

MNI Oil Weekly: Russia Sanctions Met with Scepticism

By Lawrence Toye & David Lee (29/10/2025)

Executive Summary:

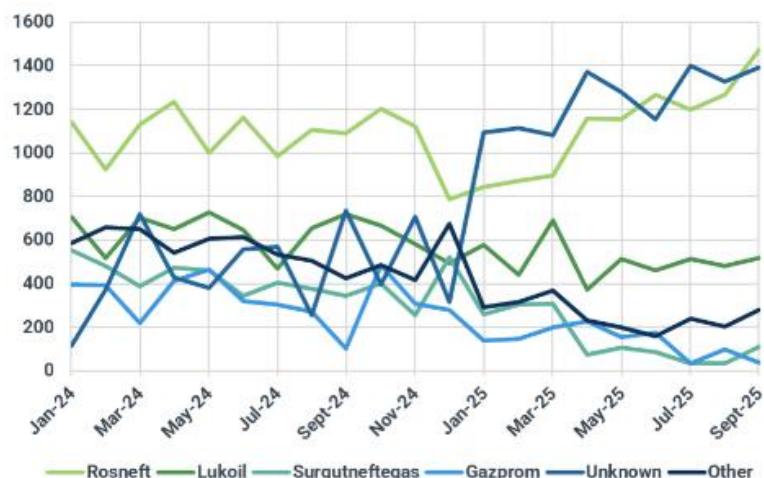
- Following **U.S. sanctions on Russian oil companies**, the market is waiting to see **evidence of enforcement**
- Oil Markets:** Crude prices have eased back from highs last week as the market weighs expectation of a modest output rise expected at Sunday's OPEC decision, uncertainty over the impact of the latest sanctions against Russia and US/China trade optimism. Diesel cracks are supported by US sanctions, disruption at Kuwait's Al-Zour refinery and escalating Ukrainian threats of attacks against Russian refineries.
- Analyst Views:** See oil market outlooks and view from key industry analysts.

Russia Sanctions Met with Scepticism

On Oct. 22, the Trump administration announced sanctions against Russian energy giants Rosneft and Lukoil, marking the most meaningful U.S. sanctions on Russia's oil sector since the Ukraine war began nearly four years ago. Transactions involving the two firms need to be wound down by Nov. 21.

- The combined exports of both companies comprise around 50% of Russian oil exports; when adding the flows from Gazprom Neft and Surgutneftegaz who were sanctioned in January, around 75% of Russian oil exports is now via sanctioned entities.
- The immediate market reaction saw a rally in crude as customers in China and India – the importers of vast majority of the country's oil exports – paused Russian oil purchases while awaiting clarity on the measures (seem more details in oil markets section below).
- While the announcement sparked a moderate rally in crude, it was modest in scale compared to the 1.5m-2.5m b/d of flows as risk in a worst-case scenario. The underreaction is driven by a widespread scepticism vis a vis sanctions enforcement.
- "If the sanctions were enforced and those volumes were taken out of the market, prices could jump to \$80-\$90/bbl," Energy Aspects' Amrita Sen said, aligning with a Goldman Sachs forecasts of Brent hitting \$85/bbl if 1.5m b/d of Russian crude was displaced.
- With Brent instead hovering around \$65/bbl, it demonstrates the lack of belief in the sanctions having any real bite.

Russian Crude Exports by Seller – Source (Kpler)

