Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

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Feature article:
Crude and product price movements in 1H24

Organization of the Petroleum Exporting Countries

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Oil Market Highlights

Crude Oil Price Movements

In July, the OPEC Reference Basket (ORB) rose by $1.21, or 1.5%, m-o-m, to average $84.43/b. ICE Brent front-month contract rose by 88¢, or 1.1%, m-o-m, to stand at $83.88/b. The NYMEX WTI front-month contract rose by $1.78, or 2.3%, m-o-m, to average $80.48/b. DME Oman crude oil futures prices rose in July by 68¢, or 0.8%, m-o-m, to settle at $83.37/b. The front-month ICE Brent/NYMEX WTI spread contracted by 90¢, m-o-m, to stand at $3.40/b. The forward curves of oil futures prices strengthened, with all major crude benchmarks showing steeper backwardation. Money managers closed a large volume of long positions and raised short positions, particularly in the ICE Brent market.

World Economy

World economic growth is forecast at 2.9% for 2024 and 2.9% for 2025, both unchanged from last month's assessment. Following a strong growth in 2Q24, the US economic growth forecast for 2024 is revised up to 2.4%, while the 2025 forecast remains unchanged at 1.9%. The strong economic performance exhibited by the US economy in 1H24 has been offset somewhat by weaker economic performance in Japan. Japan's economic growth forecast for 2024 is revised down slightly to 0.2%, while its 2025 forecast remains unchanged at 0.9%. For the Eurozone, the economic growth forecasts remain unchanged for both 2024 and 2025 at 0.7% and 1.2%, respectively. In the non-OECD, China's economic growth forecasts remain at 4.9% in 2024 and 4.6% in 2025. India's economic growth forecasts are unchanged for both 2024 and 2025, at 6.6% and 6.3%, respectively. Brazil's economic growth forecasts are unchanged at 1.8% for 2024 and 1.9% for 2025. Russia's economic growth forecasts remain at 3.1% in 2024 and 1.5% in 2025.

World Oil Demand

The world oil demand growth forecast for 2024 is revised down slightly by 135 tb/d from the previous month's assessment. It now stands at a healthy 2.1 mb/d, well above the historical average of 1.4 mb/d seen prior to the COVID-19 pandemic. This slight revision reflects actual data received for 1Q24 and in some cases 2Q24, as well as softening expectations for China's oil demand growth in 2024. Within the main regions, OECD oil demand is expected to grow by around 0.2 mb/d in 2024, while non-OECD oil demand is expected to increase by around 1.9 mb/d. In 2025, world oil demand is also revised slightly down by 65 tb/d, reaching about 1.8 mb/d. OECD demand is expected to expand by about 0.1 mb/d in 2025, with OECD Americas contributing the largest increase. Non-OECD demand is set to drive next year's growth, increasing by about 1.7 mb/d, led by contributions from China, the Middle East, Other Asia, and India.

World Oil Supply

Non-Declaration of Cooperation (Non-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 growth drivers are expected to be the US, Canada and Brazil. The non-DoC liquids supply growth forecast for 2025 is also unchanged at 1.1 mb/d. The growth is anticipated to be mainly driven by the US, Brazil, Canada and Norway. Natural gas liquids (NGLs) and non-conventional liquids from DoC Participating Countries are forecast to grow by about 0.1 mb/d to average 8.3 mb/d in 2024, followed by an increase of about 40 tb/d, reaching 8.4 mb/d in 2025. Crude oil production by the countries participating in the DoC increased by 117 tb/d in July compared with the previous month, averaging about 40.91 mb/d, as reported by available secondary sources.

Product Markets and Refining Operations

In July, refinery margins in the US Gulf Coast increased, mostly supported by supply-side dynamics, as product inventories showed declines over the month due to weather-related refinery disruptions. This contributed to upward pressure on most US product prices, with the exception of jet/kerosene, boosting refining margins. In Singapore, lower crude oil prices and tighter product supplies in Northeast Asia due to planned and unplanned refinery maintenance supported regional refining economics. In addition, robust power generation demand from the Middle East continued to sustain Asian fuel oil markets, providing further support. Meanwhile, margins in Northwest Europe weakened, with losses seen across the barrel. This reflected strong refinery product output, a softer domestic middle distillate market, and lower European product exports in Rotterdam.

Tanker Market

Dirty spot freight rates softened in July, m-o-m. The decline in Suezmax spot rates led losses, followed by Aframax and VLCCs. Suezmax spot freight declined, m-o-m, in July, as a lack of activity weighed on sentiment. On the West Africa-to-US Gulf Coast route, Suezmax rates fell 16%, m-o-m, as a US holiday and hurricane outages impacted tanker demand in the Gulf of Mexico. Reduced activities weighed on Aframax spot freight rates. The Cross-Mediterranean (Med) route averaged 15% lower for the month, amid a drop in tanker demand in the region. In the East of Suez, Aframax spot freight rates on the Indonesia-to-East route fell by 11% but remained higher compared to the level of a year ago. In the VLCC market, spot freight rates on the Middle East-to-East route declined by 2%, m-o-m. Rates on the West Africa-to-East route fell by 5%, m-o-m, despite increased departures to India. Rates for clean tankers East of Suez declined by 18%, m-o-m, amid reduced buying from South Korea and sufficient tanker availability. In contrast, West of Suez rates rose 12%, m-o-m, amid higher flows to Europe.

Crude and Refined Product Trade

US crude imports in July remained close to the high levels seen in recent months, averaging 6.9 mb/d, according to preliminary data. Meanwhile, US crude exports moved back above 4 mb/d. US product exports in July partly erased the strong gains seen in the previous month, averaging 6.4 mb/d, amid lower flows to Mexico and China. Preliminary estimates indicate that OECD Europe crude imports remain below levels seen a year ago in June and July. Product imports are estimated to have declined in June, amid losses across all major products, although they partially recovered in July, led by fuel oil. In Japan, crude imports continued to fall in June, according to the latest official data, to average just below 2.1 mb/d. This represented a three-year low. Japan’s product imports also declined, amid lower inflows of LPG. China’s crude imports in June averaged 11.3 mb/d, about 11% lower than the robust growth seen in the same month last year, when the economy was rebounding after the pandemic. Product imports into China continued to fall from the high levels seen in April, as independent refiners scaled back refinery feedstock purchases. China’s product outflows rose by 5%, m-o-m, as higher exports of jet fuel and fuel oil outweighed a drop in diesel outflows. Meanwhile, India’s crude imports fell back m-o-m in June from the strong levels seen in the previous two months, averaging 4.5 mb/d, partly following seasonal trends. India’s product imports declined by 8%, m-o-m, amid lower inflows of LPG.

Commercial Stock Movements

Preliminary June 2024 data for total OECD commercial oil stocks shows a draw of about 14.1 mb, m-o-m, to stand at 2,831 mb. This is about 116 mb below the 2015–2019 average. Within the components, crude stocks fell by 17.3 mb, m-o-m, while product stocks rose by 3.1 mb. OECD commercial crude stocks stood at 1,365 mb in June. This is 101 mb less than the 2015–2019 average. OECD total product stocks stood at 1,467 mb in June. This is 15 mb below the 2015–2019 average. In terms of days of forward cover, OECD commercial oil stocks fell by 0.1 days, m-o-m, to stand at 61.2 days in June. This is 0.6 days less than the 2015–2019 average.

Balance of Supply and Demand

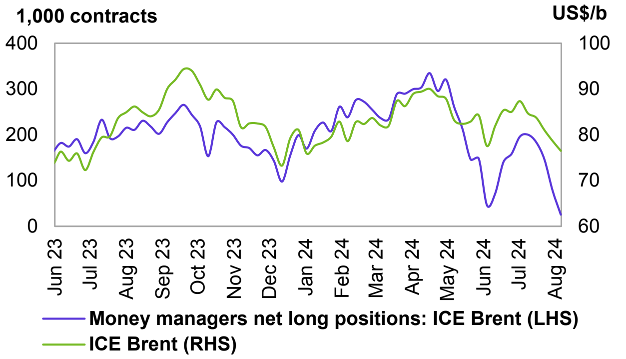
Demand for DoC crude (i.e. crude from countries participating in the Declaration of Cooperation) is revised down by 0.1 mb/d from the previous month’s assessment to stand at 43.0 mb/d in 2024, which is around 0.8 mb/d higher than the estimate for 2023. Demand for DoC crude in 2025 is revised down by 0.2 mb/d from the previous month’s assessment to stand at 43.6 mb/d, around 0.6 mb/d higher than the estimate for 2024.

Feature Article

Crude and product price movements in 1H24

Between January and April, oil futures prices rallied, with ICE Brent and NYMEX WTI front-month contracts rising by $9.85 and $10.53, or 12.4% and 14.3%, respectively. In addition to robust physical crude market fundamentals, oil futures prices were further supported by easing speculative selling, higher risk premiums and several unplanned supply outages. Additionally, resilient global economic growth and positive economic indicators from the US and India supported market sentiment. However, uncertainties related to China's economic outlook and the US Fed's monetary policy, along with a strengthening US dollar, limited the upward momentum (***Graph 1***).

Graph 1: Speculative positions vs. Futures prices in ICE Brent

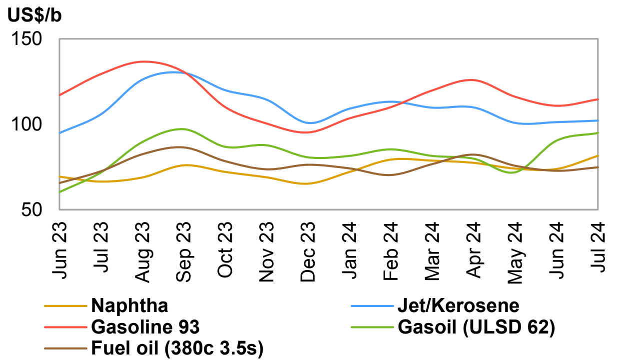


Sources: ICE and OPEC.

Between May and July, oil prices declined, primarily due to sentiment driven by speculative selloffs, easing geopolitical risk premiums and mixed economic indicators. Market sentiment was further affected by uncertainty surrounding central bank monetary policies, particularly prospects for prolonged high interest rates in the US as a means of addressing ongoing inflation. Additionally, concerns about China's economic performance and demand growth, coupled with a slower-than-expected onset of the driving season, contributed to the downward pressure on prices.

In terms of products, in 1H24, the typical winter-related demand pressures kept wholesale fuel prices range-bound at the beginning of the year. In the US, refinery outages caused by severe winter weather conditions led to higher product prices. Additionally, the onset of the spring maintenance season contributed to upward pressure on prices. Following a seasonal dip in May and June, wholesale product prices, particularly for gasoline, rebounded in July, showing a m-o-m increase.

Graph 2: Wholesale refined product prices in the USGC



Sources: Argus Media and OPEC.

In the USGC, all products saw solid price increases in July, with gasoline registering the highest price in absolute terms. Summer season-related factors and recent temporary refinery disruptions caused by a hurricane led to reduced product availability. This drove the gasoline 93 wholesale price up by $3.74/b, m-o-m, to average $114.48/b, while naphtha and gasoil showed sizeable $6.76/b and $4.49/b monthly gains, respectively (***Graph 2***).

Similarly, in Rotterdam, prices increased across the barrel with naphtha and high sulphur fuel oil emerging as the strongest performers m-o-m. Tighter naphtha supplies amid lower output and robust residual fuel requirements from Asia and the Middle East supported the upturn.

Regional product prices in Asia increased in July due to refinery outages in Japan, reduced product exports from China and increased demand from South Korea. Atlantic Basin refiners are expected to enter into heavy maintenance in September.

While diesel consumption remains soft due to limited industrial output in the Atlantic Basin and increased LNG-powered truck sales in China, global transport fuels are expected to remain supported.

Despite the slow start to the summer driving season compared to the previous year, transport fuel demand is expected to remain solid due to healthy road and air mobility. Additionally, upcoming heavy refinery maintenance in autumn and weather-related disruptions linked to the hurricane and monsoon seasons might potentially restrict product output and strengthen the product markets, particularly in September.

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Crude Oil Price Movements

In July, the OPEC Reference Basket (ORB) value rose by $1.21, or 1.5%, m-o-m, to stand at $84.43/b, as ORB component-related crude benchmarks rose, specifically light sweet benchmarks, amid improving market sentiments.

ICE Brent front-month contract rose by 88¢, or 1.1%, m-o-m, to stand at $83.88/b, while NYMEX WTI increased $1.78, or 2.3%, m-o-m, to average $80.48/b. DME Oman crude oil futures prices rose in July by 68¢, or 0.8%, m-o-m, to settle at $83.37/b.

The ICE Brent-NYMEX WTI front-month spread continued to narrow m-o-m in July, falling to its lowest since October 2023, as the value of the NYMEX WTI contract rose more than ICE Brent.

Hedge funds and other money managers turned increasingly bearish on crude oil, closing a large volume of long futures and options positions and raising short positions, particularly in the ICE Brent market. This fuelled oil price volatility and accelerated the downward trend in oil futures prices in the second half of July. Between the weeks of 2 and 30 July, speculators sold an equivalent of 155 mb in both futures and options for ICE Brent and NYMEX WTI.

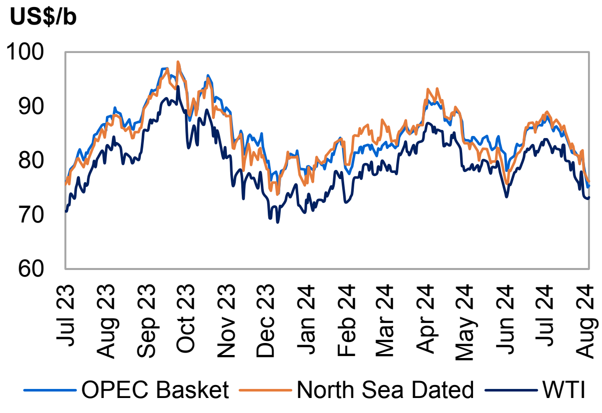
The forward curves of oil futures prices strengthened last month. All major crude benchmarks showed steeper backwardation, indicating further improvements in the global oil supply/demand outlook. The nearest-month time spreads moved into stronger backwardation as front-month futures contracts received support from firm short-term physical market fundamentals, amid the ongoing holiday driving season and geopolitical risk premiums. The forward curve of NYMEX WTI strengthened on a decline in US commercial crude oil stocks in July, contributing to the steepening of the front end of the forward curve.

The premium of light sweet crude over medium sour crude widened across all major trading hubs in July. This increase was driven by the higher performance of light sweet crudes compared to heavy/medium sour crudes. Stronger refining margins for light and middle-distillate products provided further support. In contrast, gains for sour crude were limited due to weaker high-sulfur fuel oil (HSFO) crack spreads in Europe and Asia.

Crude spot prices

Crude spot prices rose for the second month in July, as physical crude market fundamentals remained solid throughout July and August's trading cycles, characterized by firm demand for crude in the spot market and a large decline in US crude stocks. This has partly offset the negative impacts of heavy selloffs in crude futures markets that raised uncertainty and limited price gains. Spot prices were also supported by reduced availability of prompt loading cargoes of light sweet grades in the spot markets, including in the Atlantic Basin. Additionally, firm buying interest from European refiners for August loading cargoes provided further support.

Graph 1 - 1: Crude oil price movements



Sources: Argus, OPEC and Platts.

Crude spot prices were also buoyed by a large decline in US crude and gasoline stocks in July, combined with stronger refining margins in Asia and the US Gulf Coast (USGC), specifically higher gasoline and middle distillate crack spreads.

The strength of the physical market was further reflected in stronger spot prices compared to futures. On a monthly average, the North Sea Dated-ICE Brent spread increased by $1.97 in July, settling at a premium of $1.37/b, compared with a discount of 60¢/b in June.

In July, North Sea Dated and WTI's front-month rose respectively by $2.85 and $1.80, or 3.5% and 2.3%, to settle at $85.25/b and $80.83/b. Dubai's front-month increased by $1.07, or 1.3%, to settle at $83.68/b.

Crude Oil Price Movements

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

OPEC Reference Basket (ORB)	Jun 24	Jul 24	Change Jul 24/Jun 24	%	Year-to-date 2023	2024
ORB	**83.22**	**84.43**	***1.21***	***1.5***	**79.56**	**83.71**
Arab Light	85.31	86.19	*0.88*	*1.0*	81.49	85.42
Basrah Medium	81.96	83.53	*1.57*	*1.9*	76.75	81.99
Bonny Light	83.30	85.07	*1.77*	*2.1*	79.81	85.71
Djeno	74.95	77.80	*2.85*	*3.8*	72.24	76.70
Es Sider	81.15	84.35	*3.20*	*3.9*	78.83	83.57
Iran Heavy	83.65	84.57	*0.92*	*1.1*	79.84	83.62
Kuwait Export	84.91	85.72	*0.81*	*1.0*	80.94	84.59
Merey	69.23	67.61	*-1.62*	*-2.3*	59.90	69.57
Murban	82.51	83.80	*1.29*	*1.6*	80.04	83.47
Rabi Light	81.94	84.79	*2.85*	*3.5*	79.23	83.69
Sahara Blend	82.55	85.40	*2.85*	*3.5*	80.59	85.08
Zafiro	83.62	86.35	*2.73*	*3.3*	80.14	85.47
Other Crudes						
North Sea Dated	82.40	85.25	*2.85*	*3.5*	79.69	84.14
Dubai	82.61	83.68	*1.07*	*1.3*	79.08	83.35
Isthmus	76.85	78.59	*1.74*	*2.3*	68.35	77.52
LLS	81.88	83.28	*1.40*	*1.7*	77.42	81.94
Mars	79.84	80.26	*0.42*	*0.5*	74.19	79.33
Minas	87.14	90.57	*3.43*	*3.9*	77.73	88.01
Urals	67.62	72.17	*4.55*	*6.7*	50.40	67.92
WTI	79.03	80.83	*1.80*	*2.3*	74.92	79.21
Differentials						
North Sea Dated/WTI	3.37	4.42	*1.05*	-	4.77	4.92
North Sea Dated/LLS	0.52	1.97	*1.45*	-	2.27	2.20
North Sea Dated/Dubai	-0.21	1.57	*1.78*	-	0.61	0.79

Sources: Argus, Direct Communication, OPEC and Platts.

In the Atlantic Basin, most of the crude differentials strengthened in July, particularly light sweet grades. In the North Sea, crude differentials rose m-o-m on firm buying interest in the spot market, higher demand from European refiners and supportive refining margins during the holiday season. In monthly terms, Forties and Ekofisk crude differentials in July rose by $1.17 and $1.33, respectively, to settle at premiums of $1.19/b and $2.80/b.

The value of West African crude differentials also strengthened last month, boosted by demand from European refiners and reduced availability of unsold cargoes that weighed on prices in the previous month. Supportive gasoline and middle distillate margins added support to lighter grades. Bonny Light and Qua Iboe crude differentials to North Sea Dated increased by $1.82 and $1.97, respectively, to stand at premiums of $1.99/b and $1.97/b. Forcados also rose firmly, averaging $1.95, to stand at a premium of $2.99/b. However, the crude differential of Cabinda was little changed, retreating by 1¢ m-o-m to a premium of $1.78/b.

Similarly, in the Mediterranean and Caspian regions, crude differentials strengthened on firm demand for August loading cargoes. Azeri Light and Saharan Blend differentials rose $1.29 and $1.72, m-o-m, respectively to average at premiums of $3.72/b and 87¢/b to North Sea Dated. CPC Blend increased by $1.26 but remained priced at a $1.04/b discount to North Sea Dated.

In the USGC, crude differentials weakened in July as NYMEX WTI was stronger compared to other benchmarks, including Brent, which reduced the competitiveness of US crude in Europe and Asia. However, a large draw in US crude oil stocks, sustained demand from US refiners, and crude exports reaching 4.9 mb/d in the week of 26 July limited the decline. Light Louisiana Sweet (LLS) fell by 40¢ last month on a monthly basis to stand at a premium of $2.43/b to the WTI benchmark, and Mars sour crude differentials decreased by $1.45 to a 67¢/b discount to WTI.

In the Middle East, demand from Asia-Pacific refiners and higher refining margins in Singapore supported the value of spot prices. The value of Oman crude differentials to Dubai rose by 79¢ for the month to a premium of $1.61/b.

OPEC Reference Basket (ORB) value

In July, the ORB value rose by $1.21, or 1.5%, m-o-m, to stand at $84.43/b, as ORB component-related crude benchmarks increased, specifically light sweet benchmarks, amid improving market fundamentals. This came amidst mixed movements in official selling prices (OSPs) and crude differentials. Compared with the previous year, the ORB was up by $4.15, or 5.2%, from $79.56/b in 2023 to average $83.71/b so far this year.

Most ORB component values rose in July. West and North African Basket components – Bonny Light, Djeno, Es Sider, Girassol, Rabi Light, Sahara Blend and Zafiro – rose by an average of $2.71, or 3.3%, m-o-m, to $83.96/b, while multiple-region destination grades – Arab Light, Basrah Medium, Iran Heavy and Kuwait Export – increased on average by $1.05, or 1.2%, m-o-m, to settle at $85.00/b. Murban crude rose m-o-m by $1.29, or 1.6%, on average to settle at $83.80/b. However, the Merey component fell m-o-m by $1.62, or 2.3%, on average to settle at $67.61/b.

The oil futures market

Oil futures exhibited volatility in July, although the average price increased m-o-m. Early in the month, prices extended the previous month's gains, driven by weather-related concerns as the Atlantic hurricane season commenced earlier than usual. The intensification of Hurricane Beryl to a Category 5 storm exacerbated fears of potential disruptions to the US Gulf of Mexico's crude production and refining activities. Moreover, optimism about increased oil demand during the US summer driving season, coupled with supportive inventory data from the EIA, contributed to the upward price momentum. EIA weekly data showed a larger decline in US crude and petroleum product stocks in July. Geopolitical developments in the Middle East further buoyed oil prices.

However, oil prices reversed course in the second week of July as supply risk concerns eased following the limited impact of Hurricane Beryl on crude oil production and refinery activity in Texas after it made landfall on 8 July. Waning refining margins, particularly in Asia and Europe, combined with slower-than-expected Chinese economic growth, dampened market optimism. China's National Bureau of Statistics reported a real GDP growth rate of 4.7%, y-o-y, in 2Q24, down from 5.3% in 1Q24. Aggressive selling by speculators, including hedge funds and other money managers, amplified the price decline. In July, a reduction in net long positions of 60% in Brent futures and options, was equivalent to a sale of 118 million barrels. Geopolitical developments and a broader retreat in major US equity markets in the third week of July weighed on market sentiment.

Towards the end of the month, oil futures rebounded, driven by renewed geopolitical risk premiums. A report from the EIA indicating a further decline in US crude and gasoline inventories bolstered market sentiment and provided additional support to oil futures.

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

			Change		Year-to-date	
Crude oil futures	**Jun 24**	**Jul 24**	**Jul 24/Jun 24**	**%**	**2023**	**2024**
NYMEX WTI	78.70	80.48	1.78	2.3	74.95	79.07
ICE Brent	83.00	83.88	0.88	1.1	79.95	83.49
DME Oman	82.69	83.37	0.68	0.8	79.17	83.39
Spread						
ICE Brent-NYMEX WTI	*4.30*	*3.40*	*-0.90*	*-20.9*	*5.00*	*4.42*

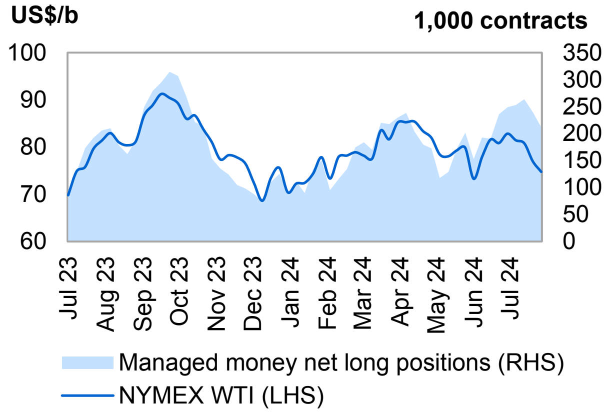
Note: Totals may not add up due to independent rounding.
Sources: CME, DME, ICE and OPEC.

In July, the ICE Brent front-month contract rose by 88¢, or 1.1%, m-o-m, to stand at $83.88/b, while NYMEX WTI rose by $1.78, or 2.3%, m-o-m, to average $80.48/b. Y-t-d, ICE Brent was $3.54, or 4.4%, higher at $83.49/b, and NYMEX WTI was higher by $4.12, or 5.5%, at $79.07/b, compared with the same period a year earlier. DME Oman crude oil futures prices rose in July by 68¢, or 0.8%, m-o-m, to settle at $83.37/b. Y-t-d, DME Oman was higher by $4.22, or 5.3%, at $83.39/b.

The ICE Brent-NYMEX WTI front-month spread continued to narrow m-o-m in July, falling to its lowest since October 2023, as the value of the NYMEX WTI contract rose more than ICE Brent. The ICE Brent contract was under pressure last month due to a sharp decline in related speculative net long positions, which outpaced the drop in NYMEX WTI. The ICE Brent-NYMEX WTI front month spread contracted by 90¢, m-o-m, in July to stand at $3.40/b. Robust US oil market fundamentals, reflected in a draw in US crude and gasoline stocks, supported the value of NYMEX WTI. The decline of crude stocks at the Cushing trading hub, the delivery point of the NYMEX WTI futures contract, also contributed to narrowing the Brent-WTI futures spread. However, the spread between North Sea Dated and WTI Houston increased last month, widening $1.28, m-o-m, to a premium of $3.29/b.

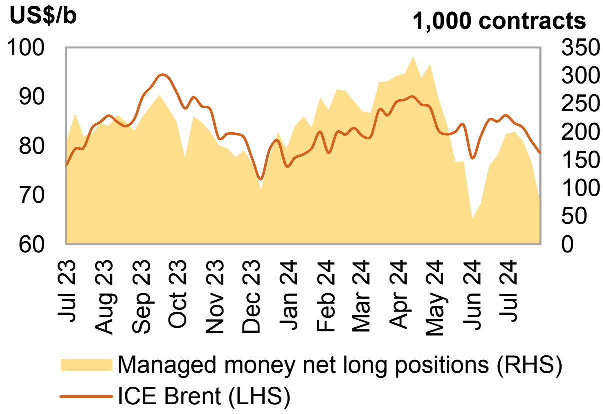
Hedge funds and other money managers turned more bearish on crude oil, closing a large volume of long futures and options positions, and raising short positions, specifically in the ICE Brent market. This fuelled oil price volatility and expedited the downward trend in oil futures prices during the second half of July. The decline in NYMEX WTI net long positions fell at a slower rate. Between the weeks of 2 and 30 July, hedge funds and other money managers sold an equivalent of 155 mb of both ICE Brent and NYMEX WTI. Speculative selling was more pronounced in ICE Brent, as related net long positions fell by 60.2%, while net long positions declined by 14.9% in NYMEX WTI. Total open interest in Brent and WTI increased by 1.8% during the same period.

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



Sources: CFTC, CME and OPEC.

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



Sources: ICE and OPEC.

Money managers cut bullish ICE Brent positions significantly over July, selling an equivalent of 118 mb. Speculators reduced net long positions by 117.821 lots, or 60.2%, between the weeks of 2 and 30 July, to stand at 77,990 contracts, according to the ICE Exchange. The drop in net long positions was mainly driven by a large decline in gross long positions by 80,225 lots, or 27.7%, to 209,518 contracts. During the same period, gross short positions rose by 37,596 lots, or 40.0%, to 131,528 contracts.

Money managers sold the equivalent of about 37 mb in NYMEX WTI futures and options contracts during July. In mid-July, money managers recovered part of the contracts sold in June and earlier in July, but selling resumed in the second half of July. Combined futures and options net long positions related to WTI fell by 37,164 lots, or 14.9%, over the month, to stand at 211,917 contracts in the week of 30 July, according to the US Commodity Futures Trading Commission (CFTC). This was due to a decrease in gross long positions by 40,300 lots, or 14.6%, to 236,155 contracts, while gross short positions rose by 3,136 lots, or 11.5%, to stand at 24,238 contracts over the same period.

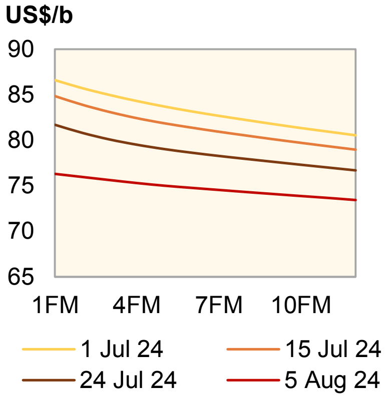
The long-to-short ratio of speculative positions in the ICE Brent contract fell slightly to 2:1 in the week of 30 July, compared with 3:1 in the week of 2 July. However, the NYMEX WTI long-to-short ratio was little changed in the week of 30 July, when it stood at 10:1, unchanged from the level registered early in the month.

Open interest volumes related to ICE Brent futures and options fell in July by 4.8%, or 147,973 lots, to stand at 2.93 million contracts in the week ending 30 July. Open interest volumes related to NYMEX WTI futures and options also fell by 2.5% m-o-m, or 55,415 contracts, to stand at 2.24 million contracts in the week ending 30 July.

The futures market structure

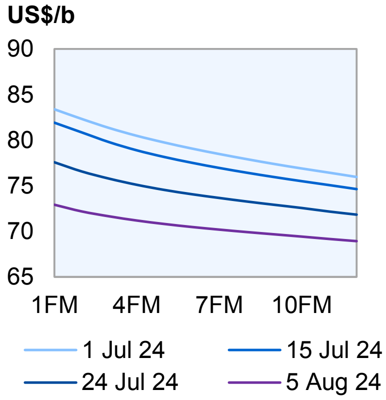
The forward curves of oil futures prices strengthened in July, with all major crude benchmarks showing steeper backwardation, indicating further improvements in the global oil supply/demand outlook. The nearest-month time spreads moved into stronger backwardation as front-month futures contracts received support from firm short-term physical market fundamentals amid the ongoing holiday driving season and geopolitical risk premiums. The forward curve of NYMEX WTI strengthened more than ICE Brent due to a further decline in US commercial crude oil stocks in July, contributing to the steepening of the front end of the forward curve. However, the rise of bearish speculative sentiment and market uncertainty regarding China's demand outlook weighed more on ICE Brent front-month contracts compared to forward contracts.

Graph 1 - 4: ICE Brent forward curves



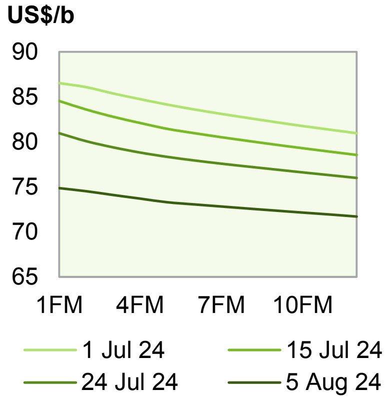
Sources: ICE and OPEC.

Graph 1 - 5: NYMEX WTI forward curves



Sources: CME and OPEC.

Graph 1 - 6: DME Oman forward curves



Sources: DME and OPEC.

The backwardation structure of ICE Brent futures was bolstered last month on improving physical market fundamentals in the Atlantic Basin amid the summer driving season and the prospect of further strengthening of global short-term supply/demand fundamentals. This was in addition to the risk premium related to Brent that provided support to the value of prompt-month prices compared to forward contracts. On a monthly average, the ICE Brent M1-M3 spread widened by 39¢ in July to a backwardation of $1.61/b, compared to a backwardation of $1.22/b in June. The ICE Brent M1-M6 also widened in July by 48¢ m-o-m to a backwardation of $3.20/b.

In the US, the backwardation structure of NYMEX WTI also strengthened over the last month, and the front end of the forward curve steepened. Signs of robust supply/demand fundamentals in the US amid high demand from refineries during the driving season boosted the front-end value of NYMEX WTI. Furthermore, a large draw in US crude stocks in July, including at Cushing, Oklahoma, added support to the front-month NYMEX WTI contract compared to forward-month contracts. US crude stocks declined by 27.6 mb between the weeks of 21 June and 26 July. The NYMEX WTI first-to-third month spread widened by 92¢ to a backwardation of $2.05/b on average in July, compared to a backwardation of $1.13/b one month earlier.

The forward curve of DME Oman in July steepened on firm buying interest from Asia-Pacific refiners and a supportive refining market. A stronger Brent benchmark compared to Dubai limited the west-to-east arbitrage economics and contributed to supporting front-month contracts in the East of Suez market. On a monthly average, the DME Oman M1-M3 spread widened by 56¢ to a backwardation of $1.47/b, from a backwardation of 91¢/b in June.

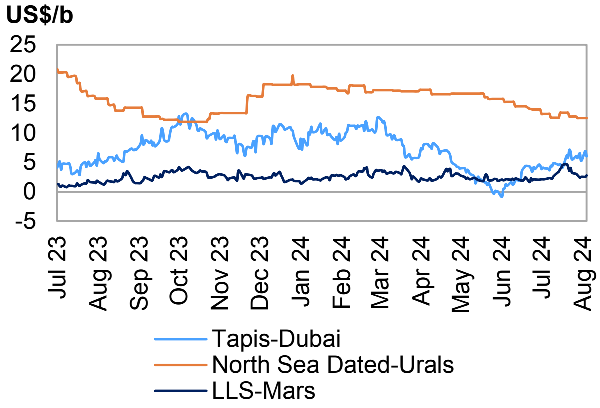
The North Sea Brent M1/M3 spread rose on a monthly average by $1.02 to a backwardation of $1.90/b, compared to 88¢/b the month before. In the US, the WTI M1/M3 backwardation widened by 87¢ to $2.09/b, compared to a backwardation of $1.22/b in June. Similarly, the Dubai M1/M3 backwardation widened on average in July by 51¢ to a backwardation of $1.44/b.

Crude spreads

In July, the premium of light sweet crude over medium sour crudes widened across all major trading hubs. This increase was driven by the higher performance of light sweet crudes compared to heavy/medium sour crudes. The value of light sweet crude was bolstered by improved supply/demand fundamentals of light sweet crude. Increased buying interest for light sweet crude in the Atlantic Basin, particularly in Northwest Europe, elevated the value of the international light sweet benchmark, North Sea Dated. Stronger refining margins for light and middle distillate products provided further support. In contrast, gains for sour crude were limited due to a well-supplied market and weaker HSFO crack spreads in Europe and Asia.

In Europe, the increased value of light sweet crude was more pronounced compared to sour crude. This was due to the reduced availability of prompt-loading volumes of light sweet crude in Northwest Europe and increased demand from European refiners. Supportive gasoline margins also contributed to the value of light sweet crude in the Atlantic Basin. Meanwhile, medium sour crude in Europe, such as Johan Sverdrup, faced pressure from lower crack spreads for diesel and fuel oil. The sweet-sour crude spread, represented by the Ekofisk-Johan Sverdrup differential, rose by $2.51 m-o-m to a premium of $2.38/b, compared to a discount of 13¢ in the previous month. However, the Urals crude differentials to North Sea Dated increased by $1.69 and $1.47 in the Black Sea and Northwest Europe, respectively, to stand at discounts of $13.08/b and $13.39/b.

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



Sources: Argus, OPEC and Platts.

In Asia, the Tapis premium over Dubai widened as the value of sour crude rose less than that of light sweet crude. Strong light sweet crude values in other regions, including the Atlantic Basin, supported similar grades in the East of Suez market, amid limited west-to-east arbitrage economics, although the Brent-Dubai spread rose m-o-m. The Brent-Dubai differential rose by $1.78 on a monthly average to stand at a premium of $1.57/b, compared with a discount of 21¢/b in June. The Brent-Dubai exchange of futures for swaps contract (EFS) also widened last month by 93¢ m-o-m to stand at a $1.92/b premium. At the same time, a drop in the HSFO crack spread in Singapore on a monthly basis weighed on the value of sour crude. The Tapis-Dubai spread widened by $2.56 m-o-m in July to an average of $4.92/b.

In the USGC, the LLS premium over medium sour Mars widened by 96¢ m-o-m to $3.01/b, its highest monthly average since last March. This was due to a higher spread between light/middle and heavy distillate margins. The decline in Mars sour refining margins compared to LLS light sweet crude also contributed to the widening of the LLS-Mars spread.

Commodity Markets

Commodity price indices saw mixed movement for a third consecutive month in July. The energy price index advanced for a second consecutive month, and the precious metal index rebounded from the previous month's decline. Meanwhile, the base metal and other minerals indices fell for a second consecutive month.

In the futures market, bullish sentiment fluctuated between energy and non-energy commodities, with no clear trend. Combined money managers' net length dropped after two consecutive months of increases, while open interest rose over the same period.

Commodity price movements were notably mixed in July amid China's macroeconomic uncertainties. Reports of weakness in some US macroeconomic indicators weighed on the US dollar and added some support to commodity demand. However, uncertainties about the trajectory of US monetary policies remained a drag on prices.

Trends in select energy commodity markets

The energy price index rose for a second consecutive month in July, increasing by 2.1%, m-o-m. An increase in average crude oil prices and a rebound in coal prices in July supported the index, but the gains were partially offset by a retraction of natural gas prices in both the US and the EU over the same period. The index was up by 5.0%, y-o-y, supported by average crude oil and EU natural gas prices, though these were partially offset by lower coal and US natural gas prices.

