

## Disruption Tracker: Large stock releases have calmed markets

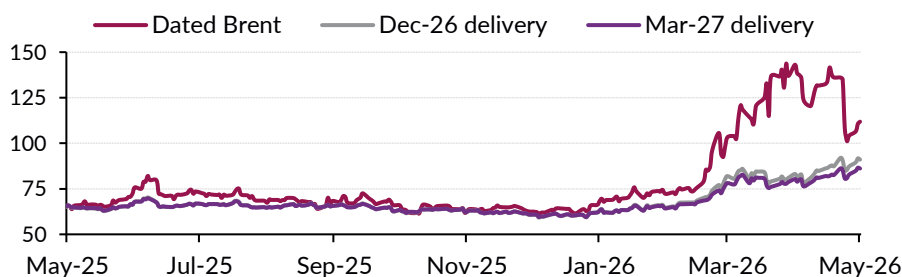
Three months into the war, oil prices for ready delivery are 23% below 13-Apr. There is limited stress in financial markets, belying widespread fears (including ours) of significant economic disruption. EIA and IEA data suggests 14mbpd inventory drawdown ex-West Asia in April: 41% of promised IEA SPR release is done; China is using inventories too. These have brought prices down near-term, limiting demand destruction to just 1.5% vs. Feb, and pushed prices up for 9/12M deliveries (rebuild stocks later). Even as rising bond yields reflect higher-for-longer oil prices, and on paper stocks can last several months at current release rate, we monitor product-geography clusters for signs of disruption.

**18 May 2026**

Growth

Supply Chains

### Exhibit 1: Physical/short-term oil prices have eased, 9-12M futures still rising



Source: Refinitiv; Axis Bank Research

In this Disruption Tracker (earlier: [22-Apr](#); [28-Apr](#) and [4-May](#)) we assess oil/liquid stocks.

### Large inventory drawdown limited demand destruction in Apr; crisis delayed

Estimates by US Energy Information Administration (EIA) and the IEA show large inventory drawdowns in April. EIA models estimate 14.3mbpd (mn barrels/day) drop in supply vs. Feb and 1.5mbpd in demand (Fig 2). Thus, vs. a 4.2mbpd inventory build in Feb, it fell at a record 8.6mbpd in Apr (Fig 3). The IEA, tracking physical trends, [found](#) an inventory draw of 5.3mbpd in Apr. This could be revised higher (e.g., March revised to 4.3mbpd vs. 2.8 earlier). Worryingly, as storage tanks fill up in West Asia (unhelpful for market balancing currently, though can affect normalization later), IEA estimates a 14mbpd draw ex-W. Asia (Fig 5).

### 41% of SPR promised release completed by 8-May; China also releasing stocks

The stock decline accelerated in April: of the 400mn barrels of IEA members' (mostly OECD) strategic reserve [commitment](#), 41% had been released till 8-May (Fig 10), with an acceleration after the US blockade starting 13-Apr (Fig 11) to 4.4mbpd. Among non-OECD countries (Fig 6), China, which built inventory till March (Fig 9) also dipped into its stock in April; the MoM swing could be worse than IEA's estimated 1.5mbpd as China's April imports fell by 3.5mbpd ([link](#)). Thus, Apr average was 6.4mbpd for OECD and China. At these release rates, 300-900 days of oil and product inventory exists for various regions.

### Not much demand destruction yet, as near-term prices remain capped

Higher production in the Atlantic/Russia and refinery supply response to high margins (Fig 15-17) also helped market rebalancing, keeping dated Brent 23% below 13-Apr levels (Fig 18). EIA estimates oil demand reduction till Apr was only 1.5mbpd (-1.5% vs. Feb), or 0.5% of global energy. Even including natural gas, this is <1% of total energy, likely why financial markets remain largely unstressed. While US EIA estimates demand reduction globally was mostly in Asia (ex-China; Fig 12), in energy-proxies like fertilizer, even US farmers are badly affected ([link](#)). Oil prices for Dec-26/Mar-27 delivery are up 6%/4% vs. 13-Apr (Fig 1), reflecting the need to rebuild inventories once flows through the Strait of Hormuz resume.

