4,292	4,194	*-98*
Kuwait	2,704	2,595	2,585	2,560	2,552	2,567	2,543	2,434	*-109*
Libya	981	1,164	1,168	1,160	1,171	1,180	1,177	1,015	*-162*
Nigeria	1,204	1,307	1,233	1,271	1,377	1,319	1,422	1,419	*-3*
Saudi Arabia	10,531	9,609	10,150	8,993	8,956	8,942	8,940	8,965	*25*
UAE	3,066	2,950	2,941	2,912	2,907	2,907	2,896	2,927	*31*
Venezuela	684	751	757	769	775	781	782	796	*14*
Total OPEC	**27,719**	**27,008**	**27,176**	**26,433**	**26,678**	**26,615**	**26,692**	**26,342**	***-350***

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

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

Direct communication	2022	2023	2Q23	3Q23	4Q23	Nov 23	Dec 23	Jan 24	Change Jan/Dec
Algeria	1,020	973	971	951	958	960	954	907	*-47*
Congo	262	271	280	269	259	253	260	258	*-2*
Equatorial Guinea	81	55	59	58	53	53	52	52	*0*
Gabon	191	..	203	..	..	..	..	..	..
IR Iran	..	..	..	..	..	..	..	..	..
Iraq	4,453	4,117	3,959	4,101	4,123	4,093	4,086	3,979	*-107*
Kuwait	2,707	2,590	2,590	2,548	2,548	2,548	2,548	2,413	*-135*
Libya	..	1,189	1,181	1,187	1,191	1,206	1,179	1,040	*-139*
Nigeria	1,138	1,234	1,144	1,201	1,313	1,250	1,335	1,427	*91*
Saudi Arabia	10,591	9,606	10,124	8,969	8,901	8,818	8,944	8,956	*12*
UAE	3,064	2,944	2,941	2,904	2,892	2,894	2,891	2,925	*34*
Venezuela	716	783	808	797	796	801	802	841	*40*
Total OPEC	..	..	..	..	..	..	..	..	..

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

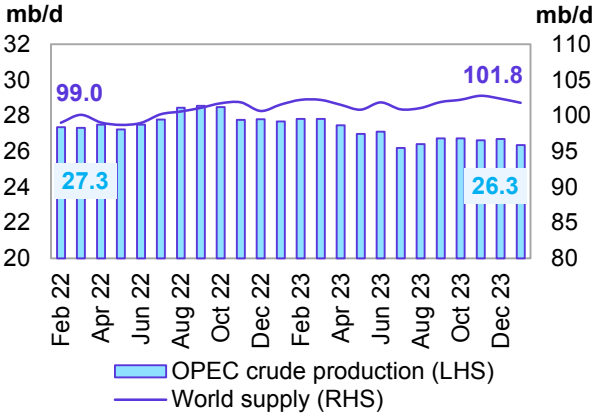
World oil supply

Preliminary data indicates that **global liquids production in January** decreased by 0.6 mb/d to average 101.8 mb/d compared with the previous month.

Non-OPEC liquids production (including OPEC NGLs) is estimated to have decreased by 0.2 mb/d, m-o-m, in January to average 75.5 mb/d. This is higher by 1.6 mb/d, y-o-y. Preliminary estimated production decreases in January were mainly seen in the US and Other Eurasia, and were partially offset by rises in China, Canada and Brazil.

The **share of OPEC crude oil in total global production** in January, decreased by 0.2 pp to stand at 25.9% compared with the previous month. Estimates are based on preliminary data for non-OPEC supply, OPEC NGLs and non-conventional oil, while assessments for OPEC crude production are based on secondary sources.

Graph 5 - 29: OPEC crude production and world oil supply development



Source: OPEC.

Product Markets and Refinery Operations

In January, refinery margins showed solid gains in the USGC as reductions in product supplies caused by refinery outages restricted product stock builds ahead of the heavy maintenance season. In Singapore, gains were considerably more limited, as refinery maintenance in the region restricted product output despite considerable growth in naphtha stocks. However, in Rotterdam, margins declined as the seasonal overall product market weakness offset the bullish market sentiment derived from slower middle distillate imports amid ongoing geopolitical tensions.

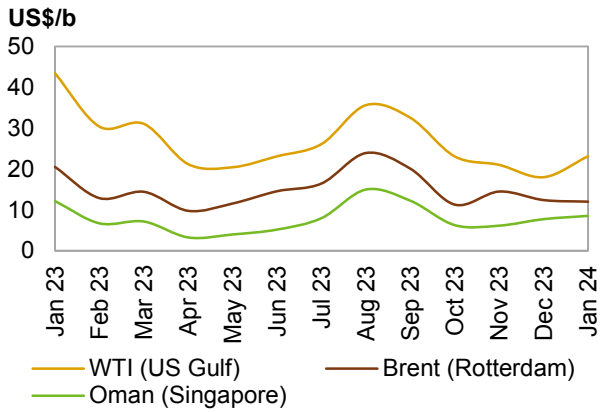
Global refinery intake declined following the sharply rising trend witnessed over the previous two months to show a 1.1 mb/d decline in January, averaging 80.8 mb/d, and was 1.1 mb/d higher on a yearly basis. In the coming months, refinery intakes are expected to come under pressure with the start of heavy turnaround works.

Refinery margins

US Gulf Coast (USGC) refining margins against WTI increased, as refinery outages in the country led to lower product output, which exerted upward pressure on product prices (except for residual fuel) and, ultimately, US refining economic performance. Jet/kerosene represented the main driver for the recorded gains, followed by gasoline and naphtha. In addition to the supportive effect derived from the supply side dynamics, a rise in octane prices, which reached multi-year highs in January, further contributed to upward pressure on gasoline prices and crack spreads, which likely provided further backing to US refining economics.

In terms of operations, US refinery intake decreased to average 15.91 mb/d in January, showing a monthly drop of 970 tb/d. USGC margins against WTI averaged $23.16/b, up by $5.13, m-o-m, but down by $20.31, y-o-y.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

Refinery margins in Rotterdam against Brent declined for the second consecutive month as the overall seasonal product weakness amid subdued demand kept product markets under pressure. Gasoil was the main driver of the loss registered, as weak industrial conditions weighed on the products' performance, while high sulphur fuel oil crack spreads underwent a downward correction from the robust performance seen in the previous month. On the positive side, jet/kerosene and gasoline markets strengthened with lower imports from the East, as the unfolding geopolitical tension affected East-to-West product flows through the Suez Canal. This upside likely prevented a steeper loss in Northwest Europe refining economics.

Refinery throughput in Europe decreased in January, according to preliminary data, and was 230 tb/d lower m-o-m, averaging 9.13 mb/d. Refinery margins against Brent in Europe averaged $11.99/b in January, 39¢ lower, m-o-m, and $8.51 lower, y-o-y.

Singapore's refining margins against Oman increased for the second consecutive month and showed a modest gain, with large volumes of refinery maintenance works in the Middle East providing an outlet for Asian products. The product flows from Asia, particularly from India to the Middle East, helped offset the product flow reduction from Asia across the Suez Canal. This supportive effect was mostly manifested in Southeast Asian gasoline and gasoil markets.

In January, combined refinery intakes for Japan, China, India, Singapore and South Korea experienced a marginal increase of 30 tb/d relative to the previous month, averaging 26.72 mb/d according to preliminary data. Refinery margins against Oman in Asia experienced a rise of 80¢, m-o-m, to average $8.58/b, which was $3.63 lower, y-o-y.

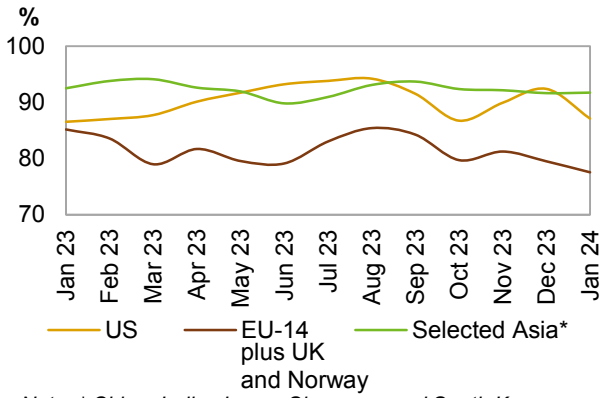
Refinery operations

US refinery utilization rates in January decreased to an average of 87.07%, corresponding to a throughput of 15.91 mb/d. This represents a drop of 5.3 pp and 970 tb/d compared with December.

Compared with the previous year, the January refinery utilization rate was up by 0.6 pp, with throughput showing a 288 tb/d rise.

European refinery utilization averaged 77.56% in January, corresponding to throughput of 9.13 mb/d. This is a 2.0 pp or 230 tb/d m-o-m decline. On a yearly basis, the utilization rate was down by 7.6 pp, and throughput was 896 tb/d lower.

Graph 6 - 2: Refinery utilization rates



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

In **Selected Asia** – Japan, China, India, Singapore and South Korea – refinery utilization rates increased marginally to an average of 91.72% in January, corresponding to a throughput of 26.72 mb/d. Compared with the previous month, utilization rates were up by 0.1 pp, and throughput was higher by 30 tb/d. Relative to the previous year, utilization rates were lower by 0.8 pp, but throughput was down by 221 tb/d.

Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				*Refinery utilization, %*			
	Nov 23	Dec 23	Jan 24	*Change* Jan/Dec	Nov 23	Dec 23	Jan 24	*Change* Jan/Dec
US	**16.49**	**16.88**	**15.91**	**-0.97**	**89.90**	**92.38**	**87.07**	**-5.3 pp**
Euro-14, plus UK and Norway	**9.57**	**9.36**	**9.13**	**-0.23**	**81.25**	**79.52**	**77.56**	**-2.0 pp**
France	0.96	1.02	0.96	-0.07	83.67	88.63	82.98	-5.7 pp
Germany	1.62	1.70	1.66	-0.05	78.92	83.07	80.69	-2.4 pp
Italy	1.29	1.32	1.29	-0.03	67.95	69.54	67.79	-1.7 pp
UK	0.87	0.82	0.81	-0.01	74.25	69.60	68.66	-0.9 pp
Selected Asia*	**26.85**	**26.70**	**26.72**	**0.03**	**92.15**	**91.63**	**91.72**	**0.1 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	2021	2022	2023	1Q23	2Q23	3Q23	4Q23	1Q24
OECD Americas	**17.79**	**18.68**	**18.69**	**18.04**	**19.05**	**19.27**	**18.39**	**18.15**
of which US	*15.66*	*16.48*	*16.49*	*15.78*	*16.75*	*17.02*	*16.40*	*16.30*
OECD Europe	**10.93**	**11.44**	**11.36**	**11.29**	**11.11**	**11.72**	**11.29**	**11.13**
of which:								
France	*0.69*	*0.84*	*0.94*	*0.83*	*0.87*	*1.06*	*0.98*	*0.92*
Germany	*1.72*	*1.83*	*1.63*	*1.64*	*1.59*	*1.67*	*1.61*	*1.63*
Italy	*1.23*	*1.32*	*1.30*	*1.28*	*1.26*	*1.32*	*1.33*	*1.27*
UK	*0.92*	*1.04*	*0.96*	*1.03*	*1.01*	*0.96*	*0.82*	*0.84*
OECD Asia Pacific	**5.79**	**6.10**	**5.87**	**6.16**	**5.68**	**5.74**	**5.92**	**5.94**
of which Japan	*2.49*	*2.71*	*2.55*	*2.77*	*2.38*	*2.54*	*2.50*	*2.66*
Total OECD	**34.51**	**36.23**	**35.92**	**35.49**	**35.84**	**36.73**	**35.60**	**35.23**
Latin America	**3.50**	**3.36**	**3.42**	**3.41**	**3.53**	**3.37**	**3.39**	**3.32**
Middle East	**6.80**	**7.28**	**7.47**	**7.31**	**7.46**	**7.70**	**7.41**	**7.71**
Africa	**1.77**	**1.73**	**1.42**	**1.64**	**1.64**	**1.59**	**0.81**	**0.84**
India	**4.73**	**5.00**	**5.18**	**5.35**	**5.22**	**5.03**	**5.10**	**5.41**
China	**14.07**	**13.49**	**14.78**	**14.57**	**14.78**	**15.19**	**14.57**	**14.63**
Other Asia	**4.72**	**4.89**	**4.97**	**4.86**	**5.13**	**4.88**	**5.00**	**5.09**
Russia	**5.61**	**5.46**	**5.50**	**5.67**	**5.40**	**5.49**	**5.43**	**5.60**
Other Eurasia	**1.23**	**1.15**	**1.07**	**1.23**	**1.07**	**1.00**	**0.97**	**1.00**
Other Europe	**0.41**	**0.48**	**0.48**	**0.44**	**0.42**	**0.50**	**0.56**	**0.50**
Total Non-OECD	**42.85**	**42.84**	**44.28**	**44.48**	**44.65**	**44.77**	**43.24**	**44.11**
Total world	**77.36**	**79.07**	**80.20**	**79.97**	**80.50**	**81.50**	**78.84**	**79.34**

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

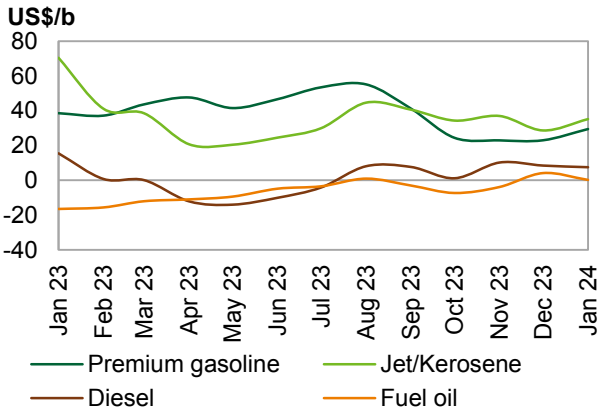
Sources: AFREC, APEC, EIA, IEA, Euroilstock, PAJ, Ministry data, including Ministry of Energy of the Russian Federation, Ministry of Petroleum and Natural Gas of India, OPEC and JODI.

