

Monitoring of OPEC quotas

Well-supplied oil market in 2026

HCOB Economics

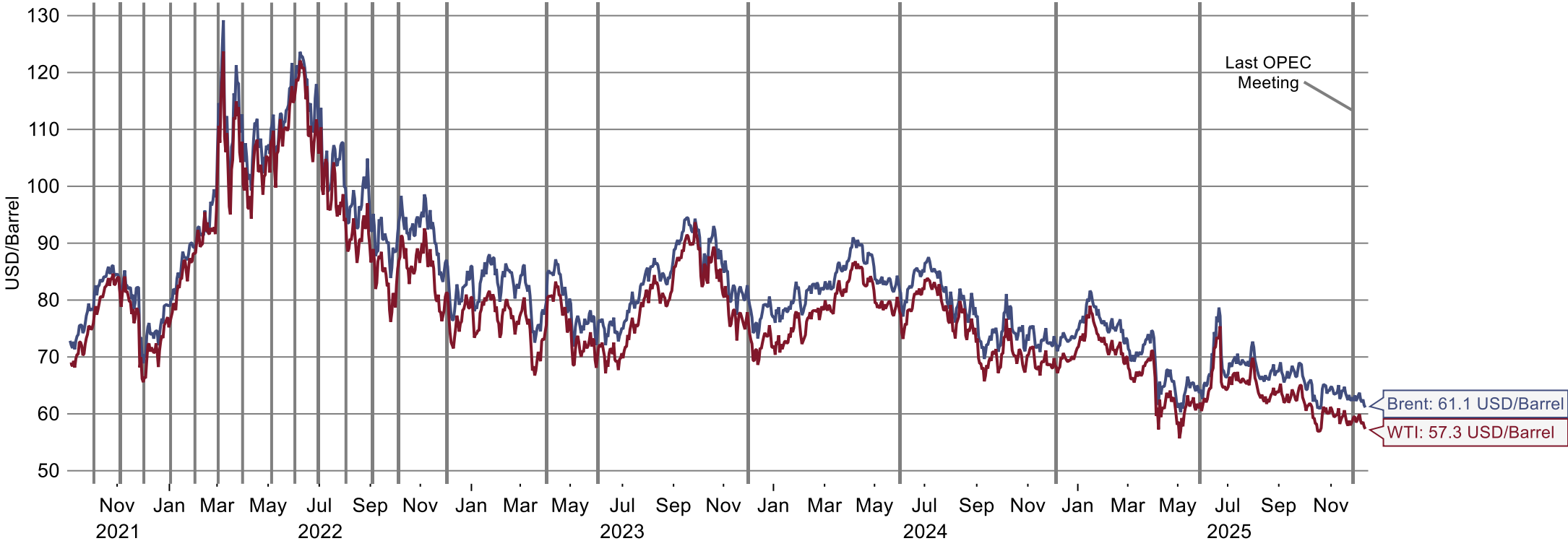
December 15, 2025

Executive Summary: Well-supplied oil market in 2026

- On November 30, the 40th OPEC+ ministerial meeting took place. The OPEC Secretariat was tasked with developing a new mechanism for assessing each member's maximum production capacity. This will serve as a reference for production quotas from 2027 onwards. It was also decided to maintain the existing production quotas unchanged until the end of 2026.
- The official quotas for 2026 total 39.725 million barrels per day, according to the Declaration of Cooperation. However, they do not take into account voluntary additional cuts by individual countries or compensation measures for previous overproduction. Taking these factors into account, the actual quotas are likely to average around 38.1 million barrels per day. In particular, the voluntary cuts by Saudi Arabia and Russia (together 0.75 million barrels per day) that have not yet been withdrawn, as well as the compensation measures to be implemented by the end of the first half of 2026 (around 0.7 million barrels per day), are likely to push the total quota down.
- Also on November 30, a subgroup of eight key OPEC+ members, including Saudi Arabia, Iraq, the United Arab Emirates, and Russia, met. These countries had been implementing voluntary production cuts since April 2023, which they have been phasing out since April 2025. They have now reaffirmed the decision already taken on November 2 to continue the pause in further production increases until the first quarter of 2026. This will further slow the return of additional volumes to the market, after around 2.2 million barrels per day had already been released since April 2025. The next meeting of these eight countries is scheduled for January 4, 2026.
- Regardless of whether OPEC+ will expand its production again, we expect production volumes to rise in 2026, primarily from non-OPEC producers such as the US, Brazil, and Guyana, which should keep the global oil market well supplied overall. Our baseline forecast for oil prices is therefore rather bearish: after an average Brent price of around USD 68/barrel in 2025, we expect a decline to around USD 60/barrel in 2026.
- In November, OPEC+'s total production amounted to around 37.63 million barrels per day. Of this, around 23.04 million barrels per day were accounted for by OPEC-9 and a further 14.59 million barrels per day by partner countries.
- The next regular meeting of OPEC+ with all member states is scheduled for June 7, 2026.

