# Oil Rises Above $50, Set for Largest Gain in 13 Years

*Flood waters caused by Tropical Storm Harvey encompass the Motiva Enterprises LLC in Port Arthur, Texas, U.S. August 31, 2017.*

LONDON (Reuters) -- **Oil was on course for its largest third-quarter gain in 13 years as prices rose on Wednesday after the Iraqi oil minister said that OPEC and its partners are considering extending or deepening output cuts aimed at reducing a global supply glut.**

Brent crude futures were up 48 cents at $55.62 a barrel by 1020 GMT, while U.S. West Texas Intermediate (WTI) crude futures rose 54 cents to $50.02.

The oil price is on course for a rise of 15.5% this quarter, which would make this year's performance the strongest for the third quarter since 2004.

"An improving macroeconomic backdrop should spur oil demand growth over the next couple of quarters, and if OPEC increases its adherence to production cuts, higher prices will come," ANZ Research said in a note.

"All things being equal, we still expect oil prices to test new highs (for 2017) by the end of the year."

The Organization of the Petroleum Exporting Countries and other producers are considering a range of options, including an extension of cuts, but it is premature to decide on what to do beyond the agreement's expiry in March, Iraqi oil minister Jabar al-Luaibi told an energy conference on Tuesday.

OPEC and non-OPEC producers including Russia have agreed to reduce output by about 1.8 million barrels per day (bpd) until March to reduce global oil inventories and support prices.

Some producers think the pact should be extended for three or four months, others want it to run until the end of 2018, while some, including Ecuador and Iraq, think there should be another round of supply cuts, al-Luaibi said.

Analysts, however, doubt that such an extension would have much of an impact on the overall oil market.

"I can't see the market tightening unless OPEC cuts output further next year," said Commerzbank strategist Carsten Fritsch.

Georgi Slavov, head of research at commodities brokerage Marex Spectron said he does not expect demand for crude oil to rise significantly in the final quarter of this year, which means supply would have to be restricted even more tightly.

U.S. crude stocks rose last week while gasoline and distillate stocks decreased, according to the American Petroleum Institute on Tuesday.

Crude inventories rose by 1.4 million barrels in the week to Sept. 15 to 470.3 million, compared with expectations of a 3.5 million barrel increase.

## *Rouhani Tells PM Abbasi:*
# *Iran Ready to Complete Pakistan Gas Pipeline*

TEHRAN (Shana) -- **Iranian President Hassan Rouhani has voiced Iran's readiness to complete a long-sought gas pipeline project that is intended to deliver Iran's gas to neighboring Pakistan.**

"Iran is ready to complete the gas pipeline expressing hope that the obligations of both sides be fulfilled, which will be in the interest of both countries," said Rouhani in a meeting with Pakistani Prime Minister Shahid Khaqan Abbasi held late on Tuesday in New York.

Rouhani emphasized that Tehran wants to develop relations with Islamabad in all areas, stating that Iran attaches great weight to its friendly, brotherly relations with Pakistan, reported Mehr News Agency.

President Hassan Rouhani welcomed the recent development in relations between the two countries, saying "the two nations are willing to have solid, permanent relations between Iran and Pakistan."

"We are ready to supply Pakistan's energy, and we welcome Pakistani investors in this area," the president said, referring to the vast potentials in Iran and Pakistan to deepen the cooperation.

*President Rouhani, right, meets with Pakistani Prime Minister Shahid Khaqan Abbasi in New York, Sept. 19, 2017.*

Rouhani said that develop economic relations requires better cooperation between the banks of the two countries and added "Iranian and Pakistani banks should be encouraged and to establish branches in the two countries supported on the basis of agreements made."

The president also referred to the Iranian gas pipeline to Pakistan and said "in this section, we have carried out our part and in the form of a huge work, we have taken the gas pipelines to the border of the two countries."

# *Malaysia's Proton Dissolves Subsidiary in Iran*

*Proton previously eyed Iran as a core market in the long term.*

KUALA LUMPUR (Dispatches) -- Proton Holdings Bhd's indirect wholly owned subsidiary Proton Motor Pars Co (PMP), set up in Iran in 2011 to engage in car assembly or building of vehicles and relevant accessories and spare parts, has been dissolved without starting any operation.

Proton's parent DRB-Hicom Bhd told Bursa Malaysia that PMP had been notified by PMP's liquidator confirming that PMP had been dissolved.

In an announcement in January, DRB-Hicom noted that PMP had been dormant since its incorporation in August 2011 and it had no intention to carry on business or operations in the future.

