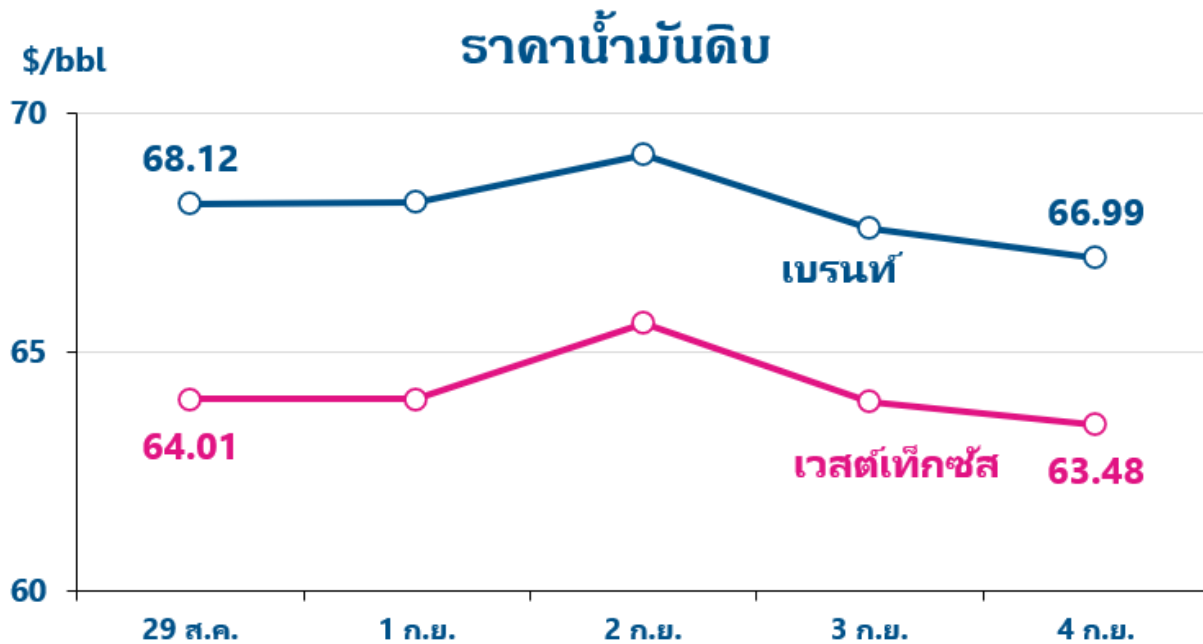


**Crude oil prices volatility remains due to supply pressures and geopolitical risks between Russia-Ukraine and the conflict in the Middle East**

Weekly oil price situation analysis by Thai Oil Public Company Limited: 8 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 (5-11 September 2025)

Crude oil price volatility continues to be driven by supply pressures and escalating geopolitical risks. The upcoming OPEC+ meeting on 7 September 2025 has drawn attention, as an increase in oil production capacity is now expected to be implemented earlier than previously planned, raising the likelihood of a supply surge. Meanwhile, Syria has resumed crude oil exports for the first time in 14 years, following the lifting of U.S. sanctions. In the United States, uncertainty surrounding a pending court judgment on tariff policy adds to market instability. The ruling could significantly impact future tariff strategies, particularly influencing India's ongoing negotiations on tariff reductions. In addition, tensions between Russia and Ukraine have intensified. Ukrainian strikes on Russian infrastructure have suspended over 17% of the country's refinery capacity, further disrupting global supply chains. In the Middle East, geopolitical strains persist, as Israel has increased its reserve forces in preparation for military operations in the Gaza Strip, amid growing concerns that the conflict may escalate into a broader regional crisis.

