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State of play in CPP

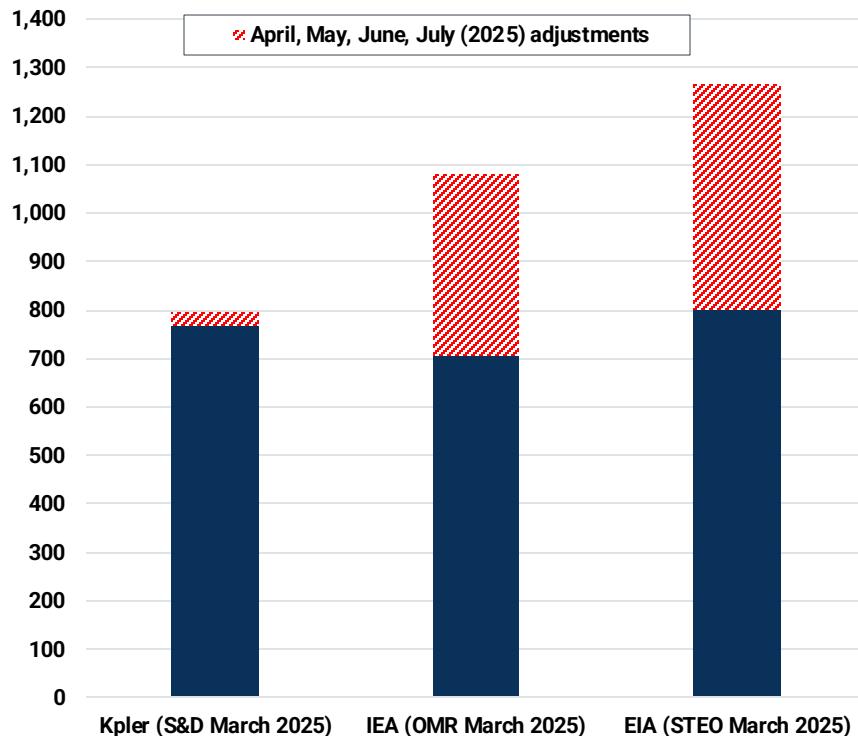
Esteban Moreno Cots
Lead Research Analyst, Refined Products Demand



Following 'Liberation Day', agencies significantly lower liquids demand forecasts

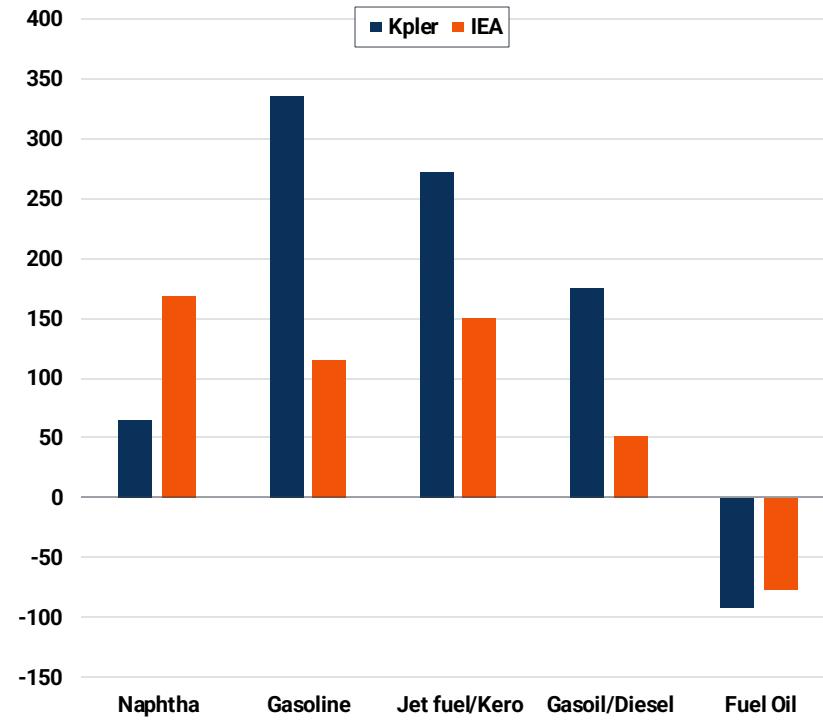
Kpler projects higher transport fuel growth than most, but trade tensions continue to weigh on the broader outlook

World oil demand growth forecasts for 2025, y/y (in kbd)



Source: Kpler, IEA, EIA

Kpler, IEA, 2025 y/y core products demand growth (kbd)

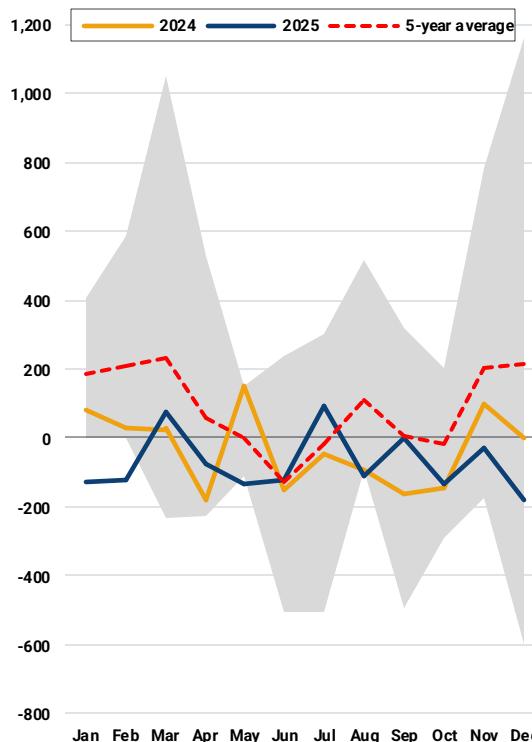


Source: Kpler, IEA

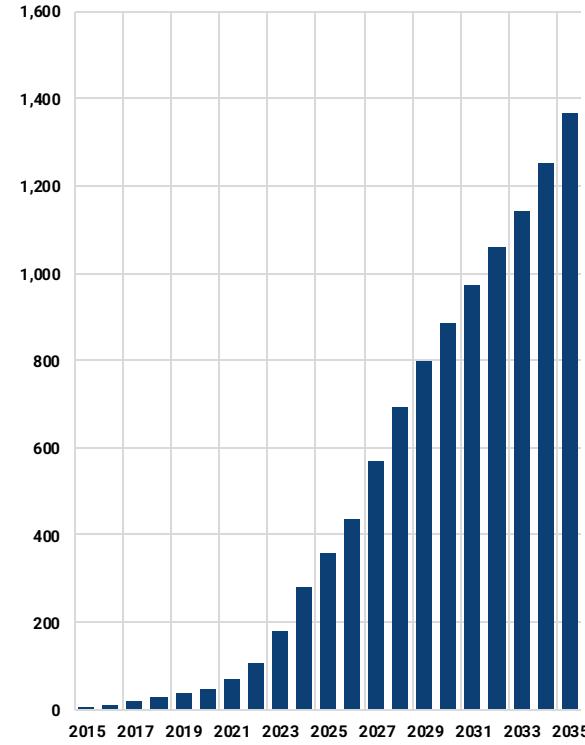
Gasoline to lead demand growth, but the East of Suez disappoints

China's rising BEV penetration curbs demand; Indonesia's trade lag leaves regional balances largely unchanged

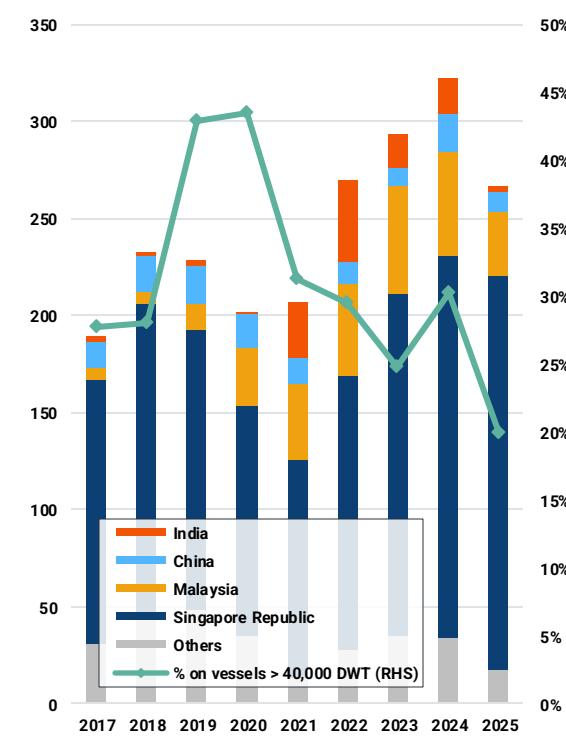
Asia-Pacific: Gasoline balance (kbd)



Gasoline displacement in China by BEVs (kbd)



Indonesian gasoline imports by origin (kbd)



