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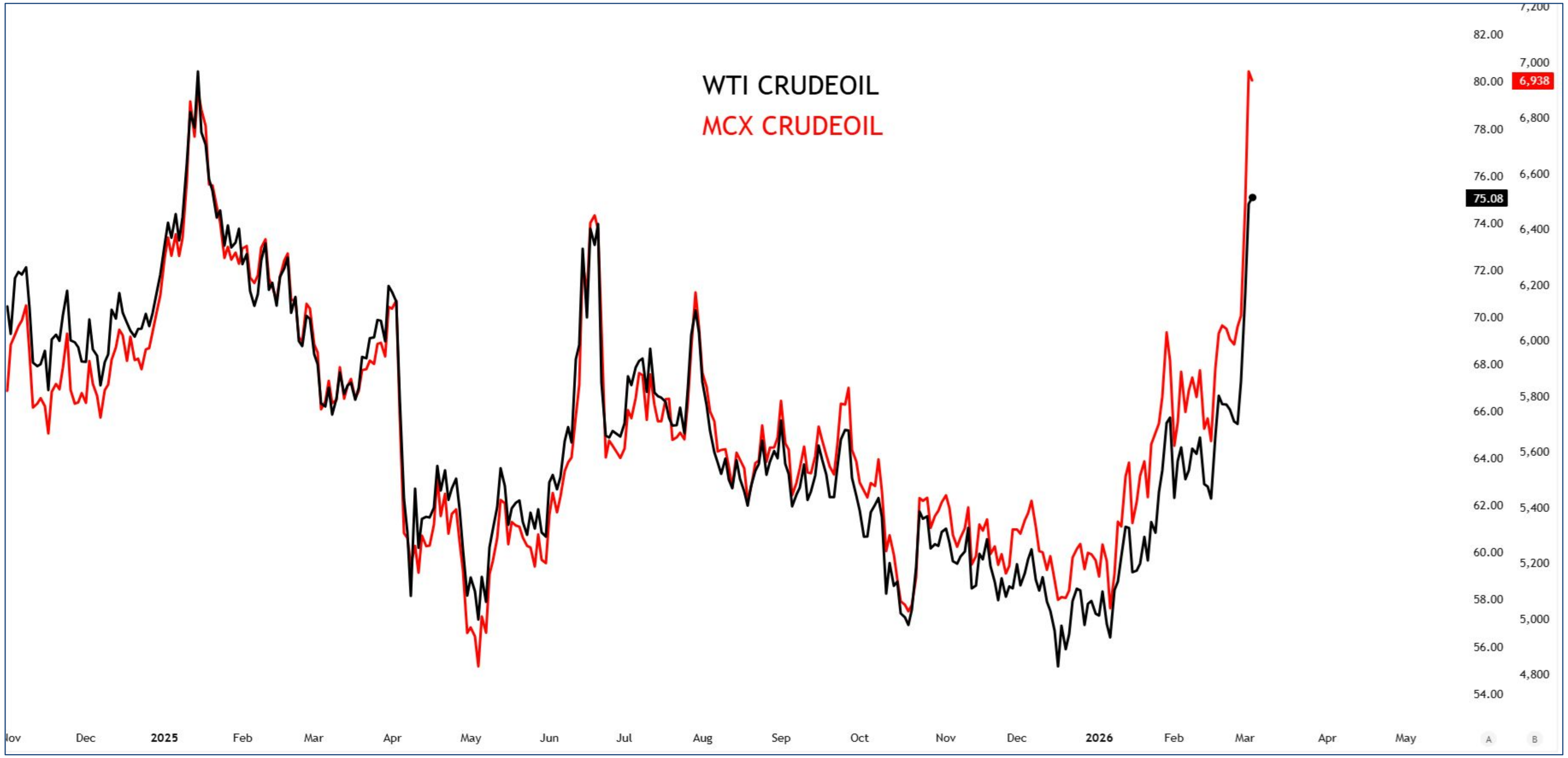
CRUDEOIL REPORT

04 March 2026

Kedia Stocks and Commodities Research Pvt. Ltd.
SEBI Registration Number: INH000006156

Price Performance

Commodity	Price	Period (% Change)					
		1 Week	1 Month	3 Month	6 Month	1 Year	Ytd
WTI Crudeoil	75.36	14.95	20.92	26.21	21.63	10.82	31.29
MCX Crude oil	6,984.00	16.61	24.16	29.74	28.22	17.18	33.97



Highlights

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- **Brent Crude Surges 17% to $82.66:** Prices hit year-highs as Middle East airstrikes trigger massive geopolitical risk premiums.
- **Futures Rally 15% Weekly:** WTI and MCX Crude oil rallied over 15% in a week amid fears of Persian Gulf supply route disruptions.
- **US-Iran War Disrupts Global Trade:** Joint US-Israeli airstrikes on Iran trigger retaliatory missile barrages.
- **Strait of Hormuz Effective Closure: Iran's IRGC halts shipping through the chokepoint, risking 20 million barrels of daily global supply.**
- **Iraq Slashes Output by 1.5M BPD:** Export infrastructure constraints and full storage force massive production cuts in Baghdad.
- **OPEC+ Restores 206,000 BPD for April:** The bloc initiates a phased unwinding of voluntary cuts despite high price volatility.
- **China's ZPC Refinery Cuts Runs 20%:** Major refiners reduce throughput as Iranian supply tightening impacts Asian processing margins.
- **EIA Projects 2026 Brent Average $58:** Long-term bearish forecast remains due to expected inventory builds surpassing global demand.
- **US Crude Stocks Below 5-Year Average:** Commercial inventories sit 2.5% lower, tightening the domestic physical market balance.
- **US Production Hits 13.7M BPD:** Domestic output nears record highs, providing a critical buffer against overseas supply shocks.
- **IEA Forecasts 850,000 BPD Demand Growth:** Non-OECD nations drive 2026 consumption, though high prices slow overall momentum.
- **Supertanker Freight Rates Hit 6-Year High:** Rising transport costs on Middle East-to-Asia routes pressure global refining profitability.
- **China Maintains 1M BPD SPR Build:** Aggressive strategic stockpiling continues to provide a firm floor for global oil prices.
- **Venezuela Exports Plunge to 300,000 BPD:** Intensified U.S. tanker blockades cause significant heavy sour crude supply tightening.
- **Goldman Sachs Warns of $95 Brent:** Extreme "tail risk" scenarios price in further escalations involving Iranian energy infrastructure.