An increase in oil supply from the US and other non-OPEC countries is expected. The oversupply in the oil market is likely to weigh on prices in 2026.

Oil price, Brent und WTI, US-Dollar/Barrel (lines indicate the OPEC/OPEC+ meetings)



Source: Macrobond, HCOB Economics, Intercontinental Exchange (ICE)

Bearish outlook: After an average price of around \$68/barrel in 2025, Brent is expected to fall to \$60/barrel in 2026, according to our baseline forecast.

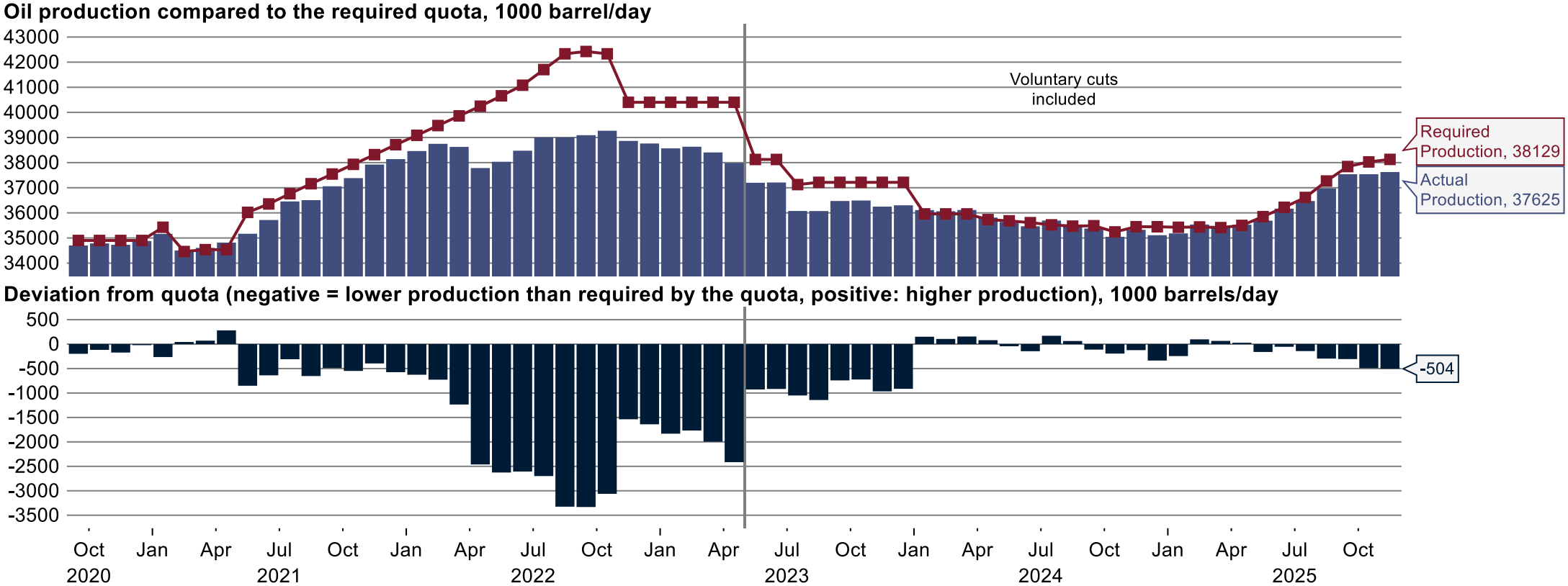
December 2025	Forecasts, Brent crude oil price, USD per barrel				
	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4
HCOB baseline	60	55	60	60	65
HCOB VAR	63	62	62	62	62
HCOB OECD inventories					
<i>Scenario 1: Drill, baby, drill</i>	63	61	58	55	52
<i>Scenario 2: Stagnation</i>	63	63	63	62	62
<i>Scenario 3: Decline</i>	64	64	67	70	73
Oil futures	63	61	61	61	61
EIA	63	55	54	55	56
Analysts' consensus	63	61	61	62	62

