

Monday, September 21, 2026

Crude oil remained highly volatile last week, but the overall weekly movement was marginal as the initial supply shock was gradually offset by improving alternative flows. The week began with a sharp upside move after Houthi attacks on Saudi energy infrastructure forced the shutdown of the East-West pipeline, raising concerns over another major disruption to Saudi exports at a time when flows through the Strait of Hormuz remained heavily restricted. Asian refiners also faced uncertainty over Saudi cargoes, pushing sour-crude premiums higher.

The risk intensified on September 15 after Saudi Arabia suspended crude loadings at Yanbu and cancelled some European cargoes, sending prices higher earlier in the week. However, the rally quickly lost momentum after reports stating that the East-West pipeline could resume operations within days, although some sources gave a wider repair timeline, with some estimating several weeks for full restoration. Further relief came as Saudi Arabia increased crude movements through ship-to-ship transfers near Oman's Sohar port, allowing barrels to bypass the damaged Red Sea route and reach Asian buyers. The additional flows eased fears of an immediate global supply shortage and triggered a sharp correction in prices. Saudi export flows have also recovered, with Kpler data showing exports at just over 4 mb/d so far in September, compared with 2.4 mb/d in August, although visible loadings from Yanbu have remained disrupted.

At the same time, the physical market remains tight. Hormuz traffic is still well below pre-war levels, while the alternative ship-to-ship routes are considerably more expensive, with freight costs rising sharply as vessels take longer and more complex

Crude Oil			
Exchange	MCX	NYMEX-WTI	ICE-Brent
Open	9653	101.06	104
Close	9659	100.30	103.87
1 Week Chg.	6	-0.76	-0.13
%change	1.39%	0.25%	-0.71%
OI	10124	60556	0
OI change	7428	-115407	0
Pivot	9706	100.99	103.60
Resistance	9893	102.79	105.27
Support	9471	98.50	102.19

Natural Gas		
Exchange	MCX	NYMEX-NG
Open	276.1	2.871
Close	279.6	2.91
1 Week Chg.	3.5	0.04
%change	1.27%	1.43%
OI	23655	103826
OI change	57.45%	-50.83%
Pivot	278.6	2.90
Resistance	283.6	2.95
Support	274.7	2.86

Front Month Calendar Spread		
Exchange	MCX	NYMEX($)
1st month	276.1	2.871
2nd month	-366	-2.14

WTI-Brent spread$	
1st month	-4.58
2nd month	-2.68

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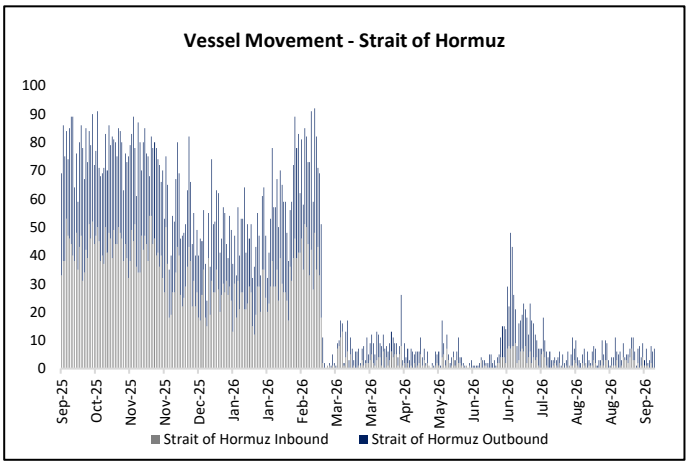
routes. This means barrels are still reaching the market, but at a significantly higher logistical cost. China remains an important source of physical support. Chinese refinery throughput rose 11.2% m/m to 13.91 mb/d in August, supported by stronger fuel exports, while crude inventories declined by around 639,000 bpd, indicating continued stock drawdown despite elevated prices.

Diplomatic developments also helped reduce the risk premium toward the end of the week, with China urging Iran to restrain Houthi attacks on Saudi energy infrastructure. Meanwhile, the latest data show that Saudi Arabia is managing to redirect more barrels through Hormuz and alternative routes despite the continued disruption.

