

Oil prices fall in China

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The Daily Morning Voice Online Desk: Oil prices fell on Wednesday as concerns about an upsurge in Covid-19 cases in China, the world's top oil importer, outweighed expectations easing pandemic restrictions would lead to economic recovery and growth in demand for fuel. Brent futures for February delivery fell 42 cents, or 0.5 per cent, to \$83.91 a barrel, by 1215 GMT. US crude fell 32 cents, or 0.4 per cent, to \$79.21 per barrel.

Both benchmarks fell by over \$1 per barrel earlier in the session after rising to their highest in three weeks on Tuesday on expectations of a rise in fuel demand. China said it will stop requiring inbound travellers to go into quarantine from January 8, a major step towards relaxing stringent curbs on its borders. China's civil aviation authority said it would fully restore pre-pandemic flight procedures by the summer-autumn of 2023.

Chinese hospitals have been under intense pressure due to a surge in Covid-19 infections as the country moves towards treating the virus as endemic. "Even after China eased Covid restrictions, it is difficult for demand to recover in a short time due to the rapid decline of people's outdoor activities due to the massive infection (numbers)," said Leon Li, an analyst at CMC Markets. Oil refiners in the United States on Tuesday worked to resume operations at a dozen facilities knocked offline by freezing weather across much of the country, a recovery that in some cases will stretch into January. The Arctic blast cut oil and gas production from North Dakota and Texas.