

Crude Oil Weekly

Brought to you by Phillip Capital Sdn Bhd (362533-U)

Market Commentary

Call of The Week:

Mildly Bearish

17 February, 2025

Highlights:

- Oil prices post back-to-back losses on prospect of Russia-Ukraine peace talks
- U.S. commercial crude oil inventories increased by 4.1 million barrels from the previous week.

Oil Market Summary

Oil futures tallied back-to-back session losses on Thursday, a day after President Donald Trump said that he and President Vladimir Putin of Russia had agreed to begin talks on ending the war in Ukraine, which helped to ease some concerns over supply risks.

On Friday, the NYMEX light sweet crude oil for February contract down by \$1.39 to settle at \$70.58 a barrel by close of trade and Brent crude down \$1.09 or -1.43% to \$75.67 a barrel. During the week, NYMEX crude oil was down \$0.26 or 0.36% at \$70.74.

U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) increased by 4.1 million barrels from the previous week.

Oil prices have barely held onto a gain for the week so far, with pressure tied to data from the Energy Information Administration showing another rise in U.S. crude inventories, a hotter-than-expected January consumer-price index reading that saw traders further cut expectations for Federal Reserve rate cuts, and uncertainty tied to Trump's trade policies.

On Thursday, President Donald Trump unveiled a plan that could lead to new reciprocal tariffs on U.S. trading partners, saying he's working to level the playing field between foreign and domestic producers. Reciprocal tariffs could go into effect in a matter of weeks or a few months, according to senior White House officials.

Meanwhile, the Paris-based International Energy Agency on Thursday modestly raised its forecast for growth in crude demand in 2025. It sees global crude demand rising 1.1 million barrels a day this year, up from its January forecast of 1.05 mbd, reaching a total of 104 mbd on average, according to its monthly oil report.

In the week ahead, NYMEX crude oil prices are likely to trade in a range between \$65 and \$70. Oil traders will focus on this pivotal junction of long-term chart for crude oil. The market approaches critical resistance levels that could signal further price gains. Geopolitical risks, including new sanctions on Russia and tensions with Iran, add to the market's complexity and potential volatility. Traders and analysts will closely monitor key resistance levels and economic policy changes, as these factors will play a crucial role in shaping the future direction of oil prices. WTI crude oil and Brent oil have hit \$78 and \$81, respectively. A break above these levels is required for sustained bullish momentum in the oil market.

