

## **Oil prices rise with fears about Lebanon and new OPEC+ supply cuts**

Oil prices rose more than 2% on Tuesday as Israel threatened to attack the Lebanese state if its truce with Hezbollah failed, and as investors positioned themselves for OPEC+ to announce an extension of supply cuts this week.

Brent crude futures posted their biggest gain in two weeks, rising by \$1.79, or 2.5%, to \$73.62 a barrel.

U.S. West Texas Intermediate crude futures also saw their largest increase since November 18, climbing by \$1.84, or 2.7%, to \$69.94 a barrel.

Israeli forces continued attacks against what they said were Hezbollah fighters ignoring last week's truce agreement in Lebanon. Senior Lebanese officials urged Washington and Paris to pressure Israel to maintain the ceasefire.

The risk to the ceasefire left some oil traders more concerned about tensions in the Middle East, said UBS analyst Giovanni Staunovo.

Although the conflict in Lebanon has not resulted in oil supply disruptions, traders will closely monitor tensions between Iran and Israel in the coming months, Staunovo added.

Also supporting oil prices, the Organization of the Petroleum Exporting Countries and its allies are likely to extend production cuts when OPEC+ meets on Thursday.