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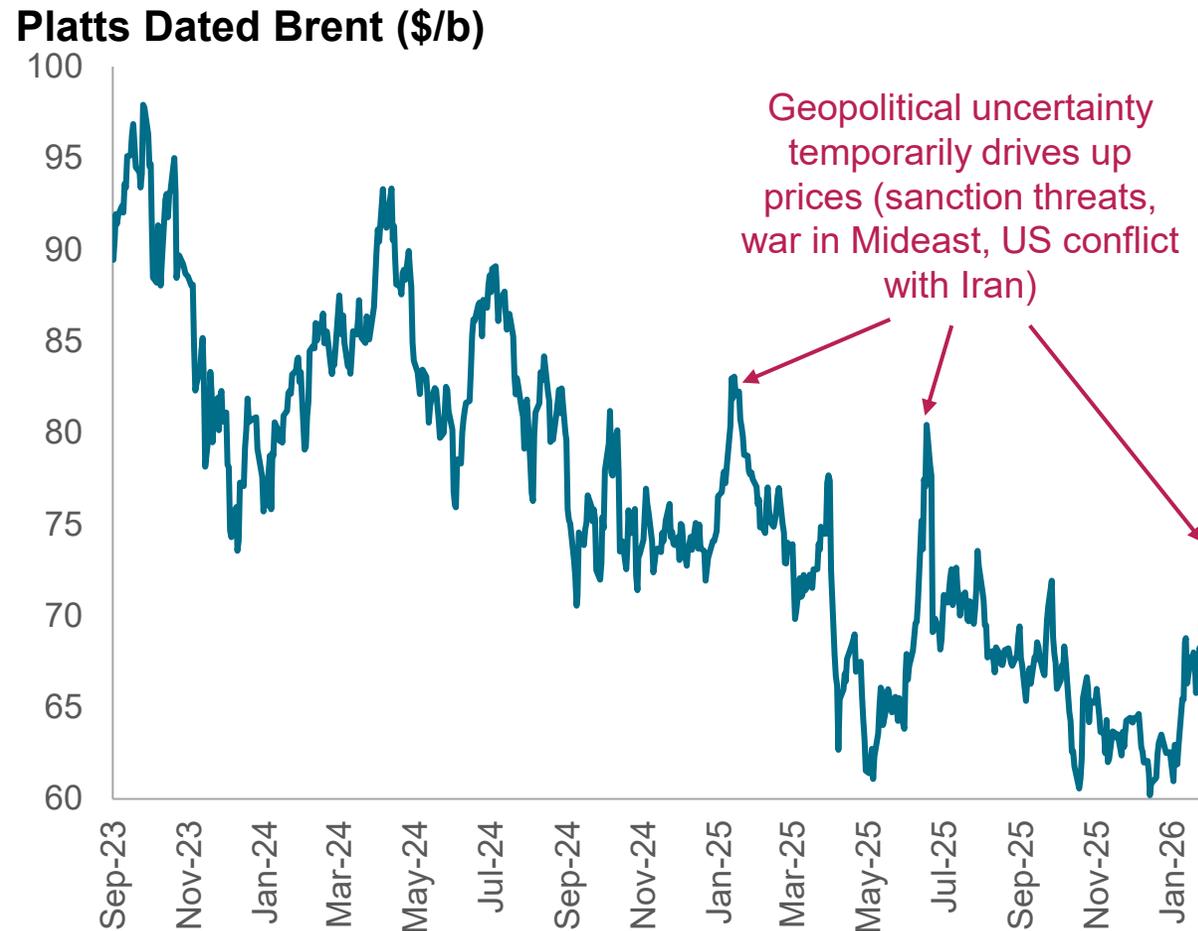
Oil Markets in a Shifting Policy and Geopolitical Landscape

Kurt Barrow, Head of Oil, Fuels & Chemicals

February 10, 2026



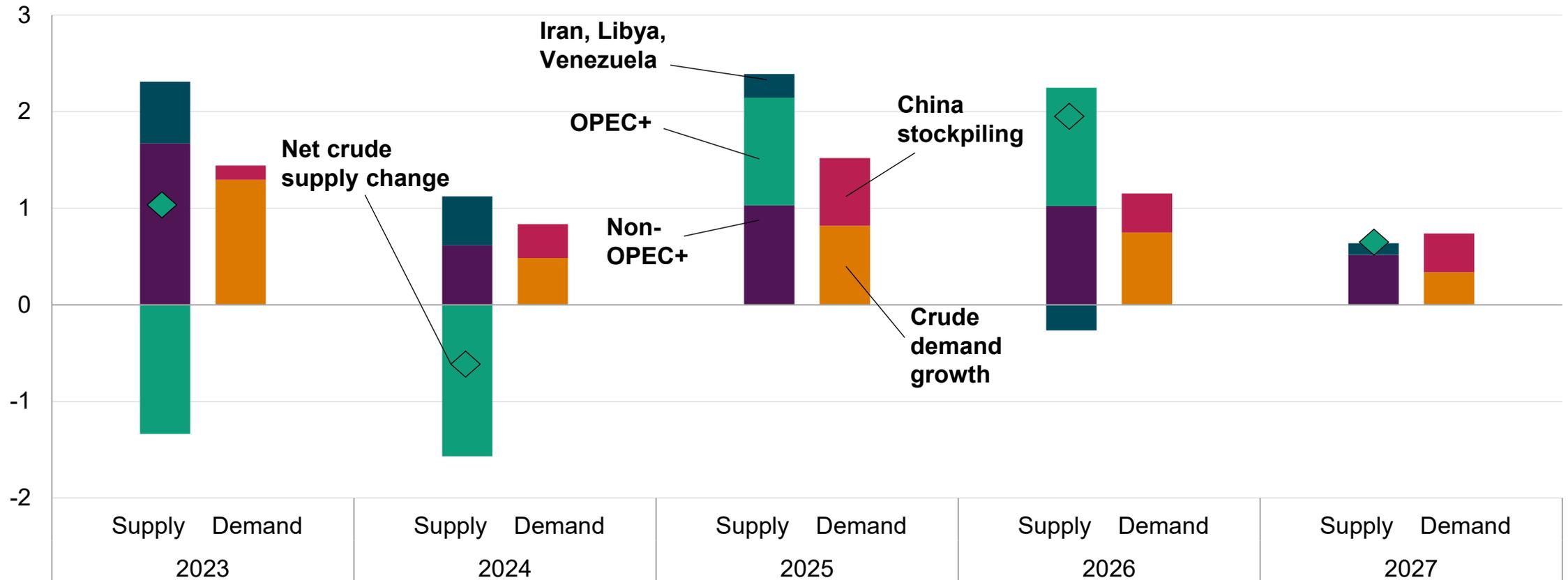
Crude prices trend lower since 2023.... Will the trend continue into 2026?



