

Monday, September 28, 2026

Crude oil prices fell around 4% last week as markets initially priced in hopes of a diplomatic breakthrough between the U.S. and Iran. Reports of negotiations around the UN meet and a possible phased agreement raised expectations of de-escalation and a gradual recovery in oil flows. Iran proposed reopening the Strait of Hormuz within seven days, subject to a ceasefire and easing of the U.S. blockade, but President Trump rejected the proposal over the weekend, while leaving the door open for further talks this week. Expectations of a near-term deal have therefore faded, but diplomacy remains alive, keeping the market highly sensitive to headlines. The physical market is improving, but supply is still well below pre-conflict levels. Middle East crude exports rose to around 12.8 million bpd in September, the highest since the conflict began, but were still about 6 million bpd below February levels. Hormuz shipments are also recovering, with September flows estimated at around 7.4 million bpd. Saudi Arabia has increased shipments through Ras Tanura after disruptions to its East-West pipeline affected the Red Sea export route. Saudi crude exports are estimated at around 5.4 million bpd in September, up sharply from 2.45 million bpd in August, while Ras Tanura shipments recovered to around 3.6 million bpd from just 0.93 million bpd. However, the supply recovery remains fragile. Iran-backed Houthi attacks, including missile and drone launches towards Saudi Arabia, continue to threaten regional infrastructure and export routes. At the same time, concerns over a possible U.S. diesel export restriction weighed on WTI and widened its underperformance against Brent. If more diesel is retained domestically, U.S. refinery runs could weaken, reducing crude demand. The market is therefore balancing improving

Crude Oil			
Exchange	MCX	NYMEX-WTI	ICE-Brent
Open	9001	94.75	106.3
Close	8848	92.41	104.32
1 Week Chg.	-153	-2.34	-1.98
%change	-4.07%	-3.82%	0.43%
OI	13028	294853	0
OI change	1028	-18458	0
Pivot	8893	92.89	104.67
Resistance	9005	94.27	106.24
Support	8737	91.03	102.76

Natural Gas		
Exchange	MCX	NYMEX-NG
Open	304.5	3.209
Close	306.6	3.20
1 Week Chg.	2.1	-0.01
%change	0.69%	-0.41%
OI	1515	2833
OI change	93.60%	-97.27%
Pivot	304.4	3.17
Resistance	312.0	3.26
Support	298.9	3.11

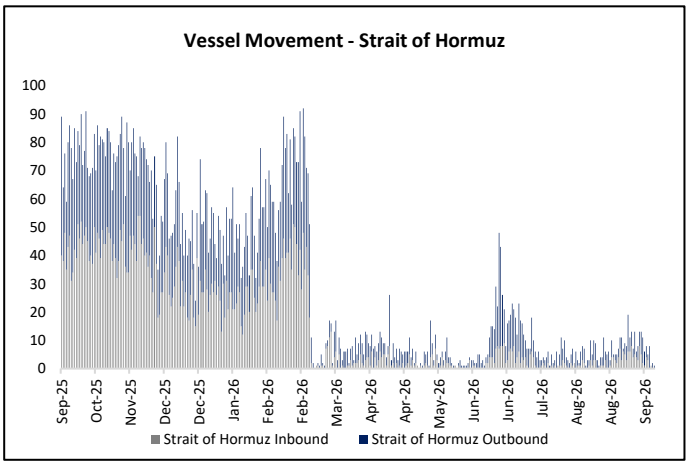
Front Month Calendar Spread		
Exchange	MCX	NYMEX($)
1st month	-318	-3.70
2nd month	-232	-2.14

WTI-Brent spread$	
1st month	-6.88
2nd month	-2.68

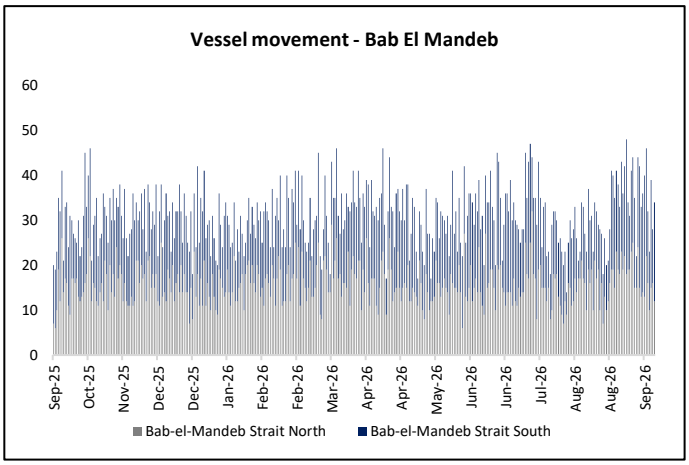
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exports against risks of another supply disruption. Near term, crude is likely to remain headline-driven. A credible deal that restores normal Hormuz flows could bring meaningful supply relief, while continued deadlock or renewed attacks could quickly rebuild the geopolitical risk premium.