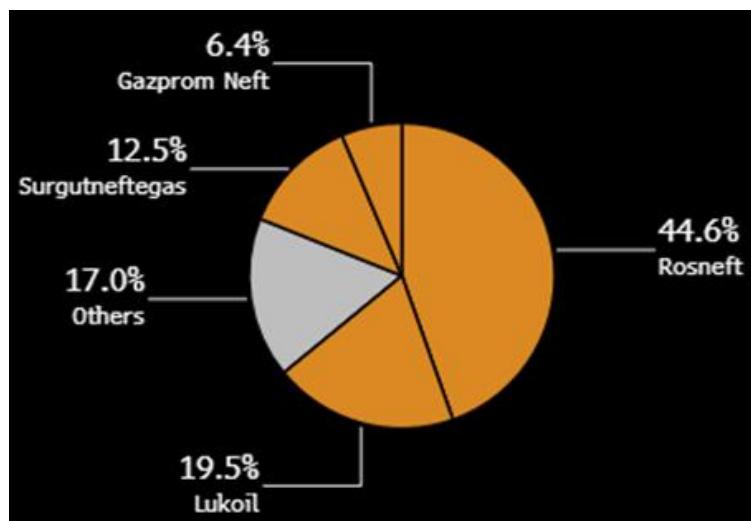


Buyers Already Looking for Workarounds

The moves by Indian refiners and state-owned Chinese entities to halt Russian crude buying is likely a temporary measure while companies determine whether the U.S. will enforce the measures after the Nov. 21 deadline. The pause also gives companies time to find workarounds that keep the oil flowing.

- Bloomberg reported that Indian state-run refiners are considering whether they can take some discounted Russian oil cargoes by leaning on small suppliers instead of Rosneft and Lukoil.
- Furthermore, Indian Oil Corp, India's top refiner, said that it would not completely discontinue buying Russian oil provided it can do so in a way to comply with sanctions.
- "Russian crude is not sanctioned. It is the entities and the shipping lines which have sanctions," Anuj Jain, director of finance, said in a post earnings analyst call. "If somebody comes to me with a non-sanctioned entity, and the cap is being complied with, and the shipping is ok, then I will continue to buy it."

Indian Imports of Russian Crude by Seller – Source (Bloomberg Finance L.P.)



Enforcement the Key Factor

Under current legislation, secondary sanctions on non-US entities trading with Rosneft and Lukoil will not be imposed automatically but instead rests with US authorities.

- Evidence from prior U.S. sanctions suggests a lack of long-term impacts to flows. Measures taken in January against Gazprom Neft and Surgutneftegaz have failed to put a dent in Russia's oil exports.
- While Kpler data shows that Gazprom Neft and Surgutneftegaz significantly reduced their crude exports from Q2, this was likely due to a redirection of output to the domestic market and channelling sales via other entities that were not under sanctions.
- Even though workarounds will inevitably emerge to circumvent the restrictions, some analysts believe that credible threats of U.S. secondary sanctions would be enough to drive Indian buyers away from Russian barrels.
- "If there are proper sanctions and they are enforced, India will absolutely stop buying Russian oil," Energy Aspects' Amrita Sen said. "Yes, there will still be oil flowing to China, but it would still reduce Russian exports by at least 1m b/d."
- She noted that a lot of big Indian and Chinese companies have a U.S. presence, giving them an incentive against circumvention. Sen also emphasises that the threat would have to be of secondary sanctions rather than secondary tariffs, the latter creating little deterrence for the buyer of the Russian volumes.

China's Flows More Resilient

While Indian flows may be easier to clip, cutting off flows to China remains an uphill battle even under strict enforcement.

- State-owned Chinese companies with an international presence could be forced to eschew Russian barrels, but Beijing can redirect some Russian crude purchases through its independently owned 'Teapot' refineries.
- Teapots have become well adept at importing sanctions barrels from Iran and Venezuela, and with time should be able to adopt similar measures to maintain the flow of Russian crudes.
- These refineries are less exposed to US banks and dollar transactions, providing a degree of insulation from sanctions.
- Xu Tianchen, senior economist with the Economist Intelligence Unit said China would have little reason to give up Russian oil unless, for example, Trump was willing to remove all its tariffs on China and lift sanctions on Chinese companies.
- Xu added that continued purchases could be an act of defiance ahead of further talks with the US.

Appetite for Disruption

With its economic might and the greenback's position as the world's reserve currency, a full-blooded U.S. effort would be able to drive some buyers out of the market for Russian oil.

