

Crude Oil Weekly

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Market Commentary

Highlights:

- Russia’s Economy Ministry Lowers 2025 Oil Price Forecast
- Oil falls as concerns about demand amid U.S. tariff upheaval return

Oil Market Summary

Crude oil prices fell 1.5% on Monday as investors once again focused on concerns U.S. tariffs on its trading partners will create economic headwinds that will reduce fuel demand growth.

On Friday, the NYMEX light sweet crude oil for June contract was closed for Easter Holiday, On Thursday was up by \$2.21 to settle at \$64.68 a barrel by close of trade and Brent crude up \$2.11 to \$67.96 a barrel. During the week, NYMEX crude oil was up \$3.18 or 5.171% at \$64.68

U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) increased by 0.5 million barrels from the previous week. At 442.9 million barrels, U.S. crude oil inventories are about 6% below the five year average for this time of year

According to Baker Hughes, the number of active rigs drilling for oil increased to 585 from 583, increased 2.

Russia’s Economy Ministry has lowered its forecast for oil prices this year in an update for its baseline scenario, reflecting the latest trends on global oil markets. Per the new scenario, Brent crude will average \$68 per barrel, down from \$81.7 per barrel in the September 2024 scenario, Interfax reported today. The ministry also updated its oil price forecast for the next two years, expecting Brent crude at an average of \$72 per barrel for 2026, down from \$77, to remain at \$72 in 2027 as well, down from an earlier projection of \$74.5 per barrel.

OPEC+, the group of major producers including the Organization of the Petroleum Exporting Countries and allies such as Russia, is still expected to hike output by 411,000 barrels per day starting in May, though some of that increase may be offset by cuts from countries that have been exceeding their quotas. Prices also declined as some supply worries eased following signs of progress in nuclear talks between the United States and Iran progressed on Saturday. In the talks, the U.S. and Iran agreed to begin drawing up a framework for a potential nuclear deal, Iran’s foreign minister said, after talks that a U.S. official described as yielding a “very good progress.”

The progress follows further sanctions by the U.S. last week against Chinese independent oil refinery that it alleges processed Iranian crude, ramping up pressure on Tehran amid the talks. Concerns about tightening Iranian oil supply and hopes for a trade deal between the United States and the European Union, pushed Brent and WTI up about 5% last week, their first weekly gain in three weeks.

In the week ahead, NYMEX crude oil prices are likely to trade in a range between \$60 and \$65. Oil traders will focus on several U.S. data releases this week, including April flash manufacturing and services PMI, for direction on the economy.

Other Market News

Asian equities and U.S. stock futures slid on Monday as anxiety over tariffs and criticism of the Federal Reserve by President Donald Trump shook investor confidence, pushing the dollar sharply lower and catapulting safe-haven gold to a record high.

Trump launched a scathing attack against Fed Chair Jerome Powell on Thursday, with his team evaluating whether they could fire Powell, a move that would cast doubts about the central bank’s independence and further erode faith in U.S. assets. Trump’s tariffs have roiled financial markets and triggered a selloff in Treasuries and the dollar in April that stoked doubt in the long-held belief in the safe-haven status of U.S. assets.

The drop in confidence in U.S. assets has been exacerbated by Trump’s attacks on the Fed and Powell through last week. The relentless selling in the dollar led euro to a three-year high on Monday, while the yen hit a seven-month peak. The Swiss franc strengthened to its highest against the dollar in over 10 years.



Call of The Week:

Mildly Bearish

21 April, 2025

Weekly Market Price as at 18/04/2025

Commodity	Close	Chg	% Chg	High	Low	RSI(14)
NYMEX Crude Oil	64.68	3.18	5.171	70.29	60.44	57.95
IPE Brent Oil	67.96	3.20	4.941	73.52	63.79	57.15
TOCOM Crude Oil	58,390.00	2460.00	4.398	67450.00	54180.00	44.99
Mini Dow Jones	39,329.00	-1070.00	-2.649	44706.00	39130.00	45.62
U.S. Dollar Index	99.23	-0.87	-0.871	106.96	99.17	25.20
COMEX Gold	3,328.40	83.80	2.583	2756.70	3208.70	48.42

Significant Events to Watch (Malaysian Time)

- 23/4/2025 (0430hrs) - API Weekly Crude Oil Stock
- 23/4/2025 (2130hrs) - Crude Oil Inventories
- 23/4/2025 (2130hrs) - Crude Oil Imports
- 23/4/2025 (2130hrs) - Cushing Crude Oil Inventories
- 24/4/2025 (2030hrs) - Initial Jobless Claims
- 25/4/2025 (0430hrs) - Fed's Balance Sheet
- 26/4/2025 (0100hrs) - U.S. Baker Hughes Oil Rig Count
- 26/4/2025 (0100hrs) - U.S. Baker Hughes Total Rig Count
- 26/4/2025 (0330hrs) - CFTC Crude Oil Speculative Net Positions

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 02OCT2023-14APR2025

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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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