Product markets

US market

The **USGC gasoline crack spread** showed notable gain as weather-related refinery outages led to limited gasoline output. The resulting declines in gasoline production levels were reflected in product pricing, which rose by over $7.47/b, m-o-m, in the USGC (premium and regular grade gasoline average). In addition, gasoline prices in the USCG were also affected by a hike in octane (a blending component for final gasoline) prices, which reached a multi-year high in January. Consequently, the USGC gasoline crack spread gained $6.45/b, m-o-m, to average $29.48/b in January and represented the second-highest contributor across the barrel to the m-o-m improvement in USGC refining margins. Despite the monthly upturn, USGC gasoline crack spreads in January were $9.10/b lower relative to what was recorded in the previous year.

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



Sources: Argus and OPEC.

The USGC **jet/kerosene crack spread** reversed trends to show a massive gain to partially recover ground lost following a sharp decline registered in the previous month. Jet/kerosene kept its position as the strongest margin contributor in absolute as well as in relative terms as it was the main driver of the overall margin m-o-m gain, representing the strongest positive performer followed by gasoline. This improvement was a result of the supply-side restraints prompted by weather-related refinery shutdowns. Jet fuel/kerosene wholesale prices saw an $8.32/b increase, m-o-m, averaging $109.05/b. The USGC jet/kerosene crack spread gained $6.53, m-o-m, to average $35.18/b in January. This was a massive $35.19/b or 50% lower compared to the same time a year earlier, as the jet/kerosene balance improved considerably from the severe tightness witnessed in the previous year.

The USGC **gasoil crack spread** extended its downward trend, showing slight gains; nevertheless, it managed to keep most of the gains attained two months earlier and remained at healthy levels. Ample diesel availability in the country and healthy inventory levels led to bearish market sentiment and weighed on the products' performance. In the coming month, this trend is expected to reverse in response to the ongoing rise of diesel exports to Europe, given the geopolitical tensions and the resulting East-to-West product flow diversions amid rising supply pressures linked to the intensification of refinery maintenance works. Gasoil prices averaged $81.40/b in January, up 84¢ compared to December. The US gasoil crack spread against WTI averaged $7.53/b, down by 95¢/b, m-o-m, and $8.00, y-o-y.

The USGC **fuel oil crack spread** against WTI performed poorly, showing the largest monthly loss across the USGC barrel in January. This is partly attributed to a downward correction from the counter-seasonal hike registered in the previous month, reflecting the impact of the ongoing geopolitical developments. Market adjustments for oil and product shipping, as traders attempt to find more economical alternatives to supply markets across regions, likely prompted a normalization of the bullishness witnessed in the previous month. In addition, high freight costs likely further weighed on bunker fuel demand and high sulphur fuel oil markets. In January, the US fuel oil crack spread against WTI fell $3.90/b, m-o-m, inching closer to negative territory to average just 23¢/b, and was $16.60 higher, y-o-y.

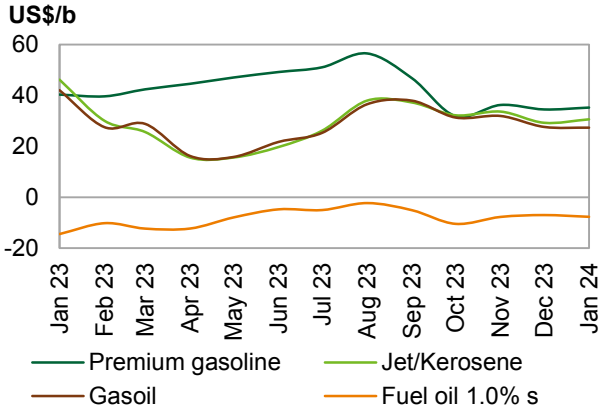
European market

The **gasoline crack spread in Rotterdam** increased as lower inflows from the East led to a tighter gasoline balance in northwest Europe. Going forward, the gasoline crack spread is expected to rise further with the reduction in global gasoline production levels and increasing refinery turnarounds. The gasoline crack spread against Brent averaged $35.25/b in January, which was 73¢ higher, m-o-m, but $5.09 lower, y-o-y.

In January, the **jet/kerosene crack spread** rebounded to show significant improvement and switched from representing the strongest m-o-m negative performer in the previous month to the strongest positive performer in January across the barrel in Northwest Europe. This reflects supply-side pressures linked to suppressed jet/kerosene imports due to geopolitical developments and flow disruptions, as customarily, 74% of jet/kerosene imports in the past crossed over the Suez Canal. Going forward, the European jet/kerosene crack spreads are expected to experience added upward pressure as balances contract amid heavy maintenance and demand from the aviation sector picks up for the summer months. The Rotterdam jet/kerosene crack spread against Brent averaged $30.63/b, up by $1.35, m-o-m, but was $15.56 lower, y-o-y.

The **gasoil 10 ppm crack spread** in Rotterdam receded further, albeit marginally, keeping most of its strength. Weak industrial conditions in Europe, as well as subdued requirements from the transportation sector, weighed on gasoil markets, although heating requirements remained supportive. Contrary to what was observed in the USGC, refinery throughput declined by a much more limited extent, signalling that European refiners attempt to keep the domestic market well supplied amid the adverse supply-side impact of geopolitical developments. Consequently, the demand-side weakness attributable to seasonality and the economic situation counterbalanced the supportive supply-side dynamics, resulting in a slight monthly loss. The gasoil crack spread against Brent averaged $27.34/b, down by 30¢, m-o-m and $14.70, y-o-y.

Graph 6 - 4: Rotterdam crack spreads vs. Brent



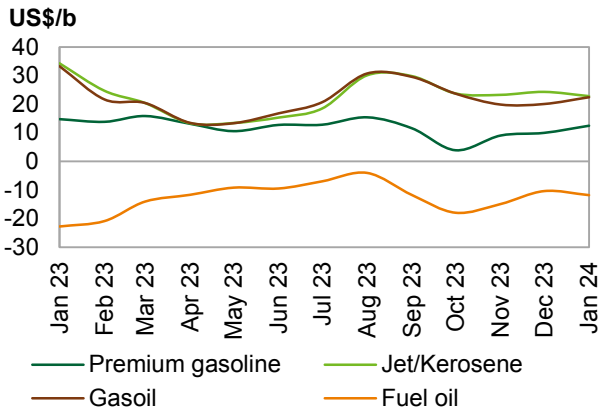
Sources: Argus and OPEC.

At the bottom of the barrel, **fuel oil 1.0% crack spreads** weakened slightly as fuel oil demand from the bunker sector eased, and inventories were reported to have reached very high levels in mid-January. The start of the heavy maintenance season and the resulting pick-up in product shipment activities and bunker fuel demand, as traders attempt to balance product availability across regions, should support residual fuel markets in the near term. In terms of prices, fuel oil 1.0% decreased in value, m-o-m, to an average of $72.54/b, which was $1.59/b higher than the previous month. In Northwest Europe (NWE), fuel oil 1.0% cracks against Brent averaged minus $7.72/b in January, a decline of 69¢, m-o-m, and $4.16, y-o-y.

Asian market

The **Asian gasoline 92 crack** posted solid gains, reaching a five-month high in January. In Southeast Asia, gasoline showed the largest monthly gain across the board as heavy refinery maintenance in the Middle East unlocked stronger gasoline deliveries from Singapore to the Middle East. Although there was an improvement in regional product exports in China, overall exports remained subdued as the country prioritized maintaining a well-supplied domestic market in preparation for the Chinese Lunar New Year holidays. In the coming month, Chinese refiners are expected to increase exports and make more use of the available product export quotas, particularly during the later stages of the heavy refinery maintenance season, when refinery margins climb, for optimal profits. The Singapore gasoline crack spread against Dubai in January averaged $12.45/b. This was up $2.49/b, m-o-m, but $2.29 lower, y-o-y.

Graph 6 - 5: Singapore crack spreads vs. Dubai



Sources: Argus and OPEC.

Asian **naphtha crack spreads** reversed course and experienced loss following the massive gain seen in the previous month. This was the outcome of lower naphtha requirements from the regional petrochemical industry, in line with seasonal trends, as plastics demand eased following the year-end holidays-related highs. Naphtha flow disruptions across the Suez Canal could contribute to tight naphtha availability in the region, exerting upward pressure on the products' price and crack spread in the near term. The Singapore naphtha crack spread against Oman averaged minus $5.70/b, $1.08 lower, m-o-m, but $2.53 higher, y-o-y.

In the middle of the barrel, the **jet/kerosene crack spread** declined, affected by the seasonal downturn in jet/kerosene requirements, as air travel activities normally remain subdued this time of the year. This is in line with reports of ample jet/kerosene availability in the region. In the coming month, a potential pick-up in travel activities in China amid the ongoing Lunar New Year celebrations and the expected supply reductions going forward due to heavy global maintenance points to an improvement in the products' domestic market performance. The Singapore jet/kerosene crack spread against Oman averaged $22.85/b, down by $1.49/b, m-o-m, and $11.47/b, y-o-y.

The Singapore **gasoil crack spread** continued to increase and settled nearly in parity with jet/kerosene, reflecting the increase in gasoil requirements from the Middle East. In the near term, gasoil balances are expected to contract globally with refinery run cuts, including in Southeast Asia, which points to added support going forward. The Singapore gasoil crack spread against Oman averaged $22.43/b, up by $2.36/b, m-o-m, but down by $10.80, y-o-y.

The Singapore **fuel oil 3.5% crack spread** reversed trends and lost ground. Fuel oil demand eased within the region, pressured by lower regional demand for power generation in January. In addition, the products' market underwent a downward adjustment following the sizeable strength seen in the previous month. Although longer tanker voyages due to flow changes did provide support, bunker fuel demand also received some pressure from high freight rates, contributing to a decline in global tanker fixtures. Singapore's high sulphur fuel oil crack spread against Oman averaged minus $11.78/b, down by $1.42, m-o-m, but was up by $10.99, y-o-y.

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

Event	Time frame	Observations	Asia	Europe	US
Gasoil markets (heating oil demand)	Jan 24–Feb 24	Gasoil (Atlantic Basin) and kerosene (Asia) markets are expected to benefit from demand-driven support in response to lower ambient temperatures.	↑ Support heating oil crack spreads	↑ Support heating oil crack spreads	↑ Support heating oil crack spreads
Chinese Lunar New Year	Jan 24–Feb 24	A potential rise in fuel consumption for air and road travel activities, as well as packaging material, is expected to provide temporary support to domestic product markets in China.	↑ Support product crack spreads	↑ Support product crack spreads	↑ Support product crack spreads
Winter season	Jan 24–Feb 24	Seasonally softer product consumption levels amid rising product stocks are set to weigh on product performance in the immediate near term.	↓ Pressure on product markets	↓ Pressure on product markets	↓ Pressure on product markets
China's product export quotas	Jan 24	China has issued its first refined fuel export quotas for 2024, totalling 150 mb (unchanged y-o-y) for gasoline, diesel and jet fuel. This points to a rise in Chinese product exports, which could weigh on refining economics in the West.	↓ Pressure on product markets	↓ Pressure on product markets	↓ Pressure on product markets

Source: OPEC.

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

		Dec 23	Jan 24	Change Jan/Dec	Annual avg. 2023	Year-to-date 2024
US Gulf (Cargoes FOB)						
Naphtha*		65.24	72.04	6.80	72.51	72.04
Premium gasoline	(unleaded 93)	95.11	103.35	8.24	117.23	103.35
Regular gasoline	(unleaded 87)	84.37	91.08	6.71	104.59	91.08
Jet/Kerosene		100.73	109.05	8.32	113.51	109.05
Gasoil	(0.2% S)	80.56	81.40	0.84	78.57	81.40
Fuel oil	(3.0% S)	72.91	66.53	-6.38	68.14	66.53
Rotterdam (Barges FoB)						
Naphtha		70.27	70.61	0.34	71.06	70.61
Premium gasoline	(unleaded 98)	112.50	115.51	3.01	125.96	115.51
Jet/Kerosene		107.26	110.89	3.63	111.74	110.89
Gasoil/Diesel	(10 ppm)	105.62	107.60	1.98	111.19	107.60
Fuel oil	(1.0% S)	70.95	72.54	1.59	74.29	72.54
Fuel oil	(3.5% S)	69.27	67.87	-1.40	72.79	67.87
Mediterranean (Cargoes FOB)						
Naphtha		66.91	68.11	1.20	68.45	68.11
Premium gasoline**		89.82	92.78	2.96	101.80	92.78
Jet/Kerosene		102.78	107.61	4.83	107.77	107.61
Diesel		102.91	106.29	3.38	109.08	106.29
Fuel oil	(1.0% S)	76.45	78.18	1.73	78.85	78.18
Fuel oil	(3.5% S)	60.70	61.84	1.14	66.47	61.84
Singapore (Cargoes FOB)						
Naphtha		72.69	73.03	0.34	69.53	73.03
Premium gasoline	(unleaded 95)	91.27	95.94	4.67	98.62	95.94
Regular gasoline	(unleaded 92)	87.27	91.18	3.91	94.00	91.18
Jet/Kerosene		101.65	101.58	-0.07	104.68	101.58
Gasoil/Diesel	(50 ppm)	99.43	102.45	3.02	105.99	102.45
Fuel oil	(180 cst)	97.31	100.74	3.43	102.35	100.74
Fuel oil	(380 cst 3.5% S)	66.95	66.95	0.00	69.23	66.95

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

Sources: Argus and OPEC.

