

Oil prices hold the line as gold soars



Oil prices moved higher this week as geopolitics, fear, and uncertainty once again overwhelmed the International Energy Agency’s long-held prediction that the global oil market will remain mired in an oversupply for the foreseeable future. In theory, a persistent oil glut should exert downward pressure on prices. In practice, the market continues to ignore that forecast—and traders are still waiting to see it materialise.

So what happened this week to derail the IEA’s view? For five consecutive sessions, oil prices defied expectations, holding steady to firm before eventually pushing higher on a series of increasingly bullish developments.

The most prominent catalyst was a surge in speculation that the US military could take action against Iran. Those rumours gained credibility after several key US warships altered course, heading from the South China Sea toward the Middle East. The aircraft carrier USS Abraham Lincoln, along with guided-missile destroyers Spruance, Frank E. Petersen Jr., Michael Murphy, Stockdale, and O’Kane, appeared to form a formidable naval presence. President Donald Trump added to the tension, stating the vessels were being deployed “just in case.”

Iran produces approximately 3 million barrels per day of crude oil and ranks among OPEC’s top five producers. Any disruption to Iranian exports would almost certainly push oil prices sharply higher, and markets wasted little time factoring that risk into pricing.

Additional bullish headlines soon followed. As investors digested the aftermath of the Davos Economic Forum, severe cold weather swept across the US, Russia poured cold water on efforts to revive peace talks aimed at ending the Ukraine conflict, and President Putin warned President Trump to keep his “hands off Greenland.” At the same time, the US dollar experienced its weakest week in months, providing further support to commodities priced in dollars.

Europe also played a role in tightening sentiment. The EU imposed new, indirect sanctions on Russia by barring refiners that export products made from Russian crude oil to Europe for 60 days. Diesel and jet fuel are expected to be most affected, potentially leaving Europe short of supply in two critical mainstream products.

As if these developments were not enough, the final boost for oil bulls came when Kazakhstan declared force majeure on its Tengiz crude production following a fire. The temporary loss of supply is significant. In 2025, Kazakhstan exported just under 79 million tonnes of crude oil—around 570 million barrels—more than enough to influence global balances if

flows are disrupted for any length of time.

For now, the oil market is swimming in supportive headlines. Add a generous dose of fear and uncertainty, and the oil complex resembles a jack-in-the-box—quiet for now, but primed to spring when least expected.

Elsewhere in the market, India’s largest private refiner, Reliance Industries, will resume imports of sanctions-compliant Russian crude after a brief pause, with 2025 imports averaging a record 540,000 barrels per day. The White House has also approved Venezuelan oil sales to China, though not at the deeply discounted levels previously enjoyed. Meanwhile, the French navy intercepted a shadow-fleet tanker carrying Russian oil in the Mediterranean, citing full compliance with international maritime law.

Gold stole the spotlight.

Gold surged beyond \$5,000 per ounce, setting a fresh record. Strong US consumer spending data reinforced expectations of rate cuts in 2026, while concerns over Federal Reserve independence, trade tensions, and Middle East conflicts fuelled safe-haven demand. Gold may no longer need a crisis to rally—but at \$5,000 an ounce, investors may still ask just how “safe” it really is.

This week’s closing guide prices:

Name	Price	Last Week
Ice Brent	\$66.29	+2.52
WTI	\$61.28	+2.06
Ice Gas Oil	\$682.00	+33.00
Euro Mogas Swaps	\$629.75	+23.25
Euro Naphtha Swaps	\$534.00	+18.00
Nymex Gasoline	\$1.8717	+6.07 ¢/gal
LPG Swaps	\$505.50	+33.50
OPEC Basket	\$63.21	
Gold	\$5017	