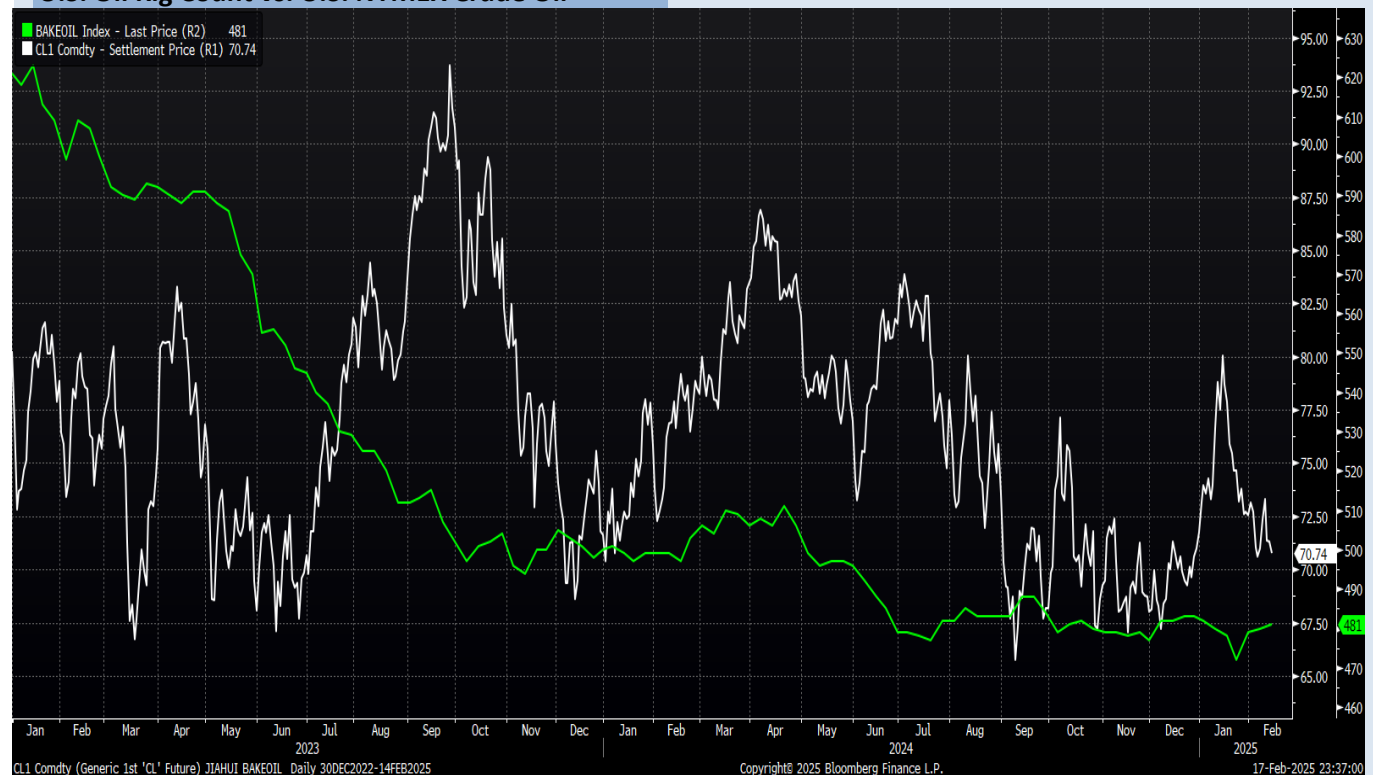
Weekly Market Price as at 14/02/2025

Commodity	Close	Chg	% Chg	High	Low	RSI(14)
NYMEX Crude Oil	70.74	-0.26	-0.366	70.29	70.22	41.88
IPE Brent Oil	74.74	0.08	0.107	73.52	74.06	44.01
TOCOM Crude Oil	68,510.00	790.00	1.167	67450.00	67280.00	42.96
Mini Dow Jones	44,635.00	214.00	0.482	44706.00	44100.00	54.69
U.S. Dollar Index	106.71	-1.33	-1.231	106.96	106.57	37.93
COMEX Gold	2,900.70	13.10	0.454	2756.70	2879.90	62.42

Significant Events to Watch (Malaysian Time)

- 17/02/2025 (2230hrs) - FOMC Member Harker Speaks
- 20/02/2025 (0530hrs) - API Weekly Crude Oil Stock
- 21/02/2025 (0100hrs) - Crude Oil Inventories
- 21/02/2025 (0100hrs) - Cushing Crude Oil Inventories
- 22/2/2025 (0200hrs) - US. Baker Hughes Oil Rig Count
- 22/2/2025 (0200hrs) - US. Baker Hughes Total Rig Count

U.S. Oil Rig Count vs. U.S. NYMEX Crude Oil



Source: Bloomberg / Phillip Capital

Other Market News

India's top officials said they will continue to cut import taxes as the government looks to work around US President Donald Trump's plan to impose reciprocal tariffs on trading partners.

Weeks after she unveiled sweeping cuts to duties on imports from textiles to motorcycles, India's finance minister said that she will carry on the process of reforming the nation's tariff regime.

Global benchmark crude prices posted their first weekly gain in a month Friday, finding support as the U.S. looked to reduce Iranian crude exports and after President Donald Trump did not immediately impose reciprocal tariffs on U.S. trading partners.

Prices for both global and benchmark crude, however, ended the trading session lower as traders continued to fret over uncertainty surrounding tariffs and their impact on oil demand.

Treasury Secretary Scott Bessent said the U.S. wants to reduce Iran's oil exports by more than 90%, according to Bloomberg, which cited a Friday interview with Fox News. That would further Trump's expressed desire for "maximum economic pressure" on Tehran.

Chart of the Day - Crude Oil Daily Chart



CL1 Comdty (Generic 1st 'CL' Future) JIAHUI Daily 02OCT2023-14FEB2025

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From the daily chart above, prices is likely to be continue increase, however, investor should be mindful of next resistance level will be at \$84/barrel

Source: Reuters/Bloomberg/Phillip Capital

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