MNI Oil Weekly: Venezuelan Supply Pressure Grows

By Andrew Couper & David Lee (17/12/2025)

Executive Summary:

- **Venezuela Supply Pressure Grows:** What started with a single tanker seizure last week has grown towards a sanctioned oil blockade as Trump ramps up pressure to topple Maduro.
- **Oil Markets:** Oil markets extend their bearish trend on Russia/Ukraine talks and growing floating crude, though a Venezuela blockade offers upside. See oil products section for Al Zour, Dos Bocos and Dangote updates.
- **Analyst Views:** See oil market views and outlooks from key analyst names.

Venezuelan Supply Pressure Grows

The United States, under President Trump, has escalated its campaign against Venezuela's oil trade this month with a series of aggressive actions, including the seizure of tankers carrying sanctioned crude and threats of further interceptions.

- These measures, aimed at tightening pressure on Nicolás Maduro's government, are creating significant disruptions in Venezuelan export logistics, widening discounts on its heavy grades, and sending ripples through competing crude markets.
- The latest developments began with the US seizure of the supertanker Skipper on December 10, carrying Venezuelan crude. This was followed by President Trump's announcement on December 16 of an effective "blockade" on all sanctioned oil tankers entering or leaving Venezuela. According to sources cited by Axios on Tuesday, the administration is preparing additional seizures, with a senior Trump adviser stating: "We have to wait for them to move. They're sitting at the dock. Once they move, we'll go to court, get a warrant and then get them." The adviser added that prolonged delays could prompt warrants even for vessels still in Venezuelan waters.
- In the latest escalation, Trump on Tuesday night ordered "a total and complete" blockade of all sanctioned oil tankers entering and leaving Venezuela, ramping up pressure further.
- Trump alleged Venezuela was using oil to fund drug trafficking and other crimes and vowed to escalate the military buildup.
- "Venezuela is completely surrounded by the largest Armada ever assembled in the History of South America," Trump said on his social media platform Truth Social. "It will only get bigger, and the shock to them will be like nothing they have ever seen before … today, I am ordering A TOTAL AND COMPLETE BLOCKADE OF ALL SANCTIONED OIL TANKERS going into, and out of, Venezuela."
- To support this building policy against Venezuelan oil, the US has deployed thousands of troops and nearly a dozen warships—including an aircraft carrier—to the region, signalling potential for further escalation.
- While the administration has so far avoided entering Venezuelan territorial waters, the military buildup underscores a hardening stance. The immediate impact on Venezuela's state-owned PDVSA has been severe. More than 11 million barrels of crude are currently stuck on vessels awaiting departure, as traders negotiate steeper discounts and vessel owners demand protective "war clauses" to cover risks of interception, delays, or diversion.
- Reuters reports that discounts for Merey crude destined for China have widened dramatically, reaching up to $21/bbl below Brent—up from $14–15/bbl the previous week. Much of this increase stems from

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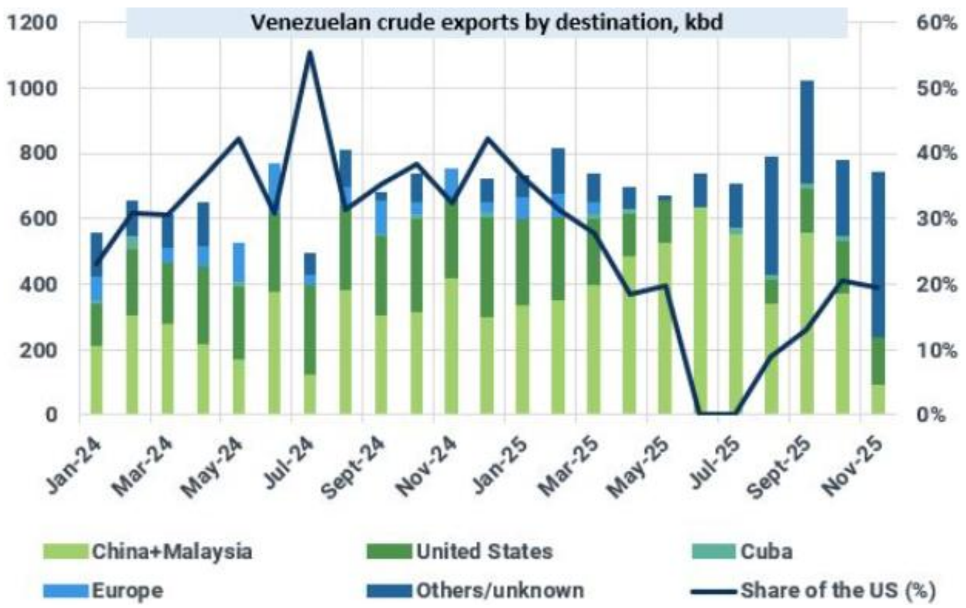
heightened shipping costs rather than fundamental supply concerns. Customers are pushing back hard. Many are requesting relaxed trading terms, particularly PDVSA's requirement for prepayment in digital currency before authorizing loading. Others are seeking reimbursement for demurrage fees incurred during delays. Without concessions, PDVSA risks a wave of cargo return requests, further complicating its cash-strapped operations.

