

Oil Up, near 14 Year High, Russian deputy prime minister warning that "the surge in prices would be unpredictable"

Oil was up on Tuesday morning in Asia, remaining near 14-year highs. The U.S. could act alone to ban Russian oil imports, which eased worries of a wider disruption to crude supplies.

The volatility comes as the black liquid hit 14-year highs on Monday after the U.S. said it was discussing a ban on Russian oil with the U.K., Britain, France, and Germany.

"The price move up has been far too aggressive in too short a time. The charts are telling us the oil price needs to do some digesting before it can move substantially higher," Tiger Brokers Australia chief strategy officer Michael McCarthy told Reuters.

However, officials hinted late on Monday that the U.S. could move unilaterally on such a ban, which limited gains. Germany, the biggest buyer of Russian crude, also rejected plans for such an embargo but two Australian refiners, Viva Energy and Ampol Ltd. will stop buying Russian crude.

"Markets though have already priced in a significant disruption to Russian oil exports already," Commonwealth Bank Of Australia commodities analyst Vivek Dhar said in a note, which also pointed to how sanctions on Russian banks have already hit trade finance.

Russia currently exports around 7 million barrels of crude and oil products daily. If these exports are blocked from global markets, prices could jump to \$200 a barrel, some investors warned.

Russian deputy prime minister Alexander Novak was even more pessimistic, warning that "the surge in prices would be unpredictable. It would be \$300 per barrel if not more."

"There is no capacity in the world at the moment that can replace 7 million barrels of exports," Organization of the Petroleum Exporting Countries Secretary-General Mohammad Barkindo told media.

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