



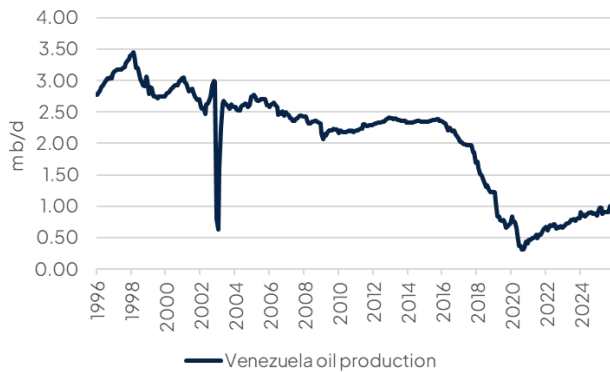
Venezuela events unlikely to impact oil trajectory in near term

5 January 2026 – Commodities

OPEC+ kept its production plans for Q1 2026 unchanged when the eight countries that have been phasing production back into the market met on 4 January 2026. For the UAE that means a target output level of 3.41m b/d in Q1 26 compared with a target level of 2.91m b/d for Q1 25 while for Saudi Arabia oil production is targeted at 10.1m b/d up from just under 9m b/d on average in Q1 25.

But the OPEC+ decision was shaded by market focus on events in Venezuela. After the US government captured Venezuela's president Nicolas Maduro, the trajectory for oil production in a country with some of the world's largest oil reserves is highly uncertain. Production in the South American country has plummeted since 2015, falling from nearly 2.5m b/d in December 2015 to less than 1m b/d as of the end of 2025. In the early 2000s, Venezuela produced closer to 3m b/d.

Venezuela's oil output collapse



Source: Bloomberg, Emirates NBD Research.

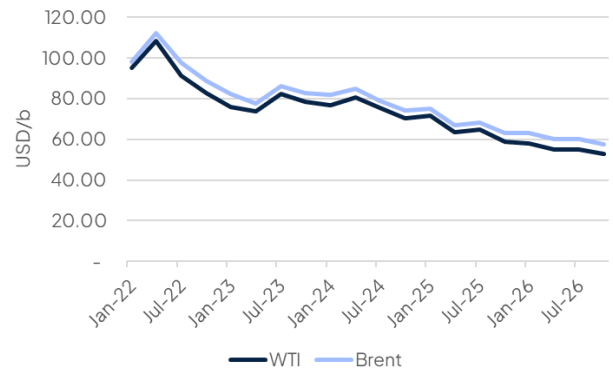
We do not expect events in Venezuela to materially impact oil market balances in the short term (i.e. over Q1 26) though they may create some volatility in some corners of the market. Benchmark oil futures have shown minimal response to the events in Venezuela with Brent futures opening on January 5 down marginally to USD 60.60/b and WTI trading around USD 57.10/b. Time spreads have likewise shown a negligible response with the front month spread in Brent at a backwardation of around USD 0.40/b.

Where there may be more impact is in physical markets if there is a substantial disruption in flows of

heavy crude from Venezuela. PDVSA, Venezuela's national oil company, has asked foreign firms operating in the country, including ones from China and Chevron from the US, to cut production. The US maintains an embargo on imports of oil from Venezuela barring the operations of Chevron in the country.

We maintain our forecast for Brent at an average of USD 60/b in 2026 and WTI at USD 55/b.

Emirates NBD Research oil price assumptions



Source: Bloomberg, Emirates NBD Research.

Edward Bell Acting Chief Economist and Group Head of Research / edwardpb@emiratesnbd.com



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