Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

11 June 2024

Feature article:
World oil market prospects for the second half of 2024

Organization of the Petroleum Exporting Countries

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Oil Market Highlights

Crude Oil Price Movements

In May, the OPEC Reference Basket (ORB) declined by $5.53, or 6.2%, m-o-m, to average $83.59/b. Oil futures prices declined, with the ICE Brent front-month contract falling by $6.00, or 6.7%, m-o-m, to average $83.00/b, and the NYMEX WTI front-month contract falling $5.77, or 6.8%, to average $78.62/b. The DME Oman front-month contract fell by $5.63, or 6.3%, m-o-m, to average $83.74/b. The front-month ICE Brent/NYMEX WTI spread narrowed by 23¢ to average $4.38/b. The price structure of ICE Brent and NYMEX WTI weakened and money managers were bearish amid heavy selling. The premium of light sweet to medium sour crudes narrowed further across all major trading hubs on a weaker light sweet market.

World Economy

The world economic growth forecasts for 2024 and 2025 remained unchanged at 2.8% and 2.9%, respectively. For US, the economic growth forecasts for 2024 and 2025 remained unchanged at 2.2% and 1.9%, respectively. The economic growth forecast for the Eurozone remained unchanged at 0.5% for 2024 and 1.2% for 2025. Japan's economic growth forecasts are revised down to 0.3% in 2024 and 0.9% in 2025. China's economic growth forecasts remained at 4.8% in 2024 and 4.6% in 2025. India's economic growth forecasts remained unchanged at 6.6% for 2024 and 6.3% for 2025. Brazil's economic growth forecast is revised up to 1.8% for 2024 but remained unchanged at 1.9% for 2025. Russia's economic growth for 2024 is revised up to 2.9%, while the forecast for 2025 remained unchanged at 1.4%.

World Oil Demand

The global oil demand growth forecast for 2024 remained unchanged from last month's estimates at 2.2 mb/d. There were some minor downward adjustments for 1Q24 due to actual data from the OECD, more specifically Europe and Asia Pacific. This was offset by a better-than-expected performance in the non-OECD in 1Q24. Accordingly, OECD oil demand is now expected to grow by 0.2 mb/d while the non-OECD forecast remains at 2.0 mb/d. In 2025, global oil demand is expected to see robust growth of 1.8 mb/d, y-o-y, unchanged from the previous month's assessment. The OECD is expected to grow by 0.1 mb/d, y-o-y, while demand in the non-OECD is forecast to increase by 1.7 mb/d.

World Oil Supply

The non-Declaration of Cooperation (DoC) liquids supply (i.e., liquids supply from countries not participating in the DoC) is expected to grow by 1.2 mb/d in 2024, unchanged from the previous month's assessment. The main drivers for growth are expected to be the US, Canada, Brazil and Norway. In 2025, non-DoC liquids supply growth is expected at 1.1 mb/d, unchanged from the previous month's assessment. The growth is expected to be mainly driven by the US, Brazil, Canada and Norway. Separately, DoC natural gas liquids (NGLs) and non-conventional liquids are forecast to grow by about 0.1 mb/d to average 8.3 mb/d this year, followed by an increase of 20 tb/d to average 8.3 mb/d in 2025. The DoC-22 crude oil production in May dropped by 123 tb/d, m-o-m, averaging 40.92 mb/d, as reported by available secondary sources.

Product Markets and Refining Operations

In May, refinery margins eased further in all main trading hubs for the third consecutive month, as an ongoing recovery in refinery processing rates led to product stock builds. Gasoline was the main driver of weakness across the barrel in all regions, with ample availability amid heightened production following the conclusion of heavy maintenance and the start of the summer season. Softening economic incentives for East-to-West flows due to weakening export margins and strong gasoline imports from the Middle East weighed on Asian product markets despite strengthening Asian naphtha and fuel oil crack spreads. Global refinery intake increased by 490 tb/d in May to average 80.5 mb/d, compared with 80.0 mb/d the previous month, and was 106 tb/d higher, y-o-y.

Tanker Market

Dirty spot freight rates showed mixed movement in May, with VLCCs and Aframax generally improving while Suezmax experienced a decline m-o-m. VLCC spot freight rates on the Middle East-to-East route rose by 10%, m-o-m, while the West Africa-to-East route rose by 11%. Aframax rates around the Mediterranean rose by 10% in May, while the Indonesia-to-East route was up 6%. In contrast, Suezmax spot freight rates declined, dropping by 8%, m-o-m, on the US Gulf-to-Europe route. Rates for clean tankers were higher across all monitored routes in May, with East of Suez rates up by 10% and West of Suez rates gaining 3%.

Crude and Refined Product Trade

US crude imports rose to a six-month high in May, averaging almost 6.8 mb/d ahead of the summer driving season, according to preliminary data. US crude exports also increased during the month to average 4.4 mb/d, representing a y-o-y gain of over 15%. Meanwhile, US product imports declined by 2% to average 2.1 mb/d, while product exports also fell by about 2% to average 6.5 mb/d, although this still represents an 11% y-o-y gain. The latest complete data for China shows crude imports in April with a seasonal decline of almost 6% to average 10.9 mb/d, while product imports reached a record high of 2.5 mb/d, supported by higher inflows of fuel oil. India's crude imports in April hit a two-year high of 5.2 mb/d, while product imports were the highest in six months at just under 1.3 mb/d. This was ahead of national elections, which were seen boosting transportation demand. In Japan, crude imports partly recovered from the weak performance in 1Q24 to average 2.6 mb/d, while product inflows also recovered. Preliminary estimates indicate OECD Europe crude imports were slightly lower in May, as higher inflows from North America were outpaced by declines from other key regions.

Commercial Stock Movements

Preliminary April 2024 data shows total OECD commercial oil stocks were up by 16.6 mb, m-o-m. At 2,773 mb, they were 154 mb below the 2015–2019 average. Within the components, crude stocks rose by 19.5 mb, while product stocks fell by 2.9 mb, m-o-m, respectively. OECD commercial crude stocks stood at 1,376 mb, which is 96 mb less than the 2015–2019 average. OECD total product stocks in April stood at 1,396 mb. This is 58 mb lower than the 2015–2019 average. In terms of days of forward cover, OECD commercial stocks increased in April by 0.1 days, m-o-m, to stand at 60.1 days. This is 2.2 days lower than the 2015–2019 average.

Balance of Supply and Demand

Demand for DoC crude (i.e., crude from countries participating in the DoC) remains unchanged from the previous month's assessment to stand at about 43.2 mb/d in 2024, which is around 0.9 mb/d higher than the estimated level for 2023. Demand for DoC crude in 2025 remains unchanged from the previous month's assessment to stand at 43.9 mb/d, around 0.7 mb/d higher than the estimate for 2024.

Feature Article

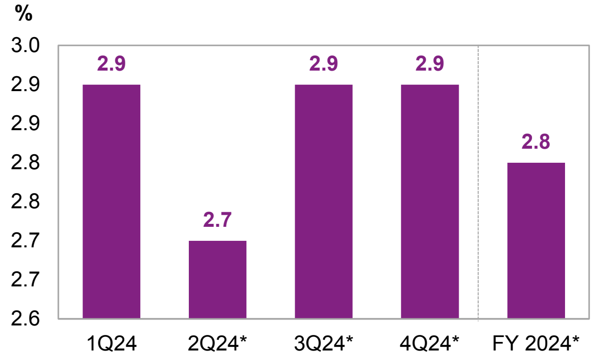
World oil market prospects for the second half of 2024

Despite some economic activities' weakness in few key economies in 1Q24, (i.e. US and Japan), the steady global economic growth has continued in 1H24. Growth in non-OECD economies has held up quite well, and even better-than-expected in the BRIC economies. Should growth in major OECD economies accelerate in 2H24, with non-OECD economies maintaining the momentum of 1H24, then economic growth for the year could potentially improve further. At present, the global economic growth forecast stands at 2.8% for 2024 and 2.9% for 2025, unchanged from last month's assessment (*see **Graph 1***).

An expected shift towards more accommodative monetary policies from major central banks in 2H24, notably the US, the Eurozone and the UK, will depend on growth dynamics and inflationary developments in the various economies.

From a sectorial perspective, improvements in the industrial sector have been noticeable in non-OECD economies, while industrial production in OECD economies is forecast to only gradually pick-up in 2H24 from the weak levels experienced since the beginning of the year. Globally, the services sector maintains a stable momentum. It is projected to be the main contributor to the economic growth dynamic in 2H24, particularly supported by travel and tourism, with a consequent positive impact on oil demand.

Graph 1: World GDP growth, y-o-y changes

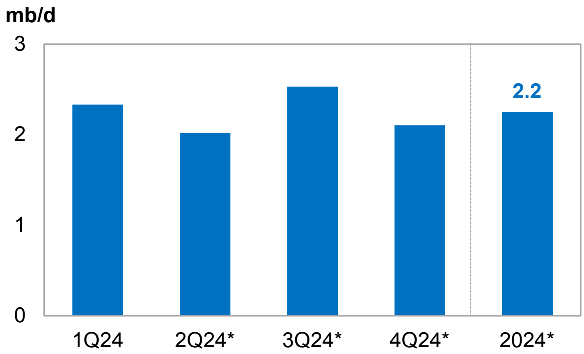


*Note: * 2Q24-3Q24-4Q24 = Forecast.*
Source: OPEC.

With this, global oil demand is forecast to grow by an average of 2.3 mb/d, y-o-y, in 2H24. For the year 2024, it is forecast to expand by 2.2 mb/d (*see **Graph 2***).

In the OECD, oil demand is estimated to increase by 0.25 mb/d, y-o-y, in 2H24. This is driven mostly by the US. OECD Europe and OECD Asia Pacific are expected to expand only slightly. In terms of products, jet kerosene and gasoline are anticipated to be the main regional oil demand drivers, on the back of the summer driving season and continued healthy air travel activity. Diesel requirements, however, are anticipated to be subdued by softer economic and manufacturing activity. Moreover, demand for naphtha may be pressured by declining petrochemical margins.

Graph 2: World oil demand, y-o-y changes



*Note: * 2Q24-3Q24-4Q24 = Forecast.*
Source: OPEC.

In the non-OECD, China is expected to be the primary oil demand driver, with other countries in the region providing support. The ongoing air travel recovery, healthy driving levels, as well as improvements in manufacturing sector activities are projected to support jet/kerosene, gasoline, and distillate demand in the region. Non-OECD oil demand is forecast to grow on average by 2.1 mb/d, y-o-y, in 2H24. In terms of the main products, gasoline and jet fuel are set to lead regional oil demand growth, followed by diesel, LPG and naphtha. Overall, non-OECD oil demand is projected to average 2.1 mb/d in 2024.

Following y-o-y estimated growth of 1.8 mb/d in 1H24, non-DoC liquids supply is forecast to expand by 0.7 mb/d, y-o-y, in 2H24. For the entire year, non-DoC liquids supply in 2024 is anticipated to grow by 1.2 mb/d, y-o-y. On a regional basis, OECD liquids supply (excluding Mexico) is set to rise by 0.4 mb/d in 2H24, y-o-y, driven by the US, Canada and Norway. At the same time, liquids supply from the non-OECD region (excluding DoC participating countries) is forecast to rise by 0.2 mb/d in 2H24, y-o-y. Latin America is forecast to be the main driver of production growth in the non-OECD, with an expansion of 0.3 mb/d in 2H24, y-o-y, while supply output in Other Asia is expected to decline.

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Crude Oil Price Movements

In May, the OPEC Reference Basket (ORB) value averaged $5.53, or 6.2%, lower, m-o-m, to stand at $83.59/b, with all ORB component values falling alongside their respective crude oil benchmarks.

Crude oil futures experienced a decline amid speculative selloffs, expectations of easing geopolitical risks, uncertainty about monetary policies from central banks, and mixed economic indicators that weighed on market sentiment. Speculative selloffs throughout the month contributed to a price decline and increased market volatility. Money managers sold an equivalent of 173 mb of oil in ICE Brent futures markets.

The ICE Brent front-month contract declined by $6.00, or 6.7%, to average $83.00/b, and NYMEX WTI fell by $5.77, or 6.8%, to average $78.62/b. DME Oman crude oil futures prices decreased by $5.63, or 6.3%, to settle at $83.74/b.

Hedge funds and other money managers closed a large volume of bullish futures and options positions on the ICE Brent futures market. At the same time, they sharply raised short positions to their highest since November 2020. Combined futures and options net long positions in ICE Brent and NYMEX WTI dropped to their lowest level since last January.

The market structure of all three crude benchmarks ─ ICE Brent, NYMEX WTI and DME Oman ─ weakened in May compared with the previous month, with the nearest time spreads of Brent forwards flipping into contango in the second half of the month. Diminishing supply-risk premiums and selling pressure from money managers weighed more on the front-month contract compared to forward contracts, which resulted in the flattening of the front-end of oil futures forward curves.

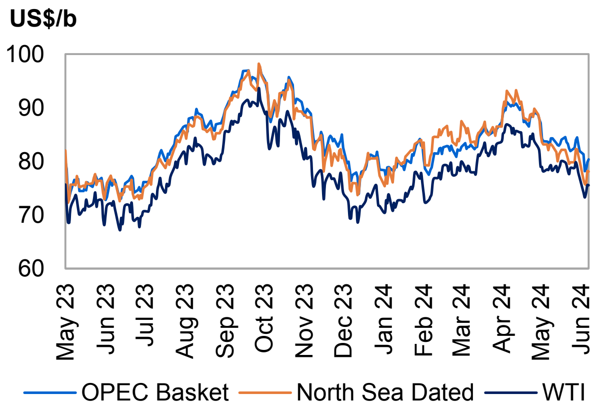
The premium of light sweet crude over medium sour crude continued to narrow in May, a trend observed across all major regions for several consecutive months. High availability of light sweet crude, especially from increased US crude exports, and a reduction in gasoline and diesel crack spreads in all refining hubs, negatively impacted the value of light sweet crude, while medium and heavy sour crude values experienced comparatively a less significant decline.

Crude spot prices

In May, crude spot prices averaged lower, reversing all previous gains, mainly due to heavy selling in the oil futures market and changes in the market's perception of short-term oil market outlooks.

The decline in prices was more pronounced in the light sweet Brent benchmark, as the selloff from speculators was concentrated in ICE Brent futures and options contracts. Lower gasoline and diesel crack spreads in major trading hubs added downward pressure to light sweet crudes. This largely offset a draw in US crude stocks and higher global oil refinery intakes. High crude supply availability in Northwest Europe and supplies from the US Gulf Coast (USGC), weighed on the value of crude differentials in the Atlantic Basin and pushed the value of the North Sea Dated benchmark lower.

Graph 1 - 1: Crude oil price movements



Sources: Argus, OPEC and Platts.

The Dubai benchmark fell the least among all others, limited by the lower availability of sour crude in the spot market and firm demand from Asian refiners. The strength of the sour crude market in Asia was also reflected in the sharp decline of the front-month Brent/Dubai Exchange of Futures for Swaps (EFS).

Crude Oil Price Movements

Spot prices declined more than futures prices, assuming a well-supplied crude market, specifically for prompt loading volumes in Northwest Europe. This was reflected in the narrowing of the North Sea Dated-ICE Brent spread, which flipped to a discount in the second half of November. On a monthly average, the North Sea Dated-ICE Brent spread fell by $1.70 in May, standing at a discount of $1.18/b, compared to a premium of 52¢/b in April.

Among spot benchmarks, North Sea Dated and WTI's front-month declined the most compared to the sour Dubai benchmark, with North Sea Dated down $8.07, or 9.0%, m-o-m, to $81.82/b and WTI falling $5.86, or 6.9%, m-o-m, to stand at $78.73/b. Dubai's front-month contract dropped by $5.01, or 5.6%, m-o-m, to settle at $84.11/b.

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

			Change		*Year-to-date*	
OPEC Reference Basket (ORB)	**Apr 24**	**May 24**	**May 24/Apr 24**	**%**	**2023**	**2024**
ORB	**89.12**	**83.59**	***-5.53***	***-6.2***	**80.17**	**83.65**
Arab Light	90.64	85.60	*-5.04*	*-5.6*	82.00	85.28
Basrah Medium	87.01	81.58	*-5.43*	*-6.2*	77.10	81.67
Bonny Light	93.17	84.16	*-9.01*	*-9.7*	80.96	86.29
Djeno	82.44	74.37	*-8.07*	*-9.8*	73.19	76.79
Es Sider	89.34	81.27	*-8.07*	*-9.0*	79.61	83.86
Iran Heavy	88.79	84.13	*-4.66*	*-5.2*	80.46	83.41
Kuwait Export	89.76	85.15	*-4.61*	*-5.1*	81.58	84.29
Merey	74.91	70.55	*-4.36*	*-5.8*	59.76	70.06
Murban	89.19	84.10	*-5.09*	*-5.7*	80.83	83.58
Rabi Light	89.43	81.36	*-8.07*	*-9.0*	80.18	83.78
Sahara Blend	90.79	82.07	*-8.72*	*-9.6*	81.76	85.48
Zafiro	91.29	83.22	*-8.07*	*-8.8*	80.89	85.62
Other Crudes						
North Sea Dated	89.89	81.82	*-8.07*	*-9.0*	80.64	84.22
Dubai	89.12	84.11	*-5.01*	*-5.6*	79.75	83.41
Isthmus	82.92	77.38	*-5.54*	*-6.7*	67.93	77.42
LLS	87.60	81.44	*-6.16*	*-7.0*	78.22	81.67
Mars	85.06	79.16	*-5.90*	*-6.9*	74.32	79.03
Minas	96.43	89.27	*-7.16*	*-7.4*	78.85	87.63
Urals	73.02	65.43	*-7.59*	*-10.4*	47.76	67.07
WTI	84.59	78.73	*-5.86*	*-6.9*	75.69	78.90
Differentials						
North Sea Dated/WTI	5.30	3.09	*-2.21*	-	4.95	5.32
North Sea Dated/LLS	2.29	0.38	*-1.91*	-	2.42	2.55
North Sea Dated/Dubai	0.77	-2.29	*-3.06*	-	0.89	0.81

Sources: Argus, Direct Communication, OPEC and Platts.

Most crude differentials in the Atlantic Basin weakened, pressured by high supply from the US, weak gasoline and diesel margins, and soft buying interest from some European and Asian buyers.

North Sea crude differentials of light sweet grades weakened in May on the high availability of alternative grades, including US light sweet crude, and a drop in gasoline and middle distillate product margins. The Forties and Ekofisk crude differentials declined in May by $1.53 and 38¢, respectively, m-o-m, to settle at a discount of 82¢/b and a premium of $1.49/b. However, sour crude strengthened, with crude differentials for Johan Sverdrup rising against North Sea Dated on firm demand for the grade. Johan Sverdrup differentials rose 81¢/b, m-o-m, in May, to an average premium of 29¢/b.

West African crude differentials weakened in May on soft demand from European and Asian buyers and ample availability of US light sweet crude in the Atlantic Basin. Unsold volumes for June loadings weighed on crude differentials. On a monthly average, Bonny Light, Forcados and Qua Iboe crude differentials to North Sea Dated declined by $1.37, $1.73 and $1.55, respectively, to stand at premiums of 39¢/b, $1.02/b and 68¢/b. Cabinda differentials also fell, m-o-m, by 17¢ on average, to a discount of 67¢/b, compared with a 50¢/b discount in April. Similarly, in the Mediterranean, crude differentials of light sweet crude Saharan Blend weakened last month, falling by 47¢, m-o-m, to stand at a discount of 34¢/b. Azeri Light crude weakened against the North Sea Dated by 30¢ to stand at a premium of $1.90/b. Caspian light sour CPC Blend crude declined by 66¢ to stand at a $2.99/b discount to North Sea Dated.

In the Middle East spot market, several crude differentials fell against Dubai. The Oman crude differential declined by 77¢, m-o-m, to a premium of $1.55/b.

In the USGC, Light Louisiana Sweet (LLS) and Mars sour differentials weakened slightly against the WTI benchmark. Sour crude fell less than light sweet crude due to the lower availability of sour crude in the region. LLS and Mars sour crude differentials against WTI fell in May, m-o-m, decreasing by 25¢ and 2¢, respectively, to register premiums of $2.75/b and 45¢/b.

OPEC Reference Basket (ORB) value

In May, the ORB value averaged $5.53, or 6.2%, lower, m-o-m, to stand at $83.59/b, with all ORB component values falling alongside their respective crude oil benchmarks. This largely offset higher official crude selling prices and mixed movement in crude differentials. On a yearly average, the ORB was up $3.48, or 4.3%, from $80.17/b in 2023, to an average of $83.65/b in 2024, y-t-d.

All ORB component values declined last month alongside their respective crude oil benchmarks. West and North African Basket components – Bonny Light, Djeno, Es Sider, Girassol, Rabi Light, Sahara Blend, and Zafiro – fell the most, declining by $8.34, m-o-m, or 9.3% on average, to $81.08/b. Multiple region destination grades – Arab Light, Basrah Light, Iran Heavy, and Kuwait Export – decreased by $4.93, m-o-m, or 5.5% on average, to settle at $84.12/b. Murban crude price fell by $5.09, or 5.7% on average, to settle at $84.10/b, and the Merey crude component was down by $4.36, m-o-m, or 5.8% on average, to settle at $70.55/b.

The oil futures market

Crude oil futures experienced a significant decline in May, amid speculative selloffs, expectations of easing geopolitical risks, and mixed economic indicators, which weighed on market sentiment.

Speculative selloffs throughout the month in ICE Brent-related futures and options contracts contributed to the sharp price decline and increased market volatility. Traders' perceptions of easing geopolitical tensions played a significant role in reducing risk premiums, which alleviated some upward pressure on oil prices. In May, money managers sold an equivalent of 173 mb of oil in ICE Brent futures markets.

Additionally, uncertainty regarding monetary policies from central banks, specifically the US Federal Reserve (Fed), amid the potential for prolonged higher interest rates and ongoing inflation, weighed on market sentiment. Data showing higher-than-expected wholesale prices in April renewed these worries. This was coupled with weaker-than-expected US GDP growth in 1Q24 and disappointing jobs data further dampened market sentiment, with uncertainty surrounding the direction of the Fed's monetary policy weighing particularly heavily on the market. Uncertainty regarding the strength of China's economic and demand growth also weighed on market sentiment.

A timid start to the driving season with lower gasoline and middle distillate margins in the Atlantic Basin weighed on market sentiment. EIA weekly data showed a decline in US gasoline demand ahead of the Memorial Day holiday weekend, which added to the overall bearish sentiment in the refining margins outlook. This was coupled with a solid m-o-m increase in US crude production in February, according to EIA monthly data, which largely offset weekly EIA data that showed a decline in US crude stocks over May, and the supply concerns connected to wildfires in Canada.

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

			Change		*Year-to-date*	
Crude oil futures	**Apr 24**	**May 24**	**May 24/Apr 24**	**%**	**2023**	**2024**
NYMEX WTI	84.39	78.62	-5.77	-6.8	75.69	78.84
ICE Brent	89.00	83.00	-6.00	-6.7	80.94	83.50
DME Oman	89.37	83.74	-5.63	-6.3	79.66	83.53
Spread						
ICE Brent-NYMEX WTI	*4.61*	*4.38*	*-0.23*	*-5.0*	*5.25*	*4.66*

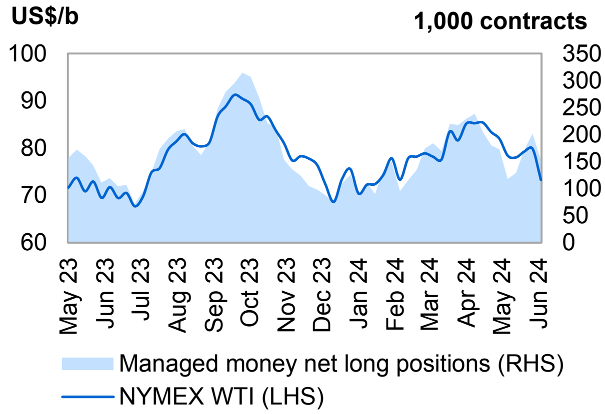
Note: Totals may not add up due to independent rounding.
Sources: CME, DME, ICE and OPEC.

The ICE Brent front-month contract declined by $6.00 in May, or 6.7%, m-o-m, to average $83.00/b, and NYMEX WTI fell by $5.77, or 6.8%, m-o-m, to average $78.62/b. Y-t-d, ICE Brent was $2.56, or 3.2%, higher at $83.50/b, and NYMEX WTI was higher by $3.15, or 4.2%, at $78.84/b, compared with the same period a year earlier. DME Oman crude oil futures prices decreased in May by $5.63, or 6.3%, m-o-m, to settle at $83.74/b. Y-t-d, DME Oman was higher by $3.87, or 4.9%, at $83.53/b.

The ICE Brent–NYMEX WTI first-month spread narrowed in May as ICE Brent fell more than NYMEX WTI, but the spread remained wide at a level above $4/b. Heavy selling pressure in Brent-related futures contracts and a lower Brent-related risk premium weighed heavily on the value of Brent. Signs of high light sweet crude availability in Northwest Europe exerted downward pressure on Brent. Meanwhile, lower crude stocks in the US and sustained crude exports from the USGC helped limit the drop of NYMEX WTI. The ICE Brent-NYMEX WTI first month spread narrowed by 23¢ in May compared to the April average to stand at $4.38/b. The spread between North Sea Dated and WTI Houston also narrowed last month, falling by $1.87 to a premium of $1.70/b, which supported US crude exports.

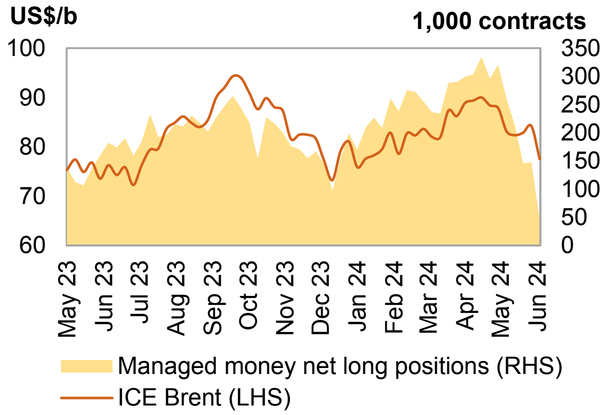
Hedge funds and other money managers closed a large volume of bullish futures and options positions in the ICE Brent futures market, while sharply raising short positions to their highest since November 2020. This fuelled volatility and accelerated the decline in oil futures prices. Combined futures and options net long positions in ICE Brent and NYMEX WTI dropped to their lowest level since last January. Between late April and the week of 28 May, hedge funds and other money managers sold an equivalent of 144 mb of oil in Brent and WTI futures and options positions. Selling was essentially in ICE Brent, as related net long positions fell by 53.9% in May, while net long positions rose by 16.6% in NYMEX WTI. Total open interest rose slightly by 0.4% during the same period, driven by the increase in ICE Brent open interest, which rose by 1.3%.

Graph 1 - 2: NYMEX WTI vs. Managed Money net long positions



Sources: CFTC, CME and OPEC.

Graph 1 - 3: ICE Brent vs. Managed Money net long positions



Sources: ICE and OPEC.

In May, money managers sold an equivalent of about 173 mb in ICE Brent contracts, liquidating around a third of bullish positions, while raising bearish positions, betting on lower prices. Combined Brent-related futures and options net long positions fell by 173,020 lots, or 53.9%, over the month, to stand at 147,753 contracts in the week of 28 May, its lowest since December 2023, according to the ICE Exchange. This was due to a rise in short positions by 41,078 lots, or 55.2%, to 115,481 contracts, while long positions decreased by 131,942 lots, or 33.4%, to 263,234 contracts over the same period.

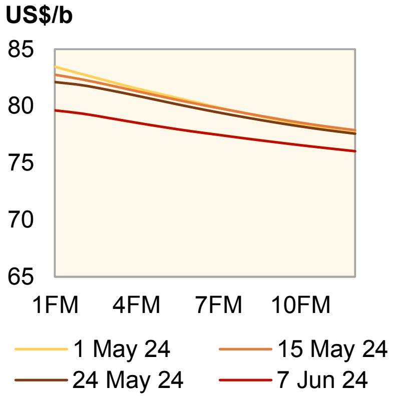
Meanwhile, money managers raised bullish NYMEX WTI positions, buying an equivalent of 29 mb, following the liquidation of 57 mb in April, in a sign of shifting perceptions among speculators regarding the NYMEX WTI contract. This was mainly due to short covering. Speculators increased net long positions by 28,740 lots, or 16.6%, between the weeks of 30 April and 28 May, to 201,429 contracts, according to the US Commodity Futures Trading Commission (CFTC). The increase in net long positions was mainly driven by a sharp decline in short positions by 40,713 lots, or 52.1%, to 37,428 contracts. During the same period, long positions declined by 11,973 lots, or 4.8%, to stand at 238,857 contracts.

The long-to-short ratio of speculative positions in the NYMEX WTI contract rose to 6:1 in the week of 28 May, compared with 3:1 in the week of 30 April. However, the ICE Brent long-to-short ratio fell to 2:1 in the week of 28 May, compared to 5:1 in the week of 30 April. Open interest volumes related to NYMEX WTI futures and options fell slightly in May by 0.8%, or 17,090 lots, to stand at 2.23 million contracts in the week ending 28 May. Open interest volumes related to ICE Brent futures and options increased by 1.3%, or 40,092 contracts, m-o-m, to stand at 3.03 million contracts in the week ending 28 May.

The futures market structure

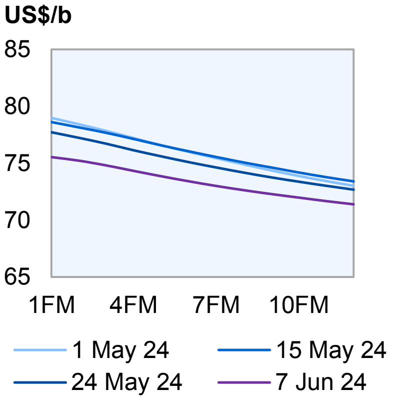
The market structure of all three crude benchmarks ─ ICE Brent, NYMEX WTI and DME Oman ─ weakened in May compared with the previous month, with the nearest time spreads of Brent forwards flipping into contango in the second half of the month. Diminishing supply-risk premiums and selling pressure from money managers weighed more on the first-month contract compared to forward contracts, which resulted in a flattening of the front end of the oil futures forward curves. The structures of light sweet benchmarks – Brent and WTI – weakened the most amid signs of a well-supplied physical crude market in the Atlantic Basin, weakening refining economics, and the availability of unsold volumes which weighed on prompt-month contracts.

Graph 1 - 4: ICE Brent forward curves



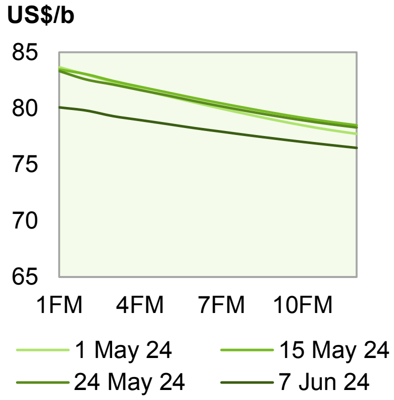
Sources: ICE and OPEC.

Graph 1 - 5: NYMEX WTI forward curves



Sources: CME and OPEC.

Graph 1 - 6: DME Oman forward curves



Sources: DME and OPEC.

The ICE Brent crude futures structure flattened in May, with the nearest inter-month time spread – the ICE Brent M1/M2– flipping briefly into contango late in the month. High crude supply availability in the Atlantic Basin, including in Northwest Europe, was boosted by the arrival of WTI Midland from the USGC amid soft demand from European refiners and weaker light distillate margins, which weighed on the value of Brent. The ICE Brent M1/M3 spread narrowed last month by 98¢ to stand at a backwardation of 85¢/b. Opening West-to-East arbitrages, as it was reflected in the drop in the EFS Dubai spread, somewhat alleviated the pressure on Brent and limited further weakening of the backwardation. ICE Brent's M1/M6 spread also weakened but stayed in a backwardation of $2.37/b on average in May, falling by $1.78, m-o-m, from a backwardation of $4.15/b in April.

The front end of the NYMEX WTI forward curve weakened despite lower crude stocks in the US and short covering from speculators. The NYMEX WTI M1/M3 spread remained in a backwardation of 90¢/b in May, falling by 59¢, m-o-m, from a backwardation of $1.49/b in April.

The DME Oman price backwardation also narrowed last month, as prompt-month prices came under downward pressure due to improving West-to-East arbitrage opportunities, reflected in a falling EFS Dubai spread, which encourages more crude flows from the Atlantic Basin to Asia, weighing on the value of Dubai-linked grades. This was despite firm demand in the East of Suez spot market, including from Asian refiners, and low availability of sour crude. The DME Oman M1/M3 spread narrowed by 76¢, m-o-m, to a backwardation of $1.01/b in April.

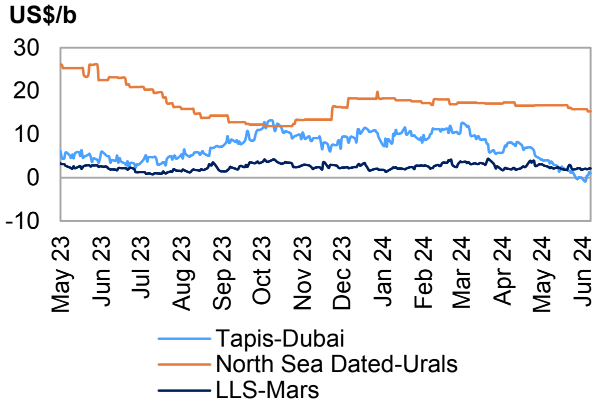
In terms of the M1/M3 structure, the North Sea Brent M1/M3 spread narrowed in May on a monthly average by $1.75 to a backwardation of 26¢/b, compared with $2.01/b in April. The Dubai M1/M3 spread narrowed in May on average by 47¢ to a backwardation of $1.61/b, compared with $2.08/b in April. The WTI M1/M3 spread also narrowed last month by 61¢, to a backwardation of 97¢/b, compared to a backwardation of $1.57/b in April.

Crude spreads

The premium of light sweet crude over medium sour crude continued to narrow in May, a trend observed across all major regions for several consecutive months, due to the continuous softening of market fundamentals for light sweet crude. This was primarily driven by the high availability of light sweet crude, especially from increased US crude exports, and a reduction in gasoline and diesel crack spreads in all refining hubs, which negatively impacted the value of light sweet crude. Conversely, the value of medium and heavy sour crudes experienced a less significant decline compared to light sweet crudes. This was supported by robust demand for medium sour crude and a tighter supply of sour crude in certain regions. Additionally, the contraction of the spread between light/medium distillates and heavy distillate product margins, such as the gasoline-HSFO and diesel-HSFO spreads, contributed to the narrowing differential between sweet and sour crude.

In Europe, the sour market weakened less compared to the light sweet market, as low supply availability of sour crude in Northwest Europe, lower availability of high sulphur fuel oil, and higher fuel oil margins supported the value of sour crude. The crack spread of high sulphur fuel oil against Brent in Northwest Europe rose about $6/b, m-o-m, to its most narrow monthly discount since September 2023. Meanwhile, the high supply availability of light sweet crude in Northwest Europe, including from USGC markets, amid soft European demand, weighed on the value of light sweet crude. This is in addition to a sharp decline in gasoline margins in Northwest Europe, which fell by nearly $9/b, m-o-m, in May. The Ekofisk–Johan Sverdrup spread narrowed in May by $1.30, m-o-m, to stand at $1.10/b, as the value of Johan Sverdrup (medium sour crude) was buoyed by firm demand for prompt loading cargoes amid a lower availability of sour crude in Europe. Urals crude differentials to the North Sea Dated also narrowed by 49¢, m-o-m, to stand at a discount of $16.39/b.

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



Sources: Argus, OPEC and Platts.

In Asia, the Tapis/Dubai spread fell sharply in May as the Brent/Dubai spread narrowed significantly, dropping to a deep discount. This has made the West-to-East arbitrage more favourable for Brent and WTI-linked crudes, which sharply reduced the premium of local sweet crude in the East of Suez market such as Tapis. The Brent-Dubai spread fell by $3.06, m-o-m, to stand at a discount of $2.29/b, compared to a premium of 77¢ in April. On a monthly average, the Brent/Dubai EFS spread also narrowed by $1.12/b, m-o-m, to stand at $1.91/b in May. Meanwhile, the medium sour Middle East crudes remained supported by firm demand in the spot market from Asian buyers and higher refining margins for HSFO. The light sweet Tapis premium over medium sour Dubai fell by $4.75 to stand at $2.04/b.

In the USGC, the LLS premium over medium sour Mars also narrowed in May by 26¢/b, m-o-m, to stand at $2.28/b. The sour crude market on the USGC coast was supported by higher demand from domestic refiners in the USGC amid higher refinery intakes, a rise of high sulphur fuel oil, and tighter sour crude markets in Latin America.

Commodity Markets

Commodity price indices diverged in May after moving in the same direction for two consecutive months. The energy price index receded in May, while the base and precious metals indices continued to advance over the same period.

The futures market continued to display mixed sentiment on energy commodities in May. Combined money managers' net length rose for a third consecutive month in May, while combined open interest decreased in the same period after four consecutive months of increases.

Energy commodity prices received some support from a spike in cooling demand amid warmer-than-expected weather. In terms of non-energy commodity prices, ongoing improvements in global industrial activity remained supportive along with China's recently announced fiscal support policy.

Trends in selected commodity markets

The energy price index receded in May after four consecutive months of gains. The index fell by 6.4%, m-o-m, impacted by underperformance in average crude oil prices over the same period. A rally of natural gas prices in the US and the EU, coupled with gains in coal prices, partially offset the index's losses. The index was up by 5.9% y-o-y.

Table 2 - 1: Commodity prices

Commodity	Unit	Monthly averages			% Change	Year-to-date	
		Mar 24	Apr 24	May 24	May 24/Apr 24	2023	2024
Energy*	Index	**104.2**	**109.6**	**102.6**	**-6.4**	**107.9**	**104.0**
Coal, Australia	US$/mt	131.5	135.0	142.0	5.2	213.5	131.5
Crude oil, average	US$/b	83.5	88.0	81.4	-7.5	78.7	82.2
Natural gas, US	US$/mbtu	1.5	1.6	2.1	33.5	2.5	2.0
Natural gas, Europe	US$/mbtu	8.6	9.1	10.1	11.4	14.8	9.1
Non-energy*	Index	**109.8**	**115.0**	**115.1**	**0.1**	**112.9**	**110.9**
Base metal*	Index	**107.6**	**118.3**	**124.8**	**5.5**	**114.5**	**111.7**
Precious metals*	Index	**162.0**	**175.8**	**179.0**	**1.8**	**146.7**	**164.2**

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

Average crude oil prices fell in May after four consecutive months of gains. Prices fell by 7.5%, m-o-m, pressured by sell-offs in the futures markets. Prices were up by 9.9%, y-o-y.

