



Monday, July 14, 2025

Crude Oil, Natural Gas, Trade & Economic Data

Crude oil prices experienced an impressive upward trend last week, driven by investor concerns over potential additional U.S. sanctions on Russia. However, gains were capped as renewed tariff tensions emerged, following President Trump's announcement of new duties on the European Union and Mexico over the weekend. The market remains caught between evolving geopolitical risks and fundamental realities.

The International Energy Agency (IEA) projects a global crude oil surplus, raising its supply growth forecast by 300,000 barrels per day (Bpd) to 2.1 million Bpd, while demand is expected to increase by a comparatively modest 700,000 Bpd. Despite this projected surplus, the IEA notes that increased refinery activity to meet robust summer travel and power generation demand is tightening the physical market. Geopolitical risk premiums also increased, underpinning higher prices, notably after Houthi rebels launched a coordinated assault on the Greek-owned bulk carrier Magic Seas, leading to the vessel's sinking.

In terms of supply management, OPEC+ is reportedly discussing a potential pause in further oil production increases after its next monthly hike. Saudi Arabia and its partners tentatively plan to complete their 2.2 million-barrel per day supply revival in September, with one more monthly increase of 550,000 barrels. After this, the group will likely assess conditions before reversing another 1.66 million Bpd of halted production.

Further supporting the short-term price outlook, Russian Deputy Prime Minister Alexander Novak stated Russia would compensate for

Crude Oil			
Exchange	MCX	NYMEX-WTI	ICE-Brent
Open	5748	66.85	68.84
Close	5881	68.45	70.36
1 Week Chg.	133	1.6	1.52
%change	2.22%	1.48%	1.81%
OI	9883	192663	0
OI change	3605	-76792	0
Pivot	5829	67.91	69.87
Resistance	5941	69.31	71.20
Support	5768	67.04	69.04

Natural Gas		
Exchange	MCX	NYMEX-NG
Open	288	3.365
Close	285.9	3.31
1 Week Chg.	-2.1	-0.05
%change	-0.73%	-1.52%
OI	26022	124680
OI change	5.85%	-17.36%
Pivot	287.9	3.34
Resistance	291.4	3.39
Support	282.4	3.27

Front Month Calendar Spread		
Exchange	MCX	NYMEX(\$)
1st month	-102	-2.62
2nd month	-86	-0.87

WTI-Brent spread\$		
1st month	-1.20	
2nd month	-0.87	

any overproduction against its OPEC+ quota during the August-September period. Additionally, EIA inventory data showed U.S. crude stockpiles surprisingly increased by 7.07 million barrels, contrary to expectations for a drawdown of 2 million barrels.

However, gasoline inventories decreased by 2.7 million barrels, and distillate fuel inventories fell by 0.8 million barrels, indicating strong product demand. Robust short-term demand signals include Saudi Arabia's prospective shipment of approximately 51 million barrels of crude oil to China in August, marking the largest such shipment in over two years.

Trade tensions are once again at the forefront, as U.S. President Donald Trump has threatened to impose 30% tariffs on imports from both the European Union and Mexico starting August 1st. This dramatic move escalates an already contentious year of negotiations with key trading partners and underscores Trump's willingness to use tariffs as leverage.

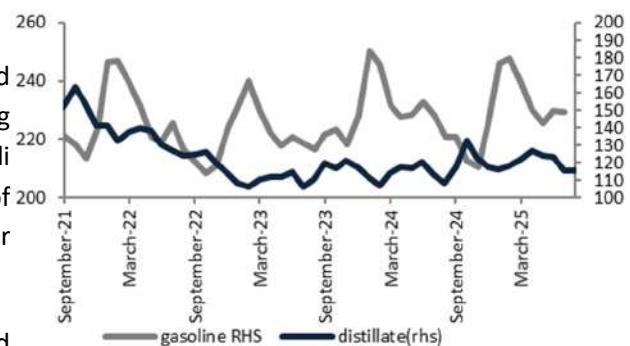
On the economic front, despite recent lackluster U.S. GDP figures, encouraging signs such as decelerating inflation and improved consumer sentiment suggest a potential strengthening of the U.S. economy. This positive outlook is further supported by better-than-expected jobs reports, which may be contributing to speculative buying sentiment in crude oil. The U.S. economic calendar this week includes crucial inflation data mid-week, followed by retail sales results at week's end.

