

Reports: G7 nations agree Russian oil price cap

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The G7 nations and Australia have agreed to set a fixed price on Russian oil, rather than adopt a floating rate.

Over the past number of weeks, these countries have been in negotiation to put a price cap on seaborne oil shipments. According to experts, this cap is aimed at limiting Russia's ability to fund the invasion of Ukraine.

Speaking to Reuters, a source said: "The Coalition has agreed the price cap will be a fixed price that will be reviewed regularly rather than a discount to an index. This will increase market stability and simplify compliance to minimize the burden on market participants."

The price cap has not been set, but it has been reported that it will be over the coming weeks. It is thought that setting a price will also combat price swings.

It is also thought that setting a fixed price will also require more meetings of the coalition to review it.

Worries include a reduced supply, as Russia has previously stated that it will refuse to sell oil to countries that set price caps.

Reuters also reported that each load of seaborne Russian oil will only be subject to the price cap when first sold to a buyer on land.

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