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Crude oil prices rallied sharply last week as geopolitical risk premium returned to the forefront. Although some progress was reported during the second round of U.S.–Iran nuclear talks, markets focused more on tangible developments. The continued U.S. military presence in Middle Eastern waters, Iran’s military drills, and the temporary disruption around the Strait of Hormuz overshadowed the initial optimism generated by negotiations, triggering a swift reversal from earlier weakness and driving a strong upside move in crude.

However, sentiment shifted over the weekend as both US and Iran agreed to hold a third round of nuclear talks in Geneva which eased immediate fears of military escalation and prompted a partial unwinding of the geopolitical premium. Reports suggest Iran may be willing to consider limited nuclear concessions in exchange for sanctions relief. That said, core disagreements remain particularly over uranium enrichment rights and the sequencing of sanctions removal limiting the scope for sustained optimism.

However, the downside momentum has remained contained. Ongoing domestic unrest within Iran and broader regional tensions continue to embed a structural risk premium in the market. Markets are likely to stay highly reactive to headlines, especially as the U.S. maintains a visible military posture in the region, leaving room for volatility should negotiations falter.

On the supply front, expectations that OPEC+ could consider increasing output at its upcoming meeting added a layer of pressure. However, considering the spare capacity, even if there is a hike it won’t be so substantial. Meanwhile, reports of U.S.–India discussions regarding potential Venezuelan crude flows highlight shifting global trade dynamics that could gradually rebalance supply channels and reduce reliance on Russian barrels.

Crude Oil			
Exchange	MCX	NYMEX-WTI	ICE-Brent
Open	6078	66.67	71.72
Close	6057	66.39	71.76
1 Week Chg.	-21	-0.28	0.04
%change	5.67%	5.57%	5.92%
OI	14582	1905	0
OI change	6463	-138790	0
Pivot	6055	66.46	71.72
Resistance	6118	66.98	72.38
Support	5994	65.87	71.10

Natural Gas		
Exchange	MCX	NYMEX-NG
Open	272.1	2.971
Close	282.2	3.05
1 Week Chg.	10.1	0.08
%change	3.71%	2.56%
OI	12641	29786
OI change	4.63%	-70.42%
Pivot	279.1	3.05
Resistance	289.8	3.15
Support	271.4	2.95

Front Month Calendar Spread		
Exchange	MCX	NYMEX(\$)
1st month	12	-0.15
2nd month	-1	-0.36

WTI-Brent spread\$	
1st month	-0.46
2nd month	-0.64

Overall, crude oil remains underpinned by persistent geopolitical uncertainty but is simultaneously facing macro and supply-side headwinds. In the near term, prices are likely to remain headline-driven, oscillating between diplomatic developments, OPEC+ production signals, and evolving demand expectations.

Over the past week, natural gas prices have largely traded in a subdued range, shaped by mixed demand signals, evolving weather forecasts, inventory data, and broader structural supply trends. In the U.S., near-record LNG export flows have continued to provide a solid demand base, offsetting relatively soft domestic consumption. Strong US feedgas deliveries to export terminals remain a key pillar of support, reinforcing the importance of external demand in balancing the market.

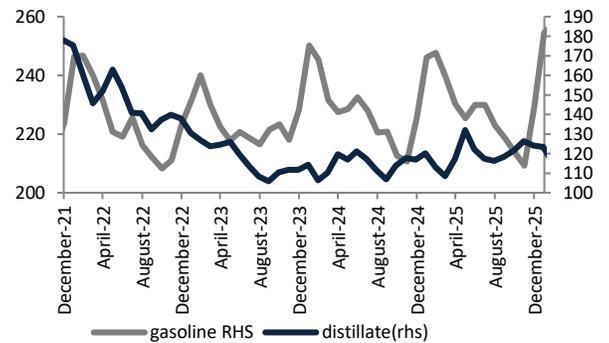
Weather dynamics once again played a pivotal role. Short-term forecasts pointing to colder conditions in key consumption regions offered intermittent support by lifting heating demand expectations. However, extended outlooks continue to signal a shift toward warmer-than-normal temperatures, limiting bullish follow-through and keeping the market highly sensitive to forecast revisions.

Inventory data also influenced sentiment. The latest U.S. storage update showed a withdrawal that came in below expectations and under the five-year average. At the same time, total inventories remain below both last year's levels and the five-year seasonal norm, indicating an element of underlying tightness that has helped prevent deeper price declines.

Meanwhile, U.S. production continues to hover near record highs, providing a meaningful cushion against episodic demand spikes and weather-driven volatility. This steady output growth has acted as a moderating force, capping upside despite supportive LNG flows. Globally, elevated LNG demand from Europe driven by winter requirements and ongoing diversification has sustained strong trans-Atlantic flows. In contrast, softer Chinese LNG imports amid a milder Asian winter have offset some of that strength, creating a nuanced global demand landscape.

Looking ahead, the weather variability, sustained LNG export strength, and the pace of inventory rebalancing will remain central to price. While intermittent strength may persist, the prevailing warmer weather outlook is likely to cap rallies unless a period of extended colder-than-expected conditions re-emerge.

US Product Stock(million barrels)



Source: EIA

Technical Outlook

Crude Oil

MCX Crude Oil has formed a double top formation on 240-min chart having resistance at Rs.6,090 and price has reversed from the same. Immediate support is at Rs.5,840 whereas critical support is at Rs.5,600. Overall bias for the counter looks sideways-to-higher as long as price holds above critical support. Trend breakout will be confirmed only if price break and sustains above Rs.6,090 – 6,175 zone. Price break above the same will confirm positive move towards Rs.6585 – 6940 levels. So, either buying around immediate support OR sustained break above resistance zone is advised but our bias will negate below Rs.5,600



Natural Gas

MCX Natural gas has been trading in a broad range since past couple of weeks and has been failing to give any trend direction. Immediate strong support zone is placed at Rs.277 – 268 and as long as price holds above the same, we could see sideways-to-positive move in the short-term. However, upside too will be capped around Rs.332 as it will act as immediate strong resistance mark. So, buying is recommended but our bias will negate if price break and sustains below Rs.268



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