- Despite the disruptions, Venezuelan flows have not completely halted. Chevron's licensed exports to the US Gulf Coast continue unaffected, and overall oil price reactions have remained muted in an oversupplied global market. China, Venezuela's largest buyer, appears well-positioned to weather near-term interruptions. Floating storage of Venezuelan crude has climbed to just over 20 million barrels—the highest in more than three years—according to Kpler data.
- Much of this volume is already in Asian waters, providing an accessible buffer for Chinese refiners. Kpler senior analyst Muyu Xu noted that China is "unlikely to face a supply crunch until February, or even March," even if the US further squeezes Venezuela's export network. Recent Merey offers have narrowed slightly to around $12/bbl discounts on a delivered basis, suggesting limited immediate concern among buyers. The pressure is also spilling over into competing heavy sour grades. Platts reports that Colombian crudes (direct rivals to Venezuelan barrels in the US market) felt the strain following the initial tanker seizure.
- Differentials for Vasconia and Castilla widened by 25 cents per barrel day-on-day, reaching their weakest levels since mid-January at discounts of $4.10 and $7.40 per barrel to Latin American Brent, respectively. By December 16, these had recovered to about 20 cent discounts, but traders warn that sustained absorption of seized Venezuelan crude into the US system could displace Colombian volumes more significantly.
- Overall, the US strategy appears designed to choke Venezuela's oil revenue without triggering a broader supply shock. Trump has the added benefit of market oversupply and weak prices to push this strategy, something that would not have been viable in recent years.
- While global benchmarks have shown only modest gains, the episode highlights growing geopolitical friction in the Atlantic Basin heavy crude complex. Market participants will be watching closely for the next vessel movements—and whether the Trump administration follows through on additional seizures. For now, the combination of military posturing, legal warrants, and logistical bottlenecks is reshaping Venezuelan export dynamics, forcing PDVSA into a defensive posture amid already challenging conditions.



Source: Kpler

Oil Markets:

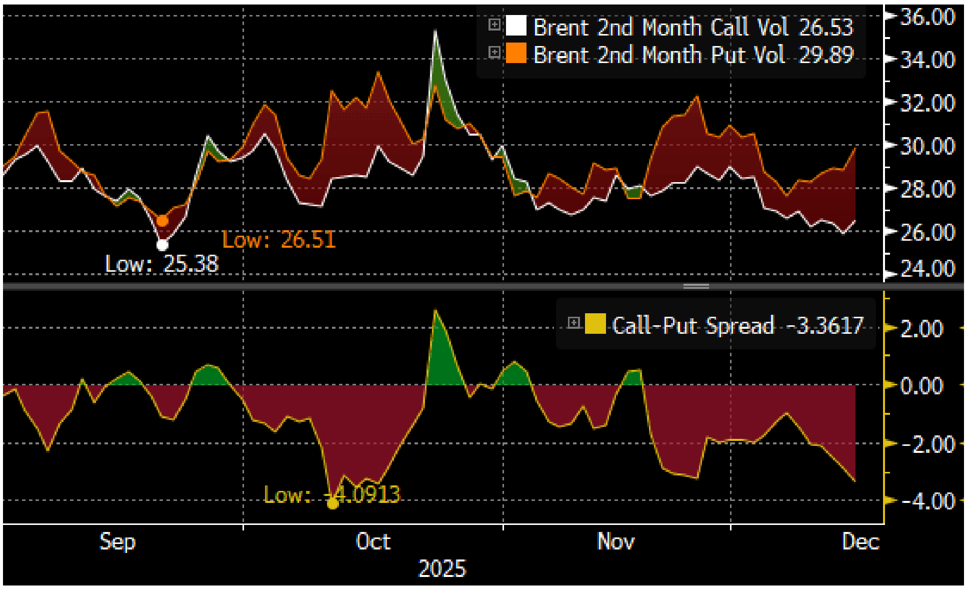
Oil is extending the recent bearish trend amid oversupply concerns and a marginally more positive outlook for Ukraine-US talks while also pricing in limited disruption to Russian exports. Geopolitical risks remain with a drop in Venezuela's oil exports since the US seized a tanker earlier last week.

