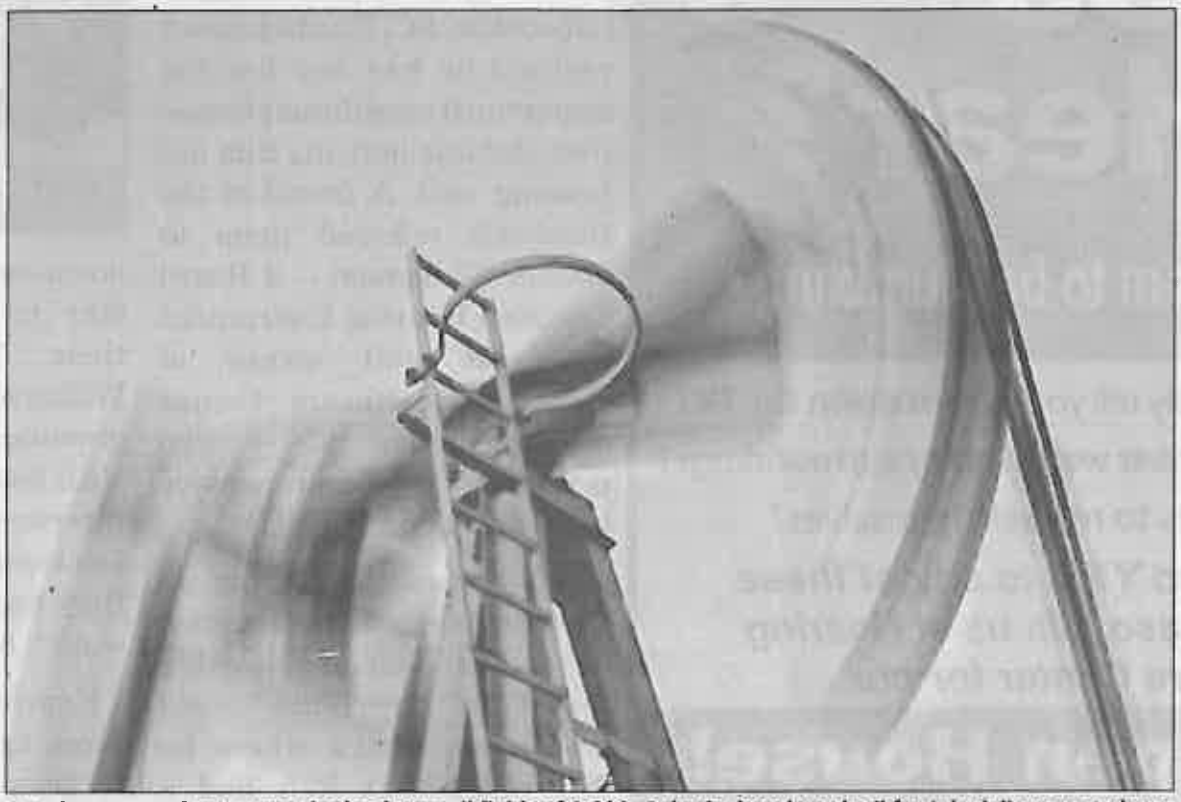
Energy demand a concern



An oil pump works at sunset in the desert oil fields of Sakhir, Bahrain. benchmark oil for July delivery was down 50 cents to $93.65 a barrel in electronic trading on the New York Mercantile Exchange. HASAN JAMALI/AP

Oil falls below $94 a barrel on US holiday

Analysts: Traders take profits before May jobless data released

By Pablo Gorondi
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The price of oil fell Monday as traders concerned about global energy demand took profits ahead of economic data from China and the United States.

By early afternoon in Europe, benchmark oil for July delivery was down 50 cents to $93.65 a barrel in electronic trading on the New York Mercantile Exchange. The contract fell 10 cents to $94.15 a barrel on Friday.

Analysts said traders took profits before May unemployment data is released Tuesday in Washington, which should help clarify the state of the recovery in the world's biggest economy.

"We're starting to build confidence in the economic data, but that's not going to stop anyone from taking money off the table ahead of a long weekend," Carl Larry of Oil Outlooks and Opinions said in a market commentary, referring to Monday's Memorial Day holiday in the U.S.

Monday was also a public holiday in Britain.

The global economic picture was clouded last week by a private survey showing weak Chinese manufacturing. That raised questions about the strength of oil demand in the world's No. 2 economy.

Qinwei Wang, an economist with Capital Economics, said that recent Chinese indicators suggest that "general economic conditions remain downbeat." The more closely watched official manufacturing survey is due Saturday, Wang said.

Markets will also be watching Friday's meeting at its Vienna headquarters of the Organization of Petroleum Exporting Countries.

"We anticipate that OPEC will stick with its official production target of 30 million barrels per day," said a report from Commerzbank in Frankfurt. "Saudi Arabia and the other Arab Gulf states see no reason for the moment to comply with the demands of individual OPEC states to implement measures aimed at shoring up prices. Thus the oversupply on the oil market will remain in place for the time being."

In April, OPEC's output averaged 30.46 million barrel a day.

Brent crude, a benchmark for many international oil varieties, was down 8 cents to $102.56 a barrel on Nymex.