QUARTERLY ENERGY NEWSLETTER

Q4, 2025

A Message from Mashreq's Energy Sector Team

The success of our team is built on consistent knowledge exchange with our stakeholders, partners, and customers. We hope you find the insights inside valuable and useful.

Thank you for taking the time to read our Q4 2025 Newsletter.
We wish you the best of health and well-being always.

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Mashreq In Review – Q4, 2025

What's at Stake for Energy Producers as Markets Grow Immune to Geopolitical Shocks

By Sajjad Jafri
Head of Energy and Commodities
Mashreq

Energy markets are moving through one of the most unpredictable phases in recent memory. The pace of change is accelerating—only a few years ago the focus was on energy security and hydrogen, and now artificial intelligence dominates industry strategy and investment decisions. National oil companies are rapidly expanding and diversifying their portfolios, acquiring assets, and entering new sectors to stay relevant in a world where technology increasingly defines competitiveness.

Yet, despite this transformation, the fundamentals of supply and demand remain constant anchors in a volatile sea. Geopolitical shocks that once caused dramatic price swings—such as sanctions on major producers or unrest in key supply hubs—now barely register in market behavior. Oil prices have become curiously immune to disruption, reflecting an era of uncertainty where data, sentiment, and short-term positioning often outweigh physical realities.

The real challenge for the industry is no longer about forecasting the next price move, but about sustaining long-term vision amid short-term pressures. Investment horizons have shrunk from multi-year cycles to twelve-month windows, pushing companies to act quickly and think tactically. The winners in this environment will be those able to pair discipline with agility—balancing policy consistency, innovation, and commercial resilience in a world of shifting priorities.

Source: Mashreq Energy End of year energy review :
https://www.thegulfintelligence.com/mediafiles/cataloguedatasheet/31eb511c-0206-4fa0-9246-d201d3ecffdd.pdf

Mashreq delivers strong 9M 2025 performance with operating income of AED 9.4bln and 8% year-on-year growth in Q3

November 2025 - Mashreq reported its financial results for 9M 2025.

Mashreq reported an increase in Operating Income to AED 9.4 billion for the 9M 2025. The third quarter Operating Income of AED 3.2 billion, is an increase of 4% Quarter-on-Quarter and 8% Year-on-Year, reflecting strong profitable growth across all its core businesses, mainly driven by rising client activity, resilient Net Interest Income and high non-interest income growth (20% Year-on-Year).

Net Profit Before Tax of AED 6.1 billion, underscoring the Bank's ability to continue to deliver strong profitability amid a moderating rate environment, supported by a Net Interest Margin of 3.2%, a Cost-to-Income Ratio of 31%, and a Return on Equity of 20%.

Total Assets surpassed AED 300 billion for the first time, with continued double-digit balance-sheet expansion and the depth of Mashreq's franchise. Customer Loans & Advances increased by 21% Year-on-Year and customer deposits by 20% Year-on-Year.

Mashreq continues to advance its strategy by combining balanced growth with efficiency, accelerating investment in digital platforms and data intelligence, and expanding its global presence to create enduring value for clients and shareholders.

H.E. Abdul Aziz Al Ghurair
Chairman, Mashreq

"Mashreq's performance stands as a testament to the strength of our strategic vision and the trust we continue to earn from clients, shareholders, and partners. Surpassing AED 300 billion in total assets is a clear reflection of our disciplined growth strategy and our deep alignment with the evolving economic priorities of the markets in which we operate. This achievement comes at a

time when the UAE's banking sector is demonstrating exceptional resilience and dynamism. Backed by strong capital and liquidity positions, improved asset quality, and steady growth across key indicators, the financial system remains well-positioned to support economic expansion.

Looking ahead, we expect the banking sector's outlook to remain positive, supported by sound fiscal governance, robust fundamentals, and the continued advancement of a transparent and innovation-led financial ecosystem. As we continue building on this momentum, Mashreq remains firmly committed to enabling sustainable, inclusive growth, both in our home market and across the international communities we serve."

Ahmed Abdelaal
Group CEO, Mashreq

Mashreq continues to deliver strong and sustainable performance underpinned by a clear strategic vision and a disciplined operating model. Our net profit reached AED 6.1 billion, supported by a 20% year-on-year increase in non-interest income and AED 9.4 billion in operating income, reflecting broad based growth across corporate, retail, and international segments.

One of the most significant developments this year has been our commercial launch in Pakistan, a milestone that reinforces our international strategy. We have received strong support from government, regulators and stakeholders, and the market's positive reception has validated our digital first approach to serving both individuals and businesses in one of the most promising

economies in the region.

Our growing presence across key international markets is enabling us to support the flow of capital and commerce along vital global trade corridors connecting Asia, the Middle East, Europe, and the United States. This includes our expansion into GIFT City in India, a pivotal step in advancing the India–Middle East corridor and strengthening our ability to provide seamless cross-border financial solutions and capitalize on the immense potential of this corridor.

