Catalyst for success

Oil Market Report

Deal Advisory

Q2 2025

Oil price forecasts

August 2025

Q2 2025 Oil Market Report synopsis

Q2 2025 included two major geopolitical events that could have triggered extreme moves in the Brent oil price, but didn't. The first was President Trump's "Liberation Day" 2 April announcement on extensive global tariffs. The second was the Twelve-Day War that began on 13 June between Israel and Iran. Each of these events did cause the oil price to rise, however, neither increase was extreme or sustained.

The reaction to these events signalled that the market believes that a strong supply of crude coming into the market can outweigh the security of supply risk caused by these events, thus dampening oil prices.

Tenet's analysis of the global oil market sees the following as being critical oil market drivers.

Global economic growth uncertainties and trade frictions

Economic slowdown in certain, traditionally strong, economies (such as the EU) played a role in tempering demand. Escalating tariffs of a certain magnitude and uncertainty around global growth dampened oil price recovery in the quarter.

A Reuters poll suggested that, although geopolitical tensions provided support, concerns over rising supply and faltering demand kept Brent crude near US$68 per barrel.

Meanwhile, the diverging oil market outlooks between the IEA and OPEC continue to be significant and the subject of debate.

Supply-demand balance and inventory build

Global supply grew robustly during Q2. The IEA reported that six months into 2025 oil inventories were building at approximately 1.5 million barrels per day, sustained by strong output, both from OPEC+ and non-OPEC producers.

By June, OECD inventories stood at near decade-lows, but global (non-OECD and "on-water") stocks surged, mitigating upward price pressures.

OPEC+ production decisions and market sentiment

Global supply grew robustly during Q2. The IEA reported that six months into 2025 oil inventories were building at approximately 1.5 million barrels per day, sustained by strong output, both from OPEC+ and non-OPEC producers.

By June, OECD inventories stood at near decade-lows, but global (non-OECD and "on-water") stocks surged, mitigating upward price pressures.

Q2 2025 Oil Market Report synopsis

Global economic growth uncertainties and trade frictions

Economic slowdown in certain, traditionally strong, economies (such as the EU) played a role in tempering demand. Escalating tariffs of a certain magnitude and uncertainty around global growth dampened oil price recovery in the quarter.

A Reuters poll suggested that, although geopolitical tensions provided support, concerns over rising supply and faltering demand kept Brent crude near US$68 per barrel.

Meanwhile, the diverging oil market outlooks between the IEA and OPEC continue to be significant and the subject of debate.

IEA outlook

The IEA revised its demand growth outlook downwards:

- 2025: only ~680–720 kb/d growth (~0.68 million barrels per day)
- 2026: another ~700 kb/d increase

The IEA scenario envisages supply significantly outpacing demand, pointing to an inflation-reducing oversupply and subdued demand from OECD economies.

OPEC outlook

OPEC was again much more bullish:

- The 2025 demand outlook remained higher than the IEA's (but was not quantified in their latest report).
- For 2026 OPEC upgraded its demand growth forecast to 1.38 mb/d, almost double the IEA’s projection.

OPEC’s scenario is based on a more optimistic economic backdrop, factors in better-than-expected resilience in India, China, and Brazil, and forecasts a slower ramp-up in the supply of rival producers.

Q2 2025 Oil Market Report synopsis

Tenet's outlook

Tenet has been following the diverging IEA and OPEC outlooks very closely; choosing the more correct of the two is perhaps the single biggest factor in determining the outcome of strategic investment decisions recommended to and taken by our clients.

One of our preferred indicators for determining which is the most accepted outlook is the level of global M&A activity. This is a "follow-the-money" approach. Activity in this area remains robust: out of many significant M&A events seen in Q2, three to note are:

1. The ADNOC/XRG offer to purchase Santos the Australian gas company for US$19 billion, to grow their international gas/LNG footprint.
2. The US$14 billion acquisition of Chart Industries by Baker Hughes to expand their capabilities into midstream and downstream gas/LNG sectors.
3. US onshore M&A continues at a healthy pace, amounting to US$13.5 billion for Q2, with much of the activity focused on the Permian Basin, now the world's largest single producing region (ahead of the Saudi Ghawar oil field).

The global industry clearly sees oil prices staying at a reasonable level of US$65-75/bbl Brent. This results in a continued focus on reserves and production growth in core areas, optimising portfolio efficiencies by selling down or out of non-core assets, and seeking economy-of-scale effects via operating partnerships (such as those executed by ENI-BP in Angola or Repsol-Neo, even in the much-maligned UK North Sea investment climate). These long-term acquisition investments indicate that the industry believes peak oil and gas production stretches well out into the future, thus aligning with the OPEC outlook. The industry and OPEC may also be expecting strong BRICS+ economic growth, which would outweigh the weak economic growth of OECD countries, such as those in the EU.

Tenet's expanding M&A geographic coverage into US onshore

Much has changed since the US shale boom started to accelerate US onshore oil production in 2009. The following important points can be recognised:

- the US is now the global leader in crude oil production
- an improved US O&G investment climate
- a trend of major O&G companies selling off non-core assets, particularly in the US, many of which are still economically attractive, creates opportunities for small to mid-sized companies and investors

Tenet is expanding its M&A coverage into US onshore, particularly in Texas, Oklahoma, New Mexico, Louisiana, and North Dakota. Parties interested in either operated or non-operated producing opportunities, with high economic returns, are invited to contact us for details.

Q2 Oil Market headlines

The Bottom Line

- The Brent oil price started Q2 2025 at US$74.49/bbl, and peaked at US$77.01 on June 20, before generally trending downward to end the quarter at US$67.61. The average Brent price for the quarter was US$68.01/bbl.
- For reference, the average Brent price for 2024 was US$80.53/bbl, vs US$82.49 for 2023, and US$20/bbl lower than the 2022 average of US$100.93/bbl.
- The average Brent price forecast for 2025 is US$69.10 and US$64.90 in 2026.
- The medium-term oil price forecast for the period from the end of 2026 to the start of 2030 is US$65.90.
- Beyond 2030, the average Brent price is forecast at US$68.60/bbl.

Key takeaways

01

The global annual growth rate for oil demand slowed, due to macroeconomic uncertainty and restrictions on international trade, as well as a renewed escalation of the conflict in the Middle East. However, in quarterly terms, against the background of seasonal factors in Q2 2025, oil demand rose by 0.5 million bbl/d (EIA data).

