

28 JULY 2025

What's new in the oil markets

**OIL PRICES RISE FOLLOWING NEWS OF EU/US
TRADE DEAL AND POSSIBLE DELAY IN US-
CHINA TARIFF INCREASES**

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Oil prices rise following news of EU/US trade deal and possible delay in US-China tariff increases. OPEC+ Meets Today. Brent Crude around \$69 (Sept. contract).

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On Sunday, the US and EU reached a trade agreement that includes a 15% tariff on European goods imported into the US. Without the deal, EU goods would have faced a 30% tariff starting this Friday. Additionally, there are rumors that the US and China will delay the implementation of tariffs against each other and resume negotiations. These developments have sparked expectations of increased economic activity in the markets, supporting oil prices in early trading.

OPEC+ is meeting today, but the market does not expect the group of oil producers to change its policy of increasing oil production. The Joint Ministerial Monitoring Committee is convening, and market volatility could arise if any announcements deviate from the agreed increase of 548,000 barrels per day in August. The committee meets every other month. The broader group will also meet on August 3, and expectations are that oil producers will decide to increase production in September as well.

Tensions continue to simmer in the Middle East. Yesterday, Yemen's Houthi rebel group declared that they would target ships from companies trading with Israeli ports, regardless of nationality, as part of what they call the fourth phase of military operations against Israel in connection with the Gaza conflict.

Demand for diesel in the US continues to rise. According to the Energy Information Administration, demand has increased by nearly 5% compared to the same time last year and is now around 3.8 million barrels per day. Diesel demand is also rising in India, with consumption up 2.1% in May compared to the same period last year. In Europe, about a quarter of the vehicle fleet still runs on diesel. Diesel demand is closely monitored, as the fuel is used in trucks, ships, agriculture, and industry, making it a key indicator of global economic activity.

On the economic data front, the week begins quietly but tomorrow brings important US job figures and consumer confidence data, along with Spanish GDP numbers. On Wednesday, the US Federal Reserve will announce its interest rate decision, and Thursday will see Chinese manufacturing PMIs and a closely watched meeting from the Bank of Japan. On Friday, the spotlight will be on the US Non-Farm Payrolls report, which is expected to bring plenty of market volatility.