

19/11/2024

Prices movement (front month)	11 Nov	18 Nov	% Change (Settlement Prices)
Brent Crude	71.83	73.30	+2.05%
VLSFO (Singapore)	557.37	536.70	-3.71%

Crude Oil Market :

Crude has been creeping back up course of the week, with the occasional spurs of volatility as seen in the candle chart below. Prior to this afternoon's shake up with the Iran Uranium headline, a pull back in the US dollar, near term supply disruptions and an escalation in the Russia-Ukraine war had been the main market drivers of the week.

This afternoon's headline "IRAN AGREES TO STOP PRODUCING NEAR BOMB-GRADE URANIUM" -BBG shook the oil market abruptly, with front month Brent futures dropping by a dollar in value in the matter of seconds. The benchmark recovered some of the losses later this afternoon but remains trading about 70 cents lower than the level prior to that headline release, and slightly lower on the day.

Weakness in crude had persisted since the election of Donald Trump in the USA due to a massive rally in the USD which grants holders of other currencies less buying power for crude and most other commodities which have benchmarks priced to the dollar. The USD index fell 0.4% yesterday and has dropped marginally more today, at the time of writing, hence supporting crude prices in the last few sessions.

Short term supply disruptions have also contributed to higher prices, with repairs at the Tengiz field cutting daily oil production by 28%-30% this month. As well, Norway's Johan Sverdrup field temporarily halted production on Monday afternoon because of a power outage onshore, according to Dagens Naeringsliv. It was not clear when operations would resume.

Jan25 Brent Crude Futures From 12 Nov24 to Date



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