Tanker Market

Dirty freight rates rose in January amid trade flow disruptions that further increased tonnage mile demand. VLCC spot freight rates on the Middle East-to-West route increased by 24%, m-o-m, while a more modest gain of 5% was seen on the Middle East-to-East route.

Suezmax rates on the USGC-to-Europe route increased by 34%, m-o-m, while Aframax rates around the Mediterranean rose by 26%, m-o-m, with gains reflecting tightening availability lists amid trade dislocations.

Clean rates saw mixed movement. East-of-Suez rates surged by 45% as trade disruptions triggered some rebooking, while West-of-Suez rates fell by 10%.

Spot fixtures

Global spot fixtures declined sharply in January, dropping 5.1 mb/d, or about 35%, m-o-m, to average 9.5 mb/d. Compared with January 2023, global spot fixtures fell 3.9 mb/d, or 29%.

OPEC spot fixtures decreased by almost 3 mb/d, or about 31%, to average 6.8 mb/d in January. Compared with the same month last year, fixtures declined by about 2.1 mb/d, or 24%.

Middle East-to-East fixtures dropped 1.7 mb/d, or almost 29%, to average 4.2 mb/d. Compared with the same month in 2023, fixtures on the Middle East-to-East route fell 0.7 mb/d, or about 14%.

In contrast, spot fixtures on the **Middle East-to-West** route fell by 0.4 mb/d, or 43%, m-o-m, to average 0.5 mb/d. Fixtures were down 0.8 mb/d or 59%, y-o-y.

Fixtures on routes **outside the Middle East** declined by 0.9 mb/d, or over 31%, m-o-m, to average 2.0 mb/d. Compared with the same month of 2023, fixtures were 0.7 mb/d, or 25%.

Table 7 - 1: Spot fixtures, mb/d

Spot fixtures	Nov 23	Dec 23	Jan 24	*Change* Jan 24/Dec 23
All areas	14.0	14.5	9.5	-5.1
OPEC	9.6	9.8	6.8	-3.0
Middle East/East	5.6	5.9	4.2	-1.7
Middle East/West	1.1	0.9	0.5	-0.4
Outside Middle East	2.8	2.9	2.0	-0.9

Sources: Oil Movements and OPEC.

Sailings and arrivals

OPEC sailings increased by 0.8 mb/d, or 4%, m-o-m, to average 19.9 mb/d in January. Compared with the same month in 2023, OPEC sailings were 2.0 mb/d, or 9% lower. **Middle East sailings** averaged 16.4 mb/d in January, representing an increase of 0.2 mb/d, or over 1%, m-o-m. Y-o-y, sailings from the region were 0.5 mb/d, or about 3%, lower.

Crude arrivals rose in all destinations except North America. **North American arrivals** fell by 0.5 mb/d, or about 5%, to average just under 9 mb/d. Compared with January 2023, North American arrivals were 0.5 mb/d, or about 5%, lower. In contrast, **arrivals in Europe** increased by about 0.1 mb/d, or about 1%, to average 12.3 mb/d. Compared with the same month of 2023, arrivals to Europe rose by 0.1 mb/d, or less than 1%, in January.

Far East arrivals rose 1.0 mb/d, or about 6%, m-o-m, to average 17.5 mb/d. Y-o-y, arrivals in the region were up 2.0 mb/d or over 13%. **Arrivals** in **West Asia** averaged 9.2 mb/d, representing an increase of 0.7 mb/d or almost 9%. Y-o-y, arrivals in the region were 0.6 mb/d, or about 13%, higher.

Table 7 - 2: Tanker sailings and arrivals, mb/d

Sailings	Nov 23	Dec 23	Jan 24	Change Jan 24/Dec 23
OPEC	19.9	19.1	19.9	0.8
Middle East	16.8	16.1	16.4	0.2
Arrivals				
North America	9.4	9.5	9.0	-0.5
Europe	12.7	12.1	12.3	0.2
Far East	16.9	16.4	17.5	1.1
West Asia	8.3	8.5	9.2	0.7

Sources: Oil Movements and OPEC.

Dirty tanker freight rates

Very large crude carriers

VLCC spot rates recovered in January on all monitored routes, with the Middle East-to-West route leading gains. On average, VLCC spot freight rates rose 12%, m-o-m. Compared with the same month of 2023, VLCC rates were 24% higher.

Rates on the **Middle East-to-West** route increased 24%, m-o-m, to average WS62 points. Compared with the same month of 2023, rates on the route were 27% higher. On the **Middle East-to-East** route, rates rose by a more moderate 5%, m-o-m, to average WS46 points. This represents a y-o-y increase of 18%.

West Africa-to-East spot rates were up 10%, m-o-m, to average WS65 points in January. Compared with the same month of 2023, rates were up 27%.

Table 7 - 3: Dirty VLCC spot tanker freight rates, Worldscale (WS)

VLCC	Size *1,000 DWT*	Nov 23	Dec 23	Jan 24	Change Jan 24/Dec 23
Middle East/East	230-280	69	59	62	3
Middle East/West	270-285	40	37	46	9
West Africa/East	260	69	59	65	6

Sources: Argus and OPEC.

Suezmax

Suezmax spot freight rates recovered most of the previous month's losses in January, increasing 33%, m-o-m. They were 19% higher than in the same month of 2023.

On the **West Africa-to-USGC** route, spot freight rates increased 32%, m-o-m, in January to average WS125 points. Compared with the same month of 2023, spot rates gained 7%.

Rates on the **USGC-to-Europe** route rose 34%, m-o-m, to average WS115 points. Compared with the same month of 2023, they were 35% higher.

Table 7 - 4: Dirty Suezmax spot tanker freight rates, WS

Suezmax	Size *1,000 DWT*	Nov 23	Dec 23	Jan 24	Change Jan 24/Dec 23
West Africa/US Gulf Coast	130-135	108	95	125	30
US Gulf Coast/ Europe	150	108	86	115	29

Sources: Argus and OPEC.

Aframax

Aframax spot freight rates rebounded in January. On average, rates rose 38%, m-o-m, but were still 2% lower than in the same month of the previous year.

Rates on the **Indonesia-to-East** route saw a modest gain of 6%, m-o-m, to average WS169 points in January. Compared with the same month of 2023, rates were 32% lower.

Spot rates on the **Caribbean-to-US East Coast (USEC)** route surged 108%, m-o-m, to average WS281 points in January. Compared with the same month of 2023, rates were up 85%.

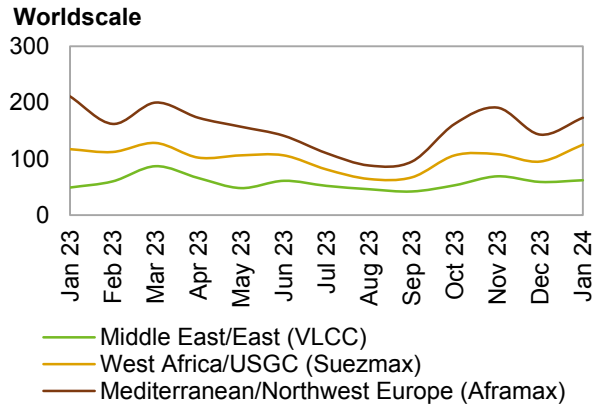
Table 7 - 5: Dirty Aframax spot tanker freight rates, WS

Aframax	Size 1,000 DWT	Nov 23	Dec 23	Jan 24	Change Jan 24/Dec 23
Indonesia/East	80-85	164	160	169	9
Caribbean/US East Coast	80-85	232	135	281	146
Mediterranean/Mediterranean	80-85	199	151	190	39
Mediterranean/Northwest Europe	80-85	191	143	173	30

Sources: Argus and OPEC.

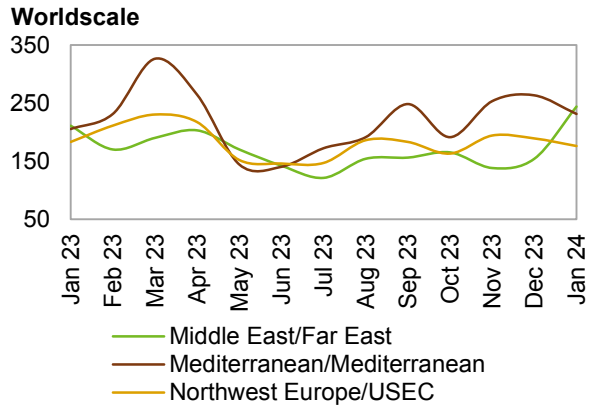
Cross-Med spot freight rates increased 26%, m-o-m, to average WS190 points. This represents a 14% decline, y-o-y. Meanwhile, rates on the **Mediterranean-to-Northwest Europe (NWE)** route increased 21%, m-o-m, to average WS173 points. Compared with the same month of 2023, rates declined 18%.

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 saw a bifurcated market in January. Clean spot freight rates East of Suez jumped 45%, m-o-m, while rates in the West-of-Suez market declined 10%. As a result, clean spot rates averaged 7% higher overall. The re-routing of some tankers around the Cape of Good Hope left the East of Suez temporarily short of vessels, driving up rates.

Table 7 - 6: Clean spot tanker freight rates, WS

East of Suez	Size 1,000 DWT	Nov 23	Dec 23	Jan 24	Change Jan 24/Dec 23
Middle East/East	30-35	138	154	244	90
Singapore/East	30-35	153	182	244	62
West of Suez					
Northwest Europe/US East Coast	33-37	194	189	176	-13
Mediterranean/Mediterranean	30-35	253	263	231	-32
Mediterranean/Northwest Europe	30-35	263	273	241	-32

Sources: Argus and OPEC.

Rates on the **Middle East-to-East** route jumped 58%, m-o-m, to average WS244 points. Compared with the same month in 2023, rates were up 16%. Clean spot freight rates on the **Singapore-to-East** route increased 34%, m-o-m, to also average WS244 points. This was 11% higher than in the same month of 2023.

In contrast, spot freight rates on the **NWE-to-USEC** route declined 7%, m-o-m, to average WS176 points. This represents a 4% drop compared with January 2023.

Rates for the **Cross-Med** route fell 12%, m-o-m, to average WS231 points, and rates on the **Med-to-NWE** route showed a similar loss, down 12%, m-o-m, to average WS241 points. However, compared with the same month of 2023, rates were up around 13% on both routes.

Crude and Refined Products Trade

Preliminary data shows that US crude imports averaged 6.2 mb/d in January, representing a decline of 6%, while US crude exports remained steady in January, averaging 4.2 mb/d. US product exports dropped from a record high in the previous month to average 6.2 mb/d.

China's crude imports averaged 11.4 mb/d in December, representing a 1.1 mb/d, or over 10%, m-o-m, jump in inflows. Gains came as the government provided advanced crude import quotas for 2024, allowing refiners to boost inflows in the final weeks of the year. Compared to the same month of 2022, China's product exports were almost 0.8 mb/d, or about 40%, lower, averaging 1.2 mb/d.

India's crude imports in December gained 0.2 mb/d, or about 4%, m-o-m, to reach a six-month high of 4.7 mb/d in December. Products imports fell 11% to 1.1 mb/d, with the winding down of the festival season, while product exports were steady at healthy levels.

Japan's crude imports averaged 2.7 mb/d in December, representing a decline of more than 10% compared to December 2022. Product imports, including LPG, increased seasonally to average 986 tb/d.

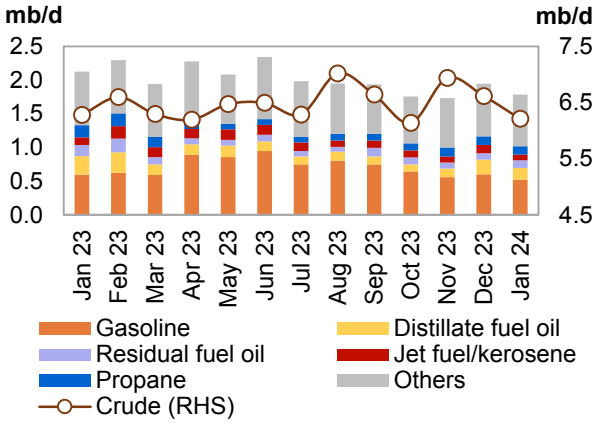
Crude imports into OECD Europe are seen fluctuating, with inflows strengthening in December before falling back in January. Crude exports outside the region are seen increasing in December, according to Kpler data, including cargoes to Indonesia.

US

Preliminary data shows that **US crude imports** averaged 6.2 mb/d in January, representing a drop of 6%, or 0.4 mb/d, m-o-m. The declines came in a month that saw freezing weather shut down refineries in the US Gulf Coast, resulting in about a 32% w-o-w drop in maritime flows mid-January, according to Kpler data. Compared with the same month last year, crude imports were about 70 tb/d, or just over 1% lower.

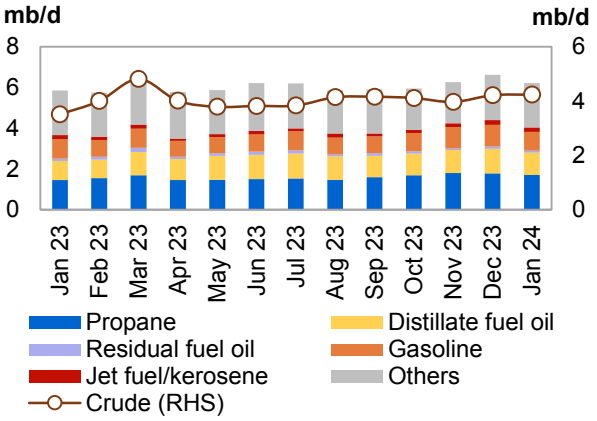
The latest official monthly data from the US Energy Information Administration (EIA) shows crude imports from Canada averaging around 4.4 mb/d in November, representing a share of close to 63%. Imports from Mexico averaged 0.7 mb/d, or over 10%, while Colombia's averaged about 0.3 mb/d, or less than 4%.

