

Oil falls toward \$104 a barrel as Syria risk fades

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The price of oil slipped closer to \$104 a barrel Monday despite positive economic news out of China and Europe, as the risk premium associated with the Syrian crisis diminished. By early afternoon in Europe, benchmark oil for November delivery was down 34 cents to \$104.41 in electronic trading on the New York Mercantile Exchange. On Friday, the now expired contract for October delivery dropped \$1.72 to close at \$104.67.

Analysts said the apparent progress being made in the elimination of Syria's chemical weapons, a seeming thaw in relations between Iran and Western powers and the return to markets of crude from Libya and South Sudan were weighing on prices.

"The risk premium ... continues to come off as tensions in the Middle East subside," analysts at Sudden Financial Research in London said in a report.

Concerns about a possible shutdown of the U.S. government if Congress fails to raise the debt ceiling by Oct.1 offset positive data from China showing growth in manufacturing and a survey suggesting that the economic recovery across the 17 European Union countries that use the euro is picking up.

Last week, oil dropped \$3.54, or 3.3 percent. There was a midweek blip on Wednesday when prices shot up 2.5 percent following the U.S. Federal Reserve's decision to keep its economic stimulus policy in place.

Brent crude, the benchmark for international crudes used by many U.S. refineries, was down 60 cents to \$108.62 a barrel on the ICE Futures exchange in London.

In other energy futures trading on Nymex:

- Wholesale gasoline fell 0.91 cent to \$2.6583 per gallon.
- Natural gas lost 4.8 cents to \$3.639 per 1,000 cubic feet.
- Heating oil retreated 0.44 cent to \$3.0009 per gallon.

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