



Weekly Oil Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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Prices movement (front month)	23 Sep	30 Sep	% Change (Settlement Prices)
Brent Crude	73.90	71.70	-2.98%
VLSFO (Singapore)	577.57	556.52	-3.64%

Crude Oil Market :

Crude was falling back towards the lows of last week earlier in today’s session after trading pretty steadily within the \$70.78/bbl to \$72.79/bbl range in recent days. This was until the abrupt announcement that Iran was preparing to imminently launch a ballistic missile attack against Israel, causing a sharp 4 dollar rally. Prior to this, the prospect of returning barrels from Libya and more OPEC+ supply from December was set against smaller Middle East risks, China stimulus and Kazakhstan maintenance.

There has been two main escalations of the conflict in the Middle East today; the first being signs of an Israeli ground invasion into Lebanon, which was slightly supportive for the market, although the upside impact to prices remained limited with no direct impact for oil flows. That was until the second escalation, where according to a senior White House official, there are indications that Iran is preparing to imminently launch a ballistic missile attack against Israel. The US is actively supporting preparations to defend Israel against the possible attack, which would carry severe consequences for Iran, said the official. This sort of involvement in the conflict from other powers such as Iran and the USA is what has driven the crude rally up to intraday highs of \$74.79/bbl or +4% on the day, at the time of writing.

The markets are waiting to see the scale of the potential attack to see whether it looks like Iran will get dragged deeper into the conflict rather than via its proxies. As it stands, Iranian volumes have not been impacted by the near yearlong conflict causing previous price premiums to price off.

Dec24 Brent Crude Futures From 24/09/24 to Date



Source: FIS, Reuters, Oil Price, Bloomberg, BBC News, Morningstar