Data compiled Feb. 6, 2026.
Historical Dated Brent prices from Platts.
Source: S&P Global Energy

Significantly oversupplied oil market is tempered by China's rapid stockpiling

Annual change in global crude oil production and crude oil demand (million b/d)

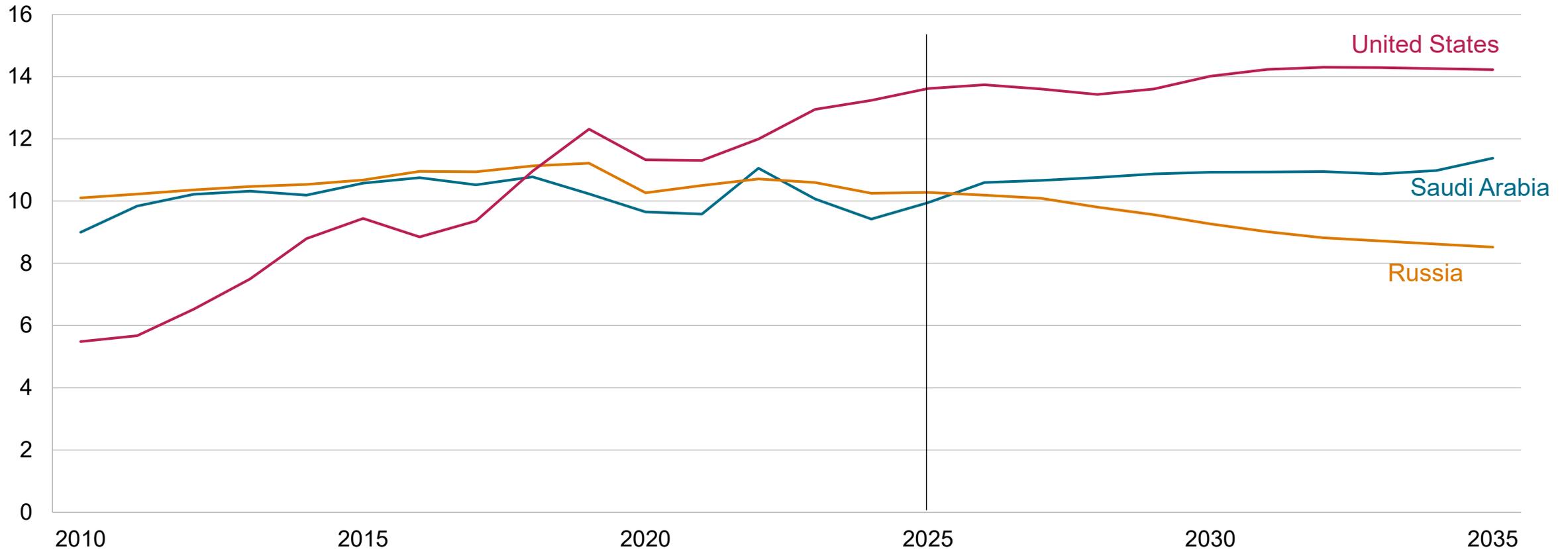


Data compiled Jan. 28, 2026.
Source: S&P Global Energy.

2025 entry-to-exit increase of 4.0 mmbd

Saudi Arabia is projected to gain market share as Russian production falls. US production is anticipated to peak in the early 2030s.

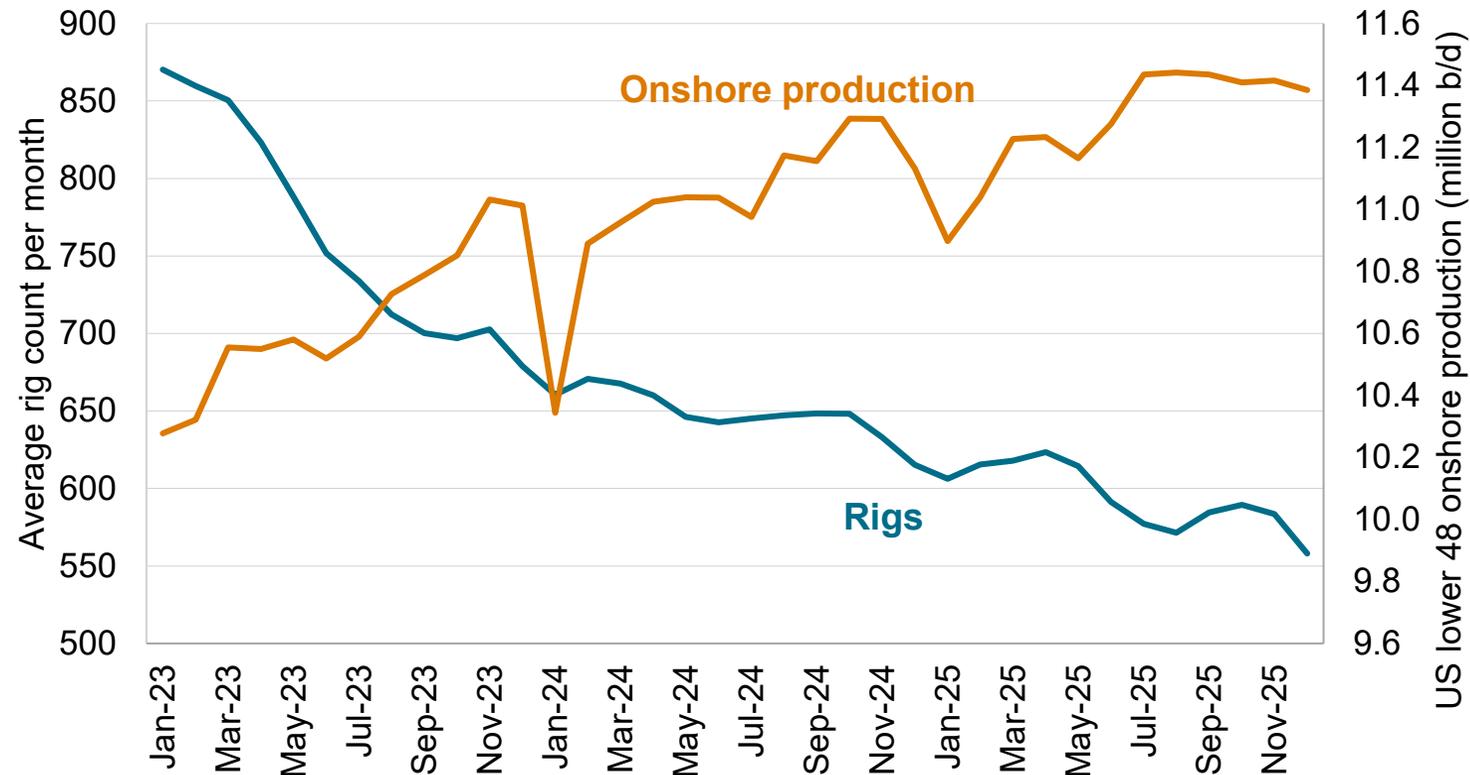
Crude oil and condensate production: Saudi Arabia, Russia and United States (million b/d)



Data compiled February 2026.
Source: S&P Global Energy.

Doing more with less: US onshore industry is sustaining supply growth through steady efficiency gains

US onshore production and rig count



US rig count continues to decline... but rigs are drilling new wells at a faster pace

