Crude Oil Weekly

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Market Commentary

Call of The Week: **Slightly Bearish**

23 February, 2026

Highlights:

- Crude Prices Reprice Higher on Middle East War Risk
- OPEC+ Supply Dynamics Provide Market Backdrop

Oil Market Summary

WTI Crude Oil have shifted from a prolonged downward grind into a clear upside reversal, after rebounding from a **double-bottom near $55.28**, formed in April and November last year. This upward re-rating has not been driven by a sudden surge in end-user demand, but rather by a sharp repricing of **geopolitical disruption risk**, particularly surrounding **Iran and the Strait of Hormuz**. The waterway, approximately **167 km long** and just **39 km wide at its narrowest point**, remains one of the most critical global energy chokepoints.

On Friday, the NYMEX light sweet crude oil was closed at $66.48 a barrel by close of trade and Brent crude up $4.01 to $71.76 a barrel. During the week, NYMEX crude oil was up $3.73or 5.944%.

U.S. commercial crude oil inventories, excluding the Strategic Petroleum Reserve (SPR)—decreased by 9 million barrels from the week ending February 13, 2026.

According to Baker Hughes, the number of weekly active rigs drilling for remained at 551.

WTI crude traded around $67 and Brent above $71 as oil markets re-evaluated the risk of conflict between the U.S. and Iran. The sharp repricing wasn't driven by stronger end–user demand but by fear of potential disruptions to exports through the strategically crucial Strait of Hormuz, through which a significant portion of global crude and LNG flows. This heightened risk premium lifted prices even without immediate supply shortages.

While the report highlights geopolitical repricing, the broader oil market backdrop continues to reflect OPEC+ supply management and delayed return of withheld barrels as factors helping sustain price levels. Even amid war risk repricing, disciplined output policies from OPEC+ have prevented a sharp collapse in oil prices, offering a floor that supports crude benchmarks alongside geopolitical concerns.

WTI Crude Oil is expected to range within a $63 to $70 range in the week ahead. With a projected surplus of 2.3 million barrels per day in 2026, approximately 1.3 billion barrels currently stored on water, the first US$500 million Venezuelan cargo already sold with more expected, and only localized supply disruptions in Kazakhstan and the Black Sea, the fundamental backdrop remains heavy. While Chinese crude imports have reached record levels, a portion of this demand appears to be driven by stockpiling rather than end-use consumption. Coupled with technical structures that continue to cap WTI below the US$62.20 level, the overall risk-reward profile remains skewed to the downside.

Other Market News

U.S. stock futures slipped slightly on Monday after President Donald Trump announced over the weekend that he intends to increase global tariffs from **10% to 15%**, following a Supreme Court ruling that invalidated his so-called "reciprocal" tariff policy.

Despite the early weakness in futures, equity markets closed the previous session higher. The **Dow Jones Industrial Average** rose **0.47%**, the **S&P 500** advanced **0.69%**, and the **Nasdaq Composite** gained **0.9%**, with all three major indices also recording modest gains for the week.

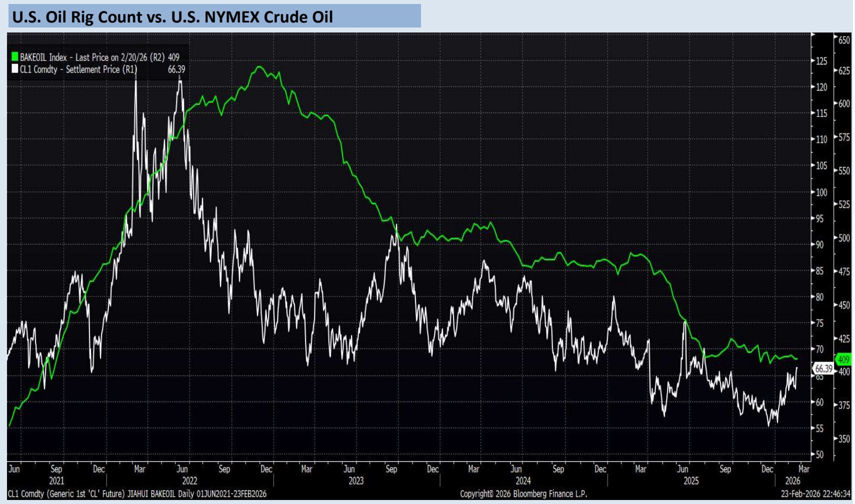
Weekly Market Price as at 20/02/2026

Commodity	Close	Chg	% Chg	High	Low	RSI(14)
NYMEX Crude Oil	66.48	3.73	5.944	70.29	61.76	63.73
IPE Brent Oil	71.76	4.01	5.919	73.52	66.82	64.57
TOCOM Crude Oil	66,400.00	4500.00	7.270	67450.00	61040.00	65.33
Mini Dow Jones	49,674.00	105.00	0.212	44706.00	49155.00	52.88
U.S. Dollar Index	97.80	0.88	0.909	106.96	96.88	53.29
COMEX Gold	5,080.90	34.60	0.686	2756.70	4854.20	57.03

Significant Events to Watch (Malaysian Time)

24/2/2026 (2130hrs)- CB Consumer Confidence (Feb)
25/2/2026 (2130hrs)- U.S. President Trump Speaks
25/2/2026 (2130hrs)- Crude Oil Inventories
26/2/2026 (2130hrs)- Initial Jobless Claims
27/2/2026 (2330hrs)- PPI (MoM) (Jan)
27/2/2026 (0200hrs)- Chicago PMI (Feb)

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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