Source: Kpler

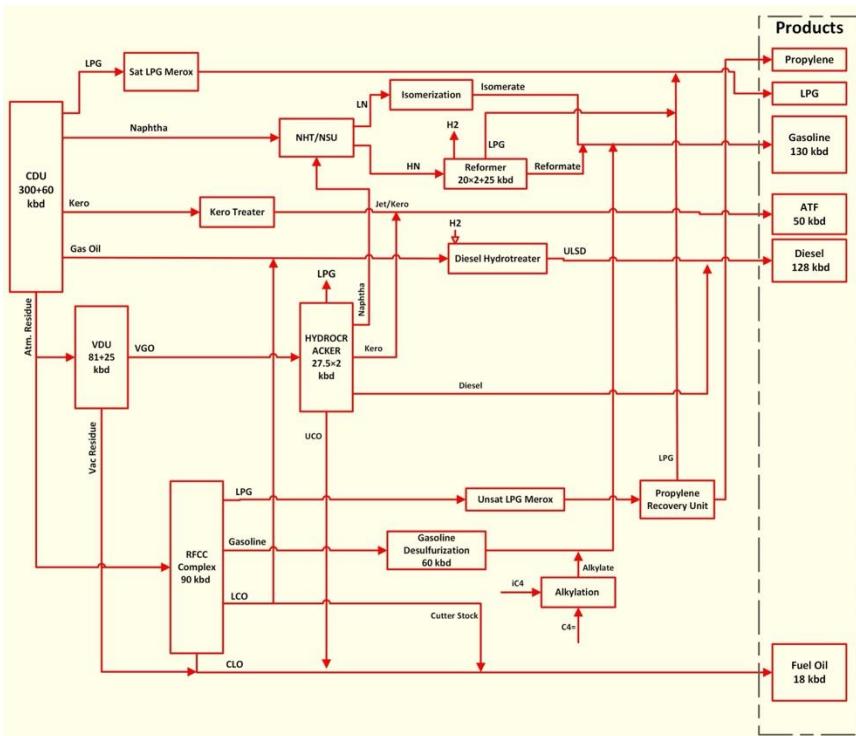
Source: Kpler

Source: Kpler

Indonesia's Balikpapan refinery upgrade to add up to 100 kbd of gasoline supply

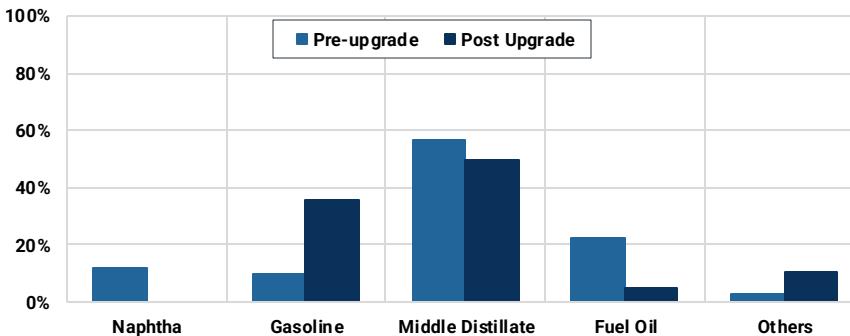
Commissioning in Q4-25 with full ramp-up by Q4-26; project will reduce Indonesia's gasoline and diesel import reliance

Post upgradation refinery scheme and output capacity

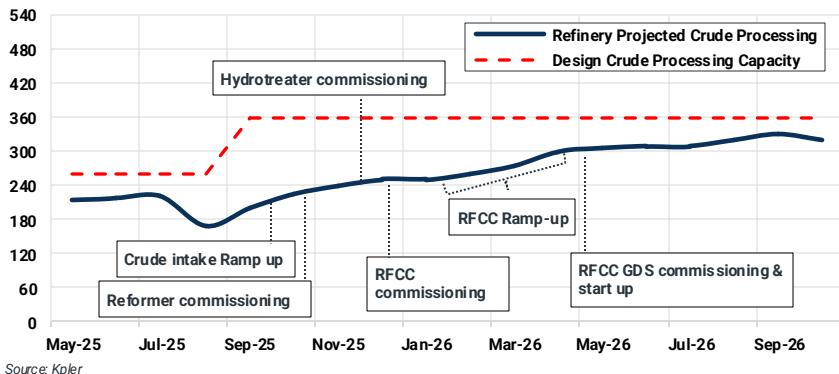


Source: Kpler

Refinery yields, pre vs. post upgrade



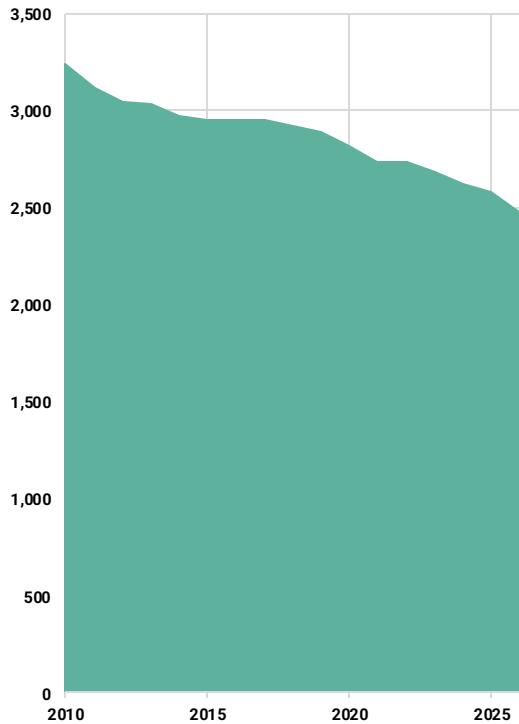
Operational readiness and project timeline (kbd)



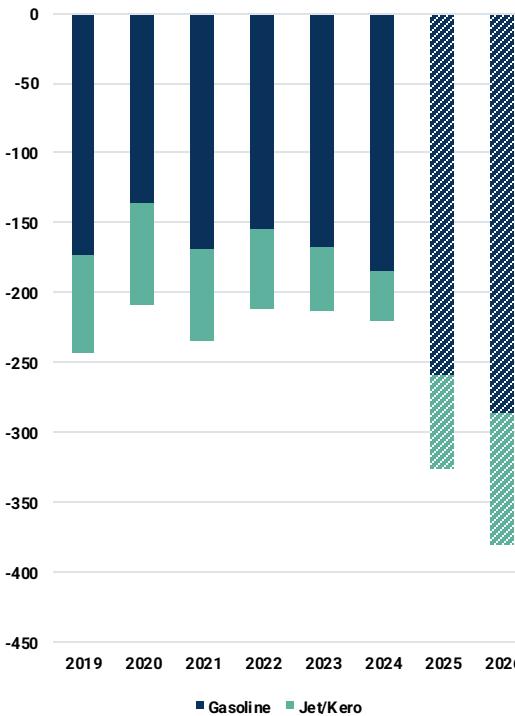
Refinery consolidations in PADD 5 to create structural shortfall in gasoline, jet

Limited pipeline capacity and Jones Act constraints leave the region reliant on imports, positioning Asia to benefit

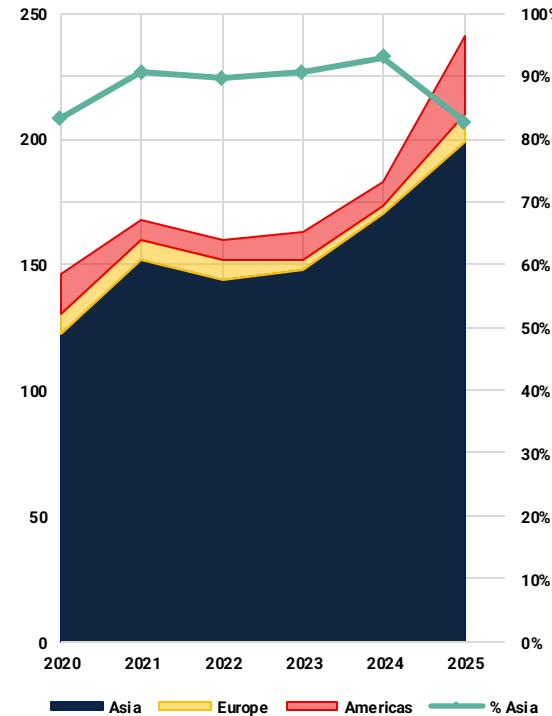
PADD 5 Primary distillation capacity (kbd)



PADD 5 Gasoline, jet/kerosene balances(kbd)



PADD 5 Gasoline, jet imports by origin (kbd)



Source: IIR Energy

Source: Kpler

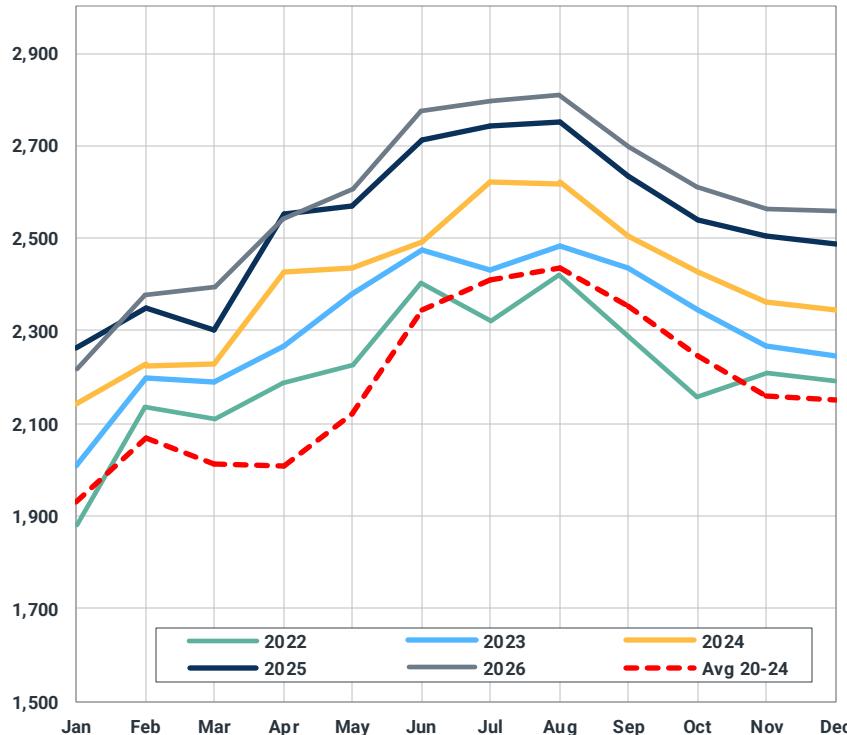
Source: Kpler

Europe leads global gasoline demand growth in 2025

US demand has held up on low retail prices, supporting a more constructive gasoline outlook for the year

