

17/09/2024

Prices movement (front month)	09 Sep	16 Sep	% Change (Settlement Prices)
Brent Crude	71.84	72.75	+1.27%
VLSFO (Singapore)	567.86	547.49	-3.44%

Crude Oil Market :

After weeks of falling due to fears of oversupply and a weak Chinese economic backdrop, Crude markets have found some modest support since the back end of last week, even closing at a net weekly gain on Friday. The Brent crude benchmark has bounced between a \$68.68 and \$73.50 for the last two weeks.

Recent support has come from near term supply disruptions in Libya, Khazakstan and the US Gulf Coast. More than 12% of crude production and 16% of natural gas output in the U.S. Gulf of Mexico was offline following Hurricane Francine. There will be some time lag on full operationality, thus bolstering prices. Libya's crude loading program has been cut further for September amidst the ongoing curtailed production situation. Kazakhstan's Karachaganak field saw a fall of oil and gas condensate output on Sept 9-15 of around 30% from the previous week to 175,610kbpd, according to Reuters sources.

As well as this, the restart of the Kirkuk-Ceyhan pipeline, which has been shut since March 2023, is held up by disagreements over how much to pay international oil companies operating in the northern region.

Amidst all these supply concerns this week that have offered modest support to crude markets, sentiment still seems cautious, especially with hedge funds turning net bearish on Brent crude for the first time since records began in 2011. Outside of the fundamentals, prices have potentially been supported by short covering after the selloff earlier this month.

Nov24 Brent Crude Futures From 10/09/24 to Date



Source: FIS, Reuters, Oil Price, Bloomberg, BBC News, Morningstar

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