Source: HCOB Economics, U.S. Energy Information Administration (EIA), Intercontinental Exchange (ICE), Baker Hughes, Bloomberg

The table above presents an overview of a range of forecasts, including in-house forecasts based on different models as well as forecasts from external sources.

- **HCOB baseline:** The oil price outlook HCOB Economics considers the most likely, judgmental forecast.
- **HCOB VAR:** Vector Autoregression (VAR) model that captures the relationship between multiple time series (e.g., oil price, oil supply, oil consumption, etc.).
- **HCOB OECD inventories:** Forecasts based on inventory data from the OECD, considering four scenarios. Scenario 1 (Drill, baby, drill) assumes increased drilling activity and therefore higher inventories, scenario 2 (Stagnation) assumes stagnating OECD inventories, while scenario 3 (Decline) assumes declining OECD inventories. Note that, generally, there is an inverse relationship between OECD inventories and oil prices. An increase in OECD inventories typically indicates an oversupply of oil, as excess production is absorbed into storage. This surplus supply can put downward pressure on oil prices. Conversely, declining inventories suggest tighter market conditions, which can drive prices higher.
- **Oil futures:** Projections based on the forward curve from the oil futures market data from ICE (1st to 24th position).
- **EIA:** Forecasts from the U.S. Energy Information Administration.
- **Analysts' consensus:** Bloomberg survey of crude oil prices, average over multiple analysts' forecasts.

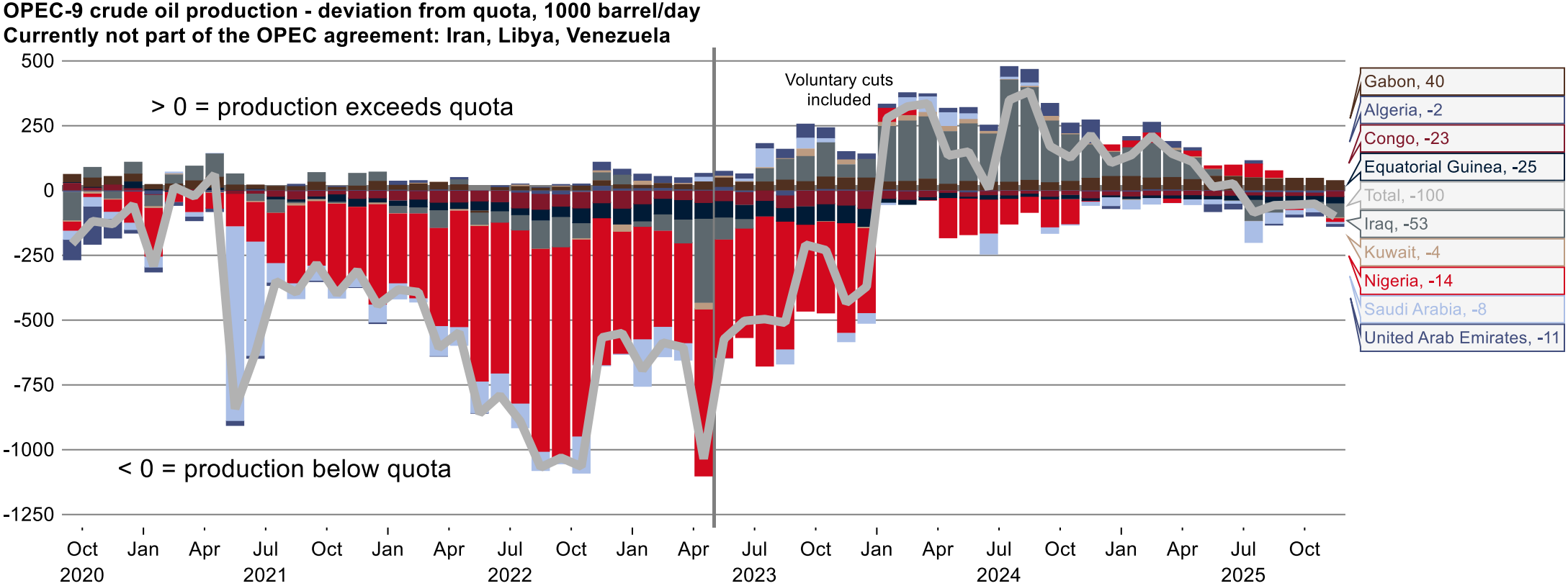
OPEC+ plans to keep its production volumes constant in Q1 2026 for the time being. It is unclear whether it will implement further increases after that.



Source: Macrobond, HCOB Economics, S&P Global Platts, IEA, OPEC

Note: Voluntary crude production cuts are **included** in the required production target from May 2023 onwards. OPEC+ countries that currently implement voluntary cuts are Saudi Arabia, Russia, Iraq, UAE, Kuwait, Kazakhstan, Algeria, and Oman. Also note that Saudi Arabia, Russia, Iraq, UAE, Kuwait, Kazakhstan, and Oman have submitted “compensation plans” to make up for past surplus volumes.

Compliance by OPEC-9: Saudi Arabia is currently implementing voluntary production cuts of 0.375 million barrels per day.

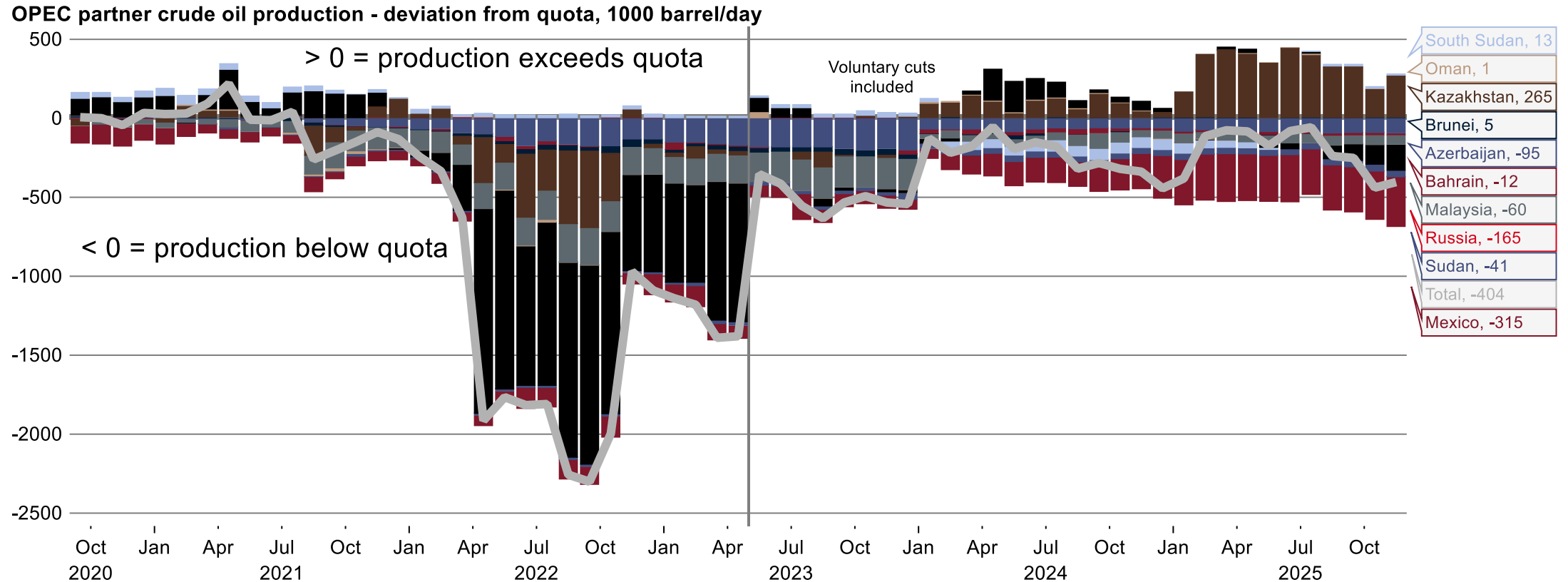


Source: Macrobond, HCOB Economics, Bloomberg, S&P Global Platts, OPEC

Note: Voluntary crude production cuts are **included** in the required production target from May 2023 onwards. OPEC-9 countries that currently implement voluntary cuts are Saudi Arabia, Iraq, UAE, Kuwait, and Algeria.



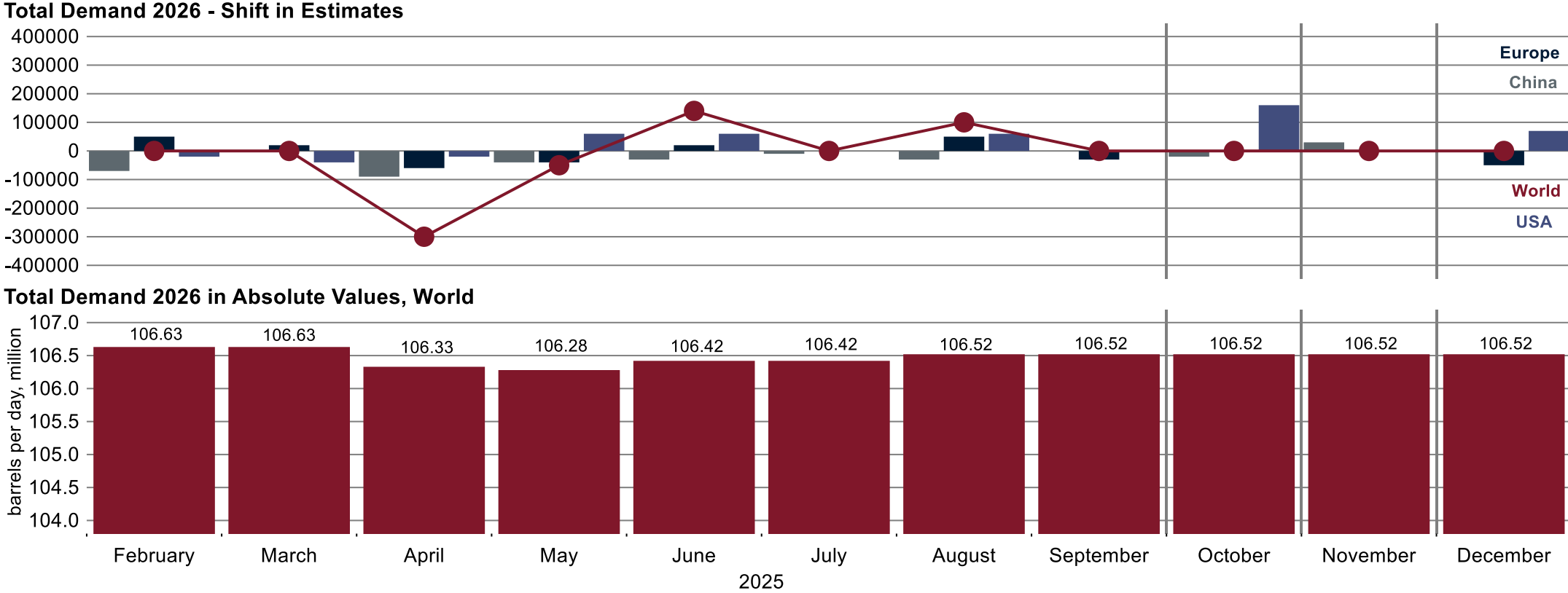
Compliance by OPEC partners: According to compensation plans, Kazakhstan is expected to implement cuts of up to 0.669 million barrels per day in 2026.



