

Home

Jobs

Current issue

Previous issue

Contributions

Events diary

Archive search

Commodity prices

PMI reports

Blog

Log in

Latest news

Web news, 17 November 2009

Cost of oil to stick above \$70 a barrel

By Jake Kanter

Oil prices are likely remain well above \$70 (£41) a barrel in the near future as economic indicators continue to improve, according to the Organization of the Petroleum Exporting Countries (Opec).

The group's latest oil market report said the economy, aided by growth in Asia, continues to improve and together with the depreciating value of the US dollar will keep oil prices in the "high \$70s".

Today's Opec reference basket price is \$76 (£45), while the average crude oil price in October was \$73 (£43). US oil prices also rose sharply last month, with light crude costs hitting a 12-month high of \$82 (£48) a barrel at one point.

Earlier this month, Steve Robertson, director at energy consultancy Douglas Westwood told *SM* that [rising oil prices could trigger a second global economic slump](#). This view is shared by the International Energy Agency, which said last week that if price spikes continue they risk "derailing the recovery".

Opec also raised its 2010 world oil demand forecast to 750,000 barrels a day, compared with last month's projection of 700,000 barrels. It said most signs, including better global GDP predictions, point to a growth in demand.