Table 2 - 1: Select energy prices

Commodity	Unit	Monthly average			% Change		Year-to-date	
		May 24	Jun 24	Jul 24	Jul 24/ Jun 24	Jul 24/ Jul 23	2023	2024
Energy*	*Index*	**102.6**	**103.8**	**106.0**	**2.1**	**5.0**	**105.1**	**104.2**
Coal, Australia	*US$/boe*	13.6	12.9	13.1	1.8	-2.2	18.4	12.7
Crude oil, average	*US$/b*	81.4	81.2	83.3	2.5	5.4	78.0	82.2
Natural gas, US	*US$/boe*	11.5	13.6	11.2	-17.4	-18.8	13.1	11.4
Natural gas, Europe	*US$/boe*	54.8	58.8	56.0	-4.8	8.4	72.7	51.5

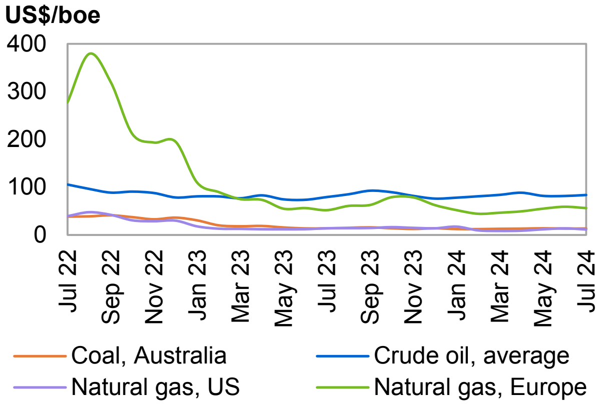
*Note: * World Bank commodity price index (2010 = 100).*
Sources: World Bank and OPEC.

Australian thermal coal prices rose in July, increasing by 1.8%, m-o-m. They were supported by tightening coal supply in the global market, including a decline in Russian seaborne coal exports. Prices were further supported by cooling demand in Asia amid heatwaves. It is worth noting that India's directive to power companies to boost coal imports and power generation was extended to October 2024. Prices were down by 2.2%, y-o-y.

Average crude oil prices increased in July by 2.5%, m-o-m, on the back of strong market fundamentals, but global macroeconomic uncertainties capped gains. Prices were up by 5.4%, y-o-y.

Henry Hub's natural gas prices retracted in July after advancing for four consecutive months. Prices fell sharply by 17.4%, m-o-m, pressured by reports of ample supply, which offset support from cooling demand. According to data from the US Energy Information Administration (EIA), underground storage was 8.4% higher than the same period last year as of July and 15.7% above the five-year average. Moreover, power outages caused by Hurricane Beryl early in July weighed on US LNG exports, inflating domestic storage and thus putting more downward pressure on prices. Prices were down by 18.8%, y-o-y.

Graph 2 - 1: Select energy prices



Sources: World Bank, Haver Analytics and OPEC.

Natural gas prices in Europe declined in July after four consecutive months of gains. The average Title Transfer Facility (TTF) price went from $10.9/MMBtu (million British thermal units) in June to $10.4/MMBtu in July, a 4.8%, m-o-m, decrease. Prices fell after the US Freeport LNG export facility restarted operations, which offset concerns over supply risk from maintenance outages at key Norwegian facilities. Prices were further pressured by a strong restocking season, which kept EU storage at comfortable levels ahead of the winter heating season. According to data from Gas Infrastructure Europe, EU storage levels were at 85.1% capacity as of 31 July. Prices were up by 8.4%, y-o-y.

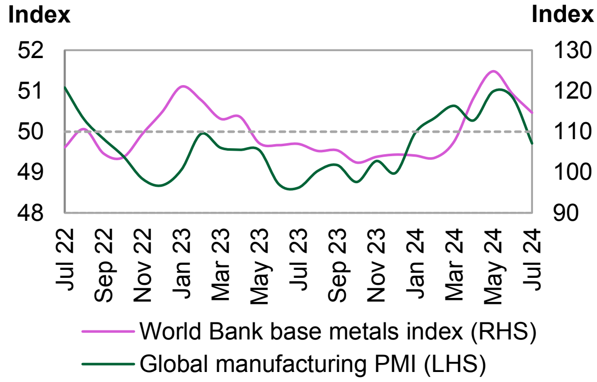
Trends in select non-energy commodity markets

The non-energy price index fell for a second consecutive month in July, dropping by 2.3%, m-o-m. The agriculture index receded by 2.0%, m-o-m, and the base metal index experienced a consecutive monthly decline over the same period. The non-energy price index was up by 2.3%, y-o-y.

Base metals

The base metal index declined for a second consecutive month in July, falling by 3.8%, m-o-m. Under-performance in global industrial activity remained a drag on base metal prices. The global manufacturing PMI decreased to 49.7 in July, down from 50.8 in June, a 2.2% decline m-o-m, and below expansionary territory. At the same time, China's manufacturing PMI dropped to 49.8 from 51.8 in June, its first drop below expansionary territory in nine months. Elsewhere, the EU manufacturing PMI continued to display signs of weakness, falling from 45.8 in June to 45.6 in July, a 0.4% decline, m-o-m. The base metal index was up by 7.2%, y-o-y.

Graph 2 - 2: Global manufacturing PMI and World Bank base metals index



Sources: JP Morgan, IHS Markit, Haver Analytics, World Bank and OPEC.

Copper prices continued to decline in July, falling by 2.7%, m-o-m, but were up by 10.9%, y-o-y. At LME warehouses, stocks rose in July by 48.0%, m-o-m, and were up by more than 100%, y-o-y. Cancelled warrants rose sharply in July by more than 100%, m-o-m, and were up by 47.3%, y-o-y. On-warrants rose by 40.9%, m-o-m, in July and were up by more than 100%, y-o-y.

Table 2 - 2: Base metal prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		May 24	Jun 24	Jul 24	Jul 24/ Jun 24	Jul 24/ Jul 23	2023	2024
Non-energy*	*Index*	**115.6**	**113.6**	**111.1**	**-2.3**	**2.3**	**111.5**	**111.5**
Base metal*	*Index*	**124.8**	**119.2**	**114.6**	**-3.8**	**7.2**	**112.3**	**113.2**
Copper	*US$/mt*	10,151	9,675	9,416	-2.7	10.9	8,691	9,164
Aluminium	*US$/mt*	2,578	2,506	2,359	-5.8	8.8	2,316	2,368
Nickel	*US$/mt*	19,645	17,546	16,389	-6.6	-22.5	23,790	17,402
Lead	*US$/mt*	2,232	2,156	2,111	-2.1	0.1	2,117	2,128
Zinc	*US$/mt*	2,971	2,818	2,791	-1.0	15.8	2,776	2,671
Iron Ore	*US$/mt*	117	107	109	1.4	-2.7	119	116

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

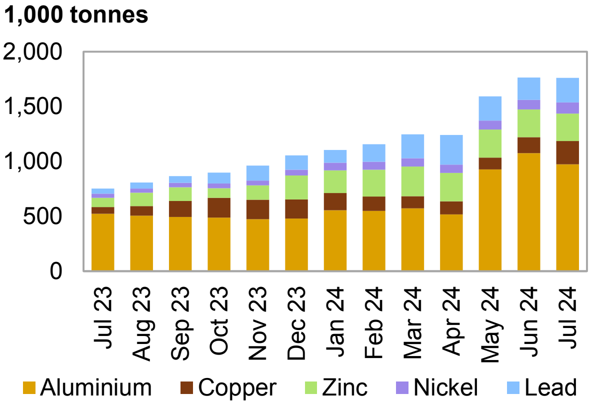
Sources: LME, Haver Analytics, World Bank and OPEC.

Aluminium prices declined for a second consecutive month in July, falling by 5.9%, m-o-m. Prices were up by 8.8%, y-o-y. LME warehouse stocks declined by 9.6%, m-o-m, while they were up by 85.5%, y-o-y. Cancelled warrants decreased in July after three consecutive months of increases, falling by 0.7%, m-o-m, and were higher by more than 100%, y-o-y. On-warrants fell by 9.6%, m-o-m, in July, but were up by 50.9%, y-o-y.

Nickel prices experienced a consecutive monthly decrease in July, falling by 6.6%, m-o-m. Prices were down by 22.5%, y-o-y. At LME warehouses, stocks rose for a fourth consecutive month, increasing by 13.7%, m-o-m, and were up by more than 100%, y-o-y. Cancelled warrants rose in July after two consecutive months of decreases, up by 32.3%, m-o-m. Y-o-y, they were higher by more than 100%. On-warrants increased for a second consecutive month in July, up by 12.7%, m-o-m, and were up by more than 100%, y-o-y.

Lead prices declined for a second consecutive month in July, falling by 2.1%, m-o-m, and were down by 0.1%, y-o-y. At LME warehouses, stocks rose after two consecutive months of decreases, increasing by 9.9%, m-o-m. They were up by more than 100%, y-o-y. Cancelled warrants rose sharply in July after trending downwards for two consecutive months, increasing by 37.2%, m-o-m, and up by more than 100%, y-o-y. On-warrants rose for a second consecutive month, increasing by 5.4%, m-o-m, and were up by more than 100%, y-o-y.

Graph 2 - 3: Inventories at the LME



Sources: LME, Thomson Reuters and OPEC.

Zinc prices fell for a second consecutive month in July, dropping by 1.1%, m-o-m. Prices were up by 18.3%, y-o-y. At LME warehouses, stocks decreased for a third consecutive month, falling by 0.9%, m-o-m. However, they were up by more than 100%, y-o-y. Cancelled warrants rose by 34.8%, m-o-m, in July, and were up by more than 100%, y-o-y. On-warrants fell by 5.0%, m-o-m, but were up by more than 100%, y-o-y.

Iron ore prices increased in July, rising by 1.4%, m-o-m, and were down by 2.7%, y-o-y. Meanwhile, China's steel industry PMI experienced a consecutive monthly decline, falling in July to 42.50, down from 47.80 in June, a decrease of 11.1%, m-o-m, and 14.8% drop, y-o-y.

Precious metals

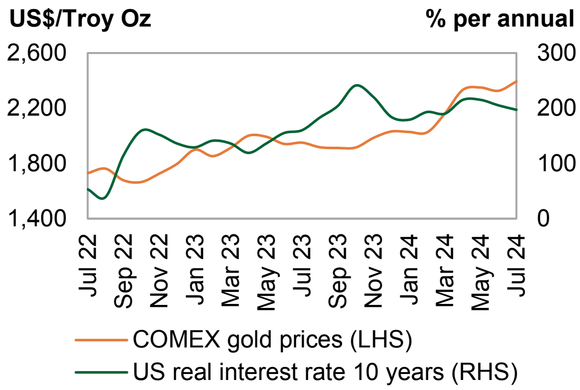
Table 2 - 3: Precious metal prices

Commodity	Unit	Monthly average			% changes		Year-to-date	
		May 24	Jun 24	Jul 24	Jul 24/ Jun 24	Jul 24/ Jul 23	2023	2024
Precious metals*	*Index*	**179.0**	**177.6**	**182.3**	**2.7**	**22.6**	**147.1**	**168.7**
Gold	*US$/Oz*	2,351	2,326	2,398	3.1	22.9	1,936	2,232
Silver	*US$/Oz*	29.4	29.6	29.8	0.7	22.7	23.5	26.6
Platinum	*US$/Oz*	1,015	985	979	-0.6	3.0	1,002	950

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

The precious metals index increased in July by 2.7%, m-o-m, recovering from the previous month's decline. Gold prices rose by 3.1%, m-o-m, and silver prices advanced for a second consecutive month by 0.7%, m-o-m. Meanwhile, platinum prices fell for a second consecutive month by 0.6%, m-o-m. Net purchases from major central banks in emerging markets and a lower US dollar supported gold prices. Meanwhile, softer global industrial activity weighed on platinum prices. The precious metals index was up by 22.6% y-o-y. Gold, silver and platinum prices were also up by 22.9%, 22.7% and 3.0%, y-o-y, respectively.

Graph 2 - 4: US real interest rate and gold price



Sources: Commodity Exchange Inc., Federal Reserve Board, Haver Analytics and OPEC.

Select other minerals

Table 2 - 4: Select other minerals prices

Commodity	Unit	Monthly average May 24	Jun 24	Jul 24	% changes Jul 24/ Jun 24	Jul 24/ Jul 23	Year-to-date 2023	2024
Other minerals*	*Index*	**40.1**	**38.6**	**37.4**	**-3.3**	**-43.8**	**78.3**	**39.7**
Cobalt	*US$/mt*	27,458	26,840	26,465	-1.4	-19.9	35,672	27,751
Graphite	*US$/mt*	485	485	485	0.0	-24.1	738	509
Lithium	*US$/mt*	13,643	12,478	11,255	-9.8	-72.3	52,328	12,473

*Note: * OPEC price index (2022 = 100).*

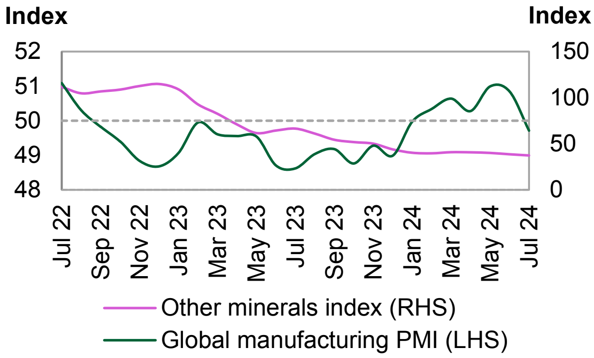
Sources: LME, Haver Analytics and OPEC.

The select other minerals price index decreased in July by 3.3%, m-o-m, dragged down by declines in cobalt and lithium prices. Select other mineral prices were pressured by weakness in global industrial activity. Cobalt and lithium prices fell by 1.4% and 9.8%, m-o-m, respectively.

Meanwhile, graphite prices were essentially flat over the same period.

The select other minerals price index was down by 43.8%, y-o-y. Cobalt, graphite and lithium prices were also down by 19.9%, 24.1% and 72.3%, y-o-y, respectively.

Graph 2 - 5: Global manufacturing PMI and other minerals index*



*Note: * OPEC price index (2022 = 100).*
Sources: JP Morgan, Haver Analytics, IHS Markit, LME and OPEC.

Investment flows into commodities

Combined money managers' net length decreased in July after four consecutive months of increases, falling by 8.5%, m-o-m. Net length increases were driven by crude oil and gold but partially offset by decreases in natural gas and copper. The combined net length was up by 55.7%, y-o-y.

Combined open interest (OI) rose in July after two consecutive months of decreases, increasing by 6.3%, m-o-m. OI increased across all select commodities, except copper. Combined OI was up by 15.4%, y-o-y.

Table 2 - 5: CFTC data on non-commercial positions, 1,000 contracts

Selected commodity	Open interest Jun 24	Jul 24	Jul 24/ Jun 24	Long Jun 24	Jul 24	Short Jun 24	Jul 24	Net length Jun 24	% OI	Jul 24	% OI	Jul 24/ Jun 24
Crude oil	2,150	2,234	***3.9%***	241	266	37	24	204	9	242	11	***18.5%***
Natural gas	1,498	1,581	***5.6%***	213	226	186	276	27	2	-50	-3	***-287.7%***
Gold	728	869	***19.4%***	195	221	13	21	182	25	200	23	***9.7%***
Copper	346	334	***-3.6%***	108	90	63	62	46	13	29	9	***-37.6%***
Total	**4,722**	**5,017**	***6.3%***	**758**	**803**	**299**	**383**	**459**	**50**	**420**	**39**	***-8.5%***

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

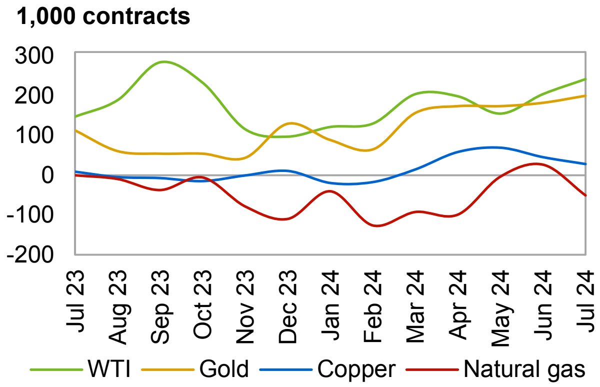
Crude oil (WTI) OI rose in July after dropping for two consecutive months, increasing by 3.9%, m-o-m. At the same time, money managers increased net length for a second consecutive month, up by 18.5%, m-o-m. OI was essentially flat, y-o-y, while money managers' net length was up by 64.3%.

Natural gas (Henry Hub) OI increased in July after two consecutive months of decreases, rising by 5.6%, m-o-m. Meanwhile, money managers cut net length sharply by more than 100%, m-o-m, in July. OI was up by 27.5%, y-o-y, while net length was down by more than 100%.

Gold's OI rose in July after trending downwards for two consecutive months, increasing by 19.1%, m-o-m. Money managers increased net length for a second consecutive month in July, up by 9.7%, m-o-m. OI was up by 33.6%, y-o-y, and net length was up by 76.8%.

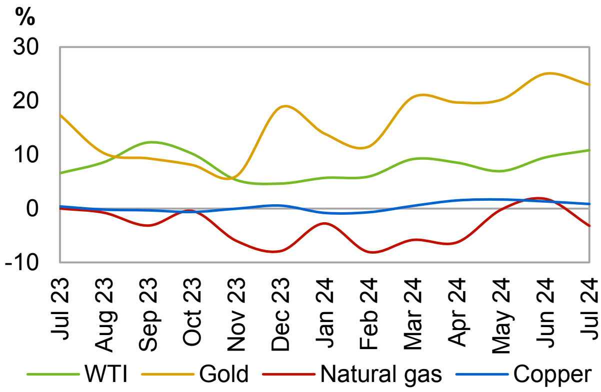
Copper's OI decreased in July, down by 3.6%, m-o-m. Money managers cut net length sharply for a second consecutive month, down by 37.6%, m-o-m, in July. OI was up by 47.5%, y-o-y, and net length was up by more than 100%.

Graph 2 - 6: 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 - 7: 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

As economic growth momentum in major economies remained quite resilient in 1H24, the steady global growth trajectory continues to be supported in the near term. Consequently, the global economic growth forecast remains unchanged at 2.9% for both 2024 and 2025.

Within the OECD, robust growth in 2Q24 indicates ongoing steady momentum in the US economy. Despite persistent weaknesses in Japan during 1H24, a rebound is expected in 2H24. Although economic growth in the Eurozone was modest in 1H24, it exceeded expectations. This momentum was driven by real income growth and a recovery in tourism, while industrial production continues to face challenges. In non-OECD economies, India and China maintained solid growth trends in 1H24, with additional government-led support expected to continue in 2H24. Growth figures for Russia and Brazil also remained robust, contributing to a continued steady growth outlook.

It is anticipated that major central banks will either continue with or shift towards more accommodative monetary policies in 2H24 and throughout 2025, particularly in the US, the Eurozone, and the UK. However, the trajectory of monetary policies will depend significantly on inflationary developments and any potential changes in focus by central banks towards supporting economic growth, especially in advanced economies. It is likely that the most recent rise in global asset markets' volatility will also be taken into consideration. Despite some downside risks, the anticipated move towards more accommodative monetary policies in advanced economies, coupled with sustained monetary and fiscal support in China, ongoing fiscal initiatives in India, and robust growth trends in Brazil and Russia, may offer some potential for more positive economic growth developments.

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

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2024	**2.9**	**2.4**	**0.7**	**0.2**	**4.9**	**6.6**	**1.8**	**3.1**
Change from previous month	0.0	0.2	0.0	-0.1	0.0	0.0	0.0	0.0
2025	**2.9**	**1.9**	**1.2**	**0.9**	**4.6**	**6.3**	**1.9**	**1.5**
Change from previous month	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Note: * 2024-2025 = Forecast. The GDP numbers have been adjusted to reflect 2021 ppp.*

Source: OPEC.

Update on the latest global developments

Global growth dynamics in 1H24 remained resilient, with expectations for continued steady momentum in OECD activity through 3Q24. The strong performance in non-OECD economies is also anticipated to carry over into 3Q24. In the US, economic growth for 2Q24 was reported at 2.8% on a quarter-on-quarter seasonally adjusted annual rate (q-o-q SAAR), up from 1.4% in 1Q24. Japan's economic growth contracted by 2.9%, q-o-q, SAAR in 1Q24 but appears to have rebounded in 2Q24. The Eurozone experienced a 1.1%, q-o-q, SAAR expansion in 1Q24 and a 1.0%, q-o-q, SAAR expansion in 2Q24, surpassing expectations but remaining modest.

In non-OECD economies, China's growth dynamics showed a slight slowdown in 2Q24, following robust annual growth of 5.3% in 1Q24. The recent Third Plenary Session of China's Communist Party indicated ongoing economic support aimed at achieving an annual growth target of around 5%. Subsequent policy measures include more accommodative monetary policies likely designed to support the country's real estate market and domestic consumption. Elsewhere, although India is expected to see slightly lower growth in 2Q24, it recorded strong growth of 7.8%, y-o-y, in 1Q24. Furthermore, the numerous fiscal stimulus measures announced by the government in its latest budget are expected to positively influence near-term growth.

As inflation continued to retreat in 1H24, the European Central Bank (ECB) and the Bank of England (BoE) began lowering interest rates, with reductions of 25 basis points in June and July, respectively. Both central banks have indicated the potential for further cuts in 2H24. Elsewhere, although the US Federal Reserve (Fed) is expected to pursue a more accommodative monetary policy, starting in September, this will remain data-dependent and influenced by inflation dynamics and underlying growth trends. Possibly rising asset market volatility as seen at the beginning of August may support the case for lowering key policy rates in the coming months as well.

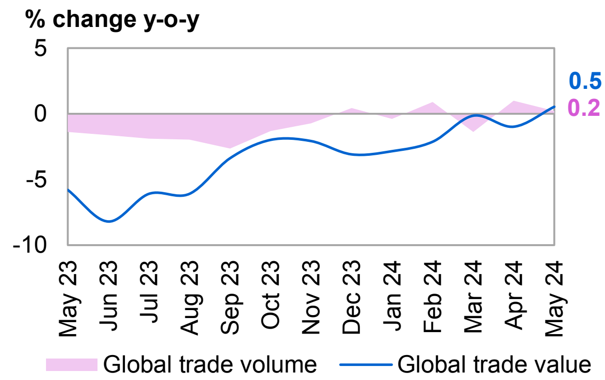
Inflation dynamics have significantly impacted monetary policies, real-income growth, and consumers' disposable income. Core inflation rates, a primary focus for central banks, have declined but remain relatively resilient, especially in the US, the UK, and the Eurozone. As of June, core inflation stood at 3.3%, y-o-y, in the US, 3.5%, y-o-y, in the UK, and 2.8%, y-o-y, in the Eurozone. While these levels exceed the 2% inflation target set by the respective central banks, they are gradually approaching the target, thus lending support to more accommodative monetary policies by major central banks. In contrast, the Bank of Japan (BoJ) followed an exceptionally accommodative policy until early this year but has since raised interest rates by 35 basis points to address inflation and support the yen. This move has been challenging, given Japan's estimated negative economic growth in 1H24, and has consequently led to considerable asset market volatility most recently too.

In high-growth emerging economies, Brazil's central bank implemented stricter monetary policies as early as 2021, providing it with room to support the economy and initiate monetary easing ahead of other major central banks. India has seen a reduction in headline inflation over the past 12 months, potentially allowing its central bank to lower key policy rates, though this may be delayed due to high economic growth rates and announced government-led support measures. China, facing challenges in its property sector and domestic consumption, continues to support its economy through gradual monetary policy measures and is expected to adopt a more accommodative stance towards the end of the year. In contrast, Russia's central bank has tightened monetary policies to control inflation, support the rouble, and prevent further inflationary pressure amid robust underlying economic growth, distinguishing it from other emerging economies.

Global trade exhibited a continued gradual improvement in volume terms in May, expanding by 0.2%, y-o-y, following a rise of 1.0%, y-o-y, in April. This trend compares to a 1Q24 decline of 0.3%, y-o-y.

In terms of trade value, there was a 0.5%, y-o-y, increase in May, recovering from a 1.0%, y-o-y, decline in April. This performance compares to a 1.7%, y-o-y, decline in trade value during 1Q24. These insights are derived from the CPB World Trade Monitor Index, provided by the CPB Netherlands Bureau for Economic Policy Analysis.

Graph 3 - 1: Global trade



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

Near-term global expectations

After a period of relatively modest growth in OECD economies in 1Q24, a rebound is anticipated in 2Q24, with this momentum expected to carry through to the end of the year. Meanwhile, the robust growth observed in non-OECD economies during 1Q24 is forecast to gradually normalize while remaining strong throughout the year. These trends support a steady global growth trajectory, with an anticipated quarterly growth rate of nearly 3%, y-o-y, by year-end, up from around 2.8%, y-o-y, in 1Q24. Growth is projected to remain robust in 2025, driven by continued expansion in most OECD countries and sustained strong performance in major non-OECD economies. Average quarterly growth rates for 2025 are expected to remain stable, averaging about 2.9%, y-o-y, with a potential increase to 3%, y-o-y, in 4Q24.

From a sectoral perspective, industrial output in advanced economies this year has been weak so far. In contrast, non-OECD economies have seen ongoing improvements in their industrial sectors. In OECD economies, industrial output is expected to gradually rise following the restrained levels observed in 1Q24. According to data from the CPB Netherlands Bureau for Economic Policy Analysis, global industrial production declined by 1.4%, y-o-y, in 1Q24. Meanwhile, the services sector has maintained steady momentum and is projected to continue as a key driver of economic growth in 2024 and 2025, supported by a stable performance in the leisure sector, including travel and tourism. Geographically, economic growth in 2024 and 2025 is expected to be bolstered by China, India, and to some extent the US, with additional contributions from Brazil and Russia. The Eurozone and Japan are also expected to experience rebounds, though at lower rates of growth. As a result, they are expected to contribute less to overall global economic growth.

Key central banks are likely to adopt more accommodative monetary policies by 2H24 and throughout 2025, with the possible exception of the BoJ and the Central Bank of Russia. However, uncertainties remain regarding the near-term trajectory of core inflation. The recent increase in volatility in global equity markets at the beginning of August may also prompt central banks to consider counterbalancing measures, reinforcing the case for lowering key policy rates in the coming months.

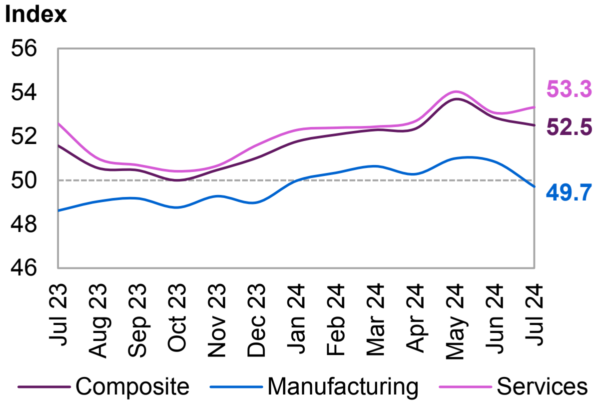
With anticipated monetary easing, increased real income and declining global inflationary pressures, there is potential for stronger economic growth in both 2024 and 2025. Emerging economies such as India, Brazil, and Russia may outperform expectations due to improving domestic demand and expanding trade activities. China's growth could benefit from sustained strong exports and further government initiatives aimed at boosting domestic economic activity. OECD economies, expected to rebound in 2H24, may experience a stronger-than-expected acceleration, driven by robust services sectors and a recovery in industrial output. Additionally, the recovery in global trade is projected to impact growth positively in both 2024 and 2025.

In July, global purchasing managers' indices (PMIs) highlighted potential challenges within the manufacturing sector. Following a period of stable dynamics, bolstered by sustained momentum in emerging economies, the global manufacturing PMI fell below the growth-indicating level of 50. This decline suggests difficulties in the sector, signalling a potential slowdown ahead. However, the services sector index improved, pointing at continued support from this important area in the global economy.

The global manufacturing PMI stood at 49.7 in July, following 50.8 in June and 51.0 in May.

The global services sector PMI rose to a level of 53.3, after it stood at 53.1 in June and 54.0 in May.

Graph 3 - 2: Global PMI



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

Global economic growth in 1Q24 exceeded expectations, especially in the BRIC economies, but remained modest in the US and fell short in Japan. However, OECD economies rebounded in 2Q24, as anticipated. With this positive trend expected to continue in 2H24, alongside sustained robust growth in the BRIC nations, global economic growth is projected to remain at 2.9%.

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

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

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

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

OECD

US

Update on the latest developments

US economic growth is estimated to have expanded by a robust 2.8%, q-o-q, SAAR in 2Q24. This follows a growth rate of 1.4%, q-o-q, SAAR in 1Q24, according to the Bureau of Economic Analysis (BEA). The modest growth in 1Q24, impacted by low private household consumption, temporary inventory drawdowns, and negative net trade, rebounded in 2Q24. Private household consumption increased by 2.3%, q-o-q, SAAR in 2Q24, up from 1.5%, q-o-q, SAAR in 1Q24, contributing nearly 60% of the quarter's growth. Inventory restocking contributed 0.8 percentage points (pp) to growth, while net trade had a negative impact of 0.7 pp in 1Q24.

Looking ahead, the Atlanta Fed's GDPNow forecast for 3Q24 growth is projected at 2.5%, q-o-q, SAAR as of early August. Although consumer confidence remains positive and the services sector performed well in 1H24, the industrial sector has been relatively weaker. However, it showed improvement in 2Q24, with industrial production (IP) rising by 1.6%, y-o-y, in June, up from 0.3%, y-o-y, in May, and reversing a decline of 0.8%, y-o-y, in April.

Manufacturing orders also showed a relative strengthening, rising by 1%, y-o-y, in May and 0.9%, y-o-y, in April, according to data from the Bureau of the Census on a seasonally adjusted basis. Additionally, the consumer confidence index, reported by the Conference Board, improved slightly in July to 100.3, up from 97.8 in June.

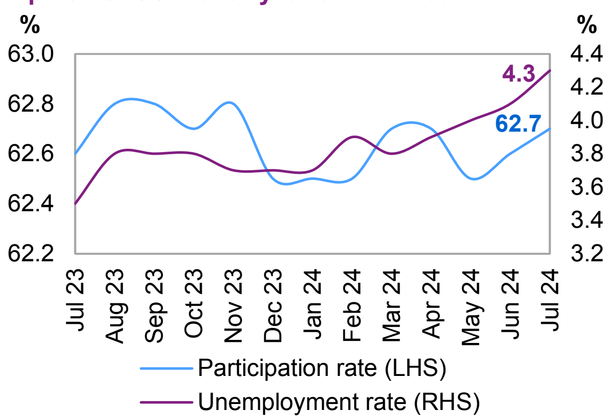
Headline inflation continued its decline in June, standing at 3%, y-o-y, compared to 3.3%, y-o-y, in May and 3.4%, y-o-y, in April. Core inflation also decreased by 0.1 pp, reaching 3.3%, y-o-y, in June, down from 3.4%, y-o-y, in May and 3.6%, y-o-y, in April. The Fed's preferred inflation measure, core personal consumption expenditures (PCE), remained steady at 2.6%, y-o-y, in June. Housing costs continued to be a significant driver of inflation, rising by 5.2%, y-o-y, in June. This was slightly lower than the 5.4%, y-o-y, observed in May and the 5.5%, y-o-y, observed in April, but it still contributed nearly two-thirds of headline inflation.

In July, the labour market showed a slight and continued weakening trend. The unemployment rate edged up marginally to 4.3%, following 4.1% in June and compared with 4% in May.

The participation rate rose to 62.7% in July, following 62.6% in June and compared with 62.5% in May.

Earnings growth edged down slightly in July with y-o-y hourly earnings increasing by 3.6%, following a rise of 3.9% in June and compared with 4.1% in May. The gradual weakening in the labour market may be viewed cautiously by the Fed's decision-making body, the Federal Open Market Committee (FOMC) members, but retracting earnings growth could otherwise help in lowering inflation levels.

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

Near-term expectations

Growth in 2Q24 rebounded considerably to 2.8%, q-o-q, SAAR. This improvement on the modest growth of 1.4%, q-o-q, SAAR in 1Q24 exceeded expectations. The current forecast anticipates growth to be slightly below 1% on average and annualized in 2H24. Challenges anticipated in the forecast include ongoing weaknesses in the manufacturing sector and a significant reduction in the growth of disposable income for US private households. Of note, the latter fell from around 8% in 2023 to below 4% in 1H24. Despite these challenges, the current positive growth dynamics, as seen in 2Q24, offer some potential upside to the annual growth forecast.

Additionally, sovereign debt has reached new record highs, with general government debt standing at nearly 130% of GDP in 1Q24. The IMF's latest review and comments from the Fed Chairperson underscore the persistent concern over high US sovereign debt levels. The debt ceiling debate is expected to resurface in 4Q24, as the suspension of the debt ceiling expires on 2 January. Last year's agreement suspended the US borrowing limit of $31.4 trillion until January 2025. It is crucial to note that suspending the debt limit is not the same as setting it at a new fixed level. The suspension allows the Treasury Department to borrow as needed to meet its obligations, with the debt limit resetting to the level it reaches when the suspension ends. The outcome of upcoming debt-limit discussions in Congress remains uncertain. However, the Treasury Department has the capacity to extend the debt limit temporarily, as it has done in the past, through active cash management. Additionally, concerns about the near-term dynamic of the US economy were reflected in the rising asset market volatility observed at the beginning of August. This may influence the Fed's monetary policy decisions, alongside inflationary developments, the economic growth trend and other factors.

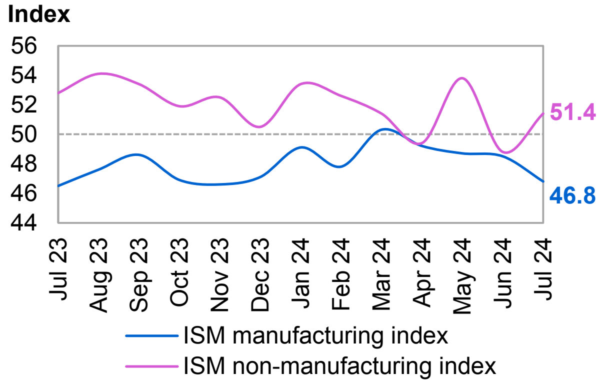
The currently envisaged economic growth and asset market conditions may lead the Fed to consider adopting a more accommodative monetary policy in the near term. However, the extent and nature of any adjustments will be significantly influenced by the projected trajectory of inflation, US economic growth, and labour market conditions as well.

Looking ahead, substantial fiscal stimulus is not anticipated for 2024 or 2025. However, this outlook could change depending on the results of the 4Q24 elections, which may lead to shifts in US fiscal policies. Such changes could, in turn, impact monetary policy decisions in 2025, influencing growth dynamics for the subsequent year.

According to the Institute for Supply Management (ISM), the Purchasing Managers' Index (PMI) for the manufacturing sector continued to contract in July, falling to 46.8 from 48.5 in June and 48.7 in May. This persistent decline has kept the manufacturing PMI below the neutral threshold of 50, signalling a continued contraction in the sector.

Positively, the PMI for the services sector, which comprises 70% of the US economy, rebounded sharply, moving back to above the growth threshold of 50 in July, registering 51.4, following 48.8 in June and 53.8 in May.

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



Sources: Institute for Supply Management and Haver Analytics.

Given the stronger-than-expected growth in 2Q24, the economic growth forecast for 2024 has been revised upward to 2.4%, compared to the previous month's estimate of 2.2%. This revision reflects anticipated ongoing support from steady private household consumption throughout 2H24.

For 2025, the growth forecast remains unchanged at 1.9%, incorporating the anticipated gradual slowdown from 2H24.

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

	US
2024	**2.4**
Change from previous month	0.2
2025	**1.9**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Eurozone

Update on the latest developments

The Eurozone's economic performance in 1H24 exceeded expectations, with growth registering 1.1%, q-o-q, SAAR in 1Q24 and 1% in 2Q24. Consumer confidence indicators have also reflected a stable and steady improvement in the economic environment, suggesting that growth will continue at a modest yet consistent pace through 2H24.

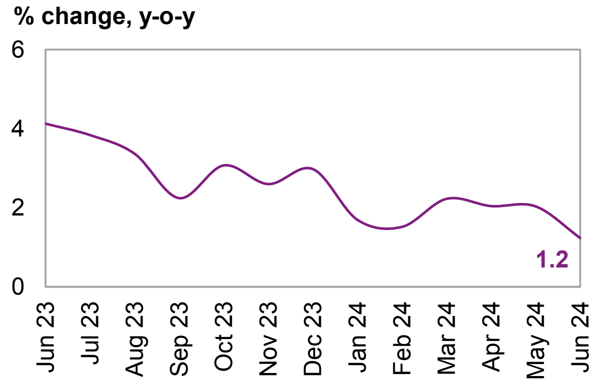
However, the Eurozone's industrial sector continues to face considerable challenges. In May, the IP index declined by 3%, y-o-y, following a 2.9%, y-o-y, drop in April. On a monthly basis, IP decreased by 0.6%, m-o-m, after remaining flat in April, with all figures on a seasonally adjusted basis.

Following an annual inflation level of 5.4% in 2023, inflationary pressures in the Eurozone have moderated over recent months. Headline inflation stood at 2.6%, y-o-y, in July, a slight increase from 2.5%, y-o-y, in May but consistent with the April level. Core inflation, which excludes volatile food and energy prices, remained stable at 2.8%, y-o-y, in July, unchanged from June. While both headline and core inflation rates continue to exceed the ECB's target of 2%, the current trajectory suggests the potential for further softening of inflationary pressures in the near term.