Based on 2025–2026 results, a rise in oil demand is expected, however, estimates for this increase vary among IEA, EIA, and OPEC analysts.

Based on IEA and OPEC forecasts, demand for oil up until 2030 will be supported by the petrochemical industry and air transport. Analysts differ on the dynamics of consumption in the automotive sector. The IEA projects demand for gasoline to decline as early as 2026, while OPEC forecasts growth in oil consumption in the automotive sector, even in the long term, despite an increase in the number of electric vehicles.

02

According to EIA estimates, the oil supply increased by 1.1 million bbl/d in Q2 2025, reaching 104.5 million bbl/d, mainly due to active production growth from OPEC+ countries and the US.

OPEC+ is rapidly ramping up production, returning most volumes previously subject to additional voluntary cuts to the market. A decision has already been made to increase the permitted production level in August by 548,000 bbl/d, and, if a similar decision is made for September, the lifting of voluntary cuts will be completed a whole year ahead of the original schedule.

The rise in OPEC+ production, combined with greater production levels in countries outside the alliance, will lead to an increase in the oil supply on the market in 2025 by 1.8–2.1 million bbl/d, according to estimates by the EIA and the IEA. In 2026 supply growth will slow to 1.1-1.3 million bbl/d.

03

Based on EIA data, in Q2 2025 the oil market had a surplus of 1.3 million bbl/d.

EIA and IEA forecasts suggest that the oil market surplus will remain stable or even grow in 2025–2026, leading to an increase in global oil reserves, which will put pressure on prices amid slow demand growth. OPEC believes these forecasts to be too pessimistic and expects demand to strengthen and for the market to balance in H2 2025.

04

On average, in Q2 2025 the price of Brent crude fell by 10.3% compared to Q1 2025. From early April to mid-June, oil prices declined due to increased OPEC+ production and restrictions on international trade. An escalation in the conflict in the Middle East in June led to a short-term rise in oil prices, however, after the ceasefire prices stabilised.

Oil price dynamics in the short term will largely depend on the geopolitical situation, the trade policies of the US and its partners, as well as demand dynamics and the presence or absence of a surplus.

The current long-term (post 2029) consensus forecast for the Brent oil price is USD 69/bbl, in real terms, in 2025 prices, which is slightly lower than the 2024 forecast of USD 71/bbl.

Against a backdrop of trade barriers announced in Q2 2025, OECD analysts have lowered their global GDP growth forecasts

Global economy

According to OECD estimates, recent months have seen a noticeable increase in trade barriers and heightened uncertainty over economic and trade policy, which is having a negative impact on business activity and putting pressure on the global economy.

OECD analysts have revised their global GDP forecasts, down from 3.1% to 2.9% in 2025 and from 3.0% to 2.9% in 2026. The main factors behind the downgrade are:

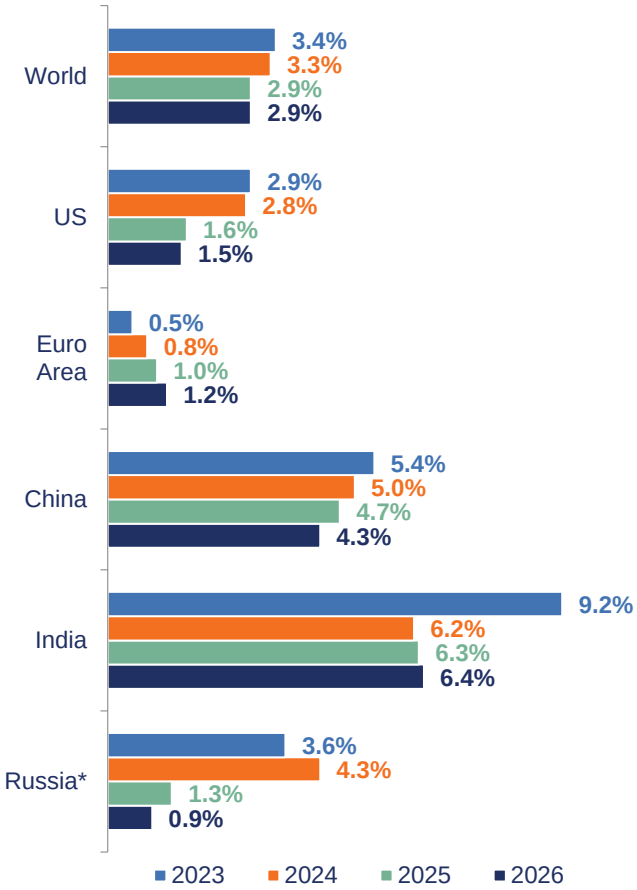
- a rise in protectionism and the introduction of new trade restrictions from the US
- a decline in business and consumer confidence
- slowing trade and investment growth
- sustained inflationary pressure, including against a backdrop of rising prices for services and food

Based on OECD estimates, the slowdown in real GDP will be evident in virtually all countries around the world. However, the sharpest slowdown in real GDP growth is expected in the US (forecast lowered from 2.2% to 1.6% in 2025), as a result of higher import duties and retaliatory measures by US trading partners, uncertainty over economic policy, and a decline in foreign labour. The OECD forecasts inflation in the US to accelerate to 3.9% by the end of 2025, with a gradual slowdown in 2026.

The OECD has stuck with its forecast for moderate GDP growth in the Eurozone. According to OECD estimates, heightened trade tensions will be offset by continued spending from NextGenerationEU funds, a stable labour market, and an easing in lending conditions.

The OECD forecasts a slowdown in real GDP growth in China, due to high savings rates and subdued domestic demand, uneven investment activity, and increased trade barriers between China and the US. At the same time, internal budgetary and tax incentives, including an expansion of subsidy programmes and a rise in social payments, will to some extent stimulate demand.

Real GDP growth dynamics, 2023–2026, %



Source: OECD (June 2025)

Note: (*) The OECD June 2025 review does not provide a separate forecast for Russian GDP, hence the March 2025 forecast is given for Russia.

In India, according to OECD forecasts, real GDP growth will remain steady, supported by private consumption and investment activity. A driver of consumption growth will be a rise in real incomes as a result of moderate inflation, tax cuts, and a strengthening labour market. Investment activity will be stimulated by lower interest rates and government spending, however, higher export duties imposed by the US may put pressure on exports.

