Organization of the Petroleum Exporting Countries

OPEC Monthly Oil Market Report

10 September 2024

Feature article:
Review of world economic developments

Organization of the Petroleum Exporting Countries

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Oil Market Highlights

Crude Oil Price Movements

In August, the OPEC Reference Basket (ORB) value fell by $6.02, or 7.1%, m-o-m, to average $78.41/b. The ICE Brent front-month contract dropped by $5.00, or 6.0%, m-o-m, to stand at $78.88/b. The NYMEX WTI front-month contract dropped by $5.05, or 6.3%, to average $75.43/b. The DME Oman front-month contract dropped by $5.83, or 7.0%, to settle at $77.54/b. The front-month ICE Brent/NYMEX WTI spread widened by 5¢, m-o-m, to stand at $3.45/b. The forward curves of oil futures prices flattened slightly, but all major crude benchmarks remained in backwardation. Money managers closed long positions and raised short positions, particularly in the ICE Brent market.

World Economy

The world economic growth forecast in 2024 is revised up slightly to 3%, while the forecast for 2025 remains at 2.9%, unchanged from last month's assessment. The US economic growth forecasts for 2024 and 2025 remain at 2.4% and 1.9%, respectively. Japan's economic growth forecasts for 2024 and 2025 remain at 0.2% and 0.9%, respectively. For the Eurozone, the economic growth forecast for 2024 is revised up slightly to 0.8%, while the 2025 forecast remains at 1.2%. China's economic growth forecasts remain at 4.9% for 2024 and 4.6% for 2025. India's economic growth forecast for 2024 is revised up to 6.8% due to robust growth in 1H24, while the 2025 forecast remains at 6.3%. The economic growth forecast for Brazil is revised up to 2.2% for 2024 and remains at 1.9% for 2025. Russia's economic growth forecast is revised up slightly to 3.2% in 2024 and remains at 1.5% in 2025.

World Oil Demand

The world oil demand growth forecast for 2024 is revised down slightly to about 2.0 mb/d, which is still well above the historical average of 1.4 mb/d seen prior to the COVID-19 pandemic. This minor adjustment of 80 tb/d reflects mainly actual data received year-to-date. OECD oil demand is expected to grow by around 0.1 mb/d in 2024, with OECD Americas accounting for the entire growth. Non-OECD oil demand is expected to grow by around 1.9 mb/d. The forecast for world oil demand growth in 2025 is also slightly revised down by a mere 40 tb/d to stand at 1.7 mb/d. Non-OECD demand is set to drive next year's growth, increasing by about 1.6 mb/d, led by contributions from China, the Middle East, Other Asia, and India. OECD demand is forecast to expand by about 0.1 mb/d, with OECD Americas contributing the most.

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, unchanged from last 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 countries participating in the DoC is forecast to grow by about 0.1 mb/d to average 8.3 mb/d in 2024, followed by an increase of about 60 tb/d to reach 8.4 mb/d in 2025. Crude oil production by the countries participating in the DoC decreased by 304 tb/d in August compared with the previous month, averaging about 40.66 mb/d, as reported by available secondary sources.

Product Markets and Refining Operations

Refinery margins in August declined across all regions. In the USGC, gasoline inventories fell to a ten-month low, but jet/kerosene stocks continued to build despite reaching multi-year record highs at the end of July. In Northwest Europe, low gasoline exports and a poor crack spread for high sulphur fuel oil (HSFO) further weighed on product markets. In Singapore, all products except for naphtha experienced a m-o-m decline in crack spreads. In Asia, product oversupply and challenging inter-regional export opportunities, particularly for gasoil, weighed on refining economics. The robust naphtha performance, following the end of cracker maintenance in the region, likely prevented steeper losses in the Southeast Asian refining margins. Global refinery intake continued its upward trajectory in August, increasing by 724 tb/d, m-o-m, to average of 83.1 mb/d. Going forward, run rates are expected to start to subside, particularly in the Atlantic Basin, as refiners enter the refinery maintenance season, which should support refining margins.

Tanker Market

Dirty spot freight rates for VLCCs showed mixed movements in August, while rates for Suezmax and Aframax experienced declines on all monitored routes. Seasonally softer demand resulted in a general downward drift in rates. The VLCC spot freight rates enjoyed some strength early in the month before moving lower by the end of August, although movements varied according to the region. On the Middle East-to-East route, spot freight rates were unchanged, m-o-m, while rates on the Middle East-to-West route fell by 3% and spot rates on the West Africa-to-Europe route rose by 2%, m-o-m. In the Suezmax market, spot rates experienced a m-o-m decline on all monitored routes, despite a pickup in rates toward the end of the month, as market fundamentals improved. The US Gulf Coast-to-Europe route led declines, falling by 23%, m-o-m. Aframax rates on the Indonesia-to-East route declined by 10%, m-o-m, while the rates on the cross-Med route declined by 11%, impacted at the end of the month by reduced tanker demand from North Africa. The clean market was weighed down by softer seasonal activity. Clean spot freight rates showed further m-o-m declines, falling by 33% East of Suez and by 24% West of Suez.

Crude and Refined Product Trade

Preliminary estimates for August based on weekly data show US crude exports falling below 4 mb/d, averaging 3.8 mb/d. US product exports, however, stood at an eight-month high of 6.9 mb/d, amid a recovery of exports to Asia and continued healthy flows to Europe. Preliminary estimates showed OECD Europe crude imports declining in August, amid lower flows from Central Asia, while product imports picked up, amid increased flows from the US. Japan's crude imports fell further in July, averaging 2.0 mb/d. Japan’s product imports edged up 4% m-o-m, driven by higher inflows of gasoline. China’s crude imports in July averaged just under 10 mb/d, partly reflecting seasonal trends. Product imports into China edged up by 2%, supported by higher inflows of naphtha. China’s product outflows fell by 9% m-o-m, weighed down by declines in diesel, gasoline, and fuel oil, although jet fuel exports were higher. India’s crude imports were broadly unchanged in July, averaging 4.6 mb/d, in line with seasonal trends. India’s product imports jumped by 19% m-o-m, with gains across all main products, led by higher inflows of LPG.

Commercial Stock Movements

Preliminary July 2024 data for total OECD commercial oil stocks shows a draw of 11.7 mb, m-o-m, to stand at 2,815 mb. This is about 154 mb below the 2015–2019 average. Within components, crude and product stocks fell by 5.1 mb and 6.6 mb, respectively. OECD commercial crude stocks stood at 1,350 mb in July. This is 112 mb less than the 2015–2019 average. OECD total product stocks stood at 1,466 mb in July. This is 42 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 61.1 days in July. This is 1.4 days lower 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 42.8 mb/d in 2024, which is around 0.7 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 43.4 mb/d, around 0.6 mb/d higher than the estimate for 2024.

Feature Article

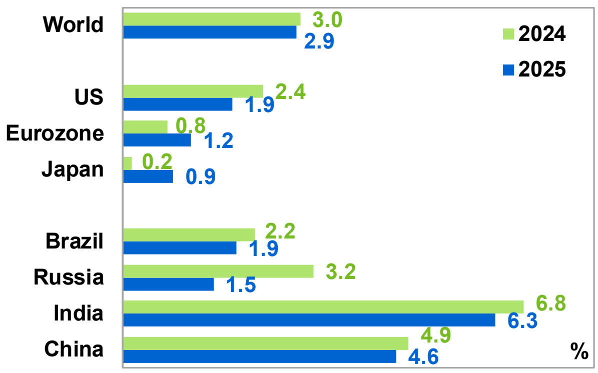
Review of world economic developments

Global economic growth in 1H24 proved to be resilient, and this stable growth pattern extended into 3Q24, bolstered by strong consumer spending, particularly in the services sector. This positive trend has persisted despite ongoing uncertainties over interest rates, trade negotiations, and geopolitical developments. As a result, global economic growth is expected at a healthy 3.0% for 2024, followed by 2.9% for 2025 (***Graph 1***).

Although some downside risks exist, the momentum in non-OECD economies observed since early 2024, coupled with a rebound in OECD countries, could provide additional upside for global economic growth and carry over into 2025. Moreover, major central banks are expected to shift towards more accommodative monetary policies by the end of 2024 and throughout 2025, particularly in the US, the Eurozone, and the UK, which will render further support to near-term global growth.

Indeed, the trajectory of monetary policies will depend on inflationary developments and potential shifts in the focus of central banks towards supporting economic growth, particularly in advanced economies.

Graph 1: GDP growth forecast for 2024 and 2025*



*Note: * 2024-25 = Forecast. Source: OPEC.*

Within the OECD, steady 1H24 momentum in US private household consumption is expected to sustain stable near-term growth projections. In Japan, despite some weakness in 1Q24, a strong rebound in 2Q24 and anticipated continued improvements in domestic demand and external trade are set to support growth for the remainder of 2024 and into 2025. In the Eurozone, after slightly better-than-expected growth in 1H24, a continued expansionary momentum is forecast for 2H24 and 2025.

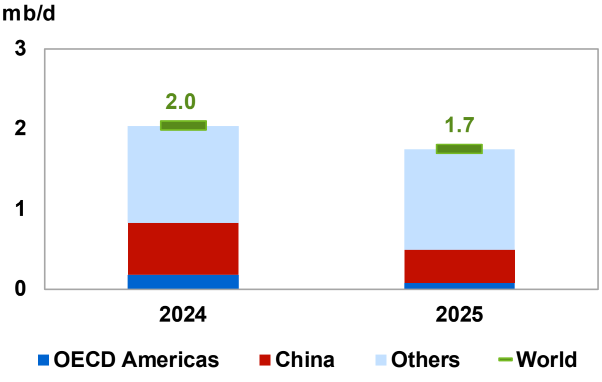
In the non-OECD, as inflation falls in India and the agricultural sector recovers from last year's weak monsoon season, strong growth continues, though at a slower pace compared to 1Q24. China's export and manufacturing sectors remain resilient, despite ongoing property market challenges. Meanwhile, Brazil and Russia show further upside potential, though tight monetary policies may constrain growth dynamics.

Looking ahead, a key factor influencing the global economic trajectory, will be the balance between the contributions from the industrial and services sectors. Thus far in 2024, the typically robust industrial sector in advanced economies has lagged behind global growth momentum. With the significant contribution from the services sector expected to slightly retract towards the end of the year and into 2025, the industrial sector is expected to close the output gap, resulting in a stable growth into 2025.

In light of this economic growth trend, oil demand in 2024 is forecast to grow by a healthy 2.0 mb/d, y-o-y, well above the pre-COVID average. It is expected to continue at a solid pace of 1.7 mb/d, y-o-y, in 2025.

Within regions, the OECD is forecast to grow by 0.1 mb/d, y-o-y, in both 2024 and 2025. Meanwhile, the non-OECD is expected to see a more substantial increase of about 1.9 mb/d, y-o-y, in 2024, followed by continued growth of 1.6 mb/d in 2025.

Graph 2: World oil demand growth in 2024 and 2025*



*Note: * 2024-25 = Forecast. Source: OPEC.*

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Crude Oil Price Movements

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Hedge funds and money managers continued their bearish stance on crude oil in August, following significant reductions in net long positions in July. This contributed to oil price volatility and accelerated the decline in oil futures prices. Net long positions in ICE Brent were reduced to their lowest levels since at least 2011. The selling pressure was particularly strong for NYMEX WTI, where a substantial number of long positions were closed and short positions increased only slightly. Between 30 July and 27 August, hedge funds and money managers sold an equivalent of 23 mb.

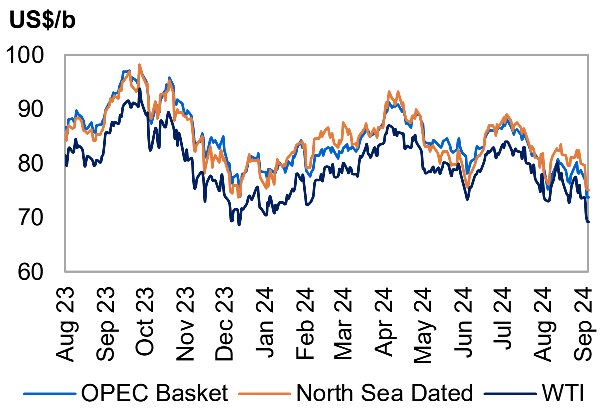
The structure of oil futures prices remained in backwardation despite heavy selling pressure that weighed on front-month contracts. This indicates strong physical crude market fundamentals and a positive global oil supply/demand outlook. The forward curve of all major crude benchmarks were consistently in backwardation over August, particularly sweet crude benchmarks, amid support from supply outages in North Africa that spurred demand for prompt loading of alternative grades.

The premium of light sweet crude over medium sour crude widened further in Asia and Europe, while little changed in the USGC, as light sweet crudes continued to perform better compared to heavy/medium sour crudes. The surge of demand for light sweet crude, particularly in the Atlantic Basin, following outages boosted the value of sweet grades. Stronger light distillate margins, particularly with naphtha, contributed to the widening of the spread between sweet and sour crude.

Crude spot prices

Crude spot prices averaged lower in August, undermined by selling pressure in the oil futures market and changes in traders' perceptions regarding short-term oil market outlooks. Spot prices were also pressured by weaker refining margins in all major hubs. Gasoline, diesel and fuel oil weakened in almost all markets. However, spot prices of light sweet grades found some support as supply outages in North Africa triggered rising demand for alternative prompt loading cargoes, including in the Mediterranean and North Sea, although ample availability of WTI crude in the Atlantic Basin limited the support.

Graph 1 - 1: Crude oil price movements



Sources: Argus, OPEC and Platts.

Spot prices declined less than futures prices amid supportive supply/demand fundamentals in the physical market, specifically for prompt loading volumes. This was reflected in the further widening of the North Sea Dated-ICE Brent premium. On a monthly average, the North Sea Dated-ICE Brent spread rose by 8¢ in August, to stand at a premium of $1.34/b, compared to a premium of $1.26/b in July.

In August, the North Sea Dated and WTI front-month contracts declined by $4.53 and $5.28, respectively, or 5.3% and 6.5%, to settle at $80.72/b and $75.55/b. Dubai's front-month fell by $6.12, or 7.3%, to settle at $77.56/b.

Crude Oil Price Movements

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

OPEC Reference Basket (ORB)	Jul 24	Aug 24	*Change* Aug 24/Jul 24	%	*Year-to-date* 2023	2024
ORB	**84.43**	**78.41**	***-6.02***	***-7.1***	**80.60**	**83.04**
Arab Light	86.19	79.71	*-6.48*	*-7.5*	82.57	84.70
Basrah Medium	83.53	77.43	*-6.10*	*-7.3*	77.90	81.41
Bonny Light	85.07	81.99	*-3.08*	*-3.6*	80.71	85.24
Djeno	77.80	73.27	*-4.53*	*-5.8*	73.10	76.26
Es Sider	84.35	80.22	*-4.13*	*-4.9*	79.84	83.15
Iran Heavy	84.57	77.63	*-6.94*	*-8.2*	80.88	82.86
Kuwait Export	85.72	78.80	*-6.92*	*-8.1*	81.98	83.85
Merey	67.61	62.15	*-5.46*	*-8.1*	61.05	68.63
Murban	83.80	77.92	*-5.88*	*-7.0*	81.00	82.77
Rabi Light	84.79	80.26	*-4.53*	*-5.3*	80.09	83.25
Sahara Blend	85.40	81.72	*-3.68*	*-4.3*	81.41	84.65
Zafiro	86.35	82.69	*-3.66*	*-4.2*	81.13	85.11
Other Crudes						
North Sea Dated	85.25	80.72	*-4.53*	*-5.3*	80.55	83.70
Dubai	83.68	77.56	*-6.12*	*-7.3*	80.07	82.61
Isthmus	78.59	73.75	*-4.84*	*-6.2*	69.85	77.04
LLS	83.28	77.18	*-6.10*	*-7.3*	78.30	81.34
Mars	80.26	74.22	*-6.04*	*-7.5*	75.24	78.68
Minas	90.57	85.80	*-4.77*	*-5.3*	78.70	87.73
Urals	72.17	68.17	*-4.00*	*-5.5*	53.20	67.95
WTI	80.83	75.55	*-5.28*	*-6.5*	75.78	78.75
Differentials						
North Sea Dated/WTI	4.42	5.17	*0.75*	-	4.77	4.95
North Sea Dated/LLS	1.97	3.54	*1.57*	-	2.25	2.37
North Sea Dated/Dubai	1.57	3.16	*1.59*	-	0.48	1.09

Sources: Argus, Direct Communication, OPEC and Platts.

Crude differentials of light and medium sweet crudes in the Atlantic Basin showed mixed movements, as concerns about tightening supply in the Mediterranean due to outages were counterbalanced by ample availability of similar crudes, including US crude and West African crude, particularly for the September trading cycle. Softening buying interest from refiners in Europe and Asia, along with lower refining margins also weighed on crude differentials.

North Sea crude differentials of light sweet grades strengthened. Forties and Ekofisk rose in August by 58¢ and 6¢, respectively, m-o-m, to settle at premiums of $1.76/b and $2.86/b. However, sour crude weakened, with crude differentials for Johan Sverdrup against North Sea Dated falling to a discount as a result of subdued demand. Johan Sverdrup differentials fell 67¢, m-o-m, in August, to an average discount of 26¢/b.

West African crude differentials were mixed in August amid subdued demand from European buyers and weak middle distillate margins. On a monthly average, Bonny Light and Qua Iboe crude differentials to North Sea Dated rose by 40¢ and 17¢, respectively, to stand at premiums of $2.40/b and $2.69/b. However, Forcados and Cabinda differentials fell, m-o-m, by 13¢ and 10¢ on average, to premiums of $2.86/b and $1.68/b.

Similarly, in the Mediterranean, crude differentials were mixed, with Saharan Blend strengthening last month, rising by 29¢, m-o-m, to stand at a premium of $1.16/b. However, Azeri Light and light sour CPC Blend weakened against the North Sea Dated by 10¢ and 2¢, respectively, to stand at a premium of $3.63/b and a discount of $1.63/b.

In the Middle East spot market, several crude differentials fell against Dubai. The Oman crude differentials declined by 76¢, m-o-m, to a premium of 85¢/b.

In the USGC, Light Louisiana Sweet (LLS) and Mars sour differentials weakened against the WTI benchmark. Sour crude fell more than light sweet crude. LLS and Mars sour crude differentials against WTI fell in August, m-o-m, decreasing by 80¢ and 67¢, respectively, to register a premium of $1.64/b and a discount of $1.34/b.

OPEC Reference Basket (ORB) value

In August, the ORB value fell by $6.02, or 7.1%, m-o-m, to stand at $78.41/b, as all ORB component-related crude benchmarks dropped, particularly medium sour benchmarks. Compared with the previous year, the ORB was up by $2.44, or 3.0%, from $80.60/b in 2023 to average $83.04/b so far this year.

All ORB component values fell in August. West and North African Basket components – Bonny Light, Djeno, Es Sider, Girassol, Rabi Light, Sahara Blend and Zafiro – declined by an average of $3.93, or 4.7%, m-o-m, to $78.39/b, while multiple-region destination grades – Arab Light, Basrah Medium, Iran Heavy and Kuwait Export – decreased on average by $6.61, or 7.8%, m-o-m, to settle at $78.39/b. Murban crude fell m-o-m by $5.88, or 7.0%, on average to settle at $77.92/b. The Merey component fell m-o-m by $5.46, or 8.1%, on average to settle at $62.15/b.

The oil futures market

Crude oil futures experienced elevated volatility in August, largely influenced by substantial selloffs from non-commercial participants in the oil futures markets. The decline in oil prices was further fuelled by market sentiment, reflecting a potential easing of geopolitical developments and the uncertain economic outlook in China.

Oil prices recovered in the second week of the month amid a shift in market expectations and an easing of selling pressure in futures markets. This shift was driven by fresh positive economic indicators in the US, including higher-than-expected consumer spending, which alleviated some concerns about economic conditions witnessed earlier in the month. Moreover, geopolitical developments in the Middle East and continued declines in US crude stocks provided further upward pressure on prices, including in PADD3 (Petroleum Administration for Defense Districts). According to EIA weekly data, US crude stocks declined by 7.9 mb between the week of 26 July and 23 August. In the US, PADD3, crude stocks fell by 2.6 mb during the same period, falling to their lowest level since last February. This was a sign of steady demand for physical barrels, which helped limit further price declines.

However, selling in ICE Brent and NYMEX WTI renewed again in the third week of August, fuelling volatility in the market. Traders remained cautious and highly responsive to economic indicators amid broader concerns regarding economic stability. Revised US employment data, which showed lower-than-previously-reported job growth, added to the traders' bearish sentiment. In the last week of August, crude oil futures prices recouped some of the previous losses, buoyed by concerns over supply disruptions in North Africa and a weaker US dollar.

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

Crude oil futures	Jul 24	Aug 24	*Change* Aug 24/Jul 24	%	*Year-to-date* 2023	2024
NYMEX WTI	80.48	75.43	-5.05	-6.3	75.83	78.59
ICE Brent	83.88	78.88	-5.00	-6.0	80.64	82.90
DME Oman	83.37	77.54	-5.83	-7.0	80.18	82.63
Spread						
ICE Brent-NYMEX WTI	*3.40*	*3.45*	*0.05*	*1.5*	*4.81*	*4.31*

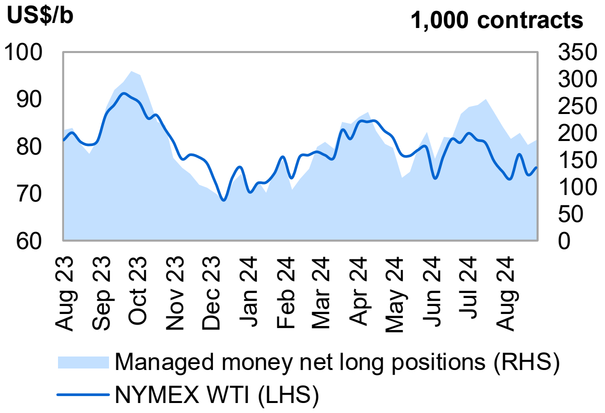
Note: Totals may not add up due to independent rounding.
Sources: CME, DME, ICE and OPEC.

In August, the ICE Brent front-month contract dropped by $5.00, or 6.0%, m-o-m, to stand at $78.88/b, while NYMEX WTI dropped by $5.05, or 6.3%, m-o-m, to average $75.43/b. The ICE Brent was $2.26, or 2.8%, y-t-d higher at $82.90/b, and NYMEX WTI was higher by $2.76, or 3.6%, at $78.59/b, compared with the same period a year earlier. DME Oman front-month contract dropped in August by $5.83, or 7.0%, m-o-m, to settle at $77.54/b. The DME Oman was higher by $2.45, or 3.1%, y-t-d at $82.63/b.

The ICE Brent-NYMEX WTI front-month spread stayed relatively narrow, below $4/b, in August, although it widened slightly m-o-m. The value of the NYMEX WTI contract fell more than ICE Brent, as a relatively tight sweet crude market in Northwest Europe amid supply outages in the Mediterranean limited the price decline of Brent. This outweighed the draw in Cushing crude stocks and the selling pressure related to the ICE Brent contract that outpaced the drop in NYMEX WTI. The ICE Brent-NYMEX WTI front month spread widened by 5¢ m-o-m to stand at $3.45/b. Supportive US oil market fundamentals, reflected in a draw in US crude and gasoline stocks, supported the value of NYMEX WTI. The spread between North Sea Dated and WTI Houston also rose in August, widening by 62¢, m-o-m, to a premium of $3.91/b.

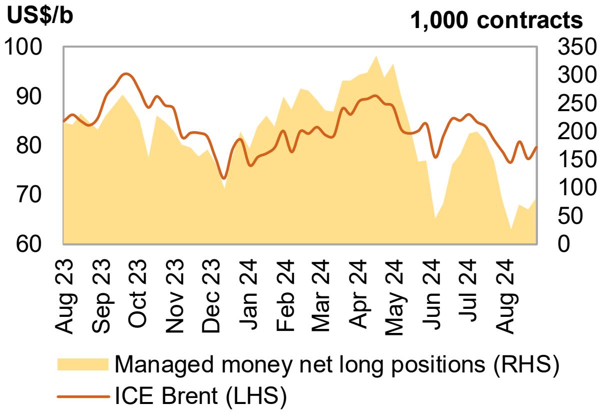
After significantly reducing net long positions in July, hedge funds and other money managers continued selling in August, adopting an increasingly bearish stance on crude oil. This shift contributed to persistent oil price volatility throughout the month and accelerated the downward trend in oil futures prices. Money managers remained bearish on ICE Brent, reducing futures and options net long positions to their lowest levels since at least 2011. The selling pressure in August was especially evident in NYMEX WTI futures and options, where a substantial volume of long positions was closed and short positions saw a slight increase. Between the weeks of 30 July and 27 August, hedge funds and money managers sold an equivalent of 23 mb in both ICE Brent and NYMEX WTI. Speculative selling was more pronounced in NYMEX WTI, with related net long positions decreasing by 12.0%, while ICE Brent saw a 2.7% increase in net long positions. During the same period, total open interest in Brent and WTI fell by 2.3%.

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



Sources: CFTC, CME and OPEC.

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



Sources: ICE and OPEC.

Money managers kept bullish positions significantly low in ICE Brent, specifically in the first week of August, although it reduced short positions later in the month. Consequently, net long positions rose by 2.082 lots, or 2.7%, between the weeks of 30 July and 27 August, to stand at 80,072 contracts, according to the ICE Exchange. The rise in net long positions was due to a decline in short positions by 15,314 lots, or 11.6%, to 116,214 contracts, and a reduction in long positions by 13,232 lots, or 6.3%, to 196,286 contracts.

In the NYMEX WTI, money managers sold the equivalent of about 25 mb in futures and options contracts in August. Combined futures and options net long positions related to WTI fell by 25,390 lots, or 12.0%, over the month, to stand at 186,527 contracts in the week of 27 August, according to the US Commodity Futures Trading Commission (CFTC). This was due to a decrease in gross long positions by 21,887 lots, or 9.3%, to 214,268 contracts, while gross short positions rose by 3,503 lots, or 14.5%, to stand at 27,741 contracts over the same period.

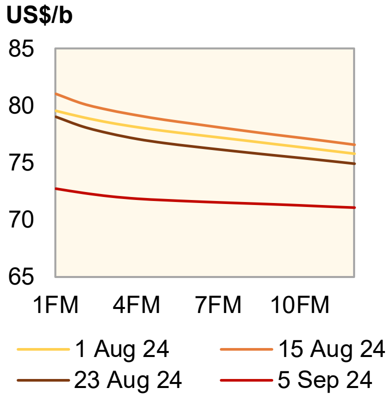
The long-to-short ratio of speculative positions in the ICE Brent contract stood slightly low at 2:1 in August, falling from about 3:1 in July. The NYMEX WTI long-to-short ratio fell to 8:1 in the week of 27 August, compared to 10:1 in the week of 30 July.

Open interest volumes related to ICE Brent futures and options fell again in August by 2.7%, or 77,990 lots, to stand at 2.86 million contracts in the week ending 27 August. Open interest volumes related to NYMEX WTI futures and options also fell by 1.9% m-o-m, or 41,452 contracts, to stand at 2.20 million contracts in the week ending 27 August.

The futures market structure

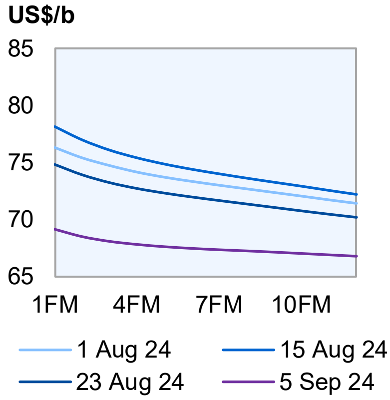
The structure of oil futures prices remained in backwardation despite heavy selling pressure that weighed on the front-month contracts. This indicates solid physical crude market fundamentals and a positive global oil supply/demand outlook. The forward curves of all major crude benchmarks were consistently in backwardation over August, particularly sweet crude benchmarks that found further support from supply outages in North Africa that spurred demand for prompt loading of alternative grades. The decline in crude stocks at Cushing lent support to the forward curve of NYMEX WTI. However, the backwardation of the nearest-month time spreads contracted with front-month futures contracts came under pressure as the summer driving season came to an end, geopolitical risk premiums receded and selling pressure persisted.

Graph 1 - 4: ICE Brent forward curves



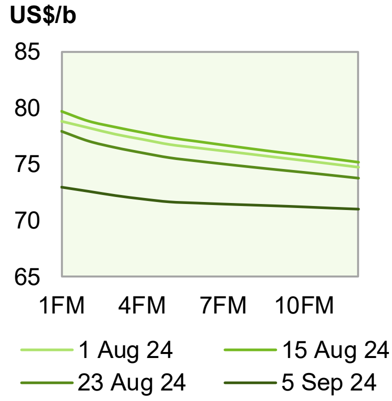
Sources: ICE and OPEC.

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 the ICE Brent market flattened slightly in August as demand for prompt loading barrels in the Atlantic Basin softened ahead of the start of autumn maintenance season and refining margins fell. The ICE Brent M1/M3 spread narrowed last month by 17¢ to stand at a backwardation of $1.42/b. ICE Brent's M1/M6 spread also contracted but stayed in a backwardation of $2.48/b on average in August, falling by 72¢, m-o-m, from a backwardation of $3.20/b in July.

Similarly, the front end of the NYMEX WTI forward curve stayed in steep backwardation, but the nearest time spread weakened. The NYMEX WTI M1/M3 spread stood at a backwardation of $1.81/b in August, falling by 23¢, m-o-m, from a backwardation of $2.05/b in July.

The DME Oman price backwardation narrowed last month, as prompt-month prices came under downward pressure due to softer demand from some Asia refiners. The DME Oman M1/M3 spread narrowed by 34¢, m-o-m, to a backwardation of $1.13/b in August.

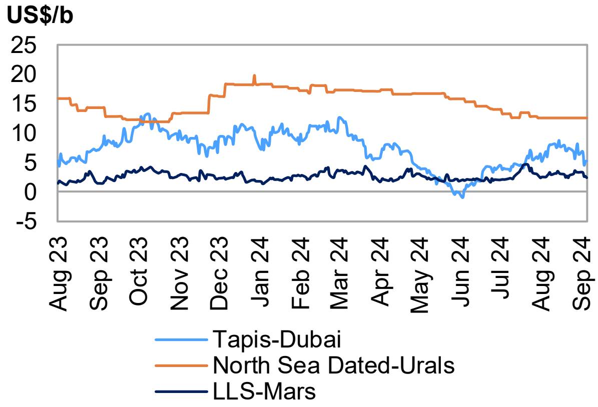
The North Sea Brent M1/M3 spread rose on a monthly average by 7¢ to a backwardation of $1.97/b, compared to $1.90/b the month before. However, in the US, the WTI M1/M3 backwardation narrowed by 24¢ to $1.85/b, compared to a backwardation of $2.09/b in July. Similarly, the Dubai M1/M3 backwardation contracted by 55¢ on average in August to a backwardation of 89¢/b.

Crude spreads

The premiums of light sweet crude over medium sour crude widened further in Asia and Europe, while little changed in the USGC, where light sweet crudes continued to perform better compared to heavy/medium sour crudes. The surge of demand for light sweet crude, particularly in the Atlantic Basin, following supply outages in North Africa boosted the value of sweet grades. Stronger light distillate margins, particularly with naphtha, compared to heavier productions, contributed to the widening spread between sweet and sour crude. Meanwhile, buying interest from some Asian refiners for medium and heavy sour softened amid a well-supplied market and fuel oil margins weakened, which added downward pressure on the sour market.

In Europe, the value of light sweet grades was supported by concerns about a tightening light sweet market in the Mediterranean, which raised demand for alternative prompt loading cargoes in Northwest Europe. Meanwhile, the sour crude market was under pressure due to a lack of demand from European refiners and soft demand from Asian buyers. A wider spread between naphtha and high sulfur fuel oil crack spreads in Europe further impacted sweet and sour crude values. The sweet-sour crude spread, represented by the Ekofisk-Johan Sverdrup differential, rose by 60¢ m-o-m to a premium of $2.98/b, after rising $2.51in the previous month. However, the Urals crude differentials to the North Sea Dated increased last month by 53¢ and $1.07 in the Black Sea and Northwest Europe, respectively, to stand at discounts of $12.55/b and $12.32/b.

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



Sources: Argus, OPEC and Platts.

In Asia, the Tapis premium over Dubai crude widened further as the value of sour crude declined more sharply than that of light sweet crude. This was due to soft demand from some Asian refiners, and was also a result of weaker high-sulfur fuel oil margins in Singapore, which put downward pressure on sour crude prices. Meanwhile, strong demand for light sweet crude in other regions, including the Atlantic Basin, bolstered similar grades in the East of Suez market. This occurred against a backdrop of limited west-to-east arbitrage opportunities, as the Brent-Dubai spread widened. The Brent-Dubai differential rose by $1.59 on a monthly average to stand at a premium of $3.16/b, compared with a premium of $1.57/b in July. The Brent-Dubai exchange of futures for swaps contract (EFS) also widened last month by 26¢ m-o-m to stand at a $2.19/b premium. The Tapis-Dubai spread widened by $2.32 m-o-m in August to an average of $7.24/b.

In the USGC, the LLS premium over medium sour Mars crude saw only a slight decline of 4¢ m-o-m in August, settling at $2.97/b. This comes after a sharp increase last month, reaching its highest monthly average since March. Light sweet crude continued to outperform sour crude, driven by a decrease in crude stocks in PADD3. In contrast, sour crude faced weaker demand from refiners in the USGC.

Commodity Markets

The movement of commodity price indices was mixed for a fourth consecutive month in August but was heavily skewed towards the downside. The energy, base metal and other mineral price indices experienced declines, while the precious metal index advanced for a second consecutive month.

In the futures market, sentiment in August was cautious as combined money managers' net length and open interest decreased. Nonetheless, gold saw an increase in net length over the same period, underscoring the sentiment towards risk aversion.

Commodity prices were under pressure throughout the month on concerns over global macroeconomic uncertainties, particularly in China and the US. Nonetheless, they received some support from seasonal demand and Supply constraints. Moreover, the decline of the US dollar against the backdrop of expectations for US interest rate cuts provided more upside support to commodity prices.

Trends in select energy commodity markets

The energy price index declined in August after two consecutive months of increases, falling by 3.2%, m-o-m. Declines in average crude oil and US natural gas prices dragged down the index, but losses were offset by gains in coal and EU natural gas prices. The energy price index was down by 5.6%, y-o-y.

Table 2 - 1: Select energy prices

Commodity	Unit	Monthly average			% Change		Year-to-date	
		Jun 24	Jul 24	Aug 24	Aug 24/ Jul 24	Aug 24/ Aug 23	2023	2024
Energy*	*Index*	**103.8**	**106.0**	**102.6**	**-3.2**	**-5.6**	**105.5**	**104.0**
Coal, Australia	*US$/boe*	12.9	13.1	13.9	6.0	-4.5	17.9	12.8
Crude oil, average	*US$/b*	81.2	83.3	78.1	-6.2	-7.8	78.8	81.7
Natural gas, US	*US$/boe*	13.6	11.2	10.8	-4.1	-23.0	13.2	11.3
Natural gas, Europe	*US$/boe*	58.8	56.0	66.9	19.6	10.6	71.2	53.5

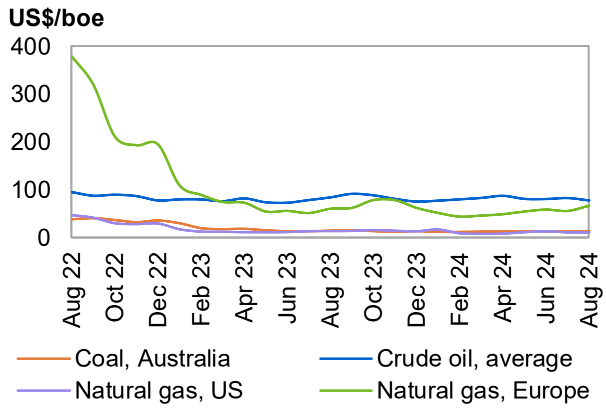
*Note: * World Bank commodity price index (2010 = 100).*
Sources: World Bank and OPEC.