**Neelkanth Mishra**

Neelkanth.Mishra@axisbank.com

**Pulkit Kapoor**

Pulkit1.Kapoor@axisbank.com

**Vipul Jindal**

vipul.jindal@axisbank.com

**Prateek Ancha**

Prateek.Ancha@axisbank.com

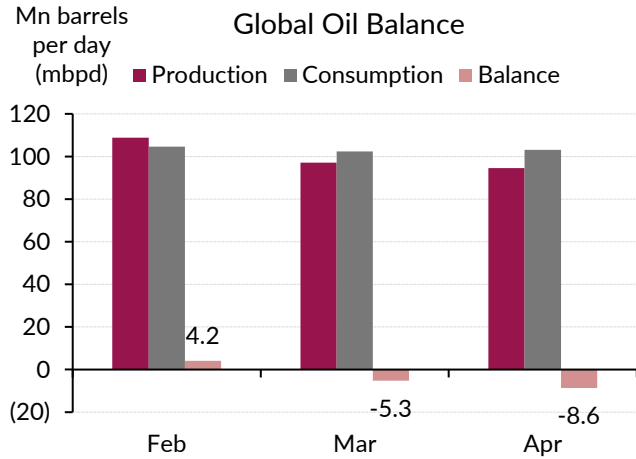
**Tanay Dalal**

Tanay.Dalal@axisbank.com

**Anshika Singh**

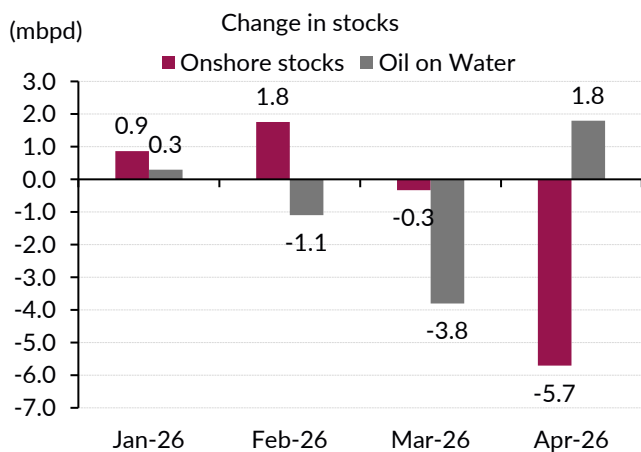
Anshik7.singh@axisbank.com

**Exhibit 2: Global oil balance (crude + liquids) worsened in April; a swing of 12.8 mbpd since Feb-2026**



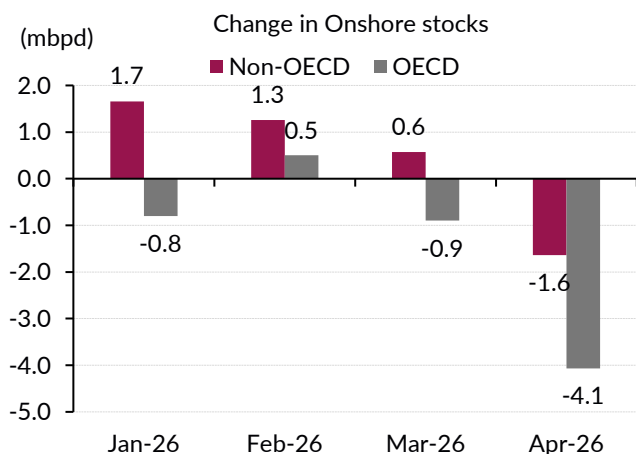
Source: EIA; Axis Bank Research

