

## Oil rises on expectations of further supply cuts

Oil futures rose more than \$1 on Monday, extending gains on the prospect of OPEC+ deepening supply cuts to shore up prices after four weeks of decline on demand worries.

Brent crude futures rose \$1.31 to \$81.92 a barrel by 1238 GMT. U.S. West Texas Intermediate crude was up \$1.16 at \$77.05.

The front-month December WTI contract expires later on Monday while the more active January futures gained \$1.27 to \$77.31.

Both contracts settled 4% higher on Friday after three OPEC+ sources told Reuters that the producer group, comprising the Organization of the Petroleum Exporting Countries(OPEC) and allies including Russia, is set to consider whether to make additional supply cuts when it meets on Nov. 26.

Oil prices have dropped by almost 20% since late September while prompt inter-month spreads for Brent and WTI slipped into contango last week. In a contango market prompt prices are lower than those in future months, signalling sufficient supply.

"In light of last week's obliteration of oil bulls, some kind of response was forthcoming from the (OPEC) producer group," said Tamas Varga of oil broker PVM.

"If additional cuts are agreed, a short-term price boost is expected, but its longer-term price impact seems dubious as enforcement and adherence will be the salient issue."

Investors are also keeping an eye on Russian crude oil trade after Washington imposed sanctions on three ships that have sent Sokol crude to India.

On Friday Moscow lifted a ban on gasoline exports which could add to global supplies of the motor fuel. That came after Russia scrapped most restrictions on exports of diesel last month.

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