

Fundamentals:

Oil prices edged up on Friday, extending the previous day's surge and on track for a weekly gain as U.S. sanctions on Russia's two biggest oil companies over the war in Ukraine spurred supply concerns.

Brent crude futures rose 50 cents, or 0.76%, to \$66.49 by 11:33 a.m. CDT (1633 GMT). U.S. West Texas Intermediate crude futures also advanced 30 cents, or 0.49%, to \$62.09.

"It's the sanctions," said Phil Flynn, senior analyst for Price Futures Group, adding that it appeared there would not be a resolution soon.

Futures have been driven down in recent weeks on expectations of a glut in oil supplies as OPEC and its allies boosted supply.

"Looking at the demand numbers from the U.S. Energy Information Administration on Wednesday, we didn't see any evidence of a glut," Flynn said.

Both benchmarks jumped more than 5% on Thursday following the sanctions announcement and were set for about a 7% weekly gain, the biggest since mid-June.

Six-month spreads for Brent and U.S. crude futures returned to backwardation - a market structure in which contracts for later loading are priced below those for earlier loading - having briefly this week been in contango, in which later loading is more expensive.

That indicates a shift among trader concerns from oversupply to undersupply, letting traders sell at higher near-month prices instead of paying to store oil for future sale.

U.S. President Donald Trump hit Russia's Rosneft and Lukoil with sanctions on Thursday to pressure Russian President Vladimir Putin to end the Ukraine war. The two companies together account for more than 5% of global oil output.

The sanctions prompted Chinese state oil majors to suspend Russian oil purchases in the short term, trade sources told Reuters. Refiners in India, the largest buyer of seaborne Russian oil, are set to sharply cut Russian crude imports, industry sources said.

"Flows to India are at risk in particular," Janiv Shah, a vice president of oil markets analysis at Rystad Energy, said in a client note. "Challenges to Chinese refiners would be more muted, considering the diversification of crude sources and stock availability."

Kuwait's oil minister said the Organization of the Petroleum Exporting Countries would be ready to offset any shortages in the market by raising production.

The U.S. said it was prepared to take further action, while Putin denied the sanctions as an unfriendly act, saying they would not significantly affect the Russian economy and talking up Russia's importance to the global market.

Britain put sanctions on Rosneft and Lukoil last week and the European Union approved a 19th package of sanctions against Russia that includes a ban on imports of Russian liquefied natural gas.

The EU also added two Chinese refiners with a combined capacity of 600,000 barrels per day, as well as China's Hong Kong, a trading arm of PetroChina, to its Russian sanctions list, its official journal showed on Thursday.

Russia was the world's second-biggest crude oil producer in 2024 after the United States, U.S. energy data showed.

Investors are also focusing on a meeting between Trump and Chinese President Xi Jinping next week as the pair work to defuse longstanding trade tensions and end a spate of tit-for-tat retaliatory measures.

U.S. natural gas futures eased about 1% to a one-week low on Friday on a small output increase in recent days and ample amounts of fuel in storage.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil	DEC 25 61.50	-0.39	62.59	61.21
Natural Gas	NOV 25 3.304	0.000	3.397	3.200
RB Gasoline	NOV 25 192.27	-0.97	194.46	191.60
Heating Oil	NOV 25 240.31	-0.70	242.90	236.59
Brent, Fin Last Day	JAN 26 65.06	-0.23	65.95	64.71
US Dollar Index	98.93	-0.011	99.1	98.728

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventories
3/10/2025	3715	350	-1601	-1382	13629	420261
26/9/2025	1792	-50	4125	-80	13505	416546
10/9/2025	-607	500	-1081	-1000	13501	414754
12/9/2025	-9285	1766	-2347	675	13482	415361
5/9/2025	3939	-1400	1458	500	13495	424646
29/8/2025	2415	-1900	-3795	-1400	13423	420707
22/8/2025	-2392	-2000	-1236	-1600	13439	418292
15/8/2025	-6014	-850	-2720	-317	13382	420684
8/8/2025	3036	-912	-792	-724	13327	426698
1/8/2025	-3029	0	-1323	-1000	13284	423662
25/7/2025	7698	-2600	-2724	-1100	13314	426691
18/7/2025	-3169	-1500	-1738	-200	13273	418993

