

Oil & Gas Market Wrap

10:25 03 Apr 2012

Oil prices pull back after rally

Oil prices in New York and London retreated today after rallying on Monday on the back of strong manufacturing data released in China and the US.

The reports that were out on Monday showed that industrial activity in China increased for the fourth month in a row, while the Institute for Supply Management's (ISM) US factory index rose to 53.4 last month from

The reports, which offset a disappointing update on the Markit/CIPS euro zone manufacturing index, which dropped to 47.7 from 49, triggered a rally in equity markets around the globe and lifted demand for commodities.

Equities and commodities fell today as investors reaped profits.

Today's US data put more pressure on crude. The Commerce Department said factory orders in the US rose 1.3 percent in February, narrowly missing forecasts, which were for an increase of 1.5 percent.

In addition, the January figure was revised from a one percent decline to a 1.1 percent drop.

While the West Texas Intermediate benchmark shed nearly 50 cents per barrel in the US this morning, Brent fell marginally thanks to support from the shutdown of **BP's (LON:BP.)** Valhall platform in the North Sea for maintenance.

The shutdown has resulted in loading delays of one of the crude streams used for the Brent benchmark.

Commodity traders are now looking to today's inventories report from the American Petroleum Institute (API), which will be followed by the more closely followed report from the Department of Energy.

US light, sweet crude for May delivery currently the most actively traded contract on the **New York Mercantile Exchange (NYMEX)**, declined 48 cents to US\$104.75 pence.

May **Brent crude** fell one cent to US\$125.33/barrel on the **ICE Exchange** this afternoon.

Today's top risers in the oil and gas sector were:

Heritage Oil (LON:HOIL), up 12 percent at 154.51 pence at midday

Sefton Resources (LON:SER), up 8 percent at 2.51 pence

Valiant Petroleum (LON:VPP), up 5 percent at 562 pence

Cairn Energy (LON:CNE), up 4.5 percent at 334.8 pence

Salamander Energy (LON:SMDR), up 4.5 percent at 234.5 pence

The top fallers were:

Share Information

MarketTopic Synopsis:

The Oil and Gas wrap provides the latest oil prices from commodity exchanges in New York and London, gives a summary of the main corporate and macroeconomic news impacting the price of oil, a barometer of the strength of global economy.

action@proactiveinvestors.com

Mediterranean Oil & Gas (LON:MOG), down 6.5 percent at 5.25 pence at midday

Oilex (LON:OEX), down 6 percent at 17.12 pence

Gulfsands Petroleum (LON:GPX), down 6 percent at 145 pence

Wessex Exploration (LON:WSX), down 4.5 percent at 9.3 pence

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.