According to the latest data from Eurostat, the Eurozone's unemployment rate edged up slightly to 6.5%, y-o-y, in June, from 6.4% in both May and April. This relatively stable unemployment rate reflects a resilient labour market, with the rate remaining largely unchanged since April 2023.

In the retail area, growth showed a continued retraction in June, with y-o-y growth slowing down to 1.2%, compared with 2.0%, y-o-y, in both May and April. Despite this slowdown, the overall trend indicates a gradual improvement in the Eurozone's economy, supported by a relatively stable labour market and an ongoing expansion in consumer spending.

Graph 3 - 5: Eurozone retail sales



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

Near-term expectations

Economic growth in the Eurozone during 1H24 slightly exceeded expectations, but growth is anticipated to remain modest in both 2024 and 2025. Following a stronger-than-expected expansion of 1.1%, q-o-q, SAAR in 1Q24, the Eurozone economy maintained similar momentum in 2Q24, with growth of 1%, q-o-q, SAAR. This trend is forecasted to continue, with an average quarterly growth rate of approximately 0.8% on an annualized growth level in 2H24.

The industrial sector continues to face contraction across the Eurozone, whereas the services sector remains a key support factor. Expansion of the services sector is expected to drive growth through 3Q24, bolstered by early indicators suggesting potential support from the leisure sector, including travel and tourism. Although a gradual rebound in IP might contribute positively towards the end of the year, the extent of this recovery remains uncertain, as IP has been in decline through May 2024, the latest available data-point.

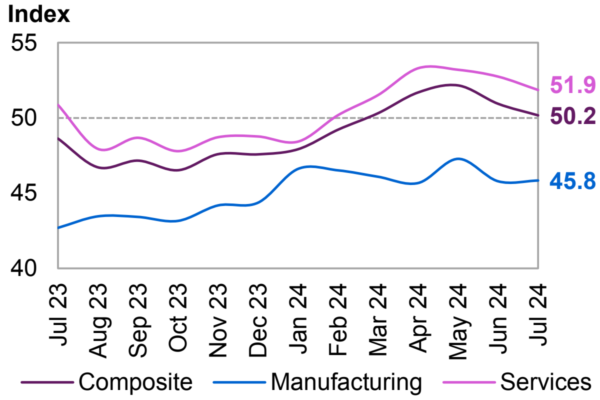
Some support came from the continued retraction of inflation in 1H24. Inflation has been receding throughout 1H24, prompting the ECB to adopt a more accommodative monetary policy stance in June, marked by a 25 basis point reduction in the key policy rate. Given the current inflationary trends and modest economic growth, this accommodative policy is expected to persist into 2H24 and 2025, potentially bolstering growth momentum. However, the ECB's recent meeting minutes indicated some reservations among policymakers about further rate cuts due to diverging trends in inflation and wages. As a result, the ECB paused its monetary easing cycle at the July meeting. The forecast for headline inflation in 2024 remains unchanged from the previous month, slightly below 2.5%, following headline inflation levels of 2.6%, y-o-y, in 1Q24 and 2.5%, y-o-y, in 2Q24. Inflation is projected to moderate to around 2% in 2025.

The Eurozone's July PMIs revealed persistent challenges in the region, particularly within the manufacturing sector.

The PMI for the services sector, which constitutes the largest portion of the Eurozone economy, retracted slightly, but remained well above the growth-indicating level of 50. It stood at 51.9 in July, following a level of 52.8 in June.

The manufacturing PMI continued to reflect persistent challenges, holding steady at 45.8 in July. This figure remains significantly below the threshold of 50, indicating that the manufacturing sector has been entrenched in contraction for over two years.

Graph 3 - 6: Eurozone PMIs



Sources: S&P Global and Haver Analytics.

The economic growth forecast for the Eurozone in 2024 remains unchanged this month at 0.7%. This forecast takes into account the stronger-than-expected economic performance in both 1Q24 and 2Q24, while anticipating continued modest growth momentum primarily driven by the services sector.

Looking ahead to 2025, the projected growth rate is expected to improve, supported by base effects, with the Eurozone's economy projected to gain momentum and reach 1.2%. This forecast remains consistent with the previous month's forecast.

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

	Eurozone
2024	**0.7**
Change from previous month	0.0
2025	**1.2**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Japan

Update on latest developments

Japan's economy contracted by 2.9%, q-o-q, SAAR in 1Q24. Although a rebound is estimated to have occurred in 2Q24 and the early part of 3Q24, the strength of this recovery remains uncertain. The decline in 1Q24 follows a trend of economic contraction observed in the latter half of 2023. Private consumption expenditures fell by 2.9%, q-o-q, SAAR in 1Q24, marking the fourth consecutive quarter of decline and likely reflecting a continued decrease in real income.

Inflation remained relatively persistent, with June's rate indicating elevated levels. While the weaker yen has bolstered Japan's exports and tourism sector, it has also driven up import prices, contributing to higher inflation. This inflationary pressure has likely influenced the BoJ's recent policy decisions. At its end of July meeting, the BoJ raised its benchmark interest rate to 0.25%, the highest level since the global financial crisis of late 2008, and up from the previous rate of around 0.1%. Additionally, it announced plans to reduce its monthly bond purchases, cutting the ¥6 trillion monthly programme to approximately ¥3 trillion by spring 2026. These moves suggest a significant shift towards a tighter monetary policy. The BoJ cited the upside risk to inflation from the weaker yen as a key factor in its decision. However, the BoJ’s decision to continue its monetary tightening was met with major concern in asset markets at the beginning of August. Volatility rose significantly in Japanese markets, reflecting investors’ uncertainty about the path of interest rates and potential near-term illiquidity.

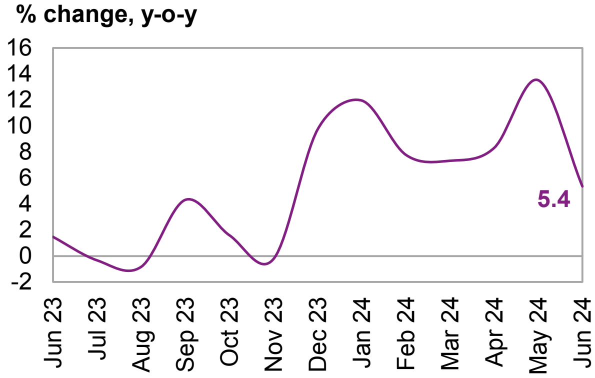
Retail sales continued to grow in June, rising by 3.7%, y-o-y, compared with 3%, y-o-y, in May and 2%, y-o-y, in April, based on non-seasonally adjusted figures. Inflation remained stable in June on an annual base, with headline inflation at 2.8%, up from 2.5% in April and 2.7% in March. Core inflation, which excludes food and energy and is a crucial metric for central bank policies, increased to 1.9%, y-o-y, up from 1.7% in May and 2% in April.

In June, Japan's IP growth experienced a sharp decline, falling by 7.3%, y-o-y, compared to an expansion of 1.1%, y-o-y, in May.

On the export front, while goods exports continued to grow, the growth rate moderated in June. Export growth was 5.4%, y-o-y, down from 13.5%, y-o-y, in May and 8.3%, y-o-y, in April, indicating a deceleration in the expansionary trend.

Consumer confidence remained relatively strong, with the index increasing slightly to 36.8 in July, up from 36.6 in June and 36.2 in May, albeit down from 37.8 in April.

Graph 3 - 7: Japan’s exports



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

Near-term expectations

Japan’s economic growth forecast for 2024 remains modest, reflecting ongoing challenges such as subdued domestic demand, relatively high inflation, and recent significant monetary tightening by the BoJ. After a pronounced contraction of 2.9%, q-o-q, SAAR in 1Q24, the Japanese economy is expected to experience a gradual rebound for the remainder of the year. Recent indicators have been mixed, showing both potential recovery signs and persistent challenges. Leading indicators like the services sector PMI, the Tankan survey and consumer confidence indices suggest some improvement.

Economic growth in 2Q24 is projected to recover to 4%, q-o-q, SAAR, with subsequent growth rates forecast at 2.8%, q-o-q, SAAR in 3Q24 and 1.1%, q-o-q, SAAR in 4Q24. This modest but positive growth trend towards the end of the year is expected to extend into 2025. Export activity is anticipated to remain robust through the end of the year and into 2025. IP is forecast to gradually improve as the year progresses, with a carry-over effect into the next year.

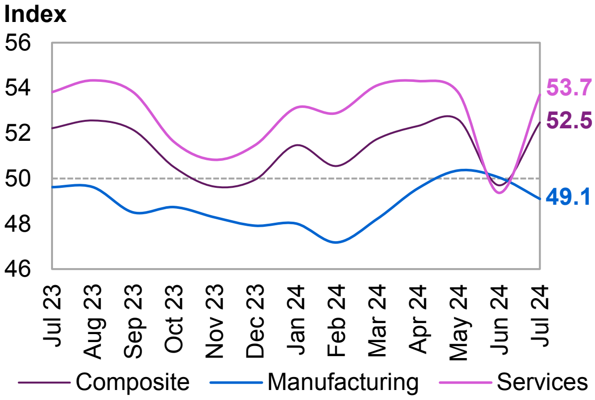
The BoJ's recent decision to raise the key policy rate to positive territory in March, followed by an additional rate hike end of July, underscores its commitment to addressing persistent inflation and strengthening the yen. However, the backdrop of low economic growth creates a complex environment for further monetary tightening. That was reflected in the most recent rise in Japan’s asset market volatility, which led to the largest one-day decline in the equity market since 1987. While it remains to be seen how this dynamic will unfold in the near term, the evident uncertainty among investors may soon affect the real economy, potentially leading to a further slowdown in underlying growth, if continuing.

The July PMI data for Japan reflects a strong rebound in the country's services sector and a softening in manufacturing.

The services sector PMI, which constitutes a significant portion of Japan's economy, increased significantly by 4.3 index points, reaching 53.7 in July. This comes after it had declined to 49.4 in June, falling below the growth-indicating threshold of 50. This July level nearly matches the May level of 53.8.

In the manufacturing sector, the PMI experienced a downturn, falling back into contractionary territory with a reading of 49.1 in July, down from 50 in June and 50.4 in May.

Graph 3 - 8: Japan's PMIs



Sources: S&P Global and Haver Analytics.

The growth projections for Japan have been revised slightly downward. The 2024 economic growth forecast is now adjusted to 0.2%, down from 0.3% previously. Despite prevailing uncertainties, this revised forecast anticipates a rebound in economic activity starting from 2Q24 and extending thereafter.

Looking ahead, the anticipated gradual improvement in economic momentum is expected to extend into 2025. While the BoJ is projected to continue its steady tightening of monetary policies in the coming year, economic growth for 2025 is forecast to rise slightly to 0.9%, unchanged from the previous month's forecast.

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

	Japan
2024	**0.2**
Change from previous month	-0.1
2025	**0.9**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

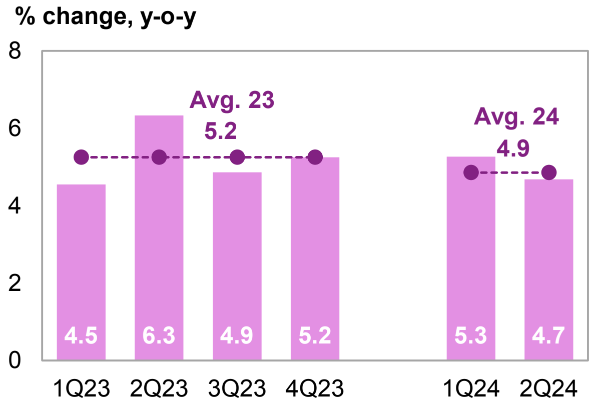
Non-OECD

China

Update on the latest developments

The latest data from China indicates a moderation in economic growth for 2Q24, with a y-o-y increase of 4.7%, down from 5.3%, y-o-y, in 1Q24. The primary factor behind this tapering was domestic demand, particularly in the services sector, which grew at 4.2%, y-o-y, in 2Q24, compared to 5.0% in 1Q24. Additionally, in mid-July the Third Plenary Session of China's Communist Party underscored the importance of enhancing state control over economic development. The focus will be on strengthening supply-side resilience, fostering technological innovation, and providing fiscal support to local governments, while at the same time achieving the around 5% growth target. Specific details regarding market reforms are expected to be announced at a later date.

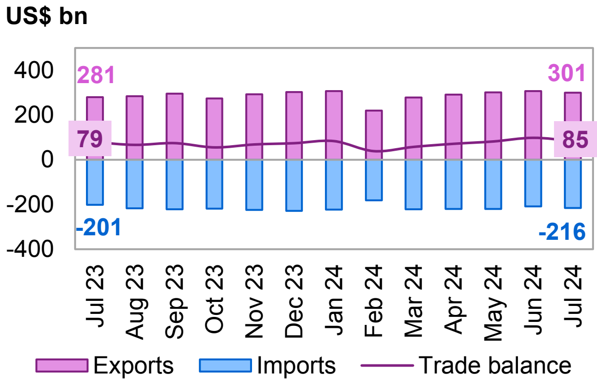
Graph 3 - 9: China's GDP growth



Sources: National Bureau of Statistics and Haver Analytics.

Despite the 2Q24 slowdown, exports continued to increase, rising by 7.1% y-o-y in July and 8.6% y-o-y in June. In July, imports increased by 7.2% y-o-y, following a decline of 2.3% y-o-y in June. This led to a trade balance of $85 billion in July, which remains relatively high despite falling from a record high of $99 billion set in June. Industrial production also remained robust, growing by 5.3% y-o-y in June, though this was a slight decrease from 5.6% y-o-y in May. This growth reflects ongoing government support for high-tech manufacturing, as outlined at the National People's Congress (NPC) session in March.

Graph 3 - 10: China's trade balance



Sources: General Administration of Customs of China and Haver Analytics.

Domestic demand is showing signs of moderating. Retail sales growth decreased to 2.0%, y-o-y, in June, down from 3.7%, y-o-y, in May. The property sector support package implemented in late May could have had some impact. Although housing prices for existing homes continued to decline in June, falling by 8.4%, y-o-y, compared to an 8.2%, y-o-y, decline in May, the rate of decline in the four largest cities slowed for the first time this year. Prices for existing homes in Shanghai, Beijing, Guangzhou, and Shenzhen fell by 8.6%, y-o-y, in June, compared to a decline of 9.1%, y-o-y, in May. The Politburo, meeting at the end of July, announced increased fiscal support by repurposing special Treasury bonds and doubling subsidies for vehicle and appliance trade-ins, with the central government covering most of the funding. Additional measures include accelerating bond issuance for pro-growth initiatives, distributing consumer vouchers, and implementing market-oriented measures in the industrial sector.

Chinese monetary policy also began to ease in July, with the one-year prime lending rate set by the People's Bank of China (PBC) reduced by 10 basis points to 3.35%. The five-year prime lending rate, which is particularly relevant to the housing sector, was also lowered by 10 basis points to 3.85%. Inflation picked up slightly in July, standing at 0.5%, y-o-y, comparing with a June rate of 0.2%, y-o-y. The July level is the highest inflation rate since March and a positive sing of appreciation. Urban unemployment remained stable at 5.0% in June for the third consecutive month, while urban youth unemployment decreased to 13.2% in June, down from 14.2% in May.

Near-term expectations

The Third Plenum outlined broad objectives focused on sustaining economic growth and fostering technological innovation but did not provide specific short-term policy details, which are expected to follow. In contrast, the Politburo meeting at the end of July elaborated on existing fiscal support measures first introduced in March, demonstrating the government's ongoing commitment to enhancing domestic demand while avoiding excessive intervention. This approach has been incremental and measured, complementing recent interest rate cuts, and is expected to positively impact domestic consumption in 2H24. Meanwhile, exports and manufacturing are anticipated to continue driving overall growth.

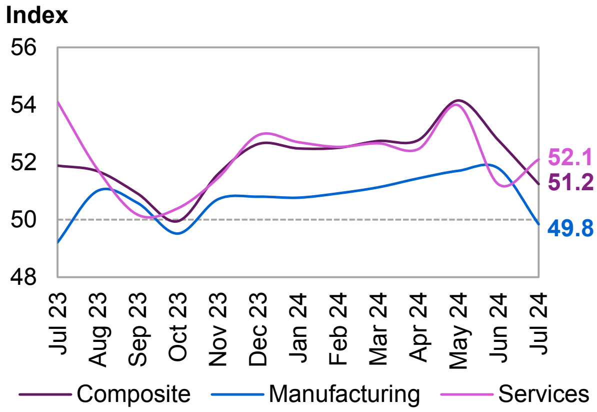
The property sector remains a significant constraint on consumer spending, particularly on durable goods, due to the substantial portion of household wealth invested in the declining property market. The announcements from the July Politburo meeting specifically target domestic demand. The repurposing of 30% of RMB 1 trillion in special Treasury bonds, originally allocated for national security projects, is expected to boost consumer confidence and spending by funding an expanded programme for upgrading and trading in household appliances and vehicles. With the central government covering 85% to 100% of these programmes, the financial burden on local governments is expected to be eased, resulting in a more direct impact on consumers. Although the support packages for both the property sector and consumer demand are limited, they signal the central government's readiness to implement direct policy measures to achieve the targeted 5% economic growth rate for this year.

The record trade surplus comes amid increased trade tensions with major partners. However, changes in trade policy and tariffs have been confined to specific sectors thus far and have not significantly expanded. Although EU tariffs on Chinese new energy vehicles (NEVs) led to a slowdown in exports to Europe in June, China's strategic diversification of export markets is expected to mitigate this impact, allowing the country to sustain strong export levels.

The latest PMI data for July indicates a slight slowdown in China's manufacturing outlook, with the PMI falling to 49.8 in July from 51.8 in June, dipping slightly into contractionary territory.

Conversely, the services sector showed an improved outlook, with the services PMI rising to 52.1 in July from 51.2 in June.

Graph 3 - 11: China's PMI



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

The introduction of additional government support is anticipated to positively impact consumer demand in 2H24. By anticipating the strong 1Q24 economic growth level and despite the slight moderation in 2Q24, the economic growth forecast for China for the year remains at 4.9%, consistent with the previous month's forecast.

Similarly, the growth forecast for China in 2025 remains unchanged at 4.6%.

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

	China
2024	**4.9**
Change from previous month	0.0
2025	**4.6**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

India

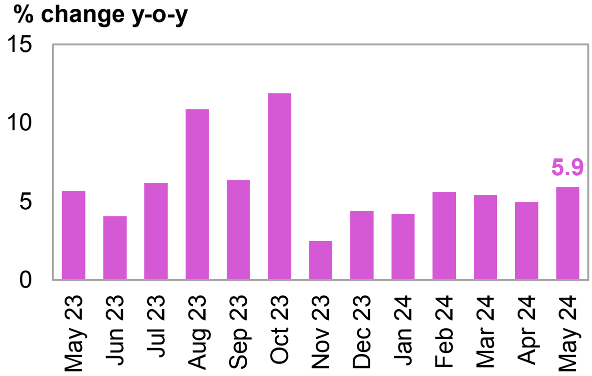
Update on the latest developments

The Indian economy continues to exhibit strong growth dynamics in key sectors, though unemployment and inflation remain concerns. The new government's first budget, announced in late July for the fiscal year ending in March 2025, closely mirrors the preliminary budget from February, indicating a continuation of existing policies. The fiscal deficit target has been revised to 4.9% of GDP from 5.1% in the preliminary budget, reflecting the government's commitment to fiscal consolidation. The target for the fiscal deficit in 2025/26 remains at 4.5% of GDP. Fiscal consolidation will be supported by the substantial surplus transferred from the Reserve Bank of India (RBI) in May, resulting from improved asset management and increased yields on foreign securities. This surplus enables fiscal consolidation while maintaining investment in key infrastructure and development projects.

The budget emphasizes infrastructure development by investing in urban growth hubs and rural connectivity, while also supporting industries through measures designed to enhance manufacturing and innovation. It also aims to boost agricultural productivity by improving digital infrastructure and introducing high-yield crop varieties. Employment-linked incentive schemes were highlighted in the budget as well, underscoring ongoing labour market imbalances. Although the Production-Linked Incentive (PLI) schemes were not specifically mentioned in the budget presentation, they are expected to continue, seeing sustained support for high-tech manufacturing and research and development.

Industrial production has maintained steady momentum since the start of the year, increasing to 5.9%, y-o-y, in May from 5.0%, y-o-y, in April. The manufacturing sector saw the strongest growth in the computer, electronic, and optical products sector, which rose 20.1%, y-o-y, in May compared to 2.4%, y-o-y, in April. Pharmaceuticals, medicinal chemicals, and botanical products also experienced growth, with an increase of 7.5%, y-o-y, in May, up from 3.0%, y-o-y, in April.

Graph 3 - 12: India's industrial production

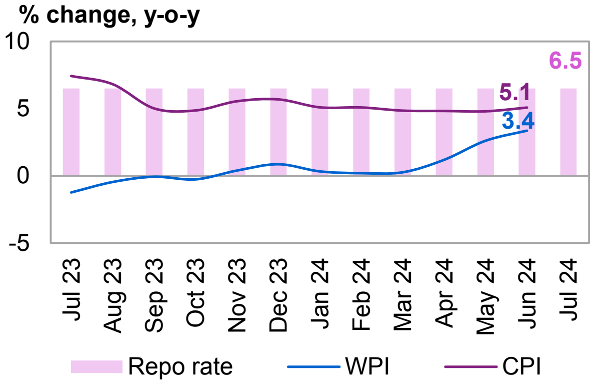


Sources: Ministry of Statistics and Program Implementation of India and Haver Analytics.

The monsoon in July was above average but unevenly distributed. The central and southwestern regions received rainfall above the historic average, while the north and northeast regions experienced below-average rainfall. As of early August, cumulative monsoon rainfall for the season is 3.2% above the historic average, according to the India Meteorological Department (IMD).

Inflation rose in June, with the Consumer Price Index (CPI) increasing to 5.1%, y-o-y, from 4.8% in May. Core inflation also saw a slight rise, reaching 3.1%, y-o-y, in June, up from 3.0% in May. Food inflation continued its upward trend, climbing to 8.4%, y-o-y, in June, compared to 7.9% in May. Vegetable inflation increased after several months of decline, reaching 29.3%, y-o-y, in June, the highest level since February. High prices for staple vegetables are attributed to reduced output from last year's weak monsoon season and damage from the hot and dry summer since April, which has shifted demand towards staple products and driven up their prices. The RBI Monetary Policy Committee (MPC) maintained the repo rate at 6.5% in the August meeting, citing continued inflationary concerns. The MPC will next meet in the first half of October.

Graph 3 - 13: Repo rate and inflation in India



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

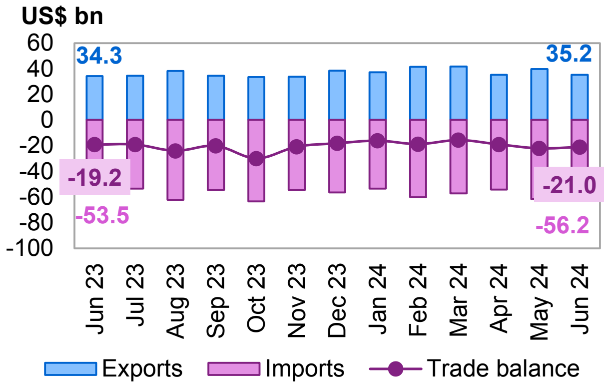
The unemployment rate decreased to 7.9%, y-o-y, in July, down from 9.2% in June and 7.0% in May.

India's trade deficit narrowed to $21.0 billion in June, compared with $22.1 billion in May, but was larger than the $19.2 billion trade deficit recorded in June of the previous year.

Monthly exports contracted to $35.2 billion in June, down from $39.7 billion in May.

Similarly, monthly imports also contracted to $56.2 billion in June, compared to $61.8 billion in May.

Graph 3 - 14: India's trade balance



Sources: Ministry of Commerce and Industry and Haver Analytics.

Near-term expectations

The new government budget, announced in late July, signals a continuation of existing policies with a specific focus on the labour market through employment-linked incentive schemes. Industrial growth is expected to maintain steady momentum with ongoing government support in key sectors such as automotive, communications, pharmaceuticals, and steel. Despite the involvement of other parties in the coalition government, the budget indicates that the government will persist with its development policy agenda, alleviating concerns about a shift in economic policy.

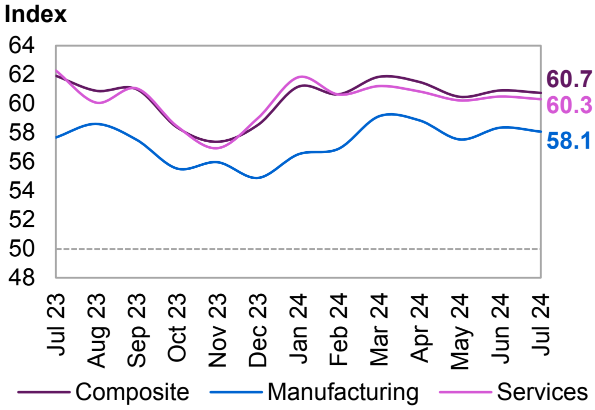
However, two areas worth keeping in focus are elevated levels of unemployment and persistent inflation. According to the India Meteorological Department (IMD), monsoon rainfall is expected to remain above the historic average for the remainder of the season. This is anticipated to positively impact agricultural output and help alleviate food inflation, which spiked last year due to a weak monsoon and low output. However, the uneven distribution of rainfall may affect crop yields differently, though overall agricultural output is expected to increase.

The emphasis on the labour market in the new budget aims to reduce unemployment, although its effectiveness remains uncertain. Rural unemployment is expected to benefit from increased digital infrastructure and an anticipated improvement in this year's monsoon season.

The S&P Global Manufacturing PMI remained in positive territory, contracting slightly in July to 58.1, down from 58.3 in June.

The Services PMI continued to exhibit strong momentum but declined slightly to 60.3 in July from 60.5 in June.

Graph 3 - 15: India's PMIs



Sources: S&P Global and Haver Analytics.

The growth forecast for India in 2024 remains unchanged at 6.6%, y-o-y, consistent with the previous month's report. There is potential for further growth due to possible improvements in the labour market and reduced inflation.

Looking ahead to 2025, the growth rate is projected to decelerate to 6.3%, y-o-y, also unchanged from the previous month's forecast.

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.

Brazil

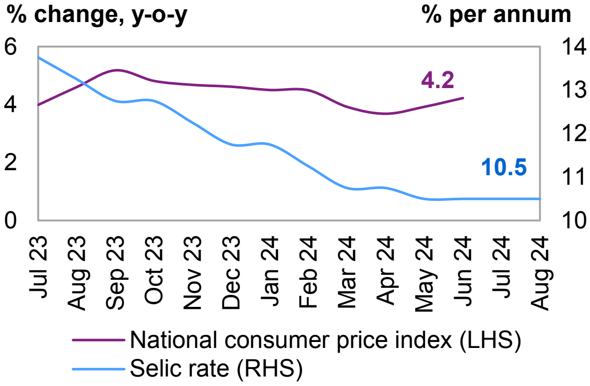
Update on latest developments

The Brazilian economy is exhibiting mixed signals, with positive developments in industrial production counterbalanced by the impact of monetary policy on demand. Consumer confidence continued to rise for a second consecutive month, reaching 91.6 in July, up from 90.3 in June. In contrast, business confidence declined slightly, falling to 50.1 in July from 51.4 in June. Unemployment continued its downward trend, decreasing to 6.9%, y-o-y, in June from 7.1%, y-o-y, in May. Industrial production rebounded in June, growing by 3.2%, y-o-y, after a 1.1%, y-o-y, decline in May. The production of motor vehicles also saw a positive turn, increasing by 5.9%, y-o-y, in June following a 6.5%, y-o-y, contraction in May. Additionally, machinery, and computer and electronic products recorded positive growth, and steel production rose by 7.6%, y-o-y, after three months of declines. Retail sales experienced a strong rebound in May, growing by 11.7%, y-o-y, compared to a slower growth rate of 4.5%, y-o-y, in April.

Inflationary pressures increased in June, with the Consumer Price Index (CPI) rising to 4.2%, y-o-y, up from 3.9%, y-o-y, in May. Core inflation saw a slight decline to 3.7%, y-o-y, from 3.8%, y-o-y, during the same period. Food and non-alcoholic beverages saw a two-month increase, climbing to 4.7%, y-o-y, in June from 3.6%, y-o-y, in May. Conversely, inflation for housing, electricity, and other fuels decreased to 3.1%, y-o-y, from 3.5%, y-o-y.

The Banco Central do Brasil (BCB) kept interest rates unchanged at 10.5% during the Monetary Policy Committee (MPC) meeting in July, maintaining the pause in the easing cycle that began in June. The MPC cited uncertainties regarding the effects of US monetary policy, global inflationary pressures, and stronger-than-expected domestic economic activity and inflation as reasons for maintaining a tight policy stance to anchor inflation expectations and ensure economic stability. The next MPC meeting is scheduled for mid-September.

Graph 3 - 16: Brazil's inflation vs. interest rate



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

Inflation continues to exceed the 3.0% target for 2024 established by the National Monetary Council (CMN), yet it remains within the upper limit of 4.5%. Beginning in January 2025, Brazil will implement a new inflation target of 3.0% indefinitely. This policy is aimed at increasing confidence in monetary stability and provide a more predictable economic environment.

Near-term expectations

In mid-July, Brazil's Finance Minister unveiled plans to cut US$4.8 billion in spending for 2025. This reduction will be achieved by auditing social benefit programmes and streamlining expenditures to meet fiscal targets. Brazil is currently grappling with a primary deficit of 2.4% of GDP, significantly above its zero-deficit goal for 2024 and 2025. Initial measures, including spending reviews, are set to commence this year. These actions are expected to enhance investor confidence alongside the anticipated implementation of a new, streamlined tax system. However, the government remains committed to expansionary fiscal policies and may need to implement more substantial spending cuts to meet its deficit target.

Economic growth, which registered 2.5%, y-o-y, in 1Q24, is expected to decelerate over the year. Forecasts indicate a gradual slowdown to 2.0%, y-o-y, in 2Q24, 1.5%, y-o-y, in 3Q24, and 1.2%, y-o-y, in 4Q24. While low unemployment rates are expected to support private consumption, the pause in the monetary easing cycle could dampen consumer demand. The BCB has cited US monetary policy as a key factor in this pause and will closely monitor the Fed's forthcoming decisions. Both the BCB and the Fed are scheduled to meet in mid-September, and it is anticipated that Brazil's easing cycle may resume. Sectorally, industrial production is expected to maintain relatively strong momentum despite monthly fluctuations, while agriculture is forecasted to experience weaker growth compared to the record harvest of 2023.

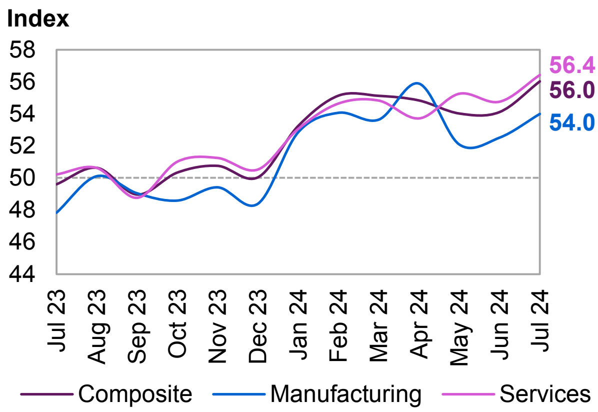
Fiscal consolidation efforts and the introduction of a reformed tax system are anticipated to enhance Brazil's investment outlook. Coupled with a projected further easing of interest rates and sustained low unemployment rates, these factors are expected to contribute to an acceleration in economic growth rates in 2025.

In June, the PMI data for services showed a strong rebound, while manufacturing saw an increase as well, with both remaining well in positive territory.

The manufacturing PMI rose to 54.0 in July, up from 52.5 in June.

Meanwhile, the services PMI rebounded to stand at 56.4, following a level of 54.8 in June and 55.3 in May.

Graph 3 - 17: Brazil's PMIs



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

With the pause in the monetary easing cycle potentially dampening consumption and consumer demand, the economic growth forecast for Brazil in 2024 remains at 1.8%, y-o-y, unchanged from the previous month's forecast.

For 2025, the growth forecast remains unchanged at 1.9%, y-o-y, consistent with the previous month's report. However, there is potential for an upside revision of the 2025 forecast, contingent on the possible resumption of monetary easing starting in September.

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

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

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Russia

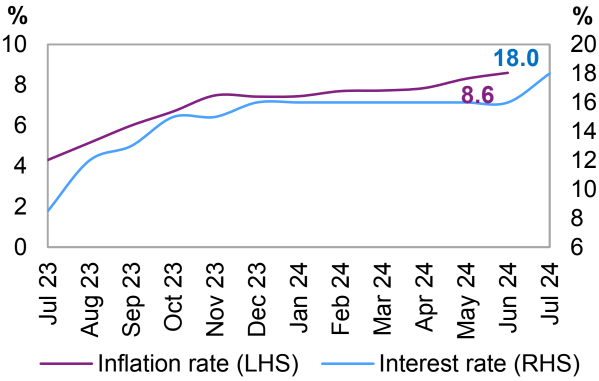
Update on the latest developments

The Russian economy continues to exhibit resilience despite a challenging environment, though concern is growing due to signs of overheating amid ongoing structural issues. Industrial production growth, a key indicator of GDP performance given the sector's significant weight, slowed to 2.0%, y-o-y, in June from 5.3%, y-o-y, in May. Manufacturing growth also eased, declining to 4.7%, y-o-y, in June from 9.1%, y-o-y, in May. Additionally, the mining and quarrying sector faced further contraction, decreasing by 3.1%, y-o-y, in June compared to a decline of 0.4%, y-o-y, in May. Despite these headwinds, the unemployment rate continued to trend downward, reaching 2.4% in June, down from 2.6% in both May and April. This tight labour market is contributing to increased household incomes but is also exerting upward pressure on inflation.

Retail sales in Russia remain robust, reflecting rising household incomes, but there are signs of slight moderation. In June, retail sales grew by 6.4%, y-o-y, down from 7.6%, y-o-y, in May. This continued increase in demand has driven headline inflation up to 8.6%, y-o-y, in June, compared to 8.3%, y-o-y, in May. Core inflation also edged up by about 0.1%, reaching 8.7%, y-o-y, in June. This persistent inflationary environment presents challenges for policymakers, who must navigate the trade-off between fostering economic growth and maintaining price stability.

Given the ongoing rise in inflation, the Central Bank of Russia (CBR) has raised the key interest rate to 18% from 16%. This decision reflects the CBR's concerns about persistently high inflation, driven by robust consumer demand, a tight labour market, a positive output gap, and external pressures. The CBR has indicated that interest rates are likely to remain elevated for an extended period, with further rate hikes possible if inflationary pressures persist. The CBR maintains an inflation target of 4% through 2026 but does not expect to achieve it this year.

Graph 3 - 18: Russia's inflation vs. interest rate



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

Russia's trade balance demonstrated a notable improvement in the latest data. It rose to $12.6 billion in May, up from $10.9 billion in April and $10.4 billion in May of the previous year. Exports increased substantially to $37.1 billion in May, compared to $33.6 billion in April. Imports also grew, reaching $24.5 billion in May, up from $22.7 billion in April.

Near-term expectations

Rising household incomes and increased demand, along with tightening labour supply and production capacity, are raising concerns of overheating in the Russian economy. Meanwhile, reindustrialization and import-substitution efforts, particularly within the consumer goods sector, are gaining momentum. This is aimed at boosting domestic production capacity and enhancing labour productivity. However, the pace of these structural changes has so far not been sufficient to tame inflation, as Russia remains significantly dependent on imports. The resilience of the Russian economy over the past year has been notable. Future growth momentum will largely depend on the effectiveness of monetary policy in managing inflation and the impact of the government's investment and economic growth initiatives.

The CBR has increased interest rates to reduce inflation, particularly on the demand side. Furthermore, it has indicated a willingness to keep rates high for an extended period. Over time, however, supply-side improvements from pro-growth investment efforts are expected to gradually address structural bottlenecks, supporting economic growth and helping to stabilize inflation. Additionally, the cancellation of the central government's subsidized mortgage programmes is expected to help slow the rise in housing prices observed since the beginning of the year.

Russia's current high inflation is primarily driven by cost-push factors, stemming from earlier periods of declining industrial capacity and reliance on imported consumer goods, exacerbated by exchange rate volatility and rising household incomes. Rising imports from China offer potential relief from inflationary pressures, as domestic production gains momentum to meet demand. China's record trade surplus and ongoing trade tensions with the US and the EU might lead to increased trade volumes with Russia.

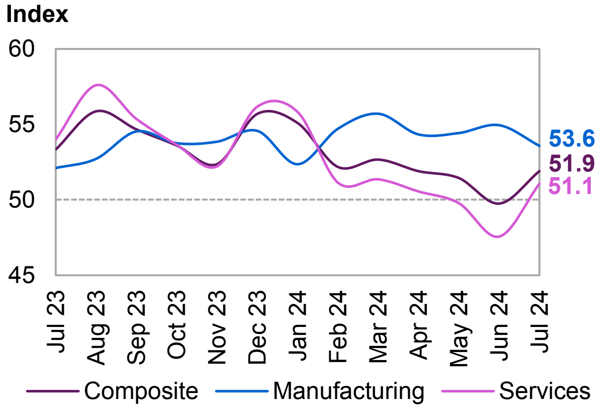
Despite these dynamics, concerns persist, particularly in the labour market, where high government spending and production create fiscal challenges. As a result, while private consumption may experience a slight slowdown due to higher interest rates, upward pressures from rising household incomes will continue.

