

PRESS CLIPPING SHEET

PUBLICATION:	Egyptian Gazette
DATE:	27-February-2015
COUNTRY:	Egypt
CIRCULATION:	60,000
TITLE :	Oil falls towards \$61 as ample supplies weigh
PAGE:	05
ARTICLE TYPE:	General Industry News
REPORTER:	Staff Report

Oil falls towards \$61 as ample supplies weigh

LONDON (Reuters) – Oil fell towards \$61 a barrel yesterday as a further jump in US crude stockpiles underlined currently ample supplies, countering indications of a coming recovery in global demand.

The US government's latest supply report released on Wednesday said domestic crude inventories rose last week to 434.1 million barrels, hitting a seasonal record high for the seventh week.

Brent crude LCOc1 fell 40 cents to \$61.24 by 8.17am ET, after jumping more than 5 per cent on Wednesday. US crude CLc1 fell 96 cents to \$50.03, following a more than 3 per cent gain in the previous session.

"At present, it would appear that Brent is bottoming out at \$60 per bar-

rel," said Carsten Fritsch, analyst at Commerzbank. "The renewed sharp rise in US crude oil stocks ... points to a market that is still oversupplied."

Brimming US crude supplies are increasing the discount at which US crude is trading to Brent. The spread reached \$11.81 yesterday, the widest since January 2014.

Brent collapsed in 2014, falling from \$115 reached in June on global oversupply. The decline deepened after the Organisation of the Petroleum Exporting Countries (OPEC) chose to defend market share against rival supply sources, rather than cut its own output.

The price has rallied more than 35 per cent from a near six-year low of \$45.19 reached in January, supported by signs

that lower prices are starting to reduce investment in US and other non-OPEC supply.

A growing number of OPEC officials are making cautiously hopeful comments on the market outlook. This week, Saudi oil minister Ali al-Naimi said demand was showing signs of improving, while a Gulf OPEC delegate said demand would rise more strongly in the second half of 2015.

OPEC officials including Naimi had been making more bearish comments. The Saudi minister was quoted in December as saying OPEC would not cut output even if oil fell to \$20.

"No more talk of \$20 from al-Naimi," said Olivier Jakob, oil analyst at Petromatrix. "Analysts calling for \$20 a barrel oil will be more shy now."