

Oil Rises with weaker dollar, but recession fears and tariffs weigh

Oil prices edged higher on Tuesday, supported by a weaker dollar, but gains were limited by growing concerns over a slowdown in the U.S. and the impact of tariffs on global economic growth.

Brent crude futures rose 0.4% to \$69.56 per barrel after falling to \$68.63 earlier in the session.

U.S. West Texas Intermediate crude futures increased by 0.3% to \$66.25 per barrel, following previous declines as well.

Both benchmarks closed down 1.5% in the previous session.

Stocks, which are often tracked alongside oil prices, were flirting with a correction after dropping on Monday, when the S&P 500 recorded its largest one-day decline since December 18 and the Nasdaq fell 4.0%, its largest percentage drop in a single day since September 2022.

The dollar index hit a four-month low, making oil less expensive for foreign buyers.

However, oil prices reduced some gains after U.S. President Donald Trump stated on Tuesday that he had instructed his Secretary of Commerce to add an additional 25% tariff on all steel and aluminum imports from Canada, raising the total tariff on these products to 50%.

"This kind of drama is increasing volatility here," said Phil Flynn, senior analyst at Price Futures Group.

Trump's protectionist policies have shaken global markets, imposing and delaying tariffs on major oil suppliers Canada and Mexico, as well as increasing tariffs on China, prompting retaliatory measures.

Over the weekend, Trump mentioned that a "transition period" was likely and refused to rule out a recession in the U.S.