International Energy Agency

Oil Market Report

13 May 2026

- World oil demand is forecast to contract by 420 kb/d y-o-y in 2026, to 104 mb/d, 1.3 mb/d less than our pre-war forecast. The biggest decline is in 2Q26, down by 2.45 mb/d, of which the OECD accounts for 930 kb/d and the non-OECD for 1.5 mb/d. The petrochemical and aviation sectors are currently most affected, but higher prices, a weaker economic environment and demand-saving measures will increasingly impact fuel use.

- Global oil supply declined by a further 1.8 mb/d in April to 95.1 mb/d, taking total losses since February to 12.8 mb/d. Output from Gulf countries affected by the closure of the Strait of Hormuz was 14.4 mb/d below pre-war levels. Higher production and exports from the Atlantic Basin provide some relief. Assuming flows through the Strait gradually resume from June, global oil supply is projected to decline by 3.9 mb/d on average in 2026, to 102.2 mb/d.

- Refinery crude throughputs are forecast to plunge by 4.5 mb/d in 2Q26 to 78.7 mb/d, and by 1.6 mb/d to 82.3 mb/d for 2026 as a whole, as operators contend with infrastructure damage, export restrictions and lower feedstock availability. Refining margins remain at historically high levels, supported by record middle distillate cracks. Refiners are adapting to the crisis, with new trade flows emerging to compensate for lost Gulf product exports.

- Global observed oil inventories drew by 129 mb in March and by a further 117 mb in April, according to preliminary data. Continued disruptions to seaborne trade through the Strait of Hormuz saw on-land stocks drop by 170 mb (-5.7 mb/d) in April, while oil on water rebounded by 53 mb. OECD countries' on-land stocks plummeted by 146 mb (-4.9 mb/d) while visible non-OECD stocks fell by 24 mb.

- North Sea Dated traded in an unparalleled wide range of almost $50/bbl in April, with the disruption to Middle East flows triggering a surge in prices of about $16.50/bbl m-o-m to an average of $120.36/bbl. Time spreads oscillated in line with flat prices, with prompt time spreads in WTI and Brent futures ending the month at around $5/bbl. Dated's premium to ICE Brent futures weakened from a record $35/bbl in mid-April to $3/bbl in early May.

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Note to subscribers

Dear Readers,

Please note the following:

Due to ongoing conflict in the Middle East, the supply/demand forecasts will be extended to 2027 in the OMR to be published on 17 June 2026.

The publication of the Market Report - Oil 2026 - Analysis and forecast to 2031 - originally scheduled to be released on 17 June 2026 has been postponed for a later date.

The United Arab Emirates is included within OPEC aggregates in this *Report* and will be included with non-OPEC from the June Report following its suspension of its OPEC membership effective 1 May.

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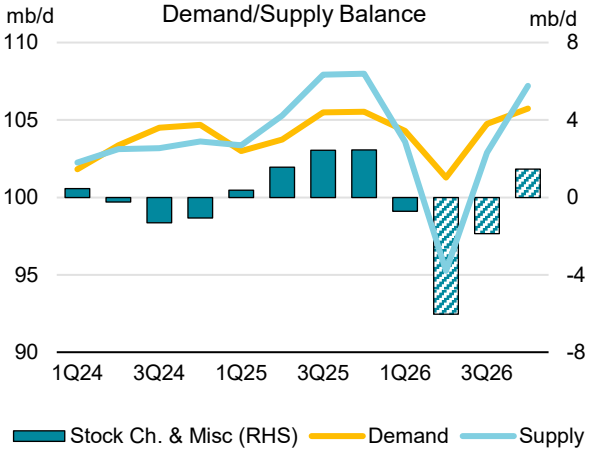
Plugging the gap

More than ten weeks after the war in the Middle East began, mounting supply losses from the Strait of Hormuz are depleting global oil inventories at a record pace. Benchmark oil prices have posted wild swings in response to conflicting signals on whether the United States and Iran will soon reach a deal to end the conflict, with North Sea Dated plunging from a high of $144/bbl to below $100/bbl before rebounding again. At the time of writing, the two countries remained at loggerheads over an accord to reopen the Strait and end the war, with North Sea Dated around $110/bbl.

With Hormuz tanker traffic still restricted, cumulative supply losses from Gulf producers already exceed 1 billion barrels with more than 14 mb/d of oil now shut in, an unprecedented supply shock. The current supply-demand gap is significantly smaller, however, as the market was already in surplus heading into the crisis while producers and consumers alike are responding to market signals.



On the supply side, Saudi Arabia and the UAE have successfully redirected some exports to terminals loading outside of the Strait. At the same time, stocks from commercial and government strategic storage sites in consuming countries are flowing into markets to offset part of the losses. Observed global inventories, including oil on water, were drawn down by 250 mb over March and April, or 4 mb/d. Producers outside of the Middle East also pushed output higher and lifted exports to record levels in response to the crisis. Indeed, 2026 supply growth expectations from the Americas have been revised up by more than 600 kb/d since the start of the year, to 1.5 mb/d on average. Moreover, Atlantic Basin crude oil exports, now heading primarily to hard-hit East of Suez markets, have increased by 3.5 mb/d since February, with notable gains from the United States, Brazil, Canada, Kazakhstan and Venezuela. Russia's crude oil exports have also risen, as repeated attacks on its refineries have cut domestic use and led to higher shipments, while the United States temporarily waived sanctions on Russian oil on water.

On the demand side, refiners have reduced runs and sharply scaled back crude imports. Chinese seaborne crude imports fell by a massive 3.6 mb/d from February to April, according to *Kpler*. Major reductions in imports were also seen in Japan (-1.9 mb/d), Korea (-1 mb/d) and India (-760 kb/d). But while the slowdown in global refinery activity – by around 5 mb/d y-o-y in April – has temporarily eased tensions in the crude market, tightness is quickly spreading to product markets.

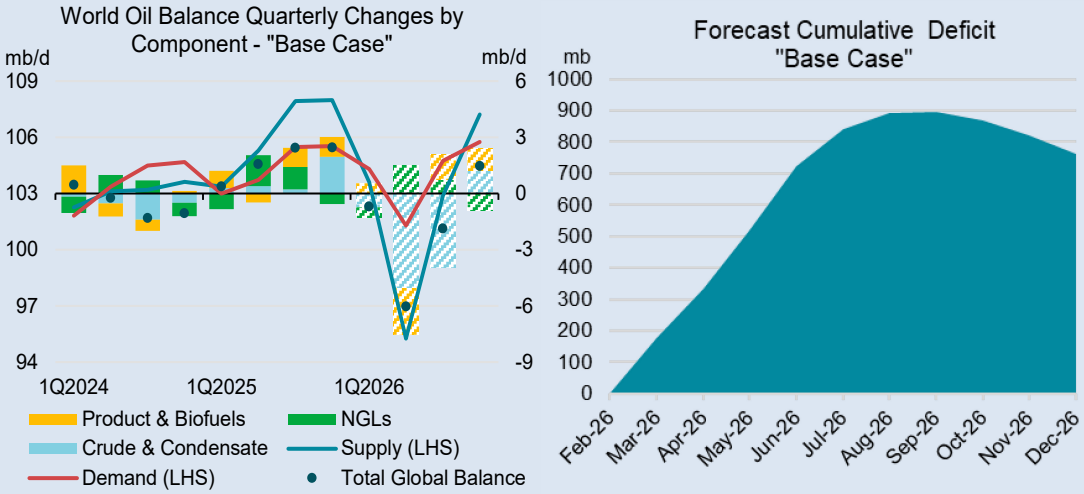
End users are also reducing consumption. Global oil demand is now expected to contract by 2.4 mb/d y-o-y in 2Q26 and to decline by 420 kb/d for the year as a whole, 1.3 mb/d weaker than our pre-conflict forecast. For now, the steepest losses are seen in the petrochemical sector where feedstock availability is becoming increasingly constrained. Aviation activity is also running well below normal levels, helping to ease some of the pressure on jet fuel prices, which nearly tripled after Middle Eastern exports were cut off. Higher prices, a deteriorating economic environment and demand-saving measures will further weigh on global oil consumption.

While demand may swing back to growth towards the end of the year if a deal to end the war is agreed that allows flows through the Strait of Hormuz to gradually resume from 3Q26, as is assumed in this *Report*, supply will likely be slower to recover. As a result, the oil market remains in deficit until the final quarter of the year. With global oil inventories already drawing at a record clip, further price volatility appears likely ahead of the peak summer demand period.

Cumulative Stock Deficits Create Prolonged Risk of Tensions

As the Middle East war drags on, mounting supply losses are increasing the call on inventories to meet crude and products requirements. Our latest supply and demand estimates imply that the market will remain severely undersupplied through the end of 3Q26, even assuming the conflict ends by early June (our base case). With demand weakness only partly offsetting the large supply shortfall, inventories keep falling until the final quarter of the year when a modest projected surplus begins to rebuild depleted stocks - leaving market tight well beyond 2026. As discussed in the *April OMR*, a protracted scenario could result in a cumulative deficit of twice the level shown in the chart below by end-2026.

The oil market outlook is stark. Weaker demand has narrowed, but not closed, the massive supply shortfall that emerged, leaving a 6 mb/d gap from March to June. Supply begins a slow recovery from 3Q26 but does not catch up with demand until October when the balance edges into a modest surplus. That overhang barely begins to offset the stock deficit accumulated since end-February.



That cumulative oil liquids deficit reaches 900 mb by September 2026, including the IEA's 400 mb coordinated stock release that reduces the contribution from industry stocks to 500 mb. Rebuilding those stocks, strategic reserves included, would require roughly an extra 1 mb/d of supply for the next three years on top of underlying demand growth. Most of the shortfall is crude but draws in some already tight refined products stocks could complicate replenishment.

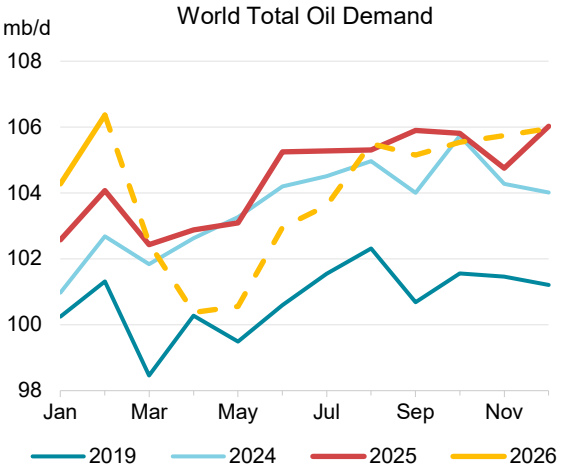
The supply-demand balance broadly matches preliminary available stock data for February to April. The global crude deficit in 2Q26 and 3Q26 reaches about 4.5 mb/d but the Atlantic Basin (excluding Russia) is in surplus over this period. New trade flows should help narrow these regional imbalances (see *Crude Import Cuts, Stock Draws and Shifting Trade Flows Soften Hormuz Losses*).

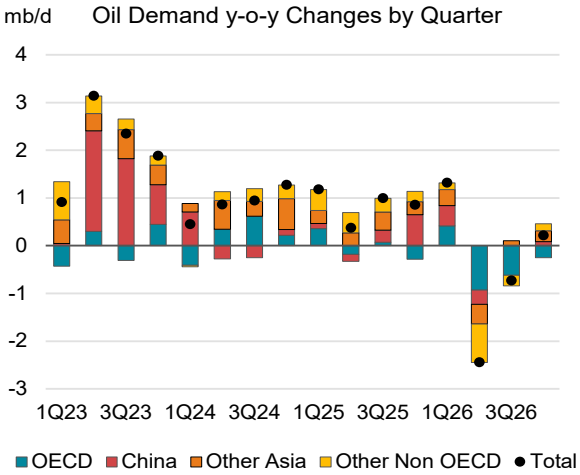
Despite Middle East Gulf losses in NGLs and LPG output, observed stocks moved into surplus in April, in line with the balance. That surplus reflects rising volumes on water as well as the dominant seasonal storage trends in North America. Higher refinery runs after April keep the refined product market in slight surplus from July, easing tensions for the rest of the year. Crude, however, remains in a deepening deficit from April to July before gradually shifting into surplus from October.

Demand

Global oil demand is on course to contract by 420 kb/d y-o-y in 2026, to 104 mb/d. This is 330 kb/d below our estimate in last month's *Report*, and 1.3 mb/d less than our pre-war forecast, as the conflict upends oil consumption both directly and more broadly. Escalating demand destruction is underpinned by a surge in oil prices since the start of the war. Slower economic growth in both OECD and non-OECD countries is also beginning to weigh on consumer and industrial consumption. In the face of localised shortages, governments and companies are working to mitigate oil use to contain the crisis, by implementing demand saving measures, price controls, and rationing to four-day work weeks. Global consumption is forecast to take its biggest hit in 2Q26, declining by 2.45 mb/d, with the OECD down by 930 kb/d and the non-OECD shifting into a contraction of 1.5 mb/d y-o-y.

Within the product spectrum, petrochemical feedstocks have been the most impacted by far. As the closure of the Strait of Hormuz brought a sudden halt to the region's exports, LPG/ethane and naphtha account for around half of the forecast 2026 demand downgrade from pre-war levels, or 700 kb/d on average, but with a much steeper correction in 2Q26. Jet/kerosene uptake has been the other product most immediately affected, down by 210 kb/d from our pre-conflict estimate. Conversely, the impact on road fuels has been relatively modest to date, with annual growth in gasoil and gasoline deliveries actually accelerating by around 300 kb/d each from February to March. This points to consumers and businesses, wary of potential future supply disruptions, storing up on fuel (see *Precautionary Buying Boosts March Road Fuel Demand*).



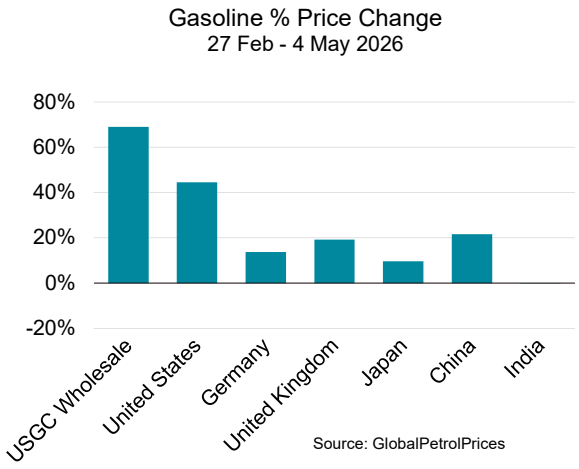


Air traffic in most regions remains below pre-war levels as airlines trimmed routes in response to soaring fuel costs and lower margins. According to data from the International Air Transport Association (IATA), global revenue passenger kilometres (RPK) fell by 0.6% y-o-y in March – the first decline in five years. In the Middle East, airports in Iran, Iraq and Kuwait remained closed in early May, while air travel elsewhere in the region saw a nascent recovery, with flight traffic in the UAE currently around 60% of pre-conflict levels, compared to 20% in the first week of March.

The war's consequences have also manifested in a less direct manner by way of slower economic growth and higher oil prices. Global GDP expansion of 2.9% underlies our estimate, down from 3.4% in February (roughly in line with the common rule of thumb that a $10/bbl increase in the crude price reduces global GDP by 0.10%). An extended closure of the Strait of Hormuz clearly brings additional economic risks. In this regard, the International Monetary Fund (IMF) warned that its reference scenario for a short-lived conflict accompanied by a minor growth slowdown is no longer pertinent.

Global Demand by Product (thousand barrels per day)								
		Demand			Annual Chg (kb/d)		Annual Chg (%)	
	2019	2024	2025	2026	2025	2026	2025	2026
LPG & Ethane	13 211	14 875	15 156	15 003	280	- 152	1.9	-1.0
Naphtha	6 690	7 204	7 215	7 136	12	- 80	0.2	-1.1
Motor Gasoline	26 928	27 523	27 863	27 698	339	- 164	1.2	-0.6
Jet Fuel & Kerosene	7 865	7 559	7 792	7 774	233	- 18	3.1	-0.2
Gas/Diesel Oil	28 747	28 938	29 201	29 130	263	- 70	0.9	-0.2
Residual Fuel Oil	6 207	6 446	6 275	6 278	- 171	3	-2.6	0.0
Other Products	11 110	11 047	10 944	11 008	- 103	64	-0.9	0.6
Total Products	**100 759**	**103 592**	**104 446**	**104 027**	**854**	**- 418**	**0.8**	**-0.4**

The increase in fuel prices has so far disproportionately weighed on OECD consumption, as the price caps and subsidies that are prevalent in non-OECD countries cushion the impact of rising wholesale prices on consumers. Accordingly, there is a great deal of variance with regard to the pass-through of soaring wholesale prices into retail costs. However, the maintenance of these price controls has become costly, and the possibility for discontinuations is a key variable in the demand outlook for emerging countries. Gasoline prices in the United States (where the transmission is the most immediate and complete of any major economy) have risen about 40% since the start of the war, compared to 15-20% in Germany, the United Kingdom and China. Conversely, pump prices in India and Indonesia have barely changed. Consumer inflation in the United States and the euro zone crossed the 3% threshold in March, reviving stagflation concerns. Measures to mitigate the impact of the oil shock on consumers have not been limited to the non-OECD, with 20 European governments so far having cut energy taxes in response to the oil crisis. The IMF has criticised price-reducing measures for their distortion of market signals, as well as for their adverse impact on Europe's already stretched public finances.



The non-OECD shift into demand contraction of 1.5 mb/d y-o-y in 2Q26, from growth of 900 kb/d in 1Q26, occurs overwhelmingly in the Middle East and Asia. Latin America and Africa see their oil consumption decelerating by around 100 kb/d each over this period but will remain in y-o-y expansion in 2Q26 – at around 20 kb/d each – the only regions globally to do so.

The non-OECD price controls, rationing and other demand-saving measures (e.g. Pakistan, the Philippines and Sri Lanka have introduced four-day working weeks) evoke memories of the 2022 Ukraine oil shock. The resulting energy crisis weighed particularly heavily on oil-importing emerging economies, culminating in full-blown balance-of-payments and sovereign debt crises for Pakistan, Egypt and Sri Lanka (the three countries remain under strict IMF supervision).

However, a number of dissimilarities with 2022 may point to greater resilience this time around, lowering the risk of a systemic crisis. One difference is that food prices have not rallied in tandem with oil prices – unlike in 2022, when food shortages prompted waves of protests across developing countries. The FAO Food Price Index was up a moderate 5% year-to-date in April and remains around 20% below its 2022 highs. Moreover, the extreme US dollar strength that characterised 2022,

acting as a severe headwind for oil importers, is absent now, with the US Dollar Index little changed from pre-war levels.

In line with our base case, that assumes flows through the Strait of Hormuz gradually resume from June accompanied by an improving macro outlook, we see demand growth returning to positive territory only in August and then hovering around 2025 levels for the remainder of the year.

Global Demand by Region

(thousand barrels per day)

	Demand				Annual Chg (kb/d)		Annual Chg (%)	
	2019	2024	2025	2026	2025	2026	2025	2026
Africa	4 181	4 647	4 847	4 933	199	86	4.3	1.8
Americas	31 572	31 700	31 999	32 004	299	5	0.9	0.0
Asia/Pacific	36 274	38 892	39 270	39 228	377	- 42	1.0	-0.1
Europe	15 119	14 305	14 265	14 140	- 41	- 124	-0.3	-0.9
Eurasia	4 663	4 826	4 844	4 824	18	- 20	0.4	-0.4
Middle East	8 950	9 222	9 222	8 899	0	- 324	0.0	-3.5
OECD	*47 548*	*45 897*	*45 890*	*45 541*	*- 8*	*- 349*	*0.0*	*-0.8*
Non-OECD	*53 211*	*57 695*	*58 556*	*58 486*	*861*	*- 70*	*1.5*	*-0.1*
World	**100 759**	**103 592**	**104 446**	**104 027**	**854**	**- 418**	**0.8**	**-0.4**

Precautionary Buying Boosts March Road Fuel Demand

Standard economic assumptions imply that surging prices, such as those seen for fuels in recent months, should force demand lower. Consumer prices have increased by up to 50% since the start of the year. However, with March data covering several major markets now available, fuel deliveries appear to have been relatively strong during the first month of the war in the Gulf. Global gasoline and gasoil both grew at faster year-on-year rates than at the start of 2026, rising by an estimated 450 kb/d and 560 kb/d, respectively. They also outpaced our previous assumptions, by a combined 400 kb/d.

We normally assume that higher prices take time to translate into lower demand, with a roughly one-month lag between rising wholesale prices and falls in demand. Moreover, government measures to shield consumers from rising costs are supporting demand. However, these factors are insufficient to explain the apparent buoyancy of deliveries in some countries. It may be that the March acceleration in growth was partly the result of the widespread sense that prices are at risk of rising further – prompting consumers to engage in precautionary buying and tertiary stock building. For example, the *April University of Michigan Survey of Consumers* showed expectations for US price rises over the next year up by 1.3 percentage points compared with February, although these normalised slightly in the May report.

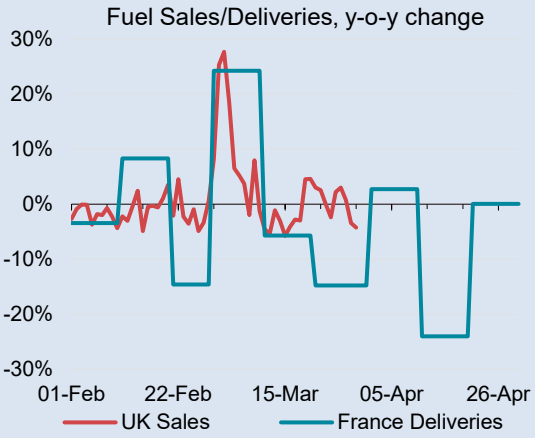
Sample daily sales data from UK petrol stations indicates the start of the war in the Middle East was immediately followed by a surge in purchases. Annual increases reached as high as 39% and 19% in sales of gasoline and diesel, respectively, in early March suggesting that consumers stocked up on fuels in anticipation of further price hikes.

Subsequently, sales ebbed in the weeks after this surge, settling at around the same rate of growth seen in January and February. Owing to the early-March spike, overall UK filling station sales of gasoline and diesel were almost 3% higher y-o-y, with reported deliveries up by 8.4%.

Preliminary French decadal consumption data, produced by the *Comité Professionnel du Pétrole* (CPDP), show a very similar pattern, suggesting analogous behaviour. Total road fuel sales surged

by almost 25% in the first third of March, before declining thereafter. Average March sales saw a modest uptick but were subsequently down by 7.1% in April as higher prices continued to bite and elevated consumer stocks reduced purchase requirements.

Precautionary buying in anticipation of higher prices has not been restricted to Europe. In India, road fuel prices have been almost unchanged since mid-2022, but persistent rumours of forthcoming increases triggered panic buying in some regions. Annual demand growth for gasoline and gasoil comfortably exceeded 2025 rates in March, at 7.8% and 6.4%, respectively. While preliminary April data shows a moderation in national demand growth, reports of localised panic-buying and hoarding continue.



Sources: UK Department for Energy and Net Zero, Comité Professionnel du Pétrole

These patterns were likely repeated elsewhere – perhaps including in the United States (March gasoline +0.5% y-o-y) and China (+2.7%), which both flipped to growth after starting the year with two months of contractions. If higher March sales were indeed driven by cautious motorists filling their tanks, rather than an uptick in driving activity, sales in subsequent months will be dampened. This is broadly in line with our assumption that price-driven reductions in fuel demand will weigh most heavily from April onwards. We estimate that, as in France, global deliveries of gasoline and gasoil shifted into contraction in April (-460 kb/d y-o-y), which will deepen during 2Q26 and extend into the second half of the year unless prices ease.

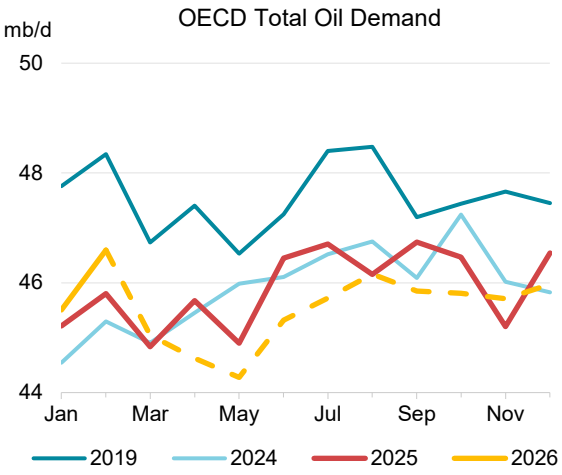
OECD

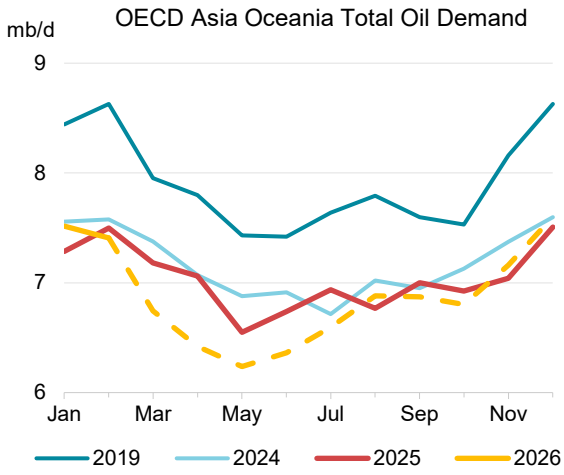
OECD oil deliveries moved decisively into contraction in April, falling by an estimated 1 mb/d. This decline was strongly concentrated in Asia (-640 kb/d, -9.1%) and Europe (-570 kb/d, -4.1%), where demand for petrochemical feedstocks dropped in response to dwindling import volumes and narrower margins. Naphtha demand fell by an estimated 430 kb/d y-o-y in April and is set to fall by 110 kb/d for 2026 as a whole. This *Report* assumes a 350 kb/d contractions in overall OECD demand this year, which would be the biggest absolute decline for the bloc since 2012.

OECD Asia oil demand has seen the largest impact from the blockage of the Strait of Hormuz, with Japan and Korea suffering significant falls in activity in their large import-dependent petrochemical sectors. Demand in each country fell by 290 kb/d y-o-y in April, and we expect an overall regional decline of 440 kb/d y-o-y during 2Q26, resulting in an annual decrease of 160 kb/d, half of which will be for naphtha.

Reported **Korean** delivery data for March showed a 200 kb/d (more than 8%) decline, both m-o-m and y-o-y, in the first month after the outbreak of the Iran war. Demand fell across almost all product categories, with petrochemical operations hit most. Korea is the world's second-largest naphtha consumer and a 4.8% fall for the feedstock is a harbinger of the pressure building on the sector in East Asia and beyond. LPG use was down by 8% as its prices rose even more sharply than those for naphtha. Gasoline and gasoil also marked declines, of around 5% each, with pump price rises

continuing through March and April. Average 2026 demand is expected to dip by 40 kb/d (1.6%), but the impact could be significantly more adverse in the event of an extended disruption.





Japanese oil demand fell by 350 kb/d m-o-m in March, based on preliminary data. This resulted in a 210 kb/d, or 6.4%, y-o-y decline. Naphtha was by far the weakest product, with a 25% y-o-y plunge as steam cracker operators slashed rates. More extensive government subsidies mean that consumer fuel prices have actually gone down over the last 12 months, per *GlobalPetrolPrices*, and deliveries of gasoline and gasoil were virtually flat in March. Overall, 2026 demand is set to decrease by 100 kb/d, amplifying Japan's long-term declining trend.

Australian oil use is set to ease by an average of 30 kb/d (2.3%) this year, with substantial contractions through the final three quarters of 2026. In early May, pump prices were up by 18% y-o-y for gasoline and 47% for diesel. The surge in diesel pricing is especially impactful. Gasoil makes up about half of Australian oil demand, and the fuel is essential for sectors like mining, agriculture and long-distance road haulage which are extremely important in the country's economy.

OECD Demand based on Adjusted Preliminary Submissions - March 2026

(million barrels per day)

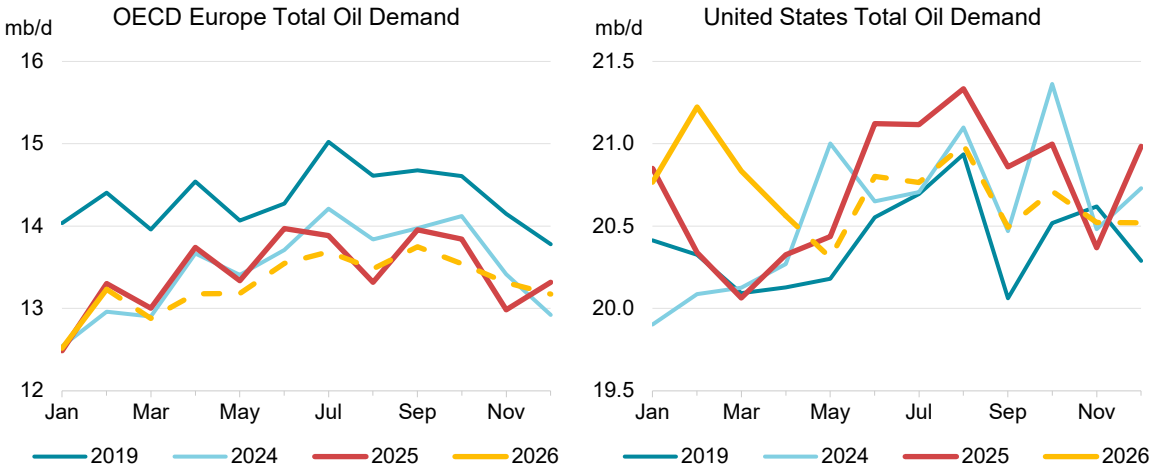
	Gasoline		Jet/Kerosene		Diesel		Other Gasoil		LPG/Ethane		RFO		Other		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa
OECD Americas	**10.38**	**0.2**	**1.97**	**0.0**	**3.54**	**3.2**	**1.90**	**3.1**	**4.64**	**7.2**	**0.42**	**-1.5**	**2.57**	**12.1**	**25.42**	**3.1**
US*	8.83	0.5	1.67	0.3	2.70	3.3	1.61	4.7	3.74	8.3	0.34	4.7	1.94	15.2	20.83	3.8
Canada	0.74	-4.2	0.17	-4.9	0.28	7.4	0.27	-5.3	0.54	2.0	-0.01	-224.1	0.38	3.3	2.37	-1.6
Mexico	0.72	0.7	0.10	4.2	0.38	1.5	0.02	3.9	0.31	4.9	0.07	-3.9	0.21	3.7	1.81	1.9
OECD Europe	**2.27**	**4.8**	**1.39**	**0.5**	**4.64**	**0.9**	**1.07**	**-5.8**	**1.10**	**-0.4**	**0.60**	**0.8**	**1.80**	**-10.4**	**12.88**	**-0.9**
Germany	0.48	2.1	0.14	-4.4	0.64	-0.2	0.21	-26.2	0.10	-2.0	0.05	26.6	0.28	-9.7	1.91	-4.7
United Kingdom	0.30	1.9	0.32	1.2	0.50	12.8	0.04	-38.4	0.09	20.4	0.01	5.3	0.09	5.6	1.35	4.7
France	0.28	8.6	0.16	3.3	0.65	1.5	0.07	-30.5	0.08	2.2	0.03	2.3	0.15	-10.4	1.42	-0.5
Italy	0.21	9.5	0.11	0.3	0.46	-0.5	0.06	19.6	0.12	8.7	0.03	-6.2	0.16	-24.7	1.14	-1.7
Spain	0.16	11.1	0.15	-0.3	0.44	1.3	0.20	12.3	0.07	-4.9	0.13	-9.3	0.19	-0.2	1.33	1.9
OECD Asia & Oceania	**1.37**	**-1.5**	**0.89**	**-3.3**	**1.41**	**-3.2**	**0.40**	**-2.1**	**0.70**	**-4.3**	**0.35**	**2.6**	**1.62**	**-16.0**	**6.74**	**-6.1**
Japan	0.73	0.4	0.48	-5.9	0.44	2.0	0.27	-6.3	0.39	-1.7	0.16	4.4	0.54	-24.0	3.00	-6.4
Korea	0.26	-4.3	0.20	1.4	0.37	-7.4	0.07	7.9	0.26	-8.0	0.16	-2.0	0.95	-13.2	2.26	-8.3
Australia	0.26	-5.2	0.17	2.5	0.53	-3.9	-	-	0.03	1.4	0.01	2.5	0.09	8.7	1.09	-2.0
OECD Total	**14.03**	**0.7**	**4.25**	**-0.5**	**9.60**	**1.1**	**3.37**	**-0.5**	**6.43**	**4.5**	**1.37**	**0.5**	**5.99**	**-3.9**	**45.04**	**0.5**

* Including US territories.

OECD Europe deliveries declined by approximately 100 kb/d y-o-y in both February and March, and we expect this to accelerate to a fall of 380 kb/d in 2Q26. Initial indications are for an almost 20% drop in naphtha consumption in March, with cracker operators cutting back more sharply than we had previously assumed, pre-empting physical shortages in the face of soaring operating costs.

Aviation activity is also suffering, with a combination of higher prices and loss of flights through major Gulf hubs forming a major drag on jet/kerosene demand. *Eurocontrol* data show a 2.1% y-o-y contraction in regional April flights. This stands in contrast to the 2.6% increase in flights during January and February, and a 5.2% rise during 4Q25, suggesting that European air traffic is currently being reduced by 5% or more. This demand destruction is likely to become more prominent while supply is disrupted and as we enter the peak summer season for leisure travel. Currently, we project flat jet/kerosene demand for 2026 but substantial downside potential remains in the event of prolonged supply disruptions.

By contrast, demand for other major fuels appears to have held up much better. In part, this reflects the role played by government price control measures that are dampening demand destruction. Precautionary buying and consumer stock building in expectation of future price rises and potential shortages may also have played a role in inflating demand in the first weeks of the war (see *Precautionary Buying Boosts March Road Fuel Demand*). Overall European demand is set to decline by 140 kb/d (-1%) this year, which would be similar to the downturn in consumption during the 2022-2023 energy shock.



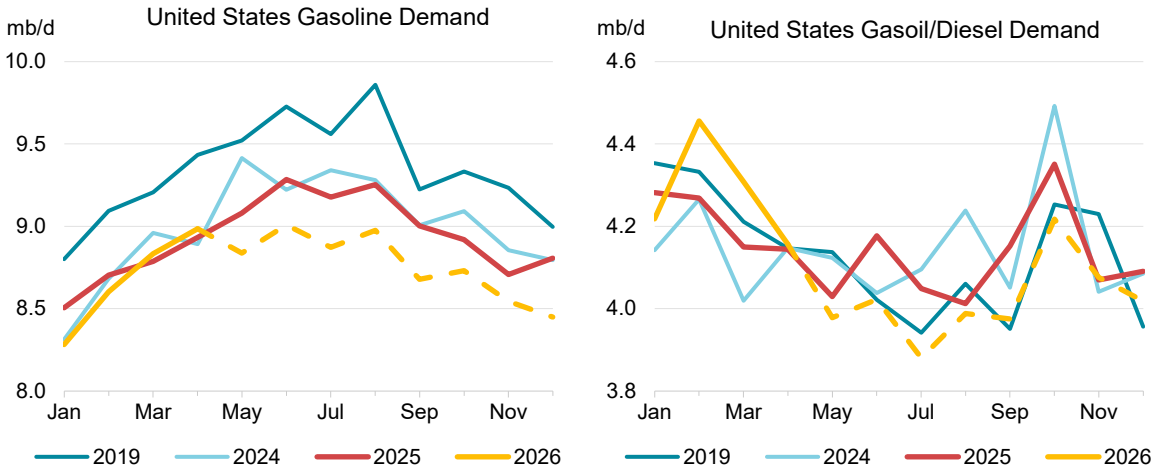
OECD Americas oil demand is set to move into a narrow y-o-y contraction in the second quarter, with a fall of 110 kb/d. We estimate that this decline will accelerate to an average of 330 kb/d in 2H26 as the impacts of higher prices and slower economic growth undermine consumption of key fuels. For 2026 as a whole, deliveries are expected to dip by 50 kb/d (0.2%), with the United States, Canada and Mexico all posting minor reductions.

Preliminary data indicate that fuel deliveries in the **United States** have remained resilient since the start of war, despite rising consumer prices. Based on Energy Information Administration (EIA) weekly data, which sometimes differ substantially from final monthly reporting, we estimate that gasoline demand increased by around 0.5% y-o-y in both March and April. Gasoil deliveries seem to have been much stronger in March, rising by 3.8%, before slowing to an increase of just 0.3% in April. Robust March deliveries are more likely a continuation of the elevated gasoil demand reported for February than evidence of precautionary stocking by consumers and there is little evidence of such behaviour for gasoline. Jet/kerosene demand looks to have fared less well, with preliminary data suggesting a modest year-on-year decline, compared to a rather uneven 2025 baseline.

