Oil prices inch up to settle off a 1-week low as Trump-fueled stumble fades

Oil prices inched up to settle just above one-week lows on Tuesday, as a downdraft — prompted by President Donald Trump's call for OPEC to help check rising crude prices — faded. "Trump has never been shy about voicing his opinions on oil prices, but this particular tweet came at a time when the market was quite overextended to the upside, having enjoyed a very good run since late last year," said Craig Erlam, senior market analyst with Oanda.

"Oil prices getting too high. OPEC, please relax and take it easy. World cannot take a price hike - fragile!" Trump tweeted Monday. On Tuesday, April West Texas Intermediate crude CLJ9, +0.79% tacked on 2 cents, less than 0.05%, to settle at $55.50 a barrel on the New York Mercantile Exchange.

Global benchmark April Brent LCOJ9, +0.64% rose 45 cents, or 0.7%, to $65.21 a barrel on ICE Futures Europe. The contract dropped $2.36, or 3.5%, on Monday, the biggest one-day dollar and percentage decline year to date, according to Dow Jones Market Data. Both WTI and Brent crude marked their lowest settlements in more than a week on Monday.

Monday's market retreat was "probably therefore more a reflection of the market positioning that an interpretation that an intervention is coming. OPEC hasn't previously been deterred from cutting output in response to low prices, as we saw again late last year, and the levels we're currently seeing are more a reflection of the record U.S. output, among other things," Erlam said.

"Still, it does suggest bulls are happy to cash in near-term which may signal that there's more potential for downside. If we do see corrective move, then $60-$61 in Brent and $50-$51 in WTI could be very interesting levels." The Organization of the Petroleum Exporting Countries, so far, looks to be sticking with its production plans. The Wall Street Journal reported that officials said the group was planning to back a continuation of oil-production curbs when the group meets in April.

OPEC and 10 partner producers outside of the cartel, led by Russia, agreed late last year to cap crude output by a collective 1.2 million barrels a day for the first half of this year. OPEC production has also been declining as a result of U.S. sanctions on the oil industries of cartel members Iran and Venezuela, both of which were exempted from the latest production-cut deal. A U.S. government report released last Thursday, meanwhile, showed weekly domestic crude output at a record 12 million barrels a day, and supplies up a fifth straight week. The Energy Information Administration will release weekly data on U.S. petroleum supplies Wednesday. The American Petroleum Institute's own supply figures come out late Tuesday.

The EIA data are expected to show crude supplies up 3.5 million barrels for the week ended Feb. 22, according to a forecast from Informa Economics, which also shows expectations for inventory declines of 1.5 million barrels for gasoline and 2.5 million barrels for distillates. On Nymex, March gasoline RBH9, +0.81% was up 2.7% to end at $1.586 a gallon and March heating oil HOH9, +0.43% rose 1.2% to $1.999 a gallon.

March natural gas NGH19, +0.14% which expired at the day's settlement, gained 0.7% to finish at $2.855 per million British thermal units. The new front-month April natural-gas contract NGJ19, -1.32% settled at $2.796.

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