# Oil Market Report - October 2025

Global oil demand rose by 750 kb/d year-on-year in 3Q25, rebounding from 2Q25's tariff-impacted pace of 420 kb/d, largely driven by petrochemical feedstock consumption. Despite this pickup, overall oil demand is expected to remain subdued through the rest of 2025 and into 2026, with annual growth projected at roughly 700 kb/d in both years. This remains well below historical trends, as a challenging macroeconomic environment and the ongoing electrification of transport contribute to a marked slowdown in oil consumption growth.

On the supply side, total global oil output increased by 760 kb/d month-on-month, reaching 108 mb/d in September, as OPEC+ production surged by 1 mb/d, led by Middle Eastern producers. Global oil supply is anticipated to expand by 3 mb/d to 106.1 mb/d this year and by 2.4 mb/d next year. Non-OPEC+ additions are expected at 1.6 mb/d and 1.2 mb/d, respectively, led by the US, Brazil, Canada, Guyana, and Argentina. OPEC+ is forecast to add 1.4 mb/d in 2025 and 1.2 mb/d in 2026 under the current production framework.

Global crude runs are set to hit a seasonal low of 81.6 mb/d in October, nearly 4 mb/d below July's record, reflecting maintenance schedules and intensified attacks on Russian infrastructure. Refinery throughput is projected to rise by 600 kb/d in 2025 and 460 kb/d in 2026, reaching 83.5 mb/d and 84 mb/d, respectively. Refining margins strengthened across regions in September, led by improved diesel and jet fuel spreads due to disruptions in Russian refining and exports.

Observed global oil inventories climbed by another 17.7 mb in August, reaching a four-year peak of 7,909 mb, as a 36.2 mb build in products was partially offset by an 18.5 mb decline in crude, NGLs, and feedstocks. OECD inventories increased by 22 mb, non-OECD by 4 mb, with rising Chinese crude stocks contributing significantly, while oil on water declined by 8 mb. Early September data indicate a sharp rise in oil stocks, largely driven by a 102 mb increase in oil on water.

Despite ongoing geopolitical tensions, benchmark crude prices remained relatively steady in September amid expectations of a looming supply surplus. Price volatility has stayed near historic lows. At the time of writing, ICE Brent futures traded around $64/bbl, down roughly $11/bbl year-to-date.

Stocking trends

The oil market has remained in surplus since early 2025, with inventory accumulation initially concentrated in Chinese crude and US gas liquids. By September, surging Middle Eastern output coinciding with seasonally lower regional demand pushed exports to their highest levels in two and a half years. Combined with strong flows from the Americas, this caused a massive 102 mb build in oil on water—equivalent to 3.4 mb/d—the largest since the Covid-19 pandemic. Brent crude futures averaged $67.60/bbl in September, up $0.30/bbl month-on-month, but prices fell back to $64/bbl by early October due to the influx of tankers at sea and new trade measures.

Global oil supply in September was up 5.6 mb/d compared to a year earlier, with OPEC+ contributing 3.1 mb/d of the increase. This reflects the Group of 8 reversing 2 mb/d of previous production cuts, alongside strong gains from Libya, Venezuela, and Nigeria. Under the current OPEC+ agreement, output is on track to rise 1.4 mb/d in 2025 and a further 1.2 mb/d in 2026. Non-OPEC+ producers, led by the US, Brazil, Canada, Guyana, and Argentina, are expected to add 1.6 mb/d and 1.2 mb/d, respectively, over the same period. Geopolitical risks remain, particularly sanctions on Russia and Iran, as well as persistent attacks on Russian energy infrastructure, which have curtailed crude processing by an estimated 500 kb/d, causing domestic fuel shortages and lower product exports. This has tightened diesel and jet fuel markets globally, pushing light sweet crude refining margins to two-year highs in Europe and 18-month highs in the US Gulf Coast and Singapore in September.

