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DJIA Futures **24343** -0.50% ▼

Stoxx 600 **352.78** 0.06% ▲

U.S. 10 Yr **5/32 Yield** 3.045% ▲

Crude Oil **51.43** -5.86% ▼

Euro **1.1344** -0.52% ▼

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<https://www.wsj.com/articles/oversupply-fears-drag-oil-prices-to-one-year-lows-1542973088>

COMMODITIES

Oil Prices Plunge on Global Growth Concerns

A gusher of oil in global markets and concerns about slowing economic growth have sent oil prices down by nearly a third since the start of October

By Neanda Salvaterra and Georgi Kantchev

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The broad selloff in oil accelerated Friday as investors grew increasingly concerned about a surge of production expected to come from the U.S. and fears of a slowdown in global economic growth.

Brent crude, the global oil benchmark, was down 3.2% at \$60.58 a barrel midmorning on London's Intercontinental Exchange.

The U.S. benchmark, West Texas Intermediate futures, traded down 5.3% at \$51.77 a barrel on the New York Mercantile Exchange. The American crude grade is down by nearly a third from its Oct. 3 closing high.

Investors remain skeptical that the Organization of the Petroleum Exporting Countries meeting in Vienna on Dec. 6 will be able to turn the tide on oil supply enough to support prices.



An oil tanker in El Segundo, Calif. PHOTO: TIM RUE/BLOOMBERG NEWS

“The imminent OPEC meeting in Vienna is unlikely to provide massive support this time around because of the troubling situation in and around Saudi Arabia,” said Eugen Weinberg, head of commodities research at Commerzbank.

Economic growth outside the U.S. has flagged, raising fears that demand for crude will also decline. The latest sign was in export-dependent Germany where a purchasing managers index hit a four-year low, well below the level economists were expecting.

The slowdown comes amid a trade dispute between the U.S. and China and after a slew weaker economic data darkened the outlook for global growth.

As a result, oil watchers, including OPEC itself, have recently lowered their forecasts for crude oil demand.

On the supply side of the equation, U.S. producers have been ramping up, with output reaching record highs. U.S. oil production topped 11 million barrels a day this year, and is projected to surpass 12 million barrels daily next year, according to the Energy Information Administration.

The fallout from the killing of a Saudi dissident journalist has also compromised the kingdom's ability to influence fellow oil producers.

Earlier this year, concerns about a supply deficit sparked predictions of \$100-a-barrel oil after President Trump announced a decision to reimpose sanctions on Iran.

However, OPEC members and Russia have increased their output to offset the barrels lost from U.S. sanctions on Iran, while the Trump administration this week granted waivers to eight governments that purchase Iranian oil as sanctions took full effect, easing fears of a supply shortage.

Write to Neanda Salvaterra at neanda.salvaterra@wsj.com and Georgi Kantchev at georgi.kantchev@wsj.com

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