# Trump‑Putin Alaska meeting raises prospect of renewed oil glut and pressure on Shell and BP



The prospect of a summit between US President Donald Trump and Russia’s Vladimir Putin has arrived as another unpredictable variable for already jittery oil markets — and that, in turn, threatens to unsettle Britain’s blue‑chip index. As the Evening Standard observed, “The discussions between President Trump and President Putin on Friday could also be weighing on the oil price,” noting that any productive talks that reduce the Ukraine war premium would add to an already growing supply glut and could put downward pressure on majors such as Shell and BP.

Trading evidence shows that nerves are already being priced in. According to Reuters, oil briefly touched two‑month lows in Asian trade before clawing back modestly as markets awaited the scheduled meeting; the newswire reported that while traders feared the geopolitical uncertainly, rising US crude inventories and a steady drumbeat from the International Energy Agency limited any sustained rally. Analysts cited by Reuters added that expectations of an imminent Federal Reserve rate cut — seen as supportive of fuel demand — may be counterbalanced by immediate inventory builds, keeping a lid on prices in the near term.

Those market‑facing dynamics are underscored by supply‑side forecasts. The IEA’s March 2025 Oil Market Report warned that as OPEC+ eases output cuts and non‑OPEC production rises, global supply could outpace consumption, potentially rebuilding inventories and pressuring benchmarks. The agency emphasised that while geopolitical events — including developments around the Ukraine conflict — inject volatility, the underlying fundamentals were increasingly tilted towards weaker prices unless production growth slows or demand accelerates.

How the Alaska meeting is read by traders will therefore be crucial. MarketWatch explained that a successful summit delivering partial sanctions relief on Russian oil would likely increase flows and exert downward pressure on crude, whereas a breakdown or the imposition of fresh penalties could lift prices. But energy specialists quoted by MarketWatch cautioned that mere rhetoric is unlikely to move markets — concrete, verifiable changes to exports or sanctions policy would be needed to provoke material re‑pricing. Reuters similarly flagged that any alteration to Russia’s oil flows or sanctions stance could add a risk premium, but stressed that the market was watching for tangible adjustments rather than talk.

Investors have recent precedent for rapid re‑rating of energy majors when policy signals change. The Guardian’s live coverage of market moves last autumn recounted a sharp sell‑off after reports that Saudi Arabia might abandon a $100 crude target, a development that knocked Shell and BP down the FTSE 100 and wiped billions off their market value. That episode underlines how quickly sentiment can swing: when the perceived war premium fades or producers signal greater output, equity investors rapidly rotate away from energy into other sectors.

For UK markets the implication is straightforward: Shell and BP are highly sensitive to swings in Brent and WTI, and a market that increasingly prices in higher supply would be a strong headwind for the sector. The Evening Standard’s observation reflects this reality — energy majors’ earnings and investor multiples depend heavily on oil’s near‑term trajectory — and the IEA’s broader supply warnings suggest downside risks to their share prices unless producers or policy makers change course.

What to watch next is clear. Traders will focus on any concrete language from the Trump‑Putin talks about sanctions or export flows, upcoming OPEC+ decisions and compliance, weekly US inventory prints, and evidence that demand is responding to central‑bank policy moves. As analysts repeatedly warn, markets may front‑run outcomes, but durable shifts in price will follow only if the meeting yields verifiable changes to the physical balance of supply and demand — not just headlines.

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## Reference Map:

* Paragraph 1 – [[1]](https://www.standard.co.uk/business/business-news/shell-persimmon-us-federal-reserve-goldilocks-trump-b1242829.html), [[2]](https://www.reuters.com/business/energy/oil-regains-ground-2-month-lows-ahead-trump-putin-meeting-2025-08-14/)
* Paragraph 2 – [[2]](https://www.reuters.com/business/energy/oil-regains-ground-2-month-lows-ahead-trump-putin-meeting-2025-08-14/), [[5]](https://www.iea.org/reports/oil-market-report-march-2025)
* Paragraph 3 – [[5]](https://www.iea.org/reports/oil-market-report-march-2025), [[4]](https://www.nasdaq.com/articles/possible-end-russian-ukraine-war-weighs-crude-prices)
* Paragraph 4 – [[3]](https://www.marketwatch.com/story/trump-putin-meeting-heres-what-their-summit-in-alaska-could-mean-for-oil-prices-2bac382d), [[2]](https://www.reuters.com/business/energy/oil-regains-ground-2-month-lows-ahead-trump-putin-meeting-2025-08-14/)
* Paragraph 5 – [[6]](https://www.theguardian.com/business/live/2024/sep/26/european-reconstruction-bank-cuts-growth-forecasts-energy-ukraine-elon-musk-uk-investment-summit), [[2]](https://www.reuters.com/business/energy/oil-regains-ground-2-month-lows-ahead-trump-putin-meeting-2025-08-14/)
* Paragraph 6 – [[1]](https://www.standard.co.uk/business/business-news/shell-persimmon-us-federal-reserve-goldilocks-trump-b1242829.html), [[5]](https://www.iea.org/reports/oil-market-report-march-2025), [[6]](https://www.theguardian.com/business/live/2024/sep/26/european-reconstruction-bank-cuts-growth-forecasts-energy-ukraine-elon-musk-uk-investment-summit)
* Paragraph 7 – [[2]](https://www.reuters.com/business/energy/oil-regains-ground-2-month-lows-ahead-trump-putin-meeting-2025-08-14/), [[3]](https://www.marketwatch.com/story/trump-putin-meeting-heres-what-their-summit-in-alaska-could-mean-for-oil-prices-2bac382d), [[5]](https://www.iea.org/reports/oil-market-report-march-2025), [[4]](https://www.nasdaq.com/articles/possible-end-russian-ukraine-war-weighs-crude-prices)