- However, this would result in higher oil prices for both the U.S. and its western allies, testing the resolve of western governments at a time when their economic situations are already precarious.
- The question is whether the political will to pressure Putin is strong enough to absorb any domestic backlash. The evidence so far suggests not.
- "At the end of the day Trump wants lower oil prices and the west doesn't have the stomach to take higher energy prices, that's why the market doesn't believe it," Amrita Sen said

Oil Markets:

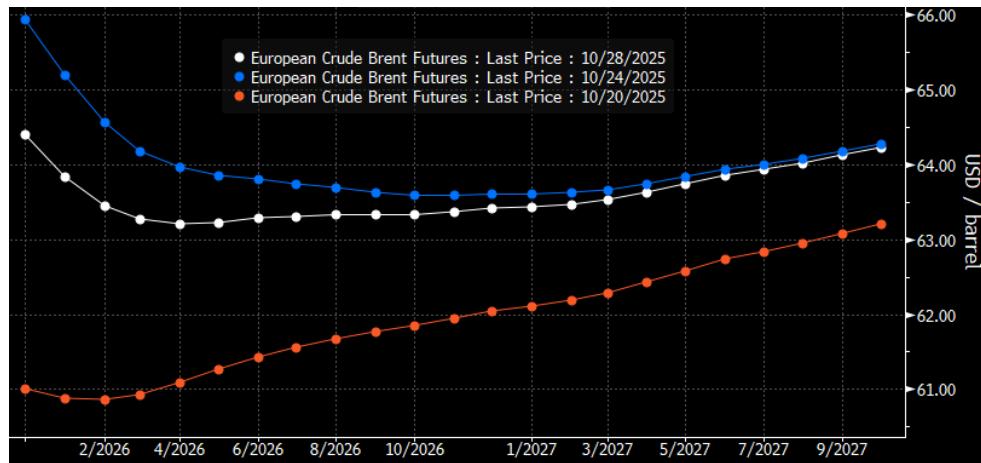
Crude prices have eased back from a Brent front month high of \$66.78/bbl on Oct. 24 as the market weighs expectation of a modest output rise expected at Sunday's OPEC+ decision against uncertainty over the impact of the latest sanctions against Russia. U.S.-China trade optimism is also weighed against oversupply concerns, with seaborne crude elevated.

Markets:

Both prompt and longer-term time spreads have pulled back after a rally to highs on Oct. 24 which took Dec25-Dec26 into backwardation. The Brent 1-2 month spread rose from a low of \$0.11/bbl on Oct. 20 to a peak at \$0.82/bbl before easing back to around \$0.6/bbl amid ongoing pressure from market surplus concerns due to muted demand and rising global supplies.

- The near-term Brent call-put spread briefly switched to the upside late last week, driven by a rally in call options volatilities. This was supported by Russia supply uncertainty and optimism for U.S. trade deals with India and China.
- Money managers cut net long Brent crude oil positions again in the week to Oct. 21 to the lowest since Oct 2024 and showed the highest short only positions on record.

Changing Brent Crude Forward Curve Shape – Source (Bloomberg Finance L.P.)



Russia:

Russia's seaborne crude shipments slipped back from their highest in nearly two and a half years, with fewer shipments from the Baltics last week, Bloomberg said. Four-week average crude flows fell to 3.73m b/d through Oct. 26, down 70kb/d on the week. Strong winds at the key Baltic port of Primorsk may have hampered loading operations.

- The small drop in flows comes as buyers in India and China reassess their purchases of Russian crude in the wake of US sanctions on Rosneft and Lukoil.
- Ukraine is set to work on a ceasefire plan in 'coming 10 days', Zelensky told Axios. He also said that Trump's new oil sanctions will hurt the Russian war machine, but Ukraine still needs long-range missiles to force Putin to make peace.
- The 19th EU sanctions package on Russia announced last week includes 117 additional shadow fleet vessels, made up mostly of tankers, according to Reuters. Bloomberg reported that EU measures will target 45 entities that have helped Russia evade sanctions, including 12 companies in China and Hong Kong.

India:

Indian refiners have indicated that the latest sanctions will severely impact their ability to continue to buy Russian oil.

