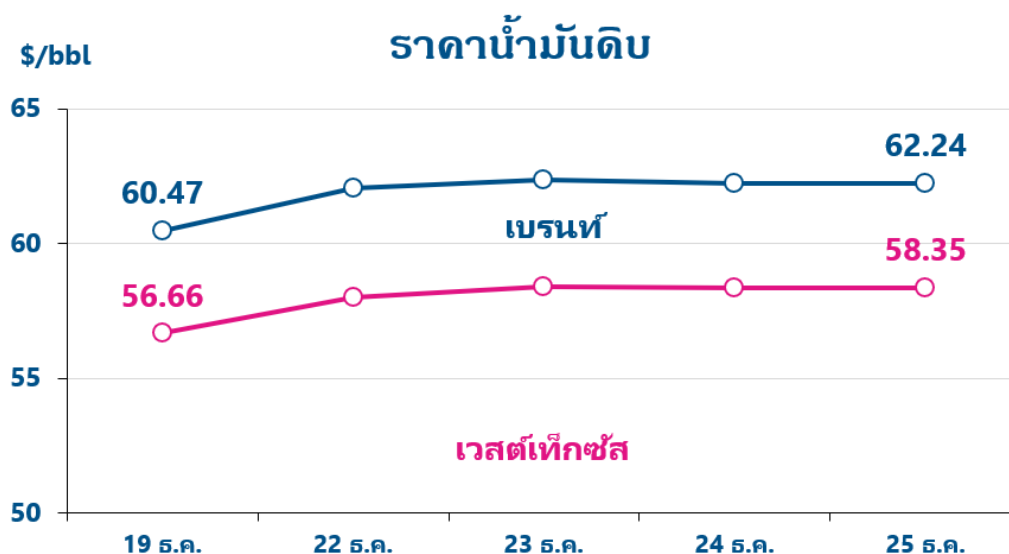


Crude oil prices volatility persists as tension between the US and Venezuela is escalating amid inconclusive peace talks between Russia and Ukraine

Weekly oil price situation analysis by Thai Oil Public Company Limited: 29 December 2025

Thai Oil forecasts on West Texas Crude Oil Outlook to perform at \$US 55-65 per barrel while Brent Crude Oil is expected to project price at \$US 58-68 per barrel



Crude Oil Market Outlook (25-31 December 2025)

Crude oil price volatility persists amid escalating tensions between the United States and Venezuela. The situation has intensified following stricter U.S. sanctions and increased seizures of oil vessels to enforce a de facto “blockade,” leading to a significant suspension of Venezuelan crude exports and raising concerns over global energy supply stability. Meanwhile, China’s condemnation of the U.S. sanctions has added pressure on the geopolitical front, against the backdrop of the prolonged Russia–Ukraine war. Despite U.S.-led efforts to initiate peace talks, any agreement remains elusive, largely due to unresolved territorial disputes. In addition, oil supply from Kazakhstan has faced disruptions, as volumes transported via the Caspian Pipeline Consortium (CPC) have declined by 33% to approximately 1.14 million barrels per day, the lowest level in 14 months. The U.S. GDP growth in the third quarter is projected to reach 4.3% year-on-year, marking the strongest expansion in two years. Given this robust growth, the Federal Reserve is expected to slow the pace of interest-rate cuts at its January 2026 meeting, which could further add upward pressure on oil prices.

Key factors likely to impact crude oil price situation this week

- Tensions between the United States and Venezuela are escalating, as Venezuela's crude oil exports continue to decline following the imposition of stringent U.S. sanctions and the seizure of oil vessels listed under Venezuela-related naval blockade orders. The maritime blockade has left millions of barrels of crude suspended on vessels, with no clear export plans in place. U.S. President Donald Trump has announced plans either to sell the seized oil or to transfer it to the Strategic Petroleum Reserve (SPR). China has condemned the seizure of oil tankers off the Venezuelan coast, describing it as a serious violation of international law, while reaffirming its support for the Venezuelan government in safeguarding its rights and legitimate interests. Meanwhile, the United States has reported the matter to the United Nations, seeking the implementation of stricter sanctions aimed at cutting off funding sources for networks allegedly involved in drug trafficking and sanctions evasion. Petróleos de Venezuela (PDVSA), the state-owned company responsible for overseeing the national petroleum industry, continues to receive support from Chevron—the only U.S. company permitted to operate oil drilling activities in Venezuela—which provides dividend payments to PDVSA under the current sanctions framework.
- Negotiations to end the war between Russia and Ukraine remain elusive despite attempts to pursue constructive dialogue. No agreement has been signed, as the key obstacle continues to be unresolved territorial disputes. While the United States has sought to facilitate a peaceful resolution between Russia and Ukraine, the military situation in Ukraine has escalated, particularly following attacks on the country's critical energy infrastructure in late December. The Russian invasion intensified with missile and drone strikes targeting energy facilities, resulting in civilian casualties and widespread electricity blackouts across multiple regions.
- Oil supply from Kazakhstan has faced disruptions, as volumes transported via the Caspian Pipeline Consortium (CPC) have declined by 33% to approximately 1.14 million barrels per day, the lowest level in 14 months. The main challenges stem from adverse weather conditions and the postponement of infrastructure repairs. However, crude oil export volumes in January 2026 are expected to recover to around 1.65 million barrels per day, provided that the repairs are completed as scheduled.
- The U.S. economy recorded its strongest growth in two years in the third quarter. Inflation-adjusted GDP expanded at an annual rate of 4.3%, accelerating from 3.8% quarter on quarter. This growth was largely supported by robust consumer spending, despite persistent inflation and elevated interest rates. Additional drivers included a significant increase in exports alongside subdued import growth, indicating that net trade contributed positively to GDP. Private-sector investment in artificial intelligence also rebounded, although overall investment growth remained relatively modest. Nevertheless, economists continue to monitor key risks, particularly inflation levels that remain above the Federal Reserve's target, as well as early signs of weakening consumer confidence, which could weigh on economic momentum in the next phase.
- The Federal Reserve is expected to proceed with interest-rate cuts at a slower pace, as U.S. GDP growth in the third quarter of 2025 remains robust. According to the FedWatch Tool, investor confidence in a rate cut has weakened, with the probability of a 25-basis-point reduction to a target range of 3.25–3.50% at the 27–28 January 2026 meeting declining to 15.5%, down from 24.4% in the previous week.
- The weekly economic trend including; the US significant economic index including housing prices index in October 2025, Manufacturing PMI in December 2025 according S&P. China's significant economic index including Overall PMI and Manufacturing index in December 2025.

Crude Oil Price Summary (19-25 December 2025)

The West Texas Crude Oil price increasing by \$US 1.63 per barrel to \$US 57.95 per barrel while Brent crude oil price increasing by \$US 1.86 per barrel to \$US 61.88 per barrel. Concerns over crude oil supply risks have intensified following stricter U.S. sanctions against Venezuela. Elevated risks are expected to arise from the potential closure of additional production capacity, which could further constrain global supply. In addition, Russian crude oil supply has been exposed to heightened risk following attacks on Ukraine's Odesa port facilities in the Black Sea. The strikes caused damage to port infrastructure and one vessel, while Ukraine's drone attacks reportedly targeted two Russian vessels and two piers. Despite these developments, Russia's crude oil export volumes increased in the week ending 21 December 2025, reaching 3.87 million barrels per day, the highest level since May 2023. Meanwhile, the volume of Russian crude oil transported via maritime routes was recorded at approximately 185 million barrels.