**Exhibit 4: Inventory drawdown of stocks on land deepened, offset by a build-up of oil on water**



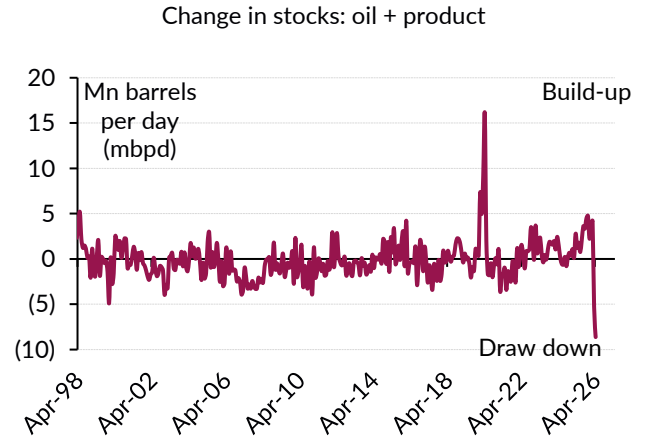
Source: IEA; Axis Bank Research

**Exhibit 6: Onshore crude + products stocks worsened across OECD and Non-OECD countries**



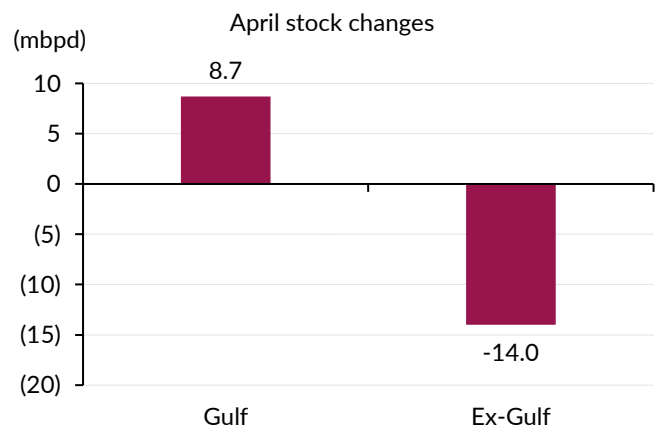
Source: IEA; Axis Bank Research

**Exhibit 3: This is the worst drawdown of stocks since at least 1998**



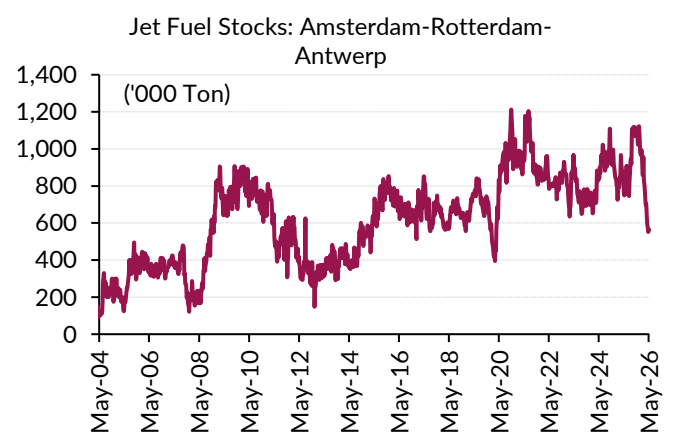
Source: EIA; Axis Bank Research

**Exhibit 5: Stock build-up in Gulf masks depletion elsewhere: ex-Gulf stock drawdown at ~14 mbpd**



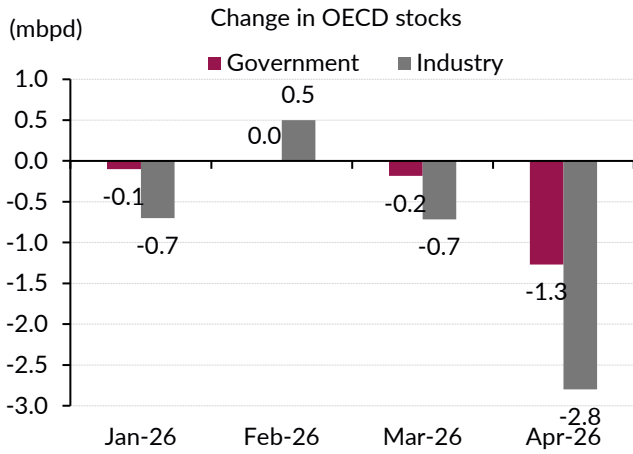
Source: IEA; Axis Bank Research

