









## What's Affecting Oil Prices the Week of August 13, 2018?


Brent fell \$0.54/bbl last week to average \$73.11/bbl while WTI fell \$0.89/bbl to average \$67.91/bbl. The Brent-WTI spread now stands at slightly over \$5/bbl after getting as tight as \$2.61/bbl in the second-half of July. We expect the spread to widen further as WTI loses support from the Syncrude outage. We expect Brent to average \$73/bbl in the week ahead with no strong supporting factors apparent.

Iraqi production volumes and exports are reportedly coming in at record levels this summer which should help assuage fears of a supply shortage. In Asia, Chinese bookings of US crude fell sharply after Beijing announced that US crude would be subject to a 25% tariff. However, as we at Stratas Advisors expected would happen, other locations took the opportunity to absorb additional volumes, with Indian purchases of US crude nearly tripling from July to August of this year. The most recent tariff list released by Beijing removed US crude, so Chinese volumes could again increase in coming months. If Indian and Chinese purchases both remain strong heading into fall, this will be a positive for US prices, which typically weaken as domestic refining runs seasonally decline.

### WHAT'S AFFECTING OIL PRICES THE WEEK OF AUGUST 13, 2018?

<ul style="list-style-type: none"> <li>• Geopolitical Unrest</li> </ul> 	<ul style="list-style-type: none"> <li>• Dollar vs. Euro</li> </ul> 
<ul style="list-style-type: none"> <li>• Global Supply</li> </ul> 	<ul style="list-style-type: none"> <li>• Oil Demand</li> </ul> 
<ul style="list-style-type: none"> <li>• Refining Sector</li> </ul> 	<ul style="list-style-type: none"> <li>• Oil Trader Sentiment</li> </ul> 

 Upward pressure on prices    
  Downward pressure on prices

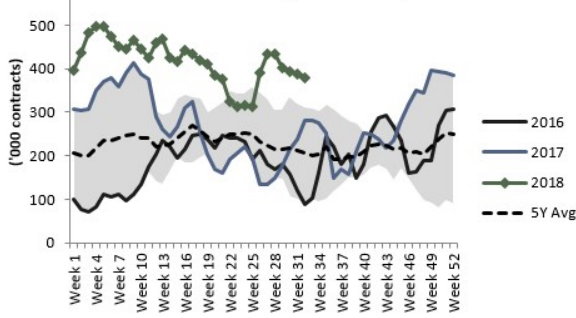
STRATAS  ADVISORS  
A HART ENERGY COMPANY

**Geopolitical – Neutral**

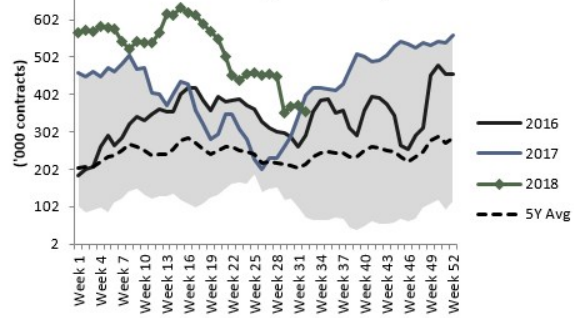
**Dollar - Neutral**

**Trader Sentiment – Neutral**

**NYMEX WTI Managed Money Net**



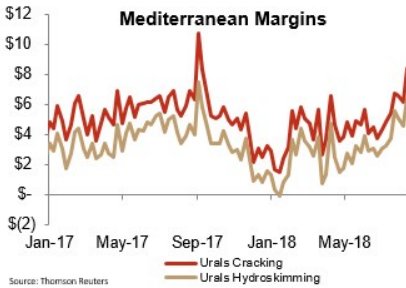
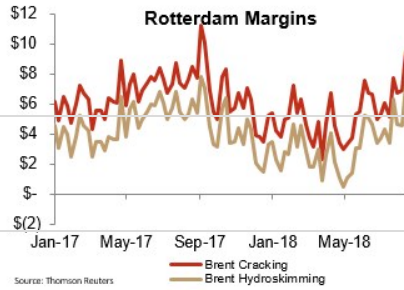
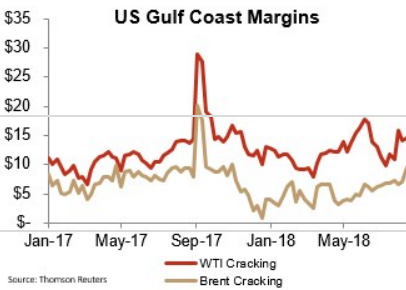
**ICE Brent Managed Money Net**



**Supply – Neutral**

**Demand – Positive**

**Refining Margins - Positive**



**How We Did**