

Markets

Brent Hits \$85 as Energy Crisis Stokes Demand Before Winter

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- ▶ WTI posts eight straight week of gains, longest run since 2015
 - ▶ Consumption revival has driven up oil, gas and metals prices
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Brent crude topped \$85 a barrel in London for the first time since 2018, the latest milestone in a global energy crisis that has seen prices soar.

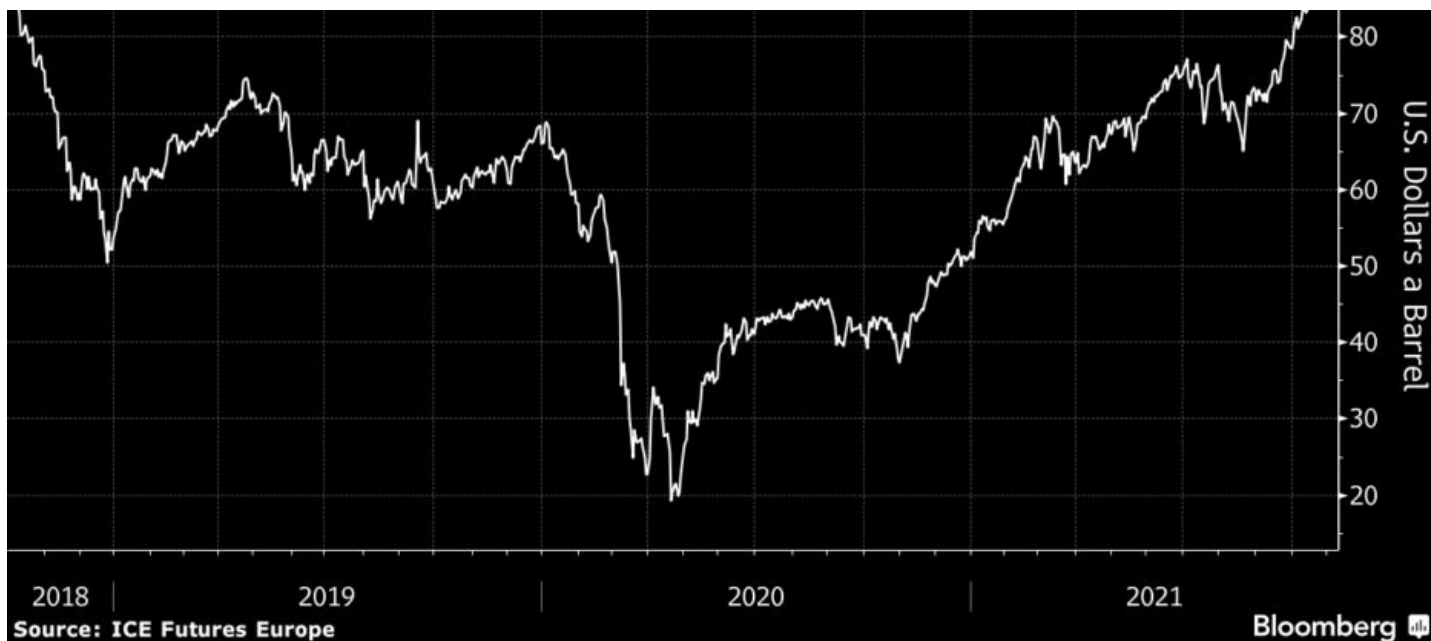
The global benchmark rose above the key level in intraday trading, but did not settle above it on Friday. U.S. crude futures posted an eighth straight weekly gain, the longest stretch of advances since 2015. The shortage of gas and coal is triggering extra demand for oil products from the power market. It's also depleting stockpiles: the biggest U.S. storage hub at Cushing recorded this week an unusually large supply decline for this time of year.

Meanwhile, the U.S. said it will open its borders to vaccinated foreign travelers next month, further signaling the potential for even stronger demand as economies rebound from the pandemic.

"More signs of energy supply tightness around the globe going into winter" is supporting prices, said Phil Flynn, senior market analyst at Price Futures Group Inc.

Brent Tops \$85 a barrel
Global crude benchmark surges to highest since 2018





Crude has advanced this month in the wake of robust demand and limited supply. China also issued a long-awaited new batch of quotas for its private refiners to buy more crude, further pushing up consumption. Yet, Saudi Arabia's Energy Minister Prince Abdulaziz bin Salman reiterated this week the need for OPEC and its allies to take a gradual, phased approach to restoring output.

Oil's Leap Through \$85 Shows Spillover Effect From Energy Crisis

PRICES

West Texas Intermediate for November settlement rose 97 cents to settle at \$82.28 a barrel in New York

Brent for December delivery added 86 cents to settle at \$84.86 a barrel

Meanwhile, the gasoline crack spread, a rough measure of the profit from refining crude into fuel, rallied to nearly \$22 a barrel, the highest since August.

OTHER MARKET NEWS:

Global oil stockpiles will continue to drain for the rest of the year, but things could look very different in 2022, with supply set to exceed demand if the OPEC+ group of producers continues adding barrels as planned.

Iran may sit atop a vast reserve of natural gas, but the Persian Gulf state has been busily trying to build up a buffer of petroleum to help keep the lights on this winter.

China's state-owned refiners will try to import more diesel as domestic prices skyrocket due to an energy crisis that's sending shockwaves through global coal and natural gas markets.

– With assistance by Alex Longley, and Jack Wittels

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