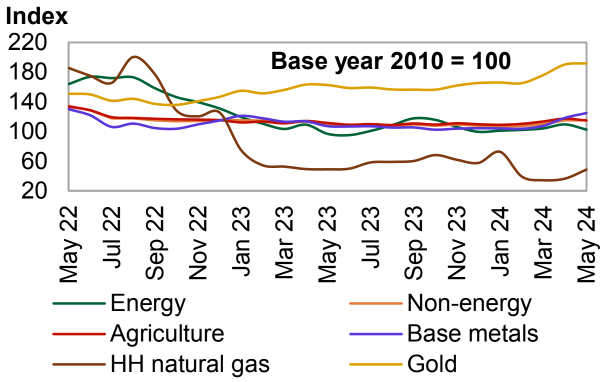
Henry Hub's natural gas prices advanced for a second consecutive month in May, increasing by 33.5%, m-o-m. Prices rallied on the back of higher domestic cooling demand amid warmer-than-expected weather and an increase in US LNG demand, particularly from the Asian region. However, prices remained at historical lows (at an average of $2.1/mmbtu in May), capped by strong domestic production. Prices were down by 0.7% y-o-y.

Natural gas prices in Europe rose for a third consecutive month. The average Title Transfer Facility (TTF) price went from $9.1/mmbtu in April to $10.1/mmbtu in May, an 11.4%, m-o-m, increase. According to data from Gas Infrastructure Europe, EU storage levels were at 70% capacity as of 31 May of this year. Despite these healthy storage levels, prices remained sensitive to geopolitical developments. Moreover, expected plant maintenance outages at some Norwegian gas facilities this summer season renewed concerns over supply risk, thus adding upward pressure on prices. Prices were essentially flat y-o-y.

Australian thermal **coal** prices advanced for a third consecutive month in May, rising by 5.2%, m-o-m. Increased demand for cooling in Asia added upward pressure to prices amid ongoing heat waves. Prices were further supported by China's seasonal restocking ahead of the summer season. However, prices were capped by higher exports from Indonesia along with strong domestic production in China. Prices were down by 11.5% y-o-y.

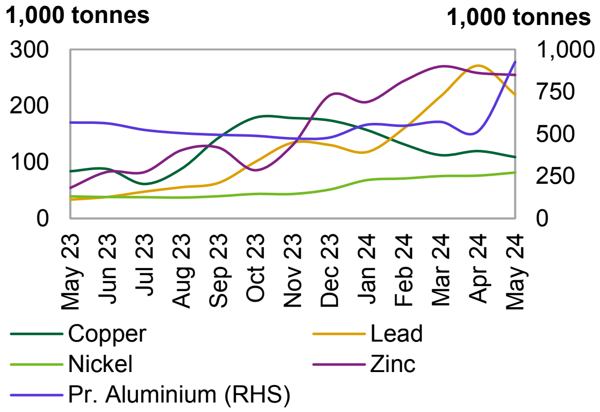
The non-energy price index rose for a fourth consecutive month in May, edging up by 0.1%, m-o-m, supported by the base metal index. Gains were nearly offset by a decline in the agriculture index, which fell by 2.2%, m-o-m, over the same period. The non-energy price index was up by 2.8%, y-o-y.

Graph 2 - 1: Major commodity price indices



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

Graph 2 - 2: Inventories at the LME



Sources: LME, Thomson Reuters and OPEC.

The base metal index rose for a third consecutive month in May, increasing by 5.5%, m-o-m. Base metal prices were supported by ongoing improvements in global industrial activity. The global manufacturing PMI rose to 50.9 in May, up from 50.3 in April, a 1.2% increase, m-o-m. It is worth noting that the global manufacturing PMI has been above expansionary territory for four consecutive months. Base metal prices were further supported by China's announcements in May regarding fiscal support for the property and construction sectors. The base metal index was up by 18.1%, y-o-y.

Aluminium prices rose for a third consecutive month in May, increasing by 2.9%, m-o-m. Prices were up by 14.2%, y-o-y. LME warehouse inventories rose by 79.6%, m-o-m, over the same period, and they were up by 63.1%, y-o-y. Cancelled warrants rose for a second consecutive month, by 32.8%, m-o-m, in May, and they were up by more than 100%, y-o-y. On-warrants rose by more than 100%, m-o-m, and were up by 36.4%, y-o-y.

Copper prices advanced for a third consecutive month in May, rising by 6.8%, m-o-m, and by 23.3%, y-o-y. At LME warehouses, inventories fell by 8.9%, m-o-m, in May, and they were up by 30.0%, y-o-y. Cancelled warrants fell by 34.9%, m-o-m, in May, and they were up by more than 100%, y-o-y. On-warrants fell by 3.4%, m-o-m, in May, and they were up by 16.6%, y-o-y.

Nickel prices rose for a fourth consecutive month in May, increasing by 7.7%, m-o-m. Prices were down by 10.7%, y-o-y. At LME warehouses, inventories rose for a second consecutive month in May, increasing by 7.2%, m-o-m, and rising by more than 100%, y-o-y. Cancelled warrants fell by 18.1%, m-o-m, in May, and they were up by 92.0%, y-o-y. On-warrants rose by 9.4%, m-o-m, in May, and they were up by more than 100%, y-o-y.

Zinc prices increased for a third consecutive month in May, rising by 8.3%, m-o-m. Prices were down by 19.5%, y-o-y. At LME warehouses, inventories decreased by 1.3%, m-o-m, in May, however, they were up by more than 100% y-o-y. Cancelled warrants fell by 3.5%, m-o-m, in May, however, they were up by more than 100% y-o-y. On-warrants decreased by 1.0%, m-o-m, in May, but they were up by more than 100%, y-o-y.

Lead prices rose for a second consecutive month in May, by 4.3%, m-o-m, and they were up by 6.6%, y-o-y. At LME warehouses, inventories fell by 18.9%, m-o-m, but were up by more than 100%, y-o-y. Cancelled warrants fell by 17.3%, m-o-m, but were up by more than 100%, y-o-y. On-warrants fell by 19.6%, m-o-m, in May, and they were up by more than 100%, y-o-y.

Iron ore prices continued to advance in May, increasing by 10.9%, m-o-m, and they rose by 13.1%, y-o-y. China's steel industry PMI advanced in May to 49.80, up from 47.90 in April, a 4.0% increase, m-o-m, and a 41.5% increase, y-o-y.

The precious metals index rose for a third consecutive month in May, increasing by 1.8%, m-o-m. Gold, silver and platinum prices also advanced over the same period, rising by 0.8%, 6.8% and 7.9%, m-o-m, respectively. 'Higher-for-longer' interest rate expectations coupled with higher central bank buying supported gold prices. The index was up by 18.1% y-o-y; gold and silver prices were also up by 18.0% and 21.0%, y-o-y, respectively; meanwhile, platinum prices were down by 4.5%, y-o-y.

Investment flows into commodities

Combined money managers' net length rose for a third consecutive month in May, increasing by 19.9%, m-o-m. The increase was driven by natural gas, copper and gold but was partially offset by copper and gold and a decrease in crude oil. Combined net length was up by 72.9%, y-o-y, supported by gold and natural gas, but partially offset by a decrease in copper and crude oil.

Combined open interest (OI) receded in May after four consecutive months of increases, falling by 2.2%, m-o-m. OI decreased across all selected commodities except copper. OI was up by 6.5% y-o-y, supported by increases across all selected commodities, except crude oil.

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

Selected commodity	*Open interest*		*Long*		*Short*		*Net length*			
	Apr 24	May 24	Apr 24	May 24	Apr 24	May 24	Apr 24	% OI	May 24	% OI
Crude oil	2,327	2,228	263	220	64	65	199	9	155	7
Natural gas	1,579	1,560	226	215	324	218	-99	-6	-3	0
Gold	882	860	200	202	26	25	174	20	177	21
Copper	389	414	121	135	62	66	59	15	69	17

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

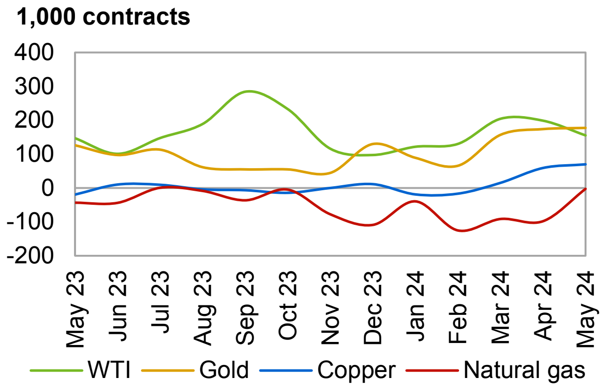
Total crude oil (WTI) OI decreased in May after four consecutive months of increases, falling by 4.3%, m-o-m. At the same time, money managers cut net length by 21.9%, m-o-m. OI was down by 7.4%, y-o-y, and money managers' net length was down by 1.9% over the same period.

Total Henry Hub natural gas OI experienced a monthly decrease in May, falling by 1.2%, m-o-m. Meanwhile, money managers increased net length by 96.8%, m-o-m, over the same period. OI was up by 14.6%, y-o-y, and net length was up by 93.1% over the same period.

Gold's OI receded in May after two consecutive months of increases, falling by 2.5%, m-o-m. Meanwhile, money managers continued to increase the net length by 30.5%, m-o-m, over the same period. OI was up by 13.6%, y-o-y, and net length was up by 30.5% over the same period.

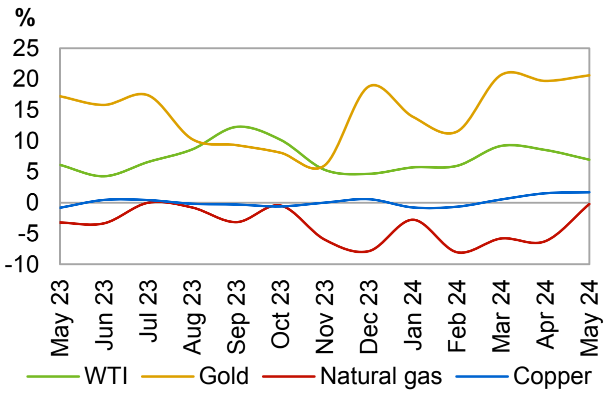
Copper's OI rose for a fifth consecutive month, increasing by 6.4%, m-o-m, in May. Money managers increased their net length by 18.2%, m-o-m, over the same period. OI was up by 81.6%, y-o-y, and net length was up by more than 100% over the same period.

Graph 2 - 3: Money managers' activity in key commodities, net length



Note: Data on this graph is based on a monthly average.
Sources: CFTC and OPEC.

Graph 2 - 4: Money managers' activity in key commodities, as % of open interest



Note: Data on this graph is based on a monthly average.
Sources: CFTC and OPEC.

World Economy

Economic growth momentum remained steady in 1H24, significantly supported by better-than-expected performance in the non-OECD economies. In particular, BRIC countries surpassed initial projections, while within the OECD, the 1Q24 output dynamic, especially in the US and Japan, turned out to be surprisingly soft. However, this trend is forecast to rebound. With this expected recovery in OECD economies, in combination with the expectation of ongoing robust momentum in non-OECD economies, a continued positive growth trajectory is projected in the near term. Despite some downside risks, growth projections for 2024 and 2025 remain unchanged from the last assessment at 2.8% and 2.9%, respectively.

Within the OECD, economic growth in the US and Japan during 1Q24 fell short of overall expectations. While some weakness may persist in Japan, the softness observed in the US during 1Q24 could be attributed to temporary dampening effects. Steady momentum in US private household consumption is expected to support a stable growth projection. Despite ongoing challenges, the Eurozone's economic growth in 1Q24 exceeded expectations, with the potential for further improvements driven by real income growth, an anticipated recovery in tourism as the summer season approaches, and a gradual rebound in industrial production (IP). In non-OECD economies, India, along with China, reported better-than-expected economic growth in 1Q24. Additionally, growth figures for Russia and Brazil have turned out to be strong, surpassing general expectations. The dynamic in the four major emerging economies is forecast to continue in 2024.

Despite certain downside risks, the momentum observed in non-OECD economies since the beginning of the year, coupled by a rebound in OECD economies, could create additional upside potential for global economic growth in 2024 and beyond. Furthermore, a shift towards more accommodative monetary policies by major central banks is expected in 2H24 and throughout 2025, particularly in the US, the Eurozone, and the UK, which may also support global growth in the near term. However, the trajectory of monetary policies will significantly hinge on inflationary developments and a likely shift in focus by central banks, particularly in advanced economies, towards supporting economic growth.

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

	World	OECD	US	Eurozone	UK	Japan	China	India	Brazil	Russia
2024	**2.8**	**1.3**	**2.2**	**0.5**	**0.3**	**0.3**	**4.8**	**6.6**	**1.8**	**2.9**
Change from previous month	0.0	-0.1	0.0	0.0	0.0	-0.5	0.0	0.0	0.2	0.6
2025	**2.9**	**1.5**	**1.9**	**1.2**	**1.0**	**0.9**	**4.6**	**6.3**	**1.9**	**1.4**
Change from previous month	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0

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

Source: OPEC.

Update on the latest global developments

Some notable trends have emerged since the beginning of the year. Non-OECD economies have significantly outperformed expectations, as evidenced by robust economic growth numbers in all BRIC economies over 1Q24. On an annual comparison, 1Q24 economic growth in China stood at 5.3%, India reached 7.8%, Russia reported 5.4%, and Brazil demonstrated a robust 2.5% growth. This contrasts with a rather unexpectedly weak economic growth dynamic in OECD economies during the same period. Economic growth for 1Q24 was recently revised down in the US to 1.3% on a quarter-on-quarter seasonally adjusted annual rate (q-o-q SAAR). In Japan, economic growth declined even further, falling by 2%, q-o-q, SAAR, in the same period. In the Eurozone, the 1Q24 expansion reached 1.3%, q-o-q, SAAR, which, despite being an upward revision from the previous estimate by Eurostat, remains relatively low. While the divergence in growth trends seems to have continued into 2Q24, some rebound from low OECD activity in 1Q24 is anticipated, while a strong non-OECD dynamic is estimated to have softened somewhat. Overall, the underlying global growth dynamic has remained steady, supporting the current growth forecast.

Another aspect that has developed since the beginning of the year are volatile shifts in monetary policy expectations by capital markets. During 1Q24, markets anticipated numerous rate cuts over the course of the year and the initiation of more accommodative monetary policies, possibly as early as 1H24 and particularly in the US, the Eurozone and the UK. However, this perception has changed as projections shifted considerably in 2Q24 amid relatively persistent inflation, indicating tighter monetary policies for a longer period. However, the perception has shifted once again more recently, given the latest soft spots in economic growth, especially in the US and the Eurozone, coupled with the anticipation of a slowing inflationary trend towards the end of the year. Despite significant uncertainties remaining about the trajectory of key policy rate setting going forward, much will depend on the inflationary trend and the likely shift in focus by central banks, particularly in advanced economies, towards supporting economic growth.

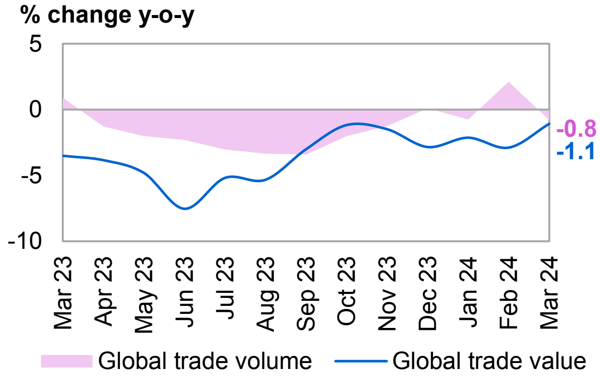
Headline inflation witnessed a significant decline across most major economies over the past 18 months, but remaining largely stable in recent months, with the exception of Brazil, where a continued decline has been observed. Core inflation rates, serving as the primary anchor for central banks, have continued to recede, although they persist at relatively elevated levels, notably in the US, the UK, and to some extent, the Eurozone. As of the latest available data from April, core inflation stands at 3.6% year-on-year (y-o-y) in the US; 3%, y-o-y, in the Eurozone; and 3.8%, y-o-y, in the UK. These levels notably exceed the general inflation target of 2% set by respective central banks. A rebound in house prices in these economies in recent months, alongside sustained and robust demand in the services sector – contributing to steady wage and salary increases – reinforcing this trend. In response to these circumstances, central banks have expressed their intention to maintain stringent monetary policies for the time being. However, wage and salary increases, particularly in the major OECD economies, have gradually decelerated in recent months, potentially leading inflation to lower levels. Coupled with the most recent decline in commodity prices, this development could afford central banks greater flexibility in supporting the economic growth trajectory.

Global trade exhibited a gradual improvement in value terms in March, although it experienced a slight decline on an annual basis. This uptick in value terms was bolstered by a March rebound in global commodity prices. Furthermore, the improvement is anticipated to continue into April and May, buoyed by a sustained rebound in commodity prices.

Trade in value terms in March experienced a decline of 1.1%, y-o-y, following a more pronounced decrease of 2.9%, y-o-y, in February and 2.1%, y-o-y, in January. These figures are based on the CPB World Trade Monitor Index, as provided by the CPB Netherlands Bureau for Economic Policy Analysis.

Trade in volume terms saw a decline in March, down by 0.8%, y-o-y, following a significant rebound in February, when it grew by 2.1%, y-o-y, following a y-o-y decline of 0.8% in January. The annual trends for both March and February were also influenced by the base effect from the previous year, characterized by a strong increase in March and a decline in February.

Graph 3 - 1: Global trade



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

Near-term global expectations

While OECD economies witnessed a soft trend in 1Q24, a rebound is anticipated in 2Q24 and is expected to continue towards year-end. Concurrently, strong growth momentum in non-OECD economies in 1Q24 is foreseen to gradually normalize throughout 2Q24 and towards the end of the year. Combining these trends, the global growth dynamic is forecast to maintain a steady pace in 2024 and 2025. On an annual comparison, global economic growth stood at 2.9% in 1Q24, slightly lower than anticipated the previous month, attributed to downward revisions in the US and an unexpected decline in Japan. After experiencing relatively balanced annual growth of 2.8% on average for the remaining three quarters, economic growth is forecast to slightly pick up into 2025, supported by ongoing growth expansion in the OECD, except the US, and sustained strong growth momentum in major non-OECD economies. Average quarterly growth rates for 2025 are projected to remain relatively consistent at an average of about 2.9%, with a potential increase to 3% towards the end of the year, aligning with earlier forecasts. Significant support for global economic growth in both 2024 and 2025 is expected from the US, China and India, with steady contributions from Brazil and Russia. The Eurozone and Japan are anticipated to rebound further, albeit at a much lower rate, contributing less to the global economic growth level.

Considering the latest inflationary developments, growth dynamics, and comments from central bank policymakers, key central banks are expected to transition to a more accommodative monetary policy by 2H24. However, uncertainties persist, particularly regarding the near-term trajectory of core inflation. Elevated interest rates and their consequences have predominantly persisted in 1H24, with key policy rates anticipated to peak in that period, especially in the US, the UK and the Eurozone. This is projected to be followed by more accommodative monetary policies in 2H24, expecting a continued decline in headline inflation throughout 2024 and into 2025. Recent retractions in wage and salary rises, particularly in major OECD economies, coupled with a recent decline in commodity prices, could provide central banks with more room to support the economic growth dynamic in the very near term.

Taken together, there is a potential upside for economic growth in both 2024 and 2025. This optimism hinges on the momentum in global economic growth observed in 1Q24 continuing to accelerate, primarily in OECD economies. Emerging economies such as India, Brazil and Russia may outperform expectations due to increased domestic demand and trade activities. China's growth could also receive a boost from ongoing government-led measures aimed at stimulating economic activity. Additionally, global trade is expected to provide further support for growth in both 2024 and 2025. The World Trade Organization (WTO) suggests that trade will expand by 2.6% in 2024 and 3.3% in 2025, rebounding from a decline of 1.2% in 2023. This projected recovery in global trade indicates a positive outlook for economic growth, as increased international trade typically correlates with higher economic activity and investment.

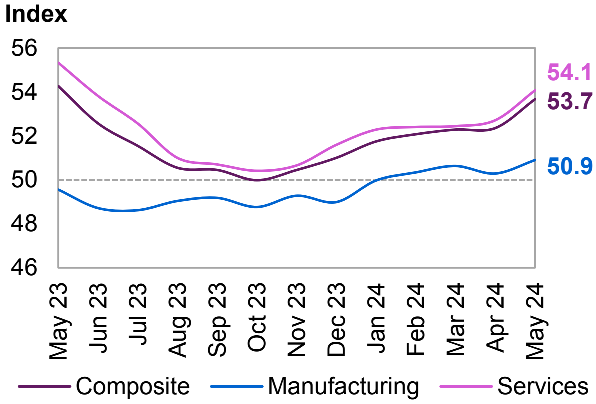
From a sectoral perspective, industrial output in advanced economies has remained weak in 2024 so far, with improvements in the industrial sector primarily observed in non-OECD economies. The dynamic is projected to gradually pick up in OECD economies following subdued levels seen earlier in the year. Globally, the services sector is maintaining steady momentum and is projected to be the major contributor to economic growth in both 2024 and 2025, with travel and tourism expected to provide steady support, particularly during the upcoming northern hemisphere summer holiday season.

Global purchasing managers' indices (PMIs) for May indicate a slight improvement in the manufacturing sector, largely driven by a rebound of momentum in advanced economies. Additionally, there is a notable increase in the global PMI for the services sector, suggesting an ongoing healthy state in this segment of the global economy.

In May, the global manufacturing PMI rose to 50.9, up from 50.3 in April and 50.6 in March, reflecting a positive trend.

Similarly, the global services sector PMI saw a significant increase of 1.4 index points to reach 54.1 in May, compared with 52.7 in April and 52.4 in March.

Graph 3 - 2: Global PMI



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

Global economic growth in 1Q24 exceeded expectations in several economies but fell short of expectations in some major OECD countries. Considering persistent challenges, the global economic growth forecast for 2024 remains unchanged at 2.8%.

Looking ahead to 2025, the economic growth forecast remains steady at 2.9%, in line with the estimate from the previous month.

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

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

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

OECD

OECD Americas

US

Update on the latest developments

US economic growth in 1Q24 was recently revised down to 1.3%, q-o-q, SAAR, by the Bureau of Economic Analysis (BEA). This is lower than the BEA's previous estimate of 1.6%. Despite some factors being temporary, such as a decline in net exports and inventory drawdowns, which are expected to rebound in 2Q24 and beyond, the growth level was softer than expected by general market expectations, which were around 2% or higher before the initial publication of the 1Q24 growth number. Inventory drawdowns had a negative impact of 0.5 percentage points (pp), while net foreign trade had a negative impact of 0.9 pp on 1Q24 economic growth.

On a relatively positive note, private household consumption remained relatively resilient, growing by 2%, q-o-q, SAAR. However, this is below the BEA’s initial estimate, which was at a more significant 2.5%, q-o-q, SAAR. The Atlanta Fed's estimate for 2Q24 economic growth was also revised down in early June to 1.8%, q-o-q, SAAR, compared with a growth estimate of 3% the previous month. These recent signals suggest a softening in the US economy, indicating a potential slowdown in economic growth this year compared with 2023. While business and consumer confidence indicators have rebounded in the past month, they have weakened in comparison to the beginning of the year. IP remains relatively weak, and given ongoing support from the services sector, inflation persists. However, the overall softening economic growth dynamic could prompt the Federal Reserve (the Fed) to consider a more accommodative monetary policy in the near term, as has already been envisaged in the latest Federal Open Market Committee (FOMC) projections in March.

IP declined in April, as reported by the Federal Reserve Board on a seasonally adjusted basis, falling by 0.5%, y-o-y. This decline follows marginal growth observed in March and February. However, manufacturing orders showed relatively stronger growth, increasing by 1.3%, y-o-y, in April and 1.5%, y-o-y, in March, also on a seasonally adjusted basis, according to the Bureau of the Census. Meanwhile, the consumer confidence index, reported by the Conference Board, rebounded in May, reaching an index level of 102, after a significant drop was seen in April, when it was recorded at 97.5, following 103.1 in March.

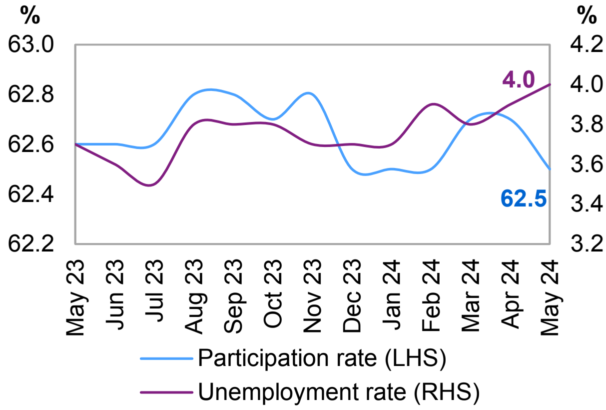
Headline inflation was relatively stagnant, standing at 3.4% y-o-y in April, following a growth level of 3.5%, y-o-y, in March and up from 3.2% in February. Core inflation showed a slight retraction to a level of 3.6%, y-o-y, down from 3.8%, y-o-y, in March and February, after reaching 3.9% in January and December. The Fed's preferred inflation indicator, core personal consumption expenditures (PCE), remained stagnant in April at 2.8% y-o-y, maintaining the same level for three consecutive months, down from 2.9% in January and December. Housing continues to be a key contributor to maintaining elevated inflation growth, rising by 5.5%, y-o-y, in April, compared with 5.7%, y-o-y, in March, accounting for almost two-thirds to headline inflation. This contrasts with pre-pandemic price increases in shelter, which were slightly above 3%.

The labour market showed a very slightly weakening development in May. The unemployment rate edged up marginally to stand at 4%, compared with 3.9% in April and 3.8% in March.

The participation rate retracted to stand at 62.5% in May, after 62.7% in April and in March.

Earnings growth was steady in May. Y-o-y hourly earnings growth increased by 4.1% in May, compared with 4% in April and 4.1% in March. While the somewhat weakening labour market trend may be welcomed by FOMC policy makers, the stable earnings dynamic might contribute to keeping inflation stable.

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

Near-term expectations

The soft economic dynamic observed in 1Q24 was somewhat anticipated in the Secretariat's economic growth forecast. On a quarterly basis, modest growth of 1.3%, q-o-q, seasonally adjusted annual rate (SAAR) in 1Q24, as reported by the BEA, is projected to be followed by 1.9%, q-o-q, SAAR in 2Q24. Annualized growth rates are then expected to continue decelerating in 2H24, with the economic growth forecast to be 0.8%, q-o-q, SAAR in both 3Q24 and 4Q24. This growth trend is supported by indicators over the most recent months suggesting a slight weakening in the labor market, declining hourly earnings, and the potential for a continued easing in inflation, alongside recent softness in the manufacturing purchasing managers' indices and consumer confidence.

Despite the Fed’s emphasis on a data-driven approach to monetary policy, recent indicators suggest a possible move towards a more accommodative position in 2H24. However, the extent and intensity of any easing measures by the Fed remain uncertain, heavily influenced by the anticipated inflation path, US economic growth and labour market dynamics. FOMC March projections indicate a reduction of approximately 75 basis points in the key policy rate by the end of 2024. Nevertheless, the exact magnitude of potential rate cuts is still under discussion, with Fed officials recently expressing a cautious stance. Furthermore, significant fiscal stimulus is not anticipated for 2024 or 2025, but the results of the 4Q24 elections could potentially reshape

US fiscal policies, influencing monetary policies in 2025, and subsequently affecting growth dynamics into the following year.

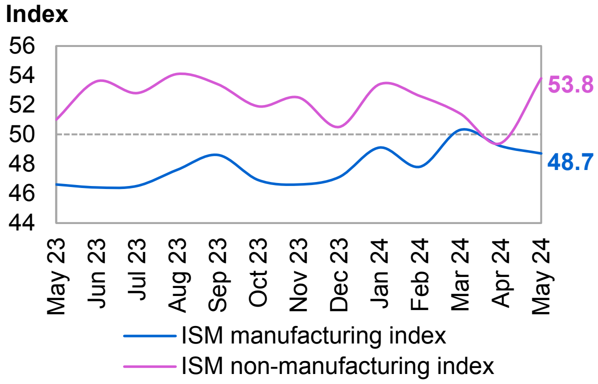
Looking forward, the high debt level, especially sovereign debt, remains a concern. The debt ceiling debate has been postponed until after the election, with the Fiscal Responsibility Act of 2023 suspending the debt limit until January 2025. Moreover, the US bank delinquency rate for all consumer loans rose to 2.7% in 1Q24 from 2.6% in 4Q23. Although this rate remains lower than the 3% to 4% range observed before the 2009 Great Recession, it has been steadily increasing since mid-2021, when it was around 1.5%.

May's PMI levels, as reported by the Institute for Supply Management (ISM), showed a continued contraction in the manufacturing sector but slightly improving trend in the services sector.

The manufacturing PMI dropped below the growth threshold to 49.2 in April, down from 50.3 in March. The contraction persisted in May, with the sector's index retracting further to stand at 48.7.

On the other hand, the index level for the services sector, which constitutes about 70% of the US economy, notably recovered from 49.4 in April (indicating a contraction) to a level of 53.8 in May.

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



Sources: Institute for Supply Management and Haver Analytics.

The economic growth forecast for 2024 remains unchanged at 2.2%, considering steady private household consumption in 1Q24 and the understanding that the negative impact of external trade and inventory changes is likely transitory. This forecast aligns with the robust economic growth trend anticipated in the previous month's forecast. However, there is a projected gradual moderation in headline GDP growth during 2H24.

Similarly, the growth forecast for 2025 remains unchanged at 1.9%.

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

	US
2024	**2.2**
Change from previous month	0.0
2025	**1.9**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

OECD Europe

Eurozone

Update on the latest developments

Although the Eurozone encountered only modest growth in 1Q24, it surpassed expectations and was recently revised upward. GDP growth for 1Q24 stood at 1.3%, q-o-q, SAAR, compared with the initial estimate of 1.2% by Eurostat, the EU's statistical office. This contrasts with a GDP decline of 0.2%, q-o-q, SAAR in both 4Q23 and 3Q23. Additionally, recent business and consumer confidence indicators show ongoing improvements in 2Q24, while IP saw a slight rebound in March, according to the latest available data for the entire Eurozone.

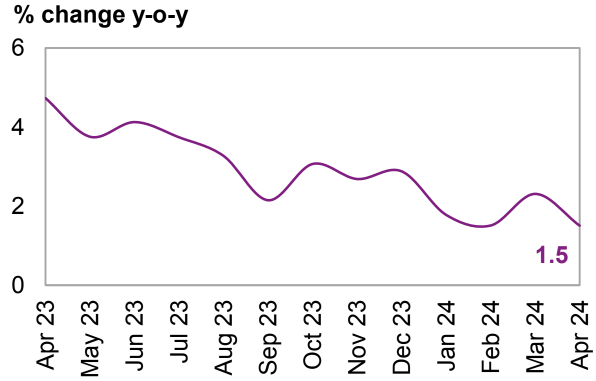
The Eurozone's IP index expanded by 1%, m-o-m, in February, followed by a 0.6%, m-o-m, increase in March on a seasonally adjusted basis, suggesting potential for gradual improvement. However, on a yearly comparison, the trend remains negative, with the March figure at -0.7%, y-o-y, compared with -7% in February. The services sector continues to show a relatively positive growth trajectory, providing significant support to the Eurozone's economy. A notable source of strength within the services sector is expected to be tourism, travel and leisure spending, with signs of ongoing momentum as the summer holiday season approaches. According to the European Travel Commission, 75% of Europeans plan to travel between May and October 2024, with interest in leisure travel increasing by 5% compared with last year. Additional data from February and January indicate that Europe's tourism industry is on a steady recovery path, with the number of international arrivals growing by 7.2% above pre-pandemic levels and overnight stays increasing by 6.5% compared with 2019's pre-pandemic figures. Moreover, Europe will host two major international sporting events – the Olympic Games in France and the UEFA European Football Championship in Germany – both expected to boost travel and tourism demand in Europe.

Headline inflation experienced a noticeable decline in recent months, partly attributed to lower energy prices, although it saw a slight increase in May, when it rose to 2.6%, y-o-y, compared with 2.4%, y-o-y, in April. Core inflation for the month stood at 2.9%, y-o-y, following 2.8%, y-o-y, in April. While still surpassing the European Central Bank's (ECB's) 2% target, the inflationary trajectory is anticipated to potentially soften further. This expectation is influenced by a recent slowdown in wages and salary growth, alongside some declines in global commodity prices.

The labour market has remained relatively tight, with the unemployment rate continuing its downward trend. According to the latest data from Eurostat, the unemployment rate in April remained at 6.4%, following five consecutive months of stability at 6.5% up to March.

Retail sales have shown modest growth in value terms. April saw a 1.5%, y-o-y, increase in retail sales spending, compared with 2.3%, y-o-y, in March and a 1.5%, y-o-y, rise in February. These trends indicate a gradual improvement in the Eurozone's economy, supported by a stable labour market and expanding consumer spending, thereby enhancing economic resilience in the region.

Graph 3 - 5: Eurozone retail sales



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

Near-term expectations

Following the decline observed in 2H23, the economic growth rebound witnessed in 1Q24 is expected to persist for the remainder of the year. This projection is led by the base effect, stemming from low growth the previous year and improving economic indicators. The gradual recovery in the industrial sector, alongside ongoing expansion in the services sector, is anticipated to support growth, particularly in the second and third quarters of 2024. Real income has already seen a rise, with further improvements expected in the second half of the year. While the full extent of this momentum is yet to be determined, early indicators from the beginning of the year suggest potential support from the travel and tourism sector this summer, along with a gradual rebound in IP. The extent of improvement in IP towards the end of the year remains uncertain, but the German economy is expected to play a significant role. Accelerated improvements in the industrial sector could lead to additional upside potential compared with current expectations. However, the economic growth rebound in 2024 is anticipated to be gradual and slow.

After the ECB's decision to lower the key policy rate by 25 basis points at its latest meeting in June, a continuation of the current accommodative monetary policy is projected for 2H24. This is expected to further support a rebound in economic growth throughout 2024 and lead to continued growth support towards the end of the year. Although headline inflation retracted significantly in recent months, it remained persistent in May, and the ECB's future monetary easing in 2H24 is still uncertain. This decision will be data dependent, but given the potential for further inflation retraction in 2H24, amid a gradual slowdown in wages and salary growth, combined with recent declines in global commodity prices, there is a likelihood that the ECB will continue monetary easing towards the end of the year and into 2025. The forecast for headline inflation in 2024 remains around 2.5%, and an estimated 2% in 2025, consistent with previous projections and considering the 2.6% observed in 1Q24.

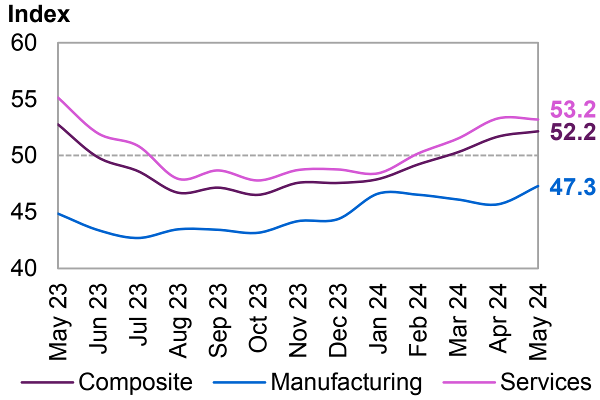
Expected annualized quarterly growth for 2024 is projected to remain relatively stable, with an average increase of over 1% in 1H24, followed by a 0.2% rise in 2H24. The forecast anticipates a gradual improvement in the industrial sector throughout 2024, driven by both domestic and external demand, particularly towards the end of the year. The resurgence of tourism and service-related spending, coupled with a recovery in German IP, is expected to significantly support overall growth in 2024, with a potentially greater impact in 2025. Additionally, a gradual increase in real income is likely to boost consumer spending in 2H24. Combined with the possibility of ongoing accommodative monetary policy by the ECB, these factors are expected to contribute to economic acceleration in 2025. Growth for 2025 is forecast to more than double compare with the modest levels seen in 2023 and 2024, indicating a positive outlook for the upcoming year.

The Eurozone's May's PMIs reflected a mixed performance, with signs of improvement in the services sector, but ongoing challenges persisting in manufacturing.

The PMI for services, which represents the largest sector in the Eurozone, remained relatively stable in May, registering 53.2, slightly below April's figure of 53.3. However, this marks an improvement from the levels seen in March (51.5) and February (50.2), indicating a positive trend for the sector.

The manufacturing PMI showed improvement in May, reaching 47.3 compared with 45.7 in April and 46.1 in March. Despite this improvement, the manufacturing sector remains in contractionary territory, as indicated by a reading below 50.

Graph 3 - 6: Eurozone PMIs



Sources: S&P Global and Haver Analytics.

Following a slight GDP decline in 2H23, the economic outlook is projected to gradually improve in 2024. Economic growth for the year is forecast to remain at 0.5%, consistent with figures from 2023.

Potential improvements in 2H24 are to carry over into 2025, with the Eurozone's economic growth forecast to gain momentum to reach 1.2%, unchanged from the previous month.

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

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

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

OECD Asia Pacific

Japan

Update on latest developments

After experiencing a decline of 3.6%, q-o-q, SAAR in 3Q23 and stagnant growth in 4Q23, Japan's economic growth in 1Q24 contracted again at 2%, q-o-q, SAAR. Weak consumption persisted in 1Q24 due to ongoing negative real income and a decline in IP, heavily influenced by challenges in the automobile sector. Additionally, inflation remained relatively persistent, and while the Bank of Japan (BoJ) ended its negative interest rate policy in March, it left the policy rate unchanged at its latest meeting in April. On a positive note, recent business and consumer confidence indices, including PMIs and the BoJ's Tankan survey, suggest a potential uptick in economic activity. However, these positive signals have not yet translated into economic growth. The weaker yen has been a significant boost to Japan's tourism industry, with hotel stays in the 2023 calendar year reaching pre-pandemic levels, according to government data.

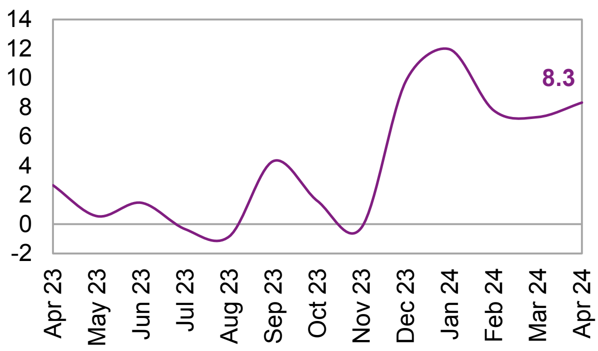
Retail sales growth in Japan continued to expand in April, picking up by 2.4%, y-o-y, compared with 1.1%, y-o-y, in March, after rising by 4.7%, y-o-y, in February and 2.1% in January. These figures are based on non-seasonally adjusted value terms. Inflation retracted slightly in April, with headline inflation standing at 2.5%, y-o-y, down from 2.7% in March and 2.8% in February. Core inflation, which excludes food and energy and is a key metric for central bank policies, decreased to 2%, y-o-y, in April, after reaching 2.2%, y-o-y, in March and 2.5% in February. While the BoJ's latest quarterly outlook report indicates confidence in achieving its 2% inflation target in the coming years, the current relatively normalized level may prompt a more confident view of this forecast, potentially leading to ongoing accommodative monetary policy going forward.

IP continued its significant decline, falling by 3.4%, y-o-y, in April, following a decrease of 3.1%, y-o-y, in March and a contraction of 6.8%, y-o-y, in February.

On the export front, goods exports maintained their recovery trajectory. They increased by 8.3%, y-o-y, in April, building on a rise of 7.3%, y-o-y, in March and following an increase of 7.8%, y-o-y, in February.

