

Oil rises as US sanctions against Russian exports

Oil prices were up on Friday after the U.S. tightened its sanctions programme against Russian crude exports, raising supply concerns in an already tight market, and global inventories are forecast to decline through the fourth quarter.

Brent futures rose 94 cents, or 1.1%, to \$86.94 per barrel. U.S. West Texas Intermediate (WTI) crude gained \$1.07, or 1.3%, to \$83.98 a barrel at 0630 GMT.

Despite fluctuations through the week in both benchmarks, Brent is set for a weekly gain of 2.8%, while WTI is set to climb 1.4% for the week, after both contracts surged on Monday. The uptick was driven by the potential for disruptions to Middle Eastern exports after Hamas' attack on Israel over the weekend threatened a possible wider conflict.

"(A) geopolitical risk premium still lingers around the corner that is likely to support oil prices in the short-term," said Kelvin Wong, senior markets analyst at OANDA in Singapore.

The market was most concerned about supply constraints from the Middle East and Russia, said Wong.

On Thursday, the U.S. imposed the first sanctions on owners of tankers carrying Russian oil priced above the G7's price cap of \$60 a barrel, to close loopholes in the mechanism designed to punish Moscow for its invasion of Ukraine.

Russia is the world's second-largest oil producer and a major exporter, and the tighter U.S. scrutiny of its shipments could curtail supply.

Also on Thursday, the Organization of the Petroleum Exporting Countries (OPEC) kept its forecast for growth in global oil demand, citing signs of a resilient world economy so far this year and expected further demand gains in China, the world's biggest oil importer.

Imports last month were 45.74 million metric tons, or 11.13 million barrels per day, down 10.5% from the August level, which was the third-highest on record.

Important Note: The information found on Ausprime platform is intended only to be informative, is not advice nor a recommendation, nor research, or a record of our trading prices, or an offer of, or solicitation for a transaction in any financial instrument and thus should not be treated as such. The information provided does not include any specific investment objectives, financial situation and needs of any specific person who may receive it. The past performance is not a reliable indicator of future performance and/or results. Past Performance or Forward-looking scenarios are not a guarantee of future performance. Actual results may differ materially from those anticipated in forward-looking or past performance statement