

Crude Oil Weekly

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

Market Commentary

- Highlights:**
- Rising OPEC+ Supply Heightens Bearish Risks
 - Geopolitical Tensions and Tariffs Influence Demand Prospects

Oil Market Summary

Oil Prices had slipped below the \$63 ratio on Thursday and finished Friday’s trading near \$61 doesn’t mean a crowd of large energy players are about to emerge with bullish tendencies. The catalyst this time is OPEC+, with Saudi Arabia and its V8 allies signaling additional production increases of 137,000 barrels per day starting next month, potentially lifting supply by as much as 1.65 million bpd over the coming quarters.

On Friday, the NYMEX light sweet crude oil was closed at \$61.87 a barrel by close of trade and Brent crude down \$1.98 to \$65.50 a barrel. During the week, NYMEX crude oil was down \$2.14 or 3.30%.

U.S. commercial crude oil inventories, excluding the Strategic Petroleum Reserve (SPR)—increased by 2.415 million barrels to 420.7 million barrels in the final week of August 2025

According to Baker Hughes, the number of weekly active rigs drilling for oil increased by 1 to 537.

OPEC’s output hikes this year, driven partly by Saudi Arabia’s push to discipline members like Kazakhstan and the UAE’s bid for higher quotas, have been encouraged by U.S. pressure to lower fuel costs but have already dragged oil prices down about 15%, hurting company profits and jobs. Still, prices remain around \$65 a barrel, supported by sanctions on Russia and Iran, allowing OPEC+ to press ahead even though most members are near capacity and only Saudi Arabia and the UAE can add meaningful supply. Brent settled at \$65.50 and WTI at \$61.87 on Friday, while the group continues to gradually unwind its layered cuts of 1.65 million bpd by eight members and 2 million bpd by the broader alliance.

OPEC+ has agreed to raise oil production by 137,000 barrels per day from October, a much smaller increase than in previous months, as Saudi Arabia leads efforts to regain market share amid expectations of slowing demand. The move accelerates the unwinding of a second tranche of output cuts earlier than planned, following the restoration of 2.5 million bpd since April. Analysts say the modest hike is less about volumes and more about signaling, with the group prioritizing market share even at the risk of softer prices.

The decision comes as markets brace for a potential surplus during the northern hemisphere winter, with demand growth expected to ease after a strong summer. While adding supply was relatively easy during peak consumption, the fourth quarter is seen as a bigger challenge. OPEC+ emphasized flexibility, saying it could speed up, pause, or reverse changes depending on market conditions, and will reassess its strategy at the next meeting on October 5.

WTI Crude Oil is expected to trade within a \$59 to \$65 range in the week ahead, If OPEC+ barrels come through and U.S. economic weakness continues, the outlook remains bearish across technicals, fundamentals, and macro trends. Declining oil prices also create macro feedback loops, as lower energy costs ease inflationary pressures, giving the Federal Reserve more room to cut rates. Futures are now pricing in an 89% chance of a September rate cut.

Other Market News

U.S. stock futures edged higher on Monday as investors looked ahead to two key inflation reports this week, which could shape the near-term outlook for interest rates following last week’s weak jobs data.

The Dow slipped 0.48% on Friday, while the S&P 500 and Nasdaq Composite declined 0.32% and 0.03%, respectively. Markets have almost fully priced in a 25-basis-point rate cut from the Federal Reserve later this month, though some traders are positioning for a larger half-point move depending on this week’s inflation data.

Call of The Week:

Slightly Bearish

9 September, 2025

Weekly Market Price as at 05/09/2025

Commodity	Close	Chg	% Chg	High	Low	RSI(14)
NYMEX Crude Oil	61.87	-2.14	-3.343	70.29	61.45	42.03
IPE Brent Oil	65.50	-1.98	-2.934	73.52	65.07	42.53
TOCOM Crude Oil	60,080.00	-470.00	-0.776	67450.00	59650.00	48.37
Mini Dow Jones	45,459.00	-142.00	-0.311	44706.00	45000.00	56.81
U.S. Dollar Index	97.77	0.00	-0.003	106.96	97.43	45.45
COMEX Gold	3,653.30	137.20	3.902	2756.70	3463.00	74.03

Significant Events to Watch (Malaysian Time)

- 10/9/2025 (2030hrs)- Core PPI (MoM) (Aug)
- 10/9/2025 (2030hrs)- PPI (MoM) (Aug)
- 10/9/2025 (2230hrs)- Crude Oil Inventories
- 10/9/2025 (2230hrs)- Cushing Crude Oil Inventories
- 11/9/2025 (1900hrs)- OPEC Monthly Report
- 11/9/2025 (2030hrs)- Core CPI (MoM) (Aug) / (YoY (Aug)
- 11/9/2025 (2030hrs)- CPI (MoM) (Aug) / (YoY (Aug)
- 12/9/2025 (2200hrs)- Michigan Consumer Sentiment (Sep)
- 13/9/2025 (0100hrs)- U.S Baker Hughes Oil Rig Count
- 13/9/2025 (0100hrs)- U.S Baker Hughes Total Rig Count

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



Source: Bloomberg / Phillip Capital

Chart of the Day - Crude Oil Daily Chart



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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