Crude oil News

Global Oil Supply Surplus Likely to Push Prices Lower in 2026
A global oil supply surplus averaging just under 1 million barrels per day in 2026 is expected to weigh on crude prices throughout the year. Despite the broader bearish outlook, geopolitical tensions between the US and Iran are keeping prices elevated in the short term, with Brent crude projected to average around $63 per barrel in the first quarter of 2026. This higher pricing largely reflects a temporary risk premium tied to fears of potential supply disruptions. If tensions ease, that premium may gradually fade. Meanwhile, Venezuelan oil exports are expected to rise modestly by 2027, adding additional supply. Although India may halt Russian crude imports under a US trade deal, those barrels are likely to continue circulating in global markets.

Goldman Sachs Raises Q2 2026 Brent, WTI Forecasts
Goldman Sachs has raised its Q2 2026 oil price forecasts, increasing Brent crude expectations by $10 to $76 per barrel and WTI by $9 to $71. The revision reflects anticipated declines in OECD inventories and reduced Middle East production linked to lower oil flows through the Strait of Hormuz. The bank noted that ongoing export disruptions and potential damage to regional production facilities present significant upside risks. If Hormuz volumes remain constrained for another five weeks, Brent prices could surge to $100, which may trigger demand destruction to avoid critically low inventories. Brent futures recently traded near $82.57 and WTI around $75.28, both rising roughly 5% in the past two sessions.

J.P. Morgan Sees Brent Crude Averaging Around $60 in 2026
J.P. Morgan Global Research expects oil prices to soften in 2026 despite the recent spike in crude markets. The bank forecasts Brent crude to average around $60 per barrel next year, reflecting weak supply-demand fundamentals. Global oil demand is projected to grow by about 0.9 million barrels per day in 2026, but supply is expected to outpace consumption, leading to continued surpluses. Early indicators of excess supply were already visible in January data, according to J.P. Morgan's commodities strategy team. To avoid excessive inventory accumulation, voluntary and involuntary production cuts may be required. Such adjustments could help stabilize the market and keep Brent prices near the $60 per barrel level.

Geopolitical Risks Could Trigger Oil Price Volatility Worldwide
Geopolitical risks remain one of the biggest uncertainties for global oil markets. Conflicts or political instability in major oil-producing regions can significantly disrupt supply and trigger sharp price volatility. Venezuela's evolving political landscape is a potential upside risk to global supply due to its vast proven oil reserves. More recently, tensions between the U.S. and Iran have pushed Brent crude roughly $10 per barrel above its estimated fair value. However, the market expects any military action to be limited and unlikely to target Iran's oil infrastructure directly. Historically, regime changes in oil-producing nations have caused major market shocks, with crude prices rising an average of about 76% from the onset of disruptions to the peak.

Crude oil News

US Sanctions Reshape Russian Oil Flows Toward China

Recent U.S. sanctions targeting Russian energy exports are significantly reshaping global oil trade flows. Nearly 70% of Russian crude is now under restrictions, prompting a shift in export destinations. India has reduced its intake of Russian oil by roughly 600–800 thousand barrels per day, partly influenced by a U.S. tariff arrangement encouraging lower imports. Much of this displaced crude is now being redirected to China, where imports have risen by about 0.5 million barrels per day, supported by independent refiners and storage capacity. Despite the pullback, India is still expected to maintain Russian imports near 0.8–1.0 mbd because Urals crude remains competitively priced. Overall, Russian exports remain resilient but increasingly rely on deeper discounts and more complex logistics.

Table 5 - 7: DoC crude oil production based on *secondary sources*, tb/d

Secondary sources	2024	2025	2Q25	3Q25	4Q25	Nov 25	Dec 25	Jan 26	Change Jan/Dec
Algeria	905	934	920	941	963	964	970	968	-2
Congo	253	260	257	262	262	258	263	264	1
Equatorial Guinea	57	53	55	51	48	45	51	51	0
Gabon	222	227	232	225	222	215	225	216	-9
IR Iran	3,257	3,263	3,289	3,239	3,208	3,200	3,210	3,129	-81
Iraq	4,163	4,011	3,957	3,995	4,094	4,064	4,119	4,157	38
Kuwait	2,429	2,475	2,431	2,488	2,564	2,565	2,576	2,581	5
Libya	1,092	1,296	1,290	1,310	1,294	1,291	1,311	1,304	-6
Nigeria	1,426	1,512	1,529	1,512	1,490	1,491	1,497	1,478	-19
Saudi Arabia	8,978	9,471	9,179	9,705	10,041	10,051	10,073	10,086	13
UAE	2,950	3,142	2,994	3,259	3,371	3,378	3,376	3,389	14
Venezuela	867	936	925	944	943	954	917	830	-87
Total OPEC	26,600	27,580	27,057	27,932	28,499	28,474	28,588	28,453	-135

OPEC 12 output decreased by 135 kb/d with the largest increases from Iraq (38 kb/d), UAE (14 kb/d), and Saudi Arabia (13 kb/d). Venezuela (-87 kb/d), Iran (-81 kb/d), and Nigeria (-19 kb/d) saw decreased crude output. All other OPEC members had small increases or decreases of 9 kb/d or less.

