

## **Oil prices stay stable; IEA forecast surplus and optimism over rate cuts**

Oil prices were almost unchanged on Thursday, pressured by a forecast of ample supply in the oil market but supported by increasing expectations of a rate cut from the Federal Reserve.

Brent crude futures fell by \$0.11, or 0.15%, to \$73.41 per barrel. U.S. West Texas Intermediate (WTI) crude futures dropped by \$0.27, or 0.38%, to \$70.02.

The International Energy Agency (IEA) made a slight upward revision to its demand outlook for next year but still expects the oil market to be comfortably supplied. On Wednesday, OPEC cut its 2024 demand growth forecast for the fifth consecutive month.

"If you look at the actual data, the IEA is saying that the surplus they predicted should be happening right now," said Phil Flynn, analyst at Price Futures Group. Global oil stocks fell by 39.3 million barrels in October, as low refinery activity coincided with an increase in global oil demand, according to IEA data.

In the U.S., inflation ticked up slightly in November, in line with economists' expectations. Overall, investors expect the Fed to cut rates again, fueling optimism about economic growth and energy demand.

"The inflation report brings a lot of comfort. It could have been better, but it looks low enough for the Fed to cut rates at the next meeting," said Bjarne Schieldrop, chief commodities analyst at SEB.

In the world's largest oil consumer, the U.S., gasoline and distillate inventories increased more than expected last week, according to data from the Energy Information Administration.