

Oil rises above \$75 for the first time in two years



Optimism over the rate of global vaccine roll out and a pick up in demand is pushing up prices
[File: Luke Sharrett/Bloomberg]

Houston, June 22 (RHC)-- Crude oil prices rose on Tuesday, with Brent hitting \$75 a barrel for the first time since April 2019, as investors remained bullish about a quick recovery in global oil demand and as concerns eased over an early return of Iranian crude.

Brent crude futures for August climbed 29 cents, or 0.4 percent, to \$75.19 a barrel by 06:58 GMT, paring earlier losses. It rose as high as \$75.27 a barrel, the strongest since April 25, 2019, earlier in the session.

US West Texas Intermediate (WTI) crude for July was at \$73.66 a barrel, unchanged from the previous session. WTI for August climbed 13 cents, or 0.2 percent, to \$73.25 a barrel. Brent gained 1.9 percent and WTI jumped 2.8 percent on Monday.

Both benchmarks have risen for the past four weeks on optimism over the pace of global COVID-19 vaccinations and expected pick-up in summer travel. “The market sentiment stays strong with improved outlook for global demand,” said Satoru Yoshida, a commodity analyst with Rakuten Securities, adding that a rally in Asian stock markets is also helping boost risk appetite among investors.

Global shares on Tuesday extended their recovery from four-week lows as investors focused on prospects for post-pandemic economic growth, rather than fret more over the hawkish stance taken by the U.S. Federal Reserve at a policy meeting last week.

The global crude benchmark has rallied more than 40 percent this year as a strong rebound from the pandemic in the US, China and Europe underpins increasing fuel consumption, although a virus comeback in parts of Asia is a reminder that the recovery will be uneven. Brent may even advance to \$100 a barrel next year as travel demand rebounds, according to Bank of America Corp.

“Demand optimism is now well established and a tightening of the market is very much in the spotlight,” said Vandana Hari, the founder of Vanda Insights. “If there is a pause in this rally, it will likely come from the supply side.”

<https://www.radiohc.cu/en/noticias/internacionales/261539-oil-rises-above-75-for-the-first-time-in-two-years>



Radio Habana Cuba