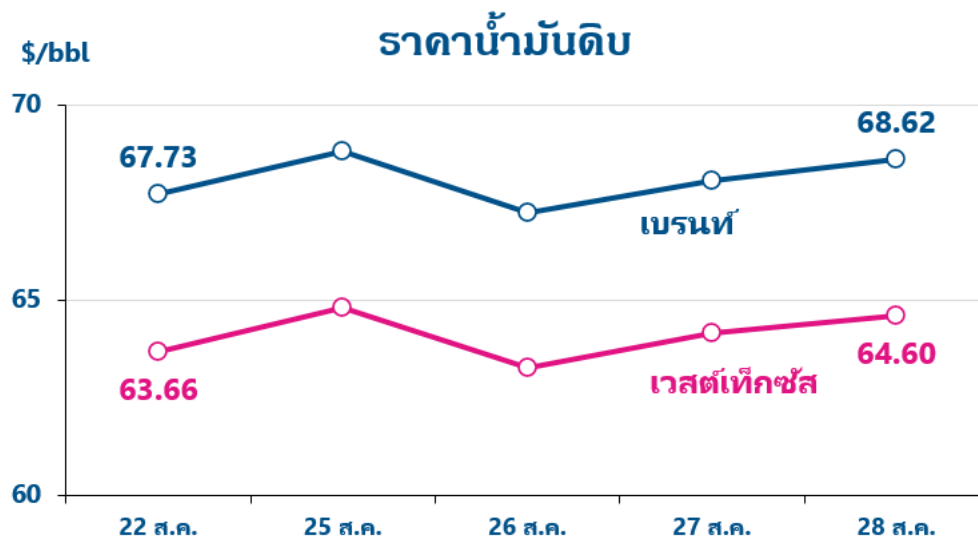


Crude oil price volatility persists amid concerns over Russia-Ukraine tensions and anticipation of the Federal Reserve's first rate cut in 2025

Weekly oil price situation analysis by Thai Oil Public Company Limited: 1 September 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 (29 August - 4 September 2025)

The crude oil prices continue to volatile following the geopolitical unrest between Russia and Ukraine. Drone attacks by Ukraine continue to bombard Russia, driving concerns towards Russia's crude oil supply impacts. Meanwhile, India reduces the crude oil import from Russia in October 2025 due to the pressures from the 50% tariff increase effective since 27 August 2025 however, the economy in India is expected to recover as seen by the increasing GDP driven by the investment by private and industrial sectors. Amid the ongoing conflicts in Gaza, FED is expected to implement a rate cut for the first time in September 2025.

Key factors likely to impact crude oil price situation this week

- Widespread concerns towards the uncertain crude oil supply from Russia despite the increasing supplies exported from the west ports including Primorsk, Novorossiysk and Ust-Luga. The crude oil imports in August 2025 is increased by 0.2 million barrels per day from the previous plan, reaching 2 million barrels per day. The surge in exports is largely attributed to the suspension of domestic refinery operations following Ukrainian drone attacks. Reuters reports that Russia's refinery capacity during the maintenance period stands at approximately 1.1 million barrels per day. One of the affected facilities, the Novoshakhtinsk refinery—with a production capacity of 0.1 million barrels per day—was struck by a Ukrainian attack. This refinery, which primarily produces fuel and lubricants for Russian troops in the Rostov Oblast region, was set ablaze following coordinated Ukrainian strikes on Ust-Luga port in the Baltic Sea on 25 August 2025, along with attacks on eight other Russian oil refineries throughout the month.
- The tension in the Middle East is closely watched after the attacks progressed by Israeli military troops at Nasser Hospital located in the south of Gaza on 25 August 2025. The strike caused over 20 death tolls including 5 reporters from Reuters, Associated Press, Al Jazeera, and other newsrooms.
- The crude oil demand is expected to decline after Bloomberg forecasted India crude oil imports from Russia in October 2025 is decreasing by 0.3 million barrels per day, compared to the first half of 2025 to 1.5 million barrels per day. The decline is driven by the US pressures on a 50% increase of import tariff imposed on India which takes effect from 27 August 2025.
- However, the global economy is signaling a recovery after FED President Jerome Powell announced that Fed would implement a rate cut at the monetary policy meeting during 16-17 September 2025. Meanwhile, India's economy is also expected to rebound. According to the latest Reuters poll, India's GDP growth for Q2 2025 is forecast at 6.7% year-on-year, compared to 7.4% year-on-year in Q1 2025. The slight decline is attributed to sluggish investment from the private and industrial sectors since the first quarter.
- The weekly economic trend including the US significant economic index including Industrial PMI in August 2025, employment index in industrial sector in August 2025, Industrial Price Index in August 2025, unemployment rate in July and August 2025, and Numbers of Unemployment Social Security applicants in August 2025. The EU significant economic index includes PMI index in August 2025, unemployment rate in July 2025, CPI in July 2025, and retail sales index in July 2025. China's significant economic index including Industrial PMI in August 2025 and Service PMI in August 2025.

Crude Oil Price Summary (22-28 August 2025)

The West Texas Crude Oil price increasing by \$US 1.03 per barrel to \$US 64.09 per barrel while Brent crude oil price increasing by \$US 1.53 per barrel to \$US 68.08 per barrel following The U.S. Energy Information Administration (EIA) reported that U.S. Strategic Petroleum Reserves for the week ending 22 August 2025 fell by 2.4 million barrels to 418.3 million barrels, exceeding analysts' expectations of a 1.9 million-barrel draw. The decline reflects oil supply tightness in the market. However, the announcement made by Vice President JD Vance said that Russia has made "significant concessions" in talks to end its war with Ukraine which include security assurances for Ukraine to prevent further Russian aggression. Meanwhile, India's crude oil imports in July 2025 dropped by 8.7% Y-o-Y to 4.37 million barrels per day, the lowest level since February 2024.