As trade volumes continue to expand, Mashreq is well positioned to play a pivotal role in facilitating cross-border financial activity and enabling regional growth. At the same time, we are embedding advanced digital and AI technologies across our operations to enhance the way we serve clients and manage risk. These innovations are central to our strategy, helping us unlock new efficiencies, deliver more intuitive experiences, and scale impact across every business line.

We remain focused on building a future-ready banking ecosystem that delivers lasting value to our clients, shareholders, and communities. With strong capital, diversified growth drivers, and a clear international agenda, Mashreq is exceptionally well placed to capture new opportunities and shape the future of financial services in the region and beyond.

Source: https://www.zawya.com/en/press-release/companies-news/mashreq-delivers-strong-9m-2025-performance-with-operating-income-of-aed-94bln-and-8-year-on-year-growth-in-q3-y6xyezg2

Mashreq Wins Big at Euromoney Awards for Excellence in 2025

Mashreq has earned multiple Euromoney Awards across various categories, reinforcing its leadership in the Middle East, UAE, and Bahrain:

- **Middle East's Best Bank for Large Corporates**
- **Middle East's Best Digital Bank for Large Corporates**
- **Middle East's Best Bank for Homeowners**
- **Bahrain's Best International Bank**
- **Bahrain's Best Bank for Large Corporates**
- **UAE's Best Bank for Large Corporates**
- **UAE's Best Bank for Homeowners**

Source: https://www.mashreq.com/en/uae/about-us/our-company/awards-accolades/euromoney-excellence-award-2025/

Global Oil Demand

The global oil demand growth forecast for 2025 remains at about 1.3 mb/d, y-o-y, unchanged from last month's assessment. In the OECD, oil demand is forecast to grow by about 0.1 mb/d in 2025, while the non-OECD is forecast to grow by about 1.2 mb/d. In 2026, global oil demand is forecast to grow by about 1.4 mb/d, y-o-y, unchanged from last month's assessment. The OECD is forecast to grow by about 0.1 mb/d, y-o-y, while the non-OECD is forecast to grow by about 1.2 mb/d, y-o-y.

World Oil Supply

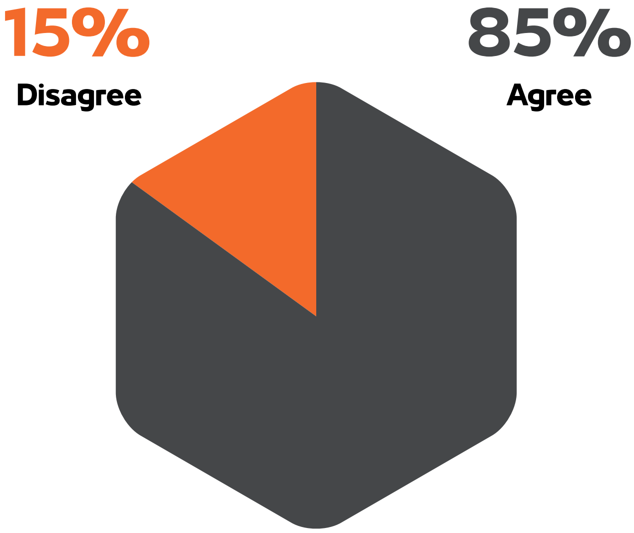
Non-DoC liquids production (i.e., liquids production from countries not participating in the Declaration of Cooperation) is forecast to grow by about 0.9 mb/d, y-o-y, in 2025, revised up slightly by around 0.1 mb/d from last month's assessment, mainly due to received historical data in 2025. The main growth drivers are expected to be the US, Brazil, Canada, and Argentina. The non-DoC liquids production growth forecast for 2026 remains at 0.6 mb/d, y-o-y, with Brazil, Canada, US, and Argentina as the main growth drivers. Natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to grow by 0.1 mb/d, y-o-y, in 2025, to average 8.6 mb/d, followed by a similar increase of about 0.1 mb/d, y-o-y, in 2026, to average 8.8 mb/d. Crude oil production by countries participating in the DoC decreased by 73 tb/d in October, m-o-m, to average about 43.02 mb/d, according to available secondary sources.

Sources: OPEC Oil Market Report, November 2025

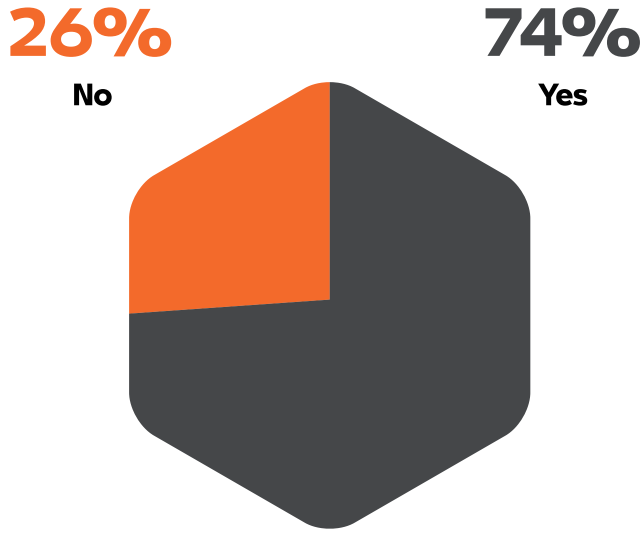
	SEP 2025	OCT 2025	CHANGE (OCT/SEP 2025)	YEAR-ON-YEAR (Y-O-Y)	
				2024	2025
WTI	**$63.53/bl**	**$60.07/bl**	**- 3.46 %**	**$76.95/bl**	**$65.93/bl**
BRENT	**$67.58/bl**	**$63.95/bl**	**- 3.63 %**	**$81.13/bl**	**$69.27/bl**
DME OMAN	**$70.04/bl**	**$64.95/bl**	**- 5.09 %**	**$80.91/bl**	**$70.63/bl**
SPREAD					
Brent-WTI	**$4.05/bl**	**$3.88/bl**	**-0.17 %**	**$4.18/bl**	**$3.34/bl**