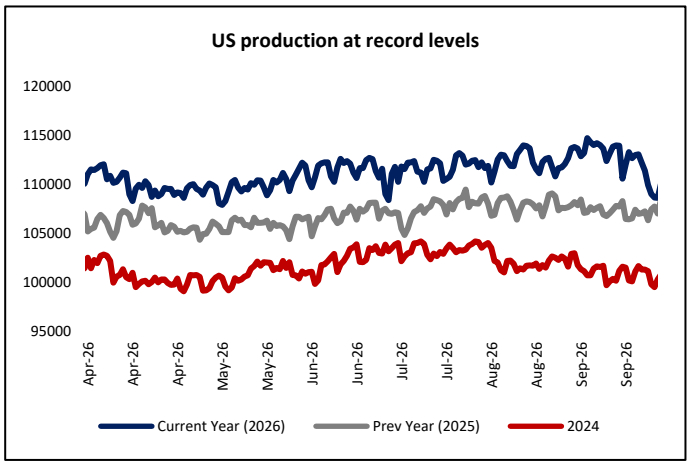
Natural gas prices surged last week after a pipeline disruption in Appalachia forced TC Energy to declare force majeure, restricting around 1.8 Bcf/d of gas flows and creating a temporary supply squeeze. The disruption triggered a sharp rally as markets priced in tighter near-term availability and short-covering amplified the move. However, the initial supply shock has now been largely digested, bringing the focus back to the broader U.S. gas balance. U.S. production remains near record levels, despite the recent daily pullback. Growing U.S. LNG demand remains the key structural floor, however, with September feedgas demand averaging around 18 Bcf/d, above August levels despite planned maintenance at Cove Point and Cameron LNG. Weather has also turned less supportive in the near term. The latest NOAA Week 3–4 outlook favours above-normal temperatures across much of the western U.S. and Gulf Coast through October 10–23, suggesting a slower start to heating demand. The recent improvement in HDD forecasts was encouraging, but one colder revision is not enough to establish a sustained winter trend. The market will need to see HDD forecasts consistently move higher and close the gap with normal levels. Storage remains another key variable, with the surplus over the five-year average continuing to narrow. Further below-average injections would strengthen the winter balance, even if near-term weather remains relatively warm. The October shoulder period remains a potential headwind, as cooling demand fades before heating demand builds meaningfully. El Niño adds another layer of uncertainty to the winter outlook, with the risk of warmer-than-normal conditions potentially limiting heating demand. However, sharp cold snaps remain possible and could quickly tighten the market during periods of peak winter demand. Overall, the pipeline outage provided a temporary catalyst rather than a structural change in the gas balance. With production still high and some LNG facilities under maintenance, prices may remain capped in the near term, while strong LNG demand and a gradually tightening storage balance provide a floor.



Source: Reuters



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Technical Outlook

Crude Oil

MCX Crude Oil started the previous week with a negative note and marked a low of ₹8496 however, later recovered and currently trading at immediate resistance at ₹9050. A sustained daily close above the resistance will confirm further positive move for the counter and will lead the rally towards ₹9500 – 9700 levels. Recent low will act as major support whereas intermediate support is at ₹8770. So, buying above the resistance is recommended but our bias will negate below intermediate support.



Natural Gas

MCX Natural gas as recommended broke above the symmetrical triangle formation and marked a high around ₹318.50 against suggested target of ₹320. After the recent peak we have seen some corrective move and overall downside for short-term looks limited till ₹285.80 and weakness will extend only if price breaks and sustains below the same. Immediate resistance is capped at ₹310 and sustained break above the same will lead the rally towards ₹323 – 335 levels. So, buying only above the resistance is advised for short-term.



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