6

Europe: Gasoline demand (kbd)



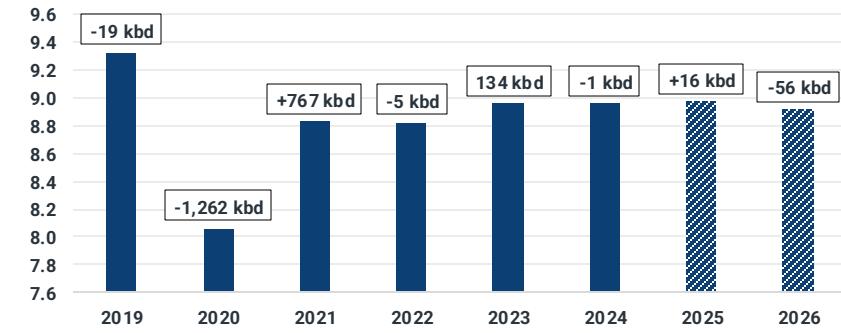
Source: Based on observed monthly statistics, as available. All data from May 2025 onwards is Kpler estimates

US Retail gasoline prices, adjusted for inflation (\$/gallon)



Source: EIA, US Bureau of Labor Statistics

United States: Gasoline demand (kbd, y/y delta)

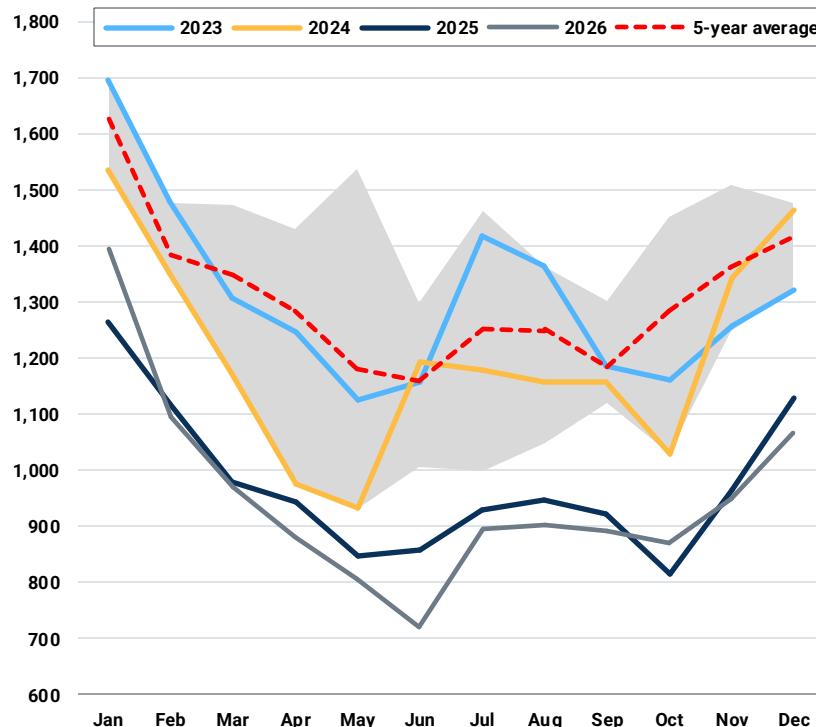


Source: EIA, Kpler forecasts

Demand upside masks a harsher reality: a persistent supply overhang

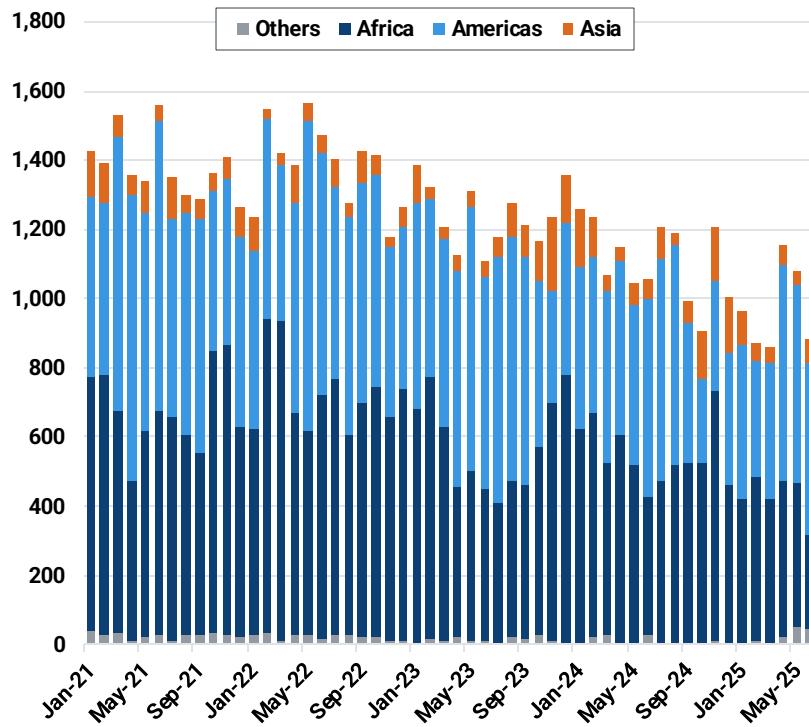
Europe faces declining import demand from key outlets, with little sign of reversal

Europe: Gasoline balance (kbd)



Source: Based on observed monthly statistics, as available. All data from May 2025 onwards is Kpler estimates

European gasoline exports by destination (kbd)

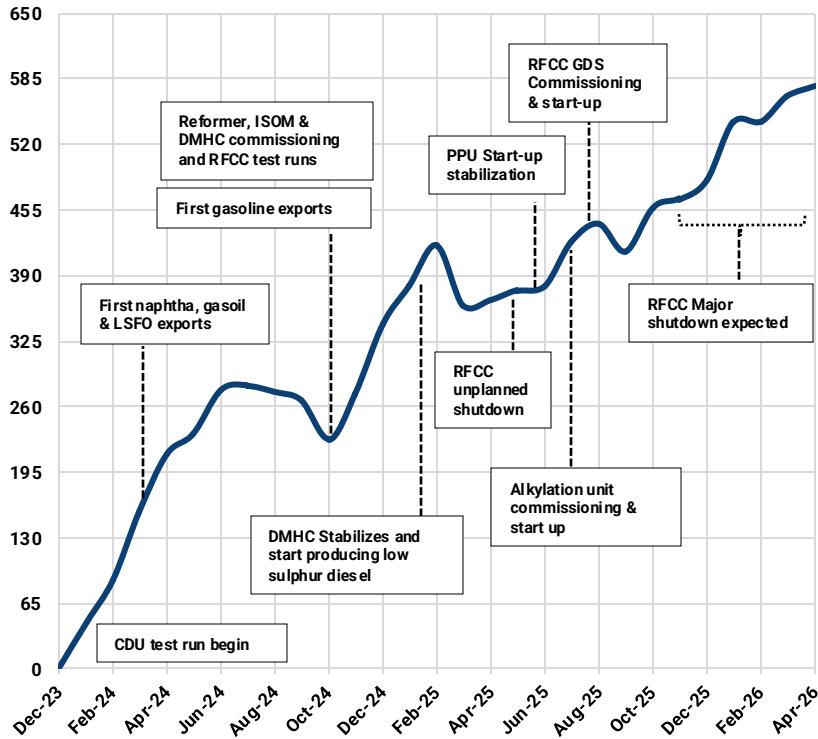


Source: Kpler

Africa angle: Weak Nigerian demand compounded by Dangote ramp-up

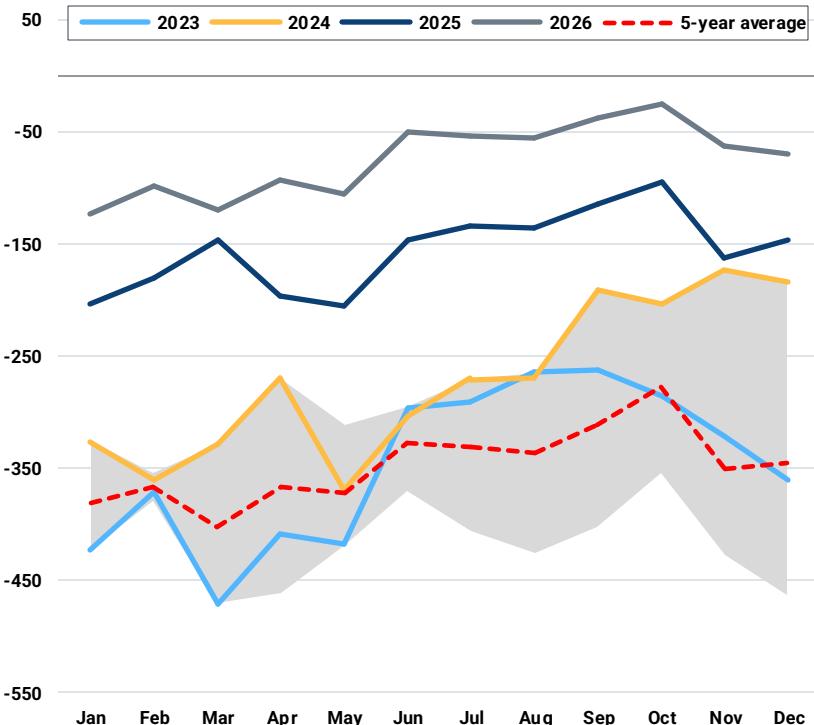
Gasoline exports to West Africa have fallen to a record low, dimming prospects for European suppliers

Dangote refinery crude throughput forecast (kbd)



