

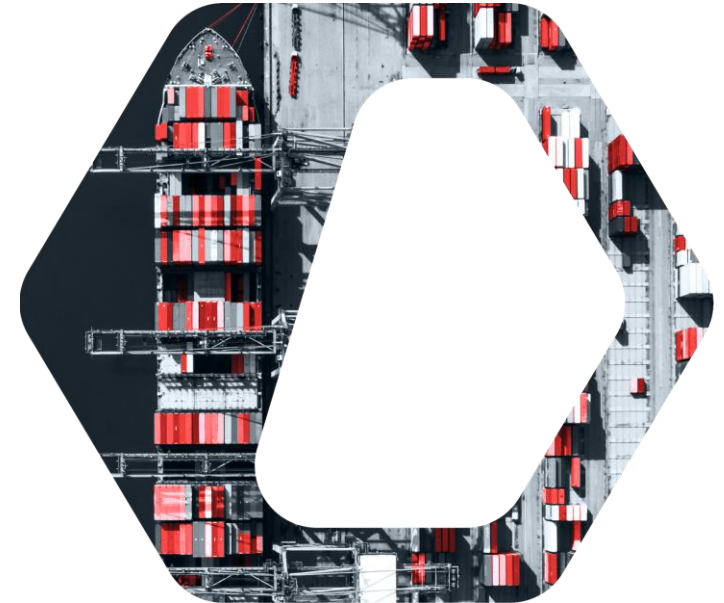


# OPEC+ Production Policies and Global Market Stability

March 2025

Amena Bakr – Head of Middle East and OPEC+

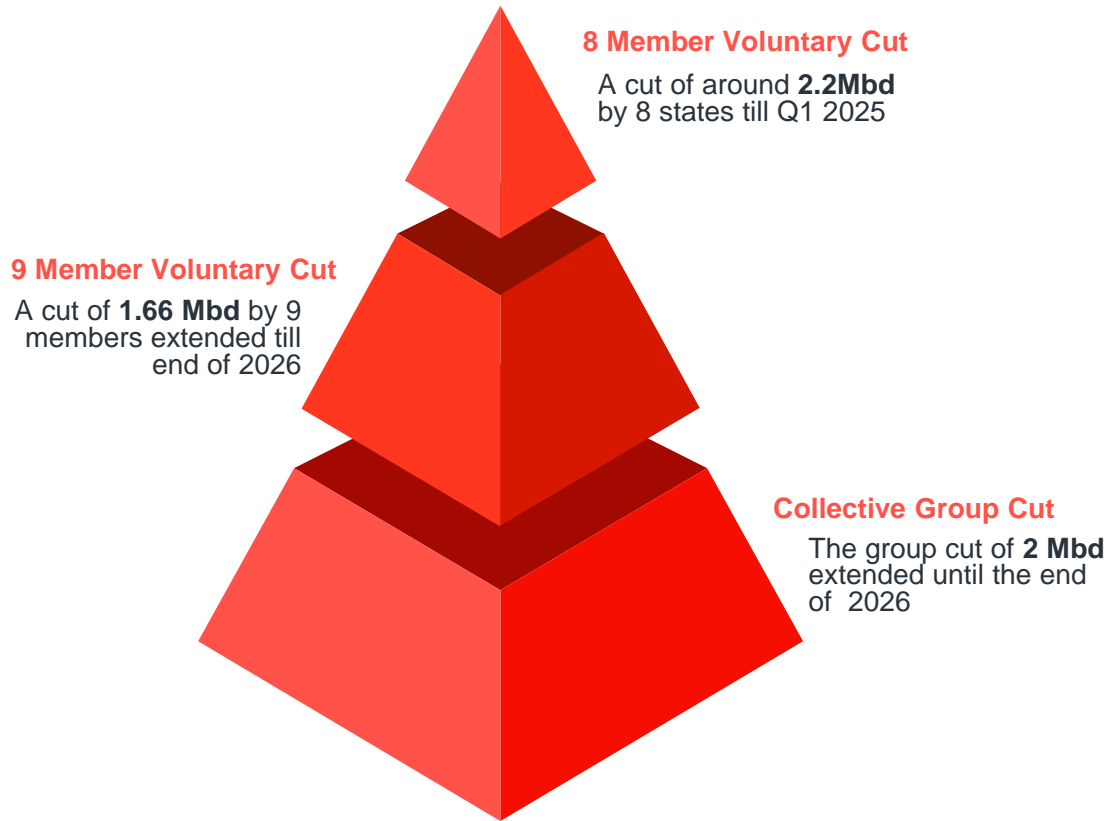
Homayoun Falakshahi – Head of Crude Oil Analysis



