

MNI Oil Weekly: Trump Patience Wears Thin on Russia/Ukraine

By Andrew Couper (24/09/2025)

- **Trump Patience Wears Thin on Russia/Ukraine:** After months of back and forth, Trump is increasingly signalling his lack of patience for a Russia Ukraine peace deal as he looks to leave the heavy lifting to Europe.
- **Oil Markets:** Brent crude front month futures continue to hold within the \$65.07/bbl to \$69.53/bbl range this month under pressure from increasing global supplies amid ongoing risks to Russian exports. Diesel cracks remain strong supported by the potential for a partial Russia diesel export ban amid ongoing energy infrastructure strikes by Ukraine.

Trump Patience Wears Thin on Russia/Ukraine

Russia/Ukraine uncertainty remains a key theme for oil markets at present with a number of developments since early August.

- A breakdown in peace deal efforts between Russia/Ukraine with Putin showing little intent to come to the table.
- Trump backed away from secondary sanctions, passing the onus onto Europe.
- Europe has announced stronger sanctions, but they have fallen well short of Trumps requirements to join in.
- Russia is increasingly antagonising Nato airspace with numerous infractions.
- Most recently, Trump has shown his clear frustrations with Putin and is now showing a friendlier side to Zelensky but with clear signals the Ukraine invasion remains Europe's problem rather than the U.S.

Where does Trump stand?

U.S./Ukraine relations appeared to be at rock bottom back in February when Trump and his VP Vance gave Zelensky a very public dressing down in the White House in full view of the world's media.

- Through much of the year, Trump appeared to be courting Putin but his failure to meet Trump's deadlines has created a clear turn in Trumps attitude towards the leader of Russia.
- Most notably, Trump took to Truth Social on September 23, taking shots at Putin. Key quotes include
 - "I think Ukraine, with the support of the European Union, is in a position to fight and WIN all of Ukraine back in its original form"
 - "Russia has been fighting aimlessly for three and a half years a War that should have taken a Real Military Power less than a week to win. In fact, it is very much making them look like "a paper Tiger""
 - Tellingly, Trump finished with "I wish both Countries well. We will continue to supply weapons to NATO for NATO to do what they want with them."
- Rather than a switch towards Ukraine support, the words within the post may in fact indicate Trump's intentions to step back from efforts to support Ukraine and end the war.
- While appearing supportive for Kyiv's chances in the war, the post says Ukraine could take back all of its territory "with the support of the European Union," not the US, and that its old borders can be restored "With time, patience, and the financial support of Europe and, in particular, NATO,", again not the US.

European Sanctions

Europe announced its 19th sanctions package against Russia on Friday. They were stalled following Trump's call to fully ban Russian oil imports, a request he knows is out of reach by the EU. Instead, they scrambled for other ideas, most notably aiming to ban Russian LNG imports by 2027, a year earlier than planned.

- Anything oil related would clearly face sharp opposition from Hungary and Slovakia, both of which appear unlikely to move away from Russian oil any time soon.
- Europe threatened Russian oil companies with new tariffs on September 24 that would be announced "in due course." The uncertainty of the statement added some upward support for oil prices.

Ukraine Tactics

Ukraine has revived an old strategy of targeting Russia where it really hurts - energy revenues. This appeared to be quietly off limits during the Biden regime under the guise that U.S. support would require that Ukraine largely avoids energy infrastructure to avoid sending already high energy prices higher still.

- Since the start of August however, Ukraine has massively stepped up the tactic, pummelling Russian refineries, oil exporting ports and pipeline infrastructure.
- With peace talks well and truly falling flat and Trump backing away from the conflict, this looks set to remain a key theme of the war going forward adding upside risk for both global oil and oil product supplies. Refinery strikes would however look to add oil supplies to the water if they cannot be refined domestically but could also cause production cuts. Port strikes impact both.
- Of note, the Ukraine drone strikes are targeting unprecedented depths into Russia, highlighting that more infrastructure is at risk than earlier in the conflict.

What next?

Europe looks set to try and ratchet greater sanctions against Russian energy but without more concrete support from the U.S. they would appear to offer little in the way of actually stopping barrels to China and India.

