

Oil Prices Rise as U.S. Crude Inventories Drop

Oil prices rose during Asian trading on Wednesday after industry data showed a larger-than-expected drop in U.S. crude inventories, while traders assessed the prospects of a potential peace initiative between Russia and Ukraine that could alter sanctions and supply dynamics.

As of 10:33 PM (Brasília time), October Brent crude futures were up 0.4% at \$66.02 per barrel, while West Texas Intermediate (WTI) futures also gained 0.2% to \$61.65 per barrel.

Both contracts had fallen on Tuesday as the possibility of a peace agreement between Russia and Ukraine sparked concerns over a potential supply glut, at a time when markets are already dealing with increased output from OPEC+.

U.S. Crude Inventories Fall More Than Expected – API

In an industry update, the American Petroleum Institute (API) reported that U.S. crude inventories fell by 2.4 million barrels in the week ending August 15.

This decline was sharper than the 1.2 million barrel drop forecast by analysts, following a 1.5 million barrel increase the previous week.

The larger-than-expected draw supported oil prices.

President Donald Trump said on Tuesday that he had spoken with Russian President Vladimir Putin after hosting Ukrainian President Volodymyr Zelenskiy and European leaders at the White House on Monday.

Trump stated he was organizing a meeting between Moscow and Kyiv, followed by a potential trilateral summit involving the United States.

In his public remarks, Trump promised that the U.S. would help guarantee Ukraine's security as part of any peace deal, although he did not specify the nature or scope of such guarantees. Zelenskiy welcomed the announcement as "a major step forward" and signaled willingness for direct talks with Russia.

Traders are closely watching for any signs that a peace agreement could lead to the easing of Western sanctions on Russian oil exports.

Russia remains one of the world's major oil suppliers, but sanctions have restricted some flows to Western markets since the invasion of Ukraine.

Investors are also seeking clarity on the U.S.'s upcoming 25% secondary tariffs on Indian products as part of ongoing diplomatic discussions. Trump imposed the additional duties on India due to its purchase of Russian oil, set to take effect on August 27.