

Monday, October 19, 2026

Crude oil rallied sharply last week, with WTI and MCX crude gaining around 8%, driven by escalating Middle East supply risks and tightening US inventories. Attacks on commercial vessels near the Strait of Hormuz, including a reported mine-related tanker incident, heightened shipping concerns, while Houthi strikes on Saudi Arabia, including Riyadh airport and Aramco's headquarters, raised fears of further supply disruptions.

A Ukrainian drone strike on Russian energy infrastructure and reports of a Houthi missile threat near Yanbu added to volatility towards the end of the week. US inventory data provided further support, with the EIA reporting an 8.6-million-barrel draw in crude stocks, the largest since February, largely attributed to hurricane-related production disruptions in the Gulf of Mexico. Distillate inventories fell by another 2.5 million barrels, while the IEA warned that diesel-market tightness could persist into 2027, reinforcing concerns over refined-product availability.

However, the rally remained volatile as bearish developments intermittently capped gains. Prices initially weakened on expectations of additional Russian diesel supplies and a proposed Russia–Ukraine energy ceasefire before recovering as Middle East risks intensified. The IEA's decision to proceed with its remaining 100-million-barrel emergency stock release, including more than 20 million barrels of diesel, and reports that Washington was considering easing restrictions on shadow-fleet tankers added to the bearish narrative. The US–Russia diesel arrangement also raised expectations of additional supply, although its actual impact remains uncertain. Overall, escalating geopolitical risks and physical supply tightness overshadowed

Crude Oil			
Exchange	MCX	NYMEX-WTI	ICE-Brent
Open	9217	97.55	105.65
Close	9573	101.41	109.86
1 Week Chg.	356	3.86	4.21
%change	7.79%	10.41%	4.91%
OI	#N/A	62967	0
OI change	#VALUE!	-108698	0
Pivot	9456	100.05	108.26
Resistance	9719	103.26	111.60
Support	9309	98.21	106.51

Natural Gas		
Exchange	MCX	NYMEX-NG
Open	305.1	3.212
Close	298.6	3.12
1 Week Chg.	-6.5	-0.10
%change	-2.13%	-2.99%
OI	-	-
OI change	-	-
Pivot	305.1	3.212
Resistance	298.6	3.12
Support	-6.5	-0.10

Front Month Calendar Spread		
Exchange	MCX	NYMEX($)
1st month	-179	-3.97
2nd month	-154	-1.96

WTI-Brent spread$	
1st month	-3.04
2nd month	-2.89

Investment in securities market are subject to market risk. Read all the related documents carefully before investing.

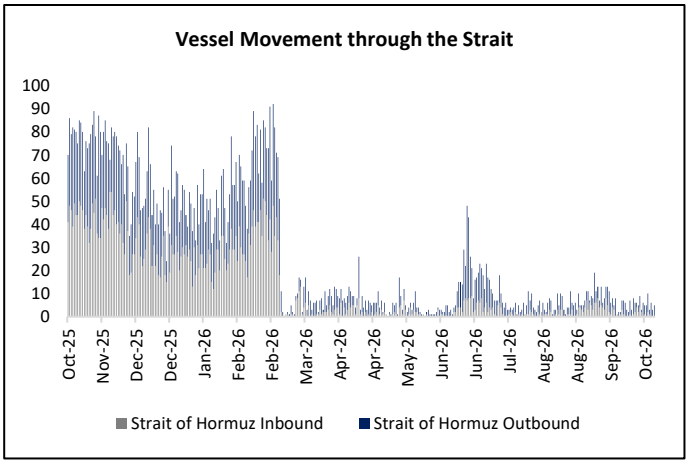
bearish supply-side developments, driving crude higher despite efforts to ease market pressures.

Natural gas prices declined last week after an initial recovery, as mild weather forecasts and expectations of comfortable supply outweighed temporary support from storage data. Prices rebounded on Tuesday amid strong LNG feedgas demand and concerns over a possible slowdown in US production, but gains faded as forecasts pointed to above-normal temperatures through the second half of October.

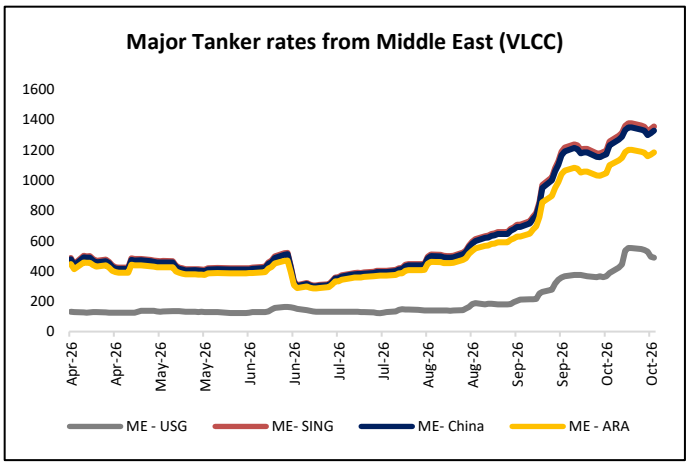
Milder conditions are expected to reduce heating demand and temper power-sector gas consumption, weakening the near-term demand outlook. Although production has shown some marginal pullback, the broader supply picture remains comfortable, with output recovering towards record levels and limiting the scope for a sustained price rebound.

