

Thursday 02nd June 2016 – 2:20pm

International

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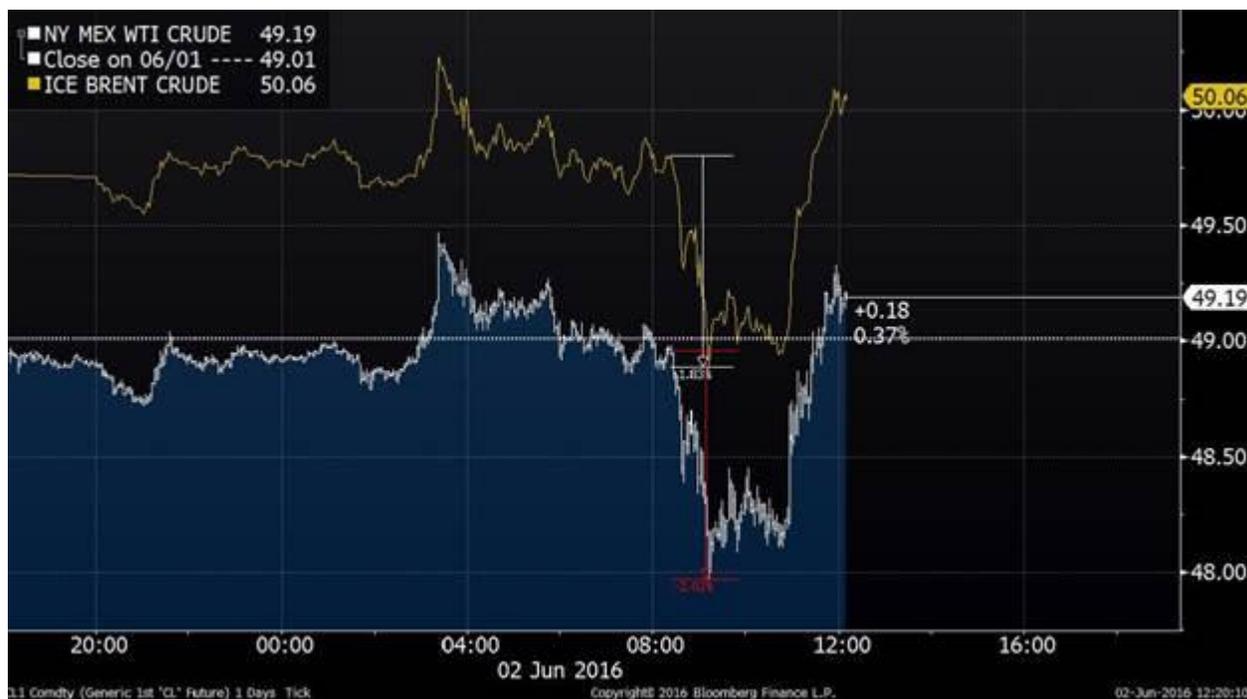
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OPEC Fails to Agree to New Production Ceiling

- Oil prices dropped almost 2% but recovered after OPEC failed to reach an agreement for a new production ceiling at the group's meeting in Vienna today.
- West Texas Intermediate for July delivery temporarily fell 80 cents, or 1.4%, to USD48.20 a barrel and total volume traded was 15% below the 100-day average.
- Brent for August settlement momentarily declined 72 cents, or 1.5%, to USD49 a barrel, on the London-based ICE Futures Europe exchange.
- It was the first OPEC meeting since Khalid Al-Falih became Saudi Arabia's oil minister last month.
- The Organization of Petroleum Exporting Countries' de facto leader, Saudi Arabia, had previously discussed restoring an output target but was scrapped in December.
- While Saudi Arabia had shown willingness to mend divisions Thursday with cash-strapped members demanding a new group ceiling, Iran said it would only support individual country quotas that would be difficult to agree to in a single meeting.
- Iran has rejected any cap on production as it restores output following the removal of sanctions in January. The country's refusal to participate in a production freeze proposed earlier this year prompted Saudi Arabia to block a deal between OPEC and Russia at a meeting in Doha in April.

- The S&P 500 Index was little changed for a third day as gains in biotechnology shares offset a slump in tech companies. European equities were little changed, the euro fluctuated and bonds were mixed, as ECB President Mario Draghi stood firm on rates while leaving the door open for additional stimulus.
- The next OPEC meeting is scheduled to be held on 30 November.

WTI and Brent crude oil price fall and recovery after today's OPEC meeting.



Source: Bloomberg

Estimated Monthly OPEC Oil Production



Source: Bloomberg



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