

## Crude Compass - Weekly Oil Market Dossier

Oct 3, 2025

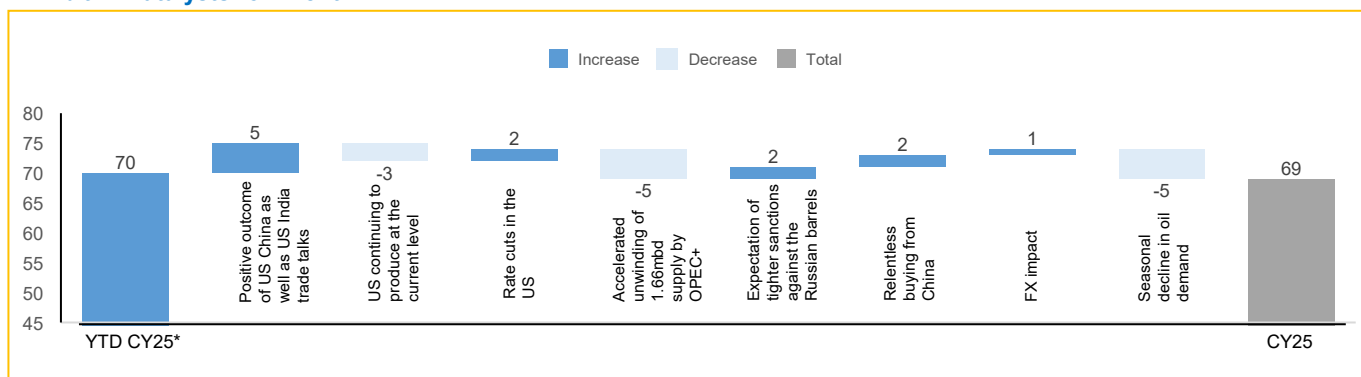
We maintain our estimate for Brent at US\$69.0/b for the Calendar Year 2025 (as published on June 13, 2025) compared to YTD average of US\$69.8/b.

As we enter into the period of seasonal downturn, the oil prices still are being supported by (a) expectation of tighter sanctions against the Russian barrels and (b) relentless buying from China. Moreover, at the current price levels, the market has already baked in the increase in supply from OPEC+ which could be an outcome of the meeting on Sunday (Oct 5, 2025). We continue to highlight the potential catalysts for Brent price as shown in Exhibit 1. In the current scenario, we could see following aspects driving the market:

- As G7 intensifies pressure to increase sanctions against buying Russian oil, we see the discount of Urals to Brent widening. At present, this is the cheapest crude for India as indicated from commentary by the Petroleum Minister. In our opinion, further discount may propel the GRMs higher. **India's refined products are not subject to tariffs in the US till date.**
- As northern winter sets in, it might get difficult for NATO members to suspend buying Russian Energy, as some rely on oil but **European nations have not been able to be entirely independent of Russian gas.**
- If it is assumed, India is compelled to stop buying Russian crude, it might seek exemption guarantees to import from Iran or Venezuela. Moreover, supply chains have been established by India to diversify crude source, thereby ensuring security. However, we do see **increase in import bill, leading to possibility of currency depreciation.**

In our opinion, sanctions' delay coupled with widening discount may become a tailwind for refiners. To add to the optimism, the Petroleum Minister addressed the investor community last week, reassuring non-intervention in PSUs' businesses.

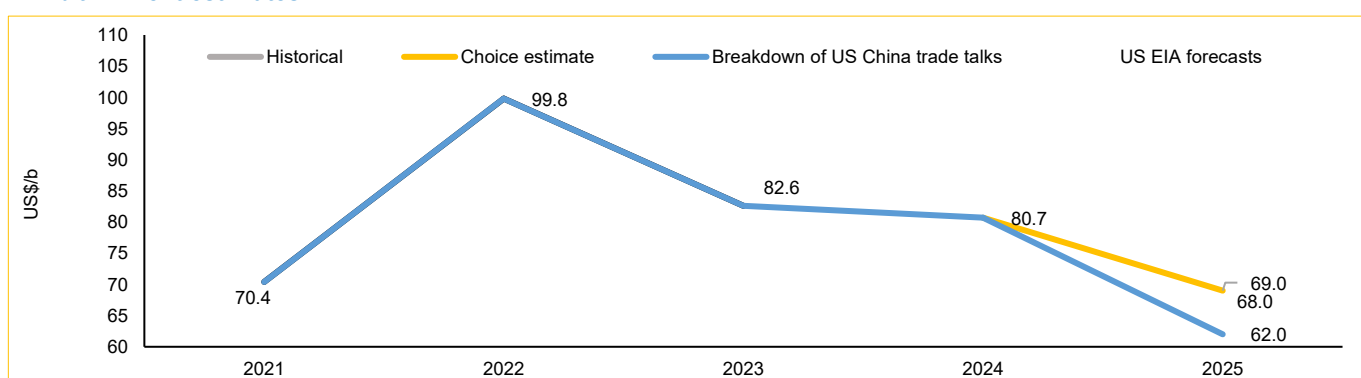
## Exhibit 1: Catalysts for Brent



Source: FactSet for Historical data, Choice Institutional Equities

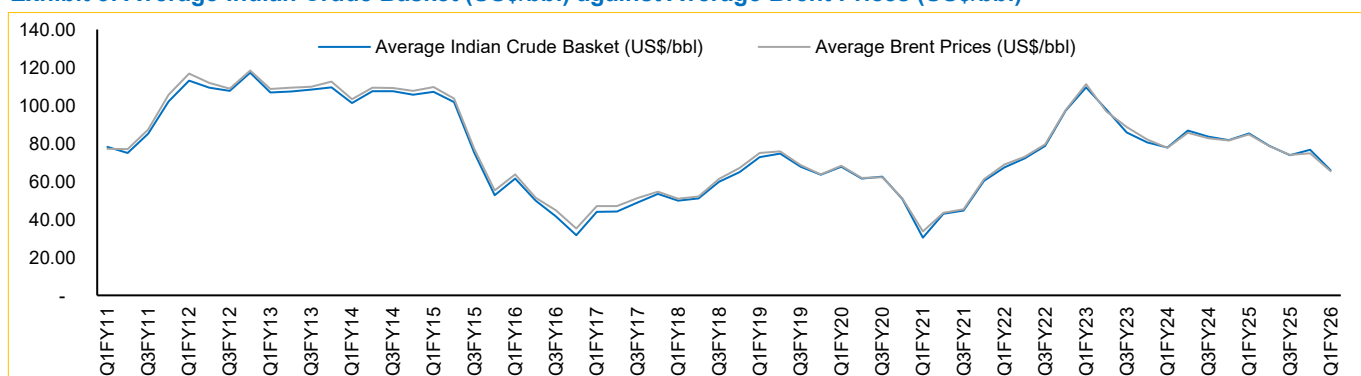
\*Note: YTD CY25 price as of Oct 02, 2025

## 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 for Historical data, Choice Institutional Equities

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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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NEUTRAL (N)	Fundamentals of the sector are expected to be in statis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

\*Large Cap: More Than INR 20,000 Cr Market Cap  
\*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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