The EIA's storage report offered only brief support: inventories rose by 67 Bcf in the week ending 9 October, below market expectations of 76 Bcf and the five-year average build of 90 Bcf. The smaller injection briefly lifted prices, but stocks of 3,567 Bcf remained 1.3% above the five-year average, despite the surplus narrowing.

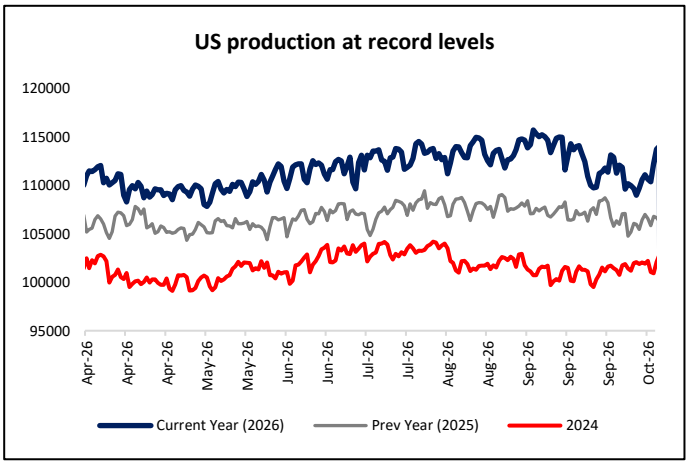
Prices fell sharply towards the end of the week as mild weather expectations outweighed the bullish storage surprise. High LNG export utilization continued to support domestic demand but was insufficient to offset comfortable supply and weaker weather-driven consumption. Henry Hub remains largely disconnected from elevated European and Asian gas prices, with US weather, production and storage dictating near-term direction. Unless US weather turns decisively colder, a sustained rally is likely to remain difficult, although intermittent cold snaps could still provide temporary price support.



Source: LSEG



Source: LSEG



Source: LSEG

Investment in securities market are subject to market risk. Read all the related documents carefully before investing.

Technical Outlook

Crude Oil

MCX Crude Oil continued its positive move in the short-term and marked a high of ₹9602 area. We may see some profit booking initially but downside will be limited around ₹9175 – 9050 levels. Major trend still looks positive and initial dip towards supports will be a good buying opportunity. Price sustained break above recent will lead the rally towards ₹9870 and majorly ₹10230 mark. Our bias will negate if price breaks and sustains below ₹8650 on a sustainable basis



Natural Gas

MCX Natural gas traded higher in the initial couple of days in the previous week marking a high of ₹318.80. However, the counter failed to extend its strength and turned lower signifying further weakness in prices. However, downside too looks limited around ₹286 as it acts as immediate support followed by ₹270. So, sideways-to-negative move will be seen in the upcoming trading sessions and downside will also be limited around the recommended supports. Our bias will negate if price breaks and sustains above recent highs.



Investment in securities market are subject to market risk. Read all the related documents carefully before investing.

Navneet Damani	**Research-Head**	**navneetdamani@motilaloswal.com**
Yash Sawant	**Analyst- Energy**	**yash.ssawant @motilaloswal.com**

For any details contact:
Commodities Advisory Desk - +91 22 3958 3600
commoditiesresearch@motilaloswal.com

Commodity Disclosure & Disclaimer:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

Terms & Conditions:
This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.
This material is for the personal information of the authorized recipient and we are not soliciting any action based upon it.
This report is not to be construed as an offer to sell or solicitation of an offer to buy any commodity or commodity derivative to any person in any jurisdiction where such an offer or solicitation would be illegal.
It is for the general information of clients of MOFSL. It doesn't constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.
The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL.
The report is based on the facts, figures and information that are considered true, correct, reliable and accurate.
All such information and opinions are subject to change without notice.
Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.
We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed.
Neither MOFSL, nor any person connected with it, accepts any liability arising from the use of this document.
The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the commodity referred to in this material may go up or down. Past performance is not a guide for future performance.
Certain transactions including those involving commodity derivatives involve substantial risk and are not suitable for all investors.
Reports based on technical analysis centers on studying charts of a commodity's price movement and trading volume as opposed to focusing on a commodity's fundamentals and as such may not match with a report on a commodity's fundamentals.
Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject commodity for which Research Team have expressed their views.
MOFSL or its associates or Research Analyst or his relatives may have Open Position in subject commodity.
A graph of daily closing prices of commodities is available at http://www.moneyline.co.in/
Opinions expressed are our current opinions as of the date appearing on this material only. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.
The commodities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.
This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.
The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the commodities mentioned in this document.
The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein.
The commodities described herein may or may not be eligible for trade in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability

Investment in securities market are subject to market risk. Read all the related documents carefully before investing.

arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.
Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors.
MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may (a) from time to time, have long or short positions in, and buy or sell the commodities mentioned herein or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodity/ (ies) discussed herein or have other potential conflict of interest with respect to any recommendation and related information and opinions. However the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the commodities mentioned in the research report.
MOFSL and it's associates and Research Analyst have not received any compensation or other benefits in connection with the research report. Compensation of Research Analysts is not based on any brokerage transactions generated by broking activities under Motilal Oswal group.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.
Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors
Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.
Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.
Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.

Investment in securities market are subject to market risk. Read all the related documents carefully before investing.