Source: Kpler

Nigeria: Gasoline balance (kbd)

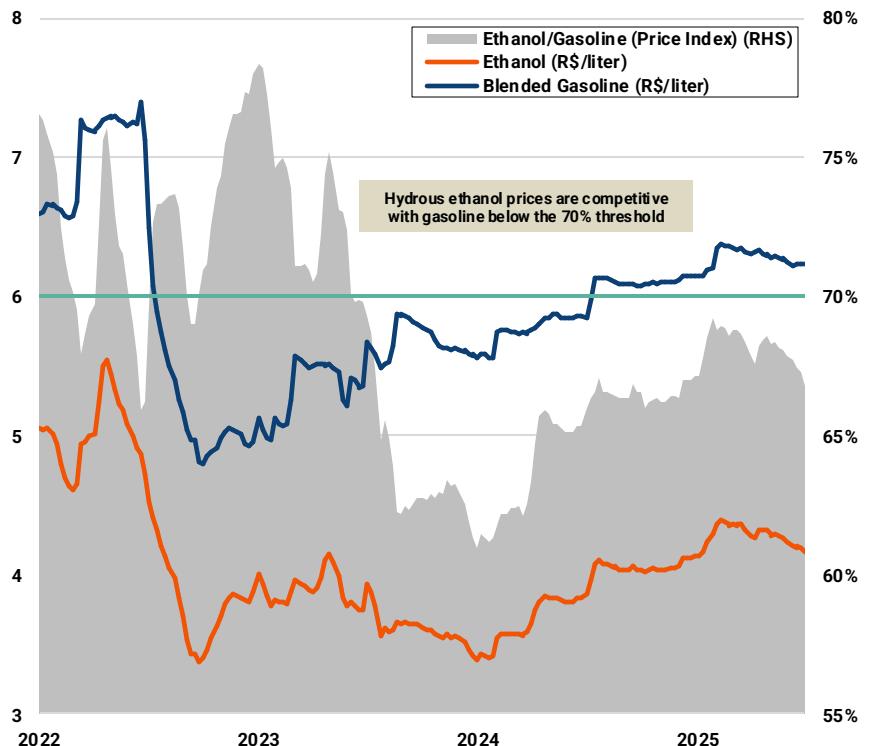


Source: Kpler

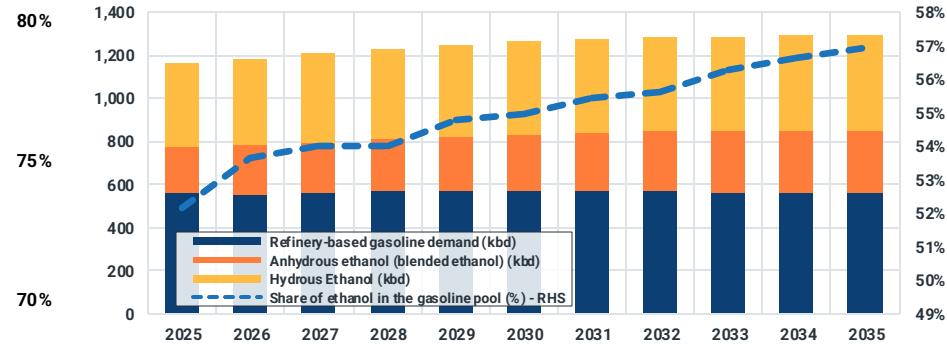
Latin America angle: Brazil lifts ethanol blending and turns to Russian imports

Gasoline demand growth across the rest of LatAm remains low amid muted economic growth and structural problems

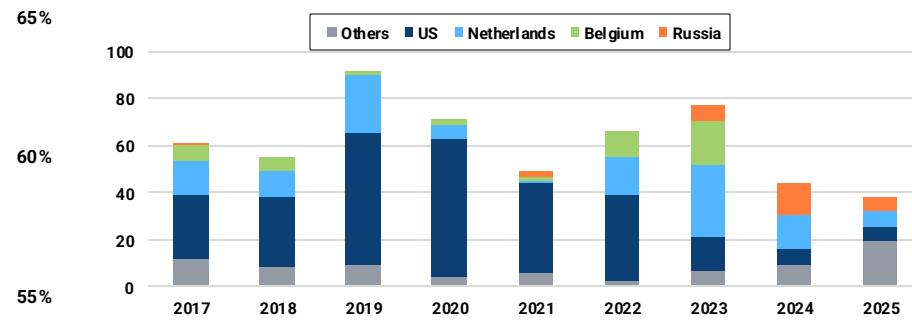
Brazil gasoline and ethanol prices (R\$/l)



Brazil gasoline demand forecast (kbd)



Brazil annual gasoline imports by origin country (kbd)



Source: Brazilian National Agency of Petroleum, Natural Gas and Biofuels (ANP)

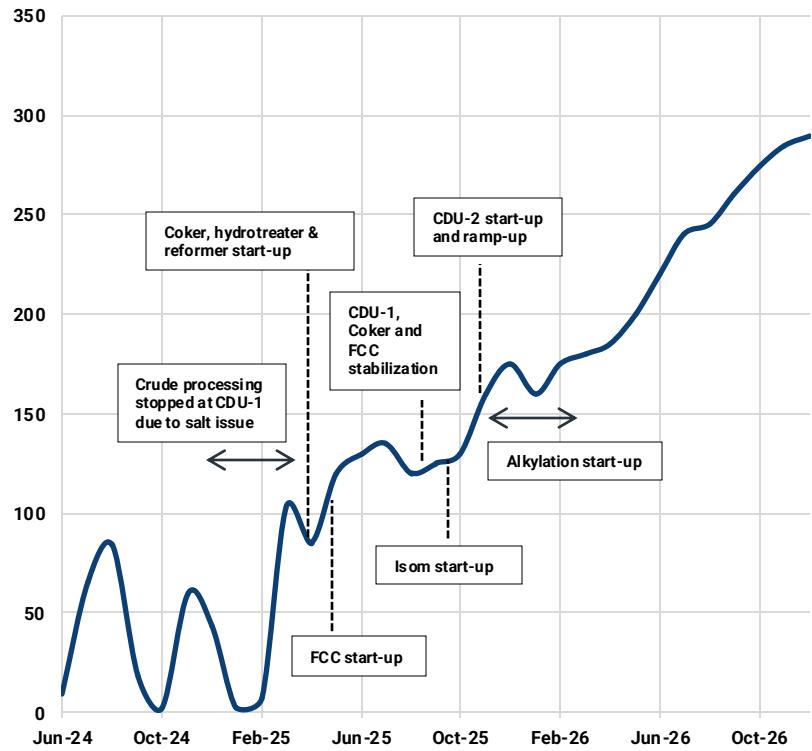
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Mexico: Demand disappoints as Dos Bocas set to ramp up operations

10

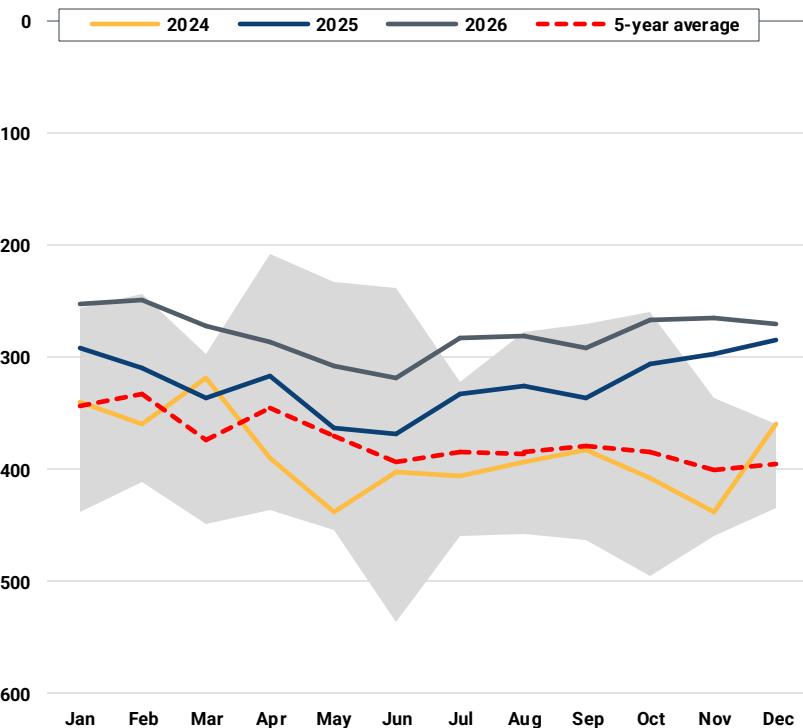
Once operational issues are resolved, Dos Bocas could add up to 300 kbd of distillates, cutting US import reliance

Dos Bocas refinery estimated ramp-up sequence (kbd)



Source: Kpler

Mexico: Gasoline balance (kbd)

