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WEEKEND READING
ENERGY MARKETS BRIEFING NOTE

"When the Future of Energy Gets Rewritten Overnight..."

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"When the Future of Energy Gets Rewritten Overnight..."

Amid a dramatic reversal in long term energy forecasting the world has been forced to confront a destabilising truth the institutions once trusted to guide global investment and policy are now shifting their narratives at the speed of politics rather than the pace of physical reality. As assumptions of peak oil crumble decline rates steepen and decades of underinvestment collide with resilient demand the global energy system enters 2026 without a reliable map. What follows is an exploration of how this forecasting whiplash is reshaping markets weakening energy security and raising the stakes for the decade ahead.

By Sean Evers, Managing Partner, Gulf Intelligence

Whiplash Shift in Forecasting Exposes a System Vulnerable to Politics Not Physics

The global energy system is drifting into the final stretch of 2025 without a reliable compass. The institutions once trusted to chart long term demand trajectories and guide billions in investment have lost their bearings. What was previously presented as a smooth determined march toward peak oil and rapid energy transition has in a matter of weeks been rewritten into a completely different story one that projects decades of continued oil demand growth and a return to a hydrocarbon centered energy mix.

This is not merely an analytical adjustment. It is a seismic shift with profound political economic and strategic ramifications. And it raises a sobering question what happens when the world no longer trusts the people responsible for telling us where the energy system is going?

The first crack in the facade came when the worlds most influential forecasting institution dramatically reinstated its Current Policies Scenario a business as usual outlook it had abandoned years earlier. This single act overturned half a decade of messaging about imminent peak demand and declining reliance on oil. The new narrative suggests no peak at all only rising demand to 2050 and beyond. Suddenly oil is not falling out of the system it is foundational again.

What changed? Not physics. Not technology. Not global consumer behavior.

It would appear the Politics has changed.

The reappearance of this scenario was widely interpreted across energy markets as a response to political pressure not as the product of fresh modelling or startling new data. In effect the world witnessed a forecasting institution shift its long range vision not because the world changed but because the political winds did. This perception is deeply damaging. If global energy forecasting can be bent by political influence then the very foundations of the transition debate investment signals cost projections energy security assumptions and long term planning are called into question.

Oil Demand Is Rising Decline Rates Are Steepening and Investment Has Fallen Behind

The consequences are enormous. These forecasts influence trillions of dollars of investment decisions. They shape the policies of governments and central banks. They determine the strategies of national oil companies utilities steelmakers airlines and the financial sector. When the forecast becomes a political document the energy system loses its anchor. And when the anchor goes volatility rushes in.

The second shock came when the reinstated scenario revealed that demand does not peak at all. Instead it grows steadily through 2050. This is not a marginal revision. It is a wholesale repudiation of the messaging that shaped global energy discourse

for the better part of a decade. The idea of an approaching peak oil demand had already begun to look fragile as global consumption continued to expand year after year. But the reversal confirms what many producers have argued all along that the world remains structurally reliant on oil and gas for the foreseeable future.

This convergence of outlooks between major forecasting bodies and long time producer analyses is more than academic. It signals a reality many political leaders preferred not to confront the energy transition is not replacing fossil fuels it is adding new layers of energy demand on top of them. Rather than a transition away from hydrocarbons we are living through an era of energy addition where renewables grow yes but the underlying consumption base continues to expand.

The physical system reflects this truth. Eighty percent of global energy still comes from fossil fuels. Heavy industry petrochemicals fertilizers aviation shipping and global agriculture all remain anchored in hydrocarbon supply chains. And in the developing world home to the majority of future energy demand there is no economically viable replacement for fossil fuels at the scale required. The gap between aspiration and physical reality is widening not narrowing.

The World Faces its Most Uncertain Energy Decade in Half a Century

This is why the sudden reversal has consequences far beyond the modelling community. A decade of underinvestment spurred by premature declarations of peak demand may now collide with continued consumption growth. Updated decline rate assessments in newly published analysis show that supply erosion in mature fields is faster and deeper than earlier assumed especially in shale. If decline rates were underestimated by a decade of modelling then the global system may be walking into a structural supply shortfall just as demand proves more durable than expected.

This is not a distant theoretical risk. It is an imminent one. It is the difference between a market heading into a manageable surplus and a world drifting toward chronic undersupply price spikes and geopolitical instability.

Compounding this is the collapse of data visibility. The year 2025 has been defined by what many analysts now call the death of data. The United States government shutdown halted the publication of vital economic and energy statistics for weeks. China demand storage levels and import profiles remain opaque. Sanctions on Russia and Iran have pushed large volumes of crude into shadow fleets and non reporting networks. The divergence between traditional agencies is widening not narrowing. Some show surpluses others show deficits. Some see demand slowing others see it accelerating.

The result is a global market pricing risk with one eye closed. In such an environment traders fall back on price signals rather than fundamentals. Markets become faster more reactive and more vulnerable to external shocks. A missile strike a pipeline outage or a tariff announcement can move markets more aggressively simply because the underlying data environment lacks clarity.

What is at stake is not merely correct forecasting. It is global energy stability.

If the world misjudges the resilient structure of oil demand it risks failing to build the supply buffers required to avoid severe shortages. If political influence distorts the forecasting process governments may enact policies based on wishful thinking rather than physical constraints. If data transparency collapses markets may misprice risk and set the stage for violent corrections. And if investment paralysis continues the world may find itself in an era defined not by surplus but by scarcity.

The coming decade will not be shaped by technological ambition alone. It will be shaped by our ability to read the energy system as it actually exists not as we want it to be. If the institutions responsible for describing that system cannot maintain independence clarity or methodological consistency then the world must prepare for a more turbulent energy future.

The global energy transition is still underway. Renewables are expanding. Efficiency gains matter. Electrification continues. But hydrocarbons remain the backbone. Any forecasting narrative that ignores this risks not just analytical error but strategic failure.

As we enter 2026 the task is not to choose between transition and energy security. It is to confront the uncomfortable truth that both must advance together. And for that the world urgently needs a forecasting ecosystem that is trusted insulated from political pressure and grounded in physical reality.

The stakes could not be higher. ■


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