Monday, November 17, 2025

Crude oil ended last week on an indecisive note as geopolitical support was offset by growing concerns over a global supply surplus. Prices initially firmed after U.S. sanctions on Russian crude flows raised expectations of tighter near-term exports. However, this support faded quickly once OPEC and the EIA projected stronger supply growth through 2025–26.

OPEC now anticipates that global supply will largely align with demand next year, reversing its earlier call for a deficit. The November outlook marks a notable shift: after estimating a 50,000 bpd shortfall in October and a much deeper 700,000 bpd deficit in September, OPEC now sees a slight surplus of about 20,000 bpd for 2026. At the same time, the EIA has lifted its U.S. production forecast, pushing expected global output toward 106 mbpd against demand of roughly 104.1 mbpd. Together, these revisions bring the possibility of renewed inventory builds back into focus amid a softer demand outlook.

In the U.S., last week's sizeable 6.4 million-barrel crude inventory build added to the bearish tone. Still, declines in gasoline and distillate stocks, firm refinery runs, refilling of SPR, geopolitical premiums, and optimism over reopening of the U.S. government helped prevent deeper losses.

This week, crude began on a weaker footing, slipping over 1% as the market unwound last week's conflicting signals. The risk premium from Ukraine's strike on Russia's Novorossiysk port has largely faded, with reports indicating limited damage and resumed crude loadings. With geopolitical support easing and demand still underperforming, market focus has shifted decisively back to supply pressure. Unless fresh disruptions arise, such as renewed conflict, unplanned outages, or a seasonal demand surge, the overall outlook for crude remains weak and tilted to the downside.

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	411.9	4.597
Close	400.4	4.57
1 Week Chg.	-11.5	-0.03
%change	-2.79%	-0.67%
OI	14984	94790
OI change	22.68%	-43.09%
Pivot	400.5	4.53
Resistance	411.9	4.68
Support	388.9	4.42

Front Month Calendar Spread		
Exchange	**MCX**	**NYMEX($)**
1st month	5	-0.31
2nd month	9	-0.15

WTI-Brent spread$	
1st month	-0.47
2nd month	-0.30

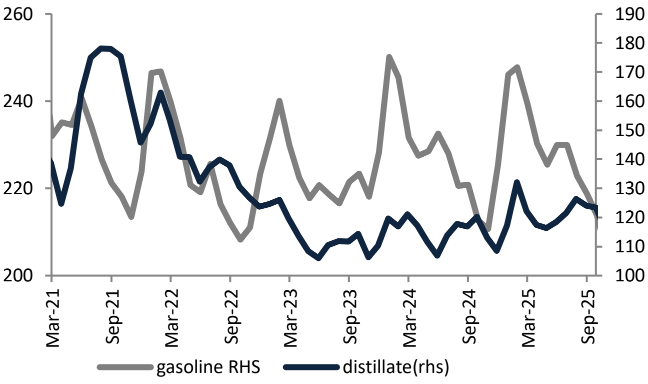
Natural gas continued its strong November rally last week, even though prices slipped briefly when short-term weather models showed slightly milder conditions. Overall, the outlook remains firm, as medium-range forecasts still point to colder-than-normal weather in December across the U.S., Europe, and Asia.

Toward the end of last week, prices softened after a larger-than-expected 45 Bcf storage build, and the weakness has extended into this week amid mixed temperature signals. NOAA's latest Week 3–4 outlook shows a shift from earlier projections: instead of broad cold across the northern and eastern U.S., the strongest cold risk is now concentrated over the northern part. The East is still expected to cool, but with a weaker and more delayed onset.

La Niña conditions, an active MJO phase, and a disrupted Arctic pattern continue to favor colder-than-normal conditions for the northern U.S., while the Southeast is likely to stay warmer.

Short-term weather remains a drag, with Atmospheric G2 models pointing to milder conditions across much of North America through late November, limiting near-term heating demand. With mixed weather signals heading into peak winter, natural gas may face some near-term weakness and volatility due to milder forecasts. Even so, tightening supply balances, colder-leaning December outlooks, and near-record LNG feedgas flows keep the medium-term view supportive.

US Product Stock(million barrels)



Source: EIA

Technical Outlook

Crude Oil

Crude Oil futures on the MCX ended the week with a 0.89% gain. On the daily chart, prices remain confined within a broad consolidation zone, signalling the absence of a strong trend. The contract is currently trading near the 21-period EMA, underscoring the prevailing market indecision. A decisive move above ₹5,450 could ignite fresh buying interest and open the door for a rally toward ₹5,650. Conversely, a drop below ₹5,150 may invite renewed selling pressure, potentially dragging prices down to around ₹4,950. Until either level is breached, the market is likely to continue trading sideways.

Natural Gas

Natural Gas futures on the MCX registered a weekly gain of 3.78% (₹14.6). On the daily chart, prices continue to move within a broad consolidation range but with a positive undertone, currently approaching the resistance zone of the upward-sloping trendline. The contract is comfortably holding above the 21-day Exponential Moving Average (EMA), which supports the ongoing bullish sentiment. Additionally, the 14-period RSI remains above 50, indicating sustained upward momentum.

Given this technical setup, a “buy on dips” approach is advisable. Strong support lies in the ₹385–₹380 zone, offering favorable buying opportunities. Upside targets are placed at ₹425 and ₹440 in the near term, with a stop-loss set at ₹358.

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