Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

12 March 2024

Feature article:
Assessment of the global economy

Organization of the Petroleum Exporting Countries

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Oil Market Highlights

Crude Oil Price Movements

In February, the OPEC Reference Basket (ORB) rose by $1.19, or 1.5%, m-o-m, to average $81.23/b. Oil futures prices averaged higher, with the ICE Brent front-month contract up by $2.57, or 3.2%, m-o-m, to average $81.72/b, and the NYMEX WTI front-month contract up by $2.75, or 3.7%, m-o-m, to average $76.61/b. The DME Oman front-month contract rose by $2.00, or 2.5%, m-o-m, to settle at $80.95/b. The front-month ICE Brent/NYMEX WTI spread further narrowed in February by 18¢ to average $5.11/b. The market structures of oil futures prices strengthened and money managers turned more bullish on oil.

World Economy

The world economic growth forecast for 2024 is revised up slightly to stand at 2.8%, with economic growth forecast unchanged at 2.9% for 2025. In the United States, economic growth for 2024 is revised up to 1.9%, as the healthy momentum from 2H23 is expected to continue, while the forecast for 2025 remains at 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 revised down to 0.8% in 2024, followed by 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 is revised up to 6.6% for 2024 and 6.3% in 2025. Brazil's economic growth forecast for 2024 is revised up to 1.6%, while the forecast for 2025 remains unchanged at 1.9%. Russia's economic growth forecasts for 2024 and 2025 remain unchanged at 1.7% and 1.2%, respectively.

World Oil Demand

The 2024 global oil demand growth forecast remains unchanged at 2.2 mb/d, y-o-y. Oil demand growth in OECD Asia Pacific is revised down slightly for 1Q24, due to expected lower performance in the manufacturing and petrochemical sectors of Japan and South Korea. However, this is offset by upward adjustments for India and Other Asia, reflecting anticipated improvements during the same period. With this, the OECD is forecast to expand by around 0.2 mb/d, and non-OECD by 2.0 mb/d this year. In 2025, global oil demand is forecast to grow by 1.8 mb/d, y-o-y, unchanged from last month's assessment, with the OECD growing by 0.1 mb/d and non-OECD by 1.7 mb/d.

World Oil Supply

The non-OPEC liquids production in 2024 is expected to grow by 1.1 mb/d, slightly revised down from the previous month's assessment. The revision takes into account the recently announced additional voluntary production adjustments by some countries in the Declaration of Cooperation (DoC) in 2Q24 and the rest of 2024. In 2024, the main drivers for liquids supply growth are expected to be the US, Canada, Brazil and Norway, while the largest declines are anticipated in Russia and Mexico. The forecast for non-OPEC liquids supply growth in 2025 stands at 1.4 mb/d, revised up from the previous month mainly due to the base changes made in 2024. The growth is mainly driven by the US, Brazil, Canada, Russia, Kazakhstan and Norway. Separately, OPEC natural gas liquids (NGLs) and non-conventional liquids are forecast to grow by around 64 tb/d to average 5.5 mb/d this year, followed by a growth of 110 tb/d to average 5.6 mb/d in 2025. OPEC-12 crude oil production in February increased by 203 tb/d, m-o-m, averaging 26.57 mb/d, as reported by available secondary sources.

Product Markets and Refining Operations

In February, refinery margins across all regions strengthened further, as ongoing refinery maintenance limited processing rates and restricted product output, exerting downward pressure on product stocks. The gains were mostly driven by stronger gasoline markets, reflecting reduced products' availability and a positive gasoline market outlook for the coming months. Additionally, gasoil performance improvements in Northwest Europe further supported refining economics, with the products' crack spread facing upward pressure amid declines in refinery runs, which exacerbated the products' balance contraction given ongoing geopolitical tensions. Global refinery intake fell by 958 tb/d, averaging 79.9 mb/d vs. 80.8 mb/d in the previous month, showing a 434 tb/d decline, y-o-y. Refinery intakes are expected to remain under pressure in the coming months amid heavy turnaround works.

Tanker Market

Dirty freight rates recovered further in February on all monitored routes, with the Middle East-to-East route leading gains. On average, VLCC spot freight rates rose 11%, m-o-m. Compared with the same month of 2023, VLCC rates were 18% higher. Suezmax spot freight rates gave up the gains of the previous month dropping 19%, m-o-m, while Aframax rates saw a large decline of 18%, m-o-m, across all routes. Clean tanker spot freight rates saw an increase, with East of Suez rates surging by 18%, m-o-m, as trade disruptions triggered some rebooking. West of Suez rates also jumped by 22%, m-o-m, in February.

Crude and Refined Products Trade

Preliminary data shows that US crude imports averaged 6.5 mb/d in February, marking an increase of over 3%, m-o-m, while US crude exports remained at a relatively healthy level, averaging 4.6 mb/d. China's crude imports averaged 11.2 mb/d in January, representing a decline of 1.8%, m-o-m. India's crude imports in January witnessed a 9.4% increase, m-o-m, reaching 5.1 mb/d supported by seasonal trends. Japan's crude imports in January fell by 8.6%, m-o-m, standing at 2.4 mb/d. Compared to the same month of 2023, crude inflows declined by 10.8%. Crude imports into OECD Europe are expected to fluctuate, with inflows strengthening in December before declining in January and February.

Commercial Stock Movements

Preliminary January 2024 data shows total OECD commercial oil stocks down by 26.8 mb, m-o-m. At 2,735 mb, they were 192 mb below the 2015–2019 average. Within the components, crude and product stocks fell by 10.7 mb and 16.1 mb, m-o-m, respectively. OECD commercial crude stocks stood at 1,318 mb in January, 113 mb lower than the 2015–2019 average. OECD total product stocks in January stood at 1,416 mb, 79 mb below the 2015–2019 average. In terms of days of forward cover, OECD commercial stocks dropped by 0.9 days, m-o-m, in January 2024 to stand at 59.6 days. This is 2.4 days less than the 2015–2019 average.

Balance of Supply and Demand

Demand for OPEC crude in 2024 is projected to stand at about 28.5 mb/d, which is 1.1 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 0.3 mb/d over the forecast 2024 level.

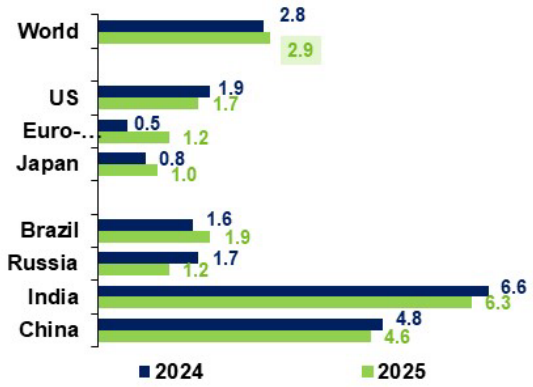
Feature Article

Assessment of the global economy

In 2023, **global economic growth** continued to show a better-than-expected performance towards the end of the year. In the most recently published data, the major economies of the US and India reported strong economic growth in 2H23, and growth in China, Brazil and Russia kept a steady momentum. However, the Eurozone and Japan saw slight growth declines in 2H23. These growth trends are expected to carry over into 1H24, leading to an economic growth forecast in **2024** of 2.8%, y-o-y, which is then set to accelerate further to reach 2.9%, y-o-y, in **2025** (*see **Graph 1***).

The major non-OECD economies of China and India, alongside other developing Asian nations, are anticipated to maintain their growth momentum and play a significant role in driving global economic growth, while growth across the OECD economies is projected at relatively lower rates. The anticipation of a positive, steady dynamic across major economies is supported by expectations for a continued easing in general inflation throughout 2024 and into 2025. This is expected to result in improving real income levels and, in turn, increased consumer spending ability. Concurrently, key central banks are expected to begin reducing their interest rates in 2024. A shift towards more accommodative monetary policies is anticipated to begin in 2H24 and continue throughout 2025, with the projection that key policy rates will peak in 1H24.

Graph 1: GDP growth forecast for 2024–25, % change y-o-y



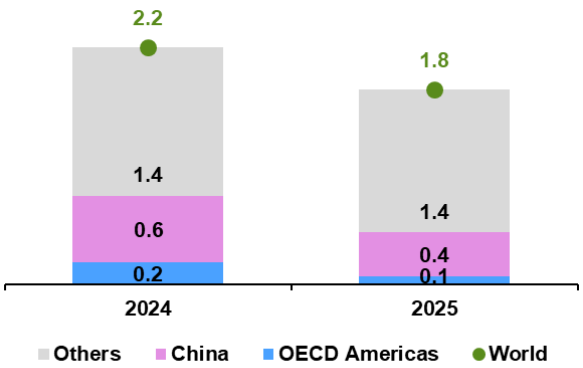
Note: 2024-2025 = Forecast. Source: OPEC.

The scope for additional fiscal stimulus measures, beyond those already implemented, is anticipated to be limited, with the possible exception of some Asian economies, particularly China and to some extent India, and possibly Japan. It will also be important to closely monitor the outcomes of elections in several key economies, such as the US, UK, Indonesia, South Africa, Mexico, Russia and India, which have the potential to influence fiscal policies, geopolitical developments and trade, which all impact overall growth dynamics.

Upside potential for global economic growth may arise from a faster than currently anticipated retraction of inflation, enabling major central banks to consider more accommodative monetary policies. Furthermore, the 2024 and 2025 growth trajectories of India, China, as well as the US, could exceed current expectations.

Given this economic backdrop, **global oil demand** in 2024 is forecast to expand by a robust 2.2 mb/d, y-o-y, followed by 1.8 mb/d, y-o-y, in 2025. On a regional basis, most oil demand growth is expected in non-OECD economies, with an expansion of almost 2 mb/d, y-o-y, in 2024 and 1.7 mb/d, y-o-y, in 2025. OECD oil demand growth is forecast at slightly above 0.2 mb/d, y-o-y, in 2024 and 0.1 mb/d, y-o-y, in 2025 (*see **Graph 2***).

Graph 2: World oil demand growth in 2024–25, mb/d



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

In terms of oil products, transportation fuels are set to drive oil demand growth in both 2024 and 2025. Jet fuel demand is forecast to show the largest y-o-y expansion, as international air traffic continues to recover and reach pre-pandemic levels, supported by strong domestic air travel in all regions. Gasoline requirements are expected to continue to see support from healthy levels of road mobility in major consuming countries and regions, such as China, the Middle East, India and the US. Both on-road diesel, including trucking, and solid industrial, construction and agricultural activities in non-OECD countries are expected to support diesel demand. Petrochemical feedstock growth is poised to be supported by capacity additions, as well as healthy petrochemical margins, mostly in China and the Middle East.

Given the ongoing uncertainties, OPEC and non-OPEC countries participating in the Declaration of Cooperation (DoC) will continue to assess market conditions and take necessary measures at any time, and as needed, in an effort to safeguard market stability for the benefit of producers, consumers and the global economy.

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Crude Oil Price Movements

The OPEC Reference Basket (ORB) value increased in February, up by $1.19, or 1.5%, to stand at $81.23/b, as all ORB component values rose alongside their respective crude oil benchmarks.

Crude oil futures prices were higher in February, amid persistent volatility fuelled by uncertainties surrounding geopolitical developments, and uncertainty concerning monetary policies from major central banks. The optimism surrounding global economic growth in 2024, short covering from speculators, and indications of strengthening physical oil market fundamentals provided support to oil futures.

The ICE Brent front-month increased by $2.57 in February, or 3.2%, to average $81.72/b, and NYMEX WTI rose by $2.75, or 3.7%, to average $76.61/b. DME Oman crude oil futures prices rose, m-o-m, in February by $2.00, or 2.5%, to average at $80.95/b.

Hedge funds and other money managers remained bullish about oil prices in February, raising their futures and options net-long positions in crude by 4.3%, and were buyers of an equivalent of about 18 mb between the week of 30 January and 27 February. The rise in net long positions was mainly in the NYMEX WTI contract which saw an increase of 16.3%. Money managers continued to reduce short positions.

The crude market structure strengthened further in February in all markets and the nearest months' time spreads moved into stronger backwardation, reflecting the market perception of stronger global supply and demand fundamentals specifically for the short term. Several planned and unplanned oil supply outages along with geopolitical developments in some producing regions raised concerns about global oil supply outlooks.

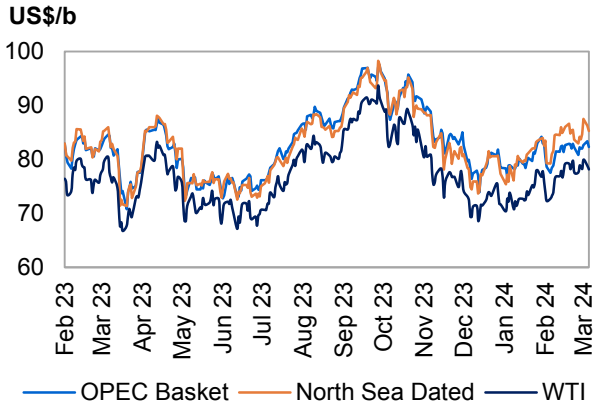
The sweet/sour crude differential continued to widen in all markets in February on better performance of light sweet crudes compared to heavier crudes, specifically in Europe. Light sweet crude value was supported by a robust demand for light sweet crude and a high Brent-related risk premium that continued to make the sweet crude value higher compared to sour. Higher margins of light distillate products compared to weaker heavy sour products also contributed to widening the sweet/sour crude differential.

Crude spot prices

Crude spot prices maintained their upward trajectory in February, consolidating gains from the previous month as market fundamentals continued to strengthen, reflected in steepening futures forward curves. The market saw support from short covering in the futures market, further bolstering prices. Persistent geopolitical tensions remained a driver, prompting concerns about potential disruptions to oil supply, thus providing sustained support to the oil risk premium.

Spot prices also found support from the reduced supply of light sweet crude in the Atlantic Basin that was exacerbated by supply outages in various regions in recent months, including the US, North Sea, and North Africa.

Graph 1 - 1: Crude oil price movements



Sources: Argus, OPEC and Platts.

The gradual recovery of demand from US refiners, coupled with active interest from Chinese refiners in the spot market, specifically following robust demand during the Lunar New Year holiday, further supported oil prices. Renewed buying interest from Chinese refiners in the spot market, including in the West African market, the strengthening of refining margins across major trading hubs, specifically middle distillate margins, supported spot prices. Diesel and gasoline cracks remained resilient, countering the weaker High Sulfur Fuel Oil (HSFO) markets.

Despite these supportive factors, oil price gains encountered resistance due to a notable build in US crude stocks and the slow recovery of refinery operations following an extensive maintenance season and unplanned outages.

Spot prices rose more than futures prices in a sign of robust physical market fundamentals, specifically for prompt loading volumes. This was mirrored in the widening of the North Sea Dated-ICE Brent spread. On a monthly average, the North Sea Dated-ICE Brent spread rose by $1.07, m-o-m, to stand at a premium of $2.18/b, compared to a premium of $1.11/b in January.

In February, North Sea Dated and WTI's first-month contracts increased by $3.64 and $3.02, or 4.5% and 4.1%, m-o-m, to settle at $83.90/b and $76.89/b, respectively. Dubai's first-month contract rose by $2.09, or 2.7%, m-o-m, to an average of $80.82/b.

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

			Change		Year-to-date	
OPEC Reference Basket (ORB)	Jan 24	Feb 24	Feb 24/Jan 24	%	2023	2024
ORB	**80.04**	**81.23**	***1.19***	***1.5***	**81.75**	**80.62**
Arab Light	82.14	82.30	*0.16*	*0.2*	83.68	82.21
Basrah Medium	78.21	79.35	*1.14*	*1.5*	78.07	78.76
Bonny Light	80.84	85.65	*4.81*	*6.0*	82.62	83.19
Djeno	72.90	76.45	*3.55*	*4.9*	75.24	74.63
Es Sider	79.66	83.95	*4.29*	*5.4*	81.23	81.75
Iran Heavy	80.14	80.34	*0.20*	*0.2*	81.72	80.24
Kuwait Export	80.84	81.09	*0.25*	*0.3*	83.06	80.96
Merey	66.50	67.27	*0.77*	*1.2*	61.84	66.88
Murban	79.06	80.99	*1.93*	*2.4*	82.94	80.00
Rabi Light	79.89	83.44	*3.55*	*4.4*	82.23	81.62
Sahara Blend	81.36	86.00	*4.64*	*5.7*	83.90	83.63
Zafiro	81.66	85.30	*3.64*	*4.5*	81.75	83.44
Other Crudes						
North Sea Dated	80.26	83.90	*3.64*	*4.5*	82.69	82.04
Dubai	78.73	80.82	*2.09*	*2.7*	81.39	79.75
Isthmus	72.34	75.77	*3.43*	*4.7*	68.55	74.02
LLS	76.40	79.46	*3.06*	*4.0*	80.55	77.89
Mars	74.24	76.47	*2.23*	*3.0*	75.12	75.33
Minas	78.06	83.67	*5.61*	*7.2*	81.55	80.80
Urals	62.36	66.45	*4.09*	*6.6*	44.78	64.36
WTI	73.87	76.89	*3.02*	*4.1*	77.52	75.35
Differentials						
North Sea Dated/WTI	6.39	7.01	*0.62*	-	5.16	6.69
North Sea Dated/LLS	3.86	4.44	*0.58*	-	2.14	4.14
North Sea Dated/Dubai	1.53	3.08	*1.55*	-	1.30	2.29

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

Sources: Argus, Direct Communication, OPEC and Platts.

Crude oil differentials of light sweet crude strengthened in February in almost all markets, while sour crudes were mixed. In the North Sea, crude differentials showed further improvement last month amid firm regional crude demand, strong refining margins and lower supply availability in the Atlantic Basin. The forties and Ekofisk crude differentials rose by 92¢ and 44¢, m-o-m, on a monthly average in February to settle at premiums of $2.08/b and $3.16/b, respectively. However, the crude differential of medium sour crude Johan Sverdrup weakened significantly last month, falling by $3.15, m-o-m, to stand at a discount of $1.14/b against North Sea Dated.

West African crude differentials also rose in February, supported by renewed demand from Asia-Pacific buyers despite a wider Brent-Dubai front-month exchange of futures for swaps (EFS), as well as demand from some European refiners. On a monthly average, crude differentials to the North Sea Dated benchmark of Bonny Light, Forcados and Qua Iboe rose by $1.04, $1.78, and $1.47 in February, to settle at premiums of $2.99/b, $4.76/b, and $3.52/b, respectively. Angolan crude differentials also rose. The crude differential of medium-heavy sweet crude Cabinda increased in February by 14¢, m-o-m, on average, to a premium of 50¢/b. In the Mediterranean, Saharan Blend saw its crude differentials increasing by 28¢, m-o-m to a premium of $1.87/b, while Azeri light and CPC Blend crude differentials declined by 92¢ and $1.30, m-o-m, to stand at a premium of $4.80/b and a discount of $3.23/b, respectively.

In the US, LLS and Mars sour crudes showed a divergent trend in February. LLS crude differentials rose by 6¢, m-o-m, to stand at a premium of $2.56/b of WTI futures, while Sour crude dropped by 41¢ to a discount of 41¢/b. In the Middle East, firm demand from Asian refiners and wider Brent-Dubai EFS supported the sour market. The value of the Oman crude differential rose by 16¢, m-o-m, in February, to stand at a premium of $1.02/b.

OPEC Reference Basket (ORB)

The ORB value increased in February, up by $1.19, or 1.5%, to stand at $81.23/b, as all ORB component values rose alongside their perspective crude oil benchmarks. However, lower official selling prices of sour components exported to Asia, Europe and the US, and mixed movement of crude differentials limited the gain compared to major crude benchmarks. The year-to-date ORB declined by $1.13 or 1.4%, from $81.62/b in 2023 to an average of $80.04/b in 2024.

All ORB component values rose last month. West and North African Basket components – Bonny Light, Djeno, Es Sider, Girassol, Rabi Light, Sahara Blend, and Zafiro – increased by $4.08, m-o-m, in February, or 5.1% on average, to $83.47/b. Multiple region destination grades – Arab Light, Basrah Light, Iran Heavy, and Kuwait Export – also rose by 44¢, m-o-m, or 0.5% on average, to settle at $80.77/b.

Murban crude was up by $1.93, m-o-m, or 2.4% on average, to settle at $80.99/b, and the Merey crude component rose by 77¢, m-o-m, or 1.2% on average, to settle at $67.27/b.

The oil futures market

In February, crude oil futures prices consolidated their gains from the previous month, amid persistent volatility fuelled by uncertainties surrounding geopolitical developments. The optimism surrounding global economic growth in 2024, short covering from speculators, and indications of strengthening physical oil market fundamentals provided support to oil futures.

Earlier in the month, oil futures came under pressure as traders reduced their exposures due to uncertainties regarding geopolitical developments. This concern was exacerbated by China's economic uncertainties, following data showing a decline in manufacturing activity for the fourth consecutive month in January, highlighting ongoing challenges.

However, oil futures rebounded in the second week of the month, driven by renewed concerns over potential oil flow disruptions in the Middle East, which amplified the geopolitical risk premium. Additionally, forecasts projecting a robust oil demand outlook and tightness in refined products markets due to both planned and unplanned outages further bolstered the oil complex. Strengthening short-term physical market fundamentals, particularly in diesel markets, added to the positive sentiment. Moreover, a notable decrease in the value of the US dollar contributed to the strength of commodities priced in US dollars, including oil.

In the last week of the month, oil futures prices faced downward pressure as concerns over the global macroeconomic outlook emerged exacerbated by the release of a US inflation report highlighting persistent inflationary pressures. A substantial build in US crude oil stocks by around 20 million barrels between the weeks of 2 and 23 February limited price gains during this period.

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

Crude oil futures	Jan 24	Feb 24	Change Feb 24/Jan 24	Change %	Year-to-date 2023	Year-to-date 2024
NYMEX WTI	73.86	76.61	2.75	3.7	77.53	75.20
ICE Brent	79.15	81.72	2.57	3.2	83.73	80.40
DME Oman	78.95	80.95	2.00	2.5	81.42	79.93
Spread						
ICE Brent-NYMEX WTI	*5.29*	*5.11*	*-0.18*	*-3.4*	*6.20*	*5.20*

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

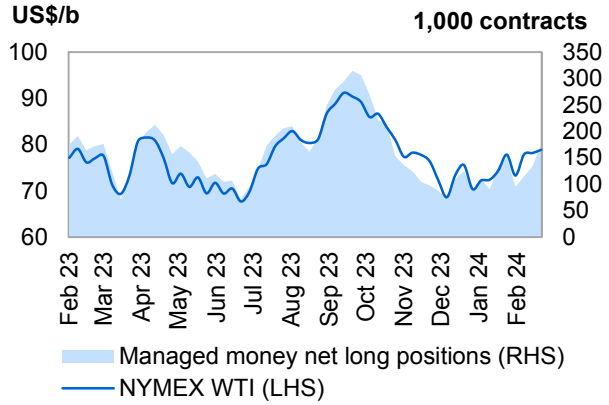
The ICE Brent front-month increased by $2.57 in February, or 3.2%, to average $81.72/b, and NYMEX WTI rose by $2.75, or 3.7%, to average $76.61/b. Y-t-d, ICE Brent was $3.33, or 4.0%, lower at $80.40/b, while NYMEX WTI was higher by $2.33, or 3.0%, at $75.20/b, compared with the same period a year earlier. DME Oman crude oil futures prices rose, m-o-m, in February by $2.00, or 2.5%, to settle at $80.95/b. Y-t-d, DME Oman was lower by $1.49, or 1.8%, at $79.93/b.

The ICE Brent crude front-month premium to the same month of NYMEX WTI futures declined slightly by 18¢ in February to $5.11/b, keeping US crude arbitrage attractive for exports to Europe and Asia. Strong fundamentals of the light sweet crude market in Northwest Europe and higher crude stocks at Cushing contributed to narrowing the Brent-WTI futures spread. However, the spread remained wide above $5/b as the supply in the US remained above demand amid planned and unplanned refinery outages that reduced crude demand. In the meantime, worries about developments in the Middle East and Eastern Europe raised the Brent risk premium.

However, the North Sea Dated premium to WTI Houston widened significantly in February by 65¢, m-o-m, to average at $5.08/b. Strong demand for North Sea crudes from European refiners and tight oil supply in the Atlantic Basin due to supply disruptions pushed the value of the North Sea Dated related crude sharply higher. Meanwhile, a large build in US crude stocks, including in PADD3, weighed on the value of WTI.

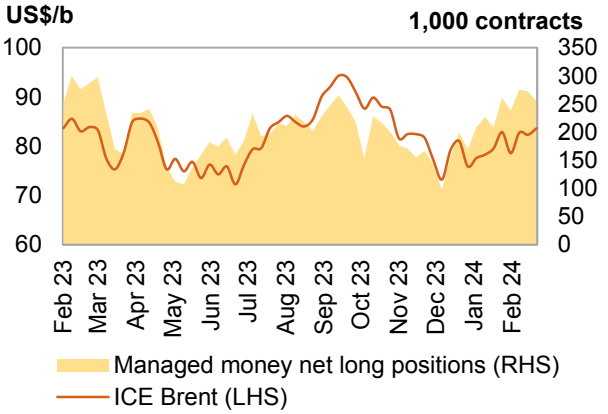
Hedge funds and other money managers remained bullish in February, raising their futures and options net-long positions in crude by 4.3% and were buyers of an equivalent of about 18 mb between the week of 30 January and 27 February. The rise in net long positions was mainly in the NYMEX WTI contract which saw an increase of 16.3%. Money managers continued to reduce short positions amid persistent geopolitical tensions and signs of strong market fundamentals that should prices. The prospect of the gradual recovery of the US refinery operations that should raise crude demand and support prices likely prompted speculators to close more short positions and slightly raise their long positions. However, Brent-related futures and options net long positions fell slightly over February driven mainly by the decline of long positions. In the last week of February, uncertainty about geopolitical developments and the next move of major central banks prompted some speculators to take profits and reduce their exposure.

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 were buyers of an equivalent of about 25 mb of the NYMEX WTI contract between the weeks of 30 January and 27 February, and combined futures and options net long positions related to Brent rose by 24,502 contracts, or 16.3%, to stand at 174,730 lots in the week of 27 February, according to the ICE Exchange. During the same period, gross short positions declined by 24,493 lots, or 37.8%, to 40,357 contracts, and gross long positions increased marginally by 9 lots to 215,087 contracts.

However, ICE Brent futures and options net long positions decreased by 6,635 lots, or 2.5%, between the weeks of 30 January and 27 February, to stand at 254,781 contracts, according to the US Commodity Futures Trading Commission (CFTC). During the same period, gross short positions declined by 1,291 lots, or 1.7%, to 75,825 contracts, and gross long positions fell by 7,926 lots, or 2.3%, to 330,606 contracts.

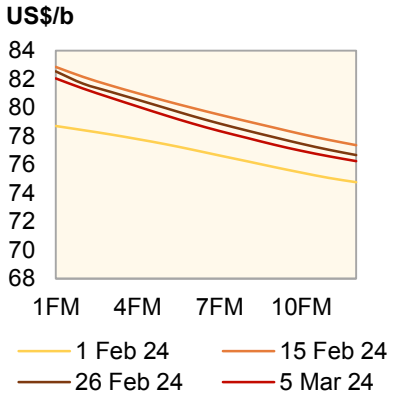
The long-to-short ratio of speculative positions in the NYMEX WTI contract rose to 5:1 in the week of 27 February, compared with 3:1 in the week of 30 January. The ICE Brent long-to-short ratio stood at 4:1 in the week of 27 February, the same level as late January.

Total futures and options open interest volumes on the two exchanges fell between the weeks of 30 January and 27 February, decreasing by 3.0%, or 148,747 contracts, m-o-m, to stand at 4.86 million contracts in the week ending 27 February. The decline in open interest was mainly in NYMEX WTI futures and options contracts.

The futures market structure

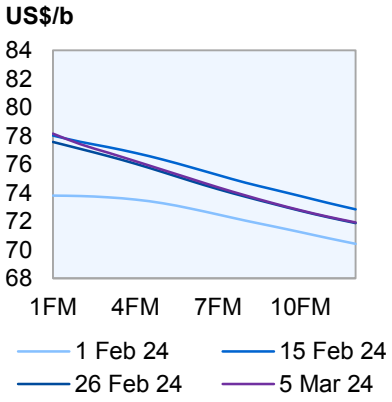
The crude market structure strengthened further in February in all markets and the nearest months' time spreads moved into stronger backwardation, reflecting the market perception of stronger global supply and demand fundamentals, specifically for the short term. Several planned and unplanned oil supply outages along with geopolitical developments in some producing regions raised concerns about global oil supply outlooks. Meanwhile, demand in the spot market remained robust in February, specifically for light sweet crude in the Atlantic Basin, also contributing to pushing first-month contracts significantly higher compared to forward months.

Graph 1 - 4: ICE Brent forward curves



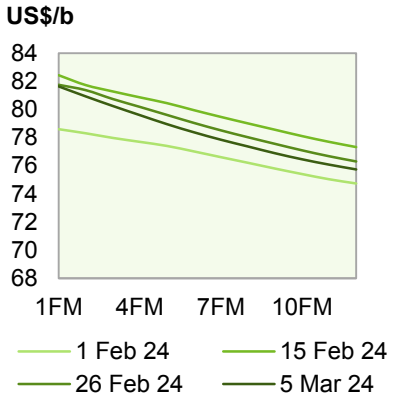
Sources: ICE and OPEC.

Graph 1 - 5: NYMEX WTI forward curves



Sources: CME and OPEC.

Graph 1 - 6: DME Oman forward curves



Sources: DME and OPEC.

The market structure of **Brent futures** strengthened and its related forward curve steepened in February. In the second half of February, the first-to-third month spread jumped to its highest since October 2023. The Brent backwardation strengthened on the tightening short-term supply/demand outlook in the Atlantic Basin, specifically in Northwest Europe, which boosted the prices of prompt prices compared to forward prices. This is amid geopolitical tensions and several supply outages since last December. Demand from Asia-Pacific refiners for light sweet crude in the Atlantic Basin also contributed to strengthening the Brent price structure. On a monthly average, the ICE Brent M1-M3 spread widened by 63¢ in February to a backwardation of $1.26/b, compared to a backwardation of 63¢/b in January. The ICE Brent M1-M6 also widened in February by $1.27 to a backwardation of $2.75/b.

The **NYMEX WTI** forward curve also strengthened in February amid improving supply/demand fundamentals in the US market and the refinery intakes started to recover from recent outages. Demand from US refiners amid high refining margins and sustained crude exports also contributed to supporting the WTI futures structure. The NYMEX WTI first-to-third month spread widened by 63¢ to an average backwardation of 68¢/b in February, compared to a backwardation of 5¢/b in January.

The market structure of **DME Oman** and **Dubai** also strengthened, as demand in Asia remained robust and demand for Middle East crude stayed strong amid a relatively narrow west-to-east arbitrage, which makes Dubai-related cargoes more attractive to Asia refiners compared to Brent-related crudes. A strong Brent backwardation also made long-haul barrels less favourable. On a monthly average, the DME Oman M1-M3 spread widened by 36¢ to a backwardation of $1.01/b in February, compared to a backwardation of 65¢/b in January.

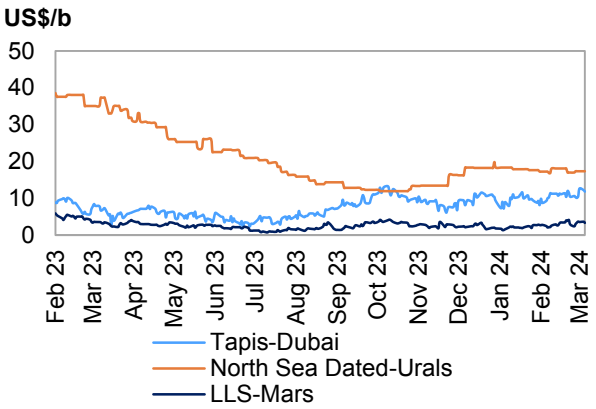
Regarding the **M1/M3 structure**, the North Sea Brent M1/M3 spread widened in February on a monthly average by 52¢ to a backwardation of $1.68/b, compared to $1.16/b in January. In the US, the WTI M1/M3 backwardation also widened in February by 70¢ to 79¢/b, compared to a backwardation of 9¢/b in January. The Dubai M1/M3 backwardation widened last month by 15¢ to 98¢/b, compared to a backwardation of 83¢/b in January.

Crude spreads

The **sweet/sour crude differential** continued to widen in all regions in February on better performance of light sweet crudes compared to heavier crudes, specifically in Europe. Light sweet crude value was supported by robust demand for light sweet crude and a high Brent-related risk premium that continued to make the sweet crude value higher compared to sour. Most of the supply outages in recent months were light-sweet crude. Higher margins of light distillate products, specifically gasoline and gasoil/diesel compared to weaker heavy sour products like fuel oil, also contributed to widening the sweet/sour crude differential.

In **Europe**, the sweet-sour crude spread widened the most on an ample availability of sour crude in Northwest Europe that exceeded demand. The remaining unsold volumes of Johan Sverdrup crude for March-loading cargo weighed on the value of sour crude. This is in addition to weaker margins for heavy distillates, specifically high-sulphur fuel oil (HSFO). Meanwhile, the value of lighter grades in the North Sea strengthened on robust European demand and high refining margins of light distillate products, specifically for gasoline and diesel. Moreover, North Sea Dated, a light sweet benchmark, remained supported by a high-risk premium. The spread between Ekofisk and Johan Sverdrup widened, on average, by a hefty $3.59, m-o-m, in February to stand at $4.29/b. The spread between the North Sea Dated and Urals also widened in both the Baltic and Black Sea by 66¢ and 44¢ to stand at premiums of $17.68/b and $17.45/b, respectively.

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



Sources: Argus, OPEC and Platts.

In the **USGC**, the Light Louisiana Sweet (LLS) premium over medium sour Mars also widened in February by 83¢, m-o-m, to stand at an average of $2.99/b. The value of sour crude in the USGC came under pressure from lower refining margins of HSFO, slipping on average by nearly $7/b, m-o-m, along with higher supply availability, and slow recovery in US refinery operations. Demand from the US government to refill strategic petroleum reserves (SPR) limited support for sour crude in the USGC. In the meantime, light sweet crude was supported by high refining margins of naphtha, gasoline and middle distillates in the USGC, as well as sustained demand for exports amid a wide Brent-WTI spread that remained above $5/b in February.

In **Asia**, the Tapis premium over Dubai widened last month on the back of a strong rise in the value of light sweet crude that was supported by higher similar crude quality in the Atlantic Basin. A wider Brent-Dubai spread that slightly reduced the west-to-east arbitrage opportunities also supported the value of light sweet crude in the Asia-Pacific, like Tapis crude. The first-month Brent-Dubai Exchange of Futures for Swaps (EFS) spread rose by 42¢ on a monthly average in February to $1.58/b, compared to an average of $1.16/b in January. Weaker HSFO margins in Asia also contributed to the widening of the sweet-sour crude differentials despite firm demand for Middle East sour crude from Asia-Pacific buyers. The Tapis-Dubai spread widened by $1.04, m-o-m, to an average of $10.59/b in February compared with $9.55/b in January.

Commodity Markets

Commodity price indices continued to display mixed performances in February, with little price movements in either direction. The energy price index advanced for a second consecutive month, while both the base and precious metals indices experienced consecutive monthly declines over the same period.

In the futures market, sentiment remained mixed but skewed towards the bearish side. Combined open interests rose for a second consecutive month; however, the combined money manager's net length fell sharply over the same period, erasing gains from the previous month.

Commodity prices received some support from ongoing geopolitical developments and the Chinese central bank's announcement of interest rate cuts. However, these bullish factors were offset by uncertainties around the trajectory of US interest rates following the publication of the US consumer price index at higher-than-expected levels in January. This bearish economic news renewed concerns about the global macroeconomic outlook.

