

Oil Prices Fall Due to Trade Uncertainty Between US and China

Oil prices fell slightly in Asian trading on Monday, extending last week's losses, as traders remained cautious about the US-China trade war and OPEC+ plans to increase production.

Prices remained weak amid ongoing concerns about lower demand, especially in the face of a bitter trade war between the US and China that has shown few signs of de-escalation. Markets also remained uncertain about trade negotiations between the two countries, following conflicting signals from Washington and Beijing.

Oil prices have posted sharp losses this year, as US President Donald Trump's tariff agenda raised concerns over the global economy and demand for crude oil. Trump's high tariffs on China, the world's largest oil importer, also dented market sentiment.

Concerns about rising oil production under the Trump administration, which has repeatedly called for lower energy prices, have also weighed on oil in recent months.

Brent crude futures for June fell 0.2% to \$66.71 a barrel, while West Texas Intermediate futures remained flat at \$62.91 a barrel as of 11:01 PM (Brasília time).

Trump's comments on ceasefire negotiations between Russia and Ukraine also gave no clear signs about the proximity of a deal.

US-China Trade Uncertainty Persists

Uncertainty surrounding trade negotiations between the US and China remained the biggest drag on oil prices, after more conflicting signals about whether talks were taking place.

US Treasury Secretary Scott Bessent said on Sunday he did not know whether Trump had spoken directly with Chinese President Xi Jinping, and was unaware of any ongoing direct trade negotiations.

Bessent's comments contradicted Trump's claims that talks with China were underway. Beijing had also said last week that no trade negotiations were ongoing.

This uncertainty has heightened concerns over a US-China trade war, especially as the world's largest economies engaged in a bitter tariff exchange throughout April.

Traders fear that trade-related disruptions could harm economic growth and reduce demand for oil.

OPEC+ Production Increase in Focus Ahead of Meeting

Oil markets were also awaiting a meeting of the Organization of the Petroleum Exporting Countries and allies (OPEC+), which is set to take place next week.

Cartel members are widely expected to increase production for the second consecutive month, with higher output volumes expected to help offset the impact of lower prices.

OPEC+ has also been ramping up production in line with Trump's calls for greater output and lower oil prices. The cartel is in the process of gradually rolling back production cuts made over the past three years.