Oil demand growth in Q2 2025 slowed, due to macroeconomic uncertainty and trade restrictions

Oil demand – estimates of actual indicators for Q2 2025

Based on EIA estimates, global oil demand in Q2 2025 rose to 103.2 million bbl/d, an increase of 1.0 million bbl/d compared to Q1 2025, partially due to seasonal factors. China (+ 0.3 million bbl/d) and India (+ 0.1 million bbl/d) became growth regions, while demand in the US dipped (- 0.1 million bbl/d).

OPEC, in contrast, believes that oil demand in Q2 2025 declined slightly, mainly on account of China and African countries.

The IEA also forecasts a decline in oil demand from China and sees a decline in consumption in other countries affected by tighter trade restrictions, including Japan, Korea, the US, and Mexico.

Despite the contradictory estimates of analysts regarding quarterly changes in oil demand, they agree that the actual rate of demand growth in 2025 has declined:

Comparisons of demand growth for liquid hydrocarbons, Q/Q, mln bbl/d

	Q2 2024 vs Q1 2024	Q2 2025 vs Q1 2025
IEA	n.d.	n.d.
EIA	1.1	1.0
OPEC	0.2	-0.03

Short-term forecast for oil demand

The IEA puts oil consumption growth in 2025 at 0.70 million bbl/d, the lowest figure since 2009 (excluding the pandemic year of 2020). In 2026 demand growth will be held back by the challenging macroeconomic situation and a growing share of clean energy technologies, remaining at 0.72 million bbl/d.

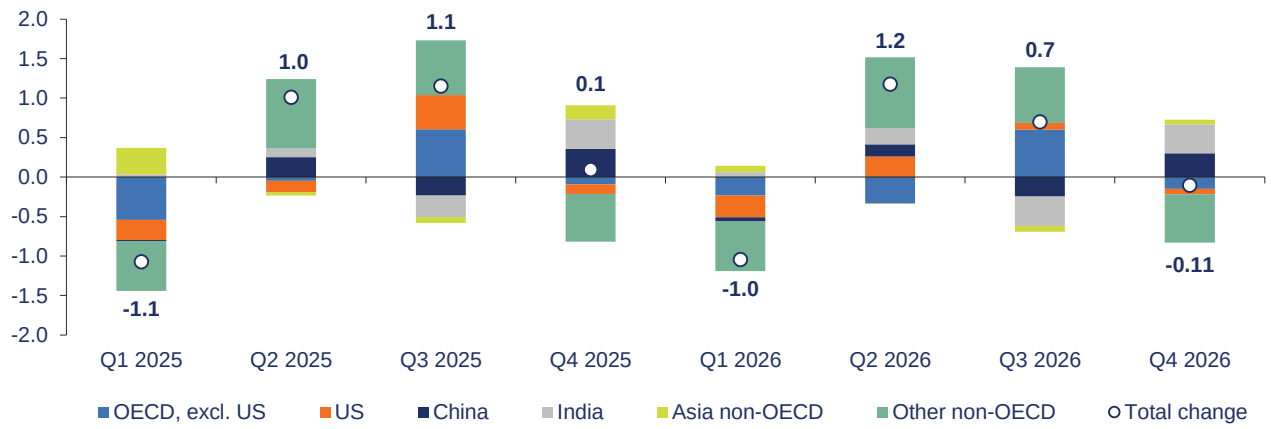
The EIA forecasts that global liquid fuel consumption will rise by 0.8 million bbl/d in 2025 and by 1.1 million bbl/d in 2026, driven by non-OECD countries, particularly in Asia.

OPEC gives the most optimistic forecast: it projects global oil demand growth to reach 1.3 million bbl/d by the end of 2025. OECD countries will account for around 0.14 million bbl/d, with demand from the US continuing to be the main growth driver. The remaining countries will account for approximately 1.16 million bbl/d, due to greater oil consumption in Southeast Asian countries, China, and India.

Based on OPEC estimates, global demand for oil in 2025 will be supported by high demand for aviation fuel and steady demand for gasoline for transportation purposes. The consumption of raw materials for petrochemicals (LPG and naphtha) is expected to rise amid growing refining capacity in China and the Middle East.

OPEC has maintained its forecast for oil demand growth, at 1.3 million bbl/d for 2026. Demand for fuel and petrochemical raw materials will remain the main growth drivers.

Changes in liquid hydrocarbons demand by region and country, 2025–2026, Q/Q, mln bbl/d



Source: EIA
Note: LPG includes crude oil, LPG, biofuel, and other liquid hydrocarbons produced from APG.

The IEA is cautious about future oil demand and believes it will peak by the end of the decade; in contrast, OPEC contends demand will keep growing for the next 25 years

Long-term oil demand forecast

The IEA continues to take a conservative view vis-à-vis the outlook for global oil demand. Thus in its June forecast it did not significantly revise last year's forecast and expects global oil demand to peak at 105.6 million bbl/d by 2029, and then begin to decline. Peak oil demand by the end of the decade will be linked to a slowdown in global economic growth and an accelerated transition of transport and power generation to alternative fuels.

Although the IEA predicts that oil consumption will peak by the end of this decade, OPEC's July forecast does not expect oil demand to peak at any point during the entire forecast period up to 2050.

By 2030 the IEA forecasts that demand will reach 105.5 million bbl/d, while OPEC estimates it will be 7.4% higher, at 113.3 million bbl/d.

OPEC's more optimistic stance is driven by recent changes in the energy policies of leading countries (e.g. the US withdrawal from the Paris Climate Agreement) and a positive global economic outlook.

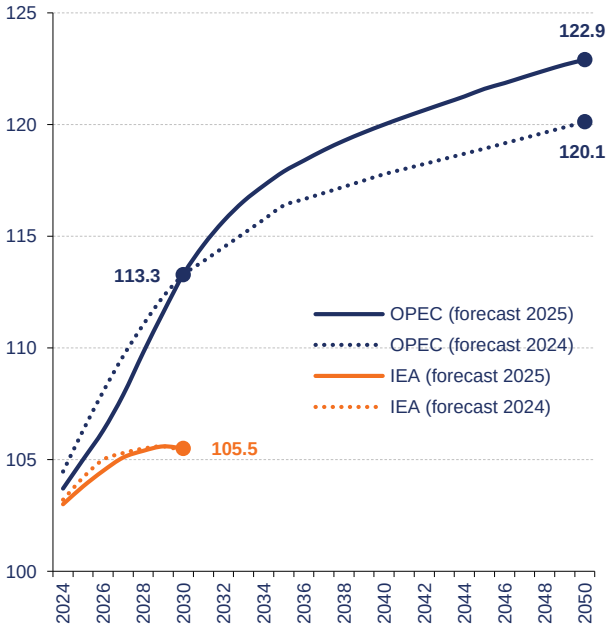
Regional oil demand

OPEC forecasts growth in oil demand in OECD countries (+ 1.0 million bbl/d) and in non-OECD countries (+ 8.6 million bbl/d); then, from 2030 to 2050, demand in OECD countries will begin to decline, while consumption in non-OECD countries will continue to grow.

