

## **Crude prices drop amid ample supplies**

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**New York:** Oil prices fell on Tuesday as market expected that global supplies will continue to exceed demand.

The Organisation of the Petroleum Exporting Countries (OPEC) last Friday decided to keep crude production pumping at the current level in the already oversupplied market, and for the first time in decades, failed to agree to a production ceiling.

The group currently produced about 31.5 million barrels a day. Traders worried the prolonged supply glut would continue to drag the oil market down.

US crude oil production is forecast to decrease through the third quarter of 2016, according to a report released by US Energy Information Agency (EIA) on Tuesday.

EIA estimated that the total US crude oil production dropped about 60,000 barrels per day (b/d) in November compared with October. Projected US crude oil production averages 9.3 million b/d in 2015 and 8.8 million b/d in 2016.

EIA forecast that Brent crude oil prices will average \$53 in 2015 and \$56 in 2016. West Texas Intermediate (WTI) crude oil prices is forecast to average \$4 lower than the Brent price in 2015 and \$5 lower in 2016.

The West Texas Intermediate for January delivery moved down 14 cents to settle at \$37.51 a barrel on the New York Mercantile Exchange, while Brent crude for January delivery decreased 47 cents to close at \$40.26 a barrel on the London ICE Futures Exchange.

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