

Crude oil futures sink on Saudi output pledge, US stocks expectations; ICE Brent down to \$78.58/b, NYMEX WTI \$68.44/b

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Crude oil futures sunk in European trading on Tuesday, as the market weighed pledges from Saudi Arabia to raise output, amid the continuing scandal over the disappearance of Saudi journalist Jamal Khashoggi, alongside expectations of rising crude stocks in the US.

At 0952 GMT, the December ICE Brent crude futures contract was trading down \$1.25 at \$78.58/b, while the NYMEX December light sweet crude contract was down \$0.92 at \$68.44/b.

On Monday, Saudi oil minister Khalid al-Falih said the Kingdom would hike output to as high as 11 million b/d, according to news reports, and attempted to stem worries that the country would impose an oil embargo.

"This would be a record level, and another 300,000 barrels per day on top of current output," Commerzbank analysts said in a morning note. That would contribute to offsetting the impact of the US sanctions on Iran, which are due officially to come into force next month.

The pledge comes amid a ballooning scandal over the death of Khashoggi in the Saudi consulate in Istanbul earlier this month. Saudi officials have said that the journalist died accidentally in the embassy, and arrested 18 Saudis over the incident. But Turkish president Recep Tayyip Erdogan said Tuesday that he was killed in a "savage" murder planned days in advance, he told MPs from his ruling party, and demanded answers from the Saudis to a number of questions.

The market is also looking ahead to signals from weekly crude stocks data in the US. Tuesday will bring the weekly release of numbers from the American Petroleum Institute, followed by the more definitive figures from the US Energy Information Administration.

Analysts surveyed by S&P Global Platts expect crude inventories to have climbed in the week to October 19 by 3.3 million barrels, while Platts Analytics expects an even larger build of 5.46 million barrels in that week.