"The dissolution of PMP is part of the streamlining exercise undertaken by DRB-Hicom to close down companies that are dormant or have ceased operations," the group said.

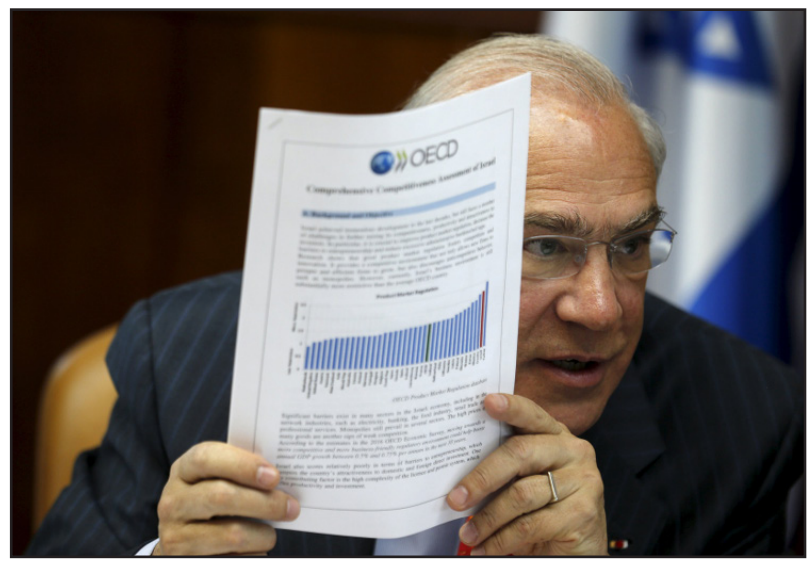
In December last year, Malaysian International Chamber of Commerce and Industry (MICCI) president Datuk Wira Jalilah Baba was reported as saying Malaysia should intensify its efforts in the Iranian market, including the automotive sector.

"Now that it (Iran) is opening up its market, after the U.S.-led sanctions were lifted (in January 2016), we have to take action and be more pro-active. I believe Proton is already planning to promote its cars there," said the former director-general and CEO of Malaysian Investment Development Authority.

She said she believed Proton cars used to sell well in Iran before trade sanctions were imposed on the country.

On Proton setting up PMP, the national carmaker previously told StarBiz that Iran was identified as one of the core markets for Proton's long-term business as it offered sizable potential with substantial future growth.

# OECD: Rebound in Global Growth Not Secure Yet




*While growth has been recorded globally, the OECD advised caution.*

PARIS (AFP) — **The rebound in global growth is not yet secure, the OECD warned Wednesday, with weak investment by businesses and slow growth in trade and wages raising doubts whether the current momentum will be sustained.**

The Organization for Economic Co-operation and Development left its forecast for 3.6% global growth this year unchanged, while increasing its outlook for 2018 a tenth of a point to 3.7%.

Growth this year is "higher than in 2016 but still below historical norms" said the OECD, which advises industrial nations on economic policy.

"The upturn has become more synchronized across countries," it said, noting that investment, employment and trade are all expanding.

The OECD raised its growth forecast for the eurozone this year by three tenths of a point to 2.1%. The outlook for Canada was raised by 0.4 percentage point to 3.2% and Japan by 0.2 percentage point to 1.6%.

"However, strong and sustained medium-term global growth is not yet secured," the OECD warned.

"The recovery of business investment and trade remains weaker than needed to sustain healthy productivity growth. Wage growth has been disappointing, keeping inflation at low levels," it said.

The OECD said deeper reforms would be needed to ensure strong future growth in emerging economies, while monetary policy should remain supportive in a number of countries while keeping an eye on financial stability.

It kept its growth forecast for the United States this year unchanged at 2.1%, as it did for next year at 2.4%.

Also unchanged was the OECD's forecast for British economic growth to slow to 1.6% this year and 1.0% next year.

For emerging countries, the OECD raised by 0.2 percentage point its forecast for China's economy to expand this year, to 6.8%. The outlook for 2018 was similarly raised, to 6.6%.

The forecasts for India were cut significantly, with growth this year now seen at 6.7%, down 0.6 point from the forecast the OECD made in June. The growth outlook for 2018 was cut by 0.5 point to 7.2%.

"In India, the transitory effects of demonetization and of the implementation of the Goods and Services Tax (GST) have led to a downward revision in 2017 growth projections", said the OECD in reference to the country's chaotic removal of high-value notes from circulation.

