

2025 Q3 Global Oil Market Outlook

Persistent supply surplus weighs on prices







Outlook

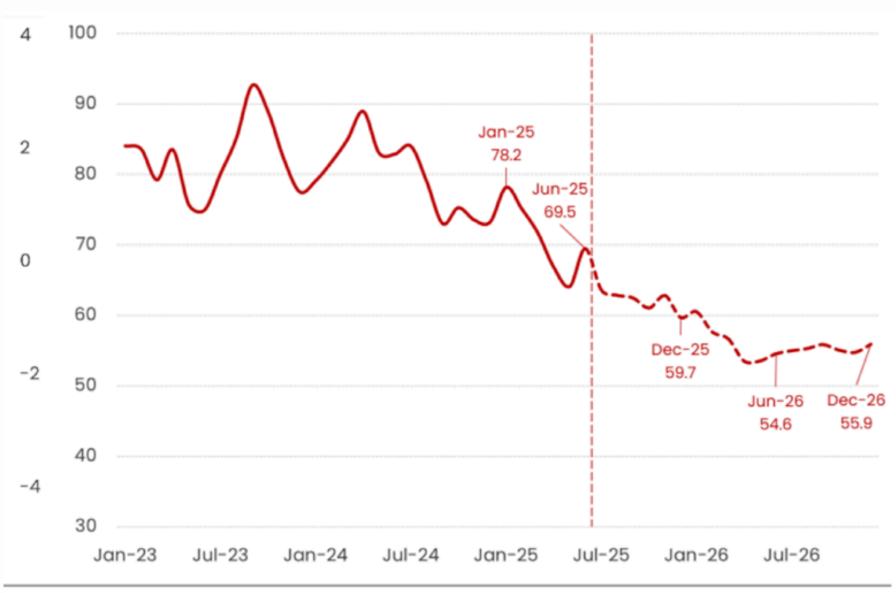
Oil prices are projected to decline steadily, driven by persistent excess supply over demand.

Prices are expected to fall to around \$60/bl in Q4 2025 and stabilize near \$55/bl in 2026.





Global oil prices projections \$/bl



Sources: EIA, TAC ECONOMICS Datalab



Supply dynamics

OPEC: Gradual increase in production as voluntary cuts are unwound (mainly led by Saudi Arabia) through September 2025.

Non-OPEC: Strong growth in supply, particularly from Brazil (+500,000 b/d), Guyana (+250,000 b/d), Norway (+200,000 b/d), Kazakhstan, Angola, etc.

US shale: Growth moderating due to declining efficiency and profitability.

Global production should average 104.1 mb/d in 2025, up from 102.8 mb/d in 2024.





Demand dynamics

OECD demand is weakening due to global economic uncertainties.

China: Only moderate growth (+1.8 mb/d in 2025, compared to +12.7 mb/d in 2023).

Non-OECD excluding China (40% of global demand): expected to add nearly +900,000 b/d over the next 12 months.



Market balance: The imbalance of higher supply relative to demand will persist until at least April 2026, maintaining downward pressure on prices.



Macroeconomic impacts

 Oil exporters: External accounts will weaken — while most had surpluses in 2023–24, only half are expected to do so in 2025–26.

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 Emerging markets: Lower oil prices will help ease inflation, providing a favorable buffer against inflationary pressures.







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