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 managed to remain relatively steady m-o-m, despite the cold weather, averaging 4.2 mb/d, according to preliminary data. This represents an increase of less than 1% m-o-m. However, crude outflows were 0.7 mb/d, or over 20%, higher compared to the same month last year.

US **net crude imports** averaged just under 2 mb/d in January, compared with 2.4 mb/d in the month before and 2.8 mb/d in the same month last year.

On the **products** side, **imports** fell 0.2 mb/d, m-o-m, or more than 8%, to average just under 1.8 mb/d. Declines were seen across all major products, except residual fuel oil. Compared with the same month of 2023, product inflows fell by around 0.3 mb/d, or 16%.

Product exports dropped by 0.4 mb/d, or over 6%, to average 6.2 mb/d in January, according to preliminary data. The decline came as product outflows reached a record high in the previous month. All major products contributed to the decrease. Compared with the same month last year, exports fell by 0.4 mb/d, or about 6%.

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

US	Nov 23	Dec 23	Jan 24	Change Jan 24/Dec 23
Crude oil	2.97	2.40	1.97	-0.43
Total products	-4.52	-4.68	-4.43	0.25
Total crude and products	**-1.56**	**-2.28**	**-2.46**	**-0.18**

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

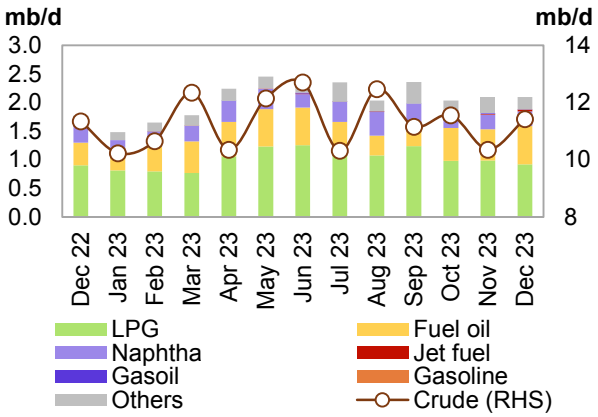
Sources: EIA and OPEC.

Looking ahead, the start of the refinery maintenance season in the US is likely to ease crude imports and free up crude exports heading into February and March. Product exports are also likely to slow in February, although trade dislocations could support flows to Europe.

China

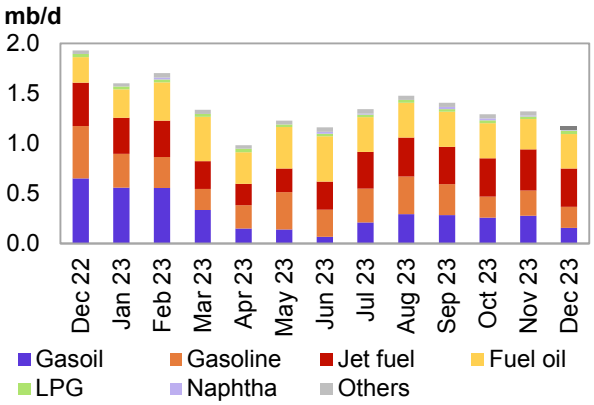
China's crude imports averaged 11.4 mb/d in December, representing a 1.1 mb/d, or over 10%, m-o-m, jump in inflows. Gains came as the government provided advanced crude import quotas for 2024, allowing refiners to boost inflows in the final weeks of the year. However, compared with December 2023, China's crude imports were broadly flat.

Graph 8 - 3: China's import of crude and total products



Sources: China OGP and OPEC.

Graph 8 - 4: China's export of total products



Sources: China OGP and OPEC.

In terms of **crude imports by source**, Russia remained in the top spot in December with a share of almost 20%, down from 21% the month before. Saudi Arabia was second with over 12%, while Iraq was third with close to 11% and Malaysia fourth with almost 10%.

Product imports in December were broadly unchanged, averaging 2.1 mb/d. Gains in fuel oil and jet fuel were largely offset by declines in LPG. Compared to the same period in 2022, product imports were 0.3 mb/d, or over 18%, higher.

Product exports averaged 1.2 mb/d in December, representing a drop of 0.2 mb/d, or 11%, m-o-m. Losses were driven by diesel, gasoline and jet fuel, while fuel oil and LPG experienced gains. Compared to the same period in 2022, product exports declined by almost 0.8 mb/d, or about 40%.

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

China	Oct 23	Nov 23	Dec 23	Change Dec 23/Nov 23
Crude oil	11.56	10.34	11.40	1.06
Total products	0.75	0.77	0.92	0.16
Total crude and products	**12.31**	**11.10**	**12.32**	**1.22**

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

Sources: China OGP and OPEC.

Net product imports averaged 924 tb/d in December, compared to 768 tb/d in November and net exports of 157 tb/d in the same month of 2022.

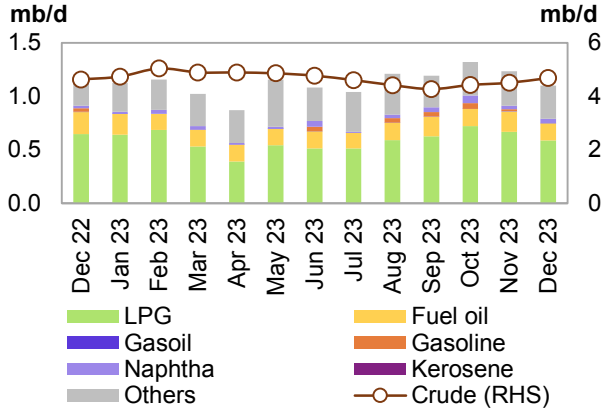
Looking ahead, preliminary indications point to China's crude imports being muted in the first two months of the year, as weak refining margins and the Lunar New Year holidays keep refinery processing rates low.

India

India's crude imports in December gained 0.2 mb/d, or about 4%, m-o-m, to reach a six-month high of 4.7 mb/d. Y-o-y, crude imports increased 51 tb/d, or about 1%. In annual terms, crude arrivals in India marked a record high of 4.68 mb/d in 2023, up 94 tb/d, or about 2%, from 2022.

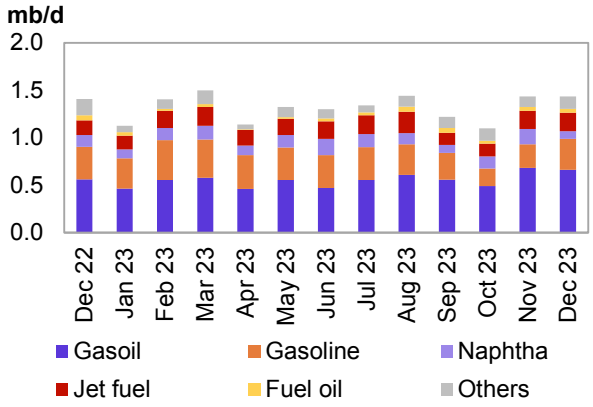
In terms of **crude imports by source**, Kpler data shows Russia with a share of 32% of India's total crude imports in December, followed by Iraq with 22% and Saudi Arabia with 16%.

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



Sources: PPAC and OPEC.

Graph 8 - 6: India's exports of products



Sources: PPAC and OPEC.

In terms of **products**, **imports** dropped further m-o-m to average 1.1 mb/d. Declines were led by LPG, gasoline and fuel oil. LPG inflows slipped after reaching an eight-month high the month before, while higher domestic production displaced gasoline imports. Compared with the previous month, India's product imports fell by 135 tb/d, or almost 11%. Y-o-y, product inflows decreased 61 tb/d, or about 5%. In annual terms, India's product imports averaged 1.13 mb/d, up by about 7% compared to the previous year.

Product exports were unchanged m-o-m to remain at a healthy level of 1.4 mb/d. Outflows of gasoline increased, supported as refiners came back from maintenance. However, this was offset by declines in naphtha outflows amid higher domestic demand. Compared to the same month of 2022, product outflows from India were up by 29 tb/d, or 2%. For the year, India's product exports averaged 1.31 mb/d, broadly unchanged from the previous year.

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

India	Oct 23	Nov 23	Dec 23	*Change* Dec 23/Nov 23
Crude oil	4.42	4.51	4.68	0.18
Total products	0.22	-0.20	-0.34	-0.13
Total crude and products	**4.64**	**4.31**	**4.35**	**0.04**

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.

As a result, India's **net product exports** expanded further to 336 tb/d in December. This compares to net exports of 201 tb/d the month before and 246 tb/d in December 2022.

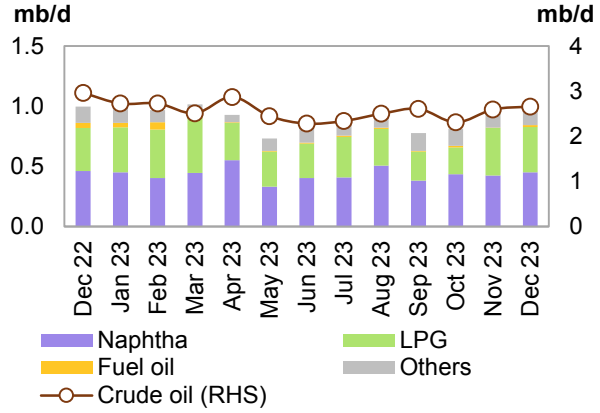
Looking ahead, India's crude imports are seen increasing in January. While product inflows – primarily from the Middle East and Asia – are seen remaining steady in January, product exports are likely to decline as trade disruptions make flows to Europe more expensive.

Japan

Japan's crude imports averaged 2.7 mb/d in December, representing a gain of 66 tb/d, m-o-m, or about 3%. Compared with the same month of 2022, crude inflows declined by about 300 tb/d, or over 10%. In annual terms, crude imports in 2023 averaged 2.5 mb/d, down by 187 tb/d, or about 7%, compared to the previous year.

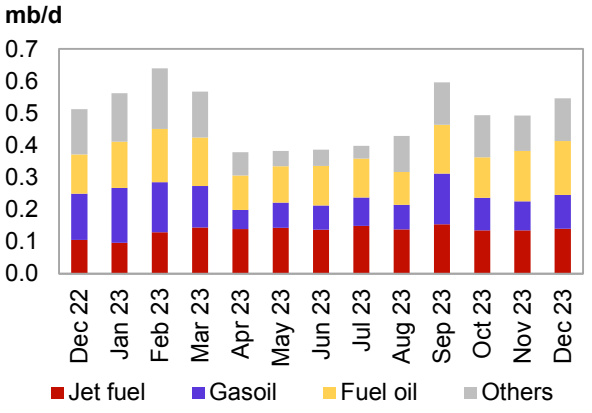
In terms of **crude imports by source**, Saudi Arabia held the highest share in December with 44%. The United Arab Emirates was second with 34%, followed by Kuwait with over 7%. For the year, imports from Saudi Arabia increased by 1% to 1.04 mb/d, while flows from the UAE were up 5% to almost 1.04 mb/d. Crude imports from Qatar jumped 57% to 0.2 mb/d.

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



Sources: METI and OPEC.

Graph 8 - 8: Japan's exports of products



Sources: METI and OPEC.

Product imports, including LPG, rose 45 tb/d, or about 5%, m-o-m, to average 986 tb/d. Gains were seen in winter season fuels, kerosene and fuel oil, as well as naphtha. These outpaced declines in LPG and gasoline amid soft demand for motor fuel. Compared with December 2022, product inflows were broadly unchanged. In annual terms, product imports declined by more than 1% to average 902 tb/d.

Product exports, including LPG, increased in December, up 53 tb/d, or close to 11%, m-o-m. Gains were led by gasoil, fuel oil and gasoline, with only naphtha slightly lower. Jet fuel outflows also rose amid increased aviation activities in the region. Compared with the same month of 2022, product exports were up 34 tb/d, or about 7%. For the year, product exports fell by 21 tb/d, or about 4%.

Consequently, Japan's **net product imports**, including LPG, averaged 440 tb/d in December. This compares with 448 tb/d the month before and 483 tb/d in December 2022.

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

Japan	Oct 23	Nov 23	Dec 23	*Change* Dec 23/Nov 23
Crude oil	2.31	2.59	2.66	0.07
Total products	0.32	0.45	0.44	-0.01
Total crude and products	**2.63**	**3.04**	**3.10**	**0.06**

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

Sources: METI and OPEC.

Looking ahead, crude imports into Japan are seen picking up in January amid higher flows from the Middle East. Japan's product imports are also expected to increase as higher LPG flows outweigh a decline in naphtha. Product exports are seen declining slightly amid lower outflows of diesel.

OECD Europe

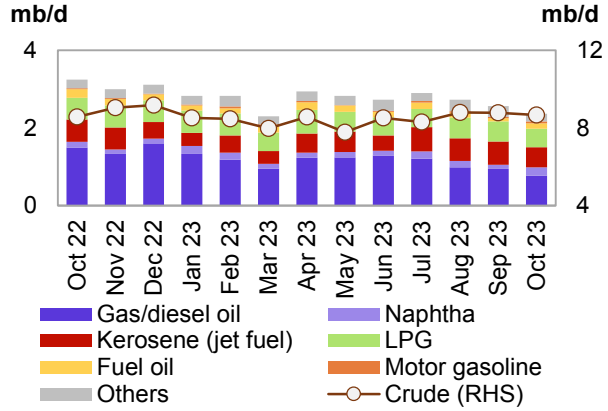
The latest official data for the **OECD Europe** region shows that **crude imports** declined in **October**, falling 0.1 mb/d, m-o-m, or slightly over 1%, to average 8.7 mb/d. Compared with the same month in 2022, crude imports increased by about 0.1 mb/d, or about 1%.

