

Fundamental Analyst- Kaynat Chainwala (kaynat.chainwala@kotak.com), 022 6621 6232
 Technical Analyst- Jimesh Chauhan (jimesh.chauhan@kotak.com), 022 6621 6217

MARKET ANALYSIS

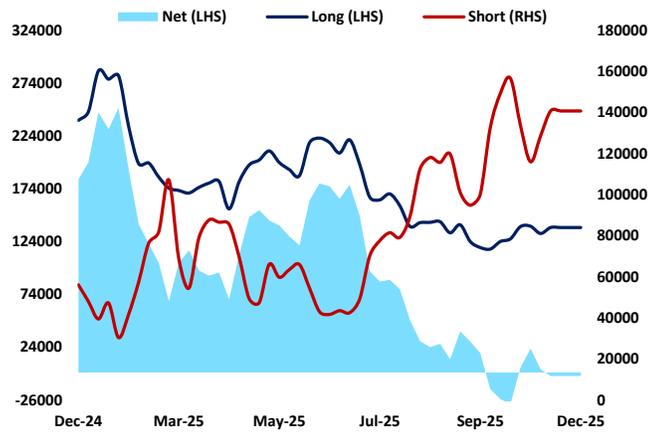
COMMODITY	QUOTE	FUTURES PRICE ACTION			26th Dec '25 - 2nd Jan '26	
		HIGH	LOW	CLOSE	CHANGE	CHANGE (%)
BRENT CRUDE	\$/bbl	62.3	60.0	60.8	0.1	0.2%
WTI CRUDE	\$/bbl	58.6	56.6	57.3	0.6	1.0%
MCX CRUDE	Rs/bbl	5,280	5,124	5,155	-27	-0.5%
NYMEX NATURAL GAS	\$/MMBtu	4.721	3.563	3.618	-0.7	-17.1%
MCX NATURAL GAS	Rs/MMBtu	376.6	317.1	332.8	-62.1	-15.7%
EUROPEAN DUTCH TTF	€/MWh	29.1	27.5	29.0	0.9	3.2%
JAPAN KOREA MARKER (ASIA)	\$/MMBtu	10.1	9.5	9.7	0.0	0.4%

Source : Bloomberg, KS Commodity Research

Crude oil – WTI crude oil opened 2026 positively and closed the first week with 1% gains at \$57.30 per barrel as markets awaited the weekend OPEC+ meeting, where the group was expected to maintain its decision to pause further supply increases. Geopolitical tensions remain elevated amid ongoing Russia–Ukraine strikes and increased pressure on Venezuela from the Trump administration. Prospects for a Russia–Ukraine peace deal appear increasingly remote after President Vladimir Putin signaled a tougher negotiating stance following alleged drone attacks on his residence. Oil fell 20% in 2025, its largest annual drop since 2020, as oversupply concerns weighed on sentiment, although geopolitical risks from Venezuela and Russia triggered occasional price spikes. Today, oil prices showed little reaction to the geopolitical shock surrounding the capture of Venezuelan President Nicolás Maduro, with WTI slipping below \$57/bbl as markets judged the impact on global crude supplies to be limited. OPEC+ holding output steady, the absence of damage to Venezuelan oil infrastructure, and the country’s small share of global output helped cap any risk premium. While Venezuelan production and exports are expected to decline further as PDVSA shuts wells amid storage constraints and ongoing U.S. sanctions, the avoidance of a full-scale war reduces the likelihood of a significant supply disruption. In the medium term, however, a U.S.-led push to revive Venezuela’s oil industry could eventually add barrels back to the market, particularly if it encourages American energy firms to invest in a country that holds more than 300 billion barrels, or roughly 20% of the world’s oil reserves. Oil prices may continue to be range bound this week as traders assess geopolitical risks and await the upcoming U.S. jobs report for clues on monetary policy, following December FOMC minutes suggesting interest rates may remain unchanged for now. Also, U.S. ISM manufacturing data and China’s CPI will be closely monitored during the first full trading week of the year.