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## Bibliography

1. <https://www.standard.co.uk/business/business-news/shell-persimmon-us-federal-reserve-goldilocks-trump-b1242829.html> - Please view link - unable to able to access data
2. <https://www.reuters.com/business/energy/oil-regains-ground-2-month-lows-ahead-trump-putin-meeting-2025-08-14/> - Reuters reports that oil prices in Asian trade edged higher after slipping to two-month lows, as markets awaited a scheduled meeting between US President Donald Trump and Russian President Vladimir Putin. The article notes Brent and WTI modest gains, while inventories and IEA supply forecasts limited upside. Analysts suggested the prospect of talks added a risk premium because any shift in Russia’s oil flows or sanctions policy could alter global supply. The piece also highlights expectations of a near-certain Federal Reserve rate cut supporting demand, though unexpected US crude inventory builds kept prices under pressure and restrained larger rallies elsewhere.
3. <https://www.marketwatch.com/story/trump-putin-meeting-heres-what-their-summit-in-alaska-could-mean-for-oil-prices-2bac382d> - MarketWatch examines how the planned Alaska summit between President Trump and President Putin could influence global crude markets. The article explains that a productive meeting that included partial sanctions relief for Russian oil might increase global supply and push prices lower, while failed talks or fresh sanctions could raise prices. Analysts caution that significant market moves would require concrete changes to supply rather than rhetoric. MarketWatch cites energy specialists warning that traders may remain sceptical until outcomes affecting exports or sanctions emerge, and notes the potential for longer-term shifts depending on whether Europe and other partners align on policy responses.
4. <https://www.nasdaq.com/articles/possible-end-russian-ukraine-war-weighs-crude-prices> - Nasdaq reports markets are considering how a possible end to the Russia‑Ukraine war could affect crude prices, arguing that any lifting of sanctions on Russian energy would likely boost available global supply. The piece discusses recent policy actions including US tariffs and the impact on trading flows, while noting warnings from banks such as JPMorgan that tariffs could cause market distortions. It highlights OPEC+ production increases and evolving non‑OPEC output as additional sources of coming supply, concluding that expectations of greater supply are weighing on prices even as geopolitical uncertainty remains a factor for traders, influencing market positioning and sentiment.
5. <https://www.iea.org/reports/oil-market-report-march-2025> - The International Energy Agency’s March 2025 Oil Market Report outlines a shifting balance as OPEC+ eases cuts and global supply forecasts increase for 2025‑26. The report notes demand downgrades amid softer macroeconomic indicators and rising non‑OPEC output, warning that supply could outpace consumption and drive inventories higher. It highlights that geopolitical developments, including discussions about the Ukraine conflict, contribute to market uncertainty but that fundamentals increasingly point to weaker prices if production growth continues. The IEA emphasises monitoring of OPEC+ policy, Russian exports and industrial demand trends to assess downside risks to crude benchmarks and the pace of reserve rebuilds.
6. <https://www.theguardian.com/business/live/2024/sep/26/european-reconstruction-bank-cuts-growth-forecasts-energy-ukraine-elon-musk-uk-investment-summit> - The Guardian live coverage describes a sharp sell‑off in global oil prices after reports that Saudi Arabia may abandon its $100 crude target, prompting a fall in Shell and BP shares. The piece highlights that the energy majors were among the largest fallers on the FTSE 100, wiping billions off their market value and limiting any broader index gains. Analysts suggest the prospect of higher Saudi production and easing supply concerns removed a war premium from prices, while investors rotated away from energy into other sectors. The report underlines the close link between geopolitics, oil benchmarks and UK blue‑chip performance.