Energy Risk Management Investment firm A/S

19 JANUARY 2026

What's new in the oil markets ....

THE U.S. PRESIDENT SAID THAT KILLINGS IN IRAN'S CRACKDOWN WERE SUBSIDING

The oil market traded higher and lower ahead of the U.S. holiday today. It seems that risk premium in oil prices is reduced as the U.S. president said that killings in Iran's crackdown were subsiding. The U.S. dollar is trading lower after the U.S. president's latest tariff threats against Europe. This morning, Brent crude is trading around $63.65.

Author(s)

Jette Frydenlund Jorgensen

Head of sales and marketing

Iran's violent crackdown on protests, which officials say killed 5,000 people, quelled the unrest. The U.S. president seemed to step back from his earlier threats of intervention, saying that Iran had called off mass hangings of protesters. That appeared to lower the odds of a U.S. intervention that could have disrupted oil flows from Iran. Still, the U.S. Navy's aircraft carrier U.S.S. Abraham Lincoln was expected to arrive in the Persian Gulf later this week after operating in the South China Sea. Above all, there are worries about a possible blockade of the Strait of Hormuz by Iran in the event of an escalation, through which around a quarter of seaborne oil supplies flow.

Today, the U.S. markets are closed due to Martin Luther King Jr. Day so lower volume is expected during the day. Besides the situation in the Middle East, the oil market is closely watching plans for Venezuela's oil fields, after Trump said the U.S. would run its oil industry after the capture of former Venezuelan President, Maduro. The U.S. is moving as fast as possible to grant Chevron an expanded production license in the country, according to the U.S. energy secretary.

This morning, the U.S. dollar is trading lower after the U.S. president said that he would impose an additional 10% import tariff from 1 February on goods from Denmark, Norway, Sweden, France, Germany, the Netherlands, Finland and Britain, until the U.S. is allowed to buy Greenland. Yesterday, major EU states decried the tariff threats over Greenland as blackmail, with France proposing to respond with a range of previously untested economic countermeasures.

Obviously, also the Euro is under pressure but as it was seen after last April's sweeping tariffs on the world, it triggered a crisis of confidence in U.S. assets, and a similar trend is seen this morning.

Also, this morning China has announced that GDP expanded 5.0% in 2025 which meets the Government's target, after Q4 numbers disappointed. In the euro area, attention is on inflation figures and the German ZEW surveys, both of which may shape expectations for the region's near-term economic outlook.

In the U.S., the focus is on Q3 GDP, jobless claims, and core PCE inflation which are critical inputs for assessing the Federal Reserve's policy stance. Japan will also draw attention with trade data, inflation readings, and the Bank of Japan's interest rate decision, followed by a press conference that often provides additional market signals.

Also, the market is expecting a verdict by the U.S. Supreme Court. The verdict was expected already two weeks and is set to determine whether the U.S. President Trump can invoke the International Emergency Economic Powers Act (IEEPA) to impose tariffs without congressional approval.

The week concludes with UK retail sales figures and eurozone consumer confidence, both of which provide insight into household sentiment.