Meanwhile, consumer confidence remained robust but softened slightly, reaching 36.2 in May, down from 37.8 in April and compared with 39.1 in March. Despite the recent decline, the overall trend still indicates a relatively strengthening momentum observed since the end of last year.

Graph 3 - 7: Japan's exports



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

Near-term expectations

After the unexpectedly large decline in economic growth of 2%, q-o-q, SAAR in 1Q24, the Japanese economy is poised for a gradual rebound in 2Q24. Signs of a recovery are already emerging, reflected in leading indicators such as the Tankan survey and recent PMIs. Furthermore, the tourism sector is expected to sustain its growth, buoyed by the low yen and pent-up demand for global tourism and travel. However, while a recovery from the 1Q24 downturn is anticipated, annual growth in 2024 is projected to be lower than previously forecast. Quarterly, average annualized growth rates are forecast to be around 0.5% in 1H24, significantly lower than the 1.2% projected last month. A modest uptick in activity in 2H24 is expected, aligning with global growth projections. The forecast for 2H24 suggests quarterly average growth rates of slightly more than 2% on a seasonally adjusted annualized basis. IP and exports are anticipated to gradually strengthen in 2024. With momentum expected to improve primarily in 2H24, this positive trend is projected to continue in 2025, although growth remains subdued.

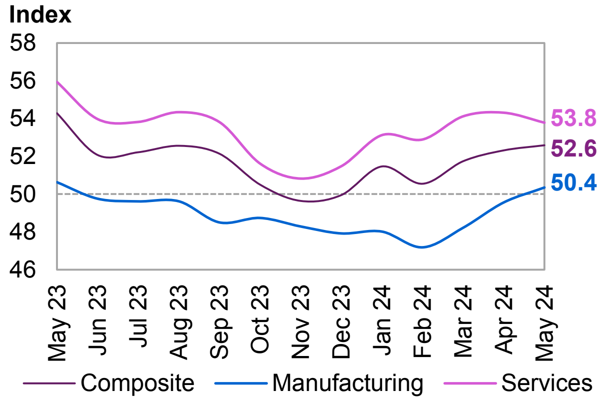
Following the BoJ's decision in April to shift the key policy rate into positive territory and considering recent stagnant inflationary developments, it is anticipated that the bank will adopt a less accommodative monetary policy stance in 2024 and 2025. There is a possibility that the BoJ may reduce its bond buying programme in the upcoming June meeting. The current strategy on Yield Curve Control (YCC) policies maintains monthly purchases of approximately ¥6 trillion worth of Japanese government bonds. Additionally, there is at least some possibility of a further rate increase. However, the latter decision may seem uncertain, given the recent weakness in the Japanese economy, coupled with the retraction of inflation in April. Furthermore, the weakness of the yen plays a vital role in decision-making. The yen traded at around ¥156 per US dollar at the beginning of June, after sliding to around ¥160 per US dollar in late April, marking its weakest level since 1990.

May PMI numbers reveal continued strength in the services sector and signs of ongoing improvement in the manufacturing sector, with the latter moving back into expansionary territory.

The services sector PMI, representing a significant portion of the Japanese economy, remained comfortably above the 50-point threshold, indicating sustained growth. Specifically, the services sector PMI slightly retreated to 53.8 in May, following readings of 54.3 in April and 54.1 in March.

In parallel, the manufacturing PMI returned to expansionary territory, surpassing the threshold of 50. It climbed to 50.4 from 49.6 in April and 48.2 in March, indicating positive momentum in the manufacturing sector.

Graph 3 - 8: Japan's PMIs



Sources: S&P Global and Haver Analytics.

Following an unexpected sharp decline in 1Q24, growth projections for 2024 were revised downward, resulting in a notable adjustment to the 2024 economic growth forecast to 0.3%, compared with the previous estimate of 0.8%. However, there are expectations for a rebound in economic activity starting from 2Q24 and extending beyond.

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

	Japan
2024	**0.3**
Change from previous month	-0.5
2025	**0.9**
Change from previous month	-0.1

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Looking ahead, momentum is anticipated to improve, particularly in 2H24, and this positive trend is expected to carry over into 2025. While the BoJ is forecast to gradually tighten its monetary policies in the coming year, economic growth in 2025 is projected to experience a slight increase. However, given the subdued growth dynamics of 2024, which will also affect 2025, there has been a slight downward revision in the economic growth forecast for next year. It is now anticipated to reach 0.9%, compared with the previous month's forecast of 1%.

Non-OECD

China

Update on the latest developments

In mid-May, the Chinese government announced direct measures to address the declining property sector for the first time. Housing prices fell by 7.5%, y-o-y, in April, following declines of 6.5% in March and 5.6% in February. This accelerating decline prompted government intervention. The support package includes two key measures. First, local governments will purchase unsold apartments, facilitated by up to $42 billion in central government lending, and convert them into social housing. Second, mortgage requirements will be eased by lowering minimum down payments for first- and second-time homebuyers. The minimum down payment for first-time buyers is reduced from 20% to 15%, and for second-time buyers from 30% to 25%. The government also eliminated minimum mortgage interest rates. The support package had an immediate positive impact on the CSI 300 Real Estate Index. However, the scale of unsold inventory exceeds the capacity of the support package.

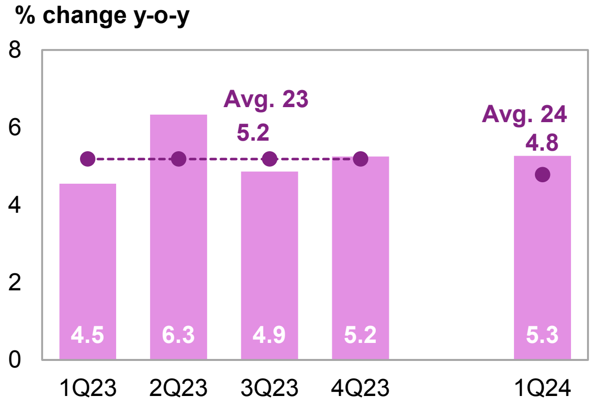
Following the government plan announced in March at the National People's Congress (NPC) meeting, the manufacturing sector has been gaining momentum. After starting the year with 7%, y-o-y, growth in January and February, IP growth slowed to 4.5% in March. In April, IP growth rebounded to 6.7%, y-o-y. Central government support for manufacturing and IP includes technical support for manufacturing firms, assistance with global brand development, and the implementation of stricter quality standards.

At the same time, domestic demand continues to slow. Retail sales, an early indicator of private consumption, decelerated to 2.3%, y-o-y, growth in April after reaching 3.1% in March and 5.5% in February. Although unemployment was relatively low at 5% in April, continuing a slow downward trend from February, the decline in the property sector — where much of the Chinese middle class's personal wealth is tied up — has led to a reduction in spending, as the sector continues to weaken.

The Consumer Price Index (CPI) remained positive at 0.3%, y-o-y, in April, following a slight increase from 0.1% in March and 0.7% in February, marking a recovery from deflation in February. Core inflation was slightly higher at 0.7% in April, up from 0.6% in March but below the February figure of 1.2%.

Unemployment continues to decline, with the latest figure at 5.0% in April, down from 5.2% in March and 5.3% in February. Urban youth unemployment also saw a slight decrease.

Graph 3 - 9: China's economic growth



Sources: National Bureau of Statistics and Haver Analytics.

Near-term expectations

The government support package for the property sector is expected to have a broader economic impact beyond directly addressing housing prices. As a significant portion of Chinese middle-class wealth is tied to property, increased confidence in the sector could boost consumer confidence and demand. However, given the substantial number of unsold apartments, excluding sold-but-unbuilt properties, the support package appears relatively small. Nonetheless, it signals the government's willingness to take direct action to address the sector's issues. The government will likely continue to oversee the property sector's correction, providing support as needed to avoid broader economic spillovers.

The People's Bank of China (PBoC) maintained the five-year loan rate, the policy rate most associated with mortgages, at 3.95% for the fourth consecutive month. The last rate drop occurred in February, by 25 basis points.

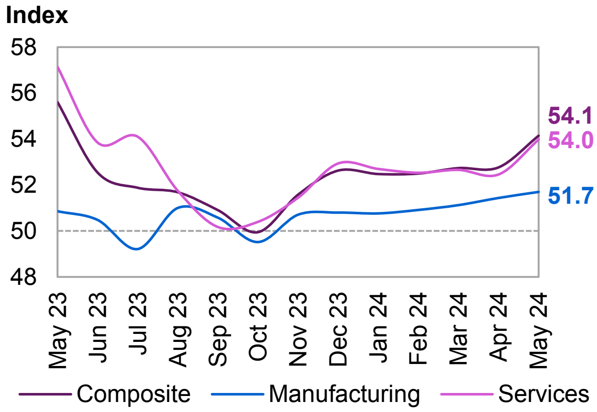
Support for the manufacturing sector is expected to boost IP. However, with manufacturing outpacing domestic demand, exports are expected to grow, potentially escalating trade tensions with major partners. The US has imposed tariffs on several Chinese exports, including increasing tariffs on electric vehicles (EVs) from 25% to 100%. This move is largely symbolic, as China accounts for less than 2% of US EV imports. In the short term, Chinese exports are expected to continue growing, despite escalating trade tensions.

May PMI data indicate that China's outlook is improving in both the manufacturing and services sectors, as both push further into expansionary territory.

The manufacturing PMI rose to 51.7 in May from 51.4 in April and 51.1 in March, reflecting the impact of ongoing government support policies on manufacturing.

The services PMI reversed a slight decline from the previous month, rising to 54.0 in May from 52.5 in April and 52.7 in March.

Graph 3 - 10: China's PMI



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

With the positive impact of the government support package for the property sector still uncertain due to the scale and scope of unsold apartment inventory, the growth forecast is largely centred on manufacturing and exports. The economic growth forecast for China remains unchanged at 4.8% for 2024.

The forecast for China's 2025 growth rate remains unchanged at 4.6% from the previous month's report.

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

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

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

Other Asia

India

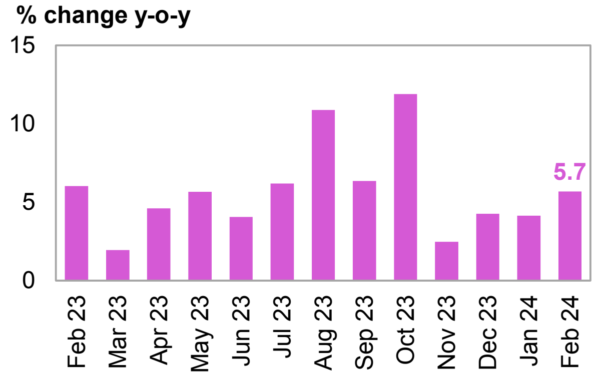
Update on the latest developments

The most recent data from India indicates stronger-than-anticipated growth in 1Q24, with a y-o-y increase of 7.8%, maintaining the robust growth rate of 8.6% observed in 4Q23. Private consumption expenditure remained steady at 4% in both quarters. Conversely, government consumption expenditure saw positive growth of 0.9% in 1Q24, reversing negative growth of 3.2% seen in 4Q23.

Although manufacturing growth decelerated slightly to 8.9%, y-o-y, in 1Q24, down from 11.5% in 4Q23, it continues to exhibit strength, largely influenced by supportive government policies. Similarly, the construction sector sustained robust growth of 8.7% in 1Q24, albeit slightly lower than the 9.6% growth observed in 4Q23.

Driven predominantly by the services sector, which constitutes over half of the economy, India's economic landscape saw stable growth. The services sector expanded by 6.7%, y-o-y, in 1Q24, following a growth rate of 7.1% in 4Q23. Furthermore, the unemployment rate declined to 7.0% in May, marking a decrease from 8.1% in April and 7.4% in March.

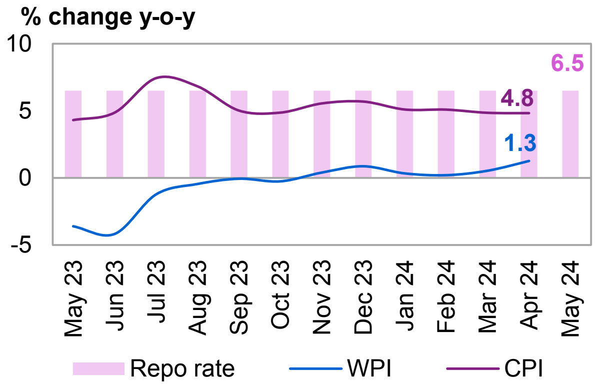
Graph 3 - 11: India's industrial production



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

Inflation saw a slight decrease to 4.8%, y-o-y, in April, down from 4.9% in March and 5.1% in February. However, concerns persist regarding food inflation, particularly notable in the significant rise of vegetable prices, which have surged by over 25% since December 2023. The most recent data reveals vegetable inflation at 27.8%, y-o-y, in April, marginally lower than the 28.3% recorded in March and 30.3% in February. Core inflation for April stood at 3.2%, y-o-y, a modest decline from 3.3% in March and 3.4% in February. In response to these inflationary trends, the Reserve Bank of India opted to maintain the key repo rate at 6.5% in May.

Graph 3 - 12: Repo rate and inflation in India



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

India's trade balance in April widened to $19.1 bn, compared with $15.6 bn in March and $14.4 bn in April of the previous year.

Monthly exports decreased to $35.0 bn in April, down from $41.7 bn in March.

Similarly, monthly imports also saw a decline, falling to $54.1 bn in April from $57.3 bn in March.

Graph 3 - 13: India's trade balance

Sources: Ministry of Commerce and Industry and Haver Analytics.

Near-term expectations

The Indian election yielded gains for the opposition INDIA coalition, although the ruling NDA coalition maintained its majority. As the incumbent party, the BJP no longer holds an outright majority and will need to collaborate with smaller political parties to sustain a coalition government. While a continuation of economic policies is expected, coalition governments inherently introduce additional uncertainty. The government is likely to persist in supporting manufacturing and industrial output, possibly with a heightened focus on addressing unemployment and inflation, factors that influenced the election outcome.

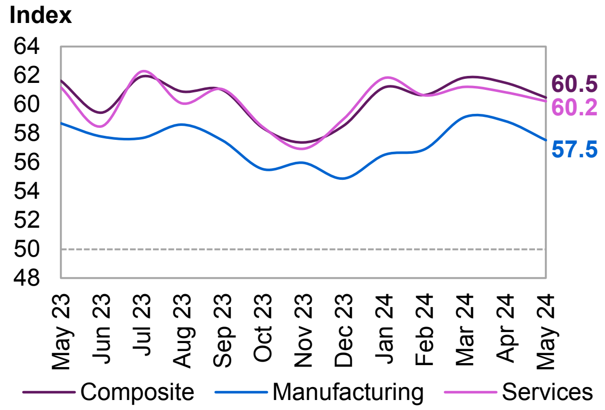
Following a period of market turbulence and subsequent recovery, the Indian stock market stabilized post-election. Industrial activity, bolstered by Production-Linked Incentives (PLI) schemes, is projected to endure. The services sector is anticipated to sustain growth momentum, buoyed by an expanding middle class and decreasing unemployment. Election-related expenditures likely provided an economic boost this year, with the prolonged voting period generating significant spending on political campaigns and pre-election initiatives, particularly in rural regions.

Inflation remains a notable concern in India, especially food inflation. The weak monsoon season in late 2023 primarily drove supply shortages and subsequent price hikes. As the monsoon season commences this month and extends through September, preliminary forecasts from the Indian Meteorological Department (IMD) suggest a stronger-than-average year, although uncertainties persist. Overall, agricultural output is expected to rebound, potentially leading to a slowdown in food inflation by year-end.

The S&P Global Manufacturing PMI, although still indicating expansion, recorded a decline for the second consecutive month. May saw the index at 57.5, down from 58.8 in April and 59.1 in March.

Similarly, the services PMI also witnessed a slight decrease but remained firmly in expansionary territory. May's services PMI stood at 60.2, slightly lower than April's 60.8 and March's 61.2.

Graph 3 - 14: India's PMIs



Sources: S&P Global and Haver Analytics.

Despite electoral uncertainties, the growth forecast for India in 2024 remains stable at 6.6%, consistent with the previous month's report, with potential for further growth. The services sector is expected to play a key role in sustaining overall growth momentum.

Looking ahead to 2025, the growth rate is projected to slow to 6.3%, consistent with the previous month's forecast, driven by the recovery in agriculture and continued government backing for the manufacturing sector.

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

	India
2024	**6.6**
Change from previous month	0.0
2025	**6.3**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Latin America

Brazil

Update on latest developments

The latest data for 1Q24 shows the Brazilian economy grew by 2.5%, y-o-y, surpassing market expectations. On the expenditure side, this growth was driven by private consumption, which increased by 4.4% in 1Q24, up from 2.3% growth, y-o-y, in 4Q23. Government consumption slowed to 2.6% growth in 1Q24 from 3.0% in 4Q23, while gross fixed capital formation grew by 2.7% in 1Q24 after a contraction of 4.4% was seen in 4Q23, indicating increased government investment in infrastructure and construction.

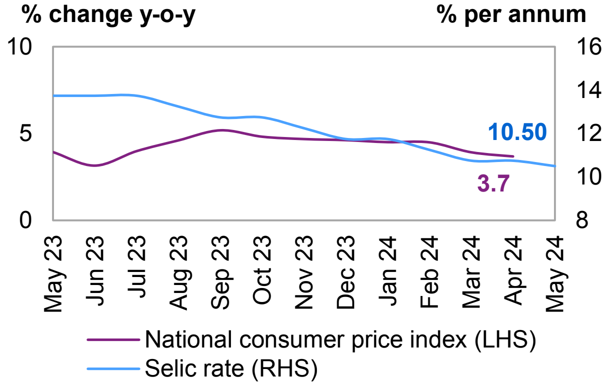
On a sectoral level, agricultural output contracted slightly in 1Q24 by 3.3% on a seasonally adjusted, y-o-y, basis, following a high base in 2023 when harvests reached record levels. In 1Q23, the agricultural sector grew by 23.2%, y-o-y. Despite the contraction, the agricultural sector remained relatively robust in 1Q24. The industrial sector grew by 2.6%, y-o-y, in 1Q24, a decline from the 4Q23 rate of 6.9%. Within the industrial sector, manufacturing contracted by 1.0%, y-o-y, in 1Q24, while construction expanded by 13.8% during the same period, both on a seasonally adjusted basis.

Monthly data indicate an acceleration of IP and manufacturing into 2Q24. IP grew by 8.4% in April after contracting slightly by 2.8% in March. Meanwhile, manufacturing expanded by 10.3% in April after a contraction was seen of 3.6% in March. Government policies supporting manufacturing and industry, along with large infrastructure projects and construction, are reflected in these numbers.

The services sector, comprising roughly 60% of the overall Brazilian economy, showed steady growth at 3.0% in 1Q24, accelerating from 2.0% in 4Q23 and 1.7% in 3Q23. Low and stable unemployment, combined with declining interest rates and lower inflation, led to an increase in real wages, which helped drive the services sector's growth trend.

Inflation continues to decline in Brazil, with April's headline inflation at 3.7%, y-o-y, down from 3.9% in March and 4.5% in February. The Banco Central do Brasil's (BCB) inflation target rate for 2024 is 3%, although current levels are within the upper limit of 4.5%. Given this inflationary trend, the key SELIC interest rate was cut by 25 basis points in May, bringing it to 10.5%. This is the third cut in 2024, following reductions of 50 basis points in both February and March by the BCB.

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



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

Near-term expectations

The growth trend exhibited in 1Q24 is anticipated to persist throughout the remainder of 2024 and into 2025. Rising real incomes are expected to sustain consumer spending, contributing to continued growth in the services sector. Government policy support for manufacturing and infrastructure spending, particularly in minerals extraction, including drilling activity and supporting infrastructure, is anticipated to maintain growth in the industrial sector. Meanwhile, the agricultural sector is projected to decline, largely due to the exceptionally high harvest in 2023, although absolute output quantities are expected to remain high compared with the average of prior years. Robust agricultural output in 2023 had positive spillover effects on supporting services, such as transportation, logistics and financial services, which are unlikely to recur in 2024. Overall, growth in the industrial and services sectors is expected to more than offset the slowdown in agriculture.

On the monetary policy front, interest rates are expected to be further reduced, as they currently remain relatively high at 10.5%, while inflation approaches the 3% target. Further cuts could accelerate the growth trend in consumer spending on both goods and services.

The tax reform policies adopted in late 2023 are still in the early stages of implementation and are not likely to show a significant impact in 2024. In 2025, a boost in investment is anticipated as a result of both the approaching implementation of the streamlined tax system and continued government spending on infrastructure. Consequently, the Brazilian economy is expected to accelerate in 2025.

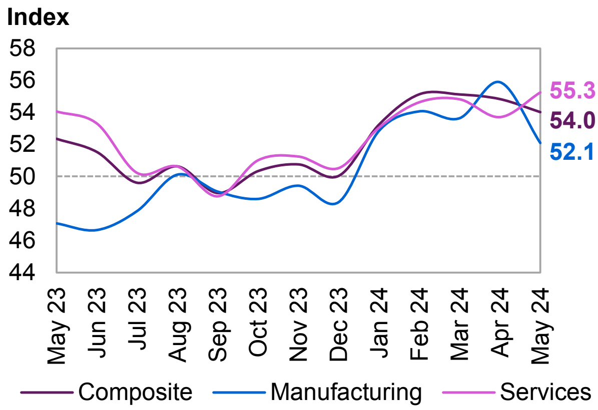
In May, PMI data in services and manufacturing reversed the trend from one month ago, with the services PMI rising and the manufacturing PMI dropping, though both remained in expansionary territory. The manufacturing PMI fell to 52.1 in May from 55.9 in April and 53.6 in March. The services PMI rose to 55.3 in May, up from 53.7 in April and 54.8 in March.

In May, PMI data for both services and manufacturing reversed the trend from the previous month, with the services PMI rising and the manufacturing PMI dropping, though both indicators remained in expansionary territory.

The manufacturing PMI fell to 52.1 in May from 55.9 in April and 53.6 in March.

On the other hand, the services PMI rose to 55.3 in May, up from 53.7 in April and 54.8 in March.

Graph 3 - 16: Brazil's PMIs



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

The relatively robust economic growth experienced in 1Q24, coupled with ongoing expansion in the services sector, has led to an upward adjustment of Brazil's economic growth forecast. With continued increases in real wages and positive prospects for manufacturing and construction, growth has been revised upward to 1.8% from the previous month's forecast of 1.6%.

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

	Brazil
2024	**1.8**
Change from previous month	0.2
2025	**1.9**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Looking ahead to 2025, the growth forecast remains unchanged at 1.9%. The anticipated acceleration in the Brazilian economy will be driven by further monetary policy easing and increased investment, bolstered by the early benefits of the reformed tax system.

Russia and Central Asia

Russia

Update on the latest developments

The latest data from 1Q24 indicates that economic growth momentum in Russia, which began in late 2023, continued into this year. Flash economic growth estimates for 1Q24 show a growth rate of 5.4%, y-o-y, following a 4.9% growth rate in 4Q23, y-o-y. Although sectoral breakdowns for 1Q24 are not yet available, the trend from 4Q23 suggests continued growth in capital formation, which registered an 18.6% increase, y-o-y, in 4Q23.

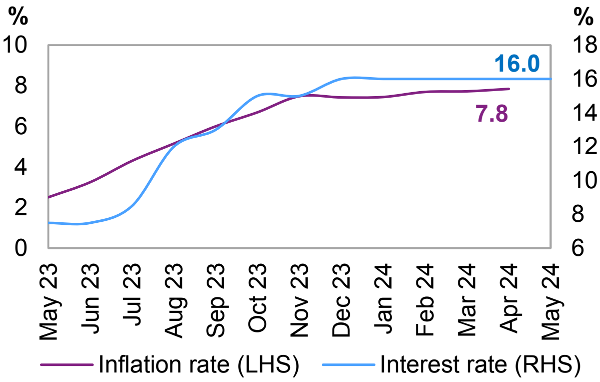
Government spending remains elevated, and households are also contributing to the growth trend through increased spending, driven by rising wages and low unemployment. Household consumption grew by 7.3%, y-o-y, in 4Q23. Retail sales data for 1Q24 indicate even stronger household consumption growth, with increases of 11.9%, y-o-y, in March; 12.6%, y-o-y, in February; and 9.4%, y-o-y, in January. Unemployment continues to decline, with the rate dropping to 2.7% in March from 2.8% in February and 2.9% in January.

IP grew steadily at 3.9%, y-o-y, in April, following 3.8%, y-o-y, in March, though down from 8.5%, y-o-y, in February. Manufacturing, the largest contributor to IP growth, rose by 8.4%, y-o-y, in April, accelerating from 6.1%, y-o-y, in March, but down from 13.5%, y-o-y, in February. This ongoing growth is likely supported by government spending and import substitution. However, manufacturing growth was slightly offset by a 1.9%, y-o-y, contraction in mining and quarrying activity in April, following slight growth of 0.4%, y-o-y, in March and 1.9%, y-o-y, in February.

Inflation continued to rise in April, reaching 7.8%, y-o-y, following 7.7%, y-o-y, in March and February. Core inflation is also rising, reaching 8.3%, y-o-y, in April, up from 7.8% in March and 7.6% in February.

The Central Bank of Russia maintained the official interest rate at 16% in May for the sixth consecutive month, with the last adjustment being a 100 basis point increase in December 2023. Despite the high central bank rate, the government has maintained a subsidized mortgage rate of 8% for a broad segment of the public sector workforce, slightly mitigating the impact of high central bank rates on housing. The primary driver of high inflation remains high import costs due to external pressures, combined with strong consumer spending.

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



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

Near-term expectations

The strong momentum witnessed in the Russian economy in 2024, stemming from 2H23, is evident in the flash economic growth estimate for 1Q24. However, a slight slowdown in IP, driven by a contraction in mining and quarrying activity, somewhat tempers this trend. The 1Q24 data, akin to figures from 4Q23, is partly bolstered by the base effect of negative economic growth in corresponding quarters one year earlier.

Looking ahead to 2Q24 and 2H24, growth numbers may be influenced by quarters with high economic growth, potentially resulting in decelerated growth rates compared with 1Q24 and 4Q23.

Manufacturing is expected to remain robust and continue its growth trajectory throughout 2024, buoyed by the expansion of Russia's industrial base, fueled by reindustrialization and import-substitution programmes. Concurrently, a rise in manufacturing output from non-Western countries, notably China, could offer Russia access to essential low-cost imports, potentially mitigating inflationary pressures during this transitional phase.

High levels of consumer spending are expected to persist, with the unemployment rate remaining low and continuing to decline. The resulting inflationary pressure continues to be a concern for the Russian economy.

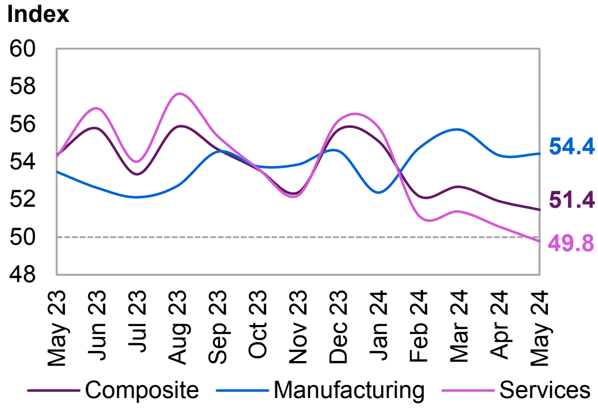
The official interest rate policy, currently at 16%, was thought to have the potential to restrain the rise of inflation, but has not yet proven successful. This is because the inflationary environment in Russia is complex, primarily driven by structural dependencies on imports, particularly in consumer goods, rather than solely monetary factors. The volatility of the rouble further exacerbates the issue, contributing to challenges in managing inflation effectively. Furthermore, the government's policy of providing selected groups of the population with an 8% subsidized mortgage rate somewhat mitigates the dampening effect of the high policy rate on demand. Therefore, striking a balance between providing affordable housing and managing inflation through the preservation of central bank policy effectiveness remains a dynamic challenge. Nonetheless, addressing the high cost of imports through a combination of boosting domestic production and increasing imports from non-Western countries, particularly China, could prove effective in curbing inflation.

In May, the services PMI indices experienced a slight decline, dropping into contractionary territory, while the manufacturing PMI expanded further into expansionary territory.

The S&P Global manufacturing PMI increased to 54.4 in May, up from 54.3 in April but down from 55.7 in March.

Conversely, the services PMI decreased to 49.8 in May from 50.5 in April and 51.4 in March.

Graph 3 - 18: Russia's PMI



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

With strong 1Q24 flash economic growth estimates and continued momentum in manufacturing and consumption, the growth forecast for Russia has been revised upward to 2.9% for 2024.

For 2025, the expected slowdown in consumption momentum keeps the forecast unchanged at 1.4%.

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

	Russia
2024	**2.9**
Change from previous month	0.6
2025	**1.4**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Africa

South Africa

Update on the latest developments

South Africa's economic growth decelerated in 1Q24 to 0.5%, y-o-y, from the 4Q23 rate of 1.4%. In 3Q23, the country's economy contracted by 0.9%, y-o-y. Private consumption expenditure contracted by 0.4%, y-o-y, in 1Q24, down from a growth rate of 0.6% in 4Q23. While the consumption of goods contracted, services continued to grow slightly in 1Q24 at 0.5%, y-o-y, down from 1.85% in 4Q23. Government spending continued to grow but declined to 1.4% in 1Q24, down from 3.2% in 4Q23. Gross fixed capital formation contracted by 2.8% in 1Q24, with construction work contracting 7.8% in the same period, y-o-y.

Unemployment remains high, with the 1Q24 official rate at 32.8%, slightly up from the 4Q23 rate of 32.1%. Inflation declined in April to 5.1%, y-o-y, from the March level of 5.3%, and the February level of 5.6%. Food inflation also declined to 4.7%, y-o-y, in April, down from 5.0% in March and 6.1% in February. Despite this decrease, inflation remained above the South African Reserve Bank's (SARB) target of 4.5%, but below the upper limit of 6%. The SARB held the key repo rate at 8.25% in May for the 12th consecutive month.

Persistent power shortages continue to challenge the economy, as Eskom, the state-owned electric utility, struggles with frequent outages that disrupt large urban centres and daily life. Meanwhile, Transnet, the state-operated freight rail and port authority, faces ongoing operational difficulties that impede the smooth transportation of goods. In response to these issues, the government extended financial assistance to Transnet in late 2023 to help the company meet its debt obligations. These ongoing difficulties were a prominent issue in elections in late May.

Near-term expectations

In the South African elections held in late May, the ruling African National Congress (ANC) party lost the majority for the first time since 1994 but held on to 40% of National Assembly seats. A coalition government will inherently contribute additional uncertainty for the economy. However, on major economic issues, the ANC and Democratic Alliance (DA), which won 21% of the seats in the National Assembly, are relatively aligned.

With unemployment persistently high, exceeding 30%, consumer spending is expected to remain low or possibly negative, as seen in 1Q24 data. Positive signals are emerging on power grid issues, with load-shedding suspended since February due to improvements in power plants. However, Eskom warned that the issues are not fully resolved. By 2025, major issues related to the power grid and logistics are expected to be addressed in a more permanent manner. The Absa seasonally adjusted Purchasing Managers' Index (PMI) notably dropped into contractionary territory in May to 43.8 from 54.0 in April and 49.2 in March.

With high levels of uncertainty regarding the direction of government policy and high levels of unemployment persisting, the forecast for South Africa for 2024 remains at 0.9%, unchanged from the previous month’s report.

Improvements in the power grid and business activity and potentially an improved labour market are expected to accelerate growth to 1.4% in 2025, unchanged from the previous month’s forecast.

Table 3 - 10: South Africa’s economic growth rate and revision, 2024–2025*, %

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

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

OPEC Member Countries

Saudi Arabia

According to the General Authority for Statistics (GSA) flash GDP estimate for 1Q24, the Saudi economy showed signs of improvement, experiencing a smaller contraction of 1.8% y-o-y, compared with a 4.3% contraction in 4Q23. Overall growth in the non-oil sector was resilient, increasing to 3.6% in 1Q24 from 3.5% in 4Q23. Public sector expenditure has been growing as government spending rose to 6.3% in 1Q24 from 4.5% in 4Q23. Additionally, public gross capital formation surged to 15% in 1Q24 from 6.5% in 4Q23. The public sector non-oil and gas segment also saw a notable increase, with growth reaching 4.8% in 1Q24, up from 3.7% in 4Q23. Consumer demand remains positive but slowed in 1Q24. Private consumption expenditure growth fell to 2.1% in 1Q24 from 4.9% in 4Q23. Despite this, the private non-oil and gas sector improved, with growth increasing from 3.7% in 4Q23 to 4.8% in 1Q24. Manufacturing growth also showed positive signs, with non-oil manufacturing achieving 0.7% growth in 1Q24, recovering from a contraction of 4.4% in 4Q23.

PMI figures reflect continued expansion in the non-oil economy, albeit with some deceleration. The index came in at 56.4 in May, down from 57.0 in April and 57.1 in March. Inflation trends showed a modest decrease, with April's inflation rate at 1.6% y-o-y, down from 1.7% in March and 1.8% in February. The tourism sector is expected to maintain its upward trajectory into 2024 and 2025. In 2023, spending by foreign visitors in Saudi Arabia hit a record high, representing a 42.8% increase from 2022.

Nigeria

Nigeria's economy grew by 3.0% in 1Q24, y-o-y, decelerating from a 4Q23 growth rate of 3.5%. The Stanbic IBTC PMI increased in May to 52.1 from 51.1 in April and 51.0 in March, marking six consecutive months in expansionary territory. However, inflation remains high at 33.7% in April y-o-y, up from 33.2% in March and 31.7% in February. Food inflation rose to 40.3% in April y-o-y from 39.8% in March and 37.7% in February. The Central Bank of Nigeria (CBN) increased the key policy rate by 150 basis points in May to 26.25%, following a hike of 400 basis points in February and an additional hike of 200 basis points in March. The CBN indicated that interest rates will remain high as long as necessary to reduce inflation. The naira is showing signs of stabilization with policy interventions after fluctuations against the dollar in 1H24.

Despite inflationary pressure, the services sector, the largest contributor to GDP growth, continued to expand, with growth of 4.3% in 1Q24, up from 4.0% in 4Q23. Transportation services and information and communication services both grew at over 5% in 1Q24. The industrial sector also expanded, but at a slower rate, registering 2.2% growth in 1Q24, down from 3.9% in 4Q23. The launch of the Dangote Oil Refinery is expected to further improve the trade balance and economic outlook. While inflation remains a concern, consistent and targeted monetary policy is expected to stabilize prices and the wider economy.

The United Arab Emirates (UAE)

The latest data shows that the UAE continued to demonstrate growth in its non-oil sectors, registering a 6.7% expansion, y-o-y, in 4Q23, up from 5.8% in 3Q23. Construction growth accelerated to 8.4% in 4Q23 from 8.0% in 3Q23, while overall growth reached 6.4% from 2.6% during the same period. Key services segments also experienced growth. Financial and insurance activities grew by 17.6%, y-o-y, in 4Q23, up from 11.8% in 3Q23. Transportation and storage services grew at 10.3%, y-o-y, in 4Q23, though this was a deceleration from the 14% seen in 3Q23. Accommodation and food services activities growth slowed to 3.9%, y-o-y, in 4Q23, down from 7.4% in 3Q23. Data from the Dubai Department of Economy and Tourism shows that 2023 was a record year for tourism in the Emirate, with the number of international visitors up 19.4% from 2022, surpassing 2019 levels. Early indicators for 2024 point to another strong year in the tourism sector in Dubai, with the number of visitors in 1Q24 up by 11%, y-o-y.

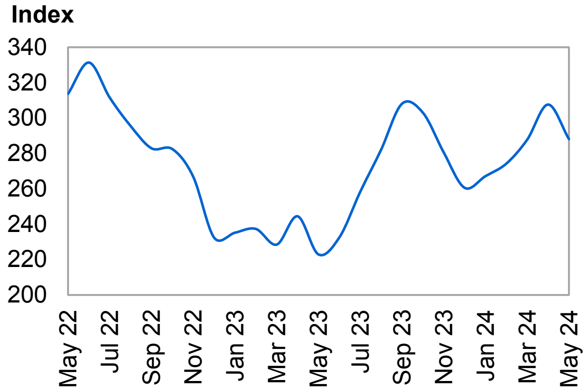
Inflation in Dubai increased to 3.9% in April, y-o-y, up from 3.3% in March and 3.4% in February. This increase was primarily driven by transportation services, which saw a rise in prices of 3.3%, y-o-y, in April, likely impacted by heavy rains that month. Transportation prices had been in decline in 1Q24. The Central Bank of the UAE kept its key policy rate steady at 5.4%, unchanged since July 2023. The seasonally adjusted S&P Global's PMI for the UAE remained at 55.3 in May, the same level as in April, down from 56.9 in March, but still within expansionary territory, indicating continued growth. This ongoing growth, particularly in the manufacturing sector, was supported by a 51% increase in the issuance of new industrial licenses in 2023.

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

The US dollar (USD) index receded slightly in May, falling by 0.5% m-o-m. A decline in US treasury yield benchmarks and softer US macroeconomic indicators weighed on the USD. However, a dovish stance from other major central banks shifted yield spreads in favour of the USD, which partially offset losses. The index was up by 2.1% y-o-y.

On developed market (DM) currencies, the USD fell against the euro and pound in May by 0.8%, m-o-m, respectively. At the same time, it rose against the yen for a fifth consecutive month, by 1.7%, m-o-m. Compared with the same period last year, the USD was up against the euro and the yen by 0.6% and 13.8%, y-o-y, respectively. However, it was down against the pound by 1.1%, y-o-y, over the same period.

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



Sources: IMF and OPEC.

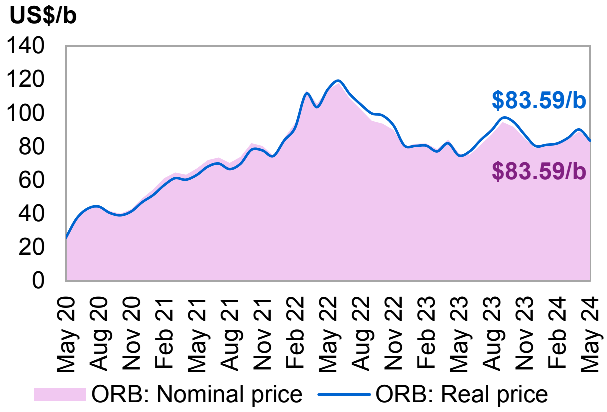
In terms of emerging market (EM) currencies, the USD remained essentially flat, m-o-m, against the rupee and real in May. Meanwhile, it declined marginally against the yuan by 0.1%, m-o-m, over the same period. Compared with the same time last year, the USD was up against all EM currencies, by 1.3%, 3.4%, and 3.0%, y-o-y, against the rupee, yuan and real, respectively.

The differential between nominal and real ORB prices fell to parity in May. Inflation (nominal price minus real price) went from a discount of $1.07/b in April to $0.00/b in May, a 100% increase m-o-m.

In nominal terms, accounting for inflation, the ORB price went from $9.12/b in April to $83.59/b in May, a 6.2% decrease m-o-m. The ORB was up by 10.2% y-o-y in nominal terms.