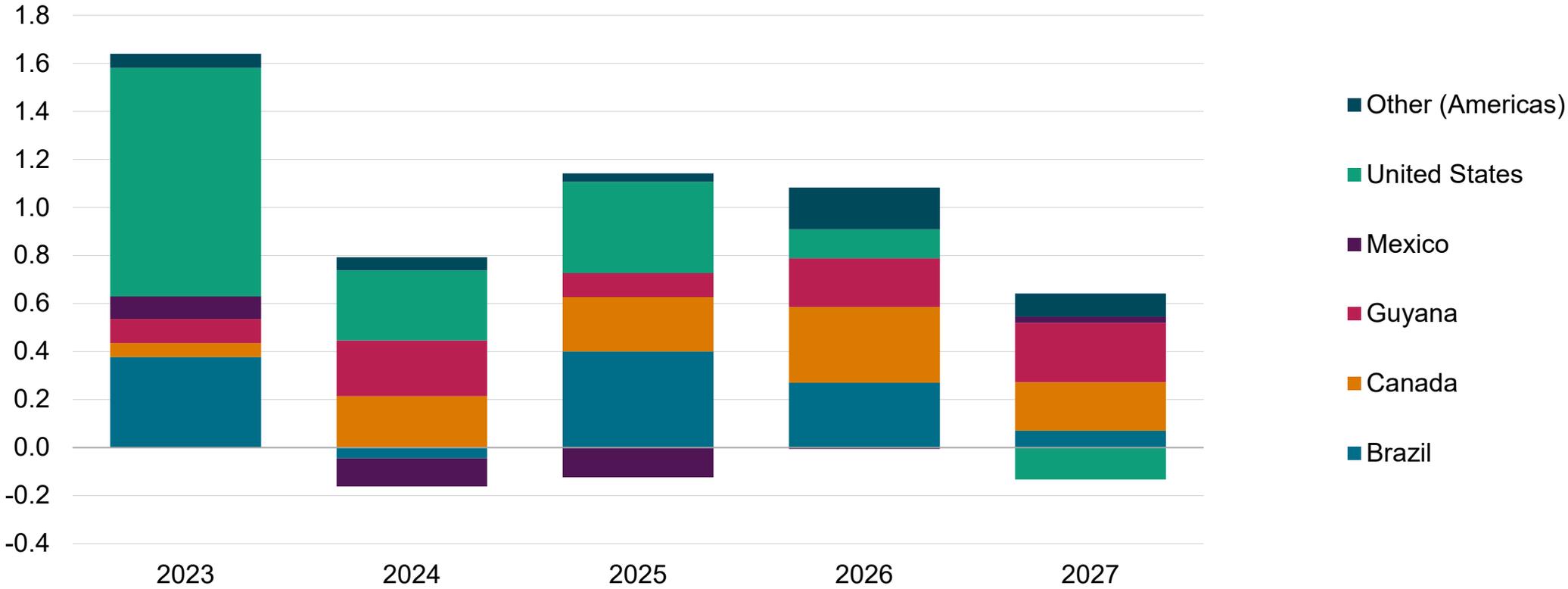
Lateral length of new wells continues to increase.... producing more oil per well

Anticipate continued capital discipline to modulate production... but ultimately sustain tight oil capital flows

Data compiled Jan 28, 2026.
 PRB = Powder River Basin
 Source: S&P Global Energy, Primary Vision.

Americas continues to led Non-OPEC+ supply growth

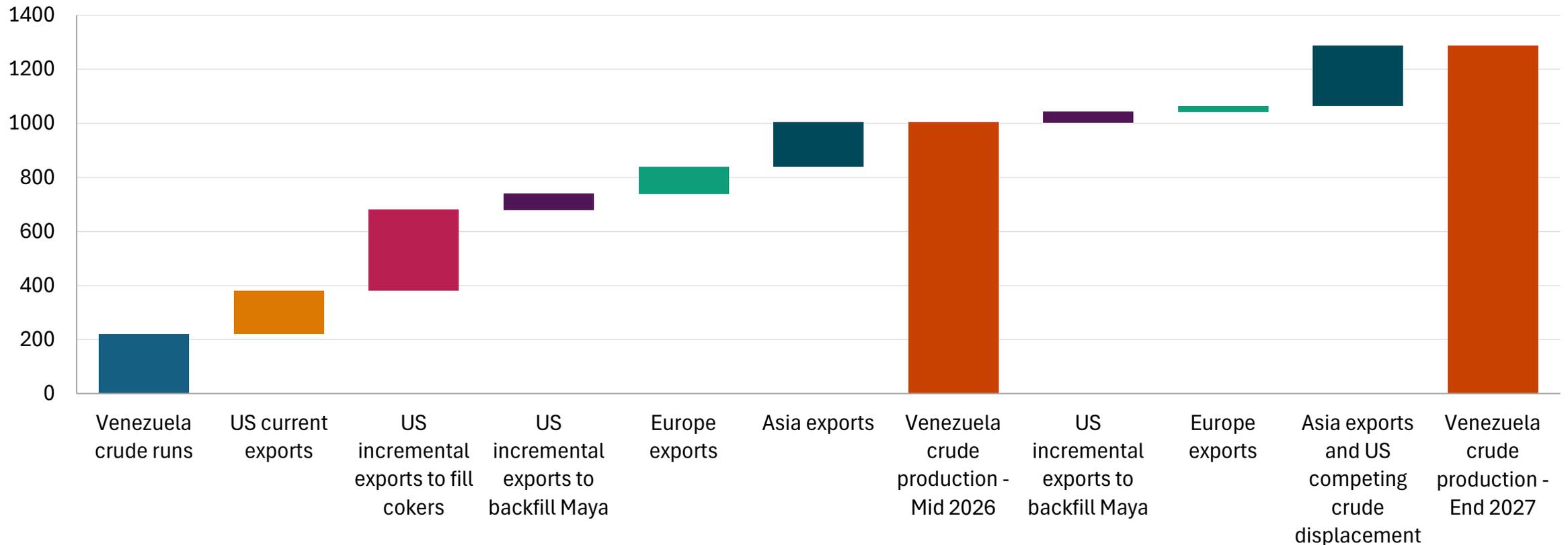
Americas crude and condensate supply growth by country (million b/d)



Data compiled Jan. 28, 2026.
Source: S&P Global Energy.

Preliminary estimates for Venezuelan crude oil production and disposition...but the range is wide and uncertain

Potential Venezuela crude oil disposition through 2027 (thousand b/d)

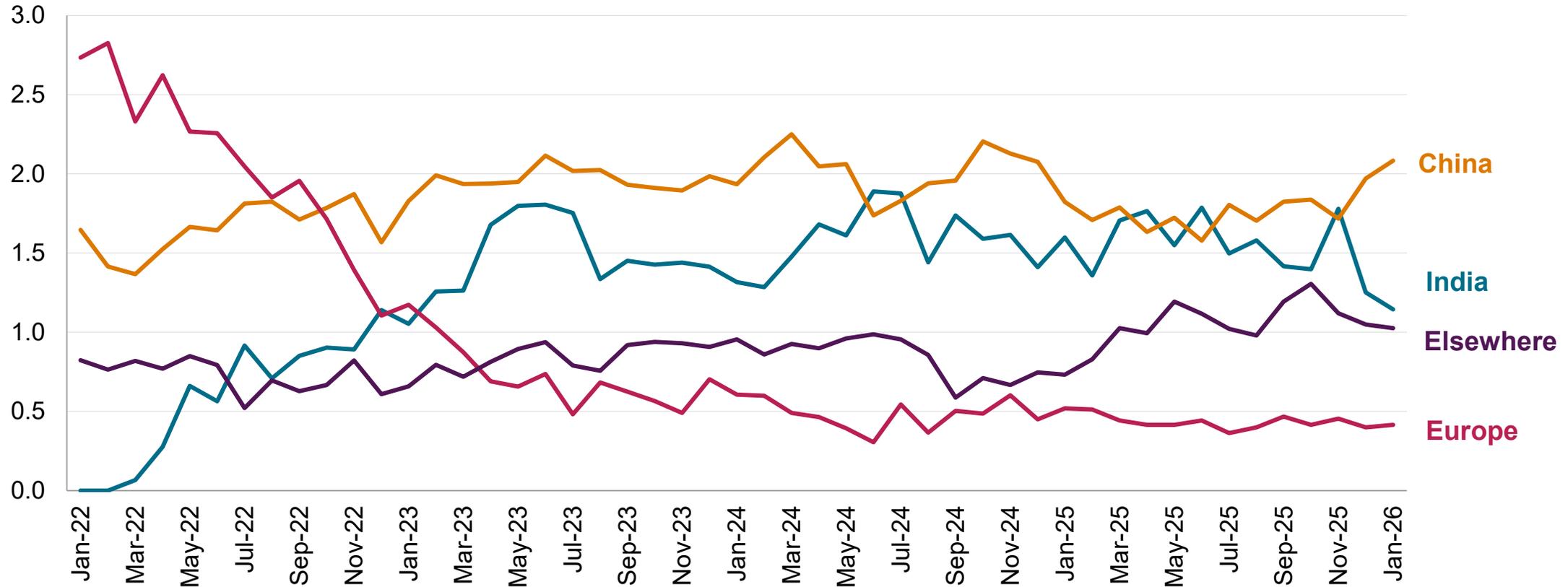


Data compiled Jan. 27, 2026.
 Volumes include diluent.
 Sources: S&P Global Energy; Commodities at Sea, a product of S&P Global Energy.

