Hyde Newsletter
MARKET WEEKLY
september 1st 2025 - September 7th 2025

A tough week for many fades into the past.

There was a lot to interpret over these last few trading days, including a display of anti-West military strength hosted by President Xi of China in Beijing and its potential impact on oil prices. Presidents and ministers from 26 countries attended; none from the West were invited. The notable trio of President Xi, Russian President Putin, and North Korea's President Un led the parade of strongmen as a warning to the West, supported by Indian Prime Minister Modi. It's interesting that North Korea is now prominent in this axis. Donald Trump, of course, reacted to the snub, especially after Mr. Xi said mankind faced a choice between peace and war and called China "unstoppable." Trump told China's leader to "give my warmest regards to Vladimir Putin, and Kim Jong Un, as you conspire against The United States."

Reaction from the oil markets? Exactly zero.

As we review the week, oil prices seemed poised to rise. Tuesday's outlook was that the alliance could easily leave crude oil output unchanged for October a significant move in a market already dealing with lower stocks and demand hotspots. Hedge funds increased their combined net-long position on WTI and Brent by 54,183 lots to 245,650 lots, based on data from ICE Futures Europe and the US Commodity Futures Trading Commission compiled by Bloomberg. This was the largest increase since mid-June, lifting the net long WTI position from an 18-year low.

However, as the week went on, rumors grew that Saudi Arabia wanted to significantly increase output to regain market share from US shale producers. This rumor quickly grabbed market attention, causing a sell-off. ICE Brent fell for the rest of the week, losing more than $3 a barrel on the news.

OPEC+ doesn't hold their meetings on a Sunday for no reason. According to the latest reports, they have caught the market off guard again. Bloomberg reports that key alliance members expect to approve an addition of about 137,000 barrels during a video call on Sunday. The group, led by Saudi Arabia and Russia, is beginning to unwind the next layer of halted supplies after just completing the surprise fast-tracking of a previous tranche. However, some delegates mentioned that discussions are still ongoing.

This increase would mark a major shift for OPEC and its partners. The group stunned oil markets in recent months by reviving 2.2 million barrels of halted production well ahead of schedule to regain market share. Despite warnings of a looming supply surplus, markets remained relatively tight during the northern hemisphere summer. Looking longer-term, the OPEC+ move reduces a key safety net idle production that could be used to cushion unexpected supply shocks.

And the decision (well, almost!) on Sunday would be another unexpected twist by Saudi Energy Minister Prince Abdulaziz bin Salman, who is known for surprising markets and wrong-footing speculators. Additionally, some smaller members might not yet be able to meet their obligations to increase production, potentially leading to a balanced market in Q4 rather than a flood of oil.

There's not much more to add this week since tomorrow's opening prices depend on today's final OPEC decision.

This week's closing guide prices:

Name	Price	Last Week
Ice Brent	$65.67	-1.87
WTI	$61.87	-2.25
Ice Gas Oil	$684.00	+8.00
Euro Mogas Swaps	$704.00	+9.00
Euro Naphtha Swaps	$549.25	-14.75
Nymex Gasoline	$1.9642	-0.84¢/gal
LPG Swaps	$470.50	+16.50
OPEC Basket	$71.32	
Gold	$3653	

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