



OPEC+ to cut oil output

Description

Production will be reduced by 100,000 barrels per day starting from October

OPEC and allied oil-producing countries, including Russia, on Monday agreed to cut their supplies to the global economy by 100,000 barrels per day in order to bolster sliding prices.

The group said in a statement the reduction will start from October, rolling back the mostly symbolic increase of the same amount in September and taking supplies back to August levels.

They noted that the September increase was only for that month, and that the group could meet again at any time to address market developments.

Oil producers, particularly Saudi Arabia, have resisted calls from US President Joe Biden to pump more oil to lower spiking gasoline prices. However, growing concerns over the sliding oil demand, partly due to Covid-related restrictions, have sent prices down from June peaks of over \$120 per barrel to below \$100 a barrel.

The G7's latest initiative to cap prices on Russian oil exports has also added to the worries.

Oil prices soared on the OPEC+ news, extending earlier gains. International benchmark Brent crude futures rose 3.9% to \$96.63 a barrel, while US West Texas Intermediate (WTI) futures jumped 3.6% to \$90 a barrel.

Category

1. Economy-Business-Fin/Invest
2. Main

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