Venezuela accounts for about 1% of global crude production and 8% of heavy crude exports

Will India continue to reduce its imports of Russian crude?

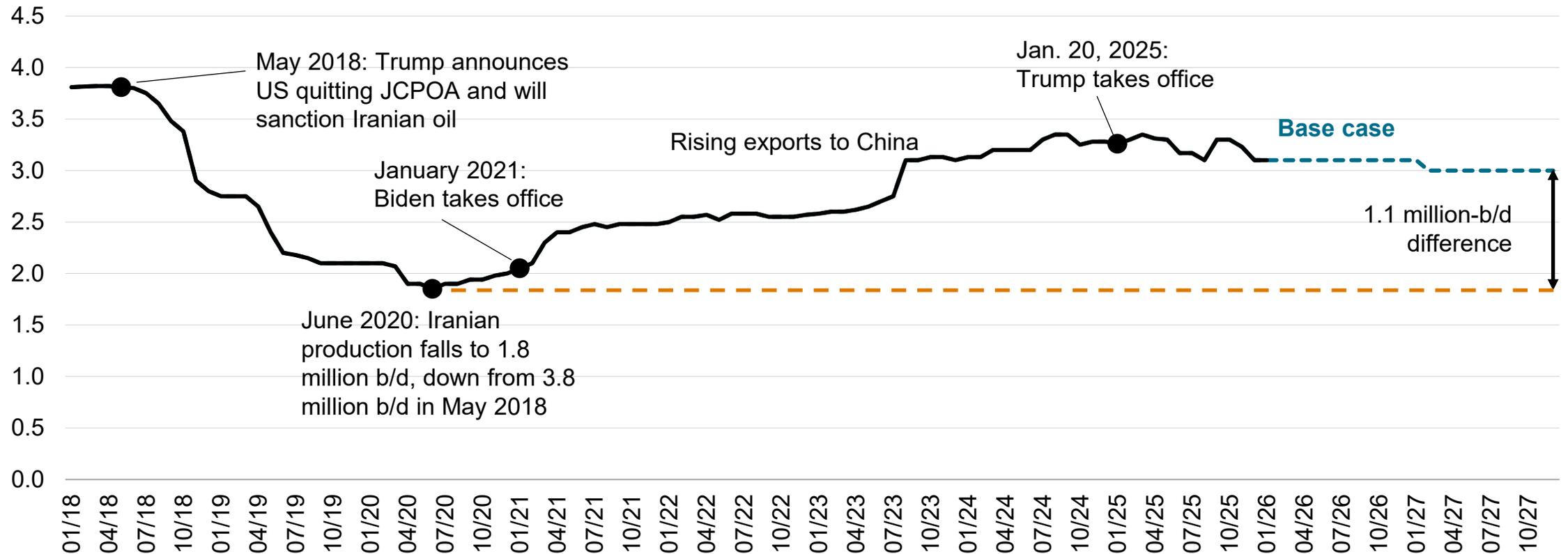
Russian crude and condensate exports (million b/d)



Data compiled Jan. 28, 2026.
 Exports are dated by discharge date at destination port. Data excludes loadings at CPC terminal.
 Sources: S&P Global Energy; S&P Global Commodities at Sea.

Iranian oil export levels are another key uncertainty

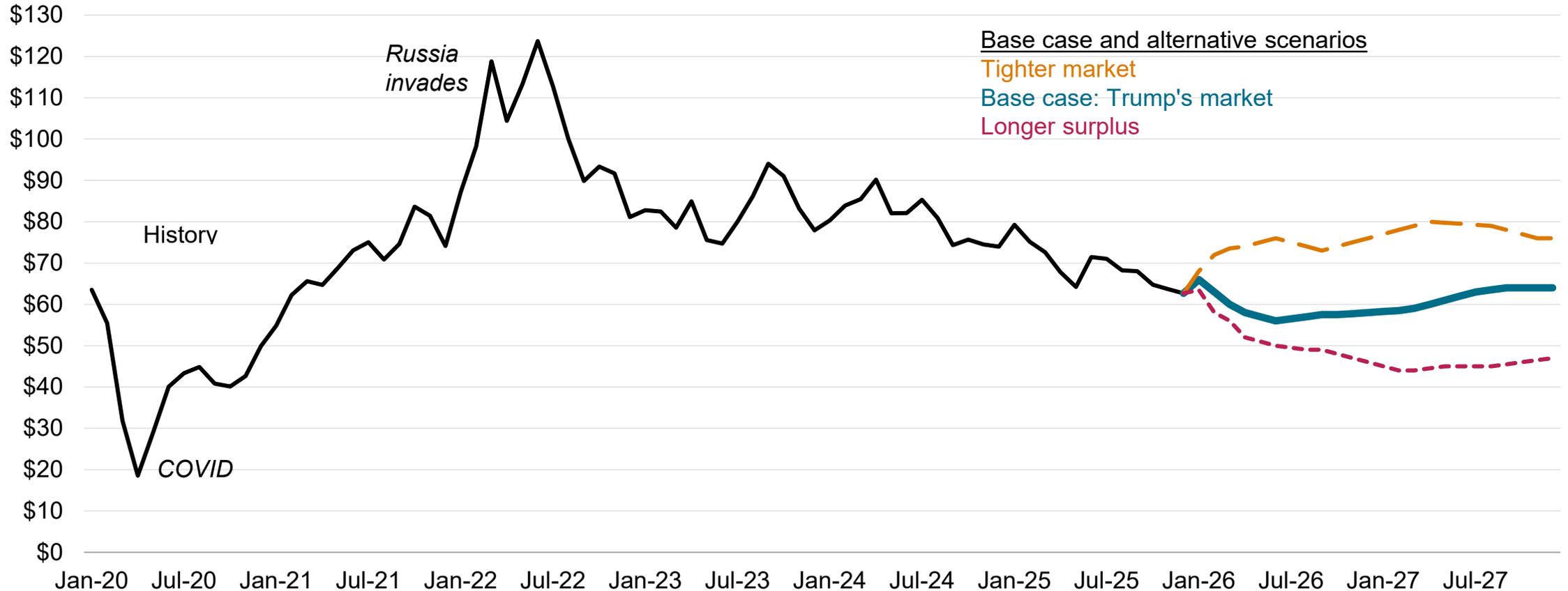
Iranian crude oil production (million b/d)



Data compiled Feb. 6, 2026.
JCPOA = Joint Comprehensive Plan of Action.
Source: S&P Global Energy.

