

Crude Compass - Weekly Oil Market Dossier

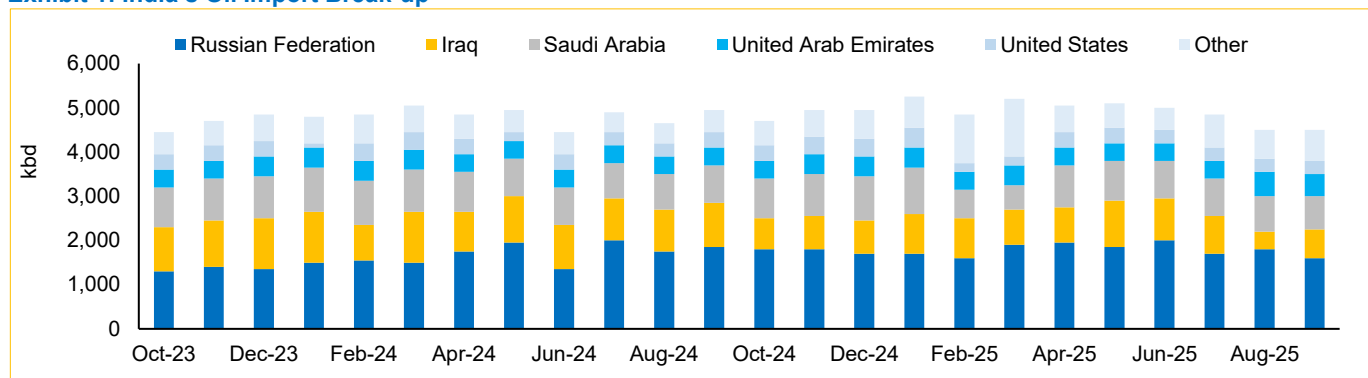
Oct 30, 2025

In our opinion:

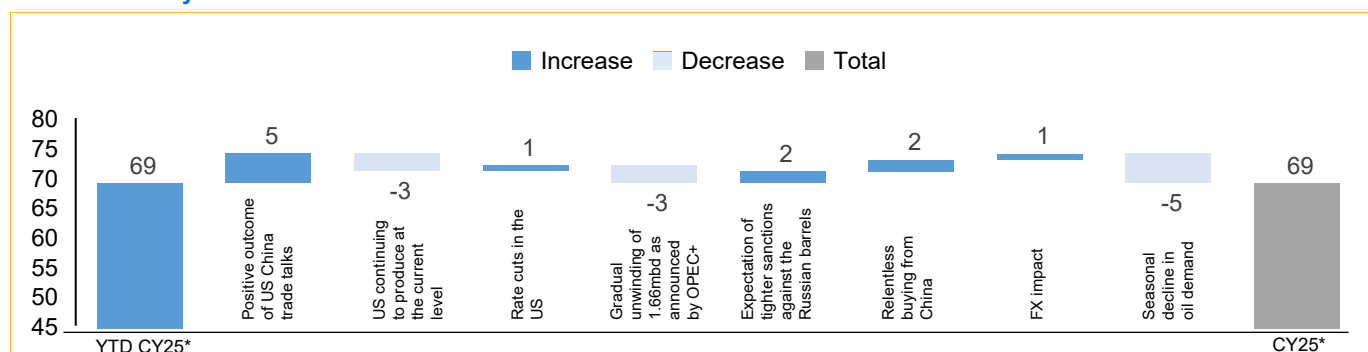
- A third consecutive production hike is increasingly likely at upcoming OPEC+ meeting on 2nd Nov, 2025 in the backdrop of recent sanctions on Rosneft and Lukoil.
- As India reduces its Russian oil intake, the most plausible medium-term outcome is a shift towards the Middle East for bulk imports.
- With crude oil in transit reaching its highest level since 2016 – approximately 1.4 Bn barrels at the time of writing – it's an overhang on oil prices. The anticipated seasonal dip in demand this quarter could exert downward pressure on prices.

We maintain our Brent estimate USD69.0/barrel (b) for the Calendar Year 2025 (as published on June 13th, 2025), as compared to YTD average of USD69.1/b.

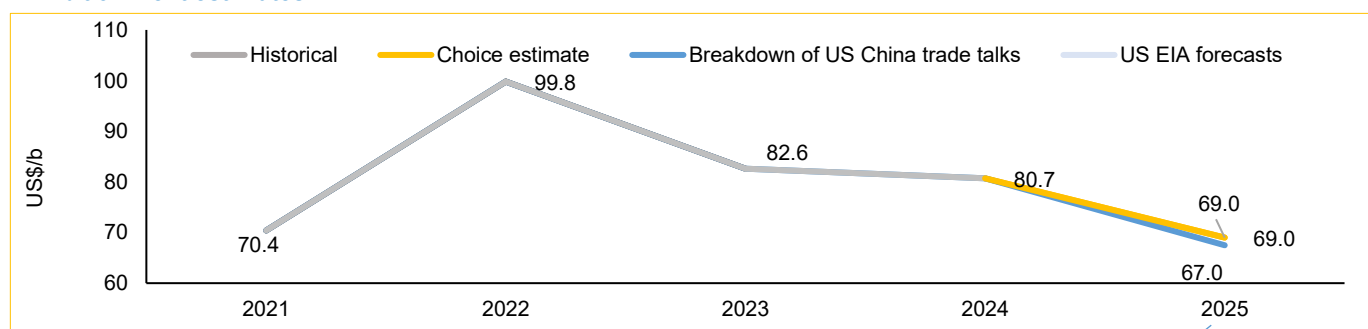
Expanded view: A third consecutive production hike appears likely at the upcoming OPEC+ meeting on 2nd Nov 2025, following sanctions on Rosneft and Lukoil. This move would contribute to the unwinding of roughly 1.66 million b/d of production cut previously set to remain in place until end of 2026. Over the past week, China and India confirmed they would not buy crude from the sanctioned entities; however, IOCL stated it will continue sourcing Russian oil through non-sanctioned suppliers. MRPL, meanwhile, indicated that Kuwaiti barrels are currently more suitable than Russian crude if the Urals-to-Brent discount stays near USD2.5/b. With Russia's share in India's import mix shrinking, the US has overtaken the UAE as India's fourth-largest supplier – though higher WTI prices (about USD2.5/b above Urals) weigh on refining margins. We expect India's sourcing to gradually shift towards the Middle East. With oil in transit at a record 1.4 billion barrels – the highest since 2016 – and seasonal demand softening, prices may remain under pressure. We maintain our Brent forecast at USD69.0/b for CY 2025, versus a YTD average of US \$69.1/b.

Exhibit 1: India's Oil Import Break-up

Source: Kpler

Exhibit 2: Catalysts for Brent

Source: FactSet for Historical data, Choice Institutional Equities *Note: YTD CY25 price as of Oct 29, 2025

Exhibit 3: Brent estimates

Source: FactSet for Historical data, Choice Institutional Equities, Note: US EIA estimate now align with the Choice estimate of USD69/b for CY25

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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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ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
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NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
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POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
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
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