

## **Crude oil futures fall on possible OPEC+ production increase**

Futures for crude oil and Brent fell by 1.6% following Bloomberg reports indicating that OPEC+ may decide to increase oil production in July, potentially disrupting the balance between global supply and demand growth. The news comes ahead of the scheduled OPEC+ meeting on June 1, where the organization will discuss a possible third consecutive production hike.

The potential increase under consideration amounts to a substantial 411,000 barrels per day for July, marking a significant shift from the initially planned volume and representing about 1% of OPEC+'s current output. This development follows previous increases announced by OPEC+ for May and June, also of 411,000 barrels per day each, which have already contributed to a downward trend in oil prices.

OPEC+ has indicated that the proposed supply increases aim to meet growing demand. However, internal sources have suggested several other motivations, including a desire to penalize members who overproduced, reclaim market share, and respond to political pressures.

Saudi Arabia, OPEC+'s de facto leader, previously issued warnings to member countries such as Kazakhstan and Iraq for failing to adhere to their production quotas. Despite pledges of compliance, little action has been taken—particularly by Kazakhstan—to reduce production from international oil companies operating within its borders, resulting in export levels that remain near record highs.

The upcoming OPEC+ meeting will be a critical moment for the oil market, as the group's decision on production levels could have significant implications for global supply and oil prices. Investors and market watchers will be closely monitoring the outcome of the discussions.