

The logo consists of the letters 'GI' in a white, serif font, enclosed within a red square.

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An aerial photograph of a large port area with numerous oil tankers and other vessels in the water. In the background, there are several large gantry cranes and industrial structures along the shoreline. The water is a deep blue, and the sky is clear.

***What Does 2025 Global Shifts in
Oil Trade Flows, Inventories & Freight
Tell us about What to Expect in 2026?***

BY XAVIER TANG, MARKET ANALYST, VORTEXA

The Great Rebalancing — What 2025's Oil Trade Shifts Reveal About 2026



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The tectonic shifts of 2025 are quietly rewriting the oil world's geography. Trade flows, inventories, and freight patterns are evolving faster than policy or price, setting the stage for a year of recalibration in 2026 — where Asia's gravity deepens, OPEC's discipline is tested, and freight volatility becomes the new norm.

OPEC's "OPEC8" members are completing the unwinding of nearly 3.8 million barrels per day in production cuts, marking a return of supply but with surgical control. Export volumes are closely tracking seasonal targets, reflecting a mature, data-driven strategy that will continue into 2026. The group will respond dynamically to inventory signals, trimming or accelerating output to avoid a glut.

Meanwhile, sanctioned producers — notably Russia, Iran, Libya, and Venezuela — have regained prominence, exporting around nine million barrels per day, or one-fifth of global seaborne trade. The resilience of these flows underscores the weakening of sanctions as a market lever. By 2026, this expanding "grey fleet" will further fragment trade transparency, reinforcing a parallel, unregulated energy system.

China's strategic stockpiling remains the single largest swing factor. In 2025 alone, Beijing added roughly 100 million barrels, lifting inventories to 1.1 billion barrels — a 30% share of total global storage. Driven by national security mandates rather than price incentives, China

plans to add another 150 million barrels of capacity by 2027, ensuring continued accumulation well into 2026.

Flows between the Atlantic and Pacific basins tell the story of a structural pivot. As Brent-Dubai spreads narrowed, Asian refiners ramped up imports of Atlantic grades, tilting the world's seaborne map eastward. This shift will persist in 2026, confirming Asia as the gravitational core of global oil demand and refining capacity.

Russia's supply outlook remains structurally constrained. Drone attacks on refineries may redirect some crude exports in the short term, but chronic underinvestment guarantees a gradual decline in output through 2026. In contrast, Asian refining strength — led by China's diesel and jet-fuel exports — will anchor product markets, while Europe's refinery closures deepen reliance on Middle Eastern and Asian imports.

Finally, global inventories outside China have steadied, but any 150-million-barrel build could trigger a swift OPEC+ policy response. Freight markets, meanwhile, will remain volatile as long-haul eastbound flows dominate.

In sum, 2026 will not be a year of chaos, but of consolidation — where Asia's command of barrels, storage, and shipping lanes becomes the decisive force shaping global oil's next chapter. ■

TOP 10 TAKEAWAYS

1. OPEC+ Is Returning Supply to the Market in a Controlled Manner

By late 2025, OPEC's "OPEC8" members had nearly completed the unwinding of 3.8 million bpd in voluntary cuts. Export levels are tracking close to their seasonal targets, signaling a calibrated supply normalization. In 2026, OPEC+ policy will hinge on inventory signals—adjusting pace to prevent a glut while preserving market stability.

2. Sanctioned and Disrupted Producers Are Regaining Market Share

Oil exports from Russia, Iran, Libya, and Venezuela rebounded to nearly 9 million bpd, or 20 % of global seaborne supply. Sanctions enforcement has proven largely ineffective, meaning 2026 will begin with a structurally larger "grey market" that weakens formal policy control and complicates pricing transparency.

3. China's Inventory Build Signals Strategic, Not Economic, Intent

China accumulated roughly 100 million barrels of crude in 2025, reaching a total storage of 1.1 billion barrels. This is driven by national energy security mandates, not price arbitrage. With another 150 million barrels of capacity due by 2026–27, China will continue building stocks even if prices remain steady.

4. Diverging Basin Flows Reveal a New Trade Geography

In 2025, crude flows shifted decisively from the Atlantic Basin toward the Pacific Basin as Asian refiners took advantage of narrowing Brent-Dubai spreads. By 2026, this Eastward pull is expected to remain dominant, cementing Asia's position as the gravitational center of global oil trade.

5. Russia's Supply Will Remain Structurally Constrained

While temporary surges in crude exports may occur as Russian refineries face drone disruptions, chronic underinvestment in upstream capacity ensures a gradual production decline. In 2026, Russia's exports are likely to plateau or shrink, tightening supply options for Europe and the Global South.

6. China's Refining Margins and Exports Will Anchor Asian Product Markets

High margins and quota-linked incentives are prompting Chinese refiners to boost clean product exports—particularly diesel and jet fuel—through late 2025. This momentum suggests strong refining activity across Asia into early 2026, reinforcing regional self-sufficiency and narrowing dependence on Atlantic Basin supplies.

7. Jet Fuel and Diesel Are Driving the Post-COVID Demand Recovery

Global import data show sustained strength in middle-distillate demand—jet and diesel—while gasoline and naphtha imports weaken under EV transition pressures. This structural shift will shape 2026 refinery runs, with refiners prioritizing distillates and adapting to lower gasoline yields.

8. Refinery Closures in the Atlantic Basin Will Deepen Import Reliance

Since 2021, structural refinery shutdowns in Europe and the Americas have expanded import needs for middle distillates. This trend will persist in 2026, pulling more product from the "wider Arabian Sea" region and Asia, and driving longer-haul freight routes and ton-mile demand.

9. Onshore Inventories Outside China Are the Key Supply Barometer

Outside China, crude inventories built rapidly from April–June 2025 but then slowed. OPEC+ will monitor this metric closely in 2026: a rise above seasonal averages (about +150 million barrels) could trigger new cutbacks to avoid oversupply and price weakness.

10. Freight Patterns Will Stay Volatile but Biased Eastward

Long-haul crude and product flows from the Atlantic to Asia surged in mid-2025 but are set to rebalance as Middle Eastern supply rises. This fluid shift in trade routes implies continued freight volatility in 2026—yet the structural trend remains toward eastbound, longer-distance trade. ■