Sources: OPEC Oil Market Report, November 2025

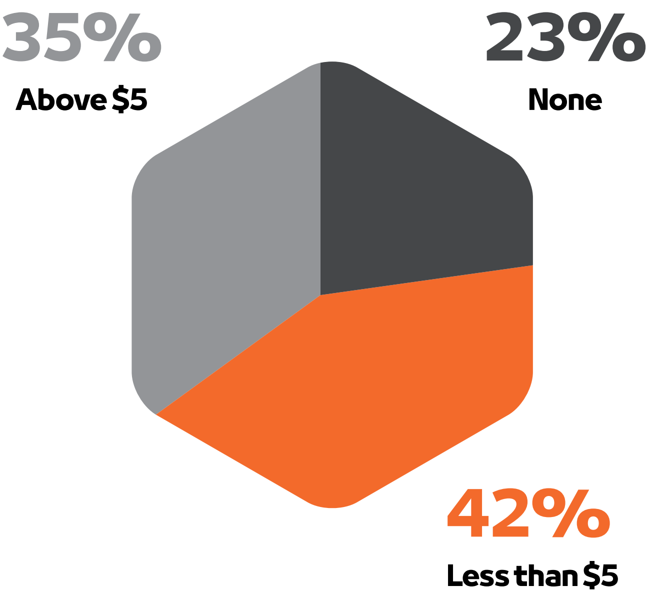
Tighter sanctions on Russian oil exports will trigger steeper discounts and create more brave buyers?



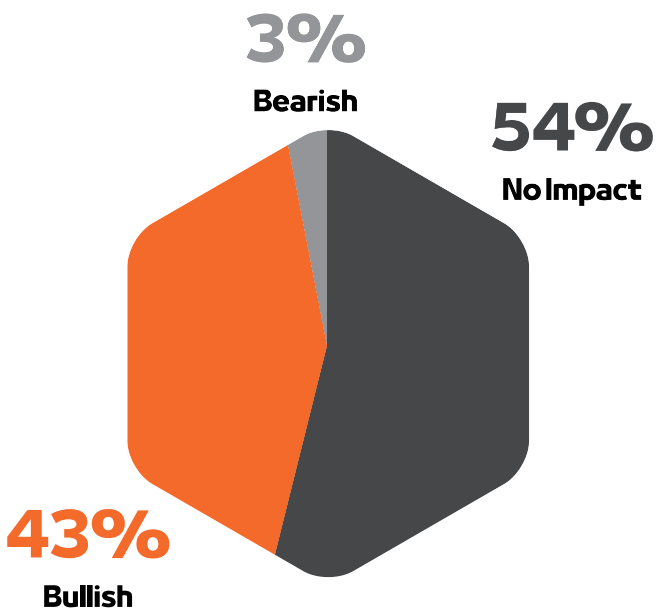
Will Russia still need to offer its Oil at a discount to secure Asian buyers even if Moscow signs Peace agreement with Ukraine?



What geopolitical risk is the market factoring into oil prices at year end?

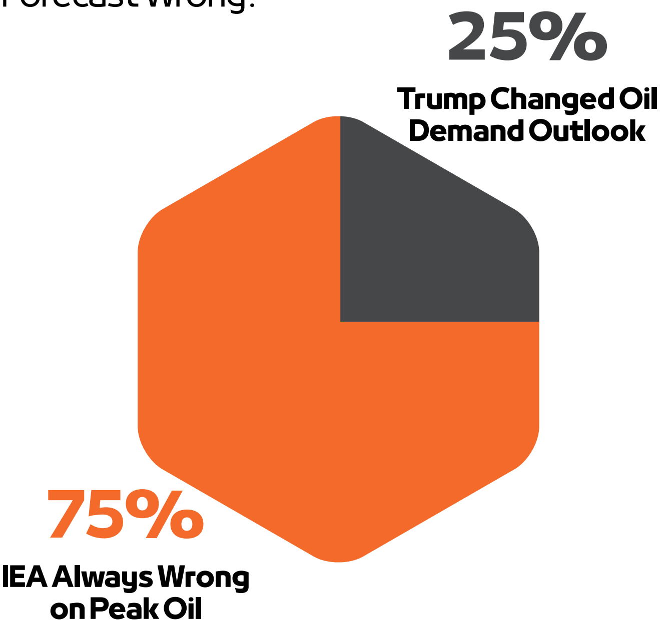


How will Nvidia's market-topping earnings impact oil markets over short term?