We expect a crude surplus and rising inventories to cause further price declines despite the upside geopolitical risk in Iran, Russia and Venezuela

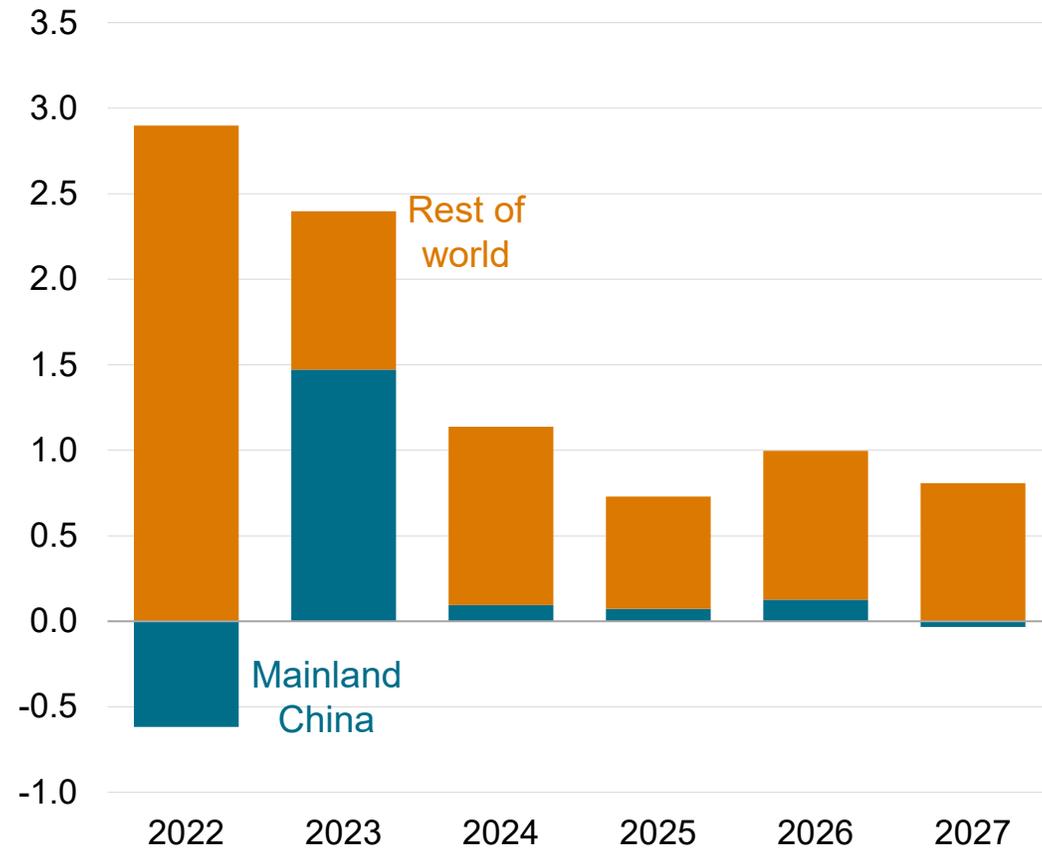
S&P Global Energy Dated Brent price outlook (\$/b)



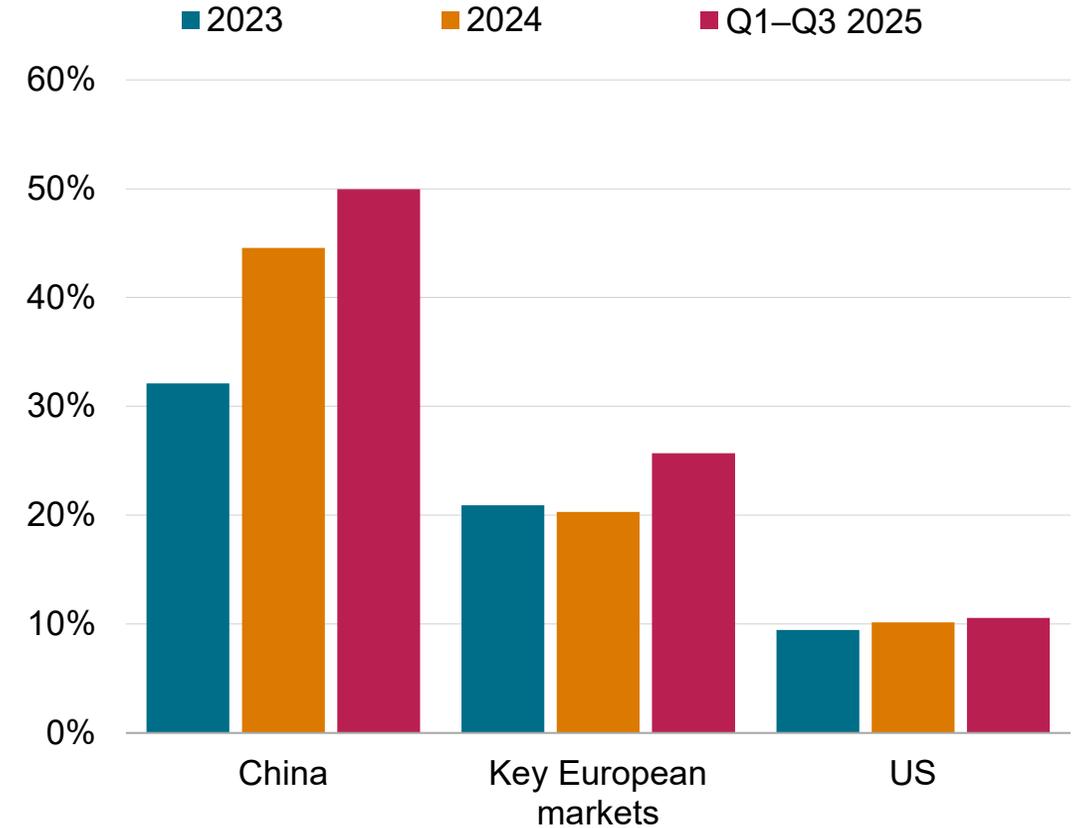
Data compiled Jan. 28, 2026.
Source: S&P Global Energy.

Oil demand growth is slowing structurally – China’s refined products peak is a big reason

World oil demand growth (million b/d)



Battery electric and plug-in hybrid percent of car sales



Data compiled Dec. 4, 2025.

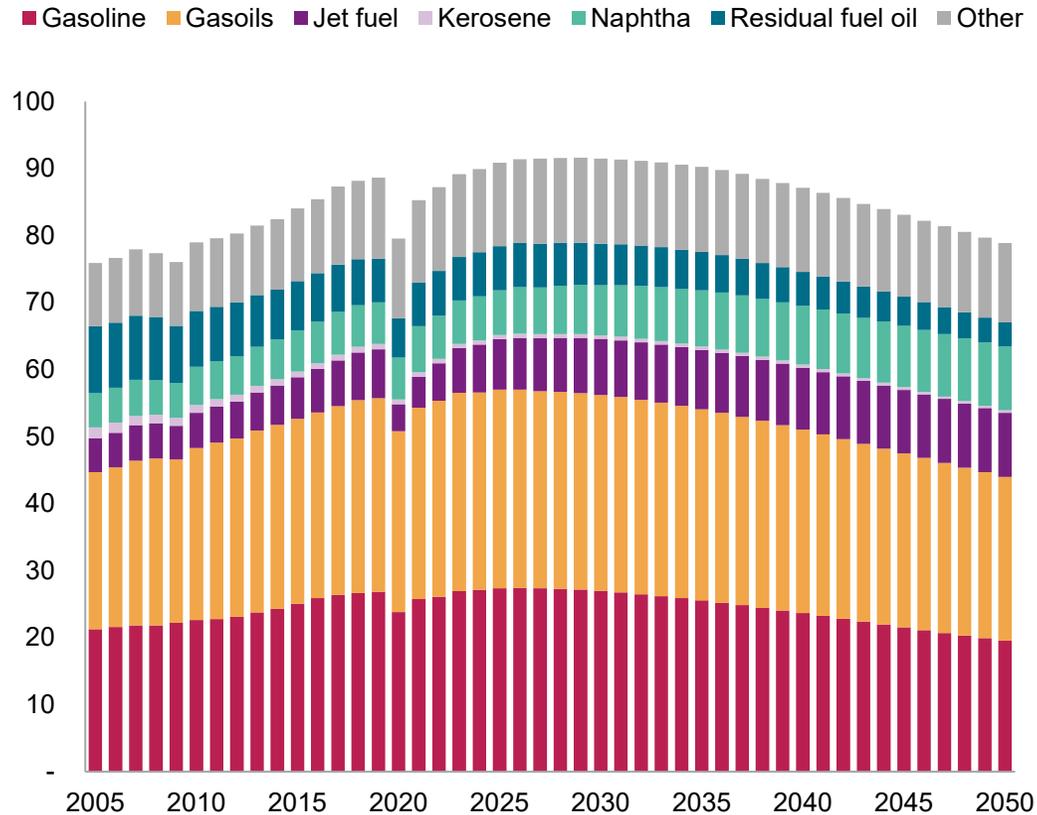
BEV = battery-electric vehicle; PHEV = plug-in hybrid electric vehicle; LV = light vehicle.

