

FREELATEST NEWS VODCAST
ST PRINT STORIES ST FOR

THE STRAITS TIMES

**Web Radio**

April 1, 2008

[» Midday Update](#)

March 17, 2008 Monday

Subscribe today: [Print Edition](#) | [Online](#)[Home](#) > [Latest News](#) > [Money](#)

March 17, 2008



Oil hits record near US\$112 a barrel as dollar slumps

TOKYO - OIL jumped to a record near \$112 (S\$154.40) a barrel on Monday, as a surprise weekend cut in the Federal Reserve discount rate and the fire sale of stricken US investment bank Bear Stearns sent the dollar to all-time lows.

Crude for April delivery was up \$1.16 at \$111.37 a barrel by 0752 GMT, off a record \$111.80 hit earlier.

May London Brent crude was \$1.30 higher at \$107.50 a barrel, after trading as high as \$107.97 earlier, near the April contract's record \$108.02 peak on Friday.

'The recent oil prices have been swayed by the currency moves, including this latest rally to a record,' said Mr Tony Nunan, risk management executive at Tokyo-based Mitsubishi.

'The dollar weakness is the factor at the moment.'

The dollar plunged across the board on Monday as the spreading US financial crisis led to JPMorgan Chase acquiring stricken investment bank Bear Stearns, stirring fears that more financial firms may become casualties.

OIL PRICES RISING DUE TO SPECULATION: OPEC

ALGIERS - OIL markets are rising due to speculation and the US dollar's fall, not to a lack of petroleum production, OPEC President Chakib Khelil said on Sunday, the official Algerian news agency APS reported.

APS quoted Khelil, who is also Algerian Energy and Mines minister, as saying: 'Prices

The Federal Reserve took more emergency measures to stem the fast-spreading financial crisis, cutting its discount rate on Sunday and opening up discount window lending to major investment banks, a tool not used since the Great Depression.

The dollar slid 3 per cent against the yen at one point to its lowest since 1995, while the euro hit a freak peak against the dollar, as investors became more convinced that the Fed and other major

[Home](#)
[Latest News](#)
[Free Stories](#)
[Print Edition](#)
[Prime News](#)
[Singapore](#)
[Asia](#)
[Money](#)
[World](#)
[Review](#)
[Insight](#)
[Sports](#)
[ST Forum](#)
[Life!](#)
[F.Y.I](#)
[Podcast](#)
[Video](#)
[Columnists](#)
[Saturday](#)
[Special Report](#)
[Most Read](#)
[Stories](#)
[Discussion](#)
[Board](#)
[Jobs](#)
[Cars](#)
[Property](#)
[Shops](#)
[Mind Your Body](#)
[Digital Life](#)
[Urban](#)
[Correspondents](#)
[News In](#)
[Pictures](#)
[Photo Essays](#)

[Increase font](#)

Other Latest News Stories

Money

- Shell, Caltex and Esso raise pump prices again
- Wall Street slides amid growing fears on finance system
- In emergency move, Fed cuts key rate, offers aid to brokers
- Bush says US faces 'challenging times'
- CME to pay US\$9.5b in cash, stock for NY Mercantile Exchange parent
- Bear Stearns takeover sparks fresh financials rout
- Bush to make statement on economy on Monday

are not going up because of a lack of output, but rather from the effect of speculation.'

central banks may have to conduct coordinated dollar-buying intervention to stem the sell-off.

[... more](#)

The dollar later trimmed some losses after Japanese Finance

Minister Fukushima Nukaga stepped up his verbal warnings on Monday, saying he is watching currency market moves in cooperation with authorities in the United States and Europe.

Fed policy-makers are set to meet on Tuesday and are widely expected to lower the benchmark federal funds rate by up to a full-point to try to put a floor under an economy many believe is already in the throes of recession.

Crude oil prices have jumped about 16 per cent so far this year in part because of a steep decline in the the US dollar - a factor that has supported the nominal value of all commodities priced in the currency.

Oil analysts have said they expect oil's inverse relationship with the dollar to last until there are significant signs that underlying commodities demand is eroding because of the US economic slowdown.

The Organisation of the Petroleum Exporting Countries has shrugged off calls for more supply.

Oil markets are rising due to speculation and the US dollar's fall, not on a lack of petroleum production, OPEC President Chakib Khelil said on Sunday, the official Algerian news agency APS reported.

Adding support to energy markets, Iraq halted pumping of Kirkuk crude through its northern pipeline to Turkey on Sunday due to a minor breakdown, but pumping was expected to resume soon, a shipping source said on Monday.

In Nigeria, an oil workers' union is calling for a strike in the oil sector starting on Wednesday to protest about a labour dispute at the Nigerian arm of ExxonMobil, a union boss said on Monday. -- REUTERS

Ads by Google

[Ugly Truth on Oil Prices](#)

The Last Domino Is About To Fall. Crude Oil Forecast & Investor Rpt.
www.EnergyAndCapital.com/PeakOilRpt

[Invest in Oil](#)

Learn The Newest, Most Profitable Way To Invest in Oil!
www.taipanpublishinggroup.com

[Oil Prices Forecast](#)

Take a Free Trial to the Latest Analysis & Forecasts Online.
www.businessmonitor.com/oilgas

[Oil Price](#)

Get Oil Price info for free, from IndustryWeek
www.IndustryWeek.com

[2 Income Picks for 2008](#)

Free Report: "Backdoor" Commodity Plays to Gain 20% Per Year
DailyWealth.com/Commodity_Report

- [Shares of Lehman Brothers tumble in premarket trading on report of banned deals](#)
- [Market crisis poses increasingly serious risk to growth: IMF](#)
- [French rogue trader implicates co-workers source](#)
- [US, Thai officials talk trade for first time since coup](#)
- [Japan warns yen's surge 'excessive'](#)
- [Oil hits record near US\\$112 a barrel as dollar slumps](#)
- [Indonesia threatens to close Adam Air in 3 weeks](#)
- [Japan struggles to resolve BOJ governor deadlock](#)
- [Dollar tumbles 3% vs yen as credit crisis deepens](#)
- [S'pore Feb exports rise on drug, petrochem shipments](#)
- [US ready to maintain financial stability: Paulson](#)
- [Fed set to slash US](#)

rates as
credit
turmoil
rages

- Asian
stocks tank
over Fed's
latest
moves,
Bear
demise
- Analysts
see
sovereign
wealth
funds
contributing
to record
oil prices
- STI closes
down
- Bear
Stearns
crisis
batters
Asian,
European
stocks
- 'Bailout'
still a dirty
word in
Washington
- JPMorgan
to buy
ailing Bear
Stearns for
fire-sale -
US\$2 a
share

Best viewed at 1152x864 resolution with IE 6.0 or FireFox 2.0 and above
Copyright © 2007 Singapore Press Holdings Ltd. Co. Regn No. 198402868E | [Privacy Statement](#) | [Terms & Conditions](#)