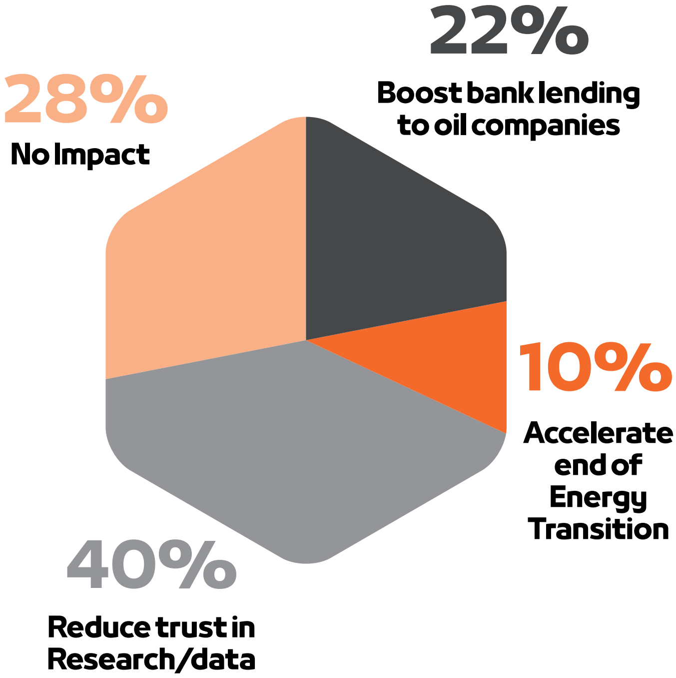


Source: Gulf Intelligence Publishing

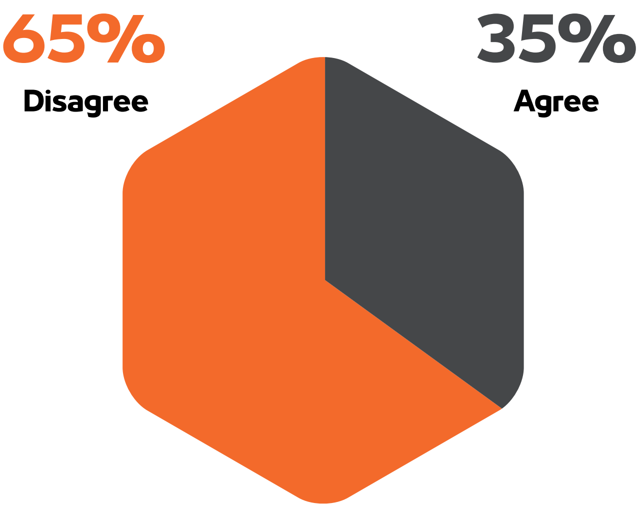
Has Trump single handedly bent the curve up on the outlook for oil demand beyond 2050 or did the IEA just get their peak oil Forecast Wrong?



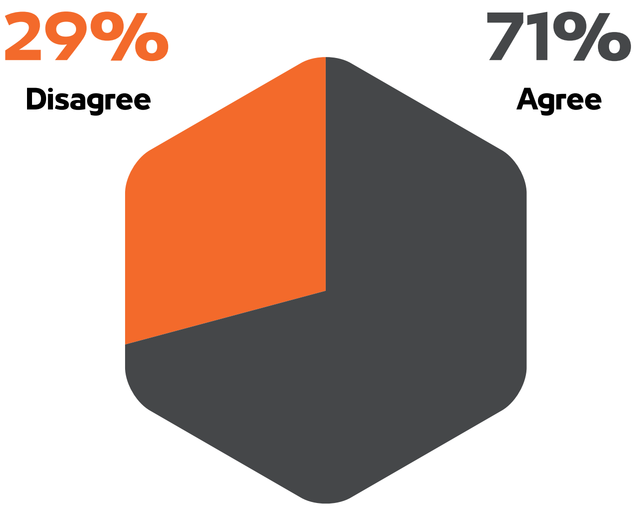
The IEA decision to abandon peak oil demand forecast will have greatest impact on:



OPEC+ announcement to suspend oil supply increases from January, on top of further sanctions against Russian exports, will drive Brent crude to $70 by year-end?



US Election results swings to the left and continued government shutdown will be bearish for oil prices moving into Year End?



Source: Gulf Intelligence Publishing

Energy Markets Soundings

OIL MARKET CYCLE

"The oil market is in the late-stage correction phase following the war-driven spike to around $130 WTI by Russia's invasion of Ukraine in February 2022. The downside risk looks largely exhausted, with firm support near $55."

Omar Najia, Derivatives Trader, BB Energy

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 251 – Nov. 27, 2025

RUSSIA-UKRAINE WAR

"The EU is really under pressure. In Belgium we have three-day demonstrations and strikes, people unhappy across many places, and this war is costing Europe heavily."

