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## Oil slips from USD 82 on higher OPEC output

*Sunday, 14 Mar, 2010*

Reuters reported that oil fell to below USD 82 on expectations for OPEC to keep pumping above quotas in the Q2 pulling prices down from 8 week highs reached a day earlier.

Falling fuel inventories in the US and the first few weekly gains in total demand in one and a half years have bolstered the view that the market will absorb ample supplies from OPEC as Chinese imports soar.

Ministers from the Organization of the Petroleum Exporting Countries meet in Vienna on March 17 to discuss production policy. Officials from member countries including Algeria, Kuwait and Angola have said this week that they do not expect a change in quotas because prices are within their desired range.

Mr Peter McGuire MD of Commodity Warrants Australia in Sydney said that 'You are going to see USD 75 to USD 85 until OPEC changes their views. Given that the US dollar is appreciating, they are relatively content with what they are receiving for their oil.'

A Reuter's poll showed that OPEC will keep oil production targets on hold this month but could raise output later this year as the world recovers from recession, pushing up demand for fuel. The group's output climbed to 14 month high in February, as producers complied with only 53% of output cuts of 4.2 million barrels per day agreed in December 2008.

Saudi Arabia, OPEC's top producer will provide full contracted volumes to most Asian buyers in April, except for a major refiner in northeast Asia.

The Energy Information Administration said that they have climbed for the past 6 weeks, showing 1.4 million barrel gain to 343 million barrels in the week to March 5. The nation's gasoline stockpiles showed a surprise decrease of 2.9 million barrels to 229 million barrels.

(Sourced from Reuters)

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