Trends in selected commodity markets

The **energy price index** experienced a consecutive monthly increase in February. The index rose by 1.1% m-o-m supported by average crude oil prices. However, the gains were partially offset by sharp declines in natural gas prices in both the US and Europe and a marginal decline in coal prices. The index was down by 7.5% y-o-y.

Table 2 - 1: Commodity prices

Commodity	Unit	*Monthly averages*			*% Change*	*Year-to-date*	
		Dec 23	Jan 24	Feb 24	Feb 24/Jan 24	2023	2024
Energy*	Index	**99.6**	**101.2**	**102.3**	**1.1**	**114.9**	**101.7**
Coal, Australia	US$/mt	141.8	124.9	124.2	-0.5	262.7	124.6
Crude oil, average	US$/b	75.7	77.7	80.5	3.7	80.3	79.1
Natural gas, US	US$/mbtu	2.5	3.2	1.7	-45.9	2.8	2.5
Natural gas, Europe	US$/mbtu	11.5	9.6	8.1	-14.8	18.4	8.9
Non-energy*	Index	**107.8**	**106.5**	**106.8**	**0.3**	**114.9**	**106.7**
Base metal*	Index	**104.3**	**104.1**	**103.5**	**-0.6**	**119.4**	**103.8**
Precious metals*	Index	**153.0**	**152.6**	**151.6**	**-0.7**	**142.6**	**152.1**

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

Average crude oil prices advanced for a second consecutive month in February, increasing by 3.7% m-o-m. Prices benefited from strong market fundamentals around crude oil and petroleum products and improved sentiment in the futures markets. Prices were down by 0.4%, y-o-y.

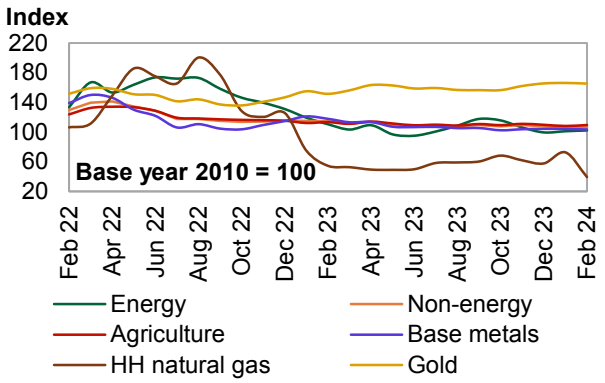
Henry Hub's natural gas prices receded by 45.9% m-o-m in February. Prices experienced a correction following a short-lived winter freeze. Moreover, recent announcements about capacity additions in the US and incremental LNG supply outside the US exacerbated the bearish sentiment of prices. Prices were down by 27.8% y-o-y.

Natural gas prices in Europe fell for the fourth consecutive month. The **average Title Transfer Facility (TTF) price** went from $9.6/mmbtu in January to $8.1/mmbtu in February, a 14.8% m-o-m decline. Warmer-than-average weather across the EU continued to weigh on the demand for gas and sustain robust storage levels. As we are exiting the winter season, according to data from Gas Infrastructure Europe, EU gas storages were at 62.63% as of 29 February. Prices were down by 50.7% y-o-y.

Australian thermal coal prices declined for a second consecutive month in February; however, prices were relatively muted, declining marginally by 0.5% m-o-m. The increase in coal trade across Asia was offset by higher domestic production by major consumers such as India and China. Moreover, lower natural gas prices remained a drag on demand for coal outside of Asia, particularly in the EU. Prices were down by 40.1% y-o-y.

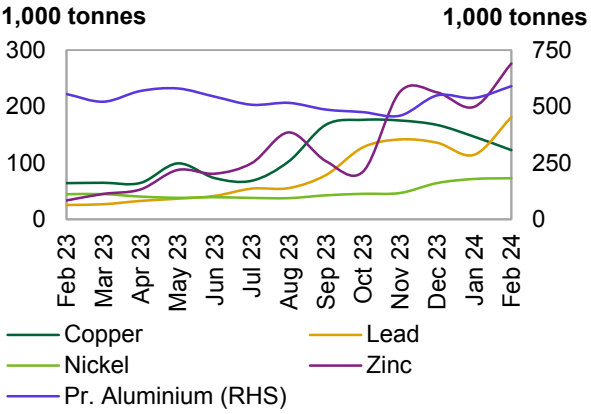
The **non-energy price index** experienced a marginal gain in February after two consecutive months of losses. The index rose by 0.3% m-o-m supported by the agriculture index (up by 1.2% m-o-m); however, it was partially offset by a decline in the base metal index. The index was down by 9.0%, y-o-y.

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 **base metal index** receded for a second consecutive month in February, falling by 0.6% m-o-m. All of the index components fell except nickel prices. Indeed, the global manufacturing purchasing manager's index (PMI) continued to show signs of improvement, rising to 50.3 in February (0.6% increase m-o-m). However, base metal prices experienced changes towards the downside as global industrial activity remained sluggish. In China, the manufacturing activity PMI also experienced a marginal increase (up by 0.2% m-o-m), underscoring challenges around industrial activity. The base metal index was down by 12.1%, y-o-y.

Aluminium prices receded by 0.6% m-o-m in February, erasing gains from the previous month. Prices retracted following news that Russian aluminium was not included in the EU's new package of sanctions. Moreover, at the London Metal Exchange (LME) warehouses, inventories rose by 9.7% m-o-m in February. Prices were down by 9.6%, y-o-y.

Average monthly copper prices declined for a second consecutive month in February, falling by 0.5% m-o-m. Prices fell amid a decline in cancelled LME warrants (down by 9.3% m-o-m). Prices were down by 7.1% y-o-y.

Lead prices declined by 0.2% m-o-m in February. At LME warehouses, inventories rose sharply by 58.4% m-o-m in February while cancelled fell sharply by 46.1% m-o-m over the same period. Prices were down by 0.6% y-o-y.

Nickel prices rebounded in February after nine consecutive months of declines. Prices rose by 1.0% m-o-m amid elevated production cuts from producers outside of China due to weak margins and cost pressures. Prices were down by 39.1% y-o-y.

Zinc prices receded by 6.2% m-o-m in February, erasing gains from the previous month. At LME warehouses, inventories rose by 38.4% m-o-m in February while cancelled warrants fell sharply by 33.5% over the same period. Prices were down by 24.7% y-o-y.

Iron ore prices fell for a second consecutive month, declining by 8.4% m-o-m in February. China's steel industry PMI remained unchanged at 46 in February underscoring muted demand. Prices were down by 2.5% y-o-y.

The **precious metals index** experienced a consecutive monthly decline in February, falling by 0.7% m-o-m. The index fell by 0.7% m-o-m, dragged by a decline in all of the components. Gold, silver and platinum were down by 0.5%, 1.1%, and 3.4%, m-o-m, respectively. Precious metals prices were pressured by a stronger US dollar amid elevated US interest rate levels, which offset support from geopolitical developments. The index was up by 8.0% y-o-y. Gold and silver prices were also up by 9.1% and 3.4% y-o-y respectively. Meanwhile, platinum prices were down by 6.7% respectively over the same period.

Investment flows into commodities

Combined money managers' net length decreased sharply in February by 65.4% m-o-m erasing gains from the previous month. The decrease was driven by natural gas, gold and copper, but was partially offset by an increase in crude oil.

Combined open interest (OI) rose for a second consecutive month, increasing by 2.4% m-o-m in February. The increase in OI was driven by natural gas, copper, and crude oil, but was partially offset by a decrease in gold for a second consecutive month.

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

Selected commodity	*Open interest*		*Long*		*Short*		*Net length*			
	Jan 24	Feb 24	Jan 24	Feb 24	Jan 24	Feb 24	Jan 24	%OI	Feb 24	%OI
Crude oil	2,123	2,178	210	191	89	61	121	6	130	6
Natural gas	1,453	1,567	196	231	236	357	-40	-3	-126	-8
Gold	639	568	136	115	47	50	89	14	65	12
Copper	244	255	48	56	67	73	-19	-8	-17	-7

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

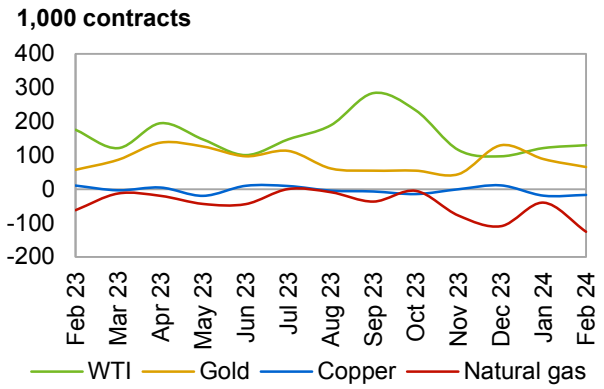
Total crude oil (WTI)'s OI rose for a second consecutive month in February, increasing by 2.6% m-o-m. Money managers' net length also rose for a second consecutive month by 7.0% m-o-m over the same period. Money managers' sentiment was supported by strong market fundamentals around crude oil and petroleum products.

Total Henry Hub natural gas OI rose for a fifth consecutive month in February, increasing by 7.9% m-o-m. However, money managers cut net length sharply by more than 100% m-o-m over the same period. Money managers' sentiment turned bearish in February following several announcements about capacity additions in the US and outside the US.

Gold's OI fell for a third consecutive month, decreasing by 11.2% m-o-m in February. Money managers also reduced net length for a second consecutive month by 26.5% m-o-m over the same period. A stronger US dollar weighed on money managers' sentiment on gold.

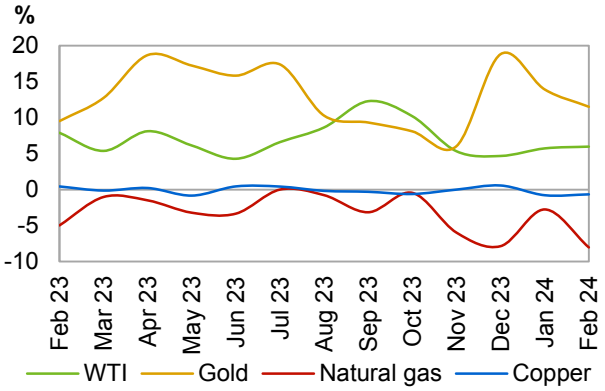
Copper's OI rose for a second consecutive month in February, increasing by 4.3% m-o-m. However, money managers continued to cut net length by 11.7%, m-o-m, over the same period. Sluggish industrial remained a drag on money managers' sentiment on copper.

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

In 2023, the global economic growth trend continued its robust dynamic towards the end of the year. This steady momentum is expected to carry over into 1H24, contributing to a slight upward adjustment in the global economic growth forecast for 2024. The economic performance of the US, India and, to some extent, Brazil in 2H23 were relatively stronger than initially expected, while China and Russia recorded steady growth towards the end of the year. However, the Eurozone and Japan experienced a decline in 2H23, although there are tentative signs suggesting a potential recovery in 1H24. Taking these dynamics, among others, into consideration, the 2024 global economic growth forecast was revised up slightly to stand at 2.8%. The global economic growth forecast for 2025 remains unchanged at 2.9%.

While some downside risks persist, a continuation of the expected momentum from the beginning of the year could result in additional upside potential for global economic growth in 2024. The current positive trajectory is supported by the expectation of ongoing general inflation easing throughout 2024 and 2025, especially in major economies. This is anticipated to lead to an increase in real income levels and improved consumer 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 domestic political and geopolitical developments will likely not significantly impact the growth momentum. In addition, it will be important to closely monitor the outcomes of elections in several key economies, such as the US, the UK, Mexico, Russia, Indonesia, South Africa and India, as these elections have the potential to impact growth dynamics as well.

There exists the possibility of additional upside to global economic growth, particularly if inflation decreases at a faster rate than currently anticipated. Additionally, the prospects of a more robust growth trajectory in Asian economies, predominantly India and China, have the potential to provide further impetus to global economic growth in both 2024 and 2025. In the case of China, in particular, there is a potential for upside driven by additional government-led stimulus measures beyond those indicated by the latest National People's Congress (NPC). Additionally, within the non-OECD group of countries, Brazil and Russia might surpass expectations with further improvements in domestic demand and external trade. Elsewhere, the expected steady growth momentum in the US throughout 2024 and 2025 could potentially accelerate, 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	**2.8**	**1.3**	**1.9**	**0.5**	**0.5**	**0.8**	**4.8**	**6.6**	**1.6**	**1.7**
Change from previous month	0.1	0.1	0.3	0.0	-0.1	-0.1	0.0	0.7	0.1	0.0
2025	**2.9**	**1.5**	**1.7**	**1.2**	**1.0**	**1.0**	**4.6**	**6.3**	**1.9**	**1.2**
Change from previous month	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	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

The robust global **economic growth** momentum recorded in 2H23 is projected to persist, albeit at varying levels across key economies. While the US, India, and, to some extent, Brazil showed strong growth in 2H23, with China and Russia at steady levels towards the end of the year, the Eurozone and Japan experienced a decline in 2H23. However, some tentative signals suggest a potential economic growth rebound in the latter two economies, indicating a continued sound trend in 1Q24.

The US Bureau of Economic Analysis confirmed US 2023 economic growth at a strong 2.5%. India surpassed most economic growth expectations, recording an expansion of 7.7% on a calendar year basis in 2023. Its 4Q23 economic growth was reported at 8.4%, according to the Indian Statistical Office. Moreover, upward revisions to India's 1H23 growth numbers further supported the strong annual growth level. China's growth stood at 5.2% in 2023, Brazil was reported to have expanded by 2.9% and Russia is estimated to have expanded by 1.7%. Contrary to these robust growth levels, the Eurozone and Japan experienced a decline in 2H23, resulting in economic growth figures of only 0.5% and 0.7% for 2023, respectively.

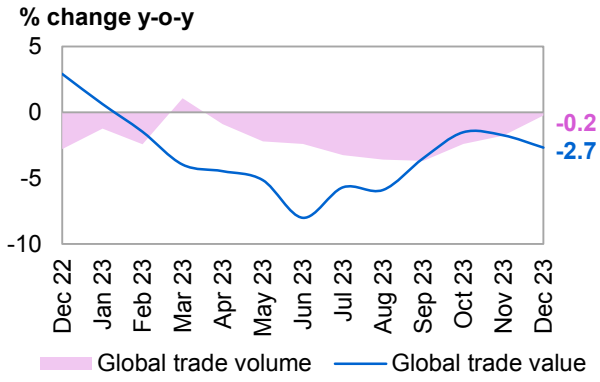
In recent months, there has been a significant decline in **inflation** across most major economies, an important indicator guiding central bank policies. Core inflation rates, however, continue to remain relatively high in the US, the Eurozone and India, hovering at slightly below 4%. In particular, the G4 central banks' policy decisions will be guided by core inflation expectations, which remain an important consideration. Key central banks have explicitly expressed their intention to maintain stringent monetary policies for the time being.

In terms of **global trade,** there was a gradual improvement in volume at the end of last year, but the decline in commodity-related prices towards the end of 2023 once again pushed down the value trade index.

Trade in value terms in December fell by 2.7%, y-o-y, following a decline of 1.7%, y-o-y, in November and a drop of 1.5%, y-o-y, in October. This is 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 0.2% in December, following y-o-y drops of 1.8% and 2.4% in November and October, respectively.

Graph 3 - 1: Global trade



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

Near-term global expectations

Global **economic growth** is expected to maintain a steady pace in 1H24, with some accelerating momentum anticipated in 2H24. Growth in 2024 is forecast to be supported by the prospects of increasing real income, driven by declining inflation and sustained wage and salary growth, leading to higher consumption, particularly in advanced economies. Moreover, expectations for gradually more accommodative monetary policies in the US and the Eurozone, among other key economies, are anticipated to lead to a rebound in investments and consumption. While the 1H24 momentum was revised up slightly this month, supported by the steady global economic growth momentum from 2H23.

While the industrial sector's dynamics were subdued throughout 2023, improvements have become evident since the start of 2024. The assumption that G4 central banks might shift towards a more accommodative monetary policy by 2H24 is unchanged this month, albeit with some uncertainties persisting in the near term, particularly regarding the near-term trajectory of core inflation. Taking this uncertainty into account, the leadership of both the US Fed and the ECB have emphasized the importance of maintaining interest rates unchanged for the time being. The current assumption suggests that elevated interest rates and their associated dampening effect are expected to persist predominantly in the first half of the year, with key policy rates anticipated to peak in 1H24. This is anticipated to be followed by a subsequent shift towards more accommodative monetary policies in 2H24, based on the projection that headline inflation will continue to decline further in 2024 and 2025.

The currently anticipated growth trend for 2024 and 2025 suggests a steady and potentially accelerating growth momentum from 1H24 to 2H24 and into 2025. On a quarterly basis, growth in 1H24 is projected to exhibit average quarterly rates of 2.7%, y-o-y, followed by an increase to 2.8%, y-o-y, in 2H24. Quarterly growth rates in 2025 are relatively evenly distributed, averaging around 2.9%, albeit with an acceleration to 3% towards the end of the year.

Further upside potential for economic growth in both 2024 and 2025 may materialize, if the currently better-than-expected momentum from 1Q24 sees a further acceleration. This additional potential could be supported by a continued drop in inflation and the possibility that more accommodative monetary policies might be pursued by the end of 1H24. Additionally, the impact of tight monetary policies may be milder on economic growth in 2024 and 1H25 than currently anticipated, similar to that witnessed in 2H23. Emerging economies, including India, Brazil, and Russia, may also surpass expectations through improved domestic demand and trade. China's growth may also potentially receive further support from additional stimulus, as already announced at the NPC in early March. Finally, sustained momentum in the US at the end of 2023 may continue in 1Q24, leading to rising growth expectations there as well.

The outcomes of the 2024 elections in several key economies, including the US, the UK, Mexico, Russia, Indonesia, South Africa and India, will require close monitoring. These elections have the potential to influence

not only geopolitical developments, but also the fiscal policies and trade relations of the respective economies, all of which can impact growth dynamics.

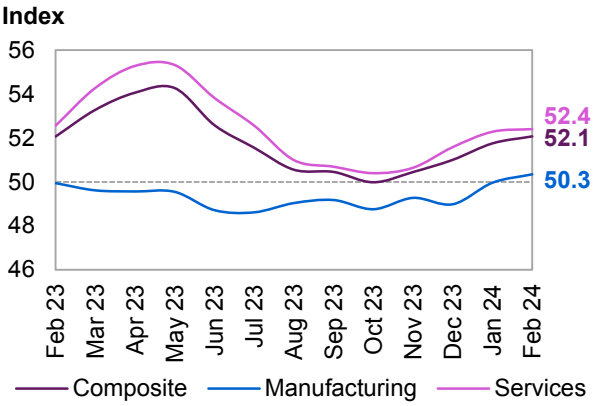
It is expected that global trade, following a decline in 2023, will likely demonstrate an improving trend in 2024 and 2025. This positive trend was already becoming visible towards the end of 2023.

Global purchasing managers' indices (PMIs) in February point to improvements in the global manufacturing sector, particularly in emerging economies. The services sector has also rebounded in both advanced and emerging economies.

The global **manufacturing PMI** reflects the ongoing improvements in the manufacturing sector's dynamic in major economies, particularly within the group of emerging countries. The manufacturing index level stood at 50.3 in February, up from 50 in January.

In a positive trend, the global **services sector PMI** increased to 52.4 in February, compared with 52.3 in January.

Graph 3 - 2: Global PMI



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

Considering the resilient global economic growth trend observed in 2H23, coupled with the recently released economic indicators from the US, India and China, and anticipating a continuation of the supportive global growth dynamic, the **2024** economic growth forecast has been revised up slightly. It now stands at 2.8%, compared with 2.7% in the previous month.

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

	World
2024	**2.8**
Change from previous month	0.1
2025	**2.9**
Change from previous month	0.0

*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 2025 economic growth forecast stands at 2.9%, unchanged from the previous month's estimate.

OECD

OECD Americas

US

Update on the latest developments

The Bureau of Economic Analysis (BEA) released the **second 4Q23 estimate**, confirming the robust momentum of the US economy. This sound growth trend is also likely to materialise in 1Q24, as suggested by the Fed's Atlanta branch GDP Now forecast, a widely observed now-casting indicator, standing at 2.5%, q-o-q, SAAR for 1Q24. It was confirmed that a major part of the growth in 4Q23 stemmed from private household consumption, contributing 2 pp, or approximately 60%, to the overall growth level.

Industrial output growth was flat in January after expanding by 1.2%, y-o-y, in December. This follows y-o-y declines of 0.4% and 1% in November and October, respectively. Similarly, manufacturing orders softened, declining by 1.6%, y-o-y, in January after they had increased by 1.2%, y-o-y, in December, building on a strong 3.3%, y-o-y, rise in November. Some gradual slow-down is also indicated by the **consumer confidence index**, as reported by the Conference Board. It reached 106.7 in February after registering 110.9 in January and 108 in December.

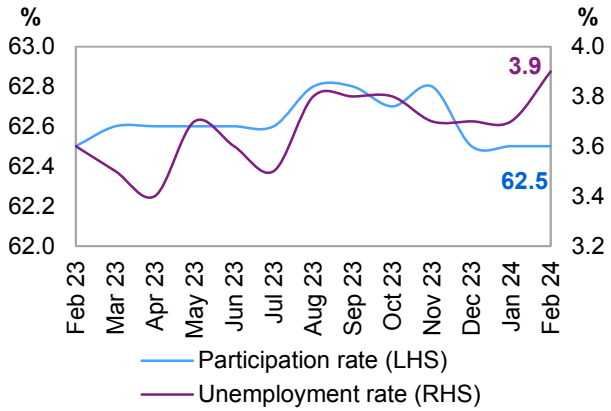
Headline **inflation** fell to stand at 3.1%, y-o-y, following 3.4% in December and 3.1% in November. Core inflation exhibited persistence, standing at 3.9%, y-o-y, in both January and December, following 4% in both November and October. While persistent core inflation is a prevalent phenomenon in the 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 January. The last available data point indicates a January rate of 2.8%, y-o-y, compared with 2.9% in December and 3.2% in November.

The labour market exhibited mixed developments in February, with signals that underpin a robust, albeit decelerating, economic growth momentum. The **unemployment rate** increased to 3.9%, after it had held steady for the preceding three months at 3.7%.

The **participation rate** was unchanged, standing at 62.5% in February, the same level for the third consecutive month.

Earnings retracted slightly, as **hourly earnings growth** stood at 4.3%, y-o-y, following growth of 4.4%, y-o-y, in January, and 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 momentum of the US economy towards the end of 2023 and the confirmation of the latest output numbers indicate a sustained sound, albeit slowing, growth dynamic in 2024. The growth trend is expected to have improved from last month's forecast, leading to an annual growth revision that is mainly supported by an uplift in 1H24. The inflationary slowdown registered towards the end of 2023, coupled with ongoing robust improvements in wage and salary growth, has led to rising real income. This trend is projected to counterbalance the dampening effects of sustained high interest rate levels owing to better-than-expected domestic consumption. This was demonstrated by the uptick in retail sale volume growth in 4Q23, expanding by 3%, y-o-y, compared to the 2% growth witnessed in 3Q23. Also indicative of this ongoing strong dynamic is the relatively healthy 4Q23 household consumption in the most recent GDP growth numbers. Personal consumption expenditures rose by 3%, q-o-q, SAAR, contributing approximately 60% to the 4Q23 growth level. It seems that the negative influence of relatively high-interest rates on debt-related consumption in the US has been limited, and while a dampening effect may materialise in 1H24, it is expected to be less pronounced than in previous periods of high interest rates. The current projection for 2024 envisions a steady but slightly lower economic growth trajectory. The near-term trend will be determined mainly by private household consumption, and the monetary policy by the US central bank in 2024.

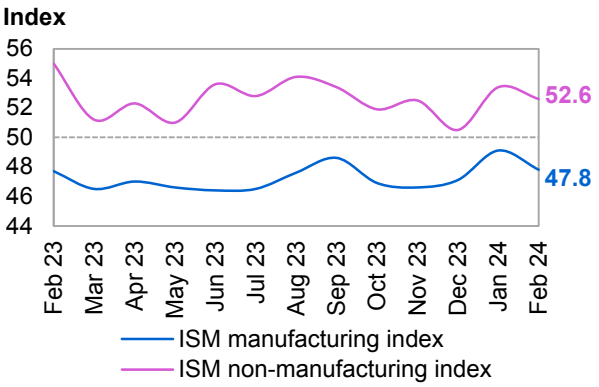
By considering the above, a projected slowdown in 1H24 is expected to lead to a pick-up in growth in 2H24. This recovery is anticipated to be supported, among other factors, by an accommodative **monetary policy** from the Fed. Key policy rates are expected to peak at 5.5% in 1H24, with the expectation 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 point rate cut by the end of 2024, an expectation that has been reflected in the economic growth forecast. However, the option of lowering interest rates is still under consideration, as highlighted in the Fed Chairman's address to lawmakers in Congress at the beginning of March, where it was mentioned that the Fed was not convinced that continued progress toward their 2% inflation objective is ensured. It was also noted that it would not make sense to cut interest rates until such confidence materialises. Therefore, a transition to lower interest rates is contingent upon the assumption that, following an inflation rate of around 4.1% in 2023, price growth will decelerate 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.

February **PMI** levels, as reported by the Institute for Supply Management (ISM), confirmed a slowing growth momentum in 1Q24, particularly in manufacturing.

The **manufacturing PMI** retracted from 49.1 in January to a level of 47.8 in February.

The index level for the **services sector**, representing around 70% of the US economy, retracted slightly as well, moving from 53.4 in January to a level of 52.6 in February.

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 in 1H24, this year's economic growth forecast has been revised up. The **2024** economic growth forecast now stands at 1.9%, compared with last month's forecast of 1.6%. 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. The growth forecast for **2025** remains unchanged at 1.7%.

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

	US
2024	**1.9**
Change from previous month	0.3
2025	**1.7**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

OECD Europe

Eurozone

Update on the latest developments

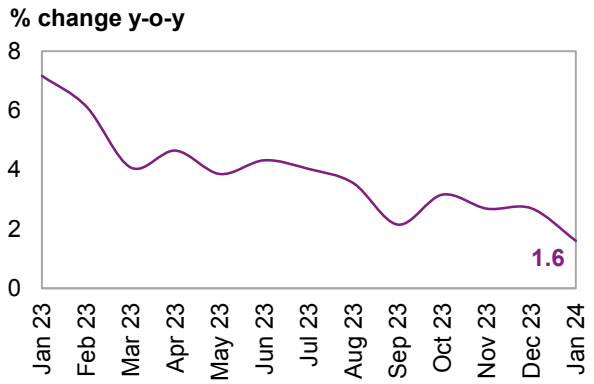
The most recent release of economic growth data for 4Q23 by the Eurozone's statistical office underscores the ongoing economic challenges in the region. Persistent negative effects stemming from significant drops in industrial production in Germany, Italy, and Spain, alongside relatively sluggish performance in the services sector, have contributed to a GDP decline in 2H23. Following a decline of 0.5%, q-o-q, SAAR in 3Q23, growth in the Eurozone remained almost stagnant in 4Q23, expanding by 0.2%, q-o-q, SAAR. A significant contributing factor to this stagnation was Germany's decline in 2023, as the economy experienced a recession with a small annual contraction of 0.1%. The German economy, highly vulnerable to global challenges in industrial production, contracted slightly in both 3Q23 and 4Q23. Industrial production (IP) data for the Eurozone, however, picked up in December, rising 1%, y-o-y, following notable declines in the months before. IP declined by 5.2%, y-o-y, in November, following decreases of 5.8% in October and 6.2% in September. Despite the challenges faced by the Eurozone, there are positive signals, including an uptick in bank lending activity and steady consumer confidence since the beginning of the year. As a result, the stabilizing economic momentum in 4Q23 is estimated to have improved modestly in 1Q24.

Given the sluggish state of the economy, headline **inflation** experienced a notable decrease in recent months, driven in part by lower energy prices towards the end of 2023 as well. Particularly, the decline in prices of services has contributed to a drop in core inflation as well. In the latest available month of February, inflation rose by 2.6%, y-o-y, following a rise of 2.8%, y-o-y, in January and 2.9%, y-o-y, growth in December. Core inflation, having retracted, maintained a somewhat more elevated level, standing at 3.3%, y-o-y, in February, after 3.6% in January and 3.9% in December.

The **labour market** remained relatively tight, despite weakness in the economy. According to the latest numbers from Eurostat, the January unemployment rate fell to 6.4%, compared with 6.5% in December.

Retail sales continued to expand in value terms, rising by 1.6%, y-o-y, in January, compared with 2.7%, y-o-y, in both December and November, pointing to a downward shift.

Graph 3 - 5: Eurozone retail sales



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

Near-term expectations

While the Eurozone experienced a decline in 2H23, the **economic growth** dynamic is projected to improve again in 1H24. The rebound in growth is expected to be gradual and slow, with signals pointing to some upside potential. Consumer confidence has continued to improve since the start of the year, industrial production has turned positive at the end of last year, and the services sector seems to be experiencing continuous improvements. In addition, tourism seems to be accelerating towards the European summer season. In combination with these indicators, real income increased towards the end of 2023, and this trend is expected to continue into 2024. Sustained tight monetary policy is projected to become more accommodative in 2H24, leading to a continued pickup in growth levels towards the end of 2024.

Moreover, 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. The forecast anticipates the 2H23 service sector slowdown to stabilize in 1H24, and the momentum in services may even see a pick-up in the coming months.

Near-term **inflation** expectations will be a key element of the 2024 and 2025 growth patterns. The forecast for headline inflation in 2024 is set at around 2.5% and around 2% in 2025, reflecting a revision down from the previous month and taking into consideration the projected 1Q24 level of 2.8%. In the meantime, the ECB lowered its inflation forecast to 2.3% in 2024, from the previous 2.7%, providing room for a relatively more accommodative monetary policy in 2H24, as highlighted by some central bank officials very recently.

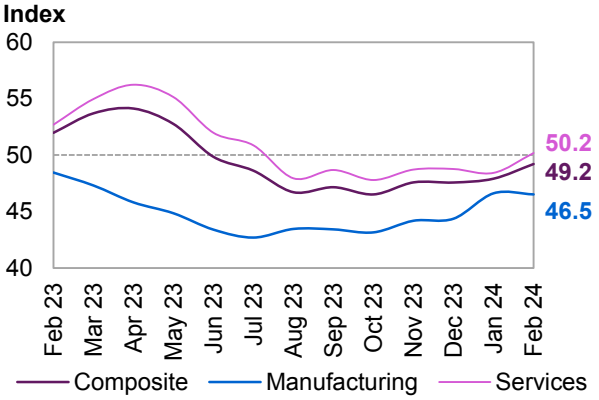
The projected quarterly growth for 2024 is expected to remain relatively stable, with an annualized quarterly average of 0.6% in 1H24, followed by an increase to 1.2% in 2H24. The forecast for 2024 suggests a gradual improvement in the industrial sector, driven by both domestic and external demand, particularly in the latter part of the year. The revival of German industrial output is set to play a crucial role in supporting overall growth in 2024 and even more so in 2025. Furthermore, the gradual increase in real income is likely to stimulate consumer spending in 2H24. This, coupled with the potential for a more accommodating monetary policy by the ECB, is expected to fuel the acceleration projected in 2H24 and extend it into 2025. Economic growth for 2025 is forecast to more than double compared to the modest levels observed in 2023 and 2024.

The **Eurozone's February PMIs** indicated improvements in the services sectors and ongoing challenges in manufacturing.

The **PMI for services**, representing the largest sector in the Eurozone, recovered to stand above the growth indicating level of 50, registering 50.2 in February, following 48.4 in January.

The **manufacturing PMI** was almost unchanged in February, standing at 46.5, compared with 46.6 in January.

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 gradually expand in 2024 with an acceleration 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. However, potential upside pressure may materialize, contingent on factors such as the rebound in industrial output, tourism spending, 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 expected to carry over into **2025,** when the Eurozone's economic growth is forecast to gain traction and reach 1.2%, unchanged from the previous month's estimate.

OECD Asia Pacific

Japan

Update on latest developments

The economy in Japan is reported to have declined significantly in 3Q23, falling by 3.3%, q-o-q, SAAR. While an improvement, GDP still declined in 4Q23 by 0.4%, q-o-q, SAAR. Economic activity in Japan is expected to have slightly rebounded in 1Q24, with growth seemingly well-supported by a low but recovering activity level. This was confirmed by lead indicators like the consumer confidence index and the services-related PMIs in January and February, pointing to robust growth levels.

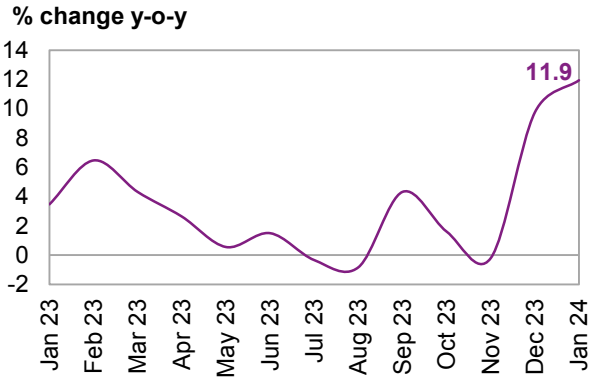
After **industrial production** in December rose by 0.6%, y-o-y, on a seasonally adjusted basis, indicating a recovery, the latest IP data from January demonstrates a renewed decline of 3.2%, y-o-y. This follows declines of 1.4%, y-o-y, in November and 0.6%, y-o-y, in October. **Inflation** continued to normalize in January, standing at 2.2%, y-o-y, following a level of 2.6%, y-o-y, in December and 2.8%, y-o-y, in November. In comparison to the headline inflationary trend, core inflation – which excludes food and energy and serves as a key metric for central bank policies – was more persistent, standing at 2.6%, y-o-y, in January, after 2.8% in December and 2.7% in November.

The Bank of Japan (BoJ) kept its **key policy rate** unchanged at -0.1%. The BoJ seems to still be monitoring inflationary developments before making any firm decision to change its accommodative monetary policy stance. For the fiscal year until March 2025, the BoJ stated it expected consumer price inflation to stand at 2.4%.

Goods exports continued recovering significantly, rising by 11.9%, y-o-y, in January, after recording a rise of 9.7%, y-o-y, in December and 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.

Retail sales growth was almost flat in January, standing at 2.3%, y-o-y, following a rise of 2.4%, y-o-y, in December and compared with an expansion of 5.4%, y-o-y, in November. All these figures are based on non-seasonally adjusted value terms.

Graph 3 - 7: Japan's exports



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

Consumer confidence remained sound and experienced a further increase, with the consumer confidence index reaching 38 in February, after 37.3 in January and compared with 36.7 in December. This is a strong improvement from the 35.5 seen in November and 35.4 in October, pointing to a steady and positive consumption trend.

Near-term expectations

Following a GDP decline in 2H23, the Japanese economy is projected to rebound, albeit gradually, in 1H24. Some of this recovery has already become tangible towards the end of 2023, as indicated by leading indicators such as PMI index levels and consumer confidence, among others. With that said, the economic growth dynamic is expected to slow down in annual terms to normalize to pre-pandemic growth rates.

After a 2H23 GDP decline of almost 2% on a seasonally adjusted and annualised quarterly average, growth rates are anticipated to reach around 1.5% in 1H24, followed by a modest uptick in activity expected in the latter half of the year, aligned with global growth projections. Forecasts for 2H24 indicate quarterly average growth rates of approximately 2% on a seasonally adjusted annualized basis. Following the slowdown experienced by the services sector in 2H23, industrial production (IP) and exports are predicted to gradually strengthen in 2024. With momentum expected to improve in 2H24, this trend is projected to continue into 2025.

