OIL RISES AFTER IRAQ SIGNALS POSSIBLE OPEC CUT EXTENSION

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20.09.2017

Yahoo, 20 September 2017

- Oil prices rose on Wednesday after Iraq's oil minister said OPEC and other crude producers were considering extending or even deepening a supply cut to curb a global glut, while a report showed a smaller-than-expected increase in U.S. inventories.

U.S. West Texas Intermediate (WTI) crude futures were up 37 cents, or 0.8 percent, at $49.85 a barrel at 0226 GMT. On Tuesday, the contract declined 43 cents to $49.48.

Brent crude futures were 25 cents, or 0.5 percent, higher at $55.39. They settled down 34 cents at $55.14 a barrel the previous session, not far off a five-month high of $55.99.

While options being considered by the Organization of the Petroleum Exporting Countries and other producers include an extension of cuts in output by months, it is premature to decide on what to do beyond March, when the agreement expires, Iraqi oil minister Jabar al-Luaibi told an energy conference in the United Arab Emirates on Tuesday.

OPEC and producers including Russia have agreed to reduce output by about 1.8 million barrels per day until March 2018 in a bid to reduce global oil inventories and support prices.

Some producers think the pact should be extended for three or four months, others want an extension until the end of 2018, while some, including Ecuador and Iraq, think there should be another round of supply cuts, al-Luaibi said.

"While there have been talks of extending the current production cut agreement, (al-Luaibi's comments) suggest another 1 percent cut to production would be more effective," ANZ said in a note.

Nigeria's oil minister and the head of Libya's state oil company are likely to attend a meeting between OPEC and non-OPEC nations on Friday, two OPEC sources said.

Both are exempt from the deal to curb output and their resulting boost to production has weighed on prices. This has prompted more talk about including Libya and Nigeria in the pact.

Meanwhile, U.S. crude stocks rose last week while gasoline and distillate stocks decreased, data from industry group the American Petroleum Institute (API) showed on Tuesday.

Crude inventories rose by 1.4 million barrels in the week to Sept. 15 to 470.3 million, compared with expectations for an increase of 3.5 million barrels. Crude stocks at the Cushing, Oklahoma, delivery hub rose by 422,000 barrels, API said.

Official figures on stockpiles and refinery runs will be released by the U.S. Department of Energy later on Wednesday.

Kaynak/Source: