

Markets

# OPEC+ Rebuked by US After Cutting Output to Keep Prices High

- Biden says 'shortsighted' decision will hurt the economy
- Group wants to keep crude above \$90 a barrel, says Nigeria

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October 5, 2022, 8:15 AM CDT *Updated on October 5, 2022, 1:42 PM CDT*

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OPEC+ agreed to make a large production cut to keep oil prices high, drawing an immediate rebuke from the US.

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The Organization of Petroleum Exporting Countries and its allies agreed on Wednesday to reduce their collective output by 2 million barrels a day from November. The outdated production baselines used to measure the curbs means that actual oil supply will only fall by about half that amount, but it's still the biggest cut since 2020 that risks adding another shock to the world's economy.

“This decision risks agitating the US while potentially leading the FOMC to keep tightening for longer as inflation will become more sticky,” Hansen said. “The result being a stronger dollar, higher bond yields and a global economic slowdown that may end up taking longer to reverse.”

– *With assistance by Golnar Motevalli, Julian Lee, Manus Cranny, Nayla Razzouk, Oliver Crook and Ben Bartenstein*

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