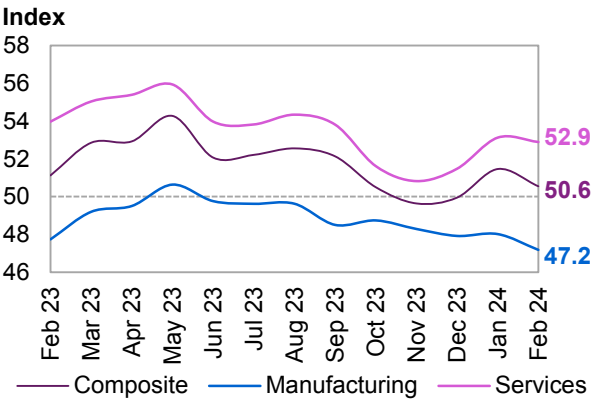
After the deceleration in inflationary growth, it is expected that the BoJ will shift slightly towards a more accommodating stance in its gradually tightening monetary trajectory. In its most recent economic outlook update, the BoJ noted that the probability of achieving its 2% inflation target has been steadily increasing, indicating a degree of confidence that policy normalization could occur in the foreseeable future. However, this strategy may still include a continued focus on its Yield Curve Control (YCC) policies. Moreover, the BoJ Governor recently mentioned that it was too early to conclude that inflation was close to meeting the central bank's 2% inflation target.

February PMI numbers indicate ongoing sound developments in the services sector and an ongoing contraction in the manufacturing sector. The services sector remained well above the growth-indicating threshold of 50.

The **services sector PMI**, constituting around two-thirds of the Japanese economy, retracted slightly and stood at a level of 52.9 in February, following 53.1 in January.

At the same time, the **manufacturing PMI** fell to 47.2 in February after 48 in January.

Graph 3 - 8: Japan's PMIs



Sources: S&P Global and Haver Analytics.

The growth projection for **2024** was revised down slightly, impacted by the low activity in 2H23 and the consequence of that dynamic carrying over into 2024. Hence, the 2024 economic growth forecast was revised down to 0.8% from 0.9%. IP and exports are forecast to gradually pick up in 2024, while the services sector support will also continue expanding at a steady growth level.

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

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

	Japan
2024	**0.8**
Change from previous month	-0.1
2025	**1.0**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Non-OECD

China

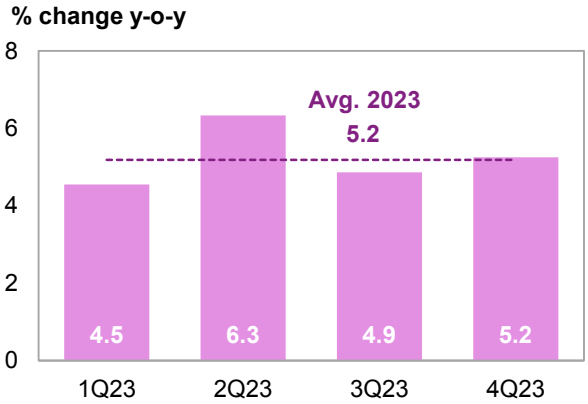
Update on the latest developments

China's annual growth rate in 2023 was at 5.2%, exceeding the set target of 5%. This month, the National People's Congress announced a target of around 5% again for 2024. This target comes as China experiences deepening deflationary forces with the CPI declining further, as well as ongoing challenges in the housing sector.

Economic growth accelerated in 4Q23 to 5.2%, y-o-y, from 4.9%, y-o-y, in 3Q23, and it is likely this momentum will persist into early 2024. The primary driver of the 2023 growth was the release of pent-up demand in the services sector, although signs suggest that this effect may be fading. Challenges persist in the property sector as housing prices continued to drop, falling by 4.6% in January, following a decline of 3.0% in February. Stimulus measures have provided support to industrial production in 4Q23, which expanded by 6.6%, y-o-y, in December, and this growth is likely to continue in the current year, aided by government-led initiatives.

The urban unemployment rate edged slightly upward in January to 5.2%, up from 5.1% in December and 5.0% in November.

Graph 3 - 9: China's economic growth



Sources: National Bureau of Statistics and Haver Analytics.

Consumer prices continued to slide into deflationary territory, as indicated by the latest figures from January. The headline **inflation rate** retreated further into deflationary territory, with a January decline of 0.8%, y-o-y, following drops of 0.3% and 0.4%, y-o-y, in December and November. Core inflation decreased, too, but remained slightly positive at 0.5%, y-o-y, in January, down from 0.6%, y-o-y, in both December and November.

Near-term expectations

The announcements from the NPC meeting earlier this month did not include significant fiscal measures to address the ongoing drag in the real estate sector. Despite the lack of major policy announcements to counterbalance the issues in this sector, several announcements could potentially have a positive impact on the Chinese economy. For example, the issuance of ultra-long-term government bonds to the value of $139 billion is expected to boost spending, though the overall effect may be limited given the size of the economy. The government indicated that future bond issuances will remain a policy option. Additionally, the 7% increase to the military budget for 2024, following a similar increase in 2023, is likely to support the economy through the multiplier effect.

The government also announced further support for technological advancements in industrial sectors to enhance productivity. However, despite productivity improvements, youth unemployment remains elevated, leading to stagnant consumer spending and a high savings rate among households.

The government announcements came amidst a backdrop of slowing pent-up demand, which contributed to 2023 growth rates. While the industrial sector is expected to see continued momentum on the back of government support and improving economic conditions outside of China, the services sector is expected to experience a gradual slowdown in 2024. However, monetary policy, such as the cutting of the reserve requirement ratio (RRR) and key policy rates, has the potential to positively impact spending, but without robust fiscal policy support, the effects may be limited.

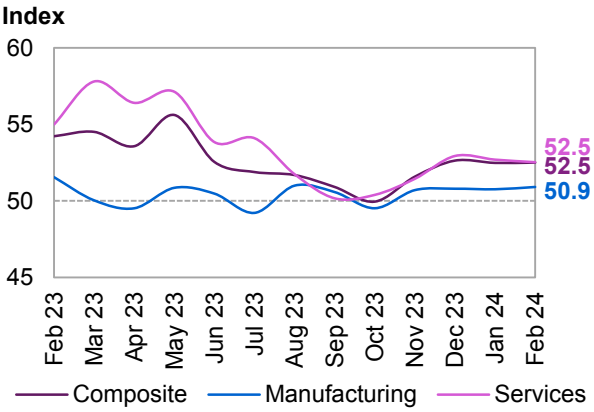
Overall growth is anticipated to soften in the 1Q24 and 2Q24 to 4.5%, y-o-y, and 4.6%, y-o-y, respectively. As government support measures take effect, 2H24 is expected to improve to 5.0%, y-o-y, resulting in an expected annual growth rate for 2024 at 4.8%.

February PMI readings from S&P Global indicate that activity in the services sector continued to expand, albeit at a slower pace, with the manufacturing sector remaining above the expansionary level of 50.

The **manufacturing PMI** increased to 50.9 in February, following 50.8 in January and December 2023.

The **services sector index** declined in February to 52.5 from 52.7 in January. However, it remains in expansionary territory. This marks a further drop from the December 2023 level of 52.9.

Graph 3 - 10: China's PMI



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

Ongoing developments and the recent NPC announcements do not alter the generally robust outlook, and as a result, the economic growth forecast for **2024** remains unchanged from the previous month at 4.8%.

Similarly, the economic growth forecast for **2025** is also unchanged from the previous month at 4.6%.

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.

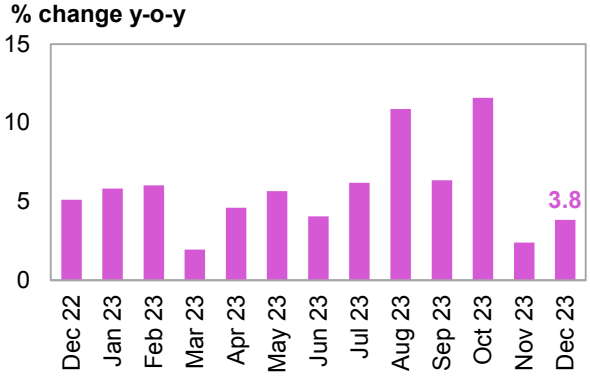
Other Asia

India

Update on the latest developments

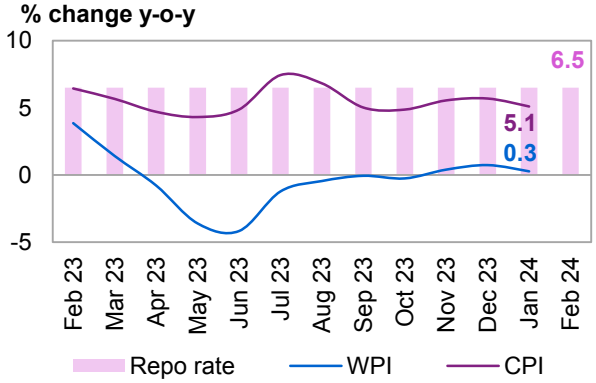
The latest data for India shows stronger-than-anticipated 4Q23 growth of 8.4%, y-o-y. The 2Q23 and 3Q23 quarterly growth figures stand at 8.2% and 8.1%, y-o-y, respectively. This places India's annual growth rate in 2023 at 7.7%, y-o-y, up from a previously estimated 6.8%, y-o-y. The strong 4Q23 growth is attributed to sustained strong fiscal policy spending aligned with the government's Production Linked Incentive (PLI) schemes, focusing on 14 key economic sectors, most notably technology and pharmaceuticals. A weak monsoon season leading to unusually dry weather elevated food price inflation in 4Q23, and the agriculture sector registered subdued growth on an annual basis. On a quarterly basis, the agricultural sector declined in 4Q23 by 0.8%, y-o-y. However, the combined impact of robust public investments, industrial production, and continued strength in the services sector resulted in a higher-than-anticipated overall growth rate. Manufacturing recorded a notable growth of 11.7%, y-o-y, in 4Q23, and the services sector expanded by 7.1%, y-o-y.

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.

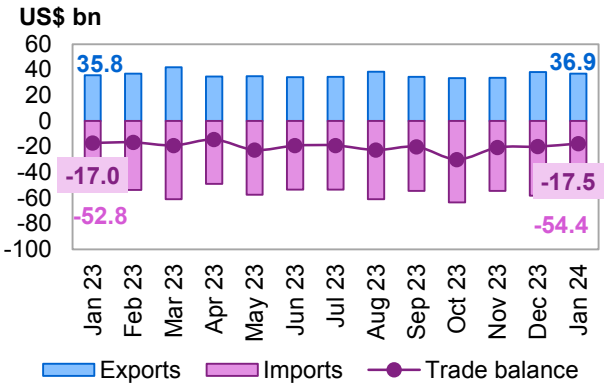
Headline inflation in India in January decelerated to 5.1%, y-o-y, reversing the increasing trend from November and December, when levels were at 5.7% and 5.8%, respectively. Notably, food and beverage inflation slowed to 7.5% in January, following two consecutive months above 8%. Food inflation, accounting for 45% of the CPI's weight, remained high in January at 7.6%, y-o-y, albeit showing a slight downward trend. Persistent food inflation was primarily driven by the sustained high prices of vegetables. Core inflation continued to decline, reaching 3.5% in January, down from 3.8% in December. In light of these inflationary trends, **interest rates** have remained unchanged since March as tight monetary policies persist in response to inflationary pressures.

India's **trade balance** widened in January to $17.5 billion, compared to $17.0 billion in the same month a year earlier.

Monthly **exports** amounted to $36.9 billion in January, an increase from $35.8 billion in January 2023.

Monthly **imports** stood at $54.4 billion in January, up from $52.8 billion a year earlier.

Graph 3 - 13: India's trade balance



Sources: Ministry of Commerce and Industry and Haver Analytics.

Near-term expectations

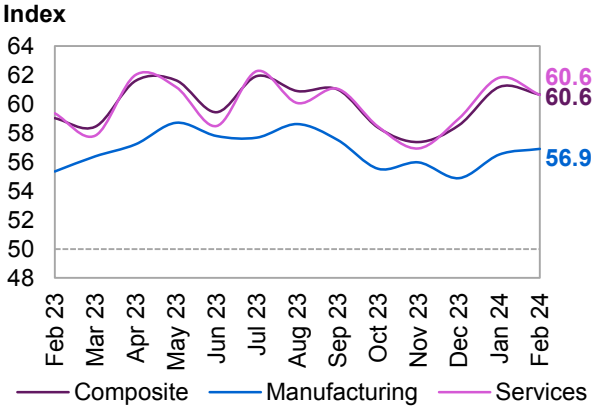
The robust 4Q23 growth figures are expected to carry momentum into 1H24, driven by continued government-led policies in key sectors. The Production Linked Incentive (PLI) Schemes, focusing on critical industries such as pharmaceuticals, communication network technology, steel, and car manufacturing, will play an important role in sustaining growth. These policies are expected to continue after the upcoming May election, further supporting the economic outlook. The strength in manufacturing, as indicated by the latest release of the PMI index numbers, and the continued momentum in the services sector are key factors in driving near-term economic growth. The strength in these sectors is expected to prevail over the agriculture sector's weakness, grappling with the low water reservoir levels on the back of the weak monsoon season late last year, leading to relatively lower crop output.

At the sequential level, annual economic growth rates are projected to be around 6.8% in 1H24, followed by a slight softening of the annual rate to 6.4% in 2H24 during the post-election cycle. The expected increase in government spending in the lead-up to elections is likely to be restrained this year due to strong expectations that the incumbent administration will remain in power. While food and beverage price inflation is decelerating, it remains elevated. The Reserve Bank of India (RBI) is expected to maintain interest rates at 6.5% in the coming months. Despite declining core inflation rates, the combination of high headline inflation and robust economic growth is likely to discourage an easing of monetary policy in 1H24, leaving more room for accommodative monetary policies in 2H24.

The **S&P Global Manufacturing PMI** increased slightly in February to reach 56.9. This compares to 56.5 in January, up from 54.9 in December 2023.

The **Services PMI** continued to exhibit strong dynamics in February, recording a level of 60.6, albeit down from the 61.8 level registered in January.

Graph 3 - 14: India's PMIs



Sources: S&P Global and Haver Analytics.

The robust growth registered in India in 4Q23 has driven up growth expectations for 2024, particularly in 1H24. India's annual growth rate for 2024 is revised up to 6.6% from the previous forecast of 5.9%. The momentum from the end of 2023 is expected to carry over into 1Q24 and 2Q24, with respective growth rates of 7.0% and 6.7%, y-o-y. The strength of government support in the manufacturing and industrial sectors and the continued services sector growth will more than offset the projected slowdown in the agricultural sector.

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

	India
2024	**6.6**
Change from previous month	0.7
2025	**6.3**
Change from previous month	0.2

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

The 2025 growth forecast has also increased slightly to reflect the continuing robust growth factors. The Indian economy is expected to grow at 6.3% in 2025, up from the previous forecast of 6.1%.

Latin America

Brazil

Update on latest developments

The latest data from Brazil shows a slowdown in growth towards the end of 2023, with 4Q23 growth registering at 2.2%, y-o-y, on a seasonally adjusted basis. This marks a continuation of a steady slowdown observed throughout 2023, starting with robust growth rates of 3.8% in 1Q23, followed by growth of 3.3% and 2.4% in 2Q23 and 3Q23, respectively. This consistent deceleration is anticipated to carry over into 2024.

The services sector, constituting over 60% of the economy, was the primary driver behind the slowdown, with the growth rate dipping below 2% in 2H23. This deceleration is a consequence of the fading robust rebound in services demand observed in 2022. The services confidence index, as measured by the Fundação Getúlio Vargas Institute, came down slightly in February to 94.2 after rebounding in January to 95.7 from a December level of 93.8.

On the contrary, the industrial sector experienced a recovery in 4Q23, posting growth of 3.0%, y-o-y, following slow growth of 1.0%, y-o-y, in 2Q23 and 3Q23, respectively. Notably, the mineral extraction industry recorded significant growth of 10.9%, y-o-y, in 4Q23, attributed to increased oil production and activity. According to the Instituto Brasileiro de Geografia e Estatística (IBGE), industrial production expanded in 12 out of 18 locations surveyed in December 2023. In the two states with the strongest growth, Rio Grande do Norte and Espirito Santo, the major contributors were crude petroleum oil, petroleum products, biofuels, and food products. The manufacturing confidence index, measured by Fundação Getúlio Vargas Institute, remained robust at 97.4 in January and February, showing an increase from 95.3 in December and 92.7 in November.

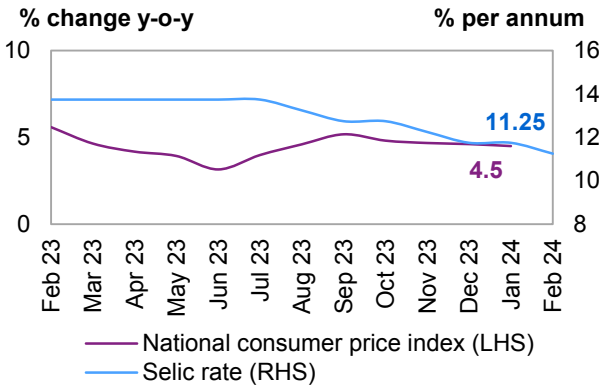
The unemployment experienced a slight uptick to 7.6% in January, up from 7.4% in December. This marked a reversal of the nine-month downward trend that had persisted since March 2023.

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, declining from 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**.

Following the Banco Central do Brasil (BCB) decision to decrease the **SELIC key policy rate** by half a percentage point in both August and September, an additional 50 basis point reduction was implemented, bringing the key policy rate to 11.75% in December. Subsequently, in February, the interest rate was further lowered by another 50 bp, reaching 11.25%. **Inflation** saw a decline in January to 4.5%, y-o-y, after decreasing in December to 4.6%, y-o-y, from the November rate of 4.7%. The central bank's inflation target for 2024 is now set between an upper level of 4.5% and a lower level of 1.5%.

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



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

Near-term expectations

Steady economic growth in Brazil is expected to continue, albeit at a decelerated pace, following the quarterly trends from 2023. While the growth rate in 1H23 was around 3.5%, y-o-y, it declined to 2.4% in 3Q23 and an estimated 2.2% in 4Q23. The growth forecast for 2024 suggests a moderation from the exceptional growth rates of 2023, projecting a y-o-y growth of 1.5%. Quarterly growth rates are expected to be 1.3% in 1Q24, 1.5% in 2Q24 and 3Q24, and 1.6% in 4Q24. Growth in 2025 is expected to pick up, reaching 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. Despite a recent slight uptick in inflation, the expectation remains that key interest rates will decrease, but likely remain elevated. A decline in unemployment signals a potential economic upside, and improving confidence in both services and manufacturing serves as a positive indicator for growth potential in 2024.

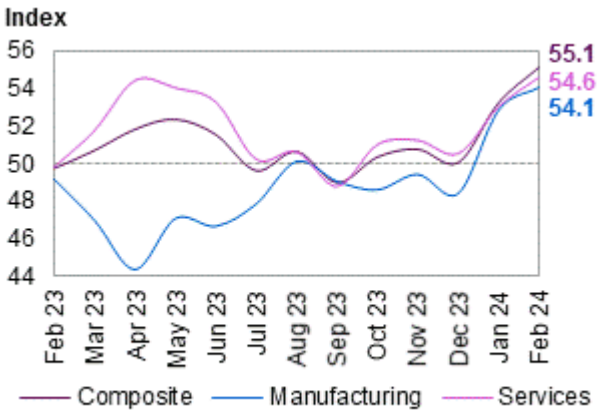
Overall, Brazil's investment environment and the potential monetary easing are poised to support robust growth in 2024, building on the momentum from the 2H23 slowdown. It is expected that the SELIC rate will witness a reduction by 100 basis points in 2024 to around 10%. This forecast assumes inflation averaging around 3.5% in 2024, a level subject to review in the coming months. The current trajectory suggests a favourable inflation outlook, expected to be maintained at around the same level in 2025. Positive leading indicators indicate a potential upside to the forecast as more 4Q23 and 1Q24 data becomes available. Nonetheless, uncertainty lingers regarding the speed and magnitude of key government policies, particularly in the context of the transition from the previous administration.

February PMI indices signal a solid expansion in both the services sector and the manufacturing sector, continuing the trend from last month.

The **manufacturing PMI** increased to 54.1 in February, up from 52.8 in January and 48.4 in December.

The **services PMI** also experienced an increase to 54.6 in February from 53.1 in January and 50.5 in December.

Graph 3 - 16: Brazil's PMIs



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

The economic deceleration observed in 2023 is expected to persist into 1Q24. However, enhanced confidence in both the services and manufacturing sectors, coupled with the improved outlook of the labour market supporting domestic demand and consumption, prompts an upward revision for the **2024** economic growth forecast to 1.6%, up from last month's forecast of 1.5%.

The **2025** economic growth outlook remains unchanged at 1.9% from the previous month. Factors such as potential monetary easing, sustained support for the industrial sector, increased household income, and higher employment levels are pivotal elements that could underpin growth.

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

	Brazil
2024	**1.6**
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

The South African economy witnessed a marginal expansion of 1.2%, y-o-y, in 4Q23, marking a slight recovery from the preceding quarter's 0.75%, y-o-y, contraction. This modest upturn was primarily driven by six out of ten industries, with the transport sector leading the way with a notable increase. For 2023 as a whole, the economy expanded by 0.6%, y-o-y, compared with 1.9%, y-o-y, in 2022. The subdued performance is mainly attributed to inefficiencies at state-owned power utility Eskom and port and freight rail company Transnet. Additionally, the cost of living crisis constrained consumer spending, further hindering growth.

Meanwhile, South Africa's unemployment rate rose to 32.1% in 4Q23, a slight increase from the previous quarter's level of 31.9%. This uptick was attributed to an increase in the number of unemployed individuals by 46,000, reaching a total of 7.9 million. Concurrently, the country experienced a decline in employment figures, with a decrease of 22,000 to 16.7 million, marking a significant shift following eight consecutive quarters of employment growth. The labour force witnessed a modest increase of 25,000, reaching 24.6 million. The broader measure of unemployment, which encompasses individuals discouraged from seeking work, stood at 41.1% in 4Q23, registering a negligible decrease from 41.2% in 3Q23. Additionally, the youth unemployment rate for individuals aged 15 to 24 years surged to 59.4% in 4Q23, rising from a low of 58% in the previous quarter. These escalating unemployment pressures, with significant job losses across multiple sectors contrasting with gains in others, highlight the acute challenge of youth unemployment in South Africa.

In January 2024, South Africa's inflation trajectory exhibited an uptick, with the annual inflation rate advancing to 5.3%, a rise of 5.1% a month earlier. This shift towards a higher inflation rate diverges from the ideal midpoint target of 4.5% set within the South African Reserve Bank's (SARB) 3-6% target range, signalling a potential challenge for economic stability. The core inflation rate, which excludes the volatile food and fuel prices, reached a five-month peak of 4.6% from December's 4.5%. The departure from the SARB's target range could prompt monetary policy adjustments aimed at curbing inflationary pressures, potentially affecting borrowing costs and consumer spending.

On the monetary policy side, in late January, the South African Reserve Bank (SARB) decided to maintain its key repo rate at 8.25%. The bank underscored ongoing concerns about inflationary pressures while stressing a comprehensive assessment of the medium-term growth risks. The bank also held the inflation outlook for 2024 unchanged at 5%, with a minor upward adjustment for 2025 to 4.6%, up from a forecast of 4.5% made in November. The decision to keep the repo rate steady reflects a cautious approach by the SARB, balancing between curbing inflationary pressures and not stifling economic growth. The slight upward revision in the inflation forecast for 2025 and the stable economic growth projections for 2024 and 2025 suggest measured optimism about the country's economic resilience. However, the elevated borrowing costs and the vigilant stance on inflation highlight the challenges that lie ahead in navigating economic recovery and sustainable growth.

Near-term expectations

As South Africa's economy entered 2024 on the back foot, the economic outlook in 1H24 might encounter hurdles due to high interest rates, continuous problems with electricity supply, the uncertainty surrounding imminent elections, and ongoing global geopolitical tensions. Nonetheless, 2H24 holds promise of improvement, owing to the expectation of monetary policy easing and incremental progress in electricity and logistics infrastructure, which are poised to boost economic activity. The post-election period is also expected to offer more clarity on short-term fiscal measures. Furthermore, the positive trajectory anticipated for 2H24 is projected to carry over into 2025. Some rebound is already evident in the uptick of the PMI index, which rose

in February 2024 after a significant downturn in the preceding month. In February 2024, the seasonally adjusted Absa Purchasing Managers' Index rose to 51.7 from 43.6 in January, signalling revitalization and robust growth in South Africa's manufacturing sector.

Considering the prevailing economic uncertainties, the growth projections for both 2024 and 2025 were kept unchanged from last month at 0.9% and 1.4%, respectively. Potential uplifts in the economic outlook are likely to stem from an expected boost in domestic demand dynamics and a steady rise in commodity exports, particularly in 2H24. This positive momentum is anticipated to persist into 2025, contributing to ongoing economic expansion. Nonetheless, factors such as inflationary pressures, the uncertainty of forthcoming elections, and continuous global geopolitical tensions could pose risks to the growth trajectory.

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

	South Africa
2024	**0.9**
Change from previous month	0.0
2025	**1.4**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Russia and Central Asia

Russia

Update on the latest developments

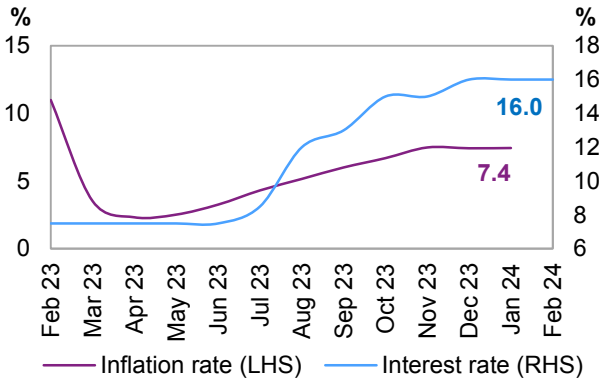
The Russian economy is estimated to have experienced a slowdown in 4Q23 after robust growth of 5.5% in 3Q23. In 4Q23, Russia's economy likely grew at 3.0%, y-o-y. On an annual basis, the economy is estimated to have expanded by 3.0% in 2023. This was driven in large part by the expansion of household consumption, which registered 8%, y-o-y, growth in 3Q23. Household consumption likely slowed down towards the end of 4Q23 but remained relatively strong. Retail sales registered 13%, y-o-y, growth in October and 10% in both November and December. The latest January retail sales figures demonstrate a sustained declining trend, with growth decelerating further to 9%, y-o-y. With this slight slowdown, however, the figures still point to a solid expansion in household consumption, especially when considering the baseline effect of higher consumption levels seen in 2023. The composite PMI decreased to 52.2 in February, down from 55.1 in January and 55.7 in December, but remained in expansionary territory.

Industrial production experienced an uptick in January and registered 4.7%, y-o-y, growth after showing signs of deceleration in the preceding three months. The unemployment rate fell slightly in January to 2.9%, following a slight increase in December to 3.0% from the November level of 2.9%. As such, unemployment remains at the lower end of the historical record, further fueling household consumption and demand. Consumer confidence has been edging up slowly since the end of 2022 but remains in negative territory. Business confidence remains flat and slightly positive.

Inflation has remained flat at 7.4% in January compared to the previous month. Inflation has shown signs of acceleration since April 2023 but is beginning to level off largely due to the interest rate hikes realized since July 2023.

In February, the Russian central bank maintained the key policy interest rate at 16% for a third consecutive month. While future hikes are still possible, a stabilization of inflation rates could ease that pressure. However, the continued effect of increasing household consumption may maintain inflationary pressure.

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 robust growth seen in 2H23 will likely carry over into 2024, albeit at a decelerating rate. Household consumption is expected to continue benefiting from high employment levels. At the same time, continued softening of commodity incomes may lead to a decrease in government revenues. However, the additional support from trade and the industrial sector is expected to sustain growth. Government-led spending is expected to remain a strong factor, providing support for the economy, particularly in the industrial sector.

On a quarterly basis, the economy is expected to grow 2.3%, y-o-y, in 1Q24, carrying the momentum of 2H23. Quarterly y-o-y growth rates are expected to decelerate to 2.0% in 2Q24, 1.5% in 3Q24, and 1.3% in 4Q24, putting the annual growth rate in 2024 at 1.7%. Growth in 2025 is expected to continue decelerating to 1.2%, y-o-y, but pick up speed towards the end of the year.

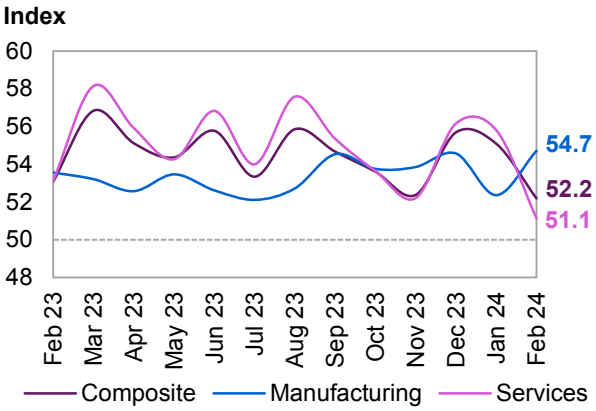
High interest rates are expected to have a stabilizing effect on prices, but sustained household spending, low unemployment, and high import prices may prevent inflation rates from falling too low. The gradual decline of inflation is expected to continue, and annual inflation is anticipated to stand at 5.5% in both 2024 and 2025.

The **PMI index** for both the manufacturing and services sectors in February continued in positive territory but retracted in the services sector.

The SPGCI **manufacturing PMI** stood at 54.7 in February, following 52.4 in January and 54.6 in December.

The **services PMI** stood at 51.1 in February, down from 55.8 in January and 56.2 in December.

Graph 3 - 18: Russia's PMI



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

With the improving dynamic in the industrial base offset slightly by the slowing but still strong household spending, the forecast for **2024** remains unchanged at 1.7%. There is some upside potential, but uncertainty remains high in the Russian economy.

The forecast for **2025** also remains unchanged at 1.2%.

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

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

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

OPEC Member Countries

Saudi Arabia

The most recent data indicates a deceleration in economic growth to about 0.4%, y-o-y, in 4Q24. Economic activity in non-oil sectors witnessed an expansion of 2.6%. Furthermore, government-related activities witnessed a 1.1%, y-o-y, increase in 4Q24. Current indicators that closely track economic activity are showing sustained strong domestic consumption. The value of transactions at point-of-sale terminals increased by 7.4%, y-o-y, in December, with widespread growth across most sectors except for a few, such as apparel, furniture, and construction. The most recent Purchasing Managers' Index (PMI) continued to reflect growth in the non-oil sector, registering a level of 57.2 in February 2024. The near-term outlook signifies a notable enhancement in the non-oil sector of the economy, supported by a rise in business operations and confidence toward future activity.

Nigeria

Nigeria's Gross Domestic Product (GDP) witnessed an increase of 3.2%, y-o-y, in 4Q23, leading to an annual growth rate of 2.9% for 2023. This was primarily fueled by advancements in the agricultural sector. Recent figures have revealed that Nigeria registered an annual inflation rate of 30% in January 2024, with prices rising across both goods and services. Excluding volatile items, core inflation rose to 23.6%, y-o-y, the most substantial surge since 2004. This inflationary trend is anticipated to persist in the upcoming months. From a policy standpoint, the Nigerian naira devalued by 45% at the end of January, following rapid depreciations throughout 2023, as the Central Bank of Nigeria (CBN) transitioned to a more flexible currency regime. Assuming that the naira finds stability post-devaluation and with the inflow of multilateral loan disbursements, it is projected that the inflationary momentum may decelerate. The ongoing challenges were reflected to some extent in the recent Purchasing Managers' Index (PMI), as the Stanbic IBTC Bank Nigeria PMI declined to

51.1 in February from 54.5 in the preceding month. Subsequently, business confidence declined with concerns over rising prices and signals of slowing demand. Despite these challenges, the short-term economic outlook remains cautiously optimistic.

The United Arab Emirates (UAE)

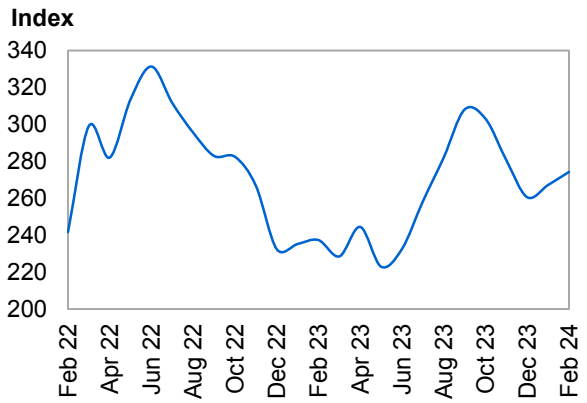
Recent PMI readings signal a marked enhancement in the overall non-oil business environment. In February 2024, the S&P Global United Arab Emirates Index rose to 57.1, following a level of 56.6 observed in January. This was mainly fueled by sustained increases in demand, underpinning the most robust expansion in output since June 2019, notwithstanding intensifying competitive dynamics. Looking forward, business optimism climbed to a four-month peak, with enterprises forecasting further enhancements in operational activities, demand, and profitability. Meanwhile, inflation rose to 3.6%, y-o-y, in January, up from 3.3% in December, suggesting that there has been a significant rise in consumer spending.

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

The **US dollar (USD) index** rebounded in February after three consecutive months of losses. The index rose by 1.1%, m-o-m, underpinned by a resilient US economy and uncertainty surrounding the timing of US rate cuts. Elevated US interest rate levels continued to support the USD even in the absence of rate hikes. The index was up 0.4%, y-o-y.

On **developed market (DM) currencies**, the USD rose against all major currencies in February. It rose against the euro, yen, and pound by 1.0%, 1.0% and 1.8%, m-o-m, respectively. Compared with the same period last year, the USD was down against the euro and the pound by 0.7% and 4.2%, y-o-y, respectively. With that said, it was up against the yen by 12.7%, y-o-y.

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



Sources: IMF and OPEC.

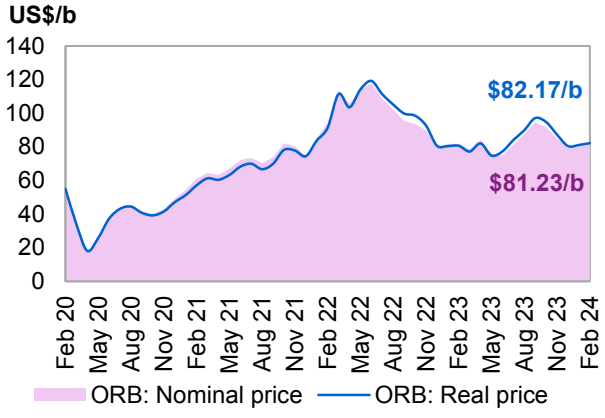
In terms of **emerging market (EM) currencies**, the USD rose for a second consecutive month against the yuan and the real by 0.3% and 1.0%, m-o-m, respectively, in February. However, it fell for a second consecutive month against the rupee by 0.2%, m-o-m. The USD was up against the rupee and yuan by 0.4% and 5.2%, y-o-y, respectively. At the same time, it was down against the real by 4.0% over the same period.

The differential between nominal and real **ORB** prices narrowed for a fourth consecutive month in February. I**nflation** (nominal price minus real price) went from a discount of $1.00/b in January to a discount of $0.94/b in February, a 6.0% m-o-m decline.

In **nominal terms**, accounting for inflation, the ORB price went from $80.04/b in January to $81.23/b in February, a 1.5% m-o-m increase. The ORB was down by 0.8%, y-o-y, in nominal terms.

