

OPEC+ turns to a slower pace of production increases

September 9 2025 – Commodities

The eight OPEC+ countries that have been providing additional voluntary production restraint agreed to increase output in October by 137k b/d, a notable slowdown from the monthly increases of around 400-550k b/d they have implemented since May this year. The bloc has now unwound all of the additional voluntary cuts that were introduced in November 2023 (2.2m b/d) and is phasing out cuts that were introduced in April 2023 of 1.65m b/d.

Production in Saudi Arabia is targeted at 10.02m b/d, the first time the Kingdom is due to produce 10m b/d or more since April 2023 while output for the UAE has been set at 3.39m b/d. After large increases for the previous five months the decision for October shows a more cautious stance among OPEC+ producers. Oil prices have held relatively steady while OPEC+ announced the 2.4m b/d of production increases from May-September, holding either side of USD 65/b with occasional spikes and dips driven by geopolitical headlines or uncertainty over tariffs. The stance from OPEC+ from here may be to continue to test the market with higher output, even amid market consensus that a sizeable inventory build is due by end of the year and into 2026.

Oil prices holding to a range

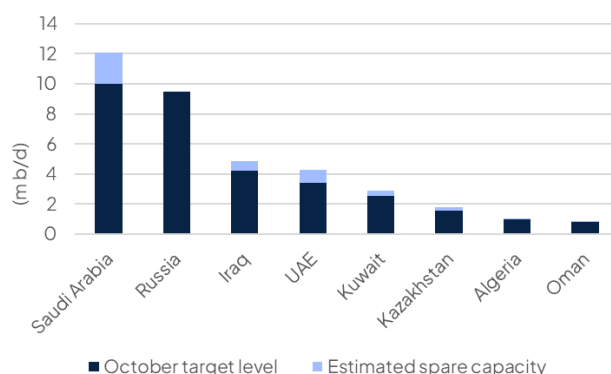


Source: OPEC, IEA, Emirates NBD Research.

While the headline target levels for October are high, the capacity to actually deliver on them is likely to be constrained to a few producers. The October target for Saudi Arabia for example is at 83% of estimated sustainable capacity while for the UAE the target levels is about 79%, suggesting there is room to be able to incrementally add output. But for producers like Russia, Algeria and Oman, the October targets

are essentially at their sustainable capacity, leaving little upside flexibility.

Who can keep pushing output higher



Source: OPEC, IEA, Emirates NBD Research.

Our expectation for oil market balances has long been built on higher production from OPEC+ countries, leading to an increase in global inventories and weighing on prices for the balance of 2025 and into 2026.

Our forecast of Brent at an average of USD 65/b for the remainder of 2025 is unchanged following the October target levels and we expect prices will continue to hold close to USD 65/b next year.

For the GCC economies, higher oil production will help to support headline GDP growth and an oil export volume over price target strategy appears to be informing fiscal plans. Our assumptions for GDP growth and fiscal balances are unchanged.

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