Russian Seaborne Crude Oil Shipments Drop 11% Due to Terminal Maintenance

Russian seaborne crude oil shipments have dropped by approximately 11% since October due to maintenance work at one of the country's key export terminals. The average volume over the past four weeks was recorded at 3.06 million barrels per day, a decrease from the recent peak of 3.46 million barrels per day two months ago.

This decline coincides with increased pressure from Western nations on Russia's shadow fleet of oil tankers, which has been expanded to maintain oil flow. Additionally, refinery operations have reached their highest weekly rate since mid-August, which could potentially reduce the amount of crude oil available for export. Russia is also facing growing pressure to adhere to its OPEC+ production target, which has been extended until the end of March.

In response to Russia's oil trade, European countries have increased sanctions on ships carrying Moscow's oil. The European Union added 42 tankers to its list of sanctioned ships on Monday, more than half of which had already been sanctioned by the UK. In a separate move, 12 European countries are preparing to tighten restrictions on tankers transporting Russian oil globally, requesting proof of protection against oil spills and other high-cost claims.

Ukraine has identified 238 tankers it believes are part of the shadow fleet, with plans for authorities to impose additional sanctions on these carriers. Nearly two-thirds of the tankers sanctioned by Western nations for their involvement in Russian oil trade remain inactive, with many congregating near Russian ports.

Russia has extended its ban on oil sales to foreign buyers complying with a price cap mechanism imposed by the G7 nations until the end of June. This is in response to Russia's invasion of Ukraine in 2022.

In other developments, Russian oil exporters are strengthening their ties with buyers in India. Rosneft, a Russian oil company, has agreed to supply approximately 500,000 barrels of crude oil daily to Reliance Ind under a 10-year contract set to begin in January.

Oil falls 1% to one-week low on weak economic data from China and Germany

Oil prices fell about 1% on Tuesday, hitting a one-week low, as demand concerns grew after negative economic news from Germany and China, while investors remained cautious ahead of the U.S. Federal Reserve's interest rate decision.

Brent crude futures fell by 0.72 dollars, or 1.0%, to 73.19 dollars per barrel, while U.S. West Texas Intermediate (WTI) crude fell 0.63 dollars, or 0.9%, to 70.08 dollars.

This was the lowest closing for Brent since December 10 and reduced the Brent premium over WTI to a 12-week low of 3.54 dollars per barrel, based on February contracts.

Analysts said that when the Brent premium over WTI falls below 4 dollars per barrel, it becomes less economically viable for energy companies to send ships to collect U.S. oil, which is expected to lead to lower U.S. exports.

In China, the world's second-largest economy, industrial production growth slightly accelerated in November, while retail sales disappointed, keeping calls for Beijing to increase consumer-focused stimulus alive, as policymakers brace for more U.S. tariffs when President-elect Donald Trump takes office for a second term.

In Germany, business sentiment worsened more than expected in December, according to a survey by the Ifo Institute, weighed down by companies' pessimistic outlook for the coming months amid geopolitical uncertainty and an industrial downturn in Europe's largest economy.

"The only good thing about Germany's Ifo index, which was just released, is that it is the last important macroeconomic indicator published this year. It’s time to… close a year that will be considered the second consecutive year of economic stagnation," said analysts from ING bank in a note.