- Since the latest U.S. sanctions on Rosneft and Lukoil, Indian refiners including Indian Oil Corp., Bharat Petroleum Corp., and Hindustan Petroleum Corp. have stayed out of the market for Urals.
- India's top refiner Reliance said it will "recalibrate" Russian oil imports in line with government guidelines. Reliance has purchased several Middle East crude grades for delivery in Dec or Jan. amid concern for disruption to flows.
- MRPL will pause all buying of Russian crude for now, according to a company executive, amid concern about its ability to ensure that its supplies are free of involvement by sanctioned entities and the risk of secondary sanctions.
- BPCL is looking to buy ~8m bbl of Iraqi and US crude via spot tenders as it seeks to replace some Russian imports, Bloomberg reports.
- An India-bound tanker filled with Russian crude reversed course and is now idling in the Baltic Sea, a sign of potential disruption in oil trade between the two countries, Bloomberg reports.

- India's crude oil imports rose 1.7% on the month and 6.1% year on year in September to 19.93m metric tons according to government data on Monday.
- India's Russian oil imports between April and September fell 8.4% year on year according to LSEG due to narrower discounts and tighter supplies, with refiners seeking more oil from the Middle East and the US.

China:

US Treasury Secretary Scott Bessent on Oct. 26 said US and Chinese officials hashed out a "very substantial framework" for a trade deal which would allow Trump and Xi Jinping to discuss trade cooperation this week. The leaders will meet in South Korea on Oct. 30.

- He added the framework would avoid 100% US tariffs on Chinese goods and achieve a deferral of China's rare-earth export controls, easing fears of an impact on global economic growth.
- Chinese state-owned companies including Sinopec paused some purchases of spot cargoes, mostly ESPO, after western sanctions, adding to signs of disruption in the market, Bloomberg said.
- Several suppliers of Middle Eastern and Canadian oil have cancelled sales of mostly spot cargoes to China's independently owned Yulong refinery following the latest UK sanctions, Reuters sources report. The refinery was sanctioned for buying Russian oil. The decision to cancel the contracts partly stems from concerns about the ability to make payments. Shandong Yulong Petrochemical Co. bought as many as 15 cargoes of Russian oil, mostly ESPO, for November loading, Bloomberg reports citing traders.
- The price of Russia's ESPO grade to China has slipped to a discount vs ICE Brent, according to Bloomberg. Offers were seen at a 50 cents/bbl discount to ICE Brent, compared to a more than \$1/bbl premium prior to US sanctions. Independent refineries take around 800kb/d of ESPO and other Russian Far East blends, with Vortexa expecting that demand to remain robust.

OPEC Output Plans:

OPEC+ 8 nations are leaning towards another modest increase in oil output for a third consecutive month in December when they meet on Nov. 2, four sources told Reuters. The group is likely to agree to increase December output targets by another 137kb/d, two of the sources said.

- Nine of ten oil traders, refiners and analysts surveyed by Bloomberg said they also expected a 137kb/d hike, while the other one predicated a larger boost.
- Saudi Aramco's CEO dismissed forecasts from several key agencies that the oil market is likely to move into a surplus next year. He added that market fundamentals are currently "strong" and consumption in China remains healthy.
- Aramco's has held firm on its bullish stance for months, in contrast to groups like the IEA who forecast a record oversupply next year amid easing demand growth and rising OPEC+ and non-OPEC output.

Wider OPEC+ Producers

Oil exports from Iraq's Kurdistan region are 195kb/d, while Iraq's total exports are currently 3.6mb/d, Iraq's oil minister Hayan Abdel-Ghani said cited by Reuters.

- The Karachaganak oilfield will be forced to trim November exports due to a Ukrainian drone strikes on Russia, Reuters sources said. Karachaganak is set to reduce oil output by 85k-87k metric tons (20k-22kb/d) by the end of October. An Oct. 19 drone strike on Russia's Orenburg gas processing plant forced it to halt gas imports from Karachaganak causing operators to reduce the field's output by 25%-30%.
- On Oct. 22, it resumed gas deliveries to one of three production lines at Orenburg. A second is expected to restart by month-end, while the status of the third remains uncertain.
- Russian oil-pipeline operator Transneft considers it feasible to raise Kazakhstan crude shipments to Germany to 2.5m mtpa, according to Tass cited by Bloomberg. "There haven't been any substantive,

detailed discussions yet, but we have discussed this prospect in preliminary terms, and it is feasible," said CEO Nikolay Tokarev.