Total US February demand surprised to the upside, per the EIA's monthly reporting. A year-on-year rise of 880 kb/d (or 4.3%) was dominated by LPG/ethane (+330 kb/d), gasoil (+190 kb/d) and 'other products' (+280 kb/d). Much of this strength likely reflects the impact of unusually cold weather in January and February in some key heating regions, with consumers refilling stocks of heating oil

and LPG. Propane and butane, which are major heating fuels across many states, accounted for about a third of the overall LPG/ethane rise. Ethane demand rose by more than 200 kb/d y-o-y, remaining around the 2.6 mb/d level which has prevailed since the start of winter. It is difficult to reconcile these deliveries with known US steam cracker capacities and activity. In addition, elevated winter ethane demand supports the idea that some volumes reinjected into natural gas streams are currently being counted in oil demand (which should not normally be the case). The increase in 'other product' demand was mainly concentrated in petroleum coke and lubricants.

The outlook for US demand is conditioned by higher pump prices and signs of a decidedly mixed economic environment following a relatively strong start to the year. Our projections assume a marginal decline (-30 kb/d) on average for 2026 deliveries, with a 2H26 contraction of 280 kb/d contrasting sharply with growth of 510 kb/d in 1Q26. Similarly, the outlook varies widely by product, with demand for relatively price-sensitive gasoline set to drop by 200 kb/d, but LPG/ethane rising by 160 kb/d.



GlobalPetrolPrices data show average US gasoline and diesel prices up by about 50% over the last three months. Proportionally, the transmission of wholesale to consumer prices is more intense in the United States because of relatively low fuel taxes. While US drivers are still paying lower prices than most of their OECD counterparts, any sustained increase of this kind is likely to weigh heavily on demand. First-quarter GDP grew by 2.7% y-o-y, amid relatively benign conditions and compared with a soft 1Q25 baseline. The *University of Michigan Consumer Sentiment Index* showed rising confidence in January and February, but this measure has slumped since the start of the war, with April's reading the weakest on record. The *S&P Global US Services PMI* was close to neutral levels in both March and April, but the *S&P Global US Manufacturing PMI* jumped to the strongest level in almost four years, driven by stockpiling efforts in an attempt to mitigate the future impacts of rising cost pressures.

Non-OECD

Non-OECD oil consumption fell by 160 kb/d y-o-y in March. Most key emerging countries for which data have now been reported display a varied picture among regions and products. March's contraction was led by LPG/ethane, which, having accounted for more almost a quarter of non-OECD demand growth in 2025, turned abruptly negative (-560 kb/d y-o-y). With Middle Eastern petrochemical operations still crippled by the war and the Strait of Hormuz closure depriving Asia of Gulf feedstocks, the decline is set to deepen in 2Q26 (-1.5 mb/d). In regional terms, the Middle East (-780 kb/d y-o-y in 2Q26) and Asia (-710 kb/d) account for the bulk of the drop.

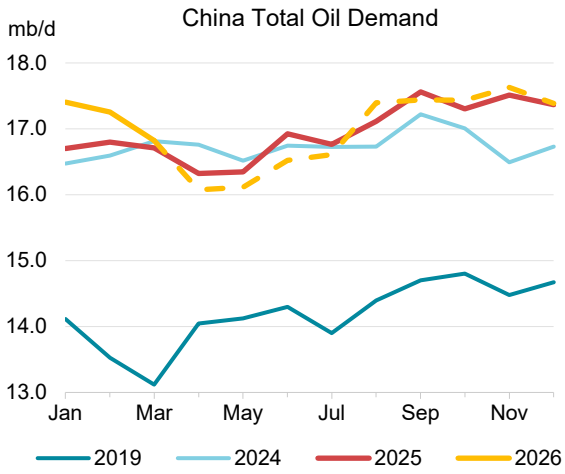
Jet/kerosene is the other product most immediately impacted by the war. Flight tracking data from *AirNAV Radar* show the closure of Gulf airports, either completely (Iran, Iraq, Kuwait) or partially (the UAE), at around one third of pre-war levels in March and April. While flight traffic shows a fledgling recovery in May, this will be insufficient to avert a year-on-year decrease in jet uptake in 2Q26 (-190 kb/d). Still, the strong underlying growth in demand for air travel that characterises emerging economies keeps annual jet/kerosene use essentially flat in 2026.

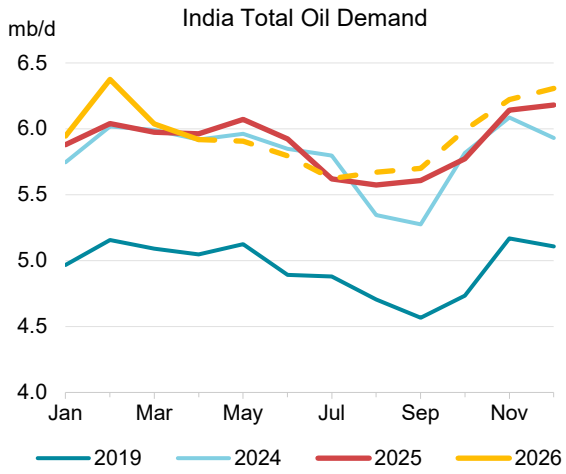
Conversely, road fuel deliveries were reasonably solid in March, with gains for gasoline and gasoil accelerating by around 300 kb/d y-o-y each from February. However, this may point to consumers, wary of possible supply disruptions, hoarding fuel. Moreover, the price controls and subsidies prevalent in many developing countries have cushioned the impact of the oil shock on consumers. Whether or not these measures are sustained will be critical for the non-OECD's demand outlook. We forecast a 70 kb/d y-o-y decline for 2026, with LPG's drop of 330 kb/d y-o-y offsetting minor growth in most other product categories.

Non-OECD: Demand by Product
(thousand barrels per day)

	Demand				Annual Chg (kb/d)		Annual Chg (%)	
	2019	**2024**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**
LPG & Ethane	7 689	8 675	8 863	8 530	188	- 333	2.2%	-3.8%
Naphtha	3 402	4 257	4 358	4 389	101	31	2.4%	0.7%
Motor Gasoline	12 308	13 270	13 540	13 555	270	15	2.0%	0.1%
Jet Fuel & Kerosene	3 357	3 210	3 315	3 312	105	- 3	3.3%	-0.1%
Gas/Diesel Oil	15 057	15 899	16 179	16 336	279	157	1.8%	1.0%
Residual Fuel Oil	4 408	4 945	4 859	4 860	- 87	1	-1.8%	0.0%
Other Products	6 990	7 439	7 442	7 504	4	62	0.0%	0.8%
Total Products	**53 211**	**57 695**	**58 556**	**58 486**	**861**	**- 70**	**1.5%**	**-0.1%**

Chinese oil demand rose by 120 kb/d y-o-y to 16.8 mb/d in March. This was the slowest rate of growth since July 2025, weighed down by LPG/ethane (-70 kb/d y-o-y) and naphtha (-100 kb/d) use shifting abruptly into contraction after the blockage of the Strait of Hormuz limited feedstock supplies to China's petrochemical plants. Steady growth of around 100 kb/d y-o-y each in gasoline and diesel kept overall gains in positive territory.





Still, total Chinese oil consumption is set to decrease by 290 kb/d y-o-y on average in 2Q26 as the ongoing slump in petrochemical feedstocks combines with a slowing outlook for the fuels in the face of a more adverse macro climate and higher fuel prices.

Among the transport fuels, jet/kerosene use is the most immediately impacted, with flight tracking data pointing to a rapid slowdown in air travel. According to data from *AirNav Radar*, domestic air travel was up around 19% y-o-y at the end of February before fading to growth of 8% y-o-y in March and moving into a 3% y-o-y decline in April. Jet fuel uptake is forecast to broadly mirror this trajectory, decreasing by 60 kb/d y-o-y, or 6%, in 2Q26.

Along the same lines, demand growth in road fuels is set to slow to a crawl in 2Q26 (-60 kb/d y-o-y for gasoline, +5 kb/d for gasoil), as soaring pump prices discourage driving. Chinese retail fuel prices for gasoline and diesel rose to CNY 9.56/litre and CNY 8.59/litre, respectively, in mid-April, according to data from *GlobalPetrolPrices* – up around 30% since the start of the Iran conflict and within a whisker of all-time highs set in mid-2022.

In addition, the harsher macro climate is set to weigh on oil consumption, with data readings indicating that the impact of the war has begun to manifest itself in the real economy. While China's GDP got off to a strong start in 2026, with reported 1Q26 expansion of 5% y-o-y accelerating from 4Q25's 4.5% rate, recent economic data point to a loss of momentum. New home prices decreased by 3.4% y-o-y in March, up from February's 3.2% decline and indicating that China's property slump, now in its fifth year, shows no signs of easing. Moreover, retail sales climbed by 1.7% y-o-y in March, well below the 2.4% forecast as unsold goods continued to build. Underlining soft consumer spending, passenger car sales plummeted by 15% in March, according to the China Passenger Car Association, with sales of electric vehicles down by 14.4%.

China: Demand by Product

(thousand barrels per day)

		Demand			Annual Chg (kb/d)		Annual Chg (%)	
	2019	**2024**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**
LPG & Ethane	1 787	2 663	2 725	2 650	62	- 75	2.3	-2.7
Naphtha	1 392	2 296	2 412	2 546	117	134	5.1	5.5
Motor Gasoline	3 470	3 650	3 652	3 553	1	- 99	0.0	-2.7
Jet Fuel & Kerosene	906	934	964	968	31	3	3.3	0.3
Gas/Diesel Oil	3 607	3 661	3 649	3 685	- 12	36	-0.3	1.0
Residual Fuel Oil	450	595	599	583	4	- 16	0.7	-2.6
Other Products	2 573	2 936	2 951	3 021	15	71	0.5	2.4
Total Products	**14 184**	**16 734**	**16 952**	**17 006**	**218**	**54**	**1.3**	**0.3**

Following 2Q26's 290 kb/d decline, demand growth will return to positive territory in the third quarter, in line with our base case of flows through the Strait of Hormuz gradually resuming during 3Q26, accompanied by an improving macro-outlook. This will result in average 2026 gains of 50 kb/d y-o-y, slowing from last year's growth of 220 kb/d.

Preliminary data for **Indian** oil consumption in April continued to display the disparity between tumbling demand for LPG/ethane and resilient deliveries for road fuels that was already apparent in March.

LPG/ethane use fell by 160 kb/d y-o-y, or 16%, corroborating *Kpler* trade data that showed imports plummeting by 60 kb/d m-o-m to 370 kb/d in April – less than half their pre-war level (see *LPG Markets Unable to Make Up Hormuz Shortfall*). The scarcity has hit households hard, with long queues reported for LPG cylinders. Rationing has so far been limited to commercial and industrial users.

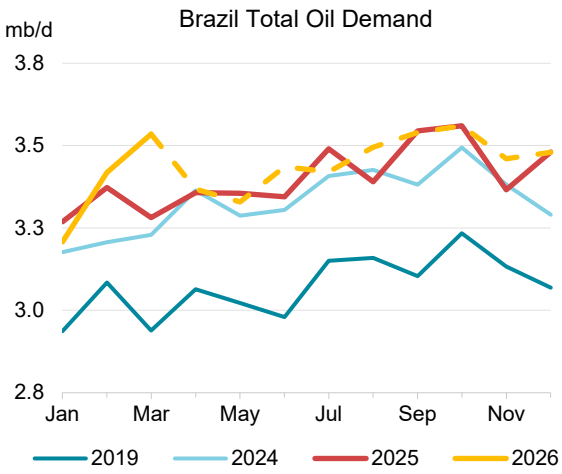
Continuing firm gasoil and gasoline deliveries (combined +70 kb/d y-o-y in April, after +230 kb/d in March) was probably, at least in part, due to apprehension among drivers about possible supply disruptions, with low pump prices also incentivising consumption. Government price controls have

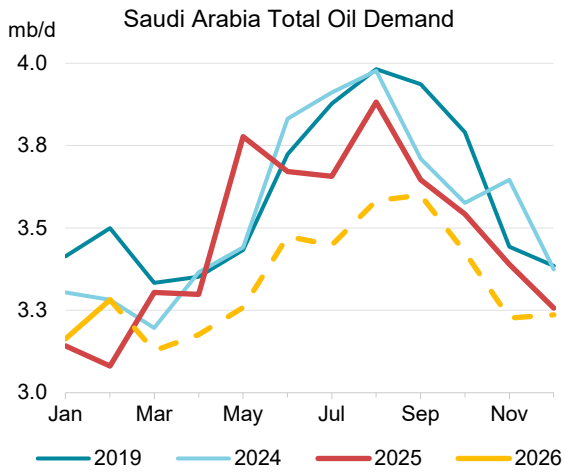
kept retail prices for gasoline and diesel essentially unchanged since June 2022. Maintaining this price cap in the face of soaring oil prices has become extraordinarily costly for India, with the weak rupee (India's currency slumped to fresh record lows in April) further undermining the country's purchasing power in international crude markets.

India's deteriorating economic outlook in the wake of the oil shock has put it in the crosshairs of investor liquidation. Foreign investors pulled nearly $20 billion from Indian equities in the first four months of 2026, already exceeding last year's record full-year outflows. Still, analyst consensus sees ongoing robust GDP expansion of around 7% in 2026. We forecast oil demand growth of 60 kb/d y-o-y in 2026, roughly in line with last year's 80 kb/d.

Saudi Arabian oil deliveries rose by 200 kb/d y-o-y in February – their strongest rate since May 2025. The increase is almost entirely due to higher use of fuel oil in power generation (+230 kb/d y-o-y), amid flattish consumption elsewhere in the product mix.

With the Saudi spring off to a relatively mild start, we see fuel oil demand shifting to contraction in March (-60 kb/d y-o-y). Cooling degree days (CDDs) in March were 10% below last year and 20% below the five-year average. Additionally, the Iran war has resulted in a sudden deterioration of Saudi Arabia's economic outlook. Annual 2026 GDP growth of around 2% underlies our model, less than half of the 2025 4.5% rate and the 4.3% assumed at the start of 2026. In addition, the Kingdom's large export-focussed petrochemical sector is having to cope with the twin challenges of upstream disruptions and blocked export flows. Accordingly, we see annual oil deliveries contracting by 140 kb/d in 2026, the most of any country.





Brazilian oil demand climbed by 250 kb/d y-o-y in March, the strongest in two years. Compared to other emerging markets, the country appears well placed to weather the oil shock due to its status as a net energy exporter. Additionally, its massive dual-fuel vehicle fleet, running on a combination of sugar cane-based ethanol and gasoline, shields it from soaring oil prices. Domestic gasoline prices are only up by around 6% since start of the war, compared to increases elsewhere well into the double digits. A soaring real (the world's best-performing major currency is up around 10% against the US dollar year-to-date) acts as another testament to Brazil's economic resilience. Its central bank, faced with a tight labour market and elevated consumer inflation, has only recently shifted to a less restrictive monetary policy, lowering its policy rate by half a point since March to 14.5% after keeping rates steady for almost one year. We see average 2026 oil consumption growth of 40 kb/d y-o-y, marginally below last year's 70 kb/d.

Singaporean oil deliveries were essentially flat at 1.4 mb/d in March, shifting into a marginal -10 kb/d contraction for the first time in more than a year. Marine bunkering, the main component of the country's oil consumption, remained steady following the outbreak of the Iran war. Fuel oil demand (which is overwhelmingly bunkering-related) fell below 1 mb/d for the first time this year to 970 kb/d but was up by 50 kb/d y-o-y, or 6%. Gasoil use, which is also largely marine-driven, was up by a similar percentage.

Non-OECD: Demand by Region

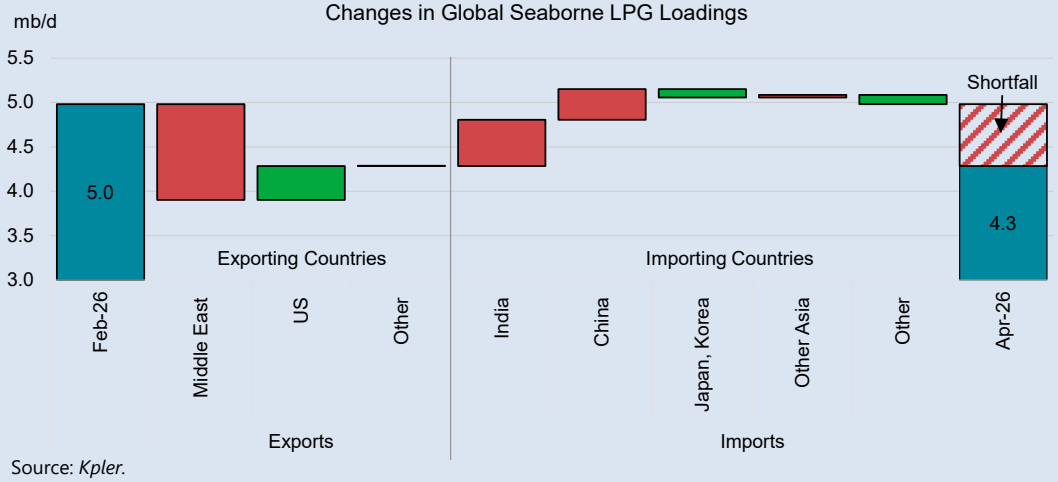
(thousand barrels per day)

	Demand				Annual Chg (kb/d)		Annual Chg (%)	
	2019	2024	2025	2026	2025	2026	2025	2026
Africa	4 181	4 647	4 847	4 933	199	86	4.3	1.8
Asia	28 360	31 714	32 232	32 347	518	115	1.6	0.4
Eurasia	4 663	4 826	4 844	4 824	18	- 20	0.4	-0.4
Latin America	6 281	6 454	6 573	6 632	119	59	1.8	0.9
Middle East	8 950	9 222	9 222	8 899	0	- 324	0.0	-3.5
Non-OECD Europe	776	832	838	851	6	13	0.7	1.6
Total Products	**53 211**	**57 695**	**58 556**	**58 486**	**861**	**- 70**	**1.5**	**-0.1**

LPG Markets Unable to Make Up Hormuz Shortfall

Plunging exports of Middle East LPG via the Strait of Hormuz have dramatically tightened global propane and butane markets. The ensuing surge in prices has forced producers, consumers and international supply chains to adapt. In 2025, Gulf countries were key suppliers of LPG, especially to Asian markets, dispatching almost 1.5 mb/d through the Strait (see April OMR*, Petrochemicals at the Centre of Demand Destruction*). These flows have slowed to a trickle of only 270 kb/d in April, overwhelmingly from Iran, per *Kpler* data.

Even taking into account a 50 kb/d increase in Saudi LPG exports from Yanbu compared with 2025 levels, this leaves a shortfall of 1 mb/d that other exporters have so far proved unable to make up. Some comparatively minor exporting countries were able to boost volumes in April, such as Australia, Argentina, Türkiye, Nigeria (all +20 kb/d compared with 2025 averages), the United Kingdom and Oman (both +10 kb/d). Other important medium-sized non-Gulf exporters like Algeria, Canada and Norway managed little change.



Source: *Kpler*.

The overwhelming source of additional export volumes in April was the United States, already by far the world's largest LPG supplier as a result of the shale-associated NGLs production boom which has gathered paced over the past decade. US loadings of LPG surged by 450 kb/d, or 20%, compared to their 2025 average. This took exports to 2.7 mb/d, or an extraordinary 69% of total world seaborne LPG supply. Such is the strength of domestic supply, that this is barely making a dent in US inventories, according to preliminary EIA stock data, which extends to early May. US propane inventories bottomed out in February but still stood at an all-time seasonal high despite a relatively cold winter.

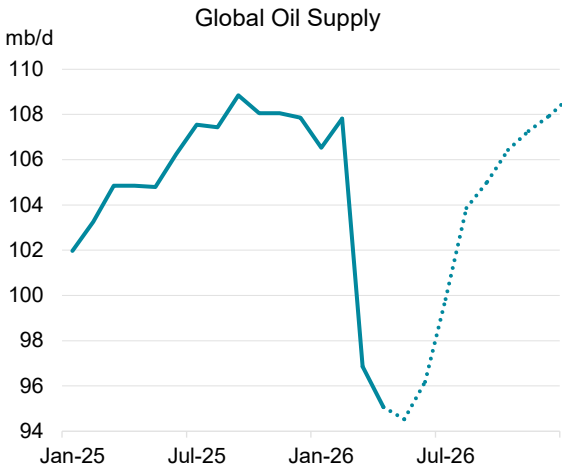
One peculiarity of the US surge in exports illustrates the way that petrochemical operations are taking much of the brunt of supply dislocations resulting from the present crisis. A key constraint on export volumes is terminal capacity, and it appears that installations with ethane-propane flexibility are prioritising the heavier molecule. Ethane is used almost exclusively for petrochemical applications, while propane addresses a wider range of markets where the impact of shortages is felt more acutely. System-level petrochemical feedstock flexibility (especially in China) and stocks of polymers and intermediates are helping to temporarily cushion the blow to the global economy. Nevertheless, shortages of plastics and fibres, exacerbated by the loss of Gulf exports, will start to weigh on sectors like manufacturing, agriculture and construction as inventories run down.

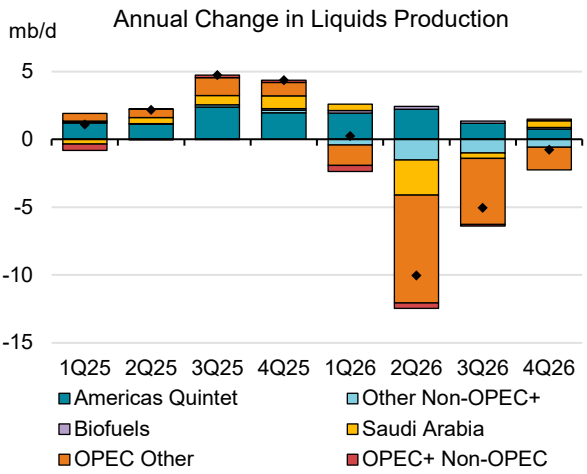
India is perhaps the country most acutely affected. April LPG arrivals were down by more than 40% from January-February levels, despite rising US volumes. The disruption was felt especially quickly there, due to the proximity of Indian ports to Hormuz and as alternative supplies can take more than four weeks to reach the country. The vast majority of Indian LPG demand, down by an estimated 16% in April, is for household and commercial cooking use. The government has made a range of interventions to stabilise the market and limit negative impacts on consumers. LPG is the world's most used cooking fuel and these challenges will be replicated more widely across Asia and Africa the longer the conflict drags on.

Supply

Overview

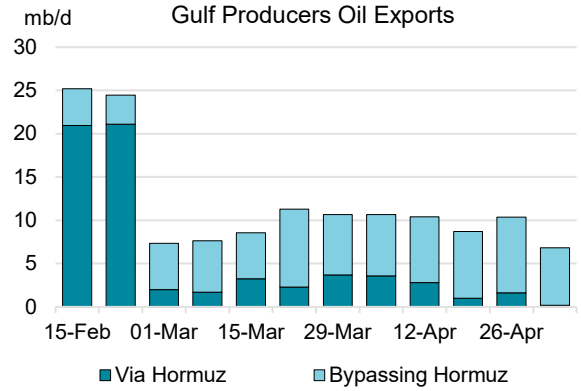
Global oil supply is down by a staggering 12.8 mb/d since the start of the war, after falling by a further 1.8 mb/d m-o-m in April to 95.1 mb/d as the ongoing closure of the Strait of Hormuz deepened the loss of historic scale. OPEC+ production fell 1.9 mb/d m-o-m to 40.1 mb/d in April – down 11.9 mb/d from pre-war levels – with OPEC output at its lowest levels in over 35 years. Non-OPEC+ supply edged up by a modest 90 kb/d m-o-m, to 54.9 mb/d from March lows, but is still 820 kb/d lower than before the start of the conflict due to significant production losses in Qatar following Iranian attacks on its infrastructure.

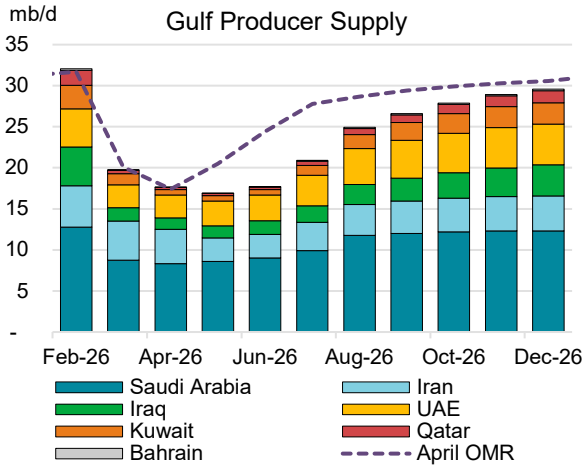




Gulf countries' total oil exports rose by 1.9 mb/d in April to 10.5 mb/d. This consisted of 8.4 mb/d of crude and condensate, 1.6 mb/d of refined products and 460 kb/d of LPG. Oil exports remained 14 mb/d below February levels. Flows via the Strait of Hormuz increased by 440 kb/d m-o-m to 2.7 mb/d. Oil exports bypassing the Strait from Saudi Arabia, the UAE, Iraq and Iran were up by a combined 1.3 mb/d to 7.8 mb/d. Total Middle East Gulf oil production in April, including Qatar, was down 14.4 mb/d (-45%) from the start of the war, at 17.6 mb/d.

With the Strait effectively closed and negotiations between the United States and Iran ongoing at the time of writing, our forecast carries significant uncertainty. In this *Report* we assume the Strait remains shut until early June and that, following demining operations, at least two to three months will be needed to fully normalise trade exports before Middle East production recovers in earnest. Where known, we have accounted for damage to energy infrastructure; this may be further revised when the full extent of impacts and recovery timelines are clearer. While some suppliers, such as the United States, Brazil, Venezuela and some African OPEC+ countries have shown capability to increase output in the short-term, gains are marginal compared to losses from the Middle East. Additional downside risk to the forecast persists not only for Gulf countries, but also for Russia and Kazakhstan if Ukrainian attacks on Baltic and Black Sea ports continue current pace.





Notes: Includes exports from Saudi Arabia, Iraq, UAE, Iran, Kuwait, Qatar, Bahrain and the Neutral Zone. Hormuz bypass includes Saudi Red Sea ports, UAE's Habshan-Fujairah pipeline, Iraq via Türkiye and Syria, and Iran's Jask Oil Terminal.
Source: *Kpler*.

Global oil supply is forecast to ease by a further 530 kb/d in May to 94.5 mb/d ahead of a gradual recovery from 3Q26. On an annual basis, production will decline by 3.9 mb/d y-o-y to 102.2 mb/d in 2026. The OPEC+ production forecast (including the UAE in this *Report*) falls 4.7 mb/d to 46.4 mb/d this year amid heavy losses among Gulf producers. By contrast, non-OPEC+ output is set to increase by 820 kb/d to 55.8 mb/d, as gains across the Americas Quintet – comprised of the United States, Canada, Brazil, Guyana and Argentina – more than offset declines in Qatar.

World Oil Production by Region
(million barrels per day)

	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026
Africa	7.2	7.4	7.4	7.5	7.4	7.4	7.4	7.5	7.5	7.5	7.5
Latin America	7.4	7.7	7.8	8.2	8.5	8.0	8.5	8.9	9.0	9.0	8.9
North America	28.5	28.6	28.9	29.9	30.1	29.4	29.5	30.0	30.2	30.3	30.0
China	4.3	4.5	4.5	4.4	4.3	4.4	4.5	4.5	4.4	4.4	4.5
Other Asia	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Europe	3.3	3.4	3.3	3.4	3.5	3.4	3.5	3.4	3.5	3.5	3.5
Eurasia	13.5	13.5	13.7	13.7	13.5	13.6	13.1	13.4	13.6	13.7	13.4
Middle East	30.2	30.1	30.9	31.7	31.9	31.2	28.6	18.5	25.2	29.9	25.6
Total Oil Production	**97.4**	**98.1**	**99.5**	**101.7**	**102.2**	**100.4**	**98.1**	**89.3**	**96.5**	**101.3**	**96.3**
Processing Gains	2.4	2.4	2.4	2.5	2.4	2.4	2.4	2.3	2.5	2.4	2.4
Global Biofuels	3.3	2.9	3.4	3.7	3.4	3.4	3.1	3.6	3.9	3.5	3.5
Total Supply	**103.0**	**103.4**	**105.3**	**107.9**	**108.0**	**106.2**	**103.6**	**95.3**	**102.9**	**107.2**	**102.2**
OPEC Crude	27.2	27.5	28.2	29.0	29.0	28.4	26.7	19.6	24.7	28.3	24.8
OPEC NGLs [1, 2]	5.5	5.5	5.6	5.7	5.7	5.6	5.3	3.7	4.8	5.2	4.7
Non-OPEC OPEC+	*17.1*	*17.0*	*17.1*	*17.2*	*17.0*	*17.1*	*16.5*	*16.7*	*17.0*	*17.1*	*16.9*
Total OPEC+	*49.9*	*50.0*	*51.0*	*51.9*	*51.7*	*51.1*	*48.5*	*40.0*	*46.5*	*50.6*	*46.4*
Memo: Call on OPEC	*27.8*	*27.2*	*26.6*	*26.6*	*26.6*	*26.7*	*27.4*	*25.6*	*26.6*	*26.8*	*26.6*

[1] Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. GTL in Nigeria and non-oil inputs to Saudi Arabian MTBE.
[2] UAE is included in OPEC countries in this *Report* and will be categorised under Non-OPEC+ from the June OMR.

Crude Import Cuts, Stock Draws and Shifting Trade Flows Soften Hormuz Losses

The Iran war and the closure of the Strait of Hormuz have effectively slashed Gulf crude oil and condensate loadings by about 10 mb/d since February to 8.4 mb/d, leaving importing countries across the globe, and especially in Asia-Pacific, scrambling to find replacement barrels. Offsetting these losses are increased supplies from producers outside of the region that has led to a surge in shipments from the Atlantic Basin to East of Suez markets. Furthermore, record stock draws and a

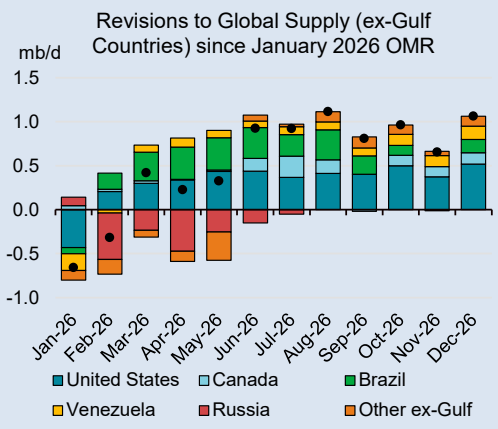
sharp cutback in crude imports from Asian buyers have mitigated the impact on global supplies and prices. However, as inventory cushions contract and import cuts dissipate, supply shortages will worsen, with refiners expected to increasingly feel the strain on operations.

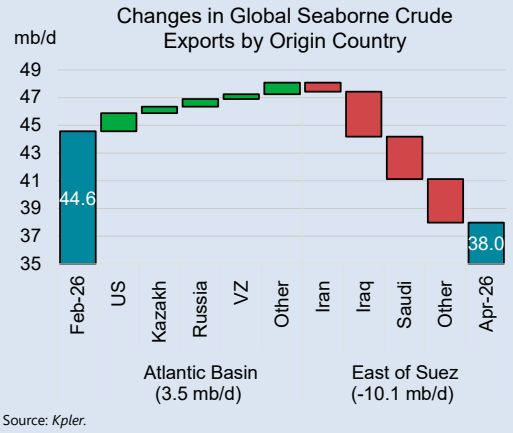
Gulf exports fell by 9.4 mb/d in March and a further 760 kb/d in April, entirely driven by shipments halted through the Strait of Hormuz. While no country behind the chokepoint has been spared from the impact of shipping disruptions, Saudi Arabia and Iraq account for the largest declines, with exports falling by more than 3 mb/d each since the start of the war.

Global supply losses have been partly offset by higher flows from the Atlantic Basin, with exports up 3.5 mb/d since the start of the war. The United States, Kazakhstan, Russia and Venezuela provided most of the increase. Attacks on Russian oil infrastructure have reduced refinery throughput, freeing up higher crude volumes for export.

As a result, global crude exports in April were “only” 6.6 mb/d lower than February levels. China saw the biggest decline in imports in April, with crude arrivals down 3.6 mb/d from February to 7.9 mb/d. Significant reductions were also seen in Japan (-1.9 mb/d to 680 kb/d), Korea (-1 mb/d to 1.6 mb/d) and India (-760 kb/d to 4.4 mb/d). These four countries alone cut crude oil imports by an unprecedented 7.2 mb/d since the start of the war, and while there are some timing effects, this amounts to around three-quarters of Gulf crude export losses.

The surge in Atlantic Basin crude oil and condensate exports has been underpinned by higher output from a number of producers in response to the crisis. Notably, annual crude growth from countries outside of the Strait of Hormuz has been revised up 540 kb/d compared with our expectations at the start of the year, notwithstanding lower Russian forecasts reducing that number by 130 kb/d. The biggest gains are seen in the United States (+320 kb/d) and Brazil (+210 kb/d), followed by less substantial increase in Canada (+80 kb/d) and Venezuela (+70 kb/d).



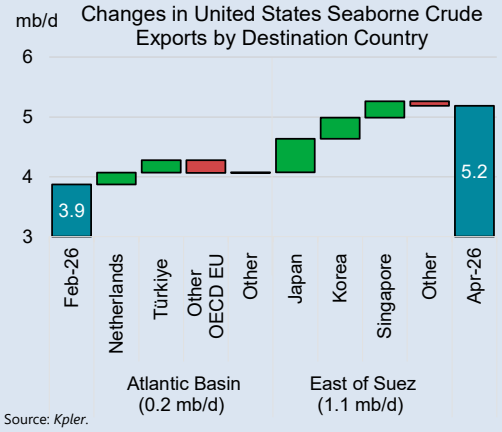


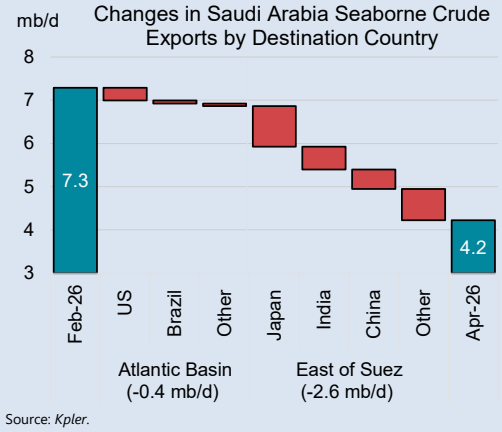
Source: *Kpler.*

Bookending the change in trade flows since the beginning of March are the United States and Saudi Arabia. US crude and condensate exports were relatively flat month-on-month in March at 3.9 mb/d before surging to a record high of 5.2 mb/d in April. Flows to OECD Asia Pacific accounted for around 900 kb/d of the increase, with shipments to Japan picking up in earnest and averaging close to 600 kb/d in April. Singapore-bound barrels increased by a further 280 kb/d. Exports to OECD Europe rose by around 200 kb/d, with increased volumes to Türkiye and the Netherlands offsetting reductions to Swedish and French destinations.

Saudi crude and condensate exports rose by 670 kb/d in February to 7.3 mb/d before falling by around 2.9 mb/d in March as the Strait of Hormuz closed. Loadings declined by a further 160 kb/d in April, as flows from ports behind the chokepoint continued falling by an estimated 1.1 mb/d, while

shipments from Yanbu and Muajjiz on the Red Sea increased by 900 kb/d. East of Suez destinations accounted for close to 80% of Saudi pre-conflict exports, and these markets have consequently suffered the most severe impact. From February to April, exports to China declined from 1.5 mb/d to 1.1 mb/d, while shipments to India fell by 500 kb/d to 400 kb/d. Over the same time, exports to Japan dropped sharply, from 1.2 mb/d to around 270 kb/d, although stocks already positioned in the country have softened the loss of volumes.





With overall supply losses more than offsetting pre-conflict expectations of a 2 mb/d 1Q26 crude stock build, the market will continue to tighten as the conflict drags on.

