

PRESS CLIPPING SHEET

PUBLICATION:	Egyptian Gazette
DATE:	27-November-2015
COUNTRY:	Egypt
CIRCULATION:	60,000
TITLE :	Oil eases on glut
PAGE:	05
ARTICLE TYPE:	General Industry News
REPORTER:	Staff Report

Oil eases on glut

LONDON (News agencies) – Oil fell yesterday, after six days of gains, as concerns that escalating violence in the Middle East would disrupt supply faded, and the focus returned to a persistent market glut.

Brent crude was down 32 cents at \$45.71 a barrel at 06:22 ET. Concerns that the downing of a Russian jet by Turkey on Monday helped push up oil prices this week on the risk that rising geopolitical tension could hit Middle East supplies.

However, those concerns were receding and had done little to shake the belief that global production will stay high even as stockpiles rise. A stronger dollar also weighed on oil as it makes it more expensive for holders of other currencies.

OPEC is determined to keep pumping oil to defend market share, alarming some of the group's weaker members who fear prices may slump towards \$20.

"OPEC has been extremely explicit that it will not cut production in the face of low prices, and with Iran coming back to

the market, it will produce more than 32 million barrels per day," said Bjarne Schieldrop, chief commodity analyst at SEB in Oslo.

"Stocks were building all of last year and this. It's starting to strain inventories and we're starting to run out of storage space."

Still, while stockpiles are high and rising in the United States and many European economies, in China, commercial crude oil stocks at the end of October were down 4.4 per cent from the previous month in their biggest drop since at least 2010, the official Xinhua News Agency reported yesterday.

Brent is down by nearly 8 per cent in November and by 20 per cent this year, after tumbling from above \$115 per barrel last year.

US crude had been supported on Wednesday by a smaller-than-expected build in US inventories and by a fall in oil rigs, a sign that drillers were waiting for higher prices before returning to the well pad.