

PRESS CLIPPING SHEET

PUBLICATION:	Egyptian Mail
DATE:	15-September-2015
COUNTRY:	Egypt
CIRCULATION:	60,000
TITLE :	Brent oil prices dip on weaker China data
PAGE:	05
ARTICLE TYPE:	General Industry News
REPORTER:	Staff Report

Brent oil prices dip on weaker China data

LONDON (Reuters) – Brent crude oil fell yesterday as weaker-than-expected Chinese data weighed on markets, adding to concerns that declining global demand would exacerbate a surplus of crude.

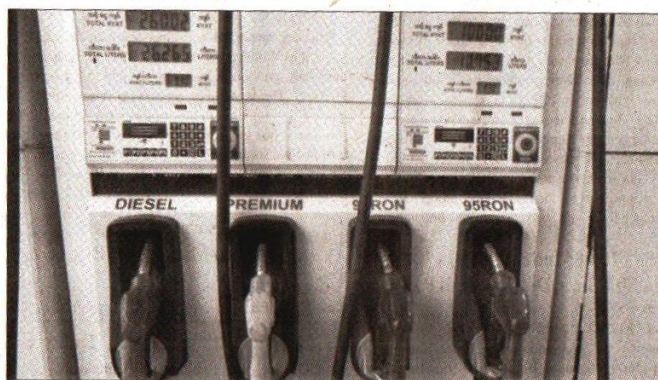
Traders also waited to see whether the US central bank raises interest rates for the first time in nearly a decade later this week.

Should interest rates rise, analysts expect oil to fall as a stronger dollar would undermine demand from importing countries.

Oil prices have fallen almost 60 per cent since June 2014 on the largest global surplus in modern times and concerns about a slowing Chinese economy.

Growth in China's investment and factory output missed forecasts in August. A recent run of weak data from the world's second-largest economy has raised the chances that third-quarter economic growth may dip below 7 per cent for the first time since the financial crisis.

"There has been a very broad-based reaction to



OIL pumps are seen at a MAX oil station in Yangon.

China across commodities, industrial metals and equities," SEB chief commodities analyst Bjarne Schieldrop said.

Front-month Brent crude futures LCOc1 were down 38 cents at \$47.76 a barrel by 0940 GMT.

US crude futures CLc1 were flat at \$44.63 a barrel. Barclays expects the spread between US crude and Brent to narrow further from current levels, noting that "relative performance versus Brent continues to improve".

The International Energy Agency said last week that ongoing production cuts would lead to a rebalancing of the oil market by next year.

The US oil rig count fell by 10 to 652 last week, the second straight weekly drop.

Yet, several banks said the immediate outlook remained weak, with Goldman Sachs and Commerzbank cutting their oil price forecasts last week.

Morgan Stanley said yesterday "Both the supply and demand pictures look less favorable over the coming months ... Outside the US, oil fundamentals appear to be slipping seasonally."

Barclays said "Most producers seem to be coming around to the fact that 2016 oil and gas prices are unlikely to see a significant recovery."

Macquarie noted that global auto sales, which fell 1 per cent in August and 0.8 per cent in July, were dragging on demand.

Kuwait and Iran have cut their crude prices to Asia to multi-year lows against top exporter Saudi Arabia as the battle for market share pits members of the Organisation of the Petroleum Exporting Countries against each other.