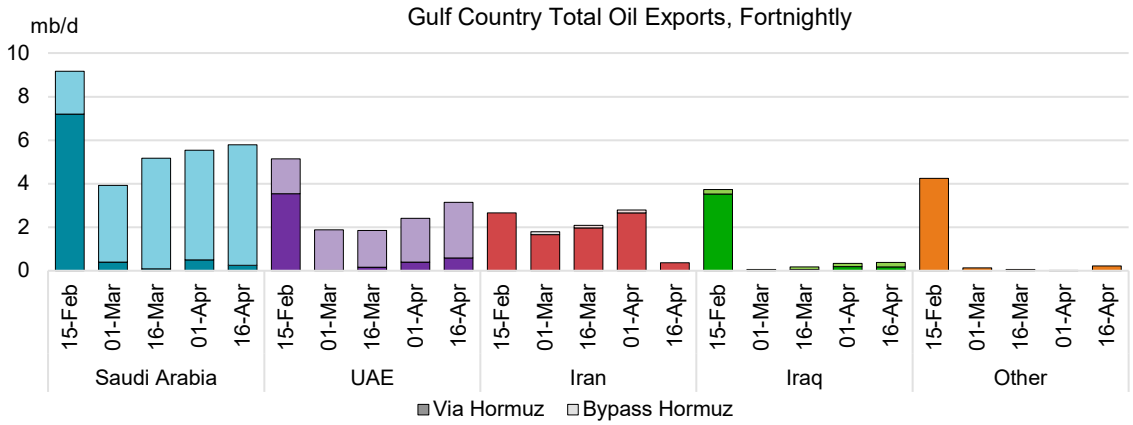
OPEC+ crude supply

OPEC+ crude supply declined by 830 kb/d in April to 34.1 mb/d as OPEC Gulf production fell a further 900 kb/d m-o-m with the continued closure of the Strait of Hormuz necessitating additional curtailments. Outside of the Middle East, producers that could lift additional barrels did. African OPEC countries, led by Nigeria and Libya, pumped 220 kb/d more while Venezuela increased crude output modestly. With Gulf barrels locked behind the Strait, OPEC+ spare capacity hit a historic low at just 170 kb/d.

Following almost 60 years as a member of OPEC, the UAE exited the group in a surprise announcement on 28 April. The UAE is included in OPEC+ aggregates in this *Report* that assesses April production and will be moved to the non-OPEC+ grouping with the June *OMR*. Ahead of the war, the country was OPEC's third largest crude producer at around 3.6 mb/d. The UAE had long produced above its targets, by around 300 kb/d on average in 2025 despite a 300 kb/d boost to its quota and a gradual unwinding of output cuts since early 2025. On 4 May, Energy Minister Suhail Al Mazrouei highlighted the challenge of encouraging investment amidst quota restrictions across OPEC+ countries, noting that the UAE owes it to its investors to produce without constraints. The same day, the (now) Group of 7 OPEC+ countries, comprised of Saudi Arabia, Russia, Iraq, Kuwait, Kazakhstan, Algeria and Oman, opted to unwind an additional 188 kb/d of cuts in June. The quota lift, purely theoretical until the Strait of Hormuz reopens, marks the final scheduled adjustment ahead of the 41st OPEC and non-OPEC Ministerial Meeting on 7 June, where governance issues following the UAE's exit and the group's medium-term strategy are expected to feature.

The Gulf region's severe supply disruption deepened following early-April attacks on oil infrastructure and the start of the US blockade on Iranian exports towards the end of the month. Saudi Arabia raised Red Sea loadings by 900 kb/d m-o-m to 5.3 mb/d, of which 4.2 mb/d was crude, supported

by higher throughput on the East-West Pipeline. Total oil exports from the UAE's Fujairah port rose 430 kb/d to 2.3 mb/d (1.8 mb/d crude), with the higher rates supplied by pipeline from Abu Dhabi and storage. UAE exports via the Strait of Hormuz crept up in late April as some tankers carrying crude from offshore UAE hubs Das and Zirku exited amid continued security threats. During the first half of April, Iranian exports through the waterway exceeded pre-war levels before a US blockade significantly reduced flows.



Source: *Kpler,* IEA calculations. Notes: Other includes Kuwait, Qatar, and Bahrain. Bypass options includes loadings from Saudi Arabia's Red Sea ports, the UAE's Fujairah port, Iraqi-Türkiye pipeline (ITP), Iraqi trucked volumes and Iran's Jask Oil Terminal.

Normalisation of Middle East Supply Chains and Implications for Production Recovery

Above-ground risks, rather than subsurface geology, will set the pace of the Middle East oil recovery to normalise trade flows. Supply-chain issues and infrastructure damage will play the dominant role, as well as assuring the removal of all Iranian sea mines planted in the Strait. In late April, the US Department of Defense highlighted the risk that Iran may have mined Hormuz for leverage, noting that the number of mines is uncertain and could take months to clear. At the time of writing, there was no announced plan of which countries and what resources would be mobilised for clearing. Once a plan is confirmed, several weeks will be needed to relocate minesweeping resources to the region. Until mine-clearance operations are visibly under way and supported by international oversight, market participants are likely to limit exposure or demand prohibitive premia.

Ahead of a full return to free maritime trade, escorted convoys, enhanced surveillance, compulsory pilotage at choke points and clearly defined traffic-management schemes may be necessary before insurers are willing to return to underwriting risk on standard terms.

Following the clearance of any mines, a minimum of two to three months will likely be required to re-establish steady export operations, reflecting the need to exit oil-laden tankers from the Gulf, reposition ballast tonnage, and rebuild port loading schedules. Upstream production and refining activity are expected to lag the initial resumption of shipping. Countries with port bottlenecks and minimal storage, such as Iraq, will take longer to return to pre-war shipping levels.

Countries with less congested ports and more resilient supply chains, notably Saudi Arabia and the UAE, are likely to see a quicker return of output, supported by mobilised workforces, efficient port operations, active construction yards and deeper supply chain inventories. Both benefit from diversified export options, pre-positioned stocks and in-country repair capability.

In Saudi Arabia, the long-running In-Kingdom Total Value Add programme (IKTVA) has lifted local content requirements to around 70% across a broad range of oilfield inputs, including for oil country

tubular goods (OCTG), chemicals, wellheads, premium connections, electrical equipment, static machinery and large domestic fabrication yards. In the UAE, integrated domestic providers – such as ADNOC Drilling – continue to support field activity. On 3 May, ADNOC announced an AED 200 billion ($55 billion) contracting package aimed at advancing its capital programme and strengthening domestic supply chains. International oilfield service companies reported limited workforce disruption across both countries in 1Q26 earnings calls.

Kuwait and Iraq are likely to face a more protracted recovery. Beyond Iraq's port congestion and limited storage, both countries rely heavily on imported equipment, foreign EPC capacity and international oilfield service providers for drilling, completions and artificial lift. International operators noted during recent earnings calls that expatriate staff have largely withdrawn amid the deterioration in the security situation. Production restarts will depend on the return of this workforce, completion of revised operating plans and replacement of damaged equipment. While some assets, such as workover rigs, are readily available, unreliable power supply and backlogs for components including electric submersible pumps are likely to delay a full restoration of output.

Iran's domestic supply chains have expanded out of necessity under long-standing sanctions, with the development of local engineering firms, manufacturers and service providers. However, access to advanced technologies, high-specification materials, turbomachinery and digital systems remains constrained, limiting productivity improvements and slowing recovery following physical damage. Strikes on the country's industrial capacity will further hinder the return of Iranian barrels.

The full extent of damage across upstream fields, processing plants and export terminals remains uncertain. For instance, recent comments by QatarEnergy's CEO on required repairs at Ras Laffan underscore the lengthy timelines needed to restore some supply to pre-crisis levels. Damage to Trains 4 and 6 is expected to require three to five years to repair, reflecting long lead times for major cryogenic equipment and high-specification materials. More broadly, targeted strikes on assets such as cold boxes – critical to gas and petrochemical processing – or refinery distillation towers can extend outage durations by one to three years. Compounding these delays, surging demand in the United States for data centre power generation has pushed lead times for gas compressors and turbines from around 18 months to three years or more, further constraining the availability of equipment commonly used in gas processing, depleted-reservoir production and long-distance fluid transport.

Gulf Producers Domestic Supply Chain Resiliency, Select Indicators

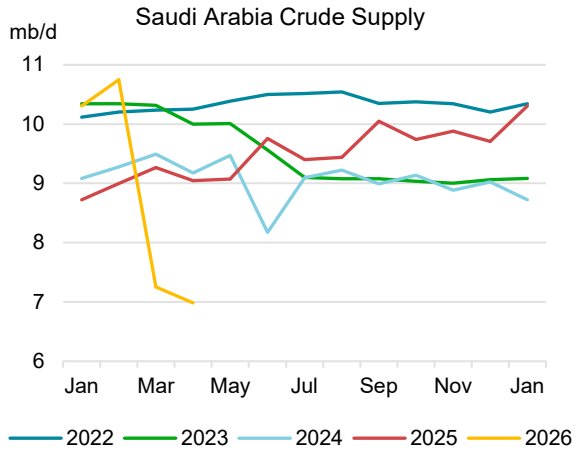
	Port Constraints	Repair & Fabrication Capacity	Well Engineering	Materials Inventories	Workforce Availability
Saudi Arabia					
UAE					
Iran					
Qatar					
Kuwait					
Iraq					
Bahrain					

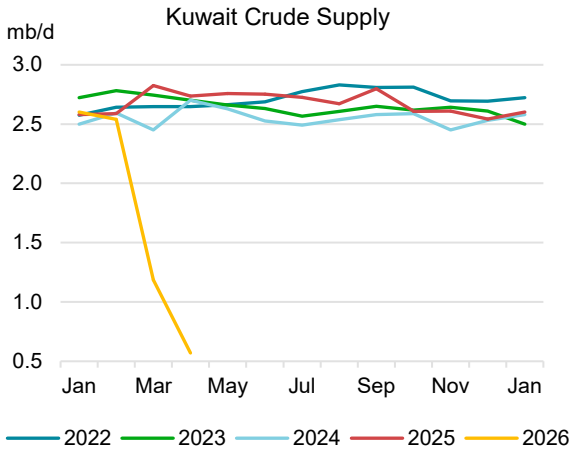
Notes: Select indicators based on an assumed June 2026 firm ceasefire and subsequent recovery. Green shading represents limited/no disruption to end-2Q, Yellow equals disruptions evident, earliest recovery by 3Q26, and Red is defined as disruptions significant, impacts to at least 4Q26. The category Material Inventories reflects current availability of oil country tubular goods (OCTG) including pipeline inventory, chemicals, wellheads, electrical and static machinery, and access to global markets.

OPEC+ Crude Oil Production (excluding condensates) (million barrels per day)	Mar 2026 Supply	Apr 2026 Supply	m-o-m change	Apr 2026 vs Target	Apr 2026 Implied Target[1]	Sustainable Capacity[2]	Eff Spare Cap vs April[3]
Algeria	0.96	0.99	0.03	0.01	0.98	1.0	0.0
Congo	0.27	0.27	0.00	-0.01	0.28	0.3	0.0
Equatorial Guinea	0.06	0.04	-0.02	-0.03	0.07	0.1	0.0
Gabon	0.19	0.23	0.05	0.06	0.18	0.2	0.0
Iraq	1.57	1.35	-0.22	-2.85	4.20	4.9	n/a
Kuwait	1.19	0.57	-0.62	-2.02	2.60	2.9	n/a
Nigeria	1.35	1.45	0.10	-0.05	1.50	1.4	0.0
Saudi Arabia	7.25	6.98	-0.27	-3.18	10.17	12.1	n/a
UAE	2.11	2.45	0.34	-0.94	3.39	4.3	n/a
Total OPEC-9	**14.95**	**14.33**	**-0.62**	**-9.03**	**23.36**	**27.1**	**0.0**
Iran[4]	3.63	3.51	-0.12			3.8	
Libya[4]	1.23	1.31	0.08			1.3	0.0
Venezuela[4]	0.98	1.02	0.04			1.0	0.0
Total OPEC	**20.80**	**20.18**	**-0.63**			**33.2**	**0.0**
Azerbaijan	0.46	0.45	-0.01	-0.10	0.55	0.5	0.0
Kazakhstan	1.88	1.86	-0.02	0.93	0.93	1.8	0.0
Mexico[5]	1.39	1.38	0.00			1.5	0.1
Oman	0.84	0.85	0.01	0.04	0.81	0.8	n/a
Russia	8.96	8.83	-0.14	-0.81	9.64	9.4	
Others[6]	0.62	0.59	-0.03	-0.28	0.87	0.9	n/a
Total Non-OPEC	**14.15**	**13.95**	**-0.20**	**-0.22**	**12.79**	**14.8**	**0.1**
OPEC+ 18 in Nov 2022 deal[5]	**27.72**	**26.90**	**-0.82**	**-9.25**	**36.15**	**40.4**	**0.1**
Total OPEC+	**34.96**	**34.13**	**-0.83**			**48.0**	**0.2**

1 Includes extra voluntary curbs and compensation cutback volumes.
2 Capacity levels can be reached within 90 days and sustained for an extended period.
3 Production over estimated capacity stated as zero.
4 Iran, Libya, Venezuela exempt from cuts.
5 Mexico excluded from OPEC+ compliance.
6 Bahrain, Brunei, Malaysia, Sudan and South Sudan.

Saudi Arabia's crude output declined by 270 kb/d to 7 mb/d in April. Total crude exports averaged 4.2 mb/d, compared with 7.3 mb/d in February, as loadings from Yanbu were up by 3.4 mb/d from February levels and 950 kb/d above March. Shipments of fuel oil to west coast power plants, primarily sourced from Russia, rose 140 kb/d m-o-m to 370 kb/d (up 180 kb/d y-o-y) to supplement losses of associated gas and allowing crude previously earmarked for power generation to be redirected towards higher-value refining and export streams. In April, Aramco awarded two Contract Release Purchase Orders (CRPOs) to Saipem to support Safaniya field capacity. The work is commencing using domestic construction yards.

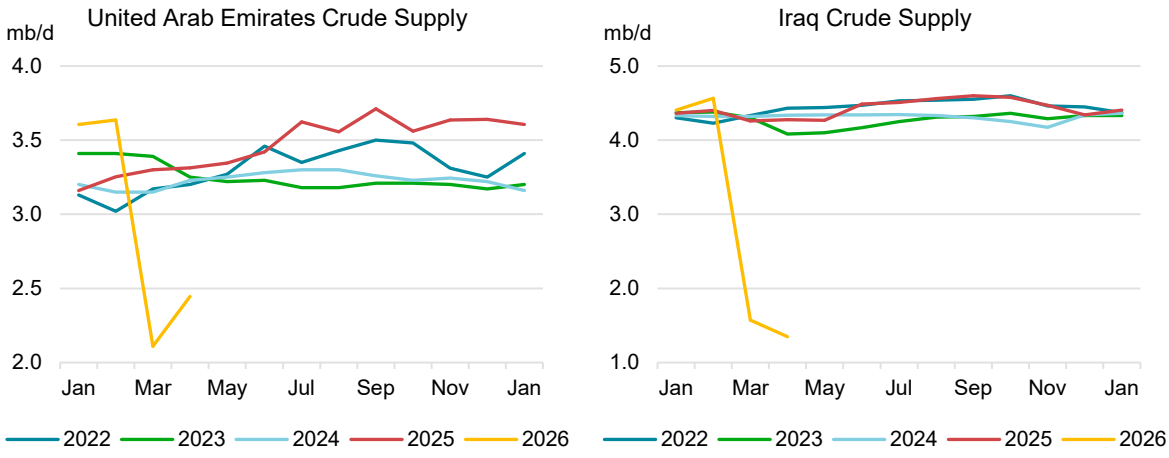




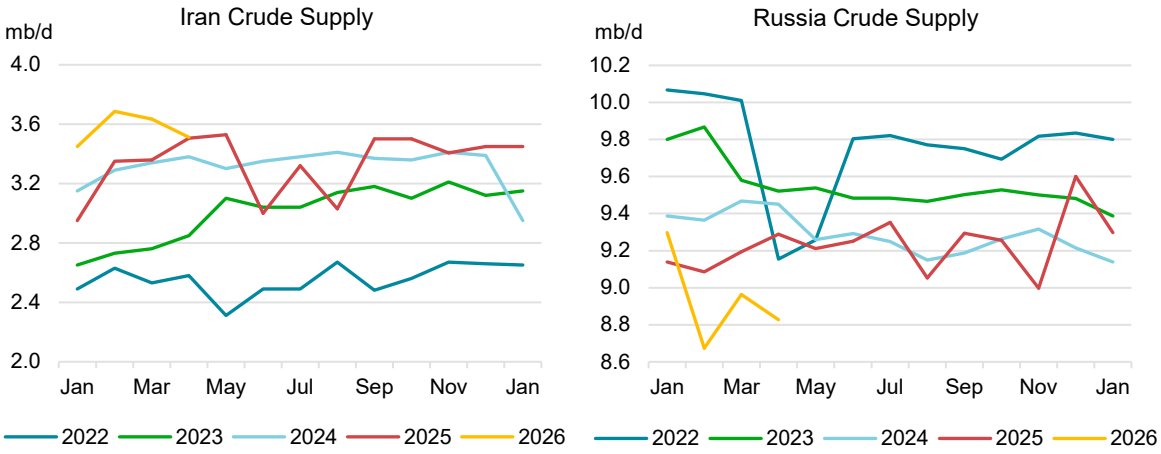
Kuwaiti crude production fell 620 kb/d m-o-m to 570 kb/d with no exports in April. Estimated refining runs were cut by 180 kb/d and crude inventory gains slowed to 40 kb/d, according to *Kayrros* data. In April, an estimated 2.2 mb/d of Kuwaiti crude supply remained shut-in. Following attacks to Kuwaiti petrochemical facilities on 5 April, we have lowered our forecast for Kuwaiti NGL output to 160 kb/d in 2026, down 70 kb/d y-o-y. **Neutral Zone** output, shared equally between Saudi Arabia and Kuwait, is currently shut in.

UAE crude supply added 340 kb/d m-o-m to 2.4 mb/d. Crude exports from Fujairah rose 220 kb/d to 1.9 mb/d in April while crude exiting the Strait of Hormuz increased by 280 kb/d m-o-m to 370 kb/d, largely consisting of Das Island and Zakum grades. Following the UAE's exit from OPEC and OPEC+, effective 1 May, the country's oil data will be reported under the non-OPEC+ grouping beginning with the June *Report*. UAE NGLs and condensates output have been impacted by crude shut-ins as well as damage to the Shah gas field and the Habshan gas complex and Borouge petrochemical facility. Initial repairs at these locations have allowed for a partial resumption of supply with the full extent of damage uncertain. We forecast shut-in UAE crude output to restart from late 2Q26, ending the year at 4 mb/d.

Iraq crude supply declined 220 kb/d m-o-m to 1.4 mb/d in April. Major fields across the country remained heavily curtailed on limited export options. Crude exports via the Iraqi-Türkiye Pipeline (ITP) gained 60 kb/d m-o-m to 140 kb/d while loadings from southern ports fell 320 kb/d m-o-m to 130 kb/d, resulting in Iraqi officials slashing oil prices in early May in an attempt to encourage sales. In a signal that the security situation in Kurdistan is easing, DNO announced the restart of its Kurdistan production on 9 April following its shut-in at the start of the war. On 7 May 2026, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned Iraq's Deputy Oil Minister, Ali Maarij al-Bahadly, for reportedly supporting Iranian oil smuggler Salim Ahmed Said. OFAC designated Said in June 2025 for selling Iranian oil falsely declared as Iraqi oil and bribing Iraqi officials.



Iranian crude supply stayed relatively resilient through April, down just 120 kb/d to 3.5 mb/d. Crude loadings fell 410 kb/d m-o-m to 1.4 mb/d, but the US naval blockade enforced from mid-month cut exports transiting the Strait by 1.1 mb/d m-o-m to 530 kb/d for April. Iranian upstream fields continued producing through the month, filling available onshore and offshore storage. Assuming the US naval blockade holds, we forecast Iranian supply to fall 1.4 mb/d to 2.1 mb/d in May as available storage fills.



Russian crude supply declined 140 kb/d m-o-m to 8.8 mb/d, down 460 kb/d y-o-y, as continued Ukrainian attacks on refineries and ports constrained output. Estimated refinery runs were cut 400 kb/d m-o-m to 4.7 mb/d, leading to a rise in crude exports of 250 kb/d to 4.9 mb/d.

Russia's Total Exports Revenues: Steady Despite Infrastructure Damage

Russian crude and oil product exports declined by 90 kb/d m-o-m to 7 mb/d in April, 480 kb/d below year ago levels. Export revenues increased by $110 million to $19.2 billion, $6.28 billion more than in April 2025 as global oil prices surged and Russian discounts to international benchmarks narrowed.

Russian Crude and Product Exports (mb/d)

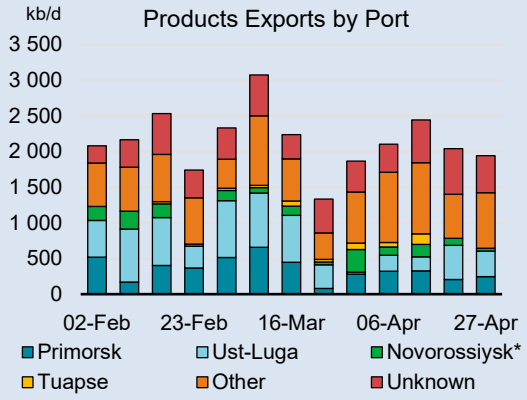
	2022	2023	2024	2025	Jan-26	Feb-26	Mar-26	Apr-26	m-o-m	y-o-y
Total Crude	5.11	4.91	4.78	4.78	4.65	4.33	4.63	4.88	0.25	0.17
pipeline and rail	1.85	1.40	1.31	1.31	1.25	1.09	1.06	1.12	0.07	-0.15
seaborne	3.25	3.52	3.47	3.47	3.40	3.24	3.57	3.76	0.19	0.32
Total Products	2.98	2.97	2.73	2.58	2.81	2.44	2.50	2.15	-0.34	-0.64
Gasoline	0.16	0.21	0.17	0.12	0.07	0.08	0.07	0.01	-0.06	-0.12
Gasoil	0.95	0.96	0.87	0.82	1.01	0.82	0.88	0.76	-0.12	-0.17
Resid+VGO	1.08	1.02	0.95	0.88	0.95	0.79	0.79	0.78	-0.01	-0.24
Jet-Kero	0.04	0.05	0.05	0.05	0.06	0.07	0.06	0.00	-0.06	-0.04
Naphtha+NGLs+LPG	0.65	0.63	0.59	0.61	0.69	0.65	0.66	0.59	-0.07	-0.03
Total	8.09	7.88	7.51	7.36	7.46	6.76	7.12	7.03	-0.09	-0.48
Total Revenue ($Bn)	252.92	188.67	192.40	158.25	10.96	9.68	19.07	19.18	0.11	6.28
... of which crude	146.51	118.49	123.28	101.26	6.60	6.01	11.40	12.94	1.53	4.82
... of which product	106.41	70.17	69.12	57.00	4.36	3.67	7.66	6.24	-1.42	1.46

Sources: IEA, *Kpler, Argus Media Group* .

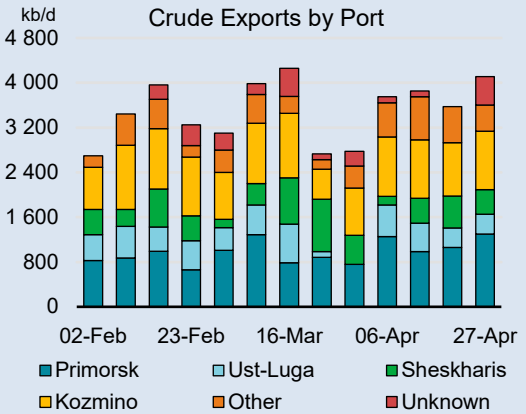
Crude exports rose by 250 kb/d m-o-m to 4.9 mb/d, recovering from temporary disruptions in late March and early April caused by attacks on Russian port infrastructure. The rebound was driven by higher seaborne shipments via the Baltic Sea (+190 kb/d m-o-m) and a partial resumption of Druzhba pipeline flows to Hungary and Slovakia, reaching 60 kb/d in the final week of April. On the Black Sea, Urals exports from Sheskharis fell by 370 kb/d to 160 kb/d in the week of 6 April, requiring one week to recover. In the Baltic, loadings briefly dropped from 1.5 mb/d to 760 kb/d in the week of 30 March

due to a two-week outage at Ust-Luga and reduced shipments from Primorsk, before recovering later in April.

Oil product exports fell by 340 kb/d m-o-m to 2.2 mb/d, the lowest level in our records. The decline was driven by the gasoline and kerosene export embargo introduced on 1 April, alongside reduced refinery runs following the 20 April strikes on Tuapse and disruptions at Primorsk, Ust-Luga and Sheskharis. Weekly product loadings had earlier dropped by 1.7 mb/d between 9 March and 23 March to 1.3 mb/d, before partially recovering to 1.9 mb/d. Russian total exports recovered in the second half of April, but never returned to the three-week average preceding the attacks on Baltic ports – covering the period between the start of the Middle East conflict and the Baltic disruptions – that peaked at 7.7 mb/d. Subsequent Ukrainian attacks disrupted this ramp-up, interrupting the stronger momentum in flows.



Source: *Kpler*.
*Novorossiysk includes Sheskharis

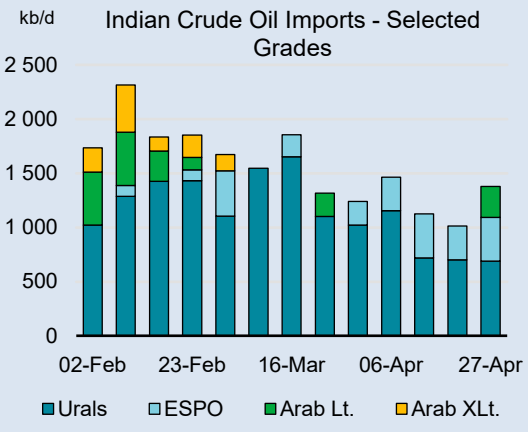


Source: *Kpler*.

Crude oil prices continued to rise, with Urals FOB Primorsk jumping to $96.42/bbl (+$20.92/bbl m-o-m) and ESPO FOB Kozmino increasing by $7.13/bbl m-o-m to $92.46/bbl. Urals FOB Primorsk also exceeded ESPO for the first time. As demand for Russian barrels increased, the discount for Urals FOB Primorsk versus North Sea Dated narrowed from $28/bbl in March to $23.94/bbl in April, while that for ESPO widened from $18.51/bbl to $27.90/bbl.

Tighter market conditions pushed product prices higher, with the exception of fuel oil. Diesel prices were up by $14.28/bbl m-o-m and VGO by $12.73/bbl. Crude revenues increased by $1.5 billion m-o-m, largely offset by a $1.4 billion decline in oil product revenues due to lower export volumes.

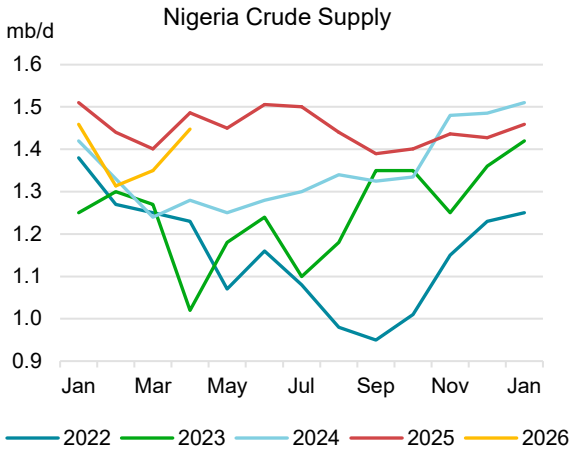
Since the onset of the Middle East conflict, Russia has attracted new buyers for its Urals grade, with exports to Egypt reaching 200 kb/d in April and peaking at 380 kb/d in the week of 20 April. With Urals exports at 1.9 mb/d, Russia is approaching pre-Ukrainian War levels, suggesting loadings close to capacity. China and India, the two main importers, reduced crude purchases in April, with declines of 380 kb/d each m-o-m to 1.4 mb/d and to 1.6 mb/d, respectively, as March imports were inflated by floating storage made available under a US sanctions waiver. While ESPO exports from Kozmino to China fell by 150 kb/d in April, flows to India increased by a similar volume, reaching an all-time high

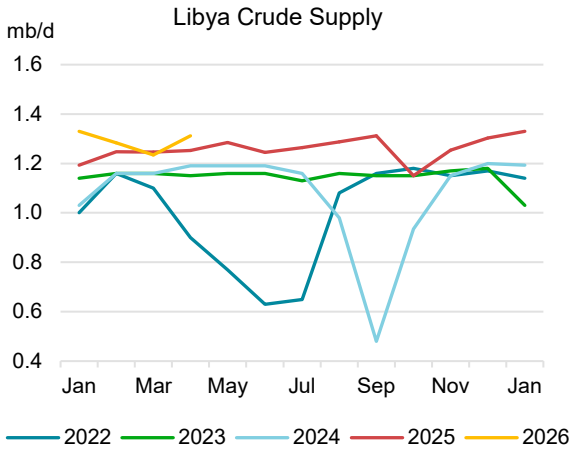


Source: *Kpler*.

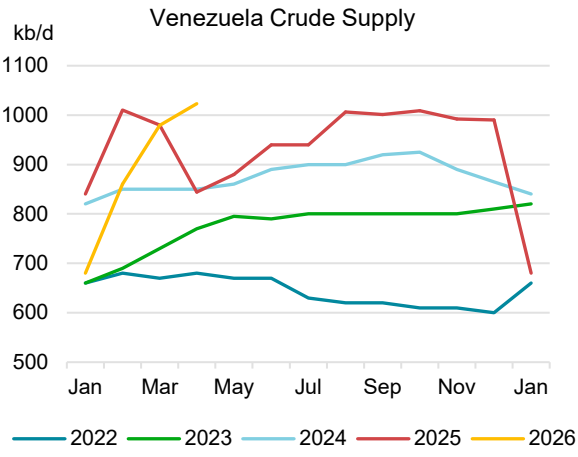
of 310 kb/d. Saudi Arabia exported around 590 kb/d of light crude to India in February, partly explaining the shift towards ESPO, which has a similar quality to Arab Light. Last month, ESPO exports were 70 kb/d below record levels, highlighting physical constraints on further increases in these flows. While Russian crude exports remained among the highest since the start of the war with Ukraine, the EU released its 20th sanctions package, adding vessels, the ports of Murmansk and Tuapse, and Indonesia's Karimun oil terminal to its banned list. Karimun imported around 50 kb/d of Russian oil products in 2025 and was suspected of circumventing the oil price cap mechanism.

African OPEC+ crude production rose 220 kb/d to 4.4 mb/d. **Nigerian** crude supply increased 100 kb/d to 1.4 mb/d with Bonga back from maintenance. Net crude exports, excluding condensates, edged up 20 kb/d m-o-m to 630 kb/d as estimated refining runs gained 75 kb/d to 550 kb/d with repairs to the Dangote refinery completed. **Libyan** crude production rebounded 80 kb/d in April to 1.3 mb/d. Crude exports were up 10 kb/d to 1.2 mb/d while inventories swung from sizeable draws in March to builds of 20 kb/d in April. **Algerian** crude output added 30 kb/d m-o-m to 990 kb/d. April crude exports climbed 50 kb/d to 440 kb/d, supported by inventory draws.





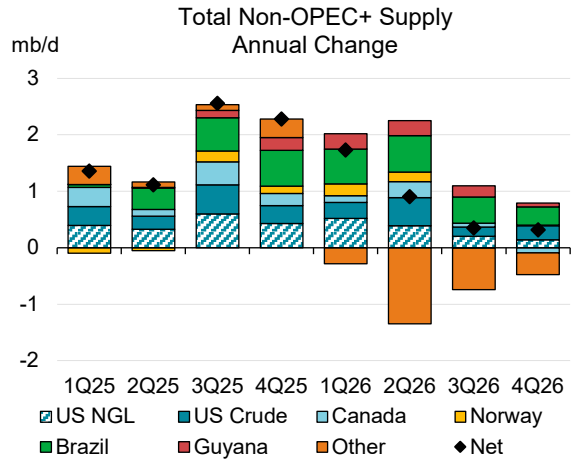
Venezuelan crude supply rose 40 kb/d m-o-m to 1 mb/d in April, 180 kb/d higher y-o-y. Preliminary trade data show crude exports increased 250 kb/d to 1 120 kb/d, the highest level since 1Q19, supported by draws from onshore and offshore storage. Exports to India gained 100 kb/d m-o-m to 380 kb/d as the country looks to offset the loss of Middle East supplies. Policy reform and changes to US general licences translated into tangible activity across Venezuela's oil sector in April. On 13 April, Chevron increased its stake in Petroindependencia from 35.8% to 49%, the maximum permitted under current rules, as part of a restructuring aimed at concentrating capital and operational focus on Orinoco heavy crude. On 16 April, Repsol signed an agreement with PDVSA to reassume operational control of the Petroquiriquire oil asset, currently producing around 45 kb/d, with plans to lift output by about 50% within 12 months and potentially triple it over three



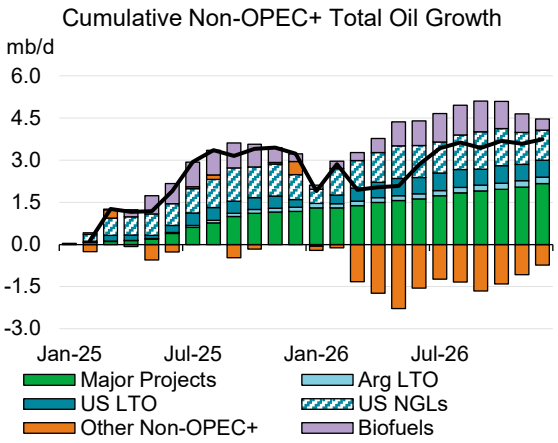
years, subject to payment mechanisms and revised contract terms. On 28 April, following the signing of an agreement to relaunch the Junín-5 heavy crude project with PDVSA, Eni began lifting crude as payment-in-kind for gas production at Cardón IV (equally owned with Repsol). In parallel, oilfield service companies, including firms historically linked to SLB, Halliburton, Baker Hughes and Weatherford, reportedly began removing drilling rigs and key equipment from storage in eastern Venezuela and Lake Maracaibo in preparation for redeployment. The forecast for Venezuelan oil supply has been revised up by 70 kb/d to 1 mb/d in 2026.

Non-OPEC+

Non-OPEC+ output rose by 90 kb/d m-o-m in April, to 54.9 mb/d, as 570 kb/d of gains led by the United States, Brazil and global biofuels were partially offset by 480 kb/d of losses concentrated in Qatar, as well as in Canada and China to a lesser extent. Qatari supplies have been slashed by a steep 1.6 mb/d from pre-war levels, with April accounting for 140 kb/d m-o-m of the loss. Non-OPEC+ production growth is forecast at 820 kb/d this year, versus 1.2 mb/d expected prior to the war, bringing total supply to an average of 55.8 mb/d. Higher assessments for Brazil and the United States since February nearly offset downgrades to the Qatar forecast as the conflict continues. Qatar's oil supply is expected to remain below pre-war levels through the remainder of the year given the need to procure long-lead items and to repair facilities. Elsewhere, increases will be driven by the Americas Quintet, as these five countries are expected to deliver close to 1.5 mb/d of new supply this year.



Note: Other Non-OPEC+ is inclusive of biofuels on this chart.

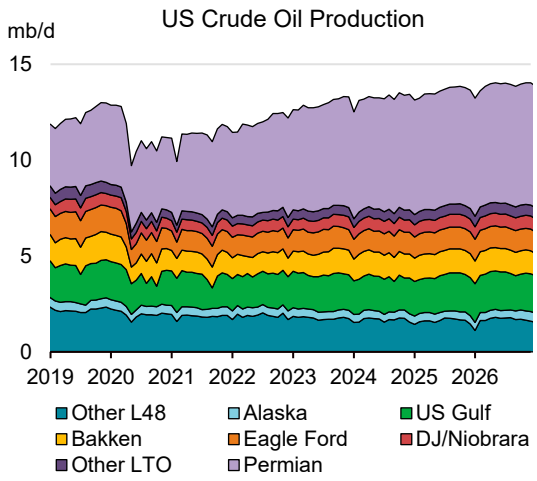


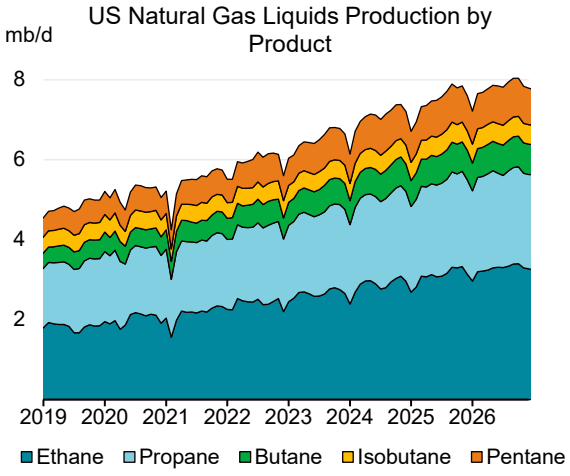
Note: Actual data aligned with country reporting. Forecast includes projects ramping to capacity. Cumulative growth from Jan 2025. Line is net growth

US total production hit a new all-time high of 21.9 mb/d in April, driven by record crude output of 14 mb/d. Output was 210 kb/d higher m-o-m with crude accounting for 130 kb/d and NGLs up 80 kb/d. US annual growth has been revised higher by 150 kb/d with two-thirds of the changes in crude. Lower 48 volumes account for all of the upgrades, split between light tight oil (LTO) and conventional production, while Alaskan output has been revised down as Pikka's start-up has been pushed back to June.

