



Crude Oil, Natural Gas, Trade & Economic Data

Crude oil prices declined last week as investors grew wary of a potential market surplus later this year. OPEC's decision to speed up the rollback of its 2.2 mb/d production cuts is expected to outpace demand in the second half. OPEC+ supply is already increasing, with Saudi Arabia raising flows to 6.43 mb/d in H1 and Russia's exports hitting a one-month high.

However, late-week sentiment was partly supported by EU measures aimed at curbing Russia's energy exports. EU members agreed to lower the price cap on Russian crude as part of new sanctions, which also include restrictions on fuels made from Russian oil, additional banking curbs, and ban on a major Indian refinery processing Russian crude. The European Union has approved a new round of sanctions on Russia over its ongoing war in Ukraine, introducing a revised oil price cap, tighter banking restrictions, and limits on fuels derived from Russian petroleum.

This marks the bloc's 18th sanctions package since Moscow's full-scale invasion. About 20 additional Russian banks will be disconnected from the SWIFT international payments system and subjected to a complete transaction ban. The measures also target Russian petroleum products refined in third countries. A major Indian oil refinery, partly owned by Russia's state-run Rosneft PJSC, has been blacklisted as part of the package. The existing \$60-per-barrel price cap on Russian oil will now become dynamic, set at 15% below prevailing market rates. Initially, the cap will fall within the \$45–\$50 range and will be automatically reviewed and adjusted at least twice a year based on market trends. These moves are heightening concerns about diesel supply tightness, especially as global stock levels sit at five-year lows.

Crude Oil			
Exchange	MCX	NYMEX-WTI	ICE-Brent
Open	5788	67.6	69.55
Close	5798	67.34	69.28
1 Week Chg.	10	-0.26	-0.27
%change	-1.41%	-1.62%	-1.53%
OI	11151	55750	0
OI change	1268	-136488	0
Pivot	5838	67.83	69.73
Resistance	5890	68.47	70.32
Support	5745	66.71	68.69

Natural Gas		
Exchange	MCX	NYMEX-NG
Open	303.8	3.519
Close	303.5	3.57
1 Week Chg.	-0.3	0.05
%change	-0.10%	1.31%
OI	15954	82947
OI change	38.69%	-33.44%
Pivot	305.9	3.56
Resistance	309.6	3.63
Support	299.7	3.50

Front Month Calendar Spread		
Exchange	MCX	NYMEX(\$)
1st month	-91	-2.31
2nd month	-65	-0.66

WTI-Brent spread\$		
1st month	-0.88	
2nd month	-0.63	

Europe's heat wave has disrupted some refining operations and may worsen as refiners shift toward lighter crudes. This could further strain diesel output just as demand rises during harvest season, adding upward pressure on prices.

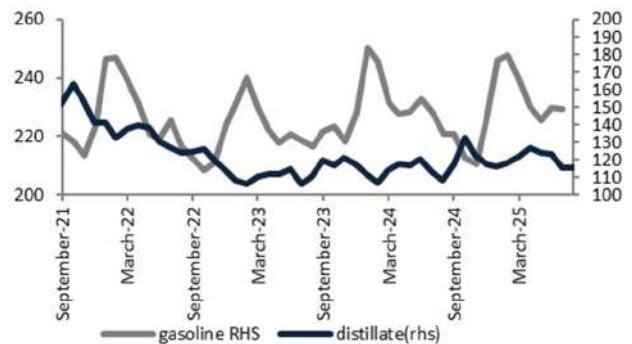
U.S. crude oil inventories fell last week amid a rise in exports, reversing some of the large stock builds seen the previous two weeks. Commercial crude oil stocks excluding the Strategic Petroleum Reserve fell by 3.9 million barrels to 422.2 million barrels and were about 8% below the five-year average for the time of year. Gasoline inventories rose by 3.4 million barrels to 232.9 million barrels, and were slightly above the five-year average, the EIA said. Distillate fuel stocks increased by 4.2 Mbs to 107 Mba, and were 21% below five-year average.

In wider markets, strong US data on consumer sentiment eased concerns about the world's largest economy, helping to underpin a risk-on mood. Crude oil futures also remain in backwardation in nearer months of their curves, which means traders are having to pay more to secure prompt supplies. That pattern points to tight conditions even as producers' cartel OPEC+ has been relaxing output curbs at a rapid clip. Brent futures curve remains in backwardation over the next four to six months—a pattern that typically signals a tight market. This is due to an uneven distribution of inventory builds, with stock increases concentrated in the Pacific, while Brent pricing is primarily driven by the Atlantic market.

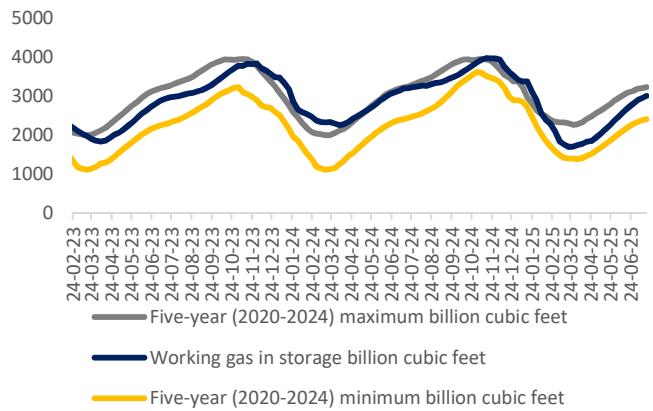
Meanwhile, Natural gas saw a gap down opening in early morning session today after sharp rally last week as mixed weather forecast along with news of sanctions on Russian pipeline gave support to natural gas prices. Over the weekend, weather forecast saw a U turn with forecast for cool weather for coming week along with increase in natural gas production, pushing prices lower. LNG feed gas flows remain robust, hovering near 15.1–15.3 Bcf/d, down slightly on the week but still historically strong. While European storage sits at 63%, below its five-year average of 72%, there's no immediate urgency from overseas buyers, though the gap could support U.S. exports in the medium term. Inventory data still remains a big disappointment, with EIA reporting a +46 Bcf injection for the week ended July 11, slightly above both the +45 Bcf estimate and the +41 Bcf five-year norm.