In terms of **import sources** from outside the region, the US provided the most in October, with over 1.8 mb/d. Iraq was second with almost 1.0 mb/d, followed by Kazakhstan with around 0.9 mb/d.

Crude exports averaged 87 tb/d in **October**, representing a decline of 67 tb/d from the previous month. Compared to the same month of 2022, crude outflows were down by 0.2 mb/d, or over 68%. Korea was the top destination for crude exports outside the region for the month, taking in around 66 tb/d.

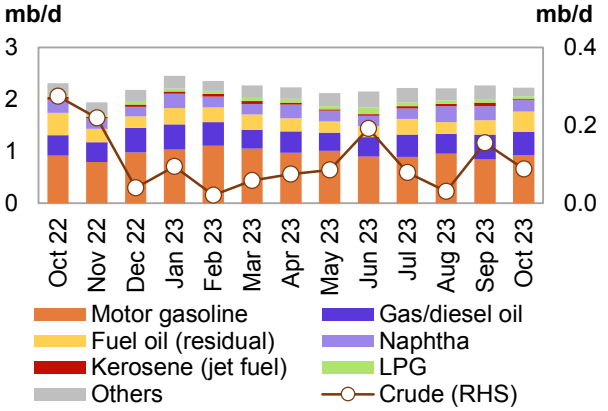
Net crude imports averaged 8.6 mb/d in October, compared with almost 8.6 mb/d in September and about 8.3 mb/d in October 2022.

Graph 8 - 9: OECD Europe imports of crude and products



Sources: IEA and OPEC.

Graph 8 - 10: OECD Europe exports of crude and products



Sources: IEA and OPEC.

In terms of petroleum **products**, **imports** declined, m-o-m, by 0.2 mb/d, or over 7%, to average 2.4 mb/d. Losses were seen in most major categories, except jet kerosene. Compared with October 2022, product inflows fell by 0.9 mb/d, or 27%.

Product exports declined 43 tb/d or almost 2% to average 2.2 mb/d. Losses in LPG, naphtha and gasoline outpaced gains in diesel and fuel oil. Compared to the same month of 2022, product outflows decreased by 0.1 mb/d or 4%.

Net product imports averaged 137 tb/d in October, compared with 287 tb/d the month before and 929 tb/d in October 2022.

Combined, **net crude and product imports** averaged 8.7 mb/d in October, compared with 8.9 mb/d in September and 9.2 mb/d in October 2022.

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

OECD Europe	Aug 23	Sep 23	Oct 23	*Change* Oct 23/Sep 23
Crude oil	8.76	8.62	8.58	-0.04
Total products	0.51	0.29	0.14	-0.15
Total crude and products	**9.27**	**8.91**	**8.72**	**-0.19**

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

Sources: IEA and OPEC.

Looking ahead, crude imports into OECD Europe are expected to fluctuate, with inflows strengthening in December before falling back in January. Crude exports to Asia are seen increasing in December, including cargoes to Indonesia, according to Kpler data.

Eurasia

Total crude oil exports from Russia and Central Asia averaged 6.3 mb/d in December, representing a m-o-m increase of 0.4 mb/d, or over 7%. Gains were seen in the Black Sea and the Baltics. Compared to the same month of 2022, outflows were about 1% lower.

Crude exports through the **Transneft system** contributed to the gains in December, rising on all outlets except Primorsk. Outflows averaged 3.9 mb/d, representing a m-o-m increase of 240 tb/d, or about 7%. Compared to the same month of 2022, exports were about 220 tb/d, or 6%, lower. Transneft shipments from the **Black Sea** port of Novorossiysk increased 166 tb/d, or about 42%, to average 557 tb/d. Crude exports from the **Baltic Sea** rose 43 tb/d, or about 3%, to average 1.5 mb/d. Flows from Primorsk declined further, dropping by 56 tb/d, or almost 7%, to average 800 tb/d. Exports from Ust-Luga rose 99 tb/d, or about 16%, to average 706 tb/d.

Shipments via the **Druzhba** pipeline slipped 22 tb/d, or about 7%, to average 301 tb/d in December. Compared to the same month of 2022, exports via the pipeline were down by 280 tb/d, or 48%. Exports to inland China via the **ESPO pipeline** were negligibly lower, averaging 610 tb/d in December. This is 16 tb/d, or 3%, below the flows seen in December 2022. Flows to the Pacific port of **Kozmino** averaged 892 tb/d, representing a gain of 57 tb/d, or almost 7%. This was about 16 tb/d, or 3%, lower than in the same month of 2022.

In the **Lukoil system**, exports via the Varandey offshore platform in the Barents Sea increased 50 tb/d, or 74%, m-o-m, to average 118 tb/d in December.

On other routes, the combined exports from **Russia's Far East** ports, De Kastri and Aniva, edged up 15 tb/d, or about 6%, to average 276 tb/d in December. This was 68 tb/d, or 32%, higher than the volumes shipped in the same month of 2022.

Central Asian exports averaged 219 tb/d in December, representing a loss of 2% compared to November 2023 and about a 1% drop from the same month of 2022.

Black Sea total exports from the **CPC terminal** jumped 210 tb/d in December to average 1.30 mb/d. This still represents a decline of 229 tb/d, or about 15%, compared with the same month of 2022. Exports via the **Baku-Tbilisi-Ceyhan (BTC) pipeline** fell 63 tb/d, or almost 11%, in December, to average 535 tb/d.

Total product exports from Russia and Central Asia increased by 227 tb/d, or just over 10%, m-o-m, to average 2.5 mb/d in December. The m-o-m gain was driven primarily by gasoil and VGO to a lesser extent, which more than offset slight declines in gasoline, naphtha, jet fuel and fuel oil. Y-o-y, total product exports declined by 1.09 mb/d, or 30%, with declines across all major products except jet fuel and VGO.

Commercial Stock Movements

Preliminary December 2023 data shows total OECD commercial oil stocks down by 22.6 mb, m-o-m. At 2,767 mb, they were 14 mb lower than the same time one year ago, 80 mb lower than the latest five-year average and 159 mb below the 2015–2019 average. Within the components, crude and product stocks fell by 11.3 mb, m-o-m, each.

OECD commercial crude stocks stood at 1,342 mb in December. This was 25 mb lower than the same time a year ago, 35 mb below the latest five-year average and 86 mb lower than the 2015–2019 average.

OECD total product stocks fell by 11.3 mb in December to stand at 1,425 mb. This is 11 mb above the same time a year ago, but 46 mb lower than the latest five-year average and 73 mb below the 2015–2019 average.

In terms of days of forward cover, OECD commercial stocks dropped by 0.4 days, m-o-m, in December, to stand at 60.6 days. This is 0.7 days lower than the level registered in December 2022, 2.3 days lower than the latest five-year average and 1.7 days less than the 2015–2019 average.

Preliminary data for January 2023 shows that total US commercial oil stocks fell by 19.6 mb, m-o-m, to stand at 1,232 mb. This is 23.1 mb, or 1.8%, lower than the same month in 2023, and 37.8 mb, or 3.0%, below the latest five-year average. Crude and product stocks fell by 9.2 mb and 10.5 mb, m-o-m, respectively.

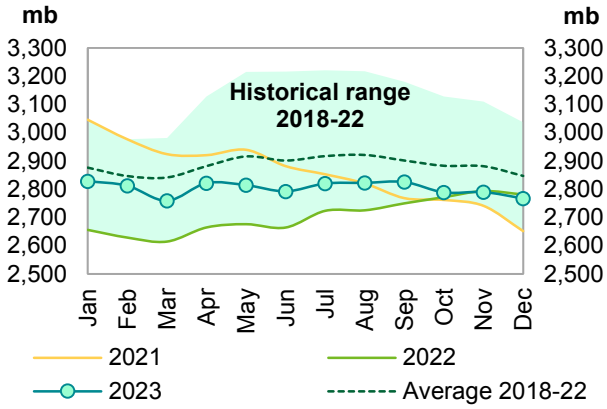
OECD

Preliminary December 2023 data shows **total OECD commercial oil stocks** down by 22.6 mb, m-o-m. At 2,767 mb, they were 14 mb lower than the same time one year ago, 80 mb lower than the latest five-year average and 159 mb below the 2015–2019 average.

Within the components, crude and product stocks fell by 11.3 mb, m-o-m, each.

Total commercial oil stocks in December fell in all three OECD regions.

Graph 9 - 1: OECD commercial oil stocks



Sources: Argus, EIA, Euroilstock, IEA, METI and OPEC.

OECD commercial crude stocks stood at 1,342 mb in December. This was 25 mb lower than the same time a year ago, 35 mb below the latest five-year average, and 86 mb lower than the 2015–2019 average. Within the OECD regions, OECD Americas and OECD Asia Pacific saw crude stock draws of 11.1 mb and 0.8 mb, m-o-m, respectively, while crude stocks in OECD Europe rose by 0.6 mb.

OECD total product stocks fell by 11.3 mb in December to stand at 1,425 mb. This is 11 mb above the same time a year ago, but 46 mb lower than the latest five-year average and 73 mb below the 2015–2019 average.

Within the OECD regions, product stocks in OECD Americas and OECD Asia Pacific witnessed draws of 4.0 mb and 4.6 mb, respectively, m-o-m. OECD Europe product stocks also fell, declining by 2.7 mb.

Table 9 - 1: OECD commercial stocks, mb

OECD stocks	Dec 22	Oct 23	Nov 23	Dec 23	Change Dec 23/Nov 23
Crude oil	1,366	1,336	1,353	1,342	*-11.3*
Products	1,415	1,453	1,437	1,425	*-11.3*
Total	**2,781**	**2,788**	**2,790**	**2,767**	***-22.6***
Days of forward cover	**61.3**	**61.2**	**61.0**	**60.6**	***-0.4***

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

Sources: Argus, EIA, Euroilstock, IEA, METI and OPEC.

In terms of **days of forward cover**, OECD commercial stocks dropped by 0.4 days, m-o-m, in December, to stand at 60.6 days. This is 0.7 days lower than the level registered in December 2022, 2.3 days lower than the latest five-year average and 1.7 days less than the 2015–2019 average.

Within the OECD regions, OECD Americas stood at 1.5 days and OECD Asia Pacific 1.2 days below the latest five-year average, at 61.4 days and 45.8 days, respectively. OECD Europe was 4.5 days below the latest five-year average, standing at 68.0 days.

OECD Americas

OECD Americas' total commercial stocks fell by 15.1 mb, m-o-m, in December to settle at 1,516 mb. This is 24.2 mb higher than the same month in 2022, but 11.9 mb below the latest five-year average.

Commercial **crude oil stocks** in OECD Americas dropped by 11.1 mb, m-o-m, in December to stand at 754 mb, which is 5.4 mb less than in December 2022 and 5.3 mb lower than the latest five-year average.

Total product stocks in OECD Americas fell m-o-m by 4.0 mb in December to stand at 761 mb. This is 29.6 mb higher than the same month in 2022, but 6.6 mb below the latest five-year average. Higher consumption in the region was behind the product stock draw.

OECD Europe

OECD Europe's total commercial stocks fell by 2.1 mb, m-o-m, in December to settle at 892 mb. This is 43.8 mb lower than the same month in 2022, and 56.4 mb below the latest five-year average.

OECD Europe's **commercial crude stocks** increased by 0.6 mb, m-o-m, to end December at 401 mb. This is 17.0 mb less than one year ago and 15.8 mb lower than the latest five-year average.

Europe's **total product stocks** dropped by 2.7 mb, m-o-m, to end December at 492 mb. This is 26.7 mb less than the same time a year ago and 40.6 mb below the latest five-year average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks fell by 5.4 mb, m-o-m, in December to stand at 359 mb. This is 5.3 mb higher than the same time a year ago, but 12.0 mb below the latest five-year average.

OECD Asia Pacific's **crude stocks** fell by 0.8 mb, m-o-m, to end December at 186 mb. This is 2.4 mb lower than one year ago and 13.5 mb below the latest five-year average.

OECD Asia Pacific's **total product stocks** dropped by 4.6 mb, m-o-m, to end December at 172 mb. This is 7.7 mb higher than one year ago and 1.4 mb above the latest five-year average.

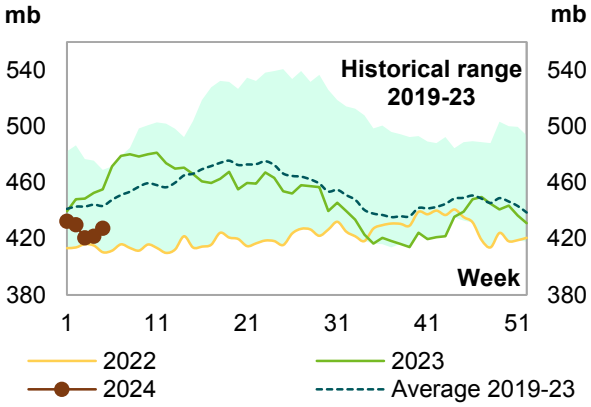
US

Preliminary data for **January 2023** shows that **total US commercial oil stocks** fell by 24.1 mb, m-o-m, to stand at 1,227 mb. This is 27.5 mb, or 2.2%, lower than the same month in 2023 and 42.3 mb, or 3.3%, below the latest five-year average. Crude and product stocks fell by 3.6 mb and 20.4 mb, m-o-m, respectively.

US commercial **crude stocks** in January stood at 427 mb. This is 32.4 mb, or 7.0%, less than the same month in 2023, and 20.4 mb, or 4.5%, below the latest five-year average. The monthly drop in crude oil stocks came despite the decline in crude runs.

