Oil falls on weak Chinese spending and ahead of Fed's U.S. interest rate decision

Oil futures prices fell on Monday after recently hitting their highest levels in several weeks, due to weak consumer spending in China, the world's largest oil importer, and with investors holding off from buying ahead of the Federal Reserve's interest rate decision in the United States.

Brent crude futures closed at $73.91 per barrel, down by $0.58, or 0.8%, after rising on Friday to their highest level since November 22.

U.S. West Texas Intermediate crude closed at $70.71 per barrel, down by $0.58, or 0.8%, after reaching its highest level since November 7.

Last week, oil benefited from the expectation that supply would tighten with additional sanctions on Russian and Iranian oil producers, while potential lower interest rates in the U.S. and Europe would boost demand.

“We feel that last week’s events were adequately priced in, and this week will bring fewer items capable of supporting oil prices,” said Jim Ritterbusch of Ritterbusch and Associates in Florida.

Chinese retail sales were slower than expected, putting pressure on Beijing to increase stimulus for a fragile economy facing U.S. trade tariffs under a second Trump administration.

“It’s just a very pessimistic scenario, where there’s not much hope for oil demand growth,” said Bob Yawger, head of energy futures at Mizuho in New York.

The Chinese outlook contributed to the decision by the OPEC+ oil-producing group to delay plans for increasing production until April.