

PRESS CLIPPING SHEET

PUBLICATION:	Egyptian Gazette
DATE:	21-July-2015
COUNTRY:	Egypt
CIRCULATION:	60,000
TITLE :	Oil edges lower as Saudi crude exports fall
PAGE:	05
ARTICLE TYPE:	General Industry News
REPORTER:	Staff Report

Oil edges lower as Saudi crude exports fall

LONDON, (Reuters) – Oil prices edged lower yesterday as data showed Saudi Arabian exports fell to the lowest in five months despite record output, while a resurgence in US drilling activity seen earlier this month seemed to fizzle out.

Both international and US crude futures posted their third consecutive weekly losses last week on expectations of increased exports from Iran following a deal to ease sanctions against the Organisation of Petroleum Exporting Countries (OPEC) producer.

Brent September crude was 14 cents lower at \$56.96 a barrel by 07:08GMT. The benchmark fell nearly 3 per cent last week and more than 10 per cent for the month.

US crude futures, also known as West Texas Intermediate (WTI), were down 7 cents at \$50.82 yesterday, after falling more than 3 per cent last week and more than 14 per cent in July. The August contract expires on Tuesday.

Saudi Arabia's crude oil exports fell in May to their lowest since December, with official data

showing daily shipments stood at 6.935 million barrels per day (bpd) compared with 7.737 million bpd in April.

The decline came despite record high output of over 10 million bpd as the Kingdom – traditionally the world's biggest exporter of crude – transforms into one of the largest oil refining centres.

In the United States, drillers cut seven oil rigs last week, according to a closely watched report by Baker Hughes Inc. "At current prices, shale is supremely challenged and demand could pose an upside surprise," Barclays said in a note to clients.

Analysts at Goldman Sachs said that should WTI get back to a level seen last month around \$60 a barrel, "US producers will ramp up activity given improved returns with costs down nearly 30 per cent and producers increasingly comfortable (with the current economics)."

Schlumberger NV said it is betting on an uptick in demand in coming quarters for oilfield services in North America, a market that has been battered by the steep drop in oil prices.

Money managers cut their net long US crude futures and options positions in the week to July 14, the US Commodity Futures Trading Commission said on Friday.