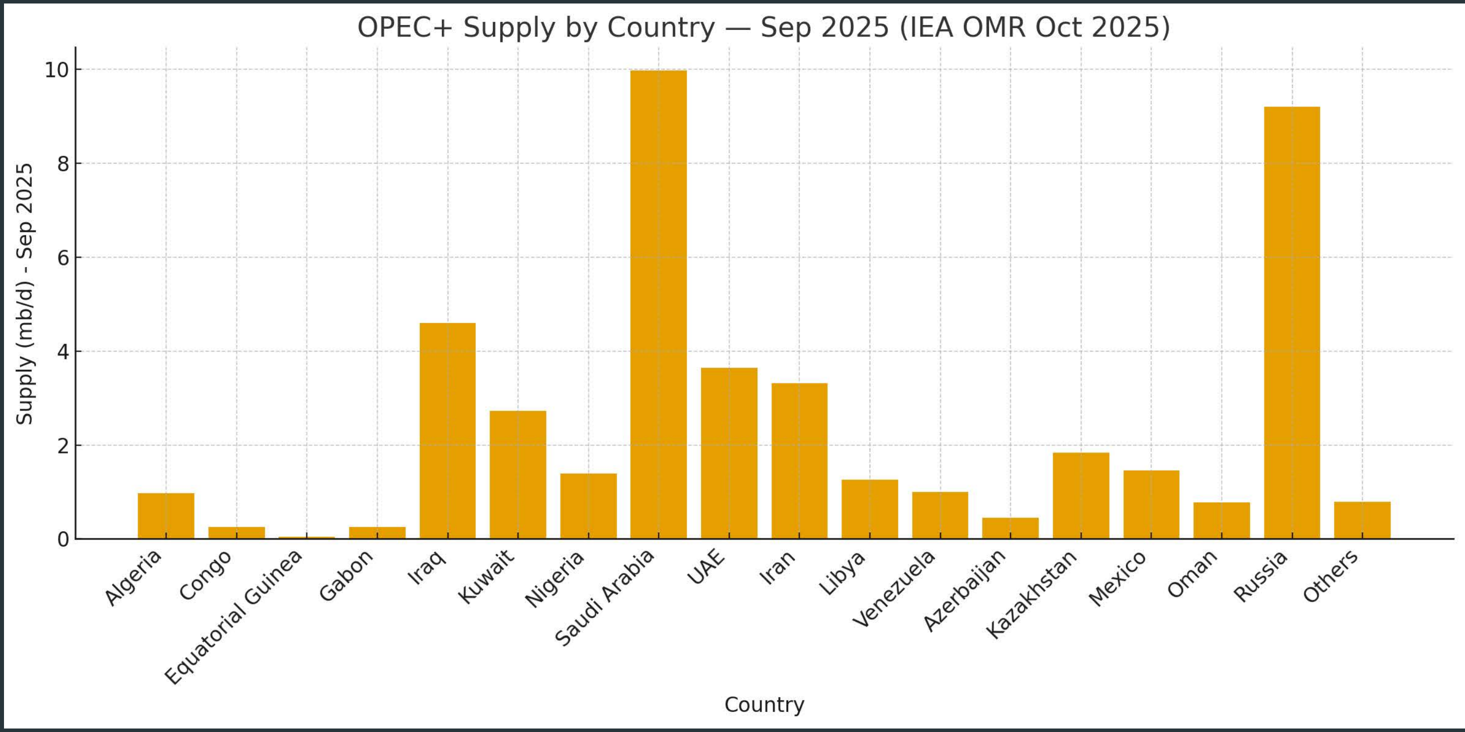
On the demand side, oil consumption in 3Q25 rebounded to 750 kb/d y-o-y, recovering from 2Q25's 420 kb/d growth, which was weighed down by tariff disruptions affecting LPG and ethane feedstocks. These quarterly gains are consistent with annual growth projections of around 700 kb/d for both 2025 and 2026. The petrochemical sector is expected to continue leading demand growth, while weaker economic conditions, improved vehicle fuel efficiency, and strong EV adoption constrain road transport fuel consumption.