Total US supply is now forecast to increase by 610 kb/d to 21.8 mb/d this year. Growth is split between NGLs and crude with the former set to grow by 310 kb/d. Crude growth will be driven by lower 48 volumes, with conventional resources and LTO both seeing a bump from higher prices. Conventional output is expected to fall by a marginal 10 kb/d to 1.5 mb/d as elevated realisations should incentivise workovers and well stimulations, stymieing declines. LTO output is set to increase by 230 kb/d while Pikka will help buoy Alaskan growth of 20 kb/d and federal offshore volumes will increase by 60 kb/d as projects ramp up.

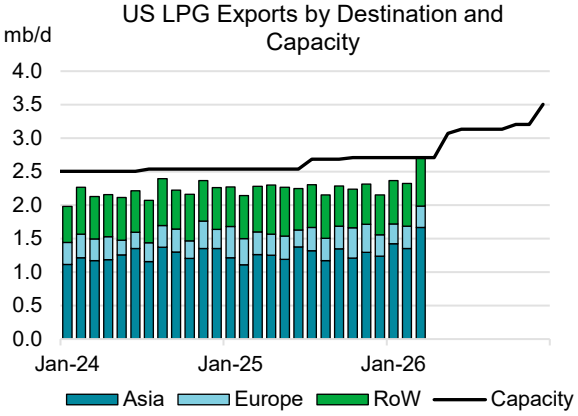
In February, the latest month for which official data are available from the Energy Information Administration (EIA), total US supply jumped by 830 kb/d m-o-m to 21.4 mb/d, completely recovering losses from winter storm Fern in January. Crude rebounded by 390 kb/d and NGLs by 440 kb/d. Regarding the latter, the Gulf Coast (PADD 3) accounted for three-quarters of the NGL recovery, whereas product-wise ethane volumes made up 50% of the increase. Texas, New Mexico and Oklahoma were the states most affected by the harsh weather. Crude output in Texas rebounded by 250 kb/d to 5.8 mb/d whereas Oklahoma volumes were still 20 kb/d below pre-storm levels while New Mexico saw output surge 190 kb/d to 2.3 mb/d, more than offsetting winter effects.





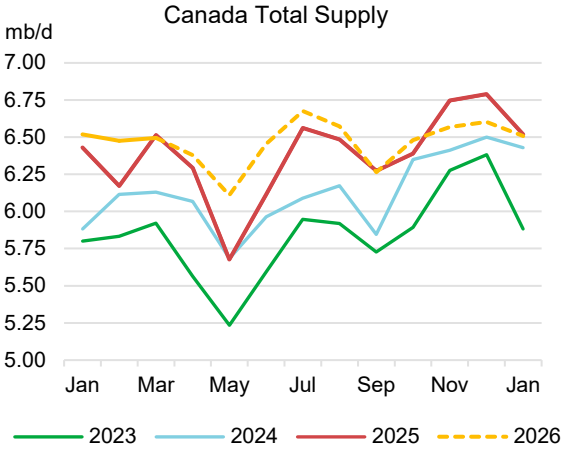
Lower 48 crude production was revised 160 kb/d higher on the year, split almost evenly between LTO and conventional barrels. LTO is now forecast to rise by 230 kb/d, an 80 kb/d upgrade from last month's *Report*. The improved outlook is supported by additional commentary from 1Q26 earnings calls around increased scheduling of completion crews, and the recent clarifying guidance from the Environmental Protection Agency (EPA) around flaring, potentially easing the natural gas takeaway constraint on oil production.

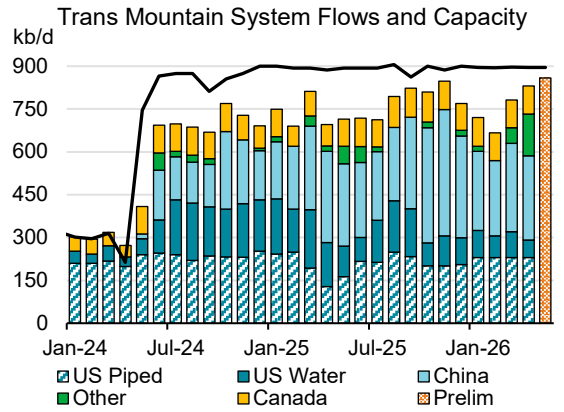
While annual NGLs output has been revised up by 40 kb/d this month, its relative outperformance vis-à-vis crude oil this year will narrow following the recent flaring guidance. Gains of 310 kb/d are still driven by associated gas production in the Permian Basin. These volumes will find their way to the international market as close to 800 kb/d of new dock capacity is brought online over the course of this year. Indeed, US LPG exports grew by 330 kb/d m-o-m in April with the entirety of the increase destined for Asian markets (see *LPG Markets Unable to Make Up Hormuz Shortfall*).



Notes: Assumes ET Nederland flexport expansion is split 100 kb/d ethane and 150 kb/d LPG. EPD NRT flexport phase 2 is 360 kb/d LPG, not 180 kb/d ethane.
Sources: *Kpler*, *East Daley Analytics*, Company reporting.

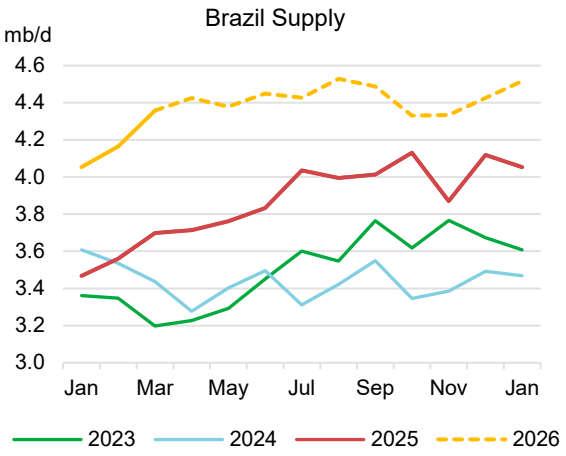
Canadian supply fell by 120 kb/d m-o-m in April, to 6.4 mb/d, as NGLs gave back their previous month's gains and oil sands maintenance began. May is expected to see further losses as both the Syncrude and Suncor Base Plant upgraders have scheduled maintenance. Annual production is forecast to increase by 90 kb/d to 6.5 mb/d on average.

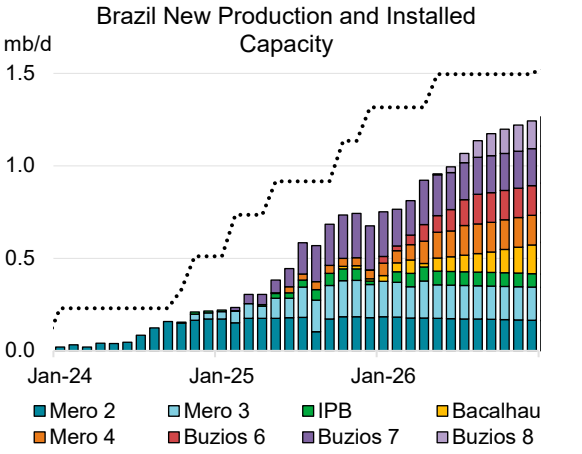




Note: Piped exports to PADD 5 via Sumas terminal. Canada includes domestic crude and product flows, estimated beyond CER data availability.
Sources: *Kpler*, Canadian Energy Regulator, US EIA.

The Trans Mountain Expansion (TMX) pipeline, which moves a mix of products and crude oil to the Canadian West Coast, saw flows increase by 50 kb/d m-o-m in April, to 830 kb/d, based on data from *Kpler* and the Canadian Energy Regulator. April was the second straight month of gains with most of the incremental loadings destined for China or Korea. Preliminary May data from *Kpler* suggest that exports are up another 30 kb/d to 860 kb/d – 200 kb/d higher than February.





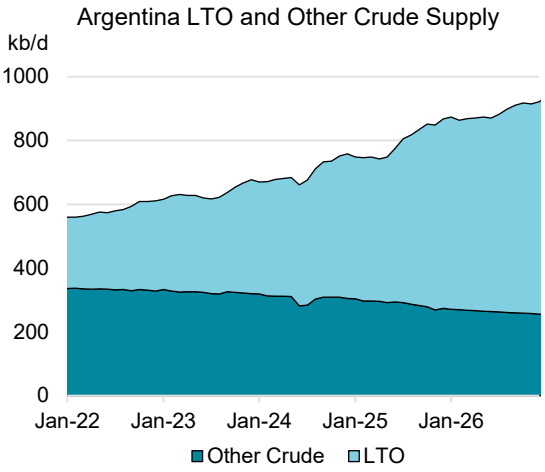
Note: Official data through March 2026. Dotted line includes nameplate capacity.

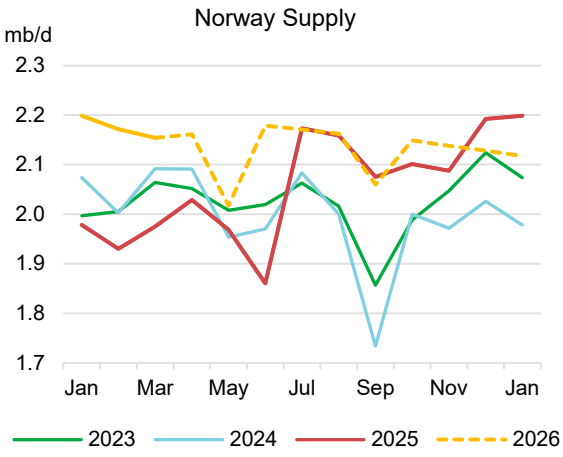
Brazilian production hit a third consecutive record high in April, having increased by 60 kb/d m-o-m to 4.4 mb/d, based on provisional data from the Agencia Nacional do Petroleo (ANP). This follows official ANP data that showed supply rose by 200 kb/d in March. Reduced maintenance shutdowns as well as high operational efficiency have helped contribute to the output gains.

With the 1 May start-up of Petrobras' Búzios 8 floating production storage and offloading vessel (FPSO), eight new FPSOs with a combined capacity of close to 1.5 mb/d have been brought online since 2024. The 180 kb/d Búzios 8 (P-79) FPSO saw first oil five months ahead of schedule and is now expected to reach full capacity by the end of this year. These installations, along with improvements in Petrobras's operational efficiency, will support annual output of 4.4 mb/d this year, up 510 kb/d from 2025, 120 kb/d higher than forecast in last month's *Report*. Indeed, we expect a 70% average annual utilisation of these facilities versus 55% realised last year. This underscores a 20% reduction in Brazilian downtime expectations this year.

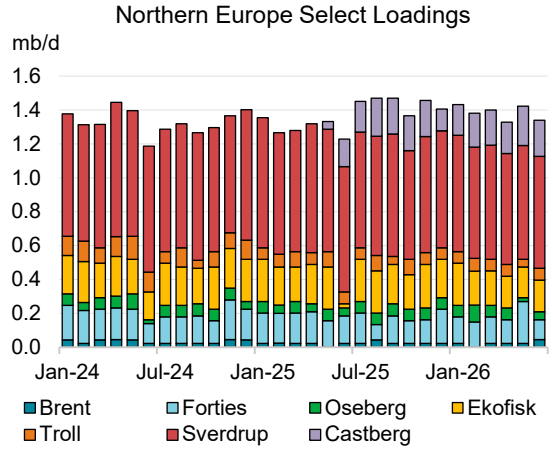
Argentinean supply was up 10 kb/d in April, with total liquids volumes at a five-month plateau of just over 1 mb/d. Crude output has been hovering around an all-time high of 870 kb/d over the same

period. Growth of 100 kb/d on the year will be driven exclusively by LTO from the Neuquén Basin, bringing crude output to 890 kb/d and NGLs to 160 kb/d.

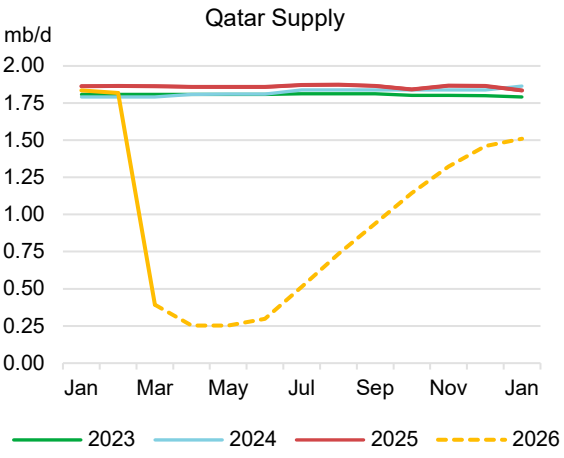




United Kingdom production was up 40 kb/d on the month to 740 kb/d and **Norway** supply was up 10 kb/d at 2.2 mb/d. Annual UK output is expected to fall by 20 kb/d this year to 710 kb/d, while Norwegian volumes are set to grow by close to 100 kb/d to 2.1 mb/d. North Sea loadings programmes for key grades (BFOE plus Troll and Johan Sverdrup) were finalised at 1.1 mb/d in April and 1.2 mb/d in May. June is now scheduled – also at 1.1 mb/d, down 60 kb/d on the month – with a 130 kb/d downward reversal in Forties more than offsetting smaller increases in Troll, Oseberg and Brent grades. Compared to a year ago, June loadings are up 60 kb/d with higher Ekofisk volumes more than offsetting lower Forties and Johan Sverdrup liftings. Including Johan Castberg, June loadings are scheduled at 1.3 mb/d, with Castberg offtake averaging 200 kb/d on the year.



Source: *Bloomberg Finance LP.*

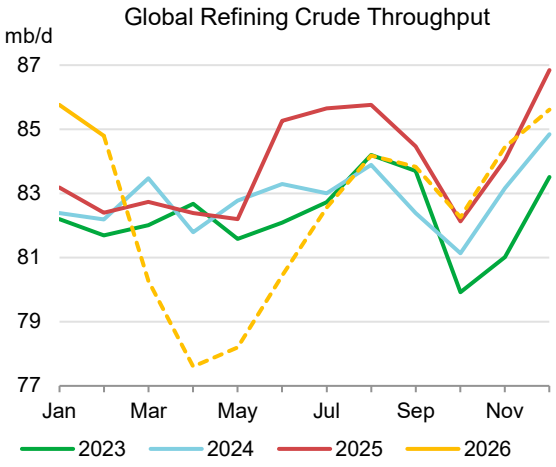


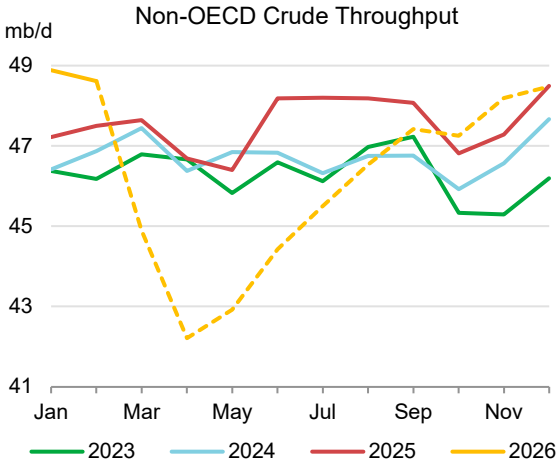
Qatari oil and gas supply chains remain severely disrupted following Iranian strikes on the Ras Laffan and Mesaieed Industrial Cities in early March. These attacks effectively shut in most of the country's condensate and NGLs output, except for Dolphin Gas associated liquids, as well as moderate crude oil volumes. With *Kpler* data showing only four crude and condensate export cargoes in April (all within the Gulf), production is essentially limited to domestic stock builds and use at the Umm Said refinery, albeit with runs curtailed. April and May supply of 250 kb/d marks the low point, before volumes recover to 1.5 mb/d by the end of the year – still 400 kb/d below pre-war levels. The annualised impact amounts to 990 kb/d, bringing output to 910 kb/d for 2026 on average.

Refining

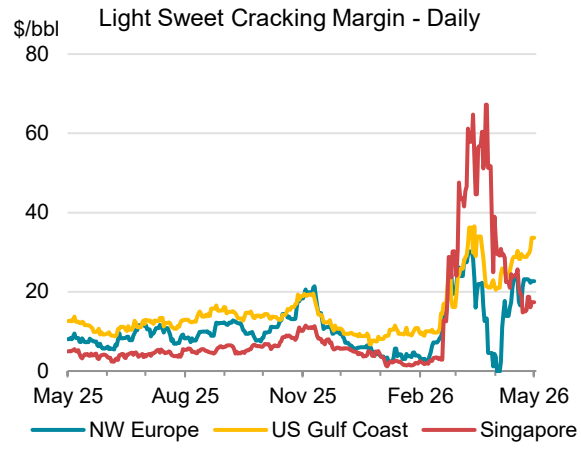
Overview

Global crude throughput forecasts for 2026 have been reduced by a further 560 kb/d from last month's *Report*, in line with the more cautious assessment reflecting the severity and duration of the Gulf crisis. Crude runs are now expected to trough in 2Q26 at 78.7 mb/d, before slowly recovering in line with an assumed easing of trade tensions through 3Q26. Run cuts have reduced 2Q26 forecast throughputs by 5.6 mb/d on average. Reductions are centred in Asia-Pacific due to a lack of crude arrivals, in the Middle East from attacks on refineries and disrupted trade through the Strait, and in Russia where increasingly frequent and effective drone strikes have cut activity. Global crude runs for 2026 are now forecast to average 82.3 mb/d, down 1.6 mb/d from 2025.

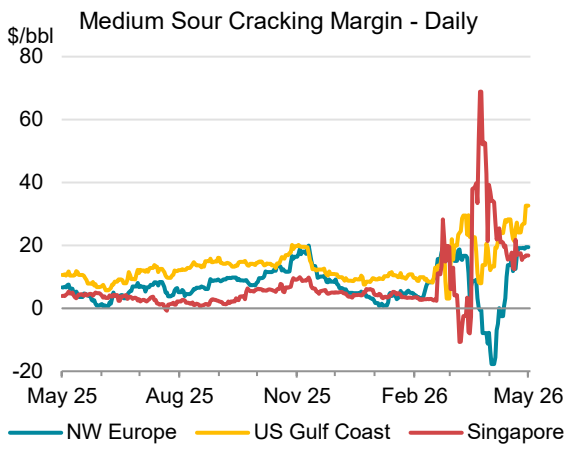




Refining profitability stabilised in early May at historically high levels. However, refineries continue to face elevated price volatility, uncertainty about future crude supplies, as well as shifting product trade and demand patterns. Record middle distillate cracks have supported margins as market participants adapt to the loss of Gulf product exports and the emergence of new sources of supply to meet importing nations' needs, with arbitrage values underpinning these new trade flows.



Source: IEA analysis based on data from *Argus Media Group*.

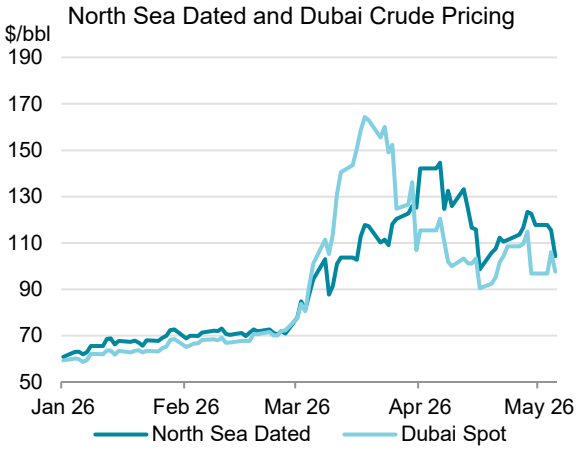


Source: IEA analysis based on data from *Argus Media Group*.

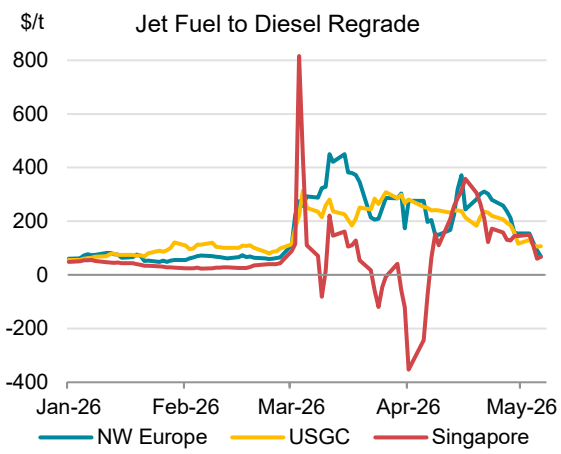
Regional refining developments

Refining activity continues to be severely disrupted by the Strait of Hormuz closure, with crude and product price volatility ebbing and flowing as markets seek to rebalance following the shock to Middle Eastern exports. Asian refineries have sought to secure alternative sources of crude from further afield to replaced lost volumes. Similarly, importers of naphtha, jet fuel and kerosene have turned to different exporters to meet requirements. The negative supply shock dynamics have driven prices to record highs in absolute terms, pushed relative value spreads to extreme levels, reduced market liquidity and increased price volatility significantly. This environment is testing refiners' ability to source crude, capture margins and effectively manage price risks, all while pushing to optimise their assets against a rapidly changing crude slate that results in materially different product yields, sulphur levels and product blending requirements.

Examples of how trade flow disruptions are impacting refinery operations are evident in both the crude and middle distillate markets. North Sea Dated traded at an average premium to Dubai of $0.80/bbl in February 2026, below its long-term average. North Sea Dated slipped to a $49/bbl discount to Dubai by mid-March, before flipping to a $31/bbl premium in mid-April. These pricing developments reflect the shift in crude market tightness from East of Suez that boosted Dubai-related pricing in March to the Atlantic Basin, as Asian refineries purchased West African and Latin American grades for processing later in the second quarter. In turn, this has pushed European refiners to bid up the crude values of some North Sea grades, with meaningfully more prompt loading dates and shorter voyage times.



Source: *Argus Media Group.*

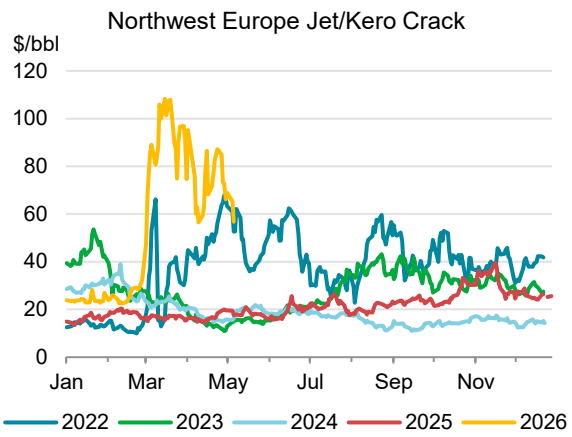


Source: IEA analysis based on data from *Argus Media Group.*

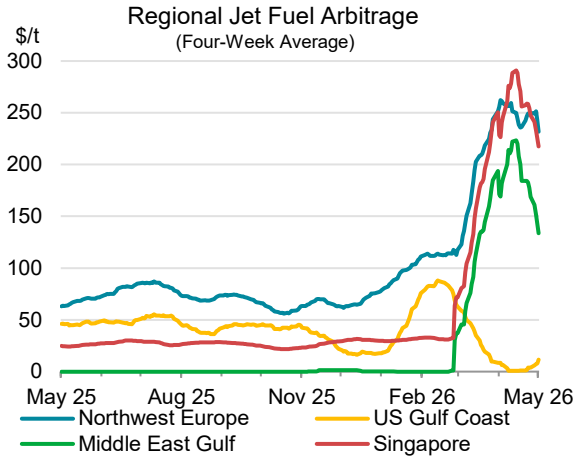
Similarly, diesel and jet fuel cracks rallied over the course of March and averaged $60/bbl and $75/bbl, respectively, across Europe, the USGC and in Singapore in April. This was broadly three times their average February levels, before starting to soften in early May. Furthermore, the spread between jet fuel and diesel has been extremely volatile. Jet fuel has traded $30/t above diesel in Europe and Singapore on average over the past five years. The unprecedented negative demand shock caused by the Covid-19 pandemic pushed the price differential between these two middle distillate grades as low as -$100/t when jet fuel demand plummeted. Recent weeks have seen jet fuel's premium to diesel spike to $800/t above diesel in Singapore, before collapsing to nearly -$400/t in early April and then recovering to above $200/t later in the month. In early May this spread narrowed to around $70/t as market adjustments eased the extreme tightness in jet fuel.

This rapid increase in the price spread between jet fuel and diesel is just one of several price signals that are pushing consumers, traders and producers to adapt to the loss of supply. Jet fuel markets

have tightened up materially since the start of the conflict, with Europe's Amsterdam-Rotterdam-Antwerp (ARA) jet inventory levels falling at a record pace to five-year lows and now sit 12% below the previous low point. Preliminary April estimates also indicate that OECD inventories have dropped sharply since the end of February, with European stocks down by a cumulative 7%.



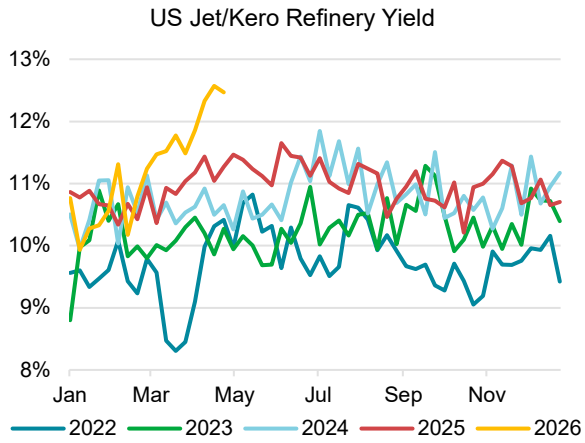
Source: IEA analysis based on data from *Argus Media Group.*



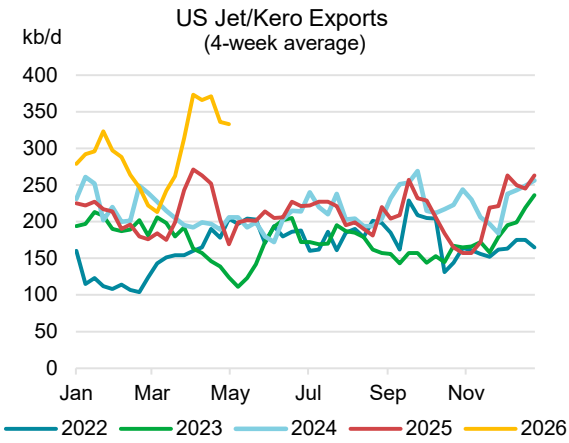
Source: IEA analysis based on data from *Argus Media Group.*

Notes: The arbitrage is the regional price versus the lowest cost source of supply, e.g. on a day when the Middle East Gulf price is the lowest of the four regions, Europe's arbitrage is the price difference between Europe and the Middle East Gulf.

This *Report* has highlighted the need for key importing regions, such as Europe, to ideally replace a minimum of 80%, and preferably 90%, of the lost Middle East jet fuel import volumes to avoid shortages over the peak summer travel season (See April OMR: *European Jet Fuel Markets Scramble for Cover*). April European net imports only reached 70% of their March level. To attain a new market equilibrium will require a multi-faceted adjustment process. Firstly, jet fuel demand is tracking below trend growth rates in response to the higher prices. Secondly, regulatory changes could allow for inbound flights to bring additional jet fuel from origin location, such as the United States and the Middle East, effectively shifting the call on jet fuel needed for long-haul flights to regions that have adequate supplies.



Source: *EIA*



Source: *EIA*

Third, adjustment to the supply side in response to record jet fuel cracks and inter-regional arbitrage values achieved in recent weeks are also evident. Refineries have started to increase jet fuel output where possible to compensate for the loss in supplies. The United States has rapidly boosted its jet

yield, output and exports since February and shifted to become the lowest-cost source of jet fuel supplies globally during much of April. The increase in jet fuel yields is itself driven by several factors. Marathon's Garyville refinery fortuitously commissioned a project to increase jet fuel output by 30 kb/d in March, accounting for 0.2 percentage points of the gain. However, jet fuel production is typically limited by constraints on hydrotreating/Merox (mercaptan oxidation) capacity and pushing hydrotreating units harder now may accelerate the timeframe within which a maintenance shutdown is required for catalyst changeover. That trade-off may appear more attractive in the current price environment. While in some cases jet fuel supplies could potentially be boosted by reducing kerosene blending into the diesel pool, in the case of the United States this appears not to apply with diesel yields up 2% y-o-y at 30%. Similarly, the US government's waiver on gasoline reid vapour pressure (RVP) could allow additional streams of either heavy virgin naphtha or cat-cracked naphtha to be included in jet fuel, but specification limits, notably on jet fuel's flash point of 38 centigrade may also limit this flexibility.

Global refinery crude runs for March are now assessed at 80.3 mb/d, marginally ahead of our estimates in the April *Report,* following stronger data for China, India, Nigeria and Brazil. Similarly, against the backdrop of the disruption to the Middle East region, a reassessment of the longer-term impact of attacks on refineries results in higher Saudi Arabian, Iraqi and Emirati crude processing rates.

Many of these positive revisions are carried forward through 2Q26, even as we turn more cautious on the bigger picture for crude runs in the Middle East and Asia-Pacific in light of the protracted disruptions to flows through the Strait of Hormuz. Global crude runs in 2Q26 are forecast to average 78.7 mb/d, down 4.5 mb/d y-o-y, and embed the assumption of 5.6 mb/d of run cuts spread across the Middle East and Asia-Pacific regions.

Global Refinery Crude Throughput[1]

(million barrels per day)

	2023	2024	2025	Feb-26	Mar-26	1Q26	Apr-26	May-26	Jun-26	2Q26	Jul-26	Aug-26	2026
Americas	**18.7**	**19.1**	**19.4**	19.2	19.6	**19.4**	19.3	19.7	20.3	**19.8**	20.4	20.5	**19.7**
Europe	**11.4**	**11.3**	**11.3**	10.9	10.4	**10.8**	10.6	10.7	10.9	**10.7**	11.5	11.4	**10.9**
Asia Oceania	**5.9**	**5.7**	**5.7**	6.1	5.4	**5.9**	5.3	5.1	5.0	**5.1**	5.3	5.7	**5.6**
Total OECD	**36.0**	**36.1**	**36.4**	**36.2**	**35.4**	**36.1**	**35.3**	**35.5**	**36.2**	**35.7**	**37.1**	**37.6**	**36.3**
Eurasia	**6.5**	**6.3**	**6.2**	6.2	6.1	**6.2**	5.7	5.8	6.0	**5.8**	6.0	6.2	**6.1**
Non-OECD Europe	**0.4**	**0.5**	**0.5**	0.4	0.4	**0.4**	0.4	0.4	0.4	**0.4**	0.5	0.5	**0.4**
China	**14.8**	**14.5**	**14.8**	15.2	14.6	**15.0**	14.0	14.0	14.0	**14.0**	14.2	14.4	**14.6**
Other Asia	**10.5**	**10.6**	**10.8**	10.8	10.1	**10.7**	9.2	9.5	9.6	**9.4**	10.0	10.1	**10.3**
Latin America	**3.7**	**3.7**	**3.7**	3.8	3.9	**3.8**	3.6	3.7	3.9	**3.7**	3.8	3.9	**3.8**
Middle East	**8.7**	**9.3**	**9.6**	10.3	7.7	**9.3**	7.2	7.4	7.9	**7.5**	8.5	9.1	**8.7**
Africa	**1.6**	**1.9**	**2.1**	2.0	2.1	**2.0**	2.1	2.1	2.2	**2.2**	2.2	2.2	**2.2**
Total Non-OECD	**46.3**	**46.7**	**47.6**	**48.6**	**44.9**	**47.4**	**42.2**	**42.9**	**44.1**	**43.1**	**45.2**	**46.4**	**46.1**
Total	**82.3**	**82.9**	**83.9**	**84.8**	**80.3**	**83.6**	**77.5**	**78.4**	**80.3**	**78.7**	**82.3**	**84.1**	**82.3**
Y-O-Y change	***1.1***	***0.6***	***1.1***	*2.4*	*-2.5*	***0.8***	*-4.9*	*-3.8*	*-4.9*	***-4.5***	*-3.4*	*-1.7*	***-1.6***

[1] Preliminary and estimated runs based on capacity, known outages, economic runcuts and global demand forecast.

Refiners in several Asian countries are reported to have reduced crude runs, with corroborative data on imports and stocks lending credence to the view that countries such as Malaysia, Singapore and Chinese Taipei have all seen materially lower processing rates during April and early May. Conversely, Chinese March data was better than expected despite widespread reports of broad-based runs cuts amid tepid consumer demand in response to higher retail prices. April saw several independent refiners reporting rapidly building finished product stocks due to government restrictions on product exports amid softening demand. Indian crude runs for March exceeded expectations by 60 kb/d, however, planned maintenance at Nayara's 400 kb/d Vadinar refinery in

April and the start of planned works at Reliance's 660 kb/d domestic Jamnagar plant will reduce runs further in 2Q26 to around 5 mb/d.

Middle East refineries remain beset with challenges that have reduced runs by 25%, or 2.5 mb/d in 2Q26. Reports of multi-month outages at several refineries including those in Bahrain, the UAE and Saudi Arabia highlight the region's vulnerability to any escalation in the conflict. Lastly, the increased frequency and effectiveness of Ukrainian attacks on Russian energy infrastructure have resulted in much lower runs estimates for the balance of the year. Multiple strikes against the 240 kb/d Tuapse refinery have hobbled operations, while the 290 kb/d Perm, 360 kb/d Yaroslavl, and the 350 kb/d Kirishi refineries have been forced to temporarily halt operations in recent weeks. These latter two refineries are key sources of ULSD exports through the Black Sea and Baltic ports, respectively, with damage to port infrastructure further constricting exports.

OECD refinery activity

OECD crude throughputs declined further in March to 35.4 mb/d on the back of weaker European and Asian Oceania activity rates. Europe's decline of 440 kb/d m-o-m plunged rates to a post-Covid low of 10.4 mb/d. A combination of planned and unplanned maintenance works and the deterioration in margins on North Sea grades all contributed. Asia Oceania crude runs dropped by 760 kb/d m-o-m as diminished imports, concerns over the future availability of crude and sharply negative margins weighed on activity. Conversely, OECD Americas throughputs of 19.6 mb/d were 710 kb/d higher y-o-y as US and Mexican runs posted significant improvements. OECD runs are expected to rise seasonally in the coming months, although the increase will be driven largely by the Americas, while European and Asia Oceania runs are more vulnerable to the delayed recovery in crude exports from the Middle East and sustained improvements in margins.

