

Oil prices rebound in Asia
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Oil prices rebounded in Asian trade today as investors took to bargain hunting after sharp falls induced by a bigger-than-expected rise in US crude stockpiles.

New York's main contract, West Texas Intermediate for April delivery, rose 13 cents to \$98.12 (RM322) in mid-morning trade and Brent North Sea crude for April was up 29 cents at \$108.31.

"Trade is relatively muted mainly due to bargain hunting activities," Tan Chee Tat, investment analyst for Phillip Futures in Singapore, told AFP.

Oil prices tumbled yesterday after the US Department of Energy (DoE) said crude inventories rose for the eighth week in a row.

But, while anticipated, the 6.2 million barrel increase to 370 million in the week ending March 7, was more than triple the two million expected by analysts.

A jump in inventories is a sign of softer demand in the world's biggest oil consuming nation and is a dampener on prices.

The DoE's announcement of a "test sale" of up to five million barrels of crude oil from the country's Strategic Petroleum Reserve also hit prices.

The test sale, which is required by law, is carried out periodically to evaluate how the reserve system works.

Tan said the sale will "definitely weigh on crude oil prices" but noted that it was only a "one-time release" and would not affect the market for the long term.

The last time the US released reserves was in 2011, in a coordinated effort with the International Energy Agency in response to disrupted global supplies during the Libyan crisis. – AFP, March 12, 2014.

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