Natural Gas - NYMEX Henry Hub natural gas futures tumbled 17% last week, slipping to \$3.56/mmBtu, the lowest level since October, as forecasts for milder early-January weather dampened expectations for heating demand. Updated weather models point to above-normal temperatures across much of the eastern US through mid-January, weighing on near-term consumption, while a bearish storage report added to downside pressure, with EIA data showing inventories fell by just 38 Bcf for the week ending December 26, well below market expectations of a 51 Bcf draw and far short of the five-year average draw of 120 Bcf, underscoring comfortable supply conditions. Prices extended losses today to around \$3.40/mmBtu and are likely to remain under pressure this week amid continued warmer mid-January weather projections, with NOAA forecasting above-normal temperatures across large parts of the western US from January 12–18. However, sharp downside may be limited by robust LNG export demand, as feedgas flows surged to 20 Bcf/day on January 4, following an average of 18.5 Bcf/day to the eight major US LNG export facilities in December, surpassing November’s record.

WTI speculative positions (lots)



Source- US CFTC, ICE Europe, KS Commodity Research

EIA Weekly Report for the week ended 30-Dec-25

(million barrels)	Last	Previous	Change
Commercial crude stocks	422.9	424.8	-1.9
Crude oil in SPR	413.2	413.0	0.2
Cushing OK stocks	22.1	21.6	0.5
Motor gasoline	234.3	228.5	5.8
Distillate fuel oil	123.7	118.7	5.0
US crude production (kbpd)	13,827	13,825	2.0
US Petroleum imports (kbpd)	6,339	8,175	-1836
US petroleum exports (kbpd)	10,112	11,384	-1272
Refinery utilization (%)	94.7	94.6	0.1
Baker Hughes rigs (nos)	482	480	-4

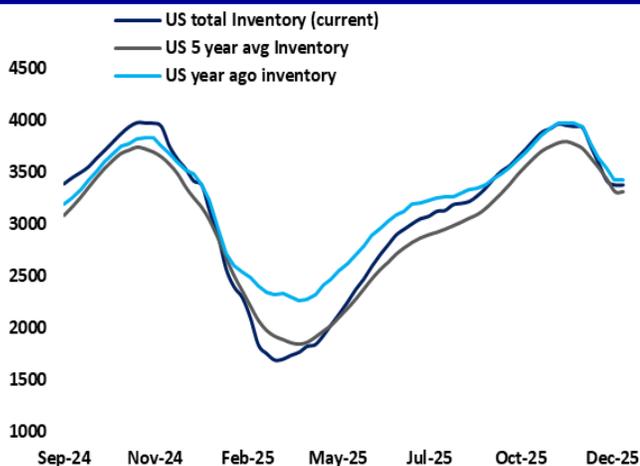
Source : EIA, Bloomberg, KS Commodity Research

US LNG flows (billion cubic feet)

Terminals	26-Dec	27-Dec	28-Dec	29-Dec	30-Dec	31-Dec	1-Jan	week ago	month ago	year ago
Sabine Pass	-4.9	-4.9	-4.9	-5.2	-5.2	-5.1	-5.0	-4.9	-5.1	-5.0
Cove Point	-0.9	-0.9	-0.9	-0.9	-0.8	-0.8	-0.9	-0.9	-0.9	-0.8
Corpus Christi	-3.2	-3.2	-3.3	-3.4	-3.3	-3.4	-3.3	-3.2	-2.3	-2.6
Cameron	-2.2	-2.1	-2.1	-2.2	-2.2	-2.2	-2.2	-2.2	-2.2	-2.1
Freeport	-2.2	-2.2	-2.2	-2.2	-2.2	-2.2	-2.3	-2.2	-2.0	-2.5
Elba Island	-1.8	-1.8	-1.7	-1.7	-1.7	-1.7	-1.5	-1.8	-1.7	-1.4
Calcasieu Pass	-0.4	-0.4	-0.4	-0.4	-0.3	-0.4	-0.4	-0.4	-0.3	-0.4
Total LNG exports	-15.4	-15.5	-15.5	-16.1	-15.7	-15.8	-15.6	-15.5	-14.6	-14.8