Source: Macrobond, HCOB Economics, S&P Global Platts, IEA

Note: Voluntary crude production cuts are **included** in the required production target from May 2023 onwards. OPEC partner countries that currently implement voluntary cuts are Russia, Kazakhstan, and Oman.

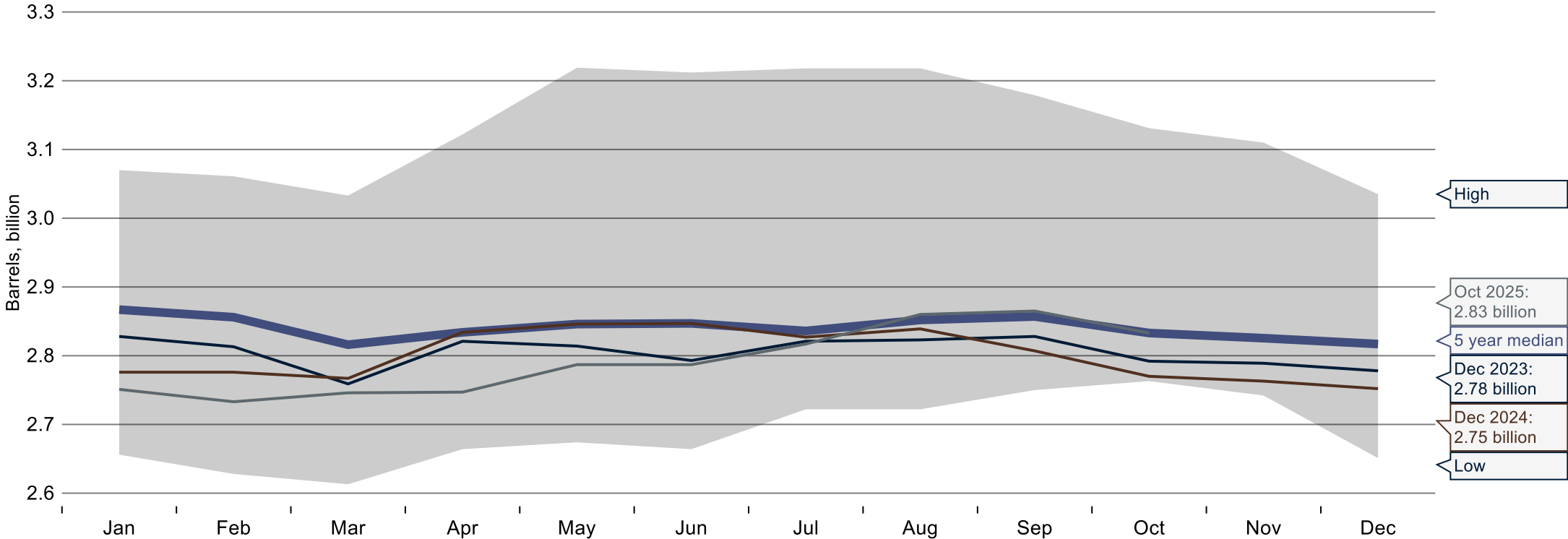
Oil demand forecast: Since August 2025, OPEC has maintained its forecast of global oil demand at 106.52 million barrels per day for 2026.



Source: Macrobond, HCOB Economics, OPEC

OECD inventories: Inventories have been back at the five-year median since August 2025.

