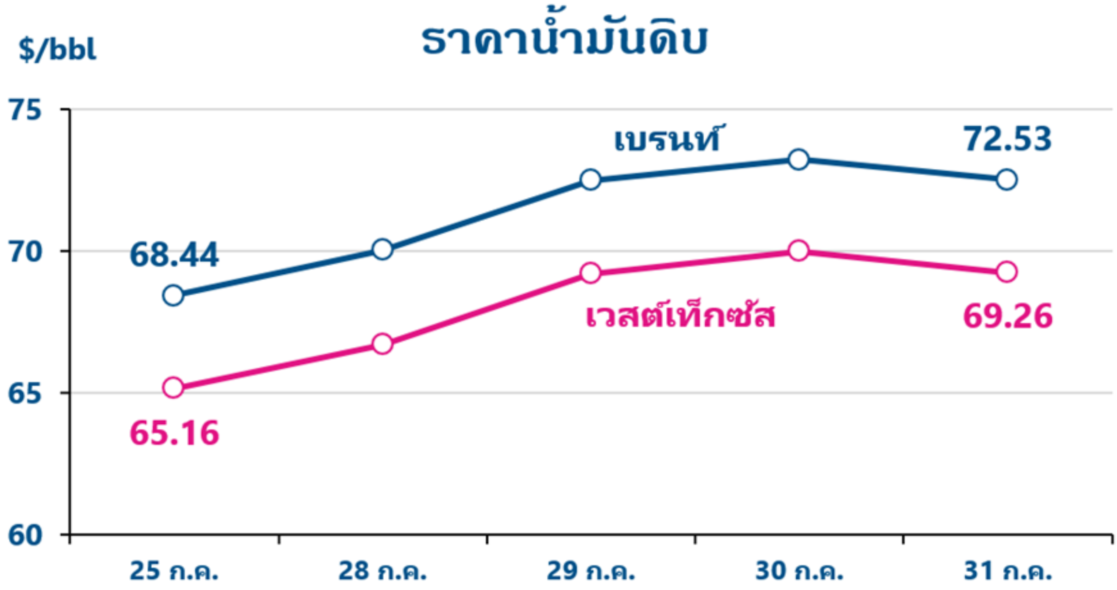
Weekly Oil Market Outlook

Thai Oil Public Company Limited

Crude oil price volatility is underway following the concerns over stringent sanctions against Russia amid the US tariff effective measure starting 1 August 2025

Weekly oil price situation analysis by Thai Oil Public Company Limited: 4 August 2025

Thai Oil forecasts on West Texas Crude Oil Outlook to perform at $US 64-74 per barrel while Brent Crude Oil is expected to project price at $US 67-77 per barrel



Crude Oil Market Outlook (1-7 August 2025)

Crude oil volatility is likely driven by concerns over supply tightness following an announcement by U.S. President Donald Trump to shorten the timeframe for Russia and Ukraine to reach a ceasefire agreement within 10–12 days. President Trump also threatened to raise import tariffs on trade partners of Russia unless a deal is reached.

Meanwhile, markets are closely watching the effects of U.S. trade tariffs taking effect on 1 August 2025. Negotiations between the U.S. and China are ongoing, with both sides agreeing to extend the deadline for reciprocal tariffs, though no new date has been set. The positive U.S. economic data has improved market sentiment, with growth projections exceeding expectations. The Federal Reserve is maintaining its interest rate at 4.25–4.50% to ease inflationary pressure. Oil suppliers are also monitoring OPEC+, which is set to discuss potential increases in production capacity at its upcoming conference on 3 August 2025.

Key factors likely to impact crude oil price situation this week

- The market continues to face concerns over a potential oil supply tightness following the announcement made by the U.S. President Donald Trump imposed a reduction in the ceasefire negotiation period between Russia and Ukraine—from the original 50 days (by 2 September) down to just 10–12 days (by 8 August). Trump justified the move by stating that Russia has taken no action to demonstrate efforts in resolving the conflict. If no progress is made, the U.S. plans to impose secondary tariffs on Russia, which is expected to pile pressure on its key oil importers—namely China, India, and Turkey. Most recently, the U.S. announced a 25% import tariff on goods from India, effective 1 August 2025, citing India's status as a major importer of Russian oil. The U.S. also threatened further penalties and issued a warning to China—Russia's largest oil customer—that it may face high tariff rates if it continues to import Russian oil. Currently, Russia exports approximately 4 million barrels of crude oil per day to these countries combined.