Australian thermal coal prices rose for a second consecutive month in August, increasing by 6.0%, m-o-m. Prices received support from gas-to-coal fuel switching in the Eurozone amid higher natural gas prices. Prices were further supported by higher imports from China and higher residential cooling demand in other Asian regions. Prices were down by 4.5%, y-o-y.

Average crude oil prices receded in August, falling by 6.2%, m-o-m. Prices remained under pressure due to global macroeconomic uncertainties, which also weighed on sentiment in the futures markets. Prices were down by 7.8%, y-o-y.

Henry Hub's natural gas prices fell for a third consecutive month in August, falling by 4.1%, m-o-m. Reports of elevated storage levels remained a drag on prices. According to data from the US Energy Information Administration, as of 23 August, underground storage was 2.6% higher, m-o-m, 7.3% higher y-o-y, and 12.1% above the five-year average. Nonetheless, ongoing production cutbacks coupled with higher LNG exports partially offset losses, as terminals returned to normalcy amid limited disruptions from the hurricane season. Prices were down by 32.0%, y-o-y.

Graph 2 - 1: Select energy prices



Sources: World Bank, Haver Analytics and OPEC.

Natural gas prices in the EU rebounded in August. The average Title Transfer Facility (TTF) price went from $10.4/mmbtu in July to $12.4/mmbtu in August, a 19.6%, m-o-m, increase. Prices rose on the back of geopolitical developments, despite data from Gas Infrastructure Europe showing that EU storage levels were above 90% capacity as of 31 August. Supply risk concerns were further exacerbated by higher US LNG demand from the Asian region, which diverted cargoes away from Europe amid high price premiums. Prices were up by 10.6%, y-o-y.

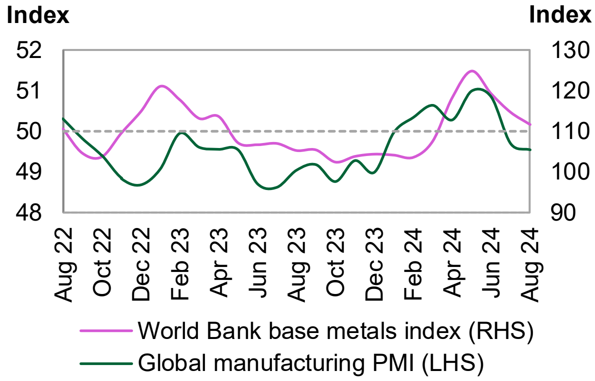
Trends in select non-energy commodity markets

The non-energy price index fell for a fourth consecutive month in August, dropping by 1.9%, m-o-m. Both the agriculture and base metal indices continued to trend downwards over the same period. The agricultural index fell by 1.4%, m-o-m, however, it was up by 2.1%, y-o-y. The non-energy price index was up by 1.3%, y-o-y.

Base metals

The base metal index declined for a third consecutive month in August, falling by 2.6%, m-o-m. All base metal prices trended downwards in August, pressured by the ongoing weakness in global industrial activity. The global manufacturing PMI decreased again in August to 49.5, down from 49.7 in July, a 0.3%, m-o-m, decline, thus remaining below expansionary territory. Elsewhere, the EU manufacturing PMI remained in contraction territory in August, unchanged at 45.8. The base metal index was up by 6.1%, 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 declined in August, falling by 4.5%, m-o-m, but were up by 7.5%, y-o-y. At LME warehouses, stocks rose in August by 39.1%, m-o-m, and were up by more than 100%, y-o-y. Cancelled warrants rose in August by 46.5%, m-o-m, and were up by more than 100%, y-o-y. On-warrants rose by 38.4%, m-o-m, in August, and were up by more than 100%, y-o-y.

Table 2 - 2: Base metal prices

Commodity	Unit	*Monthly average*			*% changes*		*Year-to-date*	
		Jun 24	Jul 24	Aug 24	Aug 24/ Jul 24	Aug 24/ Aug 23	2023	2024
Non-energy*	*Index*	**114.2**	**111.1**	**109.0**	**-1.9**	**1.3**	**111.0**	**111.2**
Base metal*	*Index*	**119.2**	**114.6**	**111.6**	**-2.6**	**6.1**	**111.4**	**113.0**
Copper	*US$/mt*	9,675	9,416	8,996	-4.5	7.5	8,651	9,143
Aluminium	*US$/mt*	2,506	2,359	2,352	-0.3	9.6	2,295	2,366
Nickel	*US$/mt*	17,546	16,389	16,335	-0.3	-20.2	23,376	17,269
Lead	*US$/mt*	2,156	2,111	2,001	-5.2	-7.3	2,122	2,112
Zinc	*US$/mt*	2,818	2,791	2,724	-2.4	13.0	2,730	2,677
Iron Ore	*US$/mt*	107	109	100	-8.1	-6.1	118	114

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

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

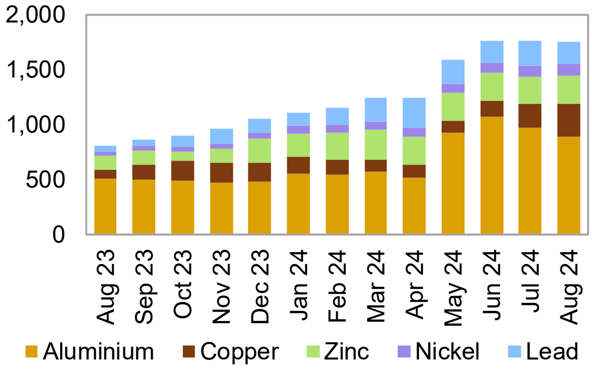
Aluminium prices receded in August, declining by 0.3%, m-o-m. Prices were up by 9.6%, y-o-y. LME warehouse stocks declined by 8.2%, m-o-m, but they were up by 76.8%, y-o-y. Cancelled warrants decreased in August by 2.3%, m-o-m, and were higher by more than 100%, y-o-y. On-warrants fell by 16.1%, m-o-m, in August, but they were up by 35.7%, y-o-y.

Nickel prices continued their downward trajectory in August, falling by 0.3%, m-o-m. Prices were down by 20.2%, y-o-y. At LME warehouses, stocks rose by 13.4%, m-o-m, and were up by more than 100%, y-o-y. Cancelled warrants rose in August by 32.1%, m-o-m, and were higher by more than 100%, y-o-y. On-warrants increased in August by 12.2%, m-o-m, and were up by more than 100%, y-o-y.

Lead prices fell in August by 5.2%, m-o-m, and were down by 7.3%, y-o-y. At LME warehouses, stocks fell by 10.1%, m-o-m, and were up by more than 100%, y-o-y. Cancelled warrants fell in August by 3.1%, m-o-m, and were up by more than 100%, y-o-y. On-warrants fell by 11.7%, m-o-m, and were up by more than 100%, y-o-y.

Zinc prices declined by 2.4%, m-o-m, in August, and were up by 13.0%, y-o-y. At LME warehouses, stocks increased by 0.1%, m-o-m, and were up by more than 100%, y-o-y. Cancelled warrants fell by 26.7%, m-o-m, in August, and were up by 28.7%, y-o-y. On-warrants rose by 4.4%, 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.

Iron ore prices declined in August, falling by 8.1%, m-o-m, and were down by 6.1%, y-o-y. Meanwhile, China's steel industry PMI experienced a decrease for a third consecutive month, falling in August to 40.40, down from 42.50 in July, a decrease of 4.9%, m-o-m.

Precious metals

Table 2 - 3: Precious metal prices

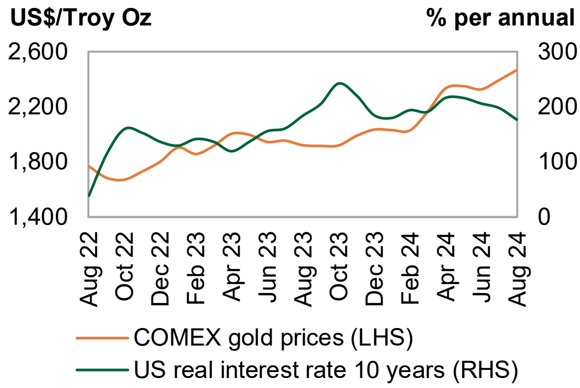
Commodity	Unit	*Monthly average* Jun 24	Jul 24	Aug 24	*% changes* Aug 24/ Jul 24	Aug 24/ Aug 23	*Year-to-date* 2023	2024
Precious metals*	*Index*	**177.6**	**182.3**	**185.6**	**1.8**	**27.3**	**146.9**	**170.8**
Gold	*US$/Oz*	2,326	2,398	2,470	3.0	28.7	1,934	2,262
Silver	*US$/Oz*	29.6	29.8	28.5	-4.2	21.7	23.5	26.9
Platinum	*US$/Oz*	985	979	945	-3.4	2.2	993	949

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

Sources: World Bank and OPEC.

The precious metals index rose for a second consecutive month in August, increasing by 1.8%, m-o-m. Gold prices rose by 3.0%, m-o-m, in August, while silver and platinum prices declined by 4.2% and 3.4%, m-o-m, respectively, over the same period. Gold prices reached a fresh new high in August supported by risk-averse sentiment. Geopolitical developments, relatively softer US macroeconomic data and expectations on US interest rate cuts elevated gold's safe haven status. Meanwhile, softer global industrial activity remained a drag on platinum and silver prices. The precious metals index was up by 27.3%, y-o-y; gold, silver and platinum prices were also up by 28.7%, 21.7% and 2.2%, 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 Jun 24	Jul 24	Aug 24	% changes Aug 24/ Jul 24	Aug 24/ Aug 23	Year-to-date 2023	2024
Other minerals*	*Index*	**38.6**	**37.4**	**35.6**	**-4.7**	**-41.7**	**76.1**	**39.2**
Cobalt	*US$/mt*	26,840	26,465	25,231	-4.7	-23.7	35,345	27,436
Graphite	*US$/mt*	485	485	484	-0.2	-21.7	723	506
Lithium	*US$/mt*	12,478	11,255	10,518	-6.5	-68.6	49,973	12,229

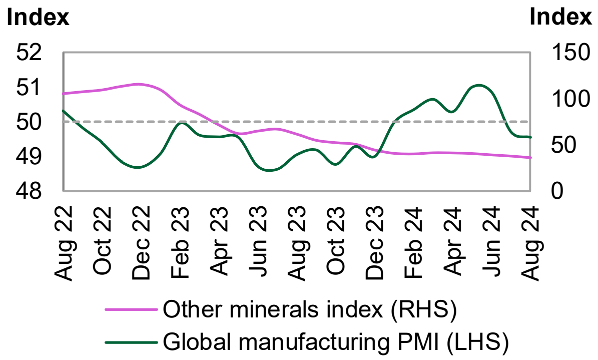
*Note: * OPEC price index (2022 = 100).*

Sources: LME, Haver Analytics and OPEC.

The other minerals price index decreased for a second consecutive month in August, falling by 4.7%, m-o-m. Weaker global industrial activity continued to weigh on the demand for other minerals in August.

Prices of all the index components fell over the same period. Lithium, cobalt, and graphite prices fell by 6.5%, 4.7% and 0.2%, m-o-m, respectively. The index was down by 41.7%, y-o-y; lithium, cobalt and graphite prices were down by 68.6%, 23.7% and 21.7%, 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 for a second consecutive month in August, falling by 13.3%, m-o-m. Net length decreases were driven by copper and crude oil, but partially offset by increases in natural gas and gold. The combined net length was up by 54.0%, y-o-y.

Combined open interest (OI) decreased in August, falling by 0.9%, m-o-m. The OI decline was driven by copper, gold and natural gas, but partially offset by an increase in crude oil. The combined OI was up by 18.0%, y-o-y.

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

Selected commodity	Open interest Jul 24	Aug 24	Aug 24/ Jul 24	Long Jul 24	Aug 24	Short Jul 24	Aug 24	Net length Jul 24	% OI	Aug 24	% OI	Aug 24/ Jul 24
Crude oil	2,234	2,256	***1.0%***	266	217	24	29	242	11	189	8	***-22.1%***
Natural gas	1,581	1,563	***-1.1%***	226	225	276	281	-50	-3	-56	-4	***11.2%***
Gold	869	857	***-1.4%***	221	235	21	15	200	23	220	26	***9.9%***
Copper	334	295	***-11.7%***	90	61	62	49	29	9	12	4	***-58.1%***
Total	**5,017**	**4,971**	***-0.9%***	**803**	**738**	**383**	**374**	**420**	**39**	**364**	**34**	***-13.3%***

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.

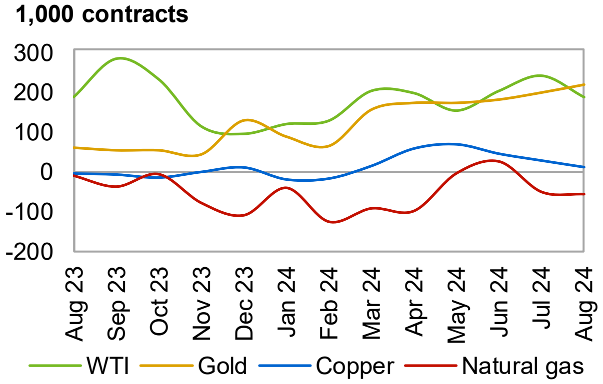
Crude oil (WTI) OI rose for a second consecutive month in August, increasing by 1.0%, m-o-m. Meanwhile, money managers cut net length after two consecutive months of increases, down by 22.1%, m-o-m. OI was up by 3.1%, y-o-y, while money managers' net length was down by 0.2%.

Natural gas (Henry Hub) OI decreased in August, falling by 1.1%, m-o-m. Meanwhile, money managers increased net length for a second consecutive month, by 11.2%, m-o-m. OI was up by 31.0%, y-o-y, and net length was up by more than 100%.

Gold's OI decreased in August by 1.4%, m-o-m. At the same time, money managers increased net length for a third consecutive month, up by 9.9%, m-o-m. OI was up by 44.2%, y-o-y, and net length was up by more than 100%, y-o-y.

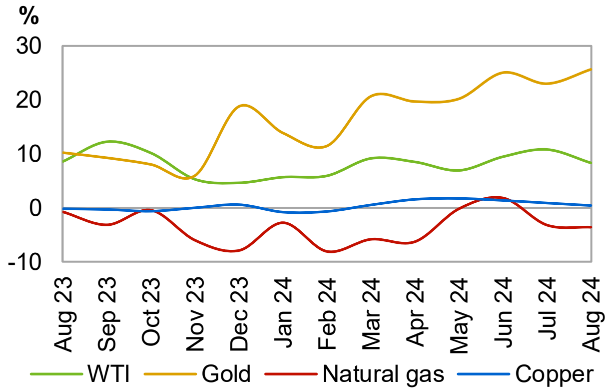
Copper's OI decreased for a second consecutive month in August, by 11.7%, m-o-m. Money managers net length continued to decrease over the same period, down by 58.1%, m-o-m. OI was up by 24.5%, y-o-y, while the net length was down by more than 100%, y-o-y.

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

Recent data from 1H24 proved global economic growth to be resilient and this stable growth pattern is expected to extend into near term. As a result, the global economic growth forecast for 2024 has been slightly revised upward to 3%. While there remains potential for further upward adjustments, the growth forecast for 2025 remains unchanged at 2.9%.

Within the OECD, steady momentum in US private household consumption is expected to support stable growth projections, in line with the current annual forecast. Despite some selective weaknesses in Japan, the decline observed in 1Q24 has rebounded. In the Eurozone, economic growth slightly exceeded expectations in 1H24, driven by real income growth and robust spending in the services sector, yet industrial production continues to face challenges.

In non-OECD economies, India and China maintained solid momentum in 1H24. Notably, the latest release of India's 2Q24 growth figures prompted an upward revision in its annual growth forecast. Additionally, growth figures for Russia and Brazil remain robust, supporting a steady growth outlook for the four major emerging economies in both 2024 and 2025.

Major central banks are anticipated to either continue or shift towards more accommodative monetary policies in 2H24 and throughout 2025, particularly in the US, the Eurozone, and the UK. However, the direction of these policies will depend significantly on inflationary trends and any potential shifts in central bank priorities toward supporting economic growth, especially in advanced economies. Despite some downside risks, the expected shift towards more accommodative monetary policies in advanced economies, along with sustained monetary and fiscal support in China, ongoing fiscal initiatives in India, and robust growth trends in Brazil and Russia, could provide 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	**3.0**	**2.4**	**0.8**	**0.2**	**4.9**	**6.8**	**2.2**	**3.2**
Change from previous month	0.1	0.0	0.1	0.0	0.0	0.2	0.4	0.1
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

Recent reports on economic growth show that global growth dynamics in 1H24 remained robust, with expectations for continued steady momentum in both OECD and non-OECD economies through 2H24. In the US, economic growth for 2Q24 was revised upward by official sources to 3% on a quarter-on-quarter seasonally adjusted annual rate (q-o-q SAAR), up from 2.8% in the previous estimate and compared with 1.4% in 1Q24. Japan's economy rebounded in 2Q24, with growth at 3.1%, q-o-q, SAAR following a contraction of 2.3%, q-o-q, SAAR in 1Q24. The Eurozone experienced a 1.1%, q-o-q, SAAR expansion in 1Q24 and saw a slight uptick in 2Q24 growth, with an upward revision of 0.2 percentage points to 1.2%, q-o-q, SAAR exceeding expectations.

In non-OECD economies, India demonstrated ongoing strong growth dynamics in 2Q24, with growth at 6.7%, y-o-y, following exceptionally strong growth of 7.8%, y-o-y, in 1Q24. Additionally, the fiscal stimulus measures announced in India's latest budget are expected to positively impact near-term growth. China experienced a slight slowdown in 2Q24, with growth at 4.7%, y-o-y, following robust annual growth of 5.3% in 1Q24. However, with the aim of achieving its annual target of around 5%, the central government has implemented further measures to support growth, including more accommodative monetary policies to bolster the real estate market and domestic consumption. In Brazil and Russia, output figures for 1H24 indicate robust development, with a continued carry-over of steady growth expected to support the global economic expansion going forward.

Positively, inflation has retracted in several key economies, raising expectations of more accommodative monetary policies in 2H24 in the US, the Eurozone and the UK. As of July, headline inflation in the US stood at 2.9%, y-o-y, gradually approaching the central bank's 2% target. In the Eurozone, July inflation stood at 2.6%, y-o-y, with further declines observed in August across the four major Eurozone economies –

Germany, France, Italy, and Spain – bringing the latest flash estimate for August down to 2.2%, y-o-y. Core inflation rates, which are the primary focus of central banks, have also declined but remain slightly more resilient. In July, core inflation stood at 3.2%, y-o-y, in the US, 3.4%, y-o-y, in the UK, and 2.8%, y-o-y, in the Eurozone.

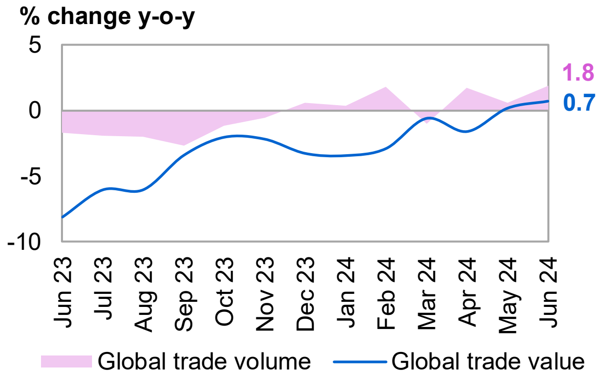
While these inflation levels still exceed the 2% targets set by the respective central banks, they are gradually approaching the targets, thus supporting the case for more accommodative monetary policies. The European Central Bank (ECB) and the Bank of England (BoE) began lowering interest rates in June and July, respectively, with cuts of 25 basis points. Both are expected to implement further rate reductions in 2H24. Meanwhile, the US Federal Reserve (Fed) is also expected to shift towards a more accommodative monetary stance, likely starting in September. In contrast, the Bank of Japan (BoJ), which maintained an exceptionally accommodative policy until early this year, has since raised interest rates by 35 basis points to address inflation and support the yen. This move has been challenging due to Japan's estimated negative economic growth in 1Q24, leading to considerable asset market volatility. However, BoJ officials have indicated the possibility of further monetary tightening in the near term.

In high-growth emerging economies, Brazil adopted stricter monetary policies as early as 2021. This has provided its central bank with flexibility to support the country's economy and initiate monetary easing ahead of other major central banks. Elsewhere, India has experienced a significant reduction in headline inflation over the past 12 months, particularly in July, which could potentially allow its central bank to lower key policy rates. However, this may not occur immediately due to the country's sustained high economic growth rates. China, facing challenges in its property sector and domestic consumption, has continued to support its economy through accommodative monetary policy measures and is expected to maintain this stance in 2H24. In contrast, the Russian central bank has upheld tight monetary policies and in July raised the key policy rate to control inflation, support the rouble, and prevent further inflationary pressures amid robust underlying economic growth. This approach distinguishes it from other emerging economies.

Global trade exhibited a continued gradual improvement in volume terms in June, expanding by 1.8%, y-o-y, following a rise of 0.6%, y-o-y, in May. This resulted in an annual growth rate of 1.4% in 2Q24, compared to growth of 0.4% in 1Q24.

In terms of trade value, there was a 0.7%, y-o-y, increase in June, showing improvement from the 0.1%, y-o-y, growth in May. This results in a 0.3% annual decline in global trade values for 2Q24, an improvement on the 2.3% decline observed in 1Q24. These insights are based on data 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

Global economic growth is forecast to sustain a robust trend in 2H24, following steady momentum in 1H24. However, growth dynamics across key economies are expected to vary. India and China are expected to make major contributions to the global economic expansion. The US, Brazil and Russia are expected to support global growth on a steady path. The Eurozone and Japan are expected to face relatively more challenging conditions. Overall, these trends suggest a steady global growth trajectory, with an anticipated quarterly growth rate of nearly 3%, y-o-y, by year-end, up from approximately 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 at about 2.9%, y-o-y, with a potential increase to 3%, y-o-y, in 4Q25, unchanged from the previous month's forecast.

Industrial output in advanced economies has faced challenges this year, but there are expectations of a potential recovery in 2H24. Data from the CPB Netherlands Bureau for Economic Policy Analysis shows that industrial production (IP) in advanced economies declined by 1.3%, y-o-y, in 1Q24 and 0.5%, y-o-y, in 2Q24. In contrast, non-OECD economies have seen continued improvements in their industrial sectors. Additionally, the services sector has demonstrated steady global momentum and is expected to remain a significant driver of economic growth through 2024 and 2025.

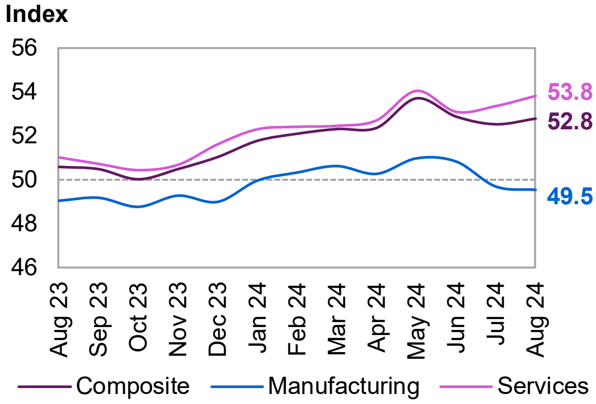
Key central banks are expected to adopt more accommodative monetary policies by 2H24 and throughout 2025, with the notable exceptions of the BoJ and the Central Bank of Russia. The ECB and the BoE already reduced interest rates by 25 basis points in June and July, respectively, and further key policy rate cuts are anticipated in 2H24. The Fed is also likely to adopt a more accommodative policy stance starting in September, with potential additional rate cuts towards the end of the year. These will be contingent on economic data, particularly inflation and growth trends. Conversely, the BoJ is projected to continue its monetary tightening efforts, having already raised rates by 35 basis points since the beginning of the year. This expected trend is supported by recent comments made by the BoJ's leadership. In emerging markets, China is expected to maintain its accommodative stance to support economic growth. Collectively, these global monetary easing measures are anticipated to provide strong support for global economic growth at the currently projected near-term levels.

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

The global manufacturing PMI retracted slightly to stand at 49.5 in August, following 49.7 in July, and 50.8 in June.

The global services sector PMI rose to a level of 53.8 in August, after it stood at 53.3 in July and 53.1 in June.

Graph 3 - 2: Global PMI



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

Global economic growth in 1H24 exceeded expectations, particularly in non-OECD economies and to a lesser extent in OECD economies. This positive trend is expected to continue into 2H24, supported by sustained robust growth in the BRIC nations. Consequently, the global economic growth forecast has been revised slightly upward to 3.0%, compared to 2.9% in the previous month.

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	**3.0**
Change from previous month	0.1
2025	**2.9**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

OECD

US

Update on the latest developments

The US economy has demonstrated robust growth momentum, as reflected by the upward revision of 2Q24 economic growth estimates by the Bureau of Economic Analysis (BEA). There are also indications of continued strength in 3Q24. The Atlanta Fed's GDPNow forecast for 3Q24 growth stood at 2.5%, q-o-q, SAAR at the end of August. Consumer confidence has rebounded, and while the services sector performed well in 1H24, the industrial sector has shown signs of improvement but remains relatively weaker. In 2Q24, IP increased by 0.4%, y-o-y, reversing a decline of 0.6%, y-o-y, in 1Q24, although IP growth remained flat in July.

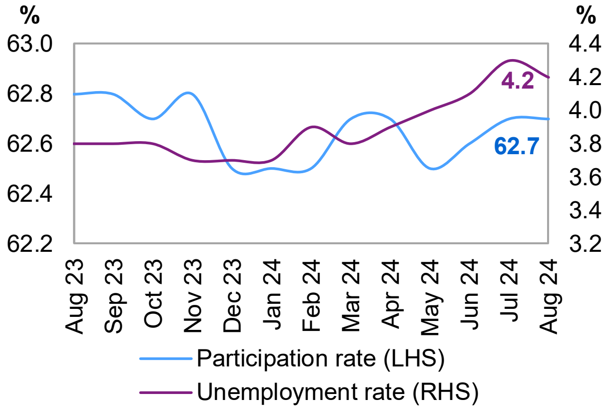
The BEA's second estimate for 2Q24 US economic growth was revised upward to 3%, q-o-q, SAAR, from 2.8% in the initial estimate. Private household consumption surged by 2.9%, q-o-q, SAAR in 2Q24, up from 1.5%, q-o-q, SAAR in 1Q24, contributing more than 60% of the quarter's growth. This was largely driven by spending in the services sector. Inventory restocking added 0.8 percentage points (pp) to growth, while net trade detracted 0.8 pp in 1Q24.

The services sector continues to be the primary driver of US economic growth. However, manufacturing orders indicate ongoing challenges in the industrial sector, with a 3.7%, y-o-y, decline in June, the most recent month for which data is available. This follows positive trends in April and May, when orders grew by 1%, y-o-y, and 0.9%, y-o-y, respectively, according to Bureau of the Census data on a seasonally adjusted basis. Consumer confidence, supported by softening inflation dynamics, declining mortgage rates, and gradual normalization in labour market tightness, improved to 103.3 in August, the highest level since February. This compares with 101.9 in July and 97.8 in June, as reported by the Conference Board.

Headline inflation continued its decline, standing at 2.9%, y-o-y, in July, down from 3% in June and 3.3% in May. Core inflation also decreased by 0.1 pp to 3.2%, y-o-y, in July, compared to 3.3% in June and 3.4% in May. Both headline and core inflation reached their lowest levels since March 2021. The Fed's preferred inflation measure, core personal consumption expenditures (PCE), remained steady at 2.6%, y-o-y, in July. Housing costs, a significant driver of inflation, rose by 5.1%, y-o-y, in July, slightly down from 5.2% in June and 5.4% in May, but still contributing nearly two-thirds to the headline inflation figure.

In August, the labour market showed a mixed trend. The unemployment rate edged down marginally to 4.2%, following 4.3% in July and compared with 4.1% in June. And while the increase in August payrolls was in line with the average pace of jobs growth in recent months, data from the Bureau of Labour Statistics showed that the trend marked a slowdown from the monthly gain of 202,000 over the past 12 months. Also, and in line with the ongoing challenges in the manufacturing sector, job losses were recorded in this area of the economy. The participation rate remained steady at 62.7% in August.

Graph 3 - 3: US monthly labour market



Sources: Bureau of Labor Statistics and Haver Analytics.

Earnings growth edged up slightly in August with y-o-y hourly earnings increased by 3.8% following 3.6% in July and a rise of 3.8% in June. The current situation in the labour market may be viewed cautiously by the Fed's decision-making body, the Federal Open Market Committee (FOMC) members, who have indicated that a more accommodative monetary policy may be likely starting in September.

Near-term expectations

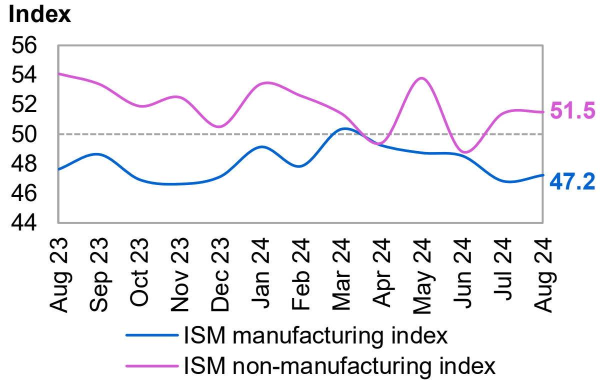
Following a substantial rebound in the US economy in 2Q24, driven by steady private household consumption, the economic growth is forecast to remain robust in 2H24, albeit at a slowing pace. Growth in 2Q24 was a notable 3%, q-o-q, SAAR. This was up from the more modest 1.4%, q-o-q, SAAR seen in 1Q24. For 2H24, the current forecast anticipates average annualized growth slightly below 1%. Challenges highlighted in the forecast include persistent weaknesses in the manufacturing sector and a reduction in the growth of disposable income for US households, which decreased from around 8% in 2023 to below 4% in 1H24. Despite these challenges, the positive growth dynamics in household consumption observed in 2Q24 and the potential for this momentum to carry over into 2H24 offer some upside potential to the annual growth forecast.

The decline in the stock market observed at the beginning of August, coupled with concerns about a potential slowdown in US economic growth, underscores the significant impact of interest rate and inflation expectations on near-term growth dynamics. Recent comments by the head of the Fed, reflecting on inflationary developments, economic growth, and labour market conditions, suggest that the Fed is likely to consider adopting a more accommodative monetary policy in the near term, consistent with the latest FOMC projections from June. However, the extent and timing of any easing measures undertaken by the Fed will remain heavily data-driven. The Fed's June economic projections indicate a potential reduction of around 50 basis points in the key policy rate by the end of 2024. Looking further ahead, substantial fiscal stimulus is not anticipated for 2024 or 2025. However, this outlook could change based on the outcomes of the elections in 4Q24, which may lead to shifts in US fiscal policies. Such changes could, in turn, influence monetary policy decisions in 2025, impacting growth dynamics for the following year. Additionally, the debt ceiling debate is expected to resurface in 4Q24 as the current suspension expires at the beginning of January. Last year's agreement suspended the US borrowing limit of $31.4 trillion until January 2025, but the Treasury Department has the capacity to extend the debt limit temporarily through active cash management if needed.

According to the Institute for Supply Management (ISM), the Purchasing Managers' Index (PMI) for the manufacturing sector continued to contract in August. It stood at 47.2, compared with 46.8 in July, and 48.5 in June. This has kept the manufacturing PMI below the neutral threshold of 50 for most of 2024, signalling a continued contraction in the sector.

Positively, the PMI for the services sector, which comprises 70% of the US economy, remained almost unchanged in August, edging up slightly to stand at 51.5, comparing with 51.4 in July. Moreover, this follows a level of only 48.8 in June, which pointed at a contraction in the sector.

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



Sources: Institute for Supply Management and Haver Analytics.

In light of the steady momentum observed in 1H24 and the expectation of a robust, albeit slower, growth dynamic in 2H24, the economic growth forecast for 2024 remains unchanged at 2.4%.

For 2025, the growth forecast remains unchanged at 1.9%, reflecting the continuation of the anticipated growth trend from 2H24.

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

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

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Eurozone

Update on the latest developments

The economic growth dynamic in the Eurozone continues to gradually improve, albeit at a low level. Recent data reveals that economic performance in the Eurozone slightly exceeded expectations in 1H24, with growth registering 1.1%, q-o-q, SAAR in 1Q24 and a slight uptick to 1.2% in 2Q24. This is an improvement over the earlier Eurostat estimate of 2Q24 growth, which indicated a decelerating trend to 1%. Consumer confidence indicators also reflect a stable and steady dynamic in the economic environment.

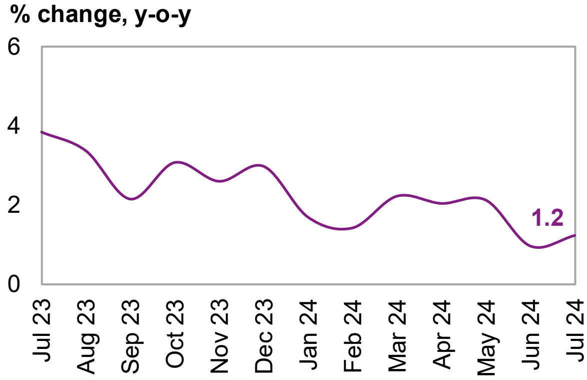
The positive momentum has been primarily supported by the services sector, while the Eurozone's industrial sector remains in a challenging state. In June, the IP index declined by 4%, y-o-y, following a drop of 3.4%, y-o-y, in May and a decline of 2.9%, y-o-y, in April. On a monthly basis, IP decreased by 0.1%, m-o-m, in June, after a 0.9%, m-o-m, decline in May and a 0.1%, m-o-m, decrease in April, with all figures seasonally adjusted.

On a positive note, inflationary pressures in the Eurozone have moderated in recent months. Headline inflation stood at 2.2% in August, down from 2.6%, y-o-y, in July. Core inflation, excluding volatile food and energy prices, remained stable at 2.8%, y-o-y, in August, unchanged from July. Although both headline and core inflation rates continue to exceed the ECB's 2% target, the current trend 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 down slightly to 6.4% in July, compared to 6.5% in 1H24. This positive development reflects a stable labour market, with the unemployment rate remaining largely unchanged for over a year.

In the retail area, growth showed an almost steady increase of 1.2% in July on an annual comparison, edging up slightly from 1% in June and 2.1% in May. Despite the low growth level, 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

Following the Eurozone's steady growth in 1H24, a similar, albeit slightly slower, growth dynamic is forecast for 2H24. After a stronger-than-expected expansion of 1.1%, q-o-q, SAAR in 1Q24, the Eurozone economy maintained momentum with a growth rate of 1.2%, q-o-q, SAAR in 2Q24. This trend is expected to continue, with an average quarterly growth rate of approximately 1% annualized in 2H24.