Continued strength in private demand is evident from the latest PMI data, with new orders increasing.

In July, the services PMI rebounded to positive territory at 51.1, up from 41.6 in June, signalling a return to growth in the services sector.

Conversely, the manufacturing PMI slightly declined to 53.6 in July from 54.9 in June but remains firmly in expansionary territory, reflecting ongoing growth in the manufacturing sector.

Graph 3 - 19: Russia's PMI



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

As Russia's growth momentum continues, new uncertainties arise from changes in monetary policy on one hand, and from strong private demand and an expanding real sector of the economy on the other. The growth forecast for 2024 remains unchanged at 3.1%, reflecting continued economic resilience despite evolving challenges.

For 2025, mounting uncertainties related to monetary policy and the overall macroeconomic environment are expected to drive a deceleration in growth. Consequently, the economic growth forecast for 2025 is projected at 1.5%, consistent with the previous month's report.

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

	Russia
2024	**3.1**
Change from previous month	0.0
2025	**1.5**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Africa

South Africa

Update on the latest developments

Recent inflation data from South Africa suggest a moderation in inflationary pressures. The Consumer Price Index (CPI) eased to 5.0% in June, down from 5.1% in the previous two months, marking the lowest annual inflation rate since December 2023. This decline has been attributed to a slowdown in both food and transport inflation. Despite this improvement, the annual inflation rate remains above the South African Reserve Bank's (SARB) target of 4.5%. In response to these dynamics, the SARB maintained the repo rate at a 15-year high of 8.25% during its July meeting for the seventh consecutive time. However, the easing inflationary trend in June could present an opportunity for the SARB to consider a rate cut later in the year.

In 2Q24, South Africa successfully avoided scheduled power outages, reflecting a notable enhancement in the country's energy situation. While this improvement in power supply has the potential to stimulate economic activity, weak domestic demand – exacerbated by high interest rates – may be mitigating the economic benefits of reduced load shedding. Despite these challenges, retail trade showed signs of recovery, with retail sales increasing in May by 0.8%, y-o-y, up from 0.7%, y-o-y, in April. According to the latest available data, manufacturing production dropped by 0.6%, y-o-y, in May 2024, following growth of 4.9%, y-o-y, in April.

On the external demand front, South Africa's trade surplus expanded notably to $715.2 million in June, up from a revised $439.8 million in May. This improvement was driven by a 6.2%, y-o-y, increase in exports, while imports fell by 11.3%, y-o-y. Despite this recent positive performance, the cumulative data for January to May 2024 shows a decline in exports by 1.8%, y-o-y, and a decrease in imports by 5.2%, y-o-y. These trends highlight ongoing supply-side constraints affecting export performance and weak domestic demand contributing to lower import volumes.

Near-term expectations

South Africa's economic landscape is characterized by both challenges and opportunities. The anticipated recovery in 2Q24 is expected to be modest, given weak domestic demand following the slowdown in 1Q24. Although the avoidance of scheduled power outages in 2Q24 has provided some relief, persistent challenges like subdued domestic demand continue to weigh on economic prospects.

Recent political developments may offer some upside potential. The resolution of major political uncertainties following the recent election could lead to a more stable environment, with the new government potentially focusing on structural reforms aimed at stimulating economic growth and addressing high unemployment rates. The successful implementation of these reforms will be critical in enhancing investor confidence and attracting foreign investment.

Regarding monetary policy, the SARB is likely to adopt a cautious stance on interest rates. While there may be scope for rate reductions if inflation continues to ease, elevated interest rates might be maintained to manage inflationary pressures and support the currency.

The Absa PMI rebounded into expansionary territory in July, rising to 52.4 from 45.7 in June and 43.8 in May, signalling an improvement in manufacturing activity.

Despite this positive indicator, the growth outlook remains uncertain. With anticipated modest growth in 2Q24 and ongoing uncertainties about the new government's economic plans, the growth forecasts for South Africa in 2024 and 2025 remain unchanged at 0.7% and 1.3%, y-o-y, respectively.

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

	South Africa
2024	**0.7**
Change from previous month	0.0
2025	**1.3**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Saudi Arabia

According to preliminary estimates from the General Authority for Statistics, Saudi Arabia's economy contracted by 0.4%, y-o-y, in 2Q24, an improvement from the 1.7% decline in 1Q24. This represents the smallest contraction since 3Q23. During this period, both non-oil sectors and government activities recorded growth. Non-oil activities expanded by 4.4%, y-o-y, in 2Q24, up from 3.4% in 1Q24, while government activities increased by 3.6%, y-o-y, compared to a 2% rise in the previous quarter.

Inflation data reveals a slight decrease in the annual inflation rate to 1.5%, y-o-y, in June, down from 1.6%, y-o-y, in May, indicating that price increases in Saudi Arabia remain below global trends. Core inflation remained stable at 1.7%, y-o-y, in June, unchanged from the previous month.

Riyad Bank's PMI for Saudi Arabia decreased to 54.4 in July from 55.0 in June but remains in positive territory. The expansion was supported by higher output due to increasing consumer demand and effective marketing. The non-oil sector is expected to continue growing due to ongoing government efforts to diversify the economy as part of Vision 2030.

Nigeria

In June 2024, Nigeria's headline inflation continued its upward trajectory, reaching 34.1%, y-o-y, up from 34.0%, y-o-y, in May. This persistent inflation is attributed to the removal of fuel subsidies and the ongoing depreciation of the local currency. Core inflation, which excludes volatile items such as farm produce and energy, also rose, reaching 27.4%, y-o-y, in June, up from 27.0%, y-o-y, in May. On the monetary policy front, the Monetary Policy Committee (MPC) raised its benchmark lending rate by 50 basis points to 26.75% in July. This increase follows previous hikes of 150 basis points in May, 200 basis points in March, and a substantial hike of 400 basis points in February. Additionally, the MPC adjusted the asymmetric corridor to +500/-100 basis points from +100/-300 basis points, signalling further tightening. Furthermore, the MPC highlighted food inflation as a significant contributor to overall inflation and supported government measures such as a 150-day duty-free import window for food commodities. The MPC is scheduled to meet again in late September.

Meanwhile, Nigeria's Eurobonds recorded gains, reflecting increased investor confidence in the country's fiscal outlook. Moody's Investors Service upheld Nigeria's Caa1 ratings for both local and foreign currency long-term issuers and maintained a positive outlook. It also confirmed Nigeria's foreign currency senior secured debt rating at Caa1, praising the monetary authorities' efforts to address CPI inflation and the reforms aimed at unifying the country's multiple exchange rates into a single system. The Stanbic IBTC Bank Nigeria PMI fell to 49.2 in July, down from 50.1 in June, indicating a slight downturn in private-sector operating conditions. Despite these challenges, ongoing policy reforms and improved investor interest in Nigeria's fiscal management may contribute to a more stable economic path in the future.

The United Arab Emirates (UAE)

The UAE's economy continues to demonstrate robust growth, particularly within non-oil sectors such as real estate, tourism, and manufacturing. In Dubai, the annual inflation rate edged up to 3.9% in June, compared to 3.8% in May. Notably, transport inflation rose to 3.2%, y-o-y, in June, returning to its April level and increasing from 2.7%, y-o-y, in May. Housing, water, electricity, gas, and other fuels – constituting over 40% of the Consumer Price Index (CPI) – saw a slight increase, reaching 6.7%, y-o-y, in June, up from 6.6% in May. Food and beverage inflation remained relatively stable, with a minor increase to 2.4%, y-o-y, in June, up from 2.3%, y-o-y, in May.

In terms of international economic relations, the UAE Central Bank recently signed currency swap agreements with Ethiopia, the Seychelles, and Indonesia. These agreements are designed to facilitate cross-border transactions and enhance payment system cooperation. Additionally, the UAE finalized a Comprehensive Economic Partnership Agreement (CEPA) with Mauritius, which is aimed at eliminating tariffs and boosting trade. This CEPA further strengthens the UAE's business and diplomatic ties in Africa and is expected to support economic diversification efforts, particularly in the non-oil sector. The S&P Global United Arab Emirates PMI fell to 53.7 in July 2024 from 54.4 in the previous month.

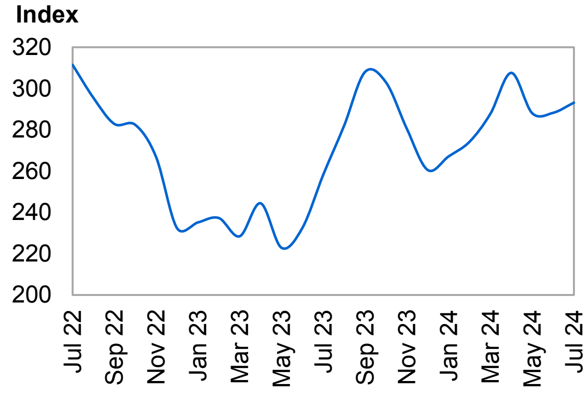
Despite this slight dip, business confidence in the UAE remains high, with firms anticipating continued growth and expansion. The country's robust economic policies and strategic international partnerships place it in a strong position to sustain its upward trajectory and further diversify its economy.

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

The US dollar (USD) index receded in July. The index fell by 0.5%, m-o-m, thus erasing the gains from the previous month. The USD was pressured by softer US macroeconomic indicators coupled with dovish statements from the Fed, which renewed market expectations of lower interest rates. Nonetheless, favourable yield spreads and safe haven status partially offset losses, amid elevated interest rate levels. The index was up by 3.2%, y-o-y.

Regarding developed market (DM) currencies, the USD fell against all major currencies in July. It declined against the euro, yen, and pound by 0.8%, 0.1%, and 1.2%, m-o-m, respectively. Compared with the same period last year, the USD was up against the euro, yen, and pound by 2.1%, 12.0%, and 0.3%, y-o-y.

Graph 3 - 20: The Modified Geneva I + US$ Basket (base June 2017 = 100)



Sources: IMF and OPEC.

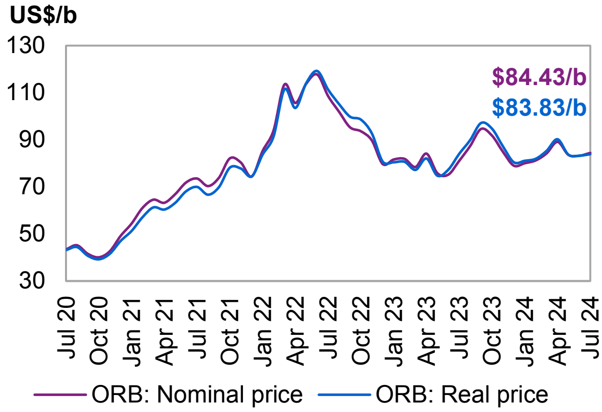
In terms of emerging market (EM) currencies, the USD rose against all major EM currencies for a second consecutive month in July. The USD rose against the rupee, yuan, and real by 0.2%, 0.1%, and 3.0%, m-o-m, respectively. Compared with the same period last year, the USD was up against the rupee, yuan, and real, by 1.7%, 1.1%, and 15.5%, y-o-y, respectively.

The differential between nominal and real ORB prices widened in July. Inflation (nominal price minus real price) went from a premium of 2¢/b in June to a premium of 60¢/b in July, representing a m-o-m increase of 100%.

In nominal terms, accounting for inflation, the ORB price went from $83.22/b in June to $84.43/b in July, a 1.5% increase, m-o-m. The ORB was up by 4.2%, y-o-y, in nominal terms.

In real terms (excluding inflation), the ORB went from $83.20/b in June to $83.83/b, a 0.8% decrease, m-o-m. The ORB was down by 0.2%, y-o-y, in real terms.

Graph 3 - 21: Impact of inflation and currency fluctuations on the spot ORB price (base June 2017 = 100)



Source: OPEC.

World Oil Demand

The world oil demand growth forecast for 2024 is revised down slightly by 135 tb/d from the previous month's assessment to now stand at a healthy 2.1 mb/d, well above the historical average of 1.4 mb/d seen prior to the COVID-19 pandemic. This slight revision reflects actual data received for 1Q24 and in some cases 2Q24, as well as softening expectations for China's oil demand growth in 2024.

In terms of regions, the OECD is projected to expand by around 0.2 mb/d, y-o-y, in 2024. OECD Americas is expected to account for all of this growth, as OECD Europe and Asia Pacific are projected to show a contraction. In the non-OECD, oil demand is forecast to increase by around 1.9 mb/d, y-o-y, driven by China with support from Other Asia, India, the Middle East and Latin America. Total world oil demand is anticipated to reach 104.3 mb/d in 2024, bolstered by strong air travel demand and road mobility, including trucking, as well as healthy industrial, construction and agricultural activities in non-OECD countries. The global growth forecast is subject to many uncertainties, including global economic developments.

For 2025, global oil demand growth is forecast at a robust 1.8 mb/d, y-o-y, revised down slightly 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	24.96	24.46	25.31	25.51	25.37	25.17	0.21	0.84
of which US	*20.36*	*19.92*	*20.67*	*20.67*	*20.85*	*20.53*	*0.17*	*0.81*
Europe	13.45	12.94	13.61	13.73	13.40	13.42	-0.03	-0.20
Asia Pacific	7.25	7.60	6.90	7.01	7.41	7.23	-0.02	-0.27
Total OECD	**45.65**	**45.00**	**45.81**	**46.26**	**46.18**	**45.81**	**0.16**	**0.36**
China	16.36	16.66	16.88	17.28	17.38	17.06	0.70	4.25
India	5.34	5.66	5.66	5.40	5.59	5.58	0.23	4.36
Other Asia	9.28	9.72	9.77	9.49	9.51	9.62	0.34	3.72
Latin America	6.69	6.67	6.87	6.97	6.88	6.85	0.16	2.34
Middle East	8.63	8.72	8.54	9.23	9.00	8.87	0.24	2.75
Africa	4.46	4.64	4.35	4.39	4.82	4.55	0.09	2.09
Russia	3.84	3.98	3.80	3.99	4.08	3.96	0.12	3.19
Other Eurasia	1.17	1.32	1.24	1.08	1.28	1.23	0.06	4.92
Other Europe	0.78	0.78	0.78	0.77	0.84	0.79	0.01	0.99
Total Non-OECD	**56.56**	**58.15**	**57.89**	**58.59**	**59.39**	**58.51**	**1.95**	**3.44**
Total World	**102.21**	**103.15**	**103.70**	**104.85**	**105.57**	**104.32**	**2.11**	**2.07**
Previous Estimate	102.21	103.50	103.79	104.90	105.62	104.46	2.25	2.20
Revision	0.00	-0.35	-0.09	-0.05	-0.05	-0.13	-0.13	-0.13

*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	25.17	24.53	25.36	25.63	25.45	25.25	0.08	0.31
of which US	*20.53*	*19.95*	*20.70*	*20.73*	*20.89*	*20.57*	*0.04*	*0.21*
Europe	13.42	12.95	13.62	13.75	13.42	13.44	0.02	0.12
Asia Pacific	7.23	7.61	6.91	7.02	7.42	7.24	0.01	0.15
Total OECD	**45.81**	**45.09**	**45.88**	**46.41**	**46.28**	**45.92**	**0.11**	**0.23**
China	17.06	17.09	17.26	17.72	17.77	17.47	0.41	2.41
India	5.58	5.88	5.90	5.61	5.82	5.80	0.23	4.09
Other Asia	9.62	10.01	10.10	9.82	9.81	9.93	0.31	3.23
Latin America	6.85	6.87	7.06	7.19	7.07	7.05	0.20	2.92
Middle East	8.87	9.02	8.81	9.63	9.29	9.19	0.32	3.59
Africa	4.55	4.76	4.45	4.52	4.93	4.67	0.11	2.48
Russia	3.96	4.04	3.85	4.05	4.12	4.02	0.05	1.36
Other Eurasia	1.23	1.35	1.27	1.12	1.31	1.26	0.03	2.56
Other Europe	0.79	0.80	0.79	0.78	0.85	0.80	0.01	1.42
Total Non-OECD	**58.51**	**59.83**	**59.50**	**60.43**	**60.98**	**60.19**	**1.68**	**2.87**
Total World	**104.32**	**104.91**	**105.38**	**106.84**	**107.26**	**106.11**	**1.78**	**1.71**
Previous Estimate	104.46	105.33	105.53	106.96	107.37	106.31	1.85	1.77
Revision	-0.13	-0.41	-0.15	-0.11	-0.11	-0.20	-0.06	-0.06

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

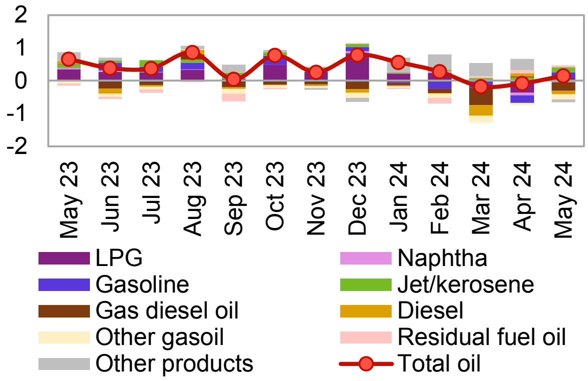
OECD

OECD Americas

Update on the latest developments

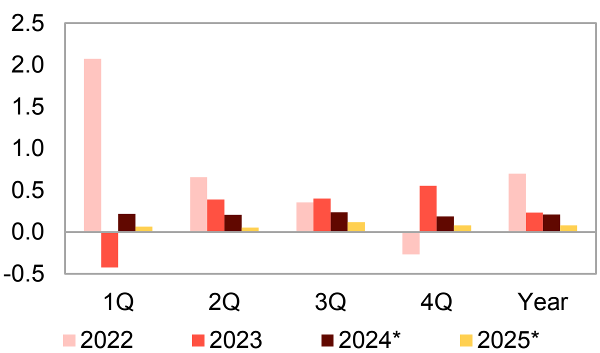
In May, oil demand in the OECD Americas grew by 148 tb/d, y-o-y, up from a contraction of 86 tb/d in the previous month. This growth in monthly demand can largely be attributed to transportation fuel requirements leading into the US summer driving season.

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

US oil demand in May surged by 404 tb/d, y-o-y, from a decline of 29 tb/d, y-o-y, in April. The largest increase was recorded in gasoline, which soared by 290 tb/d, y-o-y, up from a decline of 165 tb/d seen the previous month. Looking ahead at weekly data, gasoline demand in the US has been on a steady rise since the Memorial Day weekend at the end of May. This is consistent with data from the US Department of Transportation, which reports that seasonally adjusted vehicle miles travelled increased by 1.0%, y-o-y, in May. It also represents an increase of 0.3%, m-o-m, compared with the previous month. Concerning aviation, demand for jet/kerosene increased by 92 tb/d, y-o-y, which is slightly below the 96 tb/d, y-o-y, growth observed the previous month. According to a report from the International Air Travel Association (IATA), US domestic passenger traffic increased by 6%, y-o-y, in May, up from a 3.2%, y-o-y, increase seen the previous month. International revenue passenger-kilometres (RPKs) also increased by 8.1%, y-o-y. This was up from growth of 6.5%, y-o-y, seen in April.

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

US oil demand			*Change May 24/May 23*	
By product	**May 23**	**May 24**	**Growth**	**%**
LPG	3.34	3.47	0.13	3.8
Naphtha	0.16	0.11	-0.05	-30.6
Gasoline	9.11	9.40	0.29	3.2
Jet/kerosene	1.69	1.78	0.09	5.5
Diesel	3.93	3.78	-0.15	-3.8
Fuel oil	0.22	0.30	0.07	32.7
Other products	2.24	2.26	0.02	0.9
Total	**20.69**	**21.09**	**0.40**	**2.0**

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

Sources: EIA and OPEC.

In terms of petrochemical feedstock, demand for LPG surged by 127 tb/d, y-o-y, up from broadly flat growth seen the previous month. Naphtha requirements contracted by 48 tb/d, y-o-y, slightly above the 43 tb/d, y-o-y, decline seen the previous month.

Residual fuels grew by 73 tb/d, y-o-y, down from growth of 137 tb/d, y-o-y, witnessed the previous month. The ‘other products’ category saw an uptick of 20 tb/d, y-o-y, down from growth of 50 tb/d, y-o-y, seen the previous month.

Diesel continued to show a contraction, declining by 151 tb/d, y-o-y, down further from the 99 tb/d, y-o-y, decline of the previous month. Diesel has been on a declining trend since September 2023 due to weak manufacturing activity and lacklustre trucking activity in the country, weighing on demand.

Near-term expectations

Current economic dynamics, including steady household consumption, are forecast to provide support for growth in 2H24. Moreover, the US Federal Reserve is also expected to consider a more accommodative monetary policy in the near term, which may provide additional support for private consumption. So far, the current summer driving season has proven to be more resilient than expected. The American Automobile Association (AAA) projects travel to increase by 1.8% over 2023. These factors are expected to bolster transportation fuel demand, including gasoline and jet/kerosene, into 3Q24. In addition, with the US presidential election looming, the current administration remains focused on keeping gasoline prices soft, which will also support US gasoline demand in the near term.

Ongoing firm petrochemical feedstock requirements for ethylene are also expected to boost LPG demand. Meanwhile, lacklustre manufacturing activities have started improving, with data from the Fed Board/Haver Analytics showing that the industrial production index in the US has begun to gradually rebound, growing by 0.34%, y-o-y, in May and further to 1.58%, y-o-y, in June, following a prolonged declining trend. Similarly, a report by the American Trucking Association indicates that the trucking index jumped by 3.6%, y-o-y, in May. This was the first month since February 2023 that tonnage increased both m-o-m and compared with year-ago levels.

Accordingly, US oil demand is forecast to increase by an average of about 178 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 166 tb/d, y-o-y, to average 20.53 mb/d, mostly supported by transportation fuels and light distillates.

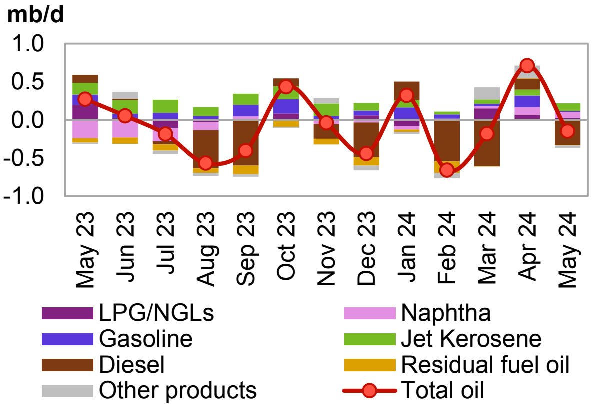
In 2025, US transportation activity is forecast to remain solid, supporting transportation fuel demand and driving overall oil demand growth in the country. Additionally, healthy demand for LPG from petrochemical requirements is forecast to continue. Accordingly, the US is projected to grow by 42 tb/d, y-o-y, to an average of 20.57 mb/d in 2025.

OECD Europe

Update on the latest developments

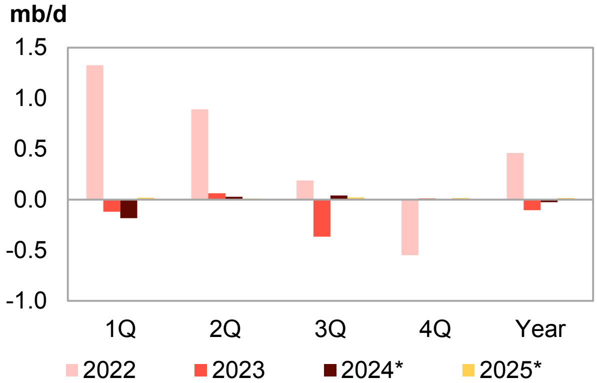
Oil demand in OECD Europe contracted by 146 tb/d, y-o-y, in May, down from considerable growth of 714 tb/d, y-o-y, in the previous month. This oil demand decline stemmed largely from Germany, France and the UK, which more than offset oil demand growth seen in Italy and Spain. In terms of petroleum products, the largest decline was seen in demand for diesel and the 'other products' category.

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.

In terms of products, diesel demand contracted by 331 tb/d, y-o-y, in May, down from growth of 140 tb/d, y-o-y, seen the previous month. Diesel demand was affected by ongoing weak manufacturing activity in the region. The 'other products' category declined by 32 tb/d, y-o-y, from growth of 166 tb/d, y-o-y, seen the previous month, while demand for residual fuels was flat, y-o-y.

On the positive side, jet/kerosene surged by 104 tb/d, y-o-y, on the back of an ongoing air travel recovery. According to an IATA Air Passenger Market Analysis, Europe's international RPKs grew in May by 11.7%, y-o-y, compared with 10.1%, y-o-y, growth witnessed in April. In terms of petrochemical products, LPG expanded by 31 tb/d, y-o-y, in May, below growth of 64 tb/d seen the previous month. Naphtha increased by 76 tb/d, y-o-y, down from 103 tb/d, y-o-y, growth seen in April. Gasoline demand saw an uptick of 10 tb/d, y-o-y, down from growth of 152 tb/d in the previous month.

Near-term expectations

In the near term, GDP for the region is expected to remain on a positive trajectory in 2H24. An expected gradual recovery in the industrial sector, alongside ongoing expansion in the services sector, is anticipated to lend additional support to GDP growth, particularly in the second and third quarters of 2024. Moreover, a seasonal increase in driving mobility and air travel activity will materialize during the summer driving/holiday season, particularly in 3Q24. Additionally, the Olympic Games in France are expected to boost travel and tourism demand in the region during 3Q24.

European air traffic is currently only around 3% below 2019 levels and is showing exceptional improvement amid a recovery in long-haul flights to the Americas and Asia Pacific. Intra-European flights are also rebounding. These factors are expected to contribute positively to transportation fuel consumption, driving regional oil demand. However, ongoing headwinds in manufacturing and petrochemical activity are expected to weigh on regional oil demand. Accordingly, the region is expected to see a moderate increase of 23 tb/d, y-o-y, in 2H24. Overall, Europe is projected to see a slight decline of 27 tb/d, y-o-y, in 2024, to average 13.42 mb/d.

Potential improvements towards the end of 2024 are expected to continue into 2025, with anticipated positive GDP growth in the region. Furthermore, air travel and driving activity are expected to remain steady and continue to drive oil demand. Accordingly, OECD Europe oil demand growth is forecast at 17 tb/d, y-o-y, to average 13.44 mb/d in 2025.

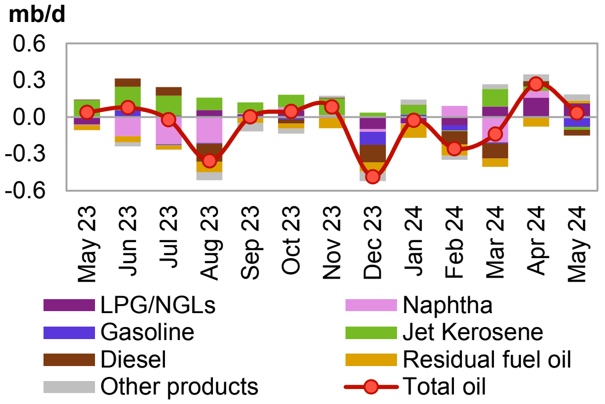
OECD Asia Pacific

Update on the latest developments

Oil demand in OECD Asia Pacific increased in May by 34 tb/d, y-o-y, down from a larger increase of 272 tb/d, y-o-y, seen in April. The relatively weak m-o-m increase in oil demand was due to large declines in oil requirements in Japan, which partially offset relatively strong y-o-y growth in South Korea and Australia.

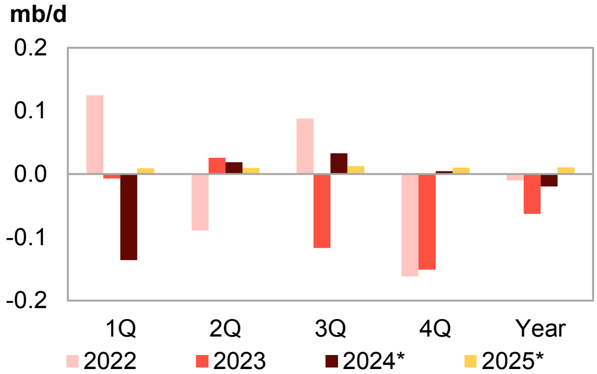
In terms of petroleum products, the largest increase stemmed from petrochemical sector requirements for LPG, which expanded by 113 tb/d, y-o-y, in May, down from an increase of 158 tb/d, y-o-y, seen the previous month. The largest share of regional LPG demand came from South Korea. The 'other products' category increased by 54 tb/d, y-o-y, similar to growth of 56 tb/d, y-o-y, seen the previous month. Residual fuels grew by 19 tb/d, y-o-y, in May, showing an improvement from the decline of 72 tb/d, y-o-y, seen 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.

However, gasoline demand contracted by 72 tb/d, y-o-y, down from a marginal decline of 6 tb/d the previous month. The gasoline declines in May stemmed from Japan and Australia, and more than offset the increase in South Korea. Diesel contracted by 48 tb/d, y-o-y, down from an increase of 45 tb/d, y-o-y, witnessed the previous month. Naphtha weakened by 8 tb/d, y-o-y, down from growth of 56 tb/d, y-o-y, seen the previous month. Jet/ kerosene declined by 24 tb/d, y-o-y, down from 35 tb/d, y-o-y, growth in the previous month. The decline in jet/kerosene came entirely from Japan. An IATA Air Passenger Monthly Analysis report indicates that domestic air traffic in Japan contracted for the second month in a row in May, decreasing by 1.8% y-o-y.

Near-term expectations

The Japanese economy is expected to gradually rebound in 2H24, after an unexpected q-o-q decline was seen in 1Q24. Although uncertainties persist relating to some macroeconomic indicators in the near term, there are signs of an ongoing recovery in consumer confidence and expected rising activity related to tourism. Economic activity in South Korea, one of the largest economies in the region, has been very steady, with all growth indicators being largely supportive. Industrial production and manufacturing output in 1Q24 and 2Q24 were relatively strong amid very robust and steady exports. Accordingly, South Korea and Australia are expected to drive oil demand growth in the region in 2H24.

A steady recovery in air traffic, along with improvements in driving activity during the summer season, is expected to support jet/kerosene and gasoline consumption in the region. Oil demand in OECD Asia Pacific is projected to increase in 2H24 by nearly 20 tb/d, y-o-y. However, diesel and petrochemical feedstock could experience downward pressure due to looming economic challenges and poor olefin margins, particularly in Japan. Given the weak start of the year, oil demand in OECD Asia Pacific is forecast to decline by 20 tb/d, y-o-y, in 2024. The region is forecast to consume an average of 7.23 mb/d.

In 2025, expected gradual improvements in economic activity in the last quarter of 2024 are expected to support the region's services sector. 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 7.24 mb/d.

Non-OECD

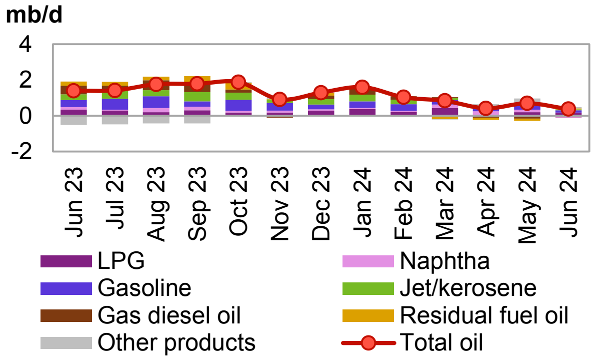
China

Update on the latest developments

China's oil demand grew in June by 370 tb/d, y-o-y, down from growth of 698 tb/d, y-o-y, seen the previous month. Demand was largely supported by petrochemical feedstock requirements for LPG and healthy driving mobility requirements for gasoline.

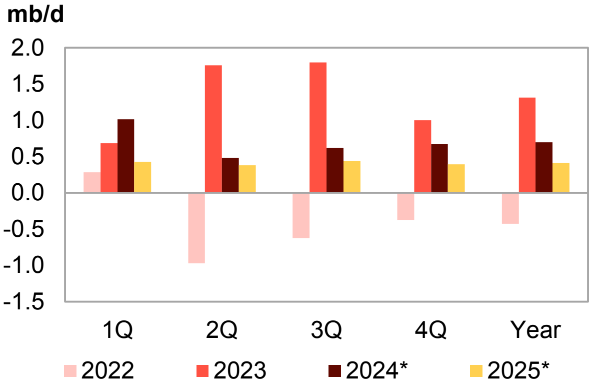
In terms of product categories, LPG led demand growth in June by 177 tb/d, y-o-y, slightly below the 208 tb/d, y-o-y, growth observed the previous month. Gasoline expanded by 130 tb/d, y-o-y, down from growth of 250 tb/d, y-o-y, seen the previous month. The development in gasoline demand is in line with strong seasonal demand trends and consistent with data from China's National Bureau of Statistics/Haver Analytics, which indicates that seasonally adjusted passenger traffic (per 100 million person-kilometres) rose by 53.93%, y-o-y, in June, from equally strong y-o-y growth of 56.62% in May. Jet/kerosene grew by 61 tb/d, y-o-y, down from 74 tb/d, y-o-y, growth seen in May. Demand was supported by the ongoing air travel recovery, as data from China's Civil Aviation Administration shows domestic and international air travel turnover increased by 5.4% and 58.3%, y-o-y, respectively in June 2024.

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 increased by 52 tb/d, y-o-y, an improvement from the 126 tb/d, y-o-y, decline seen the previous month. The 'other products' category, including bitumen, grew by 65 tb/d, y-o-y, down from 311 tb/d, y-o-y, growth in May. Diesel declined by 20 tb/d, y-o-y, albeit showing an improvement from the 150 tb/d, y-o-y, decline seen the previous month. Diesel has been on a negative trajectory since April 2024, partly due to weak industrial activity and pressure from LNG substitution. It is worth noting that the Chinese government has been promoting the use of LNG trucks at the expense of diesel trucks as part of its environmental policy to lower carbon emissions. Naphtha contracted by 96 tb/d, y-o-y, from growth of 130 tb/d, y-o-y, in the previous month.

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

China's oil demand			Change Jun 24/Jun 23	
By product	Jun 23	Jun 24	Growth	%
LPG	2.85	3.03	0.18	6.2
Naphtha	1.65	1.55	-0.10	-5.8
Gasoline	3.74	3.87	0.13	3.5
Jet/kerosene	0.73	0.79	0.06	8.4
Diesel	4.10	4.08	-0.02	-0.5
Fuel oil	0.99	1.04	0.05	5.3
Other products	1.95	2.02	0.06	3.3
Total	**16.00**	**16.37**	**0.37**	**2.3**

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

Near-term expectations

Looking ahead, China's GDP is expected to remain steady in the near term. Current healthy travel sector activity is also expected to continue. Furthermore, forward-looking indicators suggest bright near-term prospects for China's manufacturing and services sectors, as indicated by Purchasing Managers' Indices (PMIs), which have been in expansionary territory for more than a year. Moreover, ongoing government support for the manufacturing and industrial sectors in terms of finished goods for export, as announced in March at the National People's Congress (NPC) session, is expected to sustain output growth in the near term.

Considerable new petrochemical capacity additions will require extra LPG, ethane and naphtha for use as feedstock, which is expected to strengthen feedstock demand. Accordingly, China's oil product demand is anticipated to expand by 644 tb/d, y-o-y, on average in 2H24. In 2024, oil product demand is projected to grow by 696 tb/d, y-o-y, to average 17.06 mb/d. However, headwinds in the real estate sector and the increasing penetration of LNG trucks and electric vehicles are likely to weigh on diesel and gasoline demand.

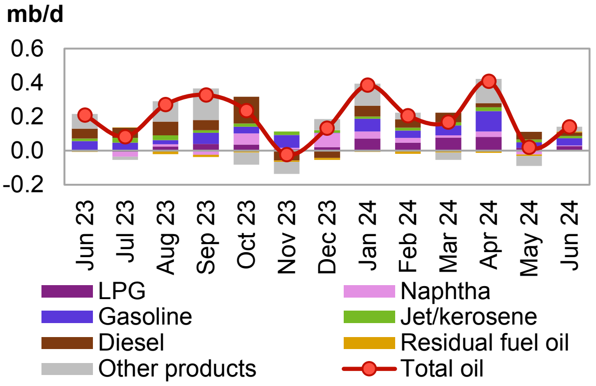
In 2025, steady economic growth and healthy travel activities are forecast to continue to support oil demand. China is expected to remain the global leader in oil demand growth, increasing by around 0.4 mb/d, y-o-y, to average 17.47 mb/d. China is also projected to lead global petrochemical feedstock demand growth, while jet fuel demand is forecast to rise due to an increase in air transportation requirements.

India

Update on the latest developments

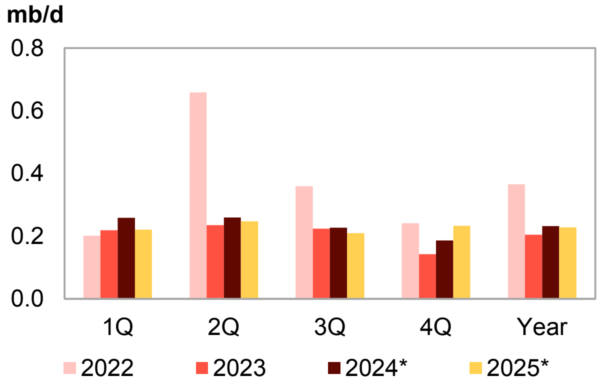
In June, India's oil demand expanded by 142 tb/d, y-o-y, up from marginal growth of 22 tb/d, y-o-y, seen in May. The demand increase was supported by transportation fuels and LPG requirements.