Table 6 - 2: Refinery crude throughput, mb/d

Refinery crude throughput	2023	2024	2025	1Q25	2Q25	3Q25	4Q25	1Q26
OECD Americas	18.71	18.96	19.02	18.24	19.27	19.68	18.87	18.52
of which US	*16.50*	*16.62*	*16.70*	*15.93*	*16.97*	*17.21*	*16.68*	*16.88*
OECD Europe	11.38	11.28	11.29	11.07	11.10	11.71	11.30	11.17
of which:								
France	*0.93*	*0.92*	*0.96*	*0.93*	*0.83*	*1.04*	*1.04*	*1.02*
Germany	*1.62*	*1.76*	*1.69*	*1.64*	*1.65*	*1.74*	*1.72*	*1.67*
Italy	*1.30*	*1.21*	*1.24*	*1.16*	*1.28*	*1.32*	*1.21*	*1.21*
UK	*0.97*	*0.98*	*0.93*	*0.92*	*1.00*	*0.91*	*0.89*	*0.87*
OECD Asia Pacific	5.86	5.71	5.72	5.63	5.68	5.69	5.88	5.74
of which Japan	*2.56*	*2.37*	*2.38*	*2.43*	*2.27*	*2.31*	*2.51*	*2.56*
Total OECD	35.95	35.96	36.03	34.93	36.05	37.07	36.05	35.43
Latin America	3.54	3.69	3.66	3.65	3.63	3.70	3.65	3.67
Middle East	7.53	7.96	8.18	8.06	8.06	8.33	8.26	8.73
Africa	1.75	1.93	2.08	2.09	2.04	2.11	2.09	2.25
India	5.18	5.30	5.44	5.62	5.41	5.29	5.44	5.50
China	14.78	14.25	14.80	14.80	14.46	15.08	14.88	14.94
Other Asia	5.00	5.05	5.13	5.14	5.06	5.16	5.16	5.35
Russia	5.50	5.35	5.21	5.28	5.31	5.08	5.16	5.23
Other Eurasia	1.03	1.04	1.07	1.09	1.04	1.09	1.05	1.03
Other Europe	0.48	0.51	0.52	0.49	0.47	0.55	0.58	0.50
Total Non-OECD	44.79	45.08	46.09	46.22	45.46	46.39	46.27	47.19
Total world	80.74	81.03	82.12	81.15	81.51	83.46	82.33	82.61

Note: Totals may not add up due to independent rounding.

Sources: AFREC, APEC, EIA, IEA, PAJ, Ministry data, including Ministry of Energy of the Russian Federation, Ministry of Petroleum and Natural Gas of India, OPEC and JODI.

Crudeoil Production

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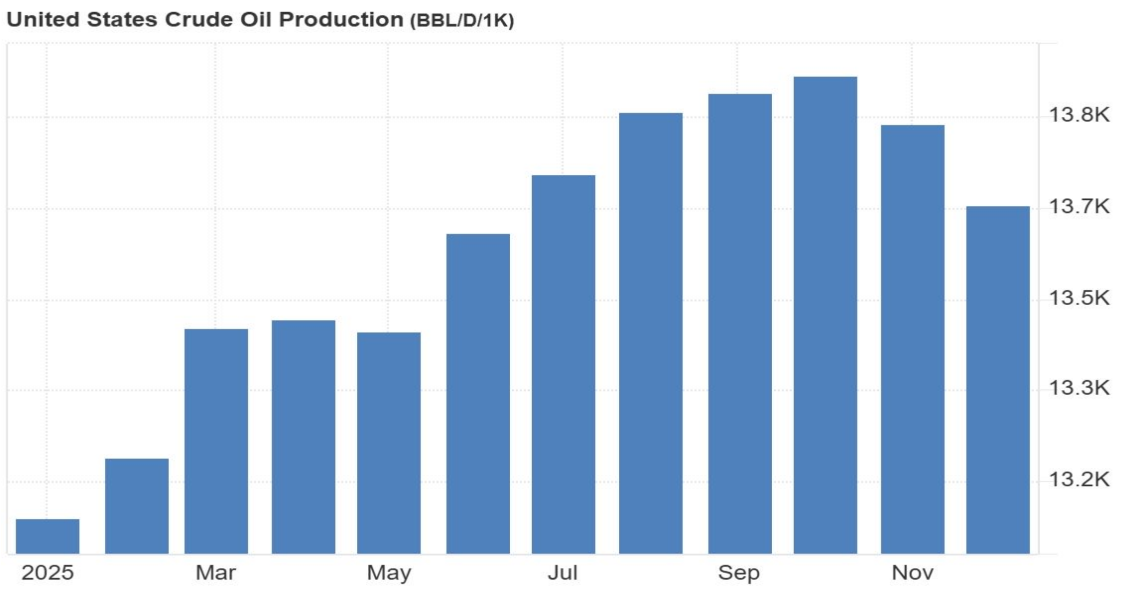
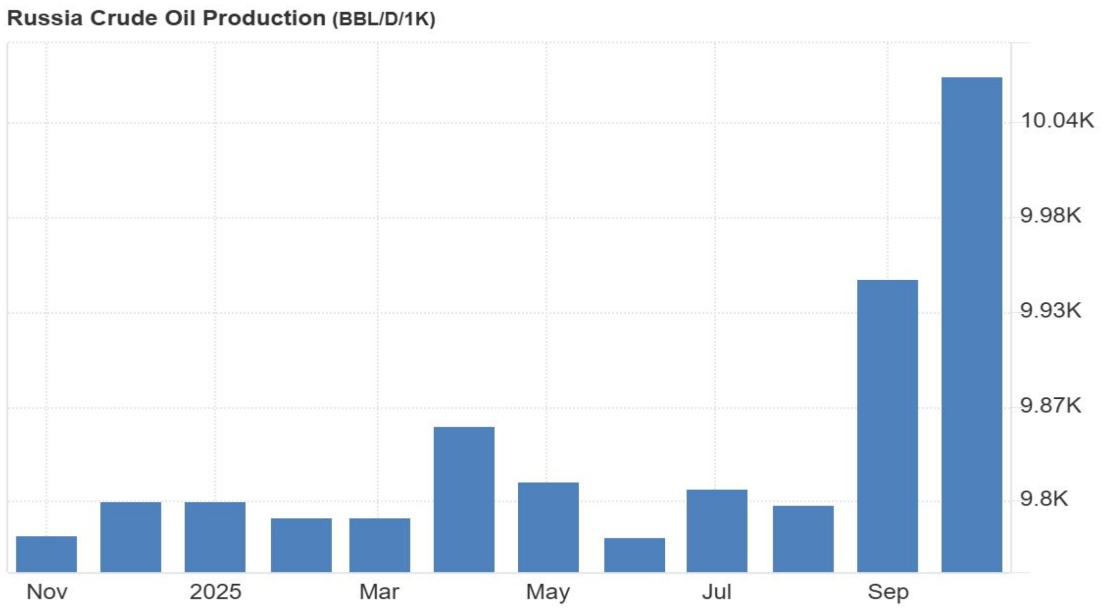
United States



