

12 MAY 2025

What's new in the oil markets

OIL PRICES RISE ON U.S. AND CHINA TRADE TARIFF TALKS

Disclaimer

Our Market Updates is provided for informational purposes only and does not constitute financial, investment, or advisory advice. The content presented in the briefing is based on publicly available information and should not be construed as a recommendation or endorsement of any specific investment, strategy, or course of action. While we strive to provide accurate and up-to-date information, market conditions and news can change rapidly. The content of the Market Update may not always reflect the most current developments, and we are not obligated to update or revise the information. Our Daily Briefing is not intended to create, and receipt of it does not constitute, a client-advisor relationship. We do not offer personalised financial or investment advice through this service.

Oil prices are on the rise after both the U.S. and China have commented on the trade tariff talks over the weekend and will make a joint statement later today on the topic. Brent oil is trading around \$64.80, this morning.

Author(s)



Jette Frydenlund Jorgensen
Head of sales and marketing

Ahead of the talks between top officials from USA and China, oil prices settled higher on Friday. Likely since the U.S. president said that China should open its market to the U.S., and that an 80% tariff on Chinese goods "seems right". This came a day after he announced a deal lowering tariffs on British car and steel exports, among other agreements with the United Kingdom. The U.S./UK trade deal left 10% U.S. duties in place on many UK products.

This morning, oil prices have continued to increase as the U.S. and China have commented on the trade talks over the weekend, with U.S. officials touting a "deal" to reduce the U.S. trade deficit. Chinese officials said the sides had reached "important consensus" and agreed to launch another new economic dialogue forum. Both sides confirmed that a joint statement would be released in Geneva later today. Yesterday, the U.S. White House economic adviser said that more foreign trade deals could be coming with other countries as soon as this week.

However, oil price gains are limited by OPEC's plan to raise output as OPEC+ plan to accelerate output hikes in May and June that will add more crude to the market. But in April OPEC output was lower led by a cut in Venezuelan supply on a renewed U.S. attempts to curb the flows and smaller drops in Iraq and Libya production.

Between Iran and the U.S., there have been fresh talks to resolve disputes over Iran's nuclear programme, and further negotiations are planned. Both Iran and the U.S. have said they prefer diplomacy to resolve the decades-long nuclear dispute, but both parties remain deeply divided on several red lines that negotiators will have to circumvent to reach a new nuclear deal and avert future military action as Iran publicly insisted on continuing its uranium enrichment.

Also, the U.S. dollar has edged higher Monday morning, as the U.S./China talks have eased concerns of a trade war between the world's two biggest economies. This week, important numbers are announced especially consumer prices from U.S. and Europe.