

Crude Oil Weekly

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

Market Commentary

Highlights:

- OPEC+ Output Increase Raises Oversupply Fears
- Trump's Tariff Threat Sparks Oil Price Swings

Oil Market Summary

Crude oil futures ended the week with a solid 3.33% gain, driven by rising geopolitical tensions and improved clarity on international trade agreements. WTI closed at \$67.33 per barrel, marking a \$2.17 gain for the week, as market sentiment turned bullish despite lingering worries about economic growth and possible supply hikes from OPEC+.

On Friday, the NYMEX light sweet crude oil was closed at \$67.33 a barrel by close of trade and Brent crude down \$2.01 to \$69.67 a barrel. During the week, NYMEX crude oil was up \$2.17 or 3.330%.

U.S. commercial crude oil inventories, excluding those in the Strategic Petroleum Reserve, increased by 7.7 million barrels from the previous week to 426.7 million barrels, about 6 percent below the five-year average for this time of year.

According to Baker Hughes, the number of weekly active rigs drilling for oil decreased to 540, from 542, decreased 2.

Oil prices fell by around \$2 on Friday amid concerns over a potential production hike by OPEC+ and weaker U.S. economic data. Brent dropped 2.83% to \$69.67, and WTI fell 2.79% to \$67.33, though both benchmarks still posted weekly gains of over 6%. The U.S. job growth in July came in below expectations at 73,000, raising the unemployment rate to 4.2%.

Market sentiment was also influenced by President Trump's new tariffs of 10% to 41% on imports from countries without trade deals, including Canada, India, and Taiwan. Concerns grew over further disruptions, especially after Trump's threat of secondary sanctions on Russian oil buyers, potentially putting 2.75 million bpd of exports at risk. Analysts say recent oil price strength has been driven largely by geopolitical tensions and trade deal resolutions.

Saudi Arabia, Russia, and six other major OPEC+ members are expected to announce a production increase of 548,000 bpd for September during Sunday's meeting—continuing a trend that began in April aimed at regaining market share rather than supporting prices. Despite previous output cuts totaling nearly 6 million bpd, crude prices have remained resilient, thanks to strong summer demand and geopolitical risks, including the Iran-Israel war and U.S. pressure on Russian oil buyers. Analysts expect this may be the final increase for now, with a likely pause in hikes after September. Still, concerns remain about a potential oversupply from October onward, risking downward pressure on prices. The group is trying to balance growing market share with avoiding price crashes.

In the week ahead, NYMEX crude oil prices are likely to trade in a range between \$64 and \$69. OPEC+ agreed to raise oil output by 547,000 bpd for September, continuing a series of monthly increases that began in April, citing strong global economic conditions and low inventories. However, the timing has coincided with rising geopolitical tensions, which have helped support oil prices despite higher supply.

Other Market News

U.S. stock futures were steady on Monday as investors assessed the potential economic impact of President Donald Trump's broad reciprocal tariffs. The previous week saw the Dow drop 2.92%, the S&P 500 decline 2.36%, and the Nasdaq fall 2.17%, ending a streak of record highs.

The market downturn was triggered by Trump's executive order implementing tariffs ranging from 10% to 41% on numerous trade partners. Investor sentiment was further dampened by a disappointing July jobs report, which showed only 73,000 new jobs added and downward revisions to prior months, indicating growing weakness in the labor market.



Call of The Week:

Slightly Bearish

5 August, 2025

Weekly Market Price as at 01/08/2025

Commodity	Close	Chg	% Chg	High	Low	RSI(14)
NYMEX Crude Oil	67.33	2.17	3.330	70.29	65.05	53.60
IPE Brent Oil	69.67	2.01	2.971	73.52	67.55	53.35
TOCOM Crude Oil	63,920.00	2800.00	4.581	67450.00	60360.00	64.57
Mini Dow Jones	43,710.00	-1374.00	-3.048	44706.00	43464.00	41.55
U.S. Dollar Index	99.14	1.50	1.532	106.96	97.49	57.54
COMEX Gold	3,399.80	7.30	0.215	2756.70	3319.20	49.71

Significant Events to Watch (Malaysian Time)

- 5/8/2025 (2200hrs)- ISM Non-Manufacturing PMI (JUL)
- 5/8/2025 (2200hrs)- ISM Non-Manufacturing Prices (JUL)
- 6/8/2025 (0430hrs)- API Weekly Crude Oil Stock
- 6/8/2025 (2230hrs)- Crude Oil Inventories
- 6/8/2025 (2230hrs)- EIA Refinery Crude Runs (WoW)
- 6/8/2025 (2230hrs)- Crude Oil Imports
- 6/8/2025 (2230hrs)- Cushing Crude Oil Inventories
- 7/8/2025 (2030hrs)- Initial Jobless Claims
- 9/8/2025 (0100hrs)- U.S Baker Hughes Oil Rig
- 9/8/2025 (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



CL1 Comdty (Generic 1st 'CL' Future) JIAHUI Daily 02OCT2023-04AUG2025

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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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