



Monday, April 27, 2026

Crude oil markets staged a powerful rally over the past week, driven less by visible supply outages and more by a sharp repricing of geopolitical risk. What initially looked like easing tensions between the U.S. and Iran quickly morphed into a classic “de-escalation trap,” with markets that had priced in a diplomatic breakthrough forced into a rapid and disorderly unwind as hopes of a deal faded.

Disruptions through the Strait of Hormuz persisted with no credible path to resolution, triggering what the International Energy Agency described as one of the most severe energy security shocks in history. Reports indicate Middle East production losses of roughly 14–15 million barrels per day, driving unprecedented global inventory draws of 11–12 million barrels per day in April alone—levels with virtually no historical precedent. Major Gulf producers, including Saudi Arabia, Iraq, and the UAE, have curtailed output amid escalating security risks and logistical constraints, tightening the supply landscape.

Geopolitical tensions have continued to intensify, with ceasefire arrangements looking increasingly fragile and no clear extension in sight. Iran has adopted a more aggressive posture, warning of “zero restraint” in response to perceived threats, further entrenching a geopolitical risk premium into prices. Even if the Strait reopens, normalization is unlikely to be swift. Damaged infrastructure, hesitant tanker operators, and persistent security concerns are expected to delay a full recovery in flows, keeping the market structurally tight in the near term.

Compounding this already strained backdrop is the continued extension of waivers under the Jones Act, which has helped ease domestic fuel transportation bottlenecks in the U.S. but also highlights the underlying logistical rigidities within the system. Overall, the oil market is being shaped by a potent combination of geopolitical escalation, structural supply disruption, and

Crude Oil			
Exchange	MCX	NYMEX-WTI	ICE-Brent
Open	9112	96.62	106.02
Close	8817	94.40	105.33
1 Week Chg.	-295	-2.22	-0.69
%change	15.01%	14.30%	16.54%
OI	11003	301464	0
OI change	425	-23115	0
Pivot	8939	94.98	105.41
Resistance	9127	97.27	107.40
Support	8628	92.10	103.33

Natural Gas		
Exchange	MCX	NYMEX-NG
Open	243.4	2.594
Close	238.9	2.52
1 Week Chg.	-4.5	-0.07
%change	-1.85%	-2.74%
OI	10647	25403
OI change	65.83%	-73.71%
Pivot	239.3	2.54
Resistance	243.5	2.58
Support	234.7	2.48

Front Month Calendar Spread		
Exchange	MCX	NYMEX(\$)
1st month	-385	-4.82
2nd month	-294	-3.92

WTI-Brent spread\$	
1st month	-6.20
2nd month	-4.85

institutional repricing, conditions that are likely to sustain elevated volatility and a deeply embedded risk premium in the sessions ahead.

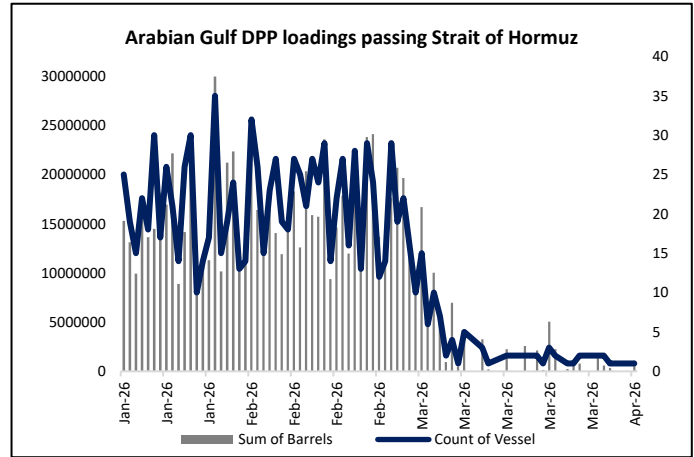
On the natural gas side, the classic shoulder-season dynamics i.e. this period between winter and summer sees subdued demand, as heating needs fade and cooling demand has yet to fully pick up. This has largely remained true, keeping a lid on sustained price rallies.

However, recent weather forecasts indicating a potential late-season cold snap have provided intermittent support to prices. These weather-driven moves, though, are expected to remain short-lived unless the cold conditions are both widespread and persistent.

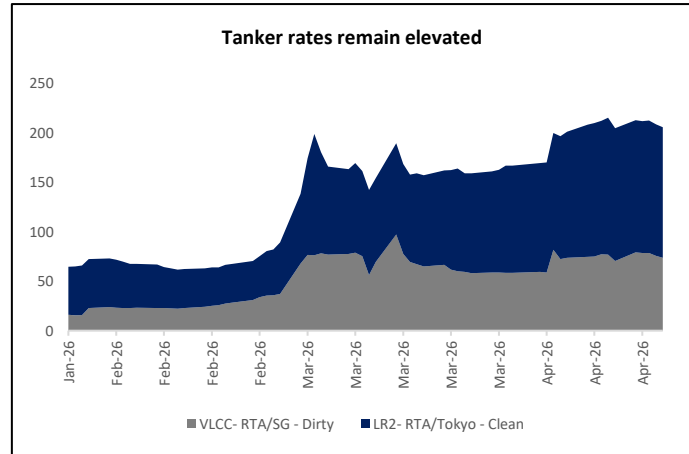
At the same time, supply-side pressures are becoming more apparent. U.S. natural gas production remains strong, but elevated LNG export demand continues to tighten the domestic balance. Facilities operating near capacity are pulling significant volumes out of the system, reducing the cushion typically available during this time of year. US Inventories are also rebuilding which leaves the market somewhat exposed heading into the summer cooling season.

In essence, the natural gas market is caught between weak seasonal demand and tightening structural fundamentals. This creates a scenario where prices remain range-bound in the near term but retain the potential for sharp, episodic spikes driven by weather or supply disruptions.

Overall, energy markets are currently being driven more by expectations and risks than by actual disruptions. In crude oil, geopolitical tensions and logistical constraints are fueling a strong risk premium, while in natural gas, the interplay between seasonal weakness and structural tightness is defining price action. Going forward, volatility is likely to remain elevated, with markets reacting quickly to any new developments on the geopolitical or weather fronts.



Source: Reuters



Source: Reuters

Technical Outlook

Crude Oil

MCX Crude oil reversed positive after marking a low of ₹7,528 and has been trading in a rising channel formation forming higher highs and higher lows pattern which is confirming further positive move. Currently the price and broke above ₹9,030 which act as resistance and if price closes above the same then will confirm further positive move targeting ₹9,550 – 9,850 levels. Also the 14-period RSI is sustaining well above the mid-level of 50 suggesting strength in price. Immediate support is at ₹8,680 whereas critical support is placed at ₹8,575. For, short-term buying is recommended but our bias will negate if price breaks and sustains below immediate support.



Natural Gas

MCX Natural gas has been trading in a falling wedge forming lower highs and lower lows pattern which signifies weakness in prices for short-term. The 14-period RSI is around the oversold zone at 32 however, it is yet to give any sign of trend reversal for prices. Also, the counter has been trading below the previous low of ₹240.40 which indicates further weakness in prices. Major resistance zone is capped at ₹254 – 258.80 and overall bias remains as long as it holds below the same. The counter is likely to extend its weakness towards ₹230 – 222 or below levels.



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