Key European markets include Denmark, France, Germany, Italy, the Netherlands, Norway, Spain and the UK.

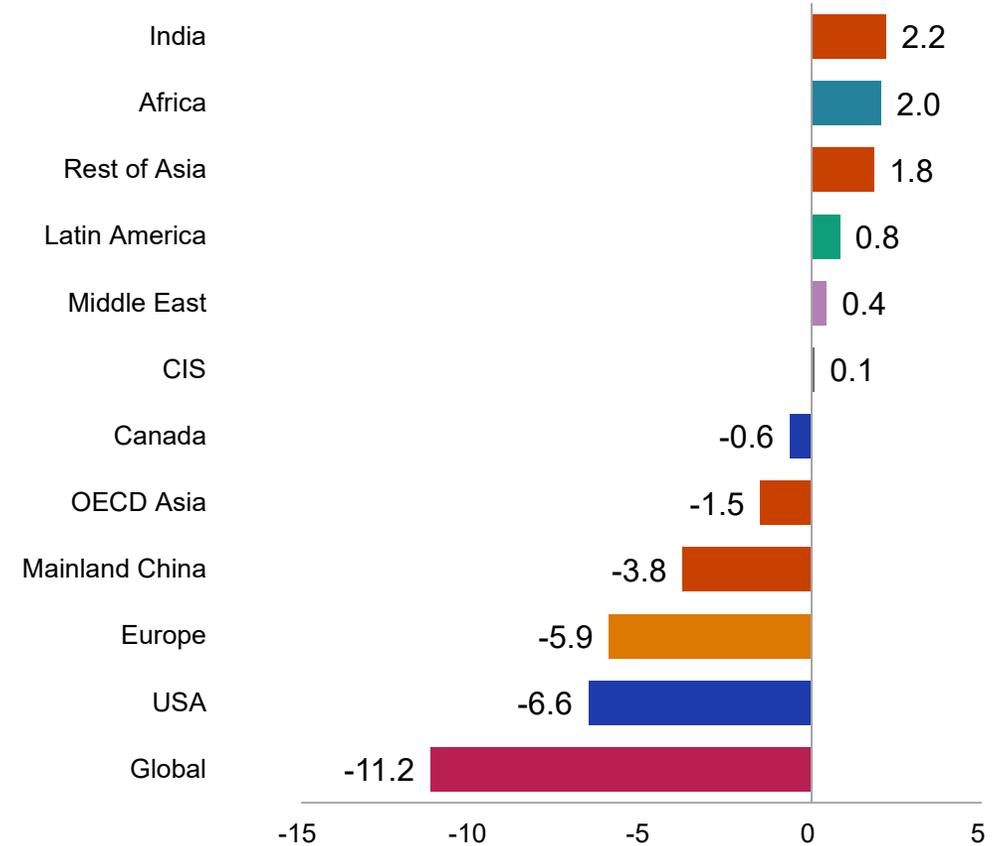
Sources: S&P Global Energy; S&P Global Mobility.

A slow goodbye to oil, not a cliff edge. Refined product demand growth in emerging economies is being more than offset by erosion in OECD and soon China

Global demand by product: Global refined products (Million b/d)



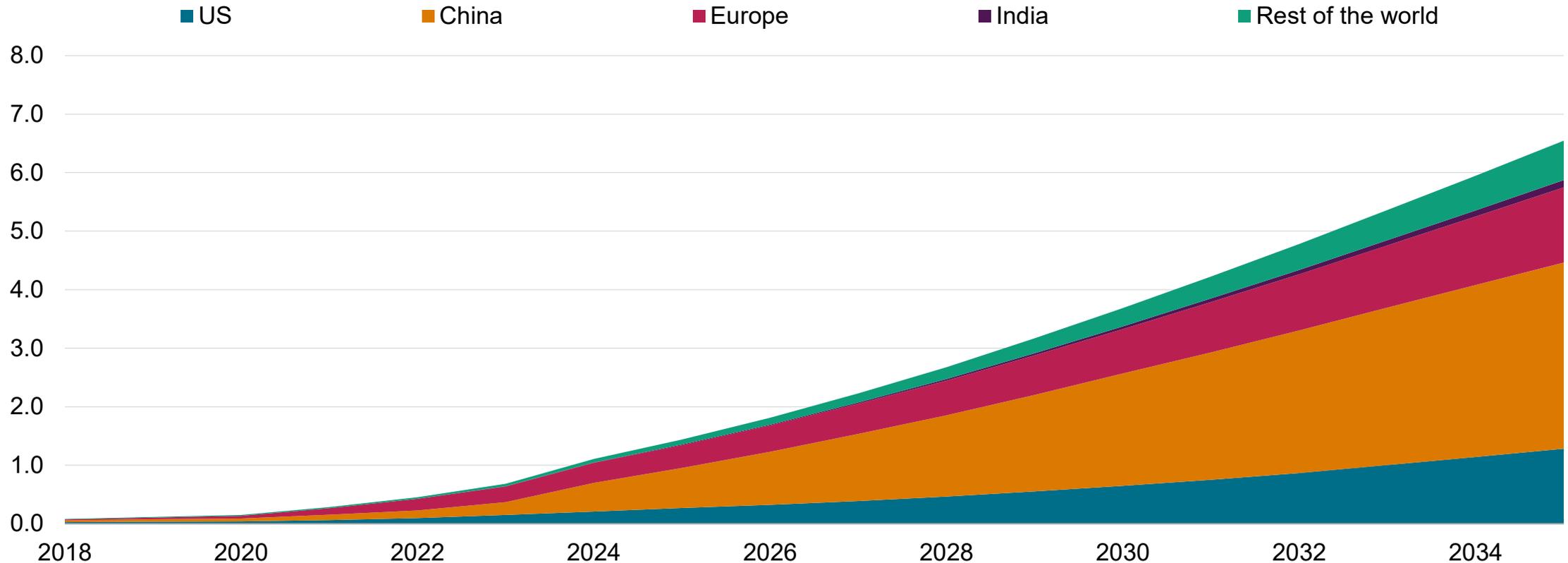
Total refined product demand 2050-2024 (million b/d)



Data compiled April 2025.
Source: S&P Global Commodity Insights

US EVs displaced 250,000 b/d of oil in 2025 and forecast to grow; Notable impact is from China