With slower demand growth and rapidly rising crude supplies, the market has experienced a 1.9 mb/d surplus since the start of 2025. Crude prices, however, have remained near $70/bbl, in part because NGLs have absorbed much of the oversupply from April through August. Outside of China, crude markets tightened over the same period. Looking ahead, as large volumes of crude on water move to major hubs, stocks are expected to surge while NGLs decline. Nevertheless, the loss of Russian product exports, forthcoming EU restrictions on Russian feedstock-based products, and refinery closures may keep product markets tighter than the overall surplus would suggest.

OPEC+ crude oil production1
million barrels per day

| | Aug 2025 Supply | Sep 2025 Supply | Sep 2025 vs Target | Sep 2025 Implied Target[1] | Sustainable Capacity[2] | Eff Spare Cap vs Sep[3] |
|---|---|---|---|---|---|---|
| Algeria | 0.92 | 0.97 | 0.01 | 0.96 | 0.99 | 0.02 |
| Congo | 0.24 | 0.26 | -0.02 | 0.28 | 0.27 | 0.01 |
| Equatorial Guinea | 0.04 | 0.04 | -0.03 | 0.07 | 0.06 | 0.02 |
| Gabon | 0.24 | 0.26 | 0.08 | 0.18 | 0.22 | 0 |
| Iraq | 4.56 | 4.6 | 0.51 | 4.09 | 4.87 | 0.27 |
| Kuwait | 2.65 | 2.73 | 0.21 | 2.52 | 2.88 | 0.15 |
| Nigeria | 1.44 | 1.4 | -0.1 | 1.5 | 1.42 | 0.02 |
| Saudi Arabia | 9.43 | 9.98 | 0.0 | 9.98 | 12.11 | 2.13 |
| UAE | 3.58 | 3.64 | 0.27 | 3.36 | 4.28 | 0.64 |
| **Total OPEC-9** | **23.11** | **23.87** | **0.94** | **22.93** | **27.1** | **3.25** |
| Iran[4] | 3.17 | 3.32 | | | 3.8 | |
| Libya[4] | 1.28 | 1.26 | | | 1.23 | 0 |
| Venezuela[4] | 1.03 | 1 | | | 0.94 | 0 |
| **Total OPEC** | **28.59** | **29.45** | | | **33.06** | **3.25** |
| Azerbaijan | 0.46 | 0.45 | -0.1 | 0.55 | 0.48 | 0.03 |
| Kazakhstan | 1.86 | 1.84 | 0.31 | 1.53 | 1.8 | 0 |
| Mexico[5] | 1.46 | 1.46 | | | 1.5 | 0.04 |
| Oman | 0.81 | 0.78 | -0.01 | 0.79 | 0.8 | 0.02 |
| Russia | 9.03 | 9.21 | -0.16 | 9.36 | 9.4 | |
| Others [6] | 0.8 | 0.79 | -0.08 | 0.87 | 0.86 | 0.06 |
| **Total Non-OPEC** | **14.43** | **14.53** | **-0.04** | **13.11** | **14.84** | **0.15** |
| **OPEC+ 18 in Nov 2022 deal[5]** | **36.07** | **36.95** | **0.91** | **36.04** | **40.43** | **3.36** |
| **Total OPEC+** | **43.01** | **43.99** | | | **47.9** | **3.4** |

1. Includes extra voluntary curbs and revised, additional compensation cutback volumes. 2. Capacity levels can be reached within 90 days and sustained for an extended period. 3. Excludes shut in Iranian, Russian crude. 4. Iran, Libya, Venezuela exempt from cuts. 5. Mexico excluded from OPEC+ compliance. 6. Bahrain, Brunei, Malaysia, Sudan and South Sudan.



OPEC+ Supply by Country — Sep 2025 (IEA OMR Oct 2025)
Supply (mb/d) - Sep 2025
0
2
4
6
8
10
Algeria
Congo
Equatorial Guinea
Gabon
Iraq
Kuwait
Nigeria
Saudi Arabia
UAE
Iran
Libya
Venezuela
Azerbaijan
Kazakhstan
Mexico
Oman
Russia
Others
Country