

What's Affecting Oil Prices the Week of March 4, 2019?

WHAT'S AFFECTING OIL PRICES THE WEEK OF MARCH 04, 2019?

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

 Upward pressure on prices
  Downward pressure on prices

STRATAS  ADVISORS
A HART ENERGY COMPANY

Brent fell \$1.35/bbl last week to average \$65.49/bbl while WTI had a more stable week, falling only \$0.18/bbl to average \$56.37/bbl. For the week ahead, we expect Brent to average \$66/bbl and WTI to average \$56/bbl.

As it stands, there are few explicit drivers for prices on the horizon. On the geopolitical front, negotiations with North Korea fell apart, but were amicable enough not to raise red flags. In Venezuela, the much-feared confrontation between government and opposition forces flared out fairly quickly.

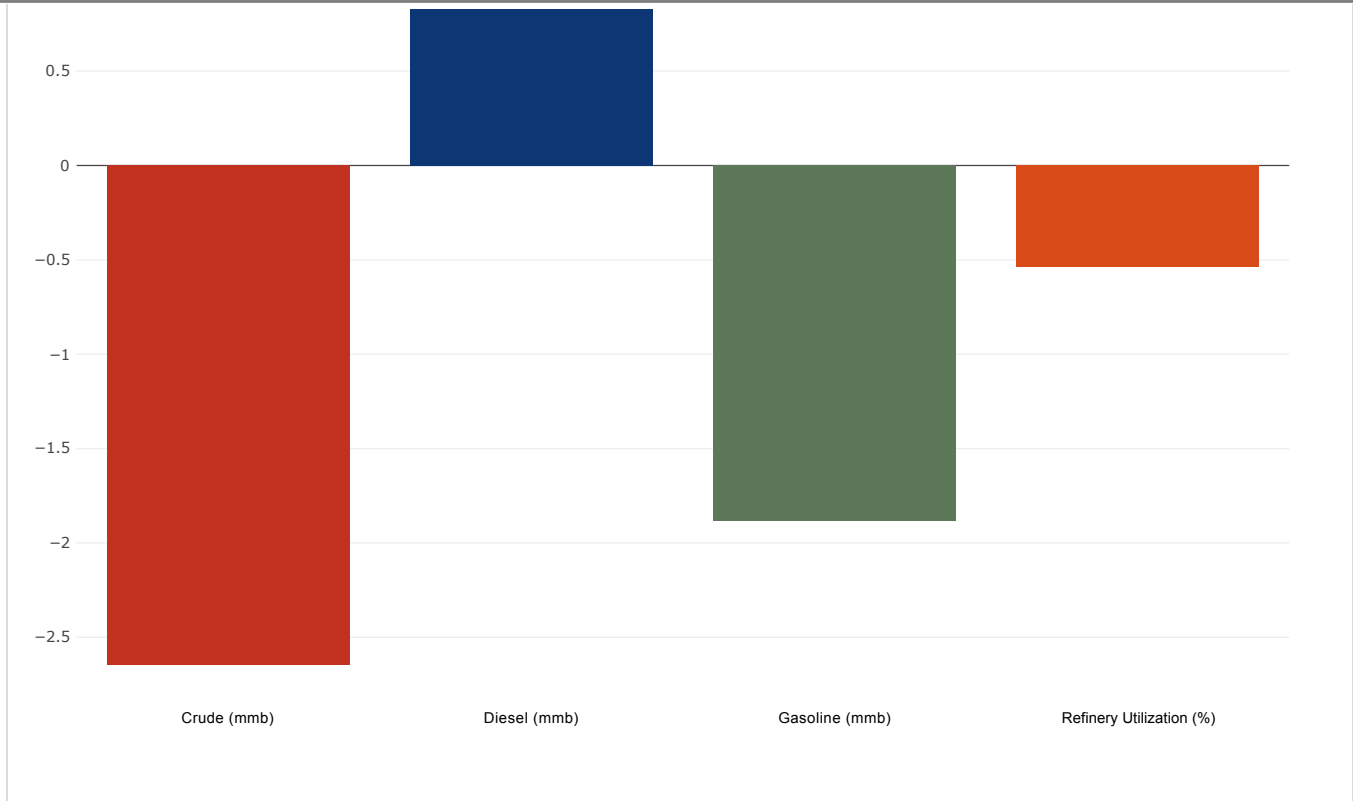
Markets will continue to focus on macroeconomic data, particularly any updates from the negotiations between China and the United States. Also this week, a new Market PMI and data about factory orders and worker productivity will be released. These reports are regularly called out as early warning signs when looking at the US economy.

Trader positioning continues to show some optimism for prices, although there is a stronger bullish sentiment towards international prices than domestic US, stemming from ongoing concerns about oversupply. The latest Baker Hughes rig count showed that rigs fell last week, and are now at the lowest level since May 2018. This supports our theory that US operators will maintain capital discipline, despite higher crude prices.

