

Oil market firms before US payrolls data
Malaysian Insider
4 Apr, 2014

Global oil prices rose today as dealers braced for the release of key non-farm payrolls figures in the United States, analysts said.

New York's West Texas Intermediate (WTI) for delivery in May rose 76 cents to US\$101.05 a barrel.

Brent North Sea crude for May gained 48 cents to stand at US\$106.63 a barrel nearing midday in London.

The crucial payrolls data is expected to show the US economy added 195,000 jobs in March, up from 175,000 in February.

The unemployment rate is meanwhile expected to tick down to 6.6% from 6.7%.

"The release of the US non-farm payroll data will set the tone for today's trading session, giving further momentum to the market," added Sucden analyst Myrto Sokou.

Singapore-based Phillip Futures added that a positive jobs report would be seen "as a validation to the Federal Reserve's recent tapering efforts as well as justification for further tapering in the upcoming meeting at the end of this month".

The Fed's decision to start winding down its massive stimulus programme was initially met with scepticism and triggered sell-offs in emerging markets earlier this year.

The oil market looks set to end the week in the red, with sentiment weighed down by the expected return of Libyan crude supplies to the market.

"Brent continues to hold above US\$106 but looks set for its biggest weekly fall in three months as major oil ports look set to reopen in Libya later today," said Inenco analyst Joe Conlan.

"The re-opening of the ports could see about 600,000 barrels more a day appear on the global markets."

"There is uncertainty surrounding this though, with it remaining unclear whether a glut of oil will appear or they will stagger the release of new oil in order to maintain prices."

Conlan added that oil price losses were capped by ongoing tensions between the West and Russia over Ukraine.

Meanwhile this week, crude futures hit by downbeat purchasing managers index (PMI) readings for the manufacturing sectors in China, the eurozone and the US.

The data sparked concern about the outlook for global energy demand, traders said. – AFP, April 4, 2014

Hakcipta © 2014 The Malaysian Insider

Source: <http://www.themalaysianinsider.com/business/article/oil-market-firms-before-us-payrolls-data>