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Oil markets endured a highly volatile week that ended with an unexpected reversal, reinforcing the idea that prices are currently trapped in a “bubble of fear.” After weeks of stories warning of a major oil glut in the fourth quarter of 2025, ICE Brent finally fell below \$60 a barrel, its lowest level since the Covid pandemic. However, despite intense bearish sentiment throughout the week, prices staged a late recovery. On Friday evening, Brent defied expectations, closing at \$60.55 in what many described as a “rip curl” against the prevailing wave of selling.

This rebound has left traders who pushed prices down into the \$58-a-barrel range feeling uneasy as the holiday season approaches. The key question is why crude prices refused to fall further. One plausible explanation is that the long-anticipated “oil glut” is already priced into the market, somewhere between \$59 and \$62 a barrel. Year-on-year comparisons support this view: at the same point in 2024, Brent was trading at \$12.43 a barrel higher, while WTI was \$13.93 higher. These much lower prices today already reflect rising supply, slowing demand, and crucially, a heavy overlay of fear.

Indeed, 2025 is shaping up to be one of the most difficult years on record for trading oil.

Traditional supply-and-demand fundamentals have lost much of their influence, replaced by powerful geopolitical shocks and relentless political rhetoric. Markets are now being driven less by physical oversupply and more by fear, uncertainty, and headline risk, conditions that have proven especially hostile for speculators.

That fear was clearly evident during the week. Reports emerged that the United States had detained a Venezuelan oil tanker as part of efforts to deprive the government of oil revenues. In Europe, Russian President Vladimir Putin stated he did not want a war with Europe but warned that Russia was ready if conflict were forced upon it. Meanwhile, Ukraine carried out drone attacks on the MT Qendil, an Omani-flagged tanker it described as part of Russia’s shadow fleet. Although the vessel was empty, continued attacks could disrupt European oil trade. As a result, tankers

carrying Russian crude are reportedly avoiding traditional Black Sea routes and instead hugging the Georgian and Turkish coastlines to reduce exposure to Ukrainian drones, according to Bloomberg ship-tracking data.

Additional anxiety came from President Trump’s warning that the US would intensify sanctions on Russia if peace talks fail. This prompted Russia to send an envoy to Florida for discussions with US representatives; the outcome remains unclear.

Elsewhere, the US tightened sanctions on Iran, adding 29 more tankers to its blacklist and bringing the total to over 180 since January 2025. In Libya, upstream firms are reportedly selling crude directly to Western buyers in defiance of the state oil company. Finally, BP announced the sudden resignation of its CEO and the appointment of an external successor, reigniting speculation of a possible BP-Shell alliance.

Against this backdrop of fear-driven headlines, oil prices appear less about surplus barrels and more about geopolitical risk.

This week's closing guide prices:

Name	Price	Last Week
Ice Brent	\$60.55	-0.65
WTI	\$56.54	-0.79
Ice Gas Oil	\$609.25	-20.75
Euro Mogas Swaps	\$587.50	-27.50
Euro Naphtha Swaps	\$ 497.50	-5.50
Nymex Gasoline	\$1.7164	-3.71 ¢/gal
LPG Swaps	\$461.75	-2.75
OPEC Basket	\$59.56	
Gold	\$ 4387	