

## **Oil prices steady amid focus on rising U.S. inventories and fed decision**

Oil prices stabilized in Asian trading on Wednesday, cooling off after strong gains in the previous session, as attention turned to a potential increase in U.S. inventories and the upcoming interest rate decision.

Oil prices surged earlier this week after the U.S. threatened to sanction major buyers of Russian oil in an effort to pressure Moscow to end its conflict with Ukraine. Signs of progress in U.S. trade relations, following a deal struck with the European Union, also supported oil markets.

However, oil's momentum was dampened by industry data showing an unexpected rise in U.S. stockpiles. Caution ahead of the Federal Reserve's interest rate decision on Wednesday also weighed on prices, as did anticipation of several other key economic indicators this week.

Brent crude futures for September rose 0.2% to \$72.68 per barrel, while West Texas Intermediate (WTI) crude futures increased 0.1% to \$69.28 per barrel as of 8:53 PM ET (12:53 GMT).

Data from the American Petroleum Institute (API), released Tuesday night, showed that U.S. crude inventories rose by about 1.5 million barrels in the week ending July 25.

This increase contrasted with expectations for a 2.5 million barrel decline and marked a reversal from a small drop the previous week.

API data often foreshadows a similar trend in official inventory figures, which are due later on Wednesday. Signs of rising U.S. stockpiles raise some concerns about demand in the world's largest fuel consumer, especially amid heightened economic uncertainty.

A series of major U.S. economic indicators is scheduled for release this week, with the Fed set to conclude a two-day meeting later on Wednesday. The central bank is widely expected to keep interest rates unchanged.

Still, the strength of the dollar ahead of the Fed decision put some pressure on oil prices.

Nonfarm payroll data, a key indicator of the labor market, is due Friday. Also on Friday, the deadline for former President Trump's proposed high trade tariffs arrives, coinciding with the recent signing of a limited number of trade agreements by Washington.

In Asia, attention is also on China's Purchasing Managers' Index (PMI) data—expected Thursday—for further insight into the world's second-largest economy and biggest oil importer, following the end of a bitter trade war with the U.S. earlier this year.

The Bank of Japan is also set to make a decision on interest rates on Thursday and is widely expected to leave them unchanged amid ongoing uncertainty over trade and political leadership in Japan.