

## Fuel prices soften after a month; Suez Canal blockage may undo that



Petrol and diesel prices softened in Delhi Wednesday after being stable for almost a month. Oil marketing companies cut petrol price by 18 paisa and diesel by 17 paisa on the back of Brent crude oil that has tumbled from \$70 a barrel on March 11 to \$60 on March 23.

Crude [oil prices](#) fell after parts of Europe again locked down to contain Covid-19, resulting in a delayed demand recovery.

India's government-owned oil marketing companies had deferred raising prices, "nudged" by the government in light of assembly elections in four states and the union territory of Puducherry. Petrol price was kept unchanged at Rs 91.17 a litre and diesel at Rs 81.47 a litre in the national capital since March 1. This was despite benchmark international prices of these commodities climbing and Brent crude oil going up from \$62 to \$70 a barrel during this period.

The softening of prices may not last long.

According to Bloomberg data, Brent was trading at \$62.55 a barrel on Wednesday. Crude oil prices are rising because a giant container ship has blocked the Suez Canal after losing control.

Taiwan-owned MV Ever Given, a 400-metre-long and 59-metre-wide vessel, may be stuck there for days, pushing up freight costs for crude oil and other commodities across the world. This is pushing up crude prices across the globe with West Texas Intermediate, the benchmark price for North America, trading 2.60 per cent up at \$ 59.26 a barrel.

It is estimated that 10 per cent of global trade passes through the Suez Canal. Egyptian authorities have reportedly opened an older section of the canal to ease the blockade of ships on both sides of the critical water route.

[Oil Prices](#)