- India remains under pressure with the U.S. as 50% tariffs remain in place for its Russian oil buying. This remains at a stalemate with U.S. officials saying this week it remains a problem but Indian buying shows no signs of slowing. China holds more cards in its U.S. trade deal and has avoided being in the crosshairs for Russian energy buying.

India seasonal seaborne crude/condensate imports (mbd) – source: Vortexa



- The EU and its allies are looking for ways to raise money as Ukraine's needs have risen due to the war efforts. The International Monetary Fund will provide an estimate in the coming weeks that will help shape the volume of EU aid once there's clarity about possible participation of the US and other Group of Seven members.
- As it stands, Europe looks set to be left with trying to support Ukraine in its ever grinding battle with Russia with an end in sight no further forward following months of Trump's attempts. Trump has been referring to a continuation of the revised weapons supply programme of the summer, where via Nato, European nations pay for US weapons for Ukraine. Though this clearly helps Ukraine, there is little prospect of a dramatic turnaround on the battlefield, in a war that is largely fought via drones.
- Ukraine itself has long since acknowledged that it cannot win back lands conquered by Russia through military means.
- Key bullish and bearish energy drivers:
 - Bullish: Ukraine energy strikes, European sanctions
 - Bearish: U.S. has backed away from Russian oil related sanctions – watch for U.S./India trade deal developments.

Oil Markets:

Brent crude front month futures continue to hold within the \$65.07/bbl to \$69.53/bbl range this month under pressure from increasing global supplies amid ongoing risks to Russian exports from sanctions and further strikes on Russian energy infrastructure. Downside risk is focused on muted global demand and the impact of US tariffs, despite the US fed rate cut last week, and rising OPEC and non-OPEC supply.

Markets:

Prompt time spreads have strengthened over the last week suggesting near term supplies remain tight despite expectations of growing supplies. Brent is up from \$0.28/bbl on Sep. 9 to the highest since early August at \$0.72/bbl. Brent crude Dec25-Dec26 backwardation has also seen a gradual strengthening to \$1.56/bbl.

- The near-term Brent crude options are currently showing a small put skew although have narrowed to parity at times in the last week. The Brent second month 25 delta call-put spread widened to nearly -1.8% on Sep. 22 compared a call skew early last week.
- The Brent Dec26 call-put skew has narrowed to -4.5% from -5.6% in late August. Many market analyst expectations still project an oil surplus into next year despite near term fundamentals remaining relatively tight.
- Managed Money net long crude oil positions rose in the week to Sep. 16 with WTI rebounding from the lowest on record the prior week. Brent crude open interest increased to the highest on record at 3m this week.

India:

The US has sought to continue pressure on Indian purchases of Russian oil in its latest trade talk efforts sources told Bloomberg on Saturday. During talks last week, India pressed to have its extra 25% tariffs rate scrapped despite buying Russian energy – suggesting a resolution may be far off. Indian refiners appear to show no intent to wind back Russian oil purchases and face no government pressure to do so.

- India's crude imports rose 3.76% m/m in August to 19.60m tons according to government data. Indian crude imports fell to the lowest since Feb. 2024 in July as European sanctions on an Indian refinery and US tariff threats on Russian oil buying had an impact.
- India's Reliance Industries increased monthly Russian oil imports by 2.9% in August to about 591kb/d, Reuters reports.