As with other advanced economies, the services sector remains the primary driver of growth, while the industrial sector continues to face contraction across the Eurozone. The expansion of the services sector is anticipated to support growth through the summer season in 3Q24. Although a rebound in IP could contribute positively towards the end of the year, the realization of such a rebound remains uncertain, especially as the latest available data shows that IP declined through June 2024. Additionally, manufacturing orders in Germany, the Eurozone's major industrial economy, have been declining since the beginning of the year, with an 11.3%, y-o-y, drop in June, indicating ongoing challenges.

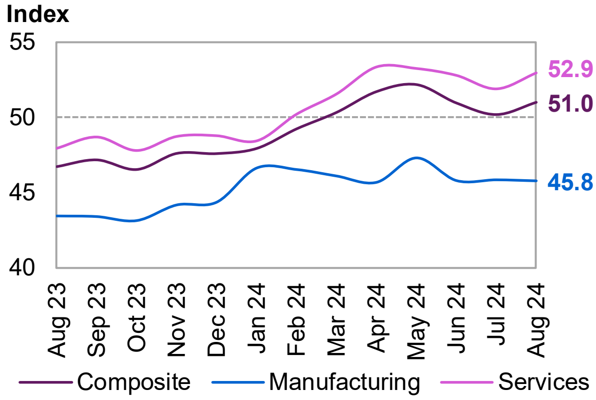
Consumer spending support has been bolstered by the continued reduction in consumer price inflation during 1H24. Inflation has been receding, leading the ECB to adopt a more accommodative monetary policy stance in June, marked by a 25 basis point reduction in the key policy rate. Given current inflation trends and modest economic growth, this accommodative stance is expected to persist into 2H24 and 2025, potentially enhancing growth momentum. A further 25 basis point reduction in the key policy rate is likely at the upcoming September meeting, following the ECB's pause in monetary easing in July. The forecast for headline inflation in 2024 remains unchanged from last month, slightly below 2.5%, following 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 August PMIs revealed persistent challenges in the manufacturing sector.

The PMI for the services sector, which constitutes the largest portion of the Eurozone economy, rebounded slightly, and remained well above the growth-indicating level of 50. It stood at 52.9 in August, following a level of 51.9 in July and 52.8 in June.

The manufacturing PMI continued to reflect persistent challenges, holding steady at 45.8 in August. 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.

Considering the slight upward revision in 2Q24 growth and the expectation of continued steady growth in 2H24, the economic growth forecast for the Eurozone in 2024 has been slightly revised upward to 0.8%, up from 0.7% last month. This forecast reflects ongoing modest growth, 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 anticipated 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	**0.8**
Change from previous month	0.1
2025	**1.2**
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

Japan

Update on latest developments

Following Japan's economic contraction of 2.3%, q-o-q, SAAR in 1Q24, the economy rebounded strongly with growth of 3.1%, q-o-q, SAAR in 2Q24. This recovery was notably supported by a sharp rebound in private household consumption expenditures, which increased by 4%, q-o-q, SAAR following four consecutive months of decline. Despite this rebound, ongoing relatively high inflation may prompt the BoJ to continue raising its key policy rate, as indicated by recent comments made by the central bank's leadership.

At its meeting in late July, the BoJ raised its benchmark interest rate to 0.25%, the highest level since the global financial crisis of late 2008, up from approximately 0.1%. Additionally, the BoJ announced plans to reduce its monthly bond purchases, cutting its ¥6 trillion programme to approximately ¥3 trillion by spring 2026. These measures reflect a significant shift towards tighter monetary policy. Although these tightening efforts have led to increased volatility in global asset markets, particularly in Japanese markets, the BoJ's commitment to controlling inflation remains strong.

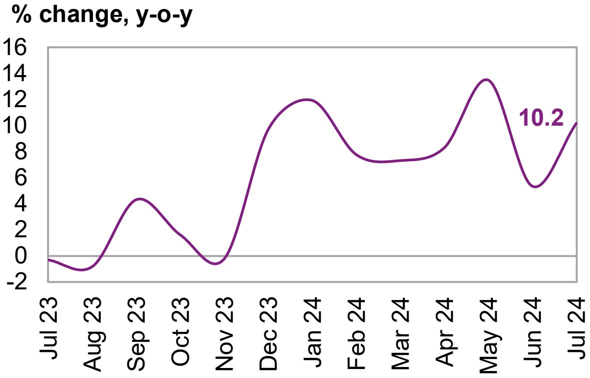
Retail sales continued to grow in July, rising by 2.6%, y-o-y, compared to 3.8%, y-o-y, in June and 2.8%, y-o-y, in May, based on non-seasonally adjusted figures. Inflation remained stable in July, with headline inflation at 2.8% for the third consecutive month. Core inflation, which excludes food and energy and is a decisive metric for central bank policies, decreased to 1.6%, y-o-y, in July, down from 1.9%, y-o-y, in June and 1.7%, y-o-y, in May. This provides the BoJ with some flexibility regarding the timing of its next monetary policy adjustment.

Positively, Japan's IP growth showed a notable recovery, rising by 2.7%, y-o-y, in July. This followed a sharp decline of 7.9%, y-o-y, in June, and an expansion of 1.1%, y-o-y, in May, all on a non-seasonally adjusted basis.

Goods exports have continued to support Japan's economic growth in recent months. Export growth was 10.2%, y-o-y, in July, up from 5.4%, y-o-y, in June, but down from 13.5%, y-o-y, in May.

Consumer confidence remained relatively strong, with the index standing at 36.5 in August, virtually unchanged from 36.8 in July and 36.6 in June.

Graph 3 - 7: Japan's exports



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

Near-term expectations

While Japan's economy contracted in 2H23 and 1Q24, it experienced a strong rebound in 2Q24. This trend is expected to continue into 2H24, supported by ongoing improvements in domestic consumption and external trade. Despite this recovery, the significant decline in 1Q24 means Japan's economic growth forecast for 2024 remains modest. Following a pronounced contraction of 2.3%, q-o-q, SAAR in 1Q24, the Japanese economy rebounded sharply in 2Q24, achieving growth of 3.1%, q-o-q, SAAR. Recent indicators suggest a continued gradual expansion. Leading indicators like the composite PMI, the Tankan survey and consumer confidence indices suggest continued improvements.

Economic growth in 3Q24 is forecast to further improve, reaching 3.4%, q-o-q, SAAR. Growth in 4Q24 is expected to moderate to 1%, q-o-q, SAAR. This steady growth trend is anticipated to carry into 2025. Export activity is expected to remain robust through the end of the year and into 2025. IP is projected to gradually improve as the year progresses, with a positive carry-over effect into the next year, while activity in the services sector is expected to gradually normalize.

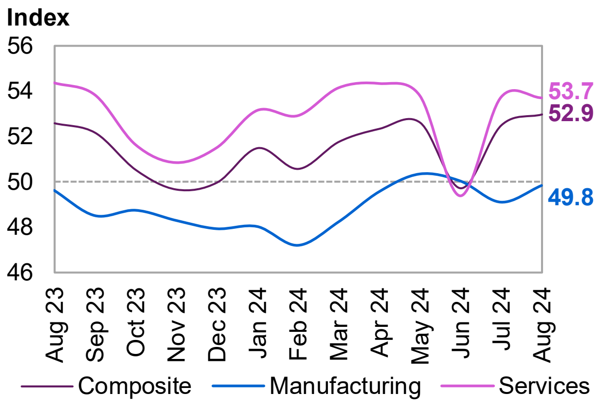
A critical factor influencing the economic growth trajectory will be the near-term monetary policy actions of the BoJ, following rate hikes in March and late July. Recent comments made by BoJ officials highlight the central bank's commitment to tackling persistent inflation and strengthening the yen. Based on these indications, it seems likely that the BoJ will continue to raise interest rates through the end of the year.

The August PMI data for Japan reflects a continued expansion in the country's services sector and a rebound in manufacturing.

The services sector PMI, which constitutes a significant portion of Japan's economy remained unchanged at 53.7 in August.

In the manufacturing sector, the PMI experienced a slight improvement, rising by 0.7 index points, to stand at 49.8 in August. However, with a reading of below 50, the PMI remained in contractionary territory.

Graph 3 - 8: Japan's PMIs



Sources: S&P Global and Haver Analytics.

The growth projections for Japan remain unchanged this month. The 2024 economic growth forecast stands at 0.2%, consistent with the previous month's forecast. Despite ongoing uncertainties, the forecast anticipates a continued rebound in economic activity in 2H24.

Looking ahead, the anticipated gradual improvement in economic momentum is expected to extend into 2025. With the BoJ likely to maintain 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	0.0
2025	**0.9**
Change from previous month	0.0

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

Non-OECD

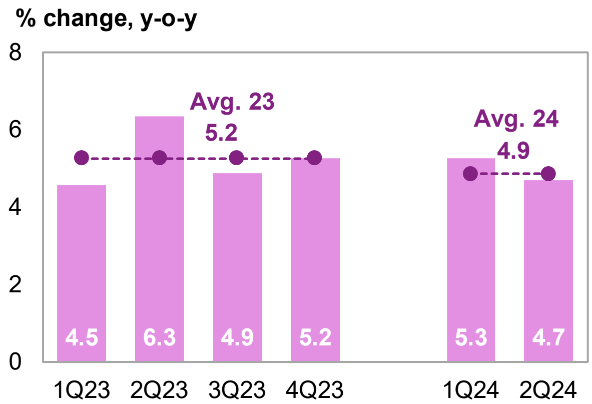
China

Update on the latest developments

The latest data from China provides a regional breakdown of the country's moderating economic growth, which slowed to 4.7% y-o-y, in 2Q24, down from 5.3%, y-o-y, in 1Q24. In major urban centres, Beijing's economic growth remained relatively strong at 5.4%, y-o-y, although it declined from 6.0%, y-o-y, in 1Q24. Shanghai's growth rate slowed to 4.8%, y-o-y, down from 5.0%, y-o-y, in 1Q24, showing a slightly smaller deceleration compared to Beijing. Guangdong also saw a deceleration in growth, reaching 3.9%, y-o-y, in 2Q24, down from 4.4%, y-o-y, in 1Q24. Other regions across China exhibited similar patterns of deceleration, indicating a broad-based softening in economic growth throughout the country.

On the domestic front, China's economic indicators show mixed signals. Retail sales rebounded in July, increasing by 2.7%, y-o-y, up from 2.0%, y-o-y, in June. However, regional data reveals a decline in retail sales in major urban centres. In Beijing, retail sales fell by 0.3% in 2Q24, representing a steeper decline compared to the 0.1% drop in 1Q24. Shanghai experienced a retail sales decline of 2.3% in 2Q24, reversing from the modest growth of 0.1% seen in 1Q24. Despite these declines in key cities, most other regions exhibited growth in retail sales, contributing to the overall positive indicator. The drop in retail sales in urban centres typically signals reduced luxury goods and discretionary spending.

Graph 3 - 9: China's GDP growth



Sources: National Bureau of Statistics and Haver Analytics.

Inflation saw an uptick in July, rising to 0.5%, y-o-y, from 0.2%, y-o-y, in June. Although inflation has remained above deflationary levels since January, it had been below 0.4%, y-o-y, from March to June. The increase in inflation was observed across both urban and rural areas, and in both services and consumer goods, suggesting a positive shift in overall consumer spending patterns, excluding luxury goods.

Challenges persist in the property sector, with prices continuing to decline, though signs of moderation are emerging. Prices for existing homes fell by 8.5%, y-o-y, in July, slightly down from an 8.4%, y-o-y, decline in June. The four largest cities experienced a slower rate of decline for the second consecutive month, seeing a July y-o-y drop of 8.2%, compared to 8.6% in June.

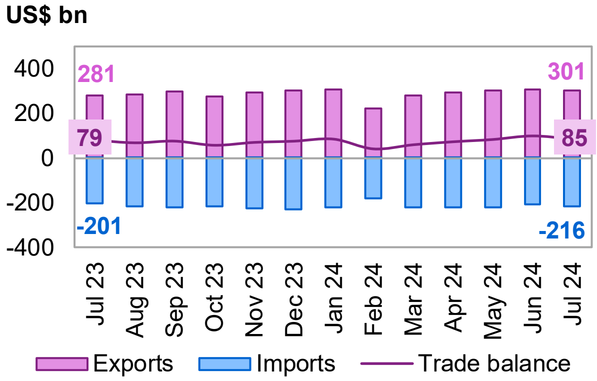
The unemployment rate has increased, particularly among urban youth, with youth unemployment rising to 17.1% in July from 13.2% in June. This spike is partly due to the entry of over 10 million new university graduates into the job market. As a result, the overall unemployment rate rose to 5.2% in July from 5.0% in the previous three months.

IP remained robust at 5.1%, y-o-y, in July, slightly down from 5.3%, y-o-y, in June. Despite this strength, sectors such as steel production, automobile manufacturing (including new energy vehicles), and solar panel production are facing declines amid rising trade tensions and slowing global demand. This decline is somewhat offset by growth in electronics and equipment manufacturing.

On the trade front, recent developments have heightened tensions between China and several major economies. Canada has imposed 100% tariffs on Chinese EVs, mirroring a similar move by the US in May. In retaliation, China has launched investigations into European dairy products following the EU's imposition of tariffs on Chinese EVs.

Despite these rising trade tensions, Chinese exports grew by 7.0%, y-o-y, in July, although this marks a slowdown from the 8.6%, y-o-y, growth observed in June. On the import side, China saw a notable rebound, with imports increasing by 7.2%, y-o-y, in July after contracting by 2.3%, y-o-y, in June. As a result, China's overall trade surplus narrowed to $84.6 billion in July, down from a record-setting $99.0 billion in June.

Graph 3 - 10: China's trade balance



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

Near-term expectations

Domestic consumption in China remains a focal point of concern, influenced by ongoing uncertainties in the housing sector and a decline in discretionary spending. The government has demonstrated its commitment to bolstering domestic demand through various measures. This commitment was highlighted in the objectives set during the Third Plenary Session and the July Politburo meeting, which outlined extended fiscal support aimed at enhancing domestic demand. These recent efforts complement earlier support measures for the property sector, including initiatives to convert unsold housing inventory into social housing. While these measures represent a step in the right direction, their current scale may be insufficient to significantly boost domestic consumption on their own. The government's direct interventions, however, signal a strong resolve to meet the near 5% growth target for the year. Despite the continued decline in housing prices, there are initial signs of improvement, particularly in the four largest cities, suggesting that the decline in the property sector may be managed more effectively.

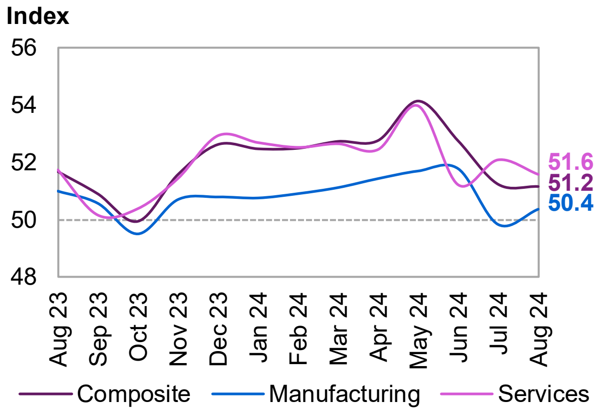
Exports and manufacturing are expected to be key drivers in reaching the country's growth target. Industrial output has been growing slightly above 5%, y-o-y, since April. However, steel and automobile manufacturing are facing contractions, whereas production in electronics and high-end technological equipment is on the rise. The official Manufacturing PMI for the steel sector has remained in contractionary territory throughout the year. Following a brief recovery in April and May, the index fell to 40.4 in August, down from 42.5 in July and 47.8 in June, as reported by the China Federation of Logistics and Purchasing Iron and Steel Logistics Professional Committee. This decline in steel and automobile production, when contrasted with growth in electronics and semiconductors, contributes to maintaining slightly higher overall IP rates. Meanwhile, energy requirements for the industrial sector are easing slightly.

Overall, despite ongoing weaknesses in the domestic sector, the Chinese government is demonstrating a growing commitment to implementing measures aimed at achieving a growth rate close to the 5% target for 2024. This includes a shift in the monetary policy framework towards a price-based system. Specifically, the seven-day reverse repo rate is being adopted as the main policy rate, replacing the previous quantity-based approach. This change is anticipated to enhance the effectiveness of monetary policy transmission to support economic growth.

The latest PMI data for August shows a slight uptick in China's manufacturing outlook, with the PMI returning to positive territory at 50.4, up from 49.8 in July.

Conversely, the services sector shows a slight slowdown to 51.6 in August, down from 52.1 in July, but remains in positive territory.

Graph 3 - 11: China's PMI



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

The continuation of government support is expected to positively impact consumer demand in the second half of 2024. Coupled with support from the manufacturing sector and robust export performance, these factors are anticipated to drive China's annual growth rate to 4.9% for this year, in line 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.

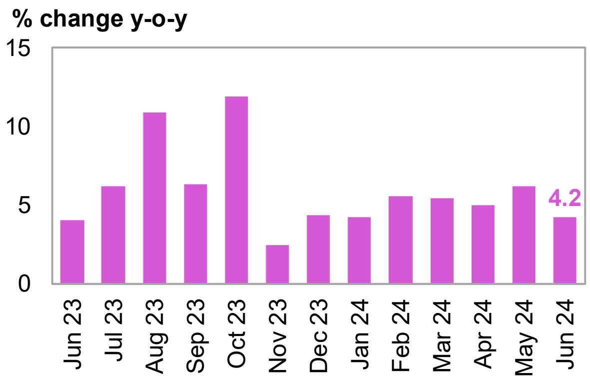
India

Update on the latest developments

The latest data reveals that the Indian economy grew by 6.7%, y-o-y, in 2Q24, a deceleration from the 7.8%, y-o-y, growth recorded in 1Q24. This slowdown is partly attributed to a contraction in final government consumption expenditure, which decreased by 0.2% in 2Q24 compared to growth of 0.9% in 1Q24. Conversely, final private consumption expenditure saw an increase, rising to 7.5%, y-o-y, growth in 2Q24 from 4.0%, y-o-y, in 1Q24. Gross fixed capital formation also improved, growing by 7.5%, y-o-y, in 2Q24, up from 6.5%, y-o-y, in 1Q24. Recent heatwaves appear to have adversely affected consumer spending, contributing to a decline in consumer confidence, which fell to 93.9 in July from 97.1 in May.

IP in India decelerated in June, growing at 4.2%, y-o-y, down from the more robust growth of 6.2%, y-o-y, seen in May. Within this sector, manufacturing growth slowed to 2.6%, y-o-y, in June, a significant drop from 5.0%, y-o-y, in May. The pharmaceutical manufacturing sector, which benefits from the Production Linked Incentive (PLI) schemes, saw a contraction of 2.9%, y-o-y, in June, reversing the 7.3%, y-o-y, growth recorded in May. Other sectors supported by the PLI schemes, such as basic metals, motor vehicles, trailers and semi-trailers, computer and electronic products, and chemicals, also experienced slowdowns but continued to show positive growth.

Graph 3 - 12: India's industrial production

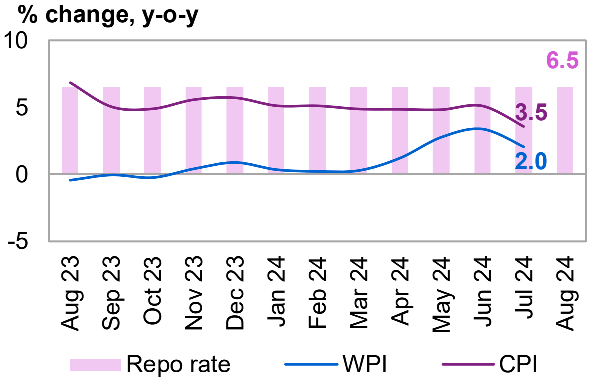


Sources: Ministry of Statistics and Program Implementation of India and Haver Analytics.

The unemployment rate in India declined to 7.9% in July, a decrease from the 9.2% recorded in June. This improvement was primarily driven by a reduction in rural unemployment, which fell to 7.5% in July from 9.3% in June. This decrease is attributed to the slightly delayed start of the sowing season due to a later-than-usual monsoon. Urban unemployment, on the other hand, remained relatively stable, dropping slightly to 8.5% in July from 8.8% in June. The government's budget, announced in July, introduced employment-linked incentive schemes aimed at addressing labour market imbalances, alongside the continuation of existing PLI schemes.

Inflation in India fell to its lowest level this year, with July's rate coming in at 3.5%, y-o-y, down from 5.1% in June. This decline was largely driven by a significant reduction in food inflation, which dropped to 5.1%, y-o-y, in July from 8.4%, y-o-y, in June. Vegetable prices, which had surged in a 28%, y-o-y, increase from December 2023 to June 2024 due to a weak monsoon, saw a more moderate rise of 6.8%, y-o-y, in July. The early harvest and improved monsoon conditions have helped ease supply constraints. By the end of August, cumulative rainfall in India was 6.8% above the historical average, though its distribution was uneven. Central and South India received over 15% more rainfall than average, while East and Northeast India lagged 12.6% below historical norms.

Graph 3 - 13: Repo rate and inflation in India



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

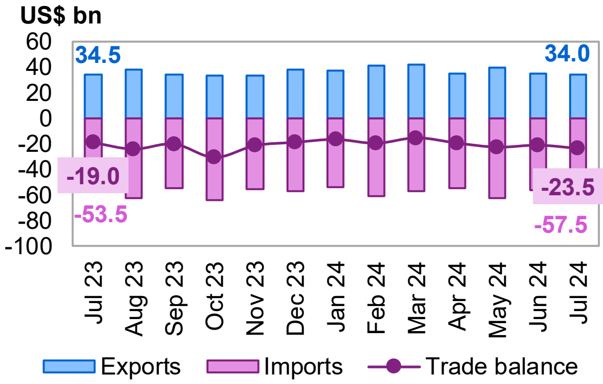
The Reserve Bank of India (RBI) kept interest rates at 6.5% in early August, reflecting ongoing concerns about inflation. The RBI Monetary Policy Committee (MPC) is scheduled to meet again in October.

India's trade deficit widened to $23.5 billion in July, up from $20.9 billion in June and from $19.0 billion in July of the previous year.

Monthly exports fell to $34.0 billion in July, down from $35.1 billion in June.

Similarly, imports decreased slightly to $57.5 billion in July, compared to $56.2 billion in June.

Graph 3 - 14: India's trade balance



Sources: Ministry of Commerce and Industry and Haver Analytics.

Near-term expectations

Economic growth in India is expected to remain robust in 2H24. India's economy grew by 8.1%, y-o-y, in 3Q23 and 8.5%, y-o-y, in 4Q23, which sets a high comparison baseline for this year. Consequently, growth is projected to soften to 6.5%, y-o-y, in 3Q24 and 6.2%, y-o-y, in 4Q24.

Government spending is anticipated to recover slightly in 2H24 following a contraction in 2Q24 due to election-related factors. The new coalition government is likely to continue supporting manufacturing and production through PLI schemes, which should help sustain IP levels. Additionally, addressing employment and labour market imbalances is expected to positively impact consumer demand.

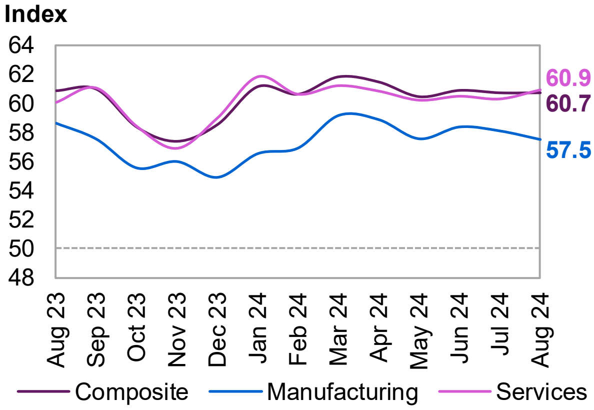
Agricultural output is projected to rebound in 2H24. Despite flooding from heavy rains damaging newly planted paddy fields and affecting rice production, overall agricultural output should benefit from improved rainfall and a favourable comparison with weak output in 2H23.

With headline inflation now below the 4% target, and economic growth figures softening, the RBI MPC may consider rate cuts at its next meeting in October. The August meeting saw two out of six members voting for a 25 basis point cut in the repo rate, citing concerns about the impact of restrictive monetary policy on growth. The latest inflation and economic growth data may prompt more members to support this stance, although inflation, particularly food inflation related to agricultural output, will be closely monitored.

The S&P Global Manufacturing PMI remained in positive territory but contracted slightly to 57.5 in August, down from 58.1 in July.

The Services PMI increased to 60.9 in August from 60.3 in July, exhibiting solid expansion.

Graph 3 - 15: India's PMIs



Sources: S&P Global and Haver Analytics.

Following strong economic performance in 2Q24, the growth rate for India in 2024 is projected to be 6.8%, y-o-y, a slight increase from the previous month's forecast.

Looking ahead to 2025, the growth rate is expected to decelerate to 6.3%, y-o-y, consistent with the previous month's forecast.

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

	India
2024	6.8
Change from previous month	0.2
2025	6.3
Change from previous month	0.0

*Note: * 2024-2025 = Forecast.*

Source: OPEC.

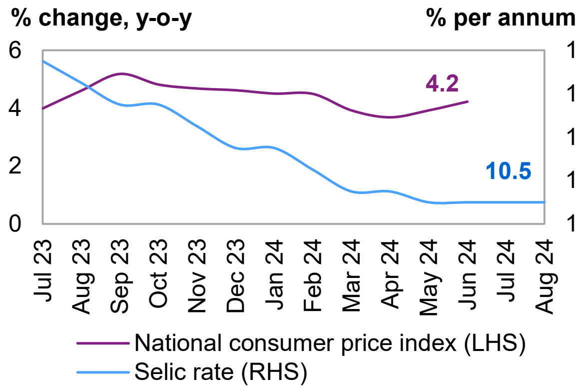
Brazil

Update on latest developments

Brazil's economy grew at a robust rate of 3.3%, y-o-y, in 2Q24, up from 2.5%, y-o-y, in 1Q24. This was largely driven by strong consumer spending. Private consumption increased by 4.9%, y-o-y, in 2Q24, compared to 4.4%, y-o-y, in 1Q24, as unemployment remains low and government support for social programmes continues. Government consumption also grew by 3.2%, y-o-y, in 2Q24, up from 2.6%, y-o-y, in 1Q24. Gross fixed capital formation grew significantly as well, at 5.7%, y-o-y, in 2Q24. This was up from 2.7%, y-o-y, in 1Q24 and reflects continued government investment in infrastructure projects.

Inflation in Brazil continued to rise for the third consecutive month, reaching 4.5%, y-o-y, in July, up from 4.2% in June. The inflation rate for food and non-alcoholic beverages eased slightly, coming in at 4.2%, y-o-y, in July, compared to 4.7%, y-o-y, in June. Housing prices have also increased, with the Housing Price Index (HPI) rising to 6.5%, y-o-y, in July, up from 6.2%, y-o-y, in June. The Banco Central do Brasil (BCB) held interest rates steady at 10.5% during its July meeting, marking a second consecutive pause in the easing cycle. The Monetary Policy Committee (MPC) is set to meet again in 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.

Consumer confidence continued its upward trajectory, with the index rising to 93.5 in August from 91.6 in July. Business confidence also increased, reaching 51.7 in August, up from 50.1 in July. Meanwhile, the unemployment rate continued its gradual decline, decreasing to 6.8% in July from 6.9% in June, maintaining the downward trend observed since March.

Retail sales continued to perform strongly, increasing by 9.1%, y-o-y, in June. However, this represented a slight deceleration from the growth of 11.5%, y-o-y, seen in May. In trade, exports surged by 9.3%, y-o-y, in July, rebounding from a contraction of 2.9%, y-o-y, in June. Imports also increased, rising by 15.7%, y-o-y, in July, compared to the 14.6%, y-o-y, seen in June. Brazil's overall trade surplus widened to $7.6 billion in July, up from $6.4 billion in June, but remained below the $8.2 billion surplus recorded in July 2023.

The agricultural sector remained in contraction from the high baseline and record output of 1H23, contracting by 3.2% in 2Q24. This nevertheless represented a slight improvement from the 3.5% contraction seen in 1Q24. Industrial production grew by 6.1%, y-o-y, in July, up from 3.2%, y-o-y, in June. Manufacturing also increased in July, rising 7.3%, y-o-y, compared to 3.6%, y-o-y, in June.

Near-term expectations

The BCB MPC cited uncertainties regarding US monetary policy as one of the factors contributing to the pause in the interest rate cycle. The MPC is scheduled to meet again in mid-September, the same week as the Fed, where it is expected to resume its easing cycle. This is anticipated to positively impact business spending and investments towards the end of the year, supporting an accelerated economic growth outlook into 2025.

The services sector is expected to continue driving economic growth as real incomes rise, supported by low unemployment and favourable government fiscal policy. Retail sales indicate an increase in consumer spending, and transport services have been exhibiting strong growth momentum as well. However, continued higher interest rates could soften the effect of fiscal stimulus.

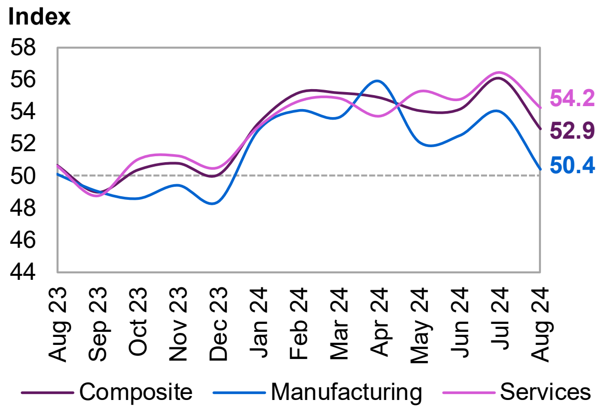
The plan unveiled last month to reduce government spending by auditing social benefit programmes and streamlining expenditure could potentially have positive impacts by reducing government spending without cutting investments. However, achieving the zero-deficit target from the current 2.4% of GDP will likely require deeper cuts. The anticipated tax system reforms are expected to boost investor confidence into 2025.

In August, the PMI for manufacturing and services both contracted but remained in positive territory.

The manufacturing PMI contracted to 50.4 in August, down from 54.0 in July.

The services PMI contracted to 54.2 in August, down from 56.4 in July.

Graph 3 - 17: Brazil's PMIs



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

The strong growth rate seen in 2Q24, along with continued government spending and support, are expected to provide further momentum into 2H24. The economic growth forecast for Brazil in 2024 is revised up to 2.2%, y-o-y.

For 2025, considering rising inflation, uncertainty from monetary policy and potential interest rate hikes, the growth forecast remains at 1.9%, y-o-y, unchanged from the previous month's forecast.

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

	Brazil
2024	**2.2**
Change from previous month	0.4
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 show resilience despite ongoing challenges, though signs of moderation are emerging. In 2Q24, GDP growth registered at 4.0%, y-o-y, a deceleration from the 5.4%, y-o-y, growth observed in 1Q24. This robust growth was largely driven by strong government and household spending, with consumer spending being a major contributor. A closer look at 1Q24 data reveals that household consumption grew by 6.7%, y-o-y, down slightly from the 7.3%, y-o-y, increase seen in 4Q23. In contrast, government spending experienced a minor contraction of 0.3%, y-o-y, in 1Q24. This decline follows a high baseline in 2023, indicating that while government expenditure continues to support economic activity, it is not a significant driver of y-o-y growth.

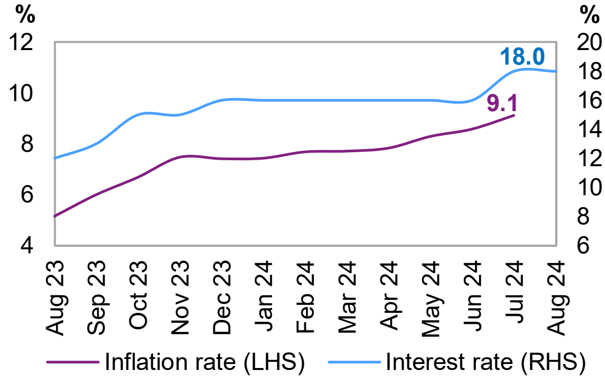
The labour market remains tight, with the unemployment rate holding steady at a record low of 2.4% in July for the second consecutive month. This tight labour market continues to exert upward pressure on wages, thereby boosting consumer demand. Private consumption grew by 6.0%, y-o-y, in July, showing a slight deceleration from the 6.4%, y-o-y, growth observed in June. Despite this strong consumer demand, inflationary pressures persist, with headline inflation rising to 9.1%, y-o-y, in July from 8.6%, y-o-y, in June. Core inflation edged down slightly to 8.6%, y-o-y, in July from 8.7%, y-o-y, in June.

Housing prices have also been on the rise, with a 19.3%, y-o-y, increase in 2Q24, up slightly from the 19.0%, y-o-y, growth observed in 1Q24. This contrasts with a 1.8%, y-o-y, increase in housing prices in 2023. In July, inflation related to housing, rent, water, electricity, gas, and other fuels reached 11.4%, y-o-y, up from a 4.4%, y-o-y, increase in June.

The Central Bank of Russia responded to these inflationary pressures by raising interest rates to 18% last month, citing concerns over persistent inflation, a tight labour market, and rising housing costs. The central bank has not ruled out the possibility of maintaining higher interest rates for an extended period or implementing further rate hikes. The next meeting is scheduled for mid-September.

IP showed signs of recovery, posting a slight rebound to 3.3%, y-o-y, growth in July, following a slowdown to 2.9%, y-o-y, in June. Manufacturing continues to exhibit robust dynamics, expanding by 6.7%, y-o-y, in July, up from 5.7%, y-o-y, in June. However, the mining and quarrying sector remains in contraction for the fourth consecutive month, registering a contraction of 2.4%, y-o-y, in July, a slight improvement from the 2.5%, y-o-y, contraction recorded in June.

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



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

Near-term expectations

The Russian economy continues to exhibit resilience, though the pace of growth is expected to slow due to several emerging challenges. Persistent inflation remains a key concern, driven by rising household incomes, increased demand, and a tight labour market. This inflationary pressure, combined with a high baseline of government spending, will likely limit the impact of continued high government expenditure. Additionally, consumer spending is anticipated to gradually decelerate towards the end of the year. The quarterly growth rate is expected to decelerate from 5.3% y-o-y in 1Q24 and 4.0% y-o-y in 2Q24 to 2.3% y-o-y in 3Q24 and 1.8% y-o-y in 4Q24.

IP is anticipated to maintain its strong growth trajectory, contributing positively to the overall economic outlook. However, the very tight labour market is exacerbating supply constraints, suggesting that inflation will remain a concern. The CBR's messages on the possibility of maintaining high interest rates and the potential for further increases signal its strong focus on curbing inflation. Monetary policy is expected to have a higher impact on inflation following the cancellation of the government's subsidized mortgage programme. Housing inflation has been an increasing source of overall inflation and this policy adjustment could contribute to slowing the rate. While higher interest rates may help to control inflation, the concern remains that higher rates could also slow the start of an investment cycle that is crucial for addressing domestic supply shortages.

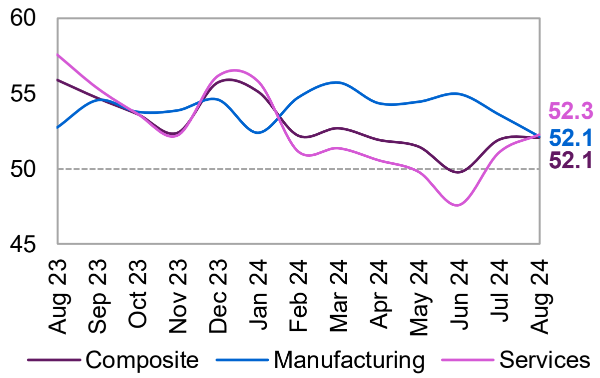
Another potential avenue to ease inflation is the increasing volume of imports from China, particularly in the automobile sector. This rise in imports could help alleviate some of the supply-side constraints amid slower domestic production.