The IEA expects that oil consumption by OECD countries, which recovered in 2023 after the Covid pandemic, will decline by 1.7 million bbl/d over 2024–2030 due to the energy transition and low economic activity.

According to IEA forecasts, China will reach peak oil consumption faster than the rest of the world – in 2027 – amid declining domestic demand for oil and growth in its electric vehicle fleet. OPEC analysts, on the other hand, anticipate steady growth in oil demand from China until 2030, followed by stable oil consumption in the country.

Comparison of long-term oil demand forecasts from OPEC and the IEA, mln bbl/d



Source: OPEC, IEA

According to OPEC estimates, India, other developing countries in Asia, the Middle East, and Africa will remain the key drivers of oil demand growth. Total demand in these regions could rise by 22.4 million bbl/d between 2024 and 2050.

The IEA similarly assesses India, other developing countries in Asia, and Africa as key growth regions in terms of oil demand, but it expects demand to decline in the Middle East.

Based on IEA forecasts, Saudi Arabia, which accounts for 40% of oil demand in the Middle East, is expected to see a decline in oil consumption amid a gradual shift away from its use in power generation and desalination plants, as well as the replacement of oil with natural gas and renewable energy sources (RES).

Despite diverging oil market forecasts, OPEC and IEA analysts concur that petrochemicals and air transport will be key drivers behind demand growth

Oil demand by product

The IEA gives a mixed forecast for the demand dynamics of petroleum products until 2030. It estimates that demand for petrochemical raw materials (naphtha, LPG, and ethane) will continue to be the main driver of oil demand.

In addition, the IEA forecasts modest growth in jet fuel consumption and stable demand for diesel fuel, as oil consumption in the aviation and maritime transport sectors cannot currently be electrified. Due to more stringent IMO standards, bunker fuel consumption (diesel fraction, etc.) is expected to rise, leading to a decline in fuel oil consumption.

According to IEA forecasts, demand for gasoline will begin to decline as early as 2026, falling by 1.0 million bbl/d by 2030, as internal combustion engine vehicles are replaced by electric and hybrid vehicles.

OPEC, in contrast, expects demand to grow until 2030 across all petroleum product groups. At the same time, the largest increase in demand is expected from the automotive sector (+ 2.9 million bbl/d), petrochemicals (+ 2.0 million bbl/d), and aviation (+ 1.4 million bbl/d).

At the same time, unlike the IEA, OPEC does not see a significant threat to internal combustion engine transport, even in the long term. It forecasts that between 2024 and 2050 the global vehicle fleet will grow from 1.7 to 2.9 billion units, with simultaneous accelerated growth in the electric vehicle fleet. Nevertheless, internal combustion engine vehicles will continue to dominate the vehicle fleet structure, accounting for around 72% by 2050.

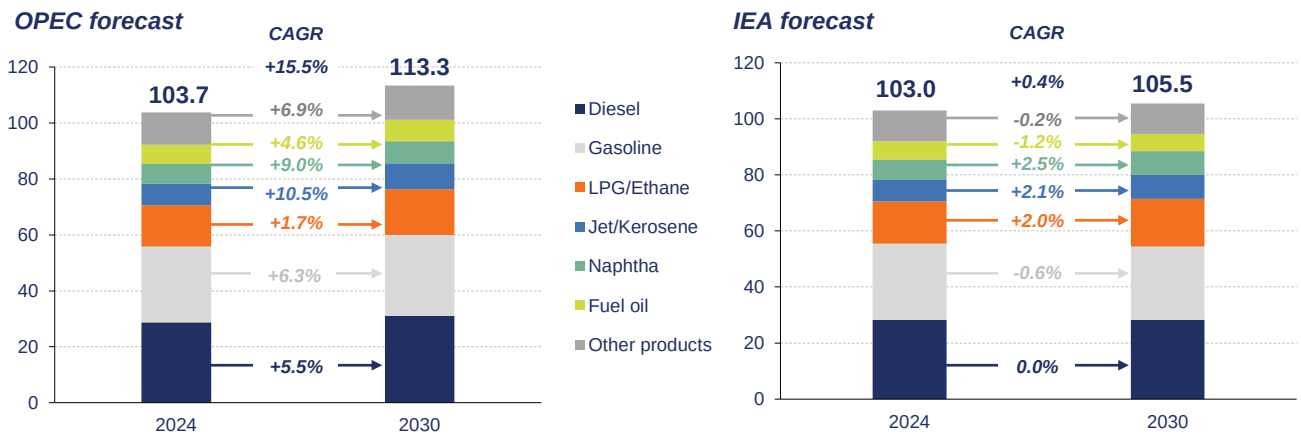
Conclusion

In 2025 the IEA did not significantly revise its long-term forecast: analysts continue to take a conservative view and expect demand to peak before the end of the decade; on the other hand, OPEC in its latest forecast expects high demand for oil over the next 25 years.

The new forecasts highlight how significantly the IEA and OPEC's assessments differ: the former represents the interests of oil-importing countries and focuses more on renewable energy and the electrification of transport, while the latter represents the interests of oil-exporting countries and believes oil demand will not peak in the foreseeable future. Furthermore, the diverging oil market forecasts reflect uncertainty over the pace of the energy transition.

The divergent outlook for oil sends mixed signals to market players and, at a time of market imbalance, creates a risk of underinvestment in the industry, as well as price shocks.

Long-term forecasts for oil demand from OPEC and IEA by oil products, mln bbl/d



Source: OPEC, IEA

Despite mixed forecasts for future global demand trends, OPEC+ is ramping up oil production

Oil supply – actual Q2 2025

The EIA estimates that in Q2 2025 the global supply of liquid hydrocarbons went up by 1.1 million bbl/d, to 104.5 million bbl/d. OPEC+ countries and the US accounted for over 60% of the growth: 0.38 million bbl/d and 0.32 million bbl/d, respectively.

