Monday, September 22, 2025

Oil prices ended last week higher and are on track to close firmer again this week, supported by renewed geopolitical tensions and monetary easing by the Federal Reserve. Additional support came from the prospect of new European Union sanctions against Russia, though gains were capped by persistent concerns over U.S. economic softness, weak fuel demand, and a stronger dollar that weighed on dollar-denominated commodities. Robust global production, ongoing refinery maintenance, and rising U.S. distillate inventories also kept near-term upside in check, while traders monitored U.S.-China-India relations that could shape Russian crude flows.

Market concerns over U.S. sanctions eased after an amicable exchange between Presidents Trump and Xi. Trump confirmed he would meet Xi on the sidelines of the upcoming APEC summit, offering no criticism of China's continued Russian oil purchases. This reassurance came just a week after Washington urged allies to impose tariffs of up to 100% on China and India. Despite this, Indian refiners have shown no inclination to scale back Russian imports and buying activity is expected to remain firm in November and Dec, in line with higher post-monsoon domestic demand.

At the same time, attention has turned to escalating attacks on Russian energy infrastructure. Several refineries were hit last week as Ukraine intensified its strikes, raising concerns over longer-term disruptions. For now, the impact on exports has been limited, with seaborne shipments rising to a three-month high of 3.3 Mbpd. However, continued strikes could eventually tighten balances. NATO tensions also flared, with Russian military jets violating allied airspace in Estonia and near Poland, prompting responses from NATO forces. In addition, Germany reported a Russian military aircraft entering neutral Baltic airspace. Such incidents have heightened fears that Russian oil flows could become structurally vulnerable, a risk underscored by pipeline

Crude Oil			
Exchange	MCX	NYMEX-WTI	ICE-Brent
Open	5590	63.59	67.46
Close	5550	62.68	66.68
1 Week Chg.	-40	-0.91	-0.78
%change	0.43%	-0.02%	-0.46%
OI	1180	17577	0
OI change	5370	-124425	0
Pivot	5566	62.98	66.90
Resistance	5598	63.35	67.35
Support	5519	62.30	66.22

Natural Gas		
Exchange	MCX	NYMEX-NG
Open	260	2.939
Close	254.2	2.89
1 Week Chg.	-5.8	-0.05
%change	-2.23%	-1.74%
OI	23845	65961
OI change	15.17%	-54.94%
Pivot	255.7	2.90
Resistance	258.8	2.94
Support	251.0	2.85

Front Month Calendar Spread		
Exchange	MCX	NYMEX($)
1st month	-23	-0.70
2nd month	-16	-0.28

WTI-Brent spread$	
1st month	-0.64
2nd month	-0.44

operator Transneft's warning that production cuts may be required if facilities remain compromised.

In the Middle East, recognition of a Palestinian state by four Western nations provoked a furious reaction from Israel, adding to regional uncertainty in a key oil-producing area. On the supply side, Iraq has steadily increased its exports following the gradual rollback of voluntary OPEC+ cuts. August exports averaged 3.38 million barrels per day, with September expected to climb slightly to 3.4–3.45 million barrels per day. Rising global inventories over the past six months confirm that supply has been running ahead of demand, with strategic stockpiling by China and the U.S. soaking up some of the surplus but still limiting near-term upside potential.

From a macroeconomic perspective, the Fed's decision to cut rates by 25 basis points would normally be expected to support oil, yet the effect has been muted. Weakness in the U.S. labor market and slowing economic momentum weighed on sentiment, and much of the anticipated policy easing had already been priced in by investors, leaving limited room for a meaningful rally.

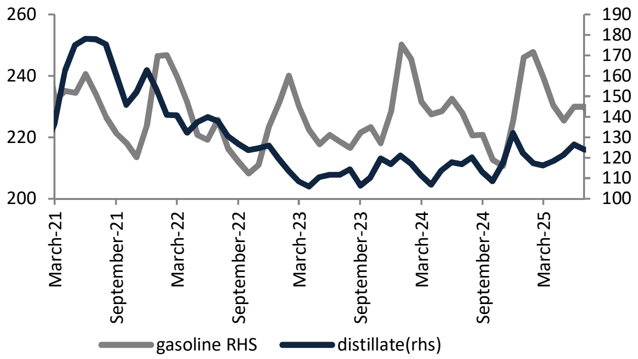
EIA data provided some short-term relief, showing the largest crude draw in three months at 9.285 million barrels, compared with expectations for a 1.5 million barrel decline. Cushing stocks slipped by 296,000 barrels, gasoline inventories fell by 2.347 Mbs, while distillates rose by a larger-than-expected 4.06 Mbs.