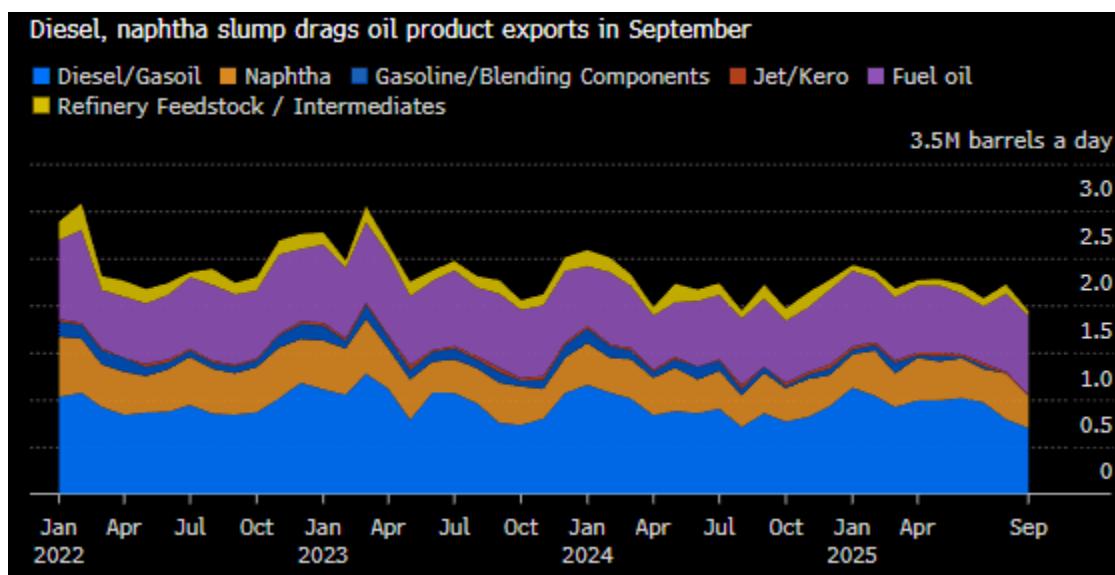
Russia:

President Donald Trump and Canadian Prime Minister Mark Carney renewed calls for Western allies to "stop buying oil" from Russia, a demand Trump's linked to further US pressure on President Vladimir Putin to halt the war in Ukraine.

- Trump told reporters last week that Putin "really let me down" but still maintained optimism that the US will be able to help bring the war between Russia and Ukraine to an end. "Russia and Ukraine will get done," he said.
- European nations have seen increased incursions from Moscow into Nato territory, after Russian drones and fighter jets have entered Estonian, Polish and Romanian air space in recent weeks.
- European Commission president Ursula von der Leyen presented a sanctions package on Sep. 19 – mainly targeting a faster move away from Russian LNG. The package still needs the approval of the EU governments.
- The EU is considering trade measures to target its remaining Russian oil imports, Bloomberg reported on Sep. 20. The European Commission is reviewing continued Russian oil imports via the Druzhba pipeline that feeds Slovakia and Hungary. Slovakia and Hungary have blocked measures that they say endanger their energy security. Unlike sanctions, trade measures such as tariffs only need the support of a majority of capitals.
- Russia's crude exports hit the highest in 16 months in the four weeks to Sep. 21, the highest in 16 months, according to Bloomberg. Four-week average flows rose to 3.62mb/d in the period to Sep. 21, an increase of 170kb/d from the equivalent period to Sep. 14, and the highest since the period to May 2024. Russian oil output is rising amid expanding OPEC+ supply agreements while Ukrainian drone strikes have seemingly forced companies to divert crude to export terminals. Attacks on pumping stations linked to key pipeline routes don't yet appear to have had a drastic impact on flows to export terminals, Bloomberg says.
- East Russian crude exports have slowed in September by around 100kbd from August's pace of 1.13mb/d according to Kpler – coming from a sharp drop in ESPO flows (down 300kbd m/m).
- Russia has increased its planned September oil loadings from the Baltic Port of Ust-Luga and the Black Sea's Novorossiisk Reuters sources said. It comes following disruptions at Primorsk following last month's Ukrainian drone attack. Russia's Primorsk continues to load crude 2-3 days behind schedule following recent Ukraine attacks according to Reuters sources.
- The price of Russian Urals crude for delivery to India is rising despite growing sanctions risks as Ukrainian attacks on Russian energy infrastructure prompts concerns about supply, Reuters reports. The discount on

October-loading Urals crude has narrowed to \$2-\$2.50/bbl against Brent from \$3 in September, four sources told Reuters.

Russian Fuel Slump – Source: Vortexa data/Bloomberg Graphics



China:

China's crude oil imports in August rose 4.9% on the month to 49.492m tons and 0.8% higher year on year, according to Customs data earlier this month. Imports from the trans-shipment hub of Malaysia and from Iraq rose while imports from Russia and Saudi Arabia fell in August.