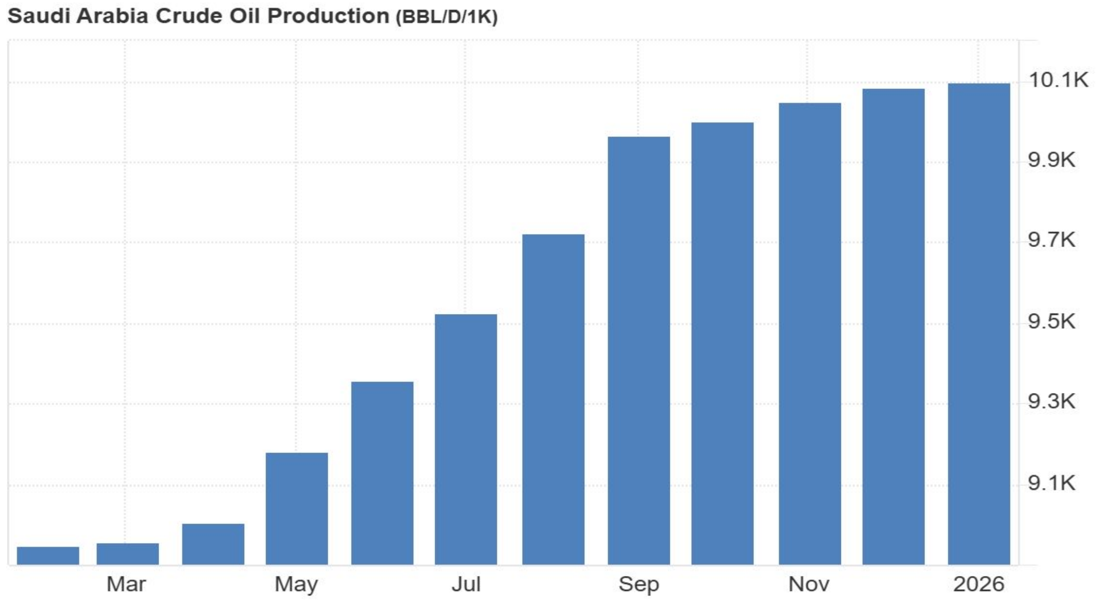
Crude Oil Production in US decreased to 13655 BBL/D/1K in December from 13788 BBL/D/1K in November of 2025.

Russia



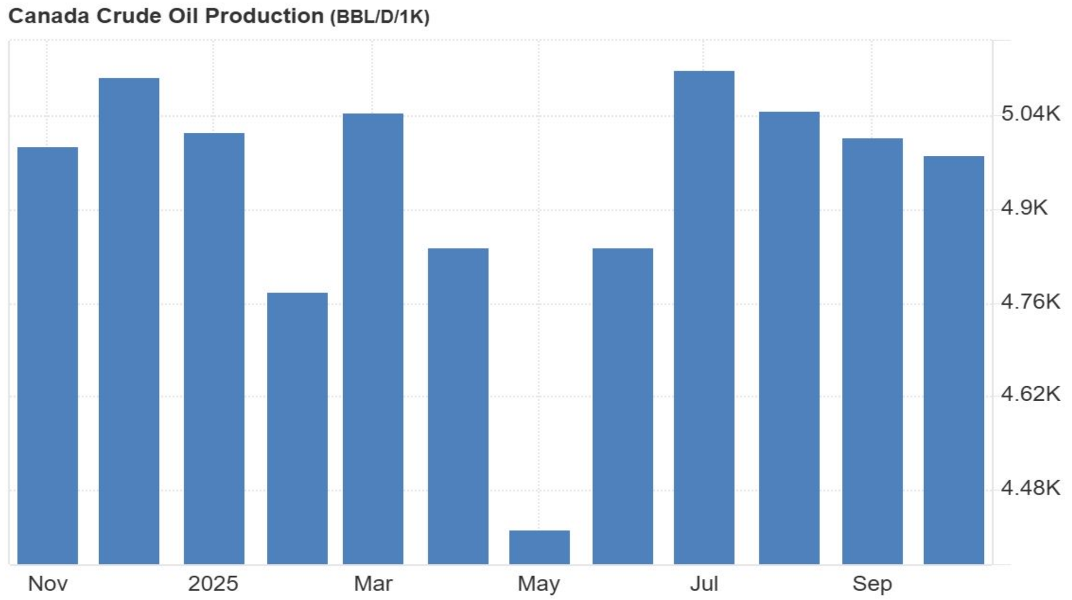
Crude Oil Production in Russia increased to 10074 BBL/D/1K in October from 9946 BBL/D/1K in September of 2025.

