

MNI: Political Drivers for Energy Markets Nov. 17-23

By Lawrence Toye (17/11/2025)

Executive Summary:

- Saudi Arabia's Crown Prince MBS is due to meet with President Trump in Washington Nov. 18
- Trump has hinted that he is considering talks on Venezuela as military build-up continues
- A US and India trade deal is in focus as Washington looks to stop India's Russian oil buying

MBS Goes to Washington

Saudi Arabia's crown prince Mohammed Bin Salman (MBS) is due to meet with Trump in Washington Nov. 18. Key topics will include the sale of F-35 fighter jets, a U.S.-Saudi security agreement, Riyadh's civilian nuclear programme, AI collaboration, and normalisation with Israel.

- The U.S may view a Saudi-Israel normalisation as a concession for affording MBS with some or all of his aforementioned wish list.
- Trump is eager for KSA to join the Abraham Accords, but some analysts see that as "pretty much off the table," due to the absence of any roadmap towards a Palestinian state. An Israel diplomatic source told AI-Monitor that the chances were "not high."
- OPEC+ production could also be a secondary topic: Trump has repeatedly called for higher output and lower prices. However, priorities between MBS and Trump may not align when it comes to oil.
- While OPEC+'s direction of travel appears to be regaining market share and allowing for a short-term price fall, some analysts, such as FGE and Rapidan view the bloc's decision to pause further increases as a possible prelude to new production cuts. However, this is disputed by other industry research groups, such as Rystad.
- Saudi's priority for OPEC+ unity means it may be reticent to boost production at the expense of Russia's lost market share due to sanctions.
- Bloomberg also estimates that Riyadh needs an oil price of \$98/b to balance its budget.

OUTLOOK: For Trump to sign off on any of the points on the Saudi wish list, he may need something in return.

- The big win would be a Saudi-Israel deal, but this may still be a step to far.
- Consequently, the oil industry could be a middle ground where Trump could secure concessions.
- However, the crown prince will have to balance the differing preferences from his U.S and OPEC+ allies, as well as domestic economic necessities.
- Saudi and OPEC+ face an impossible trinity: cheap oil to please the US, high spending to propitiate its domestic audience, and budgetary discipline to please markets.

Trump Hints at Venezuela Talks

President Trump said Nov. 16 that he is considering talks with Venezuelan President Nicolás Maduro, as the US military build-up in the Caribbean raises conflict fears.

- This comes as high level U.S. officials hold discussion on whether and how to attack Venezuela.
- According to NYT reporting, Maduro had already offered Washington a dominant role in its oil and mineral industries in mid-October, but the proposal was rebuffed and diplomacy cut off.
- The U.S. has deployed warships and thousands of American troops to the region, struck alleged drug-trafficking boats, and authorised covert CIA actions against Caracas. Land strikes on Venezuela against drug cartels have also been threatened.

- In a statement Nov. 16, the State Department said it intends to designate the Cartel de los Soles - allegedly headed by Maduro - as a foreign terrorist organization, effective Nov. 24. The very existence of the cartel remains hotly disputed.
- This would allow the U.S to crack down even harder on those it claims are members or associates of the group, further isolating Maduro.

OUTLOOK: The U.S position remains unclear, as different actors within the government look to influence Trump's decision making.

- Venezuela hawks such as Secretary of State Marco Rubio favour tougher action against Maduro. However, previous reports have relayed Trump's concern about getting dragged into a drawn-out conflict.
- For now, it appears the U.S strategy is to try and force Maduro to flee in advance of any action by ratcheting up the rhetoric and military presence.
- If Maduro remains, Trump may find it difficult to climb down without taking any action. However, it could conduct some limited performative operations in Venezuela to avoid a full-scale conflict.
- If the U.S did move to oust Maduro, it would risk destabilising the country, which could further hamper Venezuela's already struggling oil industry.
- The Venezuelan bureaucracy and armed forces are manned with Maduro allies, so any opposition takeover and political reorientation would face strong headwinds.

Trump to Talk Tariffs with India

Reuters is reporting comments from an Indian trade official stating India and the US "could soon agree to address reciprocal tariffs" in the first part of an emerging trade agreement.

- It added that the two countries are, "likely to address broader trade issues in the second part of the agreement." The comments are likely to add to recent optimism that a trade deal is in reach.
- Last week, President Donald Trump suggested he could lower tariffs in response to India reducing Russian oil imports.
- Notably, India's oil imports rose in October, although may represent a rush to buy Russian crude before sanctions wind down period ends Nov. 21.
- The potential trade deal and improving US-India relations will be key to watch after sanctions on Rosneft and Lukoil begin, with enforcement set to be key.
- Trump has strongly supported a new bill which proposes slapping tariffs of up to 500% on imports from countries that have trade ties with Russia. Similar ideas have been floated before but have never gotten over the line. If passed, China and India would be the key targets.
- Yet, punitive tariffs may have a more muted impact than financial sanctions. Tariffs would punish another part of the economy (exporters) rather than the direct importers of Russian oil.

OUTLOOK: A deal would be supportive for US-India and could support India's shift away from Russian energy buying. Both factors would be bullish for oil.

- One further factor to watch is whether Trump offers any future carve outs for India's importers of Russian oil.
- Trump granted a one-year exemption for Hungary, but a repeat for India would largely undermine the power of sanctions.
- However, Trump's priorities are known to change quickly, and if ending the war in Ukraine drops down the list of concerns, leeway could appear for India.