Markets:

Brent crude prompt time spreads are extending the narrowing trend despite ongoing upside geopolitical risks. The softer backwardation at the front reflects market concern for the recent rise in oil on water and Russian efforts to maintain export levels despite sanctions, while focus remains on potential market oversupply into early next year. The Brent 1-2-month spread is down to the lowest since October at +$0.19/b while the Jun26-Dec26 is extending the contango to -$0.50/b.

- The bearish sentiment is also reflected in the options market with the Brent second month 25 delta call-put skew to the most bearish since mid-October around -3.36% from as narrow as -0.85% on Dec. 5. Aggregate daily option traded volumes averaged below normal at 191k last week, of which 110k was put volumes.
- Money managers decreased net long Brent crude oil positions in the week to Dec. 9 to the least bullish in seven weeks while short only positions were the highest in seven weeks.
- The Middle East's Dubai oil benchmark is showing signs of worsening oversupply as the forward curve for Dubai crude is weakening. One Jan.-Feb. lot changed hands at minus $2/b on Tuesday, in a sign of contango. The ICE Dubai Jan.-Feb. spread was the weakest in over a year.

Brent Second Month 25 Delta Call-Put Volatility Spread – Source: Bloomberg Finance L.P.



Russia:

Zelenskyy called on Dec. 14 for a "dignified" peace and guarantees that Russia would not attack Ukraine as he attended talks with US figures in Berlin – the latest efforts to end the war with Russia.

- President Volodymyr Zelenskyy previously stated that "The Russians want the whole of Donbas - we don't accept that. I believe that the Ukrainian people will answer this question. Whether in the form of elections or a referendum, the Ukrainian people must have a say." This marks the furthest point towards acknowledging territorial concessions made by Zelenskyy.
- EU governments have agreed to "launch a written procedure to freeze Russian assets long term". This could prove a step towards the same assets being used to fund 'reparations loans' for Ukraine.
- The EU sanctioned nine companies and individuals involved in shadow tanker fleet operations this week, targeting operations connected to Russian oil trade.
- Russia's ability to sustain crude exports increasingly replies on a growing logistical constraint from the tonnage willing and available to lift Russian barrels, according to Vortexa. Flexible operators of unsanctioned tonnage, particularly Greek entities appear to be scaling back their exposure to Russia.
- Drones have attacked three Lukoil-owned platforms in the last week as Ukraine targeted Russian oil production in the Caspian Sea for the first time. Critical equipment was damaged and production suspended after those attacks, an official said.
- Ukraine's Security Service has struck another vessel from Russia's "shadow fleet," hitting the Comoros-flagged tanker Dashan in the Black Sea Dec. 10.
- Russia increased oil production in November on the month and is gradually achieving OPEC+ quotas, Deputy PM Alexander Novak said. Russia plans to continue scaling up oil production in line with OPEC+ quotas, but the industry needs extra investments, Novak added.
- Russia's four-week average seaborne crude shipments fell 70kb/d in the week to Dec. 14 to 3.61mb/d driven by the biggest drop in weekly flows since before the start of the Ukraine war in 2022, according to Bloomberg. The decline was driven by a sharp decline in exports from the Baltic port of Primorsk.
- Russian oil at sea has risen by 40% since the end of August with at least 20 cargoes loaded in Sep and Oct. still to deliver, Bloomberg tanker tracking shows.
- Urals prices are down about $20/b, and more than a third, from a peak in July while ESPO has lost about 22% in the same period with sanctions weighing on demand. On average, Russian oil exporters are receiving just over $40/b for cargoes shipped from the Baltic, Black Sea, and eastern port of Kozmino, according to Argus data. Russian ESPO crude was sold late last week to at least one Chinese buyer at discounts of $7-$8/b to Brent, the steepest discounts this year, Bloomberg reports.