In real terms (excluding inflation), the ORB went from $90.19/b in April to $83.59/b in May, a 7.3% decrease m-o-m. The ORB was up by 11.9% y-o-y in real terms.

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



Source: OPEC.

World Oil Demand

The global oil demand growth forecast for 2024 remains broadly unchanged from last month's estimates at 2.2 mb/d. However, there are some minor adjustments to the 1Q24 and 2Q24 data. Slight downward adjustments were made to OECD Europe, OECD Asia Pacific and Latin America due to lower-than-expected oil demand in 1Q24. Minor downward adjustments were also made to Africa in 2Q24 to account for the anticipated slow momentum in oil requirements in the region. These downward revisions were completely offset by upward revisions to a number of non-OECD countries due to better-than-expected oil demand reported for 1Q24 and improvements expected in 2Q24.

Accordingly, the OECD is projected to expand by more than 0.2 mb/d in 2024, with OECD Americas leading oil demand growth, along with an uptick from OECD Europe. In the non-OECD, oil demand is forecast to expand by nearly 2.0 mb/d, y-o-y, driven by China and supported by Other Asia, the Middle East, India, and Latin America.

Total world oil demand is anticipated to reach 104.5 mb/d in 2024, bolstered by strong demand for air travel and healthy road mobility, including trucking. Support is also expected from industrial, construction and agricultural activities in non-OECD countries. Similarly, petrochemical capacity additions in non-OECD countries, mostly in China and the Middle East, are expected to contribute to oil demand growth. However, this forecast is subject to some uncertainty, which includes global economic developments for the rest of the year.

In 2025, global oil demand is forecast to continue to show robust growth of 1.8 mb/d, y-o-y, unchanged from the previous month's assessment. The OECD is expected to grow by 0.1 mb/d, y-o-y, while demand in the non-OECD is forecast to expand by 1.7 mb/d.

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

							Change 2024/23	
World oil demand	**2023**	**1Q24**	**2Q24**	**3Q24**	**4Q24**	**2024**	**Growth**	**%**
Americas	25.03	24.57	25.38	25.58	25.44	25.25	0.22	0.88
of which US	*20.36*	*19.98*	*20.67*	*20.67*	*20.85*	*20.54*	*0.18*	*0.90*
Europe	13.40	13.07	13.56	13.69	13.35	13.42	0.02	0.13
Asia Pacific	7.32	7.76	6.97	7.09	7.48	7.32	0.00	0.02
Total OECD	**45.75**	**45.41**	**45.92**	**46.36**	**46.27**	**45.99**	**0.24**	**0.52**
China	16.26	16.52	16.83	17.23	17.33	16.98	0.72	4.44
India	5.34	5.66	5.66	5.40	5.59	5.58	0.23	4.36
Other Asia	9.28	9.73	9.77	9.49	9.51	9.62	0.35	3.74
Latin America	6.69	6.75	6.88	6.97	6.88	6.87	0.18	2.69
Middle East	8.63	8.76	8.56	9.23	9.00	8.89	0.26	2.96
Africa	4.46	4.64	4.35	4.39	4.82	4.55	0.09	2.08
Russia	3.84	3.92	3.80	3.99	4.08	3.95	0.11	2.80
Other Eurasia	1.17	1.30	1.24	1.08	1.28	1.23	0.05	4.51
Other Europe	0.78	0.82	0.78	0.77	0.84	0.80	0.02	2.07
Total Non-OECD	**56.46**	**58.10**	**57.88**	**58.54**	**59.34**	**58.47**	**2.01**	**3.55**
Total World	**102.21**	**103.51**	**103.80**	**104.90**	**105.60**	**104.46**	**2.25**	**2.20**
Previous Estimate	102.21	103.56	103.75	104.90	105.61	104.46	2.25	2.20
Revision	0.00	-0.05	0.05	0.00	-0.01	0.00	0.00	0.00

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

Source: OPEC.

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

World oil demand	2024	1Q25	2Q25	3Q25	4Q25	2025	Change 2025/24 Growth	%
Americas	25.25	24.64	25.43	25.70	25.52	25.33	0.08	0.31
of which US	*20.54*	*20.02*	*20.70*	*20.73*	*20.89*	*20.59*	*0.04*	*0.21*
Europe	13.42	13.09	13.57	13.71	13.36	13.44	0.02	0.12
Asia Pacific	7.32	7.77	6.98	7.10	7.49	7.33	0.01	0.14
Total OECD	**45.99**	**45.50**	**45.99**	**46.51**	**46.37**	**46.10**	**0.11**	**0.23**
China	16.98	16.95	17.21	17.67	17.72	17.39	0.41	2.42
India	5.58	5.88	5.90	5.61	5.82	5.80	0.23	4.09
Other Asia	9.62	10.02	10.10	9.82	9.81	9.93	0.31	3.23
Latin America	6.87	6.95	7.07	7.19	7.07	7.07	0.20	2.91
Middle East	8.89	9.14	8.90	9.69	9.35	9.27	0.38	4.30
Africa	4.55	4.76	4.45	4.52	4.93	4.66	0.11	2.48
Russia	3.95	3.98	3.85	4.05	4.12	4.00	0.05	1.36
Other Eurasia	1.23	1.34	1.27	1.12	1.31	1.26	0.03	2.57
Other Europe	0.80	0.83	0.79	0.78	0.85	0.81	0.01	1.40
Total Non-OECD	**58.47**	**59.84**	**59.55**	**60.45**	**60.99**	**60.21**	**1.74**	**2.98**
Total World	**104.46**	**105.33**	**105.53**	**106.96**	**107.36**	**106.31**	**1.85**	**1.77**
Previous Estimate	104.46	105.38	105.48	106.96	107.37	106.31	1.85	1.77
Revision	0.00	-0.05	0.05	0.00	-0.01	0.00	0.00	0.00

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

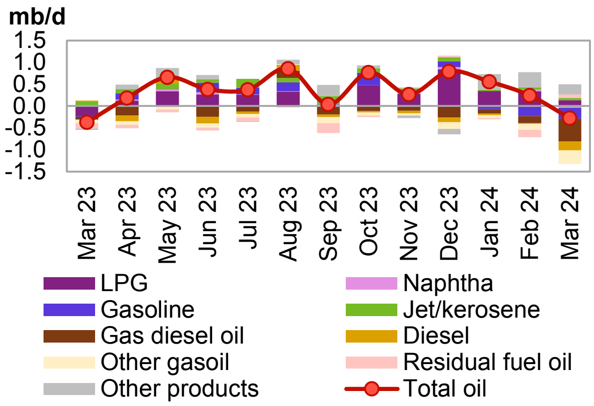
OECD

OECD Americas

Update on the latest developments

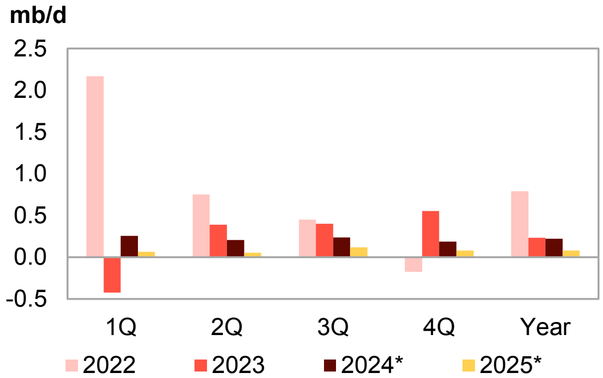
Oil demand in OECD Americas in March contracted by 274 tb/d, y-o-y, down from growth of 244 tb/d, y-o-y, in the previous month. Most of the decline was recorded in the US and can largely be attributed to weak diesel and gasoline requirements.

Graph 4 - 1: OECD Americas' oil demand by main petroleum product category, y-o-y change



Sources: IEA, JODI, OPEC and national sources.

Graph 4 - 2: OECD Americas' oil demand, y-o-y change



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

US

Oil demand in the US declined by 206 tb/d, y-o-y, in March, down from growth of 190 tb/d, y-o-y, the previous month. The largest contraction was recorded in diesel, which decreased by 429 tb/d, y-o-y, from a decline of 99 tb/d, y-o-y the previous month. This outpaced the growth recorded in LPG and residual fuels. Diesel demand was subdued by reduced requirements for heating oil in the northern parts of the US due to a milder winter. In addition, lacklustre trucking activity during the month weighed on demand for diesel.

According to a report from the American Trucking Association (ATA), the Truck Tonnage Index declined by 2% y-o-y in March after increasing by 4% y-o-y in February. Furthermore, industrial output in the US showed stagnant growth in March, as reported by the Federal Reserve Board.

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

US oil demand			Change	Mar 24/Mar 23
By product	Mar 23	Mar 24	Growth	%
LPG	3.31	3.60	0.29	8.7
Naphtha	0.14	0.15	0.00	1.4
Gasoline	9.01	8.89	-0.12	-1.3
Jet/kerosene	1.61	1.66	0.05	3.1
Diesel	4.10	3.67	-0.43	-10.5
Fuel oil	0.25	0.31	0.07	26.6
Other products	1.95	1.89	-0.06	-3.2
Total	**20.37**	**20.17**	**-0.21**	**-1.0**

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

Sources: EIA and OPEC.

According to a report from the US Department of Transportation, seasonally-adjusted vehicle miles travelled in March increased by 1.6%, y-o-y. Despite this, gasoline demand declined by 120 tb/d, y-o-y, down further from a 114 tb/d, y-o-y decline in February. The observed disconnect between vehicle miles travelled and gasoline demand may also be due in part to changes in technology and vehicle efficiency. Demand growth in the ‘other products’ category softened by 63 tb/d, y-o-y, down from a y-o-y contraction of 52 tb/d in February.

On the positive side, the ongoing surge in petrochemical feedstock demand supported LPG demand, which rose by 288 tb/d, y-o-y, and naphtha demand, which remained broadly unchanged, y-o-y. On the back of healthy air travel activity, jet/kerosene increased by 50 tb/d, y-o-y, up from 34 tb/d, y-o-y, in the previous month. According to a report from the International Air Travel Association (IATA), US domestic passenger traffic increased by 2.6% y-o-y in March, and the International Revenue Passenger-Kilometres (RPK) increased by 14.5%, y-o-y. At the same time, demand for residual fuels increased by 66 tb/d, y-o-y, which was an improvement from the annual decline of 101 tb/d, y-o-y, seen in the previous month.

Near-term expectations

The current sound economic dynamic, including strong private household consumption, is expected to continue into 2H24. Furthermore, the summer driving season is now underway, and the number of travellers that flew during this year’s Memorial Day weekend was reported to have been the highest in nearly 20 years. Moreover, the number of US travellers expected to drive more than 50 miles from home between Memorial Day and Labor Day weekends is around 76% of US citizens, which is 18% higher than in 2023, according to the American Automobile Association. These factors are expected to bolster transportation fuel demand, including gasoline and jet/kerosene. Furthermore, ongoing firm petrochemical feedstock requirements for ethylene are also expected to boost LPG demand.

However, ongoing lacklustre manufacturing activity amid high interest rates is anticipated to weigh on demand for diesel. Thus, US oil demand is forecast to increase by an average of about 180 tb/d, y-o-y, in 2H24, mostly supported by demand for jet/kerosene, gasoline and LPG.

Overall, US oil demand in 2024 is forecast to increase by 182 tb/d, y-o-y, to average 20.54 mb/d, mostly supported by transportation fuels and light distillates.

In 2025, US transportation activity is forecast to remain solid, supporting transportation fuel demand and driving overall oil demand growth in the country. Additionally, healthy demand for LPG from petrochemical requirements is forecast to continue. However, demand for diesel and naphtha is expected to remain subdued as manufacturing activity has not yet shown a rebound. In 2025, US oil demand is projected to increase by 42 tb/d, y-o-y, to average 20.59 mb/d.

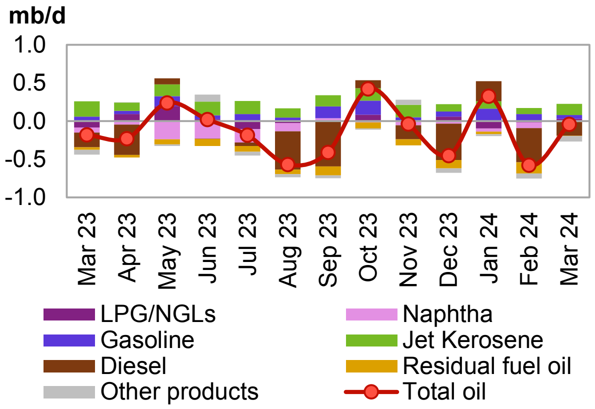
OECD Europe

Update on the latest developments

Oil demand in OECD Europe in March declined by 41 tb/d, y-o-y, but was up from a contraction of 577 tb/d, y-o-y, seen in the previous month. The largest decline was from diesel, which was subdued by weak manufacturing activity.

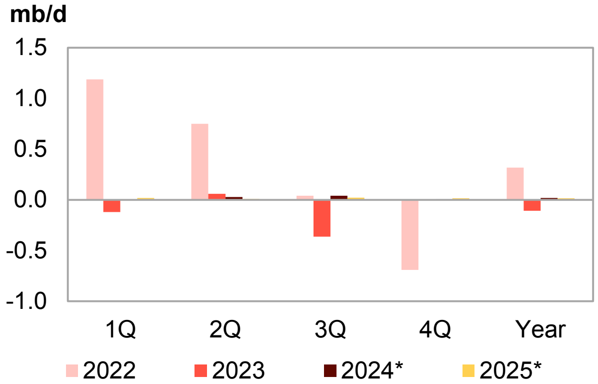
In terms of products, diesel demand declined by 177 tb/d, y-o-y, however, an improvement from the 447 tb/d, y-o-y, decline of the previous month. The continued decline in European diesel demand reflects the ongoing decline in diesel-intensive industrial activity, such as with petrochemicals and steel. Furthermore, the ‘other products’ category declined by 71 tb/d, and residual fuels saw a marginal decline of 7 tb/d, y-o-y, up from the y-o-y contraction of 146 tb/d seen in the previous month. In terms of petrochemical products, ongoing weak regional petrochemical steam cracker unit demand subdued naphtha requirements, which dropped by 12 tb/d, y-o-y, from a decline of 75 tb/d, y-o-y, seen in January.

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



Sources: IEA, JODI, OPEC and national sources.

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



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

On the positive side, Europe’s air traffic recovery rebounded further in March, with jet/kerosene demand surging by 143 tb/d, y-o-y, up from growth of 80 tb/d, y-o-y, in February. A report from IATA’s Air Passenger Market Analysis states that Europe’s international revenue passenger kilometres (RPKs) grew in March by 11.6%, y-o-y, and 12.2% y-t-d. Additionally, European air travel surpassed pre-pandemic levels in terms of RPKs in March. At the same time, gasoline increased by 52 tb/d, y-o-y, on the back of healthy driving mobility in the region. Demand for LPG increased moderately, by 31 tb/d, y-o-y, up from an annual decline of 15 tb/d in February.

Near-term expectations

Better-than-expected economic growth in 1Q24 in the Eurozone suggests that economic expansion could accelerate this year, albeit at a gradual and slow pace. In addition, some additional upside potential for economic growth could come from tourism, and more generally, the services sector, toward the summer season, as well as from a gradual improvement in industrial production, particularly in Germany.

Transportation and air travel activity in the region is expected to continue increasing this summer, with light products gaining ground as the summer travel season approaches. Moreover, Europe will host two major sporting events – the Olympic Games in France and the UEFA European Football Championship in Germany – which are both expected to boost travel and tourism demand in the region. These events are likely to contribute positively to transportation fuel consumption, to drive regional oil demand. Furthermore, demand for diesel could pick up in the near term with seasonal consumption from agricultural and construction companies. Oil demand growth in the region is expected to average 23 tb/d, y-o-y, in 2H24. Petrochemical activity is also expected to show some improvement and support naphtha demand, albeit at low levels. LPG and residual fuels are expected to record a slight uptick. Overall, the region is set to see marginal growth of 18 tb/d, y-o-y, in 2024 for an average of 13.42 mb/d, mostly supported by transportation fuels.

Potential improvements towards the end of 2024 are expected to carry over into 2025, with anticipated positive GDP growth in the region. OECD Europe oil demand growth is forecast at 17 tb/d, y-o-y, driven by air travel and driving activity. An increase in vehicle fuel efficiency and penetration of electric vehicles amid ongoing environmental regulations may have an impact on gasoline and diesel demand. Similarly, the European petrochemical feedstock market is poised for major changes in fundamentals, mostly due to environmental regulations and high production costs, which could weigh on demand going forward. Overall, the region is projected to consume an average of 13.44 mb/d in 2025.

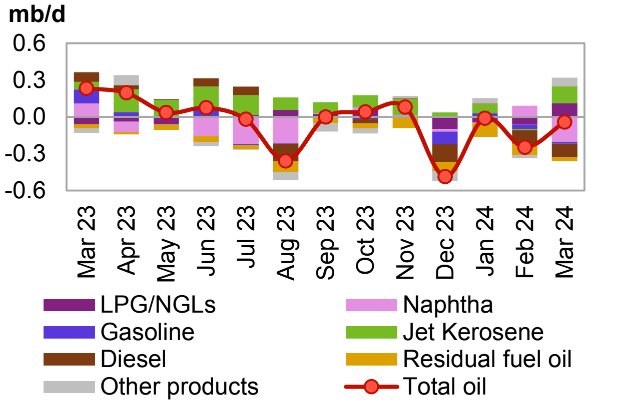
OECD Asia Pacific

Update on the latest developments

Oil demand in OECD Asia Pacific in March contracted by 42 tb/d, y-o-y, but was up from a contraction of 246 tb/d, y-o-y, seen in February. The decline reflects weak petrochemical and industrial sector requirements for naphtha and diesel from Japan and South Korea.

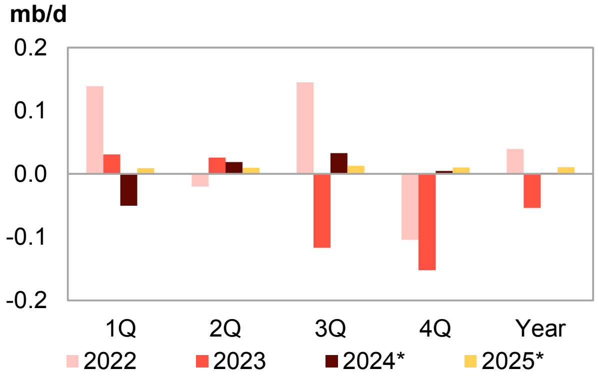
In terms of products, naphtha recorded the region's largest decline of 202 tb/d, y-o-y, down from a growth of 91 tb/d, y-o-y, the previous month. Diesel contracted by 113 tb/d, y-o-y, slightly below the decline of 110 tb/d, y-o-y, in the previous month. Diesel was affected by prolonged weak manufacturing activity in Japan and South Korea, which is currently witnessing some gradual improvements. In Japan, industrial production (IP) in March declined by 3.0%, y-o-y, but was up from a contraction of 6.7%, y-o-y in February. In South Korea, seasonally adjusted IP increased by 6.1%, y-o-y, in April, from 2.7%, y-o-y, in March. Residual fuel and gasoline declined, y-o-y, by 30 tb/d and 16 tb/d, respectively, a significant improvement compared to the previous month.

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



Sources: IEA, JODI, METI and OPEC.

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



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

On the positive side, jet/kerosene surged by 139 tb/d, y-o-y, up from the annual decline of 10 tb/d seen in the previous month. Demand in the region was supported by an ongoing rebound in air travel across the region. A report from IATA's Air Passenger Market Analysis states that air travel in the Asia Pacific region continues to rise at a rapid pace, with international revenue passenger kilometres (RPKs) surging by 38.5%, y-o-y, in March. Demand for LPG expanded by 111 tb/d, y-o-y, up from a 63 tb/d, y-o-y, decline in February. The increase was largely supported by requirements from South Korea and Australia. The 'other products' category increased by 69 tb/d, y-o-y, up from a 27 tb/d, y-o-y, decline in the previous month.

Near-term expectations

Following a slight rebound in Japan's economic activity in 1Q24, consumer confidence remained sound amid rising tourism activity. Increasing visitor numbers and higher per capita spending driven by the yen's weakness are providing support to Japan's economy. Moreover, the services sector PMI, constituting around two-thirds of the Japanese economy, indicated ongoing sound developments in the services sector. Similarly, South Korea's manufacturing PMI showed a gradual improvement from previously sluggish numbers. A steady recovery in air traffic, along with improvements in driving activity and petrochemical industry operations, is anticipated to support the region's oil demand growth, which is projected to increase in 2H24 by an average of nearly 20 tb/d, y-o-y. Overall, oil demand in OECD Asia Pacific is expected to remain broadly unchanged, y-o-y, in 2024, with the region forecast to consume an average of 7.32 mb/d.

Positive economic momentum, particularly in 2H24, is forecast to carry over into 2025. In addition, transportation and petrochemical sector requirements are expected to continue supporting OECD Asia Pacific oil demand, which is forecast to grow marginally, by 11 tb/d, y-o-y, for an average of 7.33 mb/d.

Non-OECD

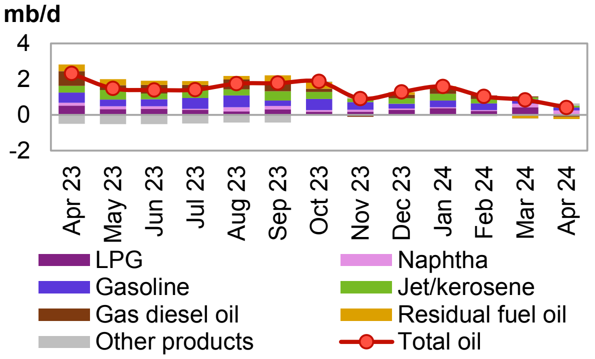
China

Update on the latest developments

China's oil demand in April expanded by 418 tb/d, y-o-y, down from 834 tb/d, y-o-y, growth seen the previous month. The relative m-o-m decline in April compared to the previous month was due to a strong baseline comparison amid an easing of travel activities after the Lunar Year boost in transportation activity. Demand was driven by strong petrochemical feedstock requirements amid healthy transportation sector demand.

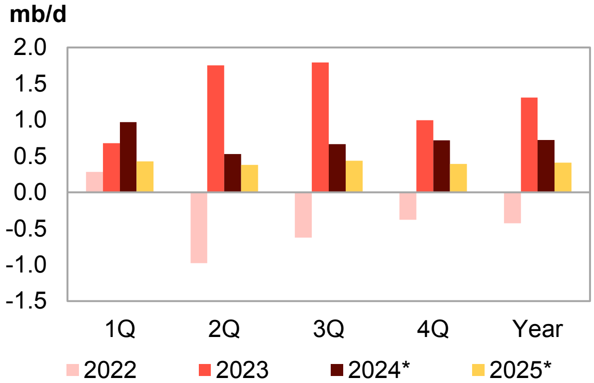
The surging petrochemical feedstock requirements resulted in naphtha expanding by 200 tb/d, y-o-y, up from healthy growth of 182 tb/d, y-o-y, seen in March. LPG saw an uptick of 46 tb/d, down from growth of 439 tb/d, y-o-y, seen in the previous month. Growth in LPG was also affected by a strong baseline. Gasoline expanded by 165 tb/d, y-o-y, down from growth of 256 tb/d, y-o-y, in March. The relative decline in gasoline growth was due to a slight m-o-m slowdown in driving mobility. Data from China's National Bureau of Statistics/Haver Analytics indicates that passenger traffic (per 100 million persons-kilometres) rose by 17%, y-o-y, in April. This compares to a jump of 20.8%, y-o-y, in March. In addition, gasoline growth was subdued by intense flooding in China's Guangdong province, which led to a reduction in road traffic in that region. Jet/kerosene posted growth of 106 tb/d, y-o-y, slightly down from growth of 117 tb/d, y-o-y the previous month, on the back of ongoing air travel recovery. Healthy jet/kerosene demand in April was consistent with a report from China's Civil Aviation Administration, which shows that domestic and international air travel turnover increased by 4.8% and 75.1%, y-o-y, in April, respectively. The 'other products' category, which includes bitumen, surged by 125 tb/d, y-o-y, from a slight decline of 9 tb/d, y-o-y, in March.

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



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

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



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

Residual fuels declined by 124 tb/d, y-o-y, up from a drop of 194 tb/d y-o-y the previous month. Diesel declined by 101 tb/d, y-o-y, down from a growth of 43 tb/d, y-o-y, the previous month. Diesel was partly affected by a strong baseline comparison and intense flooding in China's Guangdong province in April, which impacted economic activity in the province.

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

China's oil demand			Change Apr 24/Apr 23	
By product	Apr 23	Apr 24	Growth	%
LPG	2.45	2.50	0.05	1.9
Naphtha	1.53	1.73	0.20	13.1
Gasoline	3.90	4.07	0.17	4.2
Jet/kerosene	0.93	1.03	0.11	11.4
Diesel	3.67	3.57	-0.10	-2.7
Fuel oil	0.99	0.87	-0.12	-12.5
Other products	2.66	2.78	0.13	4.7
Total	**16.13**	**16.55**	**0.42**	**2.6**

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

Near-term expectations

Looking ahead, on the back of robust economic activity, the travel sector is expected to continue to support oil demand in China in 2H24. Jet/kerosene and gasoline are expected to lead oil demand growth amid ongoing air travel recovery and healthy road mobility. Moreover, the new upcoming capacity additions are expected to support more demand for petrochemical feedstocks later this year. In 2H24, China's oil product demand is expected to expand by almost 0.7 mb/d, y-o-y.

The industrial sector and, in particular, manufacturing activity are expected to gain support from the government's policy to support manufacturing and high-tech industries. The just-concluded Chinese People's Political Consultative Conference and National People's Congress meetings reiterated their drive for support of economic recovery through boosting consumption by relaxing foreign investment restrictions and enhancing the development of strategic emerging industries.

China's manufacturing and services indices have been above expansionary territory for more than six months, suggesting a sign of strength for oil demand in the near term. Moreover, robust global demand for finished goods for export is expected at the end of the year, feeding into demand for petrochemical products. Overall, oil demand is forecast to grow by more than 0.7 mb/d, y-o-y, to average 16.98 mb/d. However, ongoing headwinds in the real estate sector are anticipated to continue to weigh on diesel demand.

In 2025, steady economic growth and healthy travel activity are expected to continue to support oil demand, with China remaining the global leader in oil demand growth, increasing by 0.4 mb/d, y-o-y, to average 17.4 mb/d. China is also projected to lead global petrochemical feedstock demand growth, with jet fuel demand set to rise due to an ongoing increase in air transportation requirements.

India

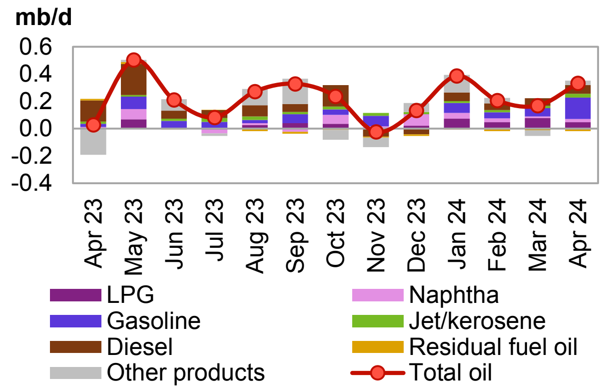
Update on the latest developments

In April, India's oil demand surged by 333 tb/d, y-o-y, up from y-o-y growth of 169 tb/d in the previous month. The annual demand increase was largely supported by gasoline and diesel.

The largest oil demand increase in April was recorded for gasoline, which grew by 156 tb/d, y-o-y, up from an increase of 59 tb/d, y-o-y, seen in March. Gasoline demand was supported by healthy mobility during the general election campaigns. A report from the Ministry of Road Transport & Highways/Haver Analytics shows that gasoline motor vehicle registrations increased by 29.17% y-o-y in April. This is consistent with a report from the Federation of Automobile Dealers Associations (FADA) Society of India, which indicated that April vehicle sales in India rose by 27%, y-o-y, and 3.7%, m-o-m.

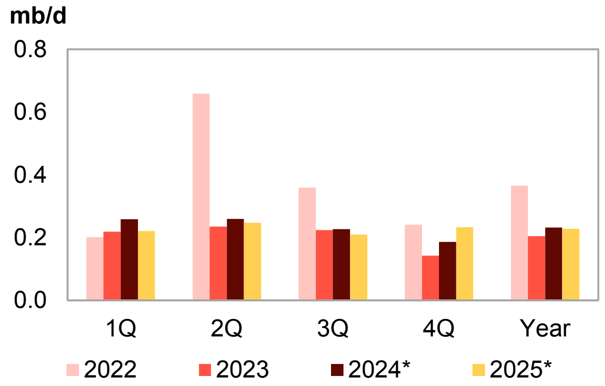
With India's manufacturing industry seeing solid growth in April, diesel requirements saw an uptick of 64 tb/d, y-o-y, up from a growth of 56 tb/d, y-o-y, seen in the previous month. Diesel was supported by agricultural sector requirements amid an increase in industrial and mining activities in various parts of India.

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



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

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



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

In terms of petrochemical feedstocks, LPG grew by 46 tb/d, y-o-y, from an increase of 77 tb/d, seen in March. LPG consumption during the year has been largely driven by household demand, which makes up 88.4% of total LPG requirements. Naphtha saw an uptick of 25 tb/d, y-o-y, up from growth of 12 tb/d, y-o-y. Jet/kerosene increased by 27 tb/d, y-o-y, up from an increase of 18 tb/d, y-o-y, in the previous month. According to a report from the Indian Directorate General of Civil Aviation, Indian domestic airlines recorded a 2.4% y-o-y increase in April 2024. The 'other products' category, which includes bitumen, increased by 34 tb/d, y-o-y, up from an annual decline of 44 tb/d in the previous month. During April, total bitumen consumption registered at 9.9% y-o-y growth. Major factors contributing to bitumen consumption during the month included road construction activity, which was in full swing during the month as 98% of cumulative bitumen sales were attributed to road construction.

Residual fuels declined by 20 tb/d, y-o-y, down from an 11 tb/d, y-o-y decline in the previous month. Residual fuel requirements were subdued by the consumption shift to natural gas due to the increased and wider availability of gas coupled with the banning of fuel oil used in industries across various parts of the country.

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

India's oil demand			*Change Apr 24/Apr 23*	
By product	Apr 23	Apr 24	Growth	%
LPG	0.84	0.88	0.05	5.5
Naphtha	0.33	0.36	0.03	7.7
Gasoline	0.82	0.97	0.16	19.2
Jet/kerosene	0.18	0.21	0.03	15.0
Diesel	1.96	2.02	0.06	3.3
Fuel oil	0.13	0.11	-0.02	-15.2
Other products	0.93	0.97	0.03	3.6
Total	**5.18**	**5.51**	**0.33**	**6.4**

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

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

Near-term expectations

In the near term, the current strong economic growth amid a positive outlook for manufacturing activity and investments is expected to bolster oil demand in 2H24 to grow by 0.2 mb/d, y-o-y, on average. Moreover, the government is focused on the manufacturing sector to further support the economy amid an expected surge in construction. Oil demand is also likely to receive a boost from a cut to retail gasoline and diesel prices by around 2 rupees/litre ($3.80/b) from 15 March to boost consumer spending and reduce vehicle operating costs. Furthermore, India is expected to see a 'normal' monsoon this year, as per private weather forecaster Skymet, which will help support a good agricultural harvest.

Overall, these factors are expected to bolster India's oil demand. Additionally, the country's annual traditional festivities are set to support transportation activity and boost gasoline demand. Finally, the ongoing air travel recovery is anticipated to support jet/kerosene demand. In 2024, India is expected to see healthy oil demand growth of 233 tb/d, y-o-y, for an average of 5.58 mb/d.

The healthy economic momentum is expected to continue into 2025. Furthermore, manufacturing and business activities in India are expected to be steady, supporting an oil demand increase of 228 tb/d, y-o-y. Diesel is expected to continue being the main driver of demand, followed by the 'other products' category, in particular bitumen. Additionally, robust growth in transport fuels and growth in LPG and naphtha demand are expected to remain healthy and support oil demand during the year.

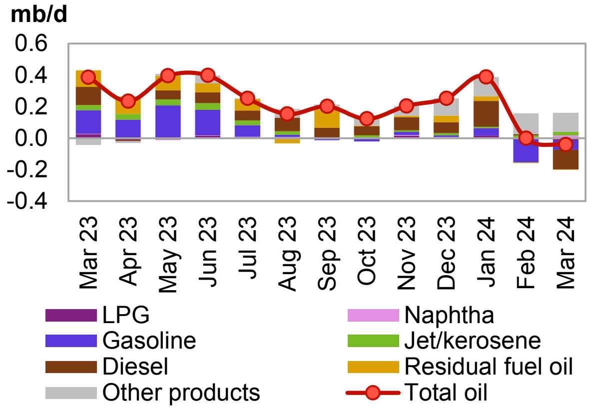
Latin America

Update on the latest developments

Oil demand in Latin America in March softened by 42 tb/d, y-o-y, amid a strong baseline effect and relative declines from Argentina and Brazil, which more than offset the 34 tb/d, y-o-y growth recorded in Venezuela. Most of the regional oil demand decline was from diesel and gasoline.

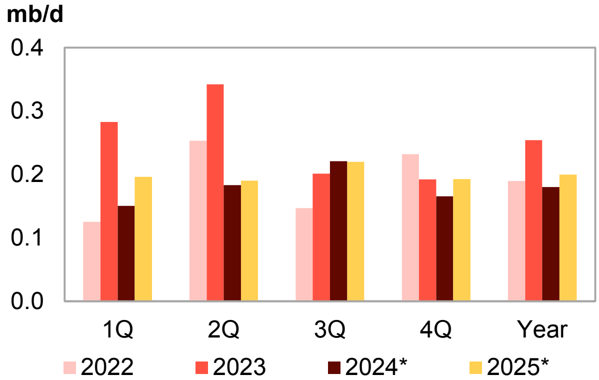
In terms of demand by product, diesel recorded the largest contraction, by 125 tb/d, y-o-y, down from a minor 9 tb/d, y-o-y increase in the previous month. Gasoline declined by 56 tb/d, y-o-y, but was up from the 150 tb/d, y-o-y decline in the previous month. Residual fuels saw a marginal decline of 4 tb/d, y-o-y. In terms of petrochemical feedstocks, LPG softened by 17 tb/d, y-o-y.

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



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

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



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

The largest increase was recorded in the 'other products' category with 121 tb/d, y-o-y growth. On the back of ongoing air travel recovery, jet/kerosene saw growth of 23 tb/d, y-o-y, up from growth of 17 tb/d, y-o-y, in the previous month. A report from IATA's Air Passenger Market Analysis states that Latin American carriers saw a 19.7% increase in traffic during March. Compared to the same period last year, momentum persisted as tourism to Latin America gained strength. Within the region, Brazil's RPK grew by 1.6% y-o-y and by 0.6% m-o-m in seasonally adjusted terms. At the same time, demand for naphtha increased by 16 tb/d, y-o-y, up from a marginal 2 tb/d, y-o-y decline in the previous month.

Near-term expectations

Looking ahead in 2H24, ongoing strong consumer spending, driven by rising real wages, lower inflation and declining interest rates, is expected to be the main driver of growth in Brazil, the largest oil-consuming country in the region. In addition, forward-looking indicators from Brazil indicate a positive growth trajectory in services and manufacturing activities. The services PMI in Australia has also been on an expansion trajectory since February. Additionally, the air travel recovery is set to continue and boost oil demand in the region, which is expected to show growth of 193 tb/d, y-o-y, in 2H24. In 2024, oil demand is expected to expand by 180 tb/d, y-o-y, to average 6.87 mb/d. Specifically, transportation fuels – jet/kerosene gasoline and diesel – are projected to drive overall oil demand growth.

In 2025, healthy economic activity amid an expected acceleration in Brazil's economy, which will likely stem from fiscal consolidation and the early benefits of tax reforms, is expected to support oil demand in the region. Both transportation and manufacturing activities are expected to support average oil demand growth of 200 tb/d, y-o-y, for an average of 7.07 mb/d. Transportation fuels, including gasoline, jet/ kerosene and diesel, are anticipated to drive demand growth.

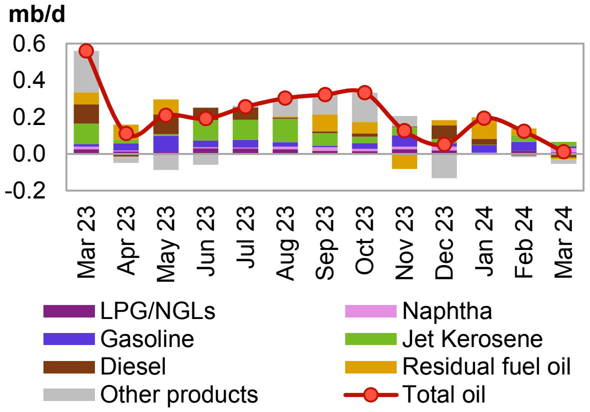
Middle East

Update on the latest developments

Oil demand in the Middle East during March registered an uptick of 12 tb/d, y-o-y, below the 123 tb/d, y-o-y, growth recorded in the previous month. The overall weak m-o-m demand growth was due to a strong baseline effect amid declines in diesel, residual fuel oil and the 'other products' category.

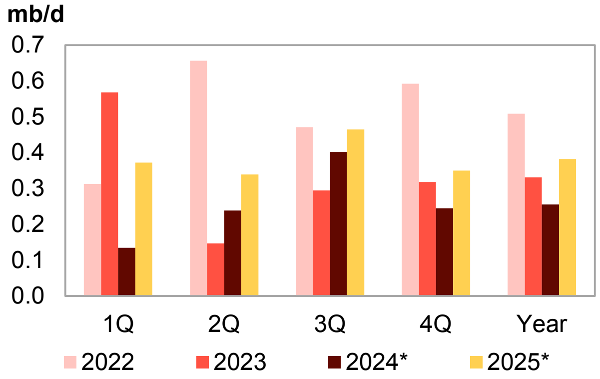
Jet/kerosene was the main driver of oil demand growth at 23 tb/d, y-o-y. The product was supported by steady air travel recovery in the region, as a report from IATA showed that the International RPKs in the Middle East registered growth of 10.8% y-o-y in March. At the same time, gasoline increased slightly by 12 tb/d, y-o-y, down from an increase of 49 tb/d, y-o-y in February. In terms of petrochemical feedstock, LPG saw an uptick of 9 tb/d, y-o-y, below 17 tb/d, y-o-y growth seen in the previous month. Naphtha demand increased by 22 tb/d, y-o-y, up from a decline of 5 tb/d, y-o-y, in the previous month.

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



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

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



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

Diesel demand in the Middle East region contracted by 20 tb/d, y-o-y, from a decline of 4 tb/d, y-o-y seen the previous month. While the 'other products' category declined by 27 tb/d, y-o-y, residual fuel softened by 8 tb/d, y-o-y.

Near-term expectations

In the near term, the largest economies of the region continue to demonstrate robust growth in their non-oil sectors, driven by strong government support and solid consumer spending. Economic activity in the region is expected to remain robust to support oil demand. In addition, the ongoing Hajj is expected to bolster transportation activity and requirements for air conditioning in Saudi Arabia. Moreover, during the peak months of summer in the Middle East, the high temperatures across the region are expected to boost demand for air conditioning. The current focus on petrochemical sector development is set to bolster petrochemical feedstock requirements in the region. Accordingly, these factors are projected to support overall oil demand growth, which is forecast to expand by an average of 323 tb/d, y-o-y, in 2H24. Overall, Middle East oil demand in 2024 is expected to grow by 255 tb/d, y-o-y, for an average of 8.89 mb/d.