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.

Specifically, data shows demand for gasoline increasing by 43 tb/d, y-o-y, supported by strong economic momentum amid a revival of tourism in certain regions of the country. This is consistent with a report from Indian Petroleum Planning Analysis, showing that vehicle sales in India increased by 4.9%, y-o-y, in June.

LPG grew by 27 tb/d, y-o-y, up from 17 tb/d, y-o-y, growth seen the previous month. About 89% of LPG consumption during the month was due to household requirements. Growth in LPG was also supported by a price reduction.

Diesel, the most widely used oil product in India, grew by 20 tb/d, y-o-y, down from an increase of 45 tb/d, y-o-y, seen the previous month. The rise in diesel consumption was supported by expanding domestic trade, reflecting an increase of approximately 16%, y-o-y, in trucking activities, directly influencing transportation diesel demand.

Jet/kerosene increased by 13 tb/d, y-o-y, slightly below the 16 tb/d, y-o-y, growth seen the previous month. The 'other products' category grew by 29 tb/d, y-o-y, up from a contraction of 58 tb/d, y-o-y, the previous month. Bitumen consumption, which accounts for a substantial share of the 'other products' category, was largely supported by increasing road construction activity during the month. While naphtha saw an uptick of 5 tb/d, y-o-y, residual fuels inched up by 6 tb/d, y-o-y, respectively.

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

India's oil demand By product	Jun 23	Jun 24	*Change Jun 24/Jun 23* Growth	%
LPG	0.87	0.89	0.03	3.1
Naphtha	0.31	0.32	0.00	1.5
Gasoline	0.89	0.94	0.04	4.8
Jet/kerosene	0.18	0.20	0.01	7.4
Diesel	1.98	2.00	0.02	1.0
Fuel oil	0.11	0.12	0.01	5.0
Other products	1.15	1.18	0.03	2.5
Total	**5.50**	**5.65**	**0.14**	**2.6**

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

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

Near-term expectations

In the near term, India's current robust economic expansion, coupled with a positive outlook for the manufacturing and services sector as indicated by strongly positive PMIs for more than a year, is expected to bolster ongoing demand for oil products. Moreover, government initiatives aimed at supporting manufacturing and household consumption are expected to underpin demand for LPG, ethane and diesel. India's budget, presented on 22 July, emphasized support for the underprivileged, women, youth and farmers through increased spending, job creation and middle-class tax relief. This is expected to boost consumer spending and drive forecast growth of 0.2 mb/d, y-o-y, on average in 2H24.

Moreover, India's jet fuel demand may also surge, as the government adds more airport terminals amid an ongoing air travel recovery. Jet fuel demand is expected to be the main driver, leading oil demand growth in the 2024 fiscal year. According to CAPA India, this surge in demand is expected to come from the addition of 84 aircraft by Indian carriers this year. Domestic passenger traffic is projected to reach 164 million passengers in 2024–2025, up from approximately 154 million passengers seen the previous year. International traffic could rise to 78 million passengers from 69.7 million passengers in 2023.

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. However, cyclone activity in eastern India and a forecast for above-average rainfall this monsoon season could weigh on agricultural and construction activities, thus, in turn, affecting oil demand in 3Q24. 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.

India's robust economic momentum is expected to continue into 2025. Furthermore, manufacturing and business activities in India are expected to remain steady, supporting an increase in oil demand of 228 tb/d, y-o-y, next year. 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 overall oil demand during the year.

Latin America

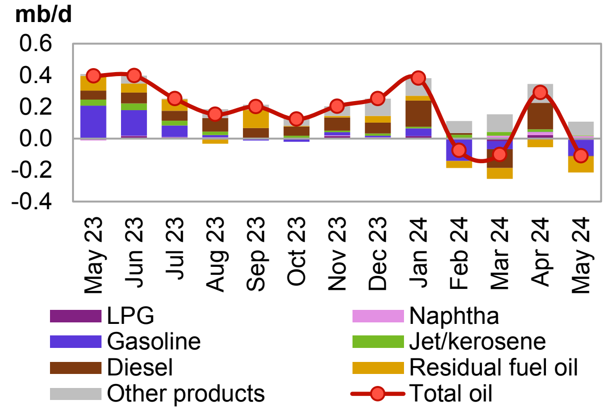
Update on the latest developments

Oil demand in Latin America contracted by 110 tb/d, y-o-y, in May, amid weak gasoline and residual fuel consumption. Most of the decrease in regional oil demand stemmed from Argentina and Venezuela, which more than offset the increase seen in Brazil.

In terms of product demand, gasoline and residual fuels fell by 101 tb/d, y-o-y, each. Most of the decline in gasoline was from Brazil, subdued by strong competition from relatively cheaper ethanol on the back of a bumper sugarcane crop. In addition, the economic contraction in Argentina is affecting both gasoline and gasohol consumption. While LPG eased by 9 tb/d, y-o-y, diesel saw a marginal decline of 5 tb/d, y-o-y, from an increase of 168 tb/d, y-o-y, seen the previous month.

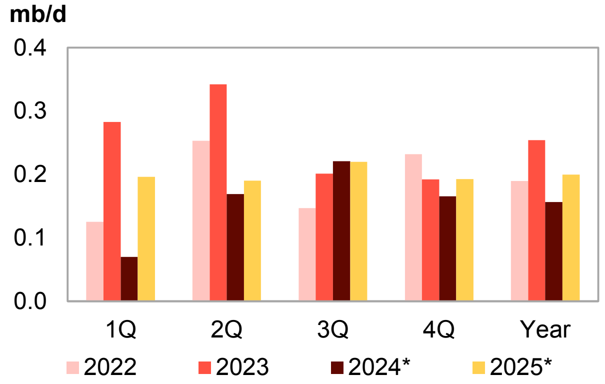
On a positive note, the 'other products' category, including bitumen, expanded by 86 tb/d, y-o-y. Naphtha saw an increase of 14 tb/d, y-o-y, slightly above the increase of 18 tb/d, y-o-y, seen the previous month. Jet/kerosene consumption inched up by a marginal 5 tb/d, y-o-y, down from slight growth of 16 tb/d, y-o-y, seen the previous month. An IATA Air Passenger Monthly Analysis report indicates that passenger traffic in Brazil slowed significantly from the prior month, reaching only 0.6%, y-o-y, growth in May from 6.5%, y-o-y, growth in April.

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.

Near-term expectations

Looking ahead to 2H24, after robust y-o-y GDP growth in Brazil in 1Q24, the momentum of economic activity is anticipated to slow. Nevertheless, there are expectations that a relatively low unemployment rate will sustain some momentum in private consumption. The services and manufacturing sectors are also projected to maintain a more stable pace, as indicated by services and manufacturing PMIs, which have been in expansionary territory since January. Additionally, the air travel recovery is expected to continue, supporting further growth in jet fuel demand. Oil demand in the region is projected to grow by 193 tb/d, y-o-y, on average in 2H24, from an average of 120 tb/d, y-o-y, in 1H24. In 2024, oil demand is expected to expand by 157 tb/d, y-o-y, to average 6.85 mb/d. Brazil is expected to be the main driver of regional oil demand growth. In terms of products, transportation fuels – jet/kerosene and diesel – are projected to drive overall oil demand growth. However, gasoline demand may come under pressure due to competition from cheap ethanol in Brazil and high inflation in Argentina.

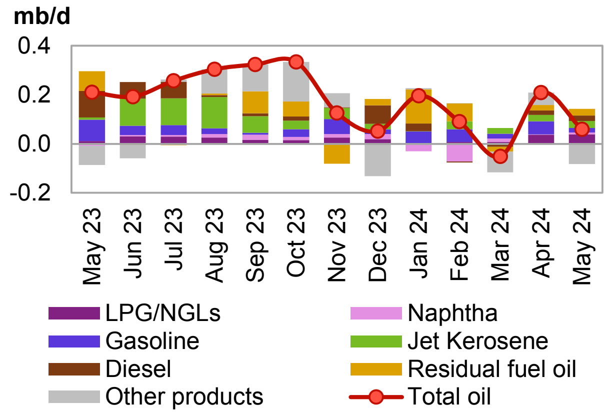
In 2025, oil demand in the regions is expected to be supported by steady economic activity, amid a likely acceleration in Brazil's economy stemming from fiscal consolidation and the early benefits of tax reforms. Both transportation and manufacturing activities are expected to contribute to the oil demand growth forecast of 200 tb/d, y-o-y, to average 7.05 mb/d. Transportation fuels, including jet/kerosene and diesel, are anticipated to drive demand growth.

Middle East

Update on the latest developments

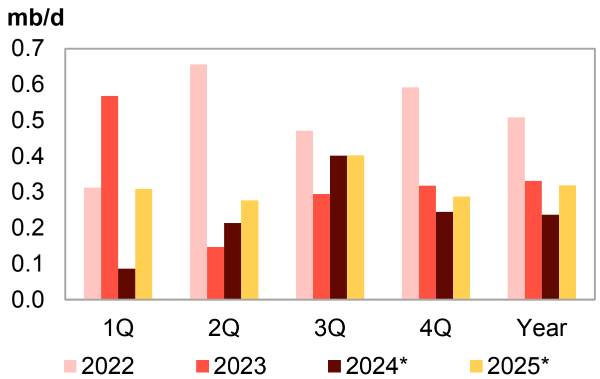
Oil demand in the Middle East expanded in May by 60 tb/d, y-o-y, down from growth of 208 tb/d, y-o-y, seen the previous month. The increase in oil demand was supported by transportation fuels and petrochemical feedstock requirements from consuming countries across the region.

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.

Looking at specific product demand, LPG expanded by 39 tb/d, y-o-y, similar to the annual increase of 38 tb/d, y-o-y, seen the previous month. In terms of transportation fuels, jet/kerosene increased by 29 tb/d, y-o-y, on the back of steady air travel activity. According to an IATA Air Passenger Monthly Analysis report, the Middle East registered growth of 9.5%, y-o-y, in May. Gasoline increased by 18 tb/d, y-o-y, down from growth of 53 tb/d, y-o-y, seen the previous month. Diesel expanded by 22 tb/d, y-o-y, similar to 19 tb/d, y-o-y, growth seen the previous month. Naphtha saw an uptick of 8 tb/d, y-o-y, up from no growth the previous month. Residual fuels grew by 27 tb/d, y-o-y, up slightly from 22 tb/d, y-o-y, growth in April. The ‘other products’ category contracted by 82 tb/d, y-o-y, up from annual growth of 50 tb/d, y-o-y, seen the previous month.

Near-term expectations

In the near term, steady economic and transportation activities, along with requirements for petrochemicals in the main consuming countries of the region, are expected to support oil demand. Furthermore, forward-looking indicators – manufacturing and services composite PMIs – in the region’s largest economies have consistently remained in expansionary territory, above 50 points for over a year, indicating a positive outlook for the region’s oil demand in the near term. Moreover, oil consumption is expected to be underpinned by strong government support and solid consumer spending. Accordingly, it is anticipated to increase by 323 tb/d, y-o-y, on average in 2H24, led by Saudi Arabia and Iraq. Demand in the second half of 2024 is projected to be stronger than in the first half of the year.

Increasing flights to and from the Middle East during peak travel season are expected to support jet/kerosene demand, leading to growth in terms of petroleum products. Moreover, the inauguration earlier this year of four new airports and terminals in Saudi Arabia and the UAE is expected to bolster air travel in the region.

Rising temperatures during the hot summer season are expected to increase demand for air conditioning and support demand for diesel, fuel oil and crude for direct burning in the region. Accordingly, these factors are projected to support overall oil demand growth. Middle East oil demand in 2024 is expected to grow by 237 tb/d, y-o-y, to average 8.87 mb/d.

In 2025, economic activity in the main consuming countries of the region is expected to remain steady amid continued healthy transportation activities. Furthermore, robust requirements for petrochemical feedstock are expected to lend additional support for oil demand, which is anticipated to grow by 319 tb/d, y-o-y, to reach 9.19 mb/d in 2025.

World Oil Supply

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 to average 53.0 mb/d, unchanged from last month's assessment.

US crude and condensate production marginally dropped in May, while natural gas liquids (NGLs) production set a new monthly record and topped 7 mb/d for the first time. Accordingly, US liquids supply growth for 2024 is expected at 0.5 mb/d. In addition to the US, the main drivers for expected non-DoC growth in 2024 are Canada and Brazil.

In 2025, non-DoC liquids supply growth is expected at 1.1 mb/d, to average 54.1 mb/d, unchanged from last month's assessment. Growth is expected to be driven mainly 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 40 tb/d to average 8.4 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, while additional growth of 110 tb/d is forecast in 2025 to average 5.6 mb/d.

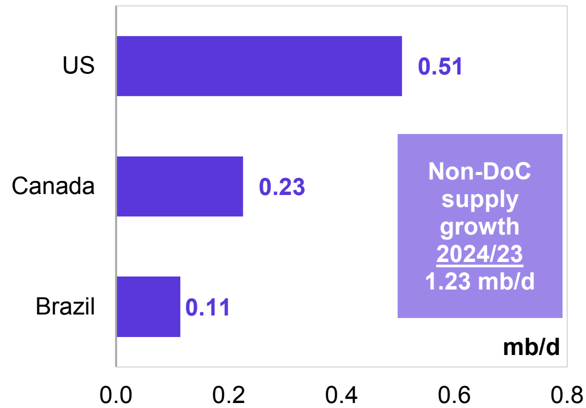
DoC crude oil production in July increased by 117 tb/d, m-o-m, averaging 40.91 mb/d, as reported by available secondary sources.

Key drivers of growth and decline

Non-DoC liquids supply 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 and Brazil.

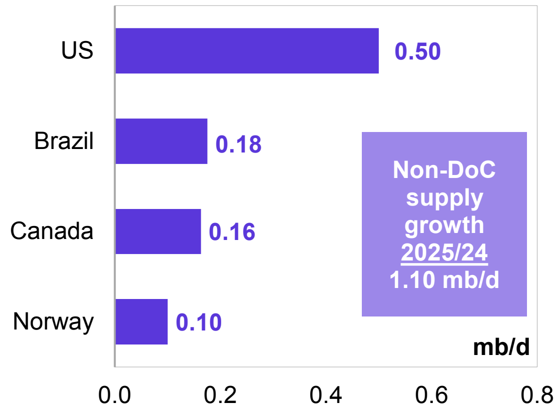
In 2025, non-DoC liquids supply growth is expected at 1.1 mb/d, unchanged from the previous month's assessment. Annual growth is set to be driven mainly by the US, Brazil, Canada and Norway.

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.*

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	26.91	27.50	27.34	27.58	27.33	0.73	2.76
of which US	*20.90*	*21.02*	*21.72*	*21.41*	*21.50*	*21.41*	*0.51*	*2.43*
Europe	3.65	3.68	3.61	3.66	3.79	3.68	0.03	0.85
Asia Pacific	0.45	0.46	0.44	0.44	0.43	0.44	-0.01	-1.72
Total OECD	**30.70**	**31.05**	**31.55**	**31.44**	**31.79**	**31.46**	**0.76**	**2.47**
China	4.52	4.62	4.63	4.47	4.47	4.55	0.03	0.66
India	0.79	0.80	0.79	0.80	0.79	0.80	0.01	1.22
Other Asia	1.61	1.62	1.63	1.58	1.58	1.60	-0.01	-0.68
Latin America	6.96	7.28	7.18	7.40	7.50	7.34	0.38	5.47
Middle East	2.02	2.00	2.00	2.01	2.02	2.01	-0.01	-0.71
Africa	2.22	2.24	2.25	2.25	2.27	2.25	0.03	1.41
Other Eurasia	0.37	0.37	0.37	0.37	0.37	0.37	0.00	-0.79
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00	-0.64
Total Non-OECD	**18.60**	**19.03**	**18.95**	**18.99**	**19.10**	**19.02**	**0.42**	**2.27**
Total Non-DoC production	49.30	50.08	50.50	50.43	50.90	50.48	1.18	2.39
Processing gains	2.47	2.52	2.52	2.52	2.52	2.52	0.05	2.02
Total Non-DoC liquids production	**51.77**	**52.60**	**53.02**	**52.95**	**53.42**	**53.00**	**1.23**	**2.38**
Previous estimate	51.75	52.59	52.96	52.96	53.40	52.98	1.23	2.38
Revision	0.02	0.01	0.06	-0.01	0.01	0.02	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	27.33	27.76	27.81	28.05	28.36	28.00	0.66	2.43
of which US	*21.41*	*21.64*	*21.92*	*21.97*	*22.11*	*21.91*	*0.50*	*2.33*
Europe	3.68	3.86	3.74	3.72	3.82	3.78	0.10	2.73
Asia Pacific	0.44	0.43	0.42	0.43	0.44	0.43	-0.01	-1.77
Total OECD	**31.46**	**32.06**	**31.97**	**32.20**	**32.62**	**32.21**	**0.76**	**2.40**
China	4.55	4.60	4.59	4.50	4.51	4.55	0.01	0.12
India	0.80	0.79	0.80	0.81	0.81	0.80	0.01	0.98
Other Asia	1.60	1.60	1.58	1.56	1.56	1.57	-0.03	-1.81
Latin America	7.34	7.50	7.54	7.62	7.76	7.61	0.26	3.61
Middle East	2.01	2.01	2.04	2.04	2.03	2.03	0.02	1.01
Africa	2.25	2.28	2.27	2.27	2.26	2.27	0.02	0.76
Other Eurasia	0.37	0.37	0.37	0.37	0.37	0.37	0.00	0.06
Other Europe	0.10	0.10	0.10	0.10	0.10	0.10	0.00	1.99
Total Non-OECD	**19.02**	**19.26**	**19.29**	**19.28**	**19.40**	**19.31**	**0.29**	**1.52**
Total Non-DoC production	50.48	51.32	51.25	51.48	52.03	51.52	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	**53.00**	**53.90**	**53.83**	**54.06**	**54.61**	**54.10**	**1.10**	**2.08**
Previous estimate	52.98	54.03	53.72	53.98	54.60	54.08	1.10	2.09
Revision	0.02	-0.13	0.12	0.08	0.01	0.02	0.00	0.00

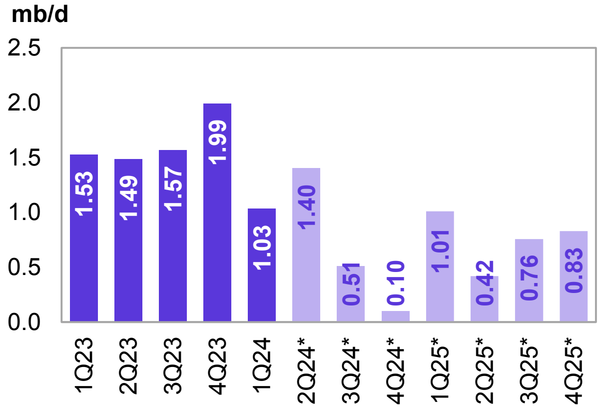
*Note: * 2025 = Forecast. Totals may not add up due to independent rounding.*

Source: OPEC.

OECD

For 2024, OECD liquids production (excluding DoC participating country Mexico) is anticipated to expand by about 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 largely unchanged compared with the previous month's assessment. Yearly liquids production in OECD Europe is expected to rise by about 30 tb/d to average 3.7 mb/d, which is a downward revision of 8 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 anticipated increase of 0.7 mb/d for an average of 28.0 mb/d. Yearly liquids production in OECD Europe is expected to grow by 0.1 mb/d to average 3.8 mb/d, while OECD Asia Pacific is expected to decline by a minor 8 tb/d, y-o-y, to average 0.4 mb/d.

US

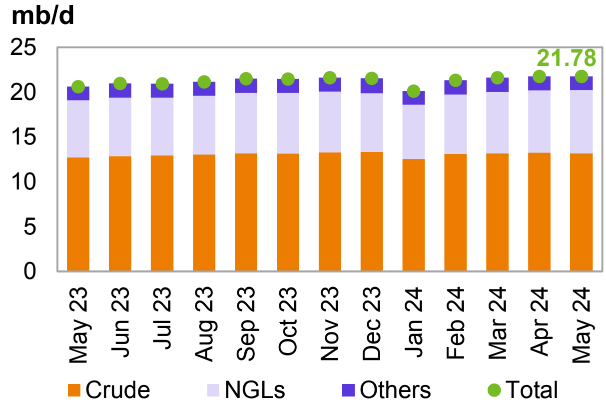
US liquids production in May rose by 23 tb/d, m-o-m, to average 21.8 mb/d. This was 1.1 mb/d higher than in May 2023.

Crude oil and condensate production fell by 61 tb/d, m-o-m, to average 13.2 mb/d in May, up by 0.4 mb/d, y-o-y.

In terms of crude and condensate production breakdown by region (PADDs), production increased on the US Gulf Coast (USGC) by a minor 6 tb/d to average 9.6 mb/d. Production in the East Coast (PADD 1) and Rocky Mountain regions (PADD 4) remained broadly unchanged. Output in the Midwest (PADD 2) and West Coast (PADD 5) dropped by 55 tb/d and 15 tb/d, m-o-m, respectively.

A m-o-m drop in production in the main producing regions can primarily be attributed to lower output in North Dakota and offshore Gulf of Mexico (GoM). Those losses were partially offset by gains in Texas, New Mexico and Utah.

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



Sources: EIA and OPEC.

NGLs production rose by 76 tb/d, m-o-m, to average 7.1 mb/d in May. This was 0.7 mb/d higher, y-o-y. According to the US Department of Energy (DoE), the production of non-conventional liquids (mainly ethanol) increased by a minor 8 tb/d, m-o-m, to average 1.5 mb/d. Preliminary estimates show non-conventional liquids averaging about 1.6 mb/d in June, higher by about 26 tb/d, m-o-m.

GoM production decreased by 46 tb/d, m-o-m, to average 1.8 mb/d in May. Output is still lower than expected due to several operational issues on several platforms, but GoM production is expected to remain supported by new projects, namely Anchor and Whale, in the coming months. In the onshore Lower 48, crude and condensate production remained largely unchanged, m-o-m, averaging 11.0 mb/d in May.

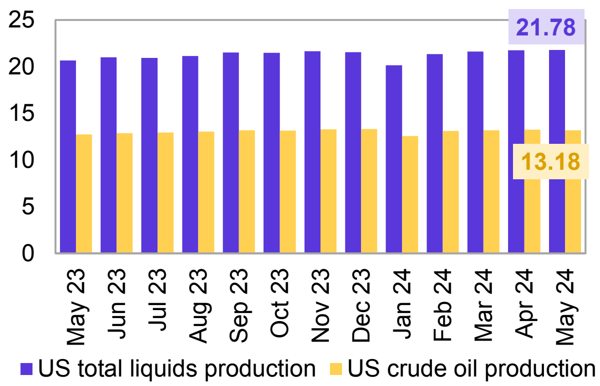
Table 5 - 3: US crude oil production by selected state and region, tb/d

State	May 23	Apr 24	May 24	Change m-o-m	Change y-o-y
Texas	5,500	5,632	5,667	*35*	*167*
New Mexico	1,799	1,995	2,015	*20*	*216*
Gulf of Mexico (GOM)	1,721	1,828	1,782	*-46*	*61*
North Dakota	1,127	1,225	1,182	*-43*	*55*
Colorado	457	457	453	*-4*	*-4*
Alaska	430	430	417	*-13*	*-13*
Oklahoma	452	409	396	*-13*	*-56*
Total	**12,730**	**13,239**	**13,178**	***-61***	***448***

Sources: EIA and OPEC.

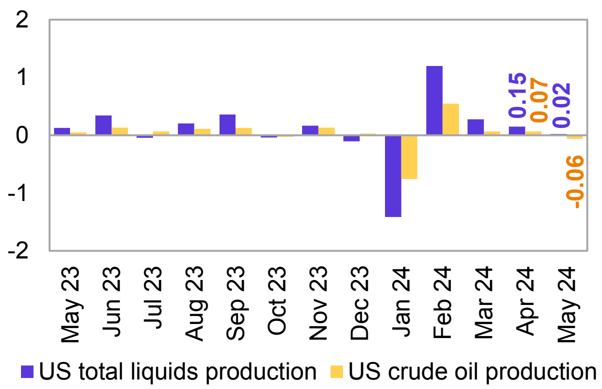
In terms of individual US states, New Mexico's oil production rose by 20 tb/d to average 2.0 mb/d, which is 216 tb/d higher than a year ago. Production from Texas was up by 35 tb/d to average 5.7 mb/d, which is 167 tb/d higher than a year ago. In the Midwest, North Dakota's production dropped by 43 tb/d, m-o-m, to average 1.2 mb/d, up by 55 tb/d, y-o-y. Meanwhile, Oklahoma's production decreased by 13 tb/d, m-o-m, to average 0.4 mb/d. Production in Colorado dropped by a minor 4 tb/d, m-o-m, while output in Alaska fell by 13 tb/d, m-o-m.

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



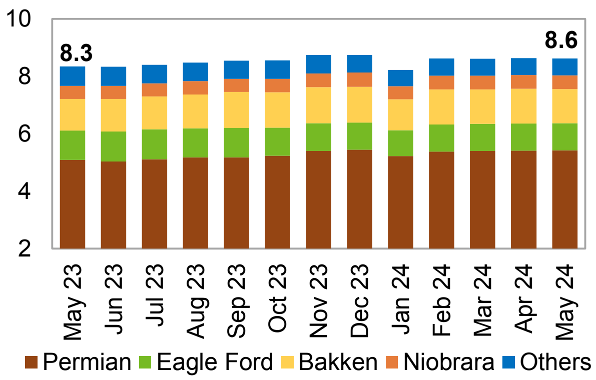
Sources: EIA and OPEC.

US tight crude output in May is estimated to have dropped by 9 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 still 0.3 mb/d higher than in the same month last year.

The m-o-m increase in production from shale and tight formations using horizontal wells mainly came from Permian shale production in Texas and New Mexico, where output rose by 10 tb/d to average 5.4 mb/d. This was up by 0.3 mb/d, y-o-y.

In North Dakota, Bakken shale oil output dropped by 15 tb/d, m-o-m. It averaged 1.2 mb/d, or about 0.1 mb/d higher, y-o-y. Tight crude output at Eagle Ford in Texas marginally declined to average 0.9 mb/d, down by 0.1 mb/d, y-o-y. Production at Niobrara-Codell in Colorado and Wyoming was largely unchanged, averaging 480 tb/d.

Graph 5 - 7: US tight crude output breakdown

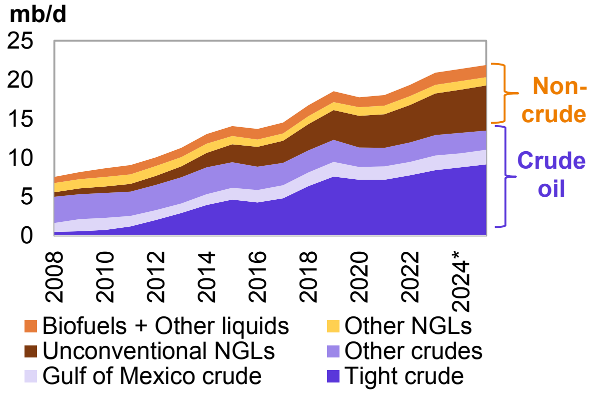


Sources: EIA and OPEC.

US liquids production in 2024, excluding processing gains, is expected to grow by 0.5 mb/d, y-o-y, to average 21.4 mb/d. This remains unchanged from the previous assessment. The forecast assumes a modest level of drilling and completion activities and fewer logistical issues this year at prolific major shale sites.

Crude oil and condensate output in 2024 is 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 0.2 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, despite a reduction in drilling rig counts.

US liquids production, excluding processing gains, is expected to grow by 0.5 mb/d, y-o-y, to average 21.9 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 are 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 by 0.2 mb/d and 20 tb/d, y-o-y, to average 6.8 mb/d and 1.6 mb/d, respectively. Average tight crude output in 2025 is expected to reach 9.2 mb/d, up by 0.4 mb/d, y-o-y. Furthermore, 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	8.42	0.65	8.78	0.36	9.15	0.37
Gulf of Mexico crude	1.87	0.13	1.81	-0.05	1.90	0.09
Conventional crude oil	2.65	0.15	2.61	-0.04	2.44	-0.17
Total crude	**12.93**	**0.94**	**13.20**	**0.27**	**13.49**	**0.29**
Unconventional NGLs	5.31	0.53	5.55	0.24	5.76	0.21
Conventional NGLs	1.12	-0.03	1.09	-0.03	1.07	-0.02
Total NGLs	**6.43**	**0.50**	**6.64**	**0.21**	**6.83**	**0.19**
Biofuels + Other liquids	1.54	0.10	1.57	0.03	1.59	0.02
US total supply	**20.90**	**1.54**	**21.41**	**0.51**	**21.91**	**0.50**

*Note: * 2024-2025 = Forecast.*

Sources: EIA, OPEC and Rystad Energy.

US tight crude production in the Permian Basin during 2024 is expected to increase by 0.4 mb/d, y-o-y, to average 5.5 mb/d. In 2025, it is forecast to grow by 0.3 mb/d, y-o-y, to average 5.8 mb/d.

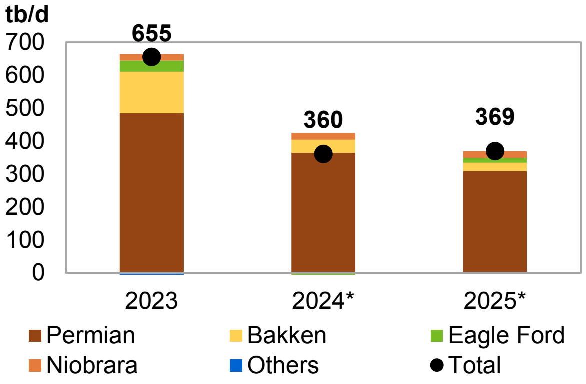
In North Dakota, Bakken shale production is still expected to remain below the pre-pandemic average of 1.4 mb/d. Growth of just 40 tb/d and 25 tb/d is expected for 2024 and 2025, respectively, to average around 1.2 mb/d over both years. This trend could indicate maturity in the basin.

Eagle Ford in Texas saw output of 1.2 mb/d in 2019, followed by declines in 2020 and 2021. With marginal increases in 2022 and 2023, output is estimated to have averaged 1.0 mb/d in 2023. In 2024, a decline of 25 tb/d is expected for the basin, while growth of 15 tb/d is forecast for 2025.

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

In the remaining tight plays, which are seeing a modest pace of drilling and completion activities, production is expected to drop by about 40 tb/d this year before stabilizing 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	5.16	0.49	5.52	0.36	5.83	0.31
Bakken shale	1.16	0.13	1.20	0.04	1.22	0.03
Eagle Ford shale	1.00	0.03	0.98	-0.02	0.99	0.02
Niobrara shale	0.45	0.02	0.47	0.02	0.49	0.02
Other tight plays	0.65	-0.01	0.61	-0.04	0.61	0.00
Total	**8.42**	**0.65**	**8.78**	**0.36**	**9.15**	**0.37**

*Note: * 2024-2025 = Forecast.*

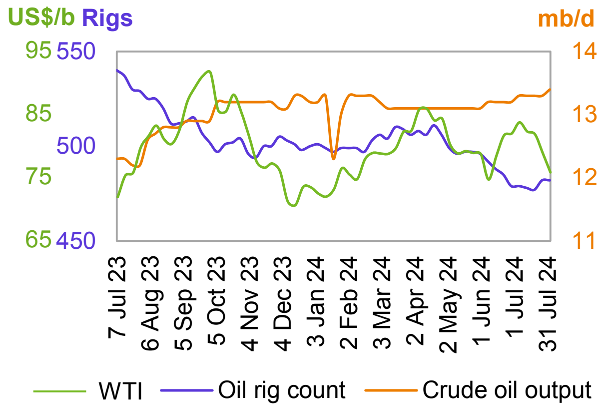
Source: OPEC.

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 2 August 2024 dropped by three to 586, according to Baker Hughes. This is 73 fewer rigs than a year ago. The number of active offshore rigs fell by one, w-o-w, to 20. This is one more than in the same month a year earlier. The number of onshore oil and gas rigs dropped by two, w-o-w, to stand at 566, with no rigs in inland waters. This is down by 69 rigs, y-o-y.

The US horizontal rig count dropped by three, w-o-w, to 520, compared with 585 horizontal rigs a year ago. The number of drilling rigs for oil remained unchanged, w-o-w, at 482, while the number of gas drilling rigs dropped by three, w-o-w, to 98.

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



Sources: Baker Hughes, EIA and OPEC.

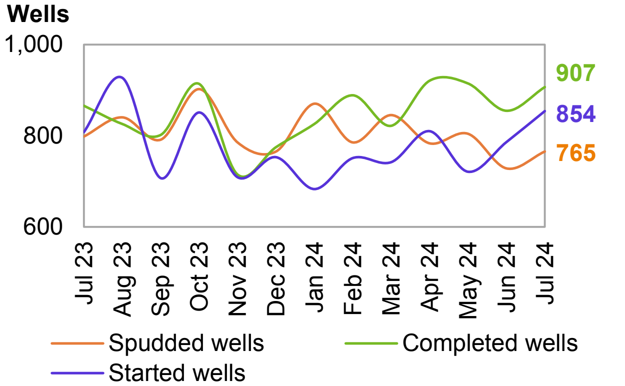
The Permian's rig count fell by one, w-o-w, to 303. Rig counts remained unchanged in Williston, Cana Woodford and Eagle Ford at 36, 17 and 50, respectively. The number of rigs fell by one, w-o-w, in DJ-Niobrara to 9.

According to Rystad Energy, drilling and completion activities for oil-producing wells in all US shale plays include 728 horizontal wells spudded in June, as per preliminary data. This is down by 76, m-o-m, and 9% lower than June last year.

Preliminary data for June indicates a lower number of completed wells, m-o-m, at 855, while the number is down by about 4%, y-o-y. The number of started wells is estimated at 786, which is 10% lower than a year earlier.

Preliminary data for July saw 765 spudded, 907 completed and 854 started wells, based on Rystad Energy.

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

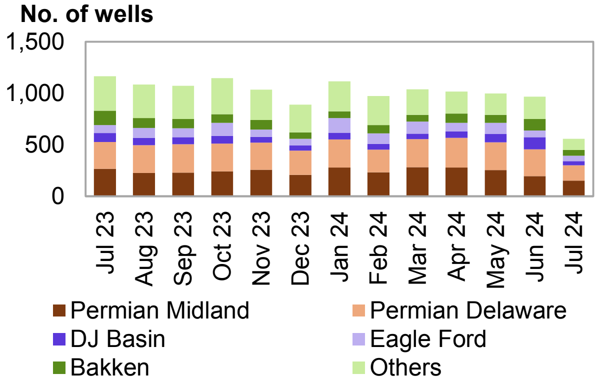


Note: Jun 24-Jul 24 = Preliminary data.
Sources: Rystad Energy and OPEC.

In terms of identifying US oil and gas fracking operations by region, Rystad Energy reported that 998 wells started to frack in May. In June and July, it stated that 968 and 559 wells began fracking, respectively, according to preliminary numbers based on an analysis of high-frequency satellite data.

In regional terms, preliminary data for June shows that 196 and 261 wells started fracking in the Permian Midland and Permian Delaware regions, respectively. There was a drop of 60 wells in the Midland region and a decline of 8 in Delaware compared with May. Data also indicates that 116 wells began fracking in the DJ Basin, 66 in Eagle Ford and 111 in Bakken during June.

Graph 5 - 12: Started fracs per month by regions



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

Canada

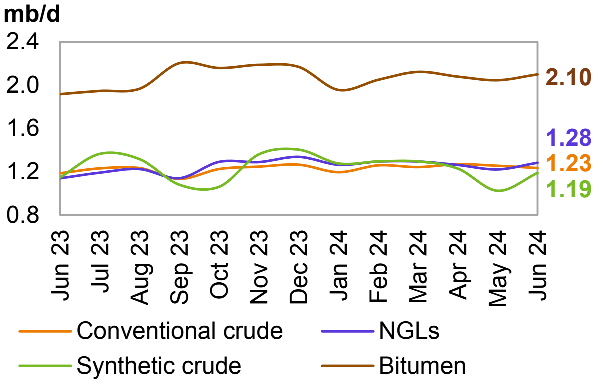
Canada's liquids production in June is estimated to have risen by about 260 tb/d, m-o-m, to average 5.8 mb/d, partially due to a recovery from disruptions in May.

Conventional crude production dropped in June by 21 tb/d, m-o-m, to average 1.2 mb/d. NGLs output was up by 62 tb/d, m-o-m, to average 1.3 mb/d.

Crude bitumen production output rose in June by 54 tb/d, m-o-m, and synthetic crude production increased by 165 tb/d, m-o-m. Taken together, crude bitumen and synthetic crude production rose by 0.2 mb/d to average 3.3 mb/d.

Liquids production in 2Q24 was subdued due to major scheduled maintenance and out-of-control wildfire disruptions, but a gradual recovery is expected in 3Q24.