Total product stocks fell in January to stand at 800 mb. This is 4.9 mb, or 0.6%, higher than January 2023 levels, but 21.9 mb, or 2.7%, below the latest five-year average. The product stock draw can be attributed to higher product consumption.

Graph 9 - 2: US weekly commercial crude oil inventories



Sources: EIA and OPEC.

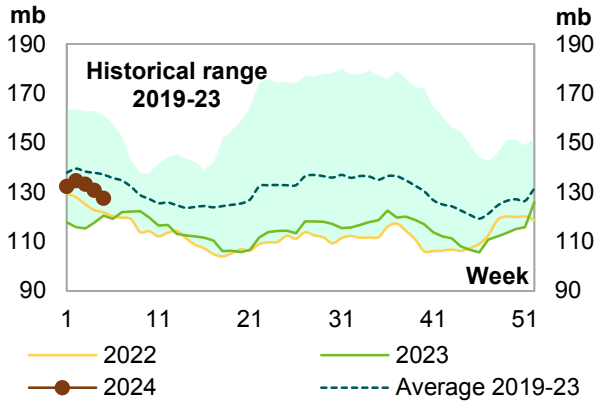
Gasoline stocks rose by 14.0 mb, m-o-m, in January to settle at 251 mb. This is 11.3 mb, or 4.7%, higher than the same month in 2023, but 4.0 mb, or 1.6%, less than the latest five-year average.

Distillate stocks increased by 1.7 mb, m-o-m, in January to stand at 128 mb. This is 4.6 mb, or 3.7%, higher than the same month in 2023, but 11.6 mb, or 8.3%, below the latest five-year average.

Jet fuel stocks rose by 1.2 mb, m-o-m, ending January at 41 mb. This is 5.0 mb, or 14.0%, higher than the same month in 2023 and 0.5 mb, or 1.3%, above the latest five-year average.

Residual fuel oil stocks increased by 2.8 mb, m-o-m, in January. At 27 mb, they were 4.6 mb, or 14.4%, lower than a year earlier and 2.8 mb, or 9.2%, 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 23	Nov 23	Dec 23	Jan 24	Change Jan 24/Dec 23
Crude oil	**459.8**	**442.1**	**431.1**	**427.4**	***-3.6***
Gasoline	239.7	223.6	237.0	251.0	*14.0*
Distillate fuel	123.0	113.8	125.9	127.6	*1.7*
Residual fuel oil	32.1	25.8	24.7	27.5	*2.8*
Jet fuel	35.9	38.9	39.7	40.9	*1.2*
Total products	**794.8**	**825.0**	**820.1**	**799.6**	***-20.4***
Total	**1,254.6**	**1,267.1**	**1,251.1**	**1,227.1**	***-24.1***
SPR	**371.6**	**351.9**	**354.4**	**358.0**	***3.6***

Sources: EIA and OPEC.

Japan

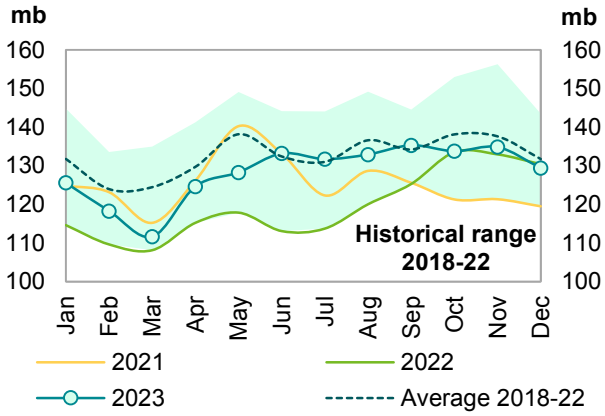
In **Japan**, **total commercial oil stocks** in **December** fell by 5.4 mb, m-o-m, to settle at 129.5 mb. This is 1.0 mb, or 0.7%, lower than the same month in 2022 and 2.3 mb, or 1.8%, below the latest five-year average. Crude and product stocks fell by 0.8 mb and 4.6 mb, respectively.

Japanese **commercial crude oil stocks** fell by 0.8 mb, m-o-m, in December to stand at 71.5 mb. This is 0.3 mb, or 0.4%, higher than the same month in 2022 and 1.3 mb, or 1.9%, above the latest five-year average. The build in crude stocks could be attributed to higher crude imports, which increased in December by 66 tb/d, or 2.5%, m-o-m, to an average of 2.66 mb/d.

Gasoline stocks fell by 0.5 mb, m-o-m, to stand at 9.9 mb in December. This is 0.3 mb, or 2.9%, lower than a year earlier and 0.9 mb, or 8.0%, lower than the latest five-year average.

Distillate stocks fell by 4.2 mb, m-o-m, to end December at 26.8 mb. This is 0.3 mb, or 1.2%, less than the same month in 2022, and 1.9 mb, or 6.5%, lower than the latest five-year average.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

Within the distillate components, jet fuel, kerosene and gasoil stocks dropped by 2.7%, 17.5% and 2.6%, respectively.

By contrast, **total residual fuel oil stocks** rose m-o-m by 0.2 mb to end December at 12.5 mb. This is 0.7 mb, or 6.3%, higher than the same month in 2022, but 0.1 mb, or 0.6%, below the latest five-year average. Within the components, fuel oil A and fuel oil BC stocks rose by 0.6% and 1.9%, m-o-m, respectively.

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

Japan's stocks	Dec 22	Oct 23	Nov 23	Dec 23	Change Dec 23/Nov 23
Crude oil	**71.3**	**68.4**	**72.3**	**71.5**	***-0.8***
Gasoline	10.2	10.4	10.4	9.9	*-0.5*
Naphtha	10.0	10.1	8.7	8.7	*0.0*
Middle distillates	27.1	31.8	31.0	26.8	*-4.2*
Residual fuel oil	11.8	13.0	12.4	12.5	*0.2*
Total products	**59.1**	**65.4**	**62.5**	**57.9**	***-4.6***
Total**	**130.4**	**133.8**	**134.8**	**129.5**	***-5.4***

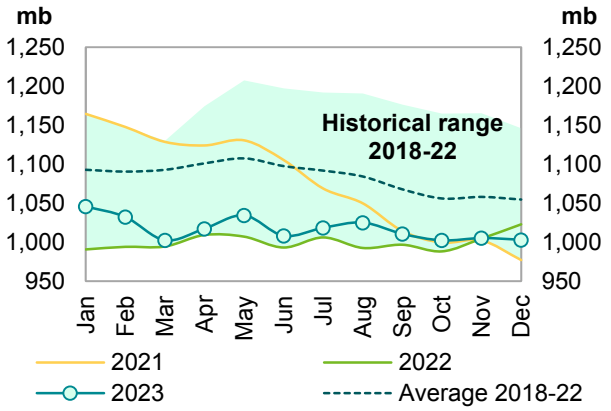
*Note: * At the end of the month. ** Includes crude oil and main products only.*
Sources: METI and OPEC.

EU-14 plus UK and Norway

Preliminary data for **December** showed that **total European commercial oil stocks** fell by 2.1 mb, m-o-m, to stand at 1,003 mb. At this level, they were 19.7 mb, or 1.9%, below the same month in 2022, and 51.7 mb, or 4.9%, less than the latest five-year average. Crude stocks rose by 0.6 mb, while product stocks fell by 2.7 mb, m-o-m.

European **crude stocks** stood at 426.2 mb in December. This is 7.0 mb, or 1.6%, lower than the same month in 2022 and 26.5 mb, or 5.9%, below the latest five-year average. The build in crude oil stocks came on the back of lower refinery throughput in the EU-14, plus the UK and Norway, which fell by around 210 tb/d, m-o-m, to stand at 9.36 mb/d.

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



Sources: Argus, Euroilstock and OPEC.

By contrast, **total European product stocks** fell by 2.7 mb, m-o-m, to end December at 576.8 mb. This is 12.7 mb, or 2.2%, less than the same month in 2022, and 25.2 mb, or 4.2%, below the latest five-year average. The build could be attributed to high demand in the region.

Gasoline stocks rose by 0.8 mb, m-o-m, in December to stand at 106.3 mb, which is 2.0 mb, or 1.8%, lower than the same time in 2022, and 6.0 mb, or 5.4%, lower than the latest five-year average.

By contrast, **middle distillate stocks** fell by 1.8 mb, m-o-m, in December to stand at 385.4 mb. This is 0.1 mb, less than the same month in 2022, and 15.6 mb, or 3.9%, lower than the latest five-year average.

Residual fuel stocks fell by 1.4 mb, m-o-m, in December to stand at 56.2 mb. This is 8.9 mb, or 13.7%, lower than the same month in 2022 and 4.8 mb, or 7.9%, below the latest five-year average.

Naphtha stocks were down by 0.3 mb, m-o-m, in December, ending the month at 28.9 mb, which is 1.7 mb, or 5.7%, below the same time in 2022, but 1.2 mb, or 4.3%, higher than the latest five-year average.

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

EU stocks	Dec 22	Oct 23	Nov 23	Dec 23	Change Dec 23/Nov 23
Crude oil	**433.2**	**429.8**	**425.6**	**426.2**	***0.6***
Gasoline	108.2	105.2	105.4	106.3	*0.8*
Naphtha	30.6	29.7	29.2	28.9	*-0.3*
Middle distillates	385.5	382.1	387.2	385.4	*-1.8*
Fuel oils	65.1	55.4	57.7	56.2	*-1.4*
Total products	**589.5**	**572.3**	**579.5**	**576.8**	***-2.7***
Total	**1,022.7**	**1,002.2**	**1,005.1**	**1,003.0**	***-2.1***

Sources: Argus, Euroilstock and OPEC.

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

Singapore

In **December**, **total product stocks in Singapore** rose by 2.5 mb, m-o-m, to stand at 42.7 mb. This is 1.4 mb, or 3.1%, lower than the same month in 2022 and 2.3 mb, or 5.2%, below the latest five-year average.

Light distillate stocks rose by 1.4 mb, m-o-m, in December to stand at 13.2 mb. This is 1.8 mb, or 11.8%, lower than the same month in 2022 and 0.5 mb, or 3.3%, below the latest five-year average.

Residual fuel oil stocks also increased by 2.4 mb, m-o-m, ending December at 21.8 mb. This is 0.7 mb, or 3.3%, higher than in December 2022 and 1.1 mb, or 5.1%, above the latest five-year average.

By contrast, middle distillate stocks dropped by 1.3 mb, m-o-m, in December to stand at 7.7 mb. This is 0.3 mb, or 3.4%, lower than in December 2022, and 2.9 mb, or 27.6%, lower than the latest five-year average.

ARA

Total product stocks in ARA in December fell by 2.3 mb, m-o-m. At 37.8 mb, they were 4.8 mb, or 11.3%, below the same month in 2022, and 5.1 mb, or 11.9 %, less than the latest five-year average.

Gasoline stocks fell by 3.4 mb, m-o-m, ending December at 7.7 mb. This is 3.7 mb, or 32.3%, lower than in December 2022, and 2.5 mb, or 24.7%, below the latest five-year average.

Jet oil stocks also dropped by 0.1 mb, m-o-m, to stand at 5.7 mb. This is 1.1 mb, or 16.6%, lower than in December 2022 and 0.6 mb, or 9.4%, below the latest five-year average.

By contrast**, gasoil stocks** in December rose by 0.5 mb, m-o-m, to stand at 13.5 mb. This is 1.1 mb, or 7.6%, less than the same month in 2022, and 2.6 mb, or 16.3%, lower than the latest five-year average.

Fuel oil stocks increased by 0.4 mb, m-o-m, in December to stand at 8.6 mb, which is 1.4 mb, or 20.2%, higher than in December 2022, and 1.1 mb, or 14.6%, above the latest five-year average.

Fujairah

During the week ending 5 February 2024, **total oil product stocks in Fujairah** rose by 1.05 mb, w-o-w, to stand at 18.76 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 1.13 mb higher than at the same time a year ago.

Middle distillate stocks rose by 0.38 mb, w-o-w, to stand at 2.54 mb, which is 0.81 mb higher than the same time last year.

Heavy distillate stocks also rose by 0.71 mb, w-o-w, to stand at 9.59 mb, which is 1.06 mb above the same period a year ago.

By contrast, **light distillate stocks** fell by 0.04 mb, w-o-w, to stand at 6.63 mb, which is 0.74 mb lower than a year ago.

Balance of Supply and Demand

Demand for OPEC crude in 2023 stood at 27.4 mb/d. This is around 0.1 mb/d higher than in 2022.

According to secondary sources, OPEC crude production averaged 27.0 mb/d in 2023, which is 0.4 mb/d lower than demand for OPEC crude.

Demand for OPEC crude in 2024 is forecast to stand at 28.4 mb/d, which is 1.0 mb/d higher than the level estimated for 2023.

Demand for OPEC crude in 2025 is forecast to stand at 28.8 mb/d, which is 0.5 mb/d higher than the level forecast for 2024.

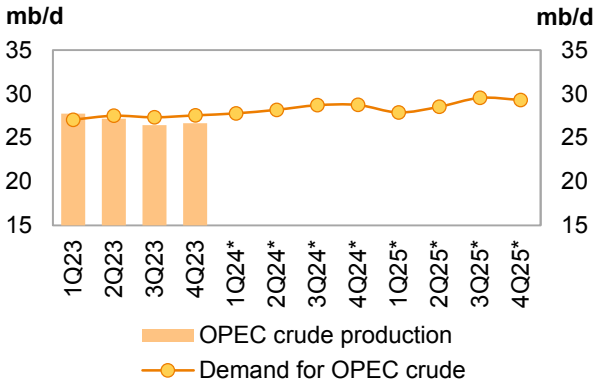
Balance of supply and demand in 2024

Demand for OPEC crude in 2024 was revised down by 0.1 mb/d from the previous assessment to stand at 28.4 mb/d, around 1.0 mb/d higher than the level estimated for 2023.