Oil inventories (crude and products) of OECD countries according to the data of OPEC, most recent development and five year average



Source: Macrobond, HCOB Economics, OPEC

Background: OPEC countries and OPEC partners

OPEC-9

- Algeria*
- Congo
- Equatorial Guinea
- Gabon
- Iraq*
- Kuwait*
- Nigeria
- Saudi Arabia*
- United Arab Emirates*

Excluded from the agreement due to political difficulties:

- Libya
- Iran
- Venezuela

OPEC partners

- Azerbaijan
- Bahrain
- Brunei
- Kazakhstan*
- Malaysia
- Mexico
- Oman*
- Russia*
- Sudan
- South Sudan

*Note: These OPEC countries currently implement voluntary cuts.

OPEC decisions (I)

- **December 5, 2024**
 - OPEC+ announces that it will gradually phase out its voluntary production cuts starting in April 2025, aiming to return to its pre-cut production level by October 2026. At its 38th Ministerial Conference, OPEC+ decides on its production quotas for 2025 and 2026. These “real” production quotas, without taking voluntary cuts into account, are to amount to 39.725 million barrels per day.
- **March 20, 2025**
 - Saudi Arabia, Russia, Iraq, the United Arab Emirates, Kuwait, Kazakhstan and Oman present revised compensation plans for their past overproduction.
- **April 3, 2025**
 - Saudi Arabia, Russia, Iraq, the United Arab Emirates, Kuwait, Kazakhstan and Oman have announced production quotas for May 2025. The countries have also agreed to hold monthly meetings to better monitor the market.
- **May 3, 2025**
 - The eight OPEC countries that previously implemented voluntary cuts are publishing their production quotas for June 2025. These correspond to the quotas originally planned for October 2025 in the easing plan. Overall, these countries plan to produce around 411,000 barrels per day more in June than in May.
- **May 28, 2025**
 - OPEC+ holds its 39th Ministerial Conference and confirms that it will adhere to the production quotas for 2026 agreed at the 38th Ministerial Conference.
- **May 31, 2025**
 - The eight OPEC countries that previously voluntarily cut their production are announcing their production quotas for July 2025. These correspond to the quotas originally planned for January 2026. Production is expected to increase by around 411,000 barrels per day compared to June.

OPEC decisions (II)

- **July 3, 2025**
 - The eight OPEC countries that previously voluntarily cut their production announce their production quotas for August 2025. An increase of around 548,000 barrels per day is planned compared to July.
- **August 3, 2025**
 - The eight OPEC countries that previously voluntarily cut their production have decided on their production quotas for September 2025. Production is set to increase by around 547,000 barrels per day compared to August.
- **September 7, 2025**
 - The eight OPEC countries that previously voluntarily cut their production are announcing their production quotas for October 2025. Compared to September, an increase of around 137,000 barrels per day is planned.
- **September 8, 2025**
 - Russia, Iraq, the United Arab Emirates, Kuwait, Kazakhstan, Algeria, and Oman present revised compensation plans for their past overproduction.
- **October 1, 2025**
 - Russia, Iraq, the United Arab Emirates, Kuwait, Kazakhstan, and Oman submit revised compensation plans for their past overproduction.
- **October 5, 2025**
 - The eight OPEC countries that previously voluntarily cut their production announce their production quotas for November 2025. Production is expected to increase by around 137,000 barrels per day compared to October.
- **November 2, 2025**
 - The eight OPEC countries that previously voluntarily cut their production announce their production quotas for December 2025. Production is set to increase by around 137,000 barrels per day compared to October. These countries also decided to suspend production increases in January, February, and March 2026.

OPEC decisions (III)

- **November 30, 2025**
 - The 40th OPEC+ Ministerial Meeting took place. The participating countries reaffirmed their joint commitment to keeping the oil market stable. The OPEC Secretariat was tasked with developing a new mechanism for assessing each member's maximum production capacity. This will serve as a reference for production quotas from 2027 onwards. It was also decided to keep the existing production quotas unchanged until the end of 2026.
- **November 30, 2025**
 - The eight OPEC countries that had previously voluntarily cut their production reaffirmed the decision already made on November 2 to continue the pause in further production increases until the first quarter of 2026.

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