- China appears unlikely to sustain another strong wave of crude stockpiling in the near term and growth looks set to plateau, Vortexa said. Inventories at state owned refiners are already at record highs with limited spare capacity until new tanks come online from 2026 onward. State-owned refiners raised commercial tank stores by 60mbbl in Q2 to record highs of more than 730mbbl although has stalled since June and with high utilisation at 62%.
- China's ability to grow Iranian crude imports may be limited due to record Shandong inventories and year end quota limits at local independent refiners, Vortexa said. Total Iranian barrels held offshore remain "elevated", with some held directly offshore from China.
- Discounts for Iranian Light crude widened to over \$6/bbl vs benchmark ICE Brent last week for October-arrival shipments compared with \$3 in March, Reuters said last week.
- Vitol plans to move one supertanker with North Sea Forties crude in early October to China as the arbitrage to Asia is open, traders told Bloomberg. This would be the first since July.

Middle East:

Kurdish media are reporting that the Kurdistan Regional Government, Iraq's Federal Oil Ministry and international oil companies (IOCs) have signed a tripartite agreement which will return oil exports from Kurdistan to Turkey's Ceyhan port.

- Media reports of the agreement state that 230kb/d will flow to Iraq's SOMO for export, with 50kb/d are reserved for local consumption.
- Pipeline oil exports from Iraq's Kurdistan region to Turkey are yet to restart despite the hopes of a deal. Two key producers asked for debt repayment guarantees. There have been numerous false reports on this issue in the past, and that there has been no official confirmation of a restart.
- Iran's crude exports are recovering in September following a 19-month low pace below 1.4mb/d in August according to Kpler. Iran's crude floating storage has been gradually rising from late August's 8-month low where it fell below 16mbbl. Iran's crude imports into China averaged just below 1.7mb/d in August – 300kbd higher than July's pace.
- The snapback mechanism that will impose sanctions on Iran was triggered by the E3 (France, Germany, UK) last week, with the sanctions set to come into force on Sep. 27. While the path towards a diplomatic breakthrough avoiding sanctions on Tehran is narrow, there is the slim prospect that they could be averted.
- Triggering the United Nations snapback mechanism will not add major restrictions to Iran's oil sales according to its oil minister Mohsen Paknejad on Sep. 24.
- Black Sea CPC Blend daily oil exports are set to remain unchanged on the month at 1.6mb/d in October, sources told Reuters, despite the brief suspension of operations at a second mooring point in late August.
- Kuwait's oil minister Tariq Al-Roumi said that global oil demand is rebounding, as crude inventories have fallen below the five-year average, according to Reuters. The minister is optimistic about achieving balance in the oil market as the OPEC+ decision has positively affected supply-demand dynamics. Kuwait's crude oil production capacity is the highest in more than a decade at 3.2mb/d, Al-Roumi said after declining to below 3mb/d.

WAF:

Angola's average monthly crude output rose to 1.03mb/d in August, from 999kb/d in July, according to ANPG data. Angola plans crude exports of 1.06mb/d in September, 961kb/d in October and 1.14mb/d in November according to Bloomberg reports on preliminary schedules.

- Angolan cargoes for Oct loading have yet to sell out, traders told Reuters Sep. 19. The overhang is attributed to a jump in freight costs making the economics of lifting WAF cargoes to Asia more difficult. A trader said that the structure of Brent was also hitting the arbitrage.

Oil Products:

Diesel cracks remain strong with support as Russia weighs a diesel export ban potentially targeting resellers amid ongoing energy infrastructure strikes.

