

COMMODITIES – Oil rebounds on weaker dollar

(Montel Powernews) Oil prices have rebounded on Monday afternoon on the back of a weaker dollar after falling for several consecutive sessions, players said.

The front month contract for Brent North Sea crude oil was last seen changing hands at USD 77.21/bbl on the ICE platform, up USD 0.10 on Friday's close.

The contract had traded in a USD 76.39-77.59/bbl range to the time of writing.

The front month contract for WTI was last seen at USD 78.39/bbl on Nymex, up USD 0.39 day on day

Crude oil rebounded on Monday with a weaker US dollar providing some support, said Andrey Kryuchenkov, oil analyst at VTB Bank Europe, but added volumes were low due to the Martin Luther King holiday in the US.

After falling for several consecutive sessions, it was time for a technical reaction, said Frank Schallenberger, head of commodity research at Landesbank Baden-Württemberg.

However, prices were expected to fall further, he said, expecting to see a trading range of USD 70-75/bbl over the coming four weeks.

The sentiment was pessimistic over the near term, with very bearish crude and gasoline stock reports, he added.

Comfortable UK gas

On the UK gas market, the day-ahead contract was last seen trading at 33.30p/th, down 0.70p on Friday's close, while the within-day contract was last seen 0.10p weaker at 33.40p/th, according to one broker.

"The market looks to have calmed down after the rather frantic start to the month," said Craig Lowrey, a consultant at JC Rathbone Associates Energy.

The system was comfortable with demand at 376.9mcm - down from a record high of 465.5mcm 10 days ago - and healthy supply, Lowrey added.

However, the expected dip in temperatures and return of wintry weather to parts of the UK midweek could be a cause for some concern, he said.

Coal prices in the API 2 window were trading lower, with the February contract last heard at USD 84.50/t, down USD 1.10/t at one broker.

The market was uninspiring as prices were slightly lower as a reaction to recent falls in crude oil prices, said one trader.

In the European carbon market, the Dec 10 EUA contract last traded at EUR 13.52/t, up EUR 0.18 on Friday's close. The contract opened at EUR 13.25/t.