# March 3<sup>rd</sup>, 2025: OPEC+ announces oil production hike starting in April

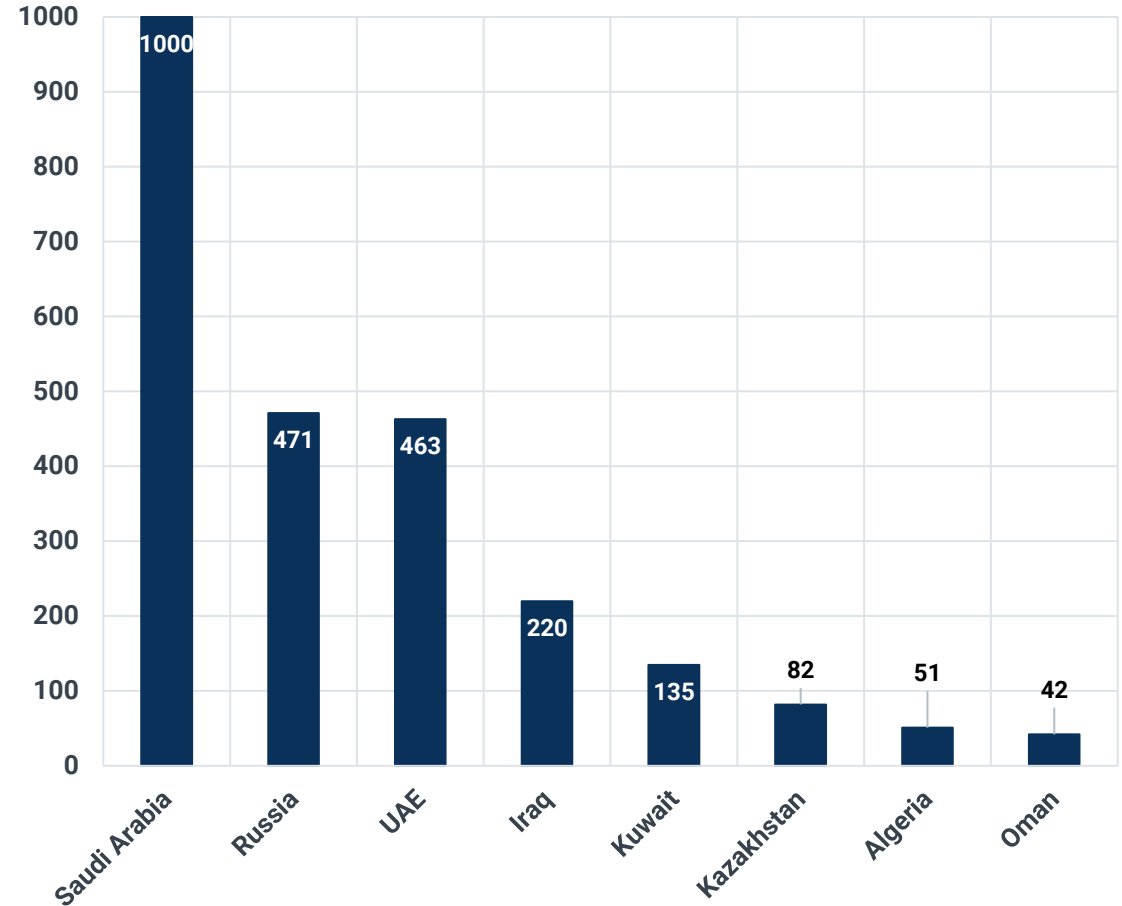
First increase since 2022, the group will start raising production from April onwards at a rate of 135-140 kbd every month

## Layers of cuts and voluntary cuts



Source: Kpler

## Agreed oil output reversal over 18 months at least, kbd



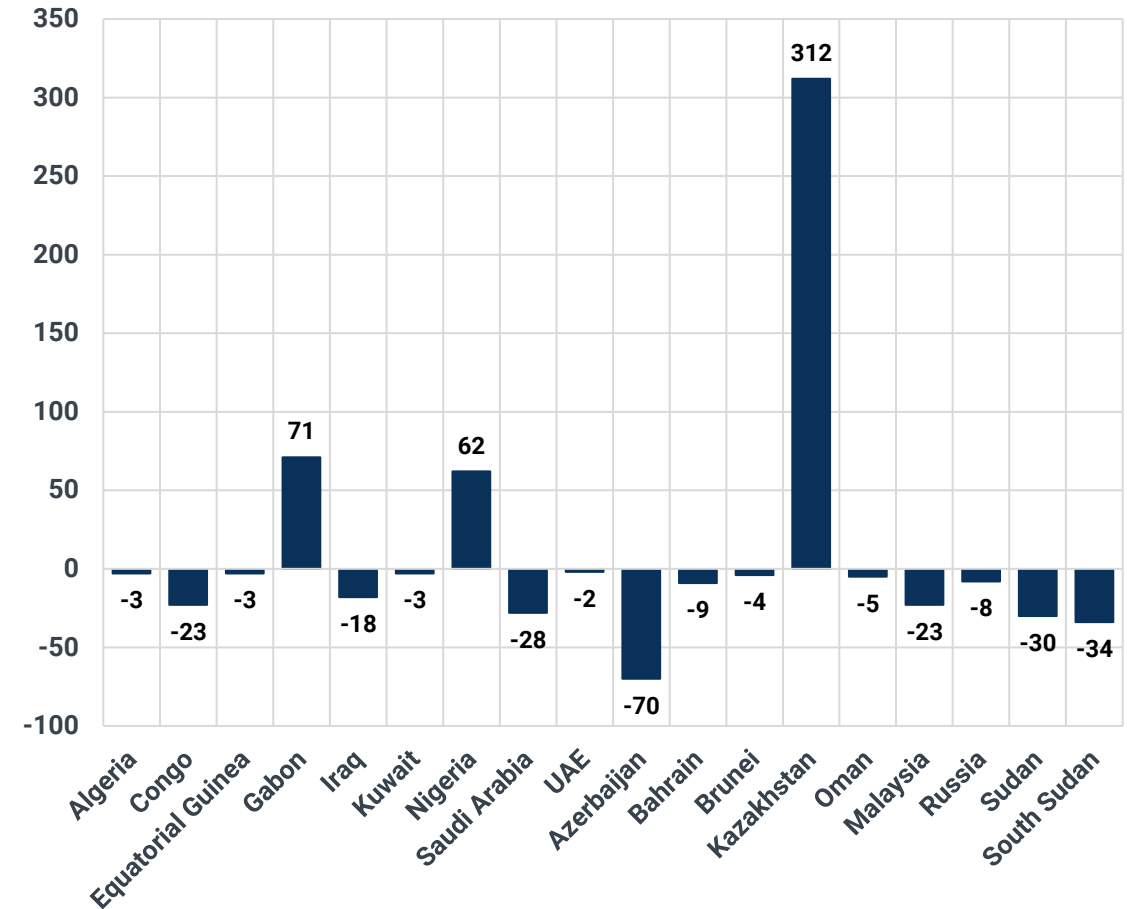
Source: OPEC. The UAE has been granted an increase of 300 kbd to be phased in gradually starting April 2025 until the end of September 2026

