

Oil Hovers Above \$97/Barrel

PABLO GORONDI, Associated Press

AP- The price of oil hovered above \$97 a barrel Friday, consolidating mild gains after two weeks of losses sparked by high supplies and patchy global economic growth. By early afternoon in Europe, benchmark U.S. crude for December delivery was up 30 cents at \$97.41 a barrel in electronic trading on the New York Mercantile Exchange. The contract, which rose 25 cents to \$97.11 on Thursday, is down nearly 5 percent over the past two weeks.

One factor weighing on the price was Wednesday's report from the Energy Information Administration that said U.S. oil inventories rose by 5.2 million barrels last week, a possible symptom of subdued demand and overproduction. The rise in stockpiles followed a 4 million barrel increase in the previous week. "Demand isn't looking great and it's not anything to do with fuel efficiency in today's cars. It's the fact that there's high unemployment, weak job creation," said Carl Larry of Oil Outlooks and Opinions.

Fawad Razaqzada, an analyst with GFT Global Markets in London, also cited rising oil production and the falling rate of crude oil processing as causes for the rising stockpiles. Commodity markets were weighed down also by concerns over the durability of recoveries in key markets such as Japan and China.

Brent crude, a benchmark for international crude also used by U.S. refineries, was down 8 cents at \$106.91 a barrel on the ICE Futures exchange in London.

In other energy futures trading on the Nymex:

— Wholesale gasoline fell 1.23 cents to \$2.5601 a gallon.

— Natural gas added 1.1 cents to \$3.64 per 1,000 cubic feet.

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Published on Chem.Info (<http://www.chem.info>)

— Heating oil rose 0.76 cent to \$2.9065 a gallon.

Source URL (retrieved on 01/30/2015 - 11:11pm):

<http://www.chem.info/news/2013/10/oil-hovers-above-97/barrel>