

Monday, August 24, 2026

Crude oil had a strong week, with Brent rising from $90.87/bbl to over $94/bbl, while WTI climbed from $84.50 to $87/bbl, as the market increasingly priced a prolonged disruption to Middle Eastern supply rather than an imminent resolution to the US-Iran conflict.

Hormuz traffic remained severely constrained, with fewer than 20 commodity vessels crossed the Strait over the weekend. This suggests that the disruption is translating into a sustained reduction in physical flows, rather than remaining only a geopolitical risk premium.

At the same time, Iranian crude availability to Chinese buyers has declined, while continued attacks and uncertainty around tanker movements are limiting the market's ability to quickly replace lost Gulf barrels.

The US announcement of tougher sanctions on Iran and potentially its trading partners added another layer of supply risk, particularly because Iran has threatened to halt all Gulf oil exports if economic pressure escalates.

Monday's correction, therefore, looks more like profit-taking ahead of the US sanctions announcement than a deterioration in fundamentals. With flows still heavily impaired, limited visibility on diplomacy and the possibility of further Iranian retaliation, the risk remains skewed towards tighter prompt supply, keeping Crude favourable for buying on dips.

Natural gas has been range-bound, with September Henry Hub futures moving from $2.69/MMBtu on August 17 to $2.77/MMBtu on August 21, after weather-driven demand and LNG flows helped offset pressure from strong US production and comfortable inventories.

Crude Oil			
Exchange	MCX	NYMEX-WTI	ICE-Brent
Open	8277	86.27	93.18
Close	8359	87.06	94.39
1 Week Chg.	82	0.79	1.21
%change	7.03%	6.86%	6.63%
OI	13680	285926	0
OI change	5509	37783	0
Pivot	8323	86.79	93.99
Resistance	8422	87.78	95.23
Support	8259	86.07	93.14

Natural Gas		
Exchange	MCX	NYMEX-NG
Open	264.2	2.763
Close	264.8	2.77
1 Week Chg.	0.6	0.01
%change	0.23%	0.36%
OI	22193	37092
OI change	46.25%	-76.20%
Pivot	265.1	2.77
Resistance	267.7	2.80
Support	262.3	2.74

Front Month Calendar Spread		
Exchange	MCX	NYMEX($)
1st month	-178	-1.90
2nd month	-164	-2.14

WTI-Brent spread$	
1st month	-1.72
2nd month	-2.68

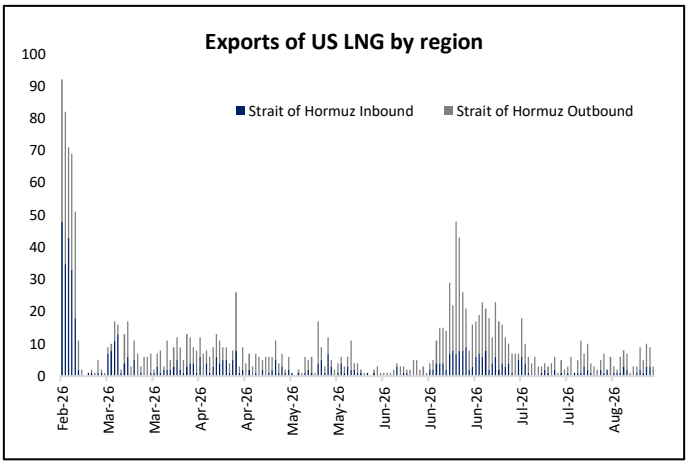
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The latest EIA report showed only a 16 Bcf storage injection, below the five-year average of 29 Bcf, although inventories remain 185 Bcf above that average. This leaves gas adequately supplied today, but the balance is tightening at the margin as strong winter power demand and rising LNG requirements absorb production.

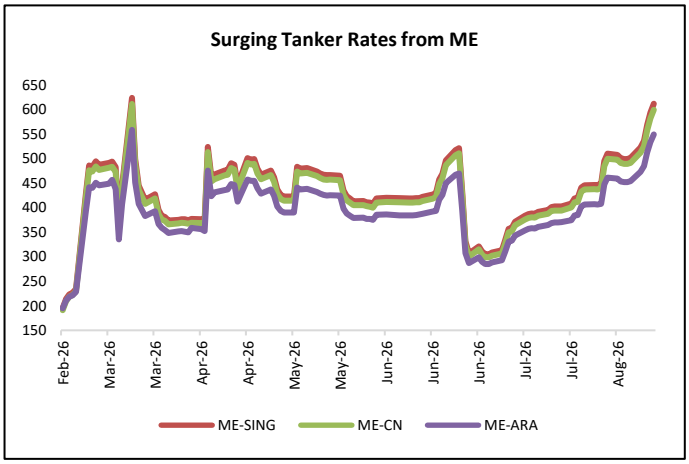
The strengthening El Niño is expected to support warmer-than-normal temperatures across most of the U.S. during early to mid-September. While precipitation is forecast to be above normal across the Southwest and Northern Rockies, the shift toward autumn could introduce some volatility in weather patterns.

For natural gas, the warmer temperatures may limit early-season heating demand, although stronger cooling demand in the near term could continue to support power-sector gas consumption.

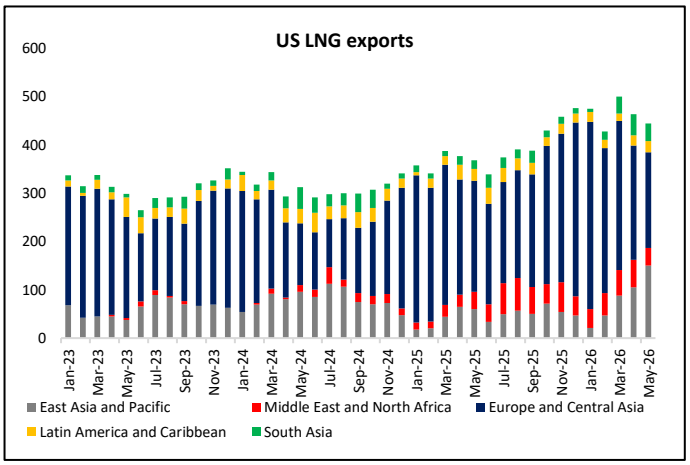
Hence, despite the sizeable storage cushion and record US production which could keep prices under pressure in the near term, the combination of weather demand, LNG pull and a narrowing injection rate supports a positive medium-term bias for Natural Gas.



Source: Reuters



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Technical Outlook

Crude Oil

Mcx Crude Oil after a cup & handle breakout has marked a high of ₹8404 and is consolidating in a broad range. However, the counter is holding well above the key support zone of ₹8075 – 7900 which is confirming further strength in price for short-term. Price sustained break above recent high of ₹8404 will lead the rally towards ₹8450 – 8600 mark. So, initial dip towards immediate support should be a good buying opportunity but our view will be invalidated if price break and sustains below ₹7900 on a sustainable basis



Natural Gas

MCX Natural gas has been consolidating in a broad range within supports at ₹251 whereas immediate resistance is capped at ₹274. The counter is likely to continue it broad range in the upcoming trading sessions and any sustained break on either side will confirm further trend direction. Price break above resistance will lead the rally towards ₹298 – 310 whereas sustained break below support will confirm further weakness towards ₹235 – 220 levels. So, a breakout on either side will confirm trend direction for the counter



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