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<b>PUBLICATION:</b>	<b>Egyptian Gazette</b>
<b>DATE:</b>	<b>03-November-2015</b>
<b>COUNTRY:</b>	<b>Egypt</b>
<b>CIRCULATION:</b>	<b>60,000</b>
<b>TITLE :</b>	<b>Oil slides on record Russian output, Chinese demand concerns</b>
<b>PAGE:</b>	<b>05</b>
<b>ARTICLE TYPE:</b>	<b>General Industry News</b>
<b>REPORTER:</b>	<b>Staff Report</b>

# Oil slides on record Russian output, Chinese demand concerns

**L**ONDON – Oil prices fell yesterday as weak Chinese economic data fueled concerns about demand slowing in one of the world's largest oil-consuming nations while record-high production in Russia exacerbated the global supply glut.

Brent crude futures LCOc1, the global benchmark, traded down 85 cents at \$48.71 a barrel at 1220 GMT, down 1.6 per cent. US futures were trading at \$45.84 a barrel, down 75 cents or 1.6 per cent on Friday's close.

"High OPEC production, record-high production in Russia and weak China data are driving prices lower," said Carsten Fritsch, senior oil analyst at Commerzbank in Frankfurt. China's

factory activity fell for an eighth straight month in October, a survey showed, pointing at continued sluggishness in the world's second-largest economy.

The global oil supply glut, which has more than halved oil prices since a peak in June last year, was underscored yesterday when Russia reported that its October oil production hit a post-Soviet record of 10.78 million barrels per day.

The data reflected Russia's strategy of defending its market share as rivals from the Gulf start supplying Moscow's traditional markets.

Exports from OPEC-member Iraq on the other hand dropped sharply in October due to weather-related shipment delays, the oil ministry said on Sunday.

Last week, a Reuters survey showed sector analysts expected oil prices to remain weak next year as OPEC will

likely stick to its stance of maintaining record-high production when it meets on December 4.

OPEC member Iran is moving towards ramping up oil production and exports to western consumers as it has begun decommissioning uranium enrichment centrifuges under terms of a nuclear deal struck with six world powers in July.

In Britain, the shutdown of the Buzzard oil field, the biggest contributor to the Forties stream feeding into the Brent oil benchmark, has been delayed to next year, an industry source said.

In the United States, the oil rig count dropped to its lowest since June 2010, data showed on Friday, adding to speculation that domestic crude production will fall in the coming months, potentially providing some respite for oil prices.