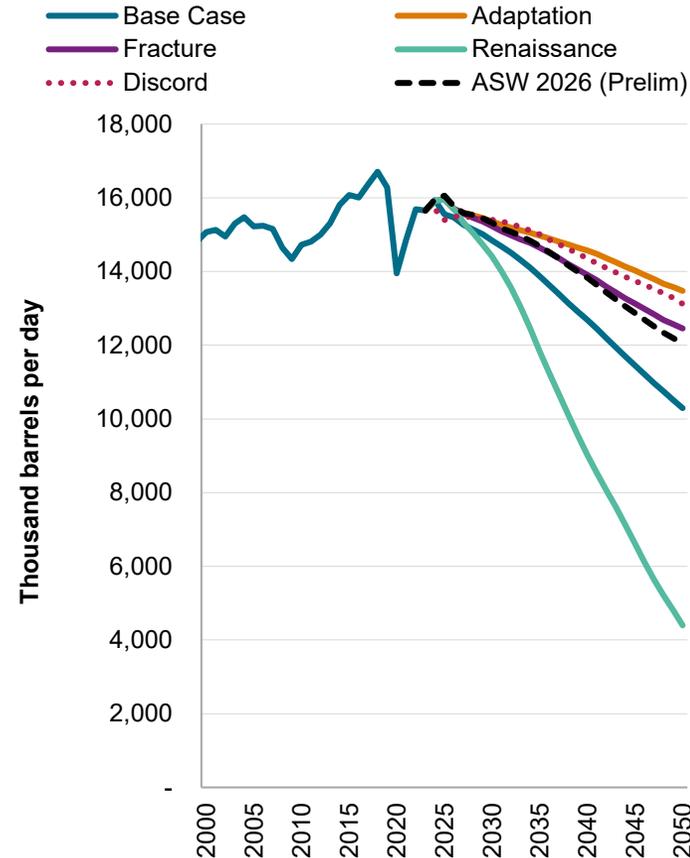
Indicative global oil demand displaced by light BEVs and PHEVs (million b/d)



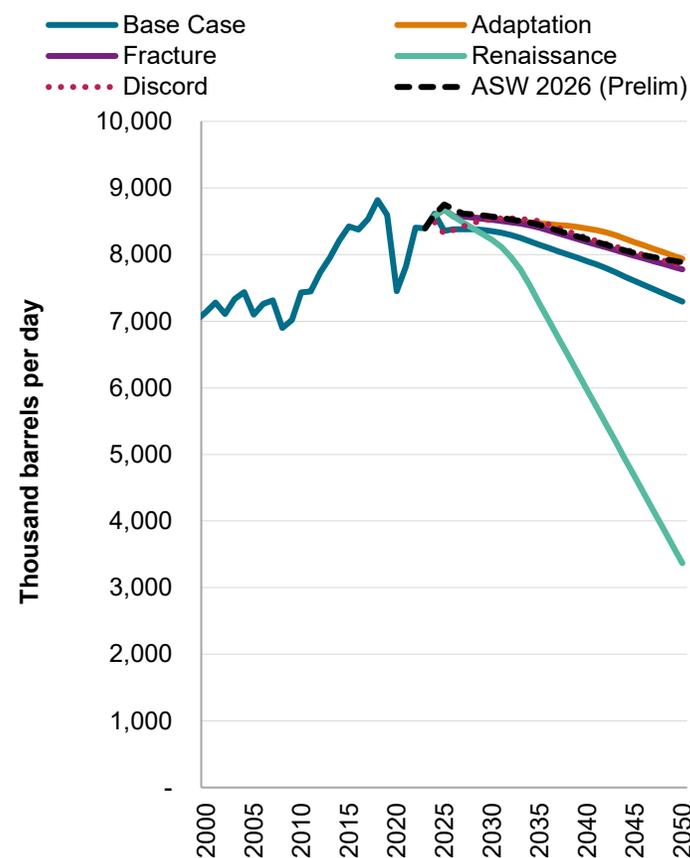
Data compiled Dec. 18, 2025.
Oil includes gasoline and diesel.
Sources: S&P Global Energy; S&P Global Mobility.

Even with slower transition policies in Adaptation and Fracture scenarios, refining capacity rationalization is still on the horizon

