

Oil prices at 2-1/2-month low

Oil prices hit fresh 2-1/2-month lows on Tuesday as mixed economic data from China offset the impact of Saudi Arabia and Russia extending output cuts.

Brent crude futures were down \$1.45, or 1.7%, to \$83.73 a barrel as of 1242 GMT while U.S. West Texas Intermediate crude was at \$79.58 a barrel, down \$1.24, or 1.53%. Both hit their lowest levels since late August.

The premium on front-month loading Brent contracts over ones loading in six months' time was also at a 2-1/2-month low, indicating market participants are less concerned with current supply deficits.

While China's crude oil imports in October showed robust growth both year on year and month on month, its total exports contracted at a quicker pace than expected.

Expectations of crude run reductions by China-based refiners between November and December could also limit oil demand and exacerbate price declines.

World shares, which often trade in tandem with oil, lost steam on Tuesday as investor enthusiasm about a peak in global interest rates faded. In addition, the U.S. dollar has ticked up from recent lows, making oil more expensive for holders of other currencies. [MKTS/GLOB]

On the supply side, markets are waiting to see if Saudi Arabia and Russia are ready to rein in production voluntarily beyond the end of the year in addition to a broader deal among the OPEC+ producer group.

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