# Cohesion: OPEC+ to put the accent on compliance from laggards

## Pressure on Kazakhstan and Iraq is strong

- One of the main drivers behind policy changes has been around compliance and over all the group has done well, last year compliance was around 90% for the entire group.
- But there are a set of countries that continue to miss their targets: Iraq/Russia and Kazkhashan which in total have leaked over 3 million bpd which is causing frustration with others.
- We are seeing some effort being made by some states to comply, starting from Kazakhstan which this week will be meeting with Exxon in the US to discuss further cuts.
- If there's a full implemenation of the compensation cuts (which will be presented by 17 March) then the increaments in supply would be offset.

Group compliance to cuts (February), kbd

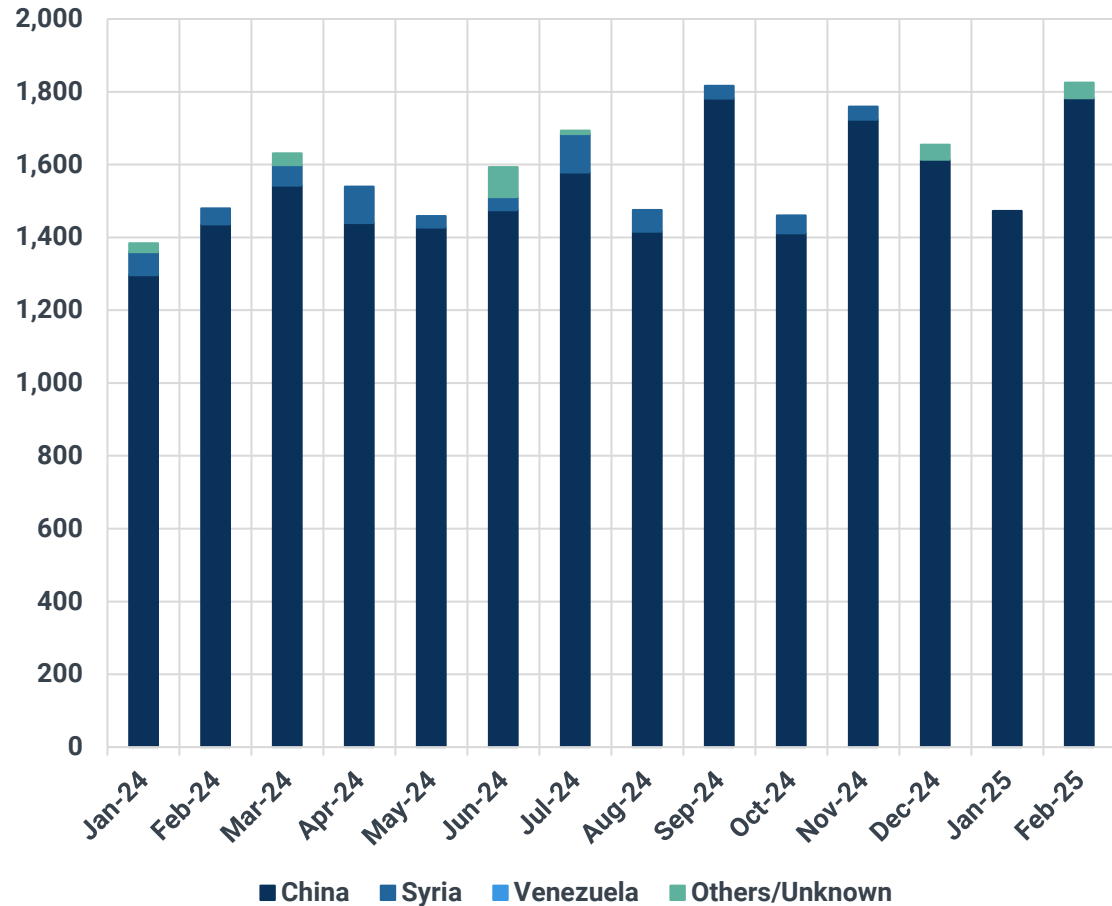


Source: Kpler. Includes compensation plans from Iraq, Kazakhstan and Russia

# Maximum pressure policy on Iran and Venezuela to reduce supply by 700 kbd

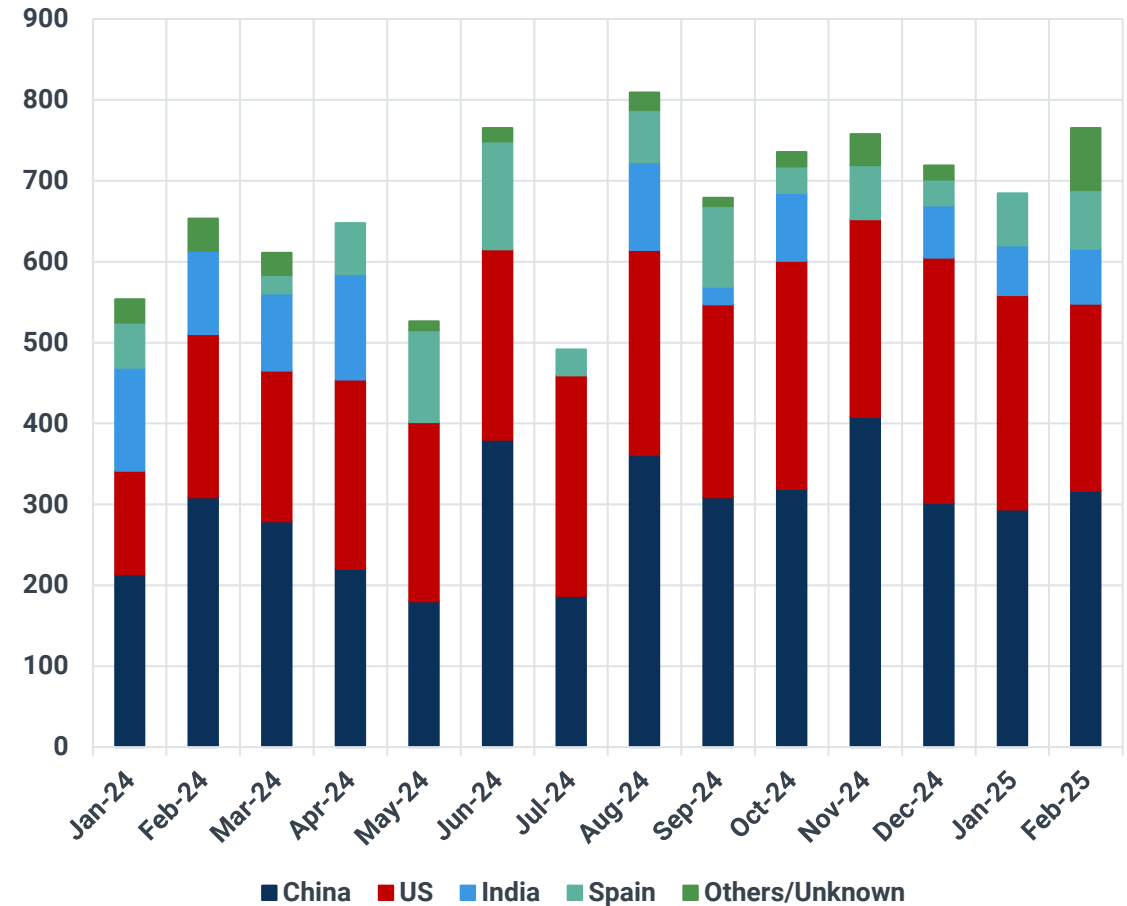
We assume a combined loss of 700 kbd (Iran – 500 kbd, Venezuela – 200 kbd), offsetting OPEC+ hikes

