

BEN Oil Dips To \$73 As China Withholds Stimulus, Biden Attempts

22922623946:BEN:20241009

BZETF BZCommodities BZForex BZUpdates USO

Oil Dips To \$73 As China Withholds Stimulus, Biden Attempts To Contain Netanyahu Over Israel's Attack On Iran

Oil prices, as tracked by the United States Oil Fund (NYSE:USO), fell over 1% on Wednesday, bringing the price per barrel down to \$73.

This extends a 4% drop from Tuesday, driven by growing concerns over weaker demand from China, the world's second-largest oil consumer after the country withheld the more aggressive fiscal stimulus that analysts anticipated following a slew of monetary easing measures.

While geopolitical tensions continue to simmer in the Middle East, Israel has yet to retaliate against Iran following last week's attack that involved over 180 ballistic missiles.

The situation remains volatile, with President Joe Biden speaking Wednesday with Israeli Prime Minister Benjamin Netanyahu ahead of an Israeli Cabinet vote on a possible response, according to U.S. and Israeli officials, cited by NBC News.

Last Friday, Biden hinted that, in Israel's position, he would consider alternatives to striking Iran's oil fields and expressed opposition to Israeli attacks on Iran's nuclear sites.

Israel Defense Minister Yoav Gallant said Wednesday that the attack on Iran will be deadly, precise and surprising.

Iranian Warning To Gulf States

Meanwhile, Iran has issued a stark warning to Gulf Arab states, advising them that allowing their airspace or military bases to be used by Israel for strikes against Iran is "unacceptable" and would trigger a strong response.

"Any action by a Persian Gulf country against Tehran will be regarded as an action taken by the entire group, and Tehran will respond accordingly," a senior Iranian official told Reuters.

Tensions also escalated in Lebanon as Israel expanded its ground offensive against Hezbollah, with Israeli airstrikes killing two successors to the terrorist group's leader on Tuesday.

Oil Prices Could Surge Up To \$20 If Iran's Facilities Are Hit

"While the development of the conflict remains uncertain, we see \$10-\$20/bbl of upside to Brent at the peak in the case of disruptions in Iranian production," wrote Goldman Sachs' analyst Yulia Zhestkova Grigsby in a note published Wednesday.

Grigsby also highlighted satellite data from Kpler, which suggests that Iran's crude exports have dropped to zero this week. She did acknowledge the uncertainty surrounding this satellite-based information.

U.S. intelligence and defense officials are reportedly pressuring Israeli colleagues to favor covert strikes against assets linked to Iran's Islamic Revolutionary Guard Corps and Ayatollah Khamenei, rather than launching broader missile strikes on oil facilities.

This strategy, according to a senior U.S. defense official cited by Middle East Eye, aims to minimize escalation while still targeting key figures in Iran's leadership.

Read Now:

* Banks Gear Up For Earnings Season: 15 Top Stock Picks Including Citigroup, Morgan Stanley, And Truist

Photo: Shutterstock

(TS:BZETF;BZCommodities;BZForex;BZUpdates;USO)

Aspen Graphics, © 1988-2024 Aspen Research Group, Ltd. 1-800-359-1121