In 2025, healthy economic dynamics amid spending on infrastructure and mega projects in the region are projected to continue. In addition, mobility and petrochemical sector requirements are expected to remain steady. These factors should support demand for transportation fuels and other distillates. Accordingly, regional oil demand in 2025 is expected to expand by 382 tb/d, y-o-y, to reach an average of 9.27 mb/d.

World Oil Supply

Non-DoC liquids supply (i.e. liquids supply from countries not participating in the Declaration of Cooperation) is expected to expand by 1.2 mb/d in 2024 to average 53.0 mb/d, unchanged from the previous month's assessment.

Following disruptions at the beginning of the year, US crude and condensate production in March returned close to its all-time high and natural gas liquids (NGLs) production set a new record. Accordingly, US liquids supply growth for 2024 is estimated at 0.4 mb/d. In addition to the US, the main drivers for expected non-DoC growth in 2024 are Canada, Brazil and Norway.

In 2025, non-DoC liquids supply growth is expected at 1.1 mb/d to average 54.1 mb/d, broadly unchanged from the previous month's assessment. Growth is mainly driven by the US, Brazil, Canada and Norway, while the main decline is expected in Angola.

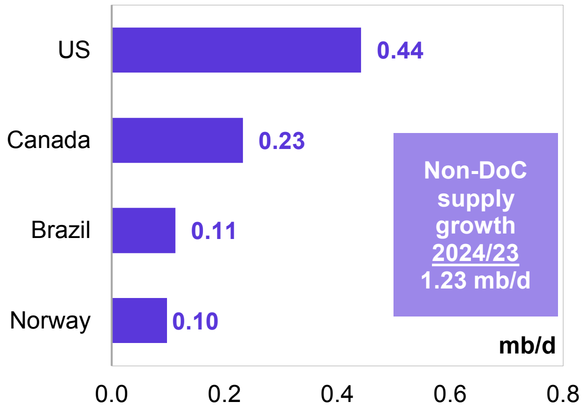
DoC NGLs and non-conventional liquids are forecast to grow by around 0.1 mb/d to average 8.3 mb/d in 2024, followed by an increase of around 20 tb/d to average 8.3 mb/d in 2025. OPEC NGLs and non-conventional liquids production is expected to increase by around 60 tb/d to average 5.5 mb/d in 2024, and additional growth of 110 tb/d is forecast in 2025 to average 5.6 mb/d.

DoC crude oil production in May decreased by 123 tb/d, m-o-m, averaging 40.92 mb/d, as reported by available secondary sources.

Key drivers of growth and decline

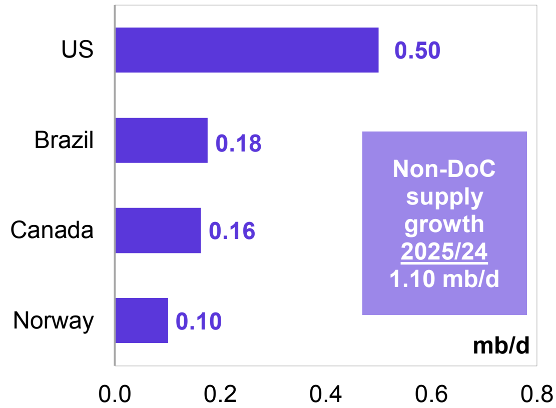
Non-DoC liquids supply (i.e. liquids supply from countries not participating in the Declaration of Cooperation) is expected to grow by 1.2 mb/d in 2024, broadly unchanged from the previous month's assessment. The main drivers for non-DoC liquids supply growth in 2024 are expected to be the US, Canada, Brazil and Norway.

Graph 5 - 1: Annual liquids production changes, y-o-y, for selected countries in 2024*



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

Graph 5 - 2: Annual liquids production changes, y-o-y, for selected countries in 2025*



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

In 2025, non-DoC liquids supply growth is expected at 1.1 mb/d, largely unchanged from the previous month's assessment. Growth is set to be mainly driven by the US, Brazil, Canada and Norway.

Non-DoC liquids production in 2024 and 2025**

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

Non-DoC liquids production	2023	1Q24	2Q24	3Q24	4Q24	2024	Change 2024/23 Growth	%
Americas	26.60	26.92	27.20	27.38	27.58	27.27	0.67	2.54
of which US	*20.90*	*21.02*	*21.40*	*21.43*	*21.51*	*21.34*	*0.44*	*2.12*
Europe	3.65	3.67	3.74	3.73	3.88	3.76	0.10	2.80
Asia Pacific	0.44	0.45	0.43	0.43	0.43	0.44	-0.01	-1.78
Total OECD	**30.69**	**31.04**	**31.37**	**31.54**	**31.89**	**31.46**	**0.77**	**2.51**
China	4.52	4.62	4.59	4.46	4.46	4.53	0.02	0.35
India	0.77	0.78	0.79	0.79	0.78	0.78	0.01	1.32
Other Asia	1.61	1.62	1.58	1.58	1.58	1.59	-0.02	-1.37
Latin America	6.96	7.28	7.20	7.42	7.47	7.34	0.38	5.50
Middle East	2.02	2.00	2.02	2.01	2.02	2.01	-0.01	-0.57
Africa	2.22	2.26	2.26	2.24	2.27	2.26	0.04	1.59
Other Eurasia	0.36	0.36	0.36	0.36	0.36	0.36	0.00	0.28
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00	-1.15
Total Non-OECD	**18.57**	**19.02**	**18.91**	**18.96**	**19.03**	**18.98**	**0.41**	**2.21**
Total Non-DoC production	49.26	50.06	50.27	50.50	50.93	50.44	1.18	2.39
Processing gains	2.47	2.52	2.52	2.52	2.52	2.52	0.05	2.03
Total Non-DoC liquids production	**51.73**	**52.58**	**52.79**	**53.02**	**53.45**	**52.96**	**1.23**	**2.38**
Previous estimate	51.73	52.51	52.69	52.94	53.70	52.96	1.23	2.38
Revision	0.01	0.07	0.11	0.08	-0.25	0.00	0.00	0.00

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

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

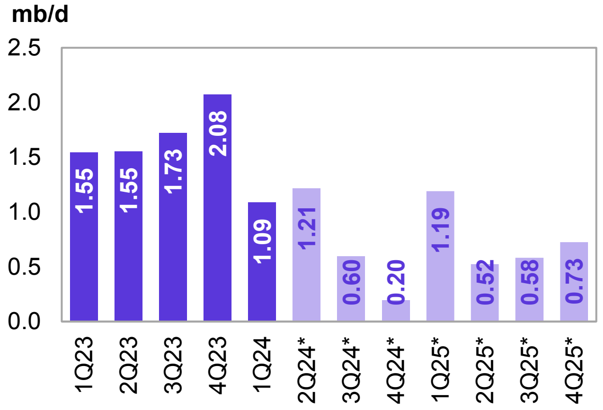
Non-DoC liquids production	2024	1Q25	2Q25	3Q25	4Q25	2025	Change 2025/24 Growth	%
Americas	27.27	27.87	27.66	27.90	28.29	27.93	0.66	2.43
of which US	*21.34*	*21.74*	*21.77*	*21.82*	*22.03*	*21.84*	*0.50*	*2.34*
Europe	3.76	3.93	3.81	3.79	3.90	3.86	0.10	2.67
Asia Pacific	0.44	0.43	0.42	0.43	0.43	0.43	-0.01	-1.79
Total OECD	**31.46**	**32.23**	**31.89**	**32.12**	**32.62**	**32.22**	**0.76**	**2.40**
China	4.53	4.57	4.55	4.51	4.52	4.54	0.01	0.13
India	0.78	0.78	0.79	0.80	0.80	0.79	0.01	1.00
Other Asia	1.59	1.58	1.56	1.55	1.54	1.56	-0.03	-1.83
Latin America	7.34	7.50	7.54	7.62	7.75	7.60	0.26	3.58
Middle East	2.01	2.01	2.04	2.04	2.03	2.03	0.02	1.01
Africa	2.26	2.28	2.28	2.28	2.27	2.28	0.02	0.76
Other Eurasia	0.36	0.36	0.36	0.36	0.36	0.36	0.00	0.07
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00	1.97
Total Non-OECD	**18.98**	**19.20**	**19.23**	**19.26**	**19.38**	**19.27**	**0.29**	**1.51**
Total Non-DoC production	50.44	51.43	51.12	51.39	52.00	51.49	1.04	2.07
Processing gains	2.52	2.58	2.58	2.58	2.58	2.58	0.06	2.38
Total Non-DoC liquids production	**52.96**	**54.01**	**53.70**	**53.97**	**54.58**	**54.07**	**1.10**	**2.08**
Previous estimate	52.96	54.01	53.70	53.97	54.58	54.06	1.10	2.08
Revision	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

OECD

For 2024, OECD liquids production (excluding DoC participating country Mexico) is anticipated to expand by 0.8 mb/d to average 31.5 mb/d. Growth is set to be led by OECD Americas, with an expected increase of 0.7 mb/d to average 27.3 mb/d. This is revised down by about 10 tb/d compared with the previous month's assessment. Yearly liquids production in OECD Europe is expected to rise by 0.1 mb/d to average 3.8 mb/d, which is revised down by around 10 tb/d compared with the previous assessment. OECD Asia Pacific is expected to decline by 8 tb/d, y-o-y, to average 0.4 mb/d.

Graph 5 - 3: OECD quarterly liquids supply, y-o-y changes



*Note: * 2Q24-4Q25 = Forecast. Source: OPEC.*

OECD liquids production is forecast to grow by 0.8 mb/d to average 32.2 mb/d in 2025. OECD Americas is expected to be the main growth driver, with an expected increase of 0.7 mb/d for an average of 27.9 mb/d. Yearly liquids production in OECD Europe is expected to grow by 0.1 mb/d to average 3.9 mb/d, while OECD Asia Pacific is expected to decline by a minor 8 tb/d, y-o-y, to average 0.4 mb/d.

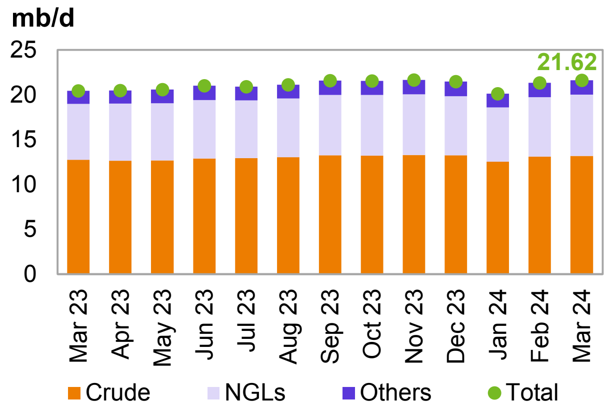
OECD Americas

US

US liquids production in March rose by 0.3 mb/d, m-o-m, to average 21.6 mb/d. This was 1.2 mb/d higher than in March 2023.

Crude oil and condensate production rose by 77 tb/d, m-o-m, to average 13.2 mb/d in March, up by 0.4 mb/d, y-o-y.

Graph 5 - 4: US monthly liquids output by key component



Sources: EIA and OPEC.

In terms of crude and condensate production breakdown by region (PADDs), production increased on the US Gulf Coast (USGC) by 99 tb/d to average 9.6 mb/d. Production on the East and West Coasts remained broadly unchanged. While output in the Midwest fell by 31 tb/d, the Rocky Mountain region saw output rise by 10 tb/d, m-o-m.

A jump in production in the main producing regions can primarily be attributed to higher output in Texas, New Mexico and the offshore Gulf of Mexico (GoM). Production in North Dakota fell m-o-m, due to cold late-winter weather in March.

NGLs production rose by 0.2 mb/d, m-o-m, to average 6.8 mb/d in March. This was 0.6 mb/d higher, y-o-y. According to the US Department of Energy (DoE), the production of non-conventional liquids (mainly ethanol) rose by 19 tb/d, m-o-m, to average 1.6 mb/d. Preliminary estimates show non-conventional liquids averaging about 1.5 mb/d in April, lower by 0.1 mb/d, m-o-m.

GoM production increased by 30 tb/d, m-o-m, to average 1.8 mb/d in March. Output is still lower than expectations due to several operational issues on a number of platforms, but GoM production remains supported by new project ramp-ups. In the onshore Lower 48, crude and condensate production rose by 46 tb/d, m-o-m, to an average of 10.9 mb/d in March.

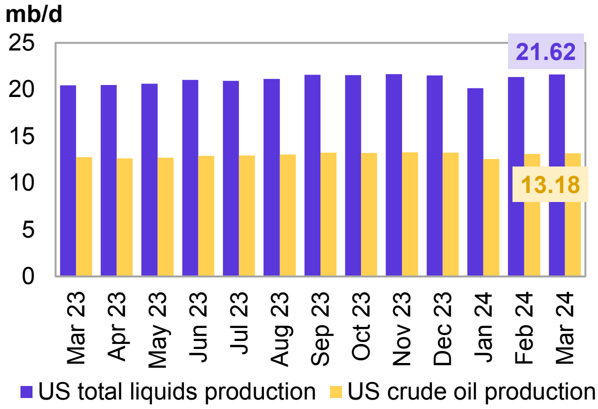
Table 5 - 3: US crude oil production by selected state and region, tb/d

State	Mar 23	Feb 24	Mar 24	Change m-o-m	Change y-o-y
Texas	5,454	5,548	5,584	*36*	*130*
New Mexico	1,840	1,982	2,014	*32*	*174*
Gulf of Mexico (GOM)	1,874	1,793	1,823	*30*	*-51*
North Dakota	1,094	1,248	1,214	*-34*	*120*
Colorado	433	468	473	*5*	*40*
Alaska	435	432	433	*1*	*-2*
Oklahoma	434	397	400	*3*	*-34*
Total	**12,770**	**13,105**	**13,182**	***77***	***412***

Sources: EIA and OPEC.

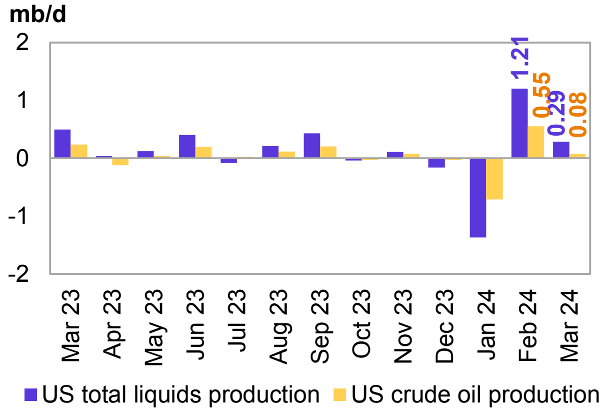
In terms of individual US states, New Mexico's oil production rose by 32 tb/d to average 2.0 mb/d, which is 0.2 mb/d higher than a year ago. Production from Texas was up by 36 tb/d to average 5.6 mb/d, which is 130 tb/d higher than a year ago. In the Midwest, North Dakota's production fell by 34 tb/d, m-o-m, to average 1.2 mb/d, up 120 tb/d, y-o-y, while Oklahoma's production increased by just 3 tb/d m-o-m, to average 0.4 mb/d. Production in Colorado rose by 5 tb/d, m-o-m, while output in Alaska remained mostly unchanged.

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



Sources: EIA and OPEC.

Graph 5 - 6: US monthly crude oil and total liquids supply, m-o-m changes



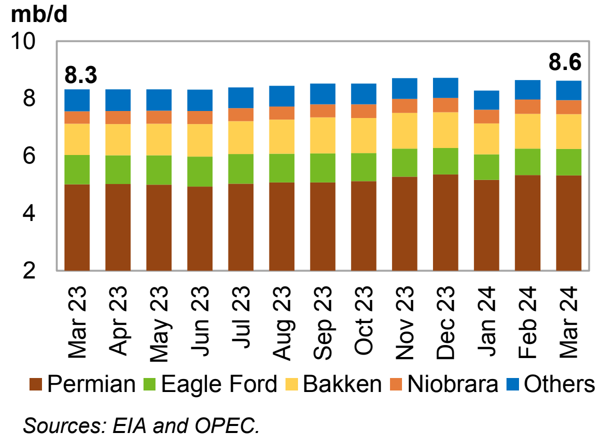
Sources: EIA and OPEC.

US tight crude output in March is estimated to have fallen by 26 tb/d, m-o-m, to average 8.6 mb/d, according to the latest estimates from the US Energy Information Administration (EIA). This was 0.3 mb/d higher than in the same month last year.

The m-o-m drop from shale and tight formations using horizontal wells came mainly from Permian shale production in Texas and New Mexico, where output fell by 11 tb/d for an average of 5.3 mb/d. However, this was up by 0.3 mb/d, y-o-y.

In North Dakota, Bakken shale oil output remained largely unchanged, m-o-m. It averaged 1.2 mb/d, or 130 tb/d higher, y-o-y. Tight crude output at Eagle Ford in Texas remained unchanged at an average of 0.9 mb/d, albeit down by 103 tb/d, y-o-y. Production at Niobrara-Codell in Colorado and Wyoming was largely unchanged at an average of 490 tb/d.

Graph 5 - 7: US tight crude output breakdown

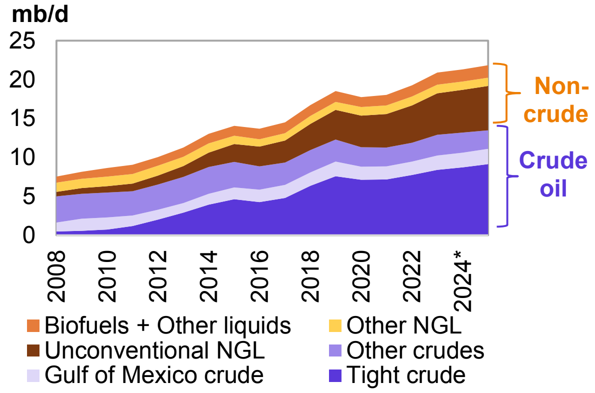


Sources: EIA and OPEC.

US liquids production in 2024, excluding processing gains, is expected to grow by 0.4 mb/d, y-o-y, to average 21.3 mb/d. This is broadly unchanged from the previous assessment. The forecast assumes a modest level of drilling activity and fewer supply chain/logistical issues this year at the prolific Permian, Bakken and Eagle Ford shale sites.

Crude oil and condensate output in 2024 are expected to increase by 0.3 mb/d, y-o-y, to average 13.2 mb/d. At the same time, NGLs production and that of non-conventional liquids, particularly ethanol, is projected to increase by 0.1 mb/d and 30 tb/d, y-o-y, to average 6.6 mb/d and 1.6 mb/d, respectively.

Graph 5 - 8: US liquids supply developments by component



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

Average tight crude output in 2024 is expected to reach 8.8 mb/d, up by 0.4 mb/d, y-o-y. The 2024 forecast assumes ongoing capital discipline and less inflationary pressure, as well as moderating supply chain issues and oil field service constraints. At the same time, well productivity and operational efficiency improvements are expected to support crude production amid moderate drilling activity increases.

US liquids production, excluding processing gains, is expected to grow by 0.5 mb/d, y-o-y, to average 21.8 mb/d in 2025. This assumes a mild increase in drilling activity, lower service cost inflation and continued well productivity improvements in the key shale basins. Crude oil and condensate output is expected to rise by 0.3 mb/d, y-o-y, to average 13.5 mb/d. At the same time, NGLs production and that of non-conventional liquids, particularly ethanol, is projected to increase, y-o-y, by 0.2 mb/d and 20 tb/d, to average 6.7 mb/d and 1.6 mb/d, respectively. Average tight crude output in 2025 is expected to reach 9.2 mb/d, up by 0.4 mb/d, y-o-y. The 2025 forecast assumes ongoing capital discipline in the US upstream sector.

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

US liquids	2023	*Change 2023/22*	2024*	*Change 2024/23*	2025*	*Change 2025/24*
Tight crude	8.40	0.64	8.76	0.36	9.16	0.40
Gulf of Mexico crude	1.86	0.13	1.86	0.00	1.95	0.09
Conventional crude oil	2.66	0.25	2.60	-0.06	2.40	-0.20
Total crude	**12.93**	**1.02**	**13.22**	**0.30**	**13.51**	**0.29**
Unconventional NGLs	5.31	0.53	5.46	0.15	5.67	0.21
Conventional NGLs	1.12	-0.03	1.09	-0.03	1.07	-0.02
Total NGLs	**6.43**	**0.50**	**6.55**	**0.12**	**6.74**	**0.19**
Biofuels + Other liquids	1.54	0.10	1.57	0.03	1.59	0.02
US total supply	**20.90**	**1.61**	**21.34**	**0.44**	**21.84**	**0.50**

*Note: * 2024-2025 = Forecast.*

Sources: EIA, OPEC and Rystad Energy.

US tight crude production in the Permian during 2024 is expected to increase by 0.3 mb/d, y-o-y, to average 5.4 mb/d. In 2025, it is forecast to grow by 0.3 mb/d, y-o-y, to average 5.7 mb/d.

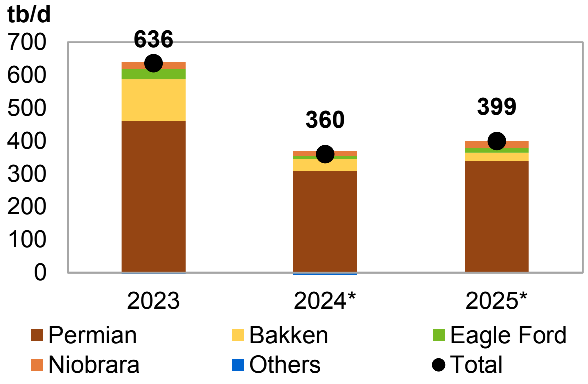
In North Dakota, Bakken shale production is still expected to remain below the pre-pandemic average of 1.4 mb/d. Growth of just 35 tb/d and 25 tb/d is expected for 2024 and 2025, respectively, for an average of around 1.2 mb/d over both years. This trend could indicate maturity in the basin.

Eagle Ford in Texas saw an output of 1.2 mb/d in 2019, followed by declines in 2020 and 2021, and no meaningful growth in 2022. With an estimated growth of about 33 tb/d for 2023, output is around an average of 1.0 mb/d. Minor growth of 10 tb/d and 15 tb/d is expected for 2024 and 2025, respectively.

Niobrara's production is expected to rise by around 15 tb/d, y-o-y, in 2024, to average 0.5 mb/d. With an expected growth of 20 tb/d, the output is forecast to remain at 0.5 mb/d for 2025.

In the remaining tight plays, which are experiencing a modest pace in drilling and completion activities, production is expected to drop by a minor 9 tb/d this year and to stabilize in 2025.

Graph 5 - 9: US tight crude output by shale play, y-o-y changes



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

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

US tight oil	2023	*Change* 2023/22	2024*	*Change* 2024/23	2025*	*Change* 2025/24
Permian tight	5.06	0.46	5.37	0.31	5.71	0.34
Bakken shale	1.16	0.13	1.19	0.04	1.22	0.03
Eagle Ford shale	1.00	0.03	1.01	0.01	1.02	0.02
Niobrara shale	0.45	0.02	0.47	0.02	0.49	0.02
Other tight plays	0.73	0.00	0.72	-0.01	0.72	0.00
Total	**8.40**	**0.64**	**8.76**	**0.36**	**9.16**	**0.40**

*Note: * 2024-2025 = Forecast.*

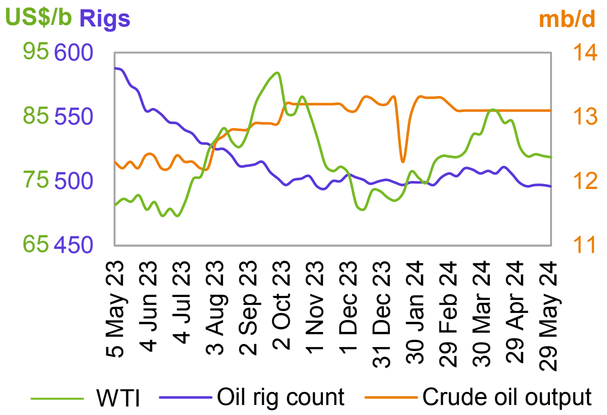
Source: OPEC.

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

The total number of active US oil and gas drilling rigs in the week ending 31 May 2024 remained unchanged at 600, according to Baker Hughes. This is 96 fewer rigs than a year ago. The number of active offshore rigs rose by one, w-o-w, to 22. This is two more than in the same month a year earlier. The number of onshore oil and gas rigs dropped by one, w-o-w, to stand at 578, with no rigs in inland waters. This is down by 96 rigs, y-o-y.

The US horizontal rig count dropped by one, w-o-w, to 536, compared with 628 horizontal rigs a year ago. The number of drilling rigs for oil fell by one, w-o-w, to 496, while the number of gas drilling rigs rose by one, w-o-w, to 100.

Graph 5 - 10: US weekly rig count vs. US crude oil output and WTI price



Sources: Baker Hughes, EIA and OPEC.

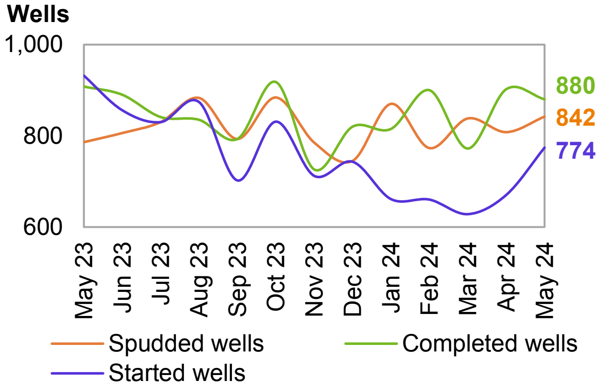
The Permian's rig count fell by two, w-o-w, to 310. Rig counts remained unchanged in Williston and DJ-Niobrara at 34 and 10, respectively. The number of rigs rose by one, w-o-w, in Eagle Ford to 51, while it dropped by four in Cana Woodford to 17.

Drilling and completion (D&C) activities for spudded, completed and started oil-producing wells in all US shale plays included 808 horizontal wells spudded in April (as per preliminary data), based on the US EIA Drilling Productivity Report. This is lower by 30, m-o-m, and 1% higher than in April of last year.

Preliminary data for April indicates a higher number of completed wells, m-o-m, at 902, though the number is down by 4%, y-o-y. The number of started wells is estimated at 670, which is 25% lower than a year earlier.

Preliminary data for May saw 842 spudded, 880 completed and 774 started wells, according to Rystad Energy.

Graph 5 - 11: Spudded, completed and started wells in US shale plays

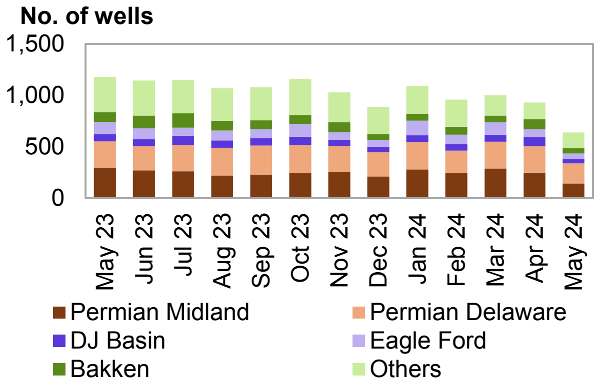


Note: Apr 24-May 24 = Preliminary data.
Sources: Rystad Energy and OPEC.

In terms of identified US oil and gas fracking operations by region, Rystad Energy reported that 1,001 wells were fracked in March. In April and May, it stated that 929 and 637 wells began fracking, respectively, according to preliminary numbers based on an analysis of high-frequency satellite data.

In regional terms, preliminary April data shows that 247 and 257 wells were fracked in the Permian Midland and Permian Delaware regions, respectively. There was a drop of 42 wells in the Midland region and a decline of three in Delaware compared with March. Data also indicates that 90 wells were fracked in the DJ Basin, 76 in Eagle Ford and 98 in Bakken during April.

Graph 5 - 12: Fracked wells count per month



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

Canada

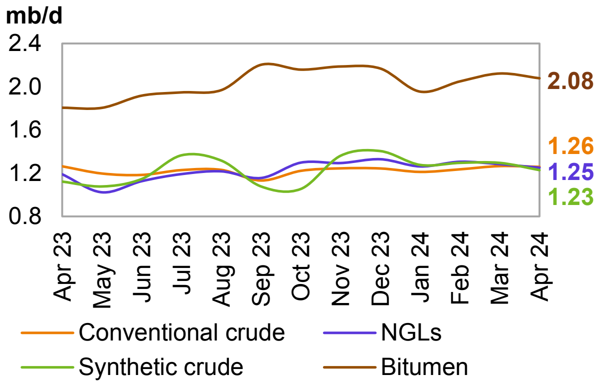
Canada's liquids production in April is estimated to have dropped by about 150 tb/d, m-o-m, to average 5.9 mb/d.

Conventional crude production fell in April by a minor 7 tb/d, m-o-m, to an average of 1.3 mb/d. NGLs output was down by 33 tb/d, m-o-m, to average 1.3 mb/d.

Crude bitumen production output fell in April by 44 tb/d, m-o-m, and synthetic crude production dropped by 67 tb/d, m-o-m. Taken together, crude bitumen and synthetic crude production fell by 0.1 mb/d to 3.3 mb/d.

An early start to wildfires in Western Canada on the back of below-average precipitation this season has led to concerns about potential impacts on production. Continued extreme wildfire conditions could threaten oil sand operations across northeastern Alberta and affect expected production this year.

Graph 5 - 13: Canada's monthly liquids production development by type

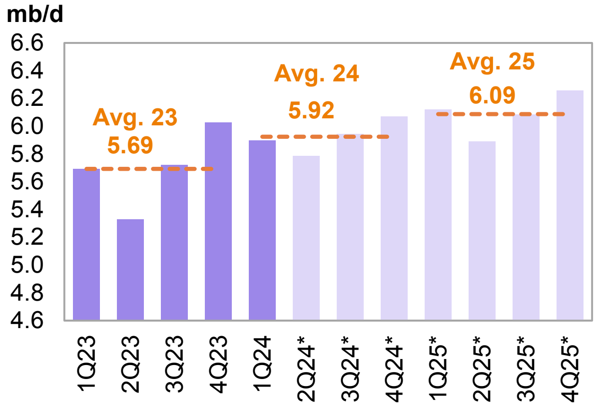


Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

In 2024, Canada's liquids production is forecast to increase at a much faster pace compared with 2023, rising by 0.2 mb/d to an average of 5.9 mb/d. Incremental production is expected to come from oil sands project ramp-ups, optimization, and the expansion of existing facilities in areas like Montney, Kearl and Fort Hills, in addition to some conventional field growth. At the same time, new trade flows could stimulate production amid the commissioning of the Trans Mountain Expansion (TMX) pipeline.

Canada's liquids production is forecast to grow by 0.2 mb/d to average 6.1 mb/d in 2025. Additional production is expected to come from expanding oil sands projects and some growth in conventional fields. Sources of production are primarily expected from the Athabasca, Syncrude Mildred Lake, Kearl, Horizon, Christina Lake, Suncor and Foster Creek oil sands projects. The main start-ups in 2025 are expected to be Syncrude Mildred Lake/Aurora, Narrows Lake, Lloyd Thermal, Cold Lake Oil Sands and Montney Play.

Graph 5 - 14: Canada's quarterly liquids production and forecast



*Note: * 2Q24-4Q25 = Forecast. Source: OPEC.*

OECD Europe

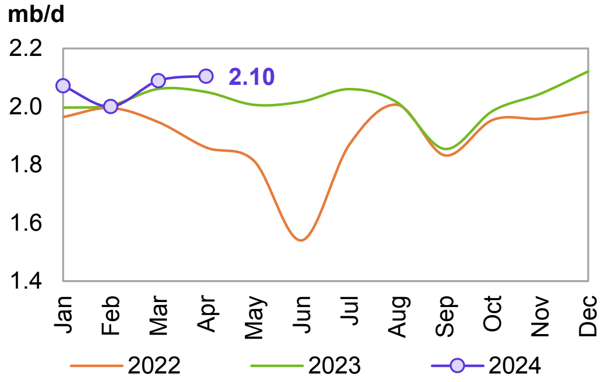
Norway

Norwegian liquids production in April rose by 15 tb/d, m-o-m, to average 2.1 mb/d. Norway's crude production increased by 10 tb/d, m-o-m, in April to average 1.9 mb/d. This remained close to historical highs and was up by 51 tb/d, y-o-y. Monthly oil production was 5.2% higher than the Norwegian Offshore Directorate's (NOD) forecast.

Production of NGLs and condensate rose by just 5 tb/d, m-o-m, to average 0.3 mb/d, according to NOD data.

For 2024, Norwegian liquids production is forecast to increase by 0.1 mb/d to average 2.1 mb/d. This was revised down by a minor 8 tb/d from the previous assessment. Several projects are scheduled to ramp up this year. At the same time, start-ups are expected at the Balder/Ringhorne, Eldfisk, Kristin, Hanz and PL636 offshore projects, along with the Alvheim and Skarv Aasgard floating, production, storage and offloading (FPSO) projects. Johan Castberg is projected to be the main source of output growth, with the first oil planned for later this year. It should be noted that according to ConocoPhillips the Eldfisk North project, located in the Greater Ekofisk Area of the North Sea, produced first oil some weeks ahead of plan in May.

Graph 5 - 15: Norway's monthly liquids production development



Sources: The Norwegian Offshore Directorate (NOD) and OPEC.

In 2025, Norwegian liquids production is forecast to grow by 0.1 mb/d to average 2.2 mb/d. Several small-to-large-scale projects are scheduled to ramp up in 2025, including Johan Castberg, Kristin, Eldfisk and Balder/Ringhorne. At the same time, start-ups are expected at the Ormen Lange, Snohvit, Halten East, Tyrving, Eirin, Norne FPSO, Maria and Verdande projects.

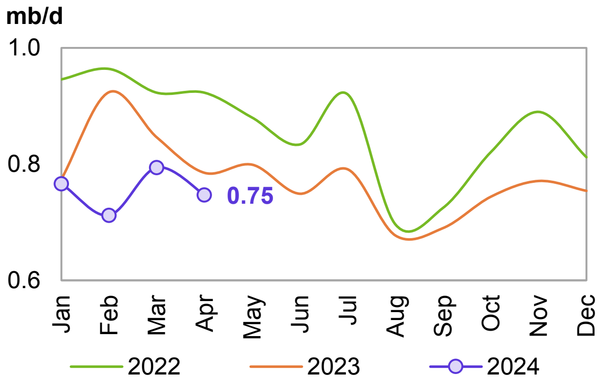
UK

In April, UK liquids production dropped by 47 tb/d, m-o-m, to average 0.7 mb/d. Crude oil output fell by 43 tb/d, m-o-m, to average 0.6 mb/d, and was lower by 54 tb/d, y-o-y, according to official data. NGLs output rose by a minor 6 tb/d, to average 81 tb/d.

For 2024, UK liquids production is forecast to drop by about 10 tb/d to an average of 0.8 mb/d. Production ramp-ups will be seen at the ETAP and Clair sites, as well as at the Anasuria and Captain enhanced oil recovery (EOR) start-up projects. The Penguins FPSO unit is expected to be towed out to the UK North Sea fields in 2H24.

UK liquids production is forecast to stay steady at an average of 0.8 mb/d in 2025. Production ramp-ups will be seen at the Clair sites and Schiehallion. Elsewhere, project start-ups are expected at the Alwyn, Laggan-Tormore, Murlach (Skua redevelopment) and Janice assets. However, decline rates from the ageing basin are expected to offset these additional volumes.

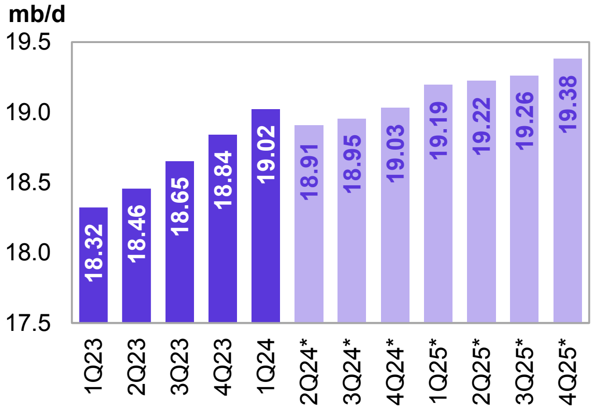
Graph 5 - 16: UK monthly liquids production development



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

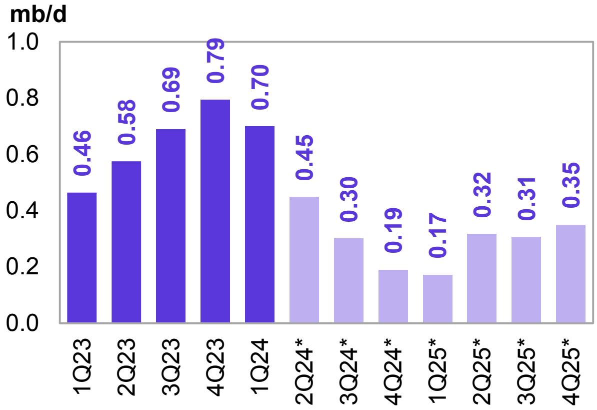
Non-OECD

Graph 5 - 17: Non-OECD quarterly liquids production and forecast



*Note: * 2Q24-4Q25 = Forecast. Source: OPEC.*

Graph 5 - 18: Non-OECD quarterly liquids supply, y-o-y changes

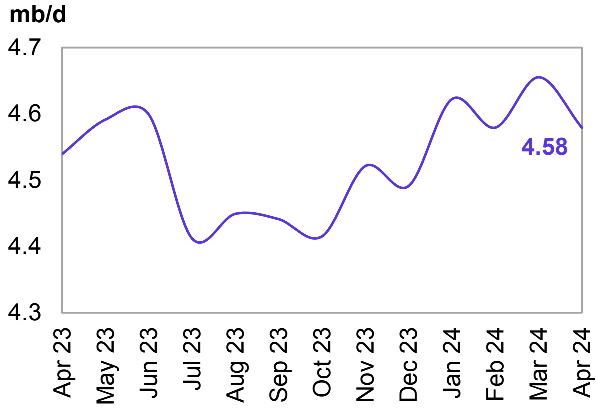


*Note: * 2Q24-4Q25 = Forecast. Source: OPEC.*

China

China's liquids production fell by 76 tb/d, m-o-m, to average 4.6 mb/d in April. This is up by 40 tb/d, y-o-y, according to official data. Crude oil output in April averaged 4.3 mb/d, down by 76 tb/d compared with the previous month, but higher by 46 tb/d, y-o-y. Conversely, NGLs and condensate production remained unchanged, m-o-m, at an average of 40 tb/d.

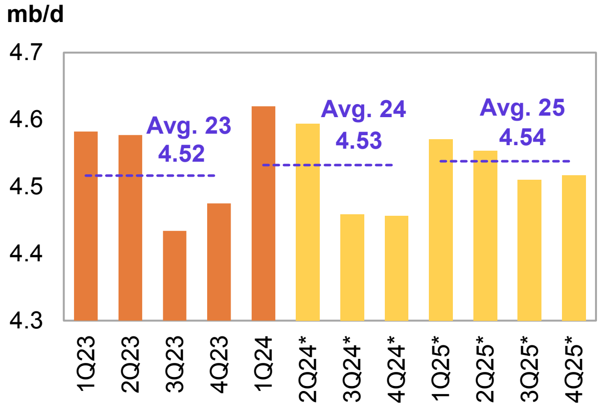
Graph 5 - 19: China's monthly liquids production development



Sources: CNPC and OPEC.