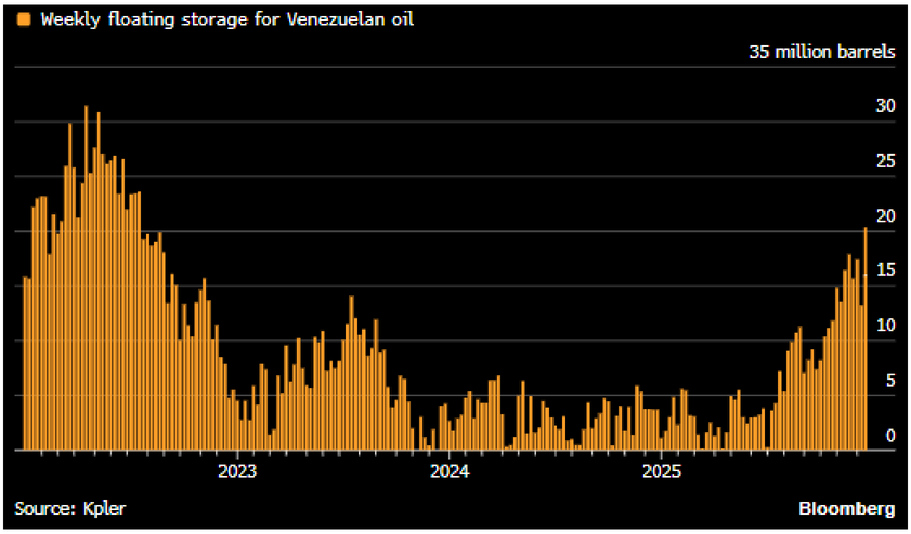
Venezuela:

Venezuelan oil exports have fallen sharply since the US seizure of a tanker last week according to Reuters sources. Oil tanker movements into and out of Venezuelan waters have come to a near standstill over fears the US is looking to seize further vessels.

- Chevron said its operations were not disrupted by the tanker seizure. Chevron CEO Mike Wirth said that his company is in discussions with the Trump administration about remaining in compliance with sanctions in Venezuela.
- Asian buyers are demanding steep discounts on Venezuelan crude as they weigh plentiful sanctioned oil from Russia and Iran against the rising risks of loading in Venezuela. Traders report that discounts on Venezuela's Merey grade have widened to around $14–$15/b below Brent, nearly double levels seen a year ago.
- Around 300kb/d, or 30%, of Venezuelan crude exports are at risk as US-Venezuela tensions escalate, according to Rapidan Energy Group cited by Bloomberg.
- The US is preparing to seize more Venezuelan oil tankers, according to Axios sources.

- Venezuelan crude on tankers at sea will provide a cushion for Chinese refiners should the US escalate hostilities, according to Bloomberg. The volume of Venezuelan oil stored on ships is just over 20mbbl, the highest in more than three years and an increase from around 18mbbl earlier this month, according to Kpler data.

Venezuelan Oil at Sea – Source: Bloomberg Finance L.P.



Kazakhstan:

Kazakhstan is adjusting down 2026 oil production plans due to major oilfield maintenance and after damaged to the CPC terminal following the recent drone attack, said Energy Minister Yerlan Akkenzhenov.

- Kazakhstan plans to stick to its 2025 production plan despite reduced loadings at CPC, he added. Oil losses due to the CPC damage reached 480k tons since Nov. 29. Total shipments via the CPC are expected at around 68m tons this year compared to the previously planned 72m tons.
- Kazakhstan's oil pipeline operator said that the country will divert some volumes of crude from the CPC to China and other routes this month, Reuters reports.
- Kazakh Foreign Minister Yermek Kosherbayev has said that his country and Ukraine have reached a mutual understanding to preserve stability following the recent drone attack on the CPC, state-owned Kazinform reported.
- The return of SPM-3 from maintenance has been delayed by bad weather.
- Kazakhstan's Energy Minister Yerlan Akkenzhenov announced on Dec. 15 that the delivery of two new mooring points to the Caspian Pipeline Consortium's Black Sea terminal has been advanced to January from the original April schedule.
- Exports declined last month to 5.088m tons, or 1.34mb/d from 1.52mb/d in October, Reuters sources said.
- Caspian CPC Blend loadings, including cargoes with Russian origin, are expected to be 1.55m-1.65mb/d for January, Bloomberg sources said.

OPEC:

Debates around the size of the surplus in 2026 raise questions around whether OPEC+ can press ahead with regular output increases, according to Argus Media's CEO Adrian Binks. Unless crude prices collapse to the mid-

$50s/b, OPEC+ may be tempted to start opening the taps again from Q2 2026, prioritising internal group harmony over propping up prices, Binks said.

China:

China's crude surplus rose in November to 1.88mb/d to the highest since April, Reuters showed. The surplus rose from 690kb/d in October amid a surge in imports and steady refinery processing rates.

