

# INTERNATIONAL THE NEWS

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Editor-in-Chief

## Oil rises towards \$60, lifted by Nigeria attack

LONDON: Oil prices rose towards \$60 on Monday as a new attack on Nigerian oil facilities limited the pressure of high fuel countries.

Doubts over OPEC's determination to push through output cuts also weighed. Investors took little notice of OPEC President saying more reductions could follow in December. US crude was up 66 cents at \$59.80 a barrel by 1520 GMT. Prices ended after the US consulate in Nigeria said militants may have imminent plans to launch attacks on oil facilities in the Niger Delta was 70 cents up at \$59.85.

The market has traded between \$57-\$62 for a month, leading some investors to see firmer prices on the horizon. "The market has more time to break the support of the \$57-\$64 range (for US crude)...The increase in demand is slowly starting to provide fundamentals," Olivier Jakob of Petromatrix said. "We would therefore expect crude oil to regain the ground it lost last week."

An oil production facility at Tebidaba, in southern Nigeria, was attacked early on Monday, government and security sources said. The region feeds crude oil to the Brass tanker terminal, which exports about 200,000 barrels per day. Violence in the world's oil region has cut output by 500,000 bpd since February.

Another factor supporting the price is a blast of cold weather that hit the US northeast at the weekend and boosted heating oil prices by more than three cents a gallon on Monday. Oil prices have slid 25 per cent since a July peak partly because of high fuel prices in the United States, prompting OPEC to cut back supplies by 1.2 million barrels per day from November.

OPEC President Edmund Daukoru said on Sunday that all the group's members will fully implement their production cuts, and may force the Organisation of the Petroleum Exporting Countries to cut output further next month. "A December quota cut is necessary because the market is still soft," Daukoru told Reuters in South Korea ahead of an oil conference. "\$60 will not hurt the market. Venezuela is recommending OPEC take an additional 300,000 barrels per day off the market at its December meeting."

Some analysts doubted that OPEC would be able to lift the price soon. "We see front month WTI (US) crude prices continuing to be bound in the high fifties for the coming week, as bulging crude inventories and perceived lack of coordination from OPEC said analysts at JP Morgan.