In **real terms** (excluding inflation), the ORB went from $81.04/b in January to $82.17.41/b in February, a 1.4% increase, m-o-m. The ORB was up by 2.0%, 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 unchanged from last month's assessment at 2.2 mb/d, y-o-y. A slight downward adjustment to OECD Asia Pacific in 1Q24 is made due to anticipated lower performances in the manufacturing and petrochemical sectors of Japan and South Korea, which is expected to subdue oil demand in those two countries. However, this is offset by the upward adjustments to India and Other Asia due to anticipated improvements over the same period.

In terms of regions, oil demand in the OECD is forecast to grow by around 0.3 mb/d, y-o-y, led by OECD Americas and further 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.

Total world oil demand is expected to reach 104.5 mb/d in 2024, supported 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	25.09	24.68	25.38	25.58	25.54	25.30	0.21	0.84
of which US	*20.41*	*20.09*	*20.67*	*20.67*	*20.89*	*20.58*	*0.17*	*0.85*
Europe	13.39	13.12	13.57	13.66	13.31	13.42	0.03	0.19
Asia Pacific	7.34	7.80	6.97	7.09	7.54	7.35	0.01	0.16
Total OECD	**45.82**	**45.60**	**45.93**	**46.33**	**46.39**	**46.06**	**0.25**	**0.54**
China	16.19	16.13	16.77	17.09	17.29	16.82	0.63	3.89
India	5.34	5.64	5.64	5.40	5.59	5.57	0.22	4.19
Other Asia	9.28	9.64	9.74	9.49	9.51	9.59	0.32	3.42
Latin America	6.69	6.79	6.88	6.97	6.88	6.88	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	0.78	0.81	0.78	0.77	0.84	0.80	0.01	1.75
Total Non-OECD	**56.39**	**57.73**	**57.99**	**58.55**	**59.29**	**58.39**	**2.00**	**3.55**
Total World	**102.21**	**103.33**	**103.91**	**104.88**	**105.69**	**104.46**	**2.25**	**2.20**
Previous Estimate	102.16	103.32	103.91	104.88	105.47	104.40	2.25	2.20
Revision**	0.05	0.01	0.00	0.00	0.21	0.06	0.00	0.00

*Note: * 2024 = Forecast.*
*** Although there is no revision in growth of year 2024, y-o-y, it is worth noting that the observed changes in absolute 2024 levels are due to an update to the 2023 baseline.*
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	25.30	24.74	25.43	25.70	25.62	25.38	0.08	0.31
of which US	*20.58*	*20.12*	*20.70*	*20.73*	*20.93*	*20.62*	*0.04*	*0.21*
Europe	13.42	13.14	13.58	13.68	13.33	13.43	0.02	0.12
Asia Pacific	7.35	7.81	6.98	7.10	7.55	7.36	0.01	0.14
Total OECD	**46.06**	**45.69**	**46.00**	**46.49**	**46.50**	**46.17**	**0.11**	**0.23**
China	16.82	16.56	17.15	17.53	17.68	17.23	0.41	2.44
India	5.57	5.86	5.88	5.61	5.82	5.79	0.23	4.10
Other Asia	9.59	9.93	10.07	9.82	9.81	9.91	0.31	3.24
Latin America	6.88	6.99	7.07	7.19	7.07	7.08	0.20	2.90
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	**58.39**	**59.46**	**59.66**	**60.45**	**60.95**	**60.13**	**1.74**	**2.98**
Total World	**104.46**	**105.15**	**105.65**	**106.94**	**107.44**	**106.30**	**1.85**	**1.77**
Previous Estimate	104.40	105.15	105.65	106.94	107.23	106.25	1.85	1.77
Revision**	0.06	0.01	0.00	0.00	0.21	0.06	0.00	0.00

*Note: * 2025 = Forecast.*
*** Although there is no revision in growth of year 2025, y-o-y, it is worth noting that the observed changes in 2025 absolute levels are due to an update to the historical baseline.*
Totals may not add up due to independent rounding.
Source: OPEC.

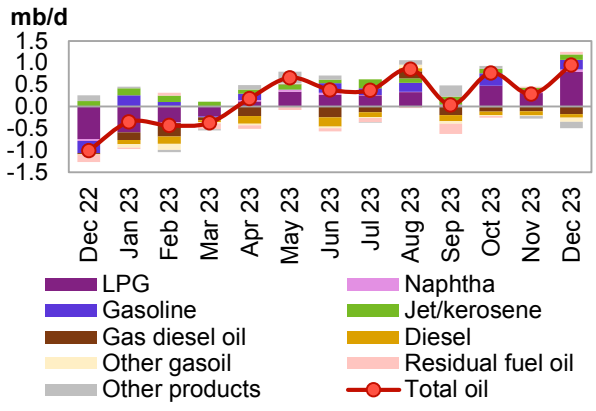
OECD

OECD Americas

Update on the latest developments

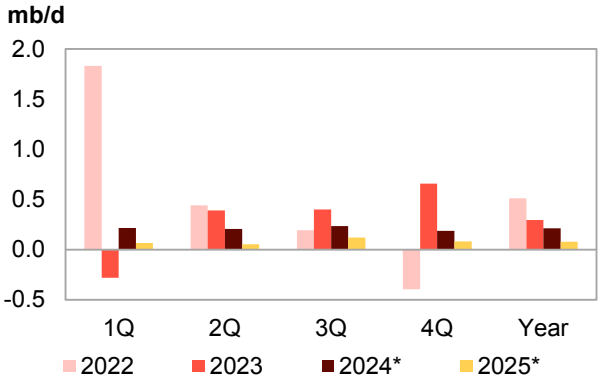
Oil demand in OECD Americas in December surged further by 1 mb/d, y-o-y, up from a growth of 285 tb/d, y-o-y, in November. Incremental oil demand over the month came mostly from the US for the third consecutive month, while Mexico showed growth of 39 tb/d, y-o-y and demand in Canada remained weak, contracting by 86 tb/d, y-o-y. The strong oil demand growth in December, compared with that of November, can also be attributed to the negative baseline from a year earlier, amid strong petrochemical feedstock requirements and healthy transportation fuel demand in the US. Details of various product contributions in the US 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: * 2024-2025 = Forecast.*
Source: OPEC.

Oil demand in the **US** increased by 1 mb/d, y-o-y, in December, up from growth of 496 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 761 tb/d, y-o-y, up further from the previous month's demand of 394 tb/d, y-o-y, on the back of seasonal strength and a low baseline in the previous year. Gasoline surged by 244 tb/d, y-o-y, up from the slight 18 tb/d, y-o-y, growth seen in the previous month. Gasoline was supported by steady driving activity, according to a report from the US Department of Transportation. Travel on all roads and streets in the US increased by 2.2% for December 2023, as compared with December 2022. Similarly, seasonally adjusted vehicle miles travelled for December 2023 saw a 2.7% rise over December 2022. Healthy air travel activity saw jet/kerosene demand increasing by 94 tb/d, y-o-y, up from 30 tb/d, y-o-y increase seen in the previous month. According to a report from the International Air Travel Association (IATA), US international traffic levels remained robust in December, with international revenue passenger-kilometre (RPKs) increasing by 5.5% over 2019 levels. Similarly, US domestic airline traffic increased by 9.6%, y-o-y, and by 0.4% over December 2019. Demand for residual fuels in the US increased by 51 tb/d, y-o-y, in December, up from an annual decline of 3 tb/d, y-o-y, seen in the previous month. Lastly, demand for naphtha saw an uptick of 25 tb/d, y-o-y, up from a similar increase of 22 tb/d, y-o-y, seen in the previous month.

However, US diesel demand saw a contraction in December due to weak industrial activity for the third consecutive month, declining by 179 tb/d, y-o-y, down from an annual decline of 48 tb/d, y-o-y, seen in the previous month. The 'other products' category softened by 30 tb/d, y-o-y, down from an increase of 83 tb/d, y-o-y, in the previous month.

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

US oil demand By product	Dec 22	Dec 23	*Change* Growth	*Dec 23/Dec 22* %
LPG	3.32	4.08	0.76	22.9
Naphtha	0.13	0.16	0.03	18.8
Gasoline	8.60	8.84	0.24	2.8
Jet/kerosene	1.60	1.69	0.09	5.9
Diesel	3.79	3.61	-0.18	-4.7
Fuel oil	0.27	0.32	0.05	18.7
Other products	1.90	1.87	-0.03	-1.6
Total	**19.62**	**20.58**	**0.97**	**4.9**

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

Sources: EIA and OPEC.

Near-term expectations

In the near term, economic activity in the US is expected to remain healthy amid robust private household consumption in 1H24. Furthermore, improvements in air travel and road mobility are expected to continue. Accordingly, these factors are expected to bolster jet/kerosene and gasoline demand. Healthy petrochemical feedstock requirements for ethylene are also expected to drive LPG demand. Meanwhile, the PMI index level for the services sector, representing around 70% of the US economy, remains in an expansion trajectory, reading 52.6 points in February. However, the US manufacturing sector continued to show a contraction in February. Accordingly, oil demand in the US is projected to increase by an average of about 168 tb/d y-o-y in 1H24, mostly supported by demand for jet/kerosene, gasoline and LPG. However, diesel demand is projected to continue 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. While US economic growth is projected to improve over 2024, oil demand in the US is expected to return to its normal growth trend after recovering from losses due to the COVID-19 pandemic. Transportation activity is expected to be solid and support transportation fuel demand to drive oil demand growth. Further, healthy demand for LPG from petrochemical requirements is forecast to continue. However, demand for diesel and naphtha is expected to remain subdued amidst softer manufacturing activity.

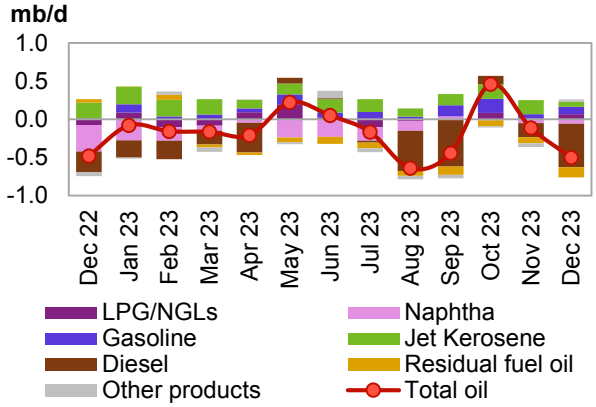
OECD Europe

Update on the latest developments

Oil demand in OECD Europe in December decreased further by 499 tb/d, y-o-y, down from an annual decline of 112 tb/d, y-o-y, in November. Within the region, the largest decline was seen in Germany. In terms of products, declines in oil demand were mostly from diesel and residual fuels. Persistent, negative impacts from substantial declines in industrial production in Germany, Italy and Spain, coupled with a relatively slow dynamic in the services sector, have collectively contributed to the decline in oil demand.

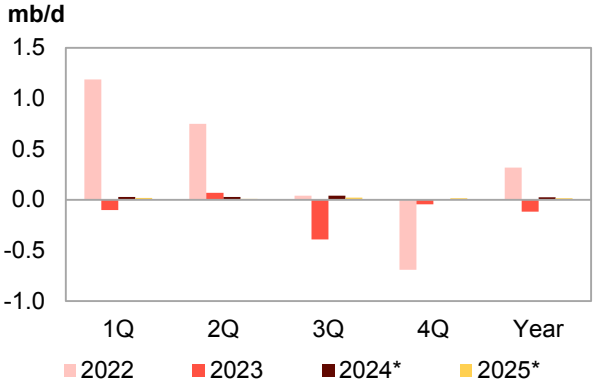
Ongoing weak regional manufacturing activity continued to weigh on diesel demand in the region, leading to a decline of 572 tb/d, y-o-y, from 184 tb/d, y-o-y, seen in the previous month. The ongoing decline in diesel demand was caused by persistent weak manufacturing activity amid macroeconomic headwinds in the region's major countries. Germany posted the largest regional decline in diesel demand in December as manufacturing output dropped by 17.5% m-o-m, from a 2.5% decline seen in November. Demand for residual fuels in OECD Europe also contracted, dropping by 133 tb/d, y-o-y, from a 78 tb/d, y-o-y, decline in November. Similarly, weak margins and low petrochemical steam cracker unit demand subdued naphtha requirements to decline by 56 tb/d, from a 50 tb/d, y-o-y decline seen in the previous month.

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



Sources: IEA, JODI, OPEC and national sources.

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



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

On the positive side, OECD Europe gasoline demand posted the largest increase of 97 tb/d, y-o-y, supported by driving activity in the region. Solid demand for air travel in the region bolstered jet/kerosene to grow by 68 tb/d, y-o-y. A report from the IATA's Air Passenger Market Analysis states that, in December, Europe's international RPKs grew by 13.6% y-o-y, surpassing December 2019 RPKs by 0.8% for the first time. Meanwhile, LPG saw growth of 67 tb/d, y-o-y, up from 11 tb/d, y-o-y, seen the previous month. LPG demand was supported by winter heating requirements in the region. Finally, the ´other product´ category increased by 30 tb/d, an improvement from a 51 tb/d, y-o-y, decline seen in the previous month.

Near-term expectations

In **2024**, the Eurozone's economic growth is expected to remain in a positive trajectory, albeit relatively sluggish. At the same time, some recent indicators, including manufacturing PMIs and inflation rates, suggest some slight improvements to be seen likely later on in the year. Additionally, the services PMI for the region suggests an improvement to 50.2 in February, while transportation and air travel activity in the region are expected to continue to support regional oil demand. Oil demand growth in the region is expected to average nearly 30 tb/d, y-o-y, in 1H24, supported by regional jet/kerosene and gasoline consumption. However, ongoing weak manufacturing is anticipated to weigh on diesel, while petrochemical activity is expected to show some improvement supporting naphtha demand, albeit remaining at low levels. 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**. The Eurozone's economic growth is forecast to gain traction next year and see GDP growth rates above this year's level. Similarly, oil demand growth for OECD Europe is forecast at 17 tb/d, y-o-y, supported by air travel and driving activity. 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

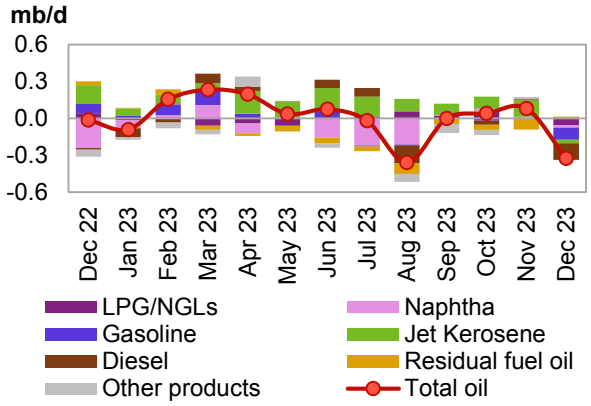
LPG market is poised for major changes in fundamentals, mostly due to high production costs and environmental regulations that could weigh on demand going forward.

OECD Asia Pacific

Update on the latest developments

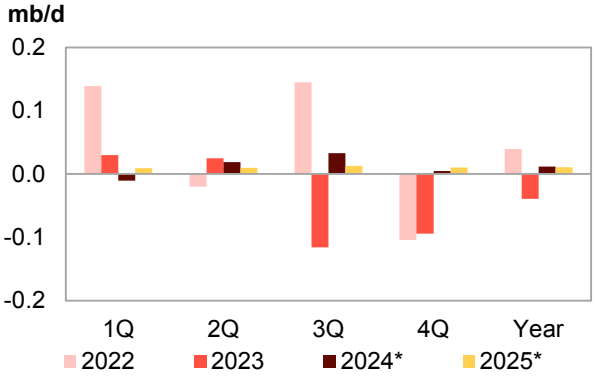
Oil demand in OECD Asia Pacific recorded a large decline of 324 tb/d, y-o-y in December, down from 82 tb/d, y-o-y, growth seen in November. The declines were seen in demand for most oil products in the two largest economies of the region, Japan and South Korea.

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

In terms of products, the largest decline in the OECD Asia Pacific region was recorded by diesel with 135 tb/d, down from a slight 7 tb/d, y-o-y, growth seen in the previous month. Diesel demand was subdued by weak manufacturing activity in both Japan and South Korea. The manufacturing PMIs in the two countries have been in contraction for more than a year, with the largest contraction in diesel demand recorded in Japan. Gasoline requirements also softened by 98 tb/d, y-o-y, in December, down from a marginal annual decline of 3 tb/d in the previous month. Gasoline demand has been on a negative trajectory in the region for six months. Similarly, jet/kerosene also softened, declining by 31 tb/d, y-o-y, down from growth of 134 tb/d seen in the previous month. A report from the IATA Air Passenger Market Analysis shows that, in December, Asia Pacific carriers saw slightly lower load factors compared to the same month in 2019. At the same time, seasonally adjusted passenger numbers in Japan also decreased on average by 1.3% in December. In terms of petrochemical feedstock, the lacklustre demand in the region subdued LPG requirements to decline by 56 tb/d, y-o-y, and naphtha to soften by 19 tb/d, y-o-y.

On a positive note, residual fuels expanded by 12 tb/d, y-o-y, and the ´other fuels´ category saw an uptick of 3 tb/d, y-o-y, albeit a decrease from 19 tb/d seen in the previous month.

Near-term expectations

In **2024**, economic growth rates in the region are expected to remain positive, albeit slightly below rates seen in 2023, with variations among countries. Forward-looking indicators, including services and manufacturing PMIs, also varied among major oil-consuming countries in the region, although most numbers indicate a gradual improvement in both the services and manufacturing sectors. A steady air traffic recovery, along with driving activity and petrochemical industry operations, is anticipated to support oil demand growth, which is projected to increase by 12 tb/d, y-o-y.

In **2025**, GDP growth rates in the region are expected to surpass 2024. In addition, transportation and air travel activity are also expected to support oil demand in OECD Asia Pacific, which is forecast to grow moderately by 11 tb/d, y-o-y, mostly supported by transportation fuels.

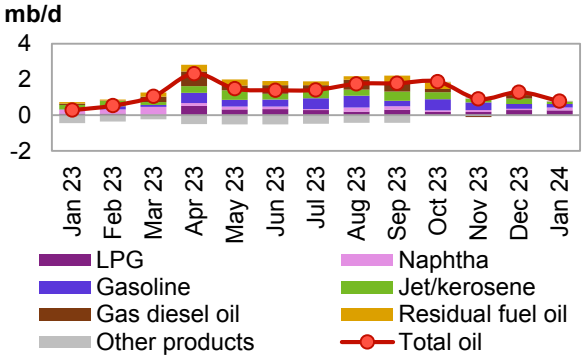
Non-OECD

China

Update on the latest developments

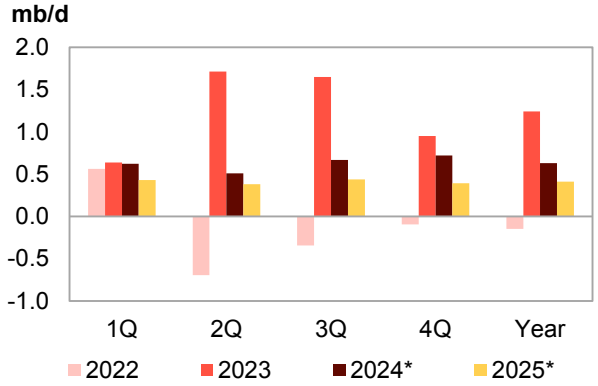
Oil demand in China is estimated to have increased by 788 tb/d, y-o-y, in January, following growth of 1.3 mb/d, y-o-y, in December 2023. Growth was supported by healthy economic activity amid steady petrochemical feedstock requirements.

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.

On the back of ongoing strong petrochemical feedstock requirements, LPG posted the highest growth among oil products, increasing by 265 tb/d, y-o-y, in January, slightly below the 280 tb/d, y-o-y, growth observed in the previous month. Naphtha also surged by 176 tb/d, y-o-y, up from the 76 tb/d, y-o-y, growth seen in the previous month. Gasoline demand also increased, rising by 187 tb/d, y-o-y, supported by strong driving mobility. On the back of healthy air travel activity, jet/kerosene requirements expanded by 119 tb/d, y-o-y. Diesel posted growth of 24 tb/d, y-o-y, down from the 206 tb/d, y-o-y, growth seen in the previous month. While the ´other products´ category increased by 31 tb/d, y-o-y, residual fuels softened by 12 tb/d, y-o-y, showing a large decline from the 132 tb/d, y-o-y, growth observed in the previous month.

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

China's oil demand			Change	Jan 24/Jan 23
By product	Jan 23	Jan 24	Growth	%
LPG	2.46	2.72	0.26	10.8
Naphtha	1.77	1.95	0.18	9.9
Gasoline	3.80	3.99	0.19	4.9
Jet/kerosene	0.86	0.98	0.12	13.8
Diesel	4.11	4.13	0.02	0.6
Fuel oil	0.78	0.77	-0.01	-1.5
Other products	2.05	2.09	0.03	1.5
Total	**15.83**	**16.62**	**0.79**	**5.0**

*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 lead global oil demand growth in 2024. On the back of expected solid economic activity amid anticipated healthy manufacturing and driving activity, the country is expected to continue with its ongoing robust and resilient demand for oil products in the near term. February PMI readings indicate that activity in the services and manufacturing sectors continued in expansion territory above 50 points. Furthermore, growing petrochemical capacity in 1H24 is expected to strengthen petrochemical feedstock demand, thus boosting demand for naphtha in the near term. Ongoing Chinese government support measures, primarily targeting the real estate market and household consumption, are also 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 on average, y-o-y, in 1H24.

Overall, in **2024**, oil demand is expected to be supported by sustained services sector activity, a recovery in manufacturing activity and surging petrochemical activity fuelled by heightened demand for feedstock. Moreover, international air travel is expected to continue rebounding. 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.

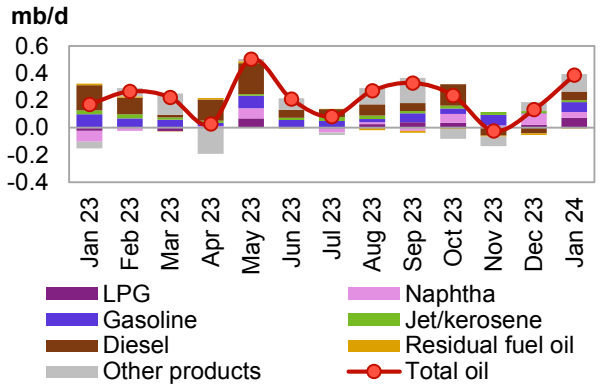
China's product demand is expected to continue to expand in **2025,** and the country is expected to remain the global leader in oil demand. The country's stimulus measures are also expected to impact oil demand growth, although likely to a lesser degree than in 2024. China is also projected to lead global petrochemical feedstock demand, while its jet fuel demand is expected to rise on the prospect of further growing air transportation requirements. Finally, manufacturing and construction activity are 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

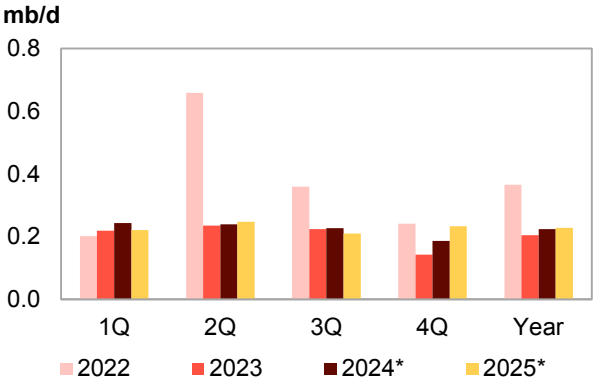
Oil demand in India in January surged by 386 tb/d, y-o-y, up from an increase of 133 tb/d, y-o-y, seen in the previous month. The increase in demand was largely supported by demand for the "other products" category, which includes bitumen used for road construction.

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 in oil demand in January was recorded in the "other products" category, which increased by 128 tb/d, y-o-y, supported by road construction amid dryer weather during the month, which bolstered demand for bitumen. Bitumen consumption during January 2024 grew by 11.6% over January 2023. Gasoline requirements increased by 75 tb/d, y-o-y, supported by heightened mobility levels, specifically as more people returned to work after the holidays. Continued strong vehicle sales, which increased by 15%, y-o-y, in January, also contributed to rising gasoline demand.

In terms of petrochemical feedstock, LPG increased by 72 tb/d, y-o-y, mostly driven by increased heating needs during the winter. Naphtha saw an increase of 42 tb/d, y-o-y, down from the 82 tb/d, y-o-y increase seen in December. Diesel demand increased by 64 tb/d, y-o-y, up from an annual decline of 43 tb/d in the previous month. Diesel is used by different sectors, including the manufacturing and agricultural sectors, and January is typically a quiet period for harvesting activities in India. Similarly, India's industrial output rose more than expected, increasing by 5.2% in January, compared with the same month a year earlier, as strong domestic urban demand boosted manufacturing and supported diesel consumption.

Jet/kerosene increased by 13 tb/d, y-o-y, as domestic airlines during January registered a 4.7%, y-o-y, increase in passenger numbers. However, residual fuels declined by 7 tb/d, y-o-y, albeit showing an improvement from the 10 tb/d, y-o-y, decline in the previous month.

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

India's oil demand			Change	Jan 24/Jan 23
By product	Jan 23	Jan 24	Growth	%
LPG	0.94	1.01	0.07	7.6
Naphtha	0.33	0.37	0.04	12.6
Gasoline	0.78	0.85	0.07	9.6
Jet/kerosene	0.18	0.19	0.01	7.3
Diesel	1.74	1.80	0.06	3.7
Fuel oil	0.13	0.12	-0.01	-5.7
Other products	1.01	1.14	0.13	12.7
Total	**5.10**	**5.49**	**0.39**	**7.6**

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

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

Near-term expectations

In the near term, the current positive momentum of economic activity in India is expected to continue in **2024**. This will be largely driven by robust investment and services amid an expected surge in the manufacturing and construction sectors brought on by government spending and an improved investment environment, which are 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 242 tb/d, y-o-y, in 1H24. Diesel is 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.

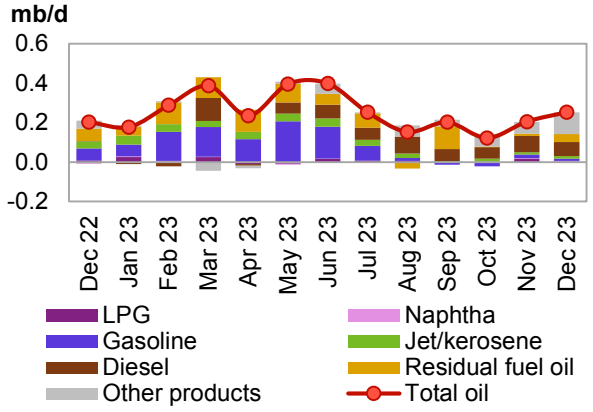
In **2025**, healthy economic growth amid steady manufacturing and business activities in India is expected to bolster oil demand to increase by an average of 228 tb/d. Diesel is expected to continue to be the main driver of demand, followed by the 'other products' category, mostly supported by bitumen. 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

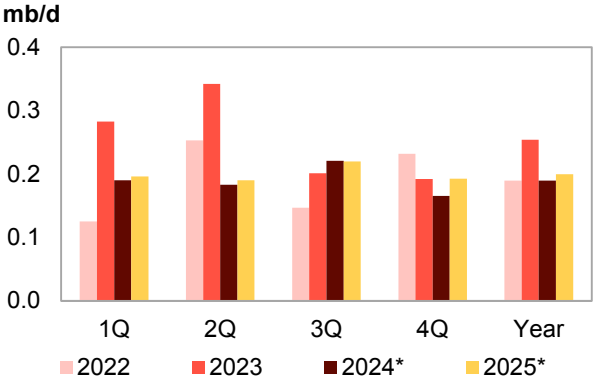
Oil demand in Latin America in December surged further by 252 tb/d, up from 204 tb/d y-o-y in November. Oil demand growth in the region was driven by the ´other products´ category and diesel, mostly from Brazil and Venezuela.

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

In terms of demand by product, the ´other products´ category led demand by 109 tb/d, y-o-y growth in December, up from 61 tb/d seen in the previous month. Furthermore, diesel increased by 70 tb/d, slightly below the 84 tb/d y-o-y increase seen the previous month. Requirements for residual fuels expanded by 42 tb/d, y-o-y, up from a growth of 10 tb/d seen in November. While gasoline expanded by 11 tb/d, y-o-y, jet/kerosene

saw growth of 13 tb/d, y-o-y, slightly above the growth of 10 tb/d recorded a month earlier. In terms of petrochemical feedstock, both LPG and naphtha saw slight upticks of 3 tb/d each.

Near-term expectations

Looking ahead, Latin America's positive economic activity is expected to continue in 1H24, with the ongoing recovery in air travel expected to be steady and combined with continued support from the services and manufacturing sectors, which are expected to boost oil demand. Thus, regional oil demand growth of 187 tb/d, y-o-y, is expected in 1H24. Overall, continued healthy economic activity on the back of improvements in both manufacturing 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 expanding the most, followed by petrochemical feedstock.

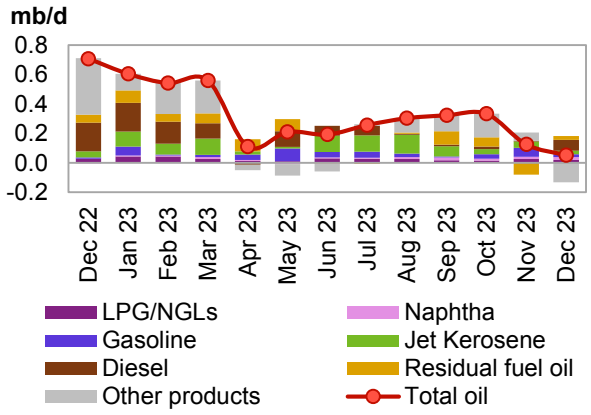
In **2025**, economic activity in the region is expected to remain healthy as GDP growth is projected to improve further from 2024. Furthermore, both transportation and manufacturing activities are expected to support average oil demand growth of 200 tb/d, y-o-y. Transportation fuels, including gasoline,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

Middle East

Update on the latest developments

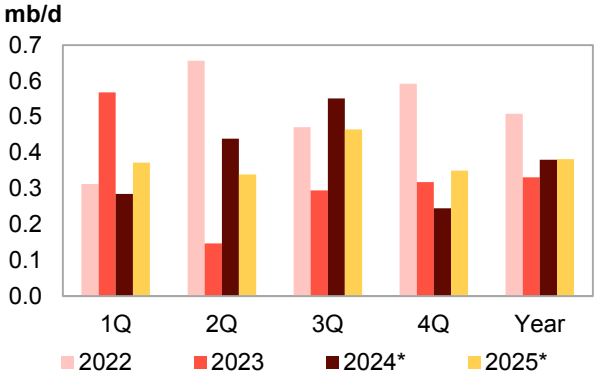
Oil demand growth in the Middle East expanded by 52 tb/d, y-o-y, in December, down from annual growth of 126 tb/d recorded in November. Demand was mostly supported by requirements for transportation fuels amid healthy economic activity, mostly in Iraq.

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

Diesel led oil demand growth by 75 tb/d, y-o-y, which was up from the marginal 3 tb/d, y-o-y, increase seen in the previous month. Residual fuels, mostly used for electricity generation, increased by 26 tb/d, y-o-y, up from an annual decline of 81 tb/d in November. On the back of increased driving activity, gasoline increased by 20 tb/d, y-o-y, albeit down from the 61 tb/d, y-o-y, growth recorded in November. Jet/kerosene increased by 22 tb/d, y-o-y, supported by the ongoing air travel recovery in the region. According to a report from IATA, Middle Eastern carriers posted positive results in December, as international air traffic reached 96.9% of the level of December 2019 revenue passenger-kilometres (RPKs). In terms of petrochemical requirements, LPG posted growth of 19 tb/d, y-o-y, and naphtha saw growth of 21 tb/d, y-o-y. Finally, the 'other products' category contracted by 132 tb/d, y-o-y, from an annual increase of 57 tb/d, y-o-y, in the previous month.

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

Iraq's oil demand By product	Jan 23	Jan 24	Change Growth	Jan 24/Jan 23 %
LPG	0.08	0.07	0.00	-4.2
Naphtha	0.01	0.01	0.00	40.3
Gasoline	0.18	0.19	0.01	3.5
Jet/kerosene	0.07	0.05	-0.02	-27.2
Diesel	0.15	0.16	0.01	9.9
Fuel oil	0.20	0.22	0.03	13.1
Other products	0.22	0.21	-0.01	-2.8
Total	**0.90**	**0.92**	**0.02**	**2.2**

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

Sources: JODI and OPEC.

Near-term expectations

In the near term, the ongoing economic activity in the region is expected to continue to support oil demand in 1H24. In addition, ongoing strong growth in transportation fuels demand is expected to continue on the back of healthy driving and air travel activity. Moreover, the current focus on petrochemical sector development is expected to bolster petrochemical feedstock requirements in the region. Accordingly, these factors are expected to support overall oil demand growth in the region, which is forecast to expand by an average of a healthy 362 tb/d, y-o-y. Overall in **2024**, GDP growth rates in the region are forecast to surpass those of 2023 amid expected healthy transportation activity combined with petrochemical feedstock requirements, supporting transportation fuels and petrochemical feedstock demand. Accordingly, the Middle East is expected to see healthy demand growth of 380 tb/d, y-o-y.

In **2025**, healthy economic activity in the region is projected to continue. 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 1.1 mb/d to average 70.5 mb/d, including 50 tb/d in processing gains. This reflects 120 tb/d downward revision, compared with the previous month's assessment, due to the extension of additional voluntary adjustments in 2Q24 by some countries participating in DoC resulted in downward growth revisions this year.

US crude and condensate production remained robust, while NGL output dropped in December last year. Total US liquids output is estimated to have been hit by a blast of severe weather in January, however, a recovery is expected by March. Accordingly, US liquids supply growth for 2024 is estimated at 0.5 mb/d. In addition to the US, the main drivers for expected growth in 2024 are Canada, Brazil and Norway, while the largest declines are seen in Russia and Mexico.

In 2025, non-OPEC liquids production is forecast to grow by 1.4 mb/d to average 71.9 mb/d, including 60 tb/d in processing gains. OECD liquids supply is forecast to increase next year by 0.8 mb/d to average 34.5 mb/d, and the non-OECD region is projected to grow by 0.5 mb/d to average 34.9 mb/d. The main drivers for liquids supply growth are expected to be the US, Brazil, Canada, Russia, Kazakhstan, and Norway, while production is forecast to see a major decline in Mexico and Angola.

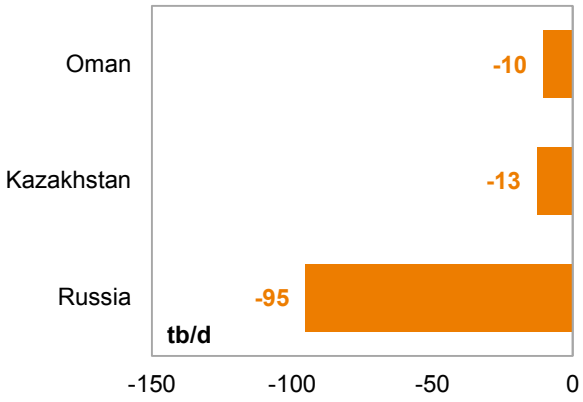
OPEC NGLs and non-conventional liquids production is expected to increase by around 60 tb/d to average 5.5 mb/d in 2024 and additional growth of 110 tb/d is forecast for 2025 to average 5.6 mb/d. OPEC-12 crude oil production in February increased by 203 tb/d, m-o-m, to average 26.57 mb/d, according to available secondary sources.

Non-OPEC liquids production in 2023 is estimated to grow by 2.5 mb/d, y-o-y, reaching 69.5 mb/d. Downward revisions to a few countries were more than offset by upward revisions to the estimate for Canada, Brazil and the US.