For 2024, China's liquids production is expected to rise by about 15 tb/d, y-o-y, and is forecast to average 4.5 mb/d. This is largely unchanged from the previous assessment. Natural decline rates are anticipated to be offset by additional growth through more infill wells and EOR projects. Chinese majors are set to maintain high upstream Capex in 2024 to meet the growth requirements stated in the 2019 Seven-Year Exploration and Production Increase Action Plan. For this year, Lingshui 17-2, Lufeng, Liuhua 11-1, Xi'nan, Bozhong 19-2 Oilfield Development, Shayan and Liuhua 4-1 (redevelopment), which are operated by CNOOC, PetroChina and Sinopec, are expected to come on stream. At the same time, key ramp-ups are planned for Changqing, Kenli 10-2, Wushi 17-2 and Kenli 6-4.

Graph 5 - 20: China's quarterly liquids production and forecast



*Note: * 2Q24-4Q25 = Forecast. Sources: CNPC and OPEC.*

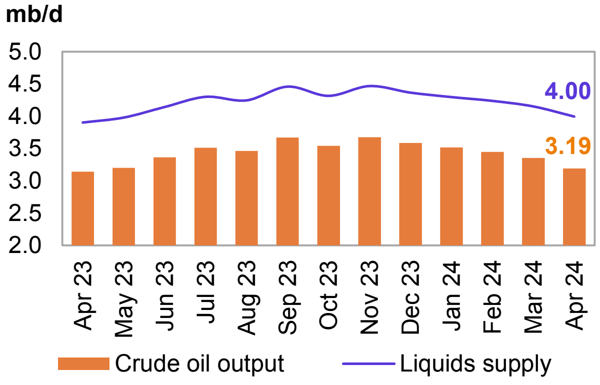
In 2025, Chinese liquids production is expected to remain steady, y-o-y, and is forecast to average 4.5 mb/d. For next year, oil and gas condensate projects like Bozhong 19-6, Huizhou 26-6, Peng Lai 19-9, Shengli, Wushi 17-2, Liaohe and Xijiang 30-2, which are operated by CNOOC and Sinopec, are expected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

Latin America

Brazil

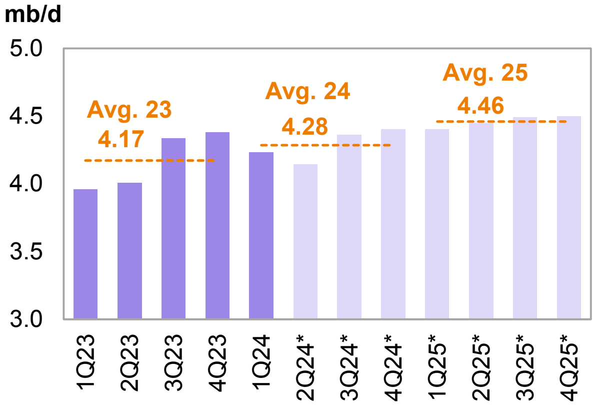
Brazil's crude output in April fell by 162 tb/d, m-o-m, to average 3.2 mb/d. The April drop in output was primarily driven by maintenance, operational issues and natural decline. NGLs production, however, remained largely unchanged, at an average of around 80 tb/d, and is expected to remain flat in May 2024. Biofuel output (mainly ethanol) remained unchanged, m-o-m, at an average of 0.7 mb/d, with preliminary data showing a stable trend in May. The country's total liquids production dropped by 0.2 mb/d in April to average 4.0 mb/d, although this was higher by 0.1 mb/d, y-o-y.

Graph 5 - 21: Brazil's monthly liquids production development by type



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

Graph 5 - 22: Brazil's quarterly liquids production



*Note: * 2Q24-4Q25 = Forecast. Sources: ANP and OPEC.*

For 2024, Brazil's liquids supply, including biofuels, is forecast to grow by about 0.1 mb/d, y-o-y, to average 4.3 mb/d. Crude oil output is expected to increase through production ramp-ups in the Buzios (Franco), Mero (Libra NW), Tupi (Lula) and Itapu (Florim) fields. Oil project start-ups are expected at the Buzios, Atlanta, Pampo-Enchova Cluster and Vida sites. However, increasing costs in the offshore market and inflation might continue to delay projects and temper growth in the short term. Mooring operations have started in the Santos Basin offshore Brazil for Enauta's FPSO Atlanta. The platform is expected to start production by August and is designed to process 50 tb/d of oil from the Atlanta Field.

Brazil's liquids supply, including biofuels, is forecast to increase by about 180 tb/d, y-o-y, to average 4.5 mb/d in 2025. Crude oil output is expected to increase through production ramp-ups in the Buzios (Franco), Mero (Libra NW), Tupi (Lula), Marlim and Atlanta fields. Oil project start-ups are expected at the Buzios, Bacalhau (x-Carcara), Parque das Baleias and Lapa (Carioca) fields.

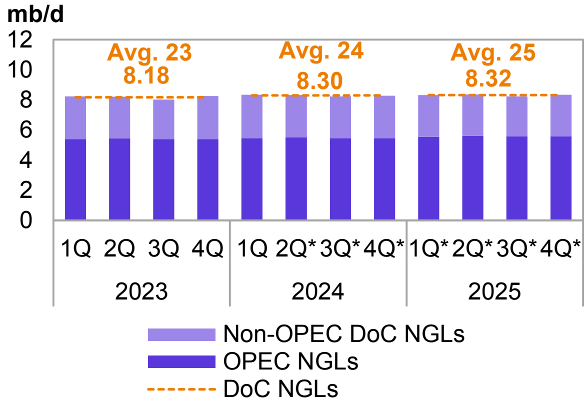
DoC NGLs and non-conventional liquids

DoC NGLs and non-conventional liquids are estimated to expand by about 0.1 mb/d in 2024 to average 8.3 mb/d.

Preliminary data shows NGLs and non-conventional liquids output in 1Q24 averaging 8.4 mb/d. According to preliminary April data, 5.5 mb/d and 2.9 mb/d of NGLs and non-conventional liquids are estimated to have been produced by OPEC Member Countries and non-OPEC DoC countries, respectively.

The **2025** forecast points toward a combined increase of about 20 tb/d for an average of 8.3 mb/d. NGLs and non-conventional liquids production are projected to grow by 0.1 mb/d to average 5.5 mb/d for OPEC Member Countries. However, it is expected to drop by about 50 tb/d for non-OPEC DoC countries.

Graph 5 - 23: DoC NGLs and non-conventional liquids quarterly production and forecast



*Note: * 2Q24-4Q25 = Forecast. Source: OPEC.*

Table 5 - 6: DoC NGLs + non-conventional liquids, mb/d

DoC NGLs and non-coventional liquids	2023	Change 23/22	2024	Change 24/23	1Q25	2Q25	3Q25	4Q25	2025	Change 25/24
OPEC	**5.41**	*0.05*	**5.47**	*0.06*	5.55	5.61	5.58	5.58	**5.58**	*0.11*
Non-OPEC DoC	**2.77**	*0.20*	**2.83**	*0.06*	2.78	2.76	2.66	2.76	**2.74**	*-0.09*
Total	**8.18**	***0.25***	**8.30**	***0.12***	**8.33**	**8.37**	**8.24**	**8.34**	**8.32**	***0.02***

Note: 2024-2025 = Forecast.

Source: OPEC.

DoC crude oil production

According to secondary sources, total OPEC-12 crude oil production averaged 26.63 mb/d in May 2024, 29 tb/d higher, m-o-m. Crude oil output increased mainly in Nigeria, Gabon and Equatorial Guinea, while production in Saudi Arabia, Kuwait, Libya and Congo decreased.

At the same time, total non-OPEC DoC crude oil production averaged 14.29 mb/d in May 2024, 152 tb/d lower, m-o-m. Crude oil output increased mainly in Mexico, while production in Russia and Kazakhstan decreased.

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

Secondary sources	2022	2023	3Q23	4Q23	1Q24	Mar 24	Apr 24	May 24	*Change May/Apr*
Algeria	1,013	973	949	957	907	909	909	903	*-6*
Congo	261	261	259	251	246	250	267	256	*-11*
Equatorial Guinea	84	56	59	53	55	59	50	63	*13*
Gabon	195	203	202	216	214	222	203	220	*17*
IR Iran	2,554	2,859	3,005	3,154	3,177	3,207	3,219	3,226	*7*
Iraq	4,439	4,287	4,308	4,324	4,244	4,237	4,202	4,195	*-7*
Kuwait	2,704	2,595	2,560	2,552	2,431	2,430	2,433	2,418	*-15*
Libya	981	1,162	1,158	1,170	1,119	1,171	1,187	1,173	*-14*
Nigeria	1,210	1,314	1,279	1,381	1,414	1,378	1,345	1,419	*74*
Saudi Arabia	10,531	9,609	8,994	8,953	9,012	9,038	9,032	9,000	*-32*
UAE	3,066	2,950	2,912	2,906	2,927	2,924	2,928	2,935	*7*
Venezuela	684	749	767	774	816	822	825	822	*-3*
Total OPEC	**27,722**	**27,018**	**26,452**	**26,690**	**26,562**	**26,646**	**26,600**	**26,629**	***29***
Azerbaijan	560	503	496	487	477	480	480	478	*-1*
Bahrain	193	182	176	182	167	165	177	187	*9*
Brunei	75	72	70	77	80	78	74	77	*3*
Kazakhstan	1,489	1,597	1,529	1,606	1,613	1,612	1,573	1,511	*-62*
Malaysia	395	375	361	376	360	360	368	368	*-1*
Mexico	1,667	1,645	1,645	1,624	1,609	1,633	1,610	1,625	*14*
Oman	850	819	807	807	772	764	766	766	*0*
Russia	9,771	9,581	9,493	9,496	9,431	9,476	9,301	9,182	*-119*
Sudan	62	54	53	47	35	29	28	25	*-3*
South Sudan	144	146	151	153	109	71	67	75	*8*
Total Non-OPEC DoC	**15,206**	**14,972**	**14,781**	**14,855**	**14,653**	**14,669**	**14,445**	**14,293**	***-152***
Total DoC	**42,927**	**41,990**	**41,233**	**41,545**	**41,215**	**41,315**	**41,045**	**40,922**	***-123***

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

Source: OPEC.

OPEC crude oil production

OPEC crude oil production for May, as reported by OPEC Member Countries, is shown in the ***Table 5 – 8*** below.

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

Direct communication	2022	2023	3Q23	4Q23	1Q24	Mar 24	Apr 24	May 24	*Change May/Apr*
Algeria	1,020	973	951	958	907	907	907	901	*-6*
Congo	262	271	269	259	252	254	259	264	*5*
Equatorial Guinea	81	55	58	53	53	60	60	62	*1*
Gabon	191	223	232	234	..	..	..	..	..
IR Iran	..	..	..	..	..	..	..	..	..
Iraq	4,453	4,117	4,101	4,123	3,957	3,903	3,891	3,860	*-31*
Kuwait	2,707	2,590	2,548	2,548	2,413	2,413	2,413	2,413	*0*
Libya	..	1,189	1,187	1,191	1,149	1,236	1,218	..	..
Nigeria	1,138	1,234	1,201	1,313	1,327	1,231	1,281	1,251	*-30*
Saudi Arabia	10,591	9,606	8,969	8,901	8,979	8,973	8,986	8,993	*7*
UAE	3,064	2,944	2,904	2,892	2,919	2,918	2,917	2,933	*16*
Venezuela	716	783	797	796	864	874	878	910	*32*
Total OPEC	..	..	..	..	..	..	..	..	..

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

Source: OPEC.

Product Markets and Refinery Operations

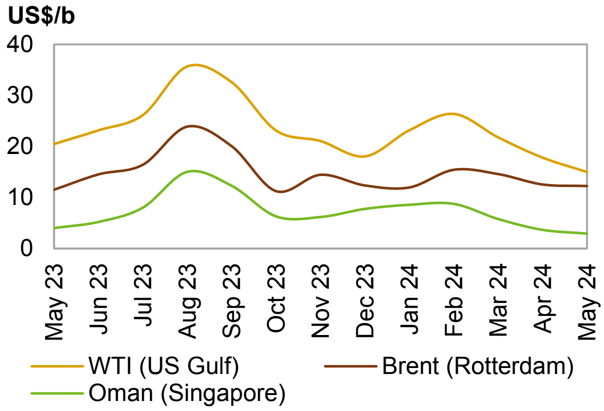
In May, refinery margins eased further for the third consecutive month in all main trading hubs, as continued recovery in refinery processing rates led to rising product stock builds. Gasoline was the biggest driver of the weakness across the barrel in all regions, with ample availability amid intentionally heightened production following the conclusion of the heavy maintenance period and the start of the summer season. Softening economic incentives for East-to-West product flows due to weakening export margins and strong gasoline imports from the Middle East weighed on Asian product markets. This weakness emerged despite strengthening Asian naphtha and fuel oil crack spreads.

Global refinery intake increased 490 tb/d in May to average 80.5 mb/d, compared to 80.0 mb/d in the previous month, and was 106 tb/d higher, y-o-y. Going forward, run rates are expected to remain elevated while refiners cautiously balance current product fundamentals with the impending seasonal upturn in product consumption, which should support oil markets in the coming months.

Refinery margins

US Gulf Coast (USGC) refining margins against WTI continued to trend downwards for the third consecutive month and showed the largest m-o-m decline compared to what was seen in other key trading hubs. US refinery processing rates in May climbed by 730 tb/d to 17.3 mb/d, a multi-year high, reaching 2019 levels. Rising product inventories with recovery in refinery runs led to losses all across the barrel in the USGC with the exception of naphtha. Total US motor gasoline inventories rose in May, while the Department of Energy's announcement to release gasoline for summer from the nation's Northeast Gasoline Supply Reserve added to the bearish market sentiment, positioning gasoline as the main source of weakness across the barrel. On the positive side, naphtha showed significant margin gains as higher propane prices prompted petrochemical operators to resort to light distillates as the preferred feedstock. However, these gains were offset by the losses associated with all other key products. USGC margins against WTI averaged $14.98/b in May, down by $2.82, m-o-m, and by $5.49, y-o-y. In the previous month, USGC margins were $3.41 lower, y-o-y.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

Refinery margins in Rotterdam against Brent eased to experience a mild loss and reach a four-month low, with mixed performance across the barrel. The supply side pressure derived from higher product output reflected on gasoil and much more distinctly on gasoline markets. According to Vortexa, East of Suez imports of European residual fuel oil reached a 22-month high amid improved arbitrage economics. Although a solid HSFO, naphtha and jet/kerosene upturn was registered, driven by supportive demand-side dynamics, this combined gain was insufficient to compensate for gasoline and gasoil weakness. Increased jet fuel demand as a consequence of a pick-up in air travel and sustained fuel oil cooling requirements in the East are expected to support product markets in Rotterdam in the near term.

Refinery throughput in Europe rose in May, according to preliminary data, and was 130 tb/d higher, m-o-m, averaging 9.57 mb/d. Refinery margins against Brent in Europe averaged $12.28/b in May, which is 30¢ lower, m-o-m, but 73¢ higher, y-o-y.

Singapore's refining margins against Oman moved downward alongside that of its Western counterparts as the region remained well supplied, reflecting softening East-to-West export margins, strong gasoline inflows from the Middle East, and high regional refinery runs. In China, diesel exports to trading hubs within the region increased significantly; however, in the immediate near term, softening export margins and strong diesel demand from the farming sector could keep Chinese diesel exports under pressure.

In May, combined refinery intakes for Japan, China, India, Singapore and South Korea experienced a 150 tb/d increase, m-o-m, averaging 27.10 mb/d, according to preliminary data. Refinery margins against Oman in Asia experienced a 73¢ decline, m-o-m, to average $2.95/b, which was $1.08 lower, y-o-y.

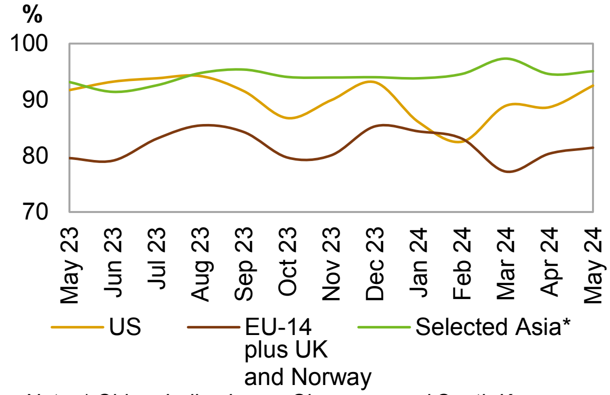
Refinery operations

US refinery utilization rates showed a notable rise to an average of 92.49%, corresponding to a throughput of 17.04 mb/d. This represents a rise of 3.8 pp and 730 tb/d relative to April. Compared with the previous year, the May refinery utilization rate was up by 0.8 pp, with throughput showing a 120 tb/d drop.

European refinery utilization averaged 81.43% in May, corresponding to a throughput of 9.57 mb/d. This represents a rise of 1.1 pp or 130 tb/d, m-o-m. On a yearly basis, the utilization rate was up by 1.9 pp, and throughput was 24 tb/d lower.

In **Selected Asia** – Japan, China, India, Singapore and South Korea – refinery utilization rates increased marginally to average 95.06% in May, corresponding to a throughput of 27.10 mb/d. Compared with the previous month, utilization rates were up by 0.5 pp, and throughput was higher by 150 tb/d. Relative to the previous year, utilization rates were 1.9 pp higher, and throughput was 248 tb/d lower.

Graph 6 - 2: Refinery utilization rates



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

Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				*Refinery utilization, %*			
	Mar 24	Apr 24	May 24	*Change* May/Apr	Mar 24	Apr 24	May 24	*Change* May/Apr
US	**16.29**	**16.32**	**17.04**	**0.73**	**88.90**	**88.64**	**92.49**	**3.8 pp**
Euro-14, plus UK and Norway	**9.07**	**9.45**	**9.57**	**0.13**	**77.17**	**80.37**	**81.43**	**1.1 pp**
France	0.80	0.82	0.86	0.04	69.08	70.81	74.35	3.5 pp
Germany	1.39	1.61	1.67	0.06	67.51	78.60	81.51	2.9 pp
Italy	1.18	1.26	1.28	0.02	61.89	66.11	67.19	1.1 pp
UK	0.97	0.95	0.99	0.04	82.69	80.90	84.02	3.1 pp
Selected Asia*	**27.74**	**26.95**	**27.10**	**0.15**	**97.30**	**94.55**	**95.06**	**0.5 pp**

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

Table 6 - 2: Refinery crude throughput, mb/d

Refinery crude throughput	2021	2022	2023	2Q23	3Q23	4Q23	1Q24	2Q24
OECD Americas	**17.79**	**18.68**	**18.71**	**19.05**	**19.27**	**18.47**	**18.17**	**19.10**
of which US	*15.66*	*16.48*	*16.50*	*16.75*	*17.02*	*16.47*	*15.78*	*16.90*
OECD Europe	**10.93**	**11.44**	**11.38**	**11.11**	**11.72**	**11.40**	**11.24**	**11.34**
of which:								
France	*0.69*	*0.84*	*0.93*	*0.87*	*1.06*	*0.95*	*0.83*	*0.86*
Germany	*1.72*	*1.83*	*1.62*	*1.59*	*1.67*	*1.59*	*1.61*	*1.63*
Italy	*1.23*	*1.32*	*1.30*	*1.26*	*1.32*	*1.32*	*1.26*	*1.27*
UK	*0.92*	*1.04*	*0.97*	*1.01*	*0.96*	*0.89*	*0.97*	*1.00*
OECD Asia Pacific	**5.79**	**6.10**	**5.88**	**5.68**	**5.74**	**5.94**	**5.95**	**5.72**
of which Japan	*2.49*	*2.71*	*2.56*	*2.38*	*2.54*	*2.54*	*2.55*	*2.63*
Total OECD	**34.51**	**36.23**	**35.97**	**35.84**	**36.73**	**35.81**	**35.36**	**36.15**
Latin America	**3.50**	**3.37**	**3.48**	**3.51**	**3.45**	**3.53**	**3.40**	**3.43**
Middle East	**6.80**	**7.28**	**7.61**	**7.62**	**7.92**	**7.43**	**7.80**	**7.89**
Africa	**1.77**	**1.73**	**1.70**	**1.71**	**1.69**	**1.70**	**1.90**	**2.04**
India	**4.73**	**5.00**	**5.18**	**5.22**	**5.03**	**5.10**	**5.30**	**5.28**
China	**14.07**	**13.49**	**14.78**	**14.78**	**15.19**	**14.57**	**14.64**	**14.65**
Other Asia	**4.72**	**4.89**	**5.00**	**5.15**	**4.88**	**5.12**	**5.13**	**5.18**
Russia	**5.61**	**5.46**	**5.50**	**5.40**	**5.49**	**5.43**	**5.33**	**5.34**
Other Eurasia	**1.23**	**1.15**	**1.14**	**1.09**	**1.05**	**1.19**	**1.16**	**1.14**
Other Europe	**0.41**	**0.48**	**0.45**	**0.41**	**0.50**	**0.45**	**0.44**	**0.49**
Total Non-OECD	**42.85**	**42.85**	**44.83**	**44.89**	**45.20**	**44.50**	**45.10**	**45.44**
Total world	**77.36**	**79.08**	**80.80**	**80.73**	**81.93**	**80.31**	**80.46**	**81.59**

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

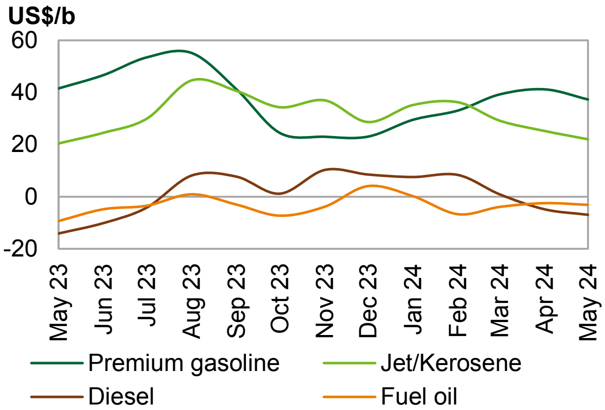
Sources: AFREC, APEC, EIA, IEA, Euroilstock, PAJ, Ministry data, including Ministry of Energy of the Russian Federation, Ministry of Petroleum and Natural Gas of India, OPEC and JODI.

Product markets

US market

The **USGC gasoline crack spread against WTI** reversed to show a solid decline following five consecutive months of gains. The fuel's domestic demand remained modest despite the onset of the driving season. Moreover, total US gasoline inventories ended May higher, m-o-m, and remained significantly higher, y-o-y. Expectations of a potential boost in mobility around Memorial Day in the US failed to provide sufficient support to US gasoline crack spreads despite limited stock declines around the second and third weeks of the month. Going forward, domestic gasoline consumption levels are set to improve, along with the strong upside potential in road transportation activity. The USGC gasoline crack spread lost $3.89, m-o-m, to average $37.29/b in May and was $4.23 lower, y-o-y.

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



Sources: Argus and OPEC.

The **USGC jet/kerosene crack spread against WTI** continued to trend downwards for a third consecutive month as the market continued to factor in a lengthening balance as a result of higher refinery output and subdued demand. Going forward, air travel is expected to improve with rising mobility over the summer months. Jet fuel/kerosene wholesale prices saw a $9.05/b decrease, m-o-m, to average $100.77/b. The USGC jet/kerosene crack spread lost $3.20, m-o-m, to average $22.04/b in May but was $1.59 higher, y-o-y.

The **USGC gasoil crack spreads against WTI** moved deeper into negative territory, although with a more tempered downward momentum when compared to the sharp downturn recorded in the previous months. An expanded global gasoil balance, y-o-y, resulting from a growing supply-demand mismatch amid weak demand from the US industrial sector and higher refinery output, contributed to the weakness. Gasoil wholesale prices averaged $71.80/b in May, down $7.96 compared to April. The US gasoil crack spread against WTI averaged minus $6.93/b, down $2.11, m-o-m, but $7.15/b higher, y-o-y.

The **USGC fuel oil crack spread against WTI** showed a slight loss following four consecutive months of gains. High sulphur fuel oil exports from the US to Europe declined continually from the record high seen in March. According to Kpler, US-to-Europe HSFO exports reached a record high of 50 tb/d in March, followed by 40 tb/d in April and 20 tb/d in May, with the arbitrage window closing after USGC and NWE FOB prices reached parity at the beginning of May. Moreover, according to the same source, Middle East high sulphur residual fuel exports to the US retreated in May after a brief pick-up in April, while more volumes were kept within the East of Suez market, given the stronger HSFO cracks found there. Going forward, imports from the Middle East are expected to remain under pressure leading to a contracting HSFO availability in the US, amid lower post-spring maintenance of domestic fuel oil production. This, amid a potential upside for US fuel-to-gasoline conversion margins in the coming months, along with projections of continued robust utility demand in the Middle East and Asia over the summer season, should support HSFO cracks moving forward. In May, the US fuel oil crack spread against WTI lost 65¢, m-o-m, to average minus $3.09/b and was $6.23 higher, y-o-y.

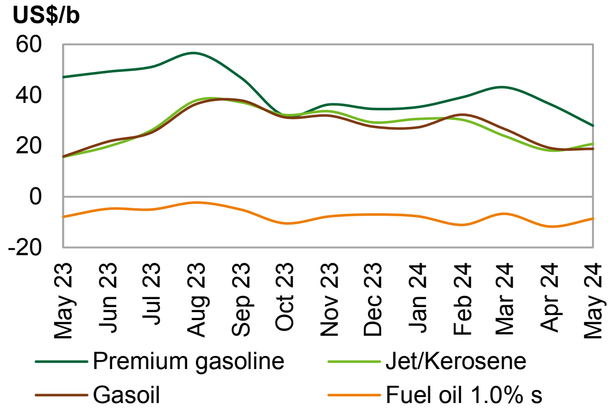
European market

The gasoline crack spread in Rotterdam against Brent moved lower, extending the downward trend that had started in the previous month, to reach the lowest value recorded since December 2022. Lower export volumes to the US stemming from challenging spot arbitrage economics weighed on European gasoline markets despite firm exports to Nigeria. Octane prices receded due to the high volumes purchased in the two previous months. Nevertheless, octane prices remained relatively high given the historical trends, which, despite a m-o-m loss, most likely kept gasoline prices sustained. In the immediate near term, the gasoline crack spread is expected to face challenges as the impact of rising gasoline production counterbalances growing demand-side support. However, strengthening demand amid the expectation of a pick-up in road transport activities well into the summer months is expected to eventually outweigh the supply-side factors and provide support to the gasoline crack spread performance as we move deeper into the peak driving and travelling season. The gasoline crack spread against Brent averaged $27.92/b, which was $8.58 lower, m-o-m, and $19.11 lower, y-o-y.

In May, the **jet/kerosene crack spread** demonstrated a solid gain on the back of demand-side support, following three consecutive months of declines. Jet/kerosene fundamentals showed signs of improvement on the back of improving requirements from the aviation sector. Going forward, European jet/kerosene demand is expected to see upward pressure as consumption levels from the aviation sector continue to pick up for the summer months. However, product crack spreads could initially remain low and are expected to firm up once demand catches up and exerts downward pressure on inventory levels. The Rotterdam jet/kerosene crack spread against Brent averaged $20.78/b, down $2.60, m-o-m, but was $5.14 higher, y-o-y.

The **gasoil 10 ppm crack spread in Rotterdam** declined slightly due to lengthening global balances and softening export requirements. Weak diesel demand from the manufacturing sector in Europe, the end of the heavy refinery maintenance season, upside potential for higher production levels from Nigeria's Dangote refinery amid strong flows from the Middle East, and new supplies from the Mexican Olmeca refinery will likely exert pressure on NWE gasoil performance in the near-term. The gasoil crack spread against Brent averaged $18.86/b, down 40¢, m-o-m, but up $3.04, y-o-y.

Graph 6 - 4: Rotterdam crack spreads vs. Brent



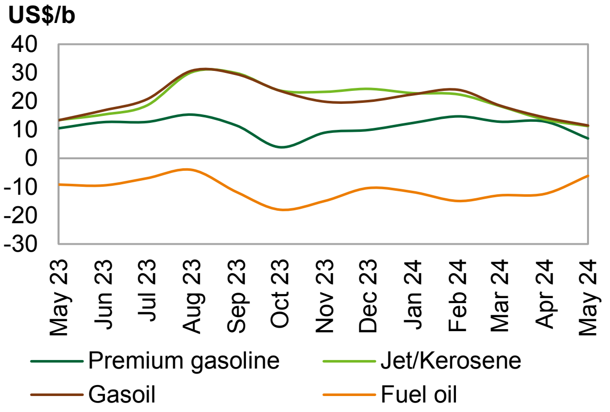
Sources: Argus and OPEC.

At the bottom of the barrel, **fuel oil 1.0% crack spreads in Rotterdam against Brent** moved upwards due to improved export demand. Accordingly to Vortexa, East of Suez imports of European residual fuel oil reached a 22-month high in May amid improved arbitrage economics, with HSFO East-to-West spreads outperforming that of VLSFO. The contracting availability in the region amid lower imports from the US contributed to stronger fundamentals and strengthening fuel oil margins. In terms of prices, fuel oil 1.0% declined $5.00, m-o-m, to $73.14/b, while the crack spread averaged minus $8.68/b in May, representing a $3.07 m-o-m rise, but a slight 72¢ y-o-y decline.

Asian market

The Southeast Asian gasoline 92 crack spreads experienced a solid loss, registering the most significantly negative performance across the barrel, followed by gasoil and jet/kerosene. Elevated gasoline volume inflows from the Middle East amid firm flows from Chinese refiners led to gasoline weakness. Consequently, the products' margin dropped to a seven-month low, averaging $6.99/b. This was down $5.96, m-o-m, and $3.57, y-o-y.

Graph 6 - 5: Singapore crack spreads vs. Dubai



Sources: Argus and OPEC.

Asian naphtha crack spreads regained some ground to partially recover from the notable loss registered in the previous month. Supportive demand from Northeast Asia and higher propane prices incentivized petrochemical operators to resort to naphtha as the preferred feedstock, although overall demand for chemical production remained lacklustre. In May, naphtha was the second strongest product across the barrel in Singapore, following high-sulphur fuel oil. The Singapore naphtha crack spread against Dubai averaged minus $11.82/b, which is $1.72 higher, m-o-m, and $1.06 higher, y-o-y.

In the middle of the barrel, the **jet/kerosene crack spreads** declined, affected by supply-side pressures, while the region remained well supplied despite healthy jet fuel requirements from Indonesia. Additionally, elevated refinery throughput contributed to additional jet/kerosene availability, weighing on the products' performance. Although the summer season demand boost in jet/kerosene showed signs of improvement in recent months, it is so far negligible and insufficient to provide a significant arbitrage opening for East-to-West flows. The Singapore jet/kerosene crack spread against Dubai averaged $11.34/b, down $2.30, m-o-m, and $2.12 y-o-y.

The **Singapore gasoil crack spread** declined for the third consecutive month in May to settle at a thirty-month low. Gasoil production in the region remained strong as Indian refiners practised high run rates driven by strong domestic demand and acquisitions of cheaper crude. In addition, China increased its gasoil exports, m-o-m, while South Korea's gasoil exports stayed robust. Going forward, the start of the monsoon season is expected to further boost gasoil production and keep key Asian trading hubs well supplied, although an expected rise in Australian product (including diesel) stockpiling starting the first of July may somewhat limit the gasoil surplus. The Singapore gasoil crack spread against Dubai averaged $11.56/b, down $2.82/b, m-o-m, and $1.82/b, y-o-y.

The **Singapore fuel oil 3.5% crack spread** showed a massive 51% improvement in May on the back of rising residual fuel requirements for cooling in the region. According to Kpler, firm HSFO demand for bunkering and refining amid rising seasonal usage in power generation in East of Suez has induced supply tightness and has led to depleted inventories. Singapore's inland inventories fell to 15.8 mb – the lowest number since October 2018. Fujairah's fuel oil stocks declined to 9.2 mb, about 2.4 mb and 1.6 mb below the 2023 and 2022 seasonal levels, respectively. Singapore floating storage also saw 400 thousand tonnes of draws of HSFO and high sulphur straight run fuel oil (HSSR) in May. Going forward, fuel oil markets in Asia should remain well supported on the back of continuously strong fuel oil demand in power generation. Singapore's high sulphur fuel oil crack spread against Dubai averaged minus $6.09/b, up $6.33, m-o-m, and $3.06, y-o-y.

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

Event	Time frame	Observations	Asia	Europe	US
Intense Monsoon season (flooding)	Jun 2024–Sep 2024	The downward risk for gasoil demand from the agricultural sector for farming could weigh on domestic consumption and free up volumes for exports, particularly in Asia.	↓ Pressure on gasoil markets	↓ Pressure on gasoil markets	↓ Pressure on gasoil markets
Australian fuel stockpiling mandates	From 1 Jul 2024	The Minimum Stockholding Obligation (MSO) will deliver a major increase in diesel stockholdings.	↑ Support diesel crack spreads	↑ Support diesel crack spreads	-
Summer season	Jun 2024–Sep 2024	Over the summer months, transport product crack spreads, particularly for gasoline, jet/kerosene and fuel oil, are expected to increase on the back of higher mobility.	↑ Support product markets	↑ Support product markets	↑ Support product markets
Forecasts of an active hurricane season	Jun 2024–Nov 2024	Predictions of increased storm activity in 2024 represent a threat to refining operations, particularly in the USGC. This could lead to product supply disruptions exerting upward pressure on fuel prices.	↑ Upward pressure on light distillates crack spreads	↑ Upward pressure on product crack spreads	↑ Upward pressure on product crack spreads
Softening East to West export margins	Jun 2024	Product pull towards the Atlantic basin is under pressure as refinery runs are recovering and some refiners in Asia enter maintenance. However, this trend is expected to subside starting from July as fuel requirements in the Atlantic basin increase and inventories experience increased pressure.	↓ Pressure on product markets	↓ Pressure on product markets	↓ Pressure on product markets

Source: OPEC.

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

		Apr 24	May 24	Change May/Apr	Annual avg. 2023	Year-to-date 2024
US Gulf (Cargoes FOB)						
Naphtha*		77.36	74.03	-3.33	72.51	76.27
Premium gasoline	(unleaded 93)	125.76	116.02	-9.74	117.23	114.95
Regular gasoline	(unleaded 87)	109.59	100.76	-8.83	104.59	101.51
Jet/Kerosene		109.82	100.77	-9.05	113.51	108.49
Gasoil	(0.2% S)	79.76	71.80	-7.96	78.57	79.91
Fuel oil	(3.0% S)	73.85	72.79	-1.06	68.14	69.72
Rotterdam (Barges FoB)						
Naphtha		76.24	73.05	-3.19	71.06	74.33
Premium gasoline	(unleaded 98)	126.39	109.74	-16.65	125.96	120.64
Jet/Kerosene		108.07	102.60	-5.47	111.74	109.02
Gasoil/Diesel	(10 ppm)	109.15	100.68	-8.47	111.19	109.16
Fuel oil	(1.0% S)	78.14	73.14	-5.00	74.29	75.06
Fuel oil	(3.5% S)	75.65	73.83	-1.82	72.79	72.02
Mediterranean (Cargoes FOB)						
Naphtha		73.53	70.21	-3.32	68.45	71.31
Premium gasoline**		111.52	102.77	-8.75	101.80	102.61
Jet/Kerosene		103.99	98.54	-5.45	107.77	104.68
Diesel		107.43	99.41	-8.02	109.08	107.12
Fuel oil	(1.0% S)	83.05	77.64	-5.41	78.85	80.32
Fuel oil	(3.5% S)	74.80	69.94	-4.86	66.47	69.24
Singapore (Cargoes FOB)						
Naphtha		75.58	72.29	-3.29	69.53	73.97
Premium gasoline	(unleaded 95)	106.33	95.38	-10.95	98.62	99.85
Regular gasoline	(unleaded 92)	102.07	91.10	-10.97	94.00	95.40
Jet/Kerosene		102.76	95.45	-7.31	104.68	101.12
Gasoil/Diesel	(50 ppm)	104.29	96.97	-7.32	105.99	102.65
Fuel oil	(180 cst)	101.36	94.13	-7.23	102.35	100.33
Fuel oil	(380 cst 3.5% S)	76.70	78.02	1.32	69.23	71.77

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

Sources: Argus and OPEC.

Tanker Market

Dirty spot freight rates showed mixed movement in May, with VLCCs and Aframax generally improving while Suezmax experienced a decline, m-o-m.

VLCC spot freight rates on the Middle East-to-East route rose by 10%, m-o-m, while the West Africa-to-East route rose by 11%. Aframax rates around the Mediterranean rose by 10% in May, while the Indonesia-to-East route was up 6%. In contrast, Suezmax spot freight rates declined, dropping by 8%, m-o-m, on the US Gulf Coast (USGC)-to-Europe route.

Rates for clean tankers were higher across all monitored routes in May, with East of Suez rates up by 10% and West of Suez rates gaining 3%.

Spot fixtures

Global spot fixtures increased in May, with fixtures increasing by almost 3.5 mb/d, or about 38%, m-o-m, to average 12.9 mb/d. However, compared with May 2023, global spot fixtures were down by 0.8 mb/d, or about 6%.

OPEC spot fixtures averaged just under 9 mb/d in May, representing an increase of 2.4 mb/d, or 36%. Compared with the same month last year, fixtures declined 0.3 mb/d, or 4%.

Middle East-to-East fixtures rose 1.3 mb/d, or almost 29%, to average 5.7 mb/d. Compared with the same month in 2023, fixtures on the Middle East-to-East route were about 1.0 mb/d, or over 22%, higher.

Spot fixtures on the **Middle East-to-West** route increased by 0.1 mb/d, or about 15%, m-o-m, to average 0.8 mb/d. However, compared to the same month last year, fixtures were down 0.5 mb/d, or 39%, y-o-y.

Fixtures on routes **outside the Middle East** rose 1.0 mb/d, or 66%, m-o-m, to average 2.6 mb/d. Compared with the same month of 2023, fixtures were 0.9 mb/d, or 26%, lower.

Table 7 - 1: Spot fixtures, mb/d

Spot fixtures	Mar 24	Apr 24	May 24	*Change* May 24/Apr 24
All areas	14.2	9.4	12.9	3.5
OPEC	10.2	6.6	9.0	2.4
Middle East/East	6.0	4.4	5.7	1.3
Middle East/West	1.2	0.7	0.8	0.1
Outside Middle East	3.0	1.6	2.6	1.0

Sources: Oil Movements and OPEC.

Sailings and arrivals

OPEC sailings declined by 0.4 mb/d, or about 2%, m-o-m, to average 20.7 mb/d in May. Compared with the same month in 2023, OPEC sailings declined 0.6 mb/d, or 3%. **Middle East sailings** declined by 1.6 mb/d, or almost 9%, m-o-m, to average 16.4 mb/d in May. Y-o-y sailings from the region were down 1.4 mb/d, or 8%.