Laury Haytayan, MENA Director, Natural Resource Governance Institute

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 251 – Nov. 27, 2025

CHINA OIL PRODUCTS

"China's oil demand growth is slowing sharply, with gasoline and diesel declining and jet fuel rising slightly, while petrochemicals increasingly dominate as overall demand approaches a structural peak."

Alan Gelder, SVP Refining, Chemicals & Oil Markets, Wood Mackenzie

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 251 – Nov. 27, 2025

US-INDIA TRADE

"We expect a breakthrough in the U.S.–India trade deal very soon, as most issues have been resolved. Timing the announcement is now the primary consideration."

Narendra Taneja, India's Leading Energy Expert

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 250 – Nov. 20, 2025

EUROPE FUEL DEMAND

"Distillates' dual role in transportation and heating, combined with ongoing supply shortages, makes the market particularly exposed to winter conditions and potential price spikes ahead."

David Elward, Pricing Director, Energy Transition General Index

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 250 – Nov. 20, 2025

OPEC+ STRATEGY

"Market structure remains in backwardation, supporting OPEC+ stability, while tight distillate and gasoline markets keep product prices elevated despite lower crude—an imbalance that will continue influencing dynamics heading into 2026."

Paul Hickin, Chief Economist and Editor-in-Chief, Petroleum Economist

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 250 – Nov. 20, 2025

SPARE CAPACITY

"Spare capacity within OPEC+ is limited. Russia is almost out of the picture now with sanctions and infrastructure problems. Only Saudi, and to an extent the UAE, can step in."

Ali Al Riyami, Consultant & Former DG of Marketing, Ministry of Energy & Minerals, Oman

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 249 – Nov. 13, 2025

Energy News Highlights

KUWAIT SHORTLISTS BIDDERS FOR 500 MW AL-SHAGAYA SOLAR PROJECT

OCTOBER 7, 2025

Kuwait's Ministry of Electricity, Water and Renewable Energy has shortlisted five consortia to bid for a 500 MW solar photovoltaic project at Al-Shagaya. The project, developed under a public-private partnership model, is expected to support Kuwait's target of generating 15% of its electricity from renewables by 2030 and will include a long-term power purchase agreement with the state.

Source: Zawya

https://www.zawya.com/en/projects/utilities/kuwait-shortlists-consortia-for-al-dibdibah-power-and-al-shagaya-solar-power-project-fnmxxt23

MASDAR AND ENGIE TO DEVELOP 3.4 GW SOLAR PARK IN ABU DHABI FOR KHAZNA DATA CENTRES

OCTOBER 10, 2025

The UAE's Masdar and France's ENGIE signed an agreement to develop a 3.4 GW solar PV park in Abu Dhabi dedicated to powering Khazna Data Centers' operations. The project is designed to supply up to 100% renewable electricity for Khazna's facilities, reinforcing the UAE's strategy to expand clean power capacity while supporting the rapid growth of energy-intensive digital infrastructure.

Source: Emirates News Agency (WAM)

https://www.wam.ae/en/article/bm4uw3r-ewec-announces-partners-develop-15gw-khazna-solar?utm

EGYPT'S SUEZ CANAL AUTHORITY SIGNS $2 BILLION PETROCHEMICAL COMPLEX DEAL

OCTOBER 22, 2025

Egypt's Suez Canal Authority announced a $2 billion strategic partnership with Anchorage Investments to build a petrochemical complex in Ain Sokhna. The first phase will focus on polypropylene and hydrogen output, with later phases adding additional petrochemicals mainly for export, underscoring Egypt's ambition to expand value-added downstream industries along key trade corridors.

Source: Reuters

https://www.reuters.com/business/energy/egypts-suez-canal-authority-signs-2-billion-petrochemical-complex-deal-2025-10-22/

BAHRAIN SOLAR PLANT MARKS STEP TOWARDS 2060 CARBON NEUTRALITY GOAL

OCTOBER 22, 2025

Bahrain commissioned a new large-scale solar power plant as part of its strategy to reach net-zero emissions by 2060. The facility is expected to significantly increase the kingdom's installed solar capacity and reduce reliance on natural gas-fired power, aligning with national plans to diversify the energy mix and cut carbon intensity.

Source: Utilities Middle East

https://www.utilities-me.com/news/bahrain-plans-150mw-solar-project

WAVE OF LNG SUPPLY TO 'CHANGE THE RULES' OF GAS MARKET, SAYS IEA CHIEF

OCTOBER 27, 2025

International Energy Agency (IEA) Executive Director Fatih Birol said a surge of new liquefied natural gas (LNG) supply coming online this year and next is shifting the market from a sellers' market to a buyers' market, helping to push prices down. He highlighted rapidly rising power demand from data centres and air conditioning, and noted that nuclear power and small modular reactors are also making a global comeback in the power mix.

Source: Reuters / International Energy Agency

https://www.reuters.com/business/energy/wave-lng-supply-change-rules-market-iea-chief-says-2025-10-27/

PENTLAND FLOATING OFFSHORE WIND FARM IN SCOTLAND GAINS UK PUBLIC INVESTMENT

NOVEMBER 19, 2025

The UK's Great British Energy, the National Wealth Fund and the Scottish National Investment Bank announced plans to invest up to £50 million each in the Pentland Floating Offshore Wind Farm off the coast of Dounreay, Scotland. The project is expected to generate enough green electricity to power around 70,000 homes and support over 1,000 jobs, showcasing the UK's push to scale floating offshore wind as part of its clean-energy industrial strategy.