Overall, OECD supply growth for 2023 is revised higher. OECD Europe is revised up due to the UK and OECD Americas is revised up owing to Canada and the US. OECD Asia Pacific's output growth is estimated to remain unchanged. The non-OECD y-o-y supply growth estimate for 2023 is revised up to 0.6 mb/d. 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 slightly from the previous month's assessment to 1.1 mb/d. It is worth noting that these adjustments take into account all the recently announced additional voluntary production adjustments by some countries in the Declaration of Cooperation (DoC) in 2Q24 and the rest of 2024.

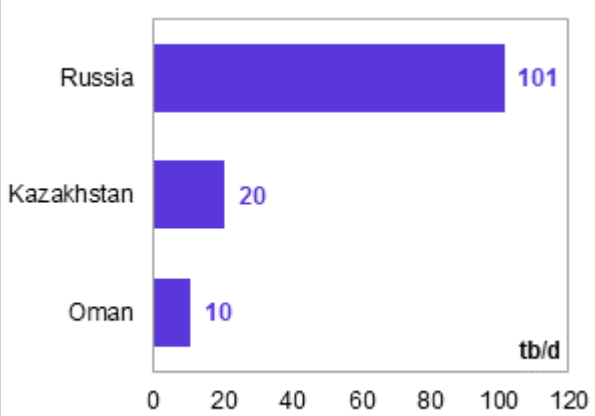
Graph 5 - 1: Major revisions to annual supply change forecast in 2024*, MOMR Mar 24/Feb 24



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

The **non-OPEC liquids production** growth forecast for **2025** is revised up by 0.1 mb/d from the previous month's assessment to 1.4 mb/d. This takes into account the adjustments made to base changes in 2024.

Graph 5 - 2: Major revisions to annual supply change forecast in 2025*, MOMR Mar 24/Feb 24

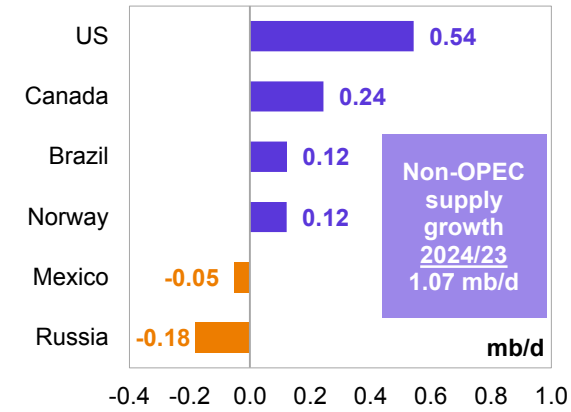


*Note: * 2025 = Forecast. Source: OPEC.*

Key drivers of growth and decline

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

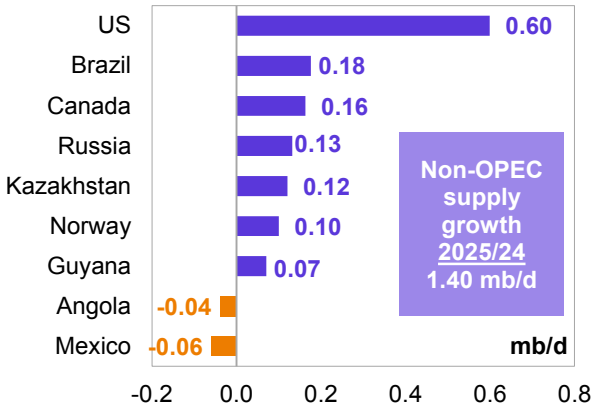
Graph 5 - 3: Annual liquids production changes, y-o-y, for selected countries in 2024*



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

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

Graph 5 - 4: Annual liquids production changes, y-o-y, for selected countries in 2025*



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

Non-OPEC liquids production in 2024 and 2025

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

Non-OPEC liquids production	2023	1Q24	2Q24	3Q24	4Q24	2024	Change 2024/23 Growth	Change 2024/23 %
Americas	28.71	29.07	29.23	29.58	29.89	29.44	0.74	2.57
of which US	*20.90*	*21.03*	*21.37*	*21.60*	*21.78*	*21.45*	*0.54*	*2.60*
Europe	3.66	3.79	3.74	3.72	3.88	3.78	0.13	3.48
Asia Pacific	0.44	0.45	0.42	0.43	0.42	0.43	-0.01	-2.91
Total OECD	**32.81**	**33.31**	**33.40**	**33.74**	**34.19**	**33.66**	**0.85**	**2.60**
China	4.52	4.60	4.59	4.46	4.46	4.53	0.01	0.24
India	0.77	0.79	0.79	0.79	0.78	0.79	0.01	1.70
Other Asia	2.28	2.31	2.24	2.22	2.22	2.25	-0.03	-1.53
Latin America	6.96	7.30	7.27	7.31	7.37	7.31	0.35	5.05
Middle East	3.27	3.24	3.24	3.27	3.28	3.26	-0.02	-0.54
Africa	2.42	2.43	2.38	2.42	2.45	2.42	0.00	-0.02
Russia	10.93	10.83	10.44	10.85	10.87	10.75	-0.18	-1.65
Other Eurasia	2.93	2.90	2.91	2.99	3.01	2.95	0.02	0.83
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00	-1.15
Total Non-OECD	**34.18**	**34.49**	**33.96**	**34.40**	**34.53**	**34.35**	**0.17**	**0.48**
Total Non-OPEC production	66.99	67.80	67.36	68.14	68.72	68.01	1.02	1.52
Processing gains	2.47	2.52	2.52	2.52	2.52	2.52	0.05	2.03
Total Non-OPEC liquids production	**69.46**	**70.32**	**69.88**	**70.66**	**71.24**	**70.53**	**1.07**	**1.54**
Previous estimate	69.36	70.06	70.20	70.68	71.24	70.55	1.19	1.71
Revision**	0.10	0.26	-0.32	-0.03	0.00	-0.02	-0.12	-0.18

*Note: * 2024 = Forecast.*

*** It should be noted that the growth in 2024 has been revised down by 0.12 mb/d, due to recently announced additional voluntary production adjustments by some countries in the Declaration of Cooperation (DoC) in 2Q24 and the rest of 2024. However, a change in the 2023 baseline leads to an overall change of -0.02 mb/d in the 2024 absolute level.*

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	29.44	29.96	29.86	30.23	30.52	30.15	0.70	2.39
of which US	*21.45*	*21.80*	*21.95*	*22.15*	*22.28*	*22.05*	*0.60*	*2.80*
Europe	3.78	3.96	3.84	3.82	3.92	3.88	0.10	2.65
Asia Pacific	0.43	0.43	0.42	0.43	0.43	0.42	-0.01	-1.81
Total OECD	**33.66**	**34.35**	**34.12**	**34.48**	**34.88**	**34.46**	**0.79**	**2.36**
China	4.53	4.57	4.55	4.51	4.51	4.53	0.01	0.13
India	0.79	0.78	0.79	0.80	0.80	0.80	0.01	1.00
Other Asia	2.25	2.23	2.19	2.17	2.17	2.19	-0.06	-2.61
Latin America	7.31	7.51	7.54	7.61	7.67	7.58	0.27	3.66
Middle East	3.26	3.28	3.31	3.31	3.31	3.30	0.04	1.37
Africa	2.42	2.44	2.44	2.43	2.43	2.44	0.02	0.70
Russia	10.75	10.89	10.87	10.86	10.89	10.88	0.13	1.23
Other Eurasia	2.95	3.07	3.11	3.05	3.09	3.08	0.13	4.44
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00	1.97
Total Non-OECD	**34.35**	**34.87**	**34.91**	**34.84**	**34.97**	**34.90**	**0.55**	**1.60**
Total Non-OPEC production	68.01	69.22	69.02	69.31	69.84	69.35	1.34	1.98
Processing gains	2.52	2.58	2.58	2.58	2.58	2.58	0.06	2.38
Total Non-OPEC liquids production	**70.53**	**71.80**	**71.60**	**71.89**	**72.42**	**71.93**	**1.40**	**1.99**
Previous estimate	70.55	71.69	71.49	71.78	72.31	71.82	1.27	1.80
Revision**	-0.02	0.11	0.11	0.11	0.11	0.11	0.13	0.19

*Note: * 2025 = Forecast.*

*** Although the growth in 2025 has been revised up by 0.13 mb/d, y-o-y, due to the changes in the DoC countries in 2024, the consequent change in baseline of 2024 leads to an overall change of 0.11 mb/d in the 2025 absolute level.*

Totals may not add up due to independent rounding.

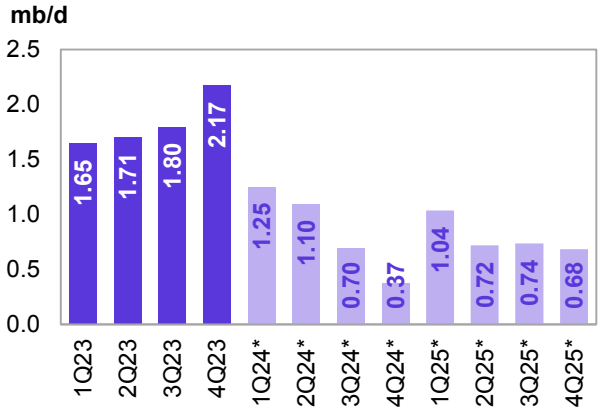
Source: OPEC.

OECD

OECD liquids production in 2023 is estimated to expand by 1.8 mb/d to average 32.8 mb/d. An upward adjustment was made following revisions to OECD Americas and OECD Europe.

Growth is set to be led by OECD Americas, which is estimated to expand by 1.8 mb/d to average 28.7 mb/d. This is up by about 55 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 3.7 mb/d. This is revised up by 16 tb/d 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 - 5: OECD quarterly liquids supply, y-o-y changes



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

For **2024**, OECD liquids production is likely to grow by 0.9 mb/d to average 33.7 mb/d. A minor downward adjustment was made mainly following revisions to Mexico.

Growth will once again be led by OECD Americas, with an expected increase of 0.7 mb/d to an average of 29.4 mb/d. This is down by a minor 6 tb/d compared with the previous month's assessment. Yearly liquids production in OECD Europe is expected to grow by about 0.1 mb/d to average 3.8 mb/d, which is unchanged compared with the previous assessment. OECD Asia Pacific is expected to decline by 14 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 34.5 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

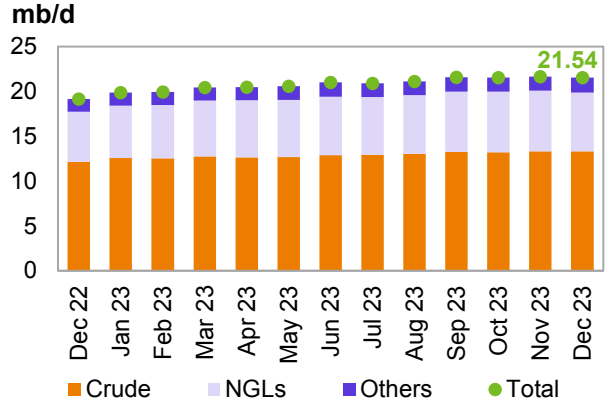
US liquids production in **December** dropped by about 130 tb/d, m-o-m, to average 21.5 mb/d. This was up by 2.4 mb/d compared with December 2022.

Crude oil and condensate production remained largely unchanged, m-o-m, at an average of 13.3 mb/d in **December**. This was up by 1.2 mb/d, y-o-y.

In terms of **crude and condensate production breakdown by region (PADDs)**, production decreased on the US Gulf Coast (USGC) by about 6 tb/d to average 9.6 mb/d. Output in the Rocky Mountains showed a rise of 12 tb/d, m-o-m. Production in the Midwest and West Coast regions remained broadly unchanged. While output on the East Coast dropped by 8 tb/d, m-o-m.

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

Graph 5 - 6: US monthly liquids output by key component



Sources: EIA and OPEC.

NGL production fell by 0.2 mb/d, m-o-m, to average 6.6 mb/d in December. This was 1.0 mb/d higher, y-o-y. According to the US Department of Energy (DoE), the production of **non-conventional liquids** (mainly ethanol) rose by 67 tb/d, m-o-m, to average 1.7 mb/d. Preliminary estimates show non-conventional liquids averaging about 1.6 mb/d in January, down by 0.1 mb/d, m-o-m.

GoM production dropped by 10 tb/d, m-o-m, to average 1.9 mb/d in December, following the continuation of oil spill outages, but was still supported by new project ramp-ups. In the **onshore Lower 48**, crude and condensate production remained broadly unchanged, m-o-m, at an average of 11.0 mb/d in December.

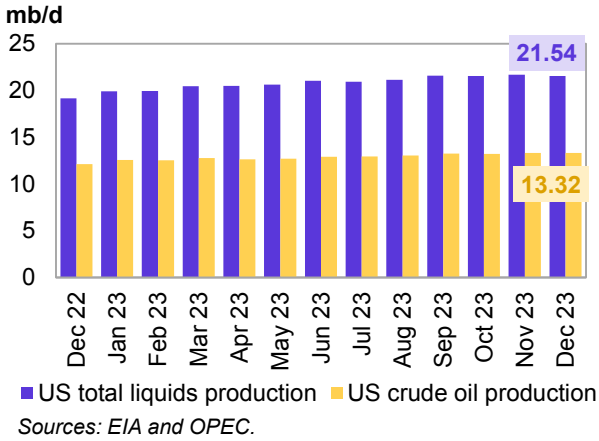
Table 5 - 3: US crude oil production by selected state and region, tb/d

State	Dec 22	Nov 23	Dec 23	Change m-o-m	Change y-o-y
Texas	5,195	5,657	5,637	-20	442
New Mexico	1,773	1,905	1,928	23	155
Gulf of Mexico (GOM)	1,788	1,872	1,862	-10	74
North Dakota	950	1,290	1,285	-5	335
Colorado	413	476	483	7	70
Alaska	447	428	433	5	-14
Oklahoma	414	421	419	-2	5
Total	**12,138**	**13,319**	**13,315**	**-4**	**1,177**

Sources: EIA and OPEC.

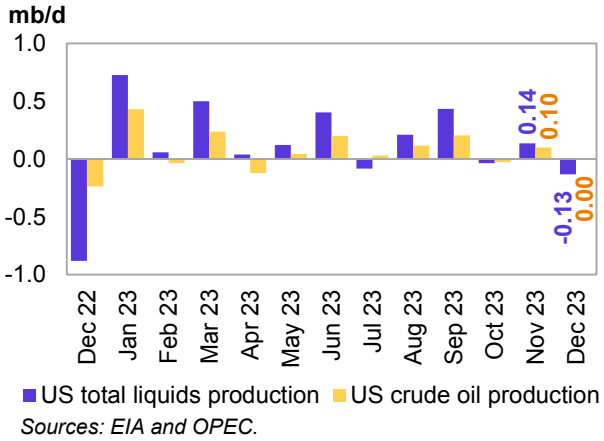
Looking at **individual US states**, New Mexico's oil production rose by 23 tb/d to average 1.9 mb/d, which is 155 tb/d higher than a year ago. Production from Texas was down by 20 tb/d to an average of 5.6 mb/d, which is 442 tb/d higher than a year ago. In the Midwest, North Dakota's production fell by 5 tb/d, m-o-m, to average 1.3 mb/d, up 335 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 7 tb/d, m-o-m, while output in Alaska remained mostly unchanged.

Graph 5 - 7: US monthly crude oil and total liquids supply



Sources: EIA and OPEC.

Graph 5 - 8: US monthly crude oil and total liquids supply, m-o-m changes



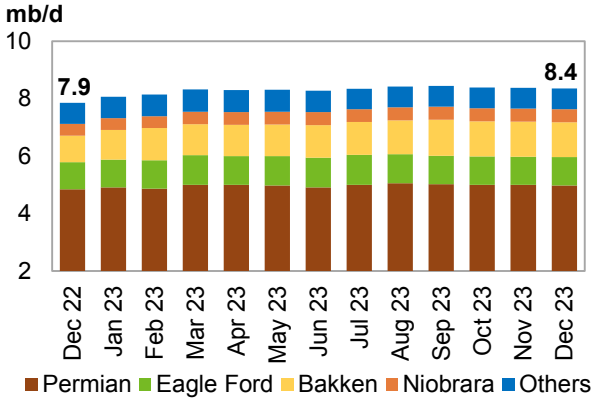
Sources: EIA and OPEC.

US tight crude output in **December** is estimated to have fallen by 24 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 0.5 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 dropped by 18 tb/d for an average of 5.0 mb/d. This was up by 136 tb/d, y-o-y.

In North Dakota, Bakken shale oil output remained largely unchanged, m-o-m, averaging 1.2 mb/d, up by 286 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 42 tb/d, y-o-y. Production at Niobrara-Codell in Colorado and Wyoming was unchanged at an average of 457 tb/d.

Graph 5 - 9: US tight crude output breakdown



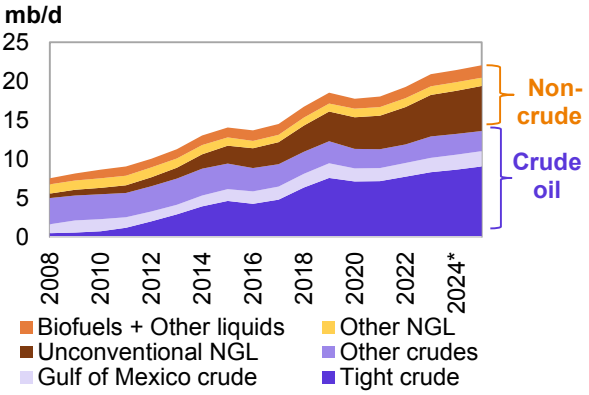
Sources: EIA and OPEC.

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. **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.

At the same time, NGL production and non-conventional liquids, particularly ethanol, are estimated to increase by 0.5 mb/d and 0.1 mb/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 unchanged from the previous assessment. The forecast assumes a modest level of drilling activity and fewer supply chain/logistical issues at the prolific Permian, Bakken and Eagle Ford shale sites this year.

Graph 5 - 10: US liquids supply developments by component



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

Crude oil and condensate output in 2024 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. At the same time, well productivity and operational efficiency improvements are expected to support crude production amid moderate drilling activity increases.

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, y-o-y, by 0.2 mb/d and 20 tb/d, and 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	1.87	0.14	1.90	0.03	1.97	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**	**13.62**	**0.38**
Unconventional NGLs	5.31	0.53	5.55	0.24	5.77	0.22
Conventional NGLs	1.12	-0.03	1.09	-0.03	1.07	-0.02
Total NGLs	**6.43**	**0.50**	**6.64**	**0.21**	**6.84**	**0.20**
Biofuels + Other liquids	1.54	0.10	1.57	0.03	1.59	0.02
US total supply	**20.90**	**1.62**	**21.45**	**0.54**	**22.05**	**0.60**

*Note: * 2024-2025 = Forecast.*

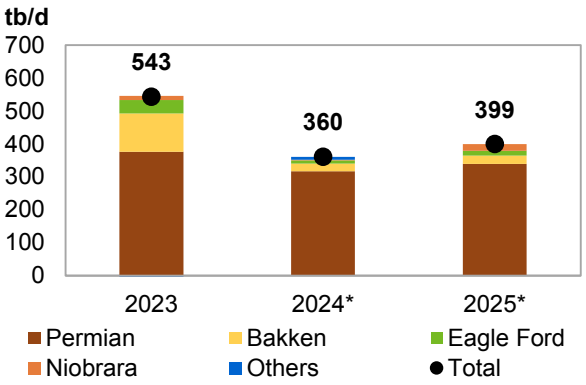
Sources: EIA, OPEC and Rystad Energy.

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 1.1 mb/d. Growth of just 23 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 41 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 - 11: US tight crude output by shale play, y-o-y changes



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

Niobrara's production is estimated to rise by around 12 tb/d, y-o-y, in 2023, to an average of 446 tb/d. With no meaningful expected growth for 2024, output is forecast to rise by 20 tb/d in 2025. In the remaining tight plays, production is estimated to stay steady in 2023, y-o-y, and with a modest pace in drilling and completion activities, an increase of 8 tb/d is expected in 2024, before stabilizing in 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	4.98	0.38	5.30	0.32	5.63	0.34
Bakken shale	1.15	0.12	1.17	0.02	1.19	0.03
Eagle Ford shale	1.00	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	0.74	0.00	0.75	0.01	0.75	0.00
Total	**8.31**	**0.54**	**8.67**	**0.36**	**9.07**	**0.40**

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

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

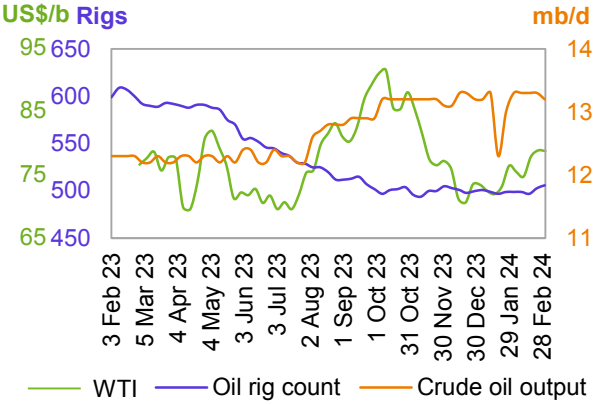
The total number of **active US drilling rigs** in the week ending 3 March 2024 rose by three to 629, according to Baker Hughes, 120 fewer rigs than a year ago. The number of active offshore rigs rose by one, w-o-w, to 21. This is five more than in the same month a year earlier. The number of onshore oil and gas rigs increased by two, w-o-w, to stand at 608, with no rigs added in inland waters. This is down by 124 rigs, y-o-y.

The **US horizontal rig count** rose by one, w-o-w, to 561, compared with 690 horizontal rigs a year ago. The number of drilling rigs for oil increased by three, w-o-w, to 506, while the number of gas-drilling rigs fell by one, w-o-w, to 119.

The Permian's rig count rose by one, w-o-w, to 315. Rig counts remained unchanged in Williston, Eagle Ford and Niobrara at 34, 52 and 12, respectively. Meanwhile, the number of rigs rose by one, w-o-w, in Cana Woodford to 22.

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

Graph 5 - 12: US weekly rig count vs. US crude oil output and WTI price



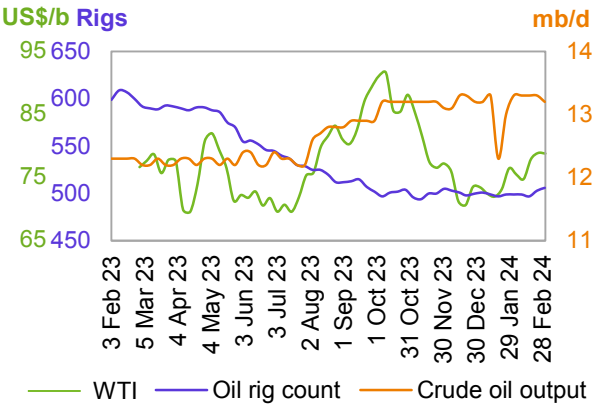
Sources: Baker Hughes, EIA and OPEC.

Drilling and completion (D&C) activities for spudded, completed and started oil-producing wells in all US shale plays included 888 horizontal wells spudded in January (as per preliminary data), based on EIA-DPR regions. This is up by 84, m-o-m, and 2% higher than in January 2023.

Preliminary data for January indicates a lower number of completed wells at 893, but up by 7%, y-o-y. The number of started wells is estimated at 834, which is 18% higher than a year earlier.

Preliminary data for February 2024 saw 861 spudded, 794 completed and 755 started wells, according to Rystad Energy.

Graph 5 - 13: Spudded, completed and started wells in US shale plays

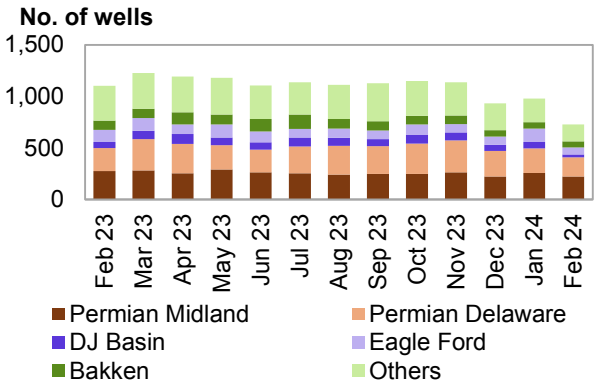


Sources: Baker Hughes, EIA and OPEC.

In terms of identified **US oil and gas fracking operations** by region, Rystad Energy reported that 931 wells were fracked in December 2023. In January and February, it stated that 978 and 727 wells began fracking, respectively, according to preliminary numbers based on the analysis of high-frequency satellite data.

In regional terms, preliminary January data shows that 257 and 239 wells were fracked in the Permian Midland and Permian Delaware regions, respectively. There was an increase of 32 wells in the Midland region and a drop of 8 in Delaware compared with December 2023. Data also indicates that 63 wells were fracked in the DJ Basin, 130 in Eagle Ford and 62 in Bakken during January.

Graph 5 - 14: Fracked wells count per month



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

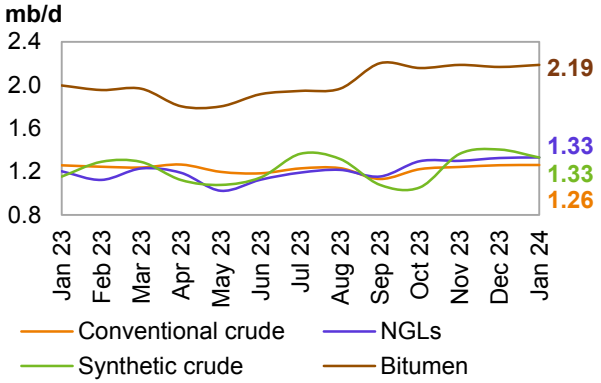
Canada

Canada's liquids production in **January** is estimated to have dropped by 0.1 mb/d, m-o-m, to average 6.1 mb/d. However, it was higher than previous expectations.

Conventional crude production remained unchanged, m-o-m, in January at an average of 1.3 mb/d. NGL output was up by a minor 5 tb/d, m-o-m, averaging 1.3 mb/d.

Crude bitumen production output rose in January by 19 tb/d, m-o-m, while synthetic crude decreased by 74 tb/d, m-o-m. Taken together, crude bitumen and synthetic crude production fell by 55 tb/d to 3.5 mb/d.

Graph 5 - 15: Canada's monthly liquids production development by type

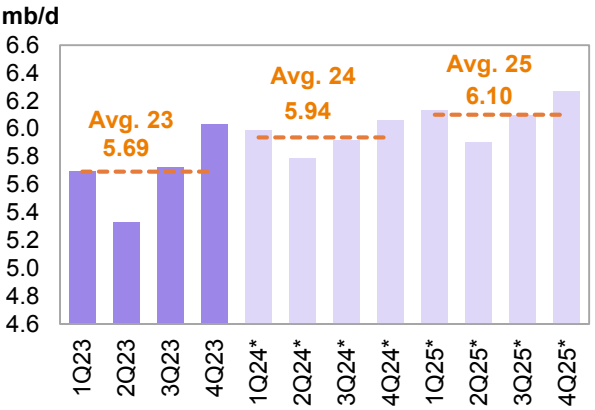


Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

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 an average of 5.9 mb/d. Incremental production is expected to come through oil sands project ramp-ups and the 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 - 16: Canada's quarterly liquids production and forecast



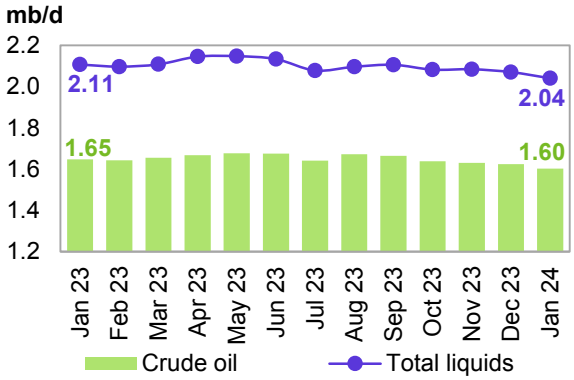
*Note: * 1Q24-4Q25 = Forecast. Source: OPEC.*

Mexico

Mexico's crude output dropped by 23 tb/d, m-o-m, in **January** to average 1.6 mb/d, while NGLs output fell by just 7 tb/d. Mexico's total January liquids output dropped by 30 tb/d, m-o-m, to average 2.0 mb/d, according to the Comisión Nacional de Hidrocarburos (CNH).

For **2024**, liquids production is forecast to decline by 50 tb/d to average 2.1 mb/d, largely unchanged from the previous assessment. 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 - 17: 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

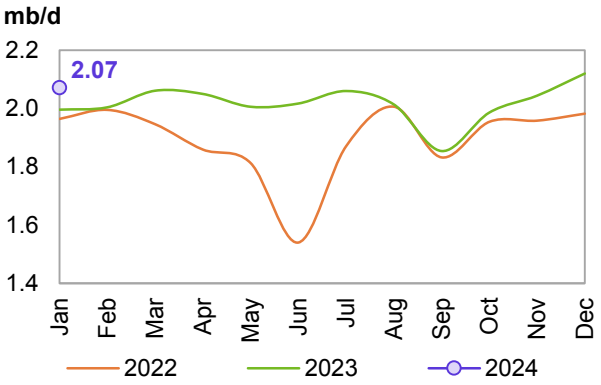
Norwegian liquids production in **January** dropped by 49 tb/d, m-o-m, to average 2.1 mb/d. Norway's crude production increased by 40 tb/d, m-o-m, in January to average 1.8 mb/d, very close to the historical highs, and up by 65 tb/d, y-o-y. Monthly oil production was 1.9% higher than the Norwegian Offshore Directorate's (NOD's) forecast.

Production of NGLs and condensate, in the meantime, fell by 9 tb/d, m-o-m, to average 0.2 mb/d, according to NOD data.

For **2024**, Norwegian liquids production is forecast to grow by 0.1 tb/d to average 2.1 mb/d. This is unchanged from the previous assessment. Several 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.

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.

Graph 5 - 18: Norway's monthly liquids production development



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

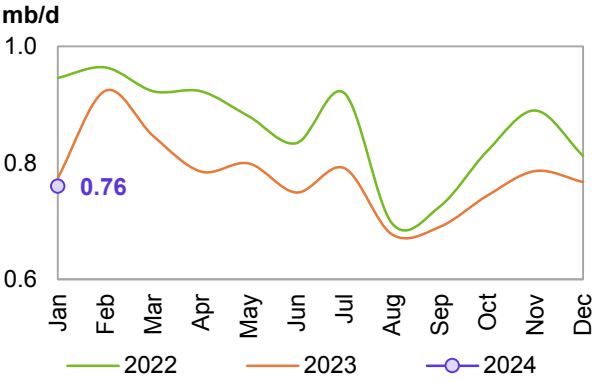
UK

In **January**, **UK liquids production** fell by a minor 7 tb/d, m-o-m, to average 0.8 mb/d. Crude oil output decreased by 8 tb/d, m-o-m, to average 0.6 mb/d, lower by 24 tb/d, y-o-y, according to official data. NGL output remained largely unchanged, averaging 69 tb/d.

For **2024**, UK liquids production is forecast to remain unchanged 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 Clair sites and Schiehallion. 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.

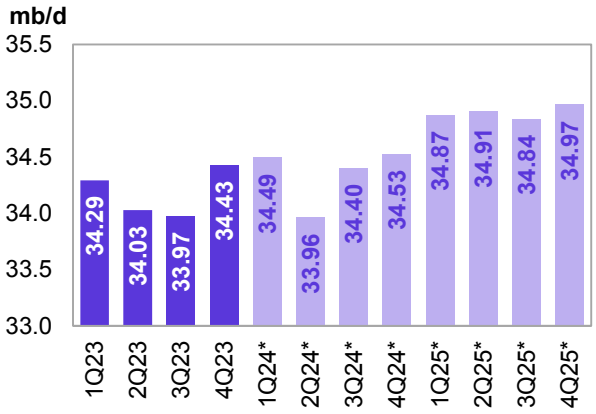
Graph 5 - 19: UK monthly liquids production development



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

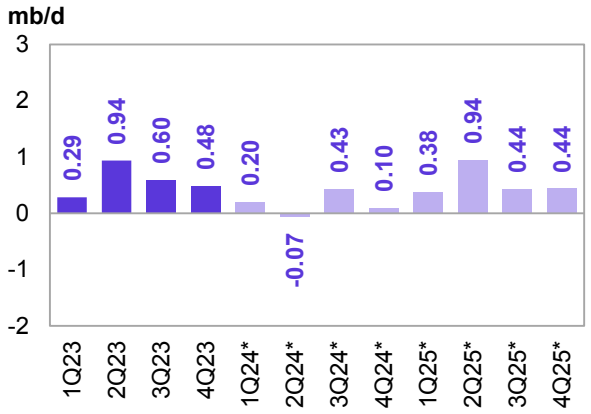
Non-OECD

Graph 5 - 20: Non-OECD quarterly liquids production and forecast



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

Graph 5 - 21: Non-OECD quarterly liquids supply, y-o-y changes



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

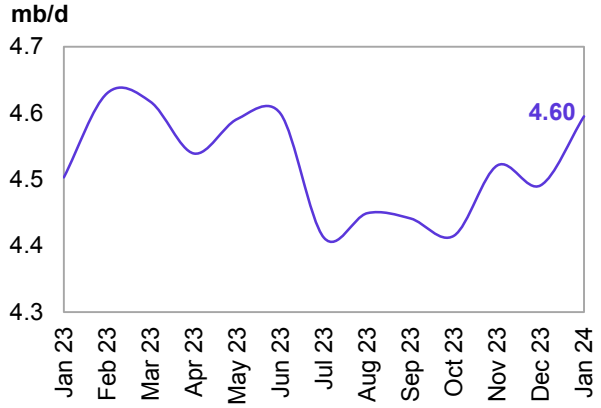
China

China's liquids production rose by 0.1 mb/d, m-o-m, to average 4.6 mb/d in **January**. This is up by 92 tb/d, y-o-y, according to official data. Crude oil output in December averaged 4.3 mb/d, up by 113 tb/d compared with the previous month, and higher by 101 tb/d, y-o-y. Conversely, NGL and condensate production dropped by 8 tb/d, m-o-m, averaging 40 tb/d.

For **2024**, Chinese liquids production is expected to rise by about 10 tb/d, y-o-y, and is forecast to average 4.5 mb/d. This is largely unchanged from the previous assessment. Natural decline rates are expected to be offset by additional growth through more infill wells and EOR projects. For this year, Lingshui 17-2, Lufeng, Liuhua 11-1, Xi'nan, Bozhong 19-2 Oilfield Development, 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.

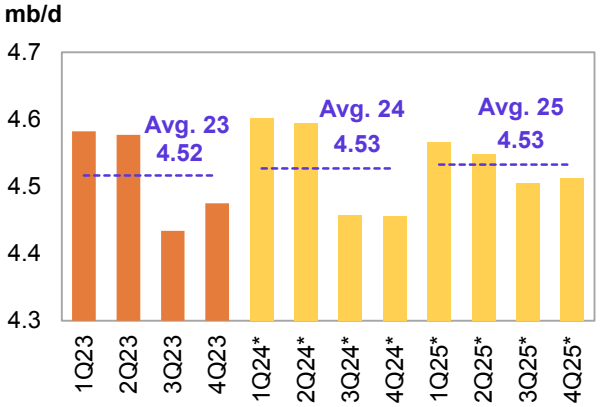
Chinese liquids production is expected to remain steady, y-o-y, and is forecast to average 4.5 mb/d in **2025**. For next year, oil and gas condensate projects like Bozhong 19-6, Huizhou 26-6, Peng Lai 19-9, Shengli, Wushi 17-2, Liaohe and Xijiang 30-2, operated by CNOOC and Sinopec, are planned to come on stream. At the same time, key ramp-ups are expected from Changqing, Tarim, Xibei, Peng Lai 19-9 and Xi'nan.