Saudi Arabia



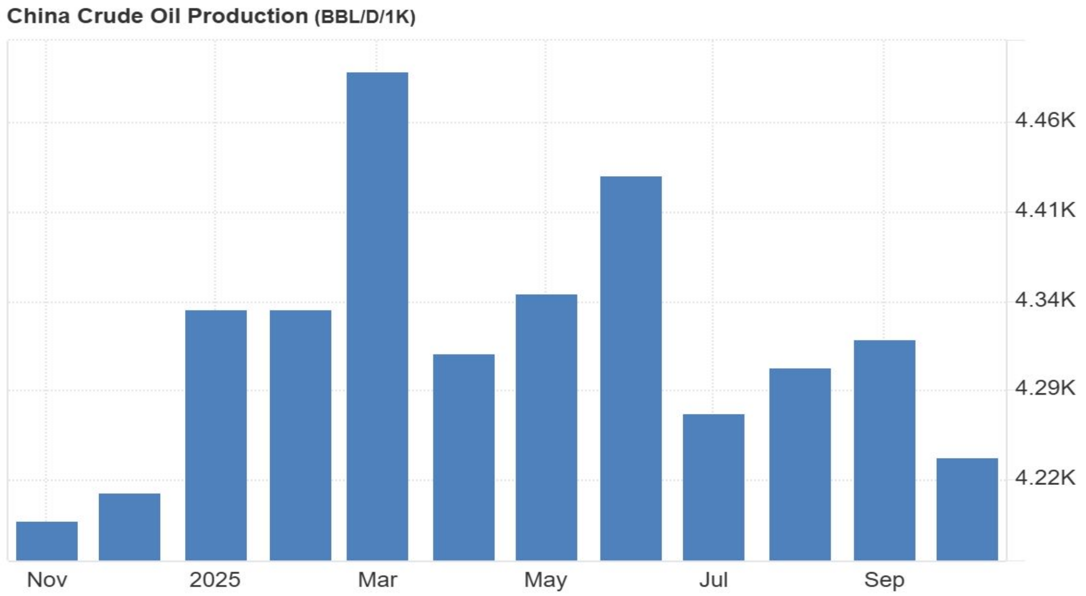
Crude Oil Production in Saudi Arabia increased to 10100 BBL/D/1K in January from 10084 BBL/D/1K in December of 2025.

Canada



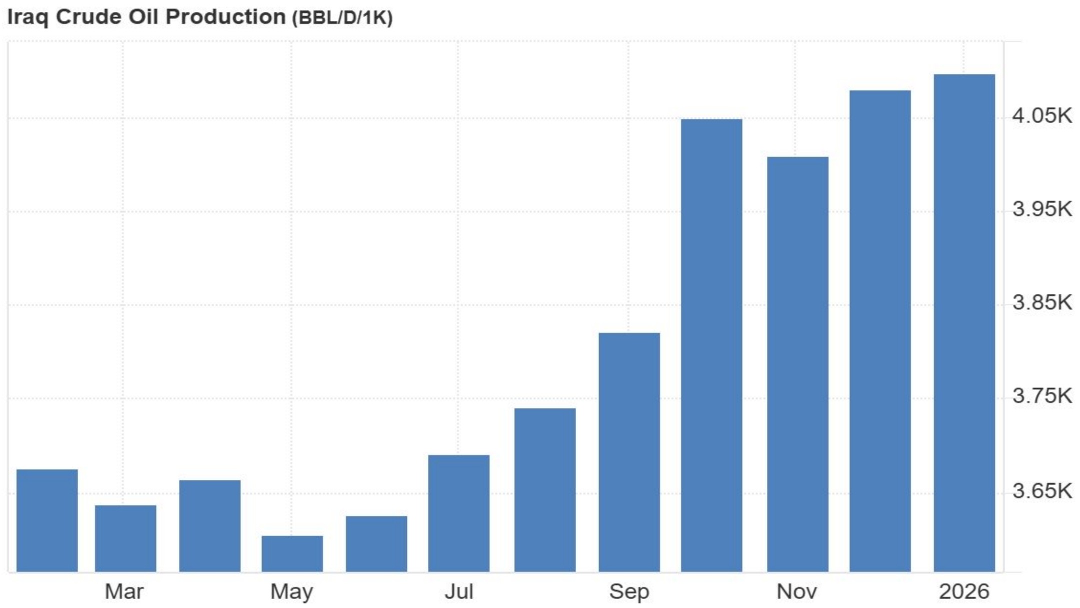
Crude Oil Production in Canada decreased to 4982 BBL/D/1K in October from 5008 BBL/D/1K in September of 2025.

China



Crude Oil Production in China decreased to 4240 BBL/D/1K in October from 4320 BBL/D/1K in September of 2025.