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

Sailings	Mar 24	Apr 24	May 24	*Change* May 24/Apr 24
OPEC	21.0	21.2	20.7	-0.4
Middle East	17.1	17.9	16.4	-1.6
Arrivals				
North America	8.8	9.3	9.4	0.1
Europe	12.6	12.4	12.8	0.3
Far East	16.3	16.7	17.2	0.4
West Asia	8.7	9.3	8.9	-0.4

Sources: Oil Movements and OPEC.

Crude arrivals increased further in all monitored regions, except West Asia. **North American arrivals** rose 0.1 mb/d, or over 1%, to average 9.4 mb/d. Compared with May 2023, North American arrivals were about 0.4 mb/d, or close to 4%, higher. **Arrivals to Europe** increased by 0.3 mb/d, or about 3%, to average 12.8 mb/d. Compared with the same month of 2023, arrivals to Europe were 1.0 mb/d, or 9%, higher.

Far East arrivals rose by 0.4 mb/d, or about 3%, m-o-m, to average 17.2 mb/d in May. Y-o-y arrivals in the region were up by almost 2.5 mb/d, or over 17%. In contrast to the other regions, **arrivals** in **West Asia** declined, m-o-m, to average 8.9 mb/d, representing a decline of 0.4 mb/d, or about 5%, in May. However, compared to the same month last year, arrivals in the region increased by about 1 mb/d, or 12%.

Dirty tanker freight rates

Very large crude carriers

VLCC spot rates strengthened in May amid an improving performance both East and West of Suez. On average, VLCC spot freight rates rose 9%, m-o-m. Compared with the same month of 2023, VLCC rates were 36% higher.

On the **Middle East-to-East** route, rates increased by 10%, m-o-m, to average WS68 points. This represents a y-o-y gain of 42%. Rates on the **Middle East-to-West** route rose 5%, m-o-m, in May to average WS44 points. Compared with the same month in 2023, rates on the route were 22% higher.

West Africa-to-East spot rates increased 11%, m-o-m, to average WS70 points in May. Compared with the same month of 2023, rates were 43% higher.

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

VLCC	Size *1,000 DWT*	Mar 24	Apr 24	May 24	*Change* May 24/Apr 24
Middle East/East	230-280	70	62	68	6
Middle East/West	270-285	47	42	44	2
West Africa/East	260	71	63	70	7

Sources: Argus and OPEC.

Suezmax

In contrast to the other major tanker classes, **Suezmax spot freight rates** declined in May, falling 5%, m-o-m. They fell 11% compared with the same month of 2023.

On the **West Africa-to-USGC** route, spot freight rates in May averaged WS102, representing a decline of 4%, m-o-m. Compared with the same month of 2023, spot rates were also 4% lower.

Rates on the **USGC-to-Europe** route experienced an even stronger decline, falling 8%, m-o-m, to average WS84 points. Compared with the same month of 2023, they were 19% lower.

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

Suezmax	Size *1,000 DWT*	Mar 24	Apr 24	May 24	*Change* May 24/Apr 24
West Africa/US Gulf Coast	130-135	99	106	102	-4
US Gulf Coast/ Europe	150	88	91	84	-7

Sources: Argus and OPEC.

Aframax

Aframax spot freight rates were higher on all monitored routes, except the Caribbean-to-US East Coast (USEC). On average, rates rose 5%, m-o-m, but were 4% lower than in the same month of the previous year, when trade disruptions pressured Aframax rates in particular.

Rates on the **Indonesia-to-East** route rose 6%, m-o-m, to average WS167 points in May. Compared with the same month of 2023, rates were 8% higher.

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

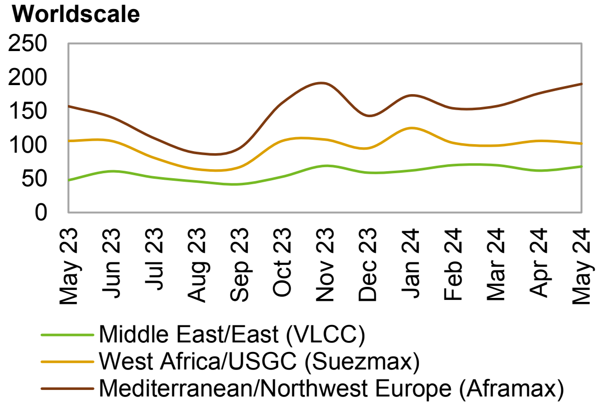
Aframax	Size 1,000 DWT	Mar 24	Apr 24	May 24	Change May 24/Apr 24
Indonesia/East	80-85	167	158	167	9
Caribbean/US East Coast	80-85	154	170	157	-13
Mediterranean/Mediterranean	80-85	159	183	202	19
Mediterranean/Northwest Europe	80-85	157	176	190	14

Sources: Argus and OPEC.

In contrast, spot rates on the **Caribbean-to-USEC** route declined 8%, m-o-m, to average WS157 points in May. Rates decreased 39% compared with the same month of 2023.

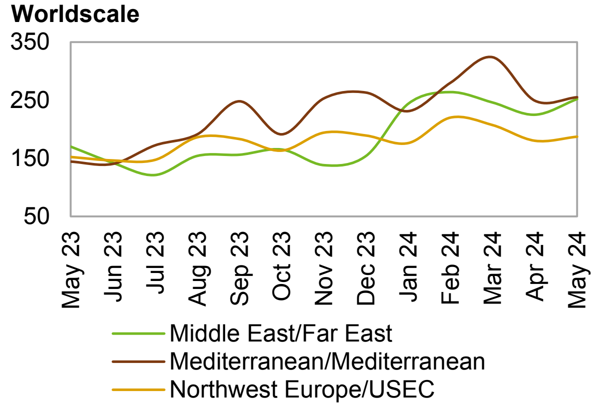
Cross-Med spot freight rates gained 10%, m-o-m, to average WS202 points. This represents a 13% y-o-y increase. Rates on the **Mediterranean-to-Northwest Europe (NWE)** route rose 8%, m-o-m, to average WS190 points. Compared with the same month of 2023, rates were up 21%.

Graph 7 - 1: Crude oil spot tanker freight rates, monthly average



Sources: Argus and OPEC.

Graph 7 - 2: Products spot tanker freight rates, monthly average



Sources: Argus and OPEC.

Clean tanker freight rates

Clean spot freight rates increased, supported by gains in both the East and West of Suez. East of Suez rates increased 10%, m-o-m, while West of Suez rates rose 3%. As a result, clean spot rates were 6% higher on average.

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

East of Suez	Size 1,000 DWT	Mar 24	Apr 24	May 24	Change May 24/Apr 24
Middle East/East	30-35	246	225	252	27
Singapore/East	30-35	280	252	273	21
West of Suez					
Northwest Europe/US East Coast	33-37	207	180	187	7
Mediterranean/Mediterranean	30-35	324	249	255	6
Mediterranean/Northwest Europe	30-35	334	259	265	6

Sources: Argus and OPEC.

Rates on the **Middle East-to-East** route increased 12%, m-o-m, to average WS252 points in May. Compared with the same month in 2023, rates were 48% higher. Clean spot freight rates on the **Singapore-to-East** route rose 8%, m-o-m, to average WS273 points. This represents a 16% gain compared with the same month of 2023.

Spot freight rates on the **NWE-to-USEC** route were 4% higher, m-o-m, to average WS187 points. This represents a 23% increase compared with May 2023.

Rates around the Mediterranean experienced relatively smaller relative gains, with the **Cross-Med** up 2%, m-o-m, to average WS255 points, and rates on the **Med-to-NWE** route increasing 2%, m-o-m, to average WS265 points. When compared with the same month of 2023, rates were over 72% higher on both routes.

Crude and Refined Products Trade

US crude imports rose to a six-month high in May, averaging almost 6.8 mb/d, according to preliminary data. US crude exports also increased in May to average 4.4 mb/d, representing a gain of over 15%, y-o-y. Product imports dropped by 2% to average 2.1 mb/d, while product exports also fell by about 2% to average 6.5 mb/d, albeit an 11% gain, y-o-y.

The latest full data for China shows April crude imports witnessing a seasonal decline of almost 6%, to average 10.9 mb/d, ahead of peak maintenance. Product imports reached a record high of 2.5 mb/d, driven by higher inflows of fuel oil. Preliminary data for May shows crude imports up about 0.2 mb/d to average 11.1 mb/d.

India's crude imports in April hit a two-year high of 5.2 mb/d, ahead of national elections, which supported transportation activities. Product imports reached a six-month high of just under 1.3 mb/d.

Japan's crude imports partly recovered from a weak performance in the 1Q24, averaging 2.6 mb/d in April. Product imports picked up 6% m-o-m, supported by gains across most major products.

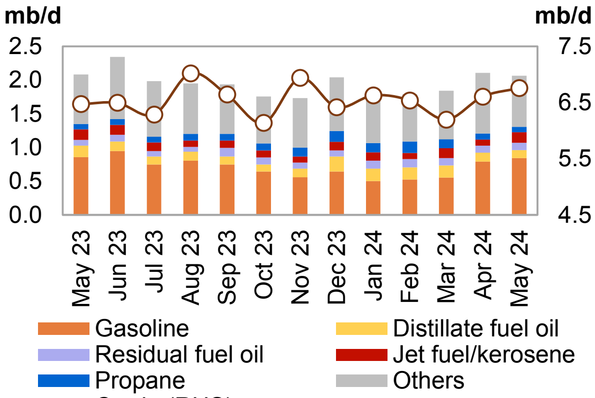
Preliminary estimates indicate OECD Europe crude imports were slightly lower in May, as higher inflows from North America were outpaced by declines from other key regions.

US

Preliminary data shows that **US crude imports** averaged 6.8 mb/d in May, representing an increase of about 0.2 mb/d, or over 2%, m-o-m. Compared with the same month last year, crude imports were up 0.3 mb/d, or over 4%.

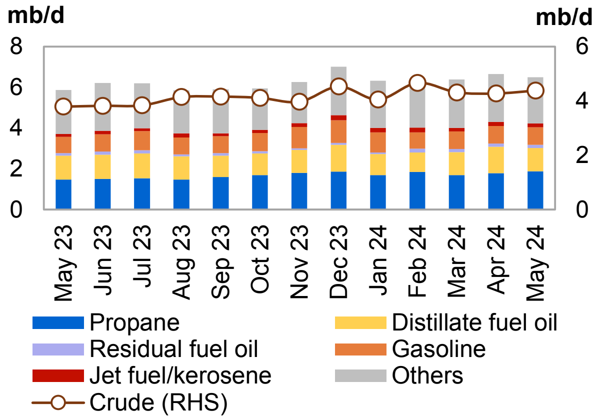
In terms of import **sources**, the latest official US Energy Information Administration (EIA) monthly data shows crude imports from Canada averaging around 4.1 mb/d in February, representing a share of 63%. Imports from Mexico averaged 0.5 mb/d, or over 8%, while imports from Saudi Arabia averaged 0.4 mb/d, or close to 4%.

Graph 8 - 1: US imports of crude and products



Sources: EIA and OPEC.

Graph 8 - 2: US exports of crude and products



Sources: EIA and OPEC.

According to preliminary data, **US crude exports** recovered in May to average 4.4 mb/d, This represents an increase of about 0.1 mb/d, or about 2%, m-o-m. Crude outflows were up 0.6 mb/d, or over 15%, compared to the same month last year.

As a result, US **net crude imports** averaged close to 2.4 mb/d in May, up from 2.3 mb/d in the previous month. The level was 2.7 mb/d in the same month last year.

On the **products** side, **imports** declined 43 tb/d, or 2%, m-o-m, to average 2.0 mb/d. Declines were driven by naphtha, which fell from the strong level seen in the previous month. This outweighed stronger outflows of gasoline and jet fuel. Compared with the same month of 2023, product inflows were down by around 19 tb/d, or less than 1%.

According to preliminary data, **product exports** fell 0.2 mb/d, or over 2%, to average 6.5 mb/d. Within products, losses were driven by distillate fuels, jets and other products, which offset gains in propane/propylene. Compared with the same month last year, product exports were 0.6 mb/d, or almost 11%, higher.

As a result, **net product exports** averaged 4.4 mb/d in May, compared with 4.5 mb/d in April and 3.8 mb/d in the same month last year.

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

US	Mar 24	Apr 24	May 24	Change May 24/Apr 24
Crude oil	1.88	2.33	2.38	0.05
Total products	-4.55	-4.54	-4.43	0.11
Total crude and products	**-2.66**	**-2.21**	**-2.05**	**0.15**

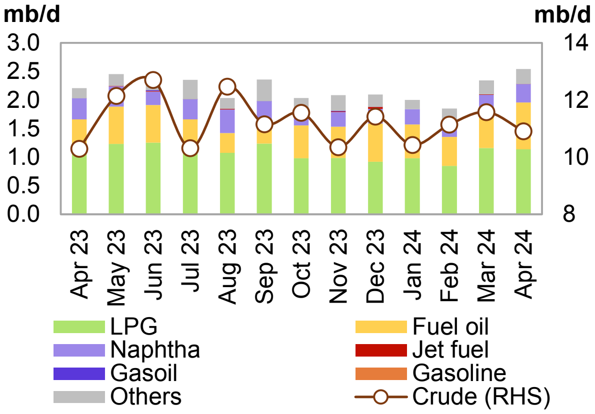
Note: Totals may not add up due to independent rounding.
Sources: EIA and OPEC.

Looking ahead, the summer driving season in the northern hemisphere should support crude imports in the near term; crude exports are likely to remain above the levels seen in the previous years.

China

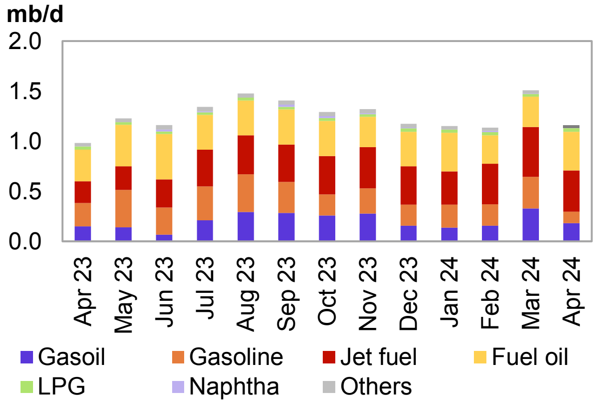
China's crude imports averaged 10.9 mb/d in April, representing a decline of 671 tb/d, or about 6%, m-o-m. Compared with April 2023, China's crude imports were up by 613 tb/d, or about 6%. Preliminary data for May shows crude imports up about 0.2 mb/d to average 11.1 mb/d, as refiners look towards a return from maintenance, although margins remain soft.

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



Sources: China OGP and OPEC.

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



Sources: China OGP and OPEC.

In terms of **crude imports by source**, Russia remained in the top spot in April with a share of 21%, up from around 20% in March. Saudi Arabia was second with just over 14%, Iraq was third with more than 12% and Malaysia was fourth with 9%.

Product imports, including LPG, reached a new record high in April of 2.5 mb/d. This represents an increase of 199 tb/d, or over 8%. Gains were driven by fuel oil, other products and naphtha. Compared to the same period in 2023, product imports increased 332 tb/d, or about 15%. Preliminary May data shows imports sharply lower as independent refiners cut back feedstock purchases.

Product exports averaged 1.2 mb/d in April, representing a decline of 351 tb/d, or around 23%, m-o-m. Gasoline and diesel oil led the declines, which were partly offset by higher outflows of fuel oil. Compared to the same period in 2023, product exports were up by 175 tb/d, or 18%. Customs data shows exports increasing in May following the release of product export quotas.

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

China	Feb 24	Mar 24	Apr 24	Change Apr 24/Mar 24
Crude oil	11.14	11.57	10.85	-0.72
Total products	0.71	0.83	1.38	0.55
Total crude and products	**11.86**	**12.40**	**12.23**	**-0.17**

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

Sources: China OGP and OPEC.

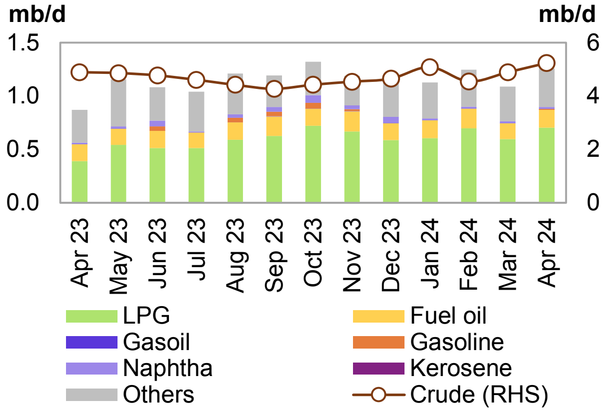
Net product imports averaged 1.4 mb/d in April, compared to 834 tb/d in March and 1.2 mb/d in April 2023.

India

India's **crude imports** in April rose 345 tb/d, or 7%, m-o-m, to average 5.2 mb/d. Compared with the same period last year, crude imports saw similar gains, rising 342 tb/d or 7%. Crude inflows were supported by increased activities ahead of national elections which supported transportation demand.

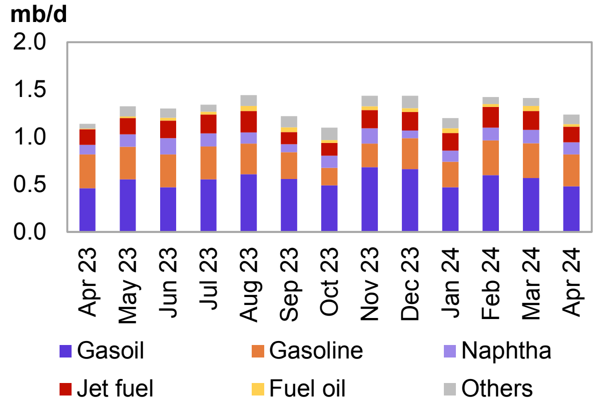
In terms of crude imports by **source**, Kpler data shows Russia had a share of 41% of India's total April crude imports, up from 34% the month before, followed by Iraq with 21% and Saudi Arabia with 12%.

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



Sources: PPAC and OPEC.

Graph 8 - 6: India's exports of products



Sources: PPAC and OPEC.

For **product imports,** inflows increased by 172 tb/d, or almost 16%, m-o-m, to average 1.3 mb/d in April, representing a six-month high. LPG led the gains, followed by other products and fuel oil. Y-o-y, product inflows were up by 388 tb/d, or over 45%.

Product exports in April fell 175 tb/d, or over 12%, m-o-m, to stand at 1.2 mb/d. All major products contributed to the decline, except kerosene which saw a minor build. Compared to the same month of 2023, product outflows from India were up by 99 tb/d, or close to 9%.

As a result, India became a net product importer in April for the first time in six months. **Net product imports** averaged 22 tb/d in April, compared to net product exports of 324 tb/d the month before and 266 tb/d in the same month last year.

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

India	Feb 24	Mar 24	Apr 24	Change Apr 24/Mar 24
Crude oil	4.55	4.89	5.23	0.35
Total products	-0.17	-0.32	0.02	0.35
Total crude and products	**4.37**	**4.56**	**5.25**	**0.69**

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

India data table does not include information for crude import and product export by Reliance Industries.

Sources: PPAC and OPEC.

Looking ahead, crude imports are likely to have remained elevated in May in the run-up to the national election. Similarly, product imports are seen higher, amid increased inflows of diesel.

Japan

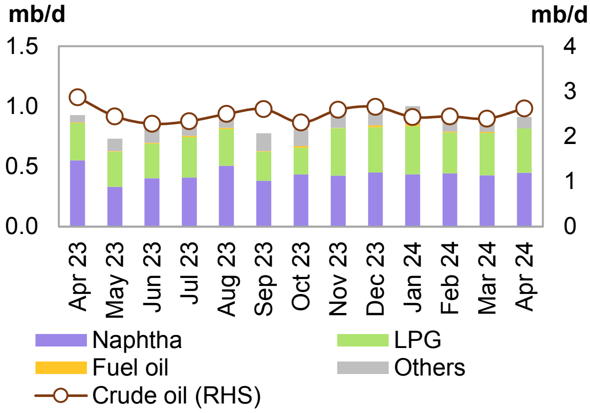
Japan's **crude imports** in April rose 228 tb/d, or almost 10%, m-o-m, to average 2.6 mb/d. When compared to the same period last year, crude imports were down by 247 tb/d, or about 9%.

In terms of **crude imports by source**, the United Arab Emirates held the highest share in April with over 45%. Saudi Arabia was second with just under 40%, followed by Kuwait with 6%.

Product imports, including LPG, rose 47 tb/d, or about 6%, m-o-m, to average 911 tb/d in April. Gains were driven by most major products, led by naphtha, LPG and gasoline. Compared with April 2023, product inflows slipped 15 tb/d, or about 2%.

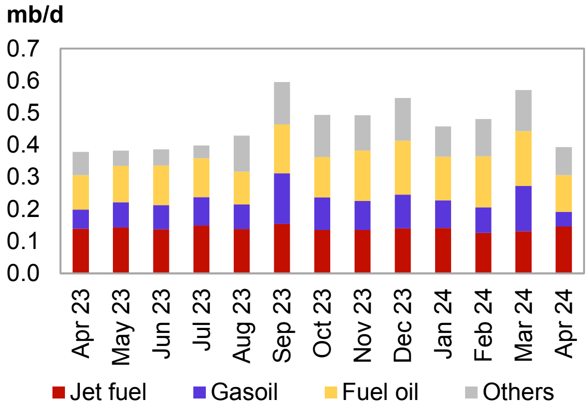
Product exports, including LPG, fell in April to average 394 tb/d. They were down by 177 tb/d, or 31%, m-o-m. Losses were shared by gasoil, fuel oil and gasoline, offset by gains in jet fuel and kerosene. Compared to the same month last year, product exports in April increased 16 tb/d, or over 4%.

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



Sources: METI and OPEC.

Graph 8 - 8: Japan's exports of products



Sources: METI and OPEC.

Consequently, Japan's **net product imports**, including LPG, averaged 517 tb/d in April. This compares with 293 tb/d the month before and 548 tb/d in April 2023.

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

Japan	Feb 24	Mar 24	Apr 24	*Change* Apr 24/Mar 24
Crude oil	2.45	2.40	2.62	0.23
Total products	0.40	0.29	0.52	0.22
Total crude and products	**2.85**	**2.69**	**3.14**	**0.45**

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

Looking ahead, crude imports in May are likely to edge lower, m-o-m, while product imports are expected to decline on lower inflows of LPG, although naphtha is seen to hold up.

OECD Europe

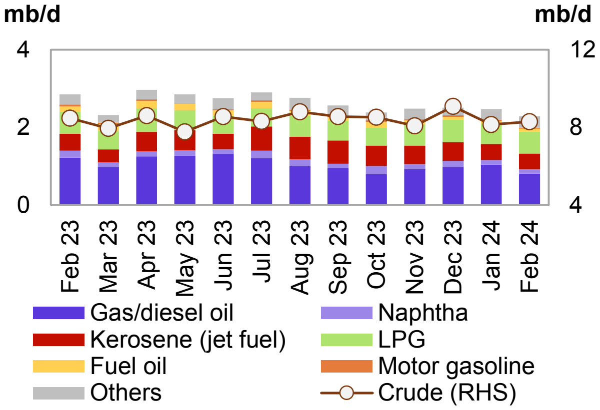
The latest official data for **OECD Europe** shows that **crude imports** increased in **February**, adding 140 tb/d, m-o-m, or about 2%, to average 8.3 mb/d. Compared with the same month in 2023, crude imports were down by 183 tb/d, or about 2%.

In terms of **import sources** to the region, the US provided the most in February, with about 2.0 mb/d. Kazakhstan was second with 1.0 mb/d, followed by Nigeria with around 0.7 mb/d.

Crude exports averaged 36 tb/d in February, representing a decline of 29 tb/d from the previous month. Compared to the same month of 2023, crude outflows increased 15 tb/d. Romania was the top destination for crude exports outside the OECD Europe region in February, taking in around 26 tb/d.

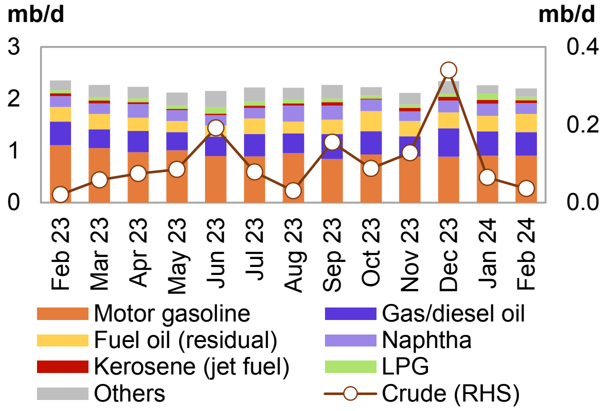
Net crude imports averaged 8.2 mb/d in February, compared with almost 8.2 mb/d the month before and about 8.4 mb/d in February 2023.

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



Sources: IEA and OPEC.

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



Sources: IEA and OPEC.

Product imports declined by 0.2 mb/d, or about 8%, m-o-m, to average 2.3 mb/d in February. Losses were driven primarily by diesel. Compared with February 2023, product inflows fell by 0.6 mb/d, or about 20%.

Product exports fell by 64 tb/d, or about 3%, to average 2.2 mb/d. Declines were seen across most major products, with only fuel oil showing an improvement. Compared to the same month of 2023, product outflows were down by 0.2 mb/d, or almost 7%.

Net product imports averaged 81 tb/d in February, compared with 208 tb/d the month before and 492 tb/d in February 2023.

Combined, **net crude and product imports** averaged 8.3 mb/d in February, up slightly from the month before and 8.9 mb/d in February 2023.

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

OECD Europe	Dec 23	Jan 24	Feb 24	*Change* Feb 24/Jan 24
Crude oil	8.73	8.07	8.24	0.17
Total products	0.16	0.21	0.08	-0.13
Total crude and products	**8.90**	**8.28**	**8.32**	**0.04**

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

Sources: IEA and OPEC.

Preliminary estimates indicate OECD Europe crude imports remained stable in March, before turning lower in April and May, amid maintenance and muted demand in the region.

Eurasia

Total crude oil exports from Russia and Central Asia were broadly unchanged in April, m-o-m, averaging 6.6 mb/d. Lower flows from the Black Sea were offset by higher outflows in the Baltic and to the Pacific. Compared to the same month in 2023, outflows were down by 198 tb/d, or 3%.

Crude exports through the **Transneft system** rose further in April, increasing by 115 tb/d, or 3%, m-o-m, to average 4.1 mb/d. Compared to the same month of 2023, exports were down by 76 tb/d, or about 2%. Transneft shipments from the **Black Sea** port of Novorossiysk declined 82 tb/d, or about 13%, m-o-m, to average 565 tb/d. Crude exports from the **Baltic Sea** increased 132 tb/d, or about 8%, to average 1.8 mb/d. Flows from Primorsk increased 163 tb/d, or about 18%, to average 1.1 mb/d. Exports from Ust-Luga dropped 31 tb/d, or over 4%, to average 681 tb/d.

Shipments via the **Druzhba** pipeline fell 49 tb/d, or about 20%, m-o-m, to average 197 tb/d in April. Compared to the same month of 2023, exports via the pipeline were down by 74 tb/d, or 27%. Exports to inland China via the **ESPO pipeline** edged up by 9 tb/d, or about 2%, to average 578 tb/d in April. This is 9 tb/d, or 2%, lower than the flows seen in April 2023. Exports from the Pacific port of **Kozmino** averaged 962 tb/d, representing an increase of 105 tb/d, m-o-m, or over 12%. This was about 92 tb/d, or 11%, lower than in the same month of 2023.

In the **Lukoil system**, exports via the Varandey offshore platform in the Barents Sea expanded in April by about 4%, m-o-m, to average 133 tb/d. This is 33% higher than the same month last year.

On other routes, the combined exports from **Russia's Far East** ports, De Kastri and Aniva, fell by 60 tb/d, or around 20%, to average 240 tb/d in April. This was a drop of 83 tb/d, or 26%, compared with the volumes shipped in the same month of 2023.

Central Asian exports averaged 238 tb/d in April, representing an increase of 6% compared to the previous month, and an almost 10% drop from the same month of 2023.

Black Sea total exports from the **CPC terminal** fell 125 tb/d in April, or over 8%, to average 1.4 mb/d. This represents a decline of 38 tb/d, or about 3%, compared with the same month of 2023. Exports via the **Baku-Tbilisi-Ceyhan (BTC) pipeline** increased 43 tb/d in April, or over 8%, m-o-m, to average 620 tb/d.

Total product exports from Russia and Central Asia fell 318 tb/d, or more than 12%, m-o-m, to average 2.2 mb/d in April. The m-o-m declines were seen across most major products, except VGO. Y-o-y, total product exports were 0.5 mb/d, or 17% lower, with declines led by naphtha.

Commercial Stock Movements

Preliminary April 2024 data shows total OECD commercial oil stocks up by 16.6 mb, m-o-m. At 2,773 mb, they were 49 mb lower than the same time one year ago, 110 mb less than the latest five-year average and 154 mb below the 2015–2019 average. Within the components, crude stocks rose by 19.5 mb, while product stocks fell 2.9 mb, m-o-m, respectively.

OECD commercial crude stocks stood at 1,376 mb. This was 36 mb lower than the same time a year ago, 49 mb below the latest five-year average, and 96 mb less than the 2015-2019 average.

OECD total product stocks stood at 1,396 mb. This is 13 mb less than the same time a year ago, 61 mb lower than the latest five-year average, and 58 mb below the 2015–2019 average.

In terms of days of forward cover, OECD commercial stocks increased in April by 0.1 days, m-o-m, to stand at 60.1 days. This is 1.2 days lower than the level registered in April 2023, 4.9 days below the latest five-year average, and 2.2 days less than the 2015–2019 average.

Preliminary data for May 2024 shows that total US commercial oil stocks rose by 37.2 mb, m-o-m, to stand at 1,277 mb. This is 16.6 mb, or 1.3%, higher than the same month in 2023, but 18.4 mb, or 1.4%, below the latest five-year average. Crude stocks fell by 3.6 mb, while product stocks rose by 40.8 mb, m-o-m.

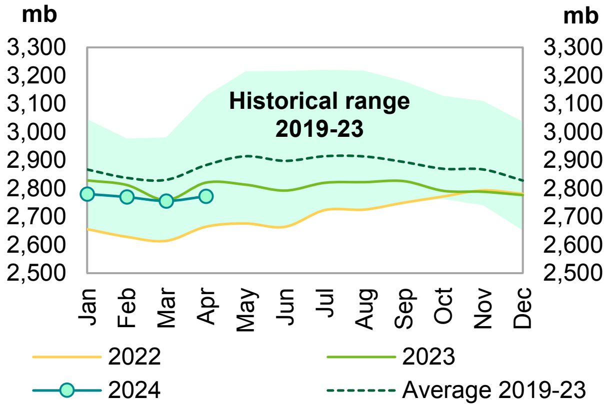
OECD

Preliminary April 2024 data shows total OECD commercial oil stocks up by 16.6 mb, m-o-m. At 2,773 mb, they were 49 mb lower than the same time one year ago and 110 mb less than the latest five-year average and 154 mb below the 2015–2019 average.

Within the components, crude stocks rose by 19.5 mb, while product stocks fell 2.9 mb, m-o-m, respectively.

Within the OECD regions, in April, total commercial oil stocks rose in OECD Americas and OECD Asia Pacific, while they fell in OECD Europe.

Graph 9 - 1: OECD commercial oil stocks



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

OECD commercial crude stocks rose by 19.5 mb, m-o-m, ending April at 1,376 mb. This was 36 mb lower than the same time a year ago, 49 mb below the latest five-year average, and 96 mb less than the 2015–2019 average.

Within the OECD regions, OECD Americas and OECD Asia Pacific saw crude stock builds of 12.3 mb and 5.1 mb, m-o-m, respectively. Crude stocks in OECD Europe rose by 2.0 mb, m-o-m.

OECD total product stocks fell by 2.9 mb in April to stand at 1,396 mb. This is 13 mb less than the same time a year ago, 61 mb lower than the latest five-year average, and 58 mb below the 2015–2019 average.

Within the OECD regions, product stocks in OECD Asia-Pacific witnessed a build of 4.1 mb, m-o-m, while OECD Americas and OECD Europe product stocks dropped by 2.3 mb and 4.7 mb, respectively.

Table 9 - 1: OECD commercial stocks, mb

OECD stocks	Apr 23	Feb 24	Mar 24	Apr 24	*Change* Apr 24/Mar 24
Crude oil	1,412	1,360	1,357	1,376	*19.5*
Products	1,409	1,410	1,399	1,396	*-2.9*
Total	**2,821**	**2,770**	**2,756**	**2,773**	***16.6***
Days of forward cover	**61.2**	**60.5**	**60.0**	**60.1**	***0.1***

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

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

In terms of days of forward cover, OECD commercial stocks increased in April by 0.1 days, m-o-m, to stand at 60.1 days. This is 1.2 days less than the level registered in April 2023, 4.9 days lower than the latest five-year average, and 2.2 days less than the 2015–2019 average.

Within the OECD regions, OECD Americas stood at 5.5 days and OECD Europe 5.2 days below the latest five-year average, at 58.3 days and 68.7 days, respectively. OECD Asia Pacific was 2.3 days less than the latest five-year average, standing at 49.8 days.

OECD Americas

OECD Americas' total commercial stocks rose in April by 10.0 mb, m-o-m, to settle at 1,490 mb. This is 16.6 mb lower than the same month in 2023 and 45.8 mb below the latest five-year average.

Commercial crude oil stocks in OECD Americas rose in April by 12.3 mb, m-o-m, to stand at 791 mb, which is 9.9 mb higher than in April 2023, but 3.0 mb lower than the latest five-year average.

In contrast, total product stocks in OECD Americas fell by 2.3 mb, m-o-m, in April to stand at 699 mb. This is 26.5 mb lower than the same month in 2023 and 42.8 mb below the latest five-year average. Higher consumption in the region was behind the product stock draw.

OECD Europe

OECD Europe's total commercial stocks fell in April by 2.7 mb, m-o-m, to settle at 937 mb. This is 11.3 mb less than the same month in 2023, and 45.5 mb below the latest five-year average.

OECD Europe's commercial crude stocks increased by 2.0 mb, m-o-m, to end April at 403 mb. This is 27.5 mb less than one year ago and 29.0 mb lower than the latest five-year average.

By contrast, total product stocks fell by 4.7 mb, m-o-m, to end April at 533 mb. This is 16.2 mb higher than the same time a year ago, but 16.6 mb below the latest five-year average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks rose in April by 9.2 mb, m-o-m, to stand at 346 mb. This is 20.8 mb lower than the same time a year ago and 19.0 mb below the latest five-year average.

OECD Asia Pacific's crude stocks rose by 5.1 mb, m-o-m, to end April at 182 mb. This is 18.3 mb lower than one year ago, and 16.9 mb less than the latest five-year average.

OECD Asia Pacific's total product stocks increased by 4.1 mb, m-o-m, to end April at 164 mb. This is 2.5 mb lower than one year ago and 2.0 mb below the latest five-year average.

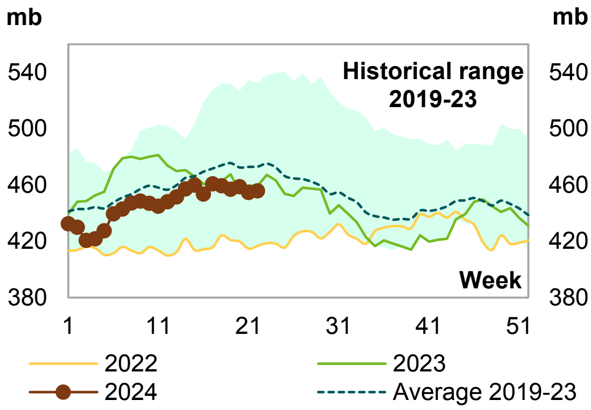
US

Preliminary data for May 2024 shows that total US commercial oil stocks rose by 37.2 mb, m-o-m, to stand at 1,277 mb. This is 16.6 mb, or 1.3%, higher than the same month in 2023, but 18.4 mb, or 1.4%, below the latest five-year average. Crude stocks fell by 3.6 mb, while product stocks rose by 40.8 mb, m-o-m.

US commercial crude stocks in May stood at 456 mb. This is 4.9 mb, or 1.1%, lower than the same month in 2023, and 15.2 mb, or 3.2%, below the latest five-year average. The monthly draw in crude oil stocks is attributable to higher crude runs, which increased by 730 tb/d or 3.8 pp, m-o-m, to average 17.04 in May.

By contrast, total product stocks rose in May to stand at 821 mb. This is 21.5 mb, or 2.7%, higher than in May 2023, but 3.2 mb, or 0.4%, below the latest five-year average. The product stock build can be attributed to lower product consumption.

Graph 9 - 2: US weekly commercial crude oil inventories



Sources: EIA and OPEC.

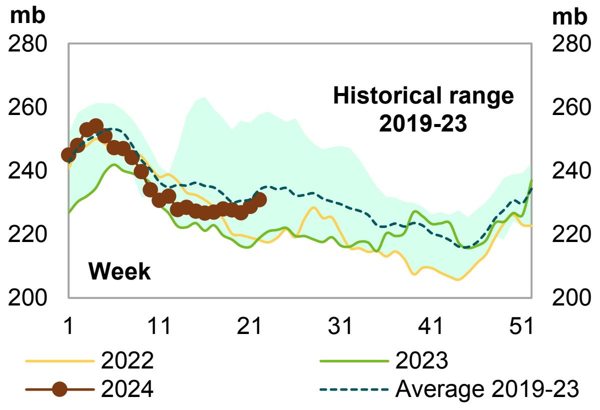
Gasoline stocks rose in May by 2.9 mb, m-o-m, to settle at 230.9 mb. This is 8.8 mb, or 4.0%, higher than the same month in 2023, but 4.6 mb, or 2.0%, below the latest five-year average.

Distillate stocks in May rose by 6.1 mb, m-o-m, to stand at 122.5 mb. This is 9.3 mb, or 8.3%, higher than the same month in 2023, but 11.3 mb, or 8.4%, below the latest five-year average.

Jet fuel stocks increased by 1.8 mb, m-o-m, ending May at 43.1 mb. This is 0.6 mb, or 1.3%, higher than the same month in 2023, and 1.7 mb, or 4.1%, above the latest five-year average.

Residual fuel oil stocks in May rose by 0.3 mb, m-o-m. At 28.5 mb, they were 4.2 mb, or 12.9%, less than a year earlier, and 4.0 mb, or 12.4%, below the latest five-year average.

Graph 9 - 3: US weekly gasoline inventories



Sources: EIA and OPEC.

Table 9 - 2: US commercial petroleum stocks, mb

US stocks	May 23	Mar 24	Apr 24	May 24	*Change May 24/Apr 24*
Crude oil	**460.8**	**447.2**	**459.5**	**455.9**	***-3.6***
Gasoline	222.1	233.4	228.0	230.9	*2.9*
Distillate fuel	113.1	121.2	116.4	122.5	*6.1*
Residual fuel oil	32.8	29.9	28.2	28.5	*0.3*
Jet fuel	42.5	42.2	41.3	43.1	*1.8*
Total products	**799.2**	**783.0**	**780.0**	**820.7**	***40.8***
Total	**1,260.0**	**1,230.3**	**1,239.5**	**1,276.6**	***37.2***
SPR	**354.4**	**363.9**	**367.2**	**370.2**	***3.0***

Sources: EIA and OPEC.