## Key factors likely to impact crude oil price situation this week

- OPEC+ state members are expected to further crude oil production increase during the group's upcoming meeting on 7 September 2025. The potential decision could lead to a phased return of approximately 1.65 million barrels per day—equivalent to 1.6% of global oil demand—higher than a year ahead of the previous timeline set. This follows the group's earlier move to gradually increase production by over 2.2 million barrels per day between April and September 2025, along with an additional quota allocation of 300,000 barrels per day for the United Arab Emirates. These developments have raised concerns in the market over a growing crude oil supply entering the global market.
- The ongoing conflict between Russia and Ukraine remains a critical point of concern, as the escalation has expanded beyond military targets to include civilian residential areas in Ukraine and key energy infrastructure in Russia. These strikes have significantly disrupted Russia's refining capacity, reducing it by over 1.1 million barrels per day—approximately 17% of the country's total refining output. The continued targeting of energy infrastructure highlights growing risks to Russia's crude oil supply. Analysts expect Ukraine to intensify its attacks, potentially targeting oil cargo shipments and drilling sites within Russian territory.
- Developments in the Middle East are escalating following recent reports stating that Israel has called up reserve forces to take part in military operations aimed at seizing Gaza City. The latest escalation comes in the wake of the targeted killings of key figures, including Abu Obaida, the spokesperson for Hamas, and Ahmed Al-Rahawi, the Houthi-backed Prime Minister of Yemen, during the past week. The intensifying Israeli military operations have raised concerns among the international community, with fears that such actions could provoke strong reactions from Muslim-majority nations in the region. This, in turn, could risk escalating the conflict into a broader regional confrontation, potentially disrupting crude oil supply from the Middle East.
- U.S. tariff policy now faces heightened uncertainty after the U.S. Court of Appeals upheld a lower court ruling that former President Donald Trump did not have the legal authority under the International Emergency Economic Powers Act (IEEPA) to impose indefinite tariffs on nearly all countries. The ultimate resolution of this policy dispute is expected to be determined by the U.S. Supreme Court. However, many observers anticipate that the Supreme Court's decision could diverge from the lower court's ruling, given that six of the nine justices were appointed by Republican presidents—the party currently in power. Meanwhile, close attention is on the U.S.-India tariff relations, following comments made by the U.S. President earlier this week suggesting that the Indian government is prepared to reduce tariff barriers on U.S. goods.
- The crude oil supply in the Middle East tends to increase following Syria's first crude oil export in 14 years since the Arab Spring. This export is implemented following Syria's new administration success on negotiation with the US on ease of sanction. Prior to the incident, Syria projected crude oil export at 380,000 barrels per day.

- The weekly economic trend including the US significant economic index in August 2025 including CPI index and Manufacturing Prices. China's significant economic index in August 2025 including CPI and Manufacturing Prices as well as the import and export index.

## Crude Oil Price Summary (29 August - 4 September 2025)

The West Texas Crude Oil price increasing by \$US 0.17 per barrel to \$US 64.26 per barrel while Brent crude oil price slightly decreased by \$US 0.08 per barrel to \$US 68.08 per barrel following overwhelming concerns driven by escalating airstrikes between Russia and Ukraine, raising concerns over potential disruptions to supply. Ukrainian President Volodymyr Zelensky announced plans to intensify retaliatory attacks following Russian drone strikes that targeted power plants in northern and southern Ukraine. Oil prices were also influenced by China's manufacturing Purchasing Managers' Index (PMI) for August 2025, which rose to 50.5 from 49.5 in July—surpassing analysts' expectations of 49.7. The reading signals the fastest expansion in China's manufacturing activity in five months, indicating stronger economic momentum. Meanwhile, investors are closely monitoring the Shanghai Cooperation Organization (SCO) summit held from 31 August to 1 September 2025, which includes participation from the presidents of China and Russia, as well as the Indian Prime Minister. The summit has emphasized a shared vision for global security and a new economic order—perceived as a direct challenge to the United States. This may prompt a retaliatory response from the U.S., potentially including new sanctions targeting India. However, oil prices came under pressure following weaker-than-expected U.S. labor market data, indicating potential economic softening. Job openings in the U.S. dropped to 7.18 million in July, below market expectations of 7.38 million. The U.S. Energy Information Administration (EIA) report on Strategic Petroleum Reserves for the week ending 29 August 2025 increased by 2.4 million barrels to 420.7 million barrels—contradict to analyst prediction of 2.0-million-barrel drop.