

Oil prices rise after strong Chinese manufacturing data
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Oil prices rose in Asian trade today as data showing strong Chinese manufacturing activity fuelled hopes of a pick-up in demand in the world's top energy consumer.

US benchmark, West Texas Intermediate (WTI) for delivery in July gained 44 cents to US\$103.15 (RM331.78) a barrel while Brent North Sea crude for July was up 25 cents to stand at US\$109.66 a barrel in mid-morning trade.

Financial markets in Hong Kong, China, Taiwan and New Zealand are closed today for public holidays.

China's manufacturing activity strengthened to a five-month high in May, the government said Sunday, an optimistic sign amid slumping growth in the world's second largest economy.

The official purchasing managers index (PMI) reached 50.8 in May, the National Bureau of Statistics said in a statement, up from 50.4 in March.

The index tracks manufacturing activity in China's factories and workshops and is a closely watched indicator of the health of the economy. A reading above 50 indicates growth.

Desmond Chua, market analyst at CMC Markets in Singapore, said the data had a "positive overriding sentiment" on oil prices.

"This is the first time there is a steep rebound by new orders... which has been the declining factor in the past six months or so," Chua told AFP.

Analysts said investors will also be closely watching a flurry of US data releases this week for clues about the health of the world's biggest economy.

The Institute for Supply Management will release its May US manufacturing survey later today, while April trade data will be released on Wednesday.

US employment data, including initial jobless claims, non-farm payrolls data and the latest unemployment rate will be released Thursday and Friday.

"We believe that there may be room for upside surprise, so do not be too shocked if we do get 300,000 or higher payrolls for May," said United Overseas Bank.

It said the data may reignite concerns the US Federal Reserve could fully wind down its massive stimulus programme earlier than the year-end deadline it has set itself. – AFP, June 2, 2014.

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