

## **Oil falls amid broad supply outlook for 2025**

Oil prices fell on Thursday as investors weighed a broad supply outlook for next year against OPEC+'s decision to delay a planned production increase for three months, until April 2025.

Brent crude oil closed down by 0.22 dollars, or 0.3%, at 72.09 dollars per barrel, while U.S. West Texas Intermediate (WTI) oil closed down by 0.24 dollars, or 0.35%, at 68.30 dollars per barrel.

OPEC+, the Organization of the Petroleum Exporting Countries and its allies, including Russia, had planned to start easing production cuts in October 2024, but slowing global demand and rising output outside the group forced multiple delays of the plans.

"There were doubts in the meeting about whether there was cohesion or not (within OPEC+), they are definitely leaving this unified, but it also shows the challenging supply scenario they are facing as they try to sustain this market," said John Kilduff, partner at Again Capital in New York.

The gradual reduction of cuts by 2.2 million barrels per day (bpd) will begin in April next year, with monthly increases of 138,000 bpd, according to Reuters' calculations, and will last for 18 months until September 2026. OPEC+ produces about half of the world's oil.

But analysts pointed to a broad supply outlook for 2025 as a compensatory support to OPEC+'s decision on Thursday.

"The market is facing a surplus, there is no shortage of oil, and there are no clear signs of what to expect in the future to drive prices up," said Bob Yawger, director of energy futures at Mizuho.