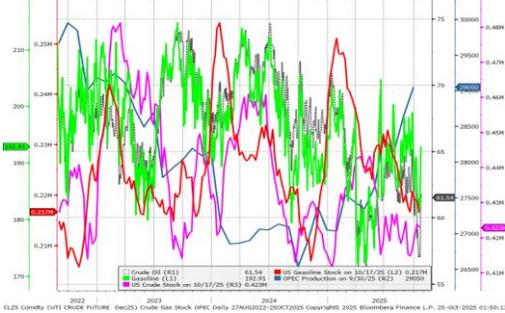
Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
10/23/2025 22:30	EIA Natural Gas Storage Change	Oct-25	83	80
10/23/2025 22:30	EIA Working Natural Gas Implied Flow	Oct-25	83	80
10/25/2025 01:00	Baker Hughes U.S. Rig Count	Oct-25	--	550 548
10/25/2025 01:00	Baker Hughes U.S. Rotary Gas Rigs	Oct-25	--	121 121
10/25/2025 01:00	Baker Hughes U.S. Rotary Oil Rigs	Oct-25	--	420 418
10/29/2025 22:30	DOE U.S. Crude Oil Inventories	Oct-25	--	-- -961k
10/29/2025 22:30	DOE Cushing OK Crude Inventory	Oct-25	--	-- -770k
10/29/2025 22:30	DOE U.S. Gasoline Inventories	Oct-25	--	-- -2147k
10/29/2025 22:30	DOE U.S. Distillate Inventory	Oct-25	--	-- -1479k
10/29/2025 22:30	DOE U.S. Refinery Utilization	Oct-25	--	-- 2.90%
10/29/2025 22:30	DOE Crude Oil Implied Demand	Oct-25	--	-- 19684
10/29/2025 22:30	DOE Gasoline Implied Demand	Oct-25	--	-- 9665
10/29/2025 22:30	DOE Distillate Implied Demand	Oct-25	--	-- 4919.3
10/30/2025 22:30	EIA Natural Gas Storage Change	Oct-25	--	-- 87
10/30/2025 22:30	EIA Working Natural Gas Implied Flow	Oct-25	--	-- 87

U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price

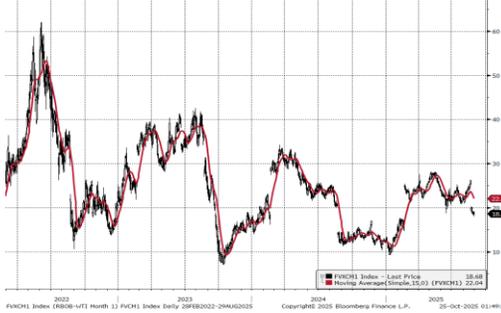


Total OPEC Crude Oil Production vs Nymex Crude Oil & Gasoline Price & Inventory

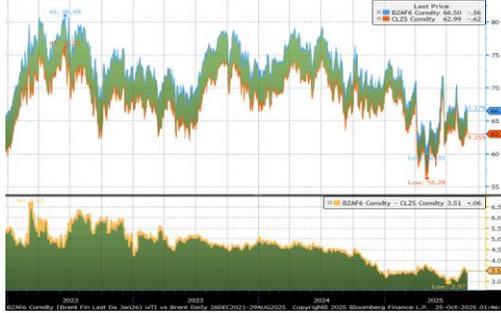


Source: Bloomberg

Normalized RBOB Gasoline minus Nymex Crude Oil Price



WTI-Brent Spread



Nymex Crude Daily Chart



Nymex RBOB Gasoline Daily Chart



Nymex Natural Gas Daily Chart



Nymex Heating Oil Daily Chart



Nymex Brent Last Day Daily Chart



Technical Analysis

Crude Oil	Natural Gas	Gasoline
1st Resistance: 62.42	1st Resistance: 3.354	1st Resistance: 195.15
2nd Resistance: 63.35	2nd Resistance: 3.254	2nd Resistance: 189.39
1st Support: 60.58	1st Support: 3.254	1st Support: 189.39
2nd Support: 59.66	2nd Support: 3.205	2nd Support: 186.50
MACD: -1.021	MACD: 0.004	MACD: -1.576
MACD DIFF: 0.105	MACD DIFF: 0.029	MACD DIFF: 0.496
RSI: 56.566	RSI: 53.352	RSI: 57.147

Heating Oil	Brent Fin Last Day
1st Resistance: 243.91	1st Resistance: 66.04
2nd Resistance: 247.52	2nd Resistance: 67.01
1st Support: 236.71	1st Support: 64.08
2nd Support: 233.10	2nd Support: 63.11
MACD: -1.221	MACD: -0.995
MACD DIFF: 1.130	MACD DIFF: 0.085
RSI: 63.773	RSI: 55.793

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