

# Oil prices surge on Chinese stimulus

Oil prices climbed strongly Tuesday, boosted by news of additional monetary stimulus from China as well as conflict in the Middle East and the potential of disruptions to US supplies.

At 08:10 ET (12:10 GMT), Brent oil futures rose 2.1% to \$74.77 a barrel, while West Texas Intermediate crude futures rose 2.4% to \$72.02 a barrel.

## Chinese stimulus supports

Crude prices rose sharply after Chinese officials unveiled earlier Tuesday a slew of planned measures to spur economic growth.

The People's Bank of China (PBOC) said it is now set to cut reserve requirements for banks by 50 basis points to unlock more liquidity, while the government also said it would reduce mortgage rates for existing loans in an attempt to boost the ailing property market.

The moves come after the PBOC slashed a short-term repo rate on Monday in a bid to further boost liquidity.

China is the biggest importer of crude in the world, but an economic slowdown has raised concerns that demand will be hit going forward.

## Middle East tensions, supply disruptions remain in play

The crude market has also gained as a war in the Middle East showed little signs of de-escalation.

Israel bombed several Hezbollah-linked targets in Lebanon on Monday, marking a further potential escalation in its long-running conflict with the Lebanese military group. The country also kept up its offensive against Hamas in Gaza.

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