**Exhibit 7: Jet fuel stocks in ARA are 32% below pre-war levels -> 1/3<sup>rd</sup> stock has been used**



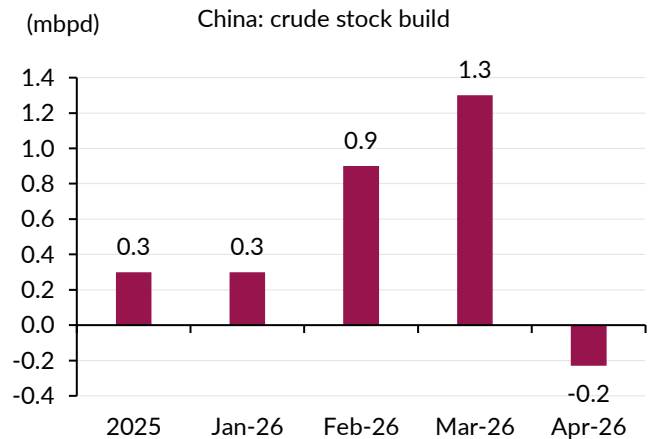
Source: Refinitiv; Axis Bank Research

**Exhibit 8: In April, stock draws accelerated across government and industry in OECD countries**



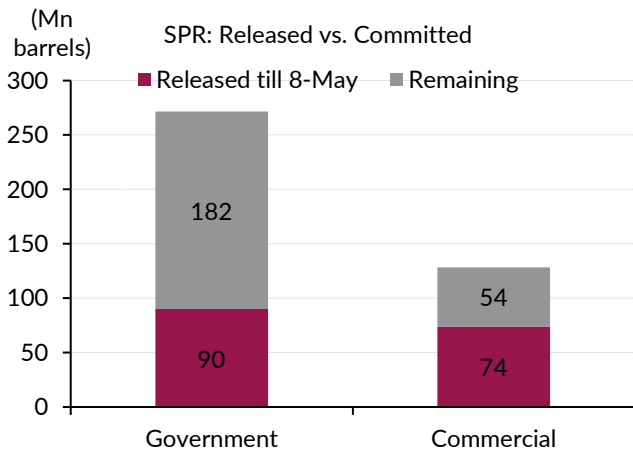
Source: IEA; Axis Bank Research

**Exhibit 9: China built crude stocks till March; drew down in Apr - IEA est. too low, as imports fell 3.5mbpd**



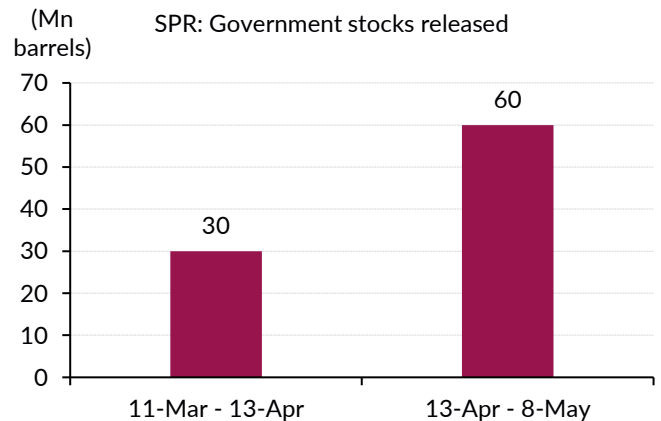
Source: IEA; Axis Bank Research