OPEC+

In April 2025 the period of lifting voluntary OPEC+ cuts began; if in April 2025 the permitted production level was raised by 138,000 bbl/d, then in each month from May to July the permitted level was raised at an accelerated rate (by 411,000 bbl/d).

In July a decision was made to boost production in August, by 548,000 bbl/d, meaning that by August around 80% of volumes subject to additional voluntary cuts could return to the market. The permitted production level for August 2025 will correspond to the level previously planned for May 2026 (set at the end of 2024). According to Reuters, OPEC+ may agree to another rise in production, by 550,000 bbl/d in September. This will enable the planned removal of voluntary cuts to be completed a full year ahead of the original schedule.

According to Bloomberg, the accelerated increase in production from OPEC+ countries, led by Saudi Arabia, is driven by a desire to regain market share, despite subdued oil demand and the risk of a surplus.

In addition, according to OPEC+, accelerated production growth will enable participating countries to speed up being compensated for previously exceeding established production levels.

OPEC+ stresses that the gradual ramp-in in production could be suspended or cancelled, depending on changing market conditions.

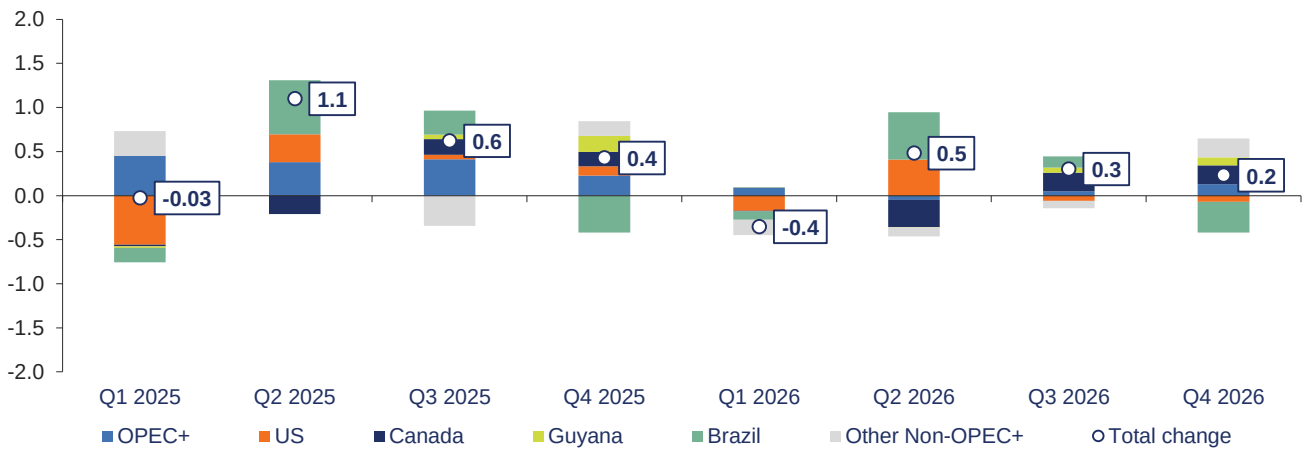
Global supply forecast

Despite the rise in oil production in Q2, the EIA lowered its forecast for US oil production in 2025, due to a slowdown in drilling activity as a result of falling oil prices. However, despite the more conservative estimate, the US crude oil supply is still projected to rise to 23.0 million bbl/d by the end of 2025.

The expected increase in production from OPEC+ countries, combined with steady growth in supplies outside OPEC+, will lead to a rise in the global supply of liquid hydrocarbons, by 1.8 million bbl/d in 2025 and 1.1 million bbl/d in 2026. Most supply growth in 2025 (about 1.3 million bbl/d) will come from non-OPEC+ countries, with the main drivers being the US, Canada, Brazil, and Guyana.

The IEA gives a higher estimate for the increase in supply in 2025–2026. Taking into account the higher OPEC+ targets for August, global oil supplies will grow by 2.1 million bbl/d this year and by another 1.3 million bbl/d in 2026, while non-OPEC+ countries will raise production by 1.4 million bbl/d and 940,000 bbl/d, respectively.

Changes in liquid hydrocarbons supply by region and country, 2025–2026, Q/Q, mln bbl/d



Source: EIA

* The EIA does not include Brazil in OPEC+ as there are no oil production restrictions for the country.

The EIA and IEA expect an oil market surplus in 2025, while OPEC forecasts a market balance, due to sustained demand growth in H2 2025

Oil market balance and reserves

The EIA estimates that at the end of Q2 2025 the oil market had a surplus of 1.3 million bbl/d. And if the EIA figures are adjusted slightly, the surplus was created as early as the first quarter of the year.

In Q2 2025 oil supply growth outpaced demand growth, despite geopolitical tensions and the conflict between Iran and Israel. Although some energy facilities were damaged in Iran, there were no significant disruptions to regular oil supplies to the region. However, even with a ceasefire in place, the EIA has stated that there could be an escalation in the conflict. EIA analysts also note that the risk of oil supply disruptions remains; this is reflected in oil price forecasts in the form of a small premium.

According to the IEA, global oil reserves rose over May-June 2025, due to an increase in the commercial reserves of petroleum products in OECD countries and crude oil in non-OECD countries. China accounted for a significant part of the growth: the country boosted its crude oil reserves by 82 million barrels (almost 900,000 bbl/d) in Q2 2025. China is expected to continue to build up its oil reserves, as part of a state programme to safeguard energy security, which will run from July to March next year, with total purchases amounting to around 60 million barrels.