Source: Great British Energy

https://www.gbe.gov.uk/blog/major-floating-offshore-wind-project-secures-backing-great-british-energy-national-wealth-fund

OMAN–EU FORUM PREPARES GREEN HYDROGEN SUMMIT OMAN 2025

NOVEMBER 30, 2025

Oman's Ministry of Energy and Minerals hosted the Oman–EU Green Hydrogen Forum and Energy Leaders Forum in Muscat as part of the lead-up to the Green Hydrogen Summit Oman 2025. Officials highlighted Oman's hydrogen auctions, land allocations for renewables, and net-zero 2050 roadmap, positioning the country as a key partner for Europe in green hydrogen and low-carbon fuel supply chains.

Source: Muscat Daily

https://www.muscatdaily.com/2025/11/30/oman-eu-forum-sets-stage-for-green-hydrogen-summit/

PAKISTAN'S OGDC PLANS UNCONVENTIONAL GAS PUSH TO EASE ENERGY SHORTAGES

DECEMBER 5, 2025

Pakistan's state-run Oil and Gas Development Company (OGDC) outlined plans to accelerate exploration and development of unconventional gas resources, including tight and shale formations. The strategy aims to reduce the country's dependence on LNG imports, improve energy security, and address persistent power shortages by tapping domestic reserves.

Source: Reuters

https://www.reuters.com/business/energy/pakistans-ogdc-ramps-up-unconventional-gas-plans-2025-12-05/

QATARENERGY PROJECTS STRONG LNG DEMAND AS IT PRESSES EU ON SUSTAINABILITY RULES

DECEMBER 6, 2025

Qatar's Energy Minister Saad al-Kaabi said he expects global LNG demand to reach 600–700 million tonnes per year by 2035, driven in part by booming energy needs from artificial intelligence and data centres. Speaking at the Doha Forum, he reiterated Qatar's concerns over the EU's Corporate Sustainability Due Diligence Directive while confirming that the North Field expansion will raise Qatar's LNG output to 126 million tonnes per year by 2027.

Source: Reuters

https://www.reuters.com/business/energy/qatar-hopeful-eu-will-resolve-corporate-concerns-over-sustainability-laws-by-2025-12-06/

HONG KONG NEWS OUTLET HIGHLIGHTS PLAN FOR FIRST OFFSHORE WIND FARM BY 2027

DECEMBER 6, 2025

A Hong Kong News (HKSAR.org) report revisited HK Electric's plan to build a 600-hectare offshore wind farm southwest of Lamma Island, which would supply carbon-free electricity to up to 120,000 families. The project, incorporating 13–19 turbines with 150 MW of capacity, is framed as a key step toward Hong Kong's Climate Action Plan 2050 targets to cut greenhouse-gas emissions by half by 2035 and expand renewable power in the city's generation mix.

Source: Hong Kong News (HKSAR.org), summarising HK Electric's offshore wind plan

https://hksar.org/hong-kong-could-get-first-offshore-wind-farm-in-2027-with-power-for-120-000-families

Global Energy Outlook

Sara Akbar
Chairperson & CEO, OiLSERV, Kuwait

What impact would a Russia-Ukraine peace deal have on energy markets?
The aftermath of any peace deal would take time. Even if that were to happen today, yes - trader psychology might respond, but there would be no fundamental impact in the first quarter or even first half of next year. The other point is that Europe has lost trust with Russia, so going back to the old arrangements will not happen. They will probably go back to take some gas, but they will be aware of the situation they put themselves in and lessons learned.

How might OPEC+ be looking to navigate volumes in the new year?
They have been very consistent in their mission – which has been to ensure security and affordability of energy. I don't think anything will change with OPEC Plus next year. They will continuously evaluate and work together in managing flows and ensure that there is some kind of foresight on pricing, so that people can truly invest. They will closely monitor the market and modify volumes if needed.

Do you expect Iranian oil exports to remain consistent into 2026?
There are many ways for Iran to get around sanctions and continue to sell its crude, and that will continue. I also see Iran's relations possibly evolving in the region next year. During the recent visit to Washington by Saudi Arabia's Crown Prince, they were trying to create some kind of mediation between Iran and the US. President Trump says is he is trying to create peace in the region; if there is enough pressure from the various countries, things might really change in this part of the world.

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 251 – Nov. 27, 2025

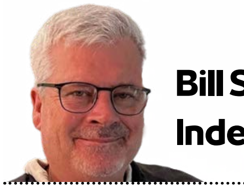
Henning Gloystein
Head of Energy, Climate & Resources, Eurasia Group

Ukraine peace prospects remain remote
Despite renewed diplomatic movement, prospects for a negotiated ceasefire between Russia and Ukraine remain slim. Recent targeted strikes on Ukraine's energy infrastructure have hardened Kyiv's position, reducing its willingness to engage in good-faith negotiations. Although the United States has introduced an updated ceasefire proposal—revised with European input to better reflect Ukrainian interests—Moscow has already signaled likely rejection. Both sides currently believe they can still gain advantage militarily, making compromise improbable in the near term.