Graph 5 - 22: China's monthly liquids production development



Sources: CNPC and OPEC.

Graph 5 - 23: China's quarterly liquids production and forecast



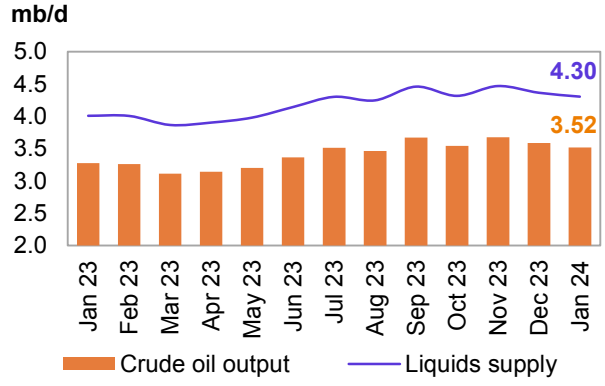
*Note: * 1Q24-4Q25 = Forecast. Sources: CNPC and OPEC.*

Latin America

Brazil

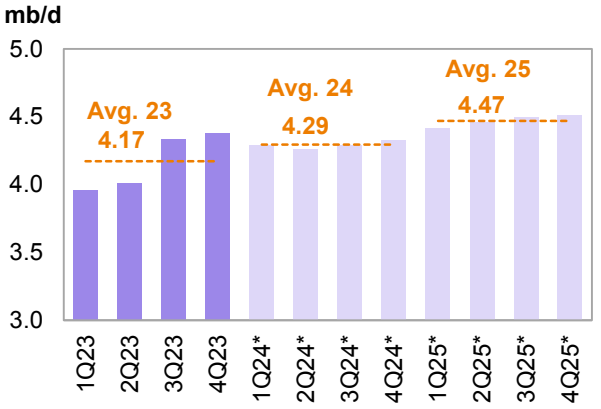
Brazil's crude output in **January** fell by 66 tb/d, m-o-m, to average 3.5 mb/d. NGL production, however, remained largely unchanged at an average of around 80 tb/d and is expected to remain flat in February 2024. Biofuel output (mainly ethanol) remained mostly unchanged at an average of 0.7 mb/d, with preliminary data showing a stable trend in February 2024. The country's total liquids production decreased by 60 tb/d in January to average 4.3 mb/d, but was higher by 0.3 mb/d, y-o-y.

Graph 5 - 24: Brazil's monthly liquids production development by type



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

Graph 5 - 25: Brazil's quarterly liquids production



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

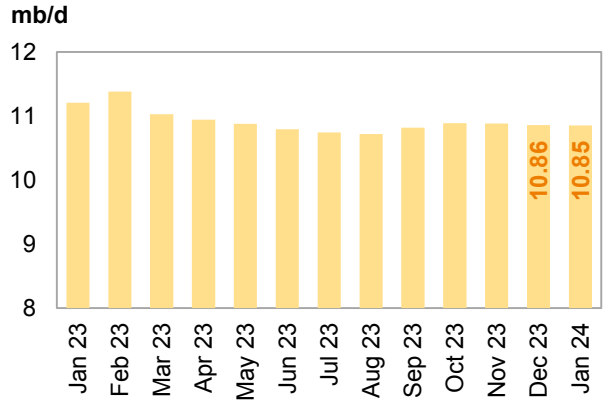
For **2024**, Brazil's liquids supply, including biofuels, is forecast to increase by about 120 tb/d, y-o-y, to average 4.3 mb/d. Crude oil output is expected to increase through production ramp-ups in the Buzios (Franco), Mero (Libra NW), Tupi (Lula) and Itapu (Florim) fields. Oil project start-ups are expected at the Buzios, 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 4.5 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

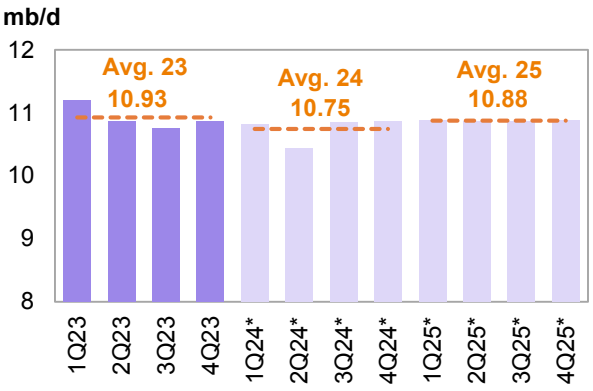
Russia's liquids production in January is estimated to remain steady, m-o-m, to average 10.9 mb/d. This includes 9.5 mb/d of crude oil and 1.4 mb/d of NGLs and condensate.

Graph 5 - 26: Russia's monthly liquids production



Sources: Nefte Compass and OPEC.

Graph 5 - 27: Russia's quarterly liquids production



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

For **2024**, Russian liquids production is forecast to drop by about 0.2 mb/d compared with the previous year, averaging 10.7 mb/d. It is worth noting that this takes into account all the voluntary announced crude oil production adjustments to the end of 2024 including the statement on 3 March 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 by 0.1 mb/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.

Caspian

Kazakhstan & Azerbaijan

Liquids output in Kazakhstan remained largely unchanged, m-o-m, at an average of 2.0 mb/d in **January**. Crude production was up by 15 tb/d, m-o-m, to average 1.6 mb/d. NGL and condensate output decreased by 10 tb/d, m-o-m, to an average of 0.4 mb/d.

For **2024**, the liquids supply is forecast to increase by about 10 tb/d to average 1.9 mb/d, revised down by 13 tb/d compared with the previous assessment, as the higher-than-expected output in January was offset by the voluntary adjustment implication in 2Q24. Oil production in the Kashagan field and gas condensate output in the Karachaganak field are expected to rise marginally.

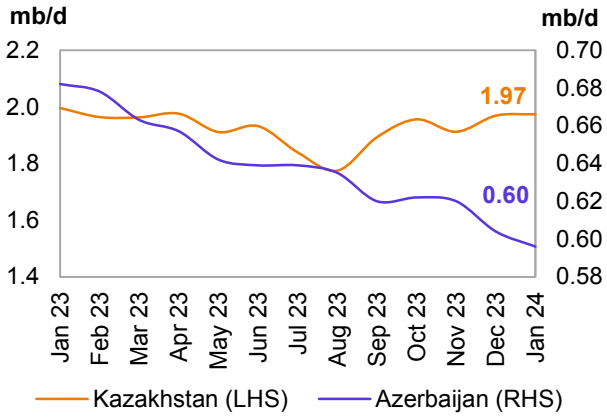
Kazakhstan's liquids supply is forecast to rise by 0.1 tb/d to average 2.1 mb/d in **2025**. Growth is expected mainly from production ramp-ups in the Tengiz oil field, given the expansion at the Tengizchevroil Future Growth Project (FGP) and the Wellhead Pressure Management Project in 1Q25.

Azerbaijan's liquids production in **January** fell by 8 tb/d, m-o-m, averaging 0.6 mb/d, which is a drop of 86 tb/d, y-o-y. Crude production averaged 474 tb/d, with NGL output at 122 tb/d, according to official sources.

Azerbaijan's liquids supply for **2024** is forecast to rise by about 15 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.

Graph 5 - 28: Caspian monthly liquids production development by selected country



Sources: Nefte Compass, JODI and OPEC.

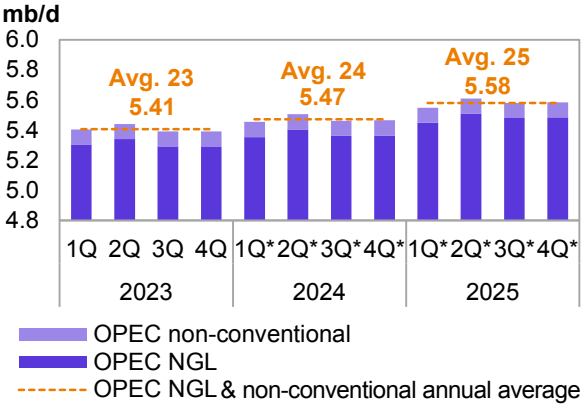
OPEC NGLs and non-conventional oils

OPEC NGLs and non-conventional liquids are estimated to expand by about 65 tb/d in **2024** to average 5.5 mb/d. NGL production is projected to grow by 60 tb/d to average 5.4 mb/d, while non-conventional liquids are forecast to remain unchanged at 0.1 mb/d.

Preliminary data shows NGL output in 1Q24 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 January, according to preliminary data.

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.

Graph 5 - 29: OPEC NGLs and non-conventional liquids quarterly production and forecast



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

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: 2024-2025 = Forecast.

Source: OPEC.

OPEC crude oil production

According to secondary sources, total **OPEC-12 crude oil production** averaged 26.57 mb/d in February 2024, 203 tb/d higher, m-o-m. Crude oil output increased mainly in Libya and Nigeria, while production in IR Iran and Iraq decreased.

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

Secondary sources	2022	2023	2Q23	3Q23	4Q23	Dec 23	Jan 24	Feb 24	*Change* Feb/Jan
Algeria	1,018	976	979	952	961	957	911	918	*6*
Congo	261	260	264	259	250	241	244	251	*7*
Equatorial Guinea	84	56	59	59	52	52	55	51	*-4*
Gabon	194	203	203	202	216	219	205	205	*0*
IR Iran	2,554	2,859	2,698	3,005	3,154	3,172	3,163	3,148	*-15*
Iraq	4,439	4,275	4,135	4,289	4,305	4,292	4,217	4,203	*-14*
Kuwait	2,704	2,595	2,585	2,560	2,552	2,543	2,429	2,421	*-8*
Libya	981	1,164	1,168	1,160	1,171	1,177	1,023	1,167	*144*
Nigeria	1,210	1,314	1,242	1,279	1,381	1,414	1,429	1,476	*47*
Saudi Arabia	10,531	9,609	10,151	8,993	8,955	8,937	8,962	8,980	*18*
UAE	3,066	2,950	2,941	2,912	2,907	2,896	2,926	2,933	*7*
Venezuela	684	749	755	767	774	782	804	820	*16*
Total OPEC	**27,726**	**27,012**	**27,181**	**26,437**	**26,679**	**26,681**	**26,368**	**26,571**	***203***

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	Dec 23	Jan 24	Feb 24	*Change* Feb/Jan
Algeria	1,020	973	971	951	958	954	907	906	*-1*
Congo	262	271	280	269	259	260	258	245	*-13*
Equatorial Guinea	81	55	59	58	53	52	52	47	*-5*
Gabon	191	..	203	..	..	..	..	..	..
IR Iran	..	..	..	..	..	..	..	..	..
Iraq	4,453	4,117	3,959	4,101	4,123	4,086	3,979	3,992	*13*
Kuwait	2,707	2,590	2,590	2,548	2,548	2,548	2,413	2,413	*0*
Libya	..	1,189	1,181	1,187	1,191	1,179	1,040	1,173	*133*
Nigeria	1,138	1,234	1,144	1,201	1,313	1,335	1,427	1,322	*-104*
Saudi Arabia	10,591	9,606	10,124	8,969	8,901	8,944	8,956	9,011	*55*
UAE	3,064	2,944	2,941	2,904	2,892	2,891	2,925	2,914	*-11*
Venezuela	716	783	808	797	796	802	841	877	*36*
Total OPEC	..	..	..	..	..	..	..	..	..

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

Source: OPEC.

Product Markets and Refinery Operations

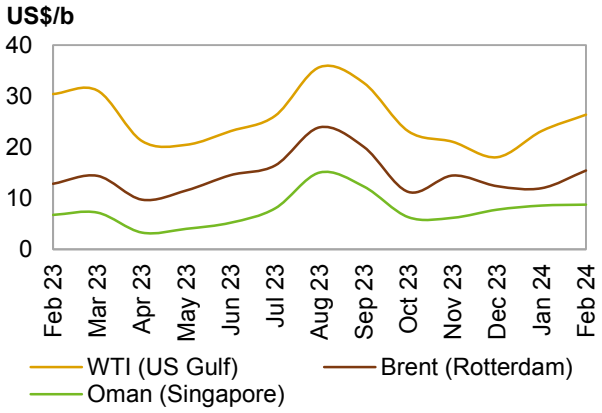
In February, refinery margins in all main trading hubs strengthened further as ongoing refinery maintenance interventions limited processing rates and restricted product output, exerting downward pressure on product stocks. The gains were mostly driven by stronger gasoline markets, reflecting reduced availability of the product, elevated octane prices and a positive gasoline market outlook for the coming months. Additionally, robust naphtha performance in the USGC, as well as improvement in gasoil performance both in Northwest Europe (NWE) and Southeast Asia, further supported refining economics. NWE gasoil crack spreads faced upward pressure amid a decline in western refinery output, which exacerbated the products' availability contraction in Rotterdam, given the ongoing geopolitical tensions. This improvement in Roterdams' gasoil markets, coupled with positive gasoline performance in the Atlantic basin, contributed to strengthening East-to-West volume exports for both products, which, along with healthy regional demand within Asia, provided support to refining economics in Singapore.

Global refinery intake fell by 958 tb/d in February to average 79.9 mb/d, down from 80.8 mb/d recorded in the previous month and representing a 434 tb/d, y-o-y, decline. Refinery intakes are expected to remain under pressure in the coming months amid heavy turnaround works.

Refinery margins

US Gulf Coast (USGC) refining margins against WTI extended their upward trend, adding solid gains in February, with refinery turnarounds in the country resulting in lower product output. This drove product prices higher except fuel oil. The positive USGC refining economic performance was mostly driven by naphtha and gasoline despite the notable downturn associated with residual fuel. Naphtha represented the strongest contributor to the recorded gains, with crack spreads ascending into positive territory following ten consecutive months below the zero mark. Naphtha demand for gasoline blending picked up with the transition to summer-grade gasoline. At the same time, gasoline prices continued to increase, reflecting lower production levels, downward pressure on stocks, elevated octane prices and a positive outlook for the coming months.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

On the other hand, a steep downturn registered at the bottom section of the barrel was caused by a reduction in high sulphur fuel oil coker feedstock requirements amid extensive refinery maintenance works. This likely prevented further upside to USGC refining economics in February.

In terms of operations, US refinery intake decreased to average 14.91 mb/d in February, showing a monthly drop of 1.0 mb/d. USGC margins against WTI averaged $26.36/b, up by $3.20, m-o-m, but down by $4.05, y-o-y.

Refinery margins in Rotterdam against Brent rebounded from the downturn registered in the previous month to show the largest gains across key regions in February. The largest share of this monthly gain was derived from only two products. The geopolitical tensions and subsequent disruption in the flow of products drove freight costs higher amid lower refinery output. This exacerbated gasoil tightness in the region, pushing up crack spreads for the same product considerably higher. Gasoline, the second positive contributor, was supported by limited supplies, high octane prices and firm exports to West Africa. The combined improvement in both products' performance was sizeable and completely offset the losses registered with all other products across the barrel in NWE. On a yearly basis, margins in Rotterdam showed positive gains for the first time, following eleven months of y-o-y declines, except last October. This points to product market tightness comparable to or even more pronounced than what was seen a year earlier. The related bullish product market sentiment could worsen in the coming months with the continuation of maintenance works and through the upcoming summer season, exerting additional upward pressure on NWE product prices in the near term.

Refinery throughput in Europe decreased in February, according to preliminary data, and was 310 tb/d lower m-o-m, averaging 9.33 mb/d. Refinery margins against Brent in Europe averaged $15.45/b in February, which is $3.46 higher, m-o-m, and $2.59 higher, y-o-y.

Singapore's refining margins against Oman increased for the third consecutive month despite gains remaining notably more limited compared to its Western counterparts. Firm product demand from India and the Lunar New Year festivities in China provided support to the regional markets, particularly for the regional gasoline and gasoil markets. However, restored refinery operations in the Middle East following heavy maintenance there led to stronger jet/kerosene and residual fuel supplies, which weighed on the corresponding products' performances. Additionally, despite firm requirements for petrochemical feedstock and gasoline blending, the vast product availability added to the weakness registered in the regional product markets but was outweighed by the gasoline and gasoil-related strength.

In February, combined refinery intakes for Japan, China, India, Singapore and South Korea experienced marginal increases of 90 tb/d relative to the previous month, averaging 26.89 mb/d, according to preliminary data. Refinery margins against Oman in Asia experienced a rise of 18¢, m-o-m, to average $8.76/b, which was $2.01 higher, y-o-y.

Refinery operations

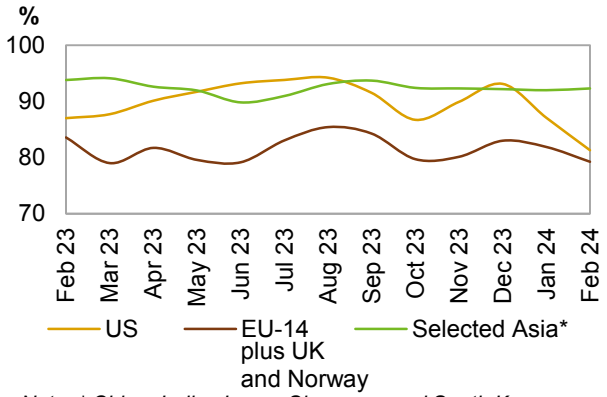
US refinery utilization rates in February decreased to an average of 81.29%, corresponding to a throughput of 14.91 mb/d. This represents a drop of 5.8 pp and 1.0 mb/d compared with January.

Compared with the previous year, the February refinery utilization rate was down by 5.7 pp, with throughput showing a 780 tb/d drop.

European refinery utilization averaged 79.23% in February, corresponding to throughput of 9.33 mb/d. This represents a 2.6 pp or 310 tb/d, m-o-m, decline. On a yearly basis, the utilization rate was down by 4.3 pp, and throughput was 510 tb/d lower.

In **Selected Asia** – Japan, China, India, Singapore and South Korea – refinery utilization rates increased marginally to an average of 92.3% in February, corresponding to a throughput of 26.89 mb/d. Compared with the previous month, utilization rates were up by 0.3 pp, and throughput was higher by 90 tb/d. Relative to the previous year, utilization rates were lower by 1.5 pp, and throughput was down by 434 tb/d.

Graph 6 - 2: Refinery utilization rates



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

Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				*Refinery utilization, %*			
	Dec 23	Jan 24	Feb 24	Change Feb/Jan	Dec 23	Jan 24	Feb 24	Change Feb/Jan
US	**17.07**	**15.91**	**14.91**	**-1.00**	**93.10**	**87.07**	**81.29**	**-5.8 pp**
Euro-14, plus UK and Norway	**9.77**	**9.64**	**9.33**	**-0.31**	**82.99**	**81.87**	**79.23**	**-2.6 pp**
France	0.95	0.94	0.91	-0.03	82.37	81.85	78.88	-3.0 pp
Germany	1.56	1.69	1.61	-0.08	75.85	82.22	78.37	-3.9 pp
Italy	1.28	1.34	1.29	-0.06	67.16	70.76	67.79	-3.0 pp
UK	1.01	0.98	0.94	-0.04	85.93	83.64	80.29	-3.3 pp
Selected Asia*	**26.85**	**26.80**	**26.89**	**0.09**	**92.18**	**91.99**	**92.30**	**0.3 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**	**18.72**	**18.04**	**19.05**	**19.27**	**18.49**	**18.15**
of which US	*15.66*	*16.48*	*16.51*	*15.78*	*16.75*	*17.02*	*16.47*	*15.47*
OECD Europe	**10.93**	**11.44**	**11.33**	**11.29**	**11.11**	**11.72**	**11.19**	**11.03**
of which:								
France	*0.69*	*0.84*	*0.93*	*0.83*	*0.87*	*1.06*	*0.95*	*0.92*
Germany	*1.72*	*1.83*	*1.61*	*1.64*	*1.59*	*1.67*	*1.55*	*1.65*
Italy	*1.23*	*1.32*	*1.30*	*1.28*	*1.26*	*1.32*	*1.32*	*1.30*
UK	*0.92*	*1.04*	*0.97*	*1.03*	*1.01*	*0.96*	*0.89*	*0.92*
OECD Asia Pacific	**5.79**	**6.10**	**5.85**	**6.16**	**5.68**	**5.74**	**5.82**	**5.94**
of which Japan	*2.49*	*2.71*	*2.56*	*2.77*	*2.38*	*2.54*	*2.54*	*2.72*
Total OECD	**34.51**	**36.23**	**35.90**	**35.49**	**35.84**	**36.73**	**35.50**	**35.13**
Latin America	**3.50**	**3.37**	**3.51**	**3.46**	**3.58**	**3.48**	**3.50**	**3.53**
Middle East	**6.80**	**7.28**	**7.61**	**7.43**	**7.58**	**7.86**	**7.56**	**7.87**
Africa	**1.77**	**1.73**	**1.44**	**1.67**	**1.67**	**1.62**	**0.82**	**0.91**
India	**4.73**	**5.00**	**5.18**	**5.35**	**5.22**	**5.03**	**5.10**	**5.33**
China	**14.07**	**13.49**	**14.78**	**14.57**	**14.78**	**15.19**	**14.57**	**14.39**
Other Asia	**4.72**	**4.89**	**4.98**	**4.88**	**5.15**	**4.90**	**5.01**	**5.11**
Russia	**5.61**	**5.46**	**5.50**	**5.67**	**5.40**	**5.49**	**5.43**	**5.60**
Other Eurasia	**1.23**	**1.15**	**1.10**	**1.24**	**1.10**	**1.06**	**1.02**	**1.03**
Other Europe	**0.41**	**0.48**	**0.49**	**0.45**	**0.43**	**0.51**	**0.57**	**0.51**
Total Non-OECD	**42.85**	**42.85**	**44.59**	**44.72**	**44.91**	**45.15**	**43.58**	**44.28**
Total world	**77.36**	**79.08**	**80.48**	**80.21**	**80.75**	**81.88**	**79.08**	**79.40**

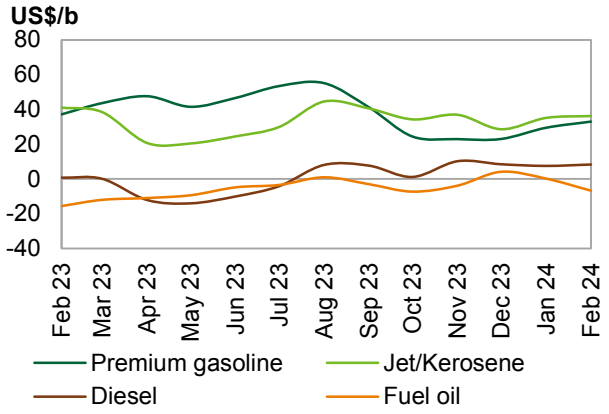
Note: Totals may not add up due to independent rounding.
Sources: AFREC, APEC, EIA, IEA, Euroilstock, PAJ, Ministry data, including Ministry of Energy of the Russian Federation, Ministry of Petroleum and Natural Gas of India, OPEC and JODI.

Product markets

US market

The **USGC gasoline crack spread** lost momentum but further extended its' upward trajectory, with February gains sized significantly slimmer than that registered in the previous month. The positive performance was attributed to increasing refinery maintenance works, which kept gasoline output limited. The resulting declines in gasoline production levels were reflected in wholesale product pricing, which rose by over $7.03/b, m-o-m, in the USGC (premium and regular grade gasoline average). In addition, gasoline prices in the USCG continued to be affected by elevated octane (a blending component for final gasoline) prices. Consequently, the USGC gasoline crack spread gained $3.55/b, m-o-m, to average $33.02/b in February and represented the second-highest contributor across the barrel to the m-o-m improvement in USGC refining margins following naphtha.

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



Sources: Argus and OPEC.

The **USGC jet/kerosene crack spread** increased further to show gains for the second consecutive month as the product balance contracted with lower refinery runs. The products availability is expected to contract further in the near term. Although inventories could see some stock builds once refineries return online from maintenance, the balance will come under pressure with rising air travel activities in the coming months. Jet fuel/kerosene wholesale prices saw a $4.09/b increase, m-o-m, averaging $113.14/b. The USGC jet/kerosene crack spread gained $1.08, m-o-m, to average $36.25/b in February.

The **USGC gasoil crack spread** changed directions following two consecutive months of declines, as refinery operational disruptions due to heavy repair works led to lower gasoil production. In addition, firm diesel exports to Europe, given the geopolitical tensions and the resulting East-to-West product flow diversions, provided further support. Gasoil prices averaged $85.22/b in February, up $3.82 compared to January. The US gasoil crack spread against WTI averaged $8.33/b, up by 81¢/b, m-o-m, and $7.60, y-o-y.

The **USGC fuel oil crack spread** against WTI continued to exhibit negative performance as the sole negative performer across the USGC barrel, showing a sizeable monthly loss in February. This is partly attributed to the ongoing downward correction from the counter-seasonal hike registered in December in response to the initial impact of the geopolitical tensions. In addition, high sulphur fuel oil demand requirements for secondary units were reported lower in the USGC, which led to rising availability and the registered weakness in the products' profitability indicator. In February, the US fuel oil crack spread against WTI fell $6.92/b, m-o-m, diving into negative territory to average minus $6.70/b, but was $8.81 higher, y-o-y.

European market

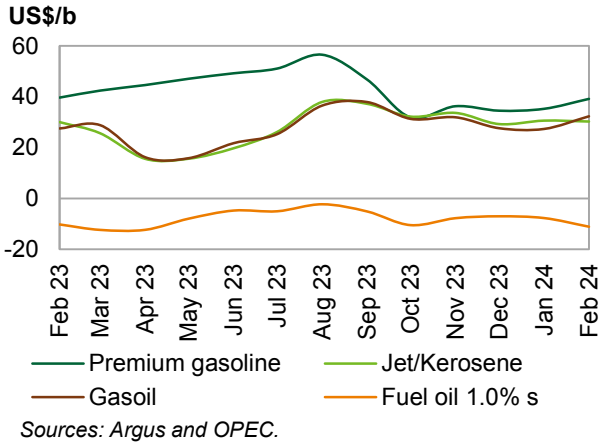
The gasoline crack spread in Rotterdam increased as higher octane prices pushed gasoline prices higher, while lower production levels in the Atlantic basin due to maintenance and firm gasoline export to West Africa underpinned the product's market in the region. Going forward, the gasoline crack spread is expected to rise further with the ongoing reduction in global gasoline production levels amid increasing refinery turnarounds and the recent announcement of the Russian gasoline export ban. The gasoline crack spread against Brent averaged $39.15/b in February, which was $3.90 higher, m-o-m, but 50¢ lower, y-o-y.

In February, the **jet/kerosene crack spread** lost some ground as requirements from the aviation section remained subdued while inflows from the East strengthened. The declines in refinery jet/kerosene output were counterbalanced by the adverse demand-side pressures. Going forward, European jet/kerosene crack spreads are expected to experience upward pressure as the products' 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 $30.28/b, down by 35¢, m-o-m, but was 23¢ higher, y-o-y.

The **gasoil 10 ppm crack spread** in Rotterdam jumped and fully recovered the loss recorded in the previous month. Gasoil supplies remained affected by the geopolitical tension, with restrictions and delays in the products imported into Europe exerting upward pressure on gasoil prices. The onset of the heavy refinery turnaround season and the subsequent reduction in gasoil production likely provided added support. The gasoil crack spread against Brent averaged $32.33/b, up by 4.99, m-o-m, and $4.80, y-o-y.

At the bottom of the barrel, **fuel oil 1.0% crack spreads** weakened further as fuel oil availability in the East increased, signalling ample supply in the international market available for imports into Europe.

Graph 6 - 4: Rotterdam crack spreads vs. Brent



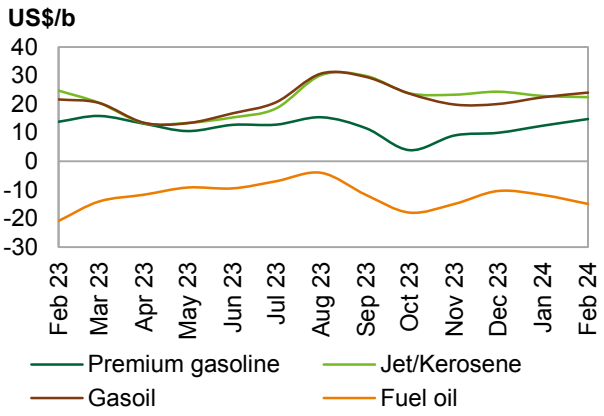
Sources: Argus and OPEC.

The onset 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 $72.80/b, which was 26¢/b higher than the previous month. In NWE, fuel oil 1.0% cracks against Brent averaged minus $11.10/b in February, a decline of $3.38, m-o-m, and 88¢, y-o-y.

Asian market

The Southeast **Asian gasoline 92 crack** posted solid gains and was the strongest positive performer in Singapore, reaching a six-month high in February. In Southeast Asia, gasoline showed the largest monthly gain across the board as firm regional demand, particularly from India and China, backed the products markets. Additionally, lower gasoline availability in the Atlantic basin incentivised East-West volume flows, allowing Asian refiners to capture gains on the growing gasoline deficit in the West. 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 February averaged $14.76/b. This was up by $2.31/b, m-o-m, and by 95¢, y-o-y.

Graph 6 - 5: Singapore crack spreads vs. Dubai



Sources: Argus and OPEC.

Asian naphtha crack spreads experienced further loss as supplies increased with higher inflows from the Middle East, despite firm requirements for petrochemical feedstock and gasoline blending. The Singapore naphtha crack spread against Oman averaged minus $8.34/b, which is $2.64 lower, m-o-m, and $3.27 lower, 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 typically remain subdued this time of the year. This is in line with reports of ample jet/kerosene availability in the region. The Lunar New Year festivities in China failed to provide any significant positive impact on regional jet/kerosene markets. The Singapore jet/kerosene crack spread against Oman averaged $22.44/b, down by 41¢, m-o-m, and $2.28/b, y-o-y.

The Singapore **gasoil crack spread** continued to increase for the third consecutive month as regional demand remained supportive while export opportunities to Europe provided further backing. 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 $24.05/b, up by $1.62/b, m-o-m, and by $2.39, y-o-y.

The Singapore **fuel oil 3.5% crack spread** extended its downward trend. Fuel oil supplies in the region increase with higher inflows from the Middle East as a new refinery recently ramped up to full capacity, boosting residual fuel supplies. The ongoing heavy refinery turnaround season is expected to increase residual fuel demand from the bunker, which could provide support to the products' performance in the near term. Singapore's high sulphur fuel oil crack spread against Oman averaged minus $14.90/b, down by $3.12, m-o-m, but was up by $5.97, y-o-y.

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

Event	Time frame	Observations	Asia	Europe	US
Refinery maintenance season	Mar 24–Jun 24	The resulting reduction in product output is expected to exert upward pressure on fuel prices and crack spreads in the near term.	↑ Support product crack spreads	↑ Support product crack spreads	↑ Support product crack spreads
Recovery in US manufacturing	Mar 24–Jun 24	Signals suggesting that the slowdown in manufacturing is coming to a halt set the stage for resumed growth in manufacturing output and new orders. This could support gasoil markets and lead to tight diesel availability in the country, particularly during the heavy maintenance and summer seasons.	↑ Support gasoil crack spreads	↑ Support gasoil crack spreads	↑ Support gasoil crack spreads
Refining capacity growth	2024–2026	Net expansion of nearly 3.5 mb/d expected by 2026. Africa, China and Mexico. This should lead to greater product availability and may initially and temporarily weigh on refining margins.	↓ Pressure on product markets	↓ Pressure on product markets	↓ Pressure on product markets

Source: OPEC.

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

		Jan 24	Feb 24	Change Feb/Jan	Annual avg. 2023	Year-to-date 2024
US Gulf (Cargoes FOB)						
Naphtha*		72.04	79.26	7.22	72.51	75.65
Premium gasoline	(unleaded 93)	103.35	109.91	6.56	117.23	106.63
Regular gasoline	(unleaded 87)	91.08	98.58	7.50	104.59	94.83
Jet/Kerosene		109.05	113.14	4.09	113.51	111.10
Gasoil	(0.2% S)	81.40	85.22	3.82	78.57	83.31
Fuel oil	(3.0% S)	66.53	64.70	-1.83	68.14	65.62
Rotterdam (Barges FoB)						
Naphtha		70.61	73.32	2.71	71.06	71.97
Premium gasoline	(unleaded 98)	115.51	123.05	7.54	125.96	119.28
Jet/Kerosene		110.89	114.18	3.29	111.74	112.54
Gasoil/Diesel	(10 ppm)	107.60	116.23	8.63	111.19	111.92
Fuel oil	(1.0% S)	72.54	72.80	0.26	74.29	72.67
Fuel oil	(3.5% S)	67.87	70.13	2.26	72.79	69.00
Mediterranean (Cargoes FOB)						
Naphtha		68.11	70.10	1.99	68.45	69.11
Premium gasoline**		92.78	100.20	7.42	101.80	96.49
Jet/Kerosene		107.61	109.62	2.01	107.77	108.62
Diesel		106.29	113.46	7.17	109.08	109.88
Fuel oil	(1.0% S)	78.18	78.55	0.37	78.85	78.37
Fuel oil	(3.5% S)	61.84	69.29	7.45	66.47	65.57
Singapore (Cargoes FOB)						
Naphtha		73.03	72.48	-0.55	69.53	72.76
Premium gasoline	(unleaded 95)	95.94	100.07	4.13	98.62	98.01
Regular gasoline	(unleaded 92)	91.18	95.58	4.40	94.00	93.38
Jet/Kerosene		101.58	103.26	1.68	104.68	102.42
Gasoil/Diesel	(50 ppm)	102.45	106.10	3.65	105.99	104.28
Fuel oil	(180 cst)	100.74	103.97	3.23	102.35	102.36
Fuel oil	(380 cst 3.5% S)	66.95	65.92	-1.03	69.23	66.44

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

Sources: Argus and OPEC.

Tanker Market

VLCC spot rates recovered further in February on all monitored routes, with the Middle East-to-East route leading gains. On average, VLCC spot freight rates rose 11%, m-o-m. Compared with the same month of 2023, VLCC rates were 19% higher.

Suezmax spot freight rates gave up the gains of the previous month, dropping 19%, m-o-m, in February, while Aframax rates saw a large decline of 18%, m-o-m, across all routes.

Clean tanker spot freight rates saw an increase, with East of Suez rates surging by 18%, m-o-m, in February, as trade disruptions triggered some rebooking. West of Suez rates also rose, jumping by 22%, m-o-m, in February.

Spot fixtures

Global spot fixtures recovered from the losses seen last month, increasing in February by 1.3 mb/d, or about 10%, m-o-m, to average 14.6 mb/d. Compared with February 2023, global spot fixtures fell by 1.1 mb/d, or over 7%.

OPEC spot fixtures increased by nearly 1 mb/d, or about 10%, to average 10.1 mb/d in February. Compared with the same month last year, fixtures declined by about 1.0 mb/d, or around 9%.

Middle East-to-East fixtures dropped by 0.4 mb/d, or above 6%, to average 5.9 mb/d. Compared with the same month in 2023, fixtures on the Middle East-to-East route fell by 0.8 mb/d, or about 12%.

Spot fixtures on the **Middle East-to-West** route rose by 0.4 mb/d, or about 29%, m-o-m, to average 1.4 mb/d. Fixtures were up 0.1 mb/d or 7%, y-o-y.

Fixtures on routes **outside the Middle East** increased by 0.2 mb/d, or nearly 7%, m-o-m, to average 2.8 mb/d. Compared with the same month of 2023, fixtures were 0.3 mb/d, or 10% lower.

