Oil rises from 2-month lows with focus on Trump-Putin meeting

Oil prices edged higher in Asian trading on Thursday, with attention firmly fixed on how the upcoming meeting between U.S. and Russian leaders will affect supply.

Oil was heading for a second straight week of steep losses amid persistent concerns over cooling demand and had slumped sharply on Wednesday after data showed an unexpected build in U.S. inventories.

Brent crude futures for October rose 0.4% to $65.88 a barrel, while West Texas Intermediate crude futures rose 0.3% to $62.13 a barrel by 10:58 PM (01:58 GMT).

U.S. President Donald Trump and his Russian counterpart, Vladimir Putin, are scheduled to meet in Alaska on Friday to discuss terms of a ceasefire with Ukraine.

Trump on Wednesday threatened "severe consequences" if Putin does not agree to peace. The U.S. president had previously threatened steep tariffs on major buyers of Russian oil, namely India and China.

Should Trump follow through on that threat—along with any additional restrictions on Russia's oil industry—it could tighten global oil supply and push prices higher.

Reports indicated that Trump does not see an imminent end to the conflict in Ukraine and plans to offer Russia several concessions to withdraw from Kyiv. Any easing of sanctions on Moscow's energy sector, however, could further weigh on oil prices, given that oversupply fears have been a major drag on oil this year.

This week's oil losses were driven by gloomy supply forecasts from both the U.S. government and the International Energy Agency (IEA).

The IEA warned that global oil supply appeared "bloated," especially after OPEC+ steadily ramped up production this year.

The agency also warned of an impending supply glut in 2025 and 2026, and that demand was set to cool in the coming months. The IEA projects a surplus of 3 million barrels per day in 2026.

Bearish sentiment in oil markets was further fueled by U.S. data showing a 3 million-barrel build in inventories last week, far exceeding market expectations of a 0.9 million-barrel draw.

The data pointed to the nearing end of the high-travel U.S. summer season, which typically sees three months of elevated fuel demand in the country.

However, demand generally tapers off during the fall and into winter.