



Members of the cartel have contributed to reversing the plunge in crude oil prices that started in 2014. (Reuters)

The Organization of Petroleum Exporting Countries (OPEC), Russia and other producers meet in Vienna from Friday and could agree to increase production from July. Following a year and a half of voluntary supply cuts led by the Middle East-dominated OPEC, as well as the non-OPEC producer Russia, oil markets have tightened, pushing up prices. Investor sentiment dampened in futures trade after oil prices fell today. Whether OPEC decides to and does increase oil production and to what extent would be the key to oil price outlook.

“Most industry observers are expecting a production rise,” said Stephen Innes, head of trading for Asia-Pacific at futures brokerage OANDA, although he added that “the magnitude and timing of the boost remain uncertain”.

The OPEC kingpin Saudi Arabia and Russia indicated on June 15 that they would loosen their supply restraint and were starting to raise exports; whereas Iran, Iraq and Venezuela said that they would not increase production. Crude prices also fell after China threatened duties on American crude imports.

The OPEC meeting “will be one of this week’s key events due to the way oil prices shape economic and price views and thus impact yields and currencies,” said Koji Fukaya,

president at FPG Securities in Tokyo.

“Most industry observers are expecting a production rise,” said Innes, although he added that “the magnitude and timing of the boost remain uncertain.” Also looming over markets was a threat by China to slap a duty on US oil imports in response to announcements by Washington of new import sanctions on China, in what many analysts say could be a serious trade stand-off between the world’s biggest two economies.

Members of the cartel have contributed to reversing the plunge in crude oil prices that started in 2014. They have shown discipline in limiting production since the start of last year, helping push up the benchmark price of international crude.

Get live [Stock Prices](#) from BSE and NSE and latest NAV, portfolio of [Mutual Funds](#), calculate your tax by [Income Tax Calculator](#), know market’s [Top Gainers](#), [Top Losers](#) & [Best Equity Funds](#). Like us on [Facebook](#) and follow us on [Twitter](#).