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

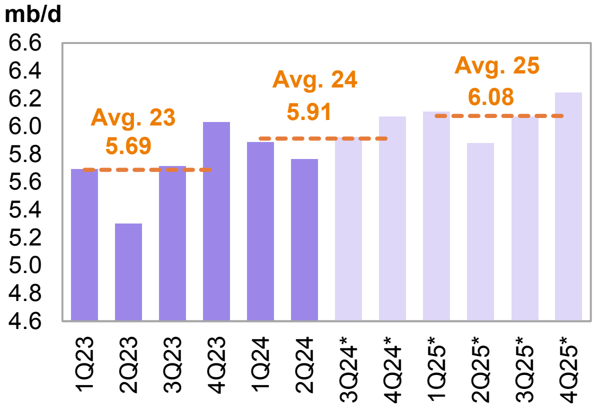


Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

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 average 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 with the commissioning of the Trans Mountain Expansion (TMX) pipeline could stimulate production in the coming months.

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 the Montney Play.

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



*Note: * 3Q24-4Q25 = Forecast. Source: OPEC.*

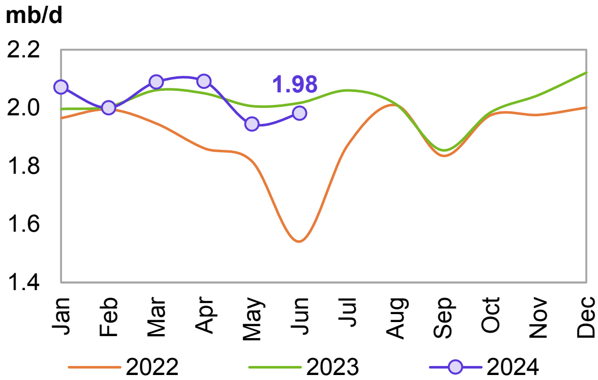
Norway

Norwegian liquids production in June rose by 38 tb/d, m-o-m, to average 2.0 mb/d. Norway's crude production increased by 39 tb/d, m-o-m, in June to average 1.7 mb/d. This was down by 81 tb/d, y-o-y. Monthly oil production was 0.5% higher than the Norwegian Offshore Directorate's (NOD) forecast.

Production of NGLs and condensate remained largely unchanged, m-o-m, averaging 0.2 mb/d in June, according to NOD data.

For 2024, Norwegian liquids production is forecast to increase by 30 tb/d to average 2.0 mb/d. This was unchanged from the previous month's 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 first oil planned for later this year. Completion and commissioning activities for Johan Castberg's FPSO and inshore testing has recently been carried out at Aker Stord, and it is expected to set sail this summer.

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 2.1 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.

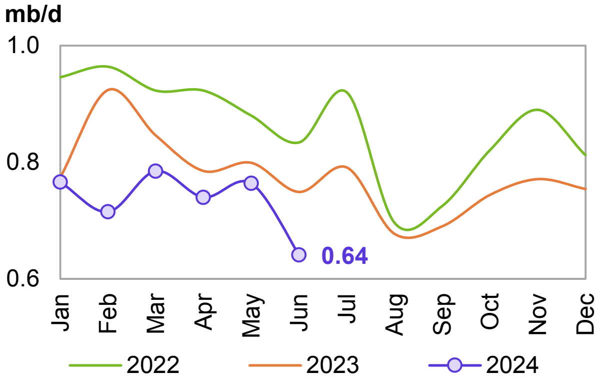
UK

In June, UK liquids production dropped by 0.1 mb/d, m-o-m, to average 0.6 mb/d. Crude oil output decreased by 0.1 mb/d, m-o-m, to average 0.5 mb/d, demonstrating underperformance in mature oil fields. This was lower by 0.1 mb/d, y-o-y, according to official data. NGLs output fell by 20 tb/d, m-o-m, to average 67 tb/d.

For 2024, UK liquids production is forecast to drop by 22 tb/d to average 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 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 largely offset these additional volumes.

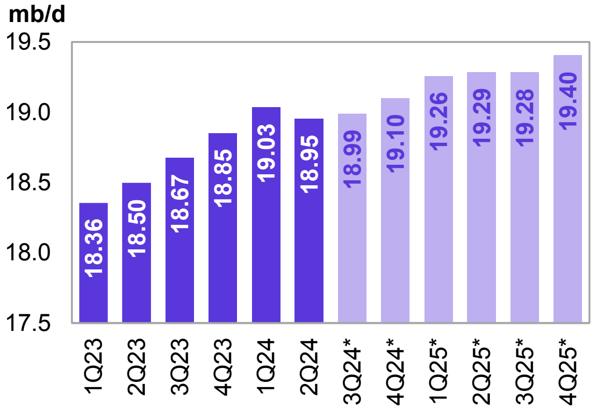
Graph 5 - 16: UK monthly liquids production development



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

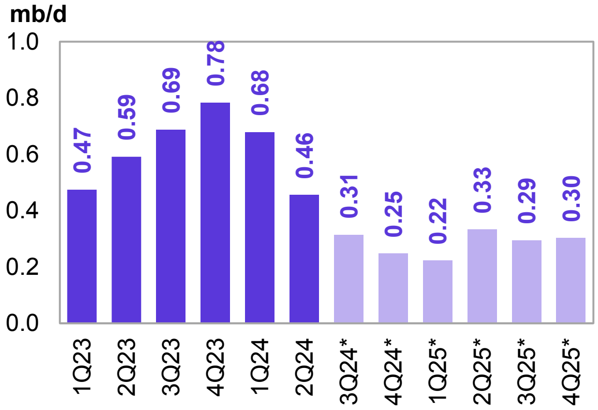
Non-OECD

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



*Note: * 3Q24-4Q25 = Forecast. Source: OPEC.*

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



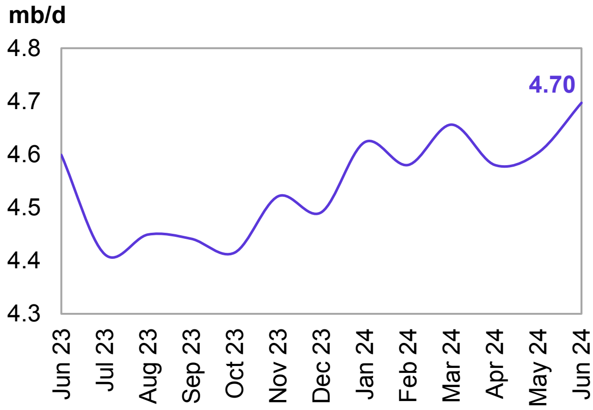
*Note: * 3Q24-4Q25 = Forecast. Source: OPEC.*

China

China's liquids production rose by 94 tb/d, m-o-m, to average 4.7 mb/d in June. This is up by 98 tb/d, y-o-y, according to official data. Crude oil output in June averaged 4.4 mb/d, up by 94 tb/d compared with the previous month. This was also higher by 103 tb/d, y-o-y.

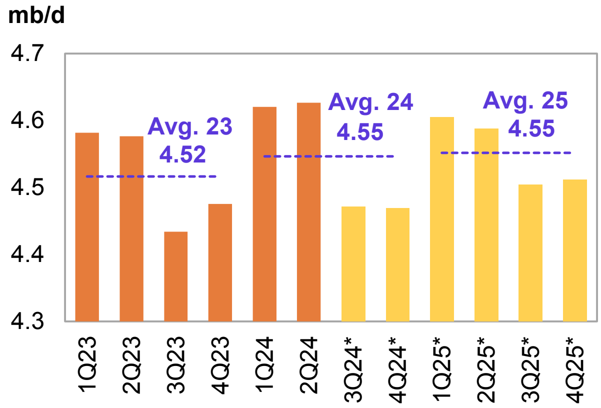
Conversely, NGLs production remained unchanged, m-o-m, averaging 41 tb/d. This was lower by 7 tb/d compared with the same month a year earlier.

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



Sources: CNPC and OPEC.

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



*Note: * 3Q24-4Q25 = Forecast. Sources: CNPC and OPEC.*

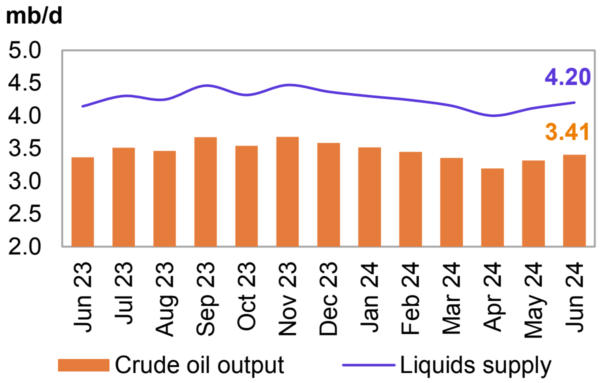
For 2024, China's liquids production is expected to rise by 30 tb/d, y-o-y, and is forecast to average 4.5 mb/d. This is revised up by 14 tb/d from the previous assessment due to better-than-expected performance in June. Natural decline rates are anticipated to be offset by additional growth through 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, Suizhong 36-1, 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.

In 2025, Chinese liquids production is expected to remain broadly steady, y-o-y, and is forecast to average 4.6 mb/d. Supply growth is primarily expected to come from the offshore sector amid considerable offshore exploration investment in recent years. 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. Meanwhile, key ramp-ups are planned for Changqing, Tarim, Xibei, Peng Lai 19-9 and Xi'nan.

Brazil

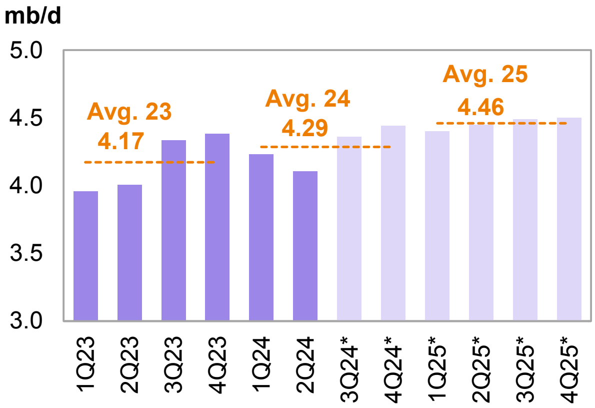
Brazil's crude output in June rose by 88 tb/d, m-o-m, to average 3.4 mb/d. Output shows a recovery, but is still lower than expected, primarily due to extensive maintenance and operational issues. NGLs production, however, remained largely unchanged at an average of around 80 tb/d, and is expected to remain flat in July 2024. Biofuel output (mainly ethanol) is estimated to remain unchanged, m-o-m, averaging 0.7 mb/d, with preliminary data showing a stable trend in July. The country's total liquids production rose by 85 tb/d in June to average 4.2 mb/d, and was also higher by 57 tb/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: * 3Q24-4Q25 = 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, Wahoo, Mero, Pampo-Enchova Cluster and Vida sites. Workers at Brazil's Environment and Renewable Natural Resources agency, known as Ibama, began industrial action in June. Further strikes could delay the start-up of scheduled production platforms in the short term.

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

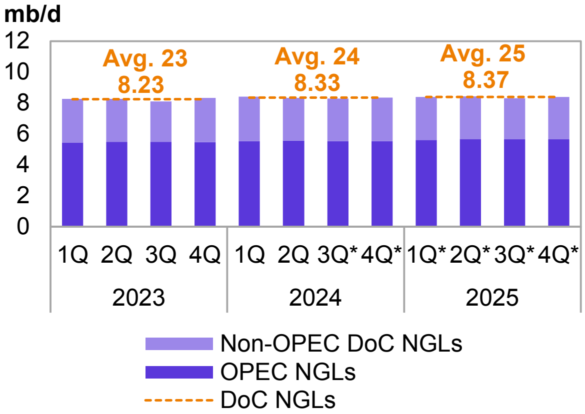
DoC NGLs and non-conventional liquids

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 2Q24 averaged 8.3 mb/d. According to preliminary June data, OPEC Member Countries and non-OPEC DoC countries are estimated to produce 5.6 mb/d and 2.8 mb/d, respectively, of NGLs and non-conventional liquids.

The 2025 forecast points toward a combined increase of about 40 tb/d for an average of 8.4 mb/d. NGLs and non-conventional liquids production are projected to grow by 0.1 mb/d to average 5.6 mb/d for OPEC Member Countries. However, it is expected to drop by about 70 tb/d for non-OPEC DoC countries.

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



*Note: * 3Q24-4Q25 = 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	**5.46**	*0.06*	**5.53**	*0.06*	5.60	5.67	5.64	5.64	**5.64**	*0.11*
Non-OPEC DoC	**2.77**	*0.20*	**2.81**	*0.04*	2.78	2.76	2.66	2.75	**2.74**	*-0.07*
Total	**8.23**	***0.26***	**8.33**	***0.10***	**8.39**	**8.42**	**8.30**	**8.39**	**8.37**	***0.04***

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

DoC crude oil production

According to secondary sources, **total OPEC-12 crude oil production** averaged 26.75 mb/d in July 2024, 185 tb/d higher, m-o-m. Crude oil output increased mainly in Saudi Arabia, Iraq and IR Iran, while production in Libya decreased.

At the same time, **total non-OPEC DoC crude oil production** averaged 14.16 mb/d in July 2024, 68 tb/d lower, m-o-m. Crude oil output decreased mainly in Kazakhstan, Russia and South Sudan.

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

Secondary sources	2022	2023	4Q23	1Q24	2Q24	May 24	Jun 24	Jul 24	*Change Jul/Jun*
Algeria	1,013	973	957	907	905	901	906	907	*1*
Congo	261	261	251	246	262	259	260	254	*-6*
Equatorial Guinea	84	56	53	54	56	63	54	57	*3*
Gabon	195	203	216	214	210	214	211	211	*0*
IR Iran	2,554	2,859	3,154	3,179	3,238	3,240	3,250	3,271	*20*
Iraq	4,439	4,287	4,324	4,245	4,208	4,222	4,194	4,251	*57*
Kuwait	2,704	2,595	2,552	2,430	2,429	2,430	2,423	2,415	*-8*
Libya	981	1,162	1,170	1,119	1,188	1,177	1,194	1,175	*-19*
Nigeria	1,210	1,314	1,381	1,413	1,358	1,359	1,369	1,386	*16*
Saudi Arabia	10,531	9,609	8,952	9,009	8,983	9,000	8,918	9,015	*97*
UAE	3,066	2,950	2,906	2,926	2,934	2,936	2,936	2,952	*16*
Venezuela	684	749	774	816	837	838	845	852	*7*
Total OPEC	**27,722**	**27,019**	**26,690**	**26,558**	**26,607**	**26,638**	**26,562**	**26,746**	***185***
Azerbaijan	560	503	487	477	474	463	481	485	*4*
Bahrain	193	182	182	168	175	176	172	171	*0*
Brunei	75	72	78	82	67	58	69	74	*5*
Kazakhstan	1,489	1,597	1,606	1,614	1,555	1,499	1,579	1,545	*-34*
Malaysia	395	377	378	362	362	356	361	360	*-2*
Mexico	1,654	1,657	1,633	1,615	1,599	1,600	1,597	1,590	*-6*
Oman	850	819	807	772	765	766	766	768	*2*
Russia	9,771	9,581	9,496	9,431	9,221	9,248	9,115	9,089	*-26*
Sudan	62	54	47	34	24	23	24	25	*0*
South Sudan	144	146	153	113	65	66	63	53	*-10*
Total Non-OPEC DoC	**15,193**	**14,986**	**14,867**	**14,667**	**14,310**	**14,256**	**14,228**	**14,160**	***-68***
Total DoC	**42,915**	**42,005**	**41,557**	**41,225**	**40,916**	**40,894**	**40,790**	**40,907**	***117***

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 July, as reported by OPEC Member Countries, is shown in ***Table 5 - 8*** below.

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

Direct communication	2022	2023	4Q23	1Q24	2Q24	May 24	Jun 24	Jul 24	*Change* Jul/Jun
Algeria	1,020	973	958	907	905	901	906	909	*3*
Congo	262	271	259	252	260	264	259	257	*-2*
Equatorial Guinea	81	55	53	53	60	62	58	57	*-1*
Gabon	191	223	234	..	..	..	..	..	..
IR Iran	..	..	..	..	..	..	..	..	..
Iraq	4,453	4,118	4,123	3,957	3,862	3,860	3,834	..	..
Kuwait	2,707	2,590	2,548	2,413	2,413	2,413	2,413	2,413	*0*
Libya	..	1,189	1,191	1,149	..	..	..	..	..
Nigeria	1,138	1,187	1,260	1,327	1,270	1,251	1,276	1,307	*30*
Saudi Arabia	10,591	9,606	8,901	8,979	8,937	8,993	8,830	8,941	*111*
UAE	3,064	2,944	2,892	2,919	2,928	2,933	2,935	2,933	*-2*
Venezuela	716	783	796	864	904	910	922	928	*5*
Total OPEC	..	..	..	..	..	..	..	..	..

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

Source: OPEC.

Product Markets and Refinery Operations

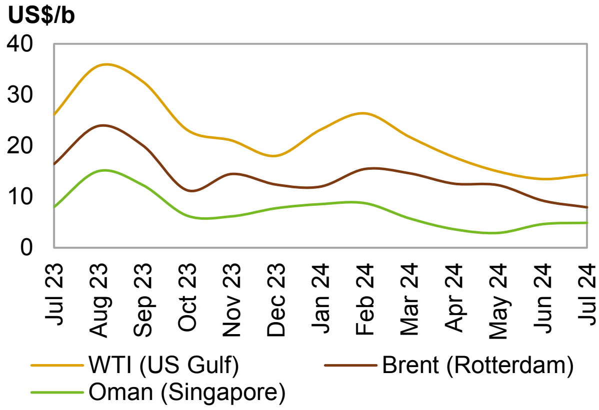
In July, USGC refinery margins rose, mostly affected by supply-side dynamics, as product inventories showed declines over the month due to weather-related refinery disruptions. This contributed to upward pressure on US product prices, with the exception of jet/kerosene, boosting refining margins. In Singapore, a decline in crude oil prices during July, as well as tighter product supplies in Northeast Asia due to refinery maintenance, backed regional refining economics. However, in Northwest Europe, margins weakened, and losses were seen all across the barrel. This was a reflection of strong refinery product output, a softer domestic middle distillate market, and lower European products exports from Rotterdam.

Global refinery intake in July increased by 2.0 mb/d, m-o-m, to an average of 83.5 mb/d and was up 2.8 mb/d, y-o-y. Going forward, run rates are expected to remain elevated as refiners will most likely build product stocks ahead of the upcoming heavy maintenance season, which should support oil markets in the coming month.

Refinery margins

USGC refining margins against WTI rebounded from the loss seen in the previous month to show limited upside. Strength was registered all across the barrel – with the exception of jet/kerosene – and was mostly driven by naphtha and gasoil, with more limited gains seen in gasoline and residual fuel margins. Hurricane Beryl making landfall in Texas in early July caused heavy rainfall and strong winds, which resulted in flooding, widespread power outages, and temporary refinery shutdowns and run cuts. A significant portion of refineries in the affected state – the largest US oil and gas producing state, which hosts 40% of oil and 20% of gas output – are prepared to continue operations during heavy rain. This, amid the quick recession of the flooded water, allowed refiners in the state to promptly restore processing activities.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

The temporary decline in US refinery runs, although minimized by fast refinery restarts, contributed to downward pressure on product inventories in general despite a considerable m-o-m rise registered in jet/kerosene inventories.

According to preliminary data, refinery intakes in the USGC were 270 tb/d lower, m-o-m, averaging 16.92 mb/d. USGC margins against WTI averaged $14.32/b in July, up by 83¢, m-o-m, but down by $11.81, y-o-y.

Refinery margins in Rotterdam against Brent retracted further in July, albeit by a notably lower magnitude compared to the loss seen in the previous month. Strong product output levels contributed to weakness all across the barrel. At the end of the month, total Amsterdam-Rotterdam-Antwerp product inventories showed a significant rise of 5.0%, m-o-m, in July. The strongest negative crack spread performer was gasoil, followed by jet/kerosene and gasoline. Nonetheless, across the barrel losses were somewhat limited and were capped at $1.82/b, m-o-m, with the highest loss, in this case, associated with gasoil. This was a result of a softer domestic middle distillate market, amid lower European products exports from Rotterdam.

According to preliminary data, refinery intakes in Europe were 470 tb/d higher, m-o-m, averaging 9.94 mb/d. Refinery margins against Brent in Europe averaged $7.93/b in July, which was $1.32 lower, m-o-m, and $8.51 lower, y-o-y.

Singapore's refining margins against Oman continued on its recovery trend from the low level seen in May. The gains were predominately observed in gasoline markets followed by naphtha. This was driven by tight gasoline supplies in Asia (excluding China) due to disruptions in Japan and Indonesia, coupled with supportive cracking margins, which supported the margins for both products. In addition, a decline in crude oil prices during the month further backed refining economics in the region.

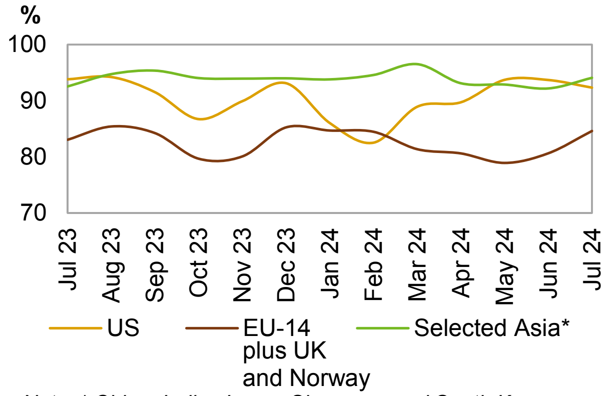
In July, combined refinery intakes for Japan, China, India, Singapore and South Korea experienced an increase of 540 tb/d, m-o-m, averaging 26.82 mb/d, according to preliminary data. Refinery margins against Oman in Asia experienced a 26¢ increase in July, m-o-m, to average $4.93/b, which was $3.10 lower, y-o-y.

Refinery operations

US refinery utilization rates showed a 1.4 pp decline to an average of 92.31%, corresponding to a throughput of 16.92 mb/d. This represents a decline of 270 tb/d relative to the previous month. Compared with the previous year, the July refinery utilization rate was down by 1.5 pp, with throughput showing a 215 tb/d drop.

EU-14 plus UK and Norway refinery utilization averaged 84.60% in July, corresponding to a throughput of 9.94 mb/d. This represents a rise of 4.0 pp, or 470 tb/d, m-o-m. On a yearly basis, the utilization rate was up by 1.6 pp, and throughput was 164 tb/d higher.

Graph 6 - 2: Refinery utilization rates



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

In Selected Asia – Japan, China, India, Singapore and South Korea – refinery utilization rates increased to an average of 94.08% in July, corresponding to a throughput of 26.82 mb/d. Compared with the previous month, utilization rates were up by 1.9 pp, and throughput was higher by 540 tb/d. Relative to the previous year, utilization rates were 1.5 pp higher, and throughput was 208 tb/d higher.

Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				*Refinery utilization, %*			
	May 24	Jun 24	Jul 24	Change Jul/Jun	May 24	Jun 24	Jul 24	Change Jul/Jun
US	**17.04**	**17.19**	**16.92**	**-0.27**	**93.70**	**93.67**	**92.31**	**-1.4 pp**
Euro-14, plus UK and Norway	**9.27**	**9.48**	**9.94**	**0.47**	**78.91**	**80.63**	**84.60**	**4.0 pp**
France	0.86	0.84	0.91	0.07	74.81	72.99	78.80	5.8 pp
Germany	1.87	1.88	1.92	0.04	91.12	91.86	93.57	1.7 pp
Italy	1.22	1.21	1.27	0.06	64.00	63.58	66.83	3.2 pp
UK	0.97	1.00	1.03	0.03	82.44	85.08	87.94	2.9 pp
Selected Asia*	**26.48**	**26.28**	**26.82**	**0.54**	**92.89**	**92.20**	**94.08**	**1.9 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	3Q23	4Q23	1Q24	2Q24	3Q24
OECD Americas	**17.79**	**18.68**	**18.71**	**19.27**	**18.47**	**18.19**	**19.12**	**19.15**
of which US	*15.66*	*16.48*	*16.50*	*17.02*	*16.47*	*15.78*	*16.89*	*16.77*
OECD Europe	**10.93**	**11.44**	**11.38**	**11.72**	**11.40**	**11.50**	**11.02**	**11.52**
of which:								
France	*0.69*	*0.84*	*0.93*	*1.06*	*0.95*	*0.83*	*0.84*	*0.93*
Germany	*1.72*	*1.83*	*1.62*	*1.67*	*1.59*	*1.82*	*1.87*	*1.88*
Italy	*1.23*	*1.32*	*1.30*	*1.32*	*1.32*	*1.29*	*1.24*	*1.35*
UK	*0.92*	*1.04*	*0.97*	*0.96*	*0.89*	*0.97*	*0.97*	*0.77*
OECD Asia Pacific	**5.79**	**6.10**	**5.88**	**5.74**	**5.94**	**5.95**	**5.92**	**6.02**
of which Japan	*2.49*	*2.71*	*2.56*	*2.54*	*2.54*	*2.55*	*2.38*	*2.39*
Total OECD	**34.51**	**36.23**	**35.97**	**36.73**	**35.81**	**35.64**	**36.06**	**36.69**
Latin America	**3.50**	**3.37**	**3.48**	**3.45**	**3.53**	**3.40**	**3.43**	**3.46**
Middle East	**6.80**	**7.28**	**7.61**	**7.92**	**7.43**	**7.80**	**7.89**	**8.00**
Africa	**1.77**	**1.73**	**1.70**	**1.69**	**1.70**	**1.88**	**1.91**	**2.02**
India	**4.73**	**5.00**	**5.18**	**5.03**	**5.10**	**5.30**	**5.28**	**5.28**
China	**14.07**	**13.49**	**14.78**	**15.19**	**14.57**	**14.64**	**14.25**	**15.12**
Other Asia	**4.72**	**4.94**	**5.02**	**4.90**	**5.14**	**5.18**	**5.33**	**5.18**
Russia	**5.61**	**5.46**	**5.50**	**5.49**	**5.43**	**5.33**	**5.38**	**5.53**
Other Eurasia	**1.23**	**1.15**	**1.14**	**1.05**	**1.19**	**1.15**	**1.20**	**1.23**
Other Europe	**0.44**	**0.50**	**0.47**	**0.52**	**0.47**	**0.43**	**0.48**	**0.49**
Total Non-OECD	**42.88**	**42.91**	**44.87**	**45.24**	**44.54**	**45.12**	**45.15**	**46.31**
Total world	**77.38**	**79.14**	**80.84**	**81.97**	**80.35**	**80.76**	**81.21**	**83.00**

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

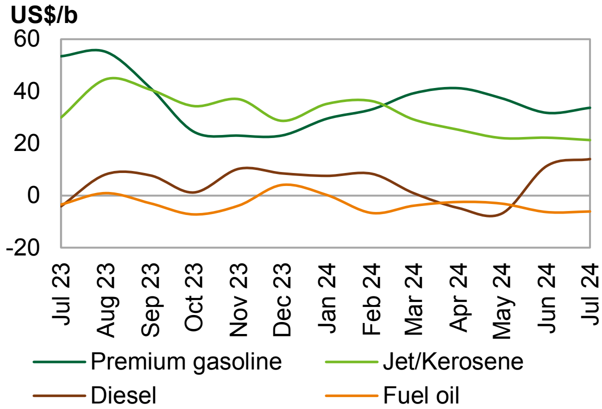
Sources: AFREC, APEC, EIA, IEA, Euroilstock, PAJ, Ministry data, including Ministry of Energy of the Russian Federation, Ministry of Petroleum and Natural Gas of India, OPEC and JODI.

Product markets

US market

The USGC gasoline crack spread against WTI reversed course from the dip seen in the previous month to show solid improvement. According to US Energy Information Administration (EIA) data, USGC gasoline stocks fell to reach the lowest level seen since December 2023. For most of the month, total gasoline weekly stocks were on a downward trend, with the national Independence Day holiday on 4 July likely to have provided some added demand-side support. Going forward, gasoline markets are expected to remain healthy with supportive mobility activity and exports. The USGC gasoline crack spread gained $1.94, m-o-m, reaching an average of $33.65/b in July, and was $19.79 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 reversed the direction of previous months' modest gain to show a slight loss. The product in July represented the sole negative performer across the barrel in the USGC as inventories surged to a six-year high in the US during the week ending 26 July despite a decline in refinery output levels. This considerable nationwide jet fuel stock build took place amid lower consumption levels, attributed to flight cancellations caused by a widespread IT (computer) system outage, as reported by Platts.

Going forward, air travel is expected to recover further, most likely with a limited upside, with the normalization of air travel activities over the coming month. Jet fuel/kerosene wholesale prices saw an 88¢ increase, m-o-m, to an average of $102.10/b. The USGC jet/kerosene crack spread gained 92¢, m-o-m, to average $21.27/b in July and was $8.67 lower, y-o-y.

The USGC gasoil crack spread against WTI continued to move upward despite experiencing a sizeable reduction in momentum compared to the jump observed in the previous month. Gasoil stocks in the USGC declined slightly in the second half of July but showed a significant nationwide rise, m-o-m. The US gasoil crack spread against WTI averaged $13.97/b, up $2.69, m-o-m, and was $18.14/b higher, y-o-y.

The USGC fuel oil crack spread against WTI showed a slight gain in July as fuel oil stocks reached a 22-month low in the Atlantic Coast and fell to the lowest level seen since January 2019 in the USGC for the week ending 26 July, according to Platts. A decline in fuel oil production levels in the US and signs of healthy demand during July led to a positive outcome. Expectations for sustained support in the gasoline market, driven by firm seasonal mobility, are likely to underpin US fuel oil conversion to gasoline in the coming months. Additionally, projections for ongoing robust utility demand in the Middle East and Asia should provide support for HSFO cracks moving forward. In July, the US fuel oil crack spread against WTI gained 23¢, m-o-m, to average minus $6.12/b, but was $2.68 lower, y-o-y.

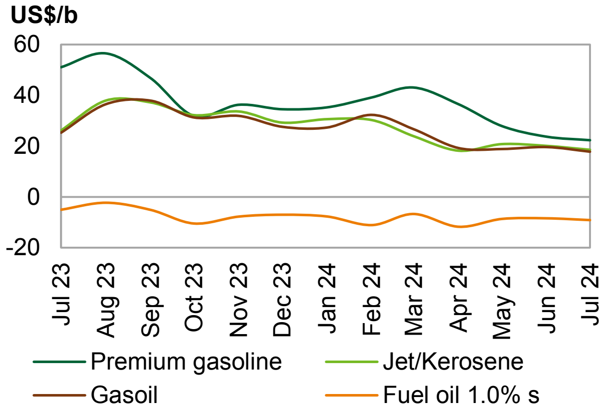
European market

The gasoline crack spread in Rotterdam against Brent decreased as elevated runs in the region weighed on the product's crack spread performance. According to Platts, gasoline exports from Europe to the US jumped to a three-year high in July. Some 12.1 mb of gasoline was dispatched from Europe to the US in July, up 43%, m-o-m, and up 57%, y-o-y, touching the highest level since March 2021. However, strong gasoline production levels in the region offset the supportive export volumes. The surge in exports is most likely set to normalize going forward, although upside export potential will be more at play considering the risks of hurricane activity and the upcoming maintenance season. These potential supply-side pressures could lend support to European gasoline markets in the near term. The gasoline crack spread against Brent averaged $22.35/b, which was $1.38 lower, m-o-m, and $28.68 lower, y-o-y.

In July, the jet/kerosene crack spread in Rotterdam against Brent showed a slight decline, influenced by supply-side dynamics. Despite signs of somewhat supportive air travel activities, subdued jet fuel demand from the aviation sector weighed further on the product market. Going forward, European jet/kerosene demand is expected to see upward pressure as aviation sector consumption could potentially pick up before the end of the summer. The Rotterdam jet/kerosene crack spread against Brent averaged $18.53/b, down $1.54, m-o-m, and $7.65, y-o-y.

Gasoil crack spread in Rotterdam against Brent reversed course to see the largest loss across the barrel in Rotterdam. Ample gasoil availability amid weak diesel demand from the manufacturing sector in Europe weighed on the product's fundamentals. Upside potential for higher production levels from Nigeria's Dangote refinery coupled with strong flows from the Middle East and new supplies from the Mexican Olmeca refinery are set to exert pressure on NWE gasoil performance in the mid term. The gasoil crack spread against Brent averaged $17.81/b, down $1.82, m-o-m, and $7.49, y-o-y.

Graph 6 - 4: Rotterdam crack spreads vs. Brent



Sources: Argus and OPEC.

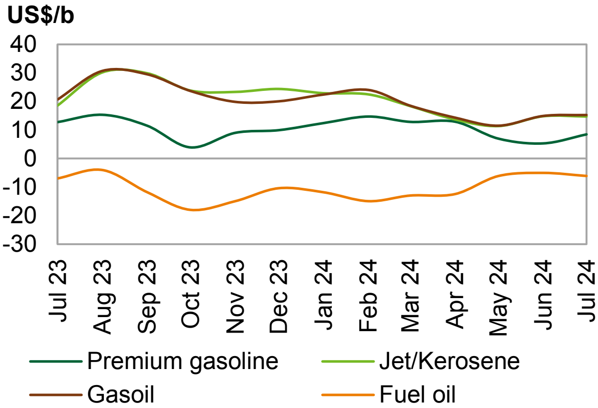
At the bottom of the barrel, fuel oil 1.0% crack spreads in Rotterdam against Brent moved moderately downwards, m-o-m. Despite the robust seasonal pull from Asia and the Middle East and a slight decline registered at ARA inventories at the end of the month, ample supplies and strong refinery output likely weighed on the products' market performance. In addition, news of fuel oil cargoes from Nigeria's Dangote refinery being supplied to the international market with new volumes likely contributed further to the weakness. East of Suez imports of European residual fuel oil are expected to remain strong, with elevated requirements for power generation from cooling demand. In terms of prices, fuel oil 1.0% increased by $2.15, m-o-m, to $76.11/b, while the crack spread averaged minus $9.14/b in July, representing a 70¢ m-o-m drop, and a $4.07 y-o-y decline.

Asian market

The Southeast Asian gasoline 92 crack spread against Dubai experienced a solid gain with support stemming from limited gasoline output attributed to refinery outages. In July, gasoline showed the largest monthly increase across the barrel and recovered the ground lost in the previous month. The product's margin rose to a two-month high, averaging $8.48/b. This was up $3.17, m-o-m, but down $4.32, y-o-y.

The Asian naphtha crack spread continued to trend upward despite modest demand from the region's petrochemical sector. Lower naphtha supplies from Russia and discontinuous output from Nigeria's Dangote refinery supported naphtha crack spreads. The Singapore naphtha crack spread against Dubai averaged minus $8.91/b, which is $1.14 higher, m-o-m, and $8.99 higher, y-o-y.

Graph 6 - 5: Singapore crack spreads vs. Dubai



Sources: Argus and OPEC.

In the middle of the barrel, the jet/kerosene crack spread in Singapore lost ground due to weaker fundamentals and strong flows from India to Singapore. The Singapore jet/kerosene crack spread against Dubai averaged $14.68/b, down 10¢, m-o-m, and $3.84, y-o-y.

The Singapore gasoil crack spread experienced a small increase, registering the second consecutive month of gains. Gasoil availability remains limited, with suppressed gasoil exports from China amid refinery outages in the wider Asian region. Healthy demand from the agricultural sector amid the harvesting season in some countries in Asia likely added support. However, downside risks to the regional gasoil margins lie ahead should China decide to increase export volumes. Further downside risks are linked to the monsoon season if it escalates, leading to excessive rains and flooding, which, in turn, could disrupt agricultural activities and reduce mobility. The Singapore gasoil crack spread against Dubai averaged $15.29/b, up 33¢, m-o-m, but down $5.40/b, y-o-y.

The Singapore fuel oil 3.5% crack spread retracted and showed the largest loss across the barrel. Residual fuel crack spreads were pressured by weak feedstock demand from India and China. In addition, expectations for a rise in Russian exports weighed further despite robust demand from the utilities sector. Going forward, fuel oil markets in Asia should remain well supported due to the continued robust demand for fuel oil in power generation. Singapore's HSFO crack spread against Dubai averaged minus $6.07/b, down $1.08, m-o-m, and 87¢, 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)	Aug 24–Sep 24	Downward risk for gasoil demand from the agricultural sector could weigh on domestic consumption and free up volumes for export, particularly in Asia.	↓ Pressure on gasoil markets	↓ Pressure on gasoil markets	↓ Pressure on gasoil markets
Russia gasoline export ban	Aug 24 – Oct 24	The focus on domestic supply to avert gasoline price hikes is set to limit gasoline availability in the region.	↑ Support gasoline crack spreads	↑ Support gasoline crack spreads	↑ Support gasoline crack spreads
Summer season	Aug 24–Sep 24	Crack spreads for transportation products, especially gasoline, jet/kerosene, and fuel oil, are anticipated to rise, supported by increased mobility.	↑ Support product markets	↑ Support product markets	↑ Support product markets
Forecasts for an active hurricane season	Aug 24–Nov 24	Increased storm activity in 2024 threatens refining operations, particularly in the USGC. Potential product supply disruptions could exert upward pressure on fuel prices.	↑ Upward pressure on light distillate crack spreads	↑ Upward pressure on product crack spreads	↑ Upward pressure on product crack spreads

Source: OPEC.