Table 7 - 1: Spot fixtures, mb/d

Spot fixtures	Dec 23	Jan 24	Feb 24	*Change* Feb 24/Jan 24
All areas	14.4	13.3	14.6	1.3
OPEC	9.6	9.2	10.1	0.9
Middle East/East	5.8	5.5	5.9	0.4
Middle East/West	1.0	1.0	1.4	0.4
Outside Middle East	2.9	2.6	2.8	0.2

Sources: Oil Movements and OPEC.

Sailings and arrivals

OPEC sailings increased by 1.5 mb/d, or 7%, m-o-m, to average 21.2 mb/d in February. Compared with the same month in 2023, OPEC sailings were 0.8 mb/d, or nearly 4% lower. **Middle East sailings** averaged 16.4 mb/d in February, representing an increase of 0.3 mb/d, or around 2%, m-o-m. Y-o-y, sailings from the region were almost in line with the level seen in February 2023.

Crude arrivals rose in all destinations except North America. **North American arrivals** fell by 0.3 mb/d, or 3%, to average just under 8.8 mb/d. compared with February 2023, North American arrivals were 0.5 mb/d, or about 5%, lower. In contrast, **arrivals in Europe** increased by about 0.4 mb/d, or nearly 4%, to average 11.8 mb/d. Compared with the same month of 2023, arrivals to Europe remained broadly unchanged in February.

Far East arrivals rose by 0.6 mb/d, or about 4%, m-o-m, to average 14.9 mb/d. Y-o-y, arrivals in the region were up by 1.2 mb/d or nearly 9%. **Arrivals** in **West Asia** averaged 8.2 mb/d, representing an increase of 0.4 mb/d or almost 5%. Y-o-y, arrivals in the region were 0.2 mb/d, or about 3%, higher.

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

Sailings	Dec 23	Jan 24	Feb 24	Change Feb 24/Jan 24
OPEC	19.1	19.8	21.2	1.5
Middle East	16.2	16.1	16.4	0.3
Arrivals				
North America	9.2	9.1	8.8	-0.3
Europe	12.2	11.3	11.8	0.4
Far East	14.9	14.3	14.9	0.6
West Asia	7.6	7.8	8.2	0.4

Sources: Oil Movements and OPEC.

Dirty tanker freight rates

Very large crude carriers

VLCC spot rates recovered further in February on all monitored routes, with the Middle East-to-East route leading gains. On average, VLCC spot freight rates rose 11%, m-o-m. Compared with the same month of 2023, VLCC rates were 19% higher.

Rates on the **Middle East-to-West** route increased 13%, m-o-m, to average WS52 points in February. Compared with the same month of 2023, rates on the route were 24% higher. On the **Middle East-to-East** route, rates rose 13%, m-o-m, to average WS70 points. This represents a y-o-y increase of 17%.

West Africa-to-East spot rates were up by 8%, m-o-m, to average WS70 points in February. Compared with the same month of 2023, rates were up 15%.

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

VLCC	Size 1,000 DWT	Dec 23	Jan 24	Feb 24	Change Feb 24/Jan 24
Middle East/East	230-280	59	62	70	8
Middle East/West	270-285	37	46	52	6
West Africa/East	260	59	65	70	5

Sources: Argus and OPEC.

Suezmax

Suezmax spot freight rates gave up the gains of the previous months in February, dropping 19%, m-o-m. They were 8% lower than in the same month of 2023.

On the **West Africa-to-USGC** route, spot freight rates declined by 18%, m-o-m, in February to average WS103 points. Compared with the same month of 2023, spot rates declined by 8%.

Rates on the **USGC-to-Europe** route fell 20%, m-o-m, to average WS92 points. Compared with the same month of 2023, they were 8% lower.

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

Suezmax	Size 1,000 DWT	Dec 23	Jan 24	Feb 24	Change Feb 24/Jan 24
West Africa/US Gulf Coast	130-135	95	125	103	-22
US Gulf Coast/ Europe	150	86	115	92	-23

Sources: Argus and OPEC.

Aframax

Aframax spot freight rates declined in February. On average, rates fell by 18%, m-o-m, and they were 7% lower than in the same month of the previous year.

Rates on the **Indonesia-to-East** route saw a loss of 7%, m-o-m, to average WS157 points in February. Compared with the same month of 2023, rates were 16% lower.

Spot rates on the **Caribbean-to-US East Coast (USEC)** reversed the trend during the last month, dropping 32%, m-o-m, to average WS191 points in February. Rates were in line with the same month of 2023.

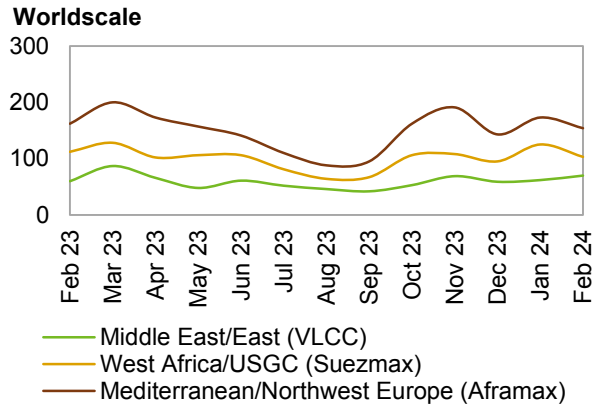
Table 7 - 5: Dirty Aframax spot tanker freight rates, WS

Aframax	Size 1,000 DWT	Dec 23	Jan 24	Feb 24	Change Feb 24/Jan 24
Indonesia/East	80-85	160	169	157	-12
Caribbean/US East Coast	80-85	135	281	191	-90
Mediterranean/Mediterranean	80-85	151	190	166	-24
Mediterranean/Northwest Europe	80-85	143	173	154	-19

Sources: Argus and OPEC.

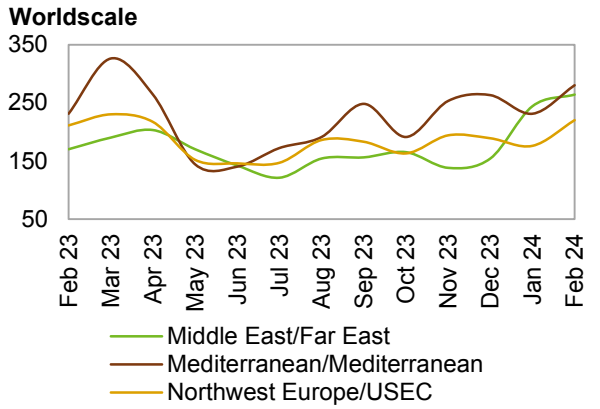
Cross-Med spot freight rates decreased 13%, m-o-m, to average WS166 points. This represents an 8% decline, y-o-y. At the same time, rates on the **Mediterranean-to-Northwest Europe (NWE)** route dropped 11%, m-o-m, to average WS154 points. Compared with the same month of 2023, rates declined by 5%.

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 large increase in February, with East of Suez rates rising by 18%, m-o-m, and West-of-Suez rates increasing by 22%. As a result, clean spot rates averaged 20% higher overall.

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

East of Suez	Size 1,000 DWT	Dec 23	Jan 24	Feb 24	Change Feb 24/Jan 24
Middle East/East	30-35	154	244	264	20
Singapore/East	30-35	182	244	311	67
West of Suez					
Northwest Europe/US East Coast	33-37	189	176	220	44
Mediterranean/Mediterranean	30-35	263	231	280	49
Mediterranean/Northwest Europe	30-35	273	241	290	49

Sources: Argus and OPEC.

Rates on the **Middle East-to-East** route rose 8%, m-o-m, to average WS264 points in February. Compared with the same month in 2023, rates were up 55%. Clean spot freight rates on the **Singapore-to-East** route increased 27%, m-o-m, to average WS311 points. This was 27% higher than in the same month of 2023.

Spot freight rates on the **NWE-to-USEC** route gained 25%, m-o-m, to average WS220 points. This represents a 4% increase compared with February 2023.

Rates for the **Cross-Med** route rose 21%, m-o-m, to average WS280 points, and rates on the **Med-to-NWE** route showed a similar gain, up 21%, m-o-m, to average WS290 points. When compared with the same month of 2023, rates were up around 20% on both routes.

Crude and Refined Products Trade

Preliminary data shows that US crude imports averaged 6.5 mb/d in February, representing an increase of over 3%, m-o-m, while US crude exports remain at a relatively healthy level, averaging 4.6 mb/d. This represents an increase of about 11%, m-o-m. US product exports rose by nearly 3% to average 6.4 mb/d in February.

China's crude imports averaged 11.2 mb/d in January, according to preliminary estimates, representing a decline of 1.8%, m-o-m. Product exports averaged 1.2 mb/d in January, representing a small drop of 1.0%, m-o-m. Compared to the same period in 2023, product exports declined by over 27%.

India's crude imports in January gained 9.4%, m-o-m, to reach 5.1 mb/d. When compared to the same time last year, crude imports increased by about 7%. In January, products imports rose slightly, m-o-m, to average 1.1 mb/d. Y-o-y, product inflows decreased by 0.6%.

Japan's crude imports in January fell by 8.6%, m-o-m, to stand at 2.4 mb/d. Compared with the same month in 2023, crude inflows declined by 10.8%

Product imports, including LPG, rose by 1.5%, m-o-m, to average 1,001 tb/d in January. Compared with January 2023, product inflows, including LPG, witnessed a gain of 1.0%.

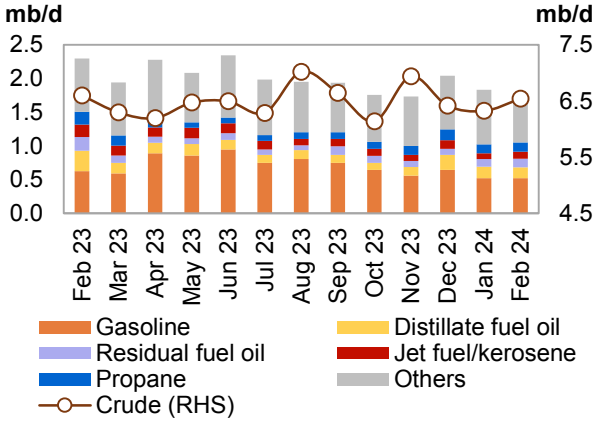
Crude imports into OECD Europe are expected to fluctuate, with inflows strengthening in December before falling back in January and February. Crude exports to Asia are seen increasing in December before declining slightly in January and February, according to Kpler data.

US

Preliminary data shows that **US crude imports** averaged 6.5 mb/d in February, representing an increase of 0.2 mb/d, or over 3%, m-o-m. The increases materialised partly as some refiners are coming back from outages related to severe weather conditions. Compared with the same month last year, crude imports were 60 tb/d, or 0.9%, lower.

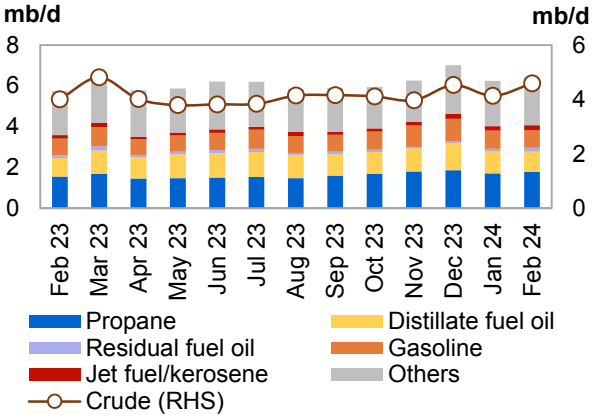
The latest official monthly data from the US Energy Information Administration (EIA) shows crude imports from Canada averaging around 3.9 mb/d in December, representing a share of just over 60%. Imports from Mexico averaged 0.8 mb/d, or nearly 12%, while imports from Brazil averaged 0.3 mb/d, or about 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 remain at a relatively healthy level in February, averaging 4.6 mb/d, according to preliminary data. This represents an increase of about 0.5 mb/d, or 11%, m-o-m. Crude outflows were 0.6 mb/d, or nearly 15% higher when compared to the same month last year.

US **net crude imports** averaged just under 2 mb/d in February, compared with 2.2 mb/d the month before and 2.6 mb/d during the same month last year.

On the **products** side, **imports** fell 0.1 mb/d, m-o-m, or nearly 5%, to average around 1.7 mb/d. The bulk of the declines were seen in the other products category, which largely offset the increase in jet fuel/kerosene and residual fuel oil. Compared with the same month of 2023, product inflows fell by around 0.5 mb/d, or nearly 24%.

According to preliminary data, product exports rose by 0.2 mb/d, or nearly 3%, to average 6.4 mb/d in February. Within the products, the bulk of the increase came from residual fuel, followed by propane/propylene and jet fuel kerosene, while exports registered declines in distillate fuel and gasoline. Compared with the same month last year, product exports rose by 0.7 mb/d, or around 12%.

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

US	Dec 23	Jan 24	Feb 24	*Change* Feb 24/Jan 24
Crude oil	1.89	2.19	1.95	-0.24
Total products	-4.98	-4.41	-4.66	-0.25
Total crude and products	**-3.09**	**-2.22**	**-2.71**	**-0.49**

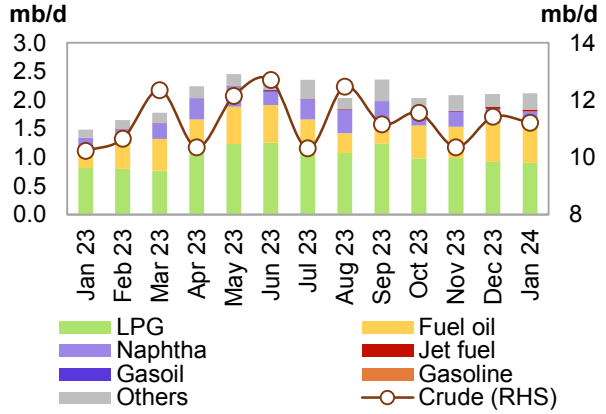
Note: Totals may not add up due to independent rounding.
Sources: EIA and OPEC.

Looking ahead, the ongoing refinery maintenance season in the US is likely to push crude imports lower in the coming month. US crude exports are expected to remain elevated, with higher flows to Asia and continued healthy demand from Europe.

China

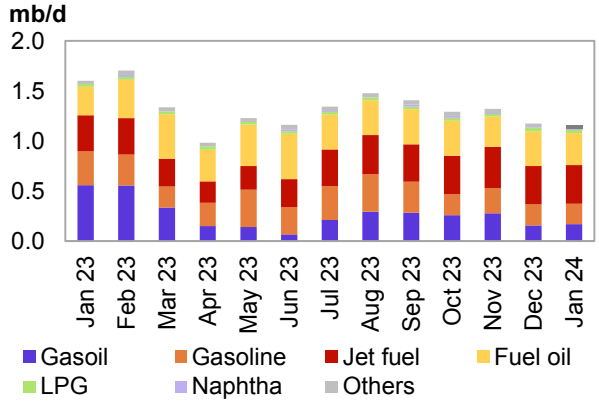
China's crude imports averaged an estimated 11.2 mb/d in January, according to preliminary estimates, representing a decline of 207 tb/d or 1.8%, m-o-m. China trade flow data for the first month of the year is generally impacted by the beginning of the Lunar New Year Holiday when refinery activity slows. However, compared with January 2023, China's crude imports jumped by nearly 1.0 mb/d, or almost 10%.

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 January with a share of almost 18%, down from 20% the month before. Saudi Arabia was second with 15%, Iraq was third with over 11% and Brazil fourth with almost 10%.

Product imports in January rose slightly by 18 tb/d or 0.9%, averaging 2.1 mb/d, preliminary estimates show. Gains in other products were offset by declines in fuel oil, LPG and naphtha. Compared to the same period in 2023, product imports were 0.6 mb/d, or nearly 43%, higher.

Product exports averaged 1.2 mb/d in January based on preliminary estimates, representing a small drop of 11 tb/d, or 1.0%, m-o-m. Losses were driven by fuel oil, gasoline and LPG, while diesel and jet fuel experienced gains. Compared to the same period in 2023, product exports declined by 440 tb/d, or over 27%.

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

China	Nov 23	Dec 23	Jan 24	Change Jan 24/Dec 23
Crude oil	10.34	11.40	11.21	-0.19
Total products	0.77	0.92	0.95	0.03
Total crude and products	**11.10**	**12.32**	**12.17**	**-0.16**

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

Sources: China OGP and OPEC.

Net product imports averaged 954 tb/d in January, compared to 924 tb/d in December and net exports of 122 tb/d in the same month of 2023.

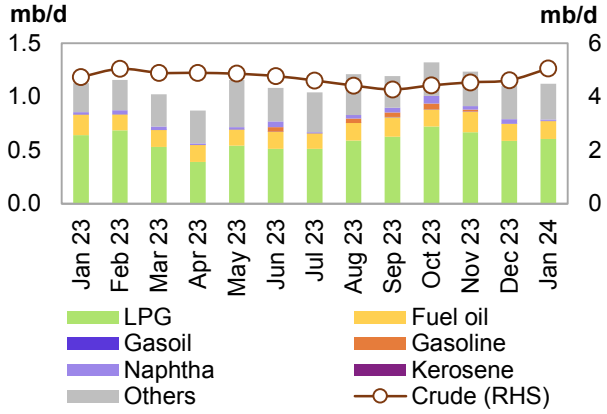
Looking ahead, preliminary indications point to China's crude imports being muted in February as the Lunar New Year holidays keep refinery processing rates low. However, China's crude imports are expected to accelerate again in March as economic activities begin to pick up.

India

India's crude imports in January gained 435 tb/d, or 9.4%, m-o-m, to reach 5.1 mb/d. When compared to the same period last year, crude imports increased 314 tb/d, or about 7%.

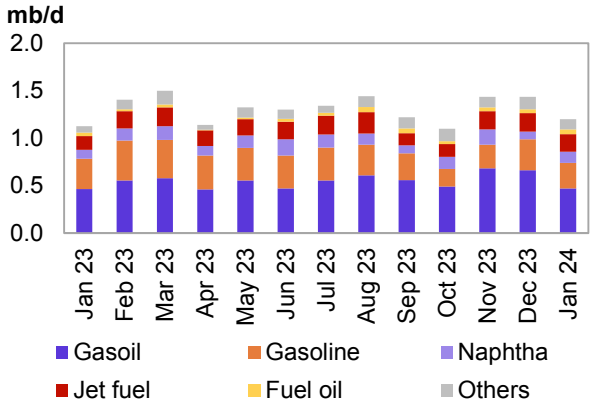
In terms of **crude imports by source**, Kpler data shows Russia had a share of 32% of India's total crude imports in December, followed by Iraq with 25% and Saudi Arabia with 15%.

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** rose slightly by 20 tb/d, or 1.8%, m-o-m, to average 1.1 mb/d in January 2024. LPG and fuel oil led gains. LPG inflows reversed the downtrend registered during the last two months, increasing by 19 tb/d. Y-o-y, product inflows decreased 7 tb/d, or 0.6%.

Product exports in January 2024 fell by 236 tb/d, or 16.5%, m-o-m, to stand at 1.2 mb/d. Outflows of diesel and gasoline declined due to higher domestic consumption. However, this was partially offset by higher naphtha and fuel oil outflows. Compared to the same month of 2023, product outflows from India were up by 74 tb/d, or more than 7%.

As a result, India's **net product exports** stood at 79 tb/d in January 2024. This compares to net exports of 335 tb/d the month before and 2 tb/d in January 2023.

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

India	Nov 23	Dec 23	Jan 24	Change Jan 24/Dec 23
Crude oil	4.54	4.61	5.05	0.44
Total products	-0.20	-0.34	-0.08	0.26
Total crude and products	**4.34**	**4.28**	**4.97**	**0.69**

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.

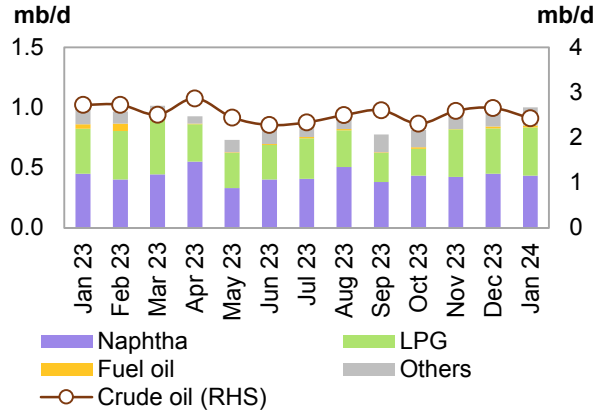
Looking ahead, India's crude imports are expected to remain relatively stable in February, while product exports are likely to decline, as trade disruptions make flows to Europe more expensive.

Japan

Japan's crude imports in January 2024 fell by 228 tb/d or 8.6%, m-o-m, to stand at 2.4 mb/d. Compared with the same month of 2023, crude inflows declined by 294 tb/d, or 10.8%.

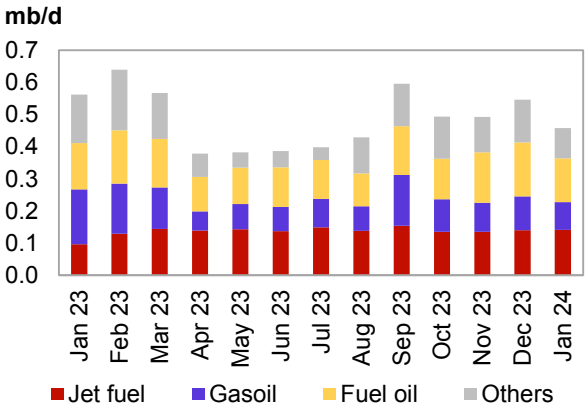
In terms of **crude imports by source**, the United Arab Emirates held the highest share in January with 42%. Saudi Arabia was second with 39%, followed by Kuwait with over 7%.

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 by 15 tb/d, or 1.5%, m-o-m, to average 1,001 tb/d in January 2024. Gains were seen in LPG, gasoline and kerosene, while naphtha and fuel oil registered a drop. Compared with January 2023, product inflows witnessed a gain of 10 tb/d, or 1.0%.

Product exports, including LPG, dropped in January, down 88 tb/d, or just above 16%, m-o-m. Losses were led by fuel oil, gasoil and gasoline, while naphtha and jet fuel exports registered higher. The slight increase in jet fuel outflows could be attributed to some improvement in aviation activities in the region. Compared with the same month of 2023, product exports were down 104 tb/d, or over 18%.

Consequently, Japan's **net product imports**, including LPG, averaged 543 tb/d in January 2024. This compares with 440 tb/d the month before and 430 tb/d in January 2023.

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

Japan	Nov 23	Dec 23	Jan 24	*Change* Jan 24/Dec 23
Crude oil	2.59	2.66	2.43	-0.23
Total products	0.45	0.44	0.54	0.10
Total crude and products	**3.04**	**3.10**	**2.97**	**-0.13**

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

Sources: METI and OPEC.

Looking ahead, Japan's crude imports are expected to reverse the decline and pick up in February amid higher flows from the Middle East. Meanwhile, product exports are expected to increase on the back of higher outflows of gasoil/diesel and LPG.

OECD Europe

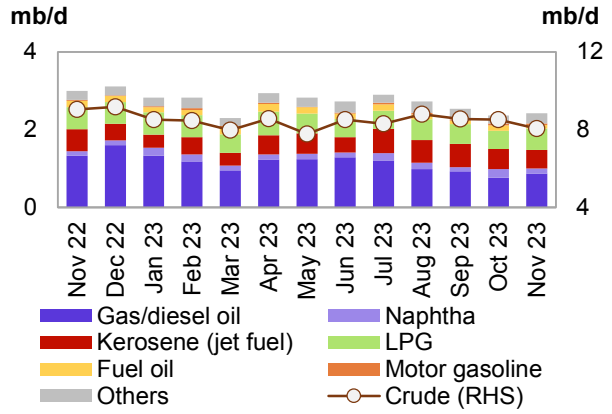
The latest official data for the **OECD Europe** region shows that **crude imports** declined further in **November**, falling 0.5 mb/d, m-o-m, or over 5%, to average 8.1 mb/d. Compared with the same month in 2022, crude imports declined by about 1.0 mb/d, or around 11%.

In terms of **import sources** from outside the region, the US provided the highest volume of crude flows in November, with almost 1.7 mb/d. Iraq was second with around 853 tb/d, followed by Nigeria and Kazakhstan with 841 tb/d and 815 tb/d, respectively.

Crude exports averaged 128 tb/d in **November**, representing a gain of 41 tb/d from the previous month. Compared to the same month of 2022, crude outflows were down by 91 mb/d, or 42%. Korea was the top destination for crude exports outside the region for the month, taking in around 68 tb/d.

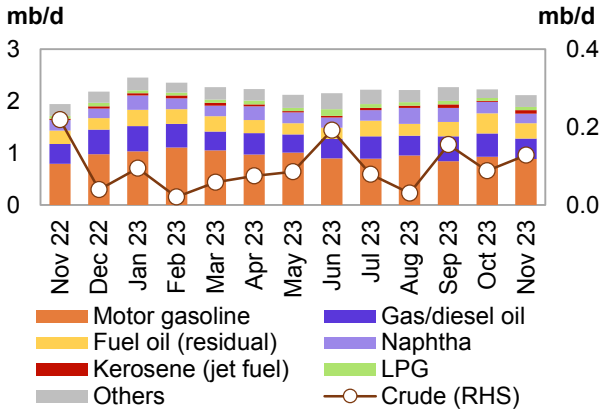
Net crude imports averaged 8.2 mb/d in November, compared with almost 8.6 mb/d in October and about 8.8 mb/d in November 2022.

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



Sources: IEA and OPEC.

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



Sources: IEA and OPEC.

In terms of petroleum **products**, **imports** increased, m-o-m, by 59 tb/d, or 2.5%, to average 2.4 mb/d. Gains were seen in diesel and LPG in naphtha, fuel oil and kerosene declined m-o-m. Compared with November 2022, product inflows fell by 0.6 mb/d, or 19%.

Product exports fell113 tb/d or over 5 %, m-o-m, in November to average 2.1 mb/d. Losses in fuel oil, diesel, gasoline and naphtha outpaced gains in kerosene. Compared to the same month of 2022, product outflows increased by 169 tb/d, or almost 9%.

Net product imports averaged 307 tb/d in November, compared with 134 tb/d the month before and 1,048 tb/d in November 2022.

Combined, **net crude and product imports** averaged 8.2 mb/d in November, compared with 8.6 mb/d in October and 9.9 mb/d in November 2022.

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

OECD Europe	Sep 23	Oct 23	Nov 23	Change Nov 23/Oct 23
Crude oil	8.40	8.43	7.93	-0.50
Total products	0.27	0.13	0.31	0.17
Total crude and products	**8.67**	**8.56**	**8.23**	**-0.33**

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 and February. Crude exports to Asia are expected to increase in December before declining slightly in January and February according to Kpler data.

Eurasia

Total crude oil exports from Russia and Central Asia averaged 6.3 mb/d in January, representing a slight m-o-m decline of 15 tb/d, or 0.2%. Gains were seen in the Black Sea, which offset oil exports in other terminals. Compared to the same month of 2022, outflows were about 70 tb/d, or 1.1%, lower.

Crude exports through the **Transneft system** reversed the gains in December and declined by 178 tb/d, or 4.6%, m-o-m, in January to average 3.7 mb/d. All outlets saw a decline except Primorsk. Compared to the same month of 2023, exports were about 230 tb/d, or nearly 6%, lower. Transneft shipments from the **Black Sea** port of Novorossiysk decreased 103 tb/d, or about 18%, to average 454 tb/d. Crude exports from the **Baltic Sea** rose 46 tb/d, or about 3%, to average 1.6 mb/d. Flows from Primorsk reversed the decline registered last month and increased by 140 tb/d, or almost 18%, to average 940 tb/d. Exports from Ust-Luga fell 94 tb/d, or about 13%, to average 612 tb/d.

Shipments via the **Druzhba** pipeline were negligibly lower, averaging 299 tb/d in January. Compared to the same month of 2023, exports via the pipeline were down by 86 tb/d, or 22%. Exports to inland China via the **ESPO pipeline** dropped by 21 tb/d, or about 3%, averaging 602 tb/d in January. This is slightly higher than the flows seen in January 2023. Flows to the Pacific port of **Kozmino** averaged 812 tb/d, representing a loss of 95 tb/d, or almost 11%. This was about 46 tb/d, or 5%, lower than in the same month of 2023.

In the **Lukoil system**, exports via the Varandey offshore platform in the Barents Sea decreased 23 tb/d, or 20%, m-o-m, to average 94 tb/d in January.

On other routes, the combined exports from **Russia's Far East** ports, De Kastri and Aniva, were broadly unchanged at an average of 275 tb/d in January. This was 39 tb/d, or 17%, higher than the volumes shipped in the same month of 2023.

Central Asian exports averaged 213 tb/d in January, representing a loss of 2.6% compared to December 2023 and a 1.5% drop from the same month of 2023.

Black Sea total exports from the **CPC terminal** jumped 190 tb/d, or nearly 15%, in January to average 1.5 mb/d. This represents an increase of 195 tb/d, or about 15%, compared with the same month of 2023. Exports via the **Baku-Tbilisi-Ceyhan (BTC) pipeline** rose slightly in January to average 539 tb/d.

Total product exports from Russia and Central Asia increased further by 112 tb/d, or nearly 5%, m-o-m, to average 2.6 mb/d in January. The m-o-m gain was primarily driven by gasoline and naphtha, which more than offset declines in VGO and jet fuel. Y-o-y, total product exports declined by around 0.6 mb/d, or 20%, with declines across all major products.

Commercial Stock Movements

Preliminary January 2024 data shows total OECD commercial oil stocks down by 26.8 mb, m-o-m. At 2,735 mb, they were 94 mb lower than the same time one year ago, 132 mb lower than the latest five-year average and 192 mb below the 2015–2019 average. Within the components, crude and product stocks fell by 10.7 mb and 16.1 mb, m-o-m, respectively.

OECD commercial crude stocks stood at 1,318 mb in January. This was 62 mb lower than the same time a year ago, 53 mb below the latest five-year average and 113 mb lower than the 2015–2019 average.

OECD total product stocks fell by 16.1 mb in January to stand at 1,416 mb. This is 32 mb below the same time a year ago, 80 mb lower than the latest five-year average and 79 mb below the 2015–2019 average.

In terms of days of forward cover, OECD commercial stocks dropped by 0.9 days, m-o-m, in January to stand at 59.6 days. This is 2.4 days lower than in January 2023, 4.7 days lower than the latest five-year average and 2.4 days less than the 2015–2019 average.

Preliminary data for February 2024 shows that total US commercial oil stocks fell by 4.2 mb, m-o-m, to stand at 1,223 mb. This is 43.9 mb, or 3.5%, lower than the same month in 2023 and 30.5 mb, or 2.4%, below the latest five-year average. Crude stocks rose by 21.1 mb, while product stocks fell by 25.3 mb, m-o-m.

OECD

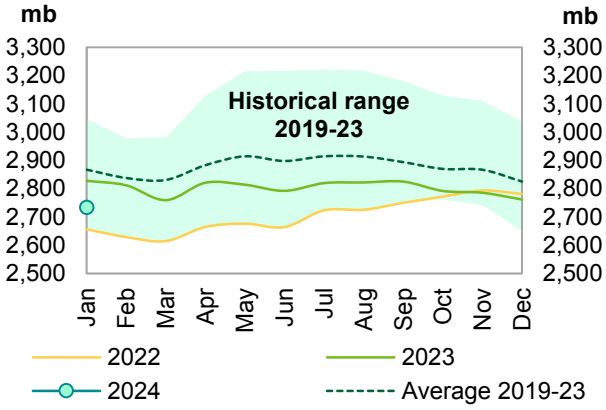
Preliminary January 2024 data shows total OECD **commercial oil stocks** down by 26.8 mb, m-o-m. At 2,735 mb, they were 94 mb lower than the same time one year ago, 132 mb lower than the latest five-year average and 192 mb below the 2015–2019 average.

Within the components, crude and product stocks fell by 10.7 mb and 16.1 mb, m-o-m, respectively.

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

OECD **commercial crude stocks** stood at 1,318 mb in January. This was 62 mb lower than the same time a year ago, 53 mb below the latest five-year average, and 113 mb lower than the 2015–2019 average.

Graph 9 - 1: OECD commercial oil stocks



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

Within the OECD regions, OECD Europe and OECD Asia Pacific saw crude stock draws of 6.6 mb and 5.1 mb, m-o-m, respectively, while crude stocks in OECD America rose by 1.0 mb.

OECD **total product stocks** fell by 16.1 mb in January to stand at 1,416 mb. This is 32 mb below the same time a year ago, 80 mb lower than the latest five-year average and 79 mb below the 2015–2019 average.

Within the OECD regions, product stocks in OECD Americas witnessed draws of 18.5 mb, m-o-m, while OECD Europe and OECD Asia-Pacific product stocks rose by 1.5 mb and 0.8 mb, respectively.

Table 9 - 1: OECD commercial stocks, mb

OECD stocks	Jan 23	Nov 23	Dec 23	Jan 24	*Change* Jan 24/Dec 23
Crude oil	1,380	1,355	1,329	1,318	*-10.7*
Products	1,449	1,430	1,433	1,416	*-16.1*
Total	**2,828**	**2,786**	**2,761**	**2,735**	***-26.8***
Days of forward cover	**62.0**	**61.1**	**60.6**	**59.6**	***-0.9***

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 0.9 days, m-o-m, in January to stand at 59.6 days. This is 2.4 days lower than the level registered in January 2023, 4.7 days lower than the latest five-year average and 2.4 days less than the 2015–2019 average.

Within the OECD regions, OECD Americas stood at 3.5 days and OECD Asia Pacific 2.0 days below the latest five-year average, at 60.6 days and 45.7 days, respectively. OECD Europe was 8.6 days below the latest five-year average, standing at 65.6 days.

OECD Americas

OECD Americas' **total commercial stocks** fell by 17.4 mb, m-o-m, in January to settle at 1,509 mb. This is 2.9 mb lower than the same month in 2023 and 24.1 mb below the latest five-year average.

Commercial **crude oil stocks** in OECD Americas rose by 1.0 mb, m-o-m, in January to stand at 760 mb, which is 13.9 mb less than in January 2023 and 6.1 mb lower than the latest five-year average.

In contrast, **total product stocks** in OECD Americas fell m-o-m by 18.5 mb in January to stand at 749 mb. This is 10.9 mb higher than the same month in 2023, but 18.0 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 5.2 mb, m-o-m, in January to settle at 879 mb. This is 86.5 mb lower than the same month in 2023, and 92.5 mb below the latest five-year average.

OECD Europe's **commercial crude stocks** dropped by 6.6 mb, m-o-m, to end January at 383 mb. This is 41.0 mb less than one year ago and 33.5 mb lower than the latest five-year average.

In contrast, Europe's **total product stocks** rose by 1.5 mb, m-o-m, to end January at 496 mb. This is 45.5 mb less than the same time a year ago and 59.0 mb below the latest five-year average.

OECD Asia Pacific

OECD Asia Pacific's **total commercial oil stocks** fell by 4.2 mb, m-o-m, in January to stand at 346 mb. This is 4.3 mb lower than the same time a year ago and 15.9 mb below the latest five-year average.

OECD Asia Pacific's **crude stocks** fell by 5.1 mb, m-o-m, to end January at 175 mb. This is 6.6 mb lower than one year ago and 12.9 mb below the latest five-year average.

In contrast, OECD Asia Pacific's **total product stocks** rose by 0.8 mb, m-o-m, to end January at 171 mb. This is 2.3 mb higher than one year ago, but 2.9 mb below the latest five-year average.