The latest PMI figures show that manufacturing and services both remain in expansionary territory.

In August, the Services PMI increased to 52.3, up from 51.1 in July.

Although the Manufacturing PMI came down slightly from 53.6 in July to 52.1 in August, it continues to signal expansion in the sector.

Graph 3 - 19: Russia's PMI



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

With strong performance in 2Q24 and continued strong consumer spending, albeit slightly offset by ongoing uncertainties, persistent inflation and tight monetary policy, the growth forecast for 2024 is revised slightly upwards to 3.2%.

For 2025, growth rates are expected to decelerate, with continued uncertainty surrounding monetary policy. As such, the economic growth forecast for 2025 remains at 1.5%, consistent with the previous month's report.

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

	Russia
2024	**3.2**
Change from previous month	0.1
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 shows a continued easing of inflationary pressures. Inflation eased to 4.6%, y-o-y, in July, down from 5.0%, y-o-y, in June, marking the lowest rate since April 2021. Food inflation also declined, reaching 4.0%, y-o-y, in July from 4.3%, y-o-y, in June, continuing its downward trend since late 2023. Headline inflation is approaching the South African Reserve Bank's (SARB) target of 4.5%, with the upper limit set at 6%. Despite these improvements, the SARB Monetary Policy Committee (MPC) decided to keep interest rates at 8.25% during their July meeting, citing persistent global inflation and above-target levels in major economies as key concerns. The next MPC meeting is scheduled for mid-September.

In the power generation sector, reforms aimed at increasing competition within the electricity market – particularly by opening the market to more producers alongside the state-owned Eskom – are expected to enhance the power grid. Although it will take years for new electricity supplies to enter the market, the added competition is anticipated to push Eskom to ensure a more stable and ample supply. Load shedding has been eliminated over the past four months, which is likely to have a positive impact on IP.

Unemployment remains a significant challenge, with the rate rising to 33.2% in 2Q24, up from 32.8% in the previous quarter. Retail sales showed a notable improvement, increasing by 4.1%, y-o-y, in June, up from 1.1%, y-o-y, in May. However, manufacturing production contracted sharply, with a 5.2%, y-o-y, decline in June, following a 1.2% contraction in May.

Electricity production saw a slight decrease in growth, moving down to 5.4%, y-o-y, in June from 5.5%, y-o-y, in May. Despite this, electricity production has reached 98.8% of the 2019 baseline, the highest level since 2022.

Near-term expectations

High unemployment rates will continue to weigh on the South African economy. However, with inflation easing and improvements in electricity issues, there are expectations for an acceleration into 2025. The coalition government has demonstrated unity, especially on economic issues, with the two main parties largely aligned on economic policy. Market reforms, including those in the power generation sector, are expected to continue with support from multiple parties within the coalition.

The stability of the electrical grid is expected to persist, driven by ongoing policy reforms. Monetary policy is likely to remain cautious as inflation approaches the target level but has not yet fully reached it. Easing monetary policies in major economies may lead to a slight easing at the September meeting of the SARB MPC. However, interest rates are expected to remain relatively high through the end of the year.

The Absa PMI contracted sharply in August, falling from 52.4 in July to 43.6. This reflects ongoing volatility in the manufacturing sector. New sales orders, in particular, declined to 34.6 in August from an expansion level of 55.4 in July.

With some positive indicators emerging, growth in the South African economy is expected to begin accelerating into next year. The growth forecast for South Africa in 2024 remains at 0.7%, consistent with the previous month's forecast.

The 2025 forecast stands at 1.3%, unchanged from the previous month's report.

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

Non-oil activities in Saudi Arabia showed robust growth, expanding by 4.4%, y-o-y, in 2Q24, up from 3.4%, y-o-y, in 1Q24. However, the overall economy contracted by 0.4%, y-o-y, in 2Q24, following a sharper decline of 1.7%, y-o-y, in 1Q24. This marks the smallest economic downturn since 3Q23. Headline inflation remained stable at 1.5%, y-o-y, in July, the lowest level since December 2023. Transportation prices decreased to 3.5%, y-o-y, and communications prices fell by 1.8%, y-o-y, but inflation for housing, water, electricity, gas, and other fuels rose to 9.3%, y-o-y, contributing to the overall inflation rate.

On the labour market front, Saudi Arabia's unemployment rate edged up to 3.5% in 1Q24, slightly higher than the 3.4% reported in 4Q23. Female unemployment remains at historic lows but increased slightly to 14.2% in 1Q24 from 13.9% in 4Q23. In contrast, male unemployment declined to 4.2% in 1Q24 from 4.6% in 4Q23. The Riyad Bank Saudi Arabia PMI rose to 54.8 in August, up from 54.4 in July, indicating continued expansion in the non-oil sector. New hiring activity and increased business orders are driving this trend, reflecting ongoing diversification efforts and investments in the non-oil sector.

Nigeria

Nigeria's economy exceeded expectations in 2Q24, with real GDP expanding by 3.2%, y-o-y, up from 3.0%, y-o-y, in 1Q24. The agricultural sector grew by 1.4%, y-o-y, in 2Q24, a notable increase from 0.2%, y-o-y, in 1Q24. The industrial sector also saw growth, expanding by 3.5%, y-o-y, in 2Q24, up from 2.2%, y-o-y, in 1Q24. The services sector continued its strong performance but decelerated to 3.8%, y-o-y, in 2Q24, down from 4.3%, y-o-y, in 1Q24.

Inflation in Nigeria showed signs of slowing, with the headline rate dropping to 33.4%, y-o-y, in July 2024 from 34.2%, y-o-y, in June. Food inflation, a significant component, eased to 39.4% in July from 40.7% in June. Conversely, core inflation, which excludes food and energy, rose slightly to 27.5%, y-o-y, in July from 27.4%, y-o-y, in June. In response, the Central Bank of Nigeria's (CBN) Monetary Policy Committee (MPC) increased the policy rate by 50 basis points to 26.75%. The CBN also adjusted the asymmetric interest rate corridor to +500/-100 basis points around the policy rate, widening the gap between the policy rate and the marginal lending rate. The Stanbic IBTC Bank Nigeria PMI edged up to 49.9 in August from 49.2 in July, indicating a return to growth in new orders.

The United Arab Emirates (UAE)

Recent economic data reflect strong performance in the non-oil sector this year, though growth is expected to be slightly slower compared to the previous year. Inflation in Dubai eased to 3.3% in July, although rising rents continue to exert upward pressure on overall inflation. Residential property prices surged by 20.1%, y-o-y, in Dubai and by 8.7%, y-o-y, in Abu Dhabi in July. In the tourism sector, Dubai welcomed 10.62 million international visitors between January and July, an 8% increase compared to the same period in 2023. The UAE is also enhancing its attractiveness to foreign investors and skilled professionals through several initiatives, including allowing 100% foreign ownership of onshore companies, reducing business setup costs, reforming visa and citizenship regulations, implementing job security measures, and updating local laws.

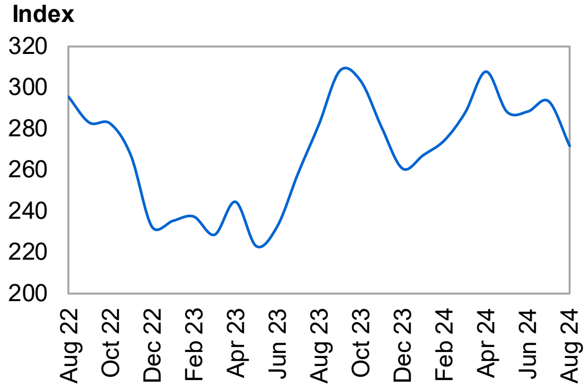
The S&P Global UAE PMI rose to 54.2 in August, recovering from a slight dip to 53.7 in July and approaching the long-term average of 54.4. New orders experienced growth in August, supported by rising consumer and business spending, while hiring in the non-oil sector continued to expand, albeit at a slower rate.

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

The US dollar (USD) index experienced a second consecutive monthly decline in August, falling by 2.3%, m-o-m. The USD faced pressure from expectations of potential US interest rate cuts. Additionally, softer US macroeconomic indicators and a hawkish stance from the BoJ shifted yield spreads in favour of the Japanese yen, contributing to the USD's decline. Y-o-y, the index was down by 0.9%.

Regarding developed market (DM) currencies, the USD depreciated against all major currencies for the second month in a row. It declined against the euro, yen, and pound by 1.5%, 7.3%, and 0.4%, m-o-m, respectively. On a y-o-y basis, the USD was up against the euro and yen by 0.9% and 1.0%, respectively, but down against the pound by 1.6%.

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



Sources: IMF and OPEC.

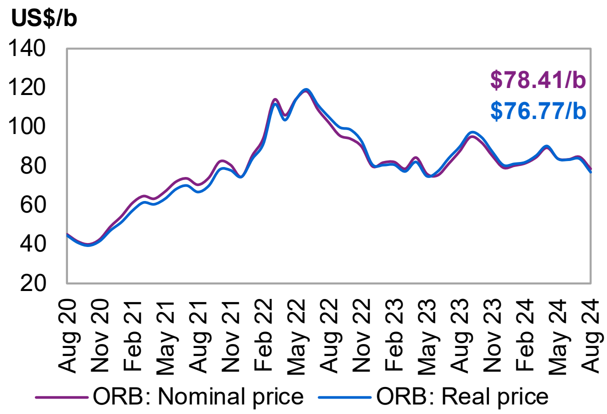
In August, the USD showed mixed performance against emerging market (EM) currencies. It rose against the rupee and real by 0.3% and 0.1%, m-o-m, respectively. However, the USD declined against the yuan by 1.5%, m-o-m, during the same period. Y-o-y, the USD was up against the real by 13.2%, but it declined against the rupee and yuan by 1.3% and 1.4%, respectively.

The differential between nominal and real ORB prices widened further in August. Inflation (nominal price minus real price) went from a premium of 82¢/b in July to a premium of $1.64/b in August, a 100% increase m-o-m.

In nominal terms, accounting for inflation, the ORB price decreased from $84.43/b in July to $78.41/b in August, a 7.1%, m-o-m, decline. Compared to the previous year, the ORB was down by 10.2% in nominal terms.

In real terms (excluding inflation), the ORB price fell from $83.64/b in July to $76.77/b in August, an 8.2%, m-o-m, decrease. Y-o-y, the ORB was down by 14.5% 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 a minor 80 tb/d from the previous month's assessment mainly to reflect data received year to date. Global oil demand growth in 2024 now stands at about 2.0 mb/d, y-o-y, which remains well above the historical average of 1.4 mb/d seen before the COVID-19 pandemic.

In terms of regions, OECD oil demand is expected to grow by over 0.1 mb/d in 2024, with OECD Americas accounting for the entire oil demand growth. In the non-OECD, oil demand is expected to increase by more than 1.8 mb/d, y-o-y, driven mostly by China with support from Other Asia, India, the Middle East, and Latin America. Total world oil demand is anticipated to reach 105.6 mb/d in 4Q24, averaging 104.2 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. Similarly, refinery capacity additions in non-OECD countries – mostly in China and the Middle East – are also expected to contribute to oil demand growth. The global growth forecast is subject to uncertainties, including global economic developments.

For 2025, global oil demand growth is forecast at a robust 1.7 mb/d, y-o-y, revised also down only slightly from the previous month's assessment. Demand in 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 1.6 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	24.42	25.21	25.51	25.37	25.13	0.17	0.70
of which US	*20.36*	*19.92*	*20.46*	*20.67*	*20.85*	*20.48*	*0.11*	*0.56*
Europe	13.45	12.85	13.61	13.73	13.41	13.40	-0.05	-0.34
Asia Pacific	7.24	7.53	6.99	7.03	7.43	7.24	0.00	0.00
Total OECD	**45.65**	**44.80**	**45.80**	**46.28**	**46.21**	**45.78**	**0.13**	**0.28**
China	16.36	16.66	16.88	17.24	17.25	17.01	0.65	3.99
India	5.34	5.66	5.66	5.48	5.65	5.61	0.27	5.02
Other Asia	9.28	9.72	9.77	9.51	9.51	9.63	0.35	3.77
Latin America	6.69	6.67	6.82	6.92	6.88	6.82	0.13	1.97
Middle East	8.63	8.72	8.52	9.19	9.02	8.86	0.23	2.63
Africa	4.46	4.59	4.37	4.39	4.85	4.55	0.09	2.10
Russia	3.84	3.98	3.77	3.96	4.11	3.96	0.11	2.99
Other Eurasia	1.17	1.32	1.24	1.08	1.28	1.23	0.06	5.03
Other Europe	0.78	0.78	0.78	0.77	0.84	0.79	0.01	0.99
Total Non-OECD	**56.56**	**58.11**	**57.81**	**58.53**	**59.40**	**58.47**	**1.90**	**3.37**
Total World	**102.21**	**102.90**	**103.61**	**104.81**	**105.61**	**104.24**	**2.03**	**1.99**
Previous Estimate	102.21	103.15	103.70	104.85	105.57	104.32	2.11	2.07
Revision	0.00	-0.25	-0.09	-0.04	0.05	-0.08	-0.08	-0.08

*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	25.13	24.48	25.26	25.63	25.45	25.21	0.08	0.31
of which US	*20.48*	*19.95*	*20.49*	*20.73*	*20.89*	*20.52*	*0.04*	*0.21*
Europe	13.40	12.87	13.62	13.75	13.43	13.42	0.02	0.12
Asia Pacific	7.24	7.54	7.00	7.04	7.44	7.25	0.01	0.15
Total OECD	**45.78**	**44.89**	**45.87**	**46.43**	**46.32**	**45.88**	**0.11**	**0.23**
China	17.01	17.09	17.27	17.68	17.64	17.43	0.41	2.43
India	5.61	5.88	5.90	5.73	5.88	5.85	0.24	4.27
Other Asia	9.63	9.99	10.09	9.84	9.81	9.93	0.30	3.15
Latin America	6.82	6.86	7.01	7.12	7.07	7.01	0.19	2.82
Middle East	8.86	8.98	8.74	9.54	9.25	9.13	0.27	3.03
Africa	4.55	4.71	4.50	4.53	4.97	4.68	0.12	2.72
Russia	3.96	4.04	3.82	4.02	4.15	4.01	0.05	1.36
Other Eurasia	1.23	1.35	1.27	1.13	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	**58.47**	**59.71**	**59.39**	**60.36**	**60.94**	**60.10**	**1.64**	**2.80**
Total World	**104.24**	**104.60**	**105.26**	**106.79**	**107.26**	**105.99**	**1.74**	**1.67**
Previous Estimate	104.32	104.91	105.38	106.84	107.26	106.11	1.78	1.71
Revision	-0.08	-0.32	-0.12	-0.05	0.00	-0.12	-0.04	-0.04

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

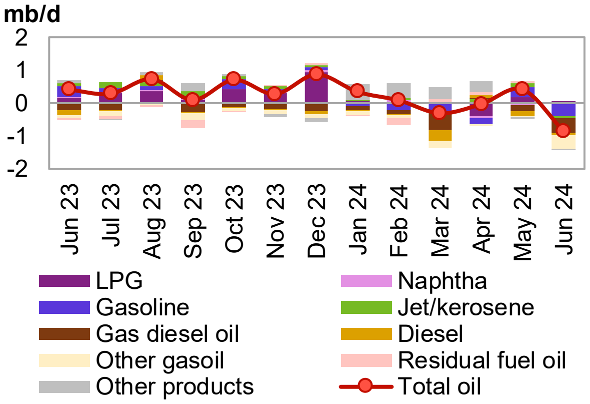
OECD

OECD Americas

Update on the latest developments

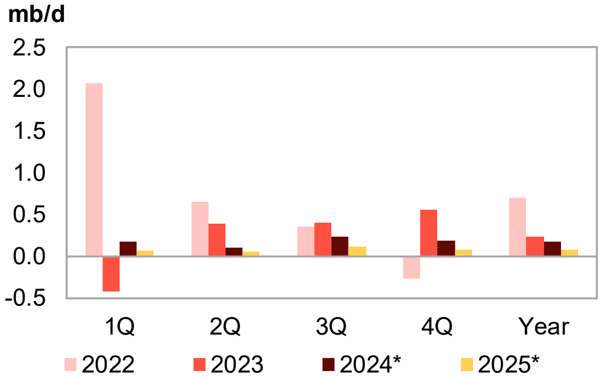
In June, oil demand in the OECD Americas contracted by 853 tb/d, y-o-y, down from the 426 tb/d y-o-y growth seen in the previous month. This decline in monthly demand can largely be attributed to transportation fuels and diesel requirements in major consuming countries of the region.

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 June contracted by 506 tb/d, y-o-y, down from the 477 tb/d y-o-y growth registered in May. The largest decrease was recorded in gasoil/diesel and gasoline.

In terms of products, overall gasoil/diesel demand contracted by 384 tb/d, y-o-y, in June, down from a decline of 140 tb/d, y-o-y, seen the previous month. Diesel demand was affected by sustained weak manufacturing and slightly by trucking activity in the US. The US ISM Manufacturing PMI contracted further into negative territory to stand at 48.5 in June. Similarly, the American Trucking Associations (ATA) advanced seasonally adjusted Truck Tonnage Index decreased by 1.6%, y-o-y, in June after increasing by 3%, y-o-y, in May. Gasoline demand fell by 246 tb/d, y-o-y, down from growth of 316 tb/d, y-o-y, seen in the previous month. This decline was recorded despite the 1% y-o-y uptick in the seasonally adjusted vehicle miles travelled in June. Moreover, gasoline demand was partly subdued by technological changes and vehicle efficiency, including an observed increase in the number of electric and hybrid vehicles in the US market. Data from the US Energy Information Administration (EIA) indicates that the share of electric and hybrid vehicle sales in the United States increased in 2Q24 to 18.7% from 17.8% in 1Q24. Going by historical trends, it should be noted that the peak in US summer driving season gasoline demand by month has varied from May to August over the years. With that said, gasoline demand in May 2024 reached its highest level since the onset of the COVID-19 pandemic in 2020. However, gasoline demand in the US has not yet caught up to pre-COVID-19 levels. Jet/kerosene demand inched down by 41 tb/d, y-o-y, down from the 95 tb/d y-o-y growth registered in the previous month. The m-o-m decline in jet/kerosene demand aligned with the developments in the air travel industry in June. According to a report from the International Air Travel Association (IATA), US domestic passenger traffic and international revenue passenger-kilometres (RPKs) each slightly decreased by 1%, y-o-y, in June. Naphtha was flat in June, albeit showing an improvement from the 48 tb/d y-o-y decline observed in May.

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

US oil demand			*Change Jun 24/Jun 23*	
By product	**Jun 23**	**Jun 24**	**Growth**	**%**
LPG	3.29	3.36	0.08	2.4
Naphtha	0.13	0.12	0.00	-2.4
Gasoline	9.37	9.12	-0.25	-2.6
Jet/kerosene	1.76	1.72	-0.04	-2.3
Diesel	3.98	3.59	-0.38	-9.7
Fuel oil	0.27	0.29	0.01	5.1
Other products	2.26	2.33	0.08	3.4
Total	**21.05**	**20.54**	**-0.51**	**-2.4**

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

Sources: EIA and OPEC.

LPG expanded by 78 tb/d, y-o-y, down from the 147 tb/d y-o-y growth registered in the previous month. The ´other products´ category increased by 76 tb/d, y-o-y, up from the 25 tb/d y-o-y increase seen in the previous month. Residual fuels inched up by 14 tb/d, y-o-y, down from y-o-y growth of 82 tb/d registered in the previous month.

Near-term expectations

Looking ahead, there is some upside potential, including anticipated ongoing support from steady private household consumption throughout 2H24. The summer driving season is also expected to provide support for transportation fuels. Moreover, ongoing firm petrochemical feedstock requirements are expected to boost LPG and ethylene demand. 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. However, the current weakness in manufacturing activities is likely to continue in 2H24 and weigh on diesel demand. US oil demand is forecast to increase by an average of 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 114 tb/d, y-o-y, to average 20.48 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, US oil demand is projected to grow by 42 tb/d, y-o-y, to an average of 20.52 mb/d in 2025.

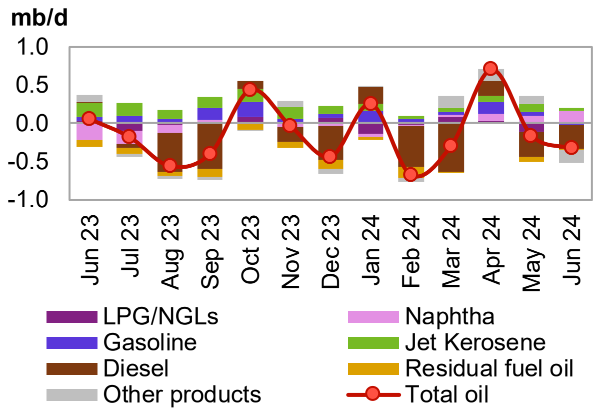
OECD Europe

Update on the latest developments

Oil demand in OECD Europe contracted further by 331 tb/d, y-o-y, in June, down from a decline of 162 tb/d, y-o-y, in the previous month. This oil demand decline stemmed largely from Germany, France, Italy, and the UK, which more than offset moderate oil demand growth in Spain. In terms of petroleum products, the largest decline was seen in demand for diesel and the 'other products' category.

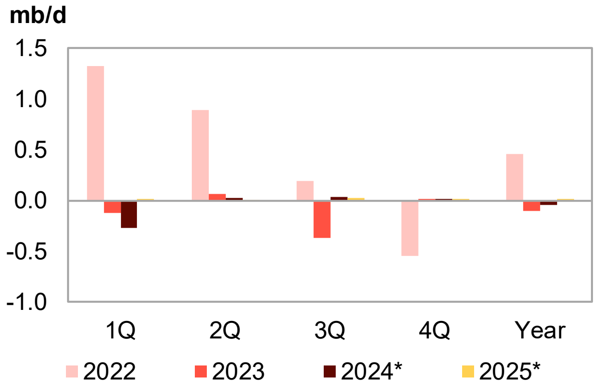
In terms of products, diesel demand contracted by 315 tb/d, y-o-y, in June, a slight improvement from the 330 tb/d y-o-y decline seen in the previous month. Diesel demand was affected by ongoing weak manufacturing activity in the region. The 'other products' category declined by 173 tb/d, y-o-y, from growth of 106 tb/d, y-o-y, seen in the previous month. Gasoline demand softened by 22 tb/d, y-o-y, down from the y-o-y growth of 49 tb/d observed in the previous month. Demand for residual fuels weakened by 15 tb/d, y-o-y, demonstrating an improvement over the 66 tb/d y-o-y decline registered in May.

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



Sources: IEA, JODI, OPEC and national sources.

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



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

On a positive note, naphtha surged by 157 tb/d, y-o-y, up from the 99 tb/d y-o-y growth seen in the previous month. The growth in the regional naphtha demand was supported by steady gasoline blending activity and firm refining margins during the summer. LPG demand was flat, albeit showing an improvement over the 119 tb/d y-o-y contraction seen in the previous month. Jet/kerosene demand expanded by 35 tb/d, y-o-y, though lower than growth of 99 tb/d, y-o-y, seen in the previous month. The relative m-o-m increase in jet/kerosene demand in June aligned closely with a report from IATA's Air Passenger Market Analysis showing that Europe's international RPKs grew by 9.1%, y-o-y, compared with 11.4% y-o-y growth witnessed in May.

Near-term expectations

In the near term, economic growth in the region is expected to remain on a positive trajectory, but at a low level in 2H24. Stronger-than-expected economic performance in both 1Q24 and 2Q24 is expected to continue in 2H24 on the back of a modest yet sustained service sector-driven growth momentum. 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 have boosted travel and tourism demand in the region during 3Q24. 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 28 tb/d, y-o-y, in 2H24. With that said, overall, European oil demand is projected to see a decline of 46 tb/d, y-o-y, to average 13.40 mb/d in 2024.

Expected improvements towards the end of 2024 are projected to continue in 2025, with anticipated positive GDP growth in the region slightly above 2024 growth rates. Furthermore, air travel and driving activity levels are expected to remain steady and continue to support oil demand. Accordingly, OECD Europe oil demand is forecast to grow by 17 tb/d, y-o-y, to average 13.42 mb/d in 2025.

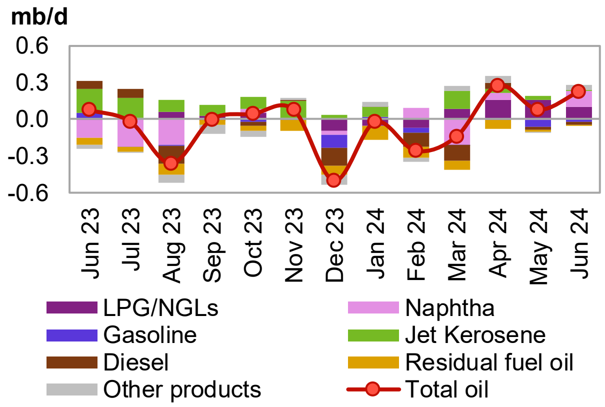
OECD Asia Pacific

Update on the latest developments

Oil demand in OECD Asia Pacific surged in June by 223 tb/d, y-o-y, up from an increase of 78 tb/d, y-o-y, seen in May. The relatively strong increase in oil demand was driven entirely by South Korea and Australia.

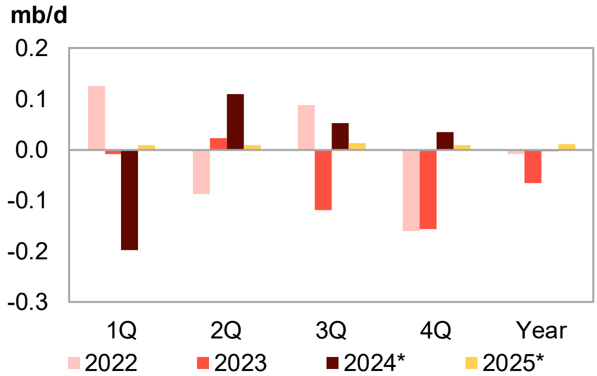
In terms of petroleum products, the largest increase stemmed from petrochemical sector requirements for naphtha and LPG, which expanded by 128 tb/d and 105 tb/d, y-o-y, respectively. The largest share of regional naphtha demand growth is from South Korea. LPG expanded by 105 tb/d, y-o-y, down from the 159 tb/d y-o-y growth seen in the previous month. The m-o-m softening of LPG demand can be attributed to declines in Japan, which offset the strong growth in South Korea and Australia during the month. The 'other products' category increased by 40 tb/d, y-o-y, showing an improvement from a decline of 8 tb/d, y-o-y, seen in the previous month. Jet/kerosene was unchanged, y-o-y, in June, down from 32 tb/d, y-o-y growth seen in the previous month. The flat jet/kerosene demand during the month can be attributed to the 23 tb/d y-o-y decline in Japan offsetting the 20 tb/d y-o-y growth in South Korea. The relative decline in jet/kerosene demand in Japan is consistent with a report from IATA Air Passenger Monthly Analysis which shows that passenger demand in Australia and Japan during the month contracted by 1.0% and 0.2%, y-o-y, respectively.

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.

Gasoline demand contracted by 19 tb/d, y-o-y, in June, albeit showing an improvement from the 52 tb/d y-o-y decline observed in the previous month. The gasoline demand decline in June was driven by Japan and Australia, and more than offset the increase seen in South Korea. Diesel demand contracted by 23 tb/d, y-o-y, broadly in line with the annual decline of 25 tb/d seen in the previous month. The contraction in diesel demand is largely driven by Japan, which offset the 26 tb/d y-o-y growth in South Korea. Demand for residual fuels weakened by 11 tb/d, y-o-y, albeit seeing an improvement from the 21 tb/d y-o-y decline observed in May.

Near-term expectations

In the near term, economic activity in South Korea, one of the largest economies in the region, is expected to remain steady, with all growth indicators pointing to a supportive environment. Industrial production and manufacturing output in 1H24 were relatively strong amid very robust and steady exports. The country's manufacturing PMI has been on an expansion trajectory for some time. The Japanese economy is expected to gradually rebound in the near term, and there are signs of a sustained recovery in consumer confidence and an expected rise in tourism-related activity. In addition, there is an indication of a strong rebound in the country's services sector as indicated by the services sector PMI, which constitutes a significant portion of Japan's economy. The PMI increased significantly by 4.3 index points, reaching 53.7 in July after standing at 49.4 in June.

Accordingly, oil demand in OECD Asia Pacific is projected to increase in 2H24 by an average of 44 tb/d, y-o-y, from a contraction of 45 tb/d, y-o-y, registered in 1H24. Diesel and petrochemical feedstock demand could experience downward pressure due to a continuous downturn in manufacturing activity and poor olefin margins, particularly in Japan. Given the weak start of the year, oil demand in OECD Asia Pacific is forecast to show no growth y-o-y, to average 7.24 mb/d in 2024.

The expected gradual improvements in economic momentum in 4Q24 are expected to continue in 2025 with GDP growth projected to surpass 2024 rates. 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, reaching an average of 7.25 mb/d in 2025.

Non-OECD

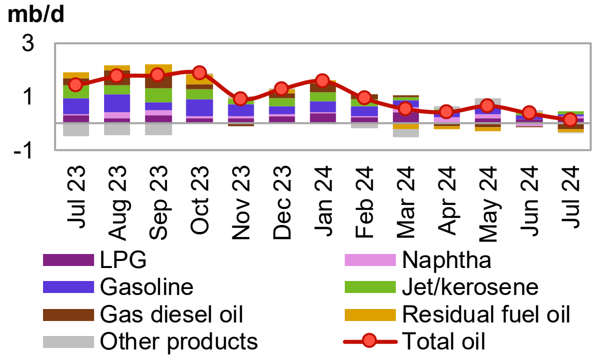
China

Update on the latest developments

China's oil demand in July grew by 121 tb/d, y-o-y, below the 370 tb/d y-o-y growth seen in the previous month. Monthly demand was supported by petrochemical feedstock and transportation fuel requirements. The m-o-m softening of the demand was largely due to strong baseline effects amid a strong contraction in diesel and residual fuel requirements, which partially offset the monthly growth in jet/kerosene and LPG.

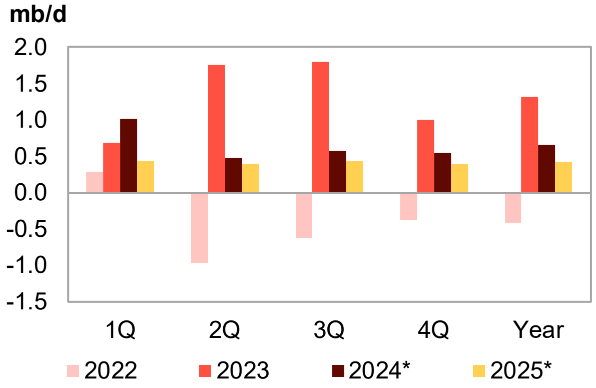
In terms of product categories, LPG led demand growth in July with a 183 tb/d y-o-y increase, up from the 177 tb/d y-o-y growth observed in the previous month. Naphtha demand increased by 75 tb/d, y-o-y, up from a decline of 96 tb/d, y-o-y, in June. Jet/ kerosene requirements grew by 134 tb/d, y-o-y, on the back of continuously recovering air travel – data from China's Civil Aviation Administration shows domestic and international air travel turnover increasing by 8% and 53.2 %, y-o-y, respectively in July 2024. Gasoline grew by 77 tb/d, y-o-y, down from the 130 tb/d y-o-y growth seen in the previous month. Gasoline demand was supported by summer travel activity. According to data from the Ministry of Transport, passenger traffic in terms of 100 million person-kilometers has averaged 170 million since the start of the summer travel season on 1 July, rising by 2.6%, y-o-y.

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.

Diesel demand contracted by 212 tb/d, y-o-y, down from a decline of 20 tb/d, y-o-y, in June. Diesel demand was subdued by weak manufacturing, construction, and trucking activity, as well as the penetration of LNG trucks, weakening the demand for transportation diesel. In July, manufacturing activity was affected by the traditional production offseason. Accordingly, industrial production inched down to 5.1% y-o-y growth in July compared to the 5.3% y-o-y growth registered in June. Similarly, heavy rainfall and Typhoon Gaemi curtailed construction and road transportation activities in some parts of the country. Demand for residual fuels contracted by 102 tb/d, y-o-y. The ´other products´ category softened by 33 tb/d, y-o-y, down from the 65 tb/d y-o-y growth observed in the previous month.

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

China's oil demand By product	Jul 23	Jul 24	Change Jul 24/Jul 23 Growth	%
LPG	2.92	3.10	0.18	6.3
Naphtha	1.53	1.61	0.07	4.9
Gasoline	3.46	3.53	0.08	2.2
Jet/kerosene	0.86	1.00	0.13	15.5
Diesel	3.69	3.48	-0.21	-5.7
Fuel oil	1.03	0.93	-0.10	-9.9
Other products	2.77	2.74	-0.03	-1.2
Total	**16.27**	**16.39**	**0.12**	**0.7**

*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 economic growth is expected to remain well supported. Similarly, current healthy travel sector activity is also expected to continue. Moreover, ongoing government support for the manufacturing and industrial sectors as announced in March at the National People's Congress (NPC) session, is expected to sustain output growth in the near term. Accordingly, Chinese product demand, particularly diesel and gasoline, is expected to gain additional support during the peak season for outdoor construction in September-October and the Golden Week holiday on 1-7 October. Moreover, the expected seasonal rise in external demand for petrochemical products during December is expected to strengthen feedstock demand.

Accordingly, China's oil demand is anticipated to expand by 559 tb/d, y-o-y, on average in 2H24. In 2024, oil demand is projected to grow by 653 tb/d, y-o-y, to average 17.01 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 going forward.

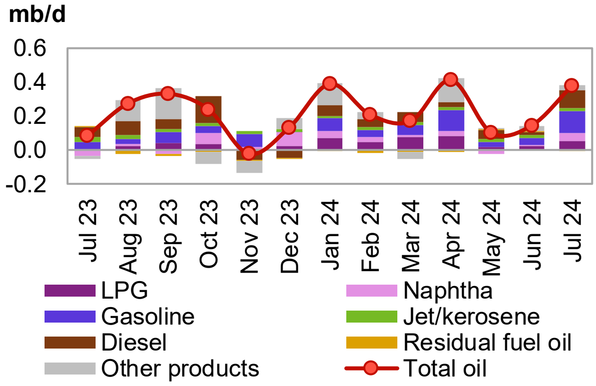
In 2025, steady economic growth and healthy travel activities are forecast to continue to support oil demand. China is expected to remain the global leader in oil demand growth, increasing by around 0.4 mb/d, y-o-y, to average 17.43 mb/d. China is also projected to lead global petrochemical feedstock demand growth, while jet fuel demand is forecast to rise due to an increase in air transportation requirements.