- Kazakhstan's plans to supply 1.7m mt of crude oil to Germany via the Druzhba pipeline in 2025, according to KazMunayGaz CEO Askhat Khassenov.

Tankers:

Already elevated supertanker rates found further strength as the markets assessed the impacts of the latest Russia sanctions.

- Crude in transit was at its highest since the pandemic ahead of the latest announcement which was already supporting surging prices as growing OPEC and non-OPEC supplies hit the water. Chinese port fees are also causing backlogs in moving ships, effectively tying up fleet capacity.
- Total crude and condensate in transit hit 1.31m b/d in the week of Oct. 13, the highest point since the week of May 4, 2020, according to Vortexa data.
- The amount of crude oil held around the world on tankers that have been stationary for at least 7 days rose 12% week on week to 89.75m bbl as of Oct. 24, according to Vortexa data cited by Bloomberg. Asia Pacific rose 30%, to the highest since July 2023.
- Freight rates for shipping Urals from Russia's western ports to India rose sharply in October, driven by strong export volumes and mounting sanctions pressure, industry sources told Reuters.
- Crude oil loadings from Russia's western ports of Primorsk, Ust-Luga and Novorossiysk remained elevated in October at around 2.3m b/d, slightly below the record high of 2.5m b/d in September.

Oil Products:

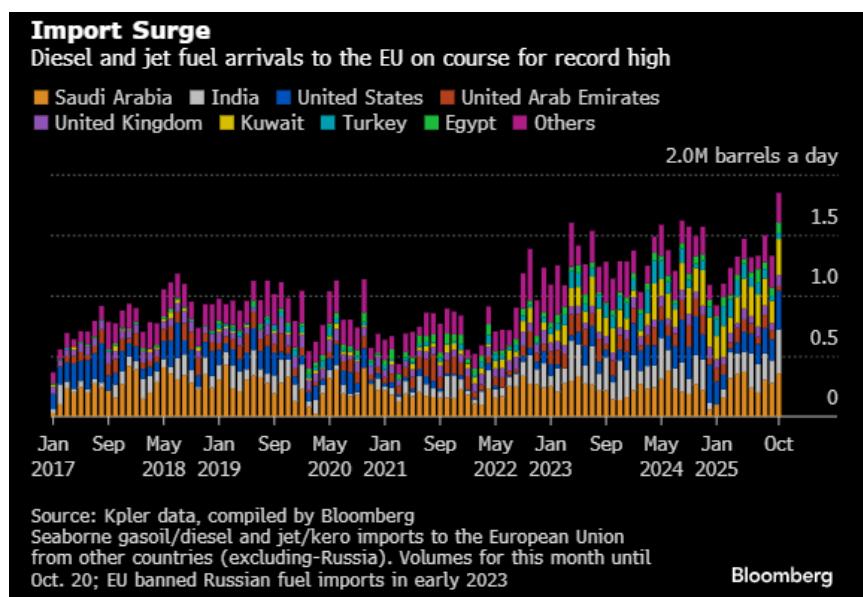
Diesel cracks are holding most gains after a rally earlier this week. Support came from **U.S. sanctions** introduced on Rosneft and Lukoil, underpinned by disruption at **Kuwait's Al-Zour refinery** and escalating Ukrainian threats of attacks against Russian refineries.

- The **ICE Gasoil-Brent spread** rallied over \$30/b while the US diesel crack rose to as high as \$40.5/b. Both crack spreads are near their highest levels since February 2024.
- The prompt **ICE Gasoil spread** reached the highest since July at \$19.75/mt, up from ~\$8/mt in mid-October.
- **ICE Gasoil net longs** fell again in the week to Oct. 21 to the lowest since mid-June to extend the decline seen through October.
- The market continues to assess the impacts of **US sanctions on Rosneft and Lukoil**, which have also hit subsidiaries, including those in Bulgaria and Germany, potentially impacting supply to local refineries if exemptions are not granted.
- The US has floated a six-month deadline for Germany to sort out the ownership limbo affecting the **German assets of Rosneft**, allowing them to be temporarily exempt from sanctions, Bloomberg sources said. The arrangement would ease the risk of sanctions disrupting German refining activities in the near term.
- Bulgaria has until Nov. 21 to find a solution for the ownership of its **Neftohim refinery** after the US sanctions on Lukoil, Bulgarian Prime Minister Rosen Zhelyazkov said. Options under Bulgarian law include a government-appointed special manager for the refinery and screenings of potential foreign investors.
- **Ukrainian strikes** have continued to disrupt **Russian refineries**, with the latest a reported strike on Oct. 24 said to have taken a CDU offline at the 340k b/d Ryazan refinery. Various drone strikes were reported on