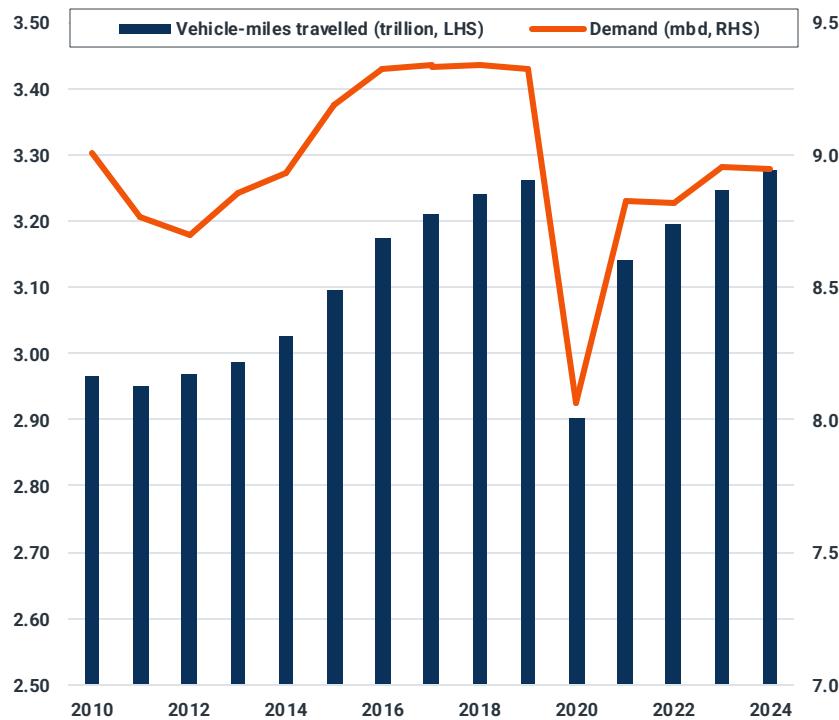


Source: Based on observed monthly statistics, as available. All data from April 2025 onwards is Kpler estimates

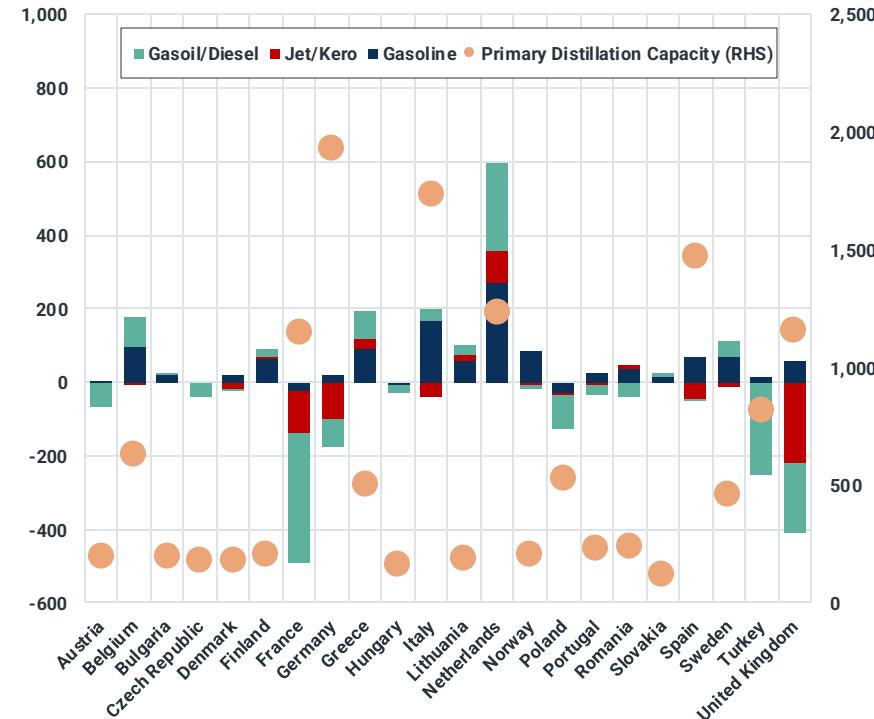
Atlantic Basin strength rests solely on US demand, a fragile foundation

Despite record traffic, fuel economy gains have kept gasoline demand below pre-COVID levels in the US

US vehicles-miles travelled versus gasoline demand



2025 selected product balances and refinery capacity, kbd



Source: US Federal Highway Administration, EIA

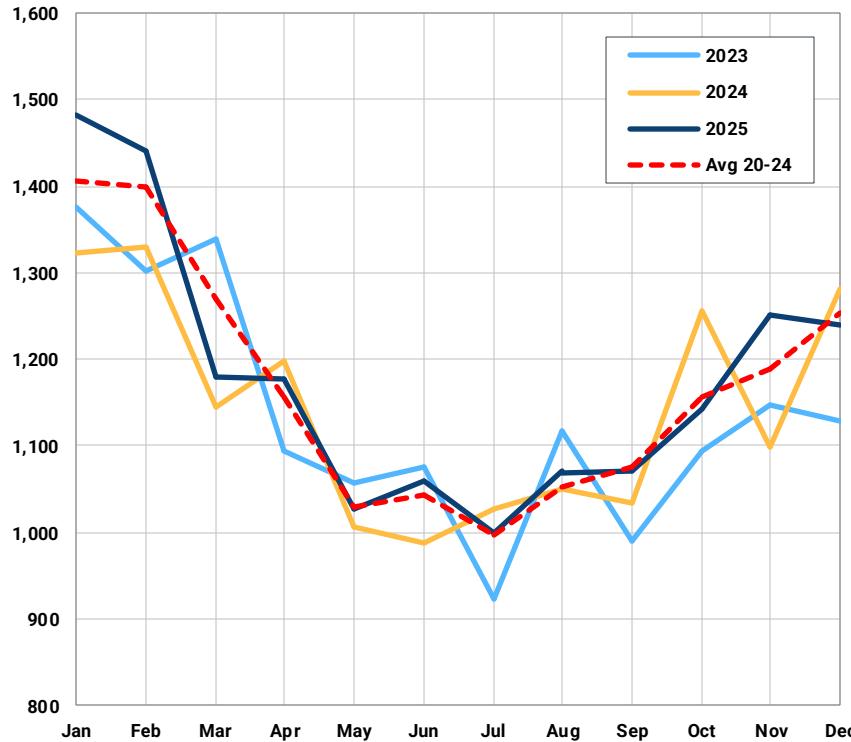
Source: Kpler

Global gasoil/diesel demand growth improved in Q1, but caution is warranted

A cold winter and pre-tariff trade gains supported growth, but tariffs are now weighing heavily on global demand

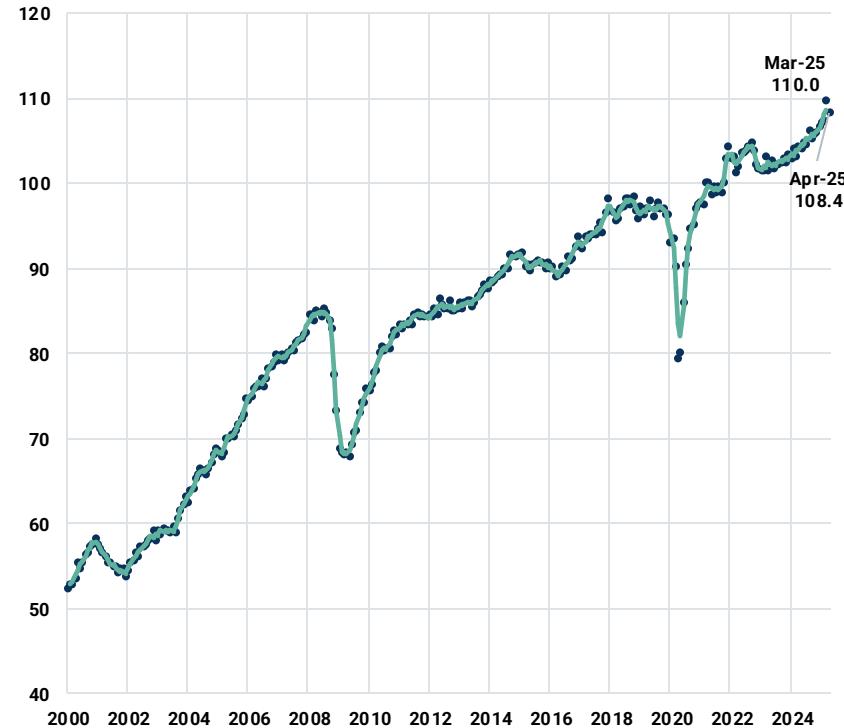
12

PADD 1: Gasoil/Diesel demand (kbd)



Source: EIA until April 2025, Kpler forecasts

World trade volume (base 100 = 2021, monthly and 3MCA)

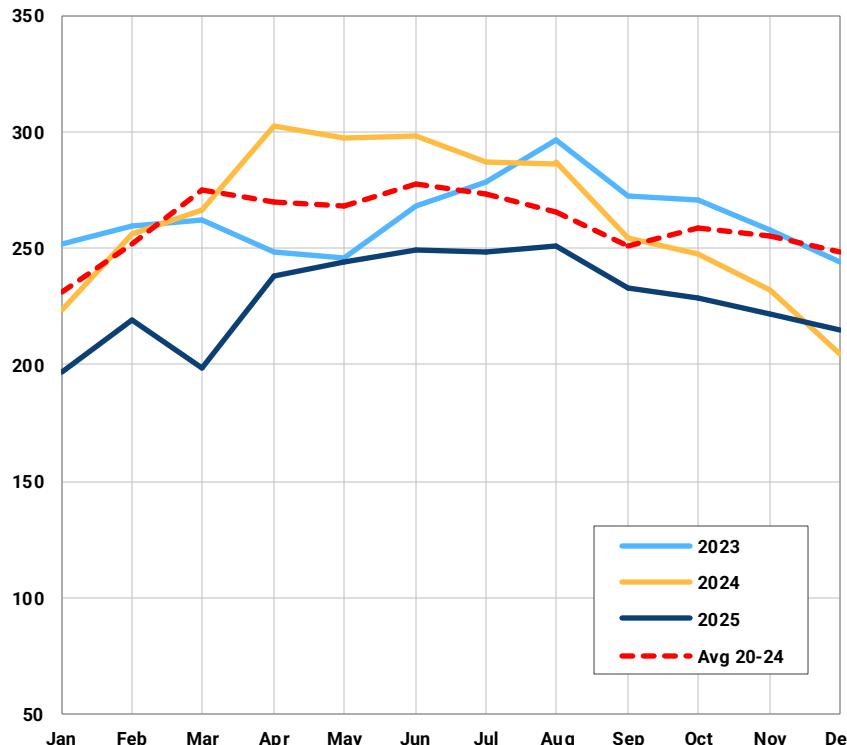


Source: Netherlands Bureau for Economic Policy Analysis, World Trade Monitor

Tariff-affected countries point to notable demand declines in Q2

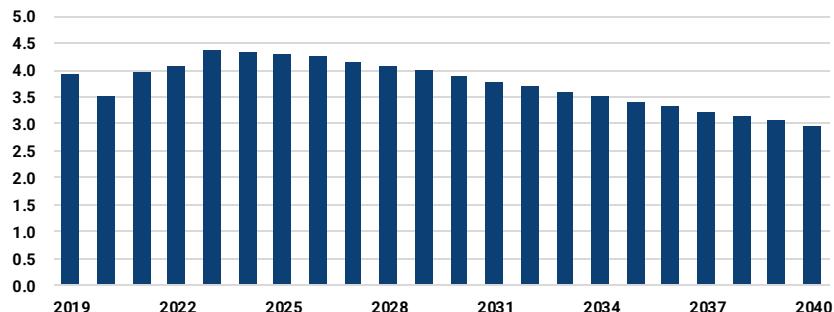
China, Japan, SK, the US, and Mexico lead the slowdown; Europe remains weak, and India's growth has moderated