U.S. inventories are now 6.2% above seasonal averages, despite being 4.9% lower than year-ago levels. The result reinforces that supply continues to outpace demand, limiting how far prices can rally without stronger draws. While natural gas inventories are down 6.0% year-over-year, they remain 6.1% above their five-year seasonal average, signaling adequate supplies. Dry gas production in the Lower 48 rose to 108.3 Bcf/d, up 5.3% y/y, while domestic demand held flat near 78 Bcf/d.

US Product Stock(million barrels)



Working Natural Gas in Underground Storage(Bcft)



This imbalance continues to build, with rising rig activity suggesting further gains ahead. Baker Hughes reported nine additional gas rigs this week, pushing the total to 117, marking the highest count since early 2023 and underscoring that producers are positioning for heavier output into late summer. For prices to push materially higher, traders will need to see hotter-than-expected weather and a meaningful pickup in LNG demand. Otherwise, supply-side pressures could limit further upside.

Crude oil prices are expected to stay in a narrow range as market await clarity on new sanctions and escalating Geo political tensions in Middle East. 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.

Crude Oil:

Crude oil futures on the MCX ended the previous week with a mild decline of 1.25%. Despite the pullback, the four-hour chart continues to reflect a technically positive structure, with prices forming higher highs and higher lows—signaling a sustained uptrend. The price remains above the 21-period Exponential Moving Average (EMA), underscoring ongoing bullish momentum. Additionally, the 14-period Relative Strength Index (RSI) is holding above the 50 level, suggesting continued strength. Given this setup, a buy-on-dips strategy is recommended, with the ₹5600–₹5550 zone serving as a crucial support area. On the upside, a move toward ₹6050 appears achievable in the near term. However, a decisive break below ₹5350 would invalidate the bullish outlook and signal a possible trend reversal.



Natural Gas:

Natural Gas futures on the MCX registered a strong weekly gain of 6.15% (₹17.60). However, on the daily chart, the price structure continues to follow a pattern of lower highs and lower lows, highlighting a prevailing downtrend. Prices are still trading below the 21-day Exponential Moving Average (EMA), reinforcing the bearish bias. Additionally, the 14-period Relative Strength Index (RSI) remains below the critical 50 mark, indicating sustained downward momentum. Given this technical backdrop, a sell-on-rise strategy is advisable, with near-term support located in the ₹270–₹258 zone. On the other hand, a decisive daily close above the key resistance range of ₹318–₹330 would negate the bearish view and signal a potential trend reversal.



Navneet Damani	Research-Head	navneetdamani@motilaloswal.com
Shweta Shah	Analyst- Energy	shweta.vshah@motilaloswal.com

For any details contact:

Commodities Advisory Desk - +91 22 3958 3600

commoditiesresearch@motilaloswal.com**Commodity Disclosure & Disclaimer:**

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant Services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

Terms & Conditions:

- This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.
- This material is for the personal information of the authorized recipient and we are not soliciting any action based upon it.
- This report is not to be construed as an offer to sell or solicitation of an offer to buy any commodity or commodity derivative to any person in any jurisdiction where such an offer or solicitation would be illegal.
- It is for the general information of clients of MOFSL. It doesn't constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.
- The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL.
- The report is based on the facts, figures and information that are considered true, correct, reliable and accurate.
- All such information and opinions are subject to change without notice.
- Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.
- We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed.
- Neither MOFSL, nor any person connected with it, accepts any liability arising from the use of this document.
- The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the commodity referred to in this material may go up or down. Past performance is not a guide for future performance.
- Certain transactions including those involving commodity derivatives involve substantial risk and are not suitable for all investors.
- Reports based on technical analysis centers on studying charts of a commodity's price movement and trading volume as opposed to focusing on a commodity's fundamentals and as such may not match with a report on a commodity's fundamentals.
- Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject commodity for which Research Team have expressed their views.
- MOFSL or its associates or Research Analyst or his relatives may have Open Position in subject commodity.
- A graph of daily closing prices of commodities is available at <http://www.moneyline.co.in/>
- Opinions expressed are our current opinions as of the date appearing on this material only. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.
- The commodities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.
- This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.
- The Company reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the commodities mentioned in this document.
- The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein.
- The commodities described herein may or may not be eligible for trade in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.
- Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities -involve substantial risk and are not suitable for all investors.
- MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may (a) from time to time, have long or short positions in, and buy or sell the commodities mentioned herein or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodity/ (ies) discussed herein or have other potential conflict of interest with respect to any recommendation and related information and opinions. However the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the commodities mentioned in the research report.
- MOFSL and its associates and Research Analyst have not received any compensation or other benefits in connection with the research report. Compensation of Research Analysts is not based on any brokerage transactions generated by broking activities under Motilal Oswal group.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Patel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN.: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrivances@motilaloswal.com.