Iran oil exports by destination, kbd



Source: Kpler

Venezuela oil exports by destination, kbd

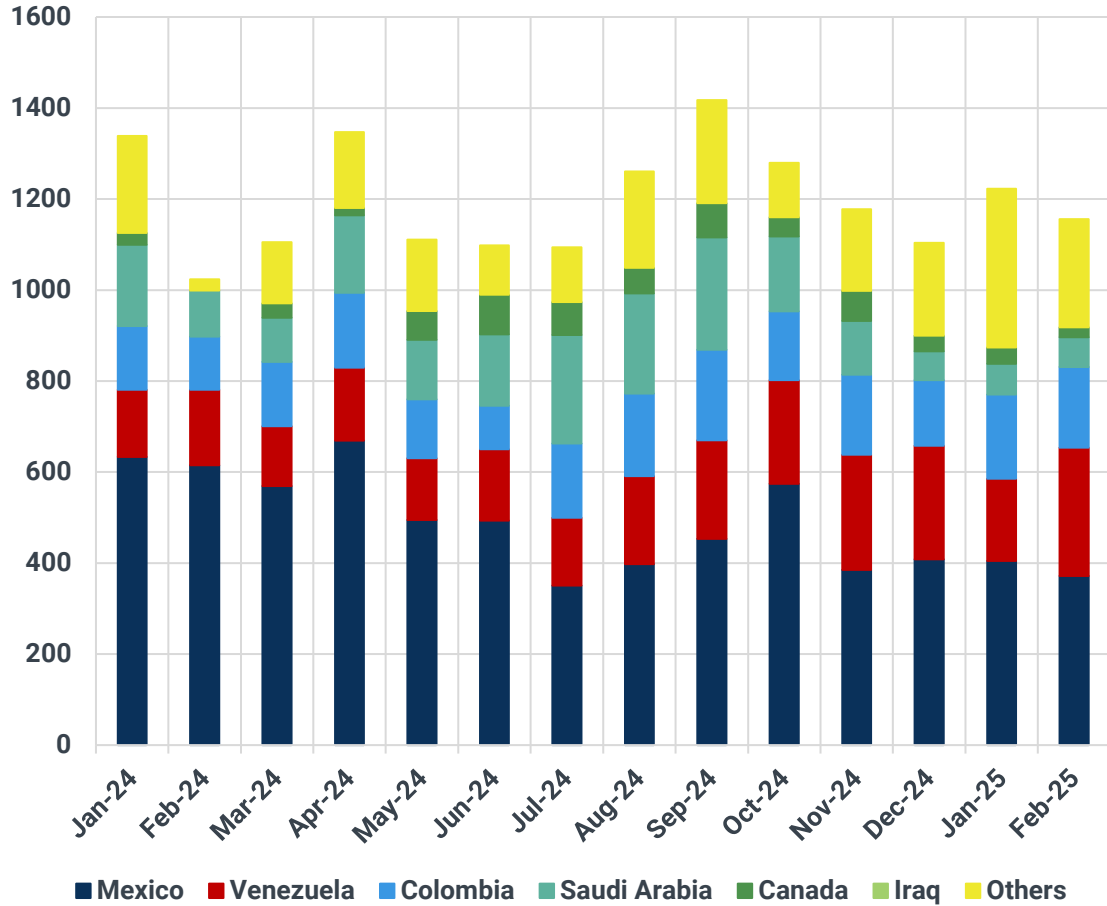


Source: Kpler

# The revoke of Chevron's waiver opens the way for more OPEC crude in the US

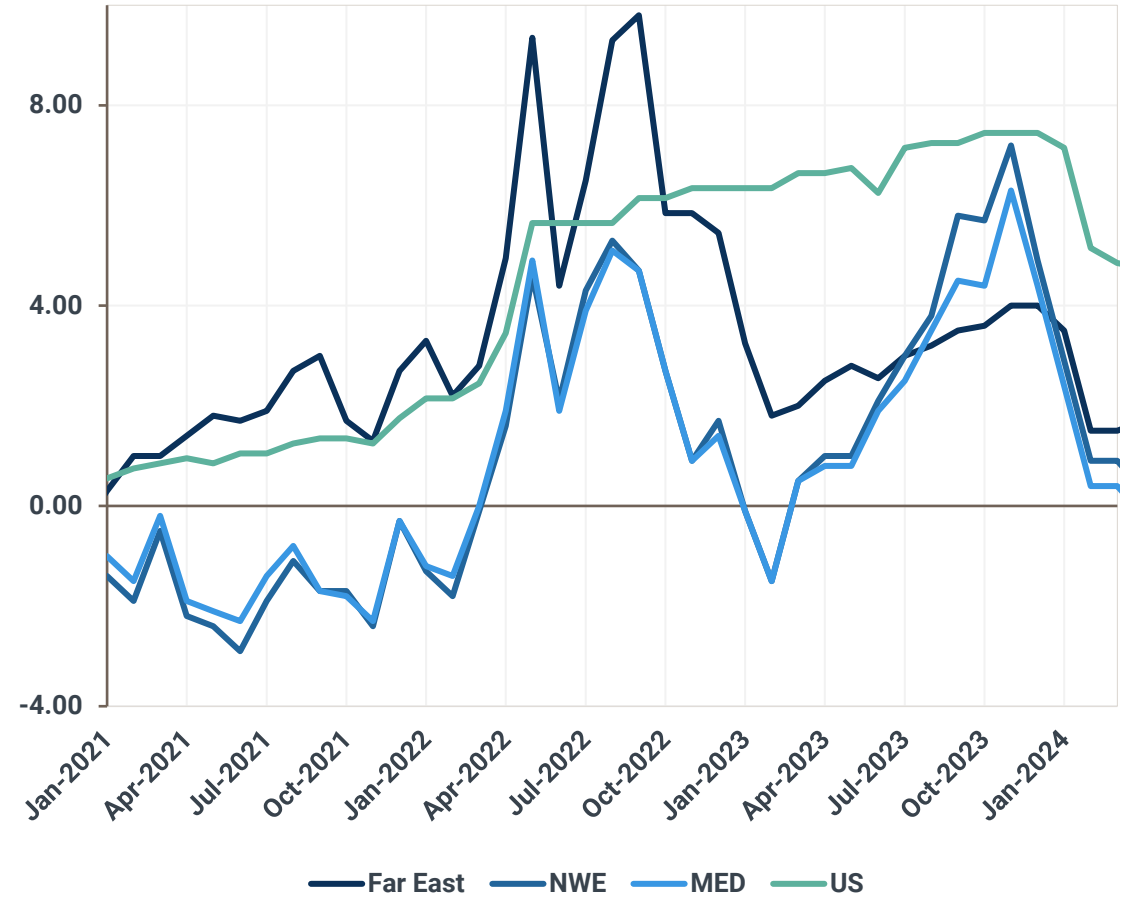
The USGC has been importing 250 kbd of Venezuelan crude

