PMEX UPDATE

Oil in Focus: Geopolitics & Market Momentum

Tuesday, 21 July, 2026

Fundamental point of view:

Crude oil prices are primarily driven by global supply and demand dynamics, geopolitical developments, and macroeconomic conditions. Over the past two months, oil prices experienced sharp volatility, rallying to a high of around 117 amid escalating Iran–U.S. tensions and fears of supply disruptions through the Strait of Hormuz and the Bab el-Mandeb Strait, before reversing into a sustained downtrend. As geopolitical risks eased and supply concerns moderated, prices retraced to the 66–67 level, where they traded before the Iran–U.S. conflict escalated. Meanwhile, economic calendar events such as U.S. GDP, CPI, PPI, crude oil inventory data, and Federal Reserve interest rate decisions remain key drivers of demand expectations. Higher interest rates tend to strengthen the U.S. dollar and slow economic activity, weighing on oil demand, while lower rates support economic growth and provide a bullish outlook for crude oil prices

Technical point of view:

Going forward, any renewed escalation in the Middle East or disruption to key shipping routes could tighten global supplies and push prices higher. Crude oil is currently witnessing a technical pullback after finding strong support in the 66–67 zone, suggesting that buying interest has emerged at these levels. In the near term, prices are likely to extend the recovery toward the first resistance zone at 93–96. A sustained break above this level could pave the way for further upside toward the 102–105 resistance area. While the short-term bias has turned constructive, confirmation above key resistance levels will be essential to signal a broader bullish reversal.

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