

Crude Oil Weekly

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

Market Commentary

- Highlights:**
- Oil Prices Pull Back as Hopes for US–Iran De-escalation Emerge
 - OPEC+ Keeps Output Targets Steady as Supply Risks Persist

Oil Market Summary

WTI crude oil ended last week higher, gaining approximately 2.3%, as escalating geopolitical tensions in the Middle East raised concerns over potential disruptions to global oil supplies. Prices were supported by renewed Houthis attacks on Saudi Arabia and fears that further escalation could threaten energy infrastructure and shipping routes, particularly around the Strait of Hormuz and Bab el-Mandeb. Supply concerns were further heightened by reports of reduced Libyan oil production following a pipeline disruption. However, hopes for diplomatic progress and efforts to ease US-Iran tensions limited some of the gains.

On Friday, the NYMEX light sweet crude oil was closed at \$103.27 a barrel by close of trade and Brent crude up \$3.55 to \$116.72 a barrel. During the week, NYMEX crude oil was down \$3.80 or 3.820%.

U.S. commercial crude oil inventories, excluding the Strategic Petroleum Reserve (SPR)—decreased by 3.1 million barrels from the week ending October 16, 2026.

According to Baker Hughes, the number of weekly active rigs drilling for oil remained the same at 603.

WTI crude fell around 2.2% to \$101 per barrel, while Brent dropped about 1.9% to \$114.50, following last week's rally to near six-month highs. Reports of Qatari mediation efforts raised hopes of easing US–Iran tensions, although continued attacks on Saudi Arabia and disruptions to regional shipping kept supply risks elevated.

OPEC+ maintained its November oil production targets, with ongoing Middle East disruptions limiting the amount of crude reaching global markets despite some recovery in regional exports. Meanwhile, the US Energy Information Administration expects Brent to average \$105 per barrel in Q4 2026, reflecting continued supply constraints and elevated shipping costs. The combination of restricted supply and geopolitical uncertainty could keep oil prices elevated and volatile.

WTI crude oil is expected to trade within a \$98–\$113 range this week. WTI crude oil is likely to remain volatile, with an upward bias as supply risks in the Middle East persist, although diplomatic efforts could trigger short-term pullbacks. On Monday, 26 October, WTI fell around 2.2% to US\$101.04 per barrel amid hopes of easing US-Iran hostilities, following last week's rally. However, continued Houthi attacks on Saudi Arabia and potential disruptions to shipments through the Strait of Hormuz and Bab el-Mandeb could push prices higher if supply flows are affected. Traders will also monitor progress in diplomatic negotiations, developments involving Russian oil supplies, and US crude inventory data. Overall, prices may remain elevated while geopolitical tensions threaten supply, but any meaningful progress toward de-escalation could reduce the risk premium and weigh on crude oil prices.

Other Market News

US stock futures steadied on Monday after major indexes recorded losses for a second straight week, as concerns over heavy artificial intelligence (AI) spending and rising oil prices weighed on investor sentiment.

Market participants are now focused on the Federal Reserve's policy decision this week. The central bank is widely expected to keep interest rates unchanged, while investors assess the possibility of another rate hike in December.

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Call of The Week:

Slightly Bullish

26 October, 2026

Weekly Market Price as at 23/10/2026

Commodity	Close	Chg	% Chg	High	Low	RSI(14)
NYMEX Crude Oil	103.27	3.80	3.820	103.92	98.84	74.57
IPE Brent Oil	116.72	3.55	3.140	117.45	112.74	77.76
TOCOM Crude Oil	98,020.00	9300.00	0.960	98040.00	96050.00	79.16
Mini Dow Jones	52,394.00	-674.00	-1.270	53166.00	52234.00	51.79
U.S. Dollar Index	101.81	0.20	0.20	101.85	101.49	54.85
COMEX Gold	4,007.90	-52.50	-1.290	4050.20	3989.10	30.67

Significant Events to Watch (Malaysian Time)

- 27/10/2026 (2030hrs)- Durable Goods Orders (MoM) (Sep)
- 27/10/2026 (2200hrs)- New Home Sales (Sep)
- 28/10/2026 (2230hrs)- Crude Oil Inventories
- 29/10/2026 (0200hrs)- Fed Interest Rate Decision
- 29/10/2026 (0200hrs)- FOMC Statement
- 29/10/2026 (0230hrs)- FOMC Press Conference
- 29/10/2026 (2030hrs)- Core PCE Price Index (YoY) (Sep)
- 29/10/2026 (2030hrs)- GDP (QoQ) (Q3)
- 29/10/2026 (2030hrs)- Initial Jobless Claims
- 30/10/2026 (2145hrs)- Chicago PMI (Oct)

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 \$95/barrel

Source: Reuters/Bloomberg/Phillip Capital

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