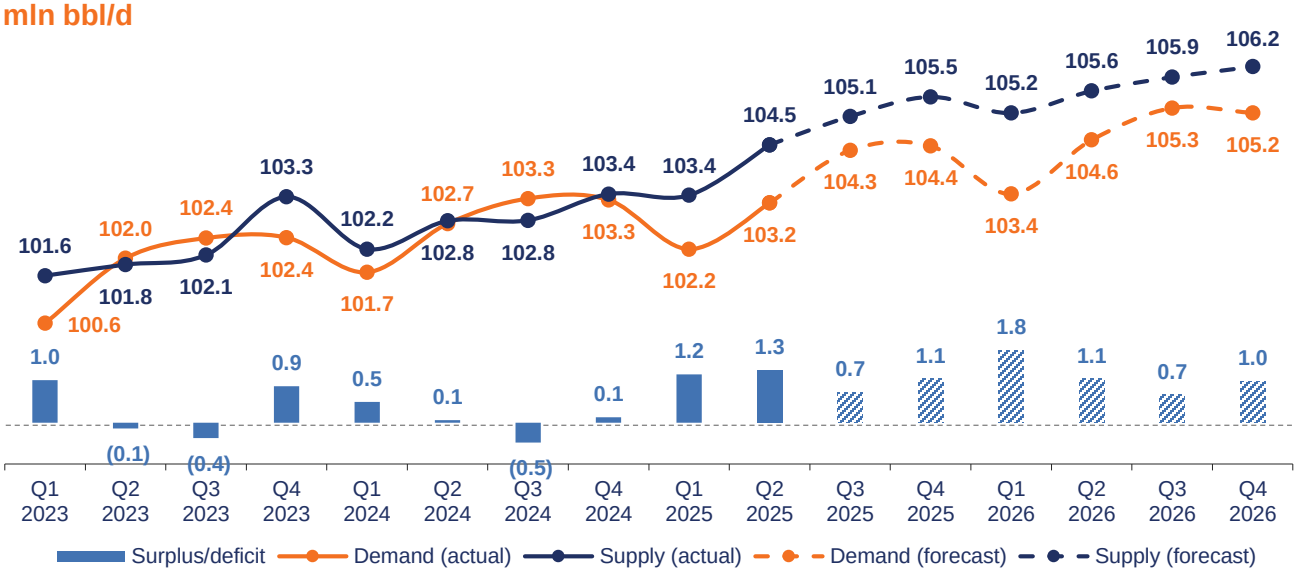
In the US, in contrast, the replenishment of strategic petroleum reserves (SPR) is slowing, and deliveries of previously purchased oil are being delayed. In July the US Senate approved a budget that significantly reduced funding for crude oil purchases to replenish the SPR to USD 171 million, which is only sufficient to purchase around 3 million barrels, instead of a potential 20 million.

The EIA forecasts that the oil market will remain in surplus until the end of 2026, averaging 1.1 million bbl/d. This will exert downward pressure on oil prices, despite ongoing geopolitical risks.

According to the IEA forecast, the market surplus in 2025 will average 1.4 million bbl/d, and in 2026 will rise to 2.0 million bbl/d due to weak, albeit positive, demand growth coupled with a more significant supply increase.

From OPEC's point of view, forecasts of a surplus in the oil market are too pessimistic. According to Haitham Al Ghais, OPEC Secretary General, oil demand will grow in Q3-Q4 2025, and the market will achieve a stable balance.

Demand, supply, and balance of liquid hydrocarbon market (quarterly average), 2023–2026, mln bbl/d



Source: EIA

Despite short-term growth in June, oil prices saw a downward trend in H1 2025

Brent crude price dynamics (in nominal terms), USD/bbl

Source: EIA

At the end of H1 2025 Brent crude prices ranged from USD 60/bbl to USD 83/bbl. Over the first six months of 2025, prices generally showed a downward trend and fell by 10.5%.

The largest decline was seen in Q2 2025, when the average price of Brent crude fell by 10.3% vs Q1 2025.

At the start of Q2 2025 prices came under pressure from two fronts: the introduction of reciprocal import duties by the US and its trading partners on the one hand, and higher production from OPEC+ on the other.

From early April to mid-June the market was dominated by a downward trend, with prices reaching local lows of USD 60/bbl in May.

In mid-June the conflict in the Middle East between Iran and Israel escalated, pushing oil prices up, and in mid-June a local maximum of around USD 80/bbl was reached.

The escalation of the geopolitical situation in the Middle East has raised the risk of the Strait of Hormuz, the main oil transport route in the Persian Gulf, being blocked. According to EIA estimates, in 2024 approximately 20 million bbl/d of oil were transported through the strait, equivalent to 20% of global oil consumption.

However, a truce was later announced, triggering the geopolitical premium in the price to collapse, and the price of Brent crude had returned to USD 68/bbl by the end of June.

The Russian Urals crude oil price, in line with the Brent benchmark, saw a downward trend in April-May 2025

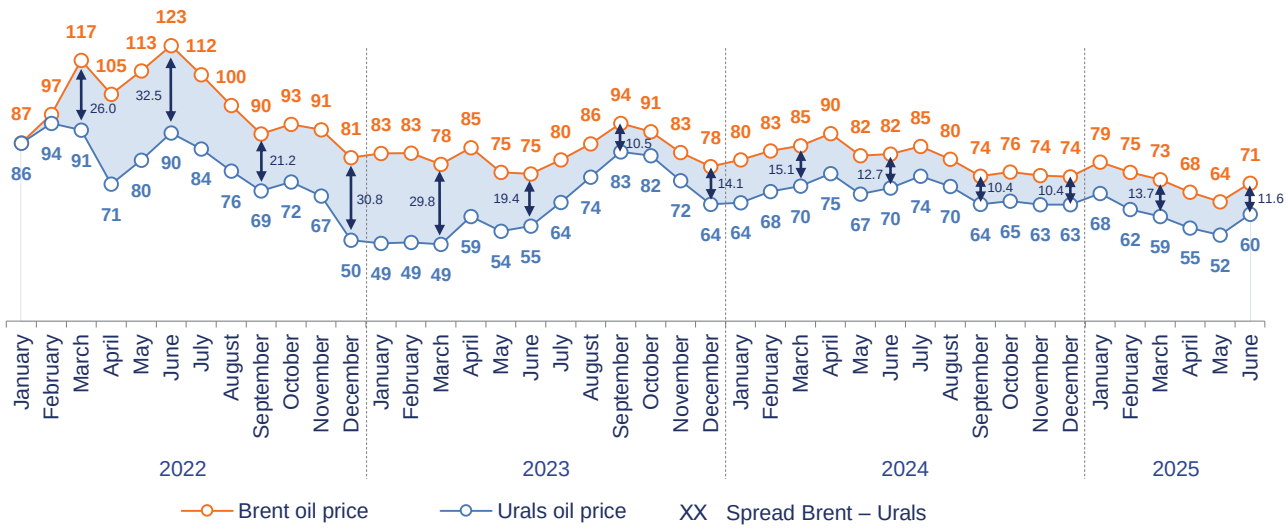
According to Russian Ministry of Economic Development data, the average price of Russian Urals crude oil, used to determine taxes, fell in April–May 2025, in line with the Brent benchmark, and was below USD 55/bbl. In June Urals prices crept up, in line with the global market trend, and ended the month at USD 60/bbl. At the end of Q2 2025 the average spread to the Brent benchmark was USD 12.5/bbl, comparable to the average annual figure for 2024.