USGC oil imports by origin country, kbd



Source: Kpler

Aramco Arab Light OSPs vs benchmarks, \$/bbl

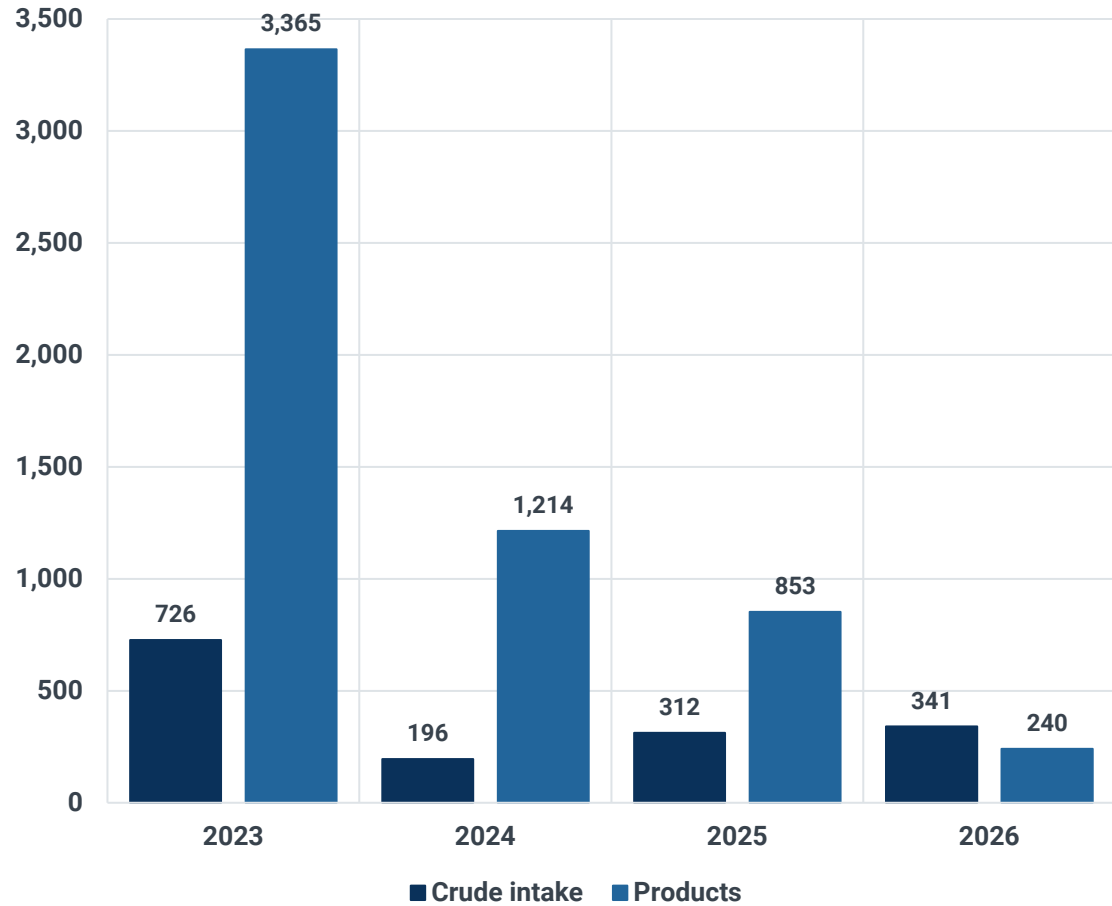


Source: Kpler

# Demand: there is little room for production growth globally

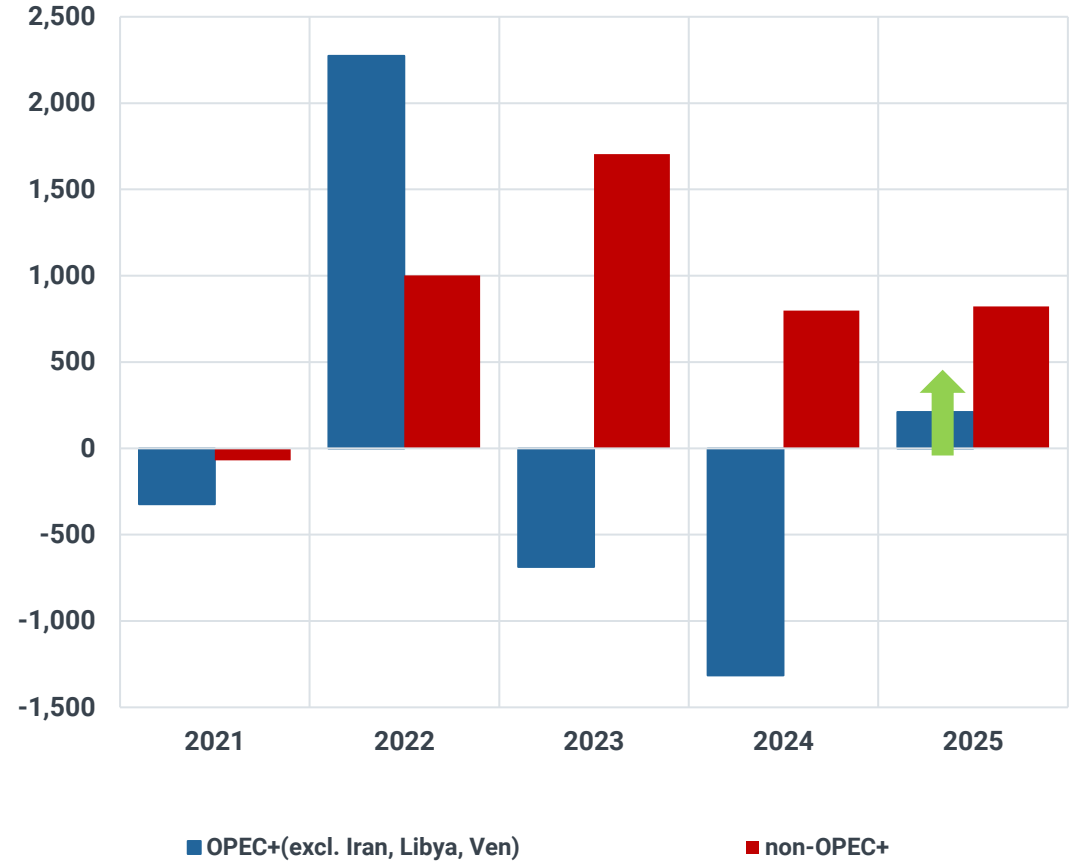
Non-OPEC+ supply growth – mainly in the Americas – continues to outpace that of OPEC+