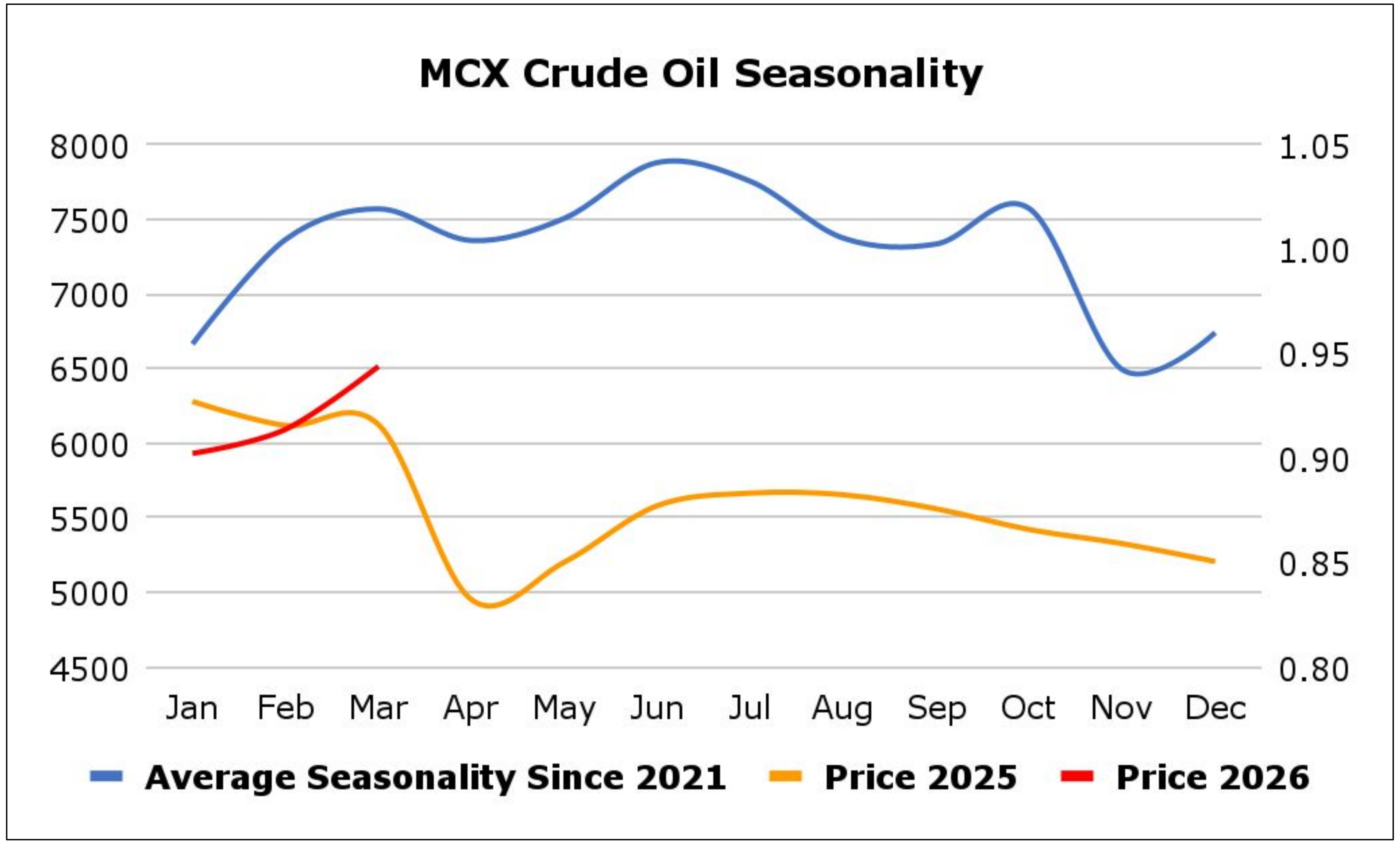
Iraq



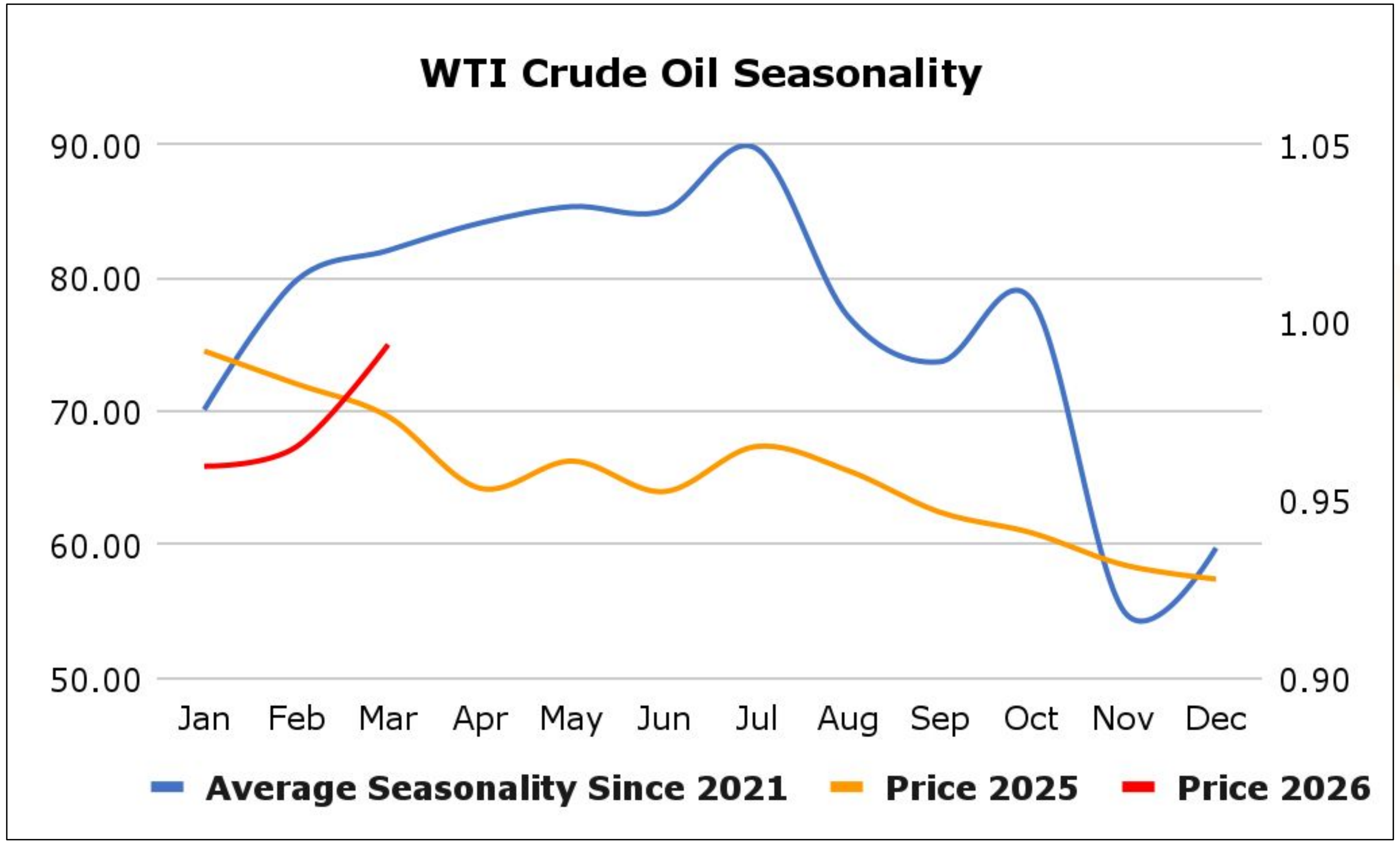
Crude Oil Production in Iraq increased to 4097 BBL/D/1K in January from 4081 BBL/D/1K in December of 2025

Seasonality

MCX Crudeoil



WTI Crudeoil



Volatility