- **ICE Gasoil net longs** rose again in the week to Sep. 16 to the highest since March 2022 although Nymex diesel net longs edged down to remain at the lowest since mid-June. Nymex gasoline net longs were rose on the week to the most bullish since January.
- **Global gasoline markets** are showing unusual late-summer strength as refinery outages limit supply even after the peak travel season, according to Bloomberg. The European gasoline-Brent spread is up from around \$11.7/bbl on Sep. 1 to around \$15.5/bbl.
- **Atlantic basin gasoline** market strength is likely due to unplanned outages in Europe, West Africa and the Middle East between September and November, Pamela Munger at Vortexa said. Refineries also likely shifted their yields to produce middle distillates amid seasonal middle distillate strength, Vortexa said. This widened the supply gap between these transportation fuels.
- **ICE gasoil futures** rose to their highest levels since late July, driven by tightening supply in the ARA hub and supported by scheduled maintenance at Shell's 404kb/d Pernis refinery and upcoming work at Total's 338kb/d Antwerp refinery in October.
- **Global diesel stocks** remain below normal, despite gains seen in recent weeks.
- **Russia is seeing shortages of certain fuel grades** as Ukrainian drone attacks reduce refinery runs and high borrowing costs mean private filling stations can't afford to stockpile fuel, Reuters reports. Diesel prices are also at an all-time high. Officials are considering extending the gasoline export ban through October and have urged producers to divert some diesel volumes to the domestic market. Several sources in oil companies told Interfax there is no need to ban diesel fuel exports, as there is still sufficient supply on the market.
- **Russian refinery crude throughput** has slipped to 4.9mb/d in September, from 5.1mb/d in August, a drop of 300-500kb/d from previously forecast levels and down 400kb/d y/y, according to Kpler. While Ukrainian drone strikes have disrupted operations at several refineries, producers have managed to bring back some capacity after repairs, according to Bloomberg.
- **Russian oil product exports** are about 300kb/d below the preceding three Septembers according to initial Vortexa data cited by Bloomberg. Total refined product exports are the lowest since early 2022 at 1.94mb/d in the first 15 days of September, in a sign of the impact of the recent ramp up in Ukrainian drone strikes.
- **Russia's September exports of ultra low-sulphur diesel** from Primorsk are scheduled to fall by 14.5% from August to 1.1m metric tons, Reuters reports.
- **Russia's seaborne oil product exports** in August were up 8.9% on July at 9.44m mt on rising fuel production, as several refineries completed planned maintenance, Reuters said. Total oil product exports in August via Baltic ports were up 12.3% on the month to 5.326m mt. Product exports via the Black and Azov Seas rose 3.6% on the month and from Far East ports rose 13.5%.
- **Ukraine struck** the Volgograd, Saratov, Novokuibyshevsk and Gazprom Neftekhim Salavat refineries this week as well as a pumping station in the Samara region and Gazprom's Astrakhan gas processing plant.
- **CDU capacity utilisation rates at China's refineries** are expected to continue rising this week, according to OilChem. Dongming Petrochem will be further raising production post overhaul, and Shenghong Petrochem is scheduled to lift gasoline and gasoil production.

- **CDU capacity utilisation rates in Shandong** have been rising for six weeks in a row, averaging 51.85% in the week to Sep. 18, OilChem said. This is the first week of 2025 where CDU utilisation rates are higher year-on-year. The increase was a combined result of refiner resumption and rising gasoil consumption in the traditional peak season. Gasoil yield rates at independent refineries exceed 40%, with a gasoil-gasoline ratio of 1.9. If Yulong is excluded, CDU rates fall to 48.04%, a 3.52 percentage point decrease year-on-year.
- **China's gasoline demand** this week is projected to be supported by pre-Nation Day holiday stockpiling, though end-user demand will likely stay flat, OilChem said. Gasoil demand is hitting traditional peak season, which will keep consumption supported. Monthly refined oil consumption in China's was up 634k mt, or 2.0%, on the month to 32.54m mt in August, according to OilChem.
- **Gasoil production from Chinese refineries** rose by 44.5k mt on the week in the seven days to 4.106m mt, according to OilChem. Production at state-owned refineries rose by 45.1k mt on the week, while independent refineries saw a marginal decrease of 0.6k mt. Shandong's teapots boosted gasoil production by 6.5k mt. Among all refineries in Shandong, gasoil production was up 11.8k mt to 1.11m mt.
- **China's weekly gasoline production** ticked up marginally by just 4.3k mt to 3.011m mt for the seven days to Sep. 18, OilChem said. Gasoline production among independent refineries in China rose by 3.4k mt on the week to 799.6k mt. Among independent refineries in Shandong, production was up 0.5k mt to 182k mt.

Lost Refinery Output Due to Russian Refinery Outages (kbd) – Source: Kpler

