



CORNERSTONE ANALYTICS

THE MORNING ENERGY UPDATE

JULY 3, 2025

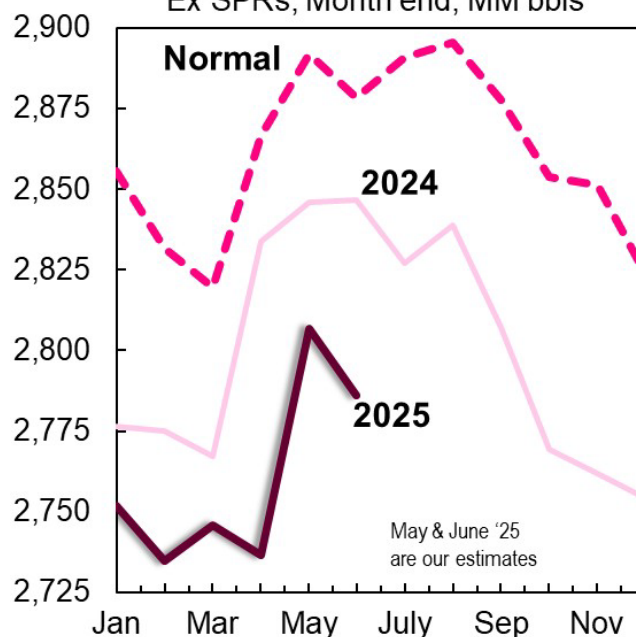
MICHAEL ROTHMAN +1 908-573-5870 MIKE@CORNERSTONEANALYTICS.COM

GETTING A SENSE OF THE TREND

While preliminary and subject to revision, we estimate total OECD petroleum stocks drew 21 million barrels in June or about 50% more than normal. Inventories were left at below year-ago and normal levels. Our regional estimates are detailed on the next page and we note that the storage figure includes crude oil, all refined fuels, pet-chem feedstocks and biofuels. Using an early estimate for total OPEC and non-OPEC production and the estimated change in stocks (both commercial and SPRs), we estimate global oil demand ran at 105.63 million b/d. The updated figure is a few hundred thousand b/d lower than the rate we last published but even so would mark the highest ever monthly demand rate. Our quarter-to-date average is 104.4 million b/d representing year/year growth of 2.1 million b/d – triple the growth projected by the IEA and 700,000 b/d higher than our working forecast. We are compelled to again note that global demand this year has generally run higher than our forecast and notably higher than the consensus projection.

