



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C.

**FROM:** Sanctions Economic Analysis Division, Office of Foreign Assets Control

**SUBJECT:** **Initial Market Reaction: President Trump's Rosneft and Lukoil Sanctions Drive Down Russian Oil Prices**

**DATE:** November 17, 2025

**Market Reaction to October Treasury Sanctions Against Major Russian Oil Companies**

- The October 22nd sanctions on Russian energy firms Lukoil and Rosneft are having their intended effect of dampening Russian revenues by lowering the price of Russian oil and therefore the country's ability to fund its war effort against Ukraine. In addition, this action appears likely to have a long-term negative impact on the quantity of Russian oil sold.
- While there are multiple prices of Russian oil depending on grade and location, various grades are trading well below all other international prices. Moreover, several key Russian grades are selling at multi-year lows, widening their spreads to global benchmarks. This is testament to the fact that demand for Russian oil is plunging, driven by the efficacy of U.S. sanctions.
- Nearly a dozen major Indian and Chinese purchasers of Russian oil have announced intentions to pause their purchases of Russian December deliveries.