

Oil prices rise after EU agrees on sanctions against Russia

Oil prices rose on Friday, adding to strong gains from the previous session driven by drone attacks on Iraqi oil fields, while investors assessed new European Union sanctions against Russia.

As of 12:10 PM (Brasília time), September Brent crude futures were up 1.6% at \$70.60 per barrel, and West Texas Intermediate (WTI) crude futures rose 1.8% to \$68.73 per barrel.

EU Agrees on New Sanctions Against Russia

Oil prices moved higher on Friday following the EU's agreement on the 18th package of sanctions against Russia over the war in Ukraine. The package includes measures aimed at further targeting Russia's oil and energy sectors.

The sanctions, designed to increase pressure on Moscow amid stalled peace talks, also include a planned reduction in the G7 price cap on Russian oil exports.

Investors are awaiting news from the U.S. on potential additional sanctions after President Donald Trump earlier this week threatened to impose sanctions on buyers of Russian exports unless Moscow agrees to a peace deal within 50 days.

Attacks on Iraqi Oil Fields Raise Supply Concerns

Oil found support on Thursday due to renewed threats of supply disruptions following ongoing drone attacks on oil fields in Iraqi Kurdistan, reportedly carried out by Iran-backed militias.

That said, Iraq's federal government announced an agreement to resume crude exports from Iraqi Kurdistan to Turkey after a two-year halt. While the Kurdistan Regional Government has not yet confirmed the deal, the move signals progress in negotiations between Baghdad and Erbil.

Prices Supported Amid Signs of Tightening

U.S. Energy Information Administration (EIA) data this week showed that U.S. crude inventories fell by 3.9 million barrels, surpassing analysts' expectations of a 1.8 million barrel decline—indicating tighter market conditions.

Earlier, the Organization of the Petroleum Exporting Countries (OPEC) maintained its oil demand forecast for 2025 and 2026, expressing optimism that global trade tensions will ease in the coming months.

Oil prices rose nearly 3% last week after the International Energy Agency highlighted a tight spot market.

Despite OPEC+ output coming in higher than expected, the global oil market may be tighter than it appears, the agency said last week, as refineries ramp up processing to meet summer travel demand.