WAOP Forecast Mar 4

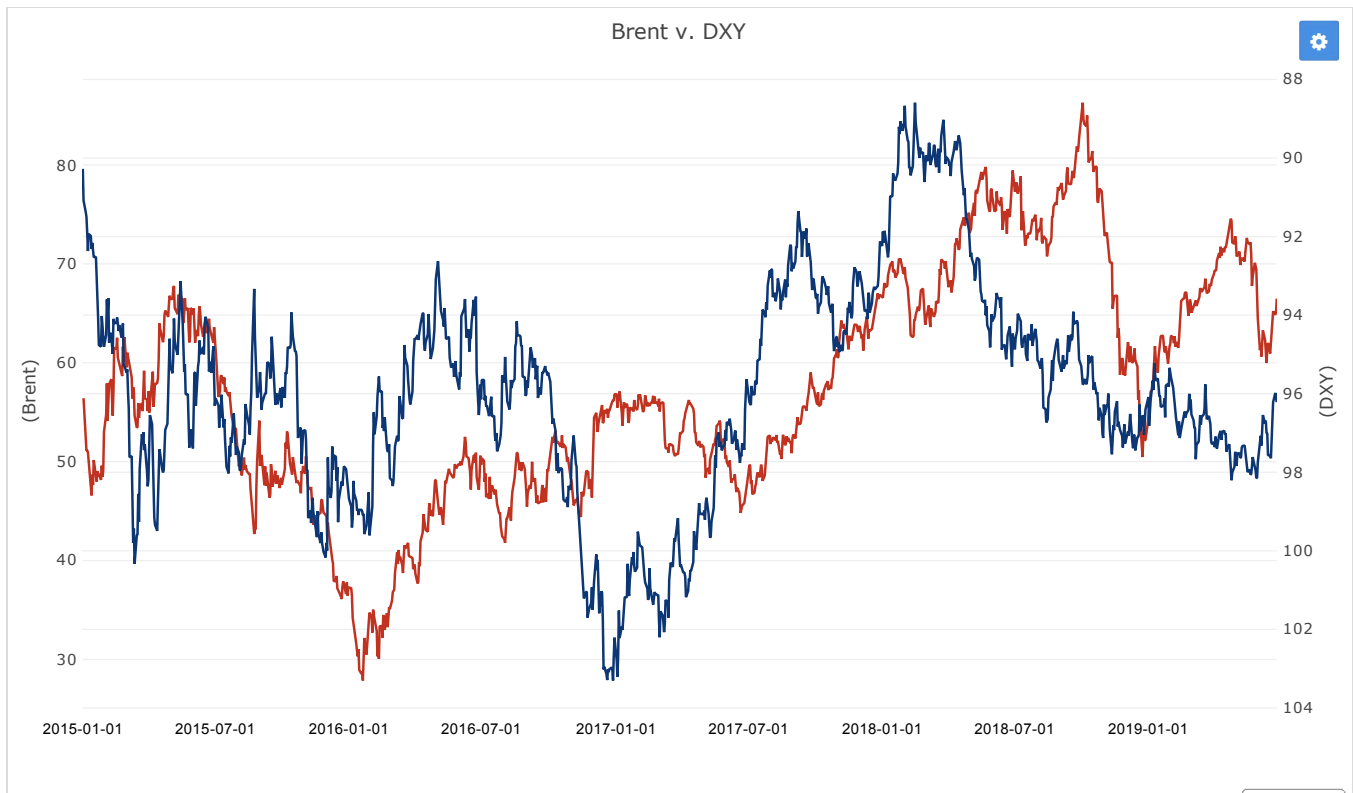


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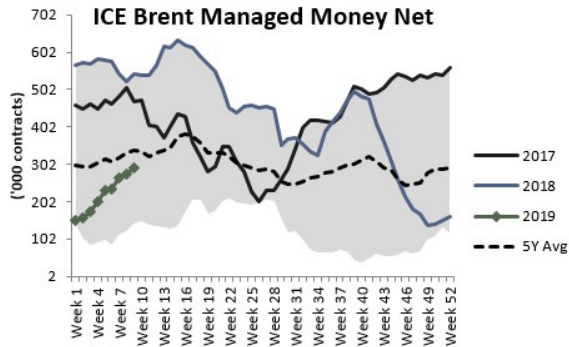
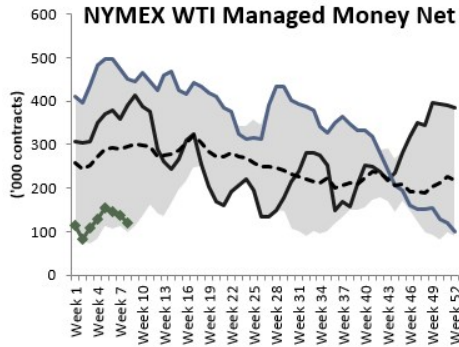
Geopolitical – Neutral

