



Oil Prices Drop as Stocks Climb in Market Turnaround

Description

The White House confirmed it is maintaining “constant coordination with the relevant agencies on this important issue.” According to White House spokeswoman Taylor Rogers, President Trump and his energy team have established a robust strategy aimed at stabilising energy markets prior to the commencement of Operation Epic Fury. She noted that this plan remains under review, although she did not provide specific details. Rogers conveyed that any fluctuations in oil prices are expected to be temporary and should significantly decrease once the objectives of the conflict with Iran are met.

A separate U.S. official informed NBC News that Trump is contemplating various strategies to lower oil prices. Potential measures include limiting U.S. oil exports, engaging with the futures market, and relaxing certain stipulations of the Jones Act, which mandates that domestic fuel be transported exclusively on U.S.-registered vessels.

During a recent meeting, Fatih Birol, Executive Director of the International Energy Agency, briefed ministers about the worsening state of energy markets. Birol indicated there are increasing risks, largely due to obstructions in the Strait of Hormuz and significant cuts to oil production.

European Union Economy Commissioner Valdis Dombrovskis stated that European ministers had not reached a consensus regarding the release of oil stockpiles but remain vigilant in assessing the situation. He highlighted the potential consideration of releasing oil reserves to mitigate supply disruptions.

Countries such as Kuwait, the United Arab Emirates, and reportedly Saudi Arabia have reduced oil output since the onset of hostilities. The Strait of Hormuz, which channels over 20% of the world’s daily oil supply, faces serious threats, impacting tanker operations in the vicinity.

Analysts from JPMorgan Chase predict further cuts in regional production are likely, estimating that by next Friday, more than 4 million barrels per day will require curtailment due to evolving storage constraints and existing bottlenecks. If disruptions continue, a complete shutdown of oil production in various nations may soon occur. The United Arab Emirates could be particularly susceptible to further output reductions within the approaching week.

Vocabulary List:

1. **stabilising** //ˈsteɪbəlɪsaɪzɪŋ// (verb): making something steady and less likely to change
2. **fluctuations** //ˌflʌktʃuˈeɪʃənz// (noun): quick changes in size or amount
3. **obstructions** //əbˈstrʌkʃənz// (noun): things that block or stop movement
4. **curtailment** //kəˈteɪlmənt// (noun): making something smaller or stopping part of it
5. **bottlenecks** //ˈbɒtəlˌneks// (noun): places where progress or movement slows down



6. **mitigate** //ˈmɪtɪˌgeɪt// (verb): make a problem or harm less serious

Answer

CATEGORY

1. Business - LEVEL6

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Author

aimeeyoung99

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