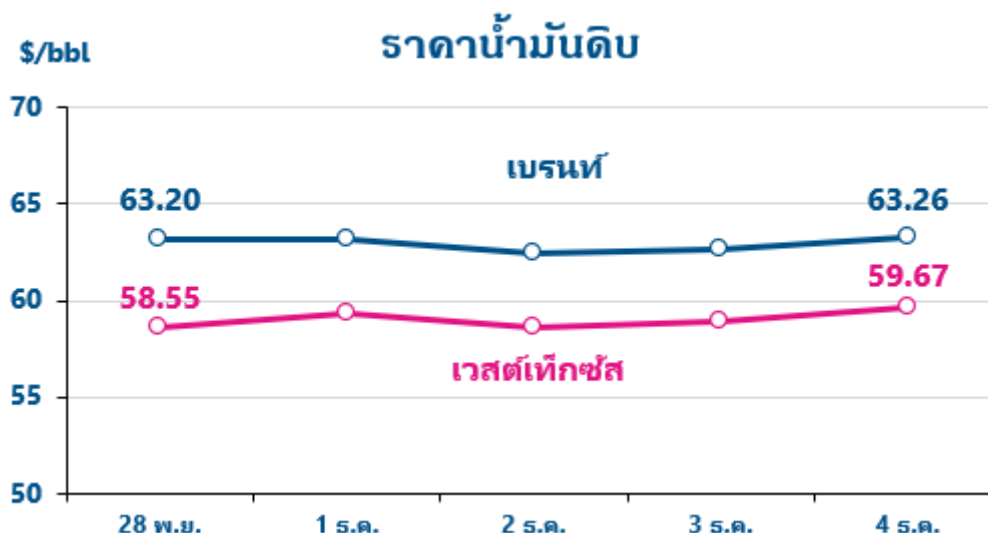


Crude oil volatility continues amid tensions loom in US-Venezuela and Russia-Ukraine as well as FED's rate cut possibility

Weekly oil price situation analysis by Thai Oil Public Company Limited: 8 December 2025

Thai Oil forecasts on West Texas Crude Oil Outlook to perform at \$US 58-68 per barrel while Brent Crude Oil is expected to project price at \$US 60-70 per barrel



Crude Oil Market Outlook (5-11 December 2025)

Crude oil prices remain volatile amid escalating tensions between the United States and Venezuela. The conflict is following President Donald Trump's directive for potential ground operations in Venezuela, citing the need to combat narcotics trafficking. Meanwhile, uncertainty continues to cloud the Russia-Ukraine conflict, with Russia claiming to have seized strategic Ukrainian territory, an assertion Ukraine has denied while US-led peace negotiations have yet to achieve any breakthrough. Europe is being monitored closely following the criticism announced by President Vladimir Putin on the EU for obstructing US-led efforts to end the war. In addition to Russia's preparation to respond militarily should Europe initiate hostilities. Putin is additionally scheduled to visit India for further trade discussions, following India's recent reduction for Russian crude oil imports. At the same time, markets are assessing the outlook for a potential US Federal Reserve interest-rate cut, although visibility remains limited due to the temporary shutdown of the US government, which has constrained the economy.

Key factors likely to impact crude oil price situation this week

- Tensions between the United States and Venezuela is escalating following President Donald Trump's order for the closure of Venezuelan airspace and preparation of US forces for potential ground operations. This action cites the need to suppress narcotics trafficking despite his earlier remarks that the United States would not pursue ground action in Venezuela. Earlier, the United States had attacked a Venezuelan vessel en route to US territory on allegations of drug smuggling, resulting in over 80 fatalities since September. However, no concrete evidence has been presented to substantiate the accusations. Venezuelan President Nicolás Maduro strongly condemned the US actions as a form of colonial aggression and create a sense of fear among the Venezuelan population. These escalating conflicts have heightened concerns over potential disruptions to Venezuela's crude oil supply.
- The Russia–Ukraine war also continues to intensify, as Russia announces the capture of Pokrovsk and Vovchansk, strategic logistics hubs viewed as key targets for further Russian advances. Ukraine however has denied the claims. Peace negotiations are ongoing, yet the most recent talks between US representatives and Russian leadership in Moscow yielded no breakthrough. A senior Russian policy aide noted some positive momentum but stressed that further discussions are required. Markets generally expect that a final peace agreement remains unlikely in the near term, suggesting that oil supplies will continue to be constrained under existing US and European sanctions.
- Europe is under market scrutiny, following President Vladimir Putin's remarks after the latest negotiation round. His accusation involves the European Union obstructing US efforts to end the conflict by presenting proposals that Russia could not accept, thus shifting blame onto Russia for prolonging the war. Putin added that Russia does not seek conflict with Europe but would respond decisively if Europe were to initiate hostilities by asserting confidence that Europe would ultimately lose. His statement intensified market concerns over potential supply tightness should confrontation between Russia and Europe escalate.
- Investors are also closely monitoring President Putin's planned state visit to India on 4–5 December 2025 for discussions with Prime Minister Narendra Modi. Russia aims to encourage India to increase imports of crude oil, missile systems, and fighter aircraft, after India scaled back Russian crude imports under US pressure and higher US tariffs of 50% on Indian exports. If India renews its shift toward Russian oil, it could boost Russia's outbound crude supply, putting downward pressure on global oil prices while exposing India to heightened economic risks from the United States.
- Meanwhile, markets await the US Federal Reserve's meeting on 9–10 December 2025 to assess the likelihood of another rate cut. The Fed has already reduced interest rates twice this year, bringing the current range to 3.75–4.00%, the lowest since 2022. However, policymakers face significant challenges due to limited economic data arising from the US government shutdown between October and November. According to the CME Group's FedWatch Tool, investors assign over 80% probability that the Fed will cut rates by a further 0.25% at the upcoming meeting.
- The weekly economic trend including; the US significant economic index in November including CPI in October 2025, FED fiscal budget and numbers of first-time applicants for the unemployment benefits. China's significant economic index in November including CPI and PPI.

Crude Oil Price Summary (28 November-4 December 2025)

The West Texas Crude Oil price increasing by \$US 0.60 per barrel to \$US 59.03 per barrel while Brent crude oil price decreasing by \$US 0.03 per barrel to \$US 62.95 per barrel following temporary disruption of Russian crude oil transportation via the Caspian Pipeline Consortium (CPC), which has a capacity of around 1.5 million barrels per day. The suspension was caused by a Ukrainian drone attack. The recent uptick in Ukrainian attacks on Russian infrastructure has raised concerns over potential further interruptions to oil flows. Meanwhile, China has announced its first crude oil import quota for 2026, applicable to shipments arriving by the end of the year. The initial quota totals approximately 8 million tonnes, allocated across 21 refineries. Market expectations for China's total crude oil import quota in 2026 stand at 257 million tonnes, unchanged from the 2025 quota. Market participants remain cautious about potential oversupply as The American Petroleum Institute (API) reported that US crude oil inventories rose by 2.48 million barrels for the week ending 28 November 2025, highlighting continued pressure from excess supply in the global market.