Mexico: Gasoil/Diesel demand (kbd)



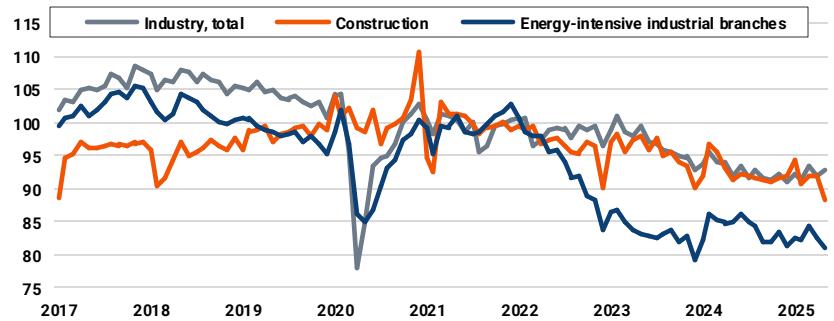
Source: Based on observed monthly statistics, as available. All data from April 2025 onwards is Kpler estimates

China: Gasoil/Diesel demand (mbd)



Source: Historical estimated based on supply, stock changes, net flows, blending assumptions. Data from June 2025 onwards are Kpler estimates

Germany industrial production (index base 2021=100)



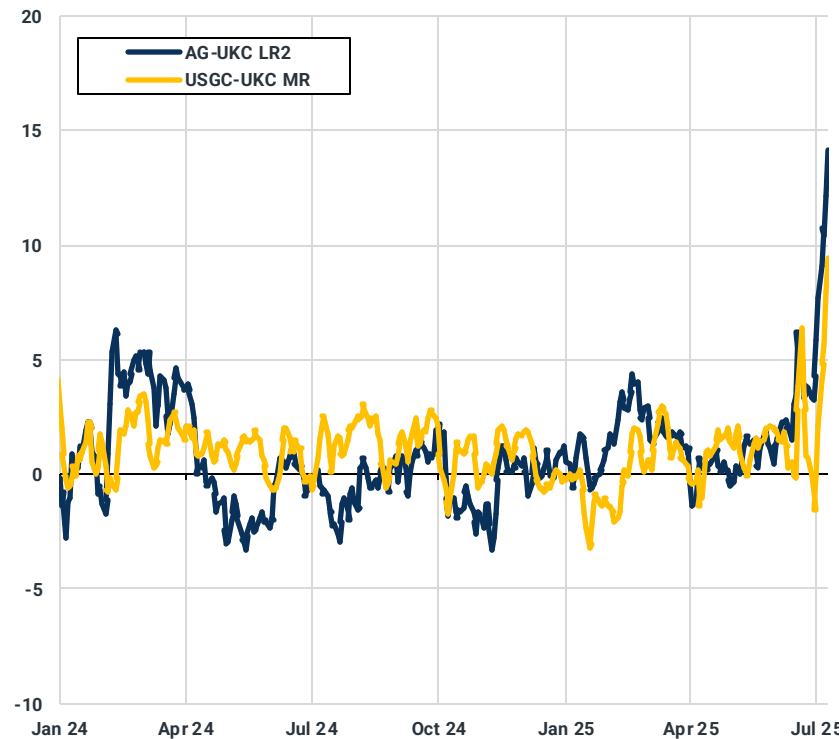
Source: German Federal Statistics Office

Diesel crack strength of late driven by closed arbs and low inventories

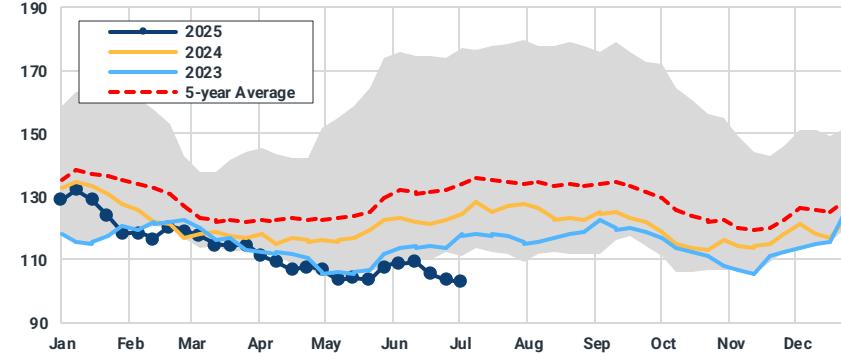
However, fundamentals are softening, with arbs to Northwest Europe opening from both sides

14

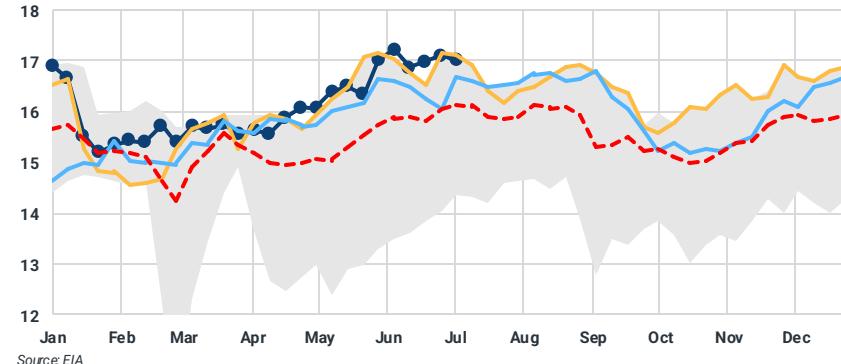
Arbitrage to NWE gasoil incentives 3DMA (\$/bbl)



US: Weekly diesel inventories (mb)



US: Weekly crude intake (mbd)

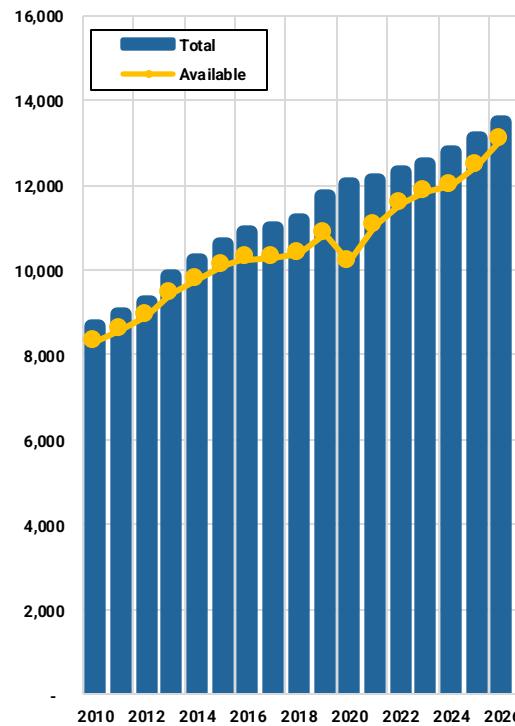


Jet/Kero: Supply-side pressures limit constructive outlook

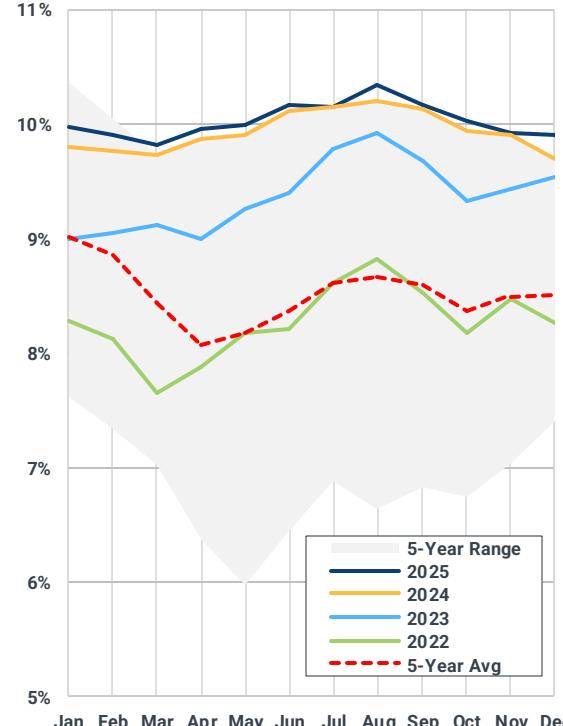
Structural supply growth continues, while tariffs weigh on global economic and demand growth prospects

