

India's IOC Buys 2 Million Barrels of U.S. WTI Crude for October Delivery

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— Categories: Economics



Indian Oil Corporation (IOC), India's state-owned refiner, purchased two million barrels of U.S. West Texas Intermediate (WTI) crude oil for delivery in October 2025. The purchase, made from commodity traders at a premium of around \$2.80 to \$2.90 per barrel over dated Brent crude, reflects India's effort to diversify its crude oil sources for supply security.

This procurement is part of India's market-driven strategy to maintain stable and reliable energy supplies. India maintains that its energy purchases, including Russian crude, are guided by economic considerations and consistent with international trade norms.

In addition to IOC, Bharat Petroleum Corporation Limited (BPCL), another state-run Indian refiner, recently awarded a five-month contract to European trader Glencore for 10 million barrels of U.S. crude. These purchases highlight India's approach to managing its energy mix across multiple suppliers to ensure consistent domestic supply.

The growing inclusion of U.S. crude in India's procurement strategy also illustrates the increasing global influence of WTI pricing. Over the 12 months leading up to June 2024, U.S. crude exports to Europe averaged around 2.2 million barrels per day. This expansion, combined with the integration of WTI Midland into the Dated Brent pricing mechanism, has solidified WTI's role as a significant benchmark in international oil markets.

Analysts note that India's acquisition of U.S. crude provides several practical benefits. It allows refiners to access high-quality light sweet crude that is suitable for domestic refining capacities and supports long-term contracts that can stabilize costs amid fluctuating global oil prices. Aligning with U.S. suppliers also helps India maintain a reliable supply network without overreliance on a single source.

By securing two million barrels of WTI crude for October delivery, IOC demonstrates a measured approach to managing domestic energy requirements efficiently. This acquisition underlines India's commitment

to maintaining a diversified and reliable energy supply while ensuring stable refinery operations.