Crude Compass - Weekly Oil Market Dossier

Sept 25, 2025

We maintain our estimate for Brent at US$69.0/b for the Calendar Year 2025 (as published on June 13, 2025) compared to YTD average of US$69.7/b.

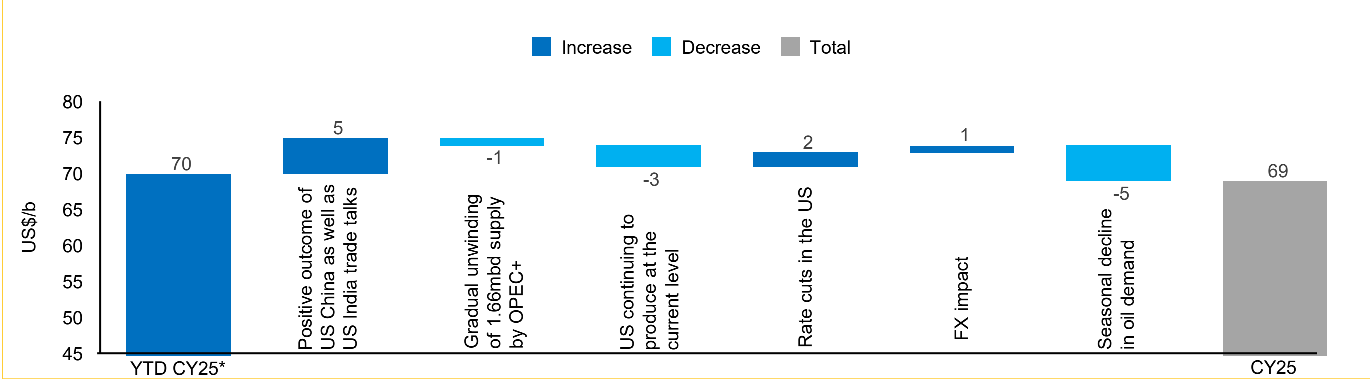
In our view, following aspects will lead to volatility in oil price over the short-term:

- **Geopolitical tension**: According to market reports, following Ukraine's strikes, Russia's downstream industry is processing around 7% less oil than its traditional throughput of 5.4 mbd.
- **Trade policies**: Oil and gas importers are either strengthening ties with the US or reducing reliance on Russia.

This week, the **US President called on NATO members to stop buying Russian energy**, while nothing that India and China remain key contributors to Russia's funding flows. He also highlighted that ongoing imports by NATO members continue to fuel the situation. Meanwhile, Commerce Minister Piyush Goyal said that **India is willing to expand its energy trade with the US**. During his meetings with his counterpart in Washington, this is considered as one of the aspects to be discussed in relation to US tariffs on Indian goods.

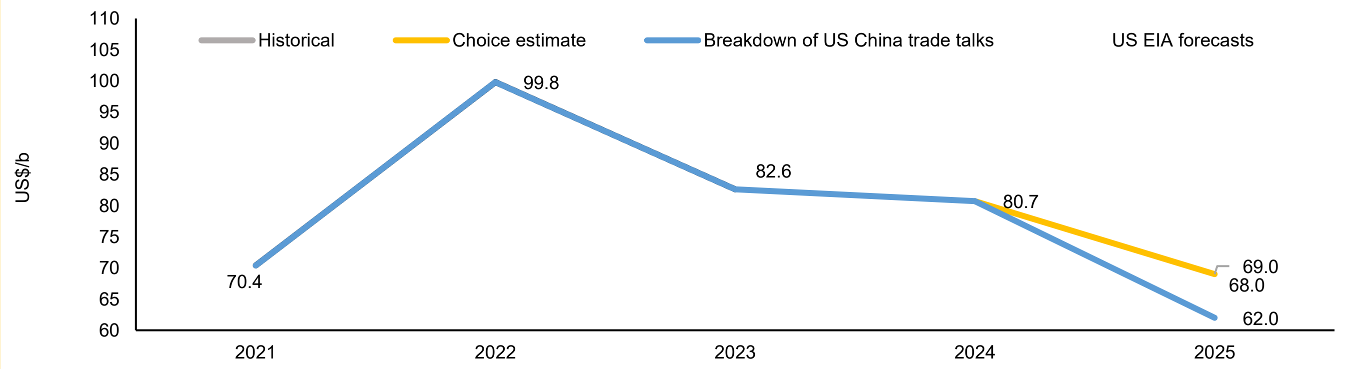
Our view: Over the past decade, the US has sought to increase its share of global oil and gas trade, while OPEC+ has attempted to limit it. **Following the Russia-Ukraine war, tariffs on Russian oil and subsequent discussions may lend support to the US in increasing its market share in the global oil and gas supply.** Nonetheless, Brent crude is likely to remain range-bound between US $60 and $75/b in absence any significant geopolitical escalation. Below US$60/b, marginal US supply becomes uneconomical, while above US$75/b, demand elasticity is expected to increasingly moderate prices in the current macroeconomic climate.

Exhibit 1: Catalysts for Brent



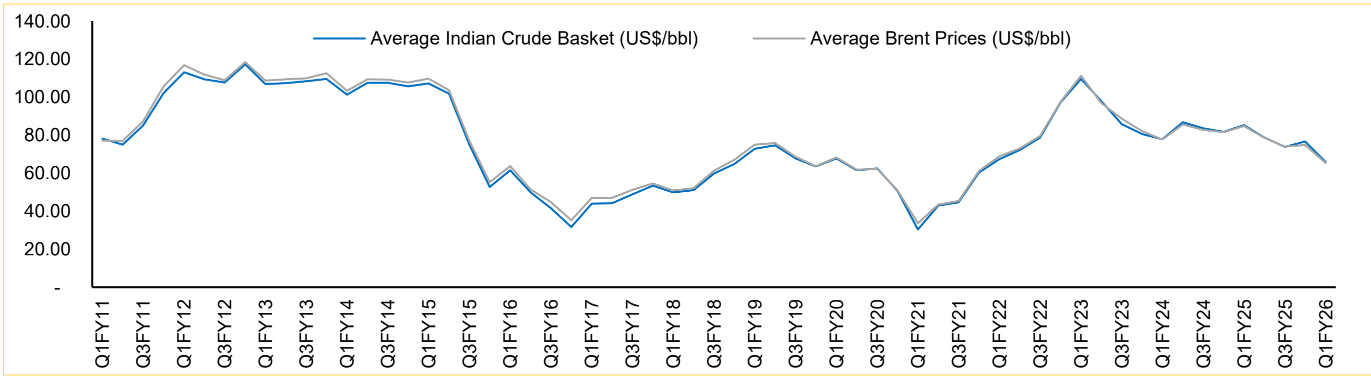
Source: FactSet for Historical data, Choice Institutional Equities
*Note: YTD CY25 price as of Sept 25, 2025

Exhibit 2: Brent estimates



Source: FactSet for Historical data, Choice Institutional Equities

Exhibit 3: Average Indian Crude Basket (US$/bbl) against Average Brent Prices (US$/bbl)



Source: FactSet PPAC, Choice Institutional Equities

Oil Weekly

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BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
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*Large Cap: More Than INR 20,000 Cr Market Cap
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