15

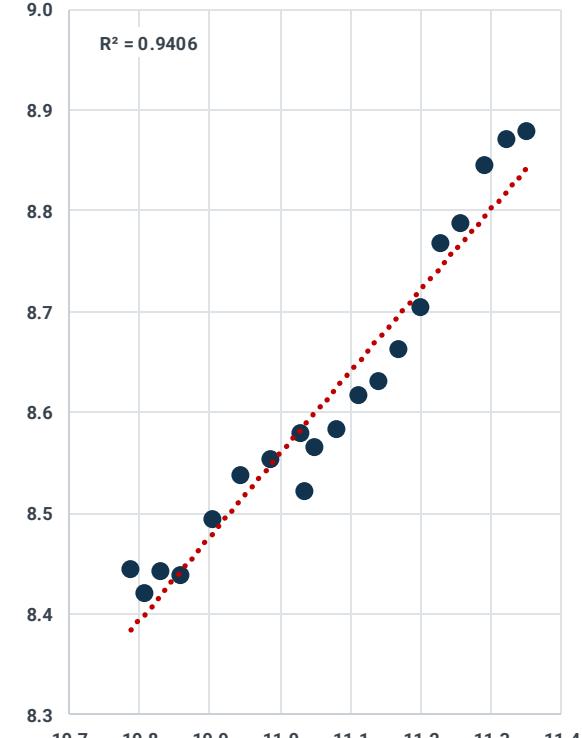
Hydrocracker capacity (kbd)



Global refinery jet yields (%)



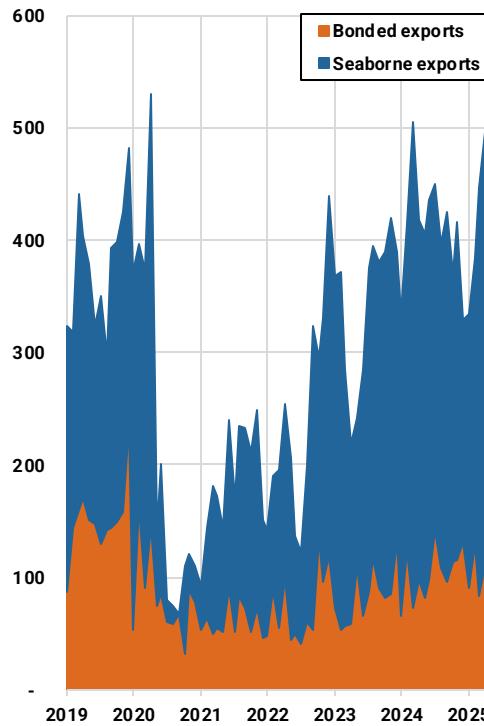
Jet demand vs global GDP (2000-2019)



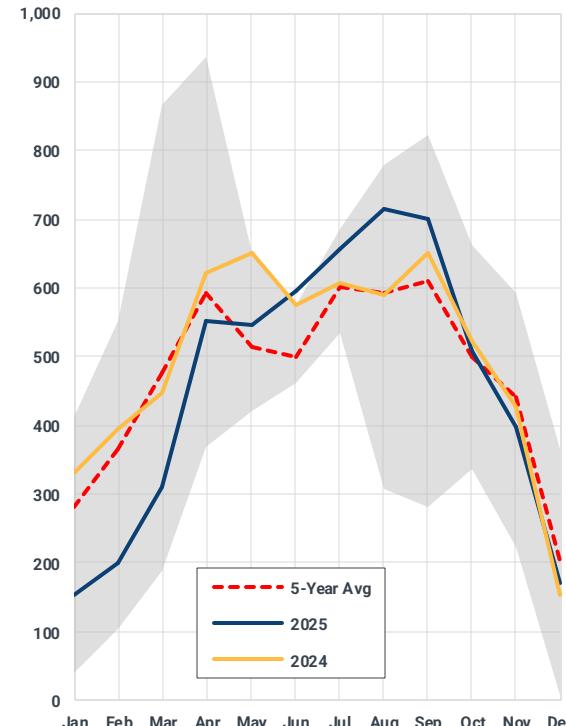
Structurally high Chinese jet exports limit upside potential

Seasonal tightness in Japan during winter and robust transpacific flows fall short of easing the supply overhang

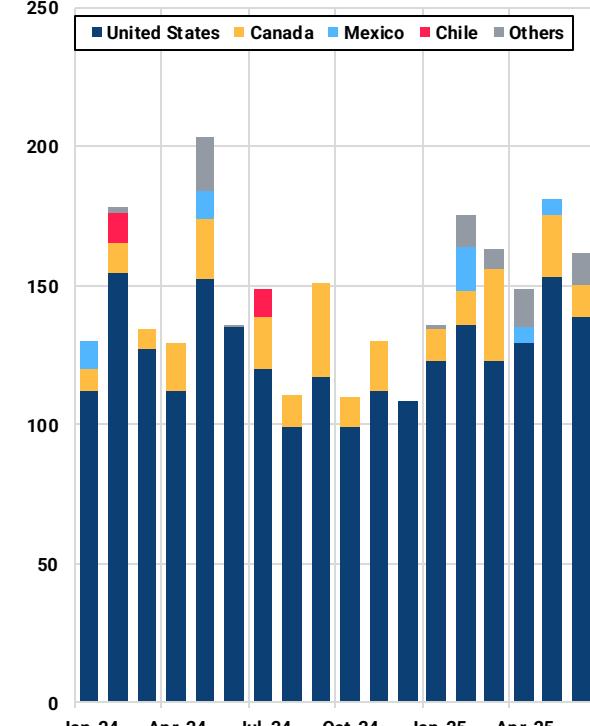
Chinese jet/kero exports by route (kbd)



Asia: Jet/Kero balance (kbd)



APAC Jet/Kero exports to Americas (kbd)



Source: Kpler using PRC General Administration of Customs data, Kpler flows data

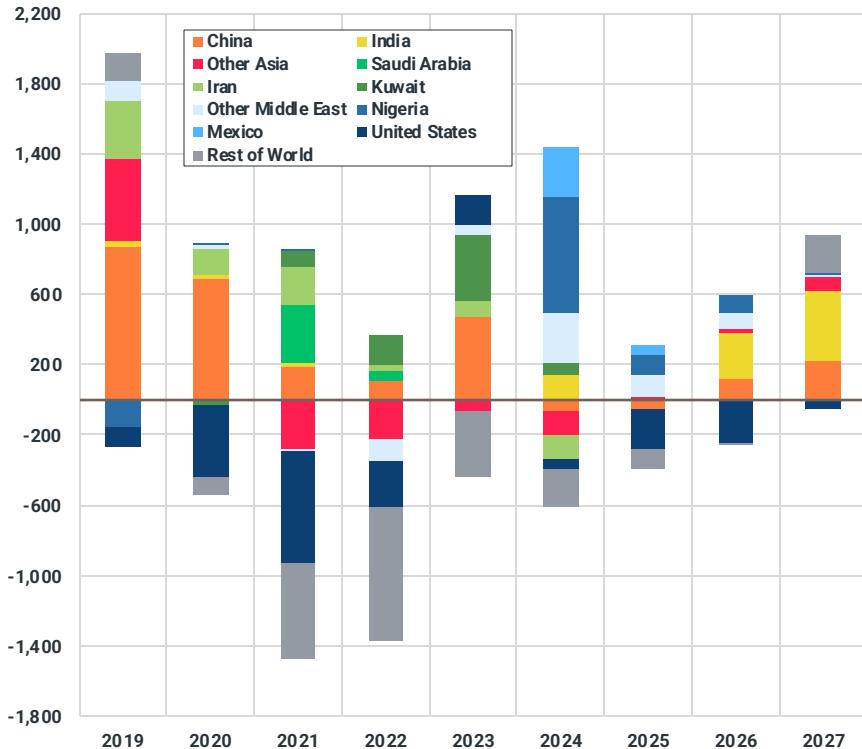
Source: Observed monthly statistics, as available. Data from May-25 onwards is Kpler forecast

Source: Kpler

Despite soft demand, supply hiccups keep dist. fundamentals constructive

The slow ramp-up of new mega-refineries is struggling to offset the 765 kbd of CDU capacity slated for closure

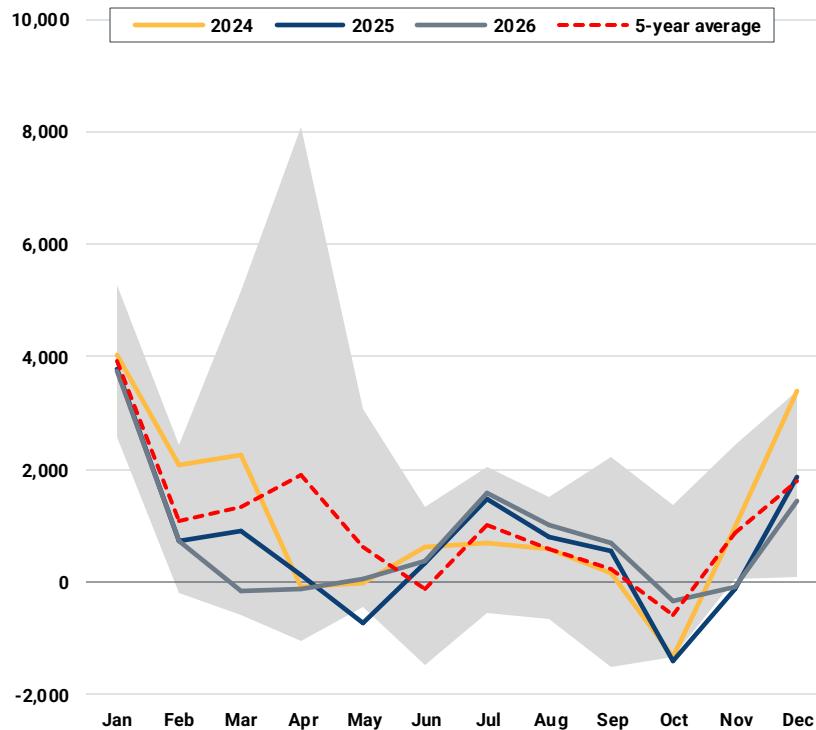
World: Primary refining capacity additions (kbd)



Source: Kpler

Note: Annual growth is based on average monthly figures to account for projects that come online early or late in a given year.

