

Oil prices fall amid trade tensions and progress between Russia and Ukraine

Oil prices fell on Tuesday amid ongoing uncertainty over U.S. trade tariffs, which have dampened economic prospects, along with concerns about weakening demand.

At 09:15 (Brasília time), Brent crude futures for June dropped 0.4% to \$65.63 per barrel, while West Texas Intermediate (WTI) futures fell 0.3% to \$61.64 per barrel.

U.S. China Trade War Hurts Demand Outlook Oil prices have suffered steep losses so far in 2025, recently falling to their lowest levels in over four years due to fears that rising disruptions in global trade will reduce demand.

A bitter trade war between the top oil consumers, the U.S. and China, has shown few signs of easing, while U.S. President Donald Trump appears to be preparing to implement even broader tariffs.

Oil markets found little relief from a *Wall Street Journal* report indicating that Trump plans to soften the impact of his steep automotive tariffs.

Fears of a demand slowdown amid increasing economic turbulence have significantly weighed on oil prices in recent months.

"Recent U.S. economic data pointed to a slowing economy, while China retaliated against U.S. tariffs, once again raising concerns about the trade war between the two countries," ING analysts said in a note.

Investors are bracing for a busy week with a series of U.S. economic data releases, including the Federal Reserve's preferred inflation gauge—the PCE price index—and the U.S. monthly jobs report.

The U.S. will also release first-quarter gross domestic product (GDP) data this week, while March's JOLTS job openings data is set to be published later in the session.

Russia Announces Surprise 3-Day Ceasefire With Ukraine Oil was also pressured by Russia's surprise announcement of a three-day ceasefire with Ukraine in early May. The ceasefire will occur between May 8 and 10 as Moscow celebrates the 80th anniversary of the Soviet Union's victory over Nazi Germany.

The ceasefire offered some hope that Russia is still open to peace, as ongoing U.S.-mediated negotiations seemed to be stalled.

Ukraine has called for a longer, 30-day ceasefire, while Washington has indicated that it wants a permanent ceasefire between the two countries.

Easing tensions between Russia and Ukraine could eventually lead to the loosening of strict U.S. sanctions on Moscow's oil industry, releasing more global supply and further pressuring prices.

(Ambar Warrick contributed to this article.)

Oil was also weighed down by Russia's unexpected announcement of a three-day ceasefire with Ukraine, which could help pave the way for a broader agreement.

Oil markets were also cautious ahead of next week's OPEC+ meeting, where the cartel is widely expected to raise production for the second consecutive month.