

JP Morgan raises oil price outlook, but trims demand-growth forecast



(Reuters) – Investment bank JP Morgan on Friday raised its outlook for oil prices, but lowered its forecast for global crude demand-growth this year amid increasing uncertainty over international trade.

A gauge of global stock markets hovered at a month high while Wall Street traded near a five-month high as investors digested another significant day of corporate earnings.

The dollar index, which measures the greenback against a basket of six currencies, rose 0.18 percent, to 95.113 after rising as high 95.407. The euro was down 0.13 percent to \$1.1644.

Demand increased after upbeat comments from Federal Reserve

Chairman Jerome Powell about the U.S. economy in congressional testimony on Tuesday, a message he reiterated on Wednesday before a U.S. House panel.

“Strengthening economic growth and a confident Fed is helping to support the dollar,” said Alan Gayle, president of Via Nova Investment Management LLC in Fredericksburg, Virginia.

“Higher short-term interest rates make the dollar more attractive relative to other currencies.”

On Wall Street, the Dow Jones Industrial Average rose 57.03 points, or 0.23 percent, to 25,176.92, the S&P 500 gained 2.19 points, or 0.08 percent, to 2,811.74 and the Nasdaq Composite dropped 5.72 points, or 0.07 percent, to 7,849.39.

Morgan Stanley shares rose 2.8 percent after the bank’s better-than-expected profit.

The pan-European FTSEurofirst 300 index rose 0.60 percent, as shares of Swiss drugmaker Novartis and Sweden’s Ericsson gained after their reports.

MSCI’s gauge of stocks across the globe gained 0.08 percent, and touched its highest point in a month.

Benchmark U.S. 10-year notes last fell 1/32 in price to yield 2.8637 percent, from 2.862 percent late on Tuesday. The U.S. yield curve remained near its flattest in nearly 11 years.

Oil benchmark Brent crude hit a three-month low after government data showed a rise in U.S. crude inventories and oil production, which highlighted increasing global supply and concerns over weak demand.

U.S. crude fell 0.29 percent to \$67.88 per barrel and Brent was last at \$71.89, down 0.37 percent.

Gold, which is regarded as a hedge against inflation, extended its downtrend and sank to its lowest in a year on a buoyant

dollar and falling oil prices.

“In this environment where we also see oil prices falling, and so less concern from investors about rising inflation, that’s another negative for the gold price,” said Jens Pedersen, senior analyst at Danske Bank in Copenhagen.

Spot gold was down 0.1 percent at \$1,226.23 an ounce.