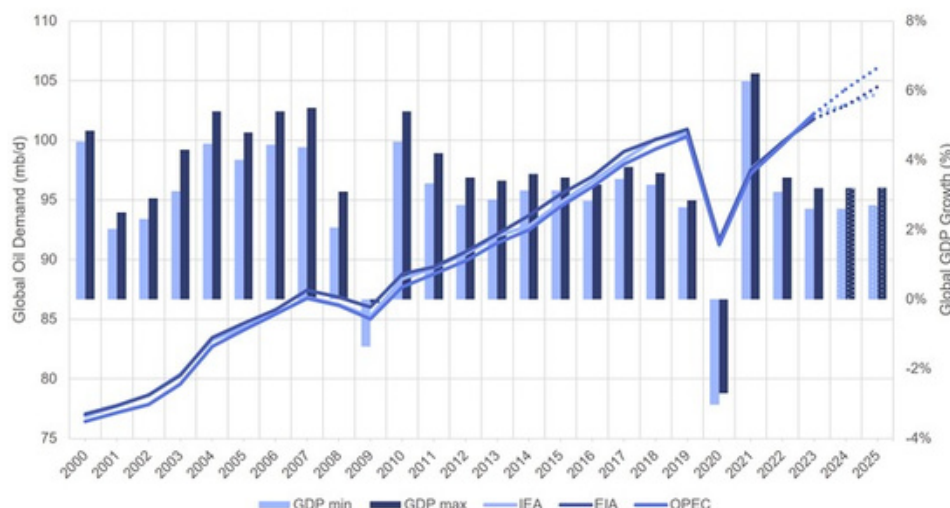


CRUDE CHRONICLES

Q3 OIL MARKET REPORT: TRENDS, RISKS, AND OPPORTUNITIES IN THE GLOBAL ENERGY LANDSCAPE

The third quarter of 2025 has been one of heightened volatility and strategic recalibration in global oil markets. Rising geopolitical risks, shifting OPEC+ production policies, evolving U.S. shale dynamics, and the interplay of macroeconomic conditions have all shaped the quarter's price trajectory. Against the backdrop of fragile global growth and accelerating energy transition efforts, the oil market remains a battleground between supply resilience and demand uncertainty.



Q3 Oil Price Dynamics

Global benchmark crude prices remained volatile in Q3 2025:

- Brent crude averaged \$86.4 per barrel, compared to \$82.1 in Q2.
- WTI crude averaged \$82.7 per barrel, maintaining a discount to Brent.
- Dubai crude stabilized at \$83.2 per barrel, reflecting Asian demand.

The rally in early August, driven by OPEC+ supply discipline, was partially offset by demand concerns from China's slower-than-expected recovery and rising interest rates in developed markets.

Average Crude Oil Prices (Q3 2025)

Benchmark	Q2 2025 (USD/bbl)	Q3 2025 (USD/bbl)	Change (%)
Brent Crude	82.1	86.4	5.20%
WTI Crude	78.6	82.7	5.20%
Dubai Crude	80.5	83.2	3.40%

Global Demand Outlook

Oil demand in Q3 grew modestly but underperformed earlier expectations.

- Global demand: ~103.2 million bpd, up 1.4% year-on-year.
- China: Consumption increased to 16.2 million bpd but slowed due to weak industrial activity.
- India: Growth remained robust at 5.9 million bpd, supported by transportation fuel demand.
- OECD nations: Demand contracted slightly (-0.4%) as high fuel costs curbed consumption.

Regional Oil Demand (Q3 2025)

Region	Q3 2025 (mbpd)	YoY Growth (%)	Key Drivers
China	16.2	1.80%	Petrochemicals, mobility
India	5.9	3.40%	Transport fuels
OECD Americas	25.1	-0.50%	High prices, EV adoption
OECD Europe	14.3	-0.70%	Energy efficiency, mild weather
Middle East	9.8	2.10%	Refining expansion

OPEC+ Policy and Production Discipline

OPEC+ continued to play a stabilizing role in Q3. The group maintained voluntary cuts of 2.2 mbpd, primarily led by Saudi Arabia and Russia. Compliance averaged 92%, keeping supply constrained despite demand headwinds.

Saudi Arabia extended its 1 mbpd voluntary cut through September, supporting Brent above \$85. Russia adjusted exports due to sanctions and logistical challenges, diverting flows toward Asia.

OPEC+ Key Producers – Q3 Output

Country	Q3 Output (mbpd)	Change vs. Q2	Compliance Status
Saudi Arabia	9	-1	Full compliance
Russia	9.1	-0.4	Partial
UAE	3.2	-0.1	Full
Iraq	4.4	0	Partial
Total OPEC+	40.5	-1.7	92%



U.S. Shale and Supply Response

U.S. shale producers maintained steady output growth, averaging 13.7 mbpd in Q3, up from 13.4 mbpd in Q2. Efficiency gains, high prices, and improved financing conditions supported production. However, rising drilling costs and shareholder return priorities limited aggressive expansion.

Notably:

- Permian Basin: Output reached 6.1 mbpd (record high).
- Eagle Ford & Bakken: Stable growth, but constrained by infrastructure.

U.S. Crude Oil Production (Q3 2025)

Basin/Region	Q3 2025 (mbpd)	Change vs. Q2	Notes
Permian	6.1	0.2	Efficiency gains
Bakken	1.2	0.1	Steady drilling
Eagle Ford	1.1	0	Plateauing output
Other Regions	5.3	0.1	Incremental growth
Total U.S.	13.7	0.3	Record high

Geopolitical Influences

Q3 saw multiple geopolitical events influencing oil markets:

1. Russia-Ukraine conflict: Sanctions tightened, leading to rerouting of Russian crude to Asia.
2. Middle East tensions: Strikes in Iraq briefly disrupted 0.5 mbpd in exports.
3. Africa: Instability in Libya caused sporadic supply disruptions.
4. Venezuelan exports: U.S. eased limited sanctions, allowing incremental exports.

Refining and Product Market Trends

Global refining margins moderated in Q3 but remained profitable.

- Asia: Margins strengthened due to petrochemical demand.
- Europe: Margins narrowed as product imports rose.
- U.S.: Gasoline cracks softened due to weaker driving season demand.

Global Refining Margins (Q3 2025)

Region	Q2 2025 (\$/bbl)	Q3 2025 (\$/bbl)	Trend
Asia	9.3	10.1	Rising
Europe	7.8	6.9	Declining
U.S.	10.5	9.2	Softening

Outlook for Q4 2025

Heading into Q4, the oil market faces several uncertainties:

- Demand recovery in Asia remains critical.
- OPEC+ policy decisions may tighten supply further.
- U.S. shale growth is expected to slow due to cost pressures.
- Geopolitical risks in the Middle East and Russia remain elevated.

Consensus forecasts place Brent crude in Q4 between \$85–90/bbl, with risks skewed upward due to supply concerns.

Q3 2025 was defined by supply discipline, modest demand growth, and persistent geopolitical volatility. While prices trended upward, the market remains finely balanced, with policy and global economic trends shaping the outlook.

Producers and investors must prepare for continued uncertainty, with resilience and adaptability as key strategies in navigating the quarters ahead.