**Exhibit 10: 41% of the 400 million barrels of IEA's SPR committed had already been released by 08-May**



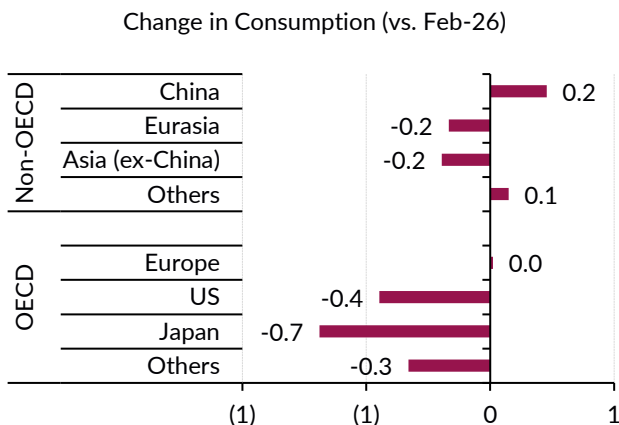
Source: IEA; Axis Bank Research

**Exhibit 11: Government stock released gathered pace after 13-Apr: start of US counter-blockade of SoH**



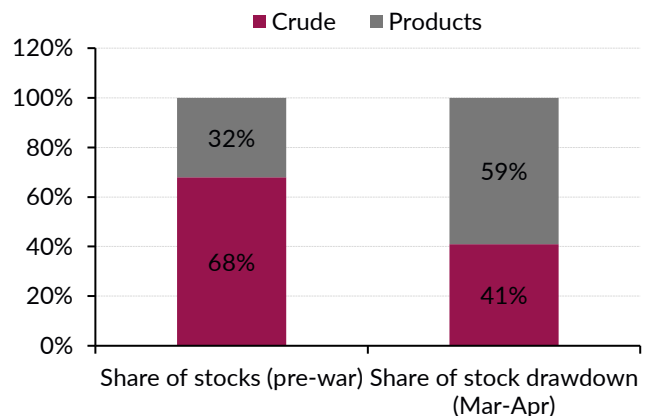
Source: IEA; Axis Bank Research

**Exhibit 12: Asia (ex-China) seems to be leading demand destruction**

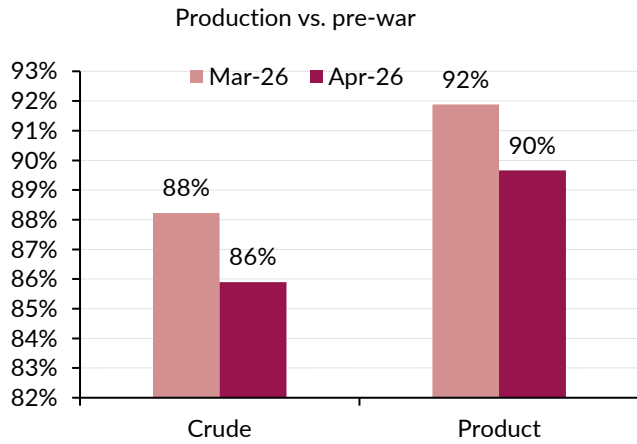


Source: EIA; Axis Bank Research

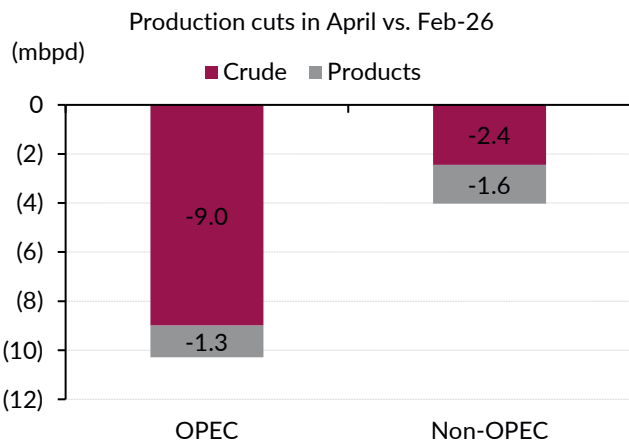
**Exhibit 13: Products were 32% of the opening stock but 59% of the cumulative drawdown since March**