### Crude intake and products demand growth, kbd



Source: Kpler

### Non-OPEC+ vs OPEC+ y/y supply growth, kbd

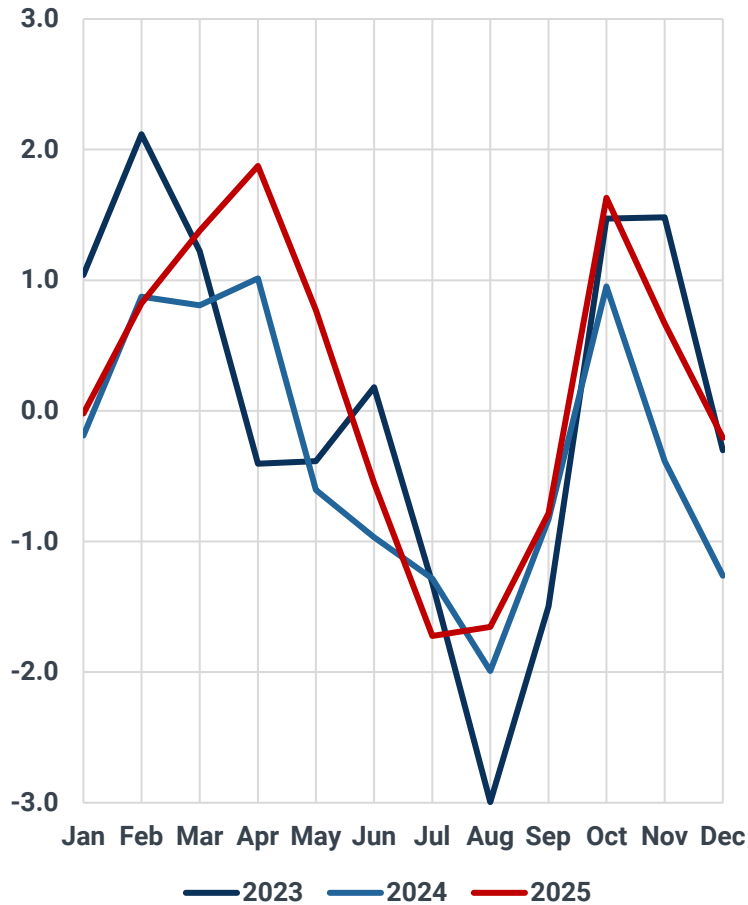


Source: Kpler

# Oversupply and the Trump factor to keep 2025 prices in check

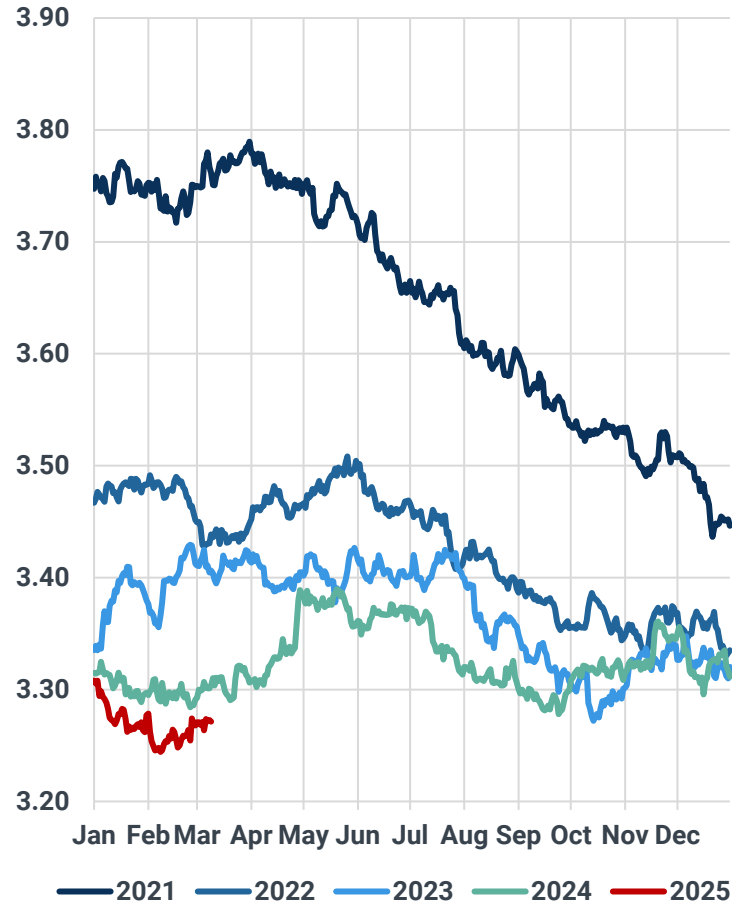