Meanwhile, natural gas prices relinquished early gains and closed lower, despite forecasts for warmer U.S. weather and a bullish EIA report. Liquefied Natural Gas (LNG) demand and power generation consumption continue to provide support. Last week's EIA inventory data indicated a smaller-than-expected build of 53 billion cubic feet (Bcf), below the consensus of +61 Bcf, aligning with the five-year average for the week. While natural gas inventories are down 6.0% year-over-year, they remain 6.1% above their five-year seasonal average, signaling adequate supplies.

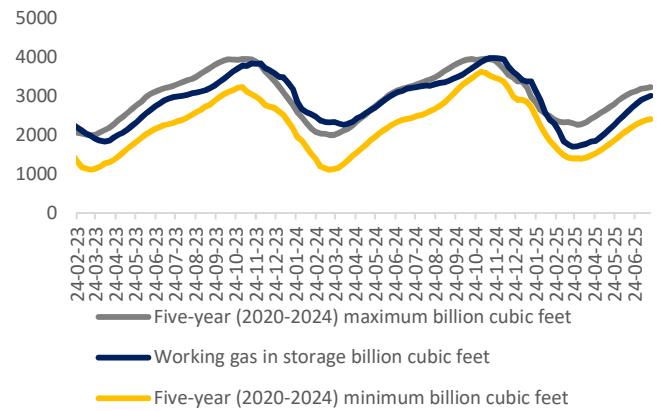
European gas storage is currently 61% full, compared to its five-year seasonal average of 71% for this period. Even with above-normal summer temperatures, energy firms are expected to inject more gas into storage than usual in coming weeks, driven by record-high output in June (on track to exceed in July) and languishing LNG export flows since April.

Total U.S. consumption of natural gas increased by 0.8% (0.6 Bcf/d) WoW, with power generation consumption rising by 1.0% (0.4 Bcf/d) and residential/commercial consumption increasing by 2.3% (0.2 Bcf/d), while industrial consumption saw slight decrease of 0.2% (0.1 Bcf/d).

US Product Stock(million barrels)



Working Natural Gas in Underground Storage(Bcft)



Crude oil prices are likely to remain sensitive to geopolitical developments, particularly the ongoing prospect of U.S. sanctions on Russia and escalating trade disputes, which add a risk premium. The divergence between higher cash market prices and futures market sentiment suggests underlying near-term demand strength, but abundant overall supply presents a persistent challenge to sustained rallies.

Technical Levels:

Crude Oil:

In the last week, crude oil closed on a positive note or +3.36%. The 14- period Relative Strength Index (RSI) on the daily chart is currently trading above the midpoint mark of 50 indicating sideways to higher range. Prices are holding above 20 day SMA in a broad consolidation. It has convincingly given a narrow range breakout and is well-positioned for further upside. Immediate support can be identified at Rs. 5700 level whereas immediate resistance is observed at Rs. 6150. Buying on dips seems likely testing 6150 level on the higher side till it holds above 5700 level. The current view will get negated if prices hold below 5700 level closing basis.



Natural Gas:

In the last week, natural gas prices gave a negative close with a loss of around 5 rupees or -1.69%. The 14- period Relative Strength Index (RSI) is currently trading below midpoint mark of 50 signalling negative momentum. Key significant rallies are sold in the past as prices fail to hold on the higher side. There is a possibility for it to trade in a sideways to lower range testing 265 on the lower side. However the bearish view gets negated above 315 level closing basis.



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