# Oil prices edge up on larger-than-expected U.S. crude stock draw



In early Asian trade on Wednesday, oil prices experienced a slight uptick, attributed to a larger-than-anticipated reduction in U.S. crude stockpiles. Brent crude futures increased by 16 cents, reaching $85.60 per barrel, while U.S. West Texas Intermediate crude futures rose by 14 cents to $82.95 per barrel.

The American Petroleum Institute revealed on Tuesday that U.S. crude oil inventories fell by 9.163 million barrels for the week ending June 28. In contrast, gasoline inventories saw a rise of 2.468 million barrels, and distillates declined by 740,000 barrels. Analysts had forecasted only a 700,000-barrel draw in crude inventories.

Mitsuru Muraishi from Fujitomi Securities noted that while the inventory draw supported oil prices, some investors were taking profit from the recent rally. The U.S. Energy Information Administration is set to release its weekly data later today at 1430 GMT.

Meanwhile, market expectations indicate increased U.S. gasoline demand due to summer travel and the upcoming Independence Day holiday, with the American Automobile Association predicting a 5.2% rise in travel.

On the supply side, an OPEC survey reported an increase in oil output for June, primarily driven by higher production from Nigeria and Iran.

Additionally, oil stockpiles at the UAE's Port of Fujairah decreased to a nine-month low as of July 1, declining by 7.1% to 16.54 million barrels. There was a significant reduction in heavy distillate stocks used in power generation and shipping.

Fujairah's refined product exports averaged 738,000 barrels per day in June. The major importers included Sri Lanka's Ceylon Petroleum and Saudi Electricity. Concurrently, there's been a rise in fuel prices, with a noticeable increase in the premium for marine fuel delivered in Fujairah.

Lastly, U.S. natural gas prices fell for the sixth consecutive session, influenced by forecasts of cooler weather and sustained high storage levels. The average gas price in the Central Atlantic region has also seen a slight decrease, now averaging $3.53 per gallon as of Monday.