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## Oil May Rise on Middle East Geopolitical Tension, Survey Shows 2011-12-23 00:19:18.301 GMT

By Moming Zhou

Dec. 23 (Bloomberg) -- Crude oil may rise next week on speculation that further sanctions against Iran will curb supply from the world's third-largest oil exporter, a Bloomberg News survey showed.

Twelve of 32 analysts, or 38 percent, forecast oil will gain through Dec. 30. Ten respondents, or 31 percent, predicted prices will drop and 10 estimated there will be little change.

Last week, 53 percent of surveyed analysts expected an increase.

Oil is up 25 percent this quarter, the biggest gain since the second quarter of 2009.

Iran's navy will hold 10 days of maneuvers east of the Strait of Hormuz, state-run Fars news agency reported on Dec.

21, citing Navy Commander Habibollah Sayari. The European Union and the U.S. are seeking support from the Middle East and Asia for sanctions against Iran, which exports more crude than any nation except Saudi Arabia and Russia.

"The market will continue higher due to geopolitical tensions," said Rich Ilczyszyn, chief market strategist and founder of itrader.com in Chicago. "Prices may rise to between \$100 and \$103 next week."

Iran's military exercise will start Dec. 24 and cover a distance of 2,000 kilometers (1,240 miles), Fars news agency reported on its website. State-run Press TV reported the maneuvers would extend east as far as the Indian Ocean.

About 15.5 million barrels of oil a day flows through the waterway between Iran and Oman at the mouth of the Persian Gulf, according to the U.S. Energy Department.

European Union nations, the U.S. and Asia-Pacific allies met in Rome Dec. 20 and discussed possible measures to increase pressure on the country to abandon a suspected nuclear weapons program, according to an Italian Foreign Ministry statement.

Crude oil for February delivery has advanced \$5.82, or 6.2 percent, to \$99.35 a barrel so far this week on the New York Mercantile Exchange. Futures are up 8.7 percent this year.

The oil survey has correctly predicted the direction of futures 48 percent of the time since its start in April 2004.

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Bloomberg's survey of oil analysts and traders, conducted each Thursday, asks for an assessment of whether crude oil futures are likely to rise, fall or remain neutral in the coming week. The results were:

RISE	NEUTRAL	FALL
12	10	10

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