

Crude Oil Weekly

Brought to you by Phillip Capital Sdn Bhd (362533-U)

Market Commentary

Highlights:

- Iran Blocks Strait of Hormuz, Halting Global Shipping
- OPEC+ Production Increase Fails to Ease Supply Concerns

Oil Market Summary

WTI Crude Oil settled at **\$67.78 per barrel on Friday**, marking its highest level since August 2025 and representing a gain of more than 23% from its December low.

On Friday, the NYMEX light sweet crude oil was closed at **\$67.02 a barrel by close of trade and Brent crude up \$1.57 to \$72.87 a barrel**. During the week, NYMEX crude oil was up **\$0.54 or 0.812%**.

U.S. commercial crude oil inventories, excluding the Strategic Petroleum Reserve (SPR)—increase by 15.989 million barrels from the week ending February 20, 2026.

According to Baker Hughes, the number of weekly active rigs drilling for oil decreased by 1 at 550 from 551.

Tehran has issued the most significant supply threat since the 1973 OPEC oil embargo. Iran's Revolutionary Guards declared that ships are **prohibited from passing through the Strait of Hormuz**, a crucial chokepoint that carries around **20% of the world's oil and gas**, supporting roughly **\$500 billion in annual energy trade**. As a result, at least **150 tankers** carrying crude oil, liquefied natural gas, and petroleum products have anchored in the Gulf, unable to transit. On Sunday, a **Marshall Islands-flagged tanker was attacked off Oman**, while Iranian state television reported a second vessel was sinking after allegedly trying to "illegally" pass through the strait. International shipping in the region has effectively **come to a standstill**.

On Sunday, **OPEC+ agreed to raise output by 206,000 barrels per day starting in April**, a 50% increase over the originally planned 137,000 barrels. However, the increase is **largely irrelevant** if oil cannot physically reach global markets due to the strait's closure. Regional disruptions are already impacting operations: **DP World suspended activities at Jebel Ali in Dubai**, and **Mediterranean Shipping Company halted bookings for cargo into the Middle East** until further notice.

WTI Crude Oil is expected to range within a \$67 to \$80 range in the week ahead. Crude oil is set as a strong buy at Monday's open, with WTI (CL=F) trading above \$73 and Brent (BZ=F) around \$80. The near-term target for WTI is \$80, supported by a rare alignment of both technical and fundamental factors. The double-bottom at \$55.15 has already triggered a 23% breakout, reinforcing the bullish outlook. The bear case would require an exceptionally rapid de-escalation: the Strait of Hormuz reopening within 48 hours, Iran agreeing to a ceasefire despite the death of Supreme Leader Khamenei, and the U.S. Navy ensuring safe passage for all commercial shipping. Each of these conditions faces significant obstacles, as Iran's new leadership is under intense domestic pressure to respond decisively rather than negotiate with those responsible for Khamenei's death.

Other Market News

US stock futures opened lower on Monday as escalating tensions in the Middle East rattled financial markets. Over the weekend, the US and Israel conducted military strikes on Iran, resulting in the death of Supreme Leader Ayatollah Ali Khamenei and effectively shutting down the Strait of Hormuz.

On Friday, the Dow dropped 1.05%, the S&P 500 fell 0.43%, and the Nasdaq Composite declined 0.92%. Additionally, hotter-than-expected US inflation data suggested that companies are passing tariff-related costs onto consumers, further clouding the prospects for Federal Reserve rate cuts.

Call of The Week:

Bullish

2 March, 2026

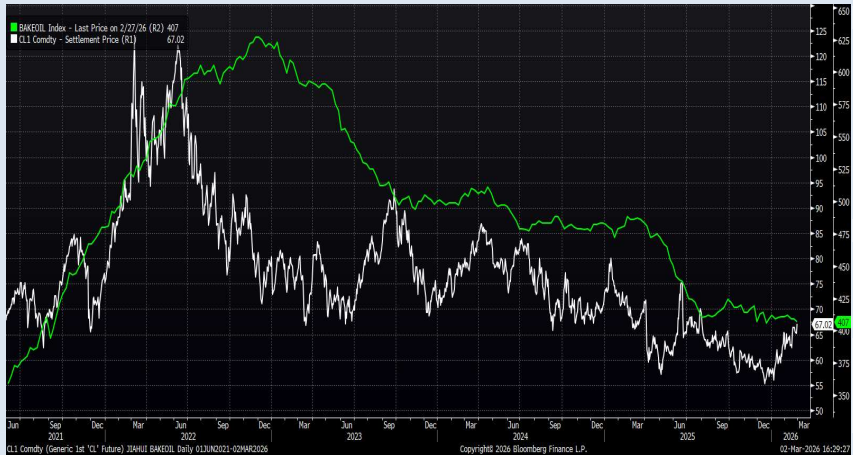
Weekly Market Price as at 27/02/2026

Commodity	Close	Chg	% Chg	High	Low	RSI(14)
NYMEX Crude Oil	67.02	0.54	0.812	70.29	63.60	63.64
IPE Brent Oil	72.87	1.57	2.202	73.52	69.16	68.21
TOCOM Crude Oil	66,300.00	-100.00	-0.151	67450.00	64710.00	64.26
Mini Dow Jones	49,000.00	-674.00	-1.357	44706.00	48699.00	45.07
U.S. Dollar Index	97.61	-0.19	-0.192	106.96	97.36	49.73
COMEX Gold	5,247.90	167.00	3.287	2756.70	5109.50	61.06

Significant Events to Watch (Malaysian Time)

- 2/3/2026 (2245hrs)- S&P Global Manufacturing PMI (Feb)
- 2/3/2026 (2300hrs)- ISM Manufacturing PMI (Feb)
- 4/3/2026 (2330hrs)- Crude Oil Inventories
- 5/3/2026 (2130hrs)- Initial Jobless Claims
- 6/3/2026 (2030hrs)- Retail Sales (MoM) (Jan)
- 6/3/2026 (2130hrs)- Unemployment Rate (Feb)

U.S. Oil Rig Count vs. U.S. NYMEX Crude Oil



Source: Bloomberg / Phillip Capital

Chart of the Day - Crude Oil Daily Chart



CL1 Comdty (Generic 1st 'CL' Future) JIAHUI Daily 31OCT2023-02MAR2026

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From the daily chart above, prices is likely to be continue forming lower low, however, investor should be mindful of next support level will be at \$65/barrel

Source: Reuters/Bloomberg/Phillip Capital



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