

Oil Prices Hold Sharp Losses on Possible US-Iran Nuclear Deal

Oil prices showed little change in Asian trading this Friday, after sharp losses in the previous session, with expectations of a nuclear deal between Iran and the US raising concerns about oversupply.

As of 10:00 PM (Brasília time), Brent crude futures for June delivery remained steady at \$64.55 per barrel, while West Texas Intermediate (WTI) crude futures rose 0.1% to \$61.22 per barrel.

Both contracts fell more than 2% on Thursday but were still on track for weekly gains, supported by a rally earlier in the week after the US and China agreed on Monday to temporarily ease the high tariffs imposed on each other.

US and Iran Close to Signing Nuclear Deal

President Donald Trump said on Thursday that the US was very close to securing a nuclear agreement with Iran, and that Tehran had “more or less” agreed to the terms.

A report from NBC News also showed on Thursday that Iran is prepared to sign a nuclear deal if all economic sanctions are lifted, citing Ali Shamkhani, a key political and nuclear advisor to Supreme Leader Ayatollah Ali Khamenei.

Signing a deal and lifting sanctions could see Iranian oil return strongly to the market, potentially loosening the global balance between crude oil supply and demand.

Before the reimposition of oil sanctions in 2018, Iran’s crude oil production capacity had been around 3.8 million barrels per day for decades, and it is currently exporting approximately 1.6 million barrels per day.

Investors Assess IEA Supply Forecast and Weak US PPI

The International Energy Agency (IEA) said on Thursday that global oil supply will increase more quickly than previously expected this year, as OPEC+ members roll back production cuts.

The IEA projected that global oil supply is expected to grow by 1.6 million barrels per day in 2025, and is expected to rise by another 970,000 barrels per day in 2026.

“Signs of a slowdown in global oil demand growth may already be emerging and will be closely monitored,” the agency said.

Meanwhile, data released on Thursday showed that US producer prices unexpectedly fell in April, driven by the steepest drop in service costs since 2009.

The Producer Price Index (PPI) fell 0.5% last month, after a flat reading in March. Analysts had expected an increase of 0.2%.