

MNI: Political Drivers for Energy Markets Nov. 10-16

By Lawrence Toye (10/11/2025)

Executive Summary:

- After **Trump granted Hungary a waiver to continue buying Russian oil**, the market will watch for indicators around the **US' willingness to enforce measures**.
- **Mixed messages** continue from the Trump administration towards Venezuela, as it hopes to **drive Maduro out of power without military intervention**.

Hungary's Sanctions Exemption Brings Enforcement in Focus

Following talks with Hungary's Viktor Orban at the White House Nov. 8, Trump has exempted the country from sanctions the US placed on Russian oil producers.

- A White House official confirmed the exemption would last one year applying for all sellers.
- "It's very difficult for [Hungary] to get the oil and gas from other areas," Trump said. "They don't have the advantage of having sea. .. They don't have the ports. They have a difficult problem."
- Trump had previously called for Europe to stop buying Russian oil. However, with Hungary one of the few remaining customers on the continent, the move will raise eyebrows as to just how strongly sanctions will be enforced.
- The exemption creates concerns that others will try to circumvent sanctions. It also raises questions as to whether states or leaders with good personal relationships towards the Trump administration will also find carve outs or flexibility. A key focus will be on India.
- While the sanctions are not expected to have a significant impact on buying from China's independent refineries, there are still signs that Indian customers are eschewing Russian barrels.
- Reuters reported that Hindustan Petroleum Corp. had bought 2m bbl of WTI and 2m bbl of Murban crude for delivery in January, alternatives to Russian volumes.
- Despite avoiding Russian barrels, the Kremlin said today that they were actively preparing for Putin to visit India before the end of the year. Russia appears to be trying to shore up the relationship as it will struggle to rehome the volumes typically absorbed by Indian buyers.
- It is not just Putin who appears to be looking to tighten relations with India. Trump also said he would visit India at the urging of Prime Minister Narendra Modi. The meeting could take place next year.
- Earlier in October, Trump said that Modi assured him that Delhi would wind down purchases of Russian oil.
- Elsewhere, Lukoil declared for majeure at Iraq's West Qurna-2 oilfield, four sources told Reuters, after Western sanctions on Lukoil hampered its operations.

OUTLOOK: With the exemption granted to Hungary, even more focus will turn on to the efforts which go into sanctions enforcement, particularly vis a vis India.

- While India and the US have seen strains due to tariffs and trade negotiations, sentiment appears to have become more optimistic.
- An improving relationship could go in one of two ways. First, it could see some leeway from India on trade negotiations in exchange for a more relaxed approach to Russian oil imports. However, it could also see leeway from the US in exchange for eschewing Russian oil.
- Relations could also hit another impasse. If this were to happen, India's buying of Russian oil would be calculated as to how much risk importers had of being slapped with US sanctions themselves.

Mixed Messaging on Venezuela Continues

The Trump administration told lawmakers Nov. 5 that the US is not currently planning to launch strikes inside Venezuela and does not have legal justification to support attacks.

- “Lawmakers were told during the classified session that the opinion produced by the Justice Department’s Office of Legal Counsel to justify strikes against suspected drug boats, does not permit strikes inside Venezuela itself or any other territories,” multiple sources told CNN.
- This would mean that the orders striking at ships in the Caribbean do not extend to land targets. However, officials did not rule out future actions.
- Despite this, the Ford Carrier Strike Group is set to arrive in the Caribbean in mid-November as the US keeps a build up of forces in the region. Previous media reporting had said that no decision on action was likely before the arrival of the Gerald R Ford aircraft carrier.
- Before wires reporting that there were no plans to launch an attack, the NYT reported that the administration had developed several military options against Maduro’s rule. This includes strikes on the military, attempts to capture Maduro, and using a larger force to seize control of airfields and oil fields.
- Reports states that Trump is in no rush to decide on action. He remains reluctant to approve operations that may fail and risk American troops.

OUTLOOK: Given the continued military presence, coupled with the dire economic circumstances in Venezuela, it appears that the current strategy of the Trump administration is that of psychological warfare: push Maduro into fleeing before a military confrontation takes place.

- Despite economic conditions, analysts note that key military power lies in the hands of government allies who benefit from the regime’s survival. This may offer Maduro security from being ousted by an internal move.
- Were there to be a US intervention, military analysts have noted that the country is ripe for insurgent or guerilla groups, which may destabilise the state further.
- While the NYT reported potential plans to secure oil fields, this may be difficult to achieve in the event of an invasion, putting at risk any hopes that ousting Maduro could spur an investment boom in the South American state.
- While the US would stand to gain from further heavy sour barrels heading to the USGC, hydrocarbons do not appear to be the only consideration regarding future action. Maduro had already offered the US with increased access in exchange for avoiding a direct confrontation. This was rejected.