

Oil prices hold strong gains after trump shortens deadline for Russia

Oil prices remained steady in Asian trading on Tuesday, following significant gains in the previous session driven by supply concerns after President Donald Trump announced a shortened deadline for Russia to end the war in Ukraine.

Crude was also supported by progress in U.S. trade deals ahead of the August 1 tariff deadline. The European Union signed a framework agreement on Sunday, easing tariff concerns and boosting expectations for future energy demand.

September Brent crude futures rose 0.1% to \$70.09 a barrel at 10:53 PM, while U.S. West Texas Intermediate (WTI) crude futures held steady at \$66.74 a barrel.

Both contracts jumped more than 2% on Monday following Trump's remarks on Russia.

Tuesday's muted moves reflected investor caution ahead of the Federal Reserve meeting starting later today and a slew of key U.S. economic data due this week.

Trump Shortens Deadline for Russia to End Ukraine War

U.S. President Donald Trump heightened geopolitical tensions by shortening the deadline for Russia to make progress toward ending the war in Ukraine to just 10 to 12 days.

He warned of sanctions if Russia fails to respond, sparking concerns over disruptions to Russian oil flows and raising expectations of tighter supply.

"The absence of a deal could see Russia face harsher U.S. sanctions, along with the U.S. imposing 100% secondary tariffs on trade partners importing Russian oil," analysts at ING said in a note.

"If imposed and strictly enforced, this would significantly alter the outlook for oil," the analysts wrote, noting that India, China, and Turkey have increased purchases of Russian oil since the start of the Ukraine war. They added that these countries must now weigh cheaper oil against potentially steep U.S. export tariffs.

U.S. Trade Deals, OPEC+, and Fed Meeting in Focus

Market participants also weighed the progress of the U.S. trade deal ahead of Trump's looming deadline.

The U.S.-EU agreement announced on Sunday sets a 15% tariff on most European exports to the U.S., down from the threatened 30%. It includes a commitment from the EU to purchase \$750 billion worth of American energy products over the coming years.

Analysts said the combination of reduced trade uncertainty and long-term demand commitments has lifted investor risk appetite and supported oil prices.

On the supply side, an OPEC+ panel called for full compliance with agreed quotas, while a ministerial meeting scheduled for August 3 is set to consider a production increase for September.

Investors remain cautious as markets await U.S. economic data and the Federal Reserve policy meeting.

The central bank begins its two-day meeting on Tuesday and is expected to keep interest rates steady in the 4.25%-4.50% range.