



World oil prices slip below \$59

Oil prices have continued to fall, slipping below \$59 a barrel on the back of rising fuel stocks among the world's major consumer countries.

US light crude was down 31 cents at \$58.83 a barrel, while London's Brent crude fell 23 cents to \$58.92.

Fresh attacks earlier in the day on oil installations in Nigeria failed to stall the drop in prices.

Lower oil prices could prove welcome news for President George W Bush, ahead of US mid-term Congressional elections.

President Bush's Republicans are expected to lose ground to the Democrats during voting on Tuesday.

However, politically-sensitive gasoline prices have fallen sharply in recent months, tracking the decline in world oil prices and helping to ease US inflationary pressures.

Further cuts

The fall in prices on Monday came as dealers expressed doubts over Opec's plans to push through with cuts in crude output.

Opec president Edmund Daukoru said member nations of the oil producers' cartel were committed to cutting production in a bid to boost prices.

He added that further cuts could also be made.

"A December quota cut may be necessary because the market is still soft, \$60 will not hurt the world economy," Mr Daukoru said on Sunday in South Korea, where he was attending an oil conference.

Despite scepticism over Opec's intentions, some dealers said they expected oil prices to begin reversing some of their recent losses.

"The increase in demand is slowly starting to provide more supportive fundamentals," said Olivier Jakob of Petromatrix. "We would therefore expect crude oil to regain the ground it lost last week."

Story from BBC NEWS:
<http://news.bbc.co.uk/go/pr/fr/-/2/hi/business/6122042.stm>

Published: 2006/11/06 17:02:01 GMT

© BBC MMVI

