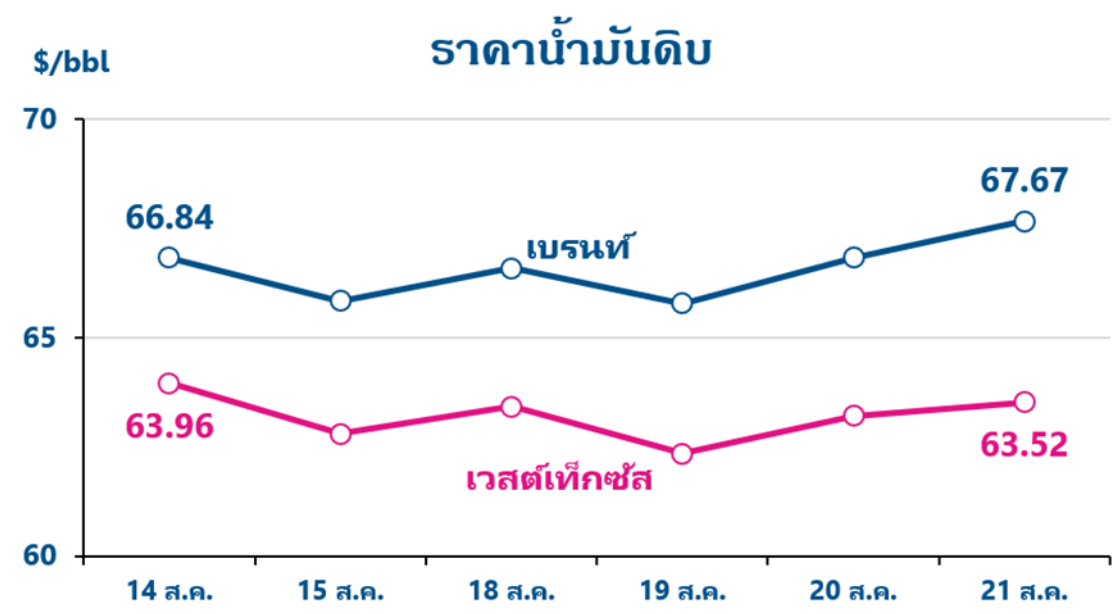


The crude oil volatility continues following the progress of the ceasefire agreement between Russia and Ukraine while the trade tariff between India and the US is set to take effect on 27 August 2025.

Weekly oil price situation analysis by Thai Oil Public Company Limited: 25 August 2025

Thai Oil forecasts on West Texas Crude Oil Outlook to perform at \$US 60-70 per barrel while Brent Crude Oil is expected to project price at \$US 63-73 per barrel



Crude Oil Market Outlook (22-28 August 2025)

The crude oil prices volatility is emerging following the inconclusive ceasefire agreement between Russia and Ukraine despite the efforts through the direct bilateral meeting. Meanwhile, the secondary sanction imposed against Russia has driven the reduction of oil import from India over 24% in July 2025. However, the Chinese economy is set to achieve growth rate at 5% by 2025 which is expected to support the global oil demand expansion. In addition, the Middle East tensions contributed by the Israeli military in Gaza remain the risk factors for oil supply.

Key factors likely to impact crude oil price situation this week

- The investors keep eyes on the ceasefire deal between Russia and Ukraine which yield no conclusion. Lately, President Donald Trump has admitted that President Vladimir Putin is unwilling to reach the agreement, thereby concerns are abound amid Trump's attempt to drive a Bilateral Meeting between Russia and Ukraine forward. In addition, Russia insists on progressing oil exports to India despite the US warning regarding the trade relation between US and India will be impacted by Russian oil purchase.

- The trade tariff between India and the US is highlighted as any failure from India to comply with the proposed agreement, India's tariff rate will double increase from the current level on 27 August 2025. At the current stage, relation ties between India and the US continue under strains as the US aims to prioritize trade policies to maximize benefits while India attempts to drive "step-by-step trade agreement" without backoff from pressures driven by the US. Furthermore, the US is prompted to expand economic and trade alliance network with other countries while India insists to reject any trade deals with negative impacts on the domestic farmers. Nevertheless, India's crude oil import from Russia in July 2025, decreasing by 24.5% M-o-M to 1.5 million barrels per day, projecting the lowest level since September 2023. The shift in demand is contributed by the US secondary tariff measures imposed against any country with oil purchase from Russia as well as the decline in domestic crude oil demand due to the monsoon season.
- The People Bank of China announced to pledged to thoroughly enact its "moderately loose" monetary policy with moves such as interest-rate cuts although the economy is at a slower pace due to the impacts from the domestic production surplus alongside the US trade tariff while highlighting targeted support to the economy. The inflation is expected to yield positive outlook however, the GDP in first half of the year projects 5.3% growth, Y-o-Y. This gain supports analysts predicting a tolerance to a slower growth in the second half of the year and still delivering on the official target of around 5%.
- The tension in the Middle East is escalating as Israeli military forces carried out an operation to seize Gaza City, located in the northern part of the Gaza Strip, after the plan received official approval. Additionally, Israel is preparing to call up another 60,000 reserve troops for duty in early September. At the same time, Israel is considering a 60-day ceasefire proposal, which Hamas has already expressed its approval.
- The weekly economic trend including; the US significant economic index including new home sales for July 2025, the house price index for June 2025, the personal consumption expenditures (PCE) price index for the second quarter of 2025, gross domestic product (GDP) for the second quarter of 2025, the real consumer spending index for the second quarter of 2025, and personal income for July 2025. Other economic index from Europe include consumer confidence for August 2025 and the industrial confidence index for August 2025. Key economic indicators from China include industrial profits for August 2025 and the purchasing managers' index (PMI) for August 2025.

Crude Oil Price Summary (15-21 August 2025)

The West Texas Crude Oil price decreasing by \$US 0.46 per barrel to \$US 63.06 per barrel while Brent crude oil price also increasing by \$US 0.19 per barrel to \$US 66.55 per barrel following pressures driven by the ongoing slowdown of the Chinese economy. In July 2025, China's retail sales grew at their slowest pace since December 2024. Meanwhile, China's refined oil production in July 2025 increased by 8.9%, Y-o-Y, reaching the highest level since July 2024. This reflects persistently weak demand for crude oil in China.

At the same time, the U.S. President Donald Trump has expressed a more lenient stance toward sanctions on Russian crude oil. There has been no move to impose additional import tariffs on China for its purchases of Russian oil, which has eased concerns and reduced the risk of disruptions to global crude supply. It has also helped de-escalate geopolitical tensions.

However, the market found support following the U.S. Energy Information Administration (EIA) report stating that U.S. Strategic Petroleum Reserves for the week ending 15 August 2025, fell by 6.0 million barrels to 420.7 million barrels—much higher than analysts' expectations of a 1.8 million barrel decrease.

Federal Reserve Chair Jerome Powell's upcoming speech at the Jackson Hole symposium on Friday 22 August 2025 is highlighted. Fed is expected to provide clearer signals on the direction of short-term interest rates and the broader economic outlook. So far this year, the Fed has held interest rates steady at the 4.25–4.50% range due to concerns over U.S. import tariff measures. However, investors are increasingly weighing the possibility that the Fed may cut interest rates by 0.25% at its next meeting.