

Oil price and petroleum product volatility projections following President Trump's return,

V.5.9 –SEP 2025

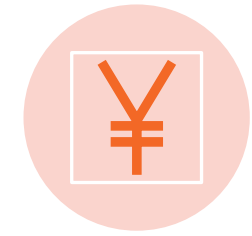




FORECAST OVERVIEW & KEY MARKET DRIVERS



GOLDMAN SACHS PROJECTIONS:



GOLDMAN SACHS
ANTICIPATES WTI PRICES TO
AVERAGE AROUND
\$56/BARREL IN LATE 2025,
SOFTENING FURTHER TO
APPROXIMATELY
\$52/BARREL IN 2026. THIS
EXPECTED DECLINE IS
ATTRIBUTED TO TRUMP'S
DEREGULATION PUSH AND
BROADER GLOBAL TRADE
DYNAMICS.



Supply-Demand Outlook & Market Curves:

Despite projections of a global oil surplus extending into 2026—owing to rising production from OPEC+, the U.S., and South America—current market behaviors reveal a puzzling “smile curve,” where spot prices decline, but future contracts remain relatively firm. Traders’ optimism may signal expectation of swift OPEC+ cuts or geopolitical shocks, but a true supply glut could trigger sharp price corrections.



Tariffs and Trade-Driven Volatility

Trump's re-imposition of tariffs—up to **25% on Venezuelan oil imports** and increasing tariffs on Canada and India—threatens to increase costs domestically and across refineries reliant on these supplies.

- A **10% tariff on Canadian oil** could elevate U.S. regional prices, especially in the Midwest.
- Industry insiders warn that refinery configurations make switching from Canadian or Mexican crude difficult, potentially leading to higher gasoline prices.



Summary Table: Oil Price & Volatility Forecast (Post-Trump)

Factor	Expected Impact	Direction of Volatility
Goldman Sachs Forecast	WTI ~\$56 in late 2025; ~\$52 in 2026	Mild – downward trend
Oversupply Fears	Potential price correction	Medium – downward risk
Tariffs & Trade Policies	Cost distortions, refinery stress	High – unpredictable
Sanctions & Middle East	Potential supply spikes	High – upward risk
Economic Slowdown Effects	Demand compression	Moderate – downward
Election Uncertainty	Short-term swings	High – mixed direction