- Total crude available to refiners in October was 16.74mb/d, including 12.43mb/d of imports and domestic output of 4.31mb/d, while refiners crude processing rose 3.9% on the year to 14.86mb/d. The December surplus could be even larger as lower oil prices and new import quotas encourage China's refiners to increase imports and boost flows into inventories. China apparent oil demand rose 4.5% year on year to 14.65mb/d compared to 14.76mb/d in October, according to data compiled by Bloomberg.
- Overall crude buying from teapots has ramped up recently after a fresh round of import quotas late last month. Chinese imports of Russian crude are projected to climb to 1.35mb/d this month, more than 10% higher than November, according to Kpler.

Other:

Crude arrivals into the Dangote refinery averaged around 380kb/d between Sep. and Nov., about 30% lower than volumes purchased during the July-Aug. peak, according to The Punch, citing Kpler data. The decline in crude imports is linked to recurrent outages and extensive maintenance work, including a two-month shutdown of the RFCC beginning Dec. 4 and a one-week CDU outage scheduled for late-Jan.

- Brazilian oil output is rebounding from outages that removed more than 300kb/d last month, Bloomberg reports. Brazil’s daily oil production slid roughly 8% to an average of 3.696mb/d in November, according to Bloomberg calculations based on ANP data.
- Canadian seaborne crude oil exports reached an all-time high of 923kb/d in November, underpinned by heavy Western Canada crude oil demand from China delivered via the TMX pipeline, according to Kpler.
- Global onshore crude oil inventories have surged to 3,570mbbl, the highest since the summer of 2021, according to Kpler. The substantial build is driven by key consuming hubs, most notably China, the US, South Korea, and India. China’s trajectory is particularly aggressive, following a brief draw of 40mbbl from a previous all-time high near 1,190mbbl, levels are now resurging toward 1,180m bbl.
- Oil tanker rates are likely to remain strong in the first half of 2026 amid an aging global fleet and rising number of vessels hit with Western sanctions, Reuters sources said. Vessel supply availability has also been reduced due to sanctions for carrying oil from Iran, Russia, and Venezuela and the due to longer voyages amid risk of travelling through the Red Sea. Fleet utilisation for VLCCs is expected to rise to the highest level since 2019 at 92% next year from 89.5% in 2025, according to Omar Nokta at Jefferies.

Oil Products:

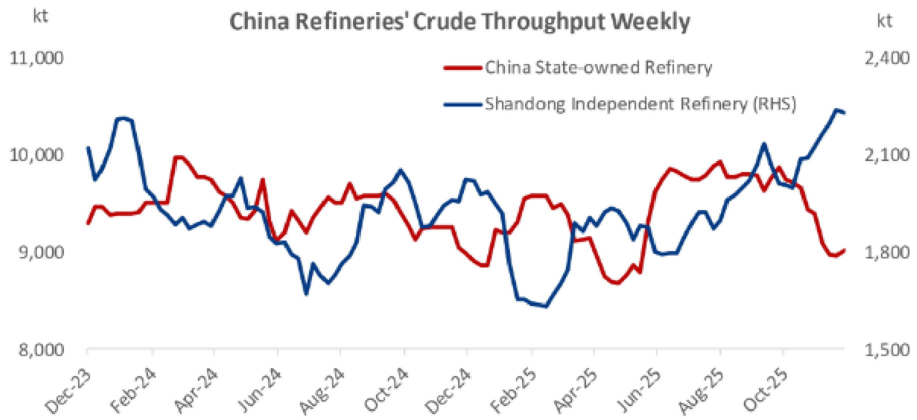
Crack spreads and Gasoil time spreads are trending lower so far this month as refining runs have recovered while Russian diesel is still finding buyers despite US sanctions.

