

Oil News (2016.03.07) Source: [ACFX Forex Broker \(Review and Forex Rebates Up to 85%\)](#)

Oil prices extended the price gains into the Monday opening session on investors' optimism that the demand for the commodity will grow, whereas the supply is expected to be reduced. The drop in the number of operating oil rigs has boosted hopes of the market participants that the long-lasting decline in the oil price will finally rebound. The report, released by Baker Hughes on Friday indicated the eleventh week for the oil rigs decline.

Moreover, the possibility that OPEC and non-OPEC producers will finally agree to a production freeze at their next meeting on March 20 is also strengthening investors' confidence. At the moment, four large commodity's producers among which are Saudi Arabia and Russia, intend to limit the oil supply at the January levels. Thus, Brent reached US\$ 39.70 high at this week's opening session with the commodity retesting the top of the downtrend channel which was formed last May. WTI also continue to strengthen as it was trading close to US\$ 38.00 level this morning. Positive news from China seems to add the support to the world's most traded commodity also as Chinese government voiced its plans to emphasize the growth over the economy restructuring. The target for 2016 was firmly set between 6.5% and 7% when the National People's Congress was held this weekend. A number of measures are set to be taken, including tax cuts which will allow the local companies more fund to invest. A broad social financing measures will also be taken to support the slowing down world's second largest economy. The US dollar was

seen to weaken for the last three trading days, with the index reaching 97.01 low last Friday.