



ONGC News, 26.12.2021 Print

CRUDE TRACKER

Oil trims weekly gain amid low liquidity

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Brent oil fell as trading volumes thinned moving into the holiday period, but still headed for a weekly gain on signs that the omicron variant of the virus may be less severe than previous strains.

Futures in London slipped 0.9 per cent toward \$76 a barrel on Friday. While omicron has led to some travel restrictions and surging infections, a U.K. health agency said the variant was less likely to lead

to hospitalizations, compared with the delta strain.

While prices dipped early Friday, only about 125,000 Brent contracts had traded, suggesting little could be read into the move. On a normal trading day, volumes would be just below 1 million contracts. Prices settled early at 1 p.m. London time.

Oil is heading for a yearly gain after a robust rebound from the pandemic, but the rally has faltered recently, in part due to concerns about omicron. There are some signs



of tightening emerging, however, with supply disruptions in Libya and Nigeria, while the demand outlook was boosted in recent days by positive news about the severity of omicron. "If the news are indeed con-

firmed that omicron is going to be fast and furious, not going to be quite as dangerous, that could end up being quite bullish for oil next year," Francisco Blanch, global head of commodities and derivatives research at Bank of America said in a Bloomberg TV interview. "There's a risk oil spikes next year."

Omicron appears to be less severe but more contagious than any other strain to date, the U.K. Health Security Agency said Thursday. An individual infected with the vari-

ant is 50% to 70% less likely to be admitted to hospital, compared with the delta strain, the agency said.

The U.S., meanwhile, awarded a second batch of crude oil from the strategic reserve to Marathon Petroleum Corp. as part of the Biden administration's effort to lower energy costs. South Korea on Thursday became the first Asian consumer to follow through with a pledge to tap emergency stockpiles under the coordinated initiative. BLOOMBERG