Escalating damage raises the stakes
The conflict's economic and physical toll is intensifying. Ukrainian attacks on Russian refineries and crude export facilities have inflicted deeper damage than seen earlier in the war. While Russia remains economically resilient, the cumulative impact is rising. At the same time, Europe has toughened its sanctions posture, and India has begun reducing purchases of Russian oil. Nevertheless, these pressures have not pushed Moscow toward meaningful concessions.

US-Gulf relations enter a new phase
A major geopolitical shift is unfolding in US relations with Saudi Arabia and the UAE. Recent high-level engagements in Washington suggest a reset, with major benefits for Gulf states in areas such as defense cooperation, advanced technology, and AI-driven data infrastructure. While oil is no longer the centerpiece of the relationship, it still matters: the US favors lower prices, while producers prefer higher levels. Ultimately, abundant US supply and resilient shale output point to a multi-year period of structurally moderate prices.

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 251 – Nov. 27, 2025



Bill Spindle
Independent Geopolitics & Energy Analyst

Geopolitics is reordering oil markets—again
The shifting dynamics around Russia and Ukraine reveal how political pressure—particularly from Washington—can reshape energy flows long before any formal agreement is signed. The push toward a settlement that favors Moscow suggests sanctions may gradually unwind, enabling Russian barrels to re-enter global markets through more conventional channels. While total volumes may not dramatically change, the normalization of trade pathways could recalibrate pricing structures and soften volatility. Markets, sensitive to signals, will respond long before physical flows do.

Japan's new leadership signals a strategic hard pivot
Japan's political transition has heightened tensions with China, driven by a more hawkish posture that reinforces long-standing regional frictions. This assertiveness comes as Japan grapples with inflation unfamiliar to its deflation-trained population. The government is deploying subsidies to cushion consumers, even as rising defense commitments strain finances. Japan's bond market feels the pressure, prompting the central bank to intervene, a move that further weighs on the yen. The country now stands at the center of a delicate triangle of economic pressure, security concerns, and currency instability.

Energy security pushes Japan toward nuclear and LNG anchors
Japan's long-term energy strategy is leaning decisively back toward nuclear power. Key reactors are being cleared for restart, with plans for new builds and even small modular reactors on the horizon. Meanwhile, hydrogen-ammonia co-firing remains a distant but symbolic pillar of its decarbonization agenda. Crucially, LNG remains Japan's safety valve. A robust global LNG market is essential for Japan's energy stability, particularly as nuclear restarts proceed slowly and geopolitical uncertainties linger.

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 251 – Nov. 27, 2025

June Goh
Senior Oil Analyst, Sparta Commodities

The current disconnect between tech blockbuster earnings and energy is striking
The AI revolution is deeply energy-intensive—data centers require vast amounts of reliable power, and oil remains one of the immediate, scalable sources to support that growth. That is why, beneath today's market pessimism, I see an undervaluation opportunity forming across the energy complex. But fundamentals still rule the day, and for now the dominant narrative is a perceived oil glut—whether real or exaggerated—which continues to anchor prices in the $60s.

China's Strategic Buying and Asia's Delayed Tariff Shock
China is using this price window to quietly and aggressively rebuild its stocks, with commercial and SPR tanks only sixty percent utilized and substantial new capacity coming online next year. This gives Beijing tremendous flexibility and reinforces its position as the most resilient major Asian economy heading into 2026. Vietnam, through skillful "bamboo diplomacy," has navigated tariff pressures more effectively than its neighbors, but Southeast Asia as a whole may only begin to feel the delayed impact of U.S. trade measures next year. Meanwhile, the sanctioned crude story is diverging: Selected Chinese private refiners are buying discounted Russian barrels at full tilt, while Indian refiners have paused purchases pending clarity on their U.S. trade negotiations. The oil market may look subdued, but beneath the surface, Asia's strategic repositioning is already shaping the next phase of the cycle.

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 250 – Nov. 20, 2025

Livia Gallarati
Global Crude Lead, Energy Aspects

Markets Have Learned to Fade the Trump Noise
The oil market has shown it is largely immune to US sanctions drama, policy reversals, and political theatrics. After the spring tariff shock, traders adapted quickly. Even the latest U.S. sanctions on Russian oil companies produced only a brief reaction before prices settled back into their tight range. The market's skepticism is justified: Washington has not demonstrated a willingness to enforce sanctions strictly, and without credible enforcement, risks remain underpriced but contained. Still, the market may be underestimating risk in the fate of Lukoil's international assets. The U.S. blocking Gunvor's attempted purchase signals a more assertive sanctions posture. Whether these assets are split among several buyers—or seized outright by governments for energy security—operational disruption is likely. Here, unlike with Trump's headlines, the market should pay attention.