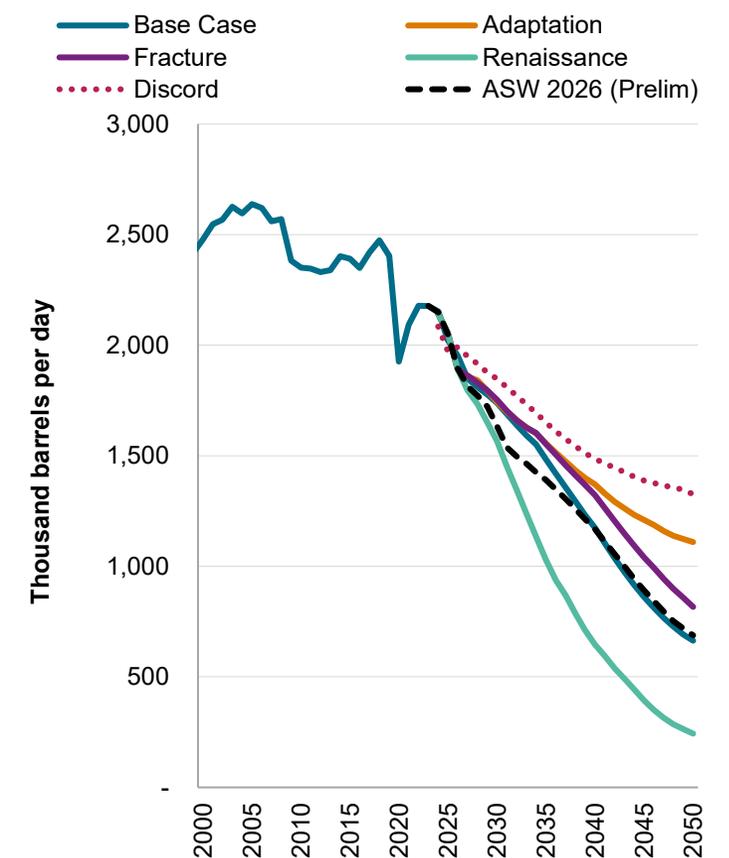
US crude runs scenarios



PADD 3 crude runs scenarios



PADD 5 crude runs scenarios

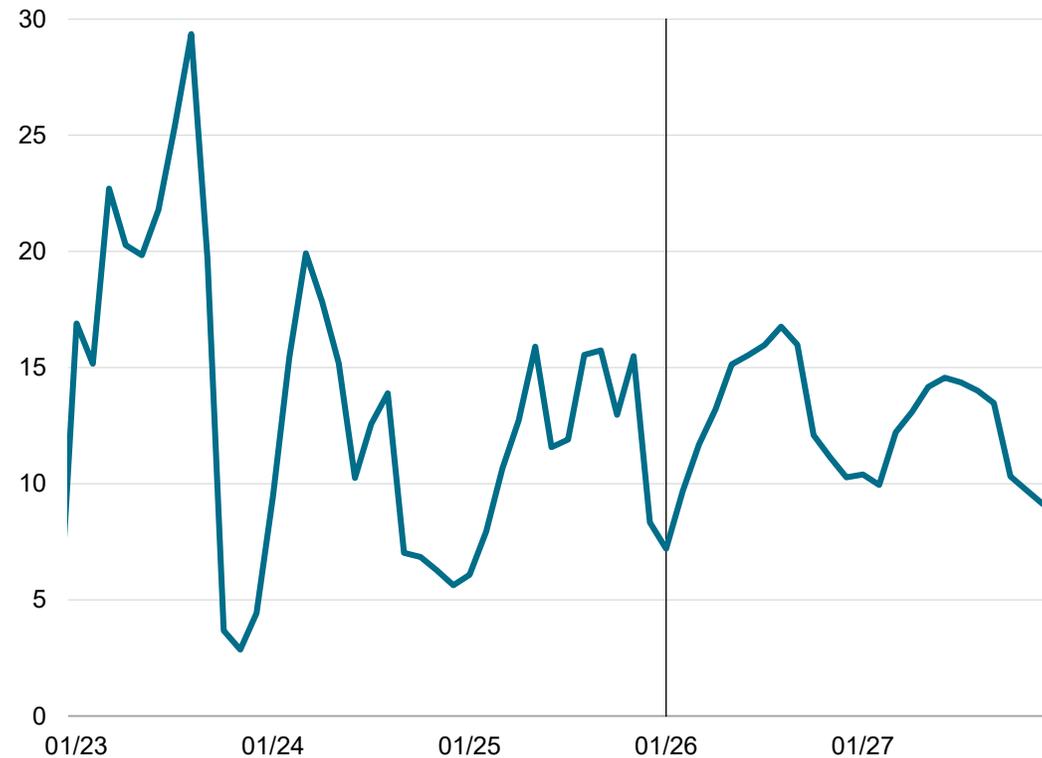


Source: S&P Global Energy.
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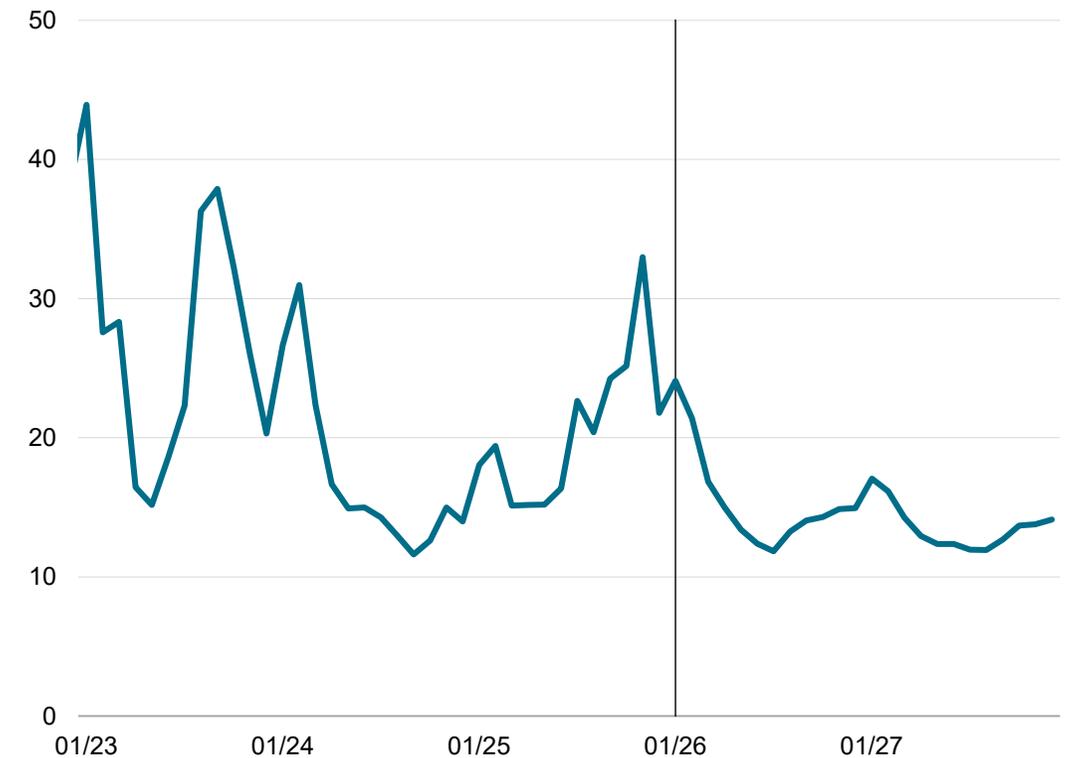
Refining profitability | Gasoline cracks stable in 2026, before sliding in 2027

Gasoil cracks supported by risk despite weaker fundamentals

USGC Gasoline crack spreads to crude (\$/b, excl. RIN)



USGC diesel crack spreads to crude (\$/b, excl. RIN)



Data compiled January 2026.
excl. = excluding; RIN = renewable identification number.
USGC crude reference is Light Louisiana Sweet (LLS),
Source: S&P Global Energy.

Key takeaways

- The global oil market still faces sizeable surpluses in 2026 and we expect prices to drift lower
- Watch developments in key geopolitical arenas: impact of sanctions on Russia, US-Iran hostilities, Chinese stockpiling, Trump’s weaponizing of “geoeconomics”
- Oil demand is summation of varied markets, so expect an “undulating plateau” – periods of growth followed declines without a clear up/down trend
- On refining, keep a close eye on Dangote (Nigeria) refinery operations

Contact us

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The 2025 scenarios all build forward from the mid-2020's marked global increase in volatility and fragmentation of international relationships and trade

Commodity Insights Energy and Climate Scenarios and net-zero cases: Overview

CI Base Case 2025 (ASW 2025)

The Commodity Insights base case view of the energy future. A world attempting to manage the instability and uncertainty of the early- to mid-2020s and facilitate an energy transition that conclusively pivots the global energy system away from fossil fuels, while still meeting the growing energy needs of developed and emerging economies alike. In this effort, the world is not entirely unsuccessful: the energy system of 2060 is far less reliant on fossil fuels than in 2025, and GHG emissions have seen decades of sustained decline, although the energy transition is far from complete.

Adaptation

Balancing fossil-fuel-powered economic growth against heightened global warming. Countries pivot toward strategies that emphasize adaptation to climate change via stronger, more resilient economies over emissions mitigation. This pragmatic focus on economic growth underpins robust energy consumption and resilient demand for fossil fuels, especially oil and gas, through the long term. Adaptation positions the benefits of a faster-growing global economy in the near to medium term against the risks of accelerated climate change in the longer term.

Fracture

Accelerated technological progress in a weak policy and governance environment. Rapid technological advancements, but also complex governance issues, and significant shifts in global energy dynamics as some markets decarbonize very rapidly, while others lag. The combination of poor governance and accelerated technological progress has profound implications for geopolitics and economics, as well as environmental issues such as climate change, creating a complex and often difficult future for energy markets and society at large.

Renaissance

Emerging markets play a key role in driving a late but accelerated energy transition. Profound shifts in the global balance of power, resulting in a more multipolar geopolitical landscape that is marked by a faster-than-expected rise of key EMDEs, which play a significant role in driving strong global economic growth and a more accelerated pathway of clean energy technology (CET) across the world.

Net-Zero 2050 case

Net-Zero 2050

Illustrating a speculative and challenging path to global net-zero GHG emissions by 2050.

Commodity Insights considers a country or region to have effectively reached "net-zero" emissions once GHG emissions have fallen to less than 1% of their 2024 level and remain at that level over the course of a year.
Source: S&P Global Commodity Insights.

The 2025 outlooks represent a broad range of global outcomes for total energy demand, fossil fuel consumption and emissions

Commodity Insights Energy and Climate Scenarios and net-zero cases: Key metrics

	Global GDP (CAGR 2024–60)	2060 TPED (change vs. 2024)	2060 fossil fuel percent of TPED	GHG emissions (change vs. 2024)	Global temperature (estimated change by 2100)
CI Base Case 2025	2.4%	+17%	52%	-31%	2.5°C
Adaptation	2.8%	+32%	64%	+1%	3.2°C
Fracture	2.0%	+3%	53%	-29%	2.5°C
Renaissance	2.8%	-3%	32%	-71%	1.9°C

Net-Zero 2050 case					
Net-Zero 2050	2.7%	-18%	15%	-107%	1.5°C

Data compiled July 2025.

CAGR = compound annual growth rate; TPED = total primary energy demand.

Source: S&P Global Commodity Insights.

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