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## Oil above \$60, supported by OPEC and U.S. stocks draw

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LONDON (Reuters) - Oil rose almost a dollar to more than \$60 a barrel on Thursday, supported by OPEC supply cuts and a drop in fuel stockpiles in top oil consumer the United States.

OPEC is lowering output and some members have said the group may cut supply further in December. The cutback comes as oil demand is nearing its seasonal peak in the northern hemisphere winter.

"There is rising product demand, rising crude demand and OPEC is cutting output," said Mike Wittner, analyst at investment bank Calyon. "Global demand will get us back to mid-\$60s crude by December."

U.S. crude <CLC1> was up 72 cents at \$60.55 a barrel by 1244 GMT, adding to Wednesday's gain. London Brent <LCOc1> rose \$1.05 to \$60.64.

Gulf members of OPEC said on Wednesday they were fully committed to the 1.2 million barrels per day (bpd) cut agreed from November, but said markets remained oversupplied for now.

Saudi Arabia and other Gulf OPEC members have said they see scope for further supply cuts when the Organization of the Petroleum Exporting Countries next meets on December 14 in Nigeria.

"Definitely, OPEC will do what it takes to defend \$60," said Olivier Jakob, analyst at Petromatrix.

The U.S. Energy Information Administration (EIA) said on Wednesday that OPEC's existing plan to cut oil production could drain U.S. crude inventories more than normal.

U.S. distillate stocks, including heating oil, fell last week by 2.7 million barrels, more than the 500,000-barrel draw expected, the U.S. government said on Wednesday.

But this level still left stocks about 11 percent up on a year-ago -- ahead of peak winter demand for fuel <EIA/S>

"The EIA numbers we got yesterday were not much of a surprise, although on balance, they were more bullish than bearish," Man Financial said in a report.

Democrats, who swept Republicans from power in the U.S. House of Representatives, have pledged to roll back billions of dollars in tax breaks and financial incentives extended to the oil industry in energy legislation Congress passed last year.

But that is likely to have little impact on the oil market, analysts said.

(Additional reporting by Osamu Tsukimori in Tokyo)

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