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WTI CRUDEOIL

MCX CRUDEOIL

RSI

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WTI CRUDEOIL

MCX CRUDEOIL

MACD

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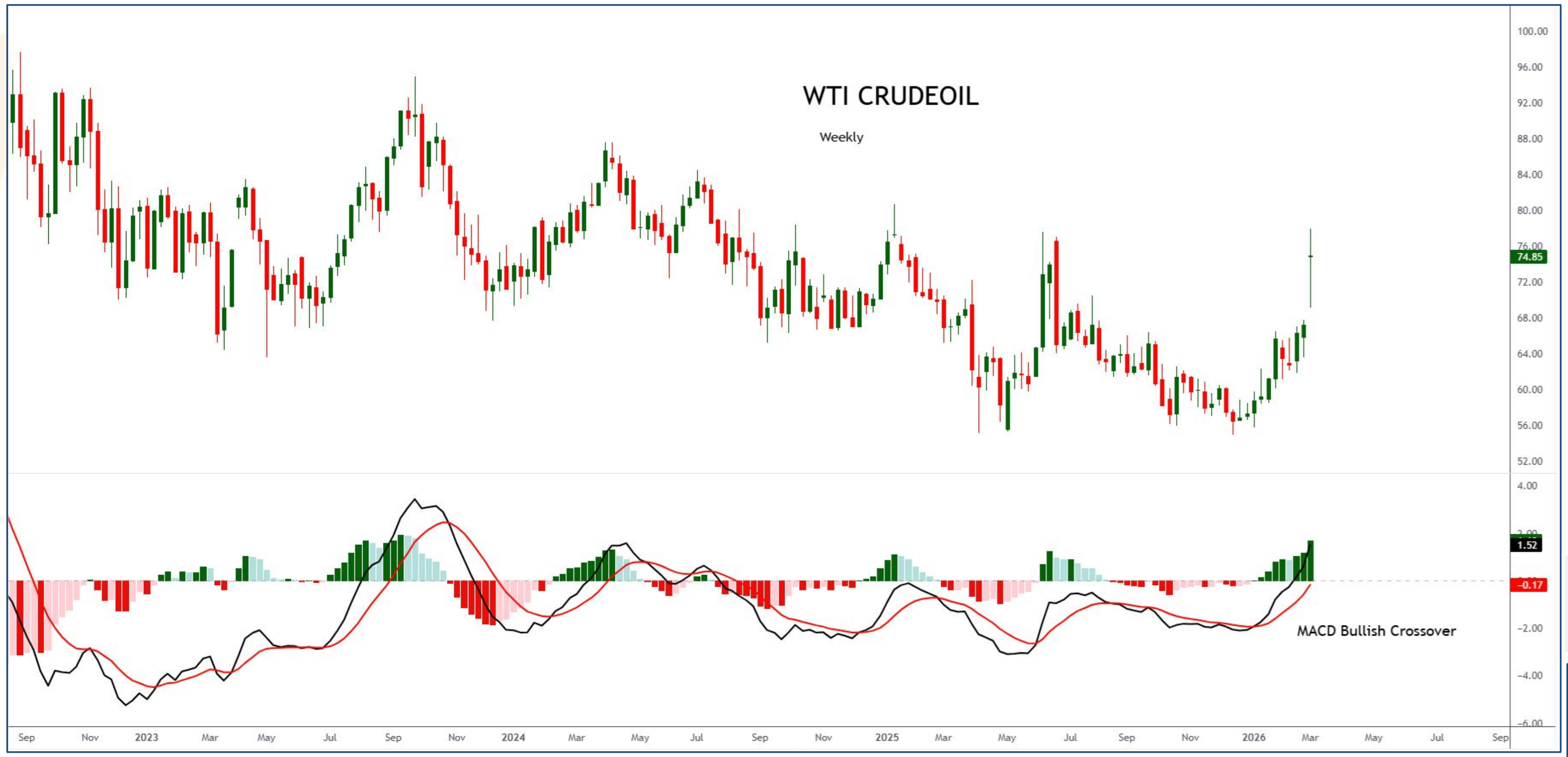