Low Urals oil prices, combined with a strong rouble, led to a reduction in budget revenues. According to Russian Ministry of Finance data, oil and gas revenue in the federal budget fell to RUB 513 billion in May 2025 (- 35% year-on-year) and to RUB 495 billion in June (- 34% year-on-year), reaching their lowest level since January 2023.

Against a backdrop of falling global oil prices, discussions resumed within the EU on revising the price cap on Russian oil. In July 2025 a new 18th package of EU sanctions against Russia was adopted, including a reduction in the price cap on Russian oil. According to Bloomberg, instead of a fixed ceiling of USD 60/bbl, a dynamic ceiling has been introduced, which will be 15% lower than average market prices. The ceiling will be reviewed at least twice a year, depending on market prices.

According to Bloomberg, in 2025 India accounted for around 80% of Russia's Urals sea exports, with two Indian private refineries, Reliance Industries and Nayara Energy, becoming key buyers (about 45%). According to Kpler statistics, the share of these two refineries in the structure of Urals sea shipments rose from 12% to 45% from 2022 to 2025. The reason for the rise in purchases of Russian oil by private refineries in India is flexibility, since, unlike state-owned oil companies, private refineries can enter into contracts for any term and have fewer currency restrictions.

Brent and Urals crude oil price dynamics (used in determining taxes), 2022–Q2 2025, USD/bbl

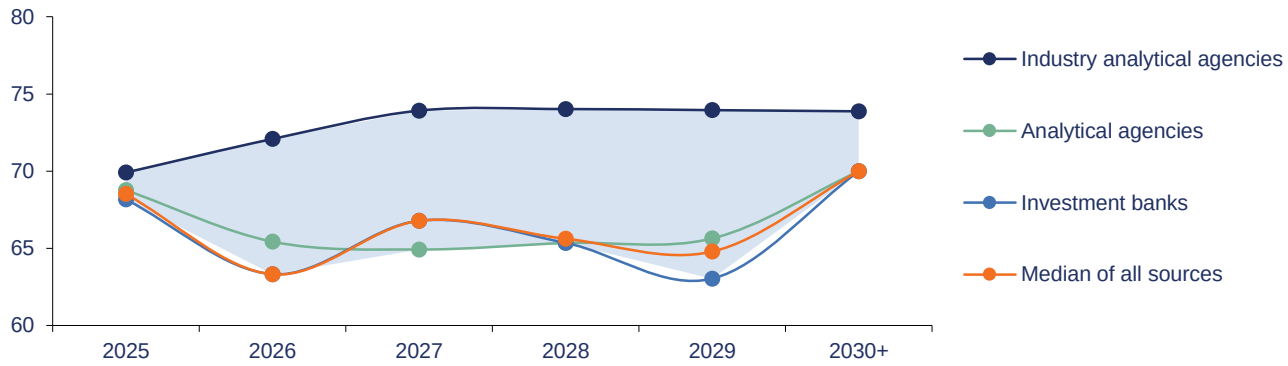


Source: EIA actual data for Brent, Ministry of Economic Development of the Russian Federation actual data for Urals

Note: Statistics for Urals are provided in accordance with publications by the Russian Ministry of Economic Development. The data is used in calculating taxes, with the new methodology of the Russian Tax Code involving the determination of the Urals price using weighted prices for Urals FOB Primorsk, Urals Med Aframax FOB Novorossiysk, and the lighter ESPO blend FOB Kozmino.

Long-term oil price forecasts mainly range between USD 61-74/bbl, with an average of USD 69/bbl

Brent crude price forecast in real terms (in 2025 prices), USD/bbl



Sources: Oil companies, analytical agencies and investment banks

Oil price dynamics in the short term will largely be determined by the geopolitical situation, trade tariffs, and the outlook for demand.

The escalation of the conflict in the Middle East in June led to a short-term rise in oil prices, however, after the ceasefire, prices stabilised, with geopolitical risks remaining, according to EIA estimates.

On 14 July the US President Donald Trump announced a new round of sanctions against Russia and the possible imposition of secondary sanctions and/or duties against countries purchasing Russian oil if no ceasefire agreement is reached between Russia and Ukraine within 50 days. Further sanctions could impact the oil market.

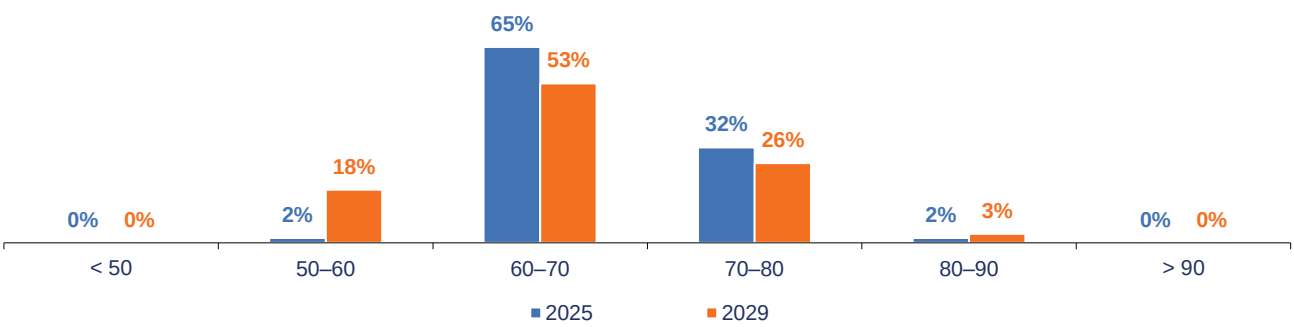
Also, in 2025, the US frequently imposed and adjusted customs duties on a wide range of countries, including China, Canada, Mexico, as well as the European Union.

Customs barriers pose additional threats to global oil demand. Higher levels of oil production, combined with the risk of weak demand, is creating a build-up of oil reserves and putting downward pressure on oil prices.