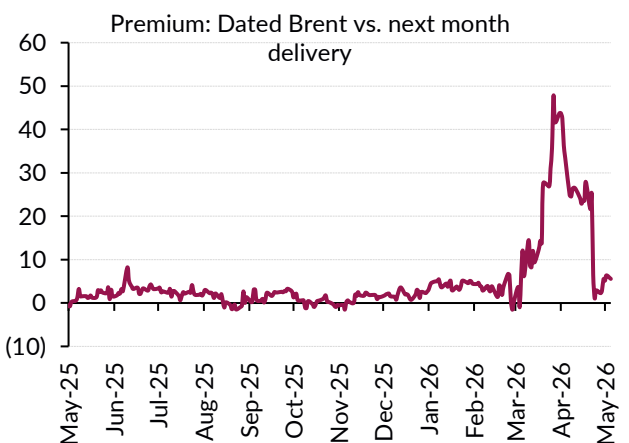
Source: IEA, IEA; Axis Bank Research

**Exhibit 14: Production of crude/products is 86%/90% of pre-war level**


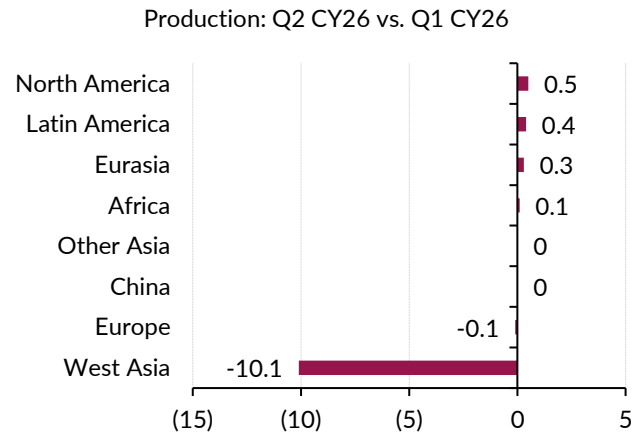
Source: EIA; Axis Bank Research

**Exhibit 16: In April, production down 14.3 mbpd vs Feb-26; weak in both OPEC and Non-OPEC countries**


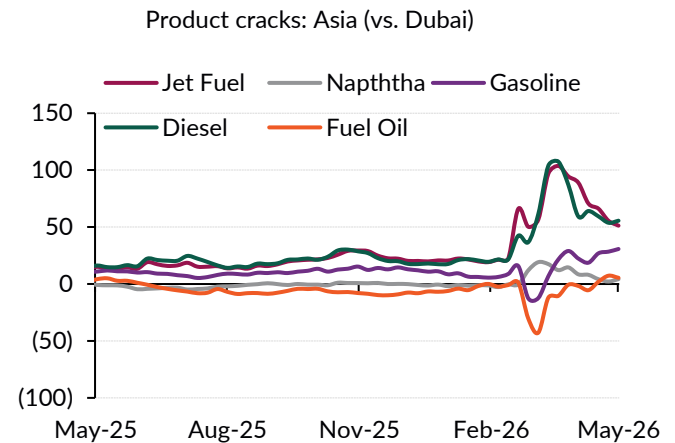
Source: EIA; Axis Bank Research

**Exhibit 13: Dated Brent premium over next month delivery fell to near-zero in early May; rising again**


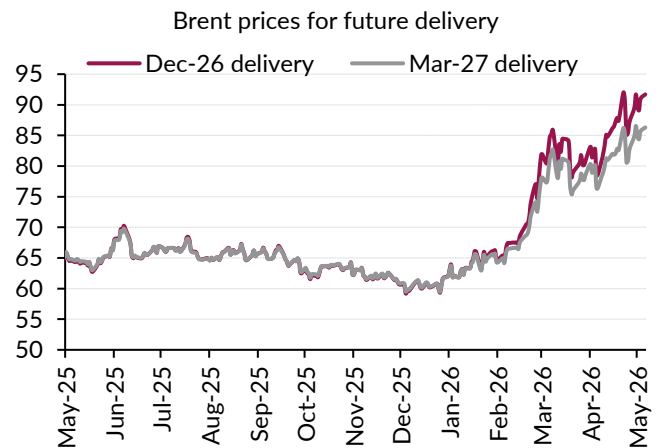
Source: Refinitiv; Axis Bank Research

**Exhibit 15: IEA estimates higher production in Atlantic/Russia, but minor vs. W. Asia production cut**


Source: IEA; Axis Bank Research estimates

**Exhibit 17: Product production responds to changing refining margins; gasoline margins climbing now**


Source: Refinitiv; Axis Bank Research

**Exhibit 14: Brent prices for future delivery still moving higher**


Source: Refinitiv; Axis Bank Research

**Disclaimer:** The report and information contained herein is of confidential nature and meant only for the selected recipient and should not be altered in any way, transmitted to, copied, or distributed, in any manner and form, to any other person or to the media or reproduced in any form, without prior written approval of Axis Bank. The material in this document/report is based on facts, figures and information that are obtained from publicly available media or other sources believed to be reliable and hence considered true, correct, reliable and accurate but Axis Bank does not guarantee or represent (expressly or impliedly) that the same are true, correct, reliable and accurate, not misleading or as to its genuineness, fitness for the purpose intended and it should not be relied upon as such. Artificial Intelligence tools may have been used (i) during the information gathering stage for compiling or collating data from (a) publicly available sources, (b) databases to which Axis Bank subscribes, and (c) internally generated research data; and/or (ii) for compiling summaries of this report. The opinion expressed (including estimates, facts, figures and forecasts) is given as of the date of this document is subject to change without providing any prior notice of intimation. Axis Bank shall have the rights to make any kind of changes and alterations to this report/ information as may be required from time to time. However, Axis Bank is under no compulsion to maintain or keep the data/information updated. This report/document does not mean an offer or solicitation for dealing (purchase or sale) of any financial instrument or as an official confirmation of any transaction. Axis Bank or any of its affiliates/ group companies shall not be answerable or responsible in any way for any kind of loss or damage that may arise to any person due to any kind of error in the information contained in this document or otherwise. This document is provided for assistance only and should not be construed as the sole document to be relied upon for taking any kind of investment decision. The recipient is himself/herself fully responsible for the risks of any use made of this information. Each recipient of this document should make his/her own research, analysis and investigation as he/she deems fit and reliable to come at an independent evaluation of an investment in the securities of companies mentioned in this document (including the merits, demerits and risks involved), and should further take opinion of own consultants, advisors to determine the advantages and risks of such investment. The investment discussed or views expressed herein may not suit the requirements for all investors. Axis Bank and its group companies, affiliates, directors, and employees may: (a) from time to time, have long or short positions in, and deal (buy and/or sell the