WTI CRUDEOIL

MCX CRUDEOIL

Vortex

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WTI CRUDEOIL

MCX CRUDEOIL

Crude oil / Natural Gas Ratio

Strategic Macro Interpretation

Geopolitical Premium Rising

- US–Iran tensions add persistent oil risk premium
- Momentum and structure both point bullish

Breakout Catalyst

- Technical breakout coinciding with macro stress events
- Compression breakout → volatility expansion

Alignment with Ratio

- Crude/Gas ratio supports a stronger crude outlook
- Long crude and ratio both directional bullish

Conclusion

Brent crude has moved from a corrective base into an emerging bullish regime, backed by:

✔ Momentum shift on monthly charts
✔ RSI & MACD confirming structure transition
✔ Break of compression range
✔ Geopolitical risk premium drivers
✔ Crude/Nat Gas ratio supporting relative strength

Primary bias:
Bullish → targets $88–$92, extended $95+.

Crudeoil / Natural Gas Ratio

Natural Gas	Crudeoil												
Expected	50	54	58	62	66	70	74	78	82	86	90	94	98
4.0000	12.50	13.50	14.50	15.50	16.50	17.50	18.50	19.50	20.50	21.50	22.50	23.50	24.50
3.8000	13.16	14.21	15.26	16.32	17.37	18.42	19.47	20.53	21.58	22.63	23.68	24.74	25.79
3.6000	13.89	15.00	16.11	17.22	18.33	19.44	20.56	21.67	22.78	23.89	25.00	26.11	27.22
3.4000	14.71	15.88	17.06	18.24	19.41	20.59	21.76	22.94	24.12	25.29	26.47	27.65	28.82
3.2000	15.63	16.88	18.13	19.38	20.63	21.88	23.13	24.38	25.63	26.88	28.13	29.38	30.63
3.0000	16.67	18.00	19.33	20.67	22.00	23.33	24.67	26.00	27.33	28.67	30.00	31.33	32.67
2.8000	17.86	19.29	20.71	22.14	**23.57**	25.00	26.43	27.86	29.29	30.71	32.14	33.57	35.00
2.6000	19.23	20.77	22.31	23.85	25.38	26.92	28.46	30.00	31.54	33.08	34.62	36.15	37.69
2.4000	20.83	22.50	24.17	25.83	27.50	29.17	30.83	32.50	34.17	35.83	37.50	39.17	40.83
2.2000	22.73	24.55	26.36	28.18	30.00	31.82	33.64	35.45	37.27	39.09	40.91	42.73	44.55
2.0000	25.00	27.00	29.00	31.00	33.00	35.00	37.00	39.00	41.00	43.00	45.00	47.00	49.00
1.8000	27.78	30.00	32.22	34.44	36.67	38.89	41.11	43.33	45.56	47.78	50.00	52.22	54.44
1.6000	31.25	33.75	36.25	38.75	41.25	43.75	46.25	48.75	51.25	53.75	56.25	58.75	61.25

MCX Crudeoil Technical Chart

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MCX Crudeoil Technical Chart

Looking at the weekly candlestick chart, crude oil prices on MCX have delivered a strong breakout, largely in line with expectations discussed earlier. Prices have surged sharply and recently touched the 7200 region, a level last seen around April 2024. The rally appears driven not only by technical momentum but also by geopolitical tensions related to the Strait of Hormuz situation. Momentum indicators are strong, although the market now looks slightly stretched after such a sharp rise.

Technical Overview

If we examine the weekly structure closely, crude oil has decisively moved above the important resistance zone near 6100, which earlier acted as a major ceiling. Once this level was cleared, prices accelerated quickly toward the 6600 to 7000 range and even extended toward 7200. This move confirms a strong breakout from the previous consolidation range.

On the support side, the first key level to watch is around 6675, which aligns with the 61.8 Fibonacci retracement area. If prices cool off slightly, this zone could attract buying interest. A deeper correction may test the 6309 region, which is close to the 50 Fibonacci level and acts as the next strong support.

Momentum indicators also show strength. The RSI is currently around 72, suggesting strong bullish momentum but also indicating that the market is entering an overbought zone. Meanwhile, the MACD remains in positive territory with the MACD line well above the signal line, and the histogram continues to expand upward, confirming bullish momentum. The Choppiness Index has dropped near 35, indicating the market is transitioning from a sideways phase into a trending environment.

Looking ahead, a sustained move above 7286, which corresponds to the 78.6 Fibonacci level, **could open the path toward 7883, the next major resistance area.**

In my view, the broader trend remains still positive as long as US-Iran going on as technically holding above 6100 also make counter strong , but the sharp rally suggests some short-term cooling could happen if de-escalation comes for on going war.

Action: Buy crude oil above 7200 for an upside target near 7850 while the immediate support remains placed around 6300. As long as prices hold above this level, the bullish momentum is likely to continue. However, a break below 6300 may trigger a fresh review, with the next support expected around 5820, from where the recent rally had started. A deeper fall may only be possible if geopolitical tensions ease and any de-escalation in the ongoing conflict reduces risk premium in crude oil prices.

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