Russian energy infrastructure overnight Oct. 28, including a possible attack on the NS-Oil and Mari Oil refineries.

- **Ukrainian President Zelenskiy** said “Russia’s “oil refining industry” is already paying a tangible price for the war and will pay an even greater one. Tasks were set to expand the geography of our long-range operations,” Zelenskiy said.
- **Monthly shipments of diesel fuel from Russia**’s Baltic port of Primorsk fell from 1.35m tons in August to about 975k tons in September, Bloomberg reports. Russian fuel exports have slumped amid a continued strain on the country’s refineries after Ukrainian drone strikes.
- **Russia’s crude-processing** rate was just over 5mb/d for Oct. 16-22, only slightly below the level in the previous seven days, as some refineries ramped up operations after seasonal maintenance or drone-related halts, sources told Bloomberg.
- **European ARA gasoil stocks** dipped lower last week but remain just above the five-year seasonal average.
- **Europe’s imports of diesel and jet fuel** are on course for a record-breaking month, as traders gear up for the winter and a clampdown on petroleum products made with Russian crude, according to Bloomberg. Almost 1.9m bbl of supplies from exporters including India, Saudi Arabia and the U.S. has arrived in EU ports during Oct. 1-20, Kpler data showed.

Diesel and Jet Fuel Imports to EU – Source (Bloomberg Finance L.P. graphics / Kpler data)



- Hungarian refiner Mol says fuel production restarted at its **Danube Refinery** at a lower capacity follow a fire last week, according to Bloomberg. The fire broke out late on Oct. 20 in the AV3 atmospheric-vacuum distillation unit.
- **Slovak refiner Slovnaft** said on Tuesday that Croatian pipeline operator Janaf had reduced deliveries of non-Russian crude to it for technical reasons, hitting its efforts to refine fuel from other sources, Reuters reports. Slovnaft has an exemption to EU sanctions that allows it to export products derived from those deliveries. Slovnaft is now facing the loss of 90k tons of deliveries of Arab Light via Janaf.
- **India is shifting growing volumes of its gasoil** to Africa and South America as incoming EU sanctions have threatened trade to the bloc, Platts reports. An EU ban on oil product imports of Russian crude origin

takes effect on Jan. 21, 2026. FGE sees the rules creating some uncertainty around supplies from India to the EU, though they're ultimately likely to continue.