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

		Jun 24	Jul 24	Change Jul/Jun	Annual avg. 2023	Year-to-date 2024
US Gulf (Cargoes FOB)						
Naphtha*		73.78	81.45	7.67	72.51	76.65
Premium gasoline	(unleaded 93)	110.74	114.48	3.74	117.23	114.28
Regular gasoline	(unleaded 87)	96.13	100.26	4.13	104.59	100.57
Jet/Kerosene		101.22	102.10	0.88	113.51	106.54
Gasoil	(0.2% S)	90.31	94.80	4.49	78.57	83.52
Fuel oil	(3.0% S)	71.98	73.66	1.68	68.14	70.61
Rotterdam (Barges FoB)						
Naphtha		73.24	75.92	2.68	71.06	74.40
Premium gasoline	(unleaded 98)	106.13	107.60	1.47	125.96	116.70
Jet/Kerosene		102.47	103.78	1.31	111.74	107.33
Gasoil/Diesel	(10 ppm)	102.03	103.06	1.03	111.19	107.27
Fuel oil	(1.0% S)	73.96	76.11	2.15	74.29	75.06
Fuel oil	(3.5% S)	75.23	77.04	1.81	72.79	73.19
Mediterranean (Cargoes FOB)						
Naphtha		71.49	73.92	2.43	68.45	71.71
Premium gasoline**		97.92	99.98	2.06	101.80	101.57
Jet/Kerosene		99.87	100.73	0.86	107.77	103.43
Diesel		101.72	102.92	1.20	109.08	105.75
Fuel oil	(1.0% S)	78.44	80.33	1.89	78.85	80.05
Fuel oil	(3.5% S)	70.84	74.62	3.78	66.47	70.24
Singapore (Cargoes FOB)						
Naphtha		72.56	74.77	2.21	69.53	73.88
Premium gasoline	(unleaded 95)	92.98	96.42	3.44	98.62	98.38
Regular gasoline	(unleaded 92)	87.92	92.16	4.24	94.00	93.87
Jet/Kerosene		97.39	98.36	0.97	104.68	100.19
Gasoil/Diesel	(50 ppm)	97.74	99.07	1.33	105.99	101.44
Fuel oil	(180 cst)	96.74	98.61	1.87	102.35	99.57
Fuel oil	(380 cst 3.5% S)	77.62	77.61	-0.01	69.23	73.44

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

Sources: Argus and OPEC.

Tanker Market

Dirty spot freight rates softened in July, m-o-m. The decline in average Suezmax spot rates led losses, followed by Aframax and very large crude carriers (VLCCs).

Suezmax spot freight declined, m-o-m, in July, as a lack of activity weighed on sentiment. On the West Africa-to-US Gulf Coast route, rates declined 16%, m-o-m, as a US holiday, and hurricane outages impacted tanker demand in the Gulf of Mexico.

Reduced activities weighed on Aframax spot freight rates. The Cross-Mediterranean (Med) route averaged 15% lower for the month, amid a drop in tanker demand in the region. In the East of Suez, rates on the Indonesia-to-East route fell 11%, m-o-m, but remained higher, y-o-y.

In the VLCC market, spot freight rates on the Middle East-to-East route declined by 2%, m-o-m. Rates on the West Africa-to-East route fell 5%, despite increased departures to India.

Rates for clean tankers East of Suez declined 18%, amid reduced buying from South Korea and sufficient availability. In contrast, West of Suez rates rose 12%, m-o-m, amid higher flows to Europe.

Spot fixtures

Global spot fixtures fell in July, with declines seen across all monitored routes. Global fixtures averaged 10.3 mb/d for the month, representing a drop of 4.1 mb/d, or almost 29%, m-o-m. Compared with July 2023, global spot fixtures were 3.7 mb/d, or about 27%, lower.

OPEC spot fixtures averaged 7.4 mb/d in July, representing a decline of almost 1.9 mb/d, or 20%, m-o-m. Compared with the same month last year, fixtures were down 1.8 mb/d, or 20%.

Middle East-to-East fixtures declined by just under 1 mb/d, or 17%, m-o-m, to average 4.9 mb/d. Y-o-y, fixtures on the Middle East-to-East route were 0.2 mb/d, or 3%, lower.

Spot fixtures on the Middle East-to-West route dropped 0.6 mb/d, or about 61%, m-o-m, to average 0.4 mb/d. Compared with the same month last year, fixtures were down by 1.2 mb/d, or 77%, y-o-y.

Fixtures on routes outside the Middle East declined 0.3 mb/d, or 12%, m-o-m, to average 2.2 mb/d. Compared with the same month in 2023, fixtures were 0.5 mb/d, or 18%, lower.

Table 7 - 1: Spot fixtures, mb/d

Spot fixtures	May 24	Jun 24	Jul 24	*Change* Jul 24/Jun 24
All areas	14.1	14.4	10.3	-4.1
OPEC	9.4	9.3	7.4	-1.9
Middle East/East	5.4	5.8	4.9	-1.0
Middle East/West	1.1	0.9	0.4	-0.6
Outside Middle East	3.0	2.5	2.2	-0.3

Sources: Oil Movements and OPEC.

Sailings and arrivals

OPEC sailings increased by 1.3 mb/d, or about 7%, m-o-m, to average close to 20.1 mb/d in July. Compared with the same month in 2023, OPEC sailings were 0.3 mb/d, or 2%, lower. Middle East sailings gained 0.2 mb/d, or 1%, m-o-m, to average 16.2 mb/d in July. Y-o-y sailings from the region were down by 0.5 mb/d, or 3%.

Crude arrivals improved across both East and West of Suez. North American arrivals increased by 0.4 mb/d, or 4%, m-o-m, to average 9.4 mb/d. Compared with July 2023, they were about 0.3 mb/d, or close to 3%, higher. Arrivals to Europe increased by 0.7 mb/d, or about 6%, m-o-m, to average 13.0 mb/d. Compared with the same month in 2023, they were 1.1 mb/d, or 9%, higher.

Far East arrivals were nearly unchanged, averaging 15.8 mb/d in July. Y-o-y arrivals in the region were 0.7 mb/d, or 4%, higher. Meanwhile, arrivals in West Asia increased, m-o-m, to average 8.7 mb/d, representing a gain of 0.5 mb/d, or 6%, in July. Compared with the same month last year, arrivals in the region were 1.6 mb/d, or 22%, higher.

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

Sailings	May 24	Jun 24	Jul 24	*Change* Jul 24/Jun 24
OPEC	20.1	18.8	20.1	1.3
Middle East	16.2	16.0	16.2	0.2
Arrivals				
North America	9.5	9.0	9.4	0.4
Europe	12.3	12.3	13.0	0.7
Far East	16.8	15.8	15.8	0.1
West Asia	8.7	8.2	8.7	0.5

Sources: Oil Movements and OPEC.

Dirty tanker freight rates

Very large crude carriers (VLCC)

VLCC spot rates edged lower in July. On average, VLCC spot freight rates fell 2%, m-o-m. Compared with the same month in 2023, VLCC rates were also down 2%.

On the Middle East-to-East route, rates declined by 2%, m-o-m, to average WS50 points. Decreased flows to China weighed on tanker demand despite slightly higher flows to India. This represents a y-o-y decline of 4%. Rates on the Middle East-to-West route fell by 3%, m-o-m, in July, to average WS34 points. Declines came amid lower demand from Italy and Türkiye, and despite higher flows to Brazil. Compared with the same month in 2023, rates on the route dropped 8%.

West Africa-to-East spot rates decreased by 5%, m-o-m, to average WS54 points in July. Tanker demand softened along the route due to lower Chinese buying and despite a return of flows to Thailand. Compared with the same month in 2023, rates were 2% higher.

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

VLCC	Size *1,000 DWT*	May 24	Jun 24	Jul 24	*Change* Jul 24/Jun 24
Middle East/East	230-280	68	51	50	-1
Middle East/West	270-285	44	35	34	-1
West Africa/East	260	70	57	54	-3

Sources: Argus and OPEC.

Suezmax

Suezmax spot freight rates erased the previous month's gains in July, falling 13% on average, m-o-m. However, rates were up 12% compared with the same month in 2023.

On the West Africa-to-US Gulf Coast (USGC) route, spot freight rates in July averaged WS90 points, representing a decline of 16%, m-o-m. Spot rates were 11% higher compared with the same month in 2023.

Rates on the USGC-to-Europe route dropped 11%, m-o-m, to average WS82 points. Flows on the route were mixed over the month, impacted by the Independence Day holiday and weather disruptions before ending strong at the end of the month. Compared with the same month in 2023, they were 11% higher.

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

Suezmax	Size *1,000 DWT*	May 24	Jun 24	Jul 24	*Change* Jul 24/Jun 24
West Africa/US Gulf Coast	130-135	102	107	90	-17
US Gulf Coast/ Europe	150	84	92	82	-10

Sources: Argus and OPEC.

Aframax

Aframax spot freight rates declined, m-o-m, while remaining at historically high levels. On average, Aframax rates decreased by 12%, m-o-m, but were still 26% higher compared with the same month last year.

Rates on the Indonesia-to-East route fell 11%, m-o-m, following the strong performance in the previous month. On average, rates were WS156 points in July, representing a gain of 25% compared to the same month last year.

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

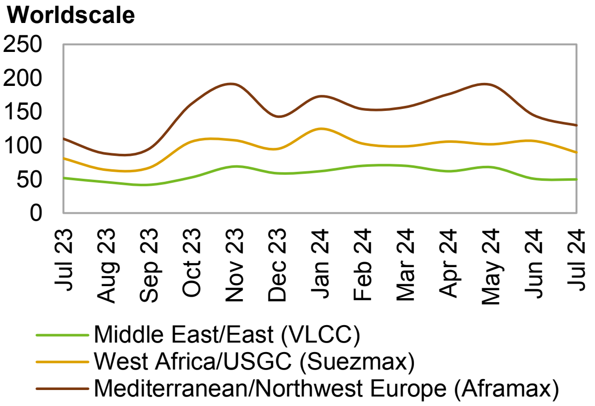
Aframax	Size *1,000 DWT*	May 24	Jun 24	Jul 24	*Change* Jul 24/Jun 24
Indonesia/East	80-85	167	175	156	-19
Caribbean/US East Coast	80-85	157	215	189	-26
Mediterranean/Mediterranean	80-85	202	166	141	-25
Mediterranean/Northwest Europe	80-85	190	145	130	-15

Sources: Argus and OPEC.

Spot rates on the Caribbean-to-US East Coast (USEC) route shed some of the previous month's gains, down 12%, m-o-m, to average WS189 points in July. Rates were 42% higher compared with the same month in 2023.

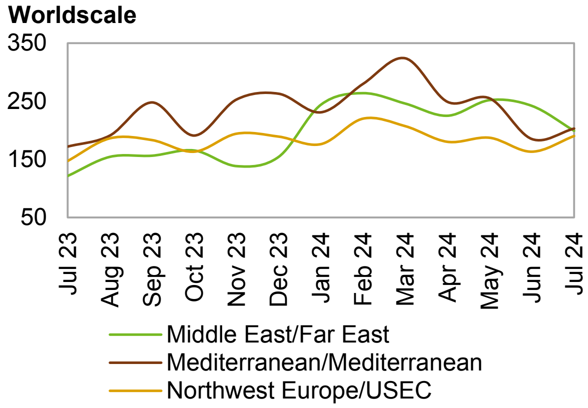
Cross-Med spot freight rates declined by 15%, m-o-m, to average WS141 points. However, this still represents an 18% increase, y-o-y. Rates on the Med-to-Northwest Europe (NWE) route averaged WS130 points, representing a decline of 10%, m-o-m. Compared with the same month in 2023, rates rose 18%.

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



Sources: Argus and OPEC.

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



Sources: Argus and OPEC.

Clean tanker freight rates

Clean spot freight rates saw mixed movement in July, with East of Suez rates down 18%, while West of Suez rates rose 12%. Clean freight rates remain well above levels seen in past years, with East of Suez rates up 47%, y-o-y, and West of Suez rates 21% higher than the same month in 2023.

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

East of Suez	Size *1,000 DWT*	May 24	Jun 24	Jul 24	*Change* Jul 24/Jun 24
Middle East/East	30-35	252	242	199	-43
Singapore/East	30-35	273	279	229	-50
West of Suez					
Northwest Europe/US East Coast	33-37	187	163	190	27
Mediterranean/Mediterranean	30-35	255	185	203	18
Mediterranean/Northwest Europe	30-35	265	195	213	18

Sources: Argus and OPEC.

Rates on the Middle East-to-East route fell 18%, m-o-m, to average WS199 points in July. Declines came amid lower flows to Africa. Compared with the same month in 2023, rates were 64% higher. Clean spot freight rates on the Singapore-to-East route also fell 18%, m-o-m, amid softer demand due to refinery restarts. Rates on the route averaged WS229 points, which still represents a 34% gain compared with the same month in 2023.

Spot freight rates on the NWE-to-USEC route increased 17%, m-o-m, amid higher flows of most major products, but particularly gasoline boosted clean tanker demand. Rates averaged WS190 points, which represents a 29% increase compared with July 2023.

Rates around the Mediterranean partly rebounded from a weak performance in the previous month, as clean tanker demand was supported by higher flows of gasoline and fuel oil. Rates on the Cross-Med route increased by 10%, m-o-m, to average WS203 points and were 18% higher, y-o-y. Rates on the Med-to-NWE route rose 9%, m-o-m, and were up 17%, y-o-y.

Crude and Refined Products Trade

US crude imports in July remained close to the high levels seen in recent months, averaging 6.9 mb/d, according to preliminary data. US crude exports moved back above 4 mb/d, following a weak performance the previous month, averaging 4.3 mb/d. Meanwhile, US product exports partly erased the strong gains seen in June, averaging 6.4 mb/d in July, amid lower flows to Mexico and China.

According to preliminary estimates, OECD Europe crude imports remained below year-ago levels in June and July. Product imports declined in June, amid losses across all major products, before partially recovering in the following month, led by fuel oil. Product exports picked up in June and July, supported at first by increased diesel outflows and then by a recovery in gasoline exports.

Japan's crude imports continued to fall to average just below 2.1 mb/d, representing a three-year low in June. Compared to the same month last year, crude imports were 0.2 mb/d, or almost 9%, lower. Japan's product imports also declined amid lower inflows of LPG.

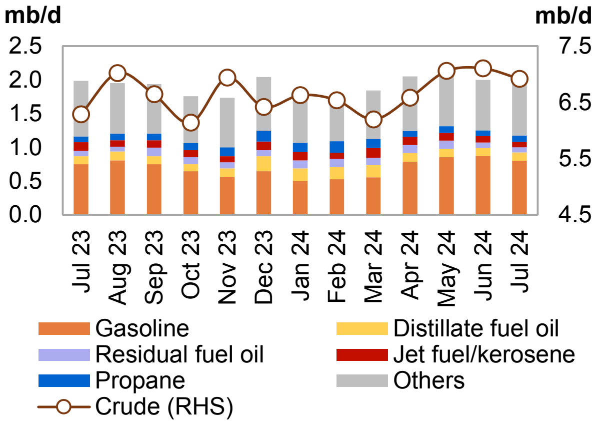
The latest data for China shows crude imports in June were about 11% lower than the robust growth seen in the same month last year when the country was rebounding from the COVID-19 pandemic. Crude imports averaged 11.3 mb/d, a gain of 2%, m-o-m. Product imports continued to fall from the high levels seen in April to average 2.2 mb/d as independent refiners scaled back refinery feedstock purchases. Product outflows rose 5%, m-o-m, as higher exports of jet fuel and fuel oil outweighed a drop in diesel outflows.

India's crude imports in June fell back from the strong levels seen in the previous two months, averaging 4.5 mb/d. This represented a decline of 13%, m-o-m, and 6%, y-o-y, partly following seasonal trends. India's product imports fell 8%, m-o-m, amid lower inflows of LPG, while product exports declined 2% from the previous month as declines in diesel outflows offset gains in naphtha.

US

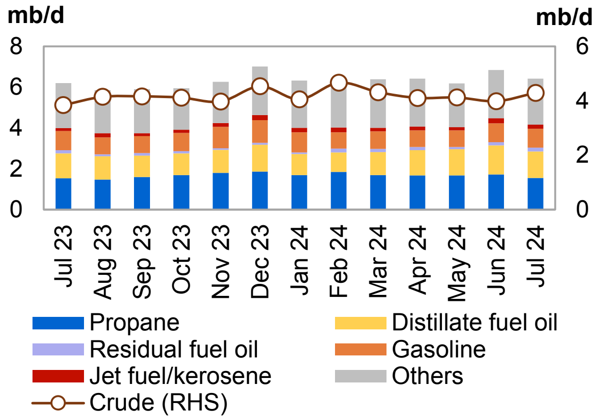
Preliminary data for July shows that US crude imports fell back from the strong performance seen in the previous month to average 6.9 mb/d. M-o-m, US crude imports declined 0.2 mb/d, or about 3%. According to preliminary EIA weekly data, inflows were boosted by rising inflows of Canadian crude. Compared with the same month last year, crude imports were up 0.6 mb/d, or 10%.

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 in July returned to above 4 mb/d after a weaker performance the previous month. US crude exports averaged 4.3 mb/d for the month. This represents an increase of 0.3 mb/d, or almost 8%, m-o-m. According to tanker tracking data, the declines were due to lower flows to Europe and Asia, although exports to Latin America increased. Y-o-y, crude outflows were 0.5 mb/d, or about 12%, higher.

As a result, US net crude imports averaged 2.6 mb/d in July, down from 3.1 mb/d in the previous month. The level was 2.5 mb/d in the same month last year.

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

US	May 24	Jun 24	Jul 24	Change Jul 24/Jun 24
Crude oil	2.94	3.12	2.63	-0.50
Total products	-4.08	-4.84	-4.45	0.39
Total crude and products	**-1.15**	**-1.72**	**-1.82**	**-0.10**

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

On the product side, imports continued to edge lower, falling 39 tb/d, or 2%, m-o-m, in July to average just under 2.0 mb/d. Declines were driven by gasoline and jet fuel/kerosene. Compared with the same month of 2023, product inflows were down by around 25 tb/d, or just over 1%.

According to preliminary data, product exports fell by 0.4 mb/d, or over 6%, m-o-m, to average 6.4 mb/d. This was down from a strong performance seen in the previous month. Within products, losses were seen across most major categories, led by propane/propylene and distillates. Compared with the same month last year, product exports were 0.2 mb/d, or about 4%, higher.

As a result, net product exports averaged almost 4.5 mb/d in July, compared with 4.8 mb/d in June 2024 and 4.2 mb/d in the same month last year.

Looking ahead, the return of refineries from unplanned outages is likely to support crude imports, as well as product exports in August, although potentially curtailing the import of some products such as gasoline. Higher refinery runs in Europe and continued buying from Asia are also likely to boost US crude exports.

OECD Europe

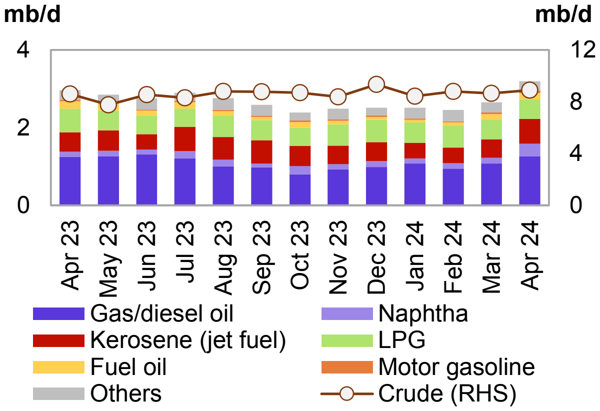
The latest official data for OECD Europe shows that crude imports increased in April, up 246 tb/d, m-o-m, or almost 3%, to average 8.9 mb/d. Compared with the same month in 2023, crude imports rose by 290 tb/d, or over 3%.

In terms of import sources to the region, the US provided the highest contribution in April despite a m-o-m decline of almost 0.1 mb/d, to stand at 1.7 mb/d. Kazakhstan was second with 1.2 mb/d, followed by Libya with just under 1 mb/d.

Crude exports increased in April to average 397 tb/d, representing an increase of 122 tb/d over the previous month. Compared to the same month of 2023, crude outflows were 322 tb/d higher. China was the top destination for crude exports outside the OECD Europe region in April, taking in around 113 tb/d.

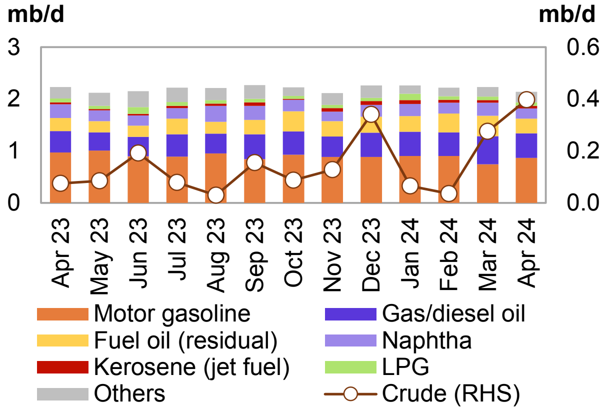
Net crude imports averaged 8.5 mb/d in April, compared with 8.4 mb/d the month before and about 8.5 mb/d in April 2023.

Graph 8 - 3: OECD Europe's imports of crude and products



Sources: IEA and OPEC.

Graph 8 - 4: OECD Europe's exports of crude and products



Sources: IEA and OPEC.

Product imports averaged 3.2 mb/d, representing an increase of 539 tb/d, or over 20%, m-o-m. Gains were driven primarily by diesel and naphtha. Compared with April 2023, product inflows increased by 229 tb/d, or about 8%.

Product exports averaged 2.1 mb/d in April, representing a drop of 92 tb/d, or about 4%, m-o-m. Declines were due to lower outflows of fuel oil, diesel and naphtha, which sufficiently offset higher gasoline exports. Compared to the same month of 2023, product outflows were similarly lower, falling 94 tb/d or 4%.

Net product imports averaged close to 1.1 mb/d in April, compared with 0.4 mb/d the month before and 0.7 mb/d in April 2023.

Combined, net crude and product imports averaged 9.5 mb/d in April, up from 8.8 mb/d the month before and 9.3 mb/d in April 2023.

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

OECD Europe	Feb 24	Mar 24	Apr 24	Change Apr 24/Mar 24
Crude oil	8.76	8.37	8.49	0.12
Total products	0.23	0.42	1.05	0.63
Total crude and products	**8.99**	**8.79**	**9.55**	**0.76**

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

Sources: IEA and OPEC.

According to recent estimates based on seaborne trade, OECD Europe crude imports remained below year-ago levels in June and July. Product imports declined in June amid losses across all major products before partially recovering in July, led by fuel oil. Product exports picked up in June and July, supported first by increased diesel outflows and then a recovery in gasoline exports.

Japan

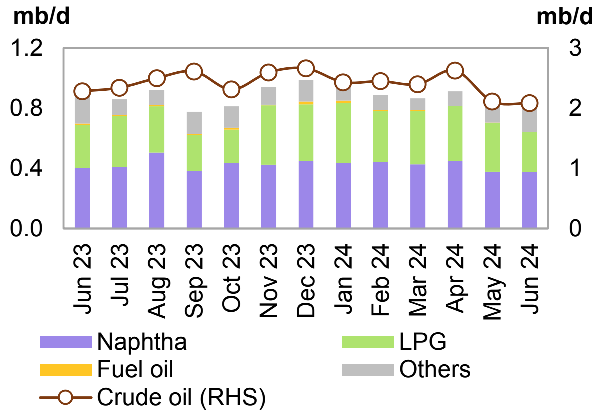
Japan's crude imports slipped by around 30 tb/d, or about 1%, m-o-m, to average 2.1 mb/d in June. Crude inflows hit a three-year low as domestic product demand remained limited. When compared to the same period last year, crude imports were down by 199 tb/d, or just under 9%. In the first half of this year, Japan's crude oil imports averaged 2.3 mb/d, down 245 tb/d, or over 9%, compared with the same period last year.

In terms of crude imports by source, the United Arab Emirates held the highest share in June with over 41%, down from 46% the month before. Saudi Arabia also averaged roughly 41%, followed by Kuwait with about 8%.

Product imports, including LPG, fell 20 tb/d, or over 2%, m-o-m, to average 814 tb/d in June. Losses were driven by LPG, which offset gains in gasoil and gasoline. Compared with June 2023, product inflows were about 82 tb/d, or 9%, lower. In 1H24, Japan's product inflows averaged 885 tb/d, a decline of 36 tb/d, or almost 4%, compared with the same period last year.

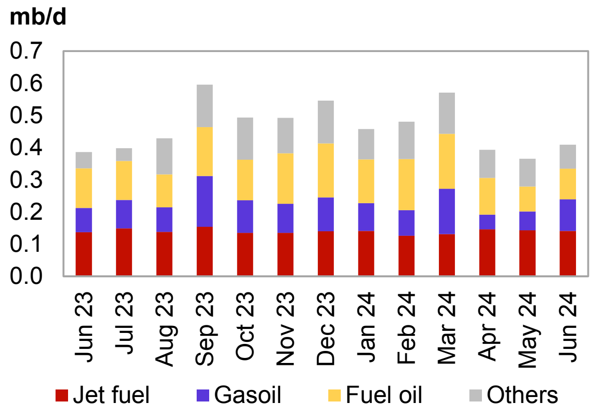
Product exports, including LPG, picked up in June to average 409 tb/d. M-o-m, exports were 44 tb/d, or almost 12%, higher. The increase was driven by a jump in gasoil exports, as well as high outflows of fuel oil and LPG. Compared to the same month last year, product exports in June increased 23 tb/d, or about 6%. Product exports averaged 447 tb/d over the first half of this year, down 40 tb/d, or about 8%, compared with 1H23.

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



Sources: METI and OPEC.

Graph 8 - 6: Japan's exports of products



Sources: METI and OPEC.

Consequently, Japan's net product imports, including LPG, averaged 405 tb/d in June. This compares with 469 tb/d the month before and 509 tb/d in June 2023.

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

Japan	Apr 24	May 24	Jun 24	Change Jun 24/May 24
Crude oil	2.62	2.11	2.08	-0.03
Total products	0.52	0.47	0.40	-0.06
Total crude and products	**3.14**	**2.58**	**2.49**	**-0.09**

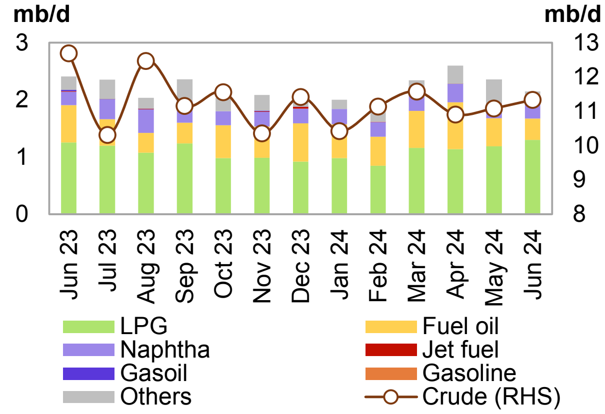
Note: Totals may not add up due to independent rounding.
Sources: METI and OPEC.

Looking ahead, crude imports are likely to decline in July as sluggish economic activity and a weak currency weigh on oil demand. Product imports are also likely to slow in line with seasonal trends, while exports are seen lower as well despite a pickup in gasoline outflows.

China

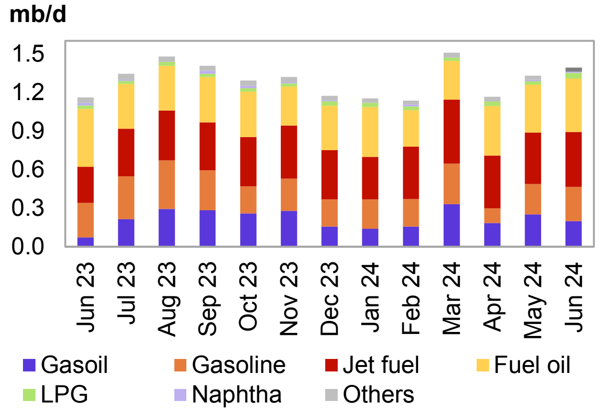
China shows crude imports in June were about 11% lower than the robust growth seen in the same month last year when the country experienced a rebound from the COVID-19 pandemic. Crude imports averaged 11.3 mb/d, a gain of 2%, or 244 tb/d, m-o-m. In 1H24, China's crude imports averaged 11.1 mb/d, down by about 3% compared with the same period last year.

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



Sources: GACC and OPEC.

Graph 8 - 8: China's exports of total products



Sources: GACC and OPEC.

In terms of crude imports by source, Russia remained in the top spot in June with a declining share of 18%, compared to 19% the month before and 20% in June 2023. Saudi Arabia was second with almost 15%, slightly down from year-ago levels. Malaysia was third with about 13%, and Iraq was fourth with more than 11%.

Product imports, including LPG, continued to fall from the high levels seen in April to average 2.2 mb/d in June. Declines were driven primarily by independent refiners scaling back refinery feedstock purchases. This represents a decline of 203 tb/d, or about 9%. Compared to the same period in 2023, product imports decreased by 261 tb/d, or about 11%. In the first half of 2024, China's product imports averaged 2.2 mb/d, up 10% compared with the same period last year.

Product exports, including LPG, rose 5%, or 60 tb/d, m-o-m, to average 1.4 mb/d in June. Higher exports of jet fuel and fuel oil outweighed a drop in diesel outflows. Compared to the same period in 2023, product exports were up by 229 tb/d, or 20%, in June. Over the first six months of 2024, product exports out of China averaged 1.28 mb/d, a decline of 4% compared with the same period last year.

Net product imports averaged 760 tb/d in June, compared to 1.0 mb/d in May and about 1.3 mb/d in June 2023.

Looking ahead, crude imports are likely to remain supported in July and August as maintenance winds down and refiners increase throughputs. Higher throughputs are also likely to support product exports.

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

China	Apr 24	May 24	Jun 24	*Change* Jun 24/May 24
Crude oil	10.85	11.09	11.32	0.23
Total products	1.43	1.02	0.76	-0.26
Total crude and products	**12.28**	**12.11**	**12.08**	**-0.04**

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

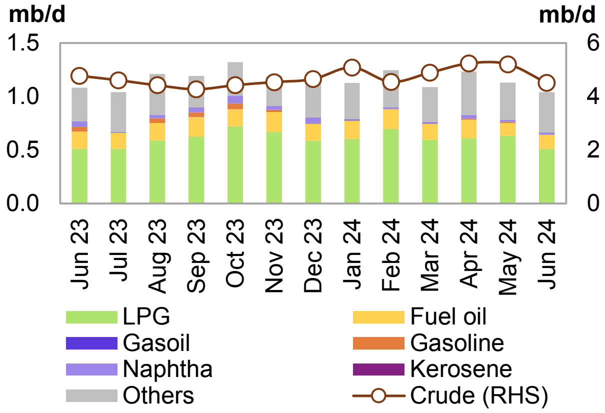
Sources: China OGP and OPEC.

India

India's crude imports in June fell back from the strong levels seen in the previous two months, averaging 4.5 mb/d, largely following a lower seasonal trend. This represented a decline of 13%, m-o-m, and 6% y-o-y. In the first half of this year, India's crude imports averaged 4.9 mb/d, which is about 1% higher than the same period last year.

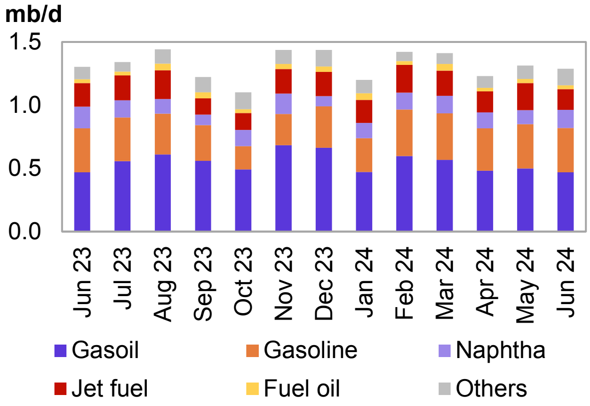
In terms of crude imports by source, Kpler data shows Russia had a share of 45% of India's total June crude imports, up from 41% in the previous month, followed by Iraq with 17% and Saudi Arabia with 9%.

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



Sources: PPAC and OPEC.

Graph 8 - 10: India's exports of products



Sources: PPAC and OPEC.

For product imports, inflows fell 8%, or 90 tb/d, m-o-m, amid lower imports of LPG, to average 1.0 mb/d. The decline came as inflows fell from the high levels seen in previous months, which had been supported by election activities. Y-o-y, product inflows were down by 43 tb/d, or 4%. In 1H24, India's product imports averaged 1.1 mb/d, some 7% higher than the same period last year.

Product exports in June declined by 25 tb/d, or about 2%, m-o-m, to stand at 1.3 mb/d. Other products led gains, which were supported by diesel oil and gasoline. Compared to the same month of 2023, product outflows from India edged down by 14 tb/d, or about 1%. In the first half of this year, product exports were broadly in line with the same period last year, averaging 1.3 mb/d.

Net product exports averaged 248 tb/d in June, compared with 182 tb/d the month before and 218 tb/d in the same month last year. Over the first half of this year, net product exports averaged 166 tb/d compared with 229 tb/d in 1H23.

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

India	Apr 24	May 24	Jun 24	*Change* Jun 24/May 24
Crude oil	5.23	5.20	4.50	-0.70
Total products	0.01	-0.18	-0.25	-0.07
Total crude and products	**5.24**	**5.02**	**4.25**	**-0.77**

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

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

Sources: PPAC and OPEC.

Looking ahead, India's crude imports are likely to trend lower as refiners move into maintenance. Product imports are also seen edging lower, as the onset of the monsoon season typically slows product consumption.

Eurasia

Total crude oil exports from Russia and Central Asia increased by 0.2 mb/d, or about 3%, m-o-m, in June to average around 6.5 mb/d. Gains were largely driven by higher outflows from Black Sea terminals. Compared to the same month in 2023, outflows were down by about 1%, or just 96 tb/d.

Crude exports through the Transneft system rose in June, up 45 tb/d, or just over 1%, m-o-m, to average 3.8 mb/d. Compared to the same month of 2023, exports were down by 88 tb/d, or 2%. Transneft shipments from the Black Sea port of Novorossiysk rose 170 tb/d, or about 32%, m-o-m, to average 703 tb/d. Crude exports from the Baltic Sea declined 32 tb/d, or about 2%, m-o-m, to average 1.5 mb/d. Within the Baltic Sea region, flows from Primorsk fell 49 tb/d, or about 6%, m-o-m, to average 830 tb/d. Exports from Ust-Luga dropped 17 tb/d, or about 3%, m-o-m, to average 677 tb/d.

Shipments via the Druzhba pipeline fell 28 tb/d, or about 14%, m-o-m, to average 175 tb/d in June. Compared to the same month of 2023, exports via the pipeline were down by 124 tb/d, or 42%. Exports to inland China via the ESPO pipeline fell 22 tb/d, or about 4%, m-o-m, to average 586 tb/d in June. This is 17 tb/d, or 3%, higher than the flows seen in June 2023. Exports from the Pacific port of Kozmino averaged 863 tb/d, representing a drop of 44 tb/d, m-o-m, or about 5%. This was about 32 tb/d, or 4%, higher than in the same month of 2023.

In the Lukoil system, exports via the Varandey offshore platform in the Barents Sea contracted in June by about 25%, m-o-m, to average 99 tb/d. This was down about 20% from the same month last year.

On other routes, the combined exports from Russia's Far East ports, De Kastri and Aniva, rose 12 tb/d, or over 5%, m-o-m, to average 239 tb/d in June. This was an increase of 6 tb/d, or 2%, compared with the volumes shipped in the same month of 2023.

Central Asian exports averaged 219 tb/d in June, representing an increase of about 3% compared to the previous month and about 4% compared with the same month of 2023.

Black Sea total exports from the CPC terminal increased by 102 tb/d in June, or about 8%, m-o-m, to average 1.4 mb/d. This represents a gain of 27 tb/d, or 2%, compared with the same month of 2023. Exports via the Baku-Tbilisi-Ceyhan (BTC) pipeline rose 49 tb/d in June, or more than 8%, m-o-m, to average 644 tb/d.

Total product exports from Russia and Central Asia declined by 191 tb/d, or about 8%, m-o-m, to an average of almost 2.2 mb/d in June. The m-o-m losses were led by naphtha and fuel oil. Y-o-y, total product exports declined 224 b/d, or 9%, with losses in gasoil, gasoline and fuel oil.

Commercial Stock Movements

Preliminary June 2024 data shows total OECD commercial oil stocks down by 14.1 mb, m-o-m. At 2,831 mb, they were 38.4 mb higher than the same time one year ago, 66.8 mb less than the latest five-year average, and 116.1 mb below the 2015–2019 average. Within the components, crude stocks fell by 17.3 mb, while product stocks rose by 3.1 mb, m-o-m.

OECD commercial crude stocks stood at 1,365 mb. This was 17.0 mb lower than the same time a year ago, 44.4 mb below the latest five-year average, and 101 mb less than the 2015–2019 average.

OECD total product stocks stood at 1,467 mb. This is 55.4 mb higher than the same time a year ago, but 22.3 mb lower than the latest five-year average, and 15.2 mb below the 2015–2019 average.

In terms of days of forward cover, OECD commercial stocks fell in June by 0.1 days, m-o-m, to stand at 61.2 days. This is 0.4 days higher than the level registered in June 2023, 2.8 days lower than the latest five-year average, and 0.6 days less than the 2015–2019 average.

