

Global Oil Prices Plummet as U.S. Crude Stockpiles Hit Record



New York, February 5 (RHC)-- Global oil prices have plummeted after the U.S. crude stockpiles reached its highest level over the past 33 years. Reports said on Wednesday that US benchmark West Texas Intermediate (WTI) and Brent North Sea crude, both set for March delivery, tumbled by USD 2.92 and USD 2.05 to USD 50.13 and USD 55.87 a barrel, respectively.

Earlier in the day, the U.S. Energy Information Administration (EIA) said the country's crude inventories jumped to 413.06 million barrels last week, showing a 6.3-million barrel increase. This is the U.S. largest crude stockpile since 1982.

The Wednesday decline came after oil prices had experienced a 20-percent surge since Friday.

Oil prices have plunged about 60 percent since June last year over increased supplies by certain countries such as Saudi Arabia, the largest producer in OPEC, and a lackluster global economic growth.

OPEC, which produces about 40 percent of the world's oil, last year decided against cutting its production to balance the market due to opposition from Saudi Arabia. Many analysts believe oil prices are being used as a political weapon against certain countries, including Iran and Russia.



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