Low inventories and plans to refill SPRs will act as a support nonetheless

Global crude and condensate balances, Mbd



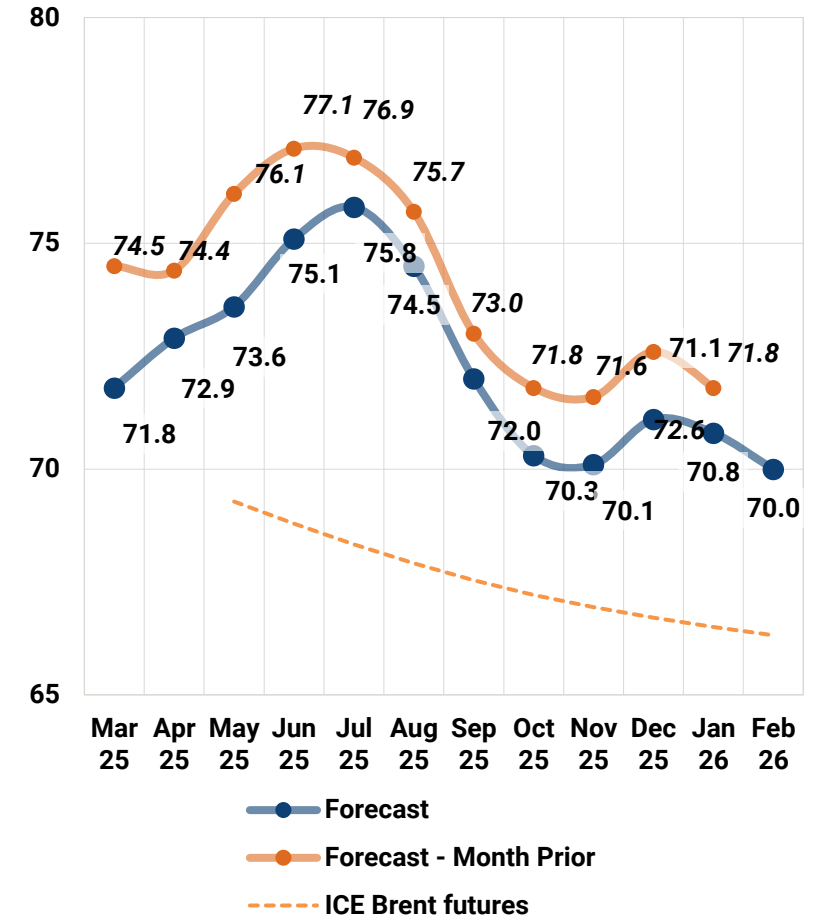
Source: Kpler

Global onshore oil inventories, Bn bbls



Source: Kpler

Kpler Dated Brent forecast, \$/bbl



Source: Kpler

**Thank you!**