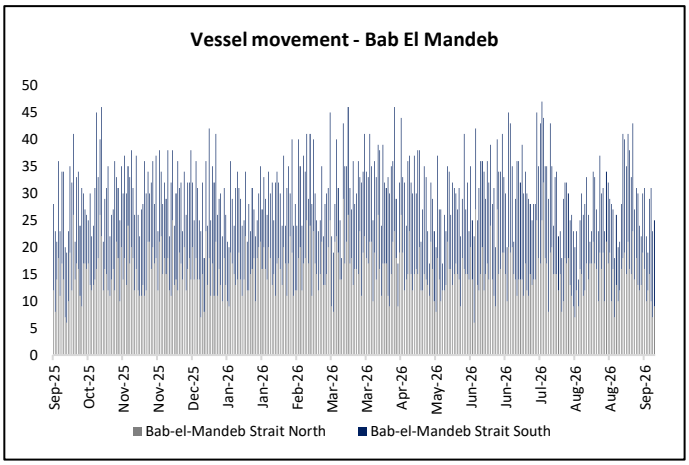
Overall, crude prices are now balancing persistent Hormuz restrictions, elevated freight costs and tight physical availability against recovering Saudi exports, Oman ship-to-ship flows and expectations of the East-West pipeline returning to service. This has reduced fears of an immediate supply shock and prevented another sustained rally, although the continued weakness in Hormuz traffic leaves the market highly sensitive to any fresh disruption.

Natural gas ended the week higher, although the move was volatile, with prices finding support from near-term demand expectations and strength across the broader energy complex. However, comfortable U.S. production and storage levels continued to limit the upside. The market is now moving through the seasonal transition from peak summer cooling demand toward winter heating demand, but the pickup in heating demand has yet to become strong enough to provide a sustained bullish catalyst.

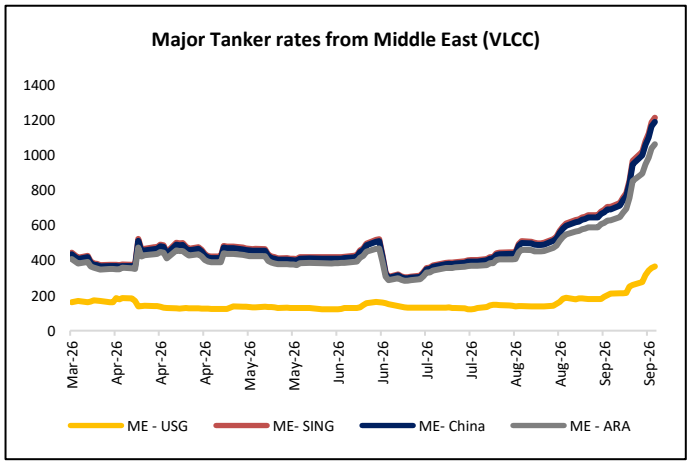
The early-October weather outlook remains mixed, with milder conditions across much of the U.S. expected to delay the seasonal rise in heating demand, although above-normal precipitation across parts of the South could provide some weather-driven support. El Niño also adds uncertainty to the broader winter weather pattern, making the timing and strength of heating demand less certain. With the transition from cooling to heating demand likely to remain gradual and U.S. supply remaining comfortable, near-term upside may stay limited. A more sustained recovery in Natural Gas prices is likely to depend on the arrival of colder weather and a stronger pickup in winter heating demand.



Source: Reuters



Source: Reuters



Source: Reuters

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Technical Outlook

Crude Oil

MCX Crude Oil has corrected sharply from its recent highs of ₹10238 at the start of the week as it act as strong horizontal resistance for the counter. However, the downside for the counter looks limited and again a reversal towards the recent highs looks possible in the upcoming trading sessions. Immediate support are placed at ₹9265 - ₹9050 zone and overall bias remains positive as long as it holds above the same. So dip buying around ₹9325 – 9265 is advised but our view will be invalidated if price break and sustains below support of ₹9050.



Natural Gas

MCX Natural gas has been trading in a symmetrical triangle formation since past few weeks and has been failing to give any directional trend confirmation. Immediate resistance is capped at ₹285.80 whereas supports are placed at ₹264.70. We expect that the counter is likely to continue its consolidation range in the upcoming trading sessions and price sustained break on either side will give further trend direction. Price break above resistance will lead the rally towards ₹310 – 320 mark. So, buying will be confirmed only above resistance.



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