

Oil prices dip on U.S. crude stock build, supply worries cap losses

Oil prices eased on Wednesday after industry data showed U.S. crude stockpiles rose more than expected, though supply worries capped losses. Brent crude futures for December fell \$1.03, or 1.1%, to \$92.49 a barrel by 0635 GMT, after settling 26 cents higher in the previous session.

U.S. West Texas Intermediate (WTI) crude futures for December were down 75 cents, or 0.9%, to \$84.57, reversing the previous session's gain.

"The prospect of a global economic slowdown and tighter monetary policy has been outweighing the spectre of supply reductions in recent weeks," ANZ Research analysts said in a note.

U.S. crude inventories rose by about 4.5 million barrels in the week ended Oct. 21, according to market sources citing figures from the American Petroleum Institute, an industry group.

That was higher than expectations from five analysts polled by Reuters, who on average had expected a build of about 200,000 barrels.

While a rise in crude stockpiles reinforced fears of a global recession that would cut demand, ongoing supply constraints kept prices trading in a narrow range.

"OPEC production cuts effective November and the new EU sanctions on Russian oil to be enforced from December should be positive (for prices)," Stephen Innes, managing partner at SPI Asset Management, told Reuters.

With respect to the wide WTI-Brent spread in recent sessions, Innes added that WTI buyers are watching for any more interventions by President Joe Biden ahead of the U.S. mid-term elections on Nov. 8.

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