India

Update on the latest developments

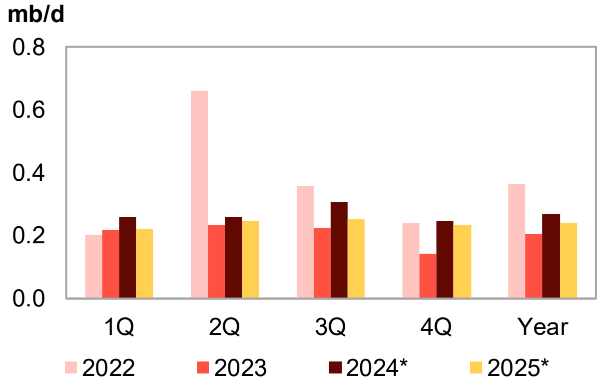
India's oil demand in July surged by 376 tb/d, y-o-y, up from the 144 tb/d y-o-y growth seen in June. The demand increase was supported by requirements for gasoline and diesel. Consistent with this, data from the Petroleum Planning and Analysis Cell showed India's imports of light distillates (comprising naphtha, gasoline, and LPG) rising 42.1%, m-o-m, and 40.0%, y-o-y.

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, gasoline demand led growth in July with a y-o-y increase of 126 tb/d, up from the 43 tb/d y-o-y growth observed in the previous month. Gasoline demand was supported by strong economic momentum and was consistent with data from the Federation of Automobile Dealers Association/Haver Analytics, showing that vehicle sales in India increased by 13.84%, y-o-y, in July, compared with the 0.73% y-o-y increase seen in June.

Diesel, the most widely used oil product in India, grew by 109 tb/d, y-o-y, in July, up from an increase of 20 tb/d, y-o-y, seen in the previous month. The rise in diesel consumption was supported by agricultural activity during the sowing period. Furthermore, private mobility and freight transportation expanded by approximately 19%, y-o-y. Commercial vehicle sales increased by 5.9%, y-o-y, in July, compared with an annual decline of 4.7% reported in the previous month. These factors directly influenced diesel demand in July.

In terms of petrochemical feedstocks, LPG grew by 55 tb/d, y-o-y, up from the 27 tb/d y-o-y growth seen in the previous month. Household requirements accounted for approximately 89% of LPG consumption during the month. Growth in LPG was supported by a price reduction. Naphtha expanded by 46 tb/d, y-o-y, up from the 5 tb/d y-o-y growth seen in June. The rise in demand for naphtha was partly supported by requirements for blending in gasoline production, which aligned with the increase in gasoline consumption seen during the month. Jet/kerosene increased by 19 tb/d, y-o-y, up from the 13 tb/d y-o-y growth seen in the previous month. While the ‘other products’ category, including bitumen for road construction, grew by 27 tb/d, y-o-y – slightly below the 31 tb/d y-o-y growth seen in the previous month – residual fuel requirements contracted by 6 tb/d, y-o-y.

Table 4 - 5: India’s oil demand, mb/d

India's oil demand			*Change*	*Jul 24/Jul 23*
By product	**Jul 23**	**Jul 24**	**Growth**	**%**
LPG	0.90	0.95	0.05	6.1
Naphtha	0.30	0.35	0.05	15.4
Gasoline	0.82	0.94	0.13	15.4
Jet/kerosene	0.18	0.20	0.02	10.5
Diesel	1.67	1.78	0.11	6.5
Fuel oil	0.12	0.11	-0.01	-4.7
Other products	1.00	1.03	0.03	2.7
Total	**4.99**	**5.37**	**0.38**	**7.5**

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

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

Near-term expectations

In the near term, the ongoing strong economic expansion in India is expected to continue and support the country’s manufacturing and services sectors. Moreover, the government’s announcement that it would support the underprivileged, women, youth and farmers through increased spending, job creation and middle-class tax relief is expected to boost consumer spending and bolster oil product demand. Among oil products, LPG, ethane, and diesel are expected to benefit from increased small-scale industry and residential sector requirements.

Furthermore, demand for transportation fuels, gasoline, and jet/kerosene is expected to remain steady on the back of healthy driving mobility and ongoing air travel recovery. The country’s traditional annual festivities are set to support transportation activity and boost gasoline demand. Moreover, jet fuel demand may also surge due to Indian carriers’ fleets being supplemented by an additional 84 aircraft this year. Overall, these factors are expected to bolster India’s oil demand.

However, cyclone activity in eastern India and a forecast for above-average rainfall this monsoon season could weigh on agricultural and construction activities, affecting oil demand in 3Q24. In 2024, India is expected to see healthy oil demand growth of 268 tb/d, y-o-y, for an average of 5.61 mb/d.

India’s robust economic momentum is expected to be sustained in 2025. Furthermore, manufacturing and business activities in India are expected to remain steady, supporting a 239 tb/d y-o-y oil demand increase next year. Diesel is expected to continue acting as the main driver of demand growth, followed by the ‘other products’ category, bitumen in particular. 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

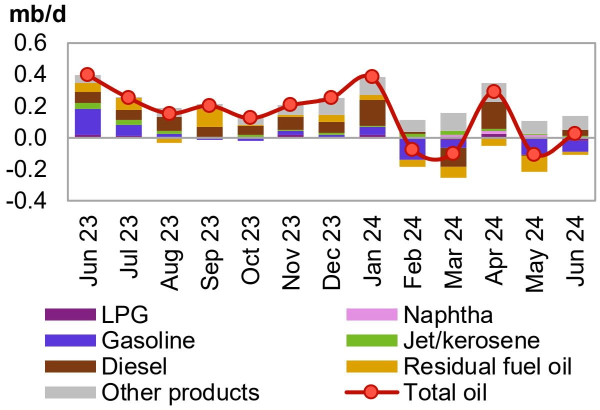
Update on the latest developments

Oil demand in Latin America inched up by 26 tb/d, y-o-y, in June, after showing a 110 tb/d y-o-y decline in May. The rebound in regional oil demand stemmed mostly from Brazil.

In terms of product demand, diesel expanded by 40 tb/d, y-o-y, up from a contraction of 5 tb/d, y-o-y, seen in the previous month. According to Brazil's Association of Highway Operators, the flow of heavy vehicles on Brazilian roads rose by 5.2%, y-o-y, in June, bolstering diesel consumption in Brazil. The ´other products´ category, which includes bitumen and ethanol, increased by 85 tb/d, y-o-y, reflecting a similar dynamic to the previous month. Naphtha inched up by 6 tb/d, y-o-y, compared to the annual increase of 14 tb/d observed in the previous month. Jet/kerosene saw a marginal uptick of 3 tb/d, y-o-y, down from the equally slight y-o-y growth of 5 tb/d seen in the previous month. This aligns with the IATA Air Passenger Monthly Analysis report indicating that yearly international passenger traffic growth in Latin America slowed slightly compared to the previous month, registering 15.3% growth in June as opposed to the 15.8% increase observed in May.

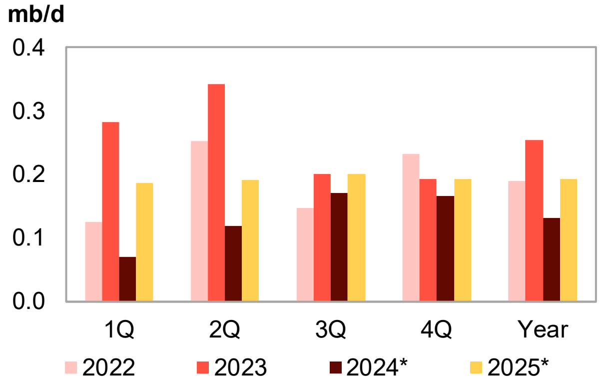
Gasoline demand fell by 72 tb/d, y-o-y, in June, albeit showing an improvement from the 101 tb/d y-o-y decline seen in the previous month. Most of the decline in gasoline was driven by Brazil. Gasoline sales in Brazil fell by 8.6% in June, pressured by strong competition from relatively cheaper ethanol. In addition, the economic contraction in Argentina is affecting both gasoline and gasohol consumption in the region. While LPG eased by 21 tb/d, y-o-y, residual fuels contracted by 16 tb/d, y-o-y, up from the 101 tb/d decline observed in the previous month.

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, the ongoing positive developments in industrial production and services in Brazil, the largest economy of the region, are expected to continue in the near term. The services and manufacturing PMIs have been in expansionary territory for an extended period of time. Moreover, there are expectations that a downward trend in the unemployment rate will continue to support private consumption. Additionally, air travel recovery is expected to continue, supporting further growth in jet fuel demand. Oil demand in the region is projected to grow by 168 tb/d, y-o-y, on average in 2H24, from an average of 95 tb/d, y-o-y, in 1H24. In 2024, oil demand is expected to expand by 132 tb/d, y-o-y, to average 6.82 mb/d. Brazil is expected to be the main driver of regional oil demand growth. In terms of products 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.

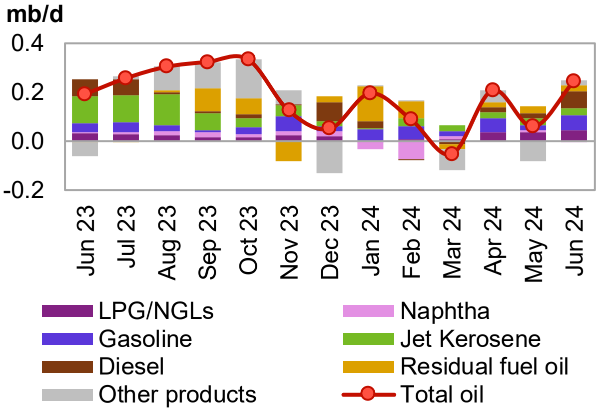
Steady regional economic activity in 2H24 is expected to carry over into 2025, and the GDP growth in major oil-consuming countries is expected to improve and surpass 2024 growth rates. Accordingly, transportation and manufacturing activities are expected to bolster the oil demand growth forecast of 192 tb/d, y-o-y, to average 7.01 mb/d. Transportation fuels, including jet/kerosene and diesel, are anticipated to drive demand growth.

Middle East

Update on the latest developments

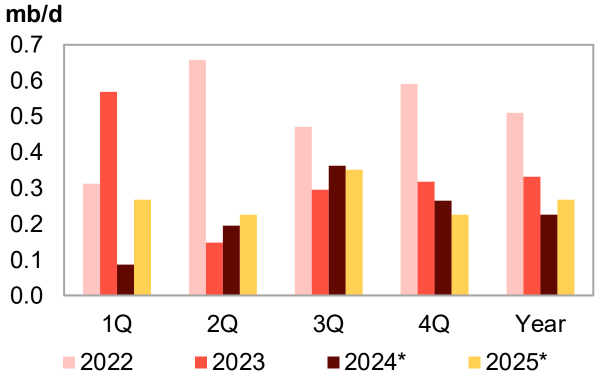
Oil demand in the Middle East surged by 246 tb/d, y-o-y, in June, up from the 60 tb/d y-o-y growth seen in the previous month. The increase in oil demand was supported by transportation fuels and LPG requirements from consuming countries across the region.

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, transportation fuels led demand growth in June. Diesel expanded by 65 tb/d, y-o-y, up from the 22 tb/d y-o-y increase observed in May. Gasoline grew by 63 tb/d, y-o-y, up from the 18 tb/d y-o-y increase seen in the previous month. In terms of petrochemical feedstocks, LPG increased by 45 tb/d, y-o-y, up from the 39 tb/d y-o-y growth observed in the previous month, while naphtha requirements were flat, y-o-y. Jet/kerosene increased by 29 tb/d, y-o-y, demonstrating the same growth as in the previous month. This was consistent with a report from the IATA Air Passenger Monthly Analysis, which indicates that Middle East air travel in June was broadly the same as what was seen in May. Residual fuels grew by 27 tb/d, y-o-y, registering the same growth as in the previous month. The 'other products' category expanded by 19 tb/d, y-o-y, an improvement from the 82 tb/d y-o-y decline seen in the previous month.

Near-term expectations

In the near term, the current positive outlook of steady economic and transportation activities is expected to support oil demand in 2H24. Furthermore, oil consumption is expected to be underpinned by strong government support and solid consumer spending. Accordingly, oil demand in the region is anticipated to increase by 313 tb/d, y-o-y, on average in 2H24, led by Saudi Arabia and Iraq. Demand growth in 2H24 is projected to be stronger than in the first half of the year, when it averaged 140 tb/d. Increasing flights to and from the Middle East during the peak travel season in 3Q24 are expected to support jet/kerosene demand, leading to growth in terms of petroleum products. Moreover, the inauguration of four new airports and terminals in Saudi Arabia and the UAE earlier this year is expected to bolster air travel in the region.

Rising temperatures during the hot summer season in 3Q24 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 227 tb/d, y-o-y, to average 8.86 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 269 tb/d, y-o-y, to reach 9.13 mb/d in 2025.

World Oil Supply

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 to average 53.1 mb/d, with growth unchanged from last month's assessment.

US crude and condensate production marginally rose in June, while natural gas liquids (NGLs) production remained above 7 mb/d for the second consecutive month. Accordingly, US liquids supply growth for 2024 is expected at 0.5 mb/d. The other 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 54.2 mb/d, with growth 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 60 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.

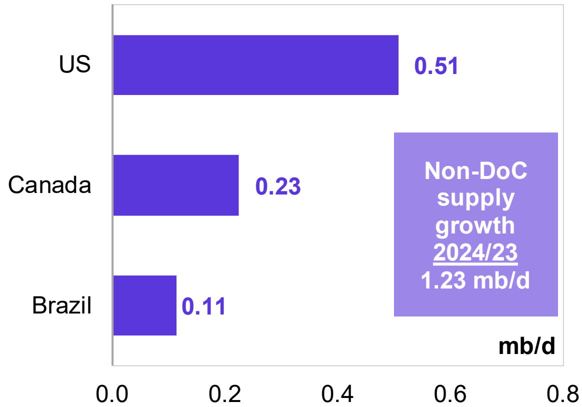
DoC crude oil production in August decreased by 0.30 mb/d, m-o-m, averaging 40.66 mb/d, as reported by available secondary sources.

Key drivers of growth and decline

Non-DoC liquids supply is expected to grow by 1.2 mb/d in 2024, unchanged from the previous month's assessment. Downward revisions in OECD Europe and Latin America were offset by upward shifts in China, Angola, and Australia. The main drivers for non-DoC liquids supply growth in 2024 are expected to be the US, Canada, and Brazil.

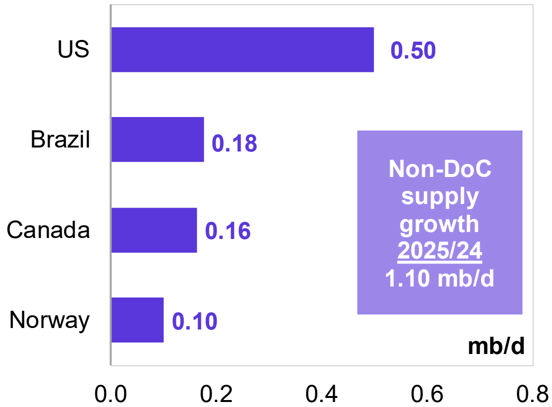
In 2025, non-DoC liquids supply growth is expected at 1.1 mb/d, unchanged from the previous month's assessment. Annual growth is set to be driven mainly by the US, Brazil, Canada, and Norway.

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	26.67	26.91	27.58	27.53	27.58	27.40	0.73	2.75
of which US	*20.97*	*21.02*	*21.80*	*21.60*	*21.50*	*21.48*	*0.51*	*2.42*
Europe	3.65	3.66	3.58	3.65	3.78	3.67	0.01	0.39
Asia Pacific	0.45	0.46	0.44	0.46	0.43	0.45	0.00	0.08
Total OECD	**30.77**	**31.03**	**31.59**	**31.64**	**31.80**	**31.52**	**0.75**	**2.43**
China	4.52	4.62	4.63	4.53	4.48	4.56	0.05	1.06
India	0.79	0.80	0.79	0.80	0.79	0.80	0.01	1.22
Other Asia	1.61	1.62	1.62	1.60	1.59	1.61	-0.01	-0.46
Latin America	6.96	7.28	7.19	7.29	7.53	7.32	0.36	5.22
Middle East	2.02	2.00	2.00	2.00	2.02	2.01	-0.02	-0.86
Africa	2.22	2.24	2.26	2.27	2.27	2.26	0.04	1.77
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	-1.63
Total Non-OECD	**18.60**	**19.03**	**18.96**	**18.96**	**19.16**	**19.03**	**0.43**	**2.32**
Total Non-DoC production	49.37	50.06	50.56	50.60	50.95	50.55	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	**51.84**	**52.58**	**53.08**	**53.12**	**53.47**	**53.07**	**1.23**	**2.37**
Previous estimate	51.77	52.60	53.02	52.95	53.42	53.00	1.23	2.38
Revision	0.07	-0.02	0.06	0.17	0.06	0.07	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	27.40	27.83	27.87	28.12	28.43	28.07	0.66	2.42
of which US	*21.48*	*21.71*	*21.98*	*22.03*	*22.18*	*21.98*	*0.50*	*2.33*
Europe	3.67	3.85	3.72	3.70	3.81	3.77	0.10	2.74
Asia Pacific	0.45	0.44	0.43	0.44	0.44	0.44	-0.01	-1.75
Total OECD	**31.52**	**32.12**	**32.03**	**32.26**	**32.68**	**32.27**	**0.76**	**2.40**
China	4.56	4.62	4.61	4.52	4.53	4.57	0.01	0.12
India	0.80	0.79	0.80	0.81	0.81	0.80	0.01	0.98
Other Asia	1.61	1.60	1.58	1.56	1.56	1.58	-0.03	-1.81
Latin America	7.32	7.48	7.53	7.61	7.74	7.59	0.27	3.62
Middle East	2.01	2.01	2.04	2.03	2.03	2.03	0.02	1.01
Africa	2.26	2.28	2.28	2.28	2.27	2.28	0.02	0.75
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	2.02
Total Non-OECD	**19.03**	**19.27**	**19.29**	**19.29**	**19.41**	**19.32**	**0.29**	**1.52**
Total Non-DoC production	50.55	51.38	51.32	51.55	52.10	51.59	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	**53.07**	**53.96**	**53.90**	**54.13**	**54.68**	**54.17**	**1.10**	**2.08**
Previous estimate	53.00	53.90	53.83	54.06	54.61	54.10	1.10	2.08
Revision	0.07	0.07	0.07	0.07	0.07	0.07	0.00	0.00

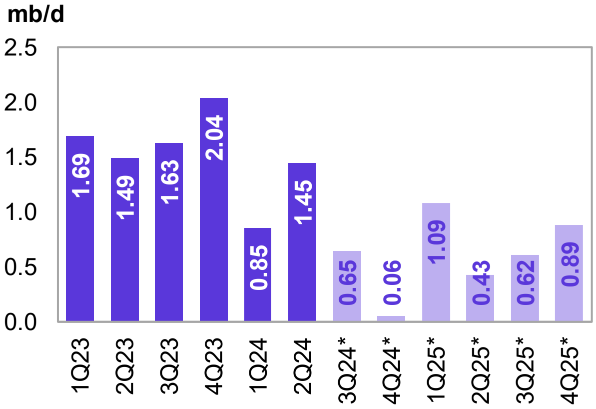
*Note: * 2025 = Forecast. Totals may not add up due to independent rounding.*
Source: OPEC.

OECD

For 2024, OECD liquids production (excluding DoC participating country Mexico) is anticipated to expand by about 0.7 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 27.4 mb/d. This is largely unchanged compared with the previous month's assessment. Yearly liquids production in OECD Europe is set to rise by about 15 tb/d to average 3.7 mb/d, which is a downward revision of 17 tb/d compared with the August MOMR. OECD Asia Pacific is expected to remain unchanged, y-o-y, to average 0.4 mb/d.

OECD liquids production is forecast to grow by 0.8 mb/d to average 32.3 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 28.1 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.

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



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

US

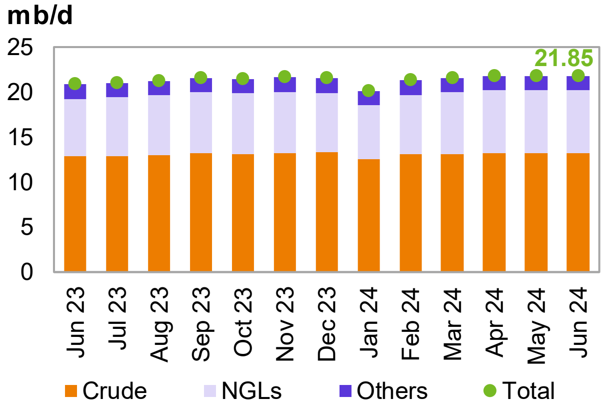
US liquids production in June rose by 63 tb/d, m-o-m, to average 21.9 mb/d. This was 1.0 mb/d higher than in June 2023.

Crude oil and condensate production rose by 25 tb/d, m-o-m, to average 13.2 mb/d in June, up by 0.3 mb/d, y-o-y.

In terms of the crude and condensate production breakdown by region (PADDs), production increased on the US Gulf Coast (USGC) by 71 tb/d to average 9.7 mb/d. Production in the East Coast (PADD 1) remained broadly unchanged. Output in the Midwest (PADD 2), Rocky Mountain (PADD 4) and West Coast (PADD 5) regions dropped by 15 tb/d, 8 tb/d and 21 tb/d, m-o-m, respectively.

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

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



Sources: EIA and OPEC.

NGLs production dropped by 37 tb/d, m-o-m, to average 7.0 mb/d in June. This was 0.6 mb/d higher, y-o-y. According to the US Department of Energy (DoE), the production of non-conventional liquids (mainly ethanol) increased by 75 tb/d, m-o-m, to average 1.6 mb/d. Preliminary estimates show non-conventional liquids averaging about 1.6 mb/d in July, lower by about 30 tb/d, m-o-m.

GoM production increased by 20 tb/d, m-o-m, to average 1.8 mb/d in June. Federal offshore fields' production is expected to remain supported by new projects in the second half of this year, namely Anchor and Whale. In the onshore Lower 48, crude and condensate production rose by 23 tb/d, m-o-m, averaging 11.0 mb/d in June.

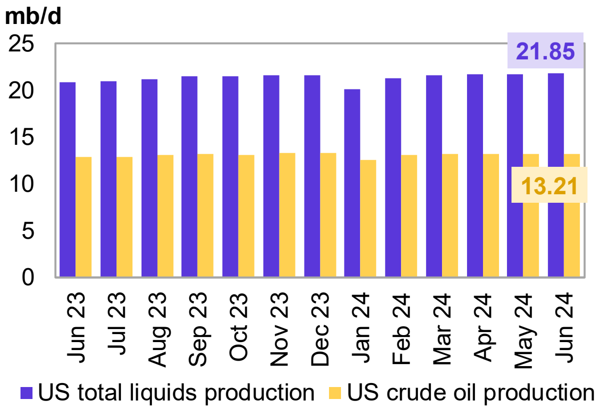
Table 5 - 3: US crude oil production by selected state and region, tb/d

State	Jun 23	May 24	Jun 24	Change m-o-m	y-o-y
Texas	5,538	5,672	5,730	*58*	*192*
New Mexico	1,735	2,019	2,010	*-9*	*275*
Gulf of Mexico (GOM)	1,845	1,780	1,800	*20*	*-45*
North Dakota	1,160	1,184	1,181	*-3*	*21*
Colorado	464	453	450	*-3*	*-14*
Alaska	423	417	399	*-18*	*-24*
Oklahoma	435	396	386	*-10*	*-49*
Total	**12,866**	**13,189**	**13,214**	***25***	***348***

Sources: EIA and OPEC.

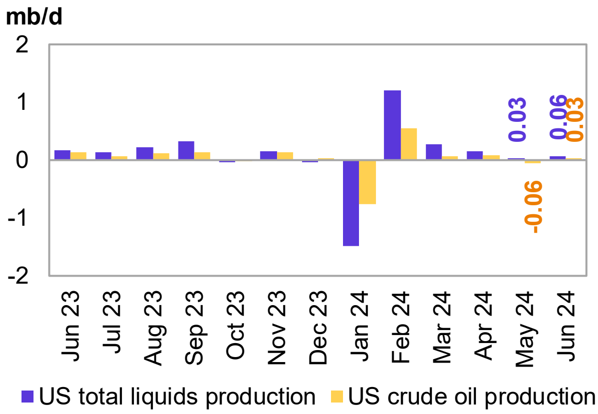
In terms of individual US states, New Mexico's oil production fell by 9 tb/d to average 2.0 mb/d, which is 275 tb/d higher than a year ago. Production from Texas was up by 58 tb/d to average 5.7 mb/d, which is 192 tb/d higher than a year ago. In the Midwest, North Dakota's production dropped by a minor 3 tb/d, m-o-m, to average 1.2 mb/d, up by 21 tb/d, y-o-y. Meanwhile, Oklahoma's production fell by 10 tb/d, m-o-m, to average 0.4 mb/d. Production in Colorado dropped by a minor 3 tb/d, m-o-m, while output in Alaska fell by 18 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



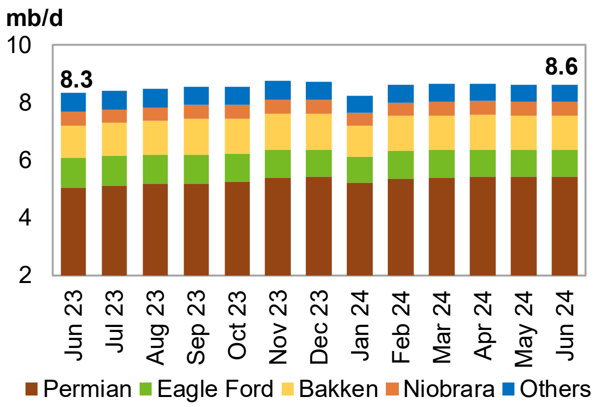
Sources: EIA and OPEC.

US tight crude output in June is estimated to remain largely unchanged, m-o-m, at an average 8.6 mb/d, according to the latest estimates from the US Energy Information Administration (EIA). This was 0.3 mb/d higher than in the same month last year.

The m-o-m production increase from shale and tight formations using horizontal wells came mainly from the Permian shale in Texas, where output rose by a minor 4 tb/d to average 5.4 mb/d. This was up by 0.4 mb/d, y-o-y.

In North Dakota, Bakken shale oil output remained unchanged, m-o-m. It averaged 1.2 mb/d, or about 40 tb/d higher, y-o-y. Tight crude output at Eagle Ford in Texas marginally declined to average 0.9 mb/d. This was down by 0.1 mb/d, y-o-y. Production at Niobrara-Codell in Colorado and Wyoming was largely unchanged, m-o-m, at an average 480 tb/d.

Graph 5 - 7: US tight crude output breakdown

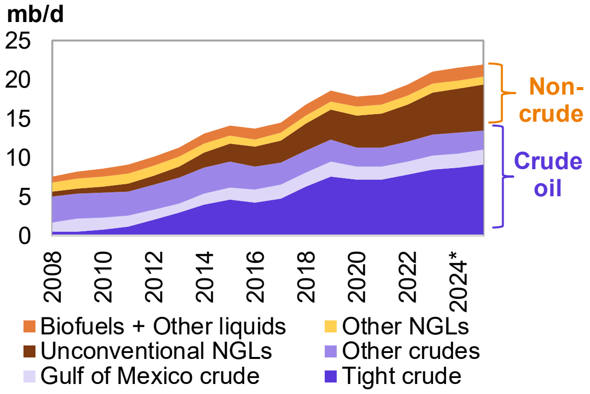


Sources: EIA and OPEC.

US liquids production in 2024, excluding processing gains, is expected to grow by 0.5 mb/d, y-o-y, to average 21.5 mb/d. The growth 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. However, there is an above-average probability for hurricanes this season, which could impact liquids production in the coming months.

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 6.7 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 0.3 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 22.0 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 6.9 mb/d and 1.6 mb/d, respectively. Average tight crude output in 2025 is expected to reach 9.1 mb/d, up by 0.3 mb/d, y-o-y. The 2025 forecast also 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	8.75	0.33	9.09	0.34
Gulf of Mexico crude	1.87	0.13	1.81	-0.05	1.90	0.09
Conventional crude oil	2.65	0.16	2.64	-0.01	2.50	-0.14
Total crude	**12.93**	**0.94**	**13.20**	**0.27**	**13.49**	**0.29**
Unconventional NGLs	5.36	0.58	5.60	0.24	5.81	0.21
Conventional NGLs	1.14	-0.02	1.11	-0.03	1.09	-0.02
Total NGLs	**6.50**	**0.57**	**6.71**	**0.21**	**6.90**	**0.19**
Biofuels + Other liquids	1.54	0.10	1.57	0.03	1.59	0.02
US total supply	**20.97**	**1.61**	**21.48**	**0.51**	**21.98**	**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 0.3 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.

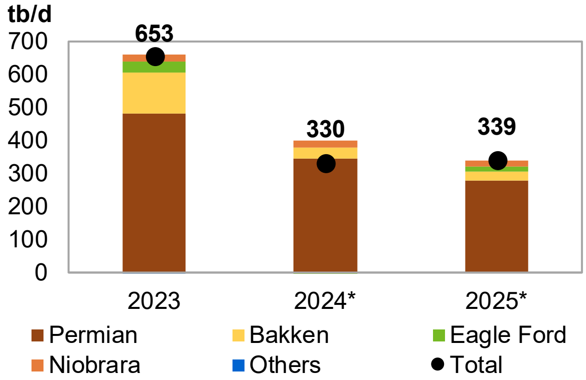
In North Dakota, Bakken shale production is expected to remain below the pre-pandemic average of 1.4 mb/d. Growth of just 35 tb/d and 25 tb/d is expected for 2024 and 2025, respectively, to average around 1.2 mb/d in both years. This trend could indicate a maturing basin.

Output in Eagle Ford basin in Texas 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 in 2025, output is forecast to remain at 0.5 mb/d.

In the other tight plays, which are experiencing a modest pace of drilling and completion activities, production is expected to drop by about 45 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	5.15	0.48	5.49	0.34	5.77	0.28
Bakken shale	1.16	0.13	1.19	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	0.66	0.00	0.62	-0.04	0.62	0.00
Total	**8.42**	**0.65**	**8.75**	**0.33**	**9.09**	**0.34**

*Note: * 2024-2025 = Forecast.*

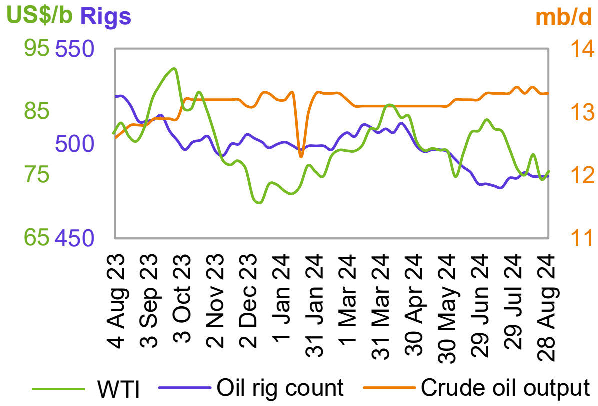
Source: OPEC.

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 30 August 2024 dropped by two to 583, according to Baker Hughes. This is 48 fewer rigs than a year ago. The number of active offshore rigs remained unchanged, w-o-w, at 19. This is two more than in the same month a year earlier. The number of onshore oil and gas rigs dropped by three, w-o-w, to stand at 563, with one rig in inland waters. This is down by 48 rigs, y-o-y.

The US horizontal rig count dropped by three, w-o-w, to 521, compared with 566 horizontal rigs a year ago. The number of drilling rigs for oil remained unchanged, w-o-w, at 483, while the number of gas drilling rigs dropped by two, w-o-w, to 95.

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



Sources: Baker Hughes, EIA and OPEC.

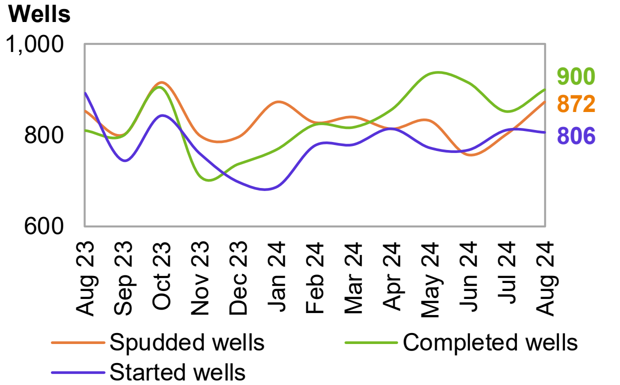
The Permian's rig count fell by one, w-o-w, to 305, and DJ-Niobrara also saw a drop of one, w-o-w, to nine. Increases of one were seen at Cana Woodford and Eagle Ford, with new rig counts of 19 and 48, respectively. Rig counts remained unchanged in Williston at 34.

Drilling and completion activities for oil-producing wells in all US shale plays include 801 horizontal wells spudded in July, as per preliminary data. This is up by 45, m-o-m, and 0.1% lower than July last year.

Preliminary data for July indicates a lower number of completed wells, m-o-m, at 852, although the number is up by about 2%, y-o-y. The number of started wells is estimated at 811, which is 2% higher than a year earlier.

Preliminary data for August saw 872 spudded, 900 completed and 806 started wells, based on Rystad Energy data.

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

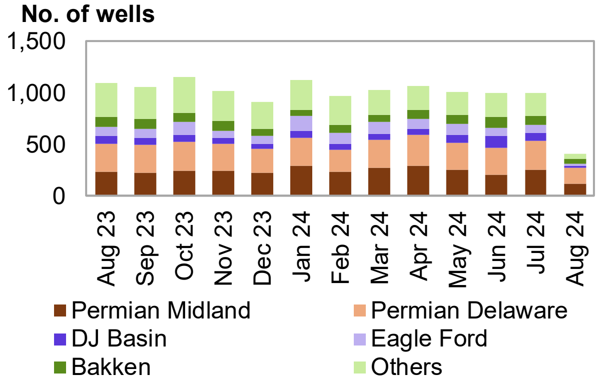


Note: Jul 24-Aug 24 = Preliminary data.
Sources: Rystad Energy and OPEC.

In terms of identifying US oil and gas fracking operations by region, Rystad Energy reported that 995 wells started fracking in June. In July and August, it stated that levels of 997 and 414 wells began fracking, respectively, according to preliminary numbers based on an analysis of high-frequency satellite data.

In regional terms, preliminary data for July shows that 259 and 273 wells started fracking in the Permian Midland and Permian Delaware regions, respectively. There was a gain of 54 wells in the Midland region and a rise of six in Delaware compared with June. Data also indicates that 83 wells began fracking in the DJ Basin, 79 in Eagle Ford and 85 in Bakken during July.

Graph 5 - 12: Started fracs per month by regions



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

Canada

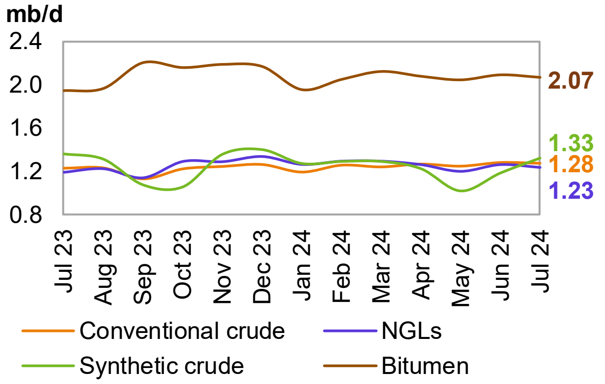
Canada's liquids production in July is estimated to have risen by about 82 tb/d, m-o-m, to average 5.9 mb/d, indicating a recovery from disruptions in May and June.

Conventional crude production dropped in July by a minor 7 tb/d, m-o-m, to average 1.3 mb/d. NGLs output was down by 26 tb/d, m-o-m, to average 1.2 mb/d.

