

Trump presses OPEC to reduce prices as crude trades near \$80



New York: US President Donald Trump resumed his criticism of Opec, saying on Twitter that the body “must get prices down now!”

Trump’s fresh intervention in the oil market comes before a meeting of ministers from the Organisation of Petroleum Exporting Countries and its allies in Algeria on Sunday. His complaint follows signals from Saudi Arabia that it was content to see prices climb above \$80 (Dh294) a barrel. That’s been a red line for the White House in the past, provoking the president to direct his first social-media barb against the body since July 4.

Brent crude futures were 0.6 per cent lower in London, erasing an earlier gain of as much as 0.5 per cent to trade at \$78.92

a barrel at 1:07pm local time.

Trump's tweet makes sense "with oil prices close to the highs of the year," said Giovanni Staunovo, commodity analyst at UBS Group AG. "Considering the upcoming Opec meeting in Algiers, he wants to keep pressure on the group ahead of the midterm elections."

the president is returning to a playbook that's won him significant victories already this year. His first attack on Opec came on April 20, just hours after Saudi Arabia's Oil Minister Khalid Al Falih said that Opec would continue its production cuts so that oil prices could rise further. Within a month, the kingdom had performed a dramatic U-turn and by June the body and its allies were promising to add 1 million barrels a day to the oil market.

Prices dipped as low as \$70 in London in August, but have since risen as American sanctions began to significantly curb Iran's oil exports. While Saudi Arabia and Russia have recently boosted output to compensate, it's unclear whether they're willing or able to offset all the losses from Iran.

Saudi Arabia is now comfortable with Brent oil prices rising above \$80 a barrel, at least in the short term, as the global market adjusts to the loss of Iranian supply, people familiar with the kingdom's view said this week.

The change in the kingdom's view on prices coincided with some intense oil diplomacy. In the last two weeks, Al-Falih has met his counterparts from Russia and the US, Alexander Novak and Rick Perry, to discuss the oil market and the impact of US sanctions on Iran. It's unclear, however, whether the Saudis discussed prices with Russian and American officials.

Saudi Arabia has markedly increased oil exports to America, a sign OPEC's leading producer is responding to pressure from Trump. Earlier this month, Saudi shipments into the US reached a four-week average of 1 million barrels a day for the first

time since late 2017, according to government data.

– Bloomberg