- **ICE Gasoil net longs** fell again in the week Dec. 9 to the lowest since Oct. 21.
- The ban on **gasoline exports from Russia** is planned to be extended until the end of Feb. 2026, Kommersant reports citing a source familiar with the matter, while diesel exports restrictions may be lifted at the beginning of 2026. Russia is looking into lifting its current ban on gasoline exports, as well as restrictions on some diesel exports, according to Energy Minister Sergei Tsivilev cited by Tass. The domestic market for oil products is well supplied, ready to start filling inventories ahead of the spring demand peak.
- **Russia's seaborne oil product exports** in November were down by 0.8% m/m at 7.494m tons as the impact of drone attacks was offset by completion of refinery maintenance, Reuters reports. Fuel exports from Russia's Baltic ports rose by 20.6% m/m to 4.697m tons. By contrast, oil product exports via the Black Sea and Azov Sea ports fell 30.2% m/m to 2.062m tons owing to damage from drone attacks.
- **Russia's oil-processing volumes** averaged more than 5.3mb/d in the first three days of December, driven largely by Rosneft's decision to restart its Kuibyshev refinery after earlier drone attacks, Bloomberg said citing sources. That level is roughly 30k b/d higher than in the week of 20–26 November and marks the highest throughput since early August, before intensified Ukrainian strikes on Russian refining infrastructure.
- This week **Ukrainian drones damaged** a primary CDU and a loading rack at Russia's fourth-largest oil refinery, Slavneft-YANOS suspending output. Drones also struck Russia's 180kb/d Afipsky refinery and an oil storage facility in the Volgograd region over the weekend, Ukraine's General Staff said. A local emergencies centre said the refinery was undamaged. Drone attacks on the night of Dec. 14-15 may have damaged the Astrakhan gas condensate processing plant, according to UNN. On the night of Dec. 13-14, drones attacked an oil refinery in the Russian city of Yaroslavl for the second time in three days, according to Astra.
- **Kuwait's Al-Zour refinery** restarted its 205k b/d CDU on Dec. 13, nearly a month later than initially expected, Reuters reports citing IIR. The refinery had to shut down the unit and its ARDS 2 train on Oct. 21 due to a fire. An atmospheric residue desulphurisation unit was due to restart on Dec. 12. Kuwait is ramping up output from its Al-Zour refinery, restarting one of two CDUs that had been halted since October, Bloomberg reports citing a source. The second halted CDU, which was down because of a technical issue, will be restarted by the end of the month, Bloomberg's source said.
- **Mexico's Dos Bocas refinery** produced 300kb/d and have nearly reached its maximum (340kb/d), President Claudia Sheinbaum said Dec. 11, without specifying the time period. In October, the refinery was running at 191kb/d, or 56.4% of capacity, according to Bloomberg. Previous forecasts for the refinery's progress by both Pemex and the Mexican government have proved overly optimistic in the past.
- **Nigeria's 650kb/d Dangote refinery** has begun a planned turnaround that will pause its main gasoline unit, the residue FCC, and briefly halt all crude processing in early 2026, according to company Vice President Devakumar Edwin, cited by Platts. Edwin said that maintenance on RFCC began last week and will end in late January.
- **South Korea's 800kb/d Yeosu refinery** experience minor disruption at the residue fluid catalytic cracker but operations are to resume shortly, Bloomberg sources said Dec. 12.
- **Germany's PCK Schwedt refinery** received regulatory approval to resume crude pipeline operations from the port of Rostock following an inspection, Bloomberg said. The Schwedt-Rostock pipeline was restarted around 10:00pm CET on Dec. 13, after an 80-hour outage due to a leak.
- **Planned US refinery outages** in the spring turnaround season next year are expected to be the lowest since 2022 with total CDU outages just below 660kb/d from Feb to May, 300kb/d less than in the prior three

years, IIR said. EIA data indicate the forecast outages represent about 3.6% of the country's maximum refining capacity.

- **Gasoil flows from Russia to Saudi Arabia** have demonstrated a steady upward trend since April 2025, Kpler says, with flows reaching 87kt in October. Volumes in October originated from Tuapse and were delivered to the Jizan refinery. The flow of gasoil is permitted under current regulations, as Saudi Arabia's status as a net crude exporter exempts its finished products from the EU's ban on importing refined products derived from Russian crude, enabling the continued sourcing of the barrels.
- **CDU capacity utilisation rates at China's state-owned refineries** are expected to hold steady in the week to Dec. 18, according to OilChem, with no overhauls or resumptions scheduled. Among independent refineries, CDU capacity utilisation rates are estimated to fall as gasoline and gasoil demand remains muted.
- **China's gasoline demand** is projected to remain subsided this week, while the traders will build stocks for the Chinese New Year in phases, OilChem said. Gasoil demand is seen falling further, with more rains and snows expected in northern China. However, the project rush in southern China will likely offer some support.

China Refineries Crude Throughput – Source: Mysteel OilChem



- **Asian gasoil markets** are expected to face sustained downward pressure in 2026 as strong refinery utilisation across the region coincides with weak demand growth, Platts said. Healthy middle distillate margins have encouraged high run rates, leading to a build-up of gasoil supply, while global refinery runs are forecast by the IEA to rise further amid strong diesel and jet fuel margins and ample crude availability.
- **India's diesel and gasoline sales** rose on the year in the first half of December, although were down compared to the previous month, data from state-run companies showed cited by Bloomberg. Diesel sales in December 1-15 fell 5.5% on the month to 3.307m tons but 4.9% higher on the year. Gasoline sales fell by 5.1% on the month to 1.331m tons but 7.7% higher year on year.