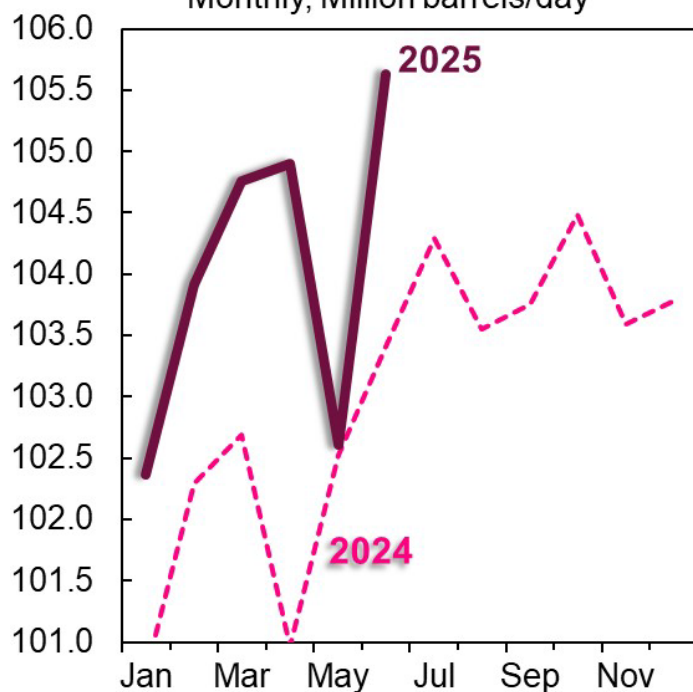
OECD Petroleum Stocks

Ex SPRs, Month end, MM bbls



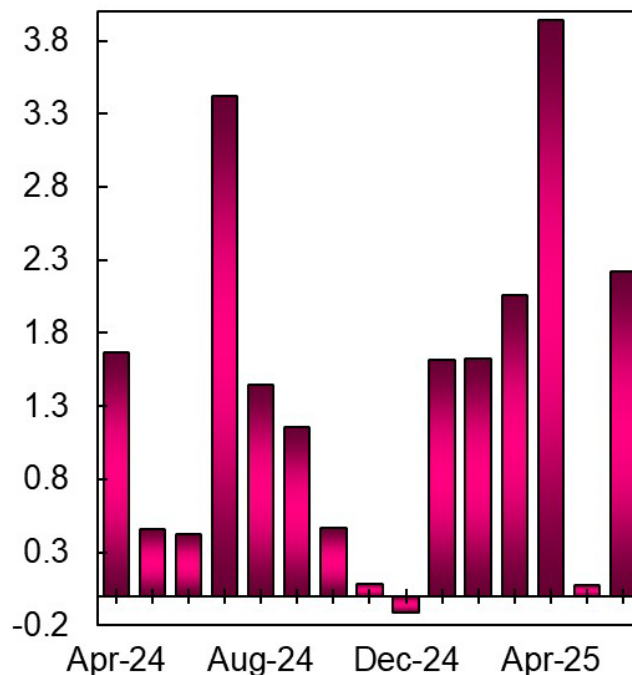
Global Oil Demand

Monthly, Million barrels/day



Global Oil Demand

Year/year change by month, MM b/d

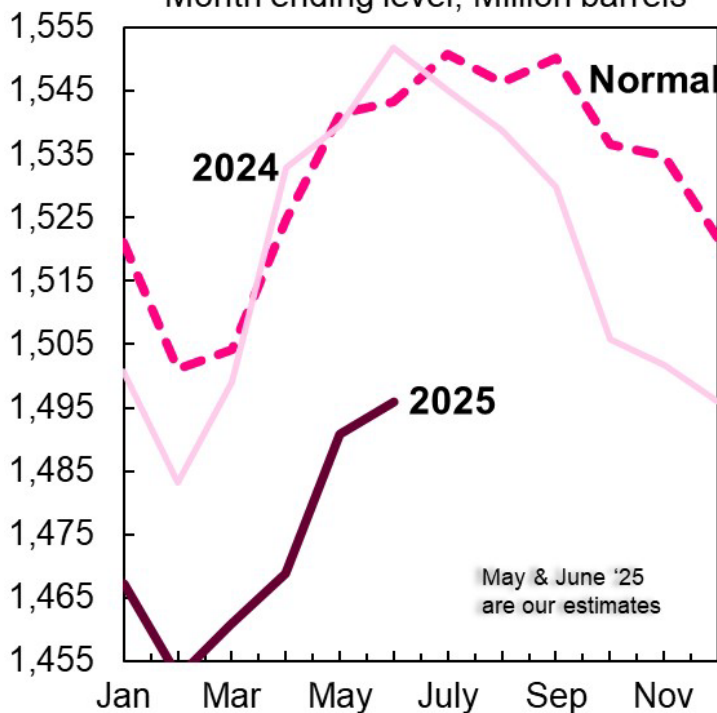


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OECD N America Oil Stocks

Month ending level, Million barrels

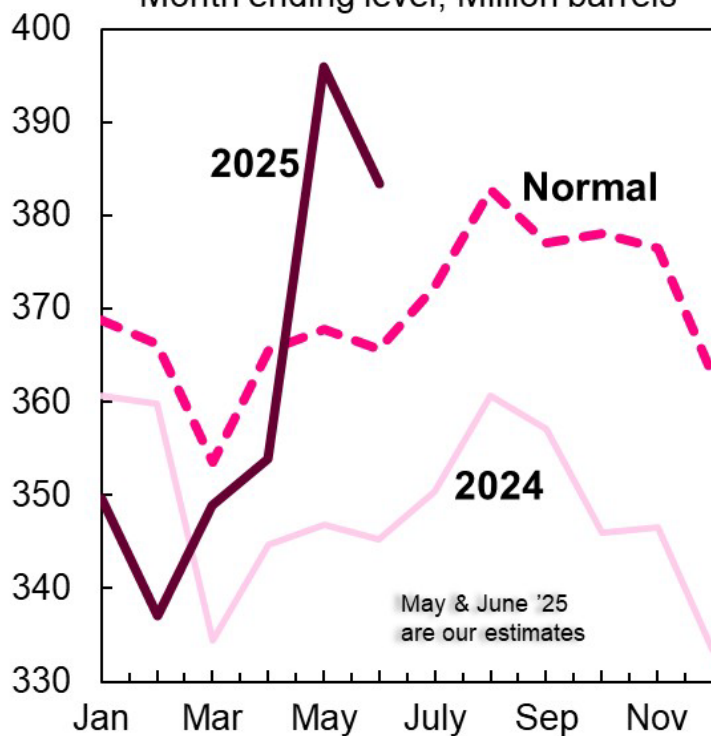


In addition to our Pacific region estimate published yesterday, below and left are our estimates for North America and Europe. The former is estimated by us to have seen a near-normal build for the month and in the case of Europe we assume a change typical for June – a practice we have had to employ owing to the absence of close-to-real-time data that's credible. Only stocks in the Pacific sit above year-ago and normal levels which was entirely a function of May's outsized addition.

While the oil market got something of a lift yesterday on indications about Iran's lack of cooperation with the IAEA (is there anyone reading this who actually expected otherwise?), the fact remains that oil prices are still trading below fair value. Based on our end-June inventory estimate, MIKER kicks out a price of \$81/barrel for Brent.

OECD Pacific Oil Stocks

Month ending level, Million barrels



OECD Europe Oil Stocks

Month ending level, Million barrels

