
Oil jumps to fresh 1 year high near USD 76 per barrel

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AP reported that Oil prices reached a fresh 1 year high near USD 76 per barrel in Asia on a weaker US dollar and growing investor optimism about an economic recovery.

Benchmark crude for November delivery was up 72 cents to USD 75.90, the highest since October 2008 by midday Singapore time in electronic trading on the New York Mercantile Exchange. The contract added USD 1.03 to settle at USD 75.18.

Oil investors have fed off rising stock markets and a falling dollar this week to break out of a USD 65 to USD 75 trading range that has held since May.

The Dow Jones industrial average rose 1.5% to above 10,000 for the first time in a year on encouraging earnings reports from Intel Corporation and JPMorgan Chase & Company.

Meanwhile, the euro rose to USD 1.495 in early Asian trading from USD 1.4933 the previous day while the dollar gained to JPY 89.46 from JPY 89.34. Oil is traded in US dollars and its price tends to rise when the dollar falls.

Mr Gerard Rigby an energy analyst with Fuel First Consulting in Sydney said that “There’s a perception that the economy is getting stronger and the dollar is getting weaker. But we haven’t seen a real improvement in demand just yet.”

American Petroleum Institute said that Gasoline supplies declined 2.7 million barrels while analysts had anticipated 1.6 million barrel gain.

In other Nymex trading, heating oil rose 2.43 cents to USD 1.97 per gallon. Gasoline for November delivery gained 2.77 cents to USD 1.89 per gallon. Natural gas for November delivery jumped 4.5 cents to USD 4.48 per 1,000 cubic feet.

(Sourced from Associate Press)

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