Analyst Views:

Macquarie:
Macquarie sees an oil market surplus in Q1 2026 peaking at 4mb/d, driving Brent toward the low $50s with a possibility of reaching $45/b, according to a note cited by Bloomberg.

- "We continue to expect a heavily oversupplied market," Macquarie analysts said, with a build-up of onshore inventories pressuring crude pricing.
- Signs of excess are already showing, "with continued offshore builds, increasing onshore builds, and extremely strong freight rates."
- Offshore inventories have increased by about 250mbbl, and onshore by 30mbbl since the end of August.

Citigroup:
Citi expects crude prices to ease further to an average of $60/b through Q1 of 2026 as stock builds materialise in OECD inventories, Reuters reports.

- The bank says it is 'moving to neutral' on pricing for 2026, seeing Brent averaging $62/b for the year with prices mostly in a $55-$65/b range.
- The bank sees no further OPEC+ unwinds through 2026-27 in its base case, with the group 'supportive' of ~$60/b pricing through 2026-27.
- Citi's bull case, which involves geopolitical supply disruptions, is for $75/b Brent for 2026.
- The bear case, with geopolitical deal making, less China buying, and more OPEC+ supply ahead of US midterms is for $50/b Brent for 2026.

RBC:
The US seizure of a sanctioned tanker off the coast of Venezuela marks another escalation in tensions, according to RBC cited by Bloomberg

- "A US-led regime change operation likely" in the coming weeks or in Q1 2026 as the US military buildup off the coast of Venezuela remains in focus.
- "The Trump administration shows little appetite for putting boots on the ground for an extended period, we think there is a real chance of a chaotic post-Maduro transition," if regime change does happen.
- Near-term turnaround prospects for the oil industry are uncertain but "regime change advocates point to the revitalization of the Venezuelan oil sector as a key dividend."
- Removing all sanctions on Venezuela could result in a relatively swift increase of several hundred thousand b/d of oil production but a larger increase would require significant investment.

Barclays:
Brent crude oil is forecast to average $65/b next year with a surplus of 1.9mb/d but inventories remain low and builds continue to surprise to the downside, Barclays said cited by Reuters.

- Low spare capacity and geopolitical tensions pose asymmetric upside price risks.
- A potential slowdown in cyclical demand remains a key downside risk. Given the outlook for non-OPEC+ supply, OPEC+ could respond to weakening fundamentals in such a scenario.

Rabobank:
Brent is forecast to drop to average $60/b for Q1 2026, $57 for Q2 and Q3 before rising again to $59 in Q4, Rabobank said. Brent could touch $50/b, pushing the curve into a steep contango storage trade zone.

- 2026 could see a Russia-Ukraine leading to unwinding of sanctions on Russian oil in stages. Stranded Russian barrels would then find buyers in China or India more easily and refining capacity would be restored as Ukrainian attacks cease.
- South American producers like Guyana and Brazil continue to expand production with low drilling breakevens but new production in 2026 will slow.
- South America will be partially offset by a drop in US production of 180kb/d in 2026 and 200kb/d in 2027.
- Lower prices will support China and US SPR restocking while OPEC+ will respond to lower prices through supply cuts or through the refined products market.
- Global diesel and marine fuels markets are expected to remain tight as refineries are still not producing enough to meet global needs.
- Diesel demand, jet fuel demand, and heavy marine fuels are still increasing but gasoline is expected to peak in 2028.

OPEC MOMR:
The December OPEC Monthly Oil Market report shows demand once again unchanged from the projection last month but with an increase in non-DoC supply.