OECD

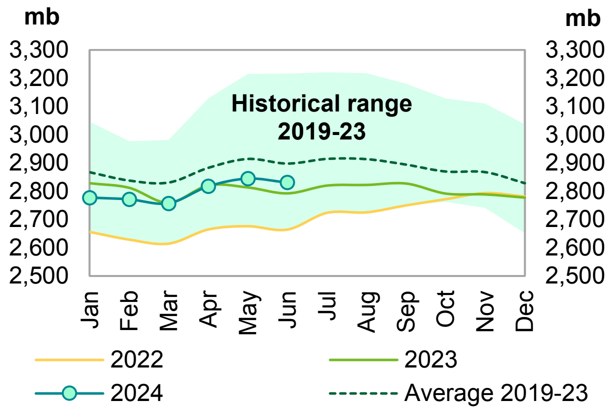
Preliminary June 2024 data shows total OECD commercial oil stocks down by 14.1 mb, m-o-m. At 2,831 mb, they were 38.4 mb higher than the same time one year ago, 66.8 mb less than the latest five-year average, and 116.1 mb below the 2015–2019 average.

Within the components, crude stocks fell by 17.3 mb, while product stocks rose by 3.1 mb, m-o-m.

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

OECD commercial crude stocks fell by 17.3 mb, m-o-m, ending June at 1,365 mb. This was 17.0 mb lower than the same time a year ago, 44.4 mb below the latest five-year average, and 101.0 mb less than the 2015–2019 average.

Graph 9 - 1: OECD commercial oil stocks



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

Within the OECD regions, OECD Americas and OECD Europe saw crude stock draws of 6.0 mb and 13.0 mb, m-o-m, respectively, while crude stocks in OECD Asia Pacific rose by 1.7 mb, m-o-m.

By contrast, OECD total product stocks rose by 3.1 mb, m-o-m, in June to stand at 1,467 mb. This is 55.4 mb higher than the same time a year ago, but 22.3 mb lower than the latest five-year average, and 15.2 mb below the 2015–2019 average.

Within the OECD regions, product stocks in OECD Asia Pacific witnessed a drop of 1.2 mb, m-o-m, while OECD Americas and OECD Europe product stocks rose by 2.3 mb and 2.0 mb, respectively.

Table 9 - 1: OECD commercial stocks, mb

OECD stocks	Jun 23	Apr 24	May 24	Jun 24	Change Jun 24/May 24
Crude oil	1,382	1,391	1,382	1,365	*-17.3*
Products	1,411	1,426	1,464	1,467	*3.1*
Total	**2,793**	**2,818**	**2,845**	**2,831**	***-14.1***
Days of forward cover	**60.8**	**61.1**	**61.3**	**61.2**	***-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 fell in June by 0.1 days, m-o-m, to stand at 61.2 days. This is 0.4 days higher than the level registered in June 2023, 2.8 days lower than the latest five-year average, and 0.6 days less than the 2015–2019 average.

Within the OECD regions, OECD Americas stood at 3.2 days and OECD Europe at 2.1 days below the latest five-year average, to stand at 60.5 days and 68.8 days, respectively. OECD Asia Pacific was 2.6 days less than the latest five-year average, to stand at 48.9 days.

OECD Americas

OECD Americas' total commercial stocks fell in June by 3.7 mb, m-o-m, to settle at 1,544 mb. This is 30.9 mb higher than the same month in 2023, but 12.1 mb below the latest five-year average.

Commercial crude oil stocks in OECD Americas fell in June by 6.0 mb, m-o-m, to stand at 775 mb, which is 9.7 mb higher than in June 2023, but 6.9 mb less than the latest five-year average.

In contrast, total product stocks in OECD Americas rose by 2.3 mb, m-o-m, in June to stand at 769 mb. This is 21.2 mb higher than the same month in 2023, but 5.2 mb below the latest five-year average. Lower consumption in the region was behind the product stock build.

OECD Europe

OECD Europe's total commercial stocks fell in June by 11.0 mb, m-o-m, to settle at 944 mb. This is 23.2 mb higher than the same month in 2023, but 32.7 mb below the latest five-year average.

OECD Europe's commercial crude stocks decreased by 13.0 mb, m-o-m, to end June at 415 mb. This is 10.1 mb less than one year ago and 18.3 mb lower than the latest five-year average.

By contrast, total product stocks rose by 2.0 mb, m-o-m, to end June at 530 mb. This is 33.3 mb higher than the same time a year ago, but 14.4 mb below the latest five-year average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks rose in June by 0.6 mb, m-o-m, to stand at 343 mb. This is 15.7 mb lower than the same time a year ago and 21.9 mb below the latest five-year average.

OECD Asia Pacific's crude stocks rose by 1.7 mb, m-o-m, to end June at 175 mb. This is 16.6 mb lower than one year ago, and 19.2 mb beneath the latest five-year average.

By contrast, OECD Asia Pacific's total product stocks fell by 1.2 mb, m-o-m, to end June at 168 mb. This is 0.9 mb higher than one year ago, but 2.7 mb below the latest five-year average.

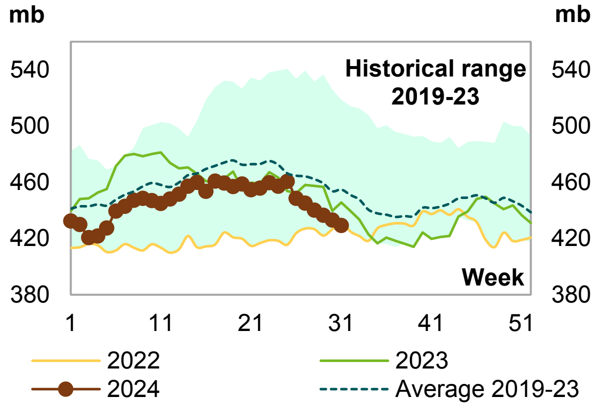
US

Preliminary data for July 2024 shows that total US commercial oil stocks rose by 6.0 mb, m-o-m, to stand at 1,289 mb. This is 17.6 mb, or 1.4%, higher than the same month in 2023, but 16.6 mb, or 1.3%, below the latest five-year average. Crude stocks fell by 15.5 mb, while product stocks rose by 21.4 mb, m-o-m.

US commercial crude stocks in July stood at 433.0 mb. This is 6.7 mb, or 1.5%, lower than the same month in 2023 and 19.8 mb, or 4.4%, below the latest five-year average. The monthly draw in crude oil stocks came despite lower crude runs, which decreased by 273 tb/d, m-o-m, to average 16.92 mb/d in July.

By contrast, total product stocks rose in July to stand at 856.0 mb. This is 24.3 mb, or 2.9%, higher than in July 2023 and 3.3 mb, or 0.4%, above 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.

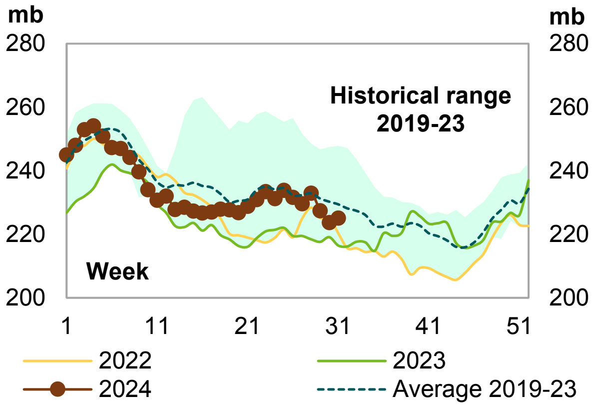
Graph 9 - 3: US weekly gasoline inventories

Gasoline stocks fell in July by 7.9 mb, m-o-m, to settle at 223.8 mb. This is 1.7 mb, or 0.8%, higher than the same month in 2023, but 9.0 mb, or 3.9%, below the latest five-year average.

Residual fuel oil stocks in July went down by 2.3 mb, m-o-m. At 25.9 mb, they were 2.7 mb, or 9.3%, less than a year earlier, and 4.9 mb, or 15.9%, below the latest five-year average.

By contrast, distillate stocks in July rose by 7.1 mb, m-o-m, to stand at 126.8 mb. This is 6.6 mb, or 5.5%, higher than the same month in 2023, but 11.4 mb, or 8.3%, below the latest five-year average.

Jet fuel stocks increased by 3.9 mb, m-o-m, ending July at 47.2 mb. This is 4.5 mb, or 10.5%, higher than the same month in 2023, and 4.8 mb, or 11.4%, above the latest five-year average.



Sources: EIA and OPEC.

Table 9 - 2: US commercial petroleum stocks, mb

US stocks	Jul 23	May 24	Jun 24	Jul 24	*Change* *Jul 24/Jun 24*
Crude oil	**439.8**	**454.5**	**448.5**	**433.0**	***-15.5***
Gasoline	222.1	230.5	231.7	223.8	*-7.9*
Distillate fuel	120.2	120.3	119.7	126.8	*7.1*
Residual fuel oil	28.5	29.0	28.2	25.9	*-2.3*
Jet fuel	42.7	42.3	43.3	47.2	*3.9*
Total products	**831.6**	**818.2**	**834.5**	**856.0**	***21.4***
Total	**1,271.4**	**1,272.7**	**1,283.1**	**1,289.0**	***6.0***
SPR	**347.5**	**370.2**	**372.6**	**375.1**	***2.5***

Sources: EIA and OPEC.

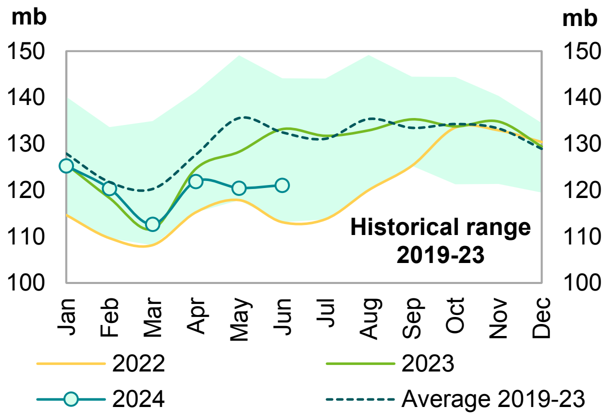
Japan

In Japan, total commercial oil stocks in June 2024 rose by 0.6 mb, m-o-m, to settle at 121.1 mb. This is 12.2 mb, or 9.1%, lower than the same month in 2023 and 11.4 mb, or 8.6%, below the latest five-year average. Crude stocks rose by 1.7 mb, m-o-m, while product stocks fell by 1.2 mb, m-o-m.

Japanese commercial crude oil stocks rose in June by 1.7 mb, m-o-m, to stand at 63.3 mb. This is 14.5 mb, or 18.6%, lower than the same month in 2023 and 11.5 mb, or 15.3%, below the latest five-year average. The draw in crude stocks came on the back of lower crude imports, which decreased in June by around 30 tb/d, or 1.4%, m-o-m, to average 2.1 mb/d.

Gasoline stocks fell 0.9 mb, m-o-m, to stand at 10.8 mb in June. This is 0.5 mb, or 5.2%, higher than a year earlier and 0.4 mb, or 3.3%, below the latest five-year average. The draw in gasoline stocks came on the back of higher gasoline domestic sales, which rose by 0.2%, m-o-m, in June.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

By contrast, distillate stocks rose by 0.5 mb, m-o-m, to end June at 25.8 mb. This is 2.6 mb, or 11.3%, higher than the same month in 2023 and 1.1 mb, or 4.3%, above the latest five-year average. Within the distillate components, jet fuel stocks fell by 7.7%, while gasoil and kerosene stocks rose by 2.7% and 6.1%, m-o-m, respectively.

Total residual fuel oil stocks rose, m-o-m, by 0.1 mb to end June at 12.7 mb. This is 0.1 mb, or 0.4%, higher than the same month in 2023 and 0.5 mb, or 4.5 %, above the latest five-year average. Within the components, fuel oil A stocks rose by 2.1%, m-o-m, while fuel oil BC stocks fell by 0.5%, m-o-m.

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

Japan's stocks	Jun 23	Apr 24	May 24	Jun 24	Change Jun 24/May 24
Crude oil	**77.8**	**67.7**	**61.5**	**63.3**	***1.7***
Gasoline	10.2	10.5	11.7	10.8	*-0.9*
Naphtha	9.4	9.2	9.3	8.5	*-0.8*
Middle distillates	23.2	21.7	25.3	25.8	*0.5*
Residual fuel oil	12.7	12.8	12.6	12.7	*0.1*
Total products	**55.5**	**54.2**	**58.9**	**57.8**	***-1.2***
Total**	**133.2**	**121.9**	**120.5**	**121.1**	***0.6***

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

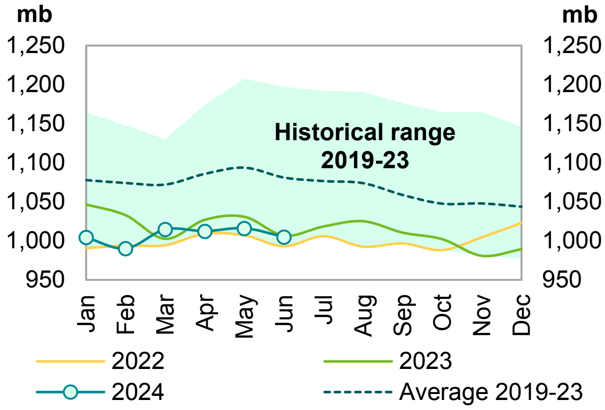
Sources: METI and OPEC.

EU-14 plus UK and Norway

Preliminary data for June 2024 showed that total European oil stocks fell by 11.0 mb, m-o-m, to stand at 1,005 mb. At this level, they were 1.7 mb, or 0.2%, below the same month in 2023 and 76.0 mb, or 7.0%, less than the latest five-year average. Crude stocks fell by 13.0 mb, m-o-m, while product stocks rose by 2.0 mb, m-o-m.

European crude stocks stood at 419 mb in June. This is 18.0 mb, or 4.1%, lower than the same month in 2023 and 47.5 mb, or 10.2% less than the latest five-year average. The draw in crude oil stocks came on the back of higher refinery throughput in the EU-14, plus the UK and Norway, which increased by 201 tb/d, or 2.2%, m-o-m, to stand at 9.48 mb/d.

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



Sources: Argus, Euroilstock and OPEC.

By contrast, total European product stocks rose by 2.0 mb, m-o-m, to end June at 586 mb. This is 16.3 mb, or 2.9%, higher than the same month in 2023, but 28.5 mb, or 4.6%, below the latest five-year average. The stock build can be attributed to lower demand in the region.

Gasoline stocks remained unchanged in June, m-o-m, to stand at 110 mb, which is 9.0 mb, or 8.9%, higher than the same time in 2023, and 0.9 mb, or 0.8%, higher than the latest five-year average.

Middle distillate stocks rose in June by 2.0 mb, m-o-m, to stand at 389 mb. This is 7.0 mb, or 1.8%, higher than the same month in 2023, but 23.2 mb, or 5.6%, lower than the latest five-year average.

Naphtha stocks also rose in June by 1.0 mb, m-o-m, ending the month at 29 mb. This is 1.3 mb, or 4.6%, higher than the same month in 2023, but 0.6 mb, or 1.9%, lower than the latest five-year average.

By contrast, residual fuel stocks were down in June by 1.0 mb, m-o-m, to stand at 58 mb. This is 1.0 mb, or 1.7%, lower than the same month in 2023 and 5.6 mb, or 8.8%, below the latest five-year average.

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

EU stocks	Jun 23	Apr 24	May 24	Jun 24	Change Jun 24/May 24
Crude oil	**437.0**	**421.8**	**432.0**	**419.0**	***-13.0***
Gasoline	101.0	111.6	110.0	110.0	*0.0*
Naphtha	27.7	25.8	28.0	29.0	*1.0*
Middle distillates	382.0	393.2	387.0	389.0	*2.0*
Fuel oils	59.0	60.0	59.0	58.0	*-1.0*
Total products	**569.7**	**590.5**	**584.0**	**586.0**	***2.0***
Total	**1,006.7**	**1,012.3**	**1,016.0**	**1,005.0**	***-11.0***

Sources: Argus, Euroilstock and OPEC.

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

Singapore

In June, total product stocks in Singapore fell by 0.2 mb, m-o-m, to stand at 43.3 mb. This is 0.8 mb, or 2.0%, higher than the same month in 2023, but 3.7 mb, or 7.8%, less than the latest five-year average.

Middle distillate stocks decreased in June by 2.2 mb, m-o-m, to stand at 8.6 mb. This is 0.7 mb, or 9.2%, higher than in June 2023, but 2.2 mb, or 20.3%, less than the latest five-year average.

By contrast, light distillate stocks rose in June by 0.1 mb, m-o-m, to stand at 15.2 mb. This is 1.0 mb or 6.8 mb higher than the same month in 2023, and 1.3 mb, or 9.7%, above the latest five-year average.

Residual fuel oil stocks went up by 1.9 mb, m-o-m, ending June at 19.5 mb. This is 0.9 mb, or 4.3%, lower than in June 2023, and 2.8 mb, or 12.7%, below the latest five-year average.

ARA

Total product stocks in ARA in June rose by 1.2 mb, m-o-m. At 47.2 mb, they were 3.5 mb, or 8.1%, above the same month in 2023 and 1.3 mb, or 2.7%, higher than the latest five-year average.

Gasoline stocks rose by 1.2 mb, m-o-m, ending June at 9.5 mb. This is 2.0 mb, or 17.0%, lower than in June 2023 and 0.8 mb, or 7.8%, below the latest five-year average.

Jet oil stocks increased by 0.7 mb, m-o-m, to stand at 7.6 mb in June. This is 1.6 mb, or 27.3%, higher than the level seen in June 2023 and 0.6 mb, or 9.3%, higher than the latest five-year average.

By contrast, gasoil stocks in June fell by 0.3 mb, m-o-m, to stand at 16.3 mb. This is 1.4 mb, or 9.7%, higher than the same month in 2023, but 0.6 mb, or 3.6%, lower than the latest five-year average.

Fuel oil stocks decreased in June by 0.5 mb, m-o-m, to stand at 9.6 mb. This is 0.4 mb, or 4.1%, higher than in June 2023, but 0.7 mb, or 7.8%, less than the latest five-year average.

Fujairah

During the week ending 29 July 2024, total oil product stocks in Fujairah fell by 0.58 mb, w-o-w, to stand at 17.79 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 1.94 mb lower than at the same time a year ago.

Light distillate stocks fell by 0.02 mb, w-o-w, to stand at 6.22 mb, which is 1.37 mb lower than a year ago.

Middle distillate stocks decreased by 0.84 mb, w-o-w, to stand at 1.87 mb, which is 0.78 mb less than the same time last year.

By contrast, heavy distillate stocks rose by 0.29 mb, w-o-w, to stand at 9.70 mb, which is 0.21 mb higher than 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 revised down by 0.1 mb/d from the previous assessment to stand at 43.0 mb/d in 2024. This is around 0.8 mb/d higher than the estimate for 2023.

Demand for DoC crude in 2025 is revised down by 0.2 mb/d from the previous assessment to stand at 43.6 mb/d. This is around 0.6 mb/d higher than the estimate for 2024.

Balance of supply and demand in 2024

Demand for DoC crude

Demand for DoC crude (i.e. crude from countries participating in the Declaration of Cooperation) is revised down by 0.1 mb/d from the previous assessment to stand at 43.0 mb/d in 2024. This is around 0.8 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**	**103.1**	**103.7**	**104.8**	**105.6**	**104.3**	***2.1***
Non-DoC liquids production	51.8	52.6	53.0	52.9	53.4	53.0	*1.2*
DoC NGL and non-conventionals	8.2	8.4	8.3	8.3	8.3	8.3	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**60.0**	**61.0**	**61.3**	**61.2**	**61.7**	**61.3**	***1.3***
Difference (a-b)	**42.2**	**42.1**	**42.4**	**43.6**	**43.8**	**43.0**	***0.8***
DoC crude oil production	**42.0**	**41.2**	**40.9**				
Balance	**-0.2**	**-0.9**	**-1.5**				

*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 is revised down by 0.2 mb/d from the previous assessment to stand at 43.6 mb/d. This is around 0.6 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	**104.3**	**104.9**	**105.4**	**106.8**	**107.3**	**106.1**	***1.8***
Non-DoC liquids production	53.0	53.9	53.8	54.1	54.6	54.1	*1.1*
DoC NGL and non-conventionals	8.3	8.4	8.4	8.3	8.4	8.4	*0.0*
(b) Total non-DoC liquids production and DoC NGLs	**61.3**	**62.3**	**62.3**	**62.4**	**63.0**	**62.5**	***1.1***
Difference (a-b)	**43.0**	**42.6**	**43.1**	**44.5**	**44.3**	**43.6**	***0.6***

*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	24.7	25.0	24.5	25.3	25.5	25.4	25.2	24.5	25.4	25.6	25.4	25.2
of which US	*19.8*	*20.2*	*20.4*	*19.9*	*20.7*	*20.7*	*20.8*	*20.5*	*20.0*	*20.7*	*20.7*	*20.9*	*20.6*
Europe	13.1	13.6	13.4	12.9	13.6	13.7	13.4	13.4	13.0	13.6	13.8	13.4	13.4
Asia Pacific	7.3	7.3	7.2	7.6	6.9	7.0	7.4	7.2	7.6	6.9	7.0	7.4	7.2
Total OECD	**44.4**	**45.6**	**45.7**	**45.0**	**45.8**	**46.3**	**46.2**	**45.8**	**45.1**	**45.9**	**46.4**	**46.3**	**45.9**
China	15.5	15.0	16.4	16.7	16.9	17.3	17.4	17.1	17.1	17.3	17.7	17.8	17.5
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	6.7	6.9	7.0	6.9	6.8	6.9	7.1	7.2	7.1	7.0
Middle East	7.8	8.3	8.6	8.7	8.5	9.2	9.0	8.9	9.0	8.8	9.6	9.3	9.2
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	4.0	3.8	4.0	4.1	4.0	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	1.4	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	**52.8**	**54.1**	**56.6**	**58.2**	**57.9**	**58.6**	**59.4**	**58.5**	**59.8**	**59.5**	**60.4**	**61.0**	**60.2**
(a) Total world demand	**97.2**	**99.7**	**102.2**	**103.1**	**103.7**	**104.8**	**105.6**	**104.3**	**104.9**	**105.4**	**106.8**	**107.3**	**106.1**
Y-o-y change	*5.9*	*2.5*	*2.6*	*2.0*	*1.9*	*2.5*	*2.1*	*2.1*	*1.8*	*1.7*	*2.0*	*1.7*	*1.8*
Non-DoC liquids production													
Americas	23.5	25.0	26.6	26.9	27.5	27.3	27.6	27.3	27.8	27.8	28.0	28.4	28.0
of which US	*18.1*	*19.4*	*20.9*	*21.0*	*21.7*	*21.4*	*21.5*	*21.4*	*21.6*	*21.9*	*22.0*	*22.1*	*21.9*
Europe	3.8	3.6	3.7	3.7	3.6	3.7	3.8	3.7	3.9	3.7	3.7	3.8	3.8
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**	**29.1**	**30.7**	**31.0**	**31.5**	**31.4**	**31.8**	**31.5**	**32.1**	**32.0**	**32.2**	**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	4.6
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	1.6	1.6	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	2.2	2.2	2.3	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	**17.6**	**18.0**	**18.6**	**19.0**	**19.0**	**19.0**	**19.1**	**19.0**	**19.3**	**19.3**	**19.3**	**19.4**	**19.3**
Total Non-DoC production	45.4	47.0	49.3	50.1	50.5	50.4	50.9	50.5	51.3	51.3	51.5	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**	**49.4**	**51.8**	**52.6**	**53.0**	**52.9**	**53.4**	**53.0**	**53.9**	**53.8**	**54.1**	**54.6**	**54.1**
DoC NGLs	7.6	8.0	8.2	8.4	8.3	8.3	8.3	8.3	8.4	8.4	8.3	8.4	8.4
(b) Total Non-DoC liquids production and DoC NGLs	**55.3**	**57.4**	**60.0**	**61.0**	**61.3**	**61.2**	**61.7**	**61.3**	**62.3**	**62.3**	**62.4**	**63.0**	**62.5**
Y-o-y change	*0.6*	*2.1*	*2.6*	*1.9*	*2.0*	*1.1*	*0.4*	*1.3*	*1.3*	*0.9*	*1.1*	*1.2*	*1.1*
OPEC crude oil production (secondary sources)	25.2	27.7	27.0	26.6	26.6								
Non-OPEC DoC crude production	15.0	15.1	15.0	14.7	14.3								
DoC crude oil production	**40.3**	**42.8**	**42.0**	**41.2**	**40.9**								
Total liquids production	**95.6**	**100.2**	**102.0**	**102.2**	**102.2**								
Balance (stock change and miscellaneous)	*-1.6*	*0.6*	*-0.2*	*-0.9*	*-1.5*								
OECD closing stock levels, *mb*													
Commercial	2,652	2,781	2,778	2,757	2,831								
SPR	1,484	1,214	1,207	1,219	1,227								
Total	**4,136**	**3,995**	**3,984**	**3,976**	**4,059**								
Oil-on-water	1,348	1,546	1,438	1,460	1,396								
Days of forward consumption in OECD, *days*													
Commercial onland stocks	58	61	61	60	61								
SPR	33	27	26	27	27								
Total	**91**	**88**	**87**	**87**	**88**								
Memo items													
(a) - (b)	**41.9**	**42.3**	**42.2**	**42.1**	**42.4**	**43.6**	**43.8**	**43.0**	**42.6**	**43.1**	**44.5**	**44.3**	**43.6**

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
Total OECD	**-**	**-**	**-**	**-0.1**	**-**	**-**	**-**	**0.0**	**-0.1**	**-**	**-**	**-**	**0.0**
China	-	-	-	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
India	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	0.0	-	-	-	-	0.0	-	-	-	-
Latin America	-	-	-	-0.1	0.0	-	-	0.0	-0.1	0.0	-	-	0.0
Middle East	-	-	-	-0.1	0.0	-	-	0.0	-0.1	-0.1	-0.1	-0.1	-0.1
Africa	-	-	-	0.0	-	-	-	0.0	0.0	-	-	-	0.0
Russia	-	-	-	0.0	-	-	-	0.0	0.0	-	-	-	0.0
Other Eurasia	-	-	-	0.0	-	-	-	-	0.0	-	-	-	-
Other Europe	-	-	-	0.0	-	-	-	0.0	0.0	-	-	-	0.0
Total Non-OECD	**-**	**-**	**-**	**-0.3**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.3**	**-0.2**	**-0.1**	**-0.1**	**-0.2**
(a) Total world demand	**-**	**-**	**-**	**-0.4**	**-0.1**	**-0.1**	**-0.1**	**-0.1**	**-0.4**	**-0.2**	**-0.1**	**-0.1**	**-0.2**
Y-o-y change	***-***	***-***	***-***	***-0.4***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***	***-0.1***
Non-DoC liquids production													
Americas	-	0.1	0.0	-	0.1	0.0	0.0	-	-0.2	0.1	0.1	0.0	-
of which US	*-*	*0.1*	*0.0*	*-*	*0.1*	*0.0*	*0.0*	*0.0*	*-0.2*	*0.1*	*0.1*	*0.0*	*0.0*
Europe	-	0.0	-	-	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0
Asia Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	**-**	**0.1**	**0.0**	**-**	**0.0**	**0.0**	**0.0**	**0.0**	**-0.2**	**0.1**	**0.1**	**-**	**0.0**
China	-	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	0.0	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	0.0	0.0	0.0	-	-	-	-	-	-
Other Eurasia	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**0.0**	**0.0**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**0.1**	**0.1**	**0.0**	**0.0**	**0.0**
Total Non-DoC production	-	0.1	0.0	0.0	0.1	0.0	0.0	0.0	-0.1	0.1	0.1	0.0	0.0
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-DoC liquids production	**-**	**0.1**	**0.0**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**-0.1**	**0.1**	**0.1**	**0.0**	**0.0**
DoC NGLs	-	-	-	-	0.0	0.0	-	0.0	-	-	-	-	-
(b) Total Non-DoC liquids production and DoC NGLs	**-**	**0.1**	**0.0**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**-0.1**	**0.1**	**0.1**	**0.0**	**0.0**
Y-o-y change	***-***	***0.1***	***-0.1***	***-0.1***	***0.0***	***0.0***	***0.0***	***0.0***	***-0.1***	***0.1***	***0.1***	***-***	***0.0***
OPEC crude oil production (secondary sources)	-	-	-	-	-								
Non-OPEC DoC crude production	-	-	-	-	-								
DoC crude oil production	**-**	**-**	**-**	**-**	**-**								
Total liquids production	**-**	**0.1**	**-**	**-**	**0.1**								
Balance (stock change and miscellaneous)	*-*	*0.1*	*-*	*0.4*	*0.2*								
OECD closing stock levels, *mb*													
Commercial	-	-	-	1									
SPR	-	-	-	-									
Total	**-**	**-**	**-**	**1**									
Oil-on-water	-	-	-	-1									
Days of forward consumption in OECD, *days*													
Commercial onland stocks	-	-	-	-									
SPR	-	-	-	-									
Total	**-**	**-**	**-**	**-**									
Memo items													
(a) - (b)	**0.0**	**-0.1**	**0.0**	**-0.4**	**-0.1**	**0.0**	**-0.1**	**-0.1**	**-0.3**	**-0.3**	**-0.2**	**-0.1**	**-0.2**

*Note: * This compares Table 11 - 1 in this issue of the MOMR with Table 11 - 1 in the July 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	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Closing stock levels, mb											
OECD onland commercial	**2,652**	**2,781**	**2,778**	**2,750**	**2,781**	**2,759**	**2,793**	**2,828**	**2,778**	**2,757**	**2,831**
Americas	1,470	1,492	1,518	1,473	1,492	1,489	1,513	1,539	1,518	1,489	1,544
Europe	857	936	906	918	936	920	921	924	906	934	944
Asia Pacific	325	353	353	359	353	351	359	365	353	334	343
OECD SPR	**1,484**	**1,214**	**1,207**	**1,246**	**1,214**	**1,217**	**1,206**	**1,209**	**1,207**	**1,219**	**1,227**
Americas	596	374	357	418	374	373	349	353	357	366	375
Europe	479	461	466	448	461	460	470	471	466	470	468
Asia Pacific	409	378	384	380	378	383	387	384	384	383	385
OECD total	**4,136**	**3,995**	**3,984**	**3,996**	**3,995**	**3,976**	**3,999**	**4,037**	**3,984**	**3,976**	**4,059**
Oil-on-water	**1,348**	**1,546**	**1,438**	**1,554**	**1,546**	**1,560**	**1,449**	**1,367**	**1,438**	**1,460**	**1,396**
Days of forward consumption in OECD, days											
OECD onland commercial	**58**	**61**	**61**	**60**	**62**	**61**	**61**	**62**	**62**	**60**	**61**
Americas	59	60	60	60	62	59	60	61	62	59	61
Europe	63	70	68	69	71	68	67	69	70	69	69
Asia Pacific	44	49	49	48	46	51	51	49	47	48	49
OECD SPR	**33**	**27**	**26**	**27**	**27**	**27**	**26**	**26**	**27**	**27**	**27**
Americas	24	15	14	17	15	15	14	14	15	14	15
Europe	35	34	35	33	35	34	34	35	36	35	34
Asia Pacific	56	52	53	50	49	56	55	52	51	55	55
OECD total	**93**	**96**	**95**	**88**	**89**	**87**	**87**	**88**	**89**	**87**	**88**

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	1.5	21.0	21.7	21.4	21.5	21.4	0.5	21.6	21.9	22.0	22.1	21.9	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	6.2	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	1.6	26.9	27.5	27.3	27.6	27.3	0.7	27.8	27.8	28.0	28.4	28.0	0.7
Norway	2.0	0.1	2.1	2.0	2.0	2.1	2.0	0.0	2.2	2.1	2.1	2.2	2.1	0.1
UK	0.8	-0.1	0.8	0.7	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 Europe	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	3.6	3.7	3.8	3.7	0.0	3.9	3.7	3.7	3.8	3.8	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 OECD 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	1.6	31.0	31.5	31.4	31.8	31.5	0.8	32.1	32.0	32.2	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	4.6	0.0
India	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0
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	1.6	1.6	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	0.1	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 others	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	2.2	2.2	2.3	2.3	2.3	0.0	2.3	2.3	2.3	2.3	2.3	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	19.0	19.0	19.1	19.0	0.4	19.3	19.3	19.3	19.4	19.3	0.3
Non-DoC production	49.3	2.3	50.1	50.5	50.4	50.9	50.5	1.2	51.3	51.3	51.5	52.0	51.5	1.0
Processing gains	2.5	0.1	2.5	2.5	2.5	2.5	2.5	0.0	2.6	2.6	2.6	2.6	2.6	0.1
Non-DoC liquids production	51.8	2.4	52.6	53.0	52.9	53.4	53.0	1.2	53.9	53.8	54.1	54.6	54.1	1.1
DoC NGLs	8.2	0.3	8.4	8.3	8.3	8.3	8.3	0.1	8.4	8.4	8.3	8.4	8.4	0.0
Non-DoC liquids production and DoC NGLs	60.0	2.6	61.0	61.3	61.2	61.7	61.3	1.3	62.3	62.3	62.4	63.0	62.5	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	4Q23	1Q24	2Q24	Jun 24	Jul 24	Change Jul/Jun
US	475	722	688	*-34*	622	623	603	589	586	*-3*
Canada	133	174	177	*3*	180	210	138	162	193	*31*
Mexico	45	47	55	*8*	59	58	50	49	50	*1*
OECD Americas	**654**	**945**	**921**	***-24***	**861**	**893**	**792**	**802**	**831**	***29***
Norway	17	17	17	*0*	18	14	15	13	12	*-1*
UK	8	10	12	*2*	12	8	8	8	7	*-1*
OECD Europe	**58**	**65**	**66**	***1***	**66**	**63**	**66**	**64**	**63**	***-1***
OECD Asia Pacific	**23**	**24**	**25**	***1***	**23**	**24**	**25**	**25**	**26**	***1***
Total OECD	**735**	**1,034**	**1,012**	***-22***	**950**	**979**	**882**	**891**	**920**	***29***
Other Asia*	174	186	204	*18*	206	210	221	219	196	*-23*
Latin America	91	119	120	*1*	113	105	107	107	100	*-7*
Middle East	57	62	61	*-1*	62	63	62	61	65	*4*
Africa	46	64	67	*3*	68	63	52	47	47	*0*
Other Europe	9	10	11	*1*	10	9	9	9	9	*0*
Total Non-OECD	**377**	**441**	**463**	***22***	**459**	**450**	**450**	**443**	**417**	***-26***
Non-OPEC rig count	**1,112**	**1,475**	**1,475**	***0***	**1,409**	**1,430**	**1,332**	**1,334**	**1,337**	***3***
Algeria	26	32	36	*4*	43	41	43	43	45	*2*
Congo	0	1	1	*0*	0	2	1	1	1	*0*
Equatorial Guinea**	0	0	0	*0*	0	0	0	0	0	*0*
Gabon	2	3	3	*0*	3	3	4	4	5	*1*
Iran**	117	117	117	*0*	117	117	117	117	117	*0*
Iraq	39	51	61	*10*	62	62	62	62	62	*0*
Kuwait	25	27	24	*-3*	24	27	30	32	36	*4*
Libya	13	7	14	*7*	17	20	18	18	18	*0*
Nigeria	7	10	14	*4*	14	17	17	15	14	*-1*
Saudi Arabia	62	73	83	*10*	84	87	84	85	79	*-6*
UAE	42	47	57	*10*	62	62	63	65	68	*3*
Venezuela	6	3	2	*-1*	2	2	3	3	2	*-1*
OPEC rig count	**339**	**371**	**412**	***41***	**428**	**439**	**442**	**445**	**447**	***2***
World rig count***	**1,451**	**1,846**	**1,887**	***41***	**1,837**	**1,869**	**1,774**	**1,779**	**1,784**	***5***
of which:										
Oil	1,143	1,463	1,498	*35*	1,464	1,479	1,420	1,435	1,421	*-14*
Gas	275	352	357	*5*	333	345	312	300	316	*16*
Others	33	31	32	*1*	41	45	42	44	47	*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
PPP	purchasing power parity

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

OPEC Basket average price

US$/b

Up 1.21 in July

July 2024	84.43
June 2024	83.22
Year-to-date	**83.71**

July OPEC crude production

mb/d, according to secondary sources

Up 0.18 in July

July 2024	26.75
June 2024	26.56

July Non-OPEC DoC crude production

mb/d, according to secondary sources

Down 0.07 in July

July 2024	14.16
June 2024	14.23

Economic growth rate

per cent

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2024	2.9	2.4	0.7	0.2	4.9	6.6	1.8	3.1
2025	2.9	1.9	1.2	0.9	4.6	6.3	1.9	1.5

Supply and demand

mb/d

2024		**24/23**	**2025**		**25/24**
World demand	104.3	2.1	World demand	106.1	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	8.4	0.0
Difference	**43.0**	**0.8**	**Difference**	**43.6**	**0.6**

OECD commercial stocks

mb

	Apr 24	May 24	Jun 24	Jun 24/May 24
Crude oil	1,391	1,382	1,365	–17.3
Products	1,426	1,464	1,467	3.1
Total	**2,818**	**2,845**	**2,831**	**–14.1**
Days of forward cover	61.1	61.3	61.2	–0.1

Next report to be issued on 10 September 2024.