- U.S. trade tariffs have officially taken effect, continuing to weigh heavily on market sentiment. Prior to this, U.S. President Donald Trump announced an increase in the Baseline Tariff from 10% to 15–20% for countries that have not yet reached a trade agreement with the U.S. He also further stated that several nations are currently in negotiation pipelines. Recently, the U.S. and China agreed to extend the compromise period for reciprocal tariff measures beyond the previous deadline of 12 August 2025, following negotiations held in Stockholm, Sweden. However, no new deadline has been set for concluding the tariff

- The upcoming OPEC+ meeting scheduled for 3 August 2025 is highlighted, as the group will consider increasing oil production capacity for September 2025. OPEC+ is expected to continue ramping up output, which could enable the group to meet its production increase target of 2.2 million barrels per day by September 2025—a full year ahead of the original timeline set for September 2026. At the same time, the Joint Ministerial Monitoring Committee (JMMC) of OPEC has resolved that all member countries must strictly adhere to their production quotas. The committee has also urged countries exceeding their quotas, such as Kazakhstan and Iraq, to submit a compensation plan by 18 August 2025

- The U.S. economy grew faster than expected in Q2/2025, with Gross Domestic Product (GDP) expanding by 3%, surpassing analysts' forecasts of 2.3%. The stronger growth was driven by a recovery in trade balance and consumer spending. At the same time, the Federal Reserve (Fed) voted to maintain the short-term interest rate at 4.25–4.50%, in line with market expectations. This marks the fifth consecutive meeting in which rates have been held steady, despite pressure from President Trump, who has called for rate cuts

- The weekly economic trend including; the US significant economic index including PMI index by S&P in July 2025, unemployment benefit applicants, Labour Productivity Index in the Non-Agricultural Sector, Q2/2025 report,Wholesale Trade Inventories in June 2025, Consumer Credit in June, and Federal Reserve Balance Sheet. The EU significant economic index including the Investor Confidence Index report by Sen tix for August 2025, the Producer Price Index (PPI) for June 2025, and the Retail Sales Index for June 2025. China's significant economic index including the Caixin Services PMI for July 2025, export and import volumes for July 2025, the trade balance for July 2025, foreign exchange reserves for July 2025, and the Consumer Price Index (CPI) and Producer Price Index (PPI) for July 2025.

Crude Oil Price Summary (25-31 July 2025)

The West Texas Crude Oil price increasing by $US 1.66 per barrel to $US 68.07 per barrel while Brent crude oil price also increasing by $US 2.40 per barrel to $US 71.35 per barrel following market support from a trade agreement between the United States and the European Union. The import tariff on EU goods was reduced from the previous rate of 30% to 15%. The agreement also includes an energy purchase commitment from the U.S. worth $USD 750 billion, along with an additional $USD 600 billion in future investments in the United States. At the same time, former President Trump announced a shortening of the deadline given to Russia to end the war in Ukraine—from 50 days to just 10–12 days—warning of potential sanctions. These developments have created political pressure on Russia and heightened concerns over energy supply from Eastern Europe. Analysts are closely watching Russia's stance, particularly its consideration of cutting gasoline exports to all countries except select allies such as Mongolia, which has signed a supply contract with Russia.

However, market sentiment faced pressure as the United States is reportedly considering easing restrictions on major oil firm Chevron, allowing it to resume operations in Venezuela. Chevron's license had been revoked in February. This reconsideration follows a prisoner exchange agreement reached between the U.S. and Venezuela. Meanwhile, the U.S. Energy Information Administration (EIA) reported that U.S. crude oil inventories for the week ending July 25, 2025, rose by 7.7 million barrels to 426.7 million barrels—contrary to analysts' expectations of a 1.3 million barrel decline.