Crude bitumen production output fell in July by 23 tb/d, m-o-m, while synthetic crude production increased by 138 tb/d, m-o-m. Taken together, crude bitumen and synthetic crude production rose by 0.1 mb/d to average 3.4 mb/d.

Liquids production in 2Q24 was subdued due to major scheduled maintenance and wildfire disruptions, but a gradual increase is expected in 3Q24.

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

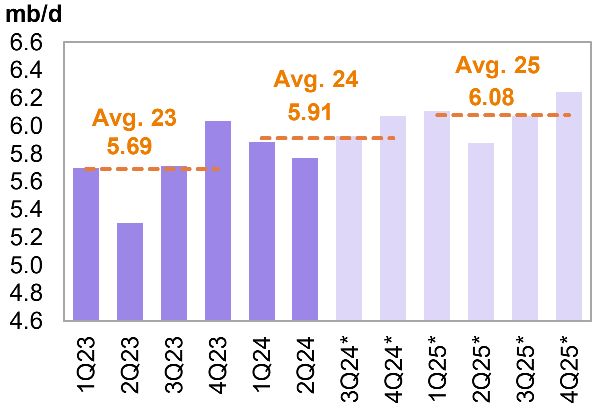


Sources: Statistics Canada, Alberta Energy Regulator and OPEC.

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 following the commissioning of the Trans Mountain Expansion (TMX) pipeline is expected to 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 additional well pads coming online in a number of facilities. 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.*

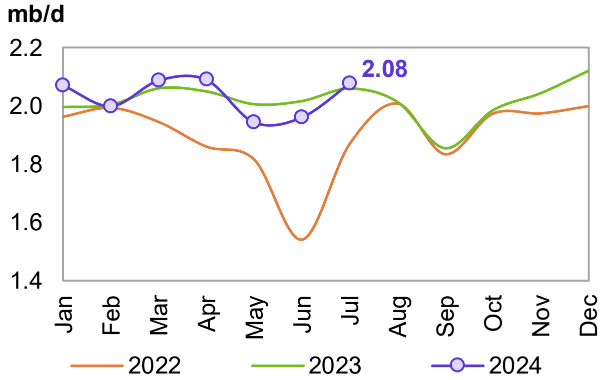
Norway

Norwegian liquids production in July rose by 118 tb/d, m-o-m, to average 2.1 mb/d. Norway's crude production increased by 108 tb/d, m-o-m, in July to average 1.8 mb/d. This was down by 10 tb/d, y-o-y. Monthly oil production was 6% higher than the Norwegian Offshore Directorate's (NOD) forecast.

Production of NGLs and condensate increased by 10 tb/d, m-o-m, to average 0.3 mb/d in July, according to NOD data.

For 2024, Norwegian liquids production is forecast to increase by about 30 tb/d to average 2.0 mb/d. This was largely 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 Ringhorne, 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 later this year. Completion and commissioning activities for Johan Castberg's FPSO and inshore testing has recently been carried out at Aker Stord. It is expected to be positioned in the Barents Sea in September. Norway's Var Energi postponed the startup of its Balder X oil project in the North Sea to the 2Q25 due to an extension in the refurbishment of the FPSO.

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, 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.

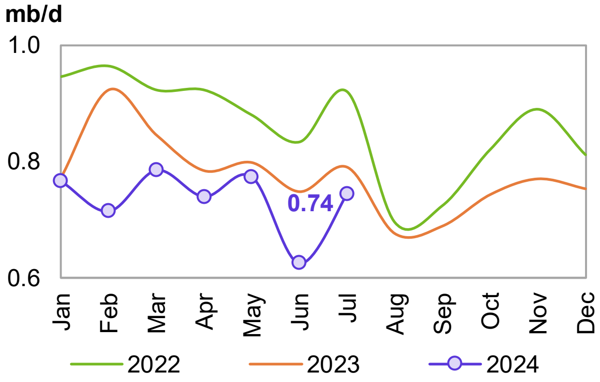
UK

In July, UK liquids production rose by 0.1 mb/d, m-o-m, to average 0.7 mb/d. Crude oil output increased by 0.1 mb/d, m-o-m, to average 0.6 mb/d, indicating a recovery from June. However, this was lower by 18 tb/d, y-o-y, according to official data. NGLs output remained largely unchanged, m-o-m, at an average 68 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 4Q24.

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 basins are expected to largely offset any additional volumes.

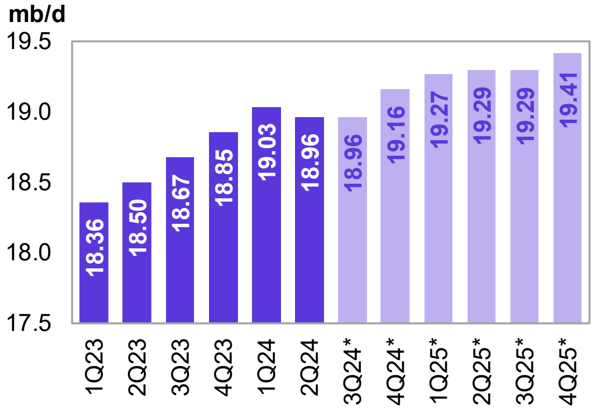
Graph 5 - 16: UK monthly liquids production development



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

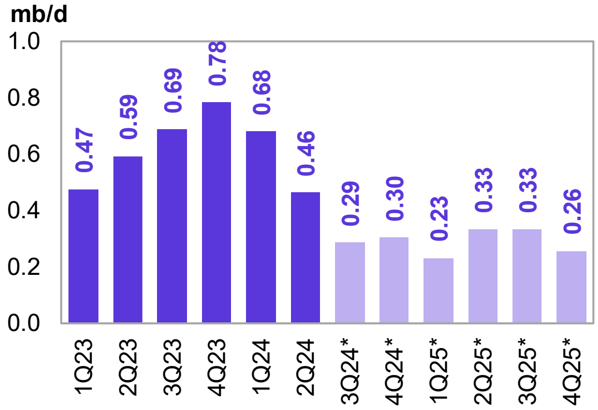
Non-OECD

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



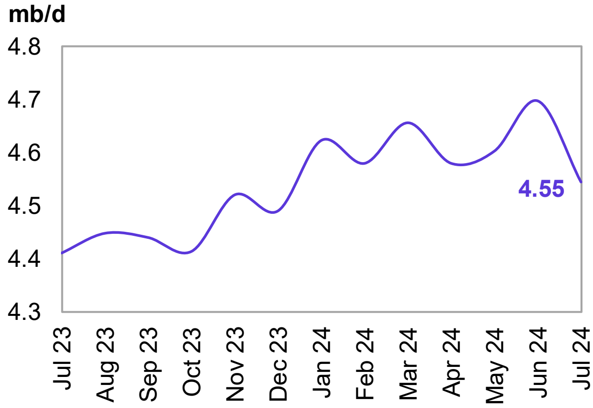
*Note: * 3Q24-4Q25 = Forecast. Source: OPEC.*

China

China's liquids production dropped by 152 tb/d, m-o-m, to average 4.5 mb/d in July. This is up by 133 tb/d, y-o-y, according to official data. Crude oil output in July averaged 4.2 mb/d, down by 152 tb/d compared with the previous month. This was also higher by 138 tb/d, y-o-y.

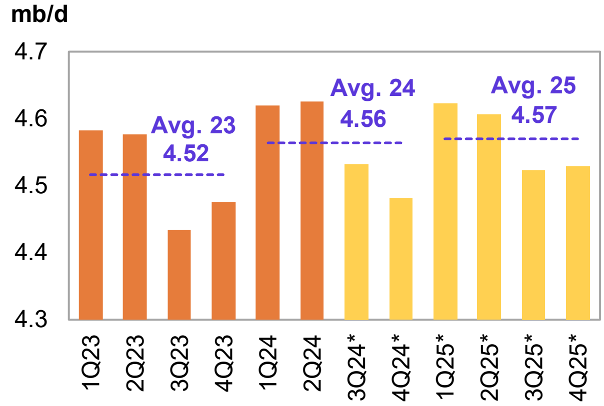
NGLs production remained unchanged, m-o-m, averaging 41 tb/d. This was lower by 7 tb/d compared with the same month a year earlier.

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.*

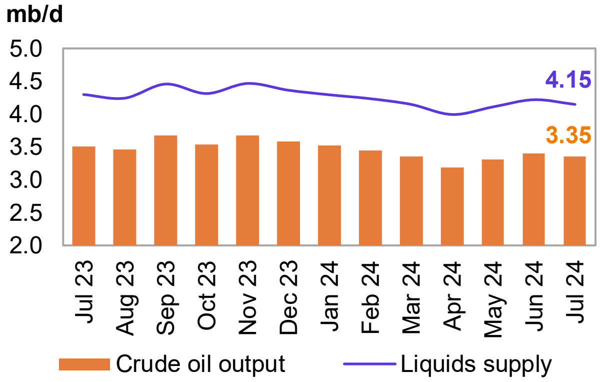
For 2024, China's liquids production is expected to rise by about 50 tb/d, y-o-y, to average 4.6 mb/d. This is revised up by 18 tb/d from the previous assessment due to better-than-expected performance in July, despite maintenance in some offshore platforms. Natural decline rates are anticipated to be 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) – 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, at an average of 4.6 mb/d. Supply growth is primarily expected to come from the offshore sector following 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 – 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

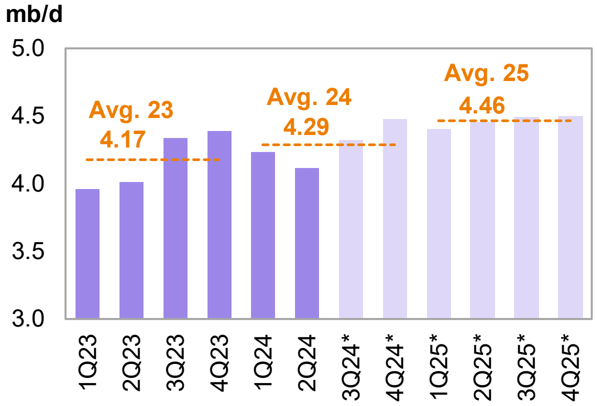
Brazil's crude output in July is estimated to fall by about 60 tb/d, m-o-m, to average 3.3 mb/d. The output is lower-than-expected, primarily due to extensive maintenance and operational issues. NGLs production remained largely unchanged at an average of around 80 tb/d and is expected to remain flat in August 2024. Biofuel output (mainly ethanol) is estimated to have dropped by 10 tb/d, m-o-m, to average 0.7 mb/d, with preliminary data showing a stable trend in August. The country's total liquids production is estimated to drop by about 70 tb/d in July to average 4.2 mb/d, albeit lower by about 150 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 mainly through the Atlanta, Mero 3, Wahoo and Maria Quiteria FPSOs. However, technical issues and possible strikes – similar to the recent industrial action taken by workers at Brazil's Environment and Renewable Natural Resources agency – could potentially delay the start-up of scheduled production platforms.

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 rise 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 offshore costs and inflation may continue to delay projects and temper short-term growth.

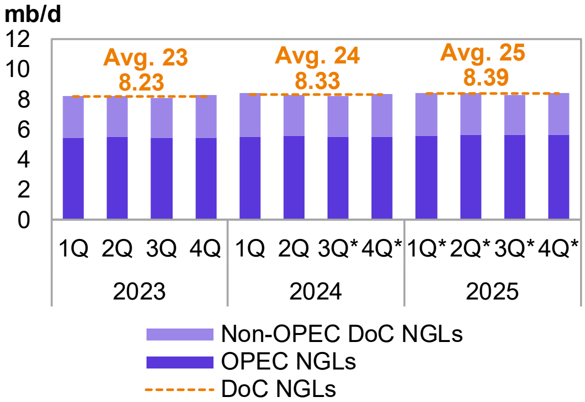
DoC NGLs and non-conventional liquids

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 that NGLs and non-conventional liquids output in 2Q24 averaged 8.3 mb/d. According to preliminary July data, OPEC Member Countries and non-OPEC DoC countries are estimated to have produced 5.5 mb/d and 2.7 mb/d, respectively, of NGLs and non-conventional liquids.

The 2025 forecast points toward a combined increase of about 60 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 50 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*	**2.80**	*0.03*	2.79	2.77	2.68	2.76	**2.75**	*-0.05*
Total	**8.23**	***0.26***	**8.33**	***0.10***	**8.40**	**8.43**	**8.31**	**8.40**	**8.39**	***0.06***

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

DoC crude oil production

According to secondary sources, **total OPEC-12 crude oil production** averaged 26.59 mb/d in August 2024, 197 tb/d lower, m-o-m. Crude oil output increased mainly in Nigeria, Congo, and Venezuela, while production in Libya, Iraq, and Saudi Arabia decreased.

At the same time, **total non-OPEC DoC crude oil production** averaged 14.07 mb/d in August 2024, 108 tb/d lower, m-o-m. Crude oil output increased mainly in Mexico and Bahrain, while production in Kazakhstan and Russia decreased.

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

Secondary sources	2022	2023	4Q23	1Q24	2Q24	Jun 24	Jul 24	Aug 24	*Change Aug/Jul*
Algeria	1,013	973	957	907	905	906	908	909	*2*
Congo	261	261	251	246	262	260	252	266	*13*
Equatorial Guinea	84	56	53	54	56	53	57	58	*0*
Gabon	195	204	216	215	210	211	211	217	*7*
IR Iran	2,554	2,859	3,154	3,179	3,238	3,250	3,273	3,277	*4*
Iraq	4,439	4,287	4,324	4,245	4,203	4,186	4,278	4,228	*-50*
Kuwait	2,704	2,595	2,552	2,430	2,429	2,423	2,414	2,414	*-1*
Libya	981	1,162	1,170	1,119	1,188	1,194	1,175	956	*-219*
Nigeria	1,210	1,314	1,381	1,413	1,358	1,369	1,391	1,448	*57*
Saudi Arabia	10,531	9,609	8,952	9,009	8,976	8,897	9,008	8,983	*-25*
UAE	3,066	2,950	2,906	2,926	2,934	2,936	2,953	2,958	*4*
Venezuela	684	749	774	816	837	848	863	874	*12*
Total OPEC	**27,722**	**27,019**	**26,690**	**26,558**	**26,595**	**26,535**	**26,784**	**26,588**	***-197***
Azerbaijan	560	503	487	477	474	480	488	489	*1*
Bahrain	193	182	183	168	175	171	171	182	*11*
Brunei	75	72	77	82	67	69	80	83	*3*
Kazakhstan	1,489	1,597	1,606	1,614	1,555	1,579	1,565	1,450	*-115*
Malaysia	396	377	378	362	363	362	351	342	*-8*
Mexico	1,654	1,657	1,633	1,615	1,599	1,596	1,590	1,608	*18*
Oman	850	819	807	772	765	766	765	770	*4*
Russia	9,771	9,574	9,491	9,426	9,220	9,115	9,089	9,059	*-29*
Sudan	62	54	47	34	24	24	25	26	*1*
South Sudan	144	146	153	113	65	63	53	59	*6*
Total Non-OPEC DoC	**15,193**	**14,980**	**14,862**	**14,662**	**14,307**	**14,226**	**14,175**	**14,068**	***-108***
Total DoC	**42,915**	**41,999**	**41,552**	**41,220**	**40,902**	**40,761**	**40,959**	**40,655**	***-304***

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 August, 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	Jun 24	Jul 24	Aug 24	*Change Aug/Jul*
Algeria	1,020	973	958	907	905	906	909	910	*1*
Congo	262	271	259	252	260	259	257	270	*13*
Equatorial Guinea	81	55	53	53	60	58	57	..	*..*
Gabon	191	223	234	..	..	..	..	..	*..*
IR Iran	..	..	..	..	..	..	..	..	*..*
Iraq	4,453	4,118	4,123	3,957	3,862	3,834	3,993	3,904	*-89*
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	1,276	1,307	1,352	*45*
Saudi Arabia	10,591	9,606	8,901	8,979	8,937	8,830	8,941	8,992	*51*
UAE	3,064	2,944	2,892	2,919	2,928	2,935	2,933	2,935	*2*
Venezuela	716	783	796	864	904	922	928	927	*0*
Total OPEC	**..**	**..**	**..**	**..**	**..**	**..**	**..**	**..**	***..***

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

Source: OPEC.

Product Markets and Refinery Operations

In August, refinery margins declined across regions with abundant product output. In the USGC, jet/kerosene inventories rose further from the multi-year record highs already seen at the end of July. Moreover, subdued domestic gasoil demand, elevated refinery runs in the country and weak upside from other key products added to the downside in USGC refining economics, despite firm gasoil exports.

In Northwest Europe, apart from the considerable middle distillate weakness, low gasoline exports and weak high-sulphur fuel oil crack spread performance further contributed to the m-o-m margin decline.

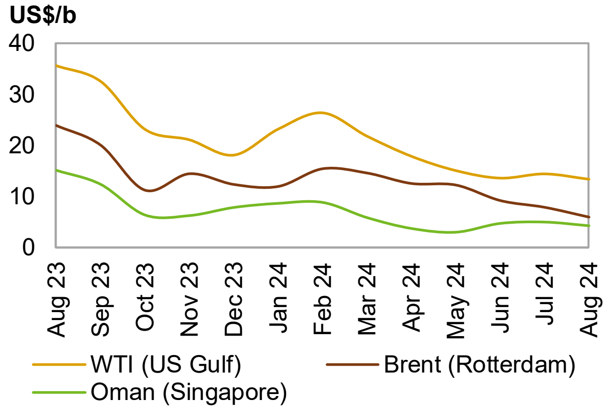
In Singapore, all products showed a decline in crack spreads, m-o-m, with the exception of naphtha. A regional product oversupply and challenging inter-regional export opportunities, particularly for gasoil, weighed on the regional refining economics. Robust naphtha performance owed to strong naphtha requirements following the end of cracker maintenance season within the region likely prevented steeper loss in the Southeast Asian refining margins.

Global refinery intake extended its upward trajectory to add 724 tb/d, m-o-m, and reached an average of 83.1 mb/d in August, which was up 450 tb/d, y-o-y. Going forward, run rates are expected to start to subside, particularly in the Atlantic Basin, as refiners enter the upcoming heavy refinery maintenance season, which should support refining margins in the coming month.

Refinery margins

USGC refining margins against WTI receded from the previous month's rebound. Sizeable drops in jet/kerosene and gasoil crack spreads offset the limited gains seen elsewhere across the barrel. Jet/kerosene crack spreads in August fell to the lowest level registered since 2021, and inventories reached a new multi-year high in August. The rising product availability and possibly less optimistic market sentiment amid the approaching end of the summer season led to a notable product price decline across the barrel, m-o-m. This product price drop was most pronounced for jet/kerosene, which was $10.01/b lower in August compared to the previous month. Although diesel exports to Europe and South America were strong over the month, slow domestic demand and firm imports led to inventory builds.

Graph 6 - 1: Refining margins



Sources: Argus and OPEC.

According to preliminary data, refinery intakes in the USGC were 60 tb/d higher, m-o-m, averaging 16.95 mb/d in August. USGC margins against WTI averaged $13.27/b in August, down by $1.05, m-o-m, and by $22.39, y-o-y.

Refinery margins in Rotterdam against Brent retracted further in August and showed the largest decline compared to what was registered in USGC against WTI and Singapore against Oman. Strong product output levels caused weakness all across the barrel with the exception of naphtha and low-sulphur fuel oil. The strongest negative crack spread performer was jet/kerosene, although the m-o-m loss nearly equaled that of gasoil. This was a result of a softer domestic middle distillate market amid lower European products exports from Rotterdam.

According to Kpler, low Rhine river water levels have disrupted product flows and contributed to increasing freight costs, as refineries along the waterways are unable to ship key products to inland Germany. This situation could tighten product supplies in September with the start of the heavy maintenance season and presents upside potential for inland prices, particularly for diesel, as products face challenges reaching end users.

According to preliminary data, refinery intakes in Europe were 230 tb/d higher, m-o-m, averaging 10.13 mb/d. Refinery margins against Brent in Europe averaged $6.01/b in August, which was $1.92 lower, m-o-m, and $17.89 lower, y-o-y.

Singapore's refining margins against Oman declined following two consecutive months of gains with pressure all across the barrel, with the exception of naphtha. The downturn, caused by ample product availability and less favourable transatlantic arbitrage, was mostly driven by gasoil, followed by fuel oil and, to a lesser extent, gasoline. Scheduled gasoil prompt cargo offers from Northeast Asia, South Korea and Japan for late August and September signal a well-supplied region with ample availability. According to Kpler calculations, Chinese refiners utilised 61.6% of their allocations in July and have 12.7 Mt remaining, compared to a 78.9% utilisation rate and 5.9 Mt left last year. This points to upward potential for Chinese product exports in the near term.

In China, naphtha imports declined significantly in August as the country focused on domestic production. Moreover, concerns over tighter supplies from the West, gradual improvement in petrochemical margins and less favourable LPG prices contributed to a rise in Asian naphtha demand and stronger naphtha crack spreads.

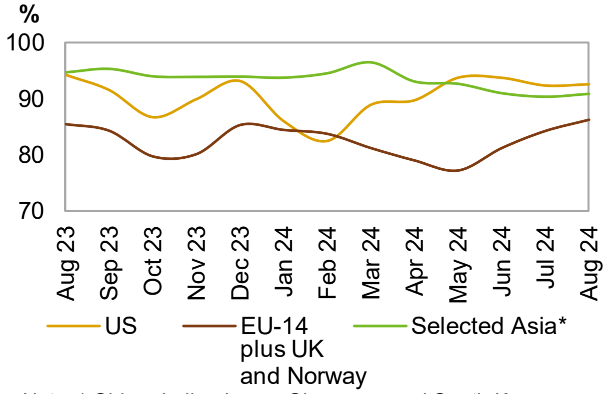
In August, combined refinery intakes in Japan, China, India, Singapore and South Korea registered an increase of 150 tb/d, m-o-m, averaging 25.93 mb/d, according to preliminary data. Refinery margins against Oman in Singapore experienced a 72¢ decrease in August, m-o-m, to average $4.21/b, which was $10.82 lower, y-o-y.

Refinery operations

US refinery utilization rates showed a 0.2 pp rise to an average of 92.53% in August, corresponding to a throughput of 16.95 mb/d. This represents a slight rise of 60 tb/d relative to the previous month. Compared with the previous year, the August refinery utilization rate was down by 1.7 pp, with throughput showing a 256 tb/d drop.

EU-14 plus UK and Norway refinery utilization averaged 86.18% in August, corresponding to a throughput of 10.13 mb/d. This represents a rise of 2.0 pp, or 230 tb/d, m-o-m. On a yearly basis, the utilization rate was up by 0.8 pp, and throughput was 70 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 90.94% in August, corresponding to a throughput of 25.93 mb/d. Compared with the previous month, utilization rates were up by 0.5 pp, and throughput was higher by 150 tb/d. Relative to the previous year, utilization rates were 3.8 pp lower, and throughput was 1.3 mb/d lower.

Table 6 - 1: Refinery operations in selected OECD countries

	Refinery throughput, mb/d				*Refinery utilization, %*			
	Jun 24	Jul 24	Aug 24	Change Aug/Jul	Jun 24	Jul 24	Aug 24	Change Aug/Jul
US	**17.19**	**16.89**	**16.95**	**0.06**	**93.67**	**92.31**	**92.53**	**0.2 pp**
Euro-14, plus UK and Norway	**9.54**	**9.89**	**10.13**	**0.23**	**81.15**	**84.19**	**86.18**	**2.0 pp**
France	1.00	0.98	1.01	0.03	86.45	85.47	87.84	2.4 pp
Germany	1.67	1.75	1.76	0.01	81.16	85.34	85.68	0.3 pp
Italy	1.19	1.28	1.32	0.04	62.79	67.45	69.59	2.1 pp
UK	1.01	1.03	1.07	0.04	86.27	87.79	90.85	3.1 pp
Selected Asia*	**25.96**	**25.78**	**25.93**	**0.15**	**91.06**	**90.43**	**90.94**	**0.5 pp**

*Note: * Includes Japan, China, India, Singapore and South Korea.*

Sources: Argus Media, EIA, Euroilstock, NBS, PAJ and OPEC.

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

Refinery crude throughput	2021	2022	2023	3Q23	4Q23	1Q24	2Q24	3Q24
OECD Americas	**17.79**	**18.68**	**18.71**	**19.27**	**18.47**	**18.19**	**19.11**	**19.14**
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**	**11.44**	**10.95**	**11.49**
of which:								
France	*0.69*	*0.84*	*0.93*	*1.06*	*0.95*	*0.83*	*0.89*	*0.99*
Germany	*1.72*	*1.83*	*1.62*	*1.67*	*1.59*	*1.76*	*1.74*	*1.78*
Italy	*1.23*	*1.32*	*1.30*	*1.32*	*1.32*	*1.30*	*1.18*	*1.35*
UK	*0.92*	*1.04*	*0.97*	*0.96*	*0.89*	*0.97*	*0.98*	*0.90*
OECD Asia Pacific	**5.79**	**6.08**	**5.83**	**5.69**	**5.89**	**5.90**	**5.60**	**5.54**
of which Japan	*2.49*	*2.71*	*2.56*	*2.54*	*2.54*	*2.55*	*2.27*	*2.27*
Total OECD	**34.51**	**36.21**	**35.92**	**36.68**	**35.76**	**35.54**	**35.66**	**36.17**
Latin America	**3.50**	**3.37**	**3.48**	**3.45**	**3.53**	**3.40**	**3.60**	**3.64**
Middle East	**6.80**	**7.28**	**7.61**	**7.92**	**7.43**	**7.80**	**8.21**	**8.26**
Africa	**1.77**	**1.73**	**1.70**	**1.69**	**1.70**	**1.78**	**1.73**	**1.86**
India	**4.73**	**5.00**	**5.18**	**5.03**	**5.10**	**5.30**	**5.31**	**5.26**
China	**14.07**	**13.49**	**14.78**	**15.19**	**14.57**	**14.64**	**14.25**	**14.29**
Other Asia	**4.72**	**4.94**	**5.02**	**4.90**	**5.14**	**5.18**	**5.03**	**5.10**
Russia	**5.61**	**5.46**	**5.50**	**5.49**	**5.43**	**5.33**	**5.39**	**5.52**
Other Eurasia	**1.23**	**1.15**	**1.14**	**1.05**	**1.19**	**1.15**	**1.11**	**1.13**
Other Europe	**0.44**	**0.50**	**0.47**	**0.52**	**0.47**	**0.43**	**0.44**	**0.45**
Total Non-OECD	**42.88**	**42.91**	**44.87**	**45.24**	**44.54**	**45.01**	**45.07**	**45.50**
Total world	**77.38**	**79.12**	**80.79**	**81.92**	**80.30**	**80.55**	**80.73**	**81.67**

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.

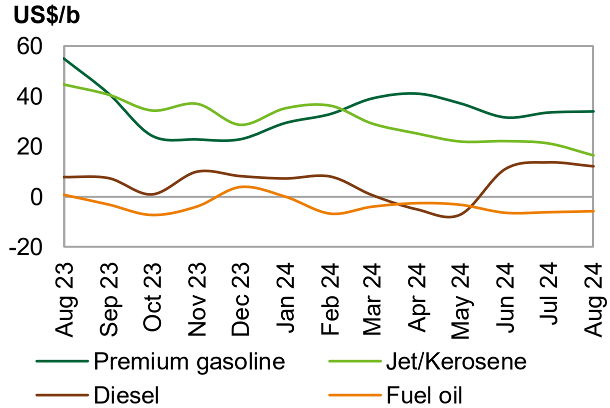
Product markets

US market

The USGC gasoline crack spread against WTI continued to perform positively, albeit with a limited upside, m-o-m. Throughout the month, healthy gasoline flows from the Gulf Coast inland provided support to the gasoline market. However, this upside was partially offset by supply-side pressure as gasoline output levels remained elevated in August. Going forward, the start of the heavy autumn refinery maintenance season – amid the upcoming switch to winter-grade gasoline – is expected to provide a temporary lift for gasoline crack spreads before they correct downwards once again towards the end of the year.

The USGC gasoline crack spread gained 44¢, m-o-m, reaching an average of $34.09/b in August, and was $21.03 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 receded further in August to register the steepest decline across the barrel. Jet/kerosene crack spreads in August fell to the lowest level registered since 2021, and inventories reached a new multi-year high in August. The rising product availability and possibly less optimistic market sentiment amid the approaching end of the summer season led to a notable m-o-m price decline of $10.01/b to an average of $92.09/b in August. The start of the students' academic year is most likely going to weigh on tourism travel activities, which could exert downward pressure on jet/kerosene requirements going forward. This potential upturn is set to receive additional support from the projected upcoming decline in refinery runs. The USGC jet/kerosene crack spread lost $4.73, m-o-m, to average $16.54/b in August and was $28.08 lower, y-o-y.

The USGC gasoil crack spread against WTI partially lost the progress attained in the previous month, which showed the second largest loss across the barrel, following jet/kerosene. Although diesel exports to Europe and South America were strong over the month, slow domestic demand and firm imports from the Middle East led to inventory builds. The US gasoil crack spread against WTI averaged $12.39/b, down $1.58, m-o-m, but was $4.29/b higher, y-o-y.

The USGC fuel oil crack spread against WTI extended the gradual ascent witnessed in the previous month. According to Argus, "Fuel oil exports reached a five-year high for July-August". However, the demand for residual fuel-based products in the US, such as bitumen/asphalt, has reported slower growth in recent months as unfavourable weather conditions, such as storms and heat waves, slowed paving activities across states, according to Kpler. Moreover, market expectations of higher demand led to increased fuel oil imports in August. The export-related support outweighed the pressures derived from weak domestic demand and strong imports. In August, the US fuel oil crack spread against WTI gained 41¢, m-o-m, to average minus $5.71/b, but was $6.67 lower, y-o-y.

European market

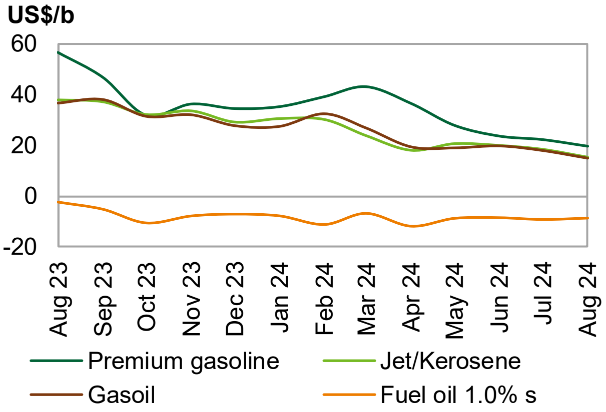
The gasoline crack spread in Rotterdam against Brent decreased as elevated runs in the region weighed on the product's crack spread performance. In addition, a decline in gasoline exports to the US and West Africa, weighed further. The supply-side pressures are expected to ease in the coming months with rising refinery maintenance activities, which could lend support to European gasoline markets in the near term. The gasoline crack spread against Brent averaged $19.78/b, which was $2.58 lower, m-o-m, and $36.68 lower, y-o-y.

In August, the jet/kerosene crack spread in Rotterdam against Brent showed the largest decline across the barrel, influenced by supply-side dynamics. Despite signs of somewhat supportive air travel activities, ample jet fuel availability weighed heavily on the product market. The Rotterdam jet/kerosene crack spread against Brent averaged $15.46/b, down $3.08, m-o-m, and $36.68, y-o-y.

Gasoil crack spread in Rotterdam against Brent fell further to see the second 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. The gasoil crack spread against Brent averaged $14.80/b, down $3.02, m-o-m, and $21.74, y-o-y.

At the bottom of the barrel, fuel oil 1.0% crack spreads in Rotterdam against Brent moved moderately upwards, m-o-m. In terms of prices, fuel oil 1.0% decreased by $3.97, m-o-m, to $72.14/b, while the crack spread averaged minus $8.58/b in August, representing a 55¢ m-o-m rise, but a $6.25 y-o-y decline.

Graph 6 - 4: Rotterdam crack spreads vs. Brent

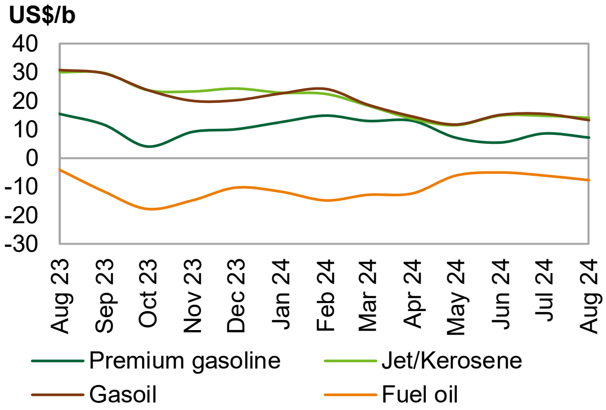


Sources: Argus and OPEC.

Asian market

The Southeast Asian gasoline 92 crack spread against Dubai reversed direction to shed some of the gains attained in the previous month. This was a result of challenging export opportunities as Western markets were generally well-supplied. In addition, within the region, lower demand from China, and fewer Japanese imports pressured the gasoline market. Towards the end of the month, Asian gasoline balances showed a tightening tendency, with healthy demand from India and concerns over lower Chinese gasoline supplies in the near term in line with announcements made by key Chinese refiners. China plans to increase jet/kerosene but diminishes gasoline yields due to weak gasoline margins. Moreover, refinery maintenance in Mexico during the month provided a transatlantic arbitrage opening providing support.

Graph 6 - 5: Singapore crack spreads vs. Dubai



Sources: Argus and OPEC.

The gasoline market East of Suez is expected to tighten further going forward, particularly around October, with the start of the heavy maintenance season in the Atlantic basin. On the other hand, rising US gasoline availability for now, the approaching end of the summer season amid potential downside risks due to increased supplies from the new refinery in Nigeria could point to challenges for Asian gasoline markets. Nonetheless, the upcoming rise in offline capacity in the West, should back Asian gasoline markets in the coming months. The product's margin averaged $7.05/b in August. This was down $1.43, m-o-m, and $8.33, y-o-y.

The Asian naphtha crack spread was the sole positive performer across the barrel in August. Petrochemical feedstock requirements increased on the back of lower supplies from the West, and as operators switched to naphtha as the alternative, LPG, became less economically feasible. Naphtha requirements saw an additional boost from the restart of several cracker units in the region. The Singapore naphtha crack spread against Dubai averaged minus $4.78/b, which is $4.13 higher, m-o-m, and $10.98 higher, y-o-y.

In the middle of the barrel, the jet/kerosene crack spread in Singapore continued to experience losses for the second consecutive month due to weaker fundamentals and challenging east-to-west arbitrage. Jet/kerosene wholesale prices dropped along with all other products across the barrel in Singapore, to show a $6.82/b decline, m-o-m, in August. The Singapore jet/kerosene crack spread against Dubai averaged $13.98/b, down 70¢, m-o-m, and $16.15, y-o-y.

The Singapore gasoil crack spread trended downwards as weak gasoil demand continued to pose a challenge and contributed to an oversupply even beyond the region. In China, a crisis in the property market amid lower growth in the manufacturing sector weighed on gasoil consumption levels. Consequently, some Chinese refiners have opted to reduce gasoil output due to low margins. Sinopec's Shanghai Petrochemical, generally representative of China's integrated state-owned refineries, was reported to have reduced its gasoil production by 24.9%, y-o-y, to 1.39 mMt in the first six months of the year, as domestic demand for the fuel declined, while it raised jet fuel production by 51% to 1.23 mMt during the period (Platts). The Singapore gasoil crack spread against Dubai averaged $13.09/b, down $2.20, m-o-m, and $17.60, y-o-y.