- **Indian refiners' crude throughput** declined 5.7% month on month in September to 5.14m b/d, the lowest level since February 2024, provisional government data showed. Year on year refinery throughput fell 0.8% in September. Throughput at Nayara's Vadinar refinery decreased to 1.24m metric tons, from 1.41m metric tons in August.
- **Kuwait's 615kb/d Al Zour refinery** was running at about one-third of its capacity, ~150kb/d, Oct. 28. A technical issue affecting the residue desulphuriser left only one of three crude processing units operating. Normal operations are expected to return this week.
- **Refined product exports from Kuwait** declined to their lowest level since January 2024, falling below 3.50m mt in September amid significant naphtha weakness, Kpler said. The planned outage at Mina Abdullah refinery in October is expected to deepen the contraction, raising concerns over Kuwait's capacity to sustain high-value product exports in the near term, Kpler said
- **CDU capacity utilisation rates at China's state-owned refineries** are expected to rise in the week to Oct. 30 according to OilChem, as CNOOC Bitumen is set to resume production. For independent refineries, Kenli Petrochem will keep ramping up, while some are expected to raise the gasoil/gasoil production ratio according to the dynamics on the demand end.
- CDU capacity utilisation rates at **China's state-owned refineries** fell by 0.34 %pts in the week to Oct. 24 to average at 80.89%, OilChem said. Rates at independent refineries in China fell by 0.61%pts on the week to 61.35%.
- **China's weekly gasoline production** fell by 44.7k mt to 2.975m mt for the seven days to Oct. 23, OilChem said. Production among independent refineries in China fell 10.3k mt on the week to 778k mt, while output at state-owned facilities declined by 34.4k mt to 2.197m mt.
- **China's gasoline demand** is projected to keep falling this week amid a traditional seasonal low, according to OilChem forecasts. **Gasoil demand** is likely to pick up with weather conditions improving construction use and the Double Eleven on-line shopping festival boosting logistics consumption.
- **Marathon's 631kb/d Galveston Bay refinery** in Texas City is restarting the 140kb/d gasoline-producing FCCU and 60kb/d diesel-producing Ultracracker hydrocracking unit, Reuters sources said. The units were shut following a malfunction on October 16, with restart aimed to complete over the weekend, the sources said.
- **The BP Whiting refinery** experienced a power surge last week, causing a unit to go offline. The refinery was evacuated, according to GasBuddy. Reuters reported that Whiting had restored power.
- **Nigeria's Dangote refinery** plans to expand capacity from 650kb/d to 1.4mb/d by 2028, according to chairman Aliko Dangote, cited by Argus. The project will add a second 750,000 b/d processing line at the Lagos site, replicating the existing plant that began operations last year.

Analyst Views:

Goldman Sachs:

While US sanctions on Russia's Rosneft and Lukoil imply "additional upside risk," Brent is still expected to average \$56/bbl next year, with WTI at \$52/bbl, according to Goldman Sachs cited by Bloomberg.

- The bank kept its base-line forecasts unchanged, while mapping out other potential scenarios.
- In one possible outlook, Brent could peak at close to \$85/bbl before moderating to average \$73/bbl next year should Russian supply fall by 1.5mb/d for two quarters and OPEC output meet current expectations.
- In another outlook, Brent could peak just above \$70/bbl before moderating to average \$63/bbl next year should Russian supply fall by 1.5mb/d for two quarters and core OPEC members gradually offset the loss in Russian supply.
- The hit to supplies may be blunted by factors including OPEC stepping up production, the US issuing exemptions, and crude-trade networks being reorganised.

Carlyle Group:

US sanctions on Russia this week show the dangers of the large short position that had built up in oil markets around the expected Q4 supply glut according to Carlyle Group's Jeffrey Currie.

- "I'm not dismissing the supply glut, but I think at this point right now, it's still too early to assess it," Currie said.
- "If 5mn b/d were lost [from Russia sanctions] this would be a world class supply disruption, the reality we will find out, maybe its 1mn b/d or something of that nature. We won't know the full extent of it for a while." Currie said.
- "You could rally another \$5/bbl on this but getting over 80 would be really difficult," Currie added.
- "Markets will be watching what refineries are willing to take the risk of buying Russian oil after November 21," Currie said.

RBC:

Trump efforts this week were the first to sanction major Russian oil exporters RBC head of commodities Helima Croft said in a CNBC interview.

- "I would argue that we never really significantly sanctioned Russian oil [before this], the price cap was designed to ensure the barrels going into Europe could move to Asia, we told India – take the cut price Russian barrels," Croft said.
- "When you speak to US military officials, they say you have to break the funding mechanism for the war," Croft said, referring to Russia's ability to maintain revenues since the Ukraine invasion by selling oil.
- "There had been no real attempt until now to go after the Russia ATM," Croft said.
- "If you are Reliance, you have to make the decision, do you want to risk being sanctioned and losing access to US financial systems," Croft said.

Commerzbank:

A moderate increase in OPEC+ production for December should be largely priced in and is unlikely to weigh on oil prices significantly, according to Commerzbank cited by WSJ.

- "The price could even benefit, as some market participants may have expected a larger production increase in view of the impending loss of Russian supplies," Commerzbank analyst Carsten Fritsch said.
- Eight members of the alliance are scheduled to convene on Sunday to discuss December output levels.
- The group is leaning towards another small output increase of around 137kb/d, according to Bloomberg and Reuters reporting.

