

Oil Prices rise amid possible supply disruptions and demand expectations in China

Oil prices rose on Tuesday, driven by concerns over possible supply limitations from Russia and Iran due to Western sanctions, as well as expectations of increased demand from China.

Brent crude futures closed at \$77.05 per barrel, up \$0.75, or 0.98%. U.S. West Texas Intermediate (WTI) crude closed at \$74.25 per barrel, up \$0.69, or 0.94%.

Traders were awaiting Chinese stimulus plans to boost growth, as supplies tightened following the Christmas and New Year holidays, said Forex market analyst Razan Hilal.

"Although the market is currently within a range, it is registering gains due to improved demand expectations fueled by holiday traffic and China's economic promises," Hilal said in a morning note. "However, the main trend remains bearish."

Some market participants have apparently started pricing in small risks of supply disruptions from Iranian oil exports to China, said UBS analyst Giovanni Staunovo.

Concerns over sanctions restricting supply have translated into increased demand for Middle Eastern oil, which is reflected in rising Saudi oil prices for Asia in February, the first such increase in three months.

On Monday, in China, the Shandong Port Group issued a notice prohibiting the entry of U.S.-sanctioned oil vessels into its port network, according to three operators, which could restrict the entry of blacklisted vessels into major energy terminals on China's east coast.

The Shandong Port Group oversees major ports on the east coast of China, including Qingdao, Rizhao, and Yantai, which are key terminals for sanctioned oil imports.