- The global oil demand growth forecast for 2025 and 2026 were unchanged from last month at 1.3mb/d and 1.38mb/d respectively. OECD oil demand in 2026 to grow 0.2mb/d, while non-OECD to grow 1.2mb/d.
- The global economy is expected to continue its steady expansion, supported by solid performance seen so far this year. The global economic growth forecast for 2025 is revised up slightly to 3.1%, while for 2026 it remains unchanged at 3.1%.
- Non-DoC liquids supply growth in 2025 is revised up to 0.96mb/d from 0.92mb/d, with 2026 still at 0.63mb/d; both driven by the US, Brazil, Canada, and Argentina.
- Crude oil production from DoC participating countries increased by 43kb/d in November on the month to 43.06mb/d, according to available secondary sources. Saudi Arabia output rose by 54kb/d, Kazakhstan rose by 36kb/d, Venezuela output fell by 27kb/d and Iraq fell by 21kb/d.
- Demand for DoC crude remains unchanged at 42.4mb/d in 2025 and 0.3mb/d higher than 2024. Demand for DoC crude in 2026 unchanged at 43.0mb/d.
- In November, refining margins improved across regions while refinery processing rates rose as refiners resumed normal operations. Global refinery intake increased 1.3mb/d month on month to average 81.52mb/d.
- Commercial stocks in the OECD fell by 32mbbl on the month to 2,833mbbl, 62.7mbbl higher on the year but 12.4mbbl lower than the five-year average. Crude stocks rose by 12.9mbbl, while product stocks fell by 44.9mbbl.

IEA Oil Market Report:
The IEA has trimmed its expectation for a surplus in 2026 by 231kb/d, though still sees a record oversupply of 3.815mb/d next year in its latest monthly report.

- “The projected global oil surplus in the fourth quarter of 2025 has narrowed since last month’s report, as the relentless surge in global oil supply came to an abrupt halt,” the IEA said.
- October oil supply fell by 440kb/d m/m to 108.2mb/d as a raft of planned field maintenance and scheduled outages curbed output.
- Global oil supply in 2025 is projected to rise by 3.1mb/d, followed by another 2.5mb/d in 2026.
- Meanwhile, “an improving macroeconomic and trade outlook,” has buoyed demand.
- Global oil demand growth was revised higher by 170kb/d in Q3 2025 to 920kb/d y/y, largely due to stronger deliveries in China.

- This contributed to minor upward revisions to the IEA's 2025 and 2026 demand growth forecasts.
- In Q4, oil consumption growth is expected to ease relative to Q3, while crude supply is on course to rebound further, adding to market balances that look 'increasingly askew,' the IEA said.

Energy Aspects:
Global gasoline demand is expected to rise by 260kb/d next year further tightening balances of the fuel, Energy Aspects said in a note cited by Bloomberg.

- Gasoline markets will remain tight during winter, meaning that stock building may not be sufficient ahead of next summer, setting up a bullish peak demand season.
- Although runs are set to rise by 500kb/d in Q1 on strong margins, the increase will be concentrated in Asia.
- Global refiners are expected to maximise distillate production through summer.
- Nigeria's Dangote refinery may not lift runs beyond 450kb/d next year as it works to stabilise operations.
- That said, the plant's gasoline output is set to increase by 70kb/d in February after FCC works.
- Energy Aspects forecasts the gasoline crack for NWE versus Dated Brent to stand at $16.40/b in Q1, $19.60/b in Q2, $17.40/b in Q3 and $12.20/b in Q4.

Kpler:
A narrow Brent-Dubai EFS is maintaining the pull from Asia for selected Atlantic Basin crude barrels, particularly West African grades, Kpler said in a note cited by Bloomberg.

- Angola's medium sours such as Mostarda, Dalia, and Hungo are good alternatives to Urals and as a result will continue to see stronger demand from Turkey and Asia.
- For now though, the narrow Brent-Dubai EFS signals a market keeping its options open rather than committing to a wider pull to the East.
- A forthcoming shipment of Forties to Asia is more likely a one-off than the start of a new trend, given that the arb doesn't stack up for that grade in Kpler data.
- In the Mediterranean, CPC Blend, BTC and KEBCO have all firmed against Dated Brent as refiners lean in to middle-distillate-rich grades.
- Reduced loadings of CPC, set to persist this month, are also keeping the grade supported as buyers blend it with heavier Basrah to recreate a Urals-type slate.
- KEBCO has flipped to a premium over Dated on a freight-adjusted basis thanks to firm diesel cracks, while BTC is supported by strong gasoline and jet margins.

Sparta Commodities:
Dubai swaps are flirting with contango ahead of the next trading cycle, and the Brent-Dubai EFS has been boosted this week, according to Sparta Commodities.

- Arabian Gulf spot premiums have weakened so far this week, albeit ahead of a likely shortened trading cycle starting in earnest in the coming days.
- Premiums are likely being weighed on by refining maintenance in late Q1 alongside reports of more Indian interest in Russian crude (and consequently expectations of reduced spot buying).
- Al-Zour restart delays, and weak OSPs are likely weighing also.
- WTI VLCCs are currently 'relatively expensive' into Asia, Sparta says.