Jefferies:

Global loadings of crude cargoes on supertankers rose to their highest since Feb. 2024 as fixture activity picked up in the Middle East and Atlantic Basin, according to Jefferies LLC cited by Bloomberg.

- September's VLCC loadings were at 25m b/d, compared with an average of 23.4m b/d in the first eight months of this year.
- Loadings in the Arabian Gulf for September were +8% on the year, West Africa +47% year on year, South America +9% year on year, while the US Gulf fell 15% year on year.
- China is the single largest charterer of VLCCs from the Middle East at 33% of September bookings, versus 30% a year ago.
- "While inventory building is likely as OPEC+ volumes come to market, trade volumes have only just begun to increase, and thus stockpiling is in its early stages."

IEA:

Oil prices are expected to "moderate" in the coming days and weeks because of ample supply, according to the IEA's Executive Director Fatih Birol, cited by Bloomberg.

- "I don't expect a major shake-up in the oil markets thanks to growing production coming from the Americas," Birol said.
- The oil market will be in surplus as output from the "American quintet" – the US, Canada, Brazil, Guyana, and Argentina – outpaces demand growth, Birol said.
- Meanwhile, oil demand growth is getting "weaker and weaker" as the Chinese economy shifts away from heavy industry and combustion vehicles.
- Speculation that the US and China will reach a trade deal this week will only provide a "slight boost" to oil prices, barring any other major geopolitical events, he said.

Sanctions on oil exporting countries could push up prices but the effect will be limited by spare capacity the IEA Executive Director Fatih Birol said on Tuesday to Reuters.

- While sanctions could push prices upward, the effect is limited with oil prices holding at around \$60 due to a huge amount of surplus capacity, Birol said.
- "Today, despite so many political tensions around the world, Middle East, Russia, Ukraine, major economic, trade wars, oil prices are still \$60, exactly what we said," Birol said
- "The oil and gas markets will enter a very distinct period, which is in the absence of major geopolitical tensions, we are going to see lower oil and gas prices."

TotalEnergies:

TotalEnergies CEO Patrick Pouyanne brushed off concerns of an oversupplied oil market, insisting that demand remains strong, according to Argus.

- Speaking to Argus, Pouyanne rejected the notion that supply is outpacing demand.
- "The demand is there, more than you think. There is big demand," he said.
- Pouyanne attributed the recent drop in prices to diverging views on market fundamentals, which he said are influencing sentiment.
- "The market is moving, but is quite stable," he said. "If you look, prices are in the range of \$65-70/bbl. There is a debate."
- "Some news comes from people speaking about oversupply, markets go down. And sometimes we see better demand, then markets go up. So that's all."
- Pouyanne also said that the latest US sanctions on Russian oil flows are "pushing the price up."

Kpler:

US sanctions on Rosneft and Lukoil are expected to trigger a short-term drop in exports and support oil prices as traders rebuild supply chains, according to Kpler.

- Indian refiners are reviewing cargoes ahead of the Nov. 21 wind-down deadline, according to Kpler.
- Middle Eastern grades like Basrah Medium, Upper Zakum, and Al-Shaheen are set to attract strong demand as buyers seek alternatives.
- Replacing Russia's 2.7-2.8mb/d of seaborne exports to China and India will be difficult, potentially leading to inventory drawdowns and refinery adjustments.

Sparta Commodities:

WAF and WTI arbitrage opportunities to Asia are open again as Middle Eastern premiums soar in the wake of last week's announcements, according to Sparta Commodities.

- Dubai and Brent time spreads are firmly back in backwardation following US sanctions targeting top Russian producers, Sparta added.
- The market had a brief spell in contango earlier this month that was driven by concerns over a long-anticipated oil glut.
- The Brent-Dubai EFS rose just 50 cents/b on the news, so it was left to the physical premiums to "do the heavy lifting".
- Sparta said that there is a short-term crude supply gap for India, and since physical markers are trading for early-December to January arrivals, only WAF and Middle East barrels can arrive in time for the early part of this period.
- Nevertheless, WTI is looking competitive again versus Murban in the Far East, so Asia could also pull in more cargoes of the US grade this week.