securities) thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn commission/brokerage or other compensation or act as advisor or lender/borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions. The applicable Statutory Rules and Regulations may not allow the distribution of this document in certain jurisdictions, and persons who are in possession of this document, should inform themselves about and follow, any such restrictions. This report is not meant, directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would not be in conformation to the law, regulation or which would require Axis Bank and affiliates/ group companies to obtain any registration or licensing requirements within such jurisdiction. Neither Axis Bank nor any of its affiliates, group companies, directors, employees, agents or representatives shall be held responsible, liable for any kind of consequential damages whether direct, indirect, special or consequential including but not limited to lost revenue, lost profits, notional losses that may arise from or in connection with the use of the information. Prospective investors and others are cautioned and should be alert that any forward-looking statements are not predictions and may be subject to change without providing any notice. Past performance should not be considered as a reference to future performance. The disclosures of interest statements if any included in this document are provided only to enhance the transparency and should not be construed as confirmation of the views expressed in the report. The views expressed in this report reflect the personal views of the author of the report and do not reflect the views of Axis Bank or any of its associate and group companies about the subject company or companies and its or their securities.

**Disclaimer for Singapore clients:** This document is published by Axis Bank Limited, India ("Axis Bank") and is distributed in Singapore by Axis Bank. This document is not a research analysis or report concerning any investment product. This document does not provide or purports to provide individually tailored investment advice, commentary or opinion. The contents in this document have been prepared and are intended for general distribution strictly to accredited investor, expert investor or institutional investor. A recipient of this document shall not provide or circulate this document to any other person. The contents in this document do not take into account the specific investment objectives, financial situation, or particular needs of any particular person. The instruments and product types mentioned in this document may not be suitable for all investors. You should independently evaluate particular investments or product types and seek independent advice from a financial adviser regarding the suitability of such instruments or product types, taking into account your specific investment objectives, financial situation and particular needs, before making a commitment on any instruments or product types. This is because the appropriateness of a particular instrument or product type will depend on your individual circumstances and investment objectives, financial situation and particular needs. The instruments and product types mentioned in this document may not be suitable for all investors, and certain investors may not be eligible to purchase or participate in some or all of them.

**Disclaimer for DIFC clients:** Axis Bank Limited (DIFC branch) is duly licensed and regulated in the Dubai International Financial Centre by the Dubai Financial Services Authority ("DFSA"). This document is intended for use only by Professional Clients (as defined in the Rule 2.3 of the Conduct of Business Module of the DFSA Rulebook) who satisfy the regulatory criteria set out in the DFSA Rules, and should not be relied upon, acted upon or distributed to any other person(s) other than the intended recipients.