Refinery Crude Throughput and Utilisation in OECD Countries
(million barrels per day)

							Change from		Utilisation rate[3]	
	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	*Feb 26*	*Mar 25*	Mar 26	Mar 25
US[1]	15.53	16.63	16.99	16.33	15.91	16.34	0.43	0.51	91%	86%
Canada	1.84	1.92	1.92	1.85	1.84	1.85	0.00	0.00	98%	98%
Chile	0.23	0.23	0.23	0.21	0.22	0.20	-0.02	0.03	79%	67%
Mexico	1.04	1.14	1.22	1.07	1.19	1.18	-0.01	0.16	60%	57%
OECD Americas[1]	**18.63**	**19.93**	**20.36**	**19.46**	**19.16**	**19.57**	**0.41**	**0.71**	**89%**	**85%**
France	1.03	1.04	1.04	0.96	0.96	0.98	0.02	0.07	79%	74%
Germany	1.72	1.73	1.69	1.65	1.73	1.56	-0.17	-0.05	82%	78%
Italy	1.07	1.05	1.27	1.11	1.12	1.08	-0.03	0.01	67%	66%
Netherlands	1.08	1.12	1.07	1.03	1.04	0.96	-0.08	-0.10	77%	85%
Spain	1.31	1.26	1.26	1.13	1.08	1.22	0.13	-0.03	83%	85%
United Kingdom	0.91	0.86	0.89	0.88	0.88	0.88	0.00	0.08	92%	66%
Other OECD Europe[2]	3.94	3.92	4.45	4.39	4.08	3.76	-0.32	-0.40	77%	85%
OECD Europe	**11.06**	**10.98**	**11.68**	**11.16**	**10.89**	**10.44**	**-0.44**	**-0.42**	**78%**	**79%**
Japan	2.37	2.44	2.78	2.75	2.65	2.28	-0.38	-0.09	74%	77%
Korea	2.75	2.90	3.00	2.99	2.95	2.57	-0.38	0.08	72%	70%
Other Asia Oceania[2]	0.50	0.51	0.53	0.52	0.54	0.53	-0.01	0.02	89%	86%
OECD Asia Oceania	**5.63**	**5.85**	**6.31**	**6.26**	**6.14**	**5.37**	**-0.76**	**0.00**	**74%**	**74%**
OECD Total	**35.32**	**36.76**	**38.35**	**36.88**	**36.18**	**35.39**	**-0.80**	**0.29**	**83%**	**81%**

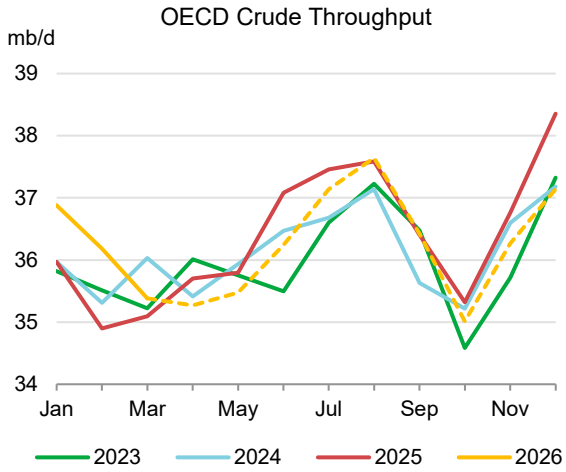
[1] US includes US50, OECD Americas include Chile and US territories.

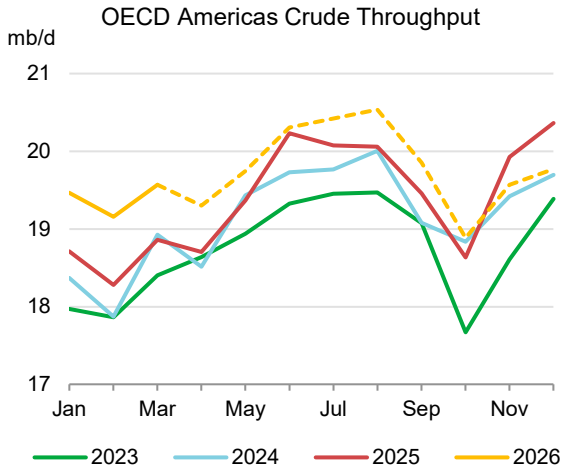
[2] OECD Asia Oceania includes Israel, and Other OECD Europe includes Lithuania.

[3] Utilisation rate calculations are based on total feed intake for some OECD countries and may therefore exceed stated crude processing capacities.

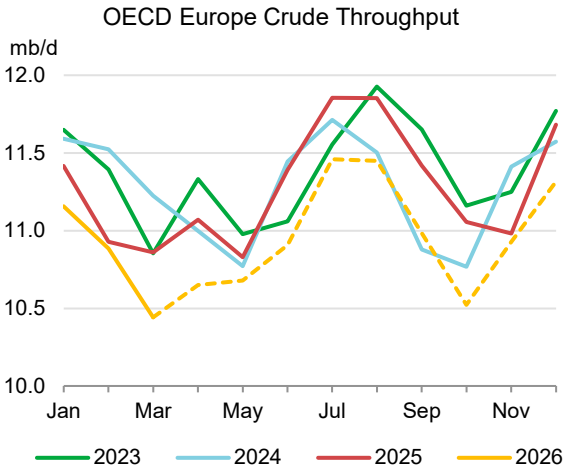
OECD Americas March crude runs of 19.6 mb/d, were 410 kb/d higher m-o-m driven exclusively by an increase in US throughputs. The strong performance in the United States was driven by the US Gulf Coast (USGC) averaging 9.2 mb/d, nearly 360 kb/d higher y-o-y. Other US PADDs were broadly flat against March 2025 levels, with Midcontinent refineries increasing planned maintenance works.

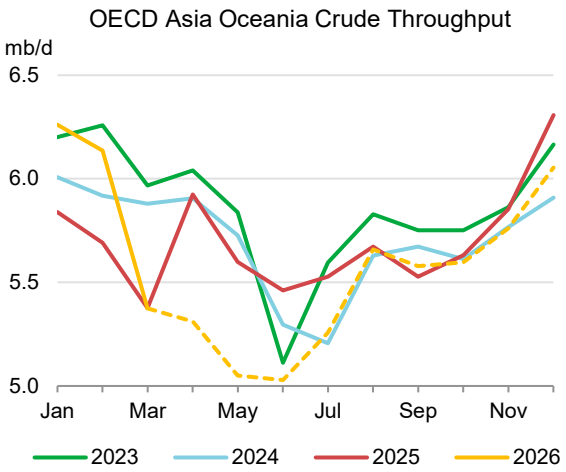
US West Coast crude processing also dipped in March, following the closure of the 145 kb/d Valero Benicia refinery in February. This closure will limit the degree to which runs will rebound in the coming weeks. Canadian crude processing was flat m-o-m at just under 1.9 mb/d ahead of planned works in April and May, which will lower runs by almost 200 kb/d for much of 2Q26. Mexican throughputs stabilised at close to 1.2 mb/d, just below 10-year highs reached last December, despite a fire at the Dos Bocas refinery and reports of reliability issues at several of Pemex's other refineries during the month.





OECD Europe crude runs dropped to a five-year low in March of 10.4 mb/d as planned works at Belgian, Polish, Spanish and Greek refineries all weighed on runs. With crude supplies still ample, unplanned outages and the collapse in margins on North Sea grades in the second half of the month also exacerbated the decline. April runs are expected to rebound modestly, although weak margins at the start of the month may lead to another month of runs undershooting the forecast.





In line with expectations, crude runs in **OECD Asia Oceania** fell heavily in March, with both Japan and Korea seeing lower activity levels. Trade data point to materially weaker crude import volumes in recent weeks, highlighting the need for government crude stocks to be released. Forecasts for 2Q26 have been lowered reflecting weaker April crude imports, adjusted for announced government stock releases and the assumed drawdown of Middle Eastern national oil companies' crude inventories held in storage in Japan and Korea and released to industry (see *Offshore Barrels, Onshore Security*). In line with the more cautious assumption around the Gulf disruption starting to recover, we have lowered forecast runs further in 2Q26, with June now expected to be the seasonal

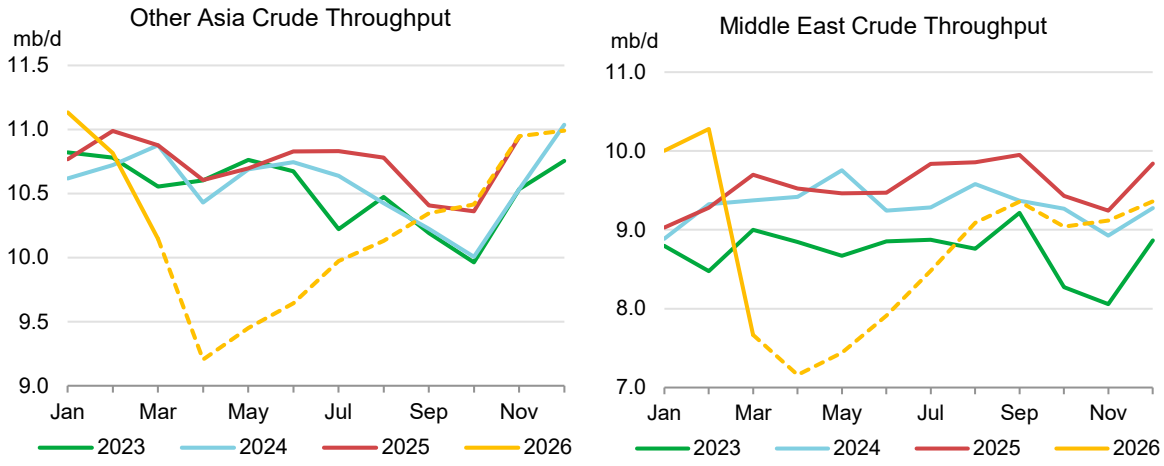
low point at 5 mb/d. Consequently, the region's crude inventory cover position has improved, albeit mainly on the back of the lower runs.

Non-OECD refinery activity

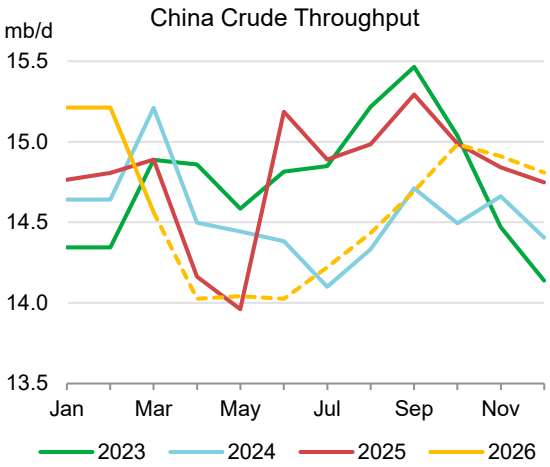
A more cautious assessment of the timeframe needed for a recovery in trade flows through the Strait of Hormuz reduces the 2026 non-OECD throughput forecast to 46.1 mb/d, 210 kb/d below last month's *Report*. Forecast reductions centre on 2Q26 and 3Q26, which are 210 kb/d and 1.2 mb/d respectively lower than last month. Conversely, 1Q26 data has proven stronger than expected, lifting the quarterly average by 640 kb/d to 47.4 mb/d. March runs drive much of the increase and are now assessed at 44.9 mb/d, 1.4 mb/d higher than last month. Stronger-than-expected Chinese runs account for 560 kb/d of this improvement, while Saudi Arabian February runs, as reported to the Joint Data Organizations Initiative (JODI), were 350 kb/d better than expected.

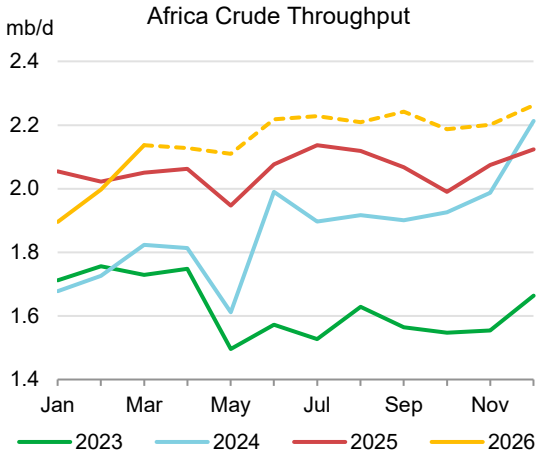
Three regions underpin the weaker outlook for the coming months. Firstly, non-OECD Asia nations saw crude stocks plummet during April, forcing run cuts in several key refining hubs. Overall, we have lowered throughput forecasts for 2Q26-4Q26 by a further 250 kb/d to 10.1 mb/d.

The 2026 Middle East crude runs assessment is unchanged on average for the year, at 8.7 mb/d, with shut-in capacity expected to average 1.3 mb/d on an annual basis. Stronger forecasts for Iraq and Saudi Arabia offset weaker assessments for Bahrain, Kuwait and the UAE. Notably, comments from oil service providers indicate that damage to Bahrain's 405 kb/d SITRA refinery will take longer to repair than previously expected, with 170 kb/d of CDU capacity impacted. Similarly, we have deferred the timing of the full restart of the Ruwais refinery based on updated satellite imagery. Conversely, comments from TotalEnergies that the 460 kb/d SATORP refinery will likely reach 300 kb/d by mid-May underpins a higher forecast for Saudi crude runs.



Eurasian crude runs forecasts are lowered by 150 kb/d on average for this year to 6.1 mb/d following the increasingly effective attacks by Ukraine on Russian energy infrastructure that have reduced Russian crude runs to around 4.7 mb/d in recent weeks. The increased frequency, scale and range of these attacks support a more bearish assessment of Russian runs than was previously held and we have cut the 2026 forecast to 5 mb/d, with 2Q26 at 4.8 mb/d.





Chinese March throughputs, as reported by the National Bureau of Statistics, were 14.6 mb/d, some 560 kb/d ahead of our forecast. Run cuts at Sinopec were seemingly not matched by many independent refineries, given the temporary issuance of crude import quotas and the threat of reductions to 2027 quotas for those that prioritise short-term profitability over their longer-term commitment to supply the domestic market. Nevertheless, we maintain the view that a combination of poor domestic profitability, and dwindling unsold Russian and Iranian supplies on the water will see runs dip during April and May to close to 14 mb/d.

In the Atlantic Basin, both Latin American and African crude runs edged higher, as Brazilian reported runs for March of 2.1 mb/d were 60 kb/d better than expected and close to all-time highs. This follows moves by Petrobras to postpone planned refinery maintenance and boost product supply to its domestic market. Similarly, Nigerian reported runs for February were 150 kb/d ahead of expectations at 410 kb/d and recent crude import and stocks data indicate that runs may have hit the 550 kb/d mark for the first time in April. This, combined with much stronger clean products exports, indicates that the persistent problems with the 200 kb/d residue fluid catalytic cracker have been at least partially resolved. However, continued exports of low sulphur straight-run residue suggest that further work may be required if the plant is to achieve even higher crude processing rates in the coming months.

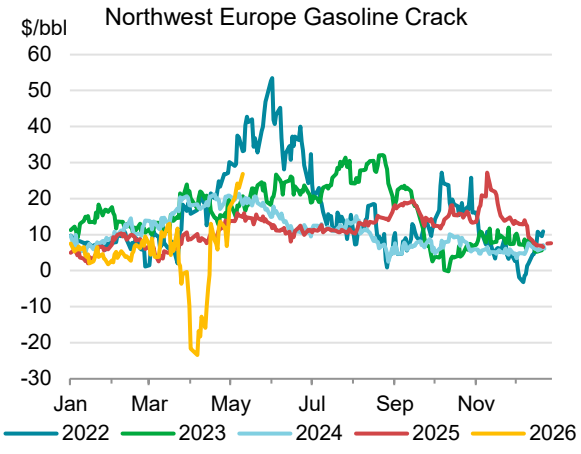
Product cracks and refinery margins

Crude and product prices extended the pattern of extreme volatility evident since the outbreak of the Middle East conflict throughout April. Markets continue to seek a new equilibrium across regions and products, and to establish trading patterns that best accommodate the pull of importing regions from alternate export sources. Shifting price signals are integral to that process and the volatility is perhaps best viewed as a measure of the current state of flux as markets seek to rebalance.

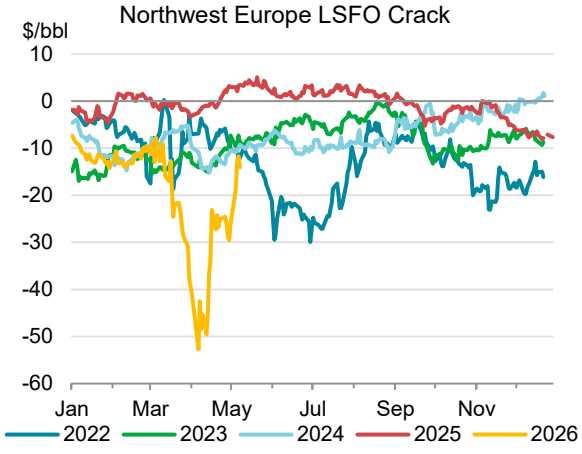
Broadly speaking, April pricing dynamics were driven by the collapse in Dubai pricing and sharp rally in North Sea Dated pricing in late March. This delivered a broad reversal of March's pricing themes, with European cracks suffering universally in early April from the extremely strong crude pricing in North Sea crude markets, while Asian cracks rallied hard. This shift in crude pricing raised average Singapore cracks by $19/bbl m-o-m in April, while European cracks were $11.50/bbl lower and USGC cracks dropped by just under $3/bbl m-o-m. US crude prices remain relatively weak, benefitting USGC cracks. WTI Houston slipped to a $21/bbl discount against North Sea Dated on average in April from a $13/bbl discount in March and just $7.60/bbl in February.

Product Prices and Cracks ($/bbl)												
	Prices			Differentials			Change	Week Starting				
	Feb	Mar	Apr	Feb	Mar	Apr	Mar - Apr	06-Apr	13-Apr	20-Apr	27-Apr	04-May
Northwest Europe				to North Sea Dated (CFR ARA)								
Gasoline	78.46	112.21	122.12	5.29	5.38	-1.65	-7.03	-17.81	-3.73	9.43	11.73	22.43
Naphtha	63.33	96.46	106.00	-9.83	-10.37	-17.76	-7.39	-31.03	-18.70	-7.42	-9.44	-6.58
Jet/Kero	99.12	196.99	197.81	25.96	90.16	74.04	-16.12	63.85	70.83	80.87	73.24	56.93
Diesel	96.16	167.86	176.99	23.00	61.03	53.22	-7.80	51.97	46.42	52.49	57.18	54.79
LSFO	61.14	88.51	89.02	-12.03	-18.32	-34.74	-16.42	-47.22	-37.71	-25.72	-26.99	-14.34
0.5% Fuel Oil	66.13	98.93	101.91	-7.03	-7.90	-21.85	-13.95	-35.58	-26.50	-12.32	-7.86	6.33
US Gulf Coast				to WTI Houston (FOB USGC)								
Gasoline	73.87	109.97	121.12	8.27	16.16	18.21	2.06	9.72	18.03	22.83	28.09	32.09
Naphtha	67.27	95.84	104.44	1.67	2.03	1.53	-0.50	-1.82	4.88	1.55	3.61	4.12
Jet/Kero	95.80	170.06	170.58	30.19	76.24	67.67	-8.58	72.30	65.52	64.44	60.75	53.32
Diesel	88.74	147.97	151.09	23.14	54.16	48.18	-5.97	50.89	44.71	45.88	48.60	48.82
HSFO	55.73	84.84	84.38	-9.87	-8.97	-18.53	-9.56	-25.27	-15.26	-16.13	-13.05	-10.70
0.5% Fuel Oil	68.68	103.84	118.32	3.08	10.03	15.41	5.38	9.37	18.57	19.47	17.13	18.85
Singapore				to Dubai (CFR Singapore)								
Gasoline	75.29	128.67	127.80	3.69	-8.17	11.92	20.09	11.85	9.91	11.99	9.75	18.48
Naphtha	66.07	116.34	122.11	-5.52	-20.50	6.23	26.72	8.42	7.15	0.60	1.79	-1.58
Jet/Kero	89.03	196.15	199.80	17.43	59.31	83.92	24.61	94.59	94.95	72.17	60.19	47.13
Diesel	89.91	193.36	194.53	18.32	56.52	78.64	22.12	106.55	68.53	53.64	51.54	44.65
HSFO	66.71	109.50	103.29	-4.89	-27.34	-12.60	14.74	-15.08	-11.11	-12.74	-13.17	-1.49
0.5% Fuel Oil	72.99	129.01	113.86	1.40	-7.83	-2.03	5.81	-1.19	-5.27	-4.27	-3.49	11.18

However, these overall trends mask substantial intra-month pricing developments. European gasoline cracks, for example, fell by $7/bbl m-o-m, as regional barge markets and export netback values failed to keep pace with North Sea Dated's late-March rally. However, by mid-April cracks had recovered to $10/bbl and were close to two-and-a-half-year-highs by early May. Similar pricing developments are evident in naphtha and LSFO.



Source: IEA analysis based on data from *Argus Media Group*.

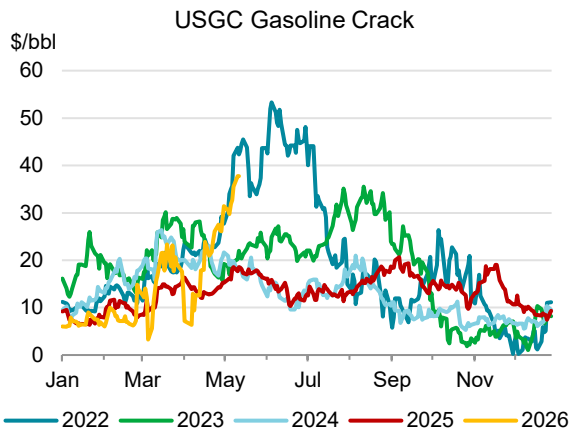


Source: IEA analysis based on data from *Argus Media Group*.

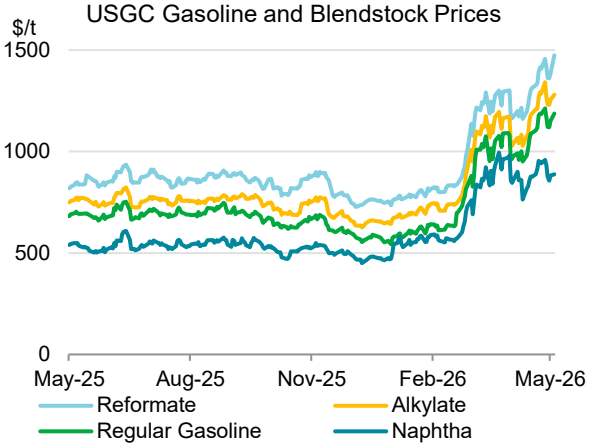
Atlantic Basin middle distillate cracks underperformed almost every product in April, albeit down from record high levels. By early May, jet fuel cracks had almost halved from their peak levels in March of near $55/bbl. For context, European jet fuel cracks have priced at stronger levels than $55/bbl previously, but only directly after Russia's invasion of the Ukraine and even then, for a matter of a few weeks. The other stand-out underperformer from a crack perspective was European low sulphur fuel oil (LSFO), which struggled to hold triple-digit pricing, even as cash crude prices traded close to

$150/bbl. Fuel oil grades lagged price gains seen elsewhere, with HSFO and VLSFO among the worst-performing product cracks in all regions.

Gasoline markets tightened in April, led by the United States where inventory levels dropped rapidly following the 190 kb/d y-o-y fall in imports to 500 kb/d. Consequently, gasoline inventory cover slipped from above the five-year range in January to below in the most recent weekly EIA data. This tightening inventory picture supported Atlantic Basin cracks and propelled USGC cracks to near four-year highs in early May. Singapore gasoline cracks approached $20/bbl in mid-April as the impact of run cuts and the loss of exports from Chinese markets tightened markets. Regional heavy-weight importers, such as Australia, shifted to sourcing cargoes from the US Gulf and West Coasts, which also supported regional pricing and cracks.

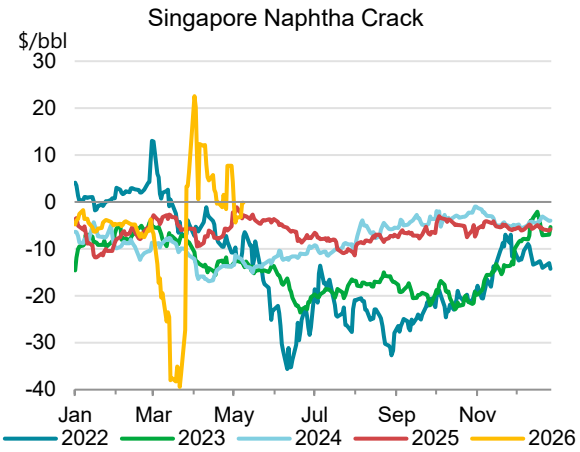


Source: IEA analysis based on data from *Argus Media Group*.

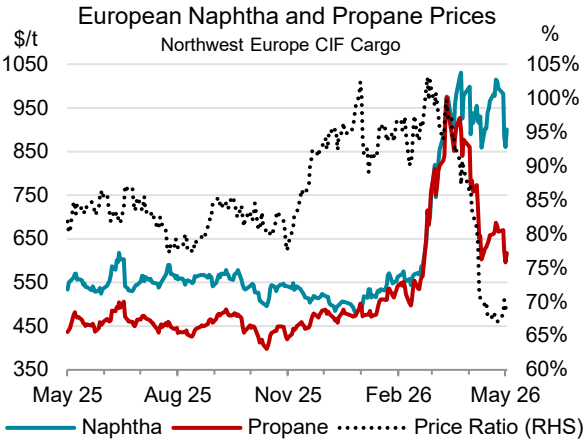


Source: IEA analysis based on data from *Argus Media Group*.

Naphtha cracks improved on average last month, as Asian values recovered from March's weak values and Europe bounced back from the early-April weakness. However, gains were capped by the collapse in propane pricing that dampened petrochemical buyers demand for naphtha. Conversely, stronger gasoline blending economics lent support, as did the US RVP waiver on gasoline deliveries. By early May cracks had recovered to historically strong levels, with the improvement in petrochemical margins and the loss of Gulf exports tightening supplies in Asia.



Source: IEA analysis based on data from *Argus Media Group*.



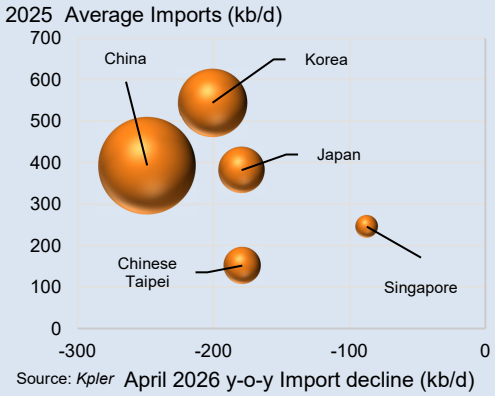
Source: IEA analysis based on data from *Argus Media Group*.

Asian Naphtha Demand Shrinks to Meet Supply

Petrochemical producers are among the most price-sensitive consumers of oil. Faced at times with razor-thin margins for high-cost naphtha-fed plants and with the potential to switch to cheaper competing feedstocks, such as propane, naphtha demand is notoriously fickle. Consequently, the loss of Middle East exports has not resulted in the knee-jerk price response or a substantial increase in cracks that other oil products have seen. Rather, the loss of naphtha exports to Asian markets has forced a rapid reduction in demand and transmitted the negative supply shock through petrochemical supply chains globally. Thus far, naphtha consumption has dropped sharply across the Asia Pacific region with year-on-year declines comparable to the contractions seen in the depths of the global financial crisis (GFC) of 2008-2009.

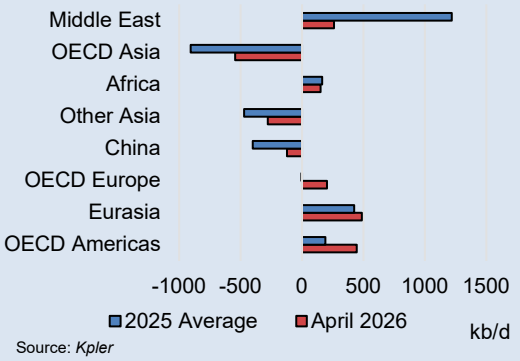
Naphtha demand averaged 7.2 mb/d in 2025, and five Asian countries accounted for two-thirds of the total. In contrast to other products, there are only limited alternative sources of supply to offset the collapse in Middle East exports seen since the start of March. As a result, demand is estimated to have contracted by more than 800 kb/d y-o-y in April.

Asian Naphtha Demand & Import Change



Source: *Kpler*

Regional Net Exports of Naphtha



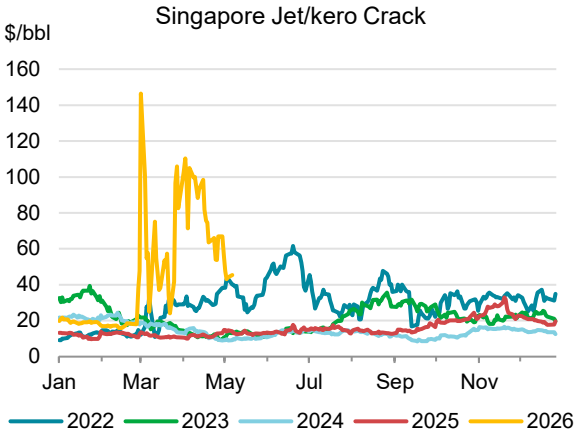
Source: *Kpler*

Middle East naphtha net exports have dropped from 1.2 mb/d in 2025 to just 260 kb/d in April. Within Asia, exports from Korea stopped completely, while other countries severely curtailed export volumes. Against these losses, only the United States, OECD Europe and Russia have increased shipments to international markets, by a combined 500 kb/d. Additional supplies are constrained by naphtha's alternate value as a gasoline blending component. Currently this offers a margin of $200/t, which ethylene margins need to compete with. Furthermore, the US government's RVP waiver will facilitate the use of lighter naphtha blends that may be better suited to steam cracking but potentially will be diverted into the gasoline pool.

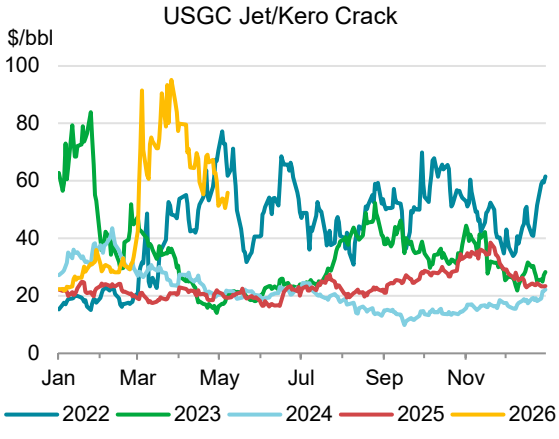
Unsurprisingly, preliminary estimates for OECD inventories point to a substantial drawdown in naphtha stocks in recent weeks. While this can provide a one-time cushion to cope with lower imports, at some point naphtha demand may need to decline further if additional supplies are not forthcoming.

Jet fuel cracks have weakened since the start of April, with the decline accelerating in recent weeks. Nevertheless, cracks remain very strong by historical standards, with only 2022 comparable to today's pricing. A combination of demand destruction, increased refinery output and the emergence of new sources of supply has eased market tightness to some extent. This has compressed the jet fuel premium to diesel in Europe to around $70/t in early May, its lowest since before the conflict started, and below April's average value of $250/t in Europe. Nevertheless, importing regions have

continued to draw inventories at a rapid rate and pivoted to fresh sources of supply (see *Jet Fuel Markets Pivot to Atlantic Basin Supplies*).



Source: IEA analysis based on data from *Argus Media Group*.

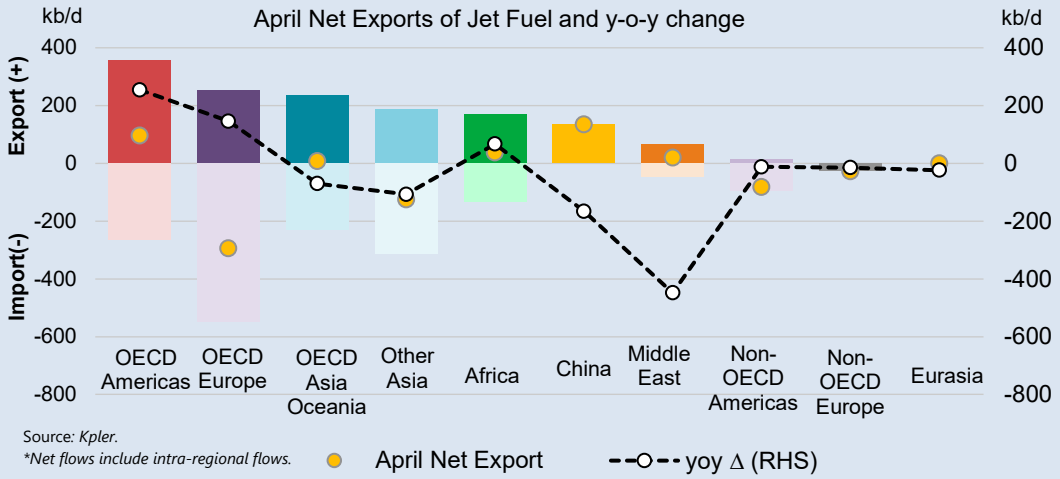


Source: IEA analysis based on data from *Argus Media Group*.

Jet Fuel Markets Pivot to Atlantic Basin Supplies

The Middle East supplied around 400 kb/d of jet fuel net exports on average in 2025 and ranked as the world's largest source of aviation fuel to international markets. Hence, the closure of the Strait of Hormuz at end-February removed a significant share of global jet fuel supply from the market, as exports collapsed to just 70 kb/d in April.

The impact in importing regions has been most acute in OECD Europe, which sourced an average of roughly 550 kb/d in 2025, of which the Middle East supplied around 60%. Middle East jet fuel arrivals into Europe plunged from 330 kb/d in March to just 60 kb/d in April, and total net imports fell by close to 100 kb/d y-o-y and dragging ARA hub inventories below five-year lows.



Source: *Kpler*.
**Net flows include intra-regional flows.*

Alternative suppliers have moved to fill the gap. The United States flipped from a net importer in April 2025 to net exporter in early 2026, as strong refinery runs pushed jet fuel output to multi-year highs, and exports to Europe climbed nearly 120 kb/d m-o-m. West African exports surged to 145 kb/d – more than double the preceding three-month average – driven largely by a ramp-up at Nigeria's Dangote refinery.

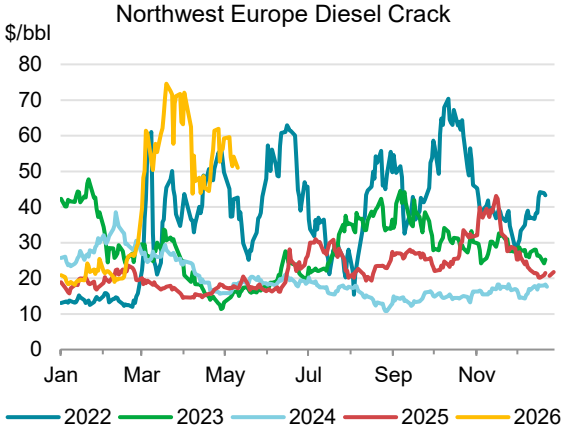
However, OECD Asia net exports remained flat at 10 kb/d, compared with of 80 kb/d a year earlier, as governments curtailed exports to keep scarce product at home. At the same time, Russian exports, that had averaged 40 kb/d earlier in the year, simultaneously fell to zero, compounding the shortfall East of Suez.

With European inventories drawing at pace and Middle East flows still largely offline, the supply chains now carrying the load – US Gulf Coast and Nigeria – are stretching to cover a much larger gap previously filled through a single chokepoint. Absent a near-term resolution to the Hormuz situation, rebalancing will take time.

Diesel cracks tracked lower with jet fuel during April, as market fundamentals appear less stressed for now. Diesel market dynamics are different to jet fuel in several key respects. Firstly, importing regions, such as Europe, are far less dependent on import volumes as a share of overall product supply, and have access to exports from markets such as the United States. Secondly, while demand destruction for jet fuel is already becoming apparent, diesel use is more deeply embedded in economic activity and would require a more painful adjustment to reduce demand.

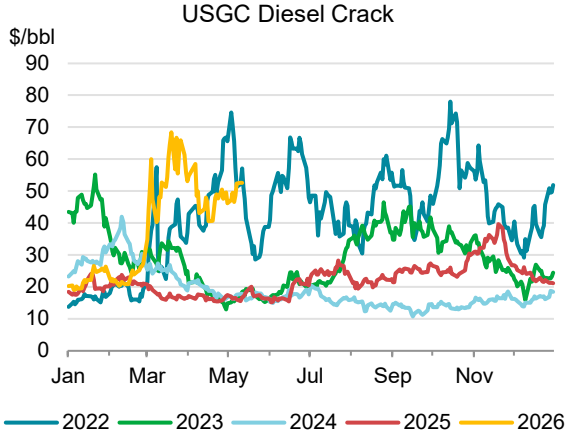
Overall, despite the easing of backwardation in recent weeks, albeit amid still falling inventory levels, cracks will likely remain well supported over the balance of 2Q26. Of note, US inventory cover has dipped in recent weeks in response to the strong export volumes. Despite the loss of most Middle East exports the region's pricing softened in early May, such that it is once again competitive versus the USGC. Thus far, diesel supply losses have impacted Africa the most, with imports down by a third versus 2025 average levels (see *Middle East Gasoil Export Losses Hit Emerging Markets Hardest*). Notably, the increased disruption to Russian refining and midstream assets has compounded the loss of supplies from the Middle East with emerging markets' imports once again more directly affected.

