

Oil Rises More Than 1% Amid Large Inventory Drop in the U.S.

Oil prices rose more than 1% on Friday and recorded a weekly gain, amid low trading volumes ahead of the year-end, boosted by a larger-than-expected reduction in U.S. oil inventories last week.

Brent crude futures increased by \$0.91, or 1.2%, to \$74.17 per barrel. U.S. West Texas Intermediate (WTI) crude futures rose by \$0.98, or 1.4%, to \$70.60 per barrel.

On a weekly basis, both Brent and WTI gained about 1.4%.

U.S. oil inventories fell by 4.2 million barrels in the week ending December 20, with refineries increasing activity and the holiday season boosting fuel demand, according to data from the U.S. Energy Information Administration released on Friday.

Analysts surveyed by Reuters had expected a reduction of 1.9 million barrels, while numbers from the American Petroleum Institute released earlier in the week estimated a decrease of 3.2 million barrels, according to market sources.

Optimism regarding Chinese economic growth has also raised hopes for increased demand next year from the world's largest oil-importing nation.

On Thursday, the World Bank raised its forecast for Chinese economic growth in 2024 and 2025. Meanwhile, Chinese authorities agreed to issue special treasury bonds worth 3 trillion yuan (\$411 billion) next year, sources told Reuters this week, as Beijing seeks to revive its sluggish economy.

Oil Futures Decline During Asian Session

Oil futures fell during the Asian session on Friday.

On the New York Mercantile Exchange, February oil futures were trading at \$69.58 per barrel at the time of writing, down 0.06%.

Previously traded at the session's low at \$ per barrel. Oil was poised to find support at \$68.59 and resistance at \$70.48.

The Dollar Futures Index, which tracks the performance of the U.S. dollar against a basket of six major currencies, recorded a gain of 0.06%, trading at \$107.96.

Elsewhere on the ICE, March Brent crude oil futures were down 0.07%, trading at \$72.80 per barrel, while the spread between Brent and crude oil stood at \$3.22 per barrel in the contracts.