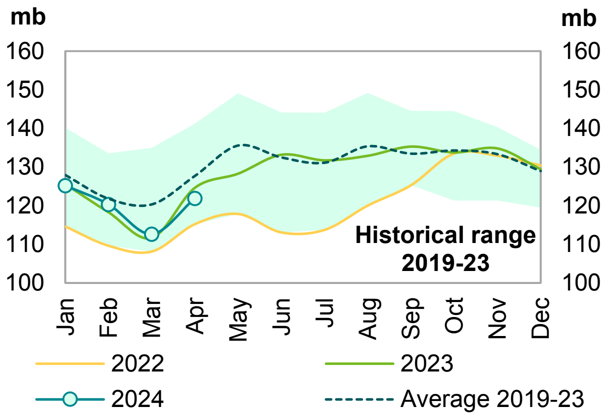
Japan

In Japan, total commercial oil stocks in April 2024 rose by 9.2 mb, m-o-m, to settle at 121.9 mb. This is 2.8 mb, or 2.2%, lower than the same month in 2023 and 5.8 mb, or 4.5%, below the latest five-year average. Crude and product stocks rose by 5.1 mb and 4.1 mb, m-o-m, respectively.

Japanese commercial crude oil stocks rose in April by 5.1 mb, m-o-m, to stand at 67.7 mb. This is 2.3 mb, or 3.2%, lower than the same month in 2023 and 4.4 mb, or 6.2%, below the latest five-year average. The build in crude stocks came on the back of higher crude imports, which increased in April by 228 tb/d, or 9.5%, m-o-m, to average 2.6 mb/d.

Gasoline stocks rose by 0.7 mb, m-o-m, to stand at 10.5 mb in April. This is 0.1 mb, or 0.7%, higher than a year earlier, but 0.8 mb, or 7.5%, lower than the latest five-year average. The build in gasoline stocks came on the back of lower gasoline domestic sales, which fell by 5.1%, m-o-m, in April.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

Distillate stocks rose by 1.4 mb, m-o-m, to end April at 21.7 mb. This is 0.3 mb, or 1.6%, lower than the same month in 2023 and 0.8 mb, or 3.4%, lower than the latest five-year average. Within the distillate components, jet fuel, gasoil and kerosene stocks rose by 4.3%, 11.2% and 4.3%, respectively.

Total residual fuel oil stocks rose m-o-m by 1.7 mb to end April at 12.8 mb. This is 1.3 mb, or 11.1%, higher than the same month in 2023, and 0.7 mb, or 6.1%, above the latest five-year average. Within the components, fuel oil A and fuel oil B.C stocks rose by 13.7% and 16.9%, respectively.

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

Japan's stocks	Apr 23	Feb 24	Mar 24	Apr 24	*Change Apr 24/Mar 24*
Crude oil	**70.0**	**65.9**	**62.6**	**67.7**	***5.1***
Gasoline	10.5	10.8	9.8	10.5	*0.7*
Naphtha	10.7	7.5	9.0	9.2	*0.2*
Middle distillates	22.1	24.4	20.3	21.7	*1.4*
Residual fuel oil	11.5	11.7	11.0	12.8	*1.7*
Total products	**54.7**	**54.4**	**50.1**	**54.2**	***4.1***
Total**	**124.7**	**120.4**	**112.7**	**121.9**	***9.2***

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

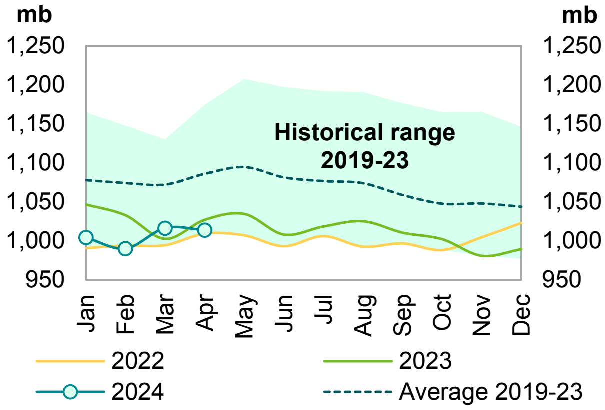
Sources: METI and OPEC.

EU-14 plus UK and Norway

Preliminary data for April 2024 showed that total European commercial oil stocks fell by 2.7 mb, m-o-m, to stand at 1,014 mb. At this level, they were 13.1 mb, or 1.3%, below the same month in 2023, and 71.9 mb, or 6.6%, less than the latest five-year average. Crude stocks rose by 2.0 mb, m-o-m, while product stocks fell by 4.7 mb, m-o-m.

European crude stocks stood at 421.2 mb in April. This is 21.2 mb, or 4.8%, lower than the same month in 2023 and 43.0 mb, or 9.3%, below the latest five-year average. The build in crude oil stocks came despite higher refinery throughput in the EU-14, plus the UK and Norway, which increased by around 380 tb/d or 4.2%, m-o-m, to stand at 9.45 mb/d.

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



Sources: Argus, Euroilstock and OPEC.

Total European product stocks fell by 4.7 mb, m-o-m, to end April at 592.6 mb. This is 8.1 mb, or 1.4%, higher than the same month in 2023, but 29.0 mb, or 4.7%, below the latest five-year average. The stock draw can be attributed to higher demand in the region.

Gasoline stocks fell in April by 1.0 mb, m-o-m, to stand at 111.1 mb, which is 6.3 mb, or 6.0%, higher than the same time in 2023, but 3.3 mb, or 2.9%, below the latest five-year average.

Middle distillate stocks decreased in April by 4.5 mb, m-o-m, to stand at 394.1 mb. This is 3.4 mb, or 0.9%, higher than the same month in 2023, but 18.1 mb, or 4.4%, lower than the latest five-year average.

Naphtha stocks were down in April by 1.2 mb, m-o-m, ending the month at 26.7 mb. This is 0.4 mb, or 1.6%, below the same month in 2023, and 3.7 mb, or 12.3 %, lower than the latest five-year average.

By contrast, residual fuel stocks rose in April by 2.0 mb, m-o-m, to stand at 60.7 mb. This is 2.0 mb, or 3.2%, lower than the same month in 2023 and 3.9 mb, or 6.0%, below the latest five-year average.

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

EU stocks	Apr 23	Feb 24	Mar 24	Apr 24	*Change Apr 24/Mar 24*
Crude oil	**442.4**	**411.3**	**419.2**	**421.2**	***2.0***
Gasoline	104.9	110.0	112.1	111.1	*-1.0*
Naphtha	26.3	25.5	27.9	26.7	*-1.2*
Middle distillates	390.7	385.0	398.6	394.1	*-4.5*
Fuel oils	62.6	58.4	58.6	60.7	*2.0*
Total products	**584.5**	**578.9**	**597.3**	**592.6**	***-4.7***
Total	**1,026.9**	**990.2**	**1,016.5**	**1,013.8**	***-2.7***

Sources: Argus, Euroilstock and OPEC.

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

Singapore

In April, total product stocks in Singapore fell by 1.7 mb, m-o-m, to stand at 45 mb. This is 0.9 mb, or 2.0%, lower than the same month in 2023 and 2.6 mb, or 5.4%, below the latest five-year average.

Light distillate stocks rose in April by 0.3 mb, m-o-m, to stand at 15.6 mb. This is 0.4 mb, or 2.5%, higher than the same month in 2023, and 1.4 mb, or 10.1%, above the latest five-year average.

Middle distillate stocks increased in April by 1.2 mb, m-o-m, to stand at 11.4 mb. This is 3.4 mb, or 42.6%, higher than in April 2023, and 0.8 mb, or 7.7%, above the latest five-year average.

By contrast, residual fuel oil stocks fell by 3.2 mb, m-o-m, ending April at 18.0 mb. This is 4.7 mb, or 20.8%, lower than in April 2023, and 4.8 mb, or 21.1%, below the latest five-year average.

ARA

Total product stocks in ARA in April rose by 2.0 mb, m-o-m. At 47.3 mb, they were 2.1 mb, or 4.6%, above the same month in 2023, and 3.0 mb, or 6.8 %, higher than the latest five-year average.

Gasoil stocks in April increased by 0.9 mb, m-o-m, to stand at 16.6 mb. This is 0.1 mb, or 0.4%, less than the same month in 2023, but 0.1 mb, or 0.9%, higher than the latest five-year average.

Jet oil stocks rose by 0.9 mb, m-o-m, to stand at 6.6 mb in April. This is 0.6 mb, or 8.5%, below the level seen in April 2023 and broadly in line with the latest five-year average.

Fuel oil stocks rose in April by 0.8 mb, m-o-m, to stand at 10.2 mb. This is 2.2 mb, or 28.2%, higher than in April 2023 and 2.1 mb, or 26.3%, above the latest five-year average.

By contrast, gasoline stocks fell by 1.7 mb, m-o-m, ending April at 8.8 mb. This is 2.2 mb, or 20.3%, lower than in April 2023, and 1.5 mb, or 14.7%, below the latest five-year average.

Fujairah

During the week ending 3 June 2024, total oil product stocks in Fujairah rose by 1.21 mb, w-o-w, to stand at 21.57 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 2.75 mb lower than at the same time a year ago.

Light distillate stocks rose by 0.16 mb, w-o-w, to stand at 7.15 mb, which is 0.73 mb lower than a year ago.

Middle distillate stocks increased by 0.46 mb, w-o-w, to stand at 3.72 mb, which is 0.63 mb less than the same time last year.

Heavy distillate stocks also rose by 0.59 mb, w-o-w, to stand at 10.70 mb, which is 1.39 mb below the same time a year ago.

Balance of Supply and Demand

Demand for DoC crude (i.e. crude from countries participating in the Declaration of Cooperation) is unchanged from the previous assessment at 43.2 mb/d in 2024, around 0.9 mb/d higher than the estimate for 2023.

Demand for DoC crude in 2025 remains unchanged from the previous assessment to stand at 43.9 mb/d, around 0.7 mb/d higher than the estimate for 2024.

Balance of supply and demand in 2024

Demand for DoC crude

Demand for DoC crude in 2024 is unchanged from the previous assessment at 43.2 mb/d, around 0.9 mb/d higher than the estimate for 2023.

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

	2023	1Q24	2Q24	3Q24	4Q24	2024	*Change 2024/23*
(a) World oil demand	**102.2**	**103.5**	**103.8**	**104.9**	**105.6**	**104.5**	***2.2***
Non-DoC liquids production	51.7	52.6	52.8	53.0	53.4	53.0	*1.2*
DoC NGL and non-conventionals	8.2	8.4	8.3	8.2	8.3	8.3	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**59.9**	**60.9**	**61.1**	**61.3**	**61.7**	**61.3**	***1.4***
Difference (a-b)	**42.3**	**42.6**	**42.7**	**43.6**	**43.9**	**43.2**	***0.9***
DoC crude oil production	**42.0**	**41.2**					
Balance	**-0.3**	**-1.3**					

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

Source: OPEC.

Balance of supply and demand in 2025

Demand for DoC crude

Demand for DoC crude in 2025 remains unchanged from the previous assessment to stand at 43.9 mb/d, around 0.7 mb/d higher than the estimate for 2024.

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

	2024	1Q25	2Q25	3Q25	4Q25	2025	*Change 2025/24*
(a) World oil demand	**104.5**	**105.3**	**105.5**	**107.0**	**107.4**	**106.3**	***1.8***
Non-DoC liquids production	53.0	54.0	53.7	54.0	54.6	54.1	*1.1*
DoC NGL and non-conventionals	8.3	8.3	8.4	8.2	8.3	8.3	*0.0*
(b) Total non-DoC liquids production and DoC NGLs	**61.3**	**62.3**	**62.1**	**62.2**	**62.9**	**62.4**	***1.1***
Difference (a-b)	**43.2**	**43.0**	**43.5**	**44.8**	**44.4**	**43.9**	***0.7***

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

Source: OPEC.

Appendix

Table 11 - 1: World oil demand and supply balance, mb/d

World oil demand and supply balance	2021	2022	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25	4Q25	2025
World demand													
Americas	24.0	24.8	25.0	24.6	25.4	25.6	25.4	25.2	24.6	25.4	25.7	25.5	25.3
of which US	*19.8*	*20.2*	*20.4*	*20.0*	*20.7*	*20.7*	*20.8*	*20.5*	*20.0*	*20.7*	*20.7*	*20.9*	*20.6*
Europe	13.2	13.5	13.4	13.1	13.6	13.7	13.3	13.4	13.1	13.6	13.7	13.4	13.4
Asia Pacific	7.3	7.4	7.3	7.8	7.0	7.1	7.5	7.3	7.8	7.0	7.1	7.5	7.3
Total OECD	**44.5**	**45.7**	**45.7**	**45.4**	**45.9**	**46.4**	**46.3**	**46.0**	**45.5**	**46.0**	**46.5**	**46.4**	**46.1**
China	15.4	15.0	16.3	16.5	16.8	17.2	17.3	17.0	17.0	17.2	17.7	17.7	17.4
India	4.8	5.1	5.3	5.7	5.7	5.4	5.6	5.6	5.9	5.9	5.6	5.8	5.8
Other Asia	8.7	9.1	9.3	9.7	9.8	9.5	9.5	9.6	10.0	10.1	9.8	9.8	9.9
Latin America	6.2	6.4	6.7	6.8	6.9	7.0	6.9	6.9	6.9	7.1	7.2	7.1	7.1
Middle East	7.8	8.3	8.6	8.8	8.6	9.2	9.0	8.9	9.1	8.9	9.7	9.4	9.3
Africa	4.2	4.4	4.5	4.6	4.4	4.4	4.8	4.6	4.8	4.5	4.5	4.9	4.7
Russia	3.6	3.8	3.8	3.9	3.8	4.0	4.1	3.9	4.0	3.9	4.0	4.1	4.0
Other Eurasia	1.2	1.2	1.2	1.3	1.2	1.1	1.3	1.2	1.3	1.3	1.1	1.3	1.3
Other Europe	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
Total Non-OECD	**52.7**	**54.0**	**56.5**	**58.1**	**57.9**	**58.5**	**59.3**	**58.5**	**59.8**	**59.5**	**60.4**	**61.0**	**60.2**
(a) Total world demand	**97.2**	**99.7**	**102.2**	**103.5**	**103.8**	**104.9**	**105.6**	**104.5**	**105.3**	**105.5**	**107.0**	**107.4**	**106.3**
Y-o-y change	***5.9***	***2.5***	***2.6***	***2.3***	***2.0***	***2.5***	***2.1***	***2.2***	***1.8***	***1.7***	***2.1***	***1.8***	***1.8***
Non-DoC liquids production													
Americas	23.5	24.9	26.6	26.9	27.2	27.4	27.6	27.3	27.9	27.7	27.9	28.3	27.9
of which US	*18.1*	*19.3*	*20.9*	*21.0*	*21.4*	*21.4*	*21.5*	*21.3*	*21.7*	*21.8*	*21.8*	*22.0*	*21.8*
Europe	3.8	3.6	3.7	3.7	3.7	3.7	3.9	3.8	3.9	3.8	3.8	3.9	3.9
Asia Pacific	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
Total OECD	**27.8**	**29.0**	**30.7**	**31.0**	**31.4**	**31.5**	**31.9**	**31.5**	**32.2**	**31.9**	**32.1**	**32.6**	**32.2**
China	4.3	4.4	4.5	4.6	4.6	4.5	4.5	4.5	4.6	4.6	4.5	4.5	4.5
India	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
Other Asia	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.6
Latin America	6.0	6.3	7.0	7.3	7.2	7.4	7.5	7.3	7.5	7.5	7.6	7.8	7.6
Middle East	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Africa	2.3	2.3	2.2	2.3	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Other Eurasia	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other 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
Total Non-OECD	**17.5**	**17.9**	**18.6**	**19.0**	**18.9**	**19.0**	**19.0**	**19.0**	**19.2**	**19.2**	**19.3**	**19.4**	**19.3**
Total Non-DoC production	45.4	46.9	49.3	50.1	50.3	50.5	50.9	50.4	51.4	51.1	51.4	52.0	51.5
Processing gains	2.3	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.6	2.6
Total Non-DoC liquids production	**47.7**	**49.3**	**51.7**	**52.6**	**52.8**	**53.0**	**53.4**	**53.0**	**54.0**	**53.7**	**54.0**	**54.6**	**54.1**
DoC NGLs	7.6	7.9	8.2	8.4	8.3	8.2	8.3	8.3	8.3	8.4	8.2	8.3	8.3
(b) Total Non-DoC liquids production and DoC NGLs	**55.3**	**57.2**	**59.9**	**60.9**	**61.1**	**61.3**	**61.7**	**61.3**	**62.3**	**62.1**	**62.2**	**62.9**	**62.4**
Y-o-y change	***0.6***	***1.9***	***2.7***	***2.0***	***1.8***	***1.2***	***0.5***	***1.4***	***1.4***	***1.0***	***0.9***	***1.2***	***1.1***
OPEC crude oil production (secondary sources)	25.2	27.7	27.0	26.6	0.63	0.62	0.63	0.62	0.64	0.65	0.68	0.79	0.69
Non-OPEC DoC crude production	15.0	15.1	15.0	14.7									
DoC crude oil production	**40.3**	**42.8**	**42.0**	**41.2**									
Total liquids production	**95.5**	**100.1**	**101.9**	**102.2**									
Balance (stock change and miscellaneous)	*-1.6*	*0.4*	*-0.3*	*-1.3*									
OECD closing stock levels, *mb*													
Commercial	2,652	2,781	2,777	2,756									
SPR	1,484	1,214	1,207	1,215									
Total	**4,136**	**3,995**	**3,984**	**3,971**									
Oil-on-water	1,348	1,546	1,438	1,460									
Days of forward consumption in OECD, *days*													
Commercial onland stocks	58	61	60	60									
SPR	32	27	26	26									
Total	**91**	**87**	**87**	**86**									
Memo items													
(a) - (b)	**41.9**	**42.4**	**42.3**	**42.6**	**42.7**	**43.6**	**43.9**	**43.2**	**43.0**	**43.5**	**44.8**	**44.4**	**43.9**

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

Source: OPEC.

Table 11 - 2: World oil demand and supply balance: changes from last month's table*, mb/d

World oil demand and supply balance	2021	2022	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25	4Q25	2025
World demand													
Americas	-	-	-	-	-	-	-	-	-	-	-	-	-
of which US	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-0.1	-	-	-	0.0	-0.1	-	-	-	0.0
Asia Pacific	-	-	-	0.0	-	-	0.0	0.0	0.0	-	-	0.0	0.0
Total OECD	**-**	**-**	**-**	**-0.1**	**-**	**-**	**0.0**	**0.0**	**-0.1**	**-**	**-**	**0.0**	**0.0**
China	-	-	-	0.0	0.0	-	-	0.0	0.0	0.0	-	-	0.0
India	-	-	-	-	0.0	-	-	-	-	0.0	-	-	-
Other Asia	-	-	-	0.0	0.0	-	-	0.0	0.0	0.0	-	-	0.0
Latin America	-	-	-	0.0	-	-	-	0.0	0.0	-	-	-	0.0
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	0.0	-	-	-	-	0.0	-	-	-
Russia	-	-	-	0.0	-	-	-	0.0	0.0	-	-	-	0.0
Other Eurasia	-	-	-	0.0	-	-	-	-	0.0	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**-**	**0.1**	**0.1**	**-**	**-**	**0.0**	**0.1**	**0.1**	**-**	**-**	**0.0**
(a) Total world demand	**-**	**-**	**-**	**-0.1**	**0.1**	**-**	**0.0**	**-**	**-0.1**	**0.1**	**-**	**0.0**	**-**
Y-o-y change	***-***	***-***	***-***	***-0.1***	***0.1***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***
Non-DoC liquids production													
Americas	-	-	-	0.0	0.2	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0
of which US	*-*	*-*	*-*	*0.1*	*0.2*	*0.0*	*-0.3*	*-*	*-*	*-*	*-*	*-*	*-*
Europe	-	-	-	-	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Asia Pacific	-	-	-	0.0	0.0	-	-	-	-	0.0	0.0	-	-
Total OECD	**-**	**-**	**-**	**0.1**	**0.2**	**0.0**	**-0.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
China	-	-	-	-	-	-	-	-	-	-	-	-	-
India	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	0.0	0.0	0.0	-	0.0	0.0	0.0	-
Latin America	-	-	-	0.0	-0.1	0.1	0.1	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Eurasia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**0.0**	**0.0**	**-0.1**	**0.1**	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Total Non-DoC production	-	-	0.0	0.1	0.1	0.1	-0.3	-	-	-	-	-	-
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-DoC liquids production	**-**	**-**	**0.0**	**0.1**	**0.1**	**0.1**	**-0.3**	**-**	**-**	**-**	**-**	**-**	**-**
DoC NGLs	-	-	-	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.1	0.0
(b) Total Non-DoC liquids production and DoC NGLs	**-**	**-**	**0.0**	**0.1**	**0.1**	**0.1**	**-0.3**	**-**	**0.0**	**0.0**	**0.0**	**0.1**	**0.0**
Y-o-y change	***-***	***-***	***-***	***0.1***	***0.1***	***0.1***	***-0.3***	***0.0***	***-0.1***	***-0.1***	***0.0***	***0.3***	***0.0***
OPEC crude oil production (secondary sources)	-	-	-	0.0									
Non-OPEC DoC crude production	-	-	-	0.0									
DoC crude oil production	**-**	**-**	**-**	**0.0**									
Total liquids production	**-**	**-**	**0.0**	**0.1**									
Balance (stock change and miscellaneous)	*-*	*-*	*0.0*	*0.1*									
OECD closing stock levels, *mb*													
Commercial	-	-	0.1	-36.9									
SPR	-	-	-	2.9									
Total	**-**	**-**	**0.1**	**-33.9**									
Oil-on-water	-	-	-	-77.9									
Days of forward consumption in OECD, *days*													
Commercial onland stocks	-	-	0.0	-0.8									
SPR	-	-	0.0	0.1									
Total	**-**	**-**	**0.1**	**-0.7**									
Memo items													
(a) - (b)	**0.0**	**0.0**	**0.0**	**-0.1**	**-0.1**	**-0.1**	**0.3**	**0.0**	**-0.1**	**0.0**	**0.0**	**-0.1**	**0.0**

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

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

OECD oil stocks and oil on water	2021	2022	2023	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Closing stock levels, mb											
OECD onland commercial	**2,652**	**2,781**	**2,777**	**2,664**	**2,750**	**2,781**	**2,759**	**2,793**	**2,826**	**2,777**	**2,756**
Americas	1,470	1,492	1,518	1,435	1,473	1,492	1,489	1,513	1,539	1,518	1,480
Europe	857	936	905	911	918	936	920	921	923	905	939
Asia Pacific	325	353	353	318	359	353	351	359	365	353	337
OECD SPR	**1,484**	**1,214**	**1,207**	**1,343**	**1,246**	**1,214**	**1,217**	**1,206**	**1,209**	**1,207**	**1,215**
Americas	596	374	357	495	418	374	373	349	353	357	366
Europe	479	461	466	452	448	461	460	470	471	466	467
Asia Pacific	409	378	384	395	380	378	383	387	384	384	383
OECD total	**4,136**	**3,995**	**3,984**	**4,008**	**3,996**	**3,995**	**3,976**	**3,999**	**4,035**	**3,984**	**3,971**
Oil-on-water	**1,348**	**1,546**	**1,438**	**1,451**	**1,554**	**1,546**	**1,560**	**1,449**	**1,367**	**1,438**	**1,460**
Days of forward consumption in OECD, days											
OECD onland commercial	**58**	**61**	**60**	**58**	**60**	**62**	**60**	**61**	**61**	**61**	**60**
Americas	59	60	60	58	60	61	59	60	61	62	58
Europe	63	70	67	65	69	72	68	67	69	69	69
Asia Pacific	44	48	48	44	47	45	50	51	49	45	48
OECD SPR	**32**	**27**	**26**	**29**	**27**	**27**	**27**	**26**	**26**	**27**	**26**
Americas	24	15	14	20	17	15	15	14	14	15	14
Europe	35	34	35	32	34	35	34	34	35	35	34
Asia Pacific	55	52	52	55	50	48	55	55	51	49	55
OECD total	**93**	**96**	**95**	**87**	**87**	**88**	**87**	**87**	**88**	**88**	**86**

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

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

Non-DoC liquids production and DoC NGLs	2023	*Change 23/22*	1Q24	2Q24	3Q24	4Q24	2024	*Change 24/23*	1Q25	2Q25	3Q25	4Q25	2025	*Change 25/24*
US	20.9	*1.6*	21.0	21.4	21.4	21.5	21.3	*0.4*	21.7	21.8	21.8	22.0	21.8	*0.5*
Canada	5.7	*0.1*	5.9	5.8	5.9	6.1	5.9	*0.2*	6.1	5.9	6.1	6.3	6.1	*0.2*
Chile	0.0	*0.0*	0.0	0.0	0.0	0.0	0.0	*0.0*	0.0	0.0	0.0	0.0	0.0	*0.0*
OECD Americas	**26.6**	***1.7***	**26.9**	**27.2**	**27.4**	**27.6**	**27.3**	***0.7***	**27.9**	**27.7**	**27.9**	**28.3**	**27.9**	***0.7***
Norway	2.0	*0.1*	2.1	2.1	2.1	2.2	2.1	*0.1*	2.3	2.2	2.2	2.3	2.2	*0.1*
UK	0.8	*-0.1*	0.8	0.8	0.7	0.8	0.8	*0.0*	0.8	0.8	0.7	0.8	0.8	*0.0*
Denmark	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
Other OECD	0.8	*0.0*	0.8	0.8	0.8	0.8	0.8	*0.0*	0.8	0.8	0.8	0.8	0.8	*0.0*
OECD Europe	**3.7**	***0.1***	**3.7**	**3.7**	**3.7**	**3.9**	**3.8**	***0.1***	**3.9**	**3.8**	**3.8**	**3.9**	**3.9**	***0.1***
Australia	0.4	*0.0*	0.4	0.4	0.4	0.4	0.4	*0.0*	0.4	0.3	0.4	0.4	0.4	*0.0*
Other Asia Pacific	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
OECD Asia Pacific	**0.4**	***0.0***	**0.5**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***
Total OECD	**30.7**	***1.7***	**31.0**	**31.4**	**31.5**	**31.9**	**31.5**	***0.8***	**32.2**	**31.9**	**32.1**	**32.6**	**32.2**	***0.8***
China	**4.5**	***0.1***	**4.6**	**4.6**	**4.5**	**4.5**	**4.5**	***0.0***	**4.6**	**4.6**	**4.5**	**4.5**	**4.5**	***0.0***
India	**0.8**	***0.0***	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	***0.0***	**0.8**	**0.8**	**0.8**	**0.8**	**0.8**	***0.0***
Indonesia	0.8	*0.0*	0.8	0.8	0.8	0.8	0.8	*0.0*	0.8	0.8	0.8	0.8	0.8	*0.0*
Thailand	0.4	*0.0*	0.4	0.4	0.4	0.4	0.4	*0.0*	0.4	0.4	0.4	0.4	0.4	*0.0*
Vietnam	0.2	*0.0*	0.2	0.2	0.2	0.2	0.2	*0.0*	0.2	0.2	0.2	0.2	0.2	*0.0*
Asia others	0.2	*0.0*	0.2	0.2	0.2	0.2	0.2	*0.0*	0.2	0.2	0.2	0.2	0.2	*0.0*
Other Asia	**1.6**	***0.0***	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	***0.0***	**1.6**	**1.6**	**1.5**	**1.5**	**1.6**	***0.0***
Argentina	0.8	*0.0*	0.9	0.9	0.9	0.9	0.9	*0.0*	0.9	0.9	0.9	0.9	0.9	*0.1*
Brazil	4.2	*0.5*	4.2	4.1	4.4	4.4	4.3	*0.1*	4.4	4.4	4.5	4.5	4.5	*0.2*
Colombia	0.8	*0.0*	0.8	0.8	0.8	0.8	0.8	*0.0*	0.8	0.8	0.8	0.8	0.8	*0.0*
Ecuador	0.5	*0.0*	0.5	0.5	0.5	0.5	0.5	*0.0*	0.5	0.5	0.5	0.5	0.5	*0.0*
Latin America others	0.7	*0.1*	0.9	0.9	0.9	0.9	0.9	*0.2*	0.9	0.9	1.0	1.1	1.0	*0.1*
Latin America	**7.0**	***0.6***	**7.3**	**7.2**	**7.4**	**7.5**	**7.3**	***0.4***	**7.5**	**7.5**	**7.6**	**7.8**	**7.6**	***0.3***
Qatar	1.9	*0.0*	1.9	1.9	1.9	1.9	1.9	*0.0*	1.9	1.9	1.9	1.9	1.9	*0.0*
Middle East others	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
Middle East	**2.0**	***0.0***	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	***0.0***	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	***0.0***
Angola	1.1	*0.0*	1.2	1.1	1.1	1.1	1.1	*0.0*	1.1	1.1	1.1	1.1	1.1	*0.0*
Chad	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
Egypt	0.6	*0.0*	0.6	0.6	0.6	0.6	0.6	*0.0*	0.6	0.6	0.6	0.6	0.6	*0.0*
Ghana	0.1	*0.0*	0.2	0.2	0.2	0.2	0.2	*0.0*	0.2	0.2	0.2	0.2	0.2	*0.0*
South Africa	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	*0.0*
Africa other	0.2	*0.0*	0.2	0.2	0.2	0.3	0.2	*0.1*	0.3	0.3	0.3	0.3	0.3	*0.1*
Africa	**2.2**	***-0.1***	**2.3**	**2.3**	**2.2**	**2.3**	**2.3**	***0.0***	**2.3**	**2.3**	**2.3**	**2.3**	**2.3**	***0.0***
Eurasia others	0.4	*0.0*	0.4	0.4	0.4	0.4	0.4	*0.0*	0.4	0.4	0.4	0.4	0.4	*0.0*
Other Eurasia	**0.4**	***0.0***	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***
Other Europe	**0.1**	***0.0***	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	***0.0***	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	***0.0***
Total Non-OECD	**18.6**	***0.6***	**19.0**	**18.9**	**19.0**	**19.0**	**19.0**	***0.4***	**19.2**	**19.2**	**19.3**	**19.4**	**19.3**	***0.3***
Non-DoC production	49.3	*2.4*	50.1	50.3	50.5	50.9	50.4	*1.2*	51.4	51.1	51.4	52.0	51.5	*1.0*
Processing gains	2.5	*0.1*	2.5	2.5	2.5	2.5	2.5	*0.1*	2.6	2.6	2.6	2.6	2.6	*0.1*
Non-DoC liquids production	**51.7**	***2.4***	**52.6**	**52.8**	**53.0**	**53.4**	**53.0**	***1.2***	**54.0**	**53.7**	**54.0**	**54.6**	**54.1**	***1.1***
DoC NGLs	**8.2**	***0.2***	**8.4**	**8.3**	**8.2**	**8.3**	**8.3**	***0.1***	**8.3**	**8.4**	**8.2**	**8.3**	**8.3**	***0.0***
Non-DoC liquids production and DoC NGLs	**59.9**	***2.7***	**60.9**	**61.1**	**61.3**	**61.7**	**61.3**	***1.4***	**62.3**	**62.1**	**62.2**	**62.9**	**62.4**	***1.1***

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

Table 11 - 5: World rig count, units

World rig count	2021	2022	2023	*Change 2023/22*	3Q23	4Q23	1Q24	Apr 24	May 24	*Change May/Apr*
US	475	722	688	*-34*	648	622	623	617	602	*-15*
Canada	133	174	177	*3*	188	180	210	131	120	*-11*
Mexico	45	47	55	*8*	54	59	58	53	47	*-6*
OECD Americas	**654**	**945**	**921**	***-24***	**892**	**861**	**893**	**803**	**770**	***-33***
Norway	17	17	17	*0*	19	18	14	15	16	*1*
UK	8	10	12	*2*	10	12	8	8	9	*1*
OECD Europe	**58**	**65**	**66**	***1***	**64**	**66**	**63**	**65**	**68**	***3***
OECD Asia Pacific	**23**	**24**	**25**	***1***	**25**	**23**	**24**	**25**	**24**	***-1***
Total OECD	**735**	**1,034**	**1,012**	***-22***	**981**	**950**	**979**	**893**	**862**	***-31***
Other Asia*	174	186	204	*18*	206	206	210	227	216	*-11*
Latin America	91	119	120	*1*	118	113	105	108	106	*-2*
Middle East	57	62	61	*-1*	59	62	63	63	61	*-2*
Africa	46	64	67	*3*	66	68	63	55	53	*-2*
Other Europe	9	10	11	*1*	10	10	9	9	9	*0*
Total Non-OECD	**377**	**441**	**463**	***22***	**459**	**459**	**450**	**462**	**445**	***-17***
Non-OPEC rig count	**1,112**	**1,475**	**1,475**	***0***	**1,440**	**1,409**	**1,430**	**1,355**	**1,307**	***-48***
Algeria	26	32	36	*4*	37	43	41	43	42	*-1*
Congo	0	1	1	*0*	2	0	2	1	1	*0*
Equatorial Guinea**	0	0	0	*0*	0	0	0	0	0	*0*
Gabon	2	3	3	*0*	3	3	3	4	4	*0*
Iran**	117	117	117	*0*	117	117	117	117	117	*0*
Iraq	39	51	61	*10*	62	62	62	62	62	*0*
Kuwait	25	27	24	*-3*	24	24	27	30	29	*-1*
Libya	13	7	14	*7*	14	17	20	18	18	*0*
Nigeria	7	10	14	*4*	16	14	17	19	16	*-3*
Saudi Arabia	62	73	83	*10*	85	84	87	83	85	*2*
UAE	42	47	57	*10*	56	62	62	62	62	*0*
Venezuela	6	3	2	*-1*	2	2	2	3	3	*0*
OPEC rig count	**339**	**371**	**412**	***41***	**418**	**428**	**439**	**442**	**439**	***-3***
World rig count***	**1,451**	**1,846**	**1,887**	***41***	**1,858**	**1,837**	**1,869**	**1,797**	**1,746**	***-51***
of which:										
Oil	1,143	1,463	1,498	*35*	1,477	1,464	1,479	1,430	1,398	*-32*
Gas	275	352	357	*5*	338	333	345	326	309	*-17*
Others	33	31	32	*1*	43	41	45	42	39	*-3*

*Note: * Other Asia includes India and offshore rigs for China.*
*** Estimated data when Baker Hughes Incorporated did not reported the data.*
**** Data excludes onshore China as well as Russia and other Eurasia.*
Totals may not add up due to independent rounding.
Sources: Baker Hughes and OPEC.

Glossary of Terms

Abbreviations

b	barrels
b/d	barrels per day
bp	basis points
bb	billion barrels
bcf	billion cubic feet
cu m	cubic metres
mb	million barrels
mb/d	million barrels per day
mmbtu	million British thermal units
mn	million
m-o-m	month-on-month
mt	metric tonnes
q-o-q	quarter-on-quarter
pp	percentage points
tb/d	thousand barrels per day
tcf	trillion cubic feet
y-o-y	year-on-year
y-t-d	year-to-date

Acronyms

ARA	Amsterdam-Rotterdam-Antwerp
BoE	Bank of England
BoJ	Bank of Japan
BOP	Balance of payments
BRIC	Brazil, Russia, India and China
CAPEX	capital expenditures
CCI	Consumer Confidence Index
CFTC	Commodity Futures Trading Commission
CIF	cost, insurance and freight
CPI	consumer price index
DoC	Declaration of Cooperation
DCs	developing countries
DUC	drilled, but uncompleted (oil well)
ECB	European Central Bank
EIA	US Energy Information Administration
Emirates NBD	Emirates National Bank of Dubai
EMs	emerging markets
EV	electric vehicle

FAI	fixed asset investment
FCC	fluid catalytic cracking
FDI	foreign direct investment
Fed	US Federal Reserve
FID	final investment decision
FOB	free on board
FPSO	floating production storage and offloading
FSU	Former Soviet Union
FX	Foreign Exchange
FY	fiscal year
GDP	gross domestic product
GFCF	gross fixed capital formation
GoM	Gulf of Mexico
GTLs	gas-to-liquids
HH	Henry Hub
HSFO	high-sulphur fuel oil
ICE	Intercontinental Exchange
IEA	International Energy Agency
IMF	International Monetary Fund
IOCs	international oil companies
IP	industrial production
ISM	Institute of Supply Management
JODI	Joint Organisations Data Initiative
LIBOR	London inter-bank offered rate
LLS	Light Louisiana Sweet
LNG	liquefied natural gas
LPG	liquefied petroleum gas
LR	long-range (vessel)
LSFO	low-sulphur fuel oil
MCs	(OPEC) Member Countries
MED	Mediterranean
MENA	Middle East/North Africa
MOMR	(OPEC) Monthly Oil Market Report
MPV	multi-purpose vehicle
MR	medium-range or mid-range (vessel)
NBS	National Bureau of Statistics
NGLs	natural gas liquids
NPC	National People's Congress (China)
NWE	Northwest Europe
NYMEX	New York Mercantile Exchange
OECD	Organisation for Economic Co-operation and Development
OPEX	operational expenditures
OIV	total open interest volume
ORB	OPEC Reference Basket
OSP	Official Selling Price
PADD	Petroleum Administration for Defense Districts
PBoC	People's Bank of China
PMI	purchasing managers' index
PPI	producer price index

RBI	Reserve Bank of India
REER	real effective exchange rate
ROI	return on investment
SAAR	seasonally-adjusted annualized rate
SIAM	Society of Indian Automobile Manufacturers
SRFO	straight-run fuel oil
SUV	sports utility vehicle
ULCC	ultra-large crude carrier
ULSD	ultra-low sulphur diesel
USEC	US East Coast
USGC	US Gulf Coast
USWC	US West Coast
VGO	vacuum gasoil
VLCC	very large crude carriers
WPI	wholesale price index
WS	Worldscale
WTI	West Texas Intermediate
WTS	West Texas Sour

OPEC Basket average price — *US$/b*

Down 5.53 in May

May 2024	83.59
April 2024	89.12
Year-to-date	**83.65**

May OPEC crude production — *mb/d, according to secondary sources*

Up 0.03 in May

May 2024	26.63
April 2024	26.60

May Non-OPEC DoC crude production — *mb/d, according to secondary sources*

Down 0.15 in May

May 2024	14.29
April 2024	14.44

Economic growth rate — *per cent*

	World	OECD	US	Eurozone	Japan	China	India
2024	2.8	1.3	2.2	0.5	0.3	4.8	6.6
2025	2.9	1.5	1.9	1.2	0.9	4.6	6.3

Supply and demand — *mb/d*

2024		**24/23**	**2025**		**25/24**
World demand	104.5	2.2	World demand	106.3	1.8
Non-DoC liquids production	53.0	1.2	Non-DoC liquids production	54.1	1.1
DoC NGLs	8.3	0.1	DoC NGLs	8.3	0.0
Difference	**43.2**	**0.9**	**Difference**	**43.9**	**0.7**

OECD commercial stocks — *mb*

	Feb 24	Mar 24	Apr 24	Apr 24/Mar 24
Crude oil	1,360	1,357	1,376	19.5
Products	1,410	1,399	1,396	–2.9
Total	**2,770**	**2,756**	**2,773**	**16.6**
Days of forward cover	60.5	60.0	60.1	0.1

Next report to be issued on 10 July 2024.