Northwest Europe Diesel Crack



Source: IEA analysis based on data from *Argus Media Group.*

USGC Diesel Crack



Source: IEA analysis based on data from *Argus Media Group.*

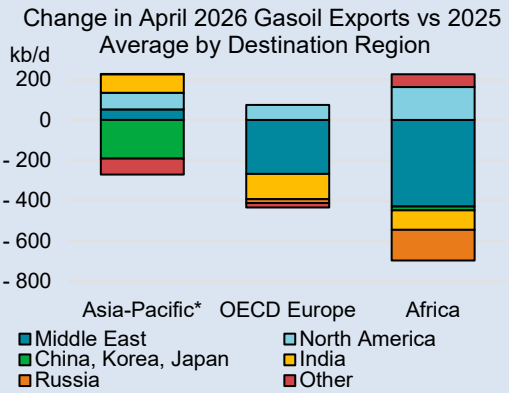
Middle East Gasoil Export Losses Hit Emerging Markets Hardest

Across several light and middle distillate markets, the loss of Middle East exports has forced importers to scramble for new sources of supplies, draw stocks and for consumers to reduce demand.

While the biggest adjustments to-date have occurred in European jet fuel markets, equally important developments are evident in naphtha, diesel and gasoil markets.

Middle Eastern diesel and gasoil exports to international markets averaged 1.4 mb/d in 2025, with 800 kb/d shipped to Africa and 440 kb/d to Europe. Exports have fallen heavily from pre-conflict levels to 700 kb/d in April, with exports to Africa down by 430 kb/d and Europe by 270 kb/d compared with 2025 levels. While African import losses were greater in absolute terms, European losses represented a greater share of the volumes sourced from the region. Nevertheless, Europe's domestic supply accounts for nearly 80% of demand, while Africa relies on imports to meet two-thirds of its regional consumption.

In April, Saudi Arabia remained the region's largest diesel exporter, supported by west coast refining capacity, notably SAMREF and Jizan, with total exports of around 600 kb/d. Of these volumes, nearly 50% were directed to Africa and almost 30% to Europe. By contrast, diesel exports from Qatar, Bahrain, the UAE and Kuwait declined sharply, with volumes falling by 80-100% compared with pre-conflict levels. Exports to OECD Europe and Africa followed a similar trend declining by 360 kb/d and 470 kb/d, respectively, compared with 2025 levels. While the drops in both regions were largely driven by reduced Middle Eastern supply, Africa was further affected by lower Russian deliveries, which fell by 130 kb/d compared with 2025 levels, partly offset by a 50 kb/d increase in output from Nigeria's Dangote refinery since the onset of the conflict.

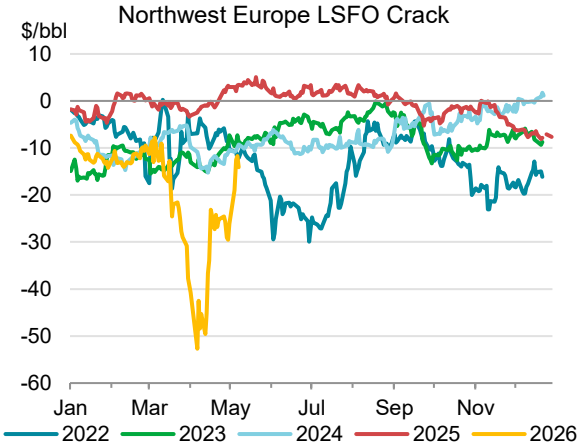


Source: *Kpler.*
**Excludes Russia, China, Japan, Korea from importing countries.*

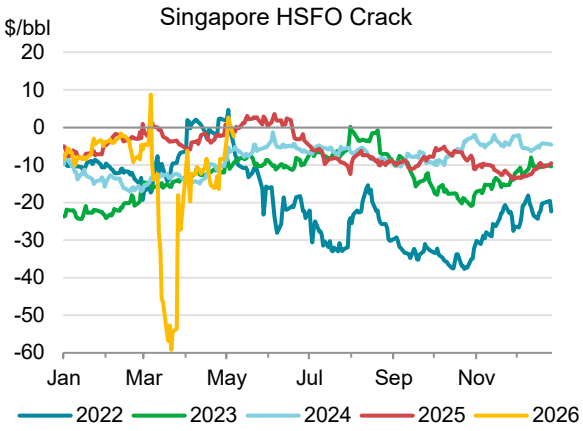
Both OECD Europe and Africa received lower volumes from India, as diesel exports to Asia Pacific nations increased by 90 kb/d in April compared with 2025 levels. This mirrors an increase in diesel exports from the Middle East to Southeast Asian countries, as regional run cuts curtailed local supplies.

North America, largely driven by the United States, increased diesel/gasoil exports by 430 kb/d in April compared with 2025 levels to 1.7 mb/d, with around 80% of volumes directed to OECD Europe, Asia and Africa, with the balance heading to Central and South America.

Unlike other products, fuel oil prices broadly declined in April, weighing on **High sulphur (HSFO), low sulphur (LSFO) and very low sulphur fuel oil (VLSFO)** cracks. Asian cracks benefited from the steep drop in Dubai pricing that boosted HSFO cracks, but arguably the aberration was March crack values rather than the relatively normal levels seen last month. Conversely, European cracks fell heavily in the face of the rally in North Sea crude prices and only managed a return to something akin to the historic range in early May.



Source: IEA analysis based on data from *Argus Media Group*.



Source: IEA analysis based on data from *Argus Media Group*.

Refinery margins

Refining margins remain at extremely healthy levels across most regions, crude slates and complexities. USGC and US Midcontinent margins are among the strongest, reflecting the relatively cheap regional crudes, while European margins have recovered from their early-April collapse that was driven by tight crude markets. Singapore sour margins rallied in April as Dubai prices eased, but sweet margins fell, as stronger WTI pricing and freight rates weighed on profitability levels, although these too are still very healthy.

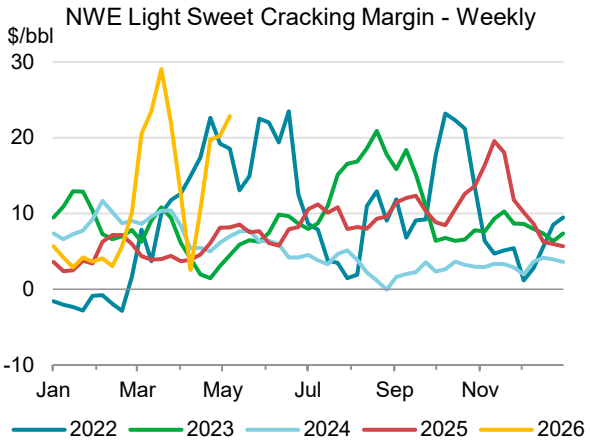
IEA Global Indicator Refining Margins

	Monthly Average				Change	Average for week starting:				
$/bbl	Jan 26	Feb 26	Mar 26	Apr 26	Mar - Apr	06 Apr	13 Apr	20 Apr	27 Apr	04 May
NW Europe										
Light sweet hydroskimming	0.81	1.46	15.20	2.24	-12.96	-7.52	1.67	10.93	10.89	14.40
Light sweet cracking	3.94	5.33	23.17	11.72	-11.45	2.54	10.48	19.74	20.24	22.82
Light sweet cracking + Petchem	4.31	5.68	23.32	13.06	-10.26	3.70	12.22	21.40	21.78	24.80
Medium sour cracking	2.94	6.24	14.45	-1.50	-15.95	-11.97	-7.17	7.50	15.49	19.24
Medium sour cracking + Petchem	3.56	6.85	14.82	0.56	-14.27	-10.18	-4.57	9.99	17.82	22.14
US Gulf Coast										
Light sweet cracking	9.01	10.47	26.99	24.53	-2.46	21.45	24.16	27.17	29.00	31.39
Medium sour cracking	9.65	9.87	19.30	19.57	0.27	15.30	20.78	27.12	24.05	28.88
Heavy sour coking	14.88	16.20	32.18	37.85	5.67	37.97	34.00	37.73	39.16	39.70
Singapore										
Light sweet cracking	2.87	2.73	42.12	32.57	-9.56	34.98	27.46	23.39	18.66	17.27
Light sweet cracking + Petchem	3.37	2.42	40.34	32.27	-8.08	34.23	27.71	23.89	18.37	17.91
Medium sour cracking	4.61	3.38	10.77	30.67	19.89	37.29	24.83	17.77	16.61	16.57
Medium sour cracking + Petchem	7.26	5.34	14.59	35.96	21.37	42.84	29.64	22.62	20.55	21.04

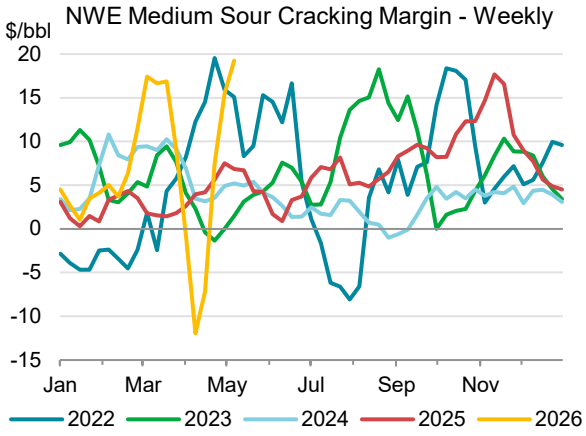
Note: Mediterranean and US Midcontinent margins are available in Table 15 of this *Report*.
Source: IEA/Argus Media Group prices.
Methodology notes are available at https://www.iea.org/reports/oil-market-report-May-2026#methodology

Refiners currently faced with a negative crude supply shock are displaying diverging reactions to this challenge and can be summarised into one of three categories. If profitable, refiners can pay up for prompt crude, which sustains the market backwardation and strength in pricing. Alternatively, they could forego this purchase and draw down inventories. Lastly, refiners can seek to cut processing rates and transmit the crude supply shock into product markets. Trade, margin and inventory data suggest that all three strategies have been pursued by refineries in Europe and Asia with the strength in margins indicative of run cuts that have transmitted the crude price increase into product markets.

Northwest European margins collapsed in early April from the record levels in March. The average m-o-m change hides the fact that by early May margins were back to comparable March average levels, however. Adding to the support from strong middle distillate cracks, the m-o-m improvement in gasoline and naphtha pricing helped to more than offset the lower fuel oil cracks. European margins continue to benefit from the strong regional price premiums attached to diesel and jet fuel markets, as buyers seek to attract replacement import volumes from Asian markets.

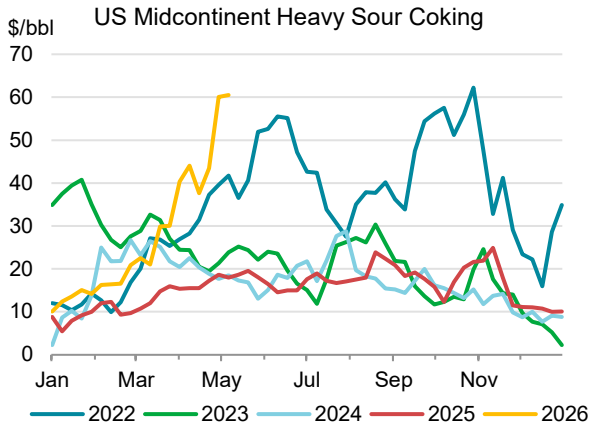


Source: IEA analysis based on data from *Argus Media Group.*

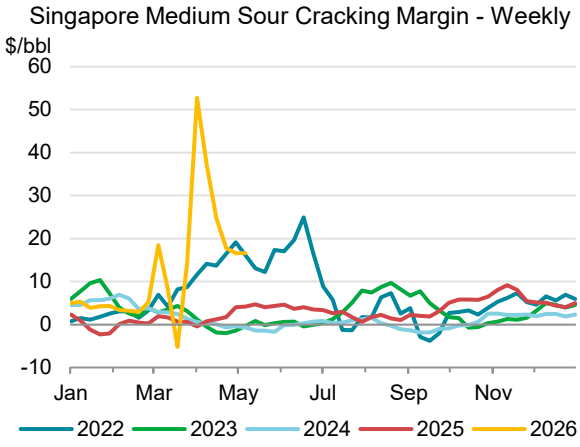


Source: IEA analysis based on data from *Argus Media Group.*

USGC and **US Midcontinent** heavy sour coking margins strengthened further in April reflecting the relatively soft crude pricing environment and increasingly tight gasoline and diesel inventory positions. The ongoing release of US SPR barrels and stronger exports of Venezuelan heavy crude to the USGC continue to weigh on Western Canadian Select crude pricing at Cushing and Houston.



Source: IEA analysis based on data from *Argus Media Group.*



Source: IEA analysis based on data from *Argus Media Group.*

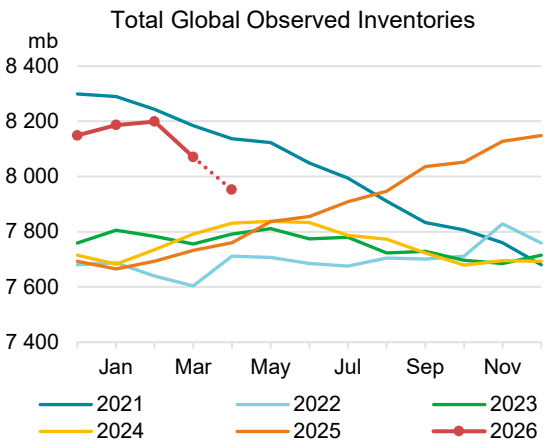
Singapore margins, for both sweet and sour crude processing, retreated from March's record levels but are still well-above their historical range. However, the margin that refiners can achieve on processing alternative sweet crude grades is likely lower than that available to Asian refineries processing WTI, given the sustained price premia for grades such as Tapis. The ongoing run cuts at regional export-oriented refineries, such as Korea, Chinese Taipei and Singapore, will support margins in the coming months.

Stocks

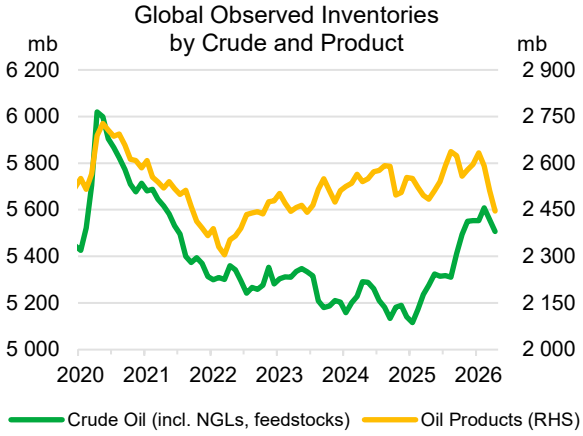
Overview

The world is drawing oil inventories at a record pace as importing countries confront unprecedented disruptions to Middle Eastern supply. Global observed oil stocks have plunged by a combined 246 mb since the start of the war, with much steeper losses if volumes piling up onshore and on tankers stranded in the Gulf are excluded. Rapidly shrinking buffers amid continued disruptions, may herald future price spikes ahead.

Following a draw of 129 mb in March, global observed oil stocks plunged by a further 117 mb (-3.9 mb/d) in April to 7.9 billion barrels, according to preliminary data. Continued disruptions to seaborne trade through the Strait of Hormuz saw on-land stocks drop by 170 mb (-5.7 mb/d) in April, adding to draws of 12 mb in March. Oil on water rebounded by 53 mb, after falling by 117 mb a month earlier, supported by a ramp up in Middle East loadings from ports bypassing the Strait and increased long-haul shipments from producers in the Atlantic Basin. Observable non-OECD stocks dropped by 24 mb during the month, reflecting lower product inventories at trade hubs and a 13 mb decline in on-land crude stocks, primarily in Asia. Moreover, Chinese above-ground crude stocks fell by 7 mb, its first decline in six months. Since the start of the conflict, oil products stocks have drawn by 145 mb while crude, NGLs and feedstocks have declined by 101 mb. Excluding oil stored on land or at sea in the Gulf region, total oil stocks have fallen by 378 mb.



Sources: IEA, *Kayrros, Kpler, FEDCom/S&P Global Platts, Enterprise Singapore.*



Sources: IEA, *Kayrros, Kpler, FEDCom/S&P Global Platts, Enterprise Singapore.*

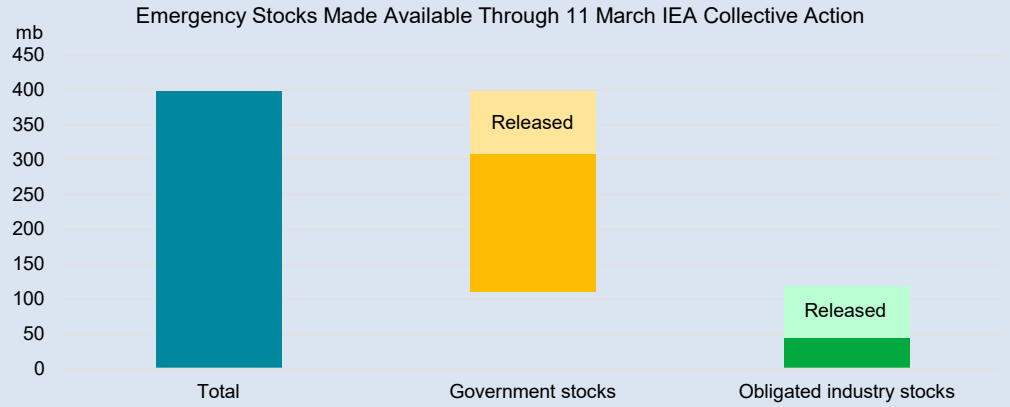
According to preliminary data, albeit incomplete, total OECD stocks plummeted by 146 mb (-4.9 mb/d) in April, partly reflecting ongoing emergency stock releases. In March, IEA member countries released 7 mb of public stocks and made 71 mb of oil available through the lowering of industry stock holding obligations. About 70% of the released public stocks were oil products, notably gasoline and middle distillates in European countries. Japan released 0.5 mb of government crude inventories in parallel with lowering the stock holding obligations on industry. For the US Strategic Petroleum Reserve (SPR), the Department of Energy (DOE) showed that around 31 mb of crude, of which 72% were sour grades, was released by 8 May, including 1.6 mb in March. At the time of writing, 9 mb of the 11 mb of US SPR crude exported so far were shipped to Europe, according to *Kpler*. The pace of emergency stock releases picked up pace in April, with further volumes set to hit the market in the coming months (see *Emergency Stock Releases from the IEA Collective Action are Gathering Pace*).

Emergency Stock Releases from the IEA Collective Action are Gathering Pace

As of 8 May, around 164 mb of oil has been released from emergency stocks in IEA countries following the 11 March announcement that 400 mb of oil reserves would be made available to the market in response to disruptions in the oil market stemming from the war in the Middle East.

A total of 90 mb of oil has been released from government stocks, consisting of 82 mb of crude oil and 8 mb of oil products. The pace of government stock releases picked up considerably in the second half of April, to over 60 mb since 13 April. Over April as a whole, government stocks flowed at an average rate of 2.1 mb/d, providing significant relief to tight oil markets.

In addition to the release of government stocks, around 74 mb of oil has been made available since 11 March from governments lowering emergency stockholding obligations on the oil industry. The vast majority of this oil was made available in March.



An additional 210 mb of government stocks is expected to be released through end-July, from stocks committed to the IEA collective action and other unilateral releases, but market demand will continue to be the key factor determining the volume and timing of the stock releases. The vast majority of these stocks will consist of crude oil. An additional 45 mb of oil could be made available by lowering industry obligations, mostly oil products.

OECD industry stocks dropped by 22.2 mb in March to 2 796 mb, still 47 mb above year-ago levels, covering 64.4 days of forward demand (+4.2 days, y-o-y). OECD Asia Oceania saw a 17.8 mb stock draw, as Middle East Gulf supplies were sharply reduced. Inventories in OECD Europe fell by 7 mb while OECD Americas saw a counter-seasonal 2.7 mb increase. OECD crude stocks rose by 10.5 mb thanks to a hefty build in the United States (+23.4 mb), while those in Asia Oceania fell by 9.5 mb. NGLs and feedstocks, labelled as 'other oils', dropped by a larger-than-normal 7.6 mb, led by the Americas (-3.6 mb).

OECD total product stocks fell by 25.1 mb, with draws across all regions. Gasoline was down by 13.5 mb, in line with its seasonal trend, mainly due to the Americas (-12.5 mb) and Europe (-1.6 mb). Middle distillates dipped by a relatively mild 2.7 mb as drawdowns in Asia Oceania (-2.7 mb) and the Americas (-1.8 mb) were partly offset by a 1.7 mb increase in Europe. Fuel oil hit a 15-month low due to contractions in Europe (-5 mb) and Asia Oceania (-2.1 mb). 'Other products' drew by 2.5 mb as a build in the Americas (+0.6 mb) was countered by draws in Asia Oceania (-2.1 mb) and Europe (-1 mb).

Preliminary OECD Industry Stock Change in March 2026 and First Quarter 2026

	March 2026 (preliminary) (million barrels)				March 2026 (preliminary) (million barrels per day)				First Quarter 2026 (million barrels per day)			
	Americas	Europe	Asia Oceania	Total	Americas	Europe	Asia Oceania	Total	Americas	Europe	Asia Oceania	Total
Crude Oil	**19.4**	**0.6**	**-9.5**	**10.5**	**0.6**	**0.0**	**-0.3**	**0.3**	**0.5**	**0.0**	**-0.2**	**0.3**
Gasoline	-12.5	-1.6	0.6	-13.5	-0.4	-0.1	0.0	-0.4	0.0	0.1	0.0	0.1
Middle Distillates	-1.8	1.7	-2.7	-2.7	-0.1	0.1	-0.1	-0.1	-0.1	0.1	-0.1	-0.1
Residual Fuel Oil	0.7	-5.0	-2.1	-6.4	0.0	-0.2	-0.1	-0.2	0.0	0.0	0.0	-0.1
Other Products	0.6	-1.0	-2.1	-2.5	0.0	0.0	-0.1	-0.1	-0.5	0.0	0.0	-0.6
Total Products	**-13.1**	**-5.8**	**-6.2**	**-25.1**	**-0.4**	**-0.2**	**-0.2**	**-0.8**	**-0.6**	**0.1**	**-0.1**	**-0.7**
Other Oils[1]	-3.6	-1.8	-2.1	-7.6	-0.1	-0.1	-0.1	-0.2	0.0	0.0	0.0	0.0
Total Oil	**2.7**	**-7.0**	**-17.8**	**-22.2**	**0.1**	**-0.2**	**-0.6**	**-0.7**	**-0.1**	**0.2**	**-0.4**	**-0.3**

[1] Other Oils includes NGLs, feedstocks and other hydrocarbons.

OECD commercial stocks were revised 22.9 mb higher for February based on more complete data submitted by member countries. Crude oil was adjusted up by 16.9 mb, led by the United States (+11 mb) and France (+4 mb), while in Japan stocks were lowered by 3 mb. Total product stocks were revised up by 3.2 mb, of which 1.7 mb for middle distillates, 2 mb of fuel oil and 0.8 mb in 'other products', while gasoline stocks were lowered by 1.3 mb.

OECD Industry Stock Revisions versus April 2026 Oil Market Report

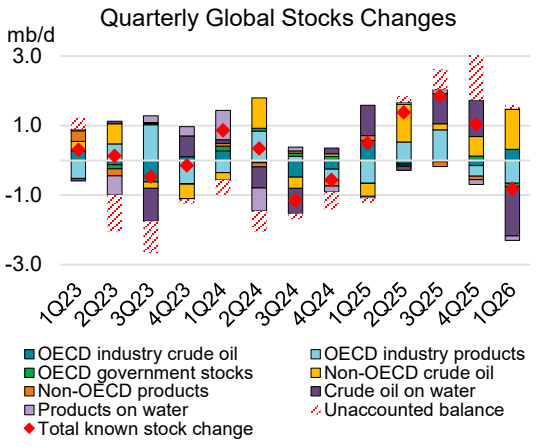
(million barrels)

	Americas		Europe		Asia Oceania		OECD	
	Jan-26	Feb-26	Jan-26	Feb-26	Jan-26	Feb-26	Jan-26	Feb-26
Crude Oil	**0.4**	**13.3**	**-0.2**	**6.8**	**0.0**	**-3.2**	**0.2**	**16.9**
Gasoline	0.0	-1.1	0.1	-0.1	0.0	0.0	0.1	-1.3
Middle Distillates	0.0	1.3	-0.3	0.1	0.0	0.3	-0.3	1.7
Residual Fuel Oil	0.0	-0.1	-0.8	1.8	0.0	0.2	-0.8	2.0
Other Products	0.0	-1.6	-0.1	1.6	0.0	0.8	-0.1	0.8
Total Products	**0.0**	**-1.5**	**-1.1**	**3.4**	**0.0**	**1.3**	**-1.2**	**3.2**
Other Oils[1]	0.0	1.2	0.0	1.5	0.0	0.1	0.0	2.8
Total Oil	**0.4**	**13.0**	**-1.3**	**11.7**	**0.0**	**-1.8**	**-1.0**	**22.9**

[1] Other Oils includes NGLs, feedstocks and other hydrocarbons.

Implied balance

Global observed inventories plunged by 4.2 mb/d in March, led by a 3.8 mb/d decline in oil on water. On-land crude stocks rose by 800 kb/d underpinned by China (+1.3 mb/d), and the Middle East and the United States (+700 kb/d, each), while products fell 1.2 mb/d. A 900 kb/d decline of on-land crude and products in the OECD was partly offset by a 600 kb/d build across non-OECD countries. Products in Fujairah and Singapore dropped by 200 kb/d in March. According to preliminary data available at the time or writing, observed stock draws in April totalled 3.9 mb/d.



Source: IEA, *Kayrros*, *JODI*, *Kpler*, *FEDCom/S&P Global Platts*, *Enterprise Singapore*.

In 1Q26, a seasonal draw in industry stocks combined with the release of emergency reserves led to a fall of 400 kb/d in OECD countries, which was the largest quarterly loss since 4Q24. By contrast, non-OECD inventories built at their fastest pace since 1Q20 (+1.2 mb/d) due to crude accumulating in the Middle

East and continuous gains in China. A sharp drop in oil on water (-1.5 mb/d) pushed net overall observed inventories to a draw of 800 kb/d in 1Q26.

IEA Global Oil Balance (implied stock change) (mb/d)												
	2023	2024	1Q25	2Q25	3Q25	4Q25	2025	Jan-26	Feb-26	Mar-26	1Q26	Apr-26
Global oil balance	**-0.49**	**-0.54**	**0.37**	**1.56**	**2.44**	**2.45**	**1.72**	**2.26**	**1.46**	**-5.63**	**-0.71**	**-5.31**
Observed stock changes												
OECD industry stocks	**-0.01**	**-0.06**	-0.08	0.44	0.87	-0.46	**0.19**	-0.7	0.5	-0.7	-0.34	-2.80
OECD government stocks	**-0.02**	**0.11**	-0.01	-0.04	-0.03	0.12	**0.01**	-0.1	0.0	-0.2	-0.10	-2.07
Non-OECD crude stocks*	**0.05**	**0.10**	-0.37	1.08	0.18	0.56	**0.37**	1.8	0.9	0.7	1.15	-0.44
of which, Chinese crude stocks	***0.04***	***0.18***	***-0.33***	***0.93***	***0.20***	*0.40*	***0.30***	*0.3*	*0.9*	*1.3*	*0.84*	*-0.23*
Selected non-OECD product stocks**	**0.03**	**-0.03**	0.14	-0.04	-0.14	-0.10	**-0.03**	-0.1	0.3	-0.2	0.02	-0.37
Oil on water	**-0.10**	**-0.23**	0.81	-0.06	0.98	0.92	**0.66**	0.3	-1.1	-3.8	-1.54	1.8
Total observed stock changes	**-0.04**	**-0.13**	**0.50**	**1.38**	**1.86**	**1.04**	**1.20**	**1.2**	**0.7**	**-4.2**	**-0.81**	**-3.9**
of which, Crude	***-0.17***	***-0.21***	***1.09***	***0.86***	***1.06***	***1.53***	***1.14***	*0.0*	*1.8*	*-1.6*	***0.03***	*-1.71*
Unaccounted for balance	**-0.44**	**-0.42**	-0.12	0.18	0.58	1.41	**0.52**	1.1	0.8	-1.5	0.11	-1.40

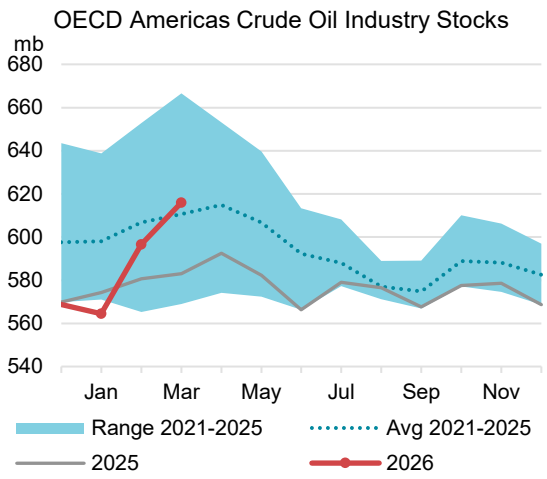
*Observed non-OECD crude stocks are from *Kayrros*, adjusted NGLs from *JODI*, plus estimated data for South Africa's Saldanha Bay from *Kpler*.
**JODI data adjusted for monthly gaps in reporting, latest data for February 2026, plus Fujairah and Singapore inventories.
Sources: IEA, EIA, *PAJ*, *Kayrros*, *JODI*, *Kpler*, *FEDCom/S&P Global Platts and Enterprise Singapore*.

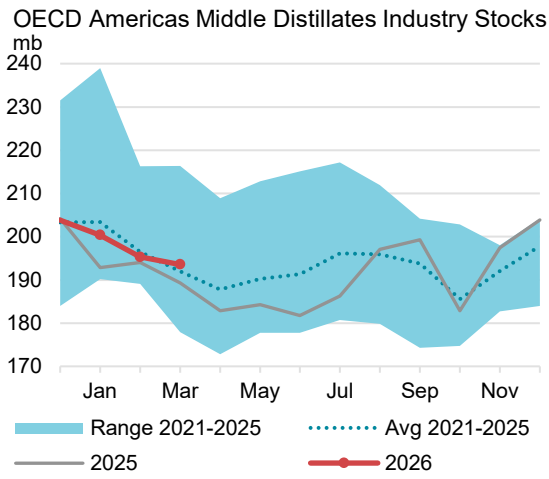
As a result, current data show an 'unaccounted-for balance' compared with our demand/supply estimates of -1.5 mb/d for March and +100 kb/d for 1Q26. Since the gap mainly stems from limited data for non-OECD product stocks and lagging reporting from OECD members, the discrepancy will diminish as more complete data for supply, demand and inventories become available.

Recent OECD industry stocks changes

OECD Americas

OECD Americas industry stocks rose by a counter-seasonal 2.7 mb in March. At 1 538 mb, they were 78 mb above a year ago. Regional crude stocks built by 19.4 mb to a 22-month high, boosted by increased production, a release of 1.6 mb from the US SPR, and despite robust US refinery runs and exports. Crude stocks swelled by 23 mb in the United States but fell by 4 mb in Canada. NGLs and feedstocks fell by a counter-seasonal 3.6 mb, of which -2 mb in the United States and -1.6 mb in Canada.

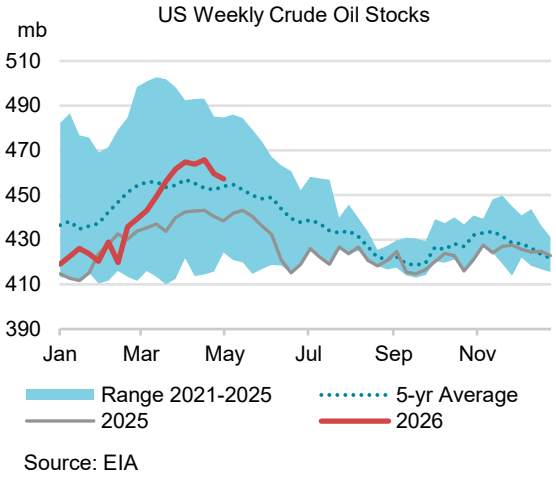




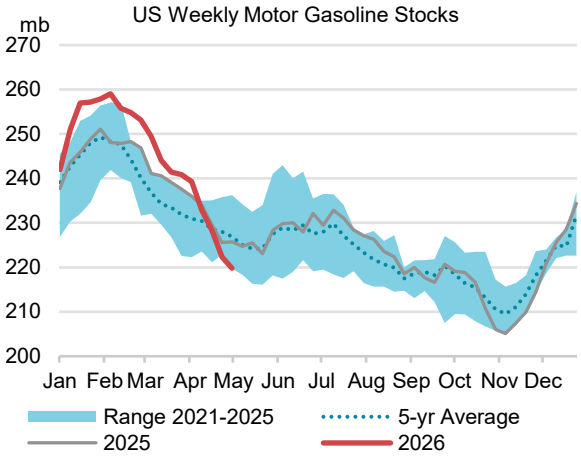
Total product inventories dropped by 13.1 mb, led by gasoline (-12.5 mb), due to robust US demand. Middle distillates fell by 1.8 mb as a 3.2 mb decline in the United States more than offset a 1.4 mb

increase in Canada. Fuel oil and 'other products' increased marginally by 0.7 mb and 0.6 mb, respectively.

Preliminary EIA weekly data showed that US industry stocks dropped by a substantial 33.2 mb in April as exports of crude and middle distillates surged. As a result, inventories for crude fell by 6.7 mb and middle distillates by 13.2 mb. Moreover, gasoline stocks drew by a large 19.9 mb due to stronger domestic demand and increased exports, according to *Kpler*. 'Other products', including LPG and ethane, were up by 8.3 mb.



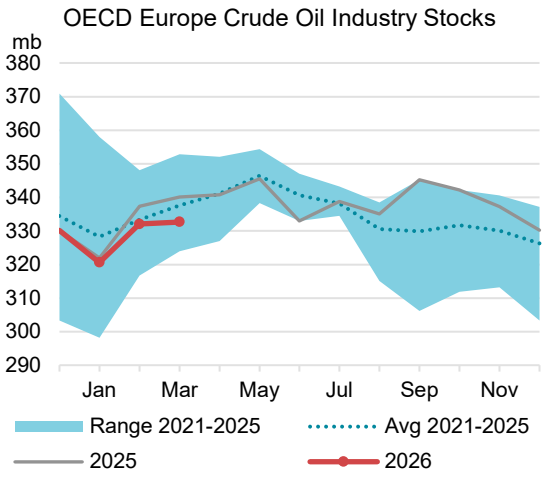
Source: EIA

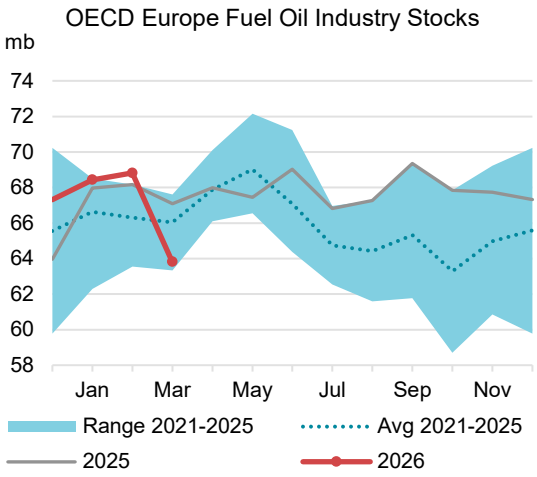


Source: EIA

OECD Europe

OECD Europe commercial inventories dropped by 7 mb to 940 mb in March, in line with year-ago levels. Crude oil stocks lagged their seasonal build, rising marginally by 0.6 mb, as builds in Sweden (+2.4 mb), France (+2.1 mb) and the Netherlands (+1.9 mb) were largely offset by draws in Spain (-4.4 mb) and the United Kingdom (-1.1 mb). NGLs and feedstocks were down by 1.8 mb led by the UK (-1.4 mb) and Italy (-0.7 mb).



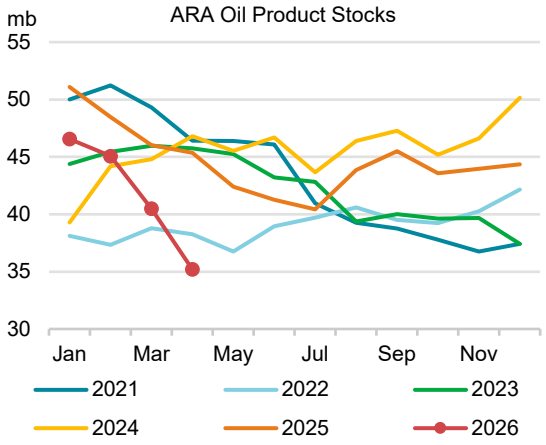


Regional industry product stocks declined 5.8 mb. Fuel oil slipped by a significant 5 mb, its lowest level since November 2024, driven mainly by Denmark (-2 mb) where exports quadrupled, according to *Kpler* data, followed by the Netherlands (+0.9 mb). Middle distillates built by 1.7 mb versus a

typical seasonally declining trend, apparently supported by allocations from public stocks. Gasoline and 'other products' also dropped, by 1.6 mb and 1 mb, respectively, to roughly year-ago levels.

