



# Energy Weekly

Tuesday, January 27, 2026

Crude prices eased at the start of this week as early signs of stabilization emerged in Kazakhstan's oil sector, prompting some profit-taking after last Friday's sharp rally. The recent price surge had been supported by a combination of U.S. weather-related supply disruptions and elevated geopolitical risks surrounding Iran and Ukraine.

While these factors continue to underpin near-term market sentiment, the absence of any fresh supply shocks or demand catalysts limits the potential for further immediate upside.

Kazakhstan's Tengiz field, which accounts for nearly half of the country's crude output, is preparing to resume production following the January 18 outage caused by a combination of a fire, power disruptions, and drone attacks on key infrastructure. Initial production has restarted at the Korolev field, while Tengiz is expected to come back online in the near future. However, the scale of the output remains uncertain.

U.S. oil output was significantly disrupted over the weekend, with severe winter weather temporarily knocking out as much as 2 million barrels per day, around 15% of total production, as per media reports. The cold snap also affected refining operations, with several Gulf Coast facilities reporting weather-related issues, raising concerns over potential fuel supply disruptions.

OPEC+ is also a key factor underpinning market stability. Delegates from the eight-member group, including Saudi Arabia, Russia, UAE, and Kazakhstan, are expected to maintain the production pause for March. The group meets on 1<sup>st</sup> February 2026.

While the momentum remains positive, the market currently lacks a new, specific trigger to materially disrupt supply or boost demand further.

Crude Oil			
Exchange	MCX	NYMEX-WTI	ICE-Brent
<b>Open</b>	5495	59.66	64.38
<b>Close</b>	5630	61.07	65.88
<b>1 Week Chg.</b>	135	1.41	1.5
<b>%change</b>	3.32%	2.92%	2.73%
<b>OI</b>	15030	371571	0
<b>OI change</b>	1534	-23696	0
<b>Pivot</b>	5587	60.65	65.49
<b>Resistance</b>	5693	61.78	66.69
<b>Support</b>	5525	59.94	64.68

Natural Gas		
Exchange	MCX	NYMEX-NG
<b>Open</b>	475	4.872
<b>Close</b>	475.5	5.28
<b>1 Week Chg.</b>	0.5	0.40
<b>%change</b>	0.11%	8.27%
<b>OI</b>	4645	24135
<b>OI change</b>	82.75%	-70.11%
<b>Pivot</b>	464.5	5.12
<b>Resistance</b>	507.4	5.59
<b>Support</b>	432.7	4.81

Front Month Calendar Spread		
Exchange	MCX	NYMEX(\$)
<b>1st month</b>	0	-0.28
<b>2nd month</b>	3	-0.23

WTI-Brent spread\$	
1st month	-0.81
2nd month	-0.51

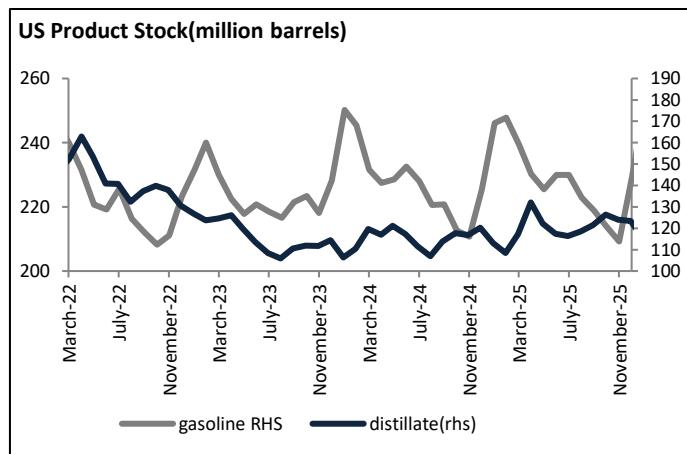
Natural gas futures have surged over 100% in the past few trading sessions, driven by an Arctic blast that froze wells and pushed U.S. production to a two-year low. Extreme cold is expected to drive a sharp rise in heating demand, while freeze-offs across key producing regions such as Texas and Louisiana are likely to disrupt output, tightening near-term supply and triggering a degree of panic-driven buying.

LNG feedgas flows have also reduced, further amplifying the supply squeeze. Short covering ahead of the January contract expiry added momentum, pushing prices to multi-year highs.

While production has fallen sharply due to weather-related disruptions and demand is expected to remain strong over the next two weeks, the cold outlook has moderated compared to last week. The share of the U.S. facing below-average temperatures has declined from around 70% in the prior 6–10 day outlook to below 40% currently.

Storage levels remain comfortable and well above both last year and the five-year average, suggesting the rally remains largely weather-driven. NOAA's Weeks 3–4 outlook still flags cold risks in parts of the eastern U.S., but rising forecast uncertainty limits visibility beyond mid-February.

As a result, volatility is likely to stay elevated, with near-term prices remaining highly sensitive to weather developments and the pace of production recovery. With prices hovering at elevated levels after a strong rally, some caution is advised, while further clarity will depend on extended weather projections.



Source: EIA

## Technical Outlook

### Crude Oil

In the last week, crude oil closed on a positive note by 3.82% resembling buying interest. The 14- period Relative Strength Index (RSI) on the daily chart is currently trading above the midpoint mark of 50 indicating strength. The slope of 20 DAY SMA too is turning upwards It has formed a bullish reversal pattern coupled with a breakaway gap well-positioned for further upside. Immediate support can be identified at Rs. 5460 level whereas immediate resistance is observed at Rs. 5700. Buying on dips seems likely testing Rs. 5900 level on the higher side till it holds above 5300 level.



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### Natural Gas

In the last week, natural gas prices closed on a positive note by 35%. The 14- period Relative Strength Index (RSI) is currently trading above midpoint mark of 50 signalling positive momentum. Key healthy retracement looks to be a potential point to go long indicating further bullishness. There is a possibility for it to trade with a bullish bias on the break above Rs. 355 level sustainable basis testing Rs. 390 on the higher side till the prices hold below Rs. 315 level.



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