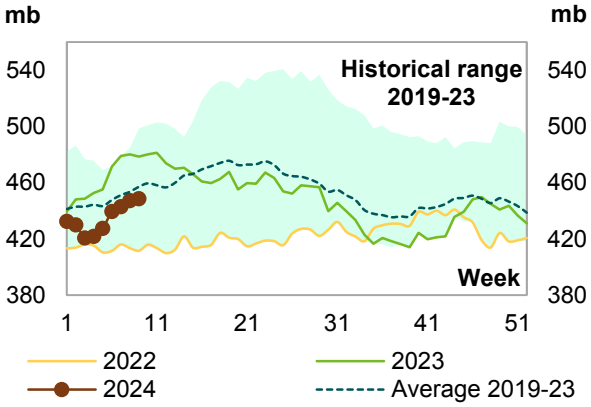
US

Preliminary data for **February 2024** shows that **total US commercial oil stocks** fell by 4.2 mb, m-o-m, to stand at 1,223 mb. This is 43.9 mb, or 3.5%, lower than the same month in 2023 and 30.5 mb, or 2.4%, below the latest five-year average. Crude stocks rose by 21.1 mb, while product stocks fell by 25.3 mb, m-o-m.

US commercial **crude stocks** in February stood at 449 mb. This is 23.8 mb, or 5.0%, less than the same month in 2023, and 7.3 mb, or 1.6%, below the latest five-year average. The monthly build in crude oil stocks came on the back of higher crude imports.

Total product stocks fell in February to stand at 774 mb. This is 20.1 mb, or 2.5%, lower than February 2023, and 23.2 mb, or 2.9%, 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.

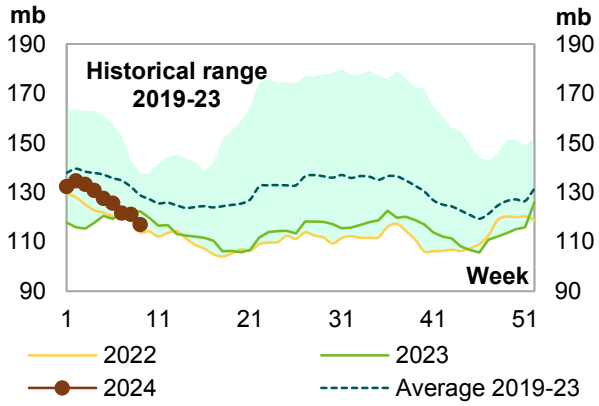
Gasoline stocks fell in February by 11.2 mb, m-o-m, to settle at 240 mb. This is 2.6 mb, or 1.1%, higher than the same month in 2023, but 8.1 mb, or 3.2%, below the latest five-year average.

Distillate stocks in February dropped by 10.6 mb, m-o-m, to stand at 117 mb. This is 7.8 mb, or 6.3%, lower than the same month in 2023, and 14.7 mb, or 11.2%, below the latest five-year average.

Jet fuel stocks fell by 0.8 mb, m-o-m, ending February at 40 mb. This is 2.6 mb, or 6.8%, higher than the same month in 2023, but 0.3 mb, or 0.8%, below the latest five-year average.

Residual fuel oil stocks increased by 2.1 mb, m-o-m, in February. At 30 mb, they were 1.8 mb, or 5.6%, lower than a year earlier and 0.5 mb, or 1.8%, 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	Feb 23	Dec 23	Jan 24	Feb 24	*Change* Feb 24/Jan 24
Crude oil	**472.4**	**426.4**	**427.4**	**448.5**	***21.1***
Gasoline	242.3	241.3	251.0	239.7	*-11.2*
Distillate fuel	124.8	130.7	127.6	117.0	*-10.6*
Residual fuel oil	31.3	24.1	27.5	29.6	*2.1*
Jet fuel	37.5	39.8	40.9	40.1	*-0.8*
Total products	**794.4**	**825.8**	**799.6**	**774.3**	***-25.3***
Total	**1,266.7**	**1,252.2**	**1,227.1**	**1,222.8**	***-4.2***
SPR	**371.6**	**354.7**	**358.0**	**361.0**	***2.9***

Sources: EIA and OPEC.

Japan

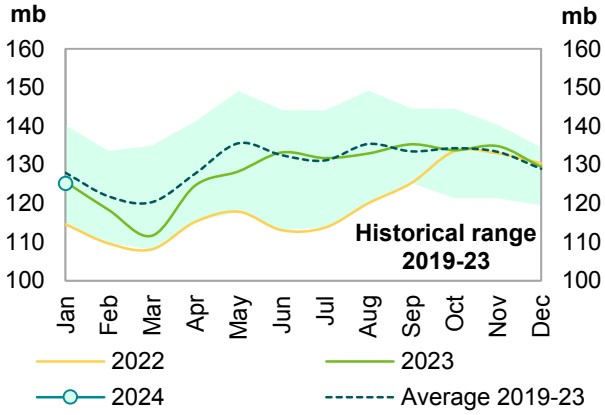
In Japan, **total commercial oil stocks** in **January 2024** fell by 4.2 mb, m-o-m, to settle at 125.2 mb. This is 0.4 mb, or 0.3%, lower than the same month in 2023 and 2.7 mb, or 2.1%, below the latest five-year average. Crude stocks fell by 5.1 mb, while product stocks rose by 0.8 mb.

Japanese **commercial crude oil stocks** fell in January by 5.1 mb, m-o-m, to stand at 66.5 mb. This is 0.7 mb, or 1.0%, lower than the same month in 2023 and 0.3 mb, or 0.5%, below the latest five-year average. The fall in crude stocks could be attributed to lower crude imports, which fell in January by 228 tb/d, or 8.6%, m-o-m, to average 2.43 mb/d.

Gasoline stocks rose by 1.3 mb, m-o-m, to stand at 11.3 mb in January. This is in line with a year earlier and 0.5 mb, or 4.5%, lower than the latest five-year average.

Distillate stocks rose by 0.1 mb, m-o-m, to end January at 26.9 mb. This is 0.5 mb, or 1.8%, higher than the same month in 2023, but 0.6 mb, or 2.2%, 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 and gasoil stocks rose by 0.1% and 23.2%, respectively, while kerosene stocks fell by 12.1%.

Total residual fuel oil stocks fell m-o-m by 0.1 mb to end January at 12.4 mb. This is 1.4 mb, or 12.5%, higher than the same month in 2023, and 0.1 mb, or 0.4%, above the latest five-year average. Within the components, fuel oil A stocks fell by 3.3%, while fuel oil B.C stocks rose by 0.8%, m-o-m.

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

Japan's stocks	Jan 23	Nov 23	Dec 23	Jan 24	Change Jan 24/Dec 23
Crude oil	**67.2**	**72.3**	**71.5**	**66.5**	***-5.1***
Gasoline	11.2	10.4	9.9	11.3	*1.3*
Naphtha	9.7	8.7	8.7	8.2	*-0.5*
Middle distillates	26.4	31.0	26.8	26.9	*0.1*
Residual fuel oil	11.1	12.4	12.5	12.4	*-0.1*
Total products	**58.4**	**62.5**	**57.9**	**58.8**	***0.8***
Total**	**125.6**	**134.8**	**129.5**	**125.2**	***-4.2***

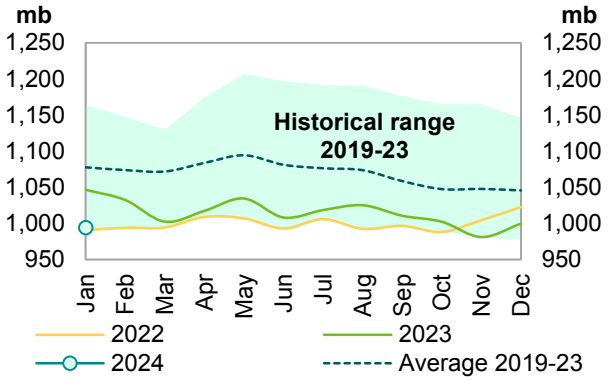
*Note: * At the end of the month. ** Includes crude oil and main products only.*
Sources: METI and OPEC.

EU-14 plus UK and Norway

Preliminary data for **January 2024** showed that **total European commercial oil stocks** fell by 5.2 mb, m-o-m, to stand at 994 mb. At this level, they were 52.0 mb, or 5.0%, below the same month in 2023 and 83.3 mb, or 7.7%, less than the latest five-year average. Crude stocks fell by 6.6 mb, while product stocks rose by 1.5 mb, m-o-m.

European **crude stocks** stood at 419.5 mb in January. This is 13.7 mb, or 3.2%, lower than the same month in 2023 and 30.7 mb, or 6.8%, below the latest five-year average. The drop in crude oil stocks came despite lower refinery throughput in the EU-14, plus the UK and Norway, which fell by around 130 tb/d, m-o-m, to stand at 9.64 mb/d.

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



Sources: Argus, Euroilstock and OPEC.

In contrast, **total European product stocks** rose by 1.5 mb, m-o-m, to end January at 574.9 mb. This is 38.3 mb, or 6.2%, less than the same month in 2023, and 52.6 mb, or 8.4%, below the latest five-year average. The build could be attributed to lower demand in the region.

Gasoline stocks rose in January by 1.4 mb, m-o-m, to stand at 105.5 mb, which is 6.7 mb, or 6.0%, lower than the same time in 2023, and 14.1 mb, or 11.8%, below the latest five-year average.

Residual fuel stocks rose in January by 1.4 mb, m-o-m, to stand at 56.8 mb. This is 4.8 mb, or 7.9%, lower than the same month in 2023 and 6.3 mb, or 10.0%, below the latest five-year average.

Middle distillate stocks fell in January by 1.1 mb, m-o-m, to stand at 384.3 mb. This is 25.5 mb, or 6.2%, less than the same month in 2023, and 31.5 mb, or 7.6%, lower than the latest five-year average.

Naphtha stocks were down in January by 0.3 mb, m-o-m, ending the month at 28.3 mb, which is 1.2 mb, or 4.2%, below the same month in 2023 and 0.7 mb, or 2.5%, lower than the latest five-year average.

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

EU stocks	Jan 23	Nov 23	Dec 23	Jan 24	Change Jan 24/Dec 23
Crude oil	**433.3**	**417.9**	**426.2**	**419.5**	***-6.6***
Gasoline	112.2	106.5	104.0	105.5	*1.4*
Naphtha	29.6	27.6	28.6	28.3	*-0.3*
Middle distillates	409.8	370.7	385.4	384.3	*-1.1*
Fuel oils	61.6	58.2	55.3	56.8	*1.4*
Total products	**613.2**	**563.1**	**573.4**	**574.9**	***1.5***
Total	**1,046.4**	**981.0**	**999.6**	**994.4**	***-5.2***

Sources: Argus, Euroilstock and OPEC.

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

Singapore

In **January**, **total product stocks** in Singapore fell by 1.1 mb, m-o-m, to stand at 41.5 mb. This is 5.0 mb, or 10.8%, lower than the same month in 2023 and 6.2 mb, or 13.0%, below the latest five-year average.

Light distillate stocks rose in January by 0.1 mb, m-o-m, to stand at 13.2 mb. This is 3.7 mb, or 22.0%, lower than the same month in 2023 and 2.1 mb, or 13.7%, below the latest five-year average.

By contrast, middle distillate stocks dropped in January by 0.7 mb, m-o-m, to stand at 6.9 mb. This is 2.1 mb, or 23.3%, lower than in January 2023, and 3.9 mb, or 35.9%, below the latest five-year average

Residual fuel oil stocks fell by 0.4 mb, m-o-m, ending January at 21.4 mb. This is 0.8 mb, or 3.9%, higher than in January 2023, but 0.2 mb, or 1.1%, below the latest five-year average.

ARA

Total product stocks in ARA in January rose by 0.1 mb, m-o-m. At 37.9 mb, they were 6.9 mb, or 15.3%, below the same month in 2023, and 5.5 mb, or 12.7 %, less than the latest five-year average.

Gasoline stocks fell by 0.6 mb, m-o-m, ending January at 7.2 mb. This is 4.8 mb, or 40.4%, lower than in January 2023, and 3.6 mb, or 33.4%, below the latest five-year average.

Gasoil stocks in January fell by 0.8 mb, m-o-m, to stand at 12.6 mb. This is 4.4 mb, or 25.6%, less than the same month in 2023, and 4.4 mb, or 25.7%, lower than the latest five-year average.

J**et oil stocks** rose by 0.2 mb, m-o-m, to stand at 5.8 mb. This is 0.5 mb, or 7.9%, lower than in January 2023 and broadly in line with the latest five-year average.

Fuel oil stocks increased in January by 1.0 mb, m-o-m, to stand at 9.6 mb, which is 2.4 mb, or 33.6%, higher than in January 2023 and 2.2 mb, or 29.9%, above the latest five-year average.

Fujairah

During the week ending 4 March 2024, **total oil product stocks** in Fujairah rose by 0.07 mb, w-o-w, to stand at 18.81 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 2.08 mb lower than at the same time a year ago.

Middle distillate stocks fell by 0.10 mb, w-o-w, to stand at 1.54 mb, which is 0.68 mb less than the same time last year.

Heavy distillate stocks fell by 0.34 mb, w-o-w, to stand at 8.97 mb, which is 2.54 mb below the same period a year ago.

In contrast, **light distillate stocks** rose by 0.51 mb, w-o-w, to stand at 8.29 mb, which is 1.14 mb higher than a year ago.

Balance of Supply and Demand

Demand for OPEC crude in 2023 stood at 27.3 mb/d. This is in line with the level registered in 2022.

According to secondary sources, OPEC crude production averaged 27.0 mb/d in 2023, which is 0.3 mb/d lower than demand for OPEC crude.

Demand for OPEC crude in 2024 is forecast to stand at 28.5 mb/d, which is 1.1 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 0.3 mb/d higher than the level forecast for 2024.

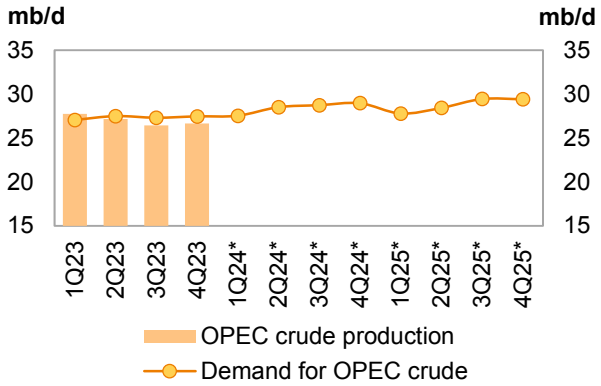
Balance of supply and demand in 2024

Demand for OPEC crude in 2024 is revised up by 0.1 mb/d compared to the previous month assessment to stand at 28.5 mb/d, around 1.1 mb/d higher than the level estimated for 2023.

Compared with the previous assessment, demand for OPEC crude for 1Q24 was revised down by 0.3 mb/d, while demand in 2Q24 and 4Q24 was revised up by 0.3 mb/d and 0.2 mb/d, respectively. Meanwhile, demand for OPEC crude remained unchanged for 3Q24.

Compared with the same quarters in 2023, demand for OPEC crude in 1Q24 and 2Q24 is forecast to be 0.5 mb/d and 1.0 mb/d higher, respectively. Meanwhile, it is expected to increase by 1.4 mb/d and 1.5 mb/d, 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	**102.21**	**103.33**	**103.91**	**104.88**	**105.69**	**104.46**	***2.25***
Non-OPEC liquids production	69.46	70.32	69.88	70.66	71.24	70.53	*1.07*
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	**74.87**	**75.78**	**75.38**	**76.12**	**76.70**	**76.00**	***1.13***
Difference (a-b)	**27.34**	**27.55**	**28.53**	**28.76**	**28.98**	**28.46**	***1.12***
OPEC crude oil production	**27.01**						
Balance	**-0.33**						

*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 the previous assessment to stand at 28.8 mb/d, an increase of 0.3 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 0.1 mb/d each, while 4Q25 was revised up by 0.1 mb/d.

Compared with the same quarters in 2024, demand for OPEC crude in 1Q25, 3Q25 and 4Q25 is forecast to be 0.3 mb/d, 0.7 mb/d and 0.5 mb/d higher, respectively, while demand for OPEC crude in 2Q25 is expected to be 0.1 mb/d lower.

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

	2024	1Q25	2Q25	3Q25	4Q25	2025	Change 2025/24
(a) World oil demand	**104.46**	**105.15**	**105.65**	**106.94**	**107.44**	**106.30**	***1.85***
Non-OPEC liquids production	70.53	71.80	71.60	71.89	72.42	71.93	*1.40*
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	**76.00**	**77.35**	**77.21**	**77.47**	**78.01**	**77.51**	***1.51***
Difference (a-b)	**28.46**	**27.80**	**28.44**	**29.47**	**29.44**	**28.79**	***0.33***

*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	25.09	24.68	25.38	25.58	25.54	25.30	24.74	25.43	25.70	25.62	25.38
of which US	*20.03*	*20.16*	*20.41*	*20.09*	*20.67*	*20.67*	*20.89*	*20.58*	*20.12*	*20.70*	*20.73*	*20.93*	*20.62*
Europe	13.19	13.51	13.39	13.12	13.57	13.66	13.31	13.42	13.14	13.58	13.68	13.33	13.43
Asia Pacific	7.34	7.38	7.34	7.80	6.97	7.09	7.54	7.35	7.81	6.98	7.10	7.55	7.36
Total OECD	**44.81**	**45.68**	**45.82**	**45.60**	**45.93**	**46.33**	**46.39**	**46.06**	**45.69**	**46.00**	**46.49**	**46.50**	**46.17**
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	5.64	5.64	5.40	5.59	5.57	5.86	5.88	5.61	5.82	5.79
Other Asia	8.67	9.07	9.28	9.64	9.74	9.49	9.51	9.59	9.93	10.07	9.82	9.81	9.91
Latin America	6.25	6.44	6.69	6.79	6.88	6.97	6.88	6.88	6.99	7.07	7.19	7.07	7.08
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	0.78	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**	**57.73**	**57.99**	**58.55**	**59.29**	**58.39**	**59.46**	**59.66**	**60.45**	**60.95**	**60.13**
(a) Total world demand	**97.19**	**99.65**	**102.21**	**103.33**	**103.91**	**104.88**	**105.69**	**104.46**	**105.15**	**105.65**	**106.94**	**107.44**	**106.30**
Y-o-y change	***5.94***	***2.46***	***2.56***	***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	28.71	29.07	29.23	29.58	29.89	29.44	29.96	29.86	30.23	30.52	30.15
of which US	*18.06*	*19.28*	*20.90*	*21.03*	*21.37*	*21.60*	*21.78*	*21.45*	*21.80*	*21.95*	*22.15*	*22.28*	*22.05*
Europe	3.80	3.59	3.66	3.79	3.74	3.72	3.88	3.78	3.96	3.84	3.82	3.92	3.88
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**	**30.98**	**32.81**	**33.31**	**33.40**	**33.74**	**34.19**	**33.66**	**34.35**	**34.12**	**34.48**	**34.88**	**34.46**
China	4.27	4.42	4.52	4.60	4.59	4.46	4.46	4.53	4.57	4.55	4.51	4.51	4.53
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	2.44	2.31	2.28	2.31	2.24	2.22	2.22	2.25	2.23	2.19	2.17	2.17	2.19
Latin America	5.96	6.34	6.96	7.30	7.27	7.31	7.37	7.31	7.51	7.54	7.61	7.67	7.58
Middle East	3.19	3.29	3.27	3.24	3.24	3.27	3.28	3.26	3.28	3.31	3.31	3.31	3.30
Africa	2.52	2.48	2.42	2.43	2.38	2.42	2.45	2.42	2.44	2.44	2.43	2.43	2.44
Russia	10.80	11.03	10.93	10.83	10.44	10.85	10.87	10.75	10.89	10.87	10.86	10.89	10.88
Other Eurasia	2.95	2.85	2.93	2.90	2.91	2.99	3.01	2.95	3.07	3.11	3.05	3.09	3.08
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**	**33.60**	**34.18**	**34.49**	**33.96**	**34.40**	**34.53**	**34.35**	**34.87**	**34.91**	**34.84**	**34.97**	**34.90**
Total Non-OPEC production	62.79	64.58	66.99	67.80	67.36	68.14	68.72	68.01	69.22	69.02	69.31	69.84	69.35
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	**65.07**	**66.98**	**69.46**	**70.32**	**69.88**	**70.66**	**71.24**	**70.53**	**71.80**	**71.60**	**71.89**	**72.42**	**71.93**
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	**70.32**	**72.34**	**74.87**	**75.78**	**75.38**	**76.12**	**76.70**	**76.00**	**77.35**	**77.21**	**77.47**	**78.01**	**77.51**
Y-o-y change	***0.74***	***2.02***	***2.53***	***1.55***	***1.15***	***1.24***	***0.60***	***1.13***	***1.57***	***1.83***	***1.35***	***1.30***	***1.51***
OPEC crude oil production (secondary sources)	25.23	27.73	27.01										
Total liquids production	95.55	100.06	101.88										
Balance (stock change and miscellaneous)	-1.65	0.41	-0.33										
OECD closing stock levels, *mb*													
Commercial	2,652	2,781	2,761										
SPR	1,484	1,214	1,209										
Total	**4,136**	**3,995**	**3,971**										
Oil-on-water	1,348	1,546	1,438										
Days of forward consumption in OECD, *days*													
Commercial onland stocks	58	61	60										
SPR	32	26	26										
Total	**91**	**87**	**86**										
Memo items													
(a) - (b)	**26.87**	**27.32**	**27.34**	**27.55**	**28.53**	**28.76**	**28.98**	**28.46**	**27.80**	**28.44**	**29.47**	**29.44**	**28.79**

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	-	-	0.08	-	-	-	0.32	0.08	-	-	-	0.32	0.08
of which US	-	-	*0.10*	-	-	-	*0.41*	*0.10*	-	-	-	*0.41*	*0.10*
Europe	-	-	-0.02	-	-	-	-0.09	-0.02	-	-	-	-0.09	-0.02
Asia Pacific	-	-	-0.01	-0.04	-	-	-0.05	-0.02	-0.04	-	-	-0.05	-0.02
Total OECD	**-**	**-**	**0.05**	**-0.04**	**-**	**-**	**0.18**	**0.04**	**-0.04**	**-**	**-**	**0.18**	**0.04**
China	-	-	-	-	-	-	-	-	-	-	-	-	-
India	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-
Other Asia	-	-	-	0.03	-	-	-	0.01	0.03	-	-	-	0.01
Latin America	-	-	0.01	-	-	-	0.03	0.01	-	-	-	0.03	0.01
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-
Russia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Eurasia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**0.01**	**0.05**	**-**	**-**	**0.03**	**0.02**	**0.05**	**-**	**-**	**0.03**	**0.02**
(a) Total world demand**	**-**	**-**	**0.05**	**0.01**	**-**	**-**	**0.21**	**0.06**	**0.01**	**-**	**-**	**0.21**	**0.06**
Y-o-y change	***-***	***-***	***0.05***	***0.01***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***
Non-OPEC liquids production													
Americas	-	-	0.05	0.10	0.09	-0.01	-	0.04	0.05	0.05	0.05	0.04	0.05
of which US	-	-	*0.02*	*0.04*	*0.02*	-	*0.02*	*0.02*	*0.02*	*0.02*	*0.02*	*0.02*	*0.02*
Europe	0.01	0.01	0.03	-0.04	0.03	0.06	0.07	0.03	0.03	0.03	0.03	0.03	0.03
Asia Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	**0.01**	**0.01**	**0.08**	**0.05**	**0.12**	**0.05**	**0.07**	**0.07**	**0.07**	**0.07**	**0.07**	**0.07**	**0.07**
China	-0.05	-0.06	-0.05	-	-	-0.10	-0.10	-0.05	-0.05	-0.05	-0.05	-0.05	-0.05
India	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	0.01	0.01	0.01	0.03	-	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Latin America	-	-	0.02	0.06	0.05	-0.02	-0.02	0.02	0.02	0.02	0.02	0.02	0.02
Middle East	-	-	-	-0.01	-0.05	-	-	-0.02	-	-	-	-	-
Africa	0.01	0.01	0.02	0.06	0.02	0.02	0.02	0.03	0.03	0.03	0.03	0.03	0.03
Russia	-	-	0.01	0.03	-0.40	-	-	-0.09	0.01	0.01	0.01	0.01	0.01
Other Eurasia	0.02	0.02	0.02	0.03	-0.06	0.02	0.02	-	0.02	0.02	0.02	0.02	0.02
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-0.01**	**0.02**	**0.21**	**-0.44**	**-0.07**	**-0.08**	**-0.10**	**0.04**	**0.04**	**0.04**	**0.04**	**0.04**
Total Non-OPEC production	0.01	-	0.10	0.26	-0.32	-0.03	-	-0.02	0.11	0.11	0.11	0.11	0.11
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC liquids production* **	**0.01**	**-**	**0.10**	**0.26**	**-0.32**	**-0.03**	**-**	**-0.02**	**0.11**	**0.11**	**0.11**	**0.11**	**0.11**
OPEC NGL + non-conventional oils	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Total non-OPEC liquids production and OPEC NGLs	**0.01**	**-**	**0.10**	**0.26**	**-0.32**	**-0.03**	**-**	**-0.02**	**0.11**	**0.11**	**0.11**	**0.11**	**0.11**
Y-o-y change	***-0.02***	***-0.01***	***0.10***	***0.24***	***-0.35***	***-0.06***	***-0.32***	***-0.12***	***-0.15***	***0.43***	***0.14***	***0.11***	***0.13***
OPEC crude oil production (secondary sources)	0.01	0.01	-										
Total liquids production	0.02	0.0	0.10										
Balance (stock change and miscellaneous)	0.02	0.01	0.05										
mb													
Commercial	-	-	-6										
SPR	-	-	-3										
Total	**-**	**-**	**-9**										
Oil-on-water	147	147	177										
Days of forward consumption in OECD, *days*													
Commercial onland stocks	-	0	0										
SPR	-	0	0										
Total	**-**	**0**	**0**										
Memo items													
(a) - (b)	**-0.01**	**0.00**	**-0.04**	**-0.25**	**0.32**	**0.03**	**0.22**	**0.08**	**-0.10**	**-0.11**	**-0.11**	**0.10**	**-0.06**

*Note: * This compares Table 11 - 1 in this issue of the MOMR with Table 11 - 1 in the February 2024 issue.*

*** Although there is no revision in growth of year 2024, y-o-y, it is worth noting that the observed changes in absolute 2024 levels are due to an update to the 2023 baseline.*

Although there is no revision in growth of year 2025, y-o-y, it is worth noting that the observed changes in 2025 absolute levels are due to an update to the historical baseline.

**** It should be noted that the growth in 2024 has been revised down by 0.12 mb/d, due to recently announced additional voluntary production adjustments by some countries in the Declaration of Cooperation (DoC) in 2Q24 and the rest of 2024. However, a change in the 2023 baseline leads to an overall change of -0.02 mb/d in the 2024 absolute level.*

Although the growth in 2025 has been revised up by 0.13 mb/d, y-o-y, due to the changes in the DoC countries in 2024, the consequent change in baseline of 2024 leads to an overall change of 0.11 mb/d in the 2025 absolute level.

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**	**2,761**	**2,615**	**2,664**	**2,750**	**2,781**	**2,759**	**2,792**	**2,826**	**2,761**
Americas	1,470	1,492	1,527	1,408	1,435	1,473	1,492	1,489	1,513	1,539	1,527
Europe	857	936	885	890	911	918	936	919	920	922	885
Asia Pacific	325	353	350	317	318	359	353	351	359	365	350
OECD SPR	**1,484**	**1,214**	**1,209**	**1,442**	**1,343**	**1,246**	**1,214**	**1,217**	**1,206**	**1,209**	**1,209**
Americas	596	374	357	568	495	418	374	373	349	353	357
Europe	479	461	468	468	452	448	461	460	470	471	468
Asia Pacific	409	378	385	406	395	380	378	383	387	384	385
OECD total	**4,136**	**3,995**	**3,971**	**4,057**	**4,008**	**3,996**	**3,995**	**3,976**	**3,998**	**4,034**	**3,971**
Oil-on-water	**1,348**	**1,546**	**1,438**	**1,377**	**1,451**	**1,554**	**1,546**	**1,560**	**1,449**	**1,367**	**1,438**
Days of forward consumption in OECD, days											
OECD onland commercial	**58**	**61**	**60**	**58**	**58**	**60**	**61**	**60**	**61**	**61**	**61**
Americas	59	59	60	57	58	60	61	59	60	61	62
Europe	63	70	66	66	65	69	71	68	68	69	67
Asia Pacific	44	48	48	46	44	47	45	50	51	48	45
OECD SPR	**32**	**26**	**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	52	52	59	55	50	48	55	55	51	49
OECD total	**93**	**95**	**94**	**90**	**87**	**87**	**88**	**87**	**87**	**87**	**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	22.0	22.2	22.3	22.0	0.6
Canada	5.7	0.1	6.0	5.8	5.9	6.1	5.9	0.2	6.1	5.9	6.1	6.3	6.1	0.2
Mexico	2.1	0.1	2.0	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**	**1.8**	**29.1**	**29.2**	**29.6**	**29.9**	**29.4**	**0.7**	**30.0**	**29.9**	**30.2**	**30.5**	**30.1**	**0.7**
Norway	2.0	0.1	2.1	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	**3.7**	**0.1**	**3.8**	**3.7**	**3.7**	**3.9**	**3.8**	**0.1**	**4.0**	**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	**32.8**	**1.8**	**33.3**	**33.4**	**33.7**	**34.2**	**33.7**	**0.9**	**34.3**	**34.1**	**34.5**	**34.9**	**34.5**	**0.8**
China	**4.5**	**0.1**	**4.6**	**4.6**	**4.5**	**4.5**	**4.5**	**0.0**	**4.6**	**4.5**	**4.5**	**4.5**	**4.5**	**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	0.9	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	0.6	0.5	0.5	0.5	0.5	0.0
Thailand	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0	0.4	0.4	0.4	0.3	0.4	0.0
Vietnam	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0
Asia others	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.0
Other Asia	**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	0.0	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	4.2	0.5	4.3	4.3	4.3	4.3	4.3	0.1	4.4	4.5	4.5	4.5	4.5	0.2
Colombia	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0
Ecuador	0.5	0.0	0.5	0.5	0.5	0.5	0.5	0.0	0.5	0.5	0.5	0.5	0.5	0.0
Latin America others	0.7	0.1	0.9	0.9	0.9	0.9	0.9	0.2	0.9	0.9	1.0	1.0	1.0	0.1
Latin America	**7.0**	**0.6**	**7.3**	**7.3**	**7.3**	**7.4**	**7.3**	**0.4**	**7.5**	**7.5**	**7.6**	**7.7**	**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**	**3.2**	**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	1.1	1.1	1.1	0.0
Chad	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
Egypt	0.6	0.0	0.6	0.6	0.6	0.6	0.6	0.0	0.6	0.6	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**	**10.4**	**10.8**	**10.9**	**10.7**	**-0.2**	**10.9**	**10.9**	**10.9**	**10.9**	**10.9**	**0.1**
Kazakhstan	1.9	0.1	1.9	1.9	2.0	2.0	1.9	0.0	2.0	2.1	2.0	2.1	2.1	0.1
Azerbaijan	0.6	-0.1	0.6	0.7	0.7	0.7	0.7	0.0	0.7	0.7	0.7	0.7	0.7	0.0
Eurasia others	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0	0.4	0.4	0.4	0.4	0.4	0.0
Other Eurasia	**2.9**	**0.1**	**2.9**	**2.9**	**3.0**	**3.0**	**3.0**	**0.0**	**3.1**	**3.1**	**3.1**	**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**	**0.6**	**34.5**	**34.0**	**34.4**	**34.5**	**34.3**	**0.2**	**34.9**	**34.9**	**34.8**	**35.0**	**34.9**	**0.5**
Non-OPEC	67.0	2.4	67.8	67.4	68.1	68.7	68.0	1.0	69.2	69.0	69.3	69.8	69.4	1.3
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	**69.5**	**2.5**	**70.3**	**69.9**	**70.7**	**71.2**	**70.5**	**1.1**	**71.8**	**71.6**	**71.9**	**72.4**	**71.9**	**1.4**
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)	**74.9**	**2.5**	**75.8**	**75.4**	**76.1**	**76.7**	**76.0**	**1.1**	**77.3**	**77.2**	**77.5**	**78.0**	**77.5**	**1.5**

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	Jan 24	Feb 24	Change Feb/Jan
US	475	722	688	-34	719	648	622	620	624	4
Canada	133	174	177	3	119	188	180	208	232	24
Mexico	45	47	55	8	60	54	59	57	57	0
OECD Americas	**654**	**945**	**921**	**-24**	**900**	**892**	**861**	**887**	**915**	**28**
Norway	17	17	17	0	13	19	18	17	11	-6
UK	8	10	12	2	13	10	12	9	7	-2
OECD Europe	**58**	**65**	**66**	**1**	**67**	**64**	**66**	**67**	**59**	**-8**
OECD Asia Pacific	**23**	**24**	**25**	**1**	**27**	**25**	**23**	**25**	**23**	**-2**
Total OECD	**735**	**1,034**	**1,012**	**-22**	**994**	**981**	**950**	**979**	**997**	**18**
Other Asia*	174	186	204	18	210	206	206	202	210	8
Latin America	91	119	120	1	122	118	113	110	104	-6
Middle East	57	62	61	-1	61	59	62	63	65	2
Africa	46	64	67	3	65	66	68	68	61	-7
Other Europe	9	10	11	1	11	10	10	10	9	-1
Total Non-OECD	**377**	**441**	**463**	**22**	**469**	**459**	**459**	**453**	**449**	**-4**
Non-OPEC rig count	**1,112**	**1,475**	**1,475**	**0**	**1,463**	**1,440**	**1,409**	**1,432**	**1,446**	**14**
Algeria	26	32	36	4	33	37	43	40	41	1
Congo	0	1	1	0	2	2	0	1	2	1
Equatorial Guinea**	0	0	0	0	0	0	0	0	0	0
Gabon	2	3	3	0	3	3	3	2	3	1
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	26	27	1
Libya	13	7	14	7	15	14	17	18	21	3
Nigeria	7	10	14	4	13	16	14	15	16	1
Saudi Arabia	62	73	83	10	83	85	84	88	85	-3
UAE	42	47	57	10	57	56	62	62	63	1
Venezuela	6	3	2	-1	3	2	2	1	2	1
OPEC rig count	**339**	**371**	**412**	**41**	**413**	**418**	**428**	**432**	**439**	**7**
World rig count* **	**1,451**	**1,846**	**1,887**	**41**	**1,876**	**1,858**	**1,837**	**1,864**	**1,885**	**21**
of which:										
Oil	1,143	1,463	1,498	35	1,484	1,477	1,464	1,471	1,489	18
Gas	275	352	357	5	347	338	333	348	351	3
Others	33	31	32	1	46	43	41	45	45	0

*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 1.19 in February

February 2024	81.23
January 2024	80.04
Year-to-date	**80.62**

February OPEC crude production

mb/d, according to secondary sources

up 0.20 in February

February 2024	26.57
January 2024	26.37

Economic growth rate

per cent

	World	OECD	US	Eurozone	Japan	China	India
2024	2.8	1.3	1.9	0.5	0.8	4.8	6.6
2025	2.9	1.5	1.7	1.2	1.0	4.6	6.3

Supply and demand

mb/d

2024		**24/23**	**2025**		**25/24**
World demand	104.5	2.2	World demand	106.3	1.8
Non-OPEC liquids production	70.5	1.1	Non-OPEC liquids production	71.9	1.4
OPEC NGLs	5.5	0.1	OPEC NGLs	5.6	0.1
Difference	**28.5**	**1.1**	**Difference**	**28.8**	**0.3**

OECD commercial stocks

mb

	Nov 23	Dec 23	Jan 24	Jan 24/Dec 23
Crude oil	1,355	1,329	1,318	–10.7
Products	1,430	1,433	1,416	–16.1
Total	**2,786**	**2,761**	**2,735**	**–26.8**
Days of forward cover	61.1	60.6	59.6	–0.9

Next report to be issued on 11 April 2024.