



OPEC agrees to cut oil production

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OPEC agrees to cut oil production-Ready to reduce output by one million barrels per day if Russia contributes 1,50,000 bpd of the cut

- The Organization of the Petroleum Exporting Countries (OPEC) tentatively agreed an oil-output cut but was waiting to hear from non-OPEC heavyweight Russia before deciding the exact volumes for a production reduction aimed at propping up crude prices.

Cheaper oil

- The price of crude has fallen almost a third since October, but U.S. President Donald Trump has demanded OPEC make oil even cheaper by refraining from output cuts.
- Possible output cuts by OPEC and its allies ranged from 0.5-1.5 million barrels per day, and one million bpd was acceptable.
- Brent oil futures fell as much as 5% to below \$59 per barrel on fears that there could be no deal but later recovered somewhat, trading down 2% by 1325 GMT.

Middle road

- OPEC delegates have said the group and its allies could cut by one million bpd if Russia contributed 1,50,000 bpd of that reduction.
- If Russia contributed around 2,50,000 bpd, the overall cut could exceed 1.3 million bpd.
- Oil prices have crashed as Saudi Arabia, Russia and the UAE raised output since June after U.S. President Mr. Trump called for higher production to offset lower exports from Iran, OPEC's third-largest producer.
- Russia, Saudi Arabia and the U.S. have been vying for the position of top crude producer in recent years.
- The U.S. is not part of any output-limiting initiative due to its anti-trust legislation and fragmented oil industry.

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