The forecast for oil prices in 2025 is highly consolidated: most analysts expect prices to range between USD 67/bbl and USD 71/bbl.

The long-term (after 2029) consensus forecast for the Brent oil price is around USD 69/bbl, in real terms, in 2025 prices, slightly lower than previous long-term forecasts (a similar forecast from 2024 is USD 71/bbl).

Distribution of Brent crude price forecasts, 2025 and 2029 (in 2025 prices)



Sources: Oil companies, analytical agencies and investment banks

Appendix (1/2)

Brent crude price forecast, 2025–2030+, USD/bbl (in 2025 prices)

	2025	2026	2027	2028	2029	2030+
Oil companies						
BP	71.5	71.0	71.0			
Canadian Natural Resources	75.6	76.5	76.2	76.4	76.2	76.2
Eni	65.0					
OMV	70.0					
Petrobras	83.2	77.0	74.0	71.0	68.0	65.0
Average	***73.1***	***74.8***	***73.7***	***73.7***	***72.1***	***70.6***
Median	***71.5***	***76.5***	***74.0***	***73.7***	***72.1***	***70.6***
Industry analytical agencies						
EIA	69.0	57.0				
GLJ Petroleum Consultants Ltd	69.9	72.1	74.0	75.2	75.1	75.0
McDaniel	73.0	74.0	74.0	74.0	74.0	74.0
Ryder Scott	73.0	73.3	73.8	74.0	73.9	73.7
Sproule	69.4	70.6	69.2	69.2	69.2	69.2
Average	***70.9***	***69.4***	***72.8***	***73.1***	***73.0***	***73.0***
Median	***69.9***	***72.1***	***73.9***	***74.0***	***73.9***	***73.9***
Analytical agencies						
Budapest Bus. School	71.5	67.7	66.8	68.1	68.5	73.0
Capital Economics	68.5	53.8	47.7			
Deloitte Access Economics	71.2	65.9	64.1	62.7	61.3	57.7
Economist Intelligence Unit	67.1	61.3	61.2	59.7	56.8	56.4
Euromonitor International	67.0	61.9	65.9	68.5	66.9	
E2 Economia	69.6	63.8	66.2	70.6	72.3	71.5
BMI, a Fitch Solutions company	68.0	69.2	66.8	65.3	63.9	
ICIS	69.2	65.9	64.4	64.4	63.5	59.1
ISGR	75.3	77.7	76.3	74.7	76.7	70.0
Market Risk Advisory Co Ltd	72.9					
Moody's Analytics	69.0	65.4	63.6	63.7	63.4	
Oxford Economics	67.9	62.6	63.5	65.2	66.1	
Oxford Institute for Energy Studies	69.7	66.0				
P K Verleger	67.5	43.6				
Pezco Economics	69.8	65.5	65.5	65.9	65.6	70.4
United States Department of Energy	65.9	57.7				
Russian Ministry of Energy	68.0	70.1	68.7			
Central Bank of Russia	60.0	58.4	57.2			
Average	***68.8***	***63.3***	***64.1***	***66.2***	***65.9***	***65.4***
Median	***68.8***	***65.4***	***64.9***	***65.3***	***65.6***	***70.0***

SW TENET

Appendix (2/2)

Brent crude price forecast, 2025–2030+, USD/bbl (in 2025 prices) (continued)

	2025	2026	2027	2028	2029	2030+
Investment banks						
Australia Dept of Industry	70.5	65.1	62.0	59.7	58.5	
Banco Santander SA	64.9	63.3	66.8	65.3	63.9	
Bank of America Merrill Lynch	75.0	71.1				
Bank Julius Baer	67.9	59.7	64.4	63.0	61.7	
Barclays PLC	65.0	63.3	62.0	56.0	54.8	
Berenberg	75.0	63.3	62.0	60.7	59.4	
BMO Capital Markets Corp	73.5	76.7	81.1	79.4	73.1	80.0
BNP Paribas SA	73.0	67.2				
BoA Securities	67.8	68.2				
Citigroup	68.3	63.3				
Commerzbank AG	65.0	68.2	76.3			
Commonwealth Bank	68.5	63.3	62.0	56.4	56.4	54.0
Deutsche Bank AG	72.0	70.1	71.6	75.0		
Ecoanalitica	68.7	63.1	67.1	70.4		
Emirates NBD PJSC	65.1	63.3				
Goldman Sachs	66.5	54.3				
HSBC Holdings PLC	68.5	63.3	63.3			
ING Groep NV	65.0	55.5				
Intesa Sanpaolo SpA	70.2	68.2	67.7	65.3	63.0	
Investec	68.5	60.9	67.7	66.3	63.9	70.0
Jefferies	64.8	63.3	66.8	65.3		
Julius Baer	68.0	59.4	64.4	63.0	61.7	
JPMorgan Chase & Co	66.0	56.5				
Landesbank Baden-Wuerttemberg	66.0	58.4				
Macquarie	70.0	60.9	62.2	62.6	62.9	61.0
Morgan Stanley		63.3				
MUFG Bank	65.9	60.6	62.0			
Natixis SA	68.5	62.6				
Panmure Liberum	71.0	66.7	66.8	70.0	75.4	77.9
Rabobank	71.6	68.7	63.7	64.4	66.2	
Raiffeisen Intl	67.0	58.4	62.0			
RBC Capital Markets	68.2	59.5	66.8	65.3	63.9	70.0
Standard Chartered Bank	61.0	76.0	79.2	81.2	80.4	
TD Securities	72.5	72.8	73.5	72.8		
UniCredit	68.0	63.3	62.0	60.7	59.4	
Westpac Banking Corp	65.9	67.9	70.2	70.5	70.9	
Average	***68.4***	***64.2***	***66.9***	***66.4***	***64.4***	***68.8***
Median	***68.2***	***63.3***	***66.8***	***65.3***	***63.0***	***70.0***
Average of all sources	***69.1***	***64.9***	***67.0***	***67.4***	***66.4***	***68.6***
Median of all sources	***68.5***	***63.3***	***66.8***	***65.6***	***64.8***	***70.0***

Contacts

Robin Matthews
Regional Director,
Energy & Natural Resources
E: robinmatthews@tenetcons.com

Maxim Filippov
Partner,
Head of M&A
E: mfilippov@tenetcons.com

Grigory Oganesyan
Managing Director,
Head of Global M&A Advisory
E: goganesyan@tenetcons.com