Meanwhile, Brazil's economy is now seen as expanding by 0.6% this year, a shade lower than the June forecast. The forecast for 2018 is unchanged at 1.6% growth.

# Oil Exports Set to Rise Amid Boost in Joint Fields

TEHRAN (Press TV) -- **Iran's oil exports, currently more than 2.6 million barrels per day (bpd) including gas condensate, will increase in the second half of the year amid a rise in production capacity, a senior official says.**

"At present, the country's crude oil production is more than 3.8 million barrels per day, which according to plans will rise to 4.96 million by the end of the year (in March 20, 2018)," Managing Director of the National Iranian Oil Company (NIOC) Ali Kardor said.

Further increases in production capacities will occur in the coming months in projects to boost recovery from joint oil fields, he said.

According to Ministry of Petroleum, 60% of Iran's oil exports go to Asia and the remaining 40% to European countries which resumed purchases from the Islamic Republic about two years ago.

Royal Dutch Shell, France's Total, Italy's Eni and Saras, Greece's Hellenic Petroleum, Spain's Repsol, and Hungary's MOL are some of Iran's customers which have lifted about 720,000 bpd of oil since the start of the year.

The Islamic Republic has painstakingly been ramping up production to regain its market share which the country lost under most intensified sanctions in 2011.

China is the largest Iranian oil customer which did not stop purchases during the years of sanctions starting in 2012, and increased imports after they were lifted in early 2016.

On average, the Chinese have shipped in more than 600,000 bpd of crude oil from Iran since the beginning of the year. The biggest shipment came in August when China bought more than 700,000 bpd from the Middle Eastern country.

Beijing is estimated to raise its oil imports by another 2 million barrels a day and Tehran is well-placed to further boost oil sales to the world's second biggest economy.

India is the second biggest client of Iranian oil, buying an average of 450,000 bpd since the beginning of 2017 to the end of August. Indian oil imports from Iran hit a record in July, when the country's refineries purchased 500,000 barrels a day.

Another major buyer of Iran's oil is South Korea which did not halt shipments during the sanctions despite announcing to do so.

Seoul is the biggest customer of Iran's condensate with 300,000 bpd. South Korea has also taken 100,000 bpd of Iranian crude oil on average since the start of the year.

Japan, another importer of Iranian crude, has bought another 100,000 bpd during the period, according to Iran's official statistics.

Iran, on average, shipped 2.15 million barrels of crude oil and about 500,000 barrels of gas condensate in the first eight months of 2017. Its record export of 2.3 million barrels per day was registered in February.

On Tuesday, a report said NIOC had informed buyers in Asia that it could reduce condensate exports in October because of maintenance at the South Pars Gas Field.

Citing unnamed industry sources, Reuters said NIOC could trim exports by at least 1 million barrels that month.

According to the news agency, the company typically exports about 15 million barrels of South Pars condensates each month.

The drop in Iranian condensate exports in October comes as the trading arm of Asia's largest refiner Sinopec, China's Unipec which typically halts imports in summer months due to environmental restrictions at Chinese ports, is about to resume cargo liftings from Iran in October, the report said.

# *Rouhani Underlines Iran's Commitment to LatAm*

TEHRAN (Tasnim) – **Iran's president has highlighted great potentials for cooperation with Bolivia in the gas industry, saying Iranian experts are ready to carry out various gas exploration and production projects in the Latin American country.**

In a meeting with his Bolivian counterpart on the sidelines the annual UN General Assembly meeting in New York, President Hassan Rouhani said Iran and Bolivia, two nation with huge natural gas reserves in the Middle East and Latin America, can promote mutual cooperation in the gas industry.

Iran has made great headways in the exploration and extraction of natural gas, in the construction of treating facilities for gas sweetening, and also in the downstream sectors such as the petrochemical industry, President Rouhani added, saying that Tehran is prepared to assist Sucre in implementing development plans in all sectors of gas industry.

Voicing Iran's readiness to provide Bolivia with "technical and engineering services," Rouhani called for efforts to boost banking ties between the two countries.

For his part, Evo Morales voiced Bolivia's determination to broaden ties with Iran in all fields.

Bolivia would embrace help from Iranian companies to develop its petrochemical facilities and downstream sector in the energy industry, he added.

Inviting the Iranian president to attend the fourth summit of the Gas Exporting Countries Forum (GECF) in Bolivia, Morales said President Rouhani's participation at the forum would signal "the very significant message that independent friends would stand together."

GECF, a gathering of the world's leading gas producers, was set up as an intergovernmental organization with the objective to increase the level of coordination and strengthen the collaboration among the member countries.