Crude oil stored in floating roof tanks in Europe decreased by 2.3 mb in April, according to *Kayrros* data. Significant draws in the Netherlands (-4.7 mb), followed by Poland (-1.2 mb) were partially offset by gains in France (+2 mb) and the United Kingdom (+1.2 mb).

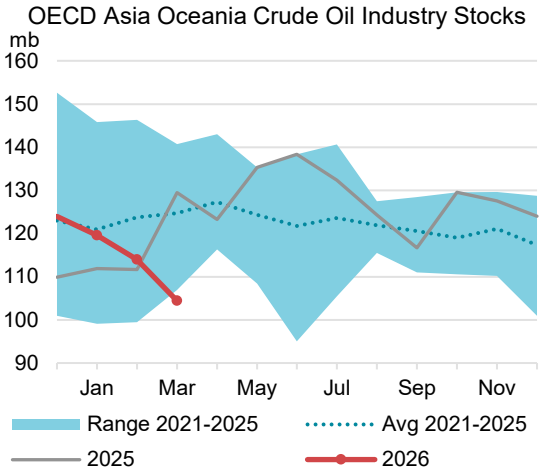
Weekly stock data from *Insights Global* showed end-April products stocks stored at the Amsterdam-Rotterdam-Antwerp (ARA) trading hub plummeted to the lowest end-month levels since January 2015. A downward trend is observed across almost all products and draws in jet/kerosene continued in recent weeks. Taking into account declines in other products, such as gasoil and fuel oil, as well as collective stock releases, European product stocks for April, which will be reported in next month's *Report,* are expected to show a notable decrease.

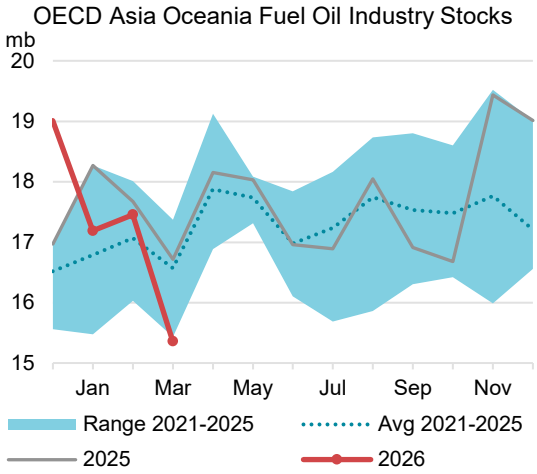


Source: *Insights Global.*

OECD Asia Oceania

Industry inventories in OECD Asia Oceania decreased by a substantial 17.8 mb in March, dropping to their lowest levels in four years at 318 mb. Regional crude, NGLs and feedstocks fell by 11.6 mb, split equally between Japan and Korea, due to supply losses from the Middle East. Japan's crude stocks fell to their lowest level since July 2022, but Korea was only down by 4 mb y-o-y. The regional decline in industry stocks was partially mitigated by the release of 0.5 mb of Japanese government stocks. Crude from national oil companies' storage sites held in Japan contributed significantly to the inventory draws (see *Offshore Barrels, Onshore Security).* Regional NGLs and feedstocks fell by 2.1 mb, with Japan accounting for 2.2 mb of the decline.





Total product stocks eased by 6.2 mb, of which 4.7 mb was in Japan, reflecting the government's decision in March to lower obligated industry stock requirements. The draw was led by middle distillates, down 2.7 mb in total as a 3.3 mb reduction in Japan was partly offset by gains in Korea.

Fuel oil stocks dropped by 2.1 mb to a record low, led by a 2.4 mb decline in Korea. 'Other products' declined by a same amount, while gasoline stocks rose by 0.6 mb.

Preliminary data from the *Petroleum Association of Japan* through 25 April suggest Japan's crude, NGLs and feedstock inventories eased by 2.5 mb m-o-m. The publication of weekly product stock changes for Japan has been suspended since the start of the crisis.

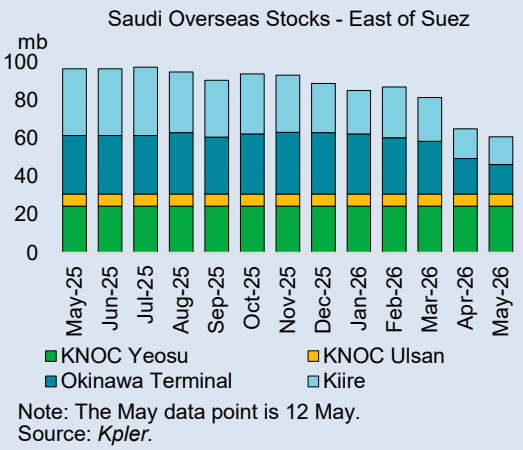
Offshore Barrels, Onshore Security

National oil company crude storage in consuming countries has played an important role since the beginning of the crisis. By combining energy security and commercial strategy, the policy to hold reserves outside the producing country improves resilience for both. For consuming countries, hosting crude owned by major exporters creates an immediately accessible buffer against supply disruptions, shortens response times in a crisis, and supplements strategic stocks without requiring the state to finance the additional inventory itself. For producers, overseas storage places barrels closer to end-users, improves optionality in destination sales, supports in-tank transfers and prompt deliveries, and strengthens market share in key importing regions. Typically, the producer can use the storage commercially in normal times, while the host country receives priority access during emergencies.

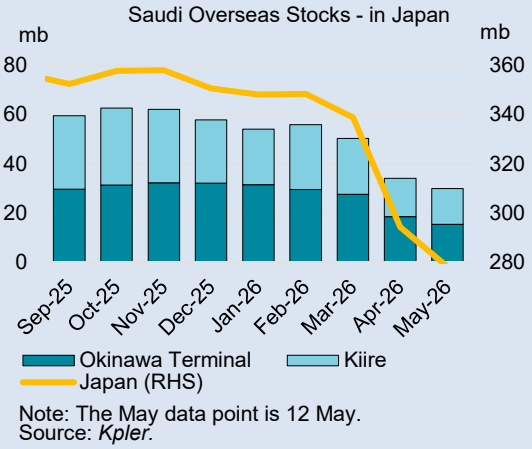
Japan dominates this model, hosting joint stockpiling with Saudi Aramco, which includes 8.2 mb in 13 tanks at the Okinawa CTS base as well as a commercial arrangement with ENEOS for about 3 mb at the Kiire terminal in Kagoshima. Japan also hosts storage with ADNOC at around 8.2 mb at Kiire and Kuwait Petroleum Corporation (KPC) of about 3.1 mb, also at Kiire.

Korea adopted a similar approach through state-run Korea National Oil Corp (KNOC). Saudi Aramco stores 5.3 mb mainly at Ulsan, ADNOC holds 4 mb at Yeosu, and KPC has 4 mb at Ulsan. Korea gets priority purchase rights and rental income. India hosts ADNOC crude at the Indian Strategic Petroleum Reserve's Mangalore cavern with approximately 5.86 mb. China has a more integrated commercial model: Saudi Aramco secured 18.6 mb of storage capacity at Zhoushan via its refining agreement with Zhejiang Petrochemical, with minimum inventory requirements.

According to *Kpler* data, Japan drew down crude stocks in recent weeks, including from Saudi Arabia's Okinawa and Kiire facilities (down roughly 25 mb). Stocks at Ulsan and Yeosu in Korea were unchanged.



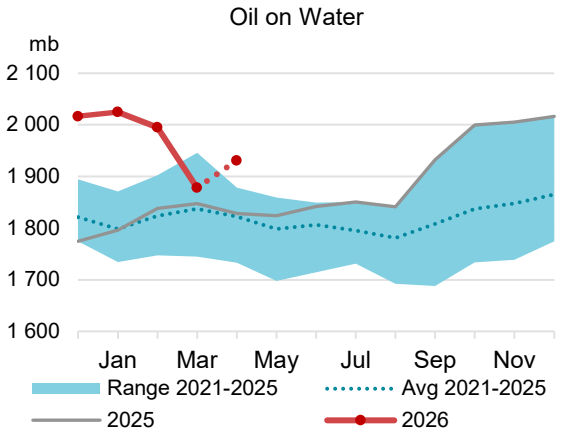
Note: The May data point is 12 May.
Source: *Kpler*.



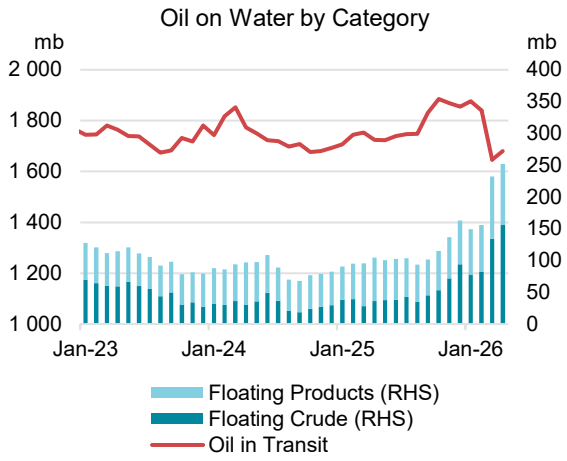
Note: The May data point is 12 May.
Source: *Kpler*.

Other stocks developments

Oil on water bounced back by 53 mb (+1.8 mb/d) in April, following a sizeable plunge of 117 mb (-3.8 mb/d) in March, according to *Kpler*. Higher volumes of crude oil (+47 mb), LPG/ethane and naphtha (+11 mb, each) were more than offset by hefty products draws, mainly in fuel oil (-11 mb), jet fuel (-8 mb) and gasoline (-7 mb).



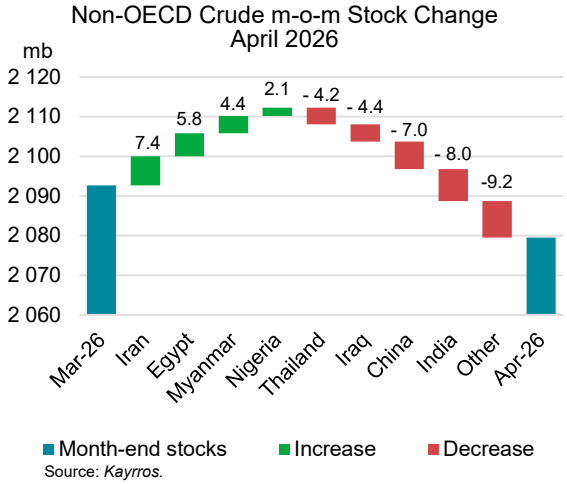
Note: Oil on water includes floating storage and oil in transit.
Source: *Kpler*.



Source: *Kpler*.

The increase was underpinned by a partial recovery in net-exports, following unprecedented disruptions to Middle Eastern loadings and higher demand for sanctioned oil on water in March. With Saudi Arabia and UAE ramping up shipments through bypass routes at Yanbu and Fujairah, respectively, and Atlantic Basin producers boosting exports to Asia, oil in transit increased by 33 mb. Floating storage, idling over 12 days, rose by a further 20 mb, led by crude oil (+21 mb), while floating products marginally fell by 2 mb because of draws in the Middle East Gulf (-3 mb) and Asia Pacific (-2 mb). Floating storage of crude in the Middle East region increased by 13 mb, to 92mb – held on 186 tankers trapped in the Gulf at end-April. Iran accounted for 4 mb of the increase as the US blockade enforced on 13 April significantly curtailed exports. Meanwhile, Russian oil on water dropped by 6 mb, as increased attacks on its refineries and port infrastructure reduced products on the water (-11 mb) and boosted crude (+5 mb).

Non-OECD crude inventories declined for the first time in six months in April, by 13 mb, following a 23 mb build in March, due to continuing supply disruptions. Crude inventories in the Asia Pacific region fell by 13 mb, in part reflecting lower sanctioned crude volumes coming ashore, with India down 8 mb and Thailand lower by 4 mb.



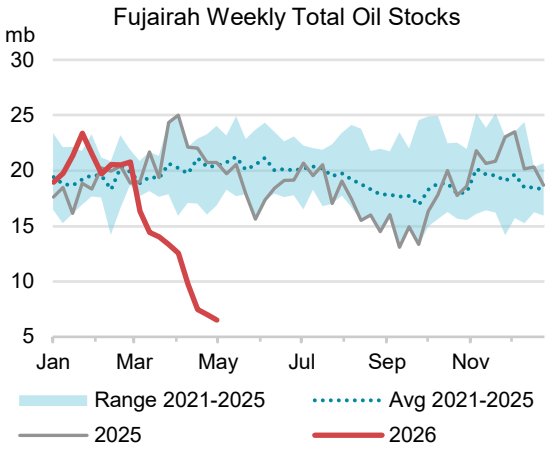
Source: *Kayrros*.

OPEC-12 stocks gained 3 mb, with Iran up 7 mb and declines in Iraq of 4 mb, and Saudi Arabia down 2 mb. Overall observable on-land crude stocks in the Middle East Gulf countries were largely unchanged at 3 mb.

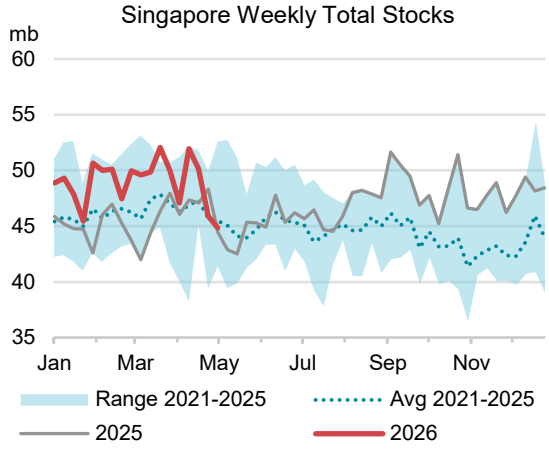
Egyptian stocks rose by 5.8 mb, mainly at the Ain Sukhna terminal at the start of the Sumed pipeline, where Saudi crude flows

surged by 36% following the ramp-up in loadings from the west coast of the country, according to *Kpler*. In the meantime, Chinese observable crude stocks dropped by 7 mb as the government authorised draws on commercial inventories on 10 April.

Total oil product inventories in Fujairah plunged by 6.4 mb in April to a new record low, following a 7.5 mb draw in March, according to *FEDCom and S&P Global Platts*. Light and heavy distillates dropped by 3.5 mb and 2.3 mb, respectively, while middle distillates declined by a relatively modest 0.6 mb.



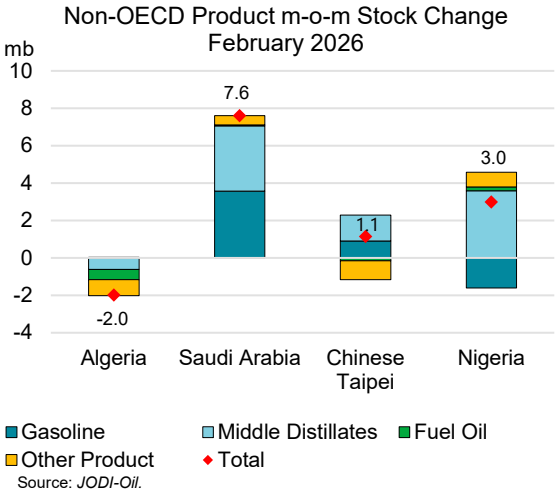
Source: *FEDCom/S&P Global Platts.*



Source: *Enterprise Singapore.*

By contrast, Singapore product stocks declined by 4.6 mb, with drawdown led by residues of 4.1 mb, but remained within their 5-year average range in April, according to *Enterprise Singapore*. Light distillates also dropped by 1.5 mb while they remained above year-ago levels. Notably, middle distillates rose by 1 mb to a 20-month high.

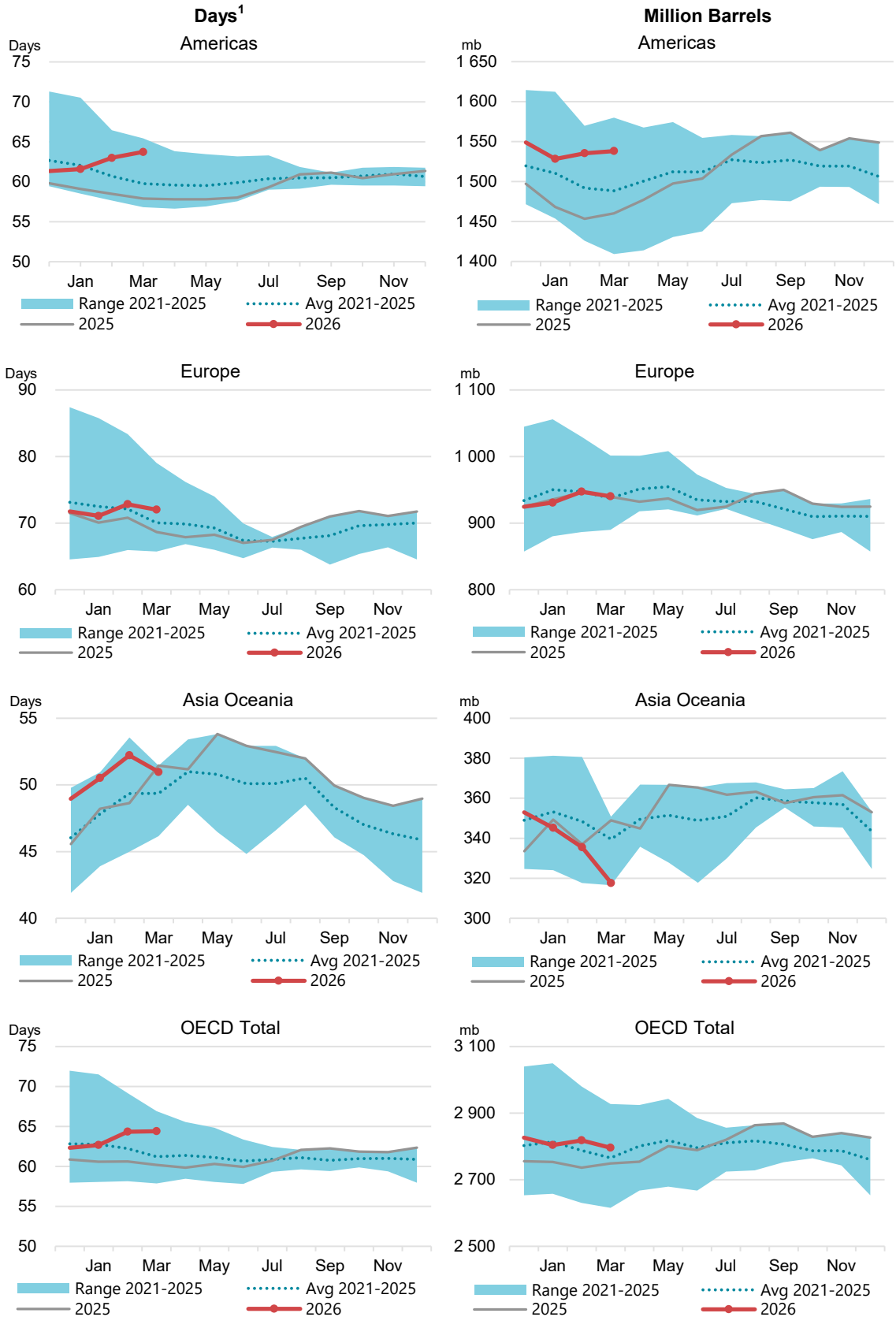
Nine non-OECD economies reporting data to the *JODI-Oil World Database* showed a 10 mb increase in product stocks in February. Notably, Saudi Arabia posted a build of 7.6 mb, with gasoline and middle distillates each increasing by around 3.5 mb despite robust exports ahead of the conflict. Product stocks in Nigeria and Chinese Taipei rose by 3 mb and 1.1 mb, respectively, led by middle distillates. Algeria's stocks dropped by 2 mb due to a 0.9 mb decline in 'other products' and draws of 0.6 mb for both middle distillates and fuel oil.



Source: *JODI-Oil.*

Regional OECD End-of-Month Industry Stocks

(in days of forward demand and million barrels of total oil)

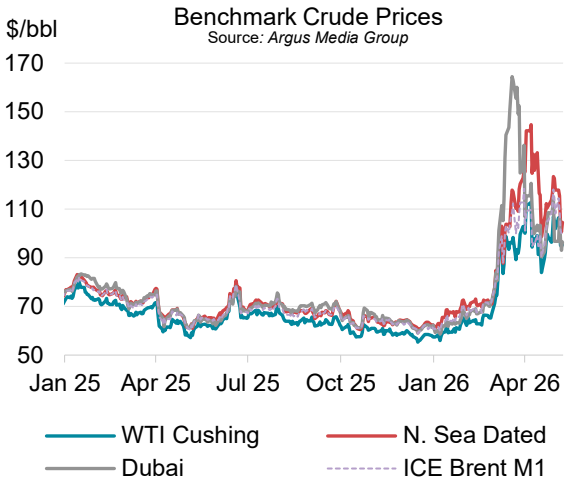


[1] Days of forward demand are based on average OECD demand over the next three months.

Prices

Overview

North Sea Dated traded in an unparalleled wide range of almost $50/bbl in April, with the disruption to Middle East flows triggering a surge in prices of about $16.50/bbl m-o-m to an average of $120.36/bbl. The war's oil price risk premium waxed and waned over the month, with Dated hitting $144.68/bbl on 7 April – an all-time high, eclipsing its previous record set in 2008 – as the Hormuz supply squeeze forced refiners to bid aggressively for scarce barrels. Prices fell after the United States and Iran agreed to a two-week ceasefire, but the parties subsequently failed to reach an agreement in peace talks in Pakistan on 12 April. This prompted the United States to impose a naval blockade, initially focused on ships heading to and from Iran's ports, later expanded to shadow-fleet vessels carrying Iran's oil exports.



Dated fell briefly below $100/bbl on 17 April after President Trump announced that a deal with Iran was all but agreed and the Strait fully open. However, prices rebounded after Iran refuted this, resulting in a prolonged stalemate amid like-for-like vessel seizures, with shipments through the Strait remaining heavily curtailed. President Trump extended the truce just before its expiry, but further planned diplomatic talks in Pakistan were delayed indefinitely. However, oil prices fell by $10/bbl on 6 May on reports that the United States and Iran were close to agreeing a deal to end the war and reopen the Strait. Five days later, the United States rejected Iran's terms, causing prices to rebound. At the time of writing, Hormuz remained closed and Dated was trading around $110/bbl, up more than 50% from pre-war levels.

Time spreads oscillated in line with flat prices, easing early-month as the ceasefire prompted hopes for an imminent resolution to the conflict before recovering towards month-end as markets braced for a protracted standoff. Dated's premium to Brent futures weakened from a record $35/bbl in mid-April to a more normal $3/bbl in early May (See *Oil Futures and Spot Prices Align Again in May)*, as anxiety about tight prompt balances subsided somewhat amid evidence of demand destruction. The first-week North Sea Dated contract-for-difference ended April at around $9/bbl, down from $30/bbl highs early in the month. Prompt time spreads in WTI and Brent futures were around $5/bbl at end-month, while M1-12 spreads of about $30/bbl pointed to prolonged scarcity being priced in.

WTI differentials strengthened, gaining $7/bbl against North Sea Dated during April as weekly data from the Energy Information Agency (EIA) showed US crude inventories at the Cushing, Oklahoma hub falling by 1.7 mb to 29.8 mb – at variance with their typical seasonal increase. Weekly US crude exports reached a record of 6.44 mb/d towards month-end – the highest since publication began in 1991 – as buyers scrambled to replace lost Middle Eastern supplies. With crude imports at 5.75 mb/d, this also marked the first time in over 50 years that the United States has been a net exporter of crude.

Financial markets remained sanguine in the face of the geopolitical tensions. The S&P 500 Index surged by 10% in April to fresh record highs, buoyed by strong first-quarter company earnings. Tech stocks propelled the rally amid renewed optimism around artificial intelligence, with the S&P Information Technology Index up by 17% in April – its best month since 2002.

The United States added a better-than-expected 115 000 jobs in April as employment expanded at a healthy pace. US retail sales rose by 1.7% y-o-y, 0.3% more than forecast. However, the University of Michigan Consumer Sentiment Index fell by 6.6 points m-o-m to 47.6 – the lowest reading in its 70-plus year history as the oil shock drove inflation expectations sharply higher. Consumer prices rose by 3.3% y-o-y in March, accelerating from February's 2.4%, largely due to the energy component's 12.5% increase. Gasoline prices jumped 18.9% y-o-y, while airline fares were up by 14.9%.

The US Federal Reserve held its benchmark rate steady in a range of 3.5% to 3.75% at its 29 April meeting, with bond markets seeing the Fed remaining on hold for the foreseeable future. The Bank of England and the European Central Bank also kept their key rates unchanged in April, but markets are pricing three 2026 quarter-point rate hikes apiece. Inflation fears weighed heavily on global bond markets, with investors apprehensive about the impact of the oil shock on public finances. Germany's ten-year Bund yield rose above 3%, nearing its highest level in 15 years while the ten-year UK Gilt hit 5% for the first time since 2008. The US Dollar Index fell by 2% m-o-m in April.

Crude Prices and Differentials ($/bbl)

	Month			Week of:	Last:	*Changes Apr 26*		
	Feb 2026	**Mar 2026**	**Apr 2026**	**04 May**	**08 May**	***Monthly Δ**	***m-o-m Δ**	***y-o-y Δ**
Crude Futures (M1)								
NYMEX WTI	64.52	91.00	98.06	98.80	95.42	*3.69*	*7.06*	*35.10*
ICE Brent	69.37	99.60	102.46	105.39	101.29	*-4.34*	*2.86*	*36.01*
Crude Marker Grades								
North Sea Dated	71.09	103.84	120.36	106.17	104.51	*-3.34*	*16.52*	*52.65*
WTI (Cushing)	64.50	91.16	98.63	98.80	95.42	*3.69*	*7.47*	*35.55*
Dubai (London close)	68.69	128.20	104.32	98.30	96.46	*-39.48*	*-23.88*	*37.00*
Differential to North Sea Dated								
WTI (Cushing)	-6.59	-12.67	-21.73	-7.37	-9.09	*7.03*	*-9.06*	*-17.10*
Dubai (London close)	-2.40	24.37	-16.04	-7.86	-8.05	*-36.14*	*-40.41*	*-15.65*
Differential to ICE Brent								
North Sea Dated	1.72	4.24	17.89	0.78	3.22	*1.00*	*13.66*	*16.65*
NYMEX WTI	-4.85	-8.60	-4.40	-6.59	-5.87	*8.03*	*4.20*	*-0.91*

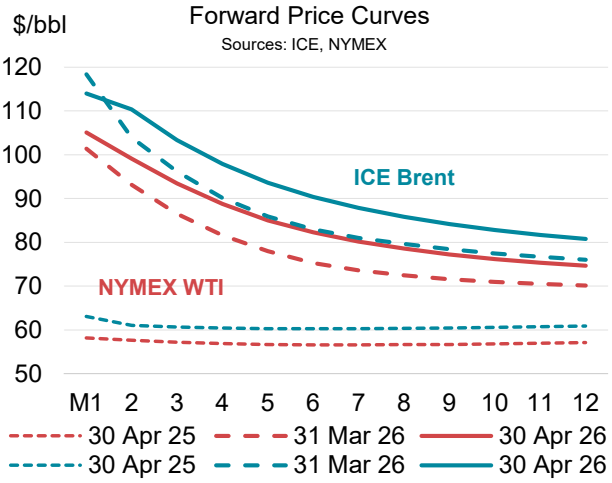
Sources: *Argus Media Group* , ICE, NYMEX (NYMEX WTI = NYMEX Light Sweet Crude).

*Monthly refers to the difference in price between the current and previous end of month.

Futures markets

Brent futures rose by $2.86/bbl m-o-m during April to 102.46/bbl, whipsawing in an $86-$126/bbl monthly trading range. As market sentiment fluctuated between hopes for a swift resolution and fears of a prolonged conflict, Brent moved by a daily average of $4.60/bbl in April – a level last seen in March 2022 in the immediate aftermath of Russia's Ukraine invasion. Front-month Brent briefly traded below its 50-day moving average mid-month for the first time since early January, before rebounding while remaining well above 100- and 200-day levels throughout April.

WTI futures rose $7.06/bbl m-o-m to $98.06/bbl in April, strengthening by around $8/bbl against ICE Brent over the course of the month, buoyed by the pull for US barrels from Europe and Asia. Weekly US crude inventories declined by 2 mb to 459.5 mb, at odds with their typical seasonal build. US product cracks were resilient – the NYMEX ULSD versus WTI crack spread fell by $3/bbl m-o-m to $59/bbl, while the RBOB gasoline equivalent rose by $4/bbl to $35/bbl. US gasoline stocks drew throughout April and for 11 straight weeks, falling below the five-year average for the first time this year. Both cracks remain near record seasonal highs.



Investor net long positioning fell marginally from multi-year highs, with the long-to-short crude futures ratio held by money managers declining by 0.7 to 3.6 – still almost a point above its long-term average. Total open interest in the five main ICE and NYMEX futures declined by 400 mb m-o-m to 6 070 mb – a one-year low as extreme price volatility kept traders on the sidelines.

Prompt Month Oil Futures Prices
(monthly and weekly averages, $/bbl)

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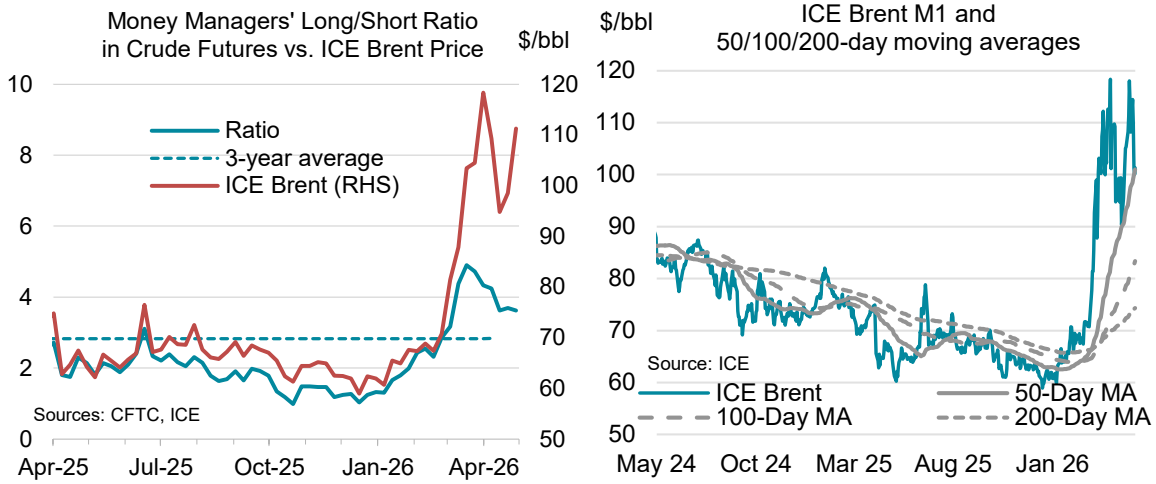
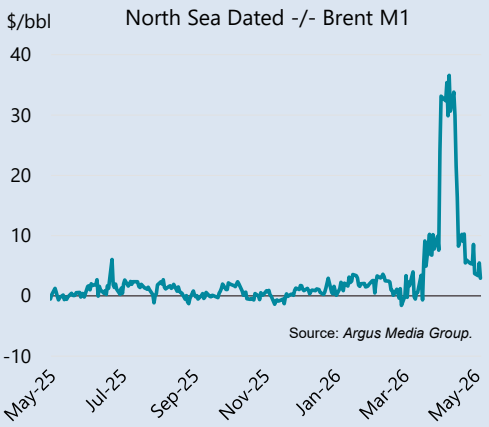


Oil Futures and Spot Prices Align Again in May

The differential between North Sea Dated and ICE Brent crude oil futures has become extraordinarily volatile since the start of the Iran war. Dated's premium to front-month Brent hit a record high, reaching $35/bbl in early April as supply disruptions boosted premiums for physical barrels. The spread has since eased considerably to around $3/bbl in early May – much closer to its typical +/- $2/bbl, as anxiety about tight prompt balances subsided somewhat. April's divergence has prompted discussion of a "disconnect" and a "lack of convergence" between the physical and paper markets, with some declaring the linkage broken.

However, no such decoupling has taken place. The wide premium of spot over futures prices at the start of the war followed by the recent narrowing of the spread reflects the fundamentally different time structures of the two markets, with each marker referring to a distinct delivery horizon of the North Sea crude market. This difference in timing, of around six to eight weeks, persists structurally, meaning that, as time passes, Dated and front-month futures prices cannot converge – a feature that is sometimes thought to be a general characteristic of all commodity futures markets.



North Sea Dated is a prompt spot price benchmark, referencing physical delivery of North Sea crude 10 to 30 days out of cargoes for which a loading date has been attributed (hence the term "dated"). It is set by the lowest-assessed price among the six crude grades that constitute the Dated BFOET basket: Brent, Forties, Oseberg, Ekofisk and Troll (all on a FOB North Sea basis), as well as WTI Midland (on a CIF Rotterdam basis, which is then netted back to a virtual FOB North Sea value).

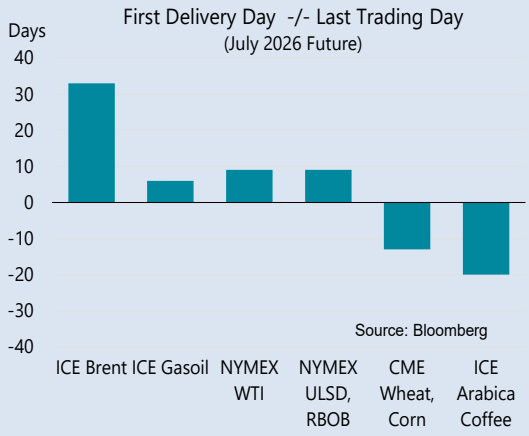
By contrast, Brent futures are significantly less immediate, with the July contract – currently the front-month – set to cease trading on 29 May. However, on this expiry day the future will settle not on Dated, but on the assessed value of the forward July "cash BFOET" price. This is a physical

market for cargoes loading in forward calendar months, with their timing aligned on the Brent futures schedule. Traders holding these contracts to expiry can receive physical dated barrels if they don't close their positions financially. The "exchange for physical" (EFP) swap captures the intrinsic minor value difference between the forward physical market and futures.

This discrepancy results in a permanent one-to-two month gap between North Sea Dated's prompt delivery and Brent futures that reference cargoes loading at a later date. Therefore, the North Sea Dated versus Brent differential essentially boils down to a rolling calendar spread, with no intrinsic drift towards convergence.

Extreme scarcity since 28 February has manifested itself chiefly in the spot crude market – i.e., within Dated's 10-30-day delivery window – as refiners scrambling for available barrels lifted the prompt backwardation. But the financial market's expectations of easing tightness – with an anticipated end to the conflict – as well as much higher liquidity, resulted in smaller price gains for the forward months underlying Brent futures and cash BFOET contracts.

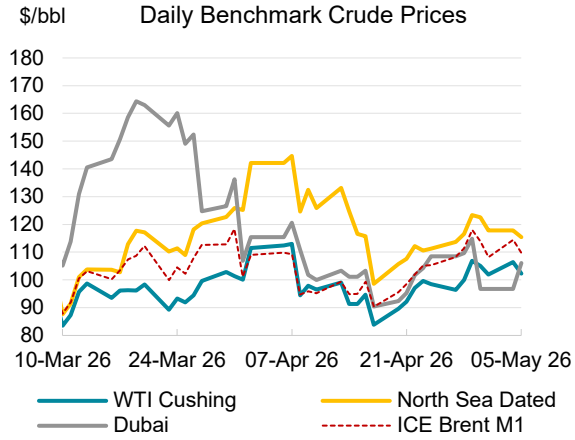
The considerable time gap of more than one month between the Brent future's expiry and its subsequent delivery period is typical for oil markets. All ICE and NYMEX oil futures, whether waterborne or landlocked, cease trading well before delivery commences, in order to allow buyers and sellers sufficient time to move oil from storage and arrange shipment. Oil storage is comparatively specialised and costly, partly on account of its low value-to-volume ratio. Additionally, oil's delivery procedure can also be operationally intensive, in part due to strict logistical, health, safety and environmental constraints.



