

Tariff Bingo back in play



This was one of the more incredible weeks in oil trading history.

Whilst oil traders and investors sat at their desks diligently absorbing the skillfully calculated and informative OPEC and IEA monthly reports, reminding us all of the oil glut in our midst with worse to come, a tornado not dissimilar to that which opened that famous film “The Wizard of Oz” was raging outside.

Donald Trump, our very own 21st-century Wizard of, had grabbed the oil market’s attention with words and deeds which, as always, are more unprecedented than the previous number of his unprecedented words and deeds.

There may have been much trading of physical oil going on outside, but in terms of just trying to keep up with oil price volatility, it didn’t really matter at all. This week, two stories continued to dominate the movement of oil prices, with a third being the renewal of a popular numbers game.

America and Iran stood on the brink. Russia and Ukraine stepped away from the brink, and Donald brought tariff bingo back into play.

America continued to add hardware to the Naval battle fleet sitting and waiting at various strategic points in the seas around Oman, ready to attack Iran should the latest talks between America and Iran, designed to limit Iran’s nuclear ambitions, break down. Donald Trump placed a time limit of 10 days on these talks. The clock began ticking last Thursday.

Iran did not sit idly by as the might of American hardware gathered. They had already displayed their own response to the American presence on Monday with a show of strength by the Iranian Revolutionary Guard, who staged their own display of maritime drills in the fabled Straits of Hormuz waterway, the crucial oil transit route through which 30% of the world’s oil and gas must transit to reach its global destinations.

Oil prices shot higher on the back of all of this activity and threatening rhetoric, but the war of words between America and Iran wasn’t the whole reason oil prices strengthened this week.

Talks to end the war between Russia and Ukraine broke down after two hours in Geneva on Tuesday, kick-starting a snoozing oil market caught like rabbits in headlights waiting for every twitch from the America and Iran talks, but almost missing the events in Geneva as the same again with no solution.

Yet again opinions swirled around the market as to whether Russia was so embedded in a war that began this month 4 years ago (February 24th) they did not want it to end and that in turn led traders and investors to believe we remain a long way off the lifting of sanctions against Russia and the return of Russian oil flows back into the markets.

The final tornado this week was driven by an American Supreme Court decision on Friday striking down President Trump’s sweeping global tariffs and dealing a major blow to his economic agenda thus bringing new uncertainty to global markets struggling to adapt to his already whipsawing trade policies.

Donald’s reaction was compounded yet again when he announced that he was imposing a new across-the-board 10 percent tariff in defiance of the ruling, but changed that to 15% on Saturday.

Just as we thought tariff bingo had been shut away in an old dusty cupboard, it returns to haunt the world yet again with Donald searching for as many old laws as he can find to bite the Supreme Court back!

It’s not clear how much this old problem will impact oil prices on Monday morning, but it’s more than likely going to be considered the old game of tariff bingo that’s popped out of the cupboard at a very dangerous time, and nothing more than that but as always in the oil markets, expect the unexpected!

This week’s closing guide prices:

Name	Price	Last Week
Ice Brent	\$67.73	+3.97
WTI	\$66.31	+3.47
Ice Gas Oil	\$727.75	+59.50
Euro Mogas Swaps	\$678.75	+40.25
Euro Naphtha Swaps	\$571.00	+21.50
Nymex Gasoline	\$1.9973	+8.97 ¢/gal
LPG Swaps	\$526.50	+30.00
OPEC Basket	\$69.79	
Gold	\$5107.00	