The Singapore fuel oil 3.5% crack spread retracted further and showed the second largest loss across the barrel, following gasoil. Residual fuel crack spreads were pressured by weaker demand from the bunker sector and ample supplies. However, much attention was directed to very low-sulphur fuel oil (VLSFO) as its crack spread jumped to a nine-month high due to tight supplies and Asian LSFO imports falling to a nine-month low, according to Kpler. This situation also resulted in a widening deviation between VLSFO crack spreads in Singapore vs. Dubai compared to VLSFO crack spread in NWE vs. North Sea Dated Brent and in USGC vs. WTI, Kpler reported. Singapore's HSFO crack spread against Dubai averaged minus $7.73/b, down $1.66, m-o-m, and $3.75, y-o-y.

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

Event	Time frame	Observations	Asia	Europe	US
End of the summer season	Sep 24	The end of the driving season is set to weigh on gasoline consumption once temperatures start to decline.	↓ Pressure on gasoline markets	↓ Pressure on gasoline markets	↓ Pressure on gasoline markets
Autumn heavy refinery maintenance season	Sep 24-Oct 24	Product prices, crack spreads and refining margins are expected to increase with declining product output amid heavy turnarounds.	↑ Support product crack spreads	↑ Support product crack spreads	↑ Support product crack spreads

Source: OPEC.

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

		Jul 24	Aug 24	*Change* Aug/Jul	*Annual avg.* 2023	*Year-to-date* 2024
US Gulf (Cargoes FOB)						
Naphtha*		81.45	76.22	-5.23	72.51	76.60
Premium gasoline	(unleaded 93)	114.48	109.64	-4.84	117.23	113.70
Regular gasoline	(unleaded 87)	100.26	95.57	-4.69	104.59	99.94
Jet/Kerosene		102.10	92.09	-10.01	113.51	104.73
Gasoil	(0.2% S)	94.80	87.94	-6.86	78.57	84.08
Fuel oil	(3.0% S)	73.66	69.68	-3.98	68.14	70.49
Rotterdam (Barges FOB)						
Naphtha		75.92	72.69	-3.23	71.06	74.19
Premium gasoline	(unleaded 98)	107.60	100.50	-7.10	125.96	114.68
Jet/Kerosene		103.78	96.18	-7.60	111.74	105.94
Gasoil/Diesel	(10 ppm)	103.06	95.52	-7.54	111.19	105.80
Fuel oil	(1.0% S)	76.11	72.14	-3.97	74.29	74.69
Fuel oil	(3.5% S)	77.04	70.60	-6.44	72.79	72.87
Mediterranean (Cargoes FOB)						
Naphtha		73.92	71.40	-2.52	68.45	71.67
Premium gasoline**		99.98	93.05	-6.93	101.80	100.50
Jet/Kerosene		100.73	93.55	-7.18	107.77	102.20
Diesel		102.92	94.91	-8.01	109.08	104.39
Fuel oil	(1.0% S)	80.33	75.85	-4.48	78.85	79.53
Fuel oil	(3.5% S)	74.62	68.54	-6.08	66.47	70.03
Singapore (Cargoes FOB)						
Naphtha		74.77	72.78	-1.99	69.53	73.74
Premium gasoline	(unleaded 95)	96.42	88.95	-7.47	98.62	97.20
Regular gasoline	(unleaded 92)	92.16	84.61	-7.55	94.00	92.71
Jet/Kerosene		98.36	91.54	-6.82	104.68	99.11
Gasoil/Diesel	(50 ppm)	99.07	92.01	-7.06	105.99	100.26
Fuel oil	(180 cst)	98.61	90.26	-8.35	102.35	98.41
Fuel oil	(380 cst 3.5% S)	77.61	69.83	-7.78	69.23	72.99

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

Tanker Market

Dirty spot freight rates for very large crude carriers (VLCCs) showed mixed movements in August, while Suezmax and Aframax rates experienced declines on all monitored routes. Softer seasonal demand resulted in a general downward drift in rates.

VLCC spot freight rates enjoyed some strength early in the month before moving lower by the end of August, although with varying movements depending on the region. On the Middle East-to-East route, spot freight rates were unchanged, m-o-m, while rates on the Middle East-to-West route fell 3%, and spot rates on the West Africa-to-Europe route rose 2%, m-o-m.

In the Suezmax market, spot rates experienced a m-o-m decline on all monitored routes, despite a pickup in rates toward the end of the month when the market balance improved. The US Gulf Coast-to-Europe route led declines, falling 23%, m-o-m.

Aframax rates on the Caribbean-to-US East Cost route declined 41%, m-o-m, while the rates on the Cross-Mediterranean (Med) route declined by 11%, impacted by reduced tanker demand from North Africa.

The clean market was weighed down by softening seasonal activity. Spot freight rates showed further m-o-m declines, falling 33% East of Suez and 24% West of Suez.

Spot fixtures

Global spot fixtures edged higher in August, with moderate gains on all monitored routes except outside the Middle East. Global fixtures averaged 14.0 mb/d for the month, representing an increase of 1.0 mb/d, or about 8%, m-o-m. Compared with August 2023, global spot fixtures were close to 3.2 mb/d, or about 29%, higher.

OPEC spot fixtures averaged 9.6 mb/d in August, representing an increase of just under 0.2 mb/d, or 2%, m-o-m. Compared with the same month last year, fixtures rose 2.2 mb/d, or just over 30%.

Middle East-to-East fixtures increased by 0.1 mb/d, or about 2%, m-o-m, to average 6.1 mb/d. Y-o-y, fixtures on the Middle East-to-East route were 2.0 mb/d, or 50%, higher.

Spot fixtures on the Middle East-to-West route rose 0.3 mb/d, or 44%, m-o-m, to average just under 1.0 mb/d. However, compared with the same month last year, fixtures were still down 0.3 mb/d, or 22%, y-o-y.

In contrast to other routes, spot fixtures on routes outside the Middle East declined, falling 0.2 mb/d, or about 8%, m-o-m, to average 2.5 mb/d. Compared with the same month in 2023, fixtures still managed an increase of 0.5 mb/d, or 24%.

Table 7 - 1: Spot fixtures, mb/d

Spot fixtures	Jun 24	Jul 24	Aug 24	*Change* Aug 24/Jul 24
All areas	14.3	13.0	14.0	1.0
OPEC	9.3	9.4	9.6	0.2
Middle East/East	5.8	6.0	6.1	0.1
Middle East/West	0.9	0.7	1.0	0.3
Outside Middle East	2.5	2.8	2.5	-0.2

Sources: Oil Movements and OPEC.

Sailings and arrivals

OPEC sailings increased by 1.4 mb/d, or about 7%, m-o-m, to average 21.6 mb/d in August. Compared with the same month in 2023, OPEC sailings were 1.5 mb/d, or over 7%, higher. Middle East sailings were broadly flat, m-o-m, averaging 16.4 mb/d in August. Y-o-y, sailings from the region declined negligibly.

Crude arrivals continued to increase both East and West of Suez. North American arrivals rose by about 0.1 mb/d, or less than 1%, to average 10.2 mb/d. Compared with August 2023, they were 0.9 mb/d, or almost 10%, higher. Arrivals to Europe increased by 0.3 mb/d, or more than 2%, m-o-m, to average 13.3 mb/d. Compared with the same month in 2023, they were 0.8 mb/d, or 6%, higher.

Far East arrivals averaged 16.3 mb/d in August, representing a gain of 1.8 mb/d, or over 12%. Y-o-y arrivals in the region were 0.8 mb/d, or about 5%, higher. Arrivals in West Asia increased, m-o-m, to average 7.3 mb/d, representing a gain of 0.2 mb/d, or more than 3%, in August. However, compared with the same month last year, arrivals in the region were down 1.2 mb/d, or 14%.

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

Sailings	Jun 24	Jul 24	Aug 24	*Change* Aug 24/Jul 24
OPEC	18.6	20.2	21.6	1.4
Middle East	15.5	16.3	16.4	0.0
Arrivals				
North America	9.0	10.1	10.2	0.1
Europe	12.3	13.0	13.3	0.3
Far East	15.8	14.5	16.3	1.8
West Asia	8.2	7.0	7.3	0.2

Sources: Oil Movements and OPEC.

Dirty tanker freight rates

Very large crude carriers (VLCC)

VLCC spot freight rates demonstrated some strength early in the month before moving lower by the end of August, although with varying movements depending on the region. Taken together, average VLCC spot freight rates were unchanged, m-o-m, and about 7% higher compared with the same month in 2023.

On the Middle East-to-East route, rates continued to average WS50 in August, unchanged from the previous month. This represents a y-o-y increase of 9%. In contrast, rates on the Middle East-to-West route fell 3%, m-o-m, in August, to average WS33. Compared with the same month in 2023, rates on the route were 6% higher.

West Africa-to-East spot rates, however, showed the best performance among monitored routes, rising 2%, m-o-m, to average WS55 in August. Compared with the same month in 2023, rates gained 6%.

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

VLCC	Size *1,000 DWT*	Jun 24	Jul 24	Aug 24	*Change* Aug 24/Jul 24
Middle East/East	230-280	51	50	50	0
Middle East/West	270-285	35	34	33	-1
West Africa/East	260	57	54	55	1

Sources: Argus and OPEC.

Suezmax

Suezmax spot rates experienced a m-o-m decline on all monitored routes, despite a pickup in rates toward the end of the month, as the tanker market balance improved. Rates showed the strongest m-o-m decline on average of the three monitored vessel classes, falling 21% in August. However, rates were still 11% higher than the same month in 2023.

On the West Africa-to-US Gulf Coast (USGC) route, spot freight rates in August averaged WS73, following a decline of 19%, m-o-m. Spot rates were still 14% higher compared with the same month in 2023. Rates on the USGC-to-Europe route dropped 23%, m-o-m, to average WS63. Compared with the same month in 2023, they were 7% higher.

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

Suezmax	Size *1,000 DWT*	Jun 24	Jul 24	Aug 24	*Change* Aug 24/Jul 24
West Africa/US Gulf Coast	130-135	107	90	73	-17
US Gulf Coast/ Europe	150	92	82	63	-19

Sources: Argus and OPEC.

Aframax

Aframax spot freight rates also experienced declines across all monitored routes. On average, Aframax rates fell 19%, m-o-m, while y-o-y rates were still 20% higher.

Rates on the Indonesia-to-East route declined for the second consecutive month in August, down 10%, m-o-m, to average WS141. This represented a gain of 19% compared to the same month last year.

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

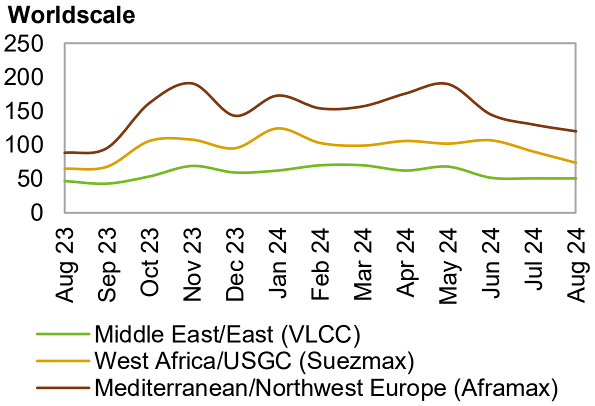
Aframax	Size *1,000 DWT*	Jun 24	Jul 24	Aug 24	*Change* Aug 24/Jul 24
Indonesia/East	80-85	175	156	141	-15
Caribbean/US East Coast	80-85	215	189	111	-78
Mediterranean/Mediterranean	80-85	166	141	126	-15
Mediterranean/Northwest Europe	80-85	145	130	120	-10

Sources: Argus and OPEC.

Spot rates on the Caribbean-to-US East Coast (USEC) route experienced the sharpest decline, dropping 41%, m-o-m, to average WS111 in August. Rates remained 2% higher compared with the same month in 2023.

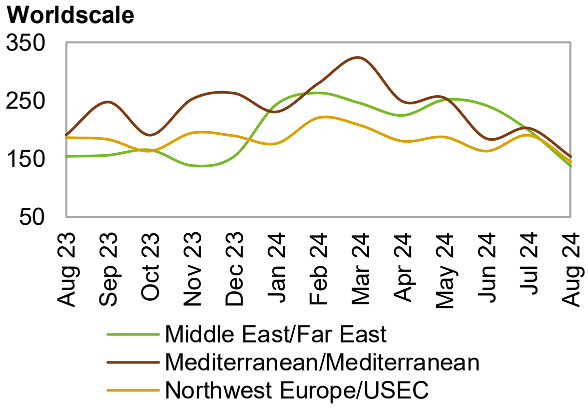
Cross-Med spot freight rates fell 11%, m-o-m, to average WS126. Compared with the same month last year, spot rates on the route were still 26% higher. Rates on the Med-to-Northwest Europe (NWE) route averaged WS120, representing a decline of 8%, m-o-m, while compared with the same month in 2023, rates were 36% higher.

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 fell both East and West of Suez in August. East of Suez rates saw the strongest decline, down 33% on aggregate, while West of Suez rates fell 24%. These declines brought clean freight rates below year-ago levels, with East of Suez rates down 13%, y-o-y, and West of Suez rates 20% lower than the same month in 2023.

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

East of Suez	Size *1,000 DWT*	Jun 24	Jul 24	Aug 24	*Change* Aug 24/Jul 24
Middle East/East	30-35	242	199	137	-62
Singapore/East	30-35	279	229	151	-78
West of Suez					
Northwest Europe/US East Coast	33-37	163	190	145	-45
Mediterranean/Mediterranean	30-35	185	203	154	-49
Mediterranean/Northwest Europe	30-35	195	213	164	-49

Sources: Argus and OPEC.

Rates on the Middle East-to-East route declined 31%, m-o-m, to average WS137 in August. Compared with the same month in 2023, rates were 11% lower. Clean spot freight rates on the Singapore-to-East route dropped 34%, m-o-m. Rates on the route averaged WS151, representing a 15% decline compared with the same month in 2023.

Spot freight rates on the NWE-to-USEC route fell 24%, m-o-m. Rates averaged WS145, which represents a 22% loss compared with August 2023.

Rates around the Mediterranean gave up the gains seen in the previous month. Rates on the Cross-Med route lost 24%, m-o-m, to average WS154 and were down 19%, y-o-y. Rates on the Med-to-NWE route fell 23%, m-o-m, and declined 18%, y-o-y, to average WS164.

Crude and Refined Products Trade

Preliminary weekly data for August shows US crude exports fell below 4 mb/d for the first time since November of last year. This was due to lower flows to Europe and Asia, according to tanker tracking data. In contrast, US product exports reached an eight-month high of 6.9 mb/d, amid a recovery of exports to Asia and continued healthy flows to Europe.

Preliminary estimates point to OECD Europe crude imports declining in August, amid lower flows from Central Asia, while product imports into the region picked up, driven by increased flows from the US.

Japan's crude imports fell further in July, averaging 2.0 mb/d. Japan's product imports edged up by about 4%, m-o-m, driven by higher gasoline inflows.

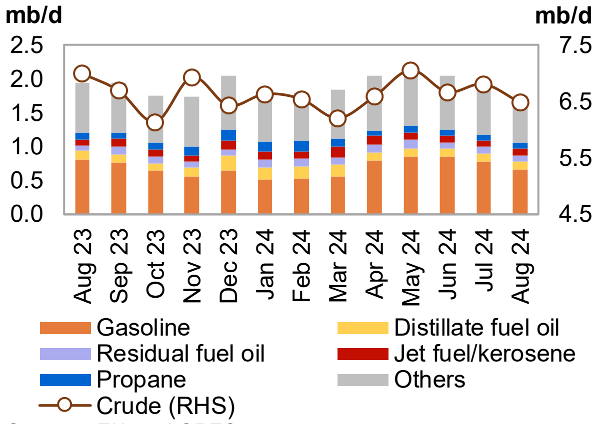
China's crude imports in July averaged just under 10 mb/d, down by about 12%, m-o-m, and about 3% lower, y-o-y. Product imports into China edged up 2%, supported by higher inflows of naphtha. China's product outflows fell 9%, m-o-m, weighed down by declines in diesel, gasoline, and fuel oil, although jet fuel exports continued to increase.

India's crude imports were broadly unchanged in July, averaging 4.6 mb/d, in line with seasonal trends. India's product imports jumped 19%, m-o-m, with gains across all main products, led by higher LPG inflows. Product exports were slightly lower, as declines in gasoline and naphtha outpaced higher outflows of fuel oil and diesel.

US

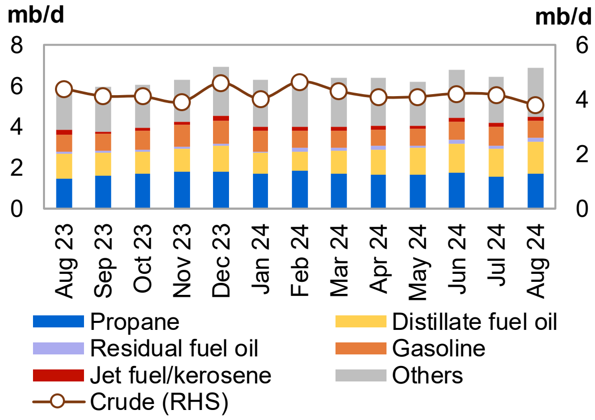
Preliminary data for August shows that US crude imports averaged 6.5 mb/d. M-o-m, US crude imports declined by 0.3 mb/d, or about 5%. According to preliminary EIA weekly data, the bulk of the decline could be attributed to lower inflows from Canada. Compared with the same month last year, crude imports were down 0.5 mb/d, or 7%.

Graph 8 - 1: US imports of crude and products



Sources: EIA and OPEC.

Graph 8 - 2: US exports of crude and products



Sources: EIA and OPEC.

US crude exports in August fell back below 4 mb/d to average 3.8 mb/d, according to preliminary estimates based on weekly data. This represents a decline of 0.4 mb/d, or 9%, m-o-m. According to tanker tracking data, the declines were due mainly to lower flows to Europe and Asia. Y-o-y, crude outflows were down by 0.6 mb/d, or about 14%.

As a result, US net crude imports averaged 2.7 mb/d in August, down from 2.6 mb/d in July. In August last year, US net crude imports averaged 2.6 mb/d.

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

US	Jun 24	Jul 24	Aug 24	Change Aug 24/Jul 24
Crude oil	2.43	2.62	2.67	0.05
Total products	-4.77	-4.49	-5.12	-0.64
Total crude and products	**-2.33**	**-1.87**	**-2.46**	**-0.59**

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

Sources: EIA and OPEC.

On the product side, imports continued to drop in August, falling 224 tb/d, or about 11%, m-o-m. Product inflows averaged 1.8 mb/d for the month. Gasoline was the main contributor to the losses. Compared with the same month of 2023, product inflows were down by 191 tb/d, or about 10%.

According to preliminary data, product exports in August erased the previous month's loss, averaging 6.9 mb/d. This represents a gain of 0.4 mb/d, or over 6%, m-o-m. Within products, distillate fuels and propane/propylene contributed the most to the increase, although this was offset by a drop in gasoline exports. Compared with the same month last year, product exports were higher by 0.8 mb/d, or about 14%.

As a result, net product exports averaged almost 5.1 mb/d in August, compared with 4.5 mb/d the previous month and 4.1 mb/d in August 2023. Combined, net crude and product exports averaged 2.6 mb/d in August, compared to 1.9 mb/d the month before and 1.5 mb/d in August 2023.

OECD Europe

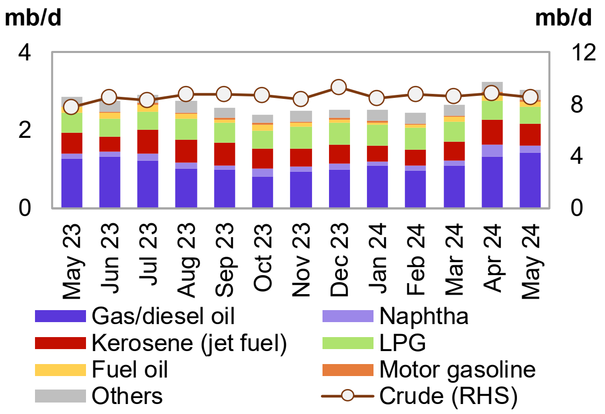
The latest official data for OECD Europe shows that crude imports declined in May, falling 258 tb/d, m-o-m, or about 3%, to average 8.6 mb/d. Compared with the same month in 2023, crude imports were 791 tb/d, or more than 10% higher.

In terms of the region's import sources, the US provided the highest contribution in May at 1.8 mb/d. Kazakhstan was second with 1.1 mb/d, followed by Saudi Arabia with just under 0.9 mb/d.

Crude exports increased in May from the relatively stronger levels of the previous two months to average 90 tb/d. This represents a drop of 306 tb/d, m-o-m. Compared to the same month of 2023, crude outflows were at roughly similar levels. The US was the top destination for crude exports from the OECD Europe region in May, taking in 25 tb/d.

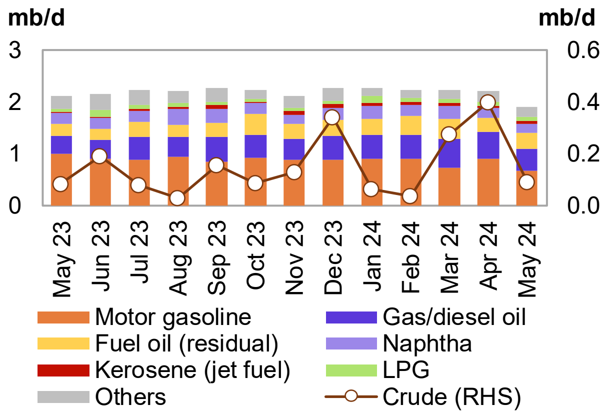
Net crude imports averaged 8.5 mb/d in May, compared with 8.4 mb/d the month before and 7.7 mb/d in May 2023.

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 3.0 mb/d in May, representing a drop of 196 tb/d, or 6%, m-o-m. Losses were seen across most major products, the exception being diesel. However, compared with May 2023, product inflows were up by 191 tb/d, or about 7%.

Product exports averaged 1.9 mb/d in May, representing a decline of 309 tb/d, or 14%, m-o-m. Gasoline outflows led the losses, with contributions also from diesel and naphtha. Compared to the same month of 2023, product exports were 223 tb/d, or about 11%, lower.

Net product imports averaged 1.1 mb/d in May, compared with 1.0 mb/d the month before and 0.7 mb/d in May 2023.

Combined, net crude and product imports averaged just under 9.6 mb/d in May, up from 9.4 mb/d the month before and 8.4 mb/d in May 2023.

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

OECD Europe	Mar 24	Apr 24	May 24	Change May 24/Apr 24
Crude oil	8.37	8.41	8.46	0.05
Total products	0.43	1.02	1.13	0.11
Total crude and products	**8.80**	**9.43**	**9.59**	**0.16**

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

Sources: IEA and OPEC.

Japan

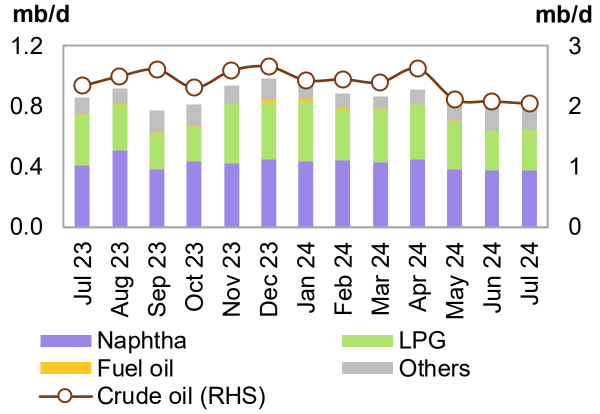
Japan's crude imports declined for the third month in a row to reach a more than three-year low in July. M-o-m, crude imports into Japan fell by 42 tb/d, or about 2%. Compared to the same period last year, crude imports were 299 tb/d, or almost 13%, lower.

In terms of crude imports by source, the United Arab Emirates continued to hold the highest share in July at over 49%, up from 41% the month before. Saudi Arabia was second with around 36%, followed by Kuwait with about 8%.

Product imports, including LPG, increased by 32 tb/d, or almost 4%, m-o-m, to average 846 tb/d in July. Gains were due to higher inflows of gasoil and gasoline, which more than offset declines in kerosene. Compared with July 2023, product inflows declined by just 12 tb/d, or a little more than 1%.

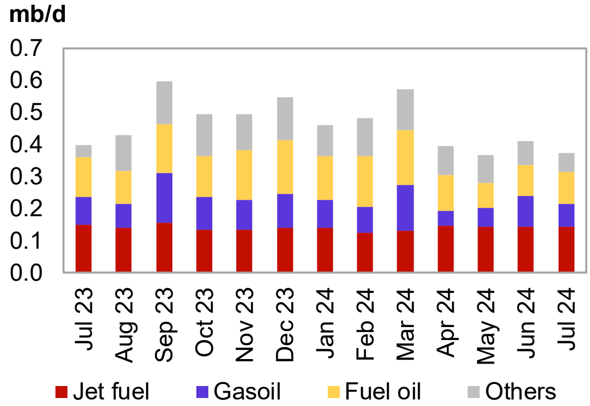
Product exports, including LPG, declined in July to average 371 tb/d. M-o-m, exports dropped by 38 tb/d, or over 9%, amid lower outflows of gasoil and gasoline. Compared to the same month last year, product exports in July were 27 tb/d, or about 7%, lower.

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 475 tb/d in July. This compares with 405 tb/d the month before and 460 tb/d in July 2023.

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

Japan	May 24	Jun 24	Jul 24	Change Jul 24/Jun 24
Crude oil	2.11	2.08	2.04	-0.04
Total products	0.47	0.40	0.47	0.07
Total crude and products	**2.58**	**2.49**	**2.51**	**0.03**

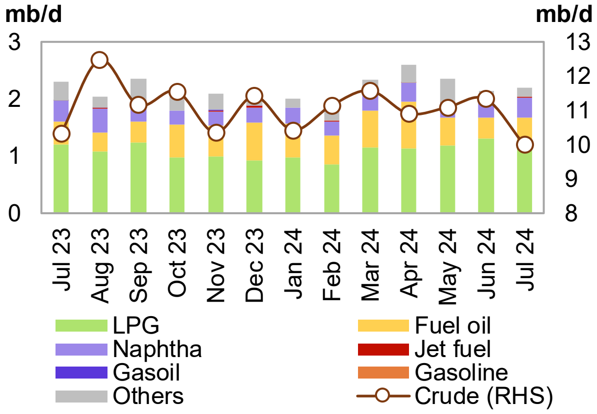
Note: Totals may not add up due to independent rounding.

Sources: METI and OPEC.

China

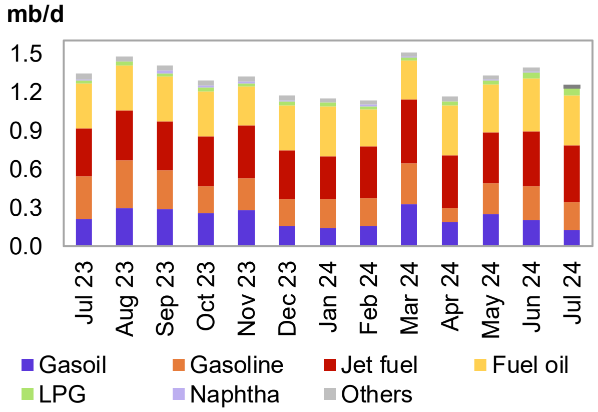
China’s crude imports in July were almost 12% lower, m-o-m, falling below 10 mb/d for the first time since September 2022. Crude imports averaged just under 10 mb/d, representing a decline of 1.3 mb/d, m-o-m. Compared to the same month last year, crude imports were down by 0.3 mb/d, or 3%.

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 July with 17.6%. This is a slight decrease compared to 18.0% the month before and 18.5% in July 2023. Saudi Arabia was second with 15%, up from the previous month and higher than year-ago levels. Malaysia was third with about 14.7%, and Iraq was fourth with 10.9%.

Product imports, including LPG, picked up after two consecutive declines to average 2.2 mb/d in July. This represents a drop of 52 tb/d, m-o-m, or 2%, with gains in naphtha outpacing declines in fuel oil. Compared to the same period in 2023, product imports were down 105 tb/d, or more than 4%.

Product exports, including LPG, fell 9%, or 127 tb/d, m-o-m, to average 1.3 mb/d in July. Declines in diesel oil, gasoline and fuel oil were the main drivers behind the drop in product outflows. Jet fuel exports remained strong. Compared to the same period in 2023, product exports fell 80 tb/d, or 6%.

Net product imports averaged 939 tb/d in July, compared to 760 tb/d in the previous month and about 963 tb/d in July 2023.

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

China	May 24	Jun 24	Jul 24	*Change* Jul 24/Jun 24
Crude oil	11.09	11.32	9.99	-1.33
Total products	1.02	0.76	0.94	0.18
Total crude and products	**12.11**	**12.08**	**10.93**	**-1.15**

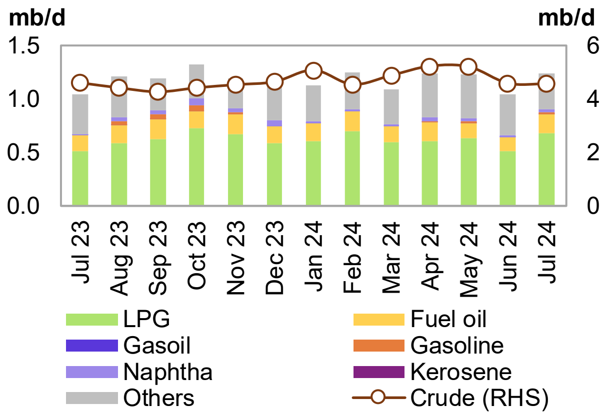
Note: Totals may not add up due to independent rounding.

Sources: China OGP and OPEC.

India

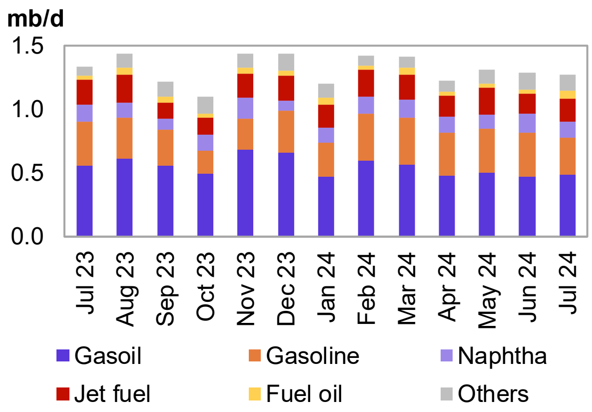
India's crude imports declined marginally in July to average 4.6 mb/d. This represented a drop of less than 1% for both m-o-m and y-o-y.

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.

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

For products, imports jumped 19%, or 194 tb/d, m-o-m, to average 1.2 mb/d, amid a rebound in LPG inflows. Y-o-y, product imports were up by 19%, or 203 tb/d.

Product exports in July declined by 18 tb/d, or a little over 1%, m-o-m, to remain at around 1.3 mb/d. Drops in gasoline and naphtha outflows were partly offset by increased fuel oil and diesel oil outflows. Compared to the same month of 2023, product exports were down by 69 tb/d, or about 5%.

Net product exports averaged 29 tb/d in July, compared with 241 tb/d the month before and 300 tb/d in the same month last year.

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

India	May 24	Jun 24	Jul 24	*Change* Jul 24/Jun 24
Crude oil	5.20	4.59	4.57	-0.02
Total products	-0.08	-0.24	-0.03	0.21
Total crude and products	**5.12**	**4.35**	**4.54**	**0.19**

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.

Eurasia

Total crude oil exports from Russia and Central Asia declined in July by about 0.1 mb/d, or less than 2%, m-o-m, to average around 6.4 mb/d. The drop was driven by lower outflows from Baltic and Black Sea terminals, although this was partially offset by higher pipeline flows. Compared to the same month in 2023, outflows were still 4%, or 256 tb/d, higher.

Crude exports in July through the Transneft system fell by 159 tb/d, or just over 4%, m-o-m, to average 3.7 mb/d. Compared to the same month of 2023, exports were still 160 tb/d, or 5%, higher. Transneft shipments from the Black Sea port of Novorossiysk decreased by 220 tb/d, or over 31%, m-o-m, to average 484 tb/d. Crude exports from Baltic Sea ports also fell, dropping by 145 tb/d, or about 10%, m-o-m, to average 1.4 mb/d. Within the Baltic Sea region, flows from Primorsk declined by 75 tb/d, or about 9%, m-o-m, to average 755 tb/d. Exports from Ust-Luga dropped by 70 tb/d, or over 10%, m-o-m, to average 607 tb/d.

Shipments via the Druzhba pipeline in July were 113 tb/d, or around 65% higher, m-o-m, at an average 288 tb/d. Compared to the same month of 2023, exports via the pipeline were down by 11 tb/d, or 4%. Exports to inland China via the ESPO pipeline increased by 25 tb/d, or about 4%, m-o-m, to average 611 tb/d in July. This is just 9 tb/d, or 1%, lower than in July 2023. Exports from the Pacific port of Kozmino averaged 931 tb/d, representing an increase of 68 tb/d, m-o-m, or almost 8%. Compared to the same month last year, export flows via the port were 67 tb/d, or 8%, higher than in the same month of 2023.

In the Lukoil system, exports via the Varandey offshore platform in the Barents Sea in July contracted by 23 tb/d, or about 24%, m-o-m, to average 76 tb/d. This was down 14 tb/d, or about 16%, from the same month last year.

On other routes, the combined exports from Russia's Far East ports, De Kastri and Aniva, fell by 5 tb/d, or about 2%, m-o-m, to average 234 tb/d in July. This was a drop of 23 tb/d, or 9%, compared with the volumes shipped in the same month of 2023.

Central Asian exports averaged 237 tb/d in July, representing an increase of about 8% compared to June 2024 and a decline of about 2% compared with the same month of 2023.

Black Sea total exports from the CPC terminal increased by 31 tb/d in July, or about 2%, m-o-m, to average close to 1.5 mb/d. This represents a gain of 80 tb/d, or 6%, compared with the same month of 2023. Exports via the Baku-Tbilisi-Ceyhan (BTC) pipeline rose 44 tb/d in July, or around 7%, m-o-m, to average 688 tb/d. This was 76 tb/d, or 12%, higher than in the same month last year.

Total product exports from Russia and Central Asia rose 288 tb/d, or about 13%, m-o-m, to average almost 2.5 mb/d in July. Fuel oil, gasoil and gasoline contributed the most to the gains, offset by a smaller decline in naphtha. Y-o-y, total product exports edged up 23 b/d, or 1%, driven by a sharp decline in gasoil exports.

Commercial Stock Movements

Preliminary July 2024 data shows total OECD commercial oil stocks down by 11.7 mb, m-o-m. At 2,815 mb, they were 5.2 mb lower than the same time a year ago, 99.2 mb lower than the latest five-year average, and 153.8 mb below the 2015–2019 average. Within the components, crude and product stocks fell by 5.1 mb and 6.6 mb, respectively.

OECD commercial crude stocks stood at 1,350 mb. This was 25.2 mb lower than the same time a year ago, 56.7 mb below the latest five-year average, and 112.2 mb less than the 2015–2019 average.

OECD total product stocks stood at 1,466 mb. This is 20 mb higher than the same time a year ago, but 42.5 mb lower than the latest five-year average, and 41.6 mb below the 2015–2019 average.

In terms of days of forward cover, OECD commercial stocks fell in July by 0.1 days, m-o-m, to stand at 61.1 days. This is 0.2 days lower than the level registered in July 2023, 3.3 days lower than the latest five-year average, and 1.4 days less than the 2015–2019 average.