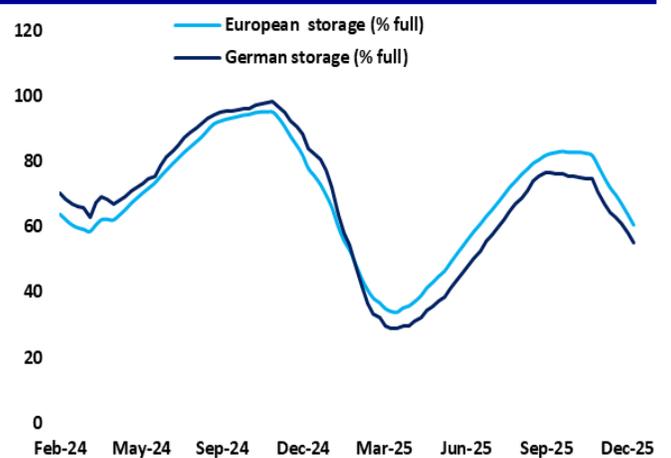
Source : Bloomberg, KS Commodity Research

US Natural Gas Inventory



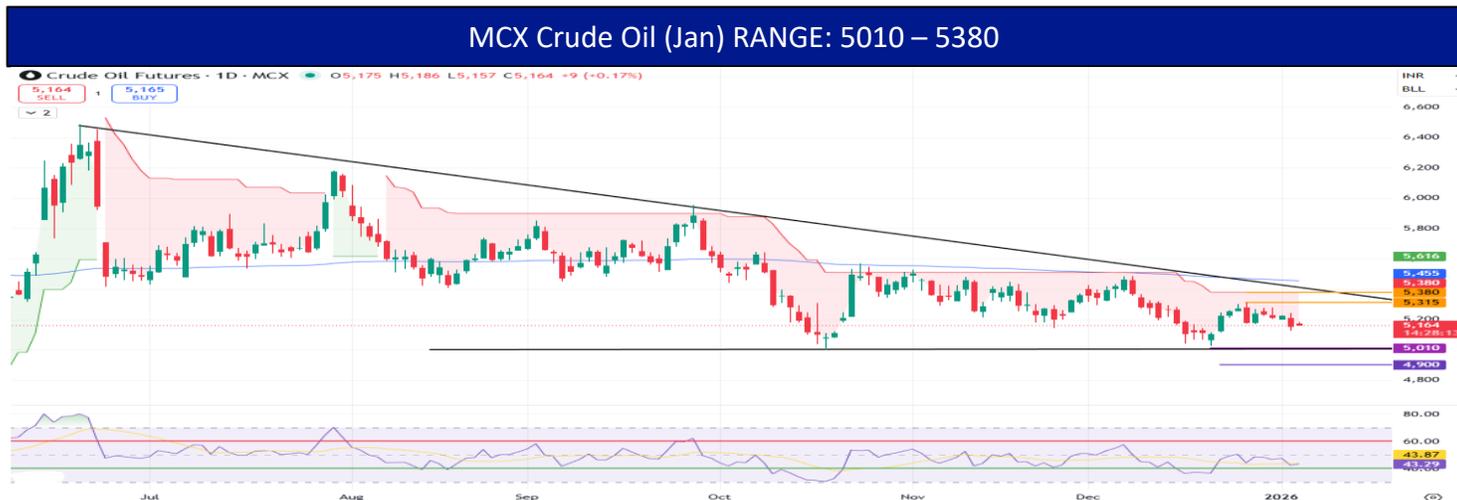
Source- Bloomberg, KS Commodity Research

