



London (AFP) -

Oil prices turned lower on Monday after gains last week, but losses were limited as fighting in Yemen fuelled fears about a supply disruption in the Middle East, analysts said.

US benchmark West Texas Intermediate fell 33 cents to \$56.82 a barrel compared with Friday's close as light profit-taking set in.

Brent North Sea crude declined 35 cents to stand at \$64.93 a barrel nearing midday in London.

Oil prices will "continue to receive support as there seems to be no sign of abatement in the conflict in Yemen," said energy analyst Sanjeev Gupta at business consultancy EY.

Daniel Ang, investment analyst at Singapore-based Phillip Futures, said the oil market remains "fragile," with "geopolitical tensions likely to play a key role on crude prices."

Saudi Arabia-led warplanes hit the rebel-held presidential palace in Yemen's capital Sanaa Sunday, as fighting raged between Shiite Huthi rebels and fighters loyal to the exiled president, Abedrabbo Mansour Hadi.

The country has been gripped by turmoil since the Shiite rebels launched a power takeover in Sanaa in February.

Yemen is not a major oil-producing country, but its coast forms one side of the Bab el-Mandeb Strait, the key strategic entry point into the Red Sea through which some 4.7 million barrels of oil pass each day on ships headed to or from the Suez Canal.

Analysts said oil prices were supported also by data released Friday by Baker Hughes that showed the US oil rig count fell by 31 to 703 this week, and well down from 1,534 a year ago.

Dealers are hoping a slowdown in US output could alleviate a global crude oversupply, which led to a collapse in prices of more than 50 percent between June and January.

Ang said US first-quarter gross domestic product figures to be released Wednesday as well as a two-day meeting of the Federal Reserve's key policy arm starting Tuesday would be in focus this week.

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