Compared with the previous assessment, demand for OPEC crude for 1Q24 was revised down by 0.1 mb/d, while demand in 2Q24 and 3Q24 was revised down by 0.2 mb/d for each quarter. Meanwhile, demand for OPEC crude remained unchanged for 4Q24 compared with the previous assessment.

Compared with the same quarters in 2023, demand for OPEC crude in 1Q24 and 2Q24 is forecast to be 0.7 mb/d higher each. Meanwhile, it is expected to increase by 1.4 mb/d and 1.2 mb/d, q-o-q, in 3Q24 and 4Q24, respectively.

Graph 10 - 1: Balance of supply and demand, 2023–2025*



*Note: * 1Q24-4Q25 = Forecast.*
Source: OPEC.

Table 10 - 1: Supply/demand balance for 2024*, mb/d

	2023	1Q24	2Q24	3Q24	4Q24	2024	Change 2024/23
(a) World oil demand	**102.16**	**103.32**	**103.91**	**104.88**	**105.47**	**104.40**	***2.25***
Non-OPEC liquids production	69.36	70.06	70.20	70.68	71.24	70.55	*1.19*
OPEC NGL and non-conventionals	5.41	5.45	5.50	5.46	5.46	5.47	*0.06*
(b) Total non-OPEC liquids production and OPEC NGLs	**74.77**	**75.51**	**75.70**	**76.14**	**76.71**	**76.02**	***1.25***
Difference (a-b)	**27.39**	**27.80**	**28.21**	**28.73**	**28.77**	**28.38**	***0.99***
OPEC crude oil production	**27.01**						
Balance	**-0.38**						

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

Source: OPEC.

Balance of supply and demand in 2025

Demand for OPEC crude in 2025 was revised down by 0.1 mb/d from the previous assessment to stand at 28.8 mb/d, an increase of 0.5 mb/d over the level forecast for 2024.

Compared with the last MOMR, demand for OPEC crude for the first three quarters of 2025 was revised down by 0.2 mb/d each quarter, but remaining unchanged for 4Q25.

Compared with the same quarters in 2024, demand for OPEC crude in 1Q25 and 2Q25 is forecast to be 0.1 mb/d and 0.3 mb/d higher, respectively. The demand for OPEC crude in 3Q25 and 4Q25 is expected to be 0.8 mb/d and 0.6 mb/d higher, respectively.

Table 10 - 2: Supply/demand balance for 2025*, mb/d

	2024	1Q25	2Q25	3Q25	4Q25	2025	*Change* 2025/24
(a) World oil demand	**104.40**	**105.15**	**105.65**	**106.94**	**107.23**	**106.25**	***1.85***
Non-OPEC liquids production	70.55	71.69	71.49	71.78	72.31	71.82	*1.27*
OPEC NGL and non-conventionals	5.47	5.55	5.61	5.58	5.58	5.58	*0.11*
(b) Total non-OPEC liquids production and OPEC NGLs	**76.02**	**77.24**	**77.10**	**77.36**	**77.89**	**77.40**	***1.38***
Difference (a-b)	**28.38**	**27.91**	**28.55**	**29.58**	**29.34**	**28.85**	***0.47***

*Note: * 2025 = 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	2021	2022	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25	4Q25	2025
World demand													
Americas	24.28	24.79	25.01	24.68	25.38	25.58	25.22	25.22	24.74	25.43	25.70	25.30	25.30
of which US	*20.03*	*20.16*	*20.30*	*20.09*	*20.67*	*20.67*	*20.47*	*20.48*	*20.12*	*20.70*	*20.73*	*20.52*	*20.52*
Europe	13.19	13.51	13.41	13.12	13.57	13.66	13.40	13.44	13.14	13.58	13.68	13.41	13.46
Asia Pacific	7.34	7.38	7.35	7.84	6.97	7.09	7.59	7.37	7.85	6.98	7.10	7.60	7.38
Total OECD	**44.81**	**45.68**	**45.77**	**45.64**	**45.93**	**46.33**	**46.21**	**46.03**	**45.73**	**46.00**	**46.48**	**46.32**	**46.13**
China	15.10	14.95	16.19	16.13	16.77	17.09	17.29	16.82	16.56	17.15	17.53	17.68	17.23
India	4.77	5.14	5.34	5.63	5.64	5.40	5.59	5.56	5.85	5.88	5.61	5.82	5.79
Other Asia	8.67	9.07	9.28	9.61	9.74	9.49	9.51	9.59	9.90	10.07	9.82	9.81	9.90
Latin America	6.25	6.44	6.68	6.79	6.88	6.97	6.84	6.87	6.99	7.07	7.19	7.04	7.07
Middle East	7.79	8.30	8.63	8.91	8.76	9.38	9.00	9.01	9.29	9.10	9.84	9.35	9.40
Africa	4.22	4.40	4.46	4.65	4.37	4.39	4.82	4.56	4.77	4.47	4.52	4.93	4.67
Russia	3.62	3.75	3.84	3.89	3.80	3.99	4.08	3.94	3.95	3.85	4.05	4.12	3.99
Other Eurasia	1.21	1.15	1.17	1.27	1.24	1.08	1.28	1.22	1.30	1.27	1.12	1.31	1.25
Other Europe	0.75	0.77	0.79	0.81	0.78	0.77	0.84	0.80	0.82	0.79	0.78	0.85	0.81
Total Non-OECD	**52.38**	**53.98**	**56.39**	**57.68**	**57.99**	**58.55**	**59.26**	**58.37**	**59.42**	**59.66**	**60.45**	**60.91**	**60.11**
(a) Total world demand	**97.19**	**99.65**	**102.16**	**103.32**	**103.91**	**104.88**	**105.47**	**104.40**	**105.15**	**105.65**	**106.94**	**107.23**	**106.25**
Y-o-y change	***5.94***	***2.46***	***2.50***	***2.03***	***2.17***	***2.68***	***2.10***	***2.25***	***1.83***	***1.74***	***2.06***	***1.76***	***1.85***
Non-OPEC liquids production													
Americas	25.46	26.91	28.66	28.97	29.14	29.59	29.89	29.40	29.92	29.82	30.19	30.48	30.10
of which US	*18.06*	*19.28*	*20.89*	*21.00*	*21.35*	*21.61*	*21.76*	*21.43*	*21.78*	*21.94*	*22.14*	*22.26*	*22.03*
Europe	3.79	3.58	3.63	3.83	3.72	3.66	3.81	3.75	3.93	3.81	3.79	3.89	3.86
Asia Pacific	0.51	0.48	0.44	0.45	0.42	0.43	0.42	0.43	0.43	0.42	0.43	0.43	0.42
Total OECD	**29.77**	**30.97**	**32.73**	**33.25**	**33.28**	**33.69**	**34.12**	**33.59**	**34.27**	**34.04**	**34.40**	**34.80**	**34.38**
China	4.32	4.48	4.57	4.60	4.59	4.56	4.56	4.58	4.62	4.60	4.56	4.56	4.58
India	0.78	0.77	0.77	0.79	0.79	0.79	0.78	0.79	0.78	0.79	0.80	0.80	0.80
Other Asia	2.42	2.30	2.27	2.28	2.24	2.21	2.21	2.24	2.22	2.18	2.16	2.15	2.18
Latin America	5.96	6.34	6.94	7.24	7.22	7.33	7.39	7.30	7.49	7.52	7.59	7.65	7.56
Middle East	3.19	3.29	3.27	3.25	3.28	3.27	3.28	3.27	3.28	3.32	3.31	3.31	3.31
Africa	2.50	2.46	2.40	2.36	2.36	2.40	2.43	2.39	2.41	2.40	2.40	2.40	2.40
Russia	10.80	11.03	10.92	10.80	10.84	10.84	10.86	10.84	10.88	10.86	10.85	10.88	10.87
Other Eurasia	2.93	2.83	2.91	2.86	2.97	2.97	2.99	2.95	3.05	3.09	3.03	3.07	3.06
Other Europe	0.11	0.11	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Total Non-OECD	**33.01**	**33.61**	**34.16**	**34.29**	**34.40**	**34.48**	**34.60**	**34.44**	**34.84**	**34.87**	**34.80**	**34.93**	**34.86**
Total Non-OPEC production	62.77	64.58	66.89	67.54	67.68	68.16	68.72	68.03	69.11	68.91	69.20	69.73	69.24
Processing gains	2.29	2.40	2.47	2.52	2.52	2.52	2.52	2.52	2.58	2.58	2.58	2.58	2.58
Total Non-OPEC liquids production	**65.06**	**66.98**	**69.36**	**70.06**	**70.20**	**70.68**	**71.24**	**70.55**	**71.69**	**71.49**	**71.78**	**72.31**	**71.82**
OPEC NGL + non-conventional oils	5.25	5.36	5.41	5.45	5.50	5.46	5.46	5.47	5.55	5.61	5.58	5.58	5.58
(b) Total non-OPEC liquids production and OPEC NGLs	**70.31**	**72.34**	**74.77**	**75.51**	**75.70**	**76.14**	**76.71**	**76.02**	**77.24**	**77.10**	**77.36**	**77.89**	**77.40**
Y-o-y change	***0.76***	***2.03***	***2.43***	***1.30***	***1.49***	***1.30***	***0.91***	***1.25***	***1.72***	***1.40***	***1.22***	***1.19***	***1.38***
OPEC crude oil production (secondary sources)	25.22	27.72	27.01										
Total liquids production	95.53	100.06	101.78										
Balance (stock change and miscellaneous)	-1.66	0.40	-0.38										
OECD closing stock levels, *mb*													
Commercial	2,652	2,781	2,767										
SPR	1,484	1,214	1,212										
Total	**4,136**	**3,995**	**3,979**										
Oil-on-water	1,202	1,399	1,261										
Days of forward consumption in OECD, *days*													
Commercial onland stocks	58	61	60										
SPR	32	27	26										
Total	**91**	**87**	**86**										
Memo items													
(a) - (b)	**26.89**	**27.32**	**27.39**	**27.80**	**28.21**	**28.73**	**28.77**	**28.38**	**27.91**	**28.55**	**29.58**	**29.34**	**28.85**

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	2021	2022	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25	4Q25	2025
World demand													
Americas	-	-	0.02	0.03	0.03	0.02	0.13	0.05	0.03	0.03	0.02	0.13	0.05
of which US	-	-	*0.04*	*0.03*	*0.03*	*0.03*	*0.18*	*0.07*	*0.03*	*0.03*	*0.03*	*0.18*	*0.07*
Europe	-	-	-	-0.04	-0.03	-0.03	-0.03	-0.03	-0.04	-0.03	-0.03	-0.03	-0.03
Asia Pacific	-	-	-0.02	-	-	-	-0.06	-0.02	-	-	-	-0.06	-0.02
Total OECD	**-**	**-**	**-**	**-0.01**	**-**	**-0.01**	**0.04**	**-**	**-0.01**	**-**	**-0.01**	**0.04**	**-**
China	-	-	0.04	-	-	-	0.15	0.04	-	-	-	0.15	0.04
India	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-
Russia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Eurasia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**0.04**	**-**	**-**	**-**	**0.15**	**0.04**	**-**	**-**	**-**	**0.15**	**0.04**
(a) Total world demand	**-**	**-**	**0.04**	**-0.01**	**-**	**-0.01**	**0.19**	**0.04**	**-0.01**	**-**	**-0.01**	**0.19**	**0.04**
Y-o-y change	**-**	**-**	***0.04***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-OPEC liquids production													
Americas	-	-	0.16	0.01	0.14	0.13	0.12	0.10	0.10	0.10	0.10	0.10	0.10
of which US	-	-	*0.13*	*-0.02*	*0.11*	*0.10*	*0.09*	*0.07*	*0.07*	*0.07*	*0.07*	*0.07*	*0.07*
Europe	-	-0.01	-	-	-	-	-	-	-	-	-	-	-
Asia Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	**-**	**-0.01**	**0.15**	**-**	**0.13**	**0.12**	**0.11**	**0.09**	**0.09**	**0.09**	**0.09**	**0.09**	**0.09**
China	-	-	-	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
India	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Latin America	-	-	0.01	0.10	0.06	0.03	0.01	0.05	0.05	0.05	0.05	0.05	0.05
Middle East	-	-	-	-0.03	-0.03	-0.03	-0.03	-0.03	-0.03	-0.03	-0.03	-0.03	-0.03
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-
Russia	-	-	0.14	0.06	0.06	0.05	0.07	0.06	0.06	0.06	0.06	0.06	0.06
Other Eurasia	-	-	-0.01	-0.07	-0.04	-0.03	-0.04	-0.04	-0.04	-0.04	-0.04	-0.04	-0.04
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**0.15**	**0.10**	**0.07**	**0.05**	**0.03**	**0.06**	**0.06**	**0.06**	**0.06**	**0.06**	**0.06**
Total Non-OPEC production	-	-0.01	0.30	0.10	0.20	0.17	0.14	0.15	0.15	0.15	0.15	0.15	0.15
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC liquids production	**-**	**-0.01**	**0.30**	**0.10**	**0.20**	**0.17**	**0.14**	**0.15**	**0.15**	**0.15**	**0.15**	**0.15**	**0.15**
OPEC NGL + non-conventional oils	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Total non-OPEC liquids production and OPEC NGLs	**-**	**-0.01**	**0.30**	**0.10**	**0.20**	**0.17**	**0.14**	**0.15**	**0.15**	**0.15**	**0.15**	**0.15**	**0.15**
Y-o-y change	**-**	***-0.01***	***0.31***	***0.09***	***0.19***	***0.18***	***-1.05***	***-0.15***	***0.05***	***-0.05***	***-0.02***	***0.01***	**-**
OPEC crude oil production (secondary sources)	-	-0.01											
Total liquids production	-	-											
Balance (stock change and miscellaneous)	-	-0.01											
mb													
Commercial	-	-											
SPR	-	-											
Total	**-**	**-**											
Oil-on-water	-	-											
Days of forward consumption in OECD, *days*													
Commercial onland stocks	-	-											
SPR	-	-											
Total	**-**	**-**											
Memo items													
(a) - (b)	**0.00**	**0.00**	**-0.26**	**-0.10**	**-0.20**	**-0.18**	**0.05**	**-0.11**	**-0.16**	**-0.15**	**-0.16**	**0.04**	**-0.11**

*Note: * This compares Table 11 - 1 in this issue of the MOMR with Table 11 - 1 in the January 2024 issue.*
This table shows only where changes have occurred.
Source: OPEC.