European Gas Storage levels



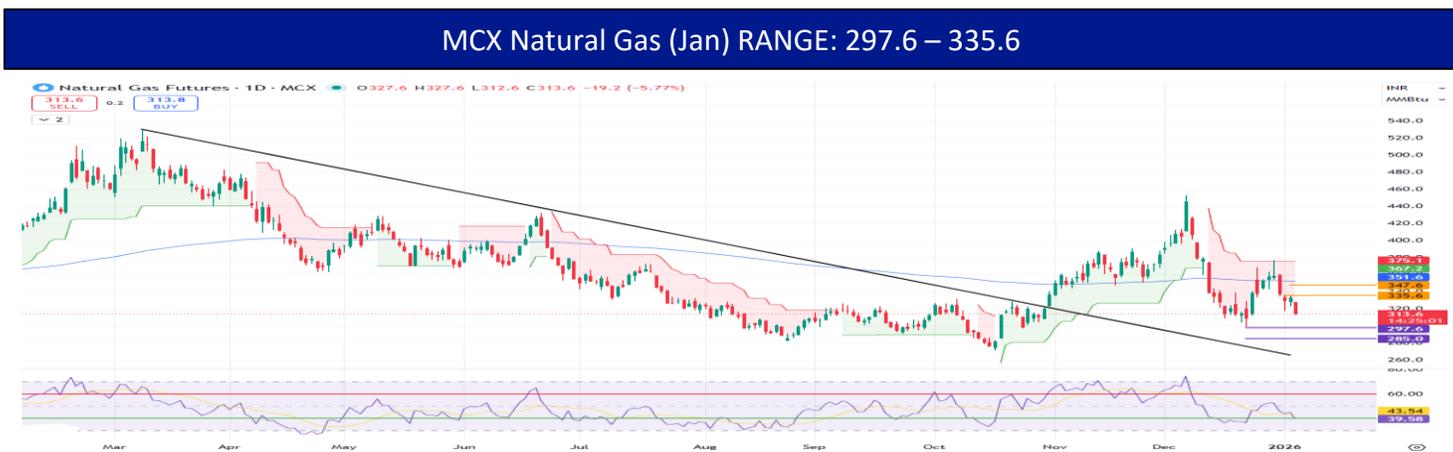
Source- Bloomberg, KS Commodity Research

TECHNICAL OUTLOOK



Source: Trading View, KS Commodity Research

On the daily chart, MCX Crude Oil futures are trading within a descending triangle formation, indicating sustained selling pressure at higher levels. A confirmed breakdown from this pattern could further strengthen the bearish bias. Prices continue to trade below the 21-day EMA and remain under the negative Supertrend (7,3), reflecting a weak underlying trend. Additionally, the RSI (14) is positioned below the neutral 50 level, reinforcing the presence of negative momentum. On the downside, immediate support is seen at 5010, and a decisive break below this level could lead to further downside toward the 4900 zone. On the upside, initial resistance is placed near 5315, followed by a stronger resistance around 5380. Overall, MCX Crude Oil is expected to maintain a sideways-to-bearish bias in the near term, with prices likely to remain confined within the 5010–5380 range.



Source: Trading View, KS Commodity Research

On the daily chart, MCX Natural Gas futures remain entrenched in a broader downtrend, as reflected by the long-term descending trendline. Despite a sharp rebound in recent sessions, the recovery has struggled to gain follow-through near key resistance zones. The contract is currently trading below the 21-day EMA, while the Supertrend (7,3) continues to stay in negative territory, indicating that the overall trend remains tilted in favor of the bears. Additionally, the RSI (14) is hovering below the neutral 50 level, highlighting persistent negative momentum. On the downside, immediate support is placed at 297.6, and a decisive break below this level could drag prices toward the next key support near 285. On the upside, initial resistance is seen at 335.6, followed by a stronger barrier around 347.6. Overall, MCX Natural Gas is likely to maintain a range-bound to mildly bearish bias in the near term, with prices expected to fluctuate within the 297.6–335.6 range until a clear directional breakout is established.

RATING SCALE FOR WEEKLY REPORT

BUY	We expect the commodity to deliver 2% or more returns
SELL	We expect the commodity to deliver (-2%) or more returns
SIDEWAYS	We expect the commodity to trade in the range of (+/-)2%
NOTE - The recommendations are valid for one day from the date of issue of the report, subject to mentioned stop loss, if any	

FUNDAMENTAL RESEARCH TEAM

Anindya Banerjee	Head of Research anindya.banerjee@kotak.com +91 22 6621 6234
Kaynat Chainwala	AVP, Commodity Research kaynat.chainwala@kotak.com +91 22 6621 6232
Riteshkumar Sahu	Agri-Complex riteshkumar.sahu@kotak.com +91 22 6621 6233
Saish Sawant Dessai	Base Metals saish.sawant@kotak.com +91 22 6621 6230

TECHNICAL RESEARCH TEAM

Abhijit Chavan	Jimesh Chauhan	Durgesh Ugawekar	Nikesh Kumar	Gyan Ranjan Singh
chavan.abhijit@kotak.com +91 22 6621 6217	jimesh.chauhan@kotak.com	Durgesh.ugawekar@kotak.com	kumar.nikesh@kotak.com	Singh.gyan@kotak.com

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