

Monday, August 17, 2026

Crude has moved higher on renewed Middle East supply risk, though the rally has been more measured than in earlier stages of the war.

Iran demanded the US pay war reparations before any negotiations could begin, and Trump rejected those terms while raising counter-demands of his own, a standoff that has effectively dimmed near-term hopes of reopening the Strait of Hormuz. Brent and WTI gained more than 5% in a single session as the prospect of prolonged disruption returned to focus.

The risk premium has stayed elevated as attacks on shipping picked up, a Houthi strike in the Bab el-Mandeb, a US strike on a vessel accused of breaching the Iran blockade, and multiple attacks on ADNOC tankers. Hormuz traffic has collapsed well below normal levels, with crossings under sustained pressure and several days reporting no tanker movement at all.

Even so, the price response has been relatively contained compared with earlier shock rallies, as softening demand is starting to offset the supply-side risk. A larger-than-expected build in US crude inventories pointed to weaker near-term demand, while rising US gasoline prices are beginning to weigh on consumption.

That leaves crude in a two-sided setup: persistent Hormuz disruption keeps a floor under prices and supports every dip, while softer demand caps the upside. With no meaningful progress on US-Iran talks and Hormuz still shut, choppy, headline-driven trading looks more likely than a sustained directional move.

Natural gas has stayed under pressure as strong US production continues to outweigh weather-driven demand. Output has held

Crude Oil			
Exchange	MCX	NYMEX-WTI	ICE-Brent
Open	7760	81.27	87.11
Close	7870	82.40	88.52
1 Week Chg.	110	1.13	1.41
%change	6.01%	5.40%	5.95%
OI	5998	114347	0
OI change	2901	-92138	0
Pivot	7837	82.03	87.89
Resistance	7957	83.36	89.58
Support	7751	81.08	86.83

Natural Gas		
Exchange	MCX	NYMEX-NG
Open	262.1	2.736
Close	263.7	2.73
1 Week Chg.	1.6	0.00
%change	0.61%	-0.11%
OI	41289	155854
OI change	32.19%	-53.66%
Pivot	263.8	2.74
Resistance	266.2	2.77
Support	261.2	2.70

Front Month Calendar Spread		
Exchange	MCX	NYMEX($)
1st month	-60	-2.30
2nd month	-111	-1.61

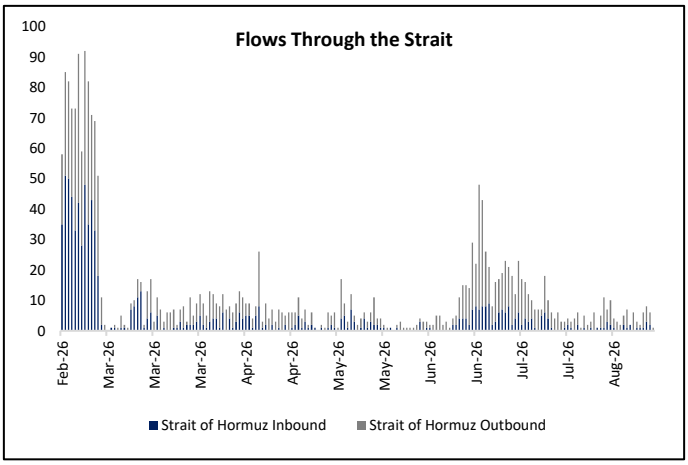
WTI-Brent spread$	
1st month	-1.95
2nd month	-2.18

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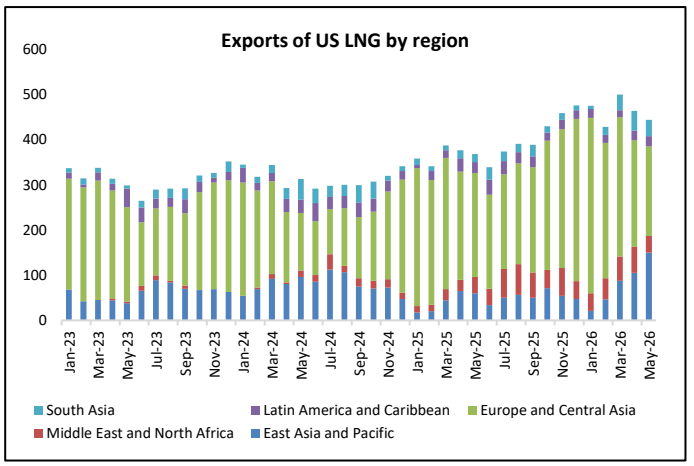
near record levels around 110-112 Bcf/d, keeping storage above the five-year average despite stretches of above-normal heat.

A larger-than-expected 36 Bcf storage build on August 13 added to the oversupply narrative and pushed prices down roughly 3% on the day. Meanwhile, Golden Pass LNG's uneven commissioning and the sharp swings in its initial nominations has added some uncertainty around how much incremental LNG demand the terminal is genuinely contributing.

Globally, TTF and JKM remain well above Henry Hub, keeping the US LNG export arbitrage attractive even as domestic prices stay soft. The key question now is whether persistent summer heat can generate enough power-sector demand to absorb the current supply surplus. With output still elevated and storage comfortably stocked, upside looks limited unless the weather turns materially hotter into late August or as and when markets start bracing for the winters.



Source: Reuters



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Technical Outlook

Crude Oil

MCX Crude Oil is showing improving momentum after recovering from the lower boundary of the falling wedge, with prices moving above the 20 EMA. However, the contract is currently testing the upper trend line of the pattern near the ₹7,950 resistance, making this a crucial zone for the next directional move. A decisive close above ₹7,950 could confirm a bullish breakout from the falling wedge and open the upside towards ₹8,300. On the downside, ₹7,550 is the immediate support, followed by ₹7,300. A sustained break below ₹7,550 would weaken the recovery and bring the bearish structure back into focus. Overall, the bias is cautiously positive above ₹7,550, but stronger bullish momentum would be confirmed only above ₹7,950.



Natural Gas

MCX Natural Gas continues to trade with a negative bias after breaking below the rising trendline of the symmetrical triangle and sustaining below the 20 EMA, indicating persistent selling pressure. The recent recovery has also failed to reclaim the ₹270 resistance zone. The immediate support is placed at ₹250, followed by ₹240. A decisive break below ₹250 could extend the downside towards ₹240. On the upside, ₹270 is the immediate resistance, followed by ₹290. Overall, the outlook remains bearish below ₹270, with ₹250 acting as the key support. A sustained move above ₹270 would be required to ease the negative bias and open the possibility of a recovery towards ₹290.



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