OECD

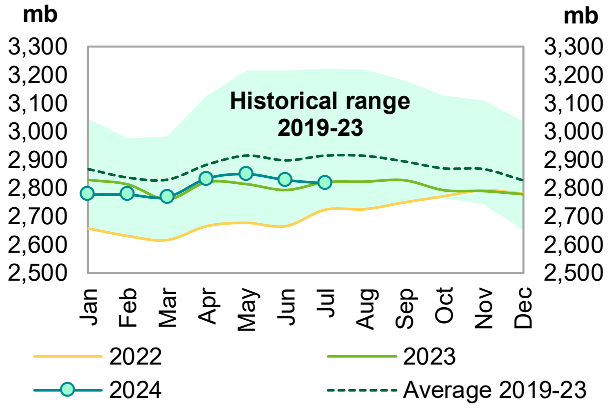
Preliminary July 2024 data shows total OECD commercial oil stocks down by 11.7 mb, m-o-m. At 2,815 mb, they were 5.2 mb lower than the same time a year ago, 99.2 mb less than the latest five-year average, and 153.8 mb below the 2015–2019 average.

Within the components, crude and product stocks fell by 5.1 mb and 6.6 mb respectively.

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

OECD commercial crude stocks fell by 5.1 mb, m-o-m, ending July at 1,350 mb. This was 25.2 mb lower than the same time a year ago, 56.7 mb below the latest five-year average, and 112.2 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 7.1 mb and 1.3 mb, m-o-m, respectively, while crude stocks in OECD Asia Pacific rose by 3.2 mb, m-o-m.

OECD total product stocks fell by 6.6 mb, m-o-m, in July to stand at 1,466 mb. This is 20.0 mb higher than the same time a year ago, but 42.5 mb lower than the latest five-year average, and 41.6 mb below the 2015–2019 average.

Within the OECD regions, product stocks in OECD Asia Pacific and OECD Europe witnessed a drop of 2.1 mb and 3.6 mb, m-o-m, respectively. OECD Americas product stocks declined by 0.9 mb, m-o-m.

Table 9 - 1: OECD commercial stocks, mb

OECD stocks	Jul 23	May 24	Jun 24	Jul 24	*Change* Jul 24/Jun 24
Crude oil	1,375	1,392	1,355	1,350	*-5.1*
Products	1,446	1,456	1,472	1,466	*-6.6*
Total	**2,821**	**2,848**	**2,827**	**2,815**	***-11.7***
Days of forward cover	**61.2**	**61.4**	**61.1**	**61.1**	***-0.1***

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

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

In terms of days of forward cover, OECD commercial stocks fell in July by 0.1 days, m-o-m, to stand at 61.1 days. This is 0.2 days lower than the level registered in July 2023, 3.3 days less than the latest five-year average, and 1.4 days less than the 2015–2019 average.

Within the OECD regions, OECD Americas stood at 3.8 days and OECD Europe at 2.2 days below the latest five-year average, standing at 60.3 days and 68.7 days, respectively. OECD Asia Pacific was 3.4 days less than the latest five-year average, standing at 49.0 days.

OECD Americas

OECD Americas' total commercial stocks fell in July by 8.0 mb, m-o-m, to settle at 1,535 mb. This is 12.3 mb higher than the same month in 2023, but 31.7 mb below the latest five-year average.

Commercial crude oil stocks in OECD Americas fell in July by 7.1 mb, m-o-m, to stand at 767 mb, which is 12.4 mb higher than in July 2023, but 8.9 mb less than the latest five-year average.

Total product stocks in OECD Americas deacreased by 0.9 mb, m-o-m, in July to stand at 768 mb. This is 0.1 mb lower than the same month in 2023, but 22.8 mb below the latest five-year average. higher consumption in the region was behind the product stock draw.

OECD Europe

OECD Europe's total commercial stocks fell in July by 4.9 mb, m-o-m, to settle at 940 mb. This is 9.0 mb higher than the same month in 2023, but 36.5 mb below the latest five-year average.

OECD Europe's commercial crude stocks decreased by 1.3 mb, m-o-m, to end July at 410 mb. This is 10.3 mb less than one year ago and 21.8 mb lower than the latest five-year average.

Total product stocks fell by 3.6 mb, m-o-m, to end July at 529 mb. This is 19.3 mb higher than the same time a year ago, but 14.7 mb below the latest five-year average.

OECD Asia Pacific

OECD Asia Pacific's total commercial oil stocks rose in July by 1.1 mb, m-o-m, to stand at 341 mb. This is 26.5 mb lower than the same time a year ago and 31.0 mb below the latest five-year average.

OECD Asia Pacific's crude stocks rose by 3.2 mb, m-o-m, to end July at 173 mb. This is 27.3 mb lower than one year ago, and 26.0 mb below the latest five-year average.

By contrast, OECD Asia Pacific's total product stocks fell by 2.1 mb, m-o-m, to end July at 168 mb. This is 0.7 mb higher than one year ago, but 5.0 mb below the latest five-year average.

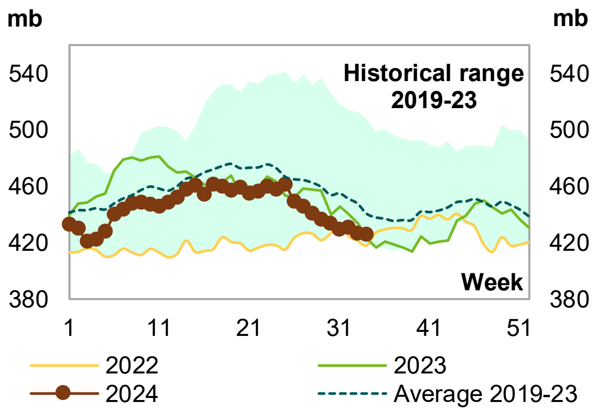
US

Preliminary data for August 2024 shows that total US commercial oil stocks fell by 18.8 mb, m-o-m, to stand at 1,270 mb. This is 11.7 mb, or 0.9%, higher than the same month in 2023, but 21.7 mb, or 1.7%, below the latest five-year average. Crude and product stocks fell by 14.7 mb and 4.1 mb, m-o-m, respectively.

US commercial crude stocks in August stood at 418.3 mb. This is 1.0 mb, or 0.2%, higher than the same month in 2023, but 20.3 mb, or 4.6%, below the latest five-year average. The monthly draw in crude oil stocks came on the back of higher crude runs, which increased by 60 tb/d, m-o-m, to average 16.95 mb/d in August.

Total product stocks also fell in August to stand at 851.9 mb. This is 10.7 mb, or 1.3%, higher than in August 2023 , but 1.4 mb or 0.2%, lower than the latest five-year average. The product stock draw can be attributed to higher product consumption.

Graph 9 - 2: US weekly commercial crude oil inventories



Sources: EIA and OPEC.

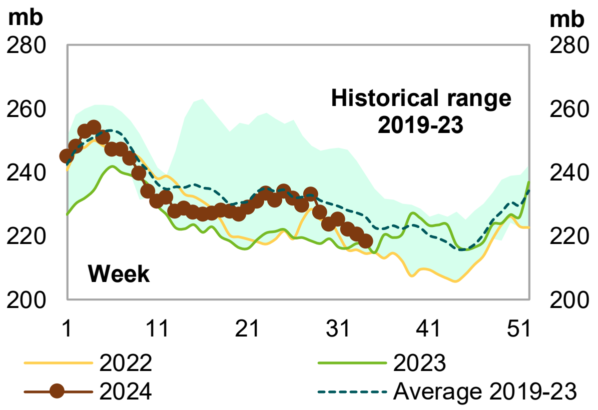
Gasoline stocks fell in August by 4.5 mb, m-o-m, to settle at 219.2 mb. This is 0.1 mb higher than the same month in 2023, but 6.4 mb, or 2.8%, below the latest five-year average.

Distillate stocks in August decreased by 4.1 mb, m-o-m, to stand at 122.7 mb. This is 6.3 mb, or 5.4%, higher than the same month in 2023, but 13.8 mb, or 10.1%, below the latest five-year average.

Residual fuel oil stocks in August went down by 0.2 mb, m-o-m. At 25.7 mb, they were 0.3 mb, or 1.1%, less than a year earlier and 3.8 mb, or 13.0%, below the latest five-year average.

Jet fuel stocks decreased by 0.4 mb, m-o-m, ending August at 46.8 mb. This is 4.1 mb, or 9.7%, higher than the same month in 2023, and 5.4 mb, or 13.1%, above the latest five-year average.

Graph 9 - 3: US weekly gasoline inventories



Sources: EIA and OPEC.

Table 9 - 2: US commercial petroleum stocks, mb

US stocks	Aug 23	Jun 24	Jul 24	Aug 24	Change Aug 24/Jul 24
Crude oil	**417.3**	**440.2**	**433.0**	**418.3**	***-14.7***
Gasoline	219.2	232.4	223.8	219.2	*-4.5*
Distillate fuel	116.5	123.1	126.8	122.7	*-4.1*
Residual fuel oil	26.0	27.5	25.9	25.7	*-0.2*
Jet fuel	42.6	45.3	47.2	46.8	*-0.4*
Total products	**841.3**	**839.4**	**856.0**	**851.9**	***-4.1***
Total	**1,258.6**	**1,279.6**	**1,289.0**	**1,270.2**	***-18.8***
SPR	**350.3**	**373.1**	**375.1**	**379.7**	***4.6***

Sources: EIA and OPEC.

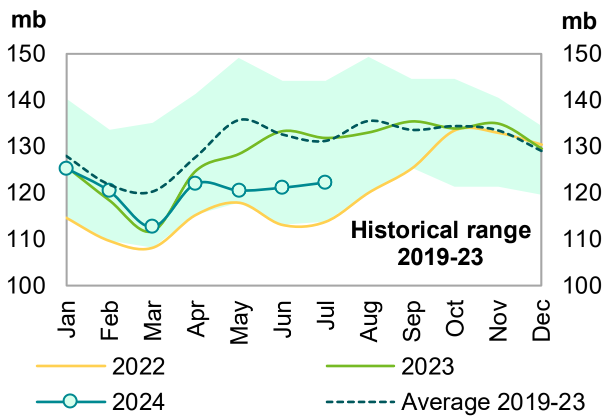
Japan

In Japan, total commercial oil stocks in July 2024 rose by 1.1 mb, m-o-m, to settle at 122.2 mb. This is 9.6 mb, or 7.3%, lower than the same month in 2023 and 9.0 mb, or 6.8%, below the latest five-year average. Crude stocks rose by 3.2 mb, m-o-m, while product stocks fell by 2.1 mb, m-o-m.

Japanese commercial crude oil stocks rose in July by 3.2 mb, m-o-m, to stand at 66.5 mb. This is 10.9 mb, or 14.1%, lower than the same month in 2023 and 7.5 mb, or 10.2%, below the latest five-year average.

Gasoline stocks fell 1.3 mb, m-o-m, to stand at 9.5 mb in July. This is 0.6 mb, or 6.6%, higher than a year earlier, but 0.4 mb, or 3.9%, below the latest five-year average. The draw in gasoline stocks came on the back of higher gasoline domestic sales, which rose by 11.9%, m-o-m, in July.

Graph 9 - 4: Japan's commercial oil stocks



Sources: METI and OPEC.

Middle distillate stocks fell by 0.8 mb, m-o-m, to end July at 25.0 mb. This is 1.2 mb, or 4.9%, higher than the same month in 2023, but 1.0 mb, or 4.0%, lower than the latest five-year average. Within the distillate components, kerosene stocks rose by 5.5%, while gasoil and jet fuel stocks fell by 13% and 2.1%, m-o-m, respectively.

Total residual fuel oil stocks fell, m-o-m, by 0.2 mb to end July at 12.5 mb. This is 0.2 mb, or 1.5%, higher than the same month in 2023 and 0.6 mb, or 5.2%, above the latest five-year average. Within the components, fuel oil A stocks fell by 7.3%, m-o-m, while fuel oil BC stocks rose by 2.2%, m-o-m.

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

Japan's stocks	Jul 23	May 24	Jun 24	Jul 24	*Change* Jul 24/Jun 24
Crude oil	**77.5**	**61.5**	**63.3**	**66.5**	***3.2***
Gasoline	8.9	11.7	10.8	9.5	*-1.3*
Naphtha	9.2	9.3	8.5	8.6	*0.1*
Middle distillates	23.8	25.3	25.8	25.0	*-0.8*
Residual fuel oil	12.4	12.6	12.7	12.5	*-0.2*
Total products	**54.3**	**58.9**	**57.8**	**55.6**	***-2.1***
Total**	**131.8**	**120.5**	**121.1**	**122.2**	***1.1***

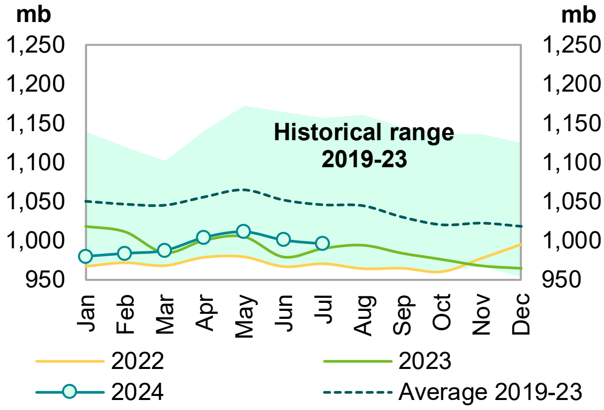
*Note: * At the end of the month. ** Includes crude oil and main products only.*
Sources: METI and OPEC.

EU-14 plus UK and Norway

Preliminary data for July 2024 showed that total European oil stocks fell by 4.9 mb, m-o-m, to stand at 995.3 mb. At this level, they were 5.7 mb, or 0.6%, higher than the same month in 2023, but 50.2 mb, or 4.8%, beneath the latest five-year average. Crude and product stocks fell by 1.3 mb and 3.6 mb, m-o-m, respectively.

European crude stocks stood at 407.7 mb in July. This is 0.3 mb, or 0.1%, lower than the same month in 2023 and 18.4 mb, or 4.3% 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 350 tb/d, or 3.7%, m-o-m, to stand at 9.9 mb/d.

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



Sources: OilX and OPEC.

Total European product stocks also decline by 3.6 mb, m-o-m, to end July at 587.6 mb. This is 6.0 mb, or 1.0%, higher than the same month in 2023, but 31.8 mb, or 5.1%, below the latest five-year average. The stock draw can be attributed to higher demand in the region.

Gasoline stocks fell in July by 1.3 mb, m-o-m, to stand at 104.2 mb, which is 1.3 mb, or 1.3%, higher than the same time in 2023, but 4.1 mb, or 3.8%, lower than the latest five-year average.

Middle distillate stocks decreased in July by 1.6 mb, m-o-m, to stand at 389.9 mb. This is 2.8 mb, or 0.7%, higher than the same month in 2023, but 28.5 mb, or 6.8%, lower than the latest five-year average.

Residual fuel stocks were down in July by 1.1 mb, m-o-m, to stand at 61.2 mb. This is 2.4 mb, or 4.2%, higher than the same month in 2023, but 1.2 mb, or 1.9%, below the latest five-year average.

By contrast. naphtha stocks rose in July by 0.4 mb, m-o-m, ending the month at 32.3 mb. This is 0.6 mb, or 1.8%, less than the same month in 2023, but 2.0 mb, or 6.7%, higher than the latest five-year average.

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

EU stocks	Jul 23	May 24	Jun 24	Jul 24	*Change* Jul 24/Jun 24
Crude oil	**408.0**	**416.4**	**409.0**	**407.7**	***-1.3***
Gasoline	102.9	106.5	105.5	104.2	*-1.3*
Naphtha	32.9	31.4	32.0	32.3	*0.4*
Middle distillates	387.0	392.7	391.4	389.9	*-1.6*
Fuel oils	58.7	64.1	62.3	61.2	*-1.1*
Total products	**581.6**	**594.6**	**591.2**	**587.6**	***-3.6***
Total	**989.6**	**1,011.0**	**1,000.2**	**995.3**	***-4.9***

Sources: OilX and OPEC.

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

Singapore

In July, total product stocks in Singapore rose by 2.0 mb, m-o-m, to stand at 45.3 mb. This is 2.2 mb, or 5.0%, higher than the same month in 2023, but 0.1 mb, or 0.3%, less than the latest five-year average.

Middle distillate stocks rose in July by 2.8 mb, m-o-m, to stand at 11.4 mb. This is 4.2 mb, or 59.4%, higher than in July 2023 and 1.3 mb, or 12.9%, above the latest five-year average.

Residual fuel oil stocks went up by 0.1 mb, m-o-m, ending July at 19.6 mb. This is 2.8 mb, or 12.5%, lower than in July 2023, and 1.6 mb, or 7.7%, below the latest five-year average.

By contrast, light distillate stocks fell in July by 0.8 mb, m-o-m, to stand at 14.4 mb. This is 0.7 mb or 5.3% higher than the same month in 2023, and 0.2 mb, or 1.4%, above the latest five-year average.

ARA

Total product stocks in ARA in July fell by 3.0 mb, m-o-m. At 44.2 mb, they were 0.9 mb, or 2.1%, above the same month in 2023, but 0.5 mb, or 1.0%, lower than the latest five-year average.

Gasoline stocks fell by 0.5 mb, m-o-m, ending July at 9.0 mb. This is 2.2 mb, or 19.7%, lower than in July 2023 and 1.4 mb, or 13.1%, below the latest five-year average.

Gasoil stocks in July fell by 1.8 mb, m-o-m, to stand at 14.5 mb. This is 1.1 mb, or 6.8%, lower than the same month in 2023 and 2.3 mb, or 13.4%, lower than the latest five-year average.

Fuel oil stocks decreased in July by 0.4 mb, m-o-m, to stand at 9.2 mb. This is 0.9 mb, or 11.2%, higher than in July 2023 and 1.4 mb, or 18.5%, above the latest five-year average.

By contrast, jet oil stocks rose by 0.2 mb, m-o-m, to stand at 7.8 mb in July. This is 1.9 mb, or 32.0%, higher than the level seen in July 2023 and 0.8 mb, or 11.5%, higher than the latest five-year average.

Fujairah

During the week ending 2 September 2024, total oil product stocks in Fujairah fell by 0.95 mb, w-o-w, to stand at 16.86 mb, according to data from FEDCom and S&P Global Commodity Insights. At this level, total oil stocks were 0.86 mb higher than at the same time a year ago.

Light distillate stocks rose by 0.2 mb, w-o-w, to stand at 6.5 mb, which is 0.6 mb higher than a year ago.

By contrast, middle distillate stocks decreased by 0.2 mb, w-o-w, to stand at 2.4 mb, which is 0.9 mb above the same time last year.

Heavy distillate stocks also dropped by 0.9 mb, w-o-w, to stand at 8.0 mb, which is 0.6 mb less 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 42.8 mb/d in 2024. This is around 0.7 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 43.4 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 42.8 mb/d in 2024. This is around 0.7 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**	**102.9**	**103.6**	**104.8**	**105.6**	**104.2**	***2.0***
Non-DoC liquids production	51.8	52.6	53.1	53.1	53.5	53.1	*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	**60.1**	**61.0**	**61.4**	**61.4**	**61.8**	**61.4**	***1.3***
Difference (a-b)	**42.1**	**41.9**	**42.2**	**43.4**	**43.8**	**42.8**	***0.7***
DoC crude oil production	**42.0**	**41.2**	**40.9**				
Balance	**-0.2**	**-0.7**	**-1.3**				

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

Source: OPEC.

Balance of supply and demand in 2025

Demand for DoC crude

Demand for DoC crude in 2025 is revised down by 0.2 mb/d from the previous assessment to stand at 43.4 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	**104.2**	**104.6**	**105.3**	**106.8**	**107.3**	**106.0**	***1.7***
Non-DoC liquids production	53.1	54.0	53.9	54.1	54.7	54.2	*1.1*
DoC NGL and non-conventionals	8.3	8.4	8.4	8.3	8.4	8.4	*0.1*
(b) Total non-DoC liquids production and DoC NGLs	**61.4**	**62.4**	**62.3**	**62.4**	**63.1**	**62.6**	***1.2***
Difference (a-b)	**42.8**	**42.2**	**42.9**	**44.3**	**44.2**	**43.4**	***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	24.4	25.2	25.5	25.4	25.1	24.5	25.3	25.6	25.4	25.2
of which US	*19.8*	*20.2*	*20.4*	*19.9*	*20.5*	*20.7*	*20.8*	*20.5*	*20.0*	*20.5*	*20.7*	*20.9*	*20.5*
Europe	13.1	13.6	13.4	12.8	13.6	13.7	13.4	13.4	12.9	13.6	13.8	13.4	13.4
Asia Pacific	7.3	7.3	7.2	7.5	7.0	7.0	7.4	7.2	7.5	7.0	7.0	7.4	7.3
Total OECD	**44.4**	**45.6**	**45.6**	**44.8**	**45.8**	**46.3**	**46.2**	**45.8**	**44.9**	**45.9**	**46.4**	**46.3**	**45.9**
China	15.5	15.0	16.4	16.7	16.9	17.2	17.3	17.0	17.1	17.3	17.7	17.6	17.4
India	4.8	5.1	5.3	5.7	5.7	5.5	5.7	5.6	5.9	5.9	5.7	5.9	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	6.8	6.9	6.9	6.8	6.9	7.0	7.1	7.1	7.0
Middle East	7.8	8.3	8.6	8.7	8.5	9.2	9.0	8.9	9.0	8.7	9.5	9.3	9.1
Africa	4.2	4.4	4.5	4.6	4.4	4.4	4.9	4.6	4.7	4.5	4.5	5.0	4.7
Russia	3.6	3.8	3.8	4.0	3.8	4.0	4.1	4.0	4.0	3.8	4.0	4.2	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**	**58.1**	**57.8**	**58.5**	**59.4**	**58.5**	**59.7**	**59.4**	**60.4**	**60.9**	**60.1**
(a) Total world demand	**97.2**	**99.7**	**102.2**	**102.9**	**103.6**	**104.8**	**105.6**	**104.2**	**104.6**	**105.3**	**106.8**	**107.3**	**106.0**
Y-o-y change	***5.9***	***2.5***	***2.6***	***1.7***	***1.8***	***2.4***	***2.1***	***2.0***	***1.7***	***1.7***	***2.0***	***1.6***	***1.7***
Non-DoC liquids production													
Americas	23.5	25.0	26.7	26.9	27.6	27.5	27.6	27.4	27.8	27.9	28.1	28.4	28.1
of which US	*18.1*	*19.4*	*21.0*	*21.0*	*21.8*	*21.6*	*21.5*	*21.5*	*21.7*	*22.0*	*22.0*	*22.2*	*22.0*
Europe	3.8	3.6	3.7	3.7	3.6	3.6	3.8	3.7	3.8	3.7	3.7	3.8	3.8
Asia Pacific	0.5	0.5	0.4	0.5	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total OECD	**27.9**	**29.1**	**30.8**	**31.0**	**31.6**	**31.6**	**31.8**	**31.5**	**32.1**	**32.0**	**32.3**	**32.7**	**32.3**
China	4.3	4.4	4.5	4.6	4.6	4.5	4.5	4.6	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	7.3	7.5	7.3	7.5	7.5	7.6	7.7	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	2.3	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**	**19.2**	**19.0**	**19.3**	**19.3**	**19.3**	**19.4**	**19.3**
Total Non-DoC production	45.4	47.0	49.4	50.1	50.6	50.6	51.0	50.5	51.4	51.3	51.6	52.1	51.6
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**	**53.1**	**53.1**	**53.5**	**53.1**	**54.0**	**53.9**	**54.1**	**54.7**	**54.2**
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**	**60.1**	**61.0**	**61.4**	**61.4**	**61.8**	**61.4**	**62.4**	**62.3**	**62.4**	**63.1**	**62.6**
Y-o-y change	***0.6***	***2.0***	***2.7***	***1.7***	***2.0***	***1.1***	***0.4***	***1.3***	***1.4***	***0.9***	***1.1***	***1.3***	***1.2***
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**	**102.3**								
Balance (stock change and miscellaneous)	*-1.6*	*0.6*	*-0.2*	*-0.7*	*-1.3*								
OECD closing stock levels, *mb*													
Commercial	2,652	2,781	2,778	2,768	2,827								
SPR	1,484	1,214	1,207	1,219	1,227								
Total	**4,136**	**3,995**	**3,984**	**3,987**	**4,054**								
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)	**41.8**	**42.3**	**42.1**	**41.9**	**42.2**	**43.4**	**43.8**	**42.8**	**42.2**	**42.9**	**44.3**	**44.2**	**43.4**

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

Source: OPEC.

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

World oil demand and supply balance	2021	2022	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25	4Q25	2025
World demand													
Americas	-	-	-	-0.1	-0.1	-	-	0.0	-0.1	-0.1	-	-	0.0
of which US	*-*	*-*	*-*	*-*	*-0.2*	*-*	*-*	*-0.1*	*-*	*-0.2*	*-*	*-*	*-0.1*
Europe	-	-	-	-0.1	-	-	0.0	0.0	-0.1	-	-	0.0	0.0
Asia Pacific	-	-	-	-0.1	0.1	0.0	0.0	0.0	-0.1	0.1	0.0	0.0	0.0
Total OECD	**-**	**-**	**-**	**-0.2**	**0.0**	**0.0**	**0.0**	**0.0**	**-0.2**	**0.0**	**0.0**	**0.0**	**0.0**
China	-	-	-	-	-	0.0	-0.1	0.0	-	0.0	0.0	-0.1	0.0
India	-	-	-	-	-	0.1	0.1	0.0	-	-	0.1	0.1	0.1
Other Asia	-	-	-	-	-	0.0	-	0.0	0.0	0.0	0.0	-	-
Latin America	-	-	-	-	-0.1	-0.1	-	0.0	0.0	-0.1	-0.1	-	0.0
Middle East	-	-	-	-	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	-0.1
Africa	-	-	-	-0.1	0.0	-	0.0	-	-0.1	0.1	0.0	0.0	0.0
Russia	-	-	-	-	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0
Other Eurasia	-	-	-	-	-	0.0	-	-	-	-	0.0	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**-**	**-0.1**	**-0.1**	**-0.1**	**0.0**	**0.0**	**-0.1**	**-0.1**	**-0.1**	**0.0**	**-0.1**
(a) Total world demand	**-**	**-**	**-**	**-0.3**	**-0.1**	**0.0**	**0.1**	**-0.1**	**-0.3**	**-0.1**	**-0.1**	**-**	**-0.1**
Y-o-y change	***-***	***-***	***-***	***-0.3***	***-0.1***	***0.0***	***0.1***	***-0.1***	***-0.1***	***0.0***	***0.0***	***-0.1***	***0.0***
Non-DoC liquids production													
Americas	0.0	-	0.1	-	0.1	0.2	-	0.1	0.1	0.1	0.1	0.1	0.1
of which US	*0.0*	*-*	*0.1*	*-*	*0.1*	*0.2*	*-*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*	*0.1*
Europe	-	-	-	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0
Asia Pacific	-	-	-	-	-	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0
Total OECD	**0.0**	**-**	**0.1**	**0.0**	**0.1**	**0.2**	**-**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
China	-	-	-	-	-	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	0.0	0.0	0.0	-	-	-	-	-	-
Latin America	-	-	-	-	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Middle East	-	-	-	-	-	0.0	-	-	-	-	-	-	-
Africa	-	-	-	-	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0
Other Eurasia	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	**-**	**-**	**-**	**-**	**0.0**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Total Non-DoC production	0.0	-	0.1	0.0	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-DoC liquids production	**0.0**	**-**	**0.1**	**0.0**	**0.1**	**0.2**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
DoC NGLs	-	-	-	-	-	0.0	-	-	0.0	0.0	0.0	0.0	0.0
(b) Total Non-DoC liquids production and DoC NGLs	**0.0**	**-**	**0.1**	**0.0**	**0.1**	**0.2**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
Y-o-y change	***0.0***	***0.0***	***0.1***	***-0.2***	***0.1***	***0.1***	***0.0***	***-***	***0.1***	***0.0***	***-0.1***	***0.0***	***0.0***
OPEC crude oil production (secondary sources)	-	-	-	-	-								
Non-OPEC DoC crude production	-	-	-	-	-								
DoC crude oil production	**-**	**-**	**-**	**-**	**-**								
Total liquids production	**-**	**-**	**0.1**	**-**	**-**								
Balance (stock change and miscellaneous)	*-*	*-*	*0.1*	*0.2*	*0.1*								
OECD closing stock levels, *mb*													
Commercial	-	-	-	10	-4.1								
SPR	-	-	-	-	-0.6								
Total	**-**	**-**	**-**	**10**	**-4.7**								
Oil-on-water	-	-	-	-	-								
Days of forward consumption in OECD, *days*													
Commercial onland stocks	-	-	-	-	-0.1								
SPR	-	-	-	-	-								
Total	**-**	**-**	**-**	**-**	**-0.1**								
Memo items													
(a) - (b)	**0.0**	**0.0**	**-0.1**	**-0.2**	**-0.1**	**-0.2**	**0.0**	**-0.1**	**-0.4**	**-0.2**	**-0.1**	**-0.1**	**-0.2**

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

Table 11 - 3: OECD oil stocks and oil on the water at the end of the 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**	**2,768**	**2,827**
Americas	1,470	1,492	1,518	1,473	1,492	1,489	1,513	1,539	1,518	1,499	1,543
Europe	857	936	906	918	936	920	921	924	906	934	944
Asia Pacific	325	353	353	359	353	351	359	365	353	334	340
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	384
OECD total	**4,136**	**3,995**	**3,984**	**3,996**	**3,995**	**3,976**	**3,999**	**4,037**	**3,984**	**3,987**	**4,054**
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	60
Europe	63	70	68	69	71	68	67	69	71	69	69
Asia Pacific	44	49	49	47	46	51	51	49	47	48	48
OECD SPR	**33**	**27**	**26**	**27**	**27**	**27**	**26**	**26**	**27**	**27**	**27**
Americas	24	15	14	17	15	15	14	14	15	15	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	21.0	*1.6*	21.0	21.8	21.6	21.5	21.5	*0.5*	21.7	22.0	22.0	22.2	22.0	*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	**26.7**	***1.7***	**26.9**	**27.6**	**27.5**	**27.6**	**27.4**	***0.7***	**27.8**	**27.9**	**28.1**	**28.4**	**28.1**	***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**	**3.6**	**3.8**	**3.7**	***0.0***	**3.8**	**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	0.4	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**	**0.5**	**0.4**	**0.4**	***0.0***	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**	***0.0***
Total OECD	**30.8**	***1.7***	**31.0**	**31.6**	**31.6**	**31.8**	**31.5**	***0.7***	**32.1**	**32.0**	**32.3**	**32.7**	**32.3**	***0.8***
China	**4.5**	***0.1***	**4.6**	**4.6**	**4.5**	**4.5**	**4.6**	***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	4.3	4.5	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	0.8	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**	**7.3**	**7.5**	**7.3**	***0.4***	**7.5**	**7.5**	**7.6**	**7.7**	**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	1.2	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**	**2.3**	**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**	**19.2**	**19.0**	***0.4***	**19.3**	**19.3**	**19.3**	**19.4**	**19.3**	***0.3***
Non-DoC production	49.4	*2.3*	50.1	50.6	50.6	51.0	50.5	*1.2*	51.4	51.3	51.6	52.1	51.6	*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**	**53.1**	**53.1**	**53.5**	**53.1**	***1.2***	**54.0**	**53.9**	**54.1**	**54.7**	**54.2**	***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**	***0.1***
Non-DoC liquids production and DoC NGLs	**60.1**	***2.7***	**61.0**	**61.4**	**61.4**	**61.8**	**61.4**	***1.3***	**62.4**	**62.3**	**62.4**	**63.1**	**62.6**	***1.2***

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	Jul 24	Aug 24	Change Aug/Jul
US	475	722	688	*-34*	622	623	603	586	586	*0*
Canada	133	174	177	*3*	180	210	138	193	218	*25*
Mexico	45	47	55	*8*	59	58	50	50	49	*-1*
OECD Americas	**654**	**945**	**921**	***-24***	**861**	**893**	**792**	**831**	**855**	***24***
Norway	17	17	17	*0*	18	14	15	12	10	*-2*
UK	8	10	12	*2*	12	8	8	7	9	*2*
OECD Europe	**58**	**65**	**66**	***1***	**66**	**63**	**66**	**63**	**60**	***-3***
OECD Asia Pacific	**23**	**24**	**25**	***1***	**23**	**24**	**25**	**26**	**24**	***-2***
Total OECD	**735**	**1,034**	**1,012**	***-22***	**950**	**979**	**882**	**920**	**939**	***19***
Other Asia*	174	186	204	*18*	206	210	221	196	204	*8*
Latin America	91	119	120	*1*	113	105	107	100	107	*7*
Middle East	57	62	61	*-1*	62	63	62	65	59	*-6*
Africa	46	64	67	*3*	68	63	52	47	46	*-1*
Other Europe	9	10	11	*1*	10	9	9	9	9	*0*
Total Non-OECD	**377**	**441**	**463**	***22***	**459**	**450**	**450**	**417**	**425**	***8***
Non-OPEC rig count	**1,112**	**1,475**	**1,475**	***0***	**1,409**	**1,430**	**1,332**	**1,337**	**1,364**	***27***
Algeria	26	32	36	*4*	43	41	43	45	42	*-3*
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	5	4	*-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	36	34	*-2*
Libya	13	7	14	*7*	17	20	18	18	18	*0*
Nigeria	7	10	14	*4*	14	17	17	14	14	*0*
Saudi Arabia	62	73	83	*10*	84	87	84	79	80	*1*
UAE	42	47	57	*10*	62	62	63	68	68	*0*
Venezuela	6	3	2	*-1*	2	2	3	2	2	*0*
OPEC rig count	**339**	**371**	**412**	***41***	**428**	**439**	**442**	**447**	**442**	***-5***
World rig count***	**1,451**	**1,846**	**1,887**	***41***	**1,837**	**1,869**	**1,774**	**1,784**	**1,806**	***22***
of which:										
Oil	1,143	1,463	1,498	*35*	1,464	1,479	1,420	1,421	1,449	*28*
Gas	275	352	357	*5*	333	345	312	316	310	*-6*
Others	33	31	32	*1*	41	45	42	47	47	*0*

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

Glossary of Terms

Abbreviations

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

Acronyms

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

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

Down 6.02 in August

August 2024	78.41
July 2024	84.43
Year-to-date	**83.04**

August OPEC crude production

mb/d, according to secondary sources

Down 0.20 in August

August 2024	26.59
July 2024	26.78

August Non-OPEC DoC crude production

mb/d, according to secondary sources

Down 0.11 in August

August 2024	14.07
July 2024	14.18

Economic growth rate

per cent

	World	US	Eurozone	Japan	China	India	Brazil	Russia
2024	3.0	2.4	0.8	0.2	4.9	6.8	2.2	3.2
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	104.2	2.0	World demand	106.0	1.7
Non-DoC liquids production	53.1	1.2	Non-DoC liquids production	54.2	1.1
DoC NGLs	8.3	0.1	DoC NGLs	8.4	0.1
Difference	**42.8**	**0.7**	**Difference**	**43.4**	**0.6**

OECD commercial stocks

mb

	May 24	Jun 24	Jul 24	Jul 24/Jun 24
Crude oil	1,392	1,355	1,350	–5.1
Products	1,456	1,472	1,466	-6.6
Total	**2,848**	**2,827**	**2,815**	**–11.7**
Days of forward cover	61.4	61.1	61.1	–0.1

Next report to be issued on 14 October 2024.