Dollar - Negative

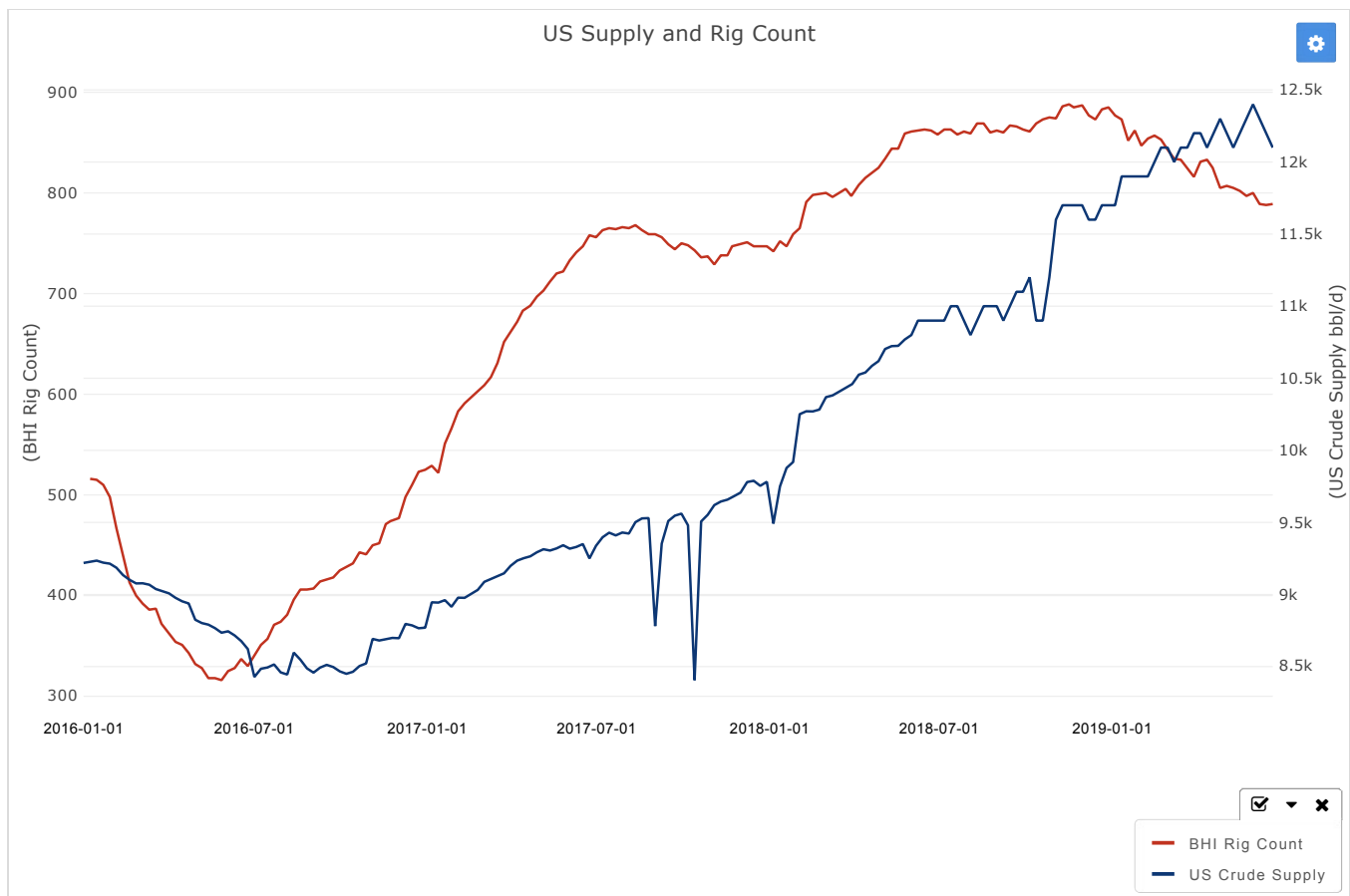


— Brent
— Inverted DXY

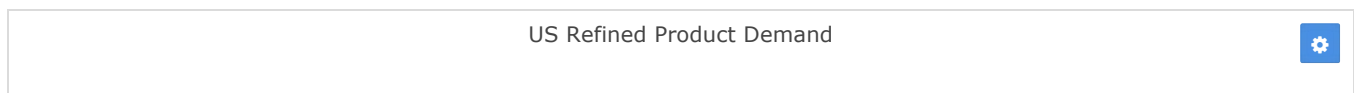
Trader Sentiment – Positive