Natural gas prices moved lower as a combination of mixed weather forecasts and stronger-than-expected storage build pressured the market. U.S. inventories rose by 90 billion cubic feet in the week to September 15, compared with expectations for an 81 bcf increase, a build of 56 bcf in the same week last year, and a five-year average of 74 bcf. Stocks now sit just 0.1 percent below year-ago levels but remain 6.3 percent above the five-year average. Output in Lower 48 slipped slightly to 107.4 bcf per day from August's record 108.3, while LNG exports edged down to 15.7 Bcfpd.

In Europe, the EU has proposed a fresh round of sanctions on Russia that would extend to firms, banks, and traders in China, India, and other countries accused of facilitating sanction evasion. Approval by all 27 member states is required. Russian oil imports to Europe have already been cut from 29 percent in early 2021 to just 2% by mid-2025. On the gas front, the EU is now seeking to accelerate its phase-out of Russian LNG imports by one year, with the new target set for January 2027.

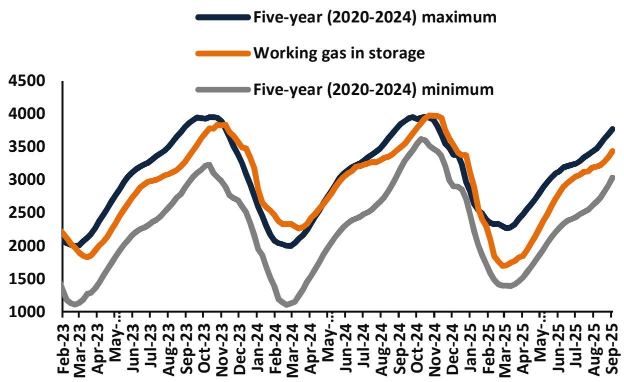
Looking ahead, crude oil prices are expected to retain a mildly positive bias this week, but demand concerns remain as the U.S. summer driving season winds down with the Labor Day holiday, typically signaling weaker consumption.

US Product Stock(million barrels)



Source: EIA

Working Natural Gas in Underground Storage(Bcft)



Source: EIA

Technical Outlook

Crude Oil

In the previous week, MCX Crude Oil traded sideways, staying within a tight range between support at 5400 and resistance near 5720, showing indecision in the market. The price struggled to break out of the descending triangle pattern formed by converging trendlines. For this week, the outlook remains sideways as the market continues consolidating within these key levels. A clear breakout above 5720 or a breakdown below 5400 will be needed to signal the next trend. Until then, expect range-bound movement with limited directional momentum.

Natural Gas

In the previous week, MCX Natural Gas declined by 7.2 rupees, or 2.75%, marking the second consecutive week of losses. Despite this downward move, prices are approaching key support levels around 245. As long as support near 245 or resistance around 270 holds, the market could trade sideways in the near term. It is important to watch for stability around these levels before anticipating any significant directional change. Overall, sideways action is likely until a decisive breakout or breakdown occurs.

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 and and BSE enlistment no. 5028. 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 and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS 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:

1. 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.
2. This material is for the personal information of the authorized recipient and we are not soliciting any action based upon it.
3. 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.
4. 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.
5. 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.
6. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate.
7. All such information and opinions are subject to change without notice.
8. 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.
9. 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.
10. Neither MOFSL, nor any person connected with it, accepts any liability arising from the use of this document.
11. 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.
12. Certain transactions including those involving commodity derivatives involve substantial risk and are not suitable for all investors.
13. 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.
14. 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.
15. MOFSL or its associates or Research Analyst or his relatives may have Open Position in subject commodity.
16. A graph of daily closing prices of commodities is available at http://www.moneyline.co.in/
17. 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.
18. 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.
19. 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.

20. The Company reserves the right to make modifications and alternations 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.
21. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein.
22. 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, not 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.
23. 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.
24. 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.
25. MOFSL and it's 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, enlistment as RA with Exchange 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 Parel 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
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@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, BSE enlistment no. 5028 . AMFI: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. 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 dpgrievances@motilaloswal.com.