

Crude Oil – Pressure Builds Toward \$55

Tuesday, 14 October, 2025



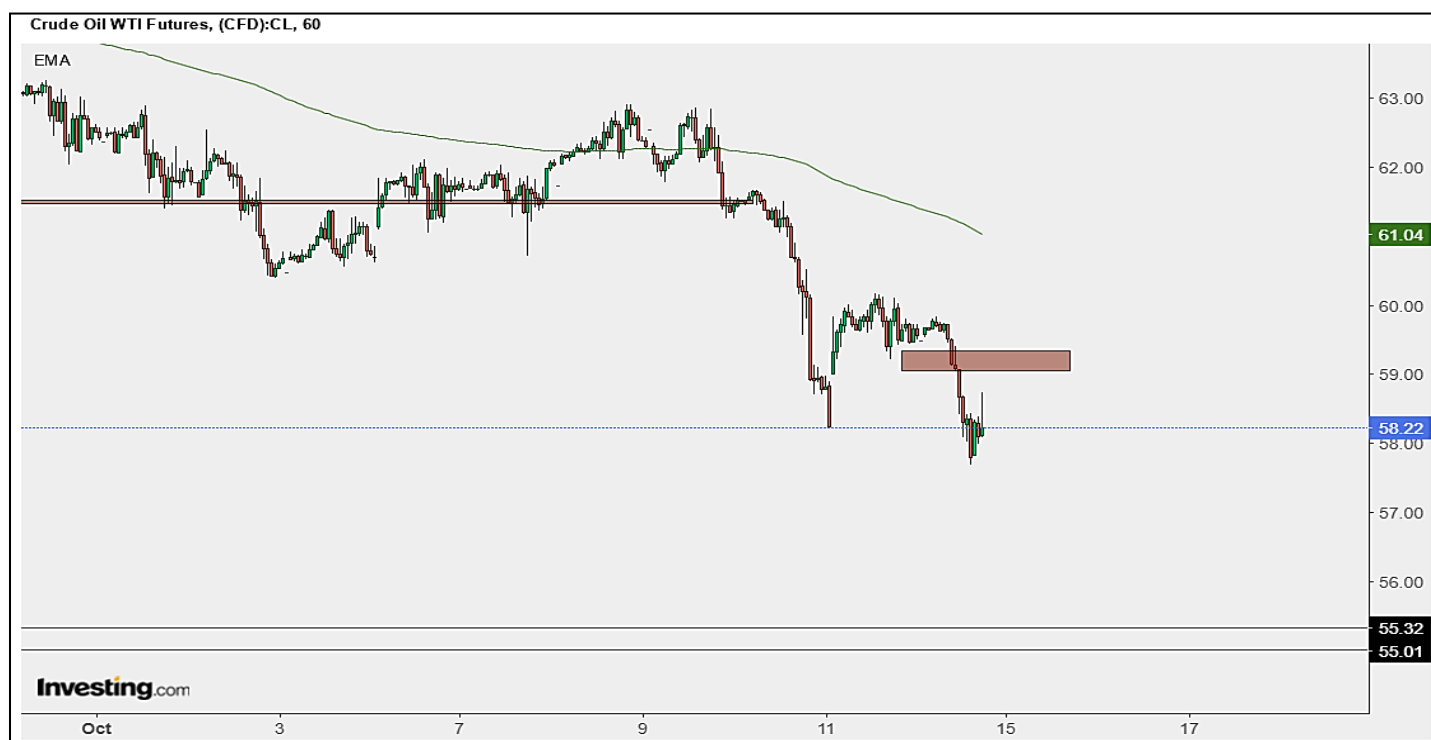
Fundamental Point of View

Crude oil futures are trading near \$58.13/bbl, pressured by geopolitical tensions, tariff threats, and signs of slowing global demand. Ongoing conflicts in the Middle East and Eastern Europe continue to inject volatility into supply expectations, while intermittent peace talks have tempered risk premiums in recent sessions. Despite OPEC+ maintaining output discipline, rising U.S. inventories and steady production from non-OPEC producers are capping upside momentum. Markets are focused on the upcoming OPEC+ meeting in early November, where potential output adjustments could be discussed to counter recent price weakness. Trade tensions and tariff risks between major economies are also weighing on demand forecasts, adding uncertainty to the global energy outlook.

Key upcoming events—Crude Oil Inventories (Oct 16, 2025), U.S. CPI report (Oct 24, 2025) and FOMC meeting (Oct 28–29, 2025)—will influence inflation, supply, and rate expectations. The overall outlook remains guided by OPEC decisions, geopolitical developments, and inventory trends, which will be critical in determining near-term market direction.

Technical Point of View

Crude oil remains in an extreme bearish trend, with prices struggling to sustain above key resistance levels. A short-term retracement toward \$59.00 is likely before the broader downtrend resumes. In the longer run, prices may target the \$55.32–\$55.00 zone, aligning with major support levels. However, the RSI is deeply oversold, indicating potential short-term rebounds. Traders should adopt a cautious approach to avoid sell traps in this oversold environment.



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DEFINITION OF TERMS

TP	Target Price	CAGR	Compound Annual Growth Rate	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DCF	Discounted Cash Flows
PE	Price to Earnings Ratio	PB	Price to Book Ratio	BVPS	Book Value Per Share
EPS	Earnings Per Share	DPS	Dividend Per Share	ROE	Return of Equity
ROA	Return on Assets	SOTP	Sum of the Parts	LDCP	Last Day Closing Price

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To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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HOLD	Between -5% to 15%
SELL	Less than and equal to -5%

Sector Rating	Sector Outlook
Overweight	Positive
Market Weight	Neutral
Underweight	Negative

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