Saudi–U.S. Energy Relations Are Evolving
The recent Saudi visit to Washington underscored another shift. Oil was notably absent from the agenda—not because it is irrelevant, but because both sides see little to dispute at current price levels and general oil policy alignment. U.S. gasoline prices remain far below politically sensitive thresholds, reducing pressure on Riyadh. And any suggestion Saudi Arabia is "gifting" low prices to Trump misses the structural dynamics: balances were always expected to soften into early 2026.

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 250 – Nov. 20, 2025

From Shockproof Markets to Strategic Fragility: *Rethinking Competitiveness in 2026*

"Oil prices have become curiously immune to disruption, reflecting an era where data and sentiment often outweigh physical realities."

Sajjad Jafri
Head of Energy and Commodities, Mashreq

$10 overnight price

shocks used to move markets - today they barely shift prices. Instead, a $5–10 per barrel risk premium is now baked in, driven by algorithms, tariffs, and market sentiment.

"The real challenge is no longer predicting the next price move, but sustaining long-term vision amid short-term pressures."

Sajjad Jafri
Head of Energy and Commodities, Mashreq

12-month investment cycles

now dominate, with global priorities shifting from hydrogen → renewables → AI in just three years. Oil-dependent economies struggle below $80/barrel, while U.S. shale breakevens hover near $65, limiting strategic flexibility.

Source: Mashreq Energy ADIPEC 2025 Roundtable Executive Insights Report

YEAR END ENERGY MARKETS REVIEW – ADIPEC 2025

Mashreq hosted and branded an industry roundtable during ADIPEC 2025 titled *"Year-End Energy Markets Review: How Will Sustained Supply Growth Align with an Uncertain Demand Outlook in 2026?"*

The session convened senior executives and industry experts from leading organizations, including C&C Reservoirs, FGE (Dubai), London Stock Exchange Group, Macquarie Bank Limited, Meraki Shipping DMCC, the Ministry of Energy & Minerals (Oman), Petroleum Economist, Rystad Energy, S&P Global Commodity Insights, WTS Energy, the Center for Strategic and International Studies (CSIS), Oil Serv, and the Sharjah Energy Council.

Top 5 Market Forecasts

1. Brent crude prices are expected to stabilize in the range of USD 70–90 per barrel, as OPEC maintains production discipline and remains prepared to adjust output swiftly to defend market stability and revenues.

2. Global spare production capacity is projected to fall below 2 million barrels per day, increasing vulnerability to supply disruptions and amplifying the price impact of even minor outages or geopolitical shocks.

3. U.S. shale production has entered a structural plateau, signaling the end of the "easy oil" era, as high decline rates and capital discipline constrain its contribution to future global supply growth.

4. China's continued stock-building adds approximately 600,000 barrels per day to apparent demand; however, a slowdown or halt in strategic reserve accumulation could quickly shift the market toward oversupply.

5. Persistent geopolitical risk premiums of USD 5–10 per barrel remain embedded in prices, reflecting ongoing Middle East tensions, shipping disruptions, and policy uncertainty that continue to support elevated oil markets.

The Event Photo Gallery can be accessed here:
https://www.thegulfintelligence.com/en/client%20events/mashreq-industry-roundtable-breakfast---4112025

Read the Full Report :
https://www.thegulfintelligence.com/mediafiles/cataloguedatasheet/31eb511c-0206-4fa0-9246-d201d3ecffdd.pdf

Mashreq Energy Webinar

A post-fossil fuel era is unfolding, but its pace will vary, and its trajectory will be subject to significant debate. Geopolitical shocks, economic fragmentation, and climate-related disasters will periodically accelerate or hinder progress. The challenge lies in creating resilient policies and financing mechanisms that can weather this volatility while steadily advancing emissions reductions.

Read insights from experts on Navigating a Post-Fossil Fuel World Amid Geopolitical and Economic Fragmentation: https://tinyurl.com/2jcjsvb2

Watch the full webinar: http://ms.spr.ly/6041tkFsB

ENERGY MARKETS FORUM - FUJAIRAH 2025

Sajjad Jafri, Senior Vice President and Unit Manager – Energy Sector at Mashreq, attended the Aramco New Silk Road CEO of the Year Awards on 1 October 2025.

The event was held in the presence of distinguished leaders and dignitaries, including H.H. Sheikh Dr. Rashid bin Hamad Al-Sharqi, Deputy Chairman of the Fujairah Oil Industry Zone; H.H. Sheikh Saleh bin Mohammed bin Hamad Al-Sharqi, Chairman of the Port of Fujairah; and H.E. Dr. Shaikh Abdulla bin Ahmed Al Khalifa, Minister of Transportation and Telecommunications, Bahrain, alongside award winners and other VIP guests. The awards ceremony was hosted by Mr. Abdullah Al Dossary, Managing Director, Aramco Trading Fujairah.

Sajjad Jafri, attended the Port of Fujairah Welcome Lunch and the Day 1 breakout sessions of the 13th Gulf Intelligence Energy Markets Forum on 1 October 2025 (below).

Read the Full Midstream workshop 'LPG' report:
https://www.thegulfintelligence.com/mediafiles/cataloguedatasheet/f4b44831-7dc7-4dfb-aade-e1f060aad0eb.pdf