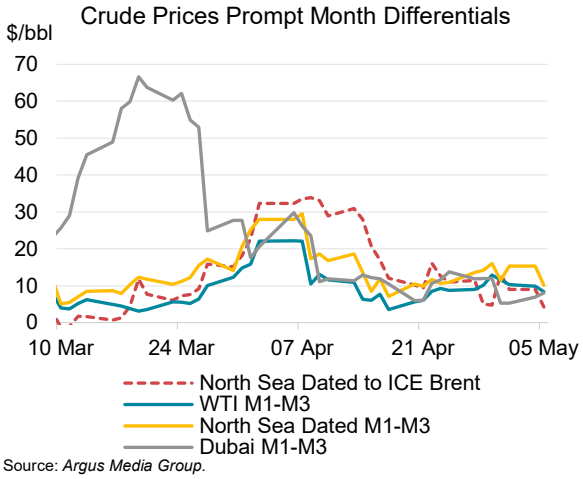
By contrast, non-energy markets such as grains, softs and base metals tend to have lower storage costs and straightforward, less protracted, delivery mechanisms (these are typically ex-warehouse). Unlike oil, these futures continue to trade beyond first notice date until well into their delivery periods. This makes for a more immediate link between their physical and futures markets, supporting their eventual convergence.

Spot crude oil prices

Physical crude prices remained extremely volatile in April, with a sharp divergence emerging between Atlantic Basin and Dubai-linked benchmarks as the disruption to Middle East flows triggered a broad repricing across regions. North Sea Dated rose by $16.52/bbl m-o-m to average $120.36/bbl, peaking at $144.68/bbl in early April before easing back toward $111/bbl by month-end. At the same time, WTI at Cushing gained $7.15/bbl m-o-m to $98.31/bbl, reaching $112.95/bbl at its high. Dubai reversed part of March's surge, falling $22.68/bbl m-o-m to $105.56/bbl as elevated prices triggered refinery run cuts and demand destruction across Asia.

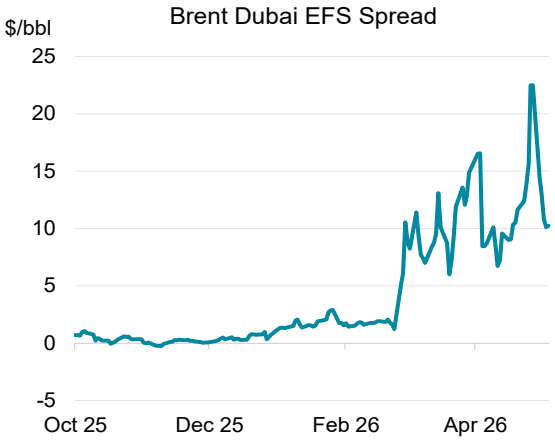


Source: *Argus Media Group.*



Source: *Argus Media Group.*

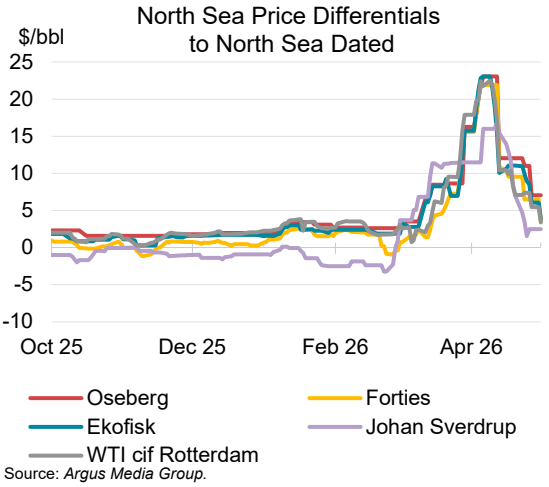
Atlantic Basin time spreads strengthened sharply in early April as buyers competed for scarce prompt barrels. The North Sea Dated-ICE Brent spread widened by $13.66/bbl m-o-m to average $17.89/bbl and peaked at a record $35.41/bbl on 7 April, before narrowing to around $5/bbl by month-end. North Sea Dated M1-M3 backwardation averaged $15.23/bbl, up $9.14/bbl m-o-m, before easing to $5.73/bbl by late April as the release of strategic reserves by IEA members eased prompt supply concerns and weakening refinery margins reduced appetite for high-cost spot crude.



Source: *Argus Media Group.*

Dubai M1-M3 backwardation narrowed sharply by $23.73/bbl m-o-m to average $13.77/bbl amid extreme intra-month volatility, collapsing from above $60/bbl in March to single digits within weeks. Buyers turned to Atlantic Basin cargoes and Asian refiners cut throughputs. Chinese refiners sharply curtailed runs following the collapse in domestic margins due to government price controls. The Brent-Dubai exchange of futures for swaps (EFS) widened to a record high in April, reflecting the extraordinary premium commanded by Atlantic Basin crude over Asian-linked benchmarks. With Middle Eastern supply sharply reduced, Asian refiners had little choice but to pay up for US, Brazilian and West African barrels – the only viable alternatives available.

North Sea crude differentials surged to record levels in the first half of April, amidst strong competition for tight supplies, before reversing sharply as SPR releases and deteriorating refinery economics weighed on spot demand. All six grades underpinning North Sea Dated breached $20/bbl premiums at their highest. Forties rose by $11.30/bbl m-o-m to average $14.37/bbl, peaking at $21.90/bbl, while Ekofisk gained $9.45/bbl to $14.79/bbl and Oseberg and Troll rose approximately $10/bbl each to $15.86/bbl and $16.53/bbl, respectively. WTI CIF Rotterdam climbed $9.53/bbl to $14.23/bbl. Johan Sverdrup strengthened by $3.95/bbl to average $11.01/bbl, only to plunge to $2.50/bbl by month-end as discounted sour US reserve barrels competed directly in the European market.



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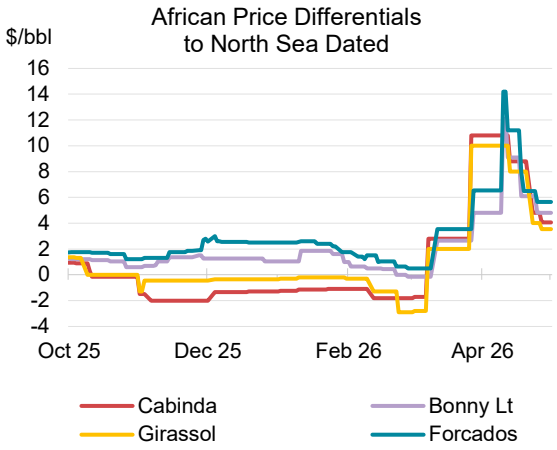
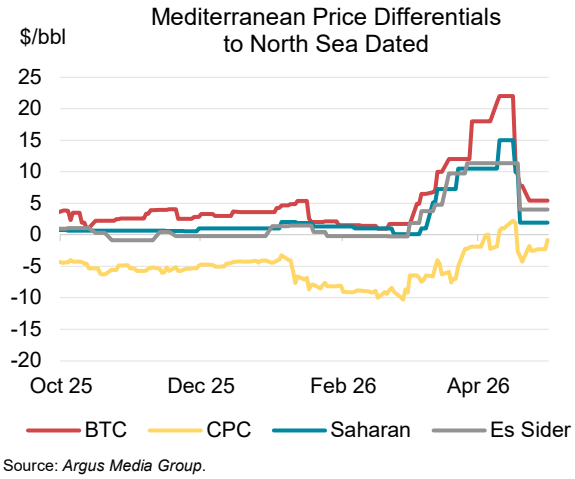


Source: *Argus Media Group.*

West African grades strengthened in tandem, supported by substitution demand from European refiners and incremental buying from Asian refiners – particularly in Indonesia and India – seeking replacements for disrupted Middle Eastern supply. Forcados rose $6.04/bbl to $8.21/bbl above Dated, peaking at $14.20/bbl, while Qua Iboe increased by $5.39/bbl to $7.07/bbl. Bonny Light and Brass River each gained over $5/bbl to $6.72/bbl and $6.38/bbl, respectively. Angolan premiums to Dated also strengthened, with Girassol and Cabinda rising nearly $8/bbl each to $8.20/bbl and $9/bbl. Run cuts, along with weakening naphtha margins and elevated freight costs added further downward pressure, with spreads ending the month at around $4/bbl on average.

Similarly, Mediterranean crude differentials surged early in the month on tight regional supply before retreating as barrels emerged from strategic reserves. BTC Blend rose by $7.50/bbl m-o-m to average $15.03/bbl above Dated, peaking at $22/bbl before falling back to $5.40/bbl by late April. Saharan Blend gained $4.99/bbl to $9.36/bbl and Es Sider rose $4.49/bbl to $9.42/bbl. CPC Blend strengthened by $5.45/bbl to average -$1.03/bbl, briefly moving to a rare premium before reverting back to a discount as competition from discounted sour US SPR barrels and weakening Mediterranean refinery margins capped further upside.



Source: *Argus Media Group.*

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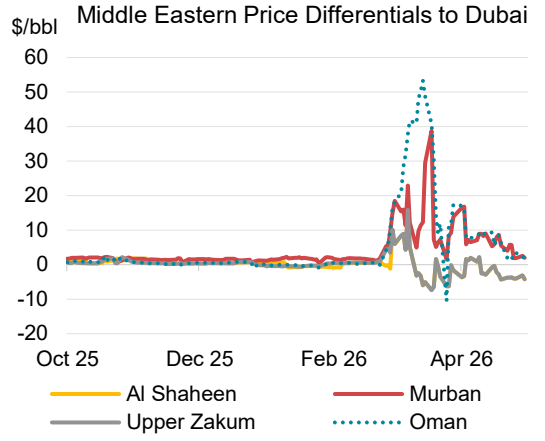
Russian export differentials recovered modestly, with Urals FOB Primorsk and Novorossiysk averaging around a -$24/bbl discount versus Dated, narrowing approximately $4/bbl m-o-m as Indian buying increased under temporary sanctions waivers. ESPO strengthened significantly, rising $29.82/bbl and returning to a more typical average discount of $13.10/bbl versus Dubai as prices for the latter deflated in April, and reflecting steady demand from Southeast Asian buyers.



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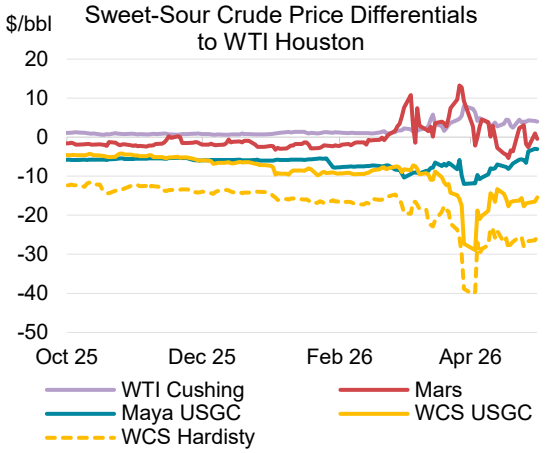
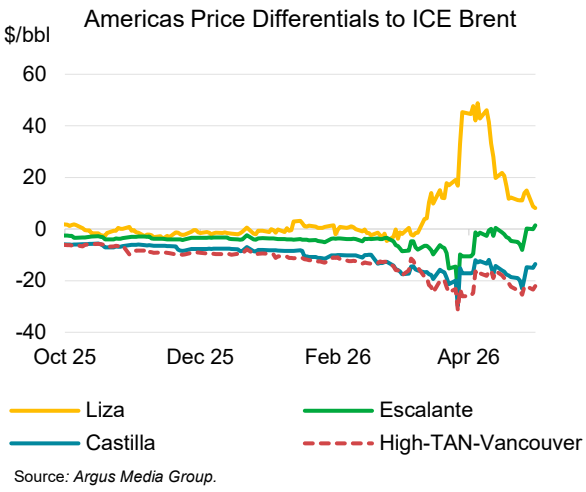


Source: *Argus Media Group.*

Following March's extreme run-up, Middle East crude differentials weakened sharply in April, as refinery run cuts and demand destruction across Asia – where consumption is expected to plummet by around 1.5 mb/d in 2Q26 – weighed heavily on sour crude markets. Oman fell $17.34/bbl m-o-m to average $8.32/bbl against Dubai, collapsing from a peak of $17.32/bbl to $1.35/bbl by month-end, while Murban declined $4.43/bbl to $8.04/bbl after reaching $16.77/bbl early in the month. Upper Zakum and Al Shaheen fell by $2.68/bbl and $2.04/bbl, respectively, with both flipping to a discount of $1.65/bbl versus Dubai, as Asian stock releases and weak Chinese refinery margins further compressed premiums through the month.

On the US Gulf Coast, sweet crude differentials strengthened as Asia-Pacific refiners sought alternatives to disrupted Middle East supply and US exports surged to record highs. WTI Midland firmed by $1.42/bbl to a $2.86/bbl premium to Cushing, while WTI Houston rose $1.63/bbl to $4.28/bbl, briefly reaching $8/bbl in early April amid strong export demand, despite a weaker arbitrage to Europe.



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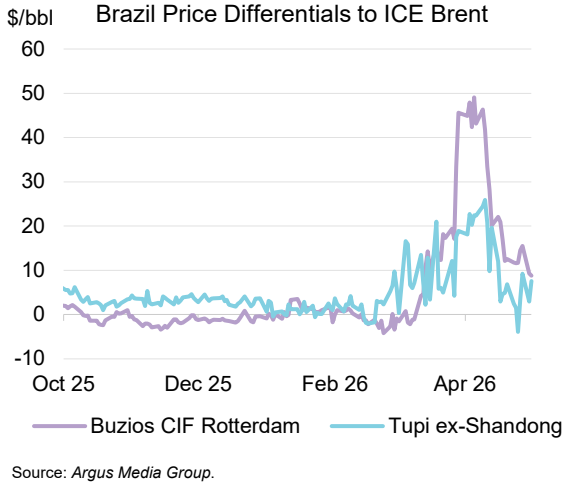


Source: *Argus Media Group.*

US sour crude grades declined significantly later in the month as SPR releases increased medium and heavy crude availability. Mars fell by $3.55/bbl m-o-m to average a $0.90/bbl premium to WTI Houston, reversing from a $12.73/bbl premium in early April to a discount by late April. Canadian heavy differentials also deteriorated sharply despite firm underlying refinery demand. The discount for WCS at Hardisty to WTI widened by $7.69/bbl to $24.32/bbl and WCS Houston increased by $8.43/bbl to $18.51/bbl, pressured by elevated Canadian production, rising Venezuelan flows and

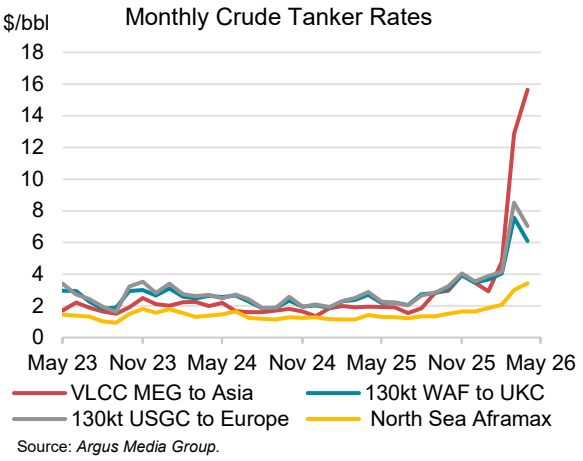
additional SPR supply. Enbridge cut approximately 14% of April heavy crude nominations on its Mainline - the highest apportionment since the Trans Mountain Expansion (TMX) pipeline began operations. With TMX running close to full capacity, stocks built at Edmonton.

Elsewhere in the Americas, differentials to ICE Brent surged in early April before retreating sharply as Chinese buying weakened and refinery margins deteriorated. The premium for Guyana's Liza rose $21.42/bbl m-o-m to $27.56/bbl, peaking at $48.78/bbl, while Argentina's Escalante and Colombia Castilla posted more modest gains as rising Venezuelan flows crowded out USGC demand. Búzios CIF Rotterdam jumped $22.53/bbl to $31.97/bbl, peaking at $56.08/bbl on 9 April before collapsing to $11.32/bbl by month-end as SPR volumes and elevated VLCC freight rates deterred European buyers. Tupi ex-Shandong rose $4.43/bbl to $12.60/bbl before flipping to -$3.96/bbl by 29 April. This reflected a sharp drop in Chinese refiners' appetite for long-haul cargoes after authorities allowed them to draw on state stockpiles. High-TAN FOB Vancouver weakened by $1.64/bbl to a discount of $20.59/bbl versus Brent, narrowing to -$16.01/bbl mid-month before widening again to -$26/bbl by month-end.

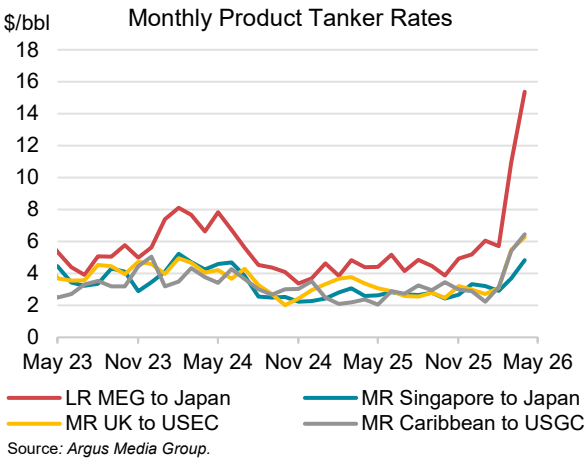
Spot Crude Oil Prices and Differentials
(monthly and weekly averages, $/bbl)

Freight

Tanker markets remained acutely distorted in April, as the near-total closure of the Strait of Hormuz continued to reshape global trade routes, concentrating tonnage demand in the Atlantic Basin and sustaining freight costs well above pre-war levels across both dirty and clean segments. Long-haul dirty tanker rates for VLCCs from the Middle East to Asia rose $2.79/bbl m-o-m to $15.65/bbl, driven by the shift of VLCC activity to the Atlantic Basin, where US Gulf and West African eastbound voyages approximately doubled in the month. By late April, rates retreated slightly as charterers favoured more competitive smaller mid-size vessels and ballast tonnage accumulated. Suezmax rates eased on key Atlantic routes, with West Africa to UK Continent (UKC) falling $1.46/bbl to $6.10/bbl and US Gulf to Europe slipping $1.47/bbl to $7.05/bbl as more tonnage competed for the same export programmes. North Sea Aframax rates edged up $0.41/bbl to $3.42/bbl, reinforced by continued strong activity on USGC, UK Continent and Baltic routes.



Source: *Argus Media Group.*



Source*: Argus Media Group.*

Clean product tanker rates continued to strengthen in April, reflecting the dramatic reorientation of refined product flows away from the Middle East and toward longer Atlantic Basin supply routes. Long-Range (LR) rates from the Middle East Gulf to Japan rose $4.41/bbl to $15.37/bbl, supported by robust Asian demand for volumes sourced outside the Strait and the lengthening of supply routes from the US Gulf. Medium-Range (MR) rates firmed across most Atlantic routes, with Caribbean to US Atlantic costs rising $1.04/bbl to $6.46/bbl and UK to US Atlantic gaining $0.81/bbl to $6.28/bbl, driven by the surge in US refined product exports eastbound as European buyers replaced lost Middle Eastern volumes. MR rates in Asia rose $1.14/bbl to $4.82/bbl on the Singapore-Japan route, underpinned by firm intra-regional demand.

Freight Costs

(monthly and weekly averages, $/bbl)

			Apr-26			Week Commencing					
	Feb 26	Mar 26	Apr 26	*m-o-m Δ*	*y-o-y Δ*	30-Mar	06-Apr	13-Apr	20-Apr	27-Apr	04-May
Crude Tankers											
VLCC MEG-Asia	4.79	12.86	15.65	2.79	13.70	11.33	15.20	16.40	16.40	16.40	16.40
130Kt WAF - UKC	4.06	7.56	6.10	-1.46	3.41	8.82	7.56	5.65	5.02	5.35	4.80
130Kt USGC to EUR	4.16	8.51	7.05	-1.47	4.17	9.98	8.59	6.86	5.44	5.99	5.23
Baltic Aframax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
North Sea Aframax	2.08	3.00	3.42	0.41	1.99	4.37	4.23	3.81	2.70	2.56	2.33
Product Tankers											
LR MEG - Japan	5.70	10.95	15.37	4.41	10.98	12.03	14.29	15.53	15.79	17.25	17.60
MR Sing - JPN	2.91	3.68	4.82	1.14	2.23	4.14	4.16	4.82	5.46	5.22	5.14
MR Carib - US Atlantic	3.14	5.42	6.46	1.04	4.09	5.95	7.03	7.26	5.81	5.63	3.73
MR UK-US Atlantic	3.10	5.47	6.28	0.81	2.91	6.52	6.99	6.48	5.98	5.47	4.86

Table 1
WORLD OIL SUPPLY AND DEMAND
(million barrels per day)

	2022	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026
OECD DEMAND																	
Americas	24.8	25.1	24.6	25.3	25.6	25.5	25.2	25.0	25.2	25.9	25.5	25.4	25.6	25.1	25.5	25.3	25.4
Europe	13.6	13.4	12.8	13.6	14.0	13.5	13.5	12.9	13.7	13.7	13.4	13.4	12.9	13.3	13.6	13.3	13.3
Asia Oceania	7.3	7.2	7.5	7.0	6.9	7.4	7.2	7.3	6.8	6.9	7.2	7.0	7.2	6.3	6.8	7.2	6.9
Total OECD	**45.7**	**45.7**	**44.9**	**45.8**	**46.5**	**46.4**	**45.9**	**45.3**	**45.7**	**46.5**	**46.1**	**45.9**	**45.7**	**44.7**	**45.9**	**45.8**	**45.5**
NON-OECD DEMAND																	
Eurasia	4.8	4.8	4.8	4.8	4.8	5.0	4.8	4.8	4.8	4.9	4.9	4.8	4.8	4.7	4.9	5.0	4.8
Europe	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.8	0.9	0.9	0.9
China	15.5	16.7	16.6	16.7	16.9	16.7	16.7	16.7	16.5	17.1	17.4	17.0	17.2	16.2	17.1	17.5	17.0
Other Asia	14.1	14.5	15.0	15.0	14.5	15.3	15.0	15.3	15.3	14.9	15.6	15.3	15.6	14.9	15.0	15.8	15.3
Latin America	6.3	6.4	6.3	6.4	6.6	6.5	6.5	6.4	6.5	6.7	6.6	6.6	6.5	6.6	6.7	6.7	6.6
Middle East	9.1	9.2	8.9	9.2	9.7	9.1	9.2	8.8	9.3	9.7	9.1	9.2	8.7	8.5	9.4	9.0	8.9
Africa	4.4	4.6	4.6	4.6	4.7	4.8	4.6	4.8	4.8	4.8	4.9	4.8	5.0	4.8	4.9	5.0	4.9
Total Non-OECD	**54.9**	**57.0**	**56.9**	**57.5**	**58.0**	**58.3**	**57.7**	**57.7**	**58.1**	**59.0**	**59.5**	**58.6**	**58.6**	**56.5**	**58.8**	**59.9**	**58.5**
Total Demand[1]	**100.6**	**102.7**	**101.8**	**103.4**	**104.5**	**104.7**	**103.6**	**103.0**	**103.7**	**105.5**	**105.5**	**104.4**	**104.3**	**101.3**	**104.8**	**105.7**	**104.0**
OECD SUPPLY																	
Americas	25.8	27.5	27.7	28.4	28.5	29.2	28.5	28.6	28.9	29.9	30.1	29.4	29.5	30.0	30.2	30.3	30.0
Europe	3.2	3.2	3.3	3.2	3.1	3.2	3.2	3.3	3.2	3.3	3.4	3.3	3.4	3.4	3.4	3.4	3.4
Asia Oceania	0.5	0.5	0.5	0.5	0.5	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total OECD[2]	**29.5**	**31.2**	**31.5**	**32.0**	**32.1**	**32.8**	**32.1**	**32.3**	**32.6**	**33.6**	**33.9**	**33.1**	**33.3**	**33.8**	**34.0**	**34.1**	**33.8**
NON-OECD SUPPLY																	
Eurasia	13.9	13.8	13.7	13.5	13.4	13.3	13.5	13.5	13.7	13.7	13.5	13.6	13.1	13.4	13.6	13.7	13.4
Europe	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
China	4.2	4.3	4.4	4.4	4.3	4.3	4.3	4.5	4.5	4.4	4.3	4.4	4.5	4.5	4.4	4.4	4.5
Other Asia	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.5	2.6	2.6	2.6	2.6
Latin America	5.7	6.2	6.5	6.4	6.4	6.5	6.5	6.6	6.8	7.1	7.4	7.0	7.6	7.8	7.9	7.8	7.8
Middle East	3.1	3.1	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	2.6	1.4	2.0	2.6	2.1
Africa	2.5	2.5	2.5	2.4	2.5	2.5	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.5	2.4
Total Non-OECD[2]	**32.2**	**32.6**	**32.9**	**32.5**	**32.3**	**32.3**	**32.5**	**32.8**	**33.1**	**33.4**	**33.5**	**33.2**	**32.8**	**32.2**	**33.0**	**33.6**	**32.9**
Processing Gains[3]	2.3	2.4	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.4	2.4	2.4	2.3	2.5	2.4	2.4
Global Biofuels	2.8	3.1	2.8	3.4	3.7	3.3	3.3	2.9	3.4	3.7	3.4	3.4	3.1	3.6	3.9	3.5	3.5
Total Non-OPEC	**66.8**	**69.3**	**69.5**	**70.3**	**70.5**	**70.8**	**70.3**	**70.4**	**71.5**	**73.2**	**73.3**	**72.1**	**71.6**	**72.0**	**73.4**	**73.7**	**72.7**
OPEC																	
Crude	27.7	27.4	27.3	27.2	27.2	27.3	27.2	27.5	28.2	29.0	29.0	28.4	26.7				
NGLs	5.4	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.6	5.7	5.7	5.6	5.3	3.7	4.8	5.2	4.7
Total OPEC[4]	**33.1**	**32.9**	**32.8**	**32.8**	**32.7**	**32.8**	**32.8**	**33.0**	**33.8**	**34.7**	**34.7**	**34.1**	**32.0**				
Total Supply	**99.9**	**102.2**	**102.3**	**103.1**	**103.2**	**103.6**	**103.0**	**103.4**	**105.3**	**107.9**	**108.0**	**106.2**	**103.6**				
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	0.4	0.0	-0.1	0.8	-0.4	-0.6	-0.1	-0.1	0.4	0.9	-0.5	0.2	-0.3				
Government	-0.7	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.0	-0.1				
Total	**-0.4**	**0.0**	**0.1**	**0.9**	**-0.3**	**-0.5**	**0.0**	**-0.1**	**0.4**	**0.8**	**-0.3**	**0.2**	**-0.4**				
Floating Storage/Oil in Transit	0.3	-0.1	0.9	-1.3	-0.6	0.0	-0.2	0.8	-0.1	1.0	0.9	0.7	-1.5				
Miscellaneous to balance[5]	-0.6	-0.4	-0.6	0.2	-0.4	-0.6	-0.4	-0.3	1.2	0.6	1.9	0.8	1.3				
Total Stock Ch. & Misc	**-0.7**	**-0.5**	**0.5**	**-0.2**	**-1.3**	**-1.1**	**-0.5**	**0.4**	**1.6**	**2.4**	**2.5**	**1.7**	**-0.7**				
Memo items:																	
Call on OPEC crude + Stock ch.[6]	28.4	27.9	26.8	27.5	28.5	28.3	27.8	27.2	26.6	26.6	26.6	26.7	27.4	25.6	26.6	26.8	26.6

1 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply. Includes biofuels.
2 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply.
3 Net volumetric gains and losses in the refining process and marine transportation losses.
4 OPEC includes current members throughout the time series. For the purposes of this report, the UAE is considered a current member of OPEC but will shift to the non OPEC+ group from the following report.
5 Includes changes in non-reported stocks in OECD and non-OECD.
6 Total demand minus total non-OPEC supply minus OPEC NGLs.

For the purpose of this and the following tables:
- OECD comprises of Australia, Austria, Belgium, Canada, Chile, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, Norway, New Zealand, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Republic of Türkiye, UK, US.
- OPEC is comprised of Algeria, Congo, Equatorial Guinea, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Saudi Arabia, UAE and Venezuela. Neutral Zone production is included in Saudi Arabia and Kuwait production with their respective shares.
- OPEC+ comprises of OPEC members throughout time series plus Sudan, South Sudan, Russia, Oman, Mexico, Malaysia, Kazakhstan, Brunei, Bahrain, Azerbaijan.

Table 1a
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1
(million barrels per day)

	2022	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026
OECD DEMAND																	
Americas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.1	-0.2	-0.2	0.0
Europe	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	-0.2	-0.1	0.0	-0.1
Asia Oceania	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	-0.1	-0.1	0.0	0.0
Total OECD	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.4**	**-0.2**	**-0.4**	**-0.2**	**-0.1**
NON-OECD DEMAND																	
Eurasia	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	0.0	0.0	0.0
Europe	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	0.0	0.0	0.0
China	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	-0.2	-0.1	-0.1	0.0
Other Asia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	-0.3	-0.1	-0.1	-0.1
Latin America	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	-0.1	0.0	0.0
Middle East	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	-0.1	-0.1	0.0	-0.1
Africa	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1
Total Non-OECD	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.5**	**-0.6**	**-0.3**	**-0.1**	**-0.1**
Total Demand	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.9**	**-0.8**	**-0.7**	**-0.3**	**-0.2**
OECD SUPPLY																	
Americas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.1	0.1	0.1
Europe	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	-0.1	0.0	0.0	0.0
Asia Oceania	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	0.0	0.0	0.0
Total OECD	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
NON-OECD SUPPLY																	
Eurasia	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	0.0	0.0	0.0
Europe	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	0.0	0.0	0.0
China	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	0.0	0.0	0.0
Other Asia	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	0.0	0.0	0.0
Latin America	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	0.3	0.2	0.0	0.1
Middle East	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	-0.3	-0.7	-0.2	-0.3
Africa	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	0.0	0.0	0.0
Total Non-OECD	**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**	**-0.6**	**-0.3**	**-0.2**
Processing Gains	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	0.0	0.0	0.0
Global Biofuels	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	0.0	0.0	0.0
Total Non-OPEC	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**	**0.1**	**-0.5**	**-0.2**	**-0.1**
OPEC																	
Crude	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				
NGLs	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	-0.4	-0.6	-0.3	-0.3
Total OPEC	**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**				
Total Supply	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-0.1**	**0.0**	**0.0**	**0.0**	**0.0**				
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
Government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**					
Floating Storage/Oil in Transit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
Miscellaneous to balance	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.1	-0.1					
Total Stock Ch. & Misc	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.2**	**-0.1**	**-0.1**	**-0.1**					
Memo items:																	
Call on OPEC crude + Stock ch.	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.9	-0.4	0.4	0.1	0.2

Note: When submitting monthly oil statistics, OECD member countries may update data for prior periods. Similar updates to non-OECD data can also occur.

Table 1b
WORLD OIL PRODUCTION
(million barrels per day)

	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26	3Q26	4Q26	2026
Total Demand	**101.8**	**103.4**	**104.5**	**104.7**	**103.6**	**103.0**	**103.7**	**105.5**	**105.5**	**104.4**	**104.3**	**101.3**	**104.8**	**105.7**	**104.0**
OECD SUPPLY															
Americas[1]	25.7	26.4	26.5	27.3	26.5	26.8	27.1	28.1	28.3	27.6	27.7	28.3	28.5	28.6	28.3
Europe	3.3	3.2	3.1	3.2	3.2	3.3	3.2	3.3	3.4	3.3	3.4	3.4	3.4	3.4	3.4
Asia Oceania	0.5	0.5	0.5	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total OECD (non-OPEC+)	**29.4**	**30.1**	**30.1**	**30.9**	**30.1**	**30.5**	**30.8**	**31.8**	**32.1**	**31.3**	**31.5**	**32.0**	**32.3**	**32.4**	**32.1**
NON-OECD SUPPLY															
Eurasia[2]	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Europe	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
China	4.4	4.4	4.3	4.3	4.3	4.5	4.5	4.4	4.3	4.4	4.5	4.5	4.4	4.4	4.5
Other Asia[3]	2.0	2.0	1.9	2.0	2.0	1.9	1.9	1.9	2.0	1.9	1.9	2.0	2.0	1.9	1.9
Latin America	6.5	6.4	6.4	6.5	6.5	6.6	6.8	7.1	7.4	7.0	7.6	7.8	7.9	7.8	7.8
Middle East[4]	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.4	0.3	0.8	1.4	1.0
Africa[5]	2.3	2.3	2.4	2.4	2.3	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Total Non-OECD (non-OPEC+)	**17.5**	**17.3**	**17.3**	**17.4**	**17.4**	**17.7**	**17.8**	**18.0**	**18.3**	**18.0**	**18.1**	**17.2**	**17.7**	**18.2**	**17.8**
Processing Gains	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.4	2.4	2.4	2.3	2.5	2.4	2.4
Global Biofuels	2.8	3.4	3.7	3.3	3.3	2.9	3.4	3.7	3.4	3.4	3.1	3.6	3.9	3.5	3.5
Total Non-OPEC+	**52.0**	**53.2**	**53.5**	**54.0**	**53.2**	**53.4**	**54.3**	**56.1**	**56.3**	**55.0**	**55.1**	**55.2**	**56.4**	**56.6**	**55.8**
OPEC+ CRUDE															
Algeria	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0
Azerbaijan	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.5
Bahrain	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.0	0.1	0.2	0.1
Brunei	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Congo	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Equatorial Guinea	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Gabon	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Iran	3.3	3.3	3.4	3.4	3.3	3.2	3.3	3.3	3.5	3.3	3.6	2.6	2.8	3.2	3.0
Iraq	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.6	4.5	4.4	3.5	1.4	2.3	3.3	2.6
Kazakhstan	1.6	1.6	1.6	1.4	1.6	1.8	1.8	1.9	1.6	1.8	1.6	1.9	1.8	1.8	1.8
Kuwait	2.5	2.6	2.5	2.5	2.5	2.7	2.7	2.7	2.6	2.7	2.1	0.6	1.5	2.2	1.6
Libya	1.1	1.2	0.9	1.1	1.1	1.2	1.3	1.3	1.2	1.3	1.3	1.3	1.3	1.3	1.3
Malaysia	0.4	0.4	0.3	0.3	0.4	0.4	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Mexico	1.6	1.6	1.6	1.5	1.6	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.3	1.4
Nigeria	1.3	1.3	1.3	1.4	1.3	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Oman	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Russia	9.4	9.3	9.2	9.3	9.3	9.1	9.3	9.2	9.3	9.2	9.0	9.0	9.3	9.3	9.1
Saudi Arabia	9.3	8.9	9.1	9.0	9.1	9.0	9.3	9.6	9.8	9.4	9.4	7.3	9.4	10.3	9.1
South Sudan	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Sudan	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	0.0
UAE	3.2	3.3	3.3	3.2	3.2	3.2	3.4	3.6	3.6	3.5	3.1	2.5	3.5	4.0	3.3
Venezuela	0.8	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	0.8	1.0	1.0	1.1	1.0
OPEC+ Crude	**41.9**	**41.7**	**41.4**	**41.4**	**41.6**	**41.8**	**42.7**	**43.6**	**43.4**	**42.9**	**40.6**	**33.7**	**39.1**	**42.7**	**39.0**
OPEC+ NGLs & Condensate	8.2	8.1	8.1	8.1	8.1	8.0	8.2	8.2	8.2	8.1	7.8	6.2	7.3	7.8	7.3
OPEC+ Nonconventionals	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1
Total OPEC+[6]	**50.2**	**49.9**	**49.7**	**49.6**	**49.9**	**50.0**	**51.0**	**51.9**	**51.7**	**51.1**	**48.5**	**40.0**	**46.5**	**50.6**	**46.4**
Total Supply	**102.3**	**103.1**	**103.2**	**103.6**	**103.0**	**103.4**	**105.3**	**107.9**	**108.0**	**106.2**	**103.6**	**95.3**	**102.9**	**107.2**	**102.2**
Memo items:															
Call on OPEC+ crude & stock changes	41.5	41.9	42.8	42.5	42.2	41.5	41.1	41.1	41.0	41.2	41.3	39.8	41.0	41.3	40.8

1 OECD Americas excludes Mexico.
2 Eurasia excludes Russia, Kazakhstan, Azerbaijan.
3 Other Asia excludes Brunei, Malaysia.
4 Middle East excludes Oman, Bahrain.
5 Africa excludes Sudan, South Sudan.
6 OPEC includes UAE.

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For information on the data sources, definitions, technical terms and general approach used in preparing the Oil Market Report (OMR), Market Report Series_Oil and Annual Statistical Supplement (current issue of the Statistical Supplement dated 13 August 2025), readers are referred to the Users' Guide at https://www.iea.org/articles/oil-market-report-glossary. It should be noted that the spot crude and product price assessments are based on daily Argus prices, converted when appropriate to US$ per barrel according to the Argus specification of products (source: 2026 Argus Media Group - all rights reserved).

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