World: Core refined products balance (kbd)



Source: Kpler

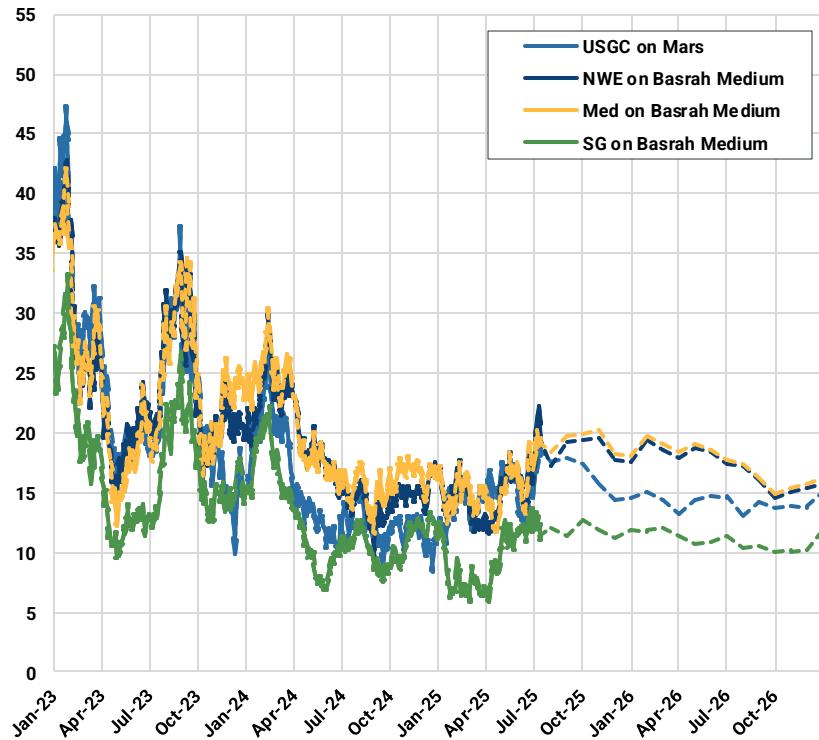
Data from May 2025 onwards are Kpler estimates.

Refining margins outlook: Capitalizing on a narrowing window

Margins are expected to track or exceed last year's levels, with meaningful pressure likely from late 2026

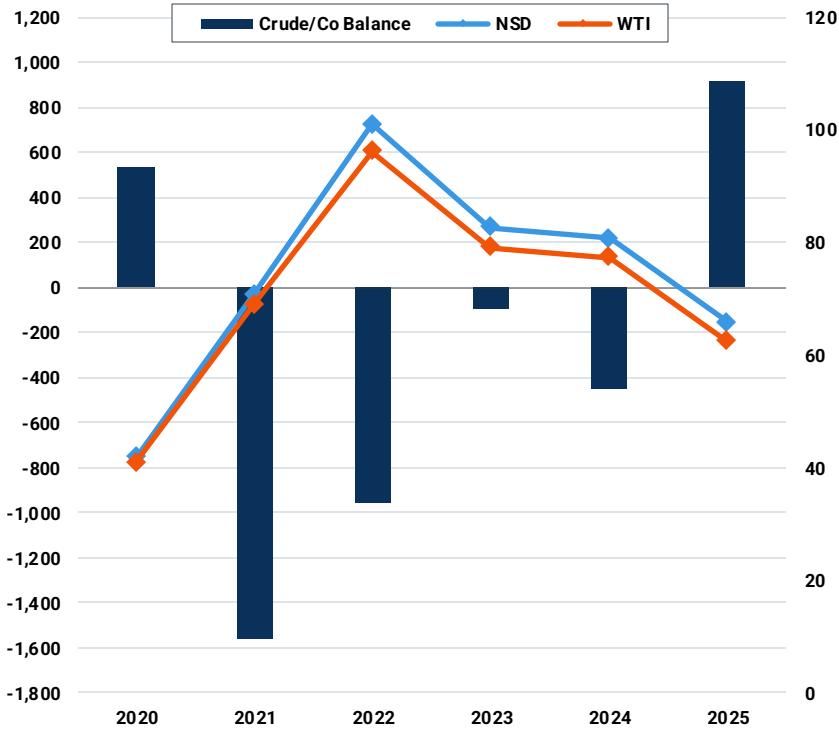
18

Full Conversion Coker GRM (\$/bbl)



Source: Kpler, Argus Media

Crude/Co balance (kbd, LHS), oil price benchmarks (\$/bbl)

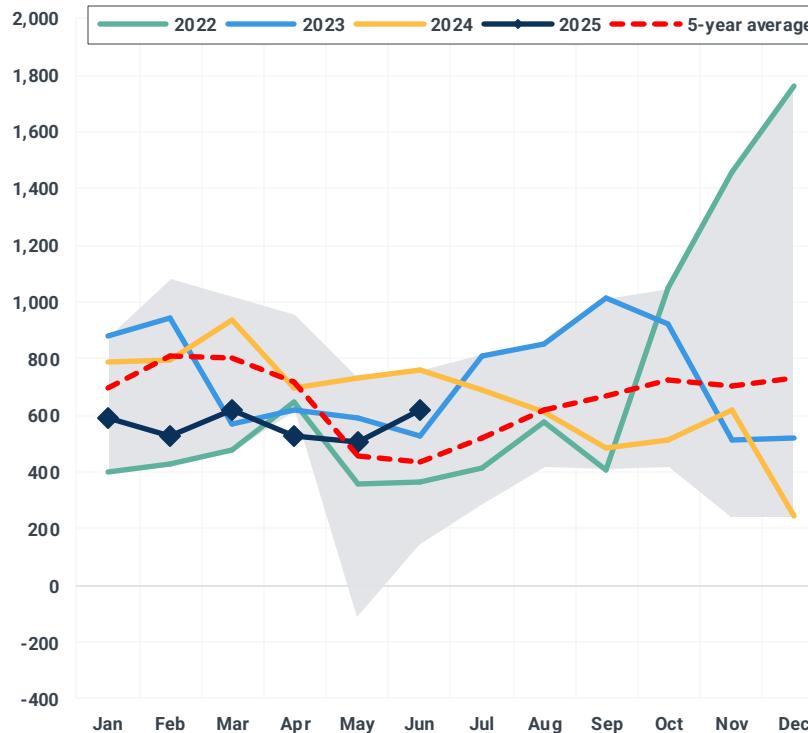


Source: Kpler

Two wildcards could shift the outlook: China and Russia

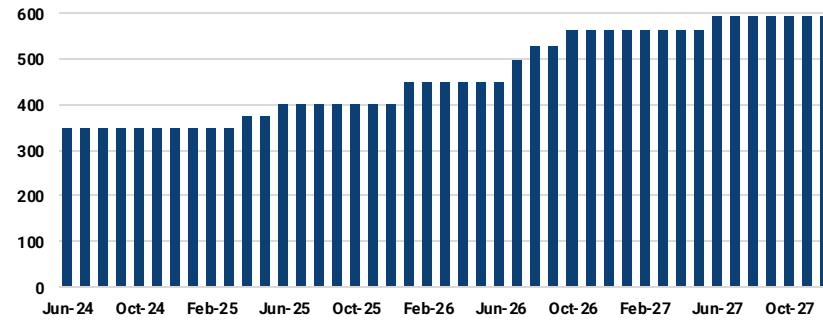
A sharp decline in China's transport fuel demand could prompt a surge in exports, but such a shift remains unlikely

Chinese exports of gasoline, gasoil/diesel, jet/kero (kbd)

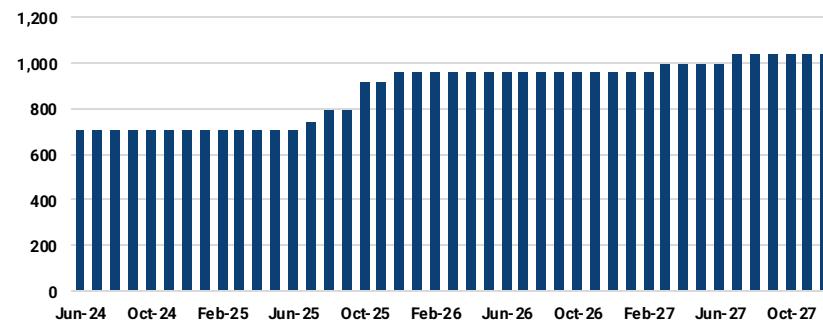


Source: Kpler

Russia total coking capacity (kbd)



Russia total hydrocracking capacity (kbd)



Source: Kpler

The widest coverage of the commodity value chain

Kpler S&Ds products are fueled by proprietary data, includes long term balances and price forecasts



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100+
Regions & countries

2017
Historical database begins

18
Month price & balance forecasts

50+
Price forecasts



Refined products

6
Clean & dirty products

2017
Historical database begins

18
Month price and balance forecasts

50+
Price forecasts



LNG

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Price forecasts

18
Month forecasts



Biofuels

18 month
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product coverage

HVO
product coverage

SAF
product coverage

ETOH
product coverage



Grains

7
Regions & countries

6
Months forecast

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On demand

Global market analysis:
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Weather, risk, regional drivers:
**Asian LNG demand
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