

+-----+
-----+
Oil Rises for First Day in Three as Equities Gain, Dollar Falls
2010-09-08 14:31:39.228 GMT

By Margot Habiby and Mark Shenk

Sept. 8 (Bloomberg) -- Crude oil rose for the first time in three days as equities gained and the dollar retreated against the euro, boosting the appeal of commodities as an alternative investment.

Oil increased as much as 0.9 percent as stocks climbed in the U.S. and Europe amid optimism that the global economic recovery is strengthening. Improved demand for bonds from Portugal to Poland curbed concern the European debt crisis is worsening. The dollar dropped for the first time in three days.

"The market climbs whenever there are any signs that the economy is recovering," said Gene McGillian, an analyst and broker at Tradition Energy in Stamford, Connecticut.

Crude oil for October delivery rose 48 cents, or 0.7 percent, to \$74.57 a barrel at 10:10 a.m. on the New York Mercantile Exchange. Earlier, it touched \$74.78 a barrel. Prices have gained 4.9 percent in the past year.

The Standard & Poor's 500 Index climbed 0.6 percent to 1,098.58, and the Dow Jones Industrial Average advanced 58.05 points, or 0.6 percent, to 10,398.74. Both benchmarks increased for the fifth time in six days.

U.S. stocks followed European equities higher after Portugal's sale of bonds due 2021 attracted bids for 2.6 times the amount offered, compared with a bid-to-cover ratio of 1.6 in the earlier March sale. An auction of five-year debt by Poland attracted the biggest demand since 2008, while Czech borrowing costs fell to a record low at a sale of three-year bonds.

The dollar fell 0.6 percent against the euro. The U.S. currency traded at \$1.2756 per euro compared with \$1.2682 yesterday in New York. The dollar rose 1.5 percent yesterday, its biggest single-day advance since Aug. 11.

Brent crude oil for October settlement gained 17 cents to \$77.91 a barrel on the London-based ICE Futures Europe exchange.

For Related News and Information:

Top energy, oil stories: ETOP <GO> and OTOP <GO> Fuel switch calculator: FLSW <GO> Crude loading programs: LOAD <GO> Commodity Fair Value Curves: CFVL <GO>

--Editors: Joe Link, David Marino

To contact the reporters on this story:

Margot Habiby in Dallas at +1-214-954-9452 or mhabiby@bloomberg.net; or Mark Shenk in New York at +1-212-617-4331 or mshenk1@bloomberg.net

To contact the editor responsible for this story:

Dan Stets at +1-212-617-4403 or dstets@bloomberg.net