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

OECD oil stocks and oil on water	2021	2022	2023	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Closing stock levels, mb											
OECD onland commercial	**2,652**	**2,781**	**2,767**	**2,615**	**2,664**	**2,750**	**2,781**	**2,759**	**2,792**	**2,825**	**2,767**
Americas	1,470	1,492	1,516	1,408	1,435	1,473	1,492	1,489	1,513	1,539	1,516
Europe	857	936	892	890	911	918	936	919	920	922	892
Asia Pacific	325	353	359	317	318	359	353	351	359	365	359
OECD SPR	**1,484**	**1,214**	**1,212**	**1,442**	**1,343**	**1,246**	**1,214**	**1,217**	**1,206**	**1,209**	**1,212**
Americas	596	374	356	568	495	418	374	373	349	353	356
Europe	479	461	470	468	452	448	461	460	470	471	470
Asia Pacific	409	378	386	406	395	380	378	383	387	384	386
OECD total	**4,136**	**3,995**	**3,979**	**4,057**	**4,008**	**3,996**	**3,995**	**3,976**	**3,998**	**4,034**	**3,979**
Oil-on-water	**1,202**	**1,399**	**1,261**	**1,231**	**1,304**	**1,407**	**1,399**	**1,413**	**1,302**	**1,220**	**1,261**
Days of forward consumption in OECD, days											
OECD onland commercial	**58**	**61**	**60**	**58**	**58**	**60**	**61**	**60**	**61**	**61**	**61**
Americas	59	60	60	57	58	60	61	59	60	61	61
Europe	63	70	66	66	65	69	71	68	68	69	68
Asia Pacific	44	48	49	46	44	47	45	50	51	48	46
OECD SPR	**32**	**27**	**26**	**32**	**29**	**27**	**27**	**27**	**26**	**26**	**27**
Americas	24	15	14	23	20	17	15	15	14	14	14
Europe	35	34	35	35	32	34	35	34	34	35	36
Asia Pacific	55	51	52	59	55	50	48	55	55	51	49
OECD total	**93**	**95**	**95**	**90**	**87**	**87**	**88**	**87**	**87**	**88**	**87**

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

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

Non-OPEC liquids production and OPEC NGLs	2023	Change 2023/22	1Q24	2Q24	3Q24	4Q24	2024	Change 2024/23	1Q25	2Q25	3Q25	4Q25	2025	Change 2025/24
US	20.9	1.6	21.0	21.4	21.6	21.8	21.4	0.5	21.8	21.9	22.1	22.3	22.0	0.6
Canada	5.7	0.0	5.9	5.7	5.9	6.1	5.9	0.2	6.1	5.9	6.1	6.2	6.1	0.2
Mexico	2.1	0.1	2.1	2.1	2.1	2.1	2.1	0.0	2.0	2.0	2.0	2.0	2.0	-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	**28.7**	**1.7**	**29.0**	**29.1**	**29.6**	**29.9**	**29.4**	**0.7**	**29.9**	**29.8**	**30.2**	**30.5**	**30.1**	**0.7**
Norway	2.0	0.1	2.2	2.1	2.1	2.2	2.1	0.1	2.3	2.2	2.2	2.3	2.2	0.1
UK	0.8	-0.1	0.8	0.8	0.7	0.8	0.8	0.0	0.8	0.8	0.7	0.8	0.8	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	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**	**3.7**	**3.8**	**3.8**	**0.1**	**3.9**	**3.8**	**3.8**	**3.9**	**3.9**	**0.1**
Australia	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0	0.4	0.3	0.4	0.4	0.4	0.0
Other 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**	**0.5**	**0.4**	**0.4**	**0.4**	**0.4**	**0.0**	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.0**
Total OECD	**32.7**	**1.8**	**33.3**	**33.3**	**33.7**	**34.1**	**33.6**	**0.9**	**34.3**	**34.0**	**34.4**	**34.8**	**34.4**	**0.8**
China	**4.6**	**0.1**	**4.6**	**4.6**	**4.6**	**4.6**	**4.6**	**0.0**	**4.6**	**4.6**	**4.6**	**4.6**	**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**
Brunei	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
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
Malaysia	0.6	0.0	0.6	0.6	0.6	0.6	0.6	0.0	0.5	0.5	0.5	0.5	0.5	0.0
Thailand	0.4	0.0	0.4	0.4	0.3	0.3	0.3	0.0	0.3	0.3	0.3	0.3	0.3	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	**2.3**	**0.0**	**2.3**	**2.2**	**2.2**	**2.2**	**2.2**	**0.0**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**-0.1**
Argentina	0.8	0.1	0.8	0.9	0.9	0.9	0.9	0.0	0.9	0.9	0.9	0.9	0.9	0.1
Brazil	4.1	0.4	4.2	4.2	4.3	4.3	4.3	0.1	4.4	4.4	4.5	4.5	4.4	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	0.5	0.5	0.0
Guyana	0.4	0.1	0.6	0.6	0.6	0.6	0.6	0.2	0.6	0.6	0.7	0.7	0.7	0.1
Latin America others	0.3	0.0	0.3	0.3	0.3	0.3	0.3	0.0	0.3	0.3	0.3	0.3	0.3	0.0
Latin America	**6.9**	**0.6**	**7.2**	**7.2**	**7.3**	**7.4**	**7.3**	**0.4**	**7.5**	**7.5**	**7.6**	**7.6**	**7.6**	**0.3**
Bahrain	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
Oman	1.0	0.0	1.0	1.0	1.0	1.0	1.0	0.0	1.0	1.1	1.1	1.1	1.1	0.0
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	**3.3**	**0.0**	**3.2**	**3.3**	**3.3**	**3.3**	**3.3**	**0.0**	**3.3**	**3.3**	**3.3**	**3.3**	**3.3**	**0.0**
Angola	1.1	0.0	1.1	1.1	1.1	1.1	1.1	0.0	1.1	1.1	1.0	1.0	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	0.6	0.6	0.6	0.6	0.0
Ghana	0.1	0.0	0.1	0.1	0.1	0.2	0.1	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
Sudans	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
Africa others	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.3	0.3	0.3	0.3	0.3	0.1
Africa	**2.4**	**-0.1**	**2.4**	**2.4**	**2.4**	**2.4**	**2.4**	**0.0**	**2.4**	**2.4**	**2.4**	**2.4**	**2.4**	**0.0**
Russia	**10.9**	**-0.1**	**10.8**	**10.8**	**10.8**	**10.9**	**10.8**	**-0.1**	**10.9**	**10.9**	**10.8**	**10.9**	**10.9**	**0.0**
Kazakhstan	1.9	0.1	1.9	2.0	2.0	2.0	1.9	0.0	2.0	2.1	2.0	2.1	2.0	0.1
Azerbaijan	0.6	-0.1	0.7	0.7	0.7	0.7	0.7	0.0	0.7	0.7	0.7	0.7	0.7	0.0
Eurasia others	0.3	0.0	0.3	0.3	0.3	0.3	0.3	0.0	0.3	0.3	0.3	0.3	0.3	0.0
Other Eurasia	**2.9**	**0.1**	**2.9**	**3.0**	**3.0**	**3.0**	**2.9**	**0.0**	**3.0**	**3.1**	**3.0**	**3.1**	**3.1**	**0.1**
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	**34.2**	**0.5**	**34.3**	**34.4**	**34.5**	**34.6**	**34.4**	**0.3**	**34.8**	**34.9**	**34.8**	**34.9**	**34.9**	**0.4**
Non-OPEC	66.9	2.3	67.5	67.7	68.2	68.7	68.0	1.1	69.1	68.9	69.2	69.7	69.2	1.2
Processing gains	2.5	0.1	2.5	2.5	2.5	2.5	2.5	0.1	2.6	2.6	2.6	2.6	2.6	0.1
Non-OPEC supply	**69.4**	**2.4**	**70.1**	**70.2**	**70.7**	**71.2**	**70.5**	**1.2**	**71.7**	**71.5**	**71.8**	**72.3**	**71.8**	**1.3**
OPEC NGL	5.3	0.0	5.4	5.4	5.4	5.4	5.4	0.1	5.4	5.5	5.5	5.5	5.5	0.1
OPEC Non-conventional	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
OPEC (NGL+NCF)	**5.4**	**0.0**	**5.5**	**5.5**	**5.5**	**5.5**	**5.5**	**0.1**	**5.5**	**5.6**	**5.6**	**5.6**	**5.6**	**0.1**
Non-OPEC & OPEC (NGL+NCF)	**74.8**	**2.4**	**75.5**	**75.7**	**76.1**	**76.7**	**76.0**	**1.3**	**77.2**	**77.1**	**77.4**	**77.9**	**77.4**	**1.4**

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

Table 11 - 5: World rig count, units

World rig count	2021	2022	2023	Change 2023/22	2Q23	3Q23	4Q23	Dec 23	Jan 24	Change Jan/Dec
US	475	722	688	-34	719	648	622	623	620	-3
Canada	133	174	177	3	119	188	181	152	208	56
Mexico	45	47	55	8	60	54	59	60	57	-3
OECD Americas	**654**	**945**	**921**	**-24**	**900**	**892**	**862**	**836**	**887**	**51**
Norway	17	17	17	0	13	19	18	18	17	-1
UK	8	10	12	2	13	10	12	12	9	-3
OECD Europe	**58**	**65**	**66**	**1**	**67**	**64**	**66**	**67**	**67**	**0**
OECD Asia Pacific	**23**	**24**	**25**	**1**	**27**	**25**	**23**	**24**	**25**	**1**
Total OECD	**735**	**1,034**	**1,012**	**-22**	**994**	**981**	**951**	**927**	**979**	**52**
Other Asia*	174	186	204	18	210	206	206	204	202	-2
Latin America	91	119	120	1	122	118	113	111	110	-1
Middle East	57	62	61	-1	61	59	62	61	63	2
Africa	46	64	67	3	65	66	68	68	68	0
Other Europe	9	10	11	1	11	10	10	10	10	0
Total Non-OECD	**377**	**441**	**463**	**22**	**469**	**459**	**459**	**454**	**453**	**-1**
Non-OPEC rig count	**1,112**	**1,475**	**1,475**	**0**	**1,463**	**1,440**	**1,410**	**1,381**	**1,432**	**51**
Algeria	26	32	36	4	33	37	43	38	40	2
Congo	0	1	1	0	2	2	0	0	1	1
Equatorial Guinea**	0	0	0	0	0	0	0	0	0	0
Gabon	2	3	3	0	3	3	3	4	2	-2
Iran**	117	117	117	0	117	117	117	117	117	0
Iraq	39	51	61	10	62	62	62	62	62	0
Kuwait	25	27	24	-3	25	24	24	23	26	3
Libya	13	7	14	7	15	14	17	16	18	2
Nigeria	7	10	14	4	13	16	14	16	15	-1
Saudi Arabia	62	73	83	10	83	85	84	80	88	8
UAE	42	47	57	10	57	56	62	62	62	0
Venezuela	6	3	2	-1	3	2	2	2	1	-1
OPEC rig count	**339**	**371**	**412**	**41**	**413**	**418**	**428**	**420**	**432**	**12**
World rig count* **	**1,451**	**1,846**	**1,887**	**41**	**1,876**	**1,858**	**1,838**	**1,801**	**1,864**	**63**
of which:										
Oil	1,143	1,463	1,498	35	1,484	1,477	1,464	1,435	1,471	36
Gas	275	352	357	5	347	338	333	325	348	23
Others	33	31	32	1	46	43	41	41	45	4

*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

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 1.04 in January

January 2024	80.04
December 2023	79.00
Year-to-date	**80.04**

January OPEC crude production

mb/d, according to secondary sources

down 0.35 in January

January 2024	26.34
December 2023	26.69

Economic growth rate

per cent

	World	OECD	US	Eurozone	Japan	China	India
2024	2.7	1.2	1.6	0.5	0.9	4.8	5.9
2025	2.9	1.5	1.7	1.2	1.0	4.6	6.1

Supply and demand

mb/d

2024		**24/23**	**2025**		**25/24**
World demand	104.4	2.2	World demand	106.2	1.8
Non-OPEC liquids production	70.6	1.2	Non-OPEC liquids production	71.8	1.3
OPEC NGLs	5.5	0.1	OPEC NGLs	5.6	0.1
Difference	**28.4**	**1.0**	**Difference**	**28.8**	**0.5**

OECD commercial stocks

mb

	Oct 23	Nov 23	Dec 23	Dec 23/Nov 23
Crude oil	1,336	1,353	1,342	–11.3
Products	1,453	1,437	1,425	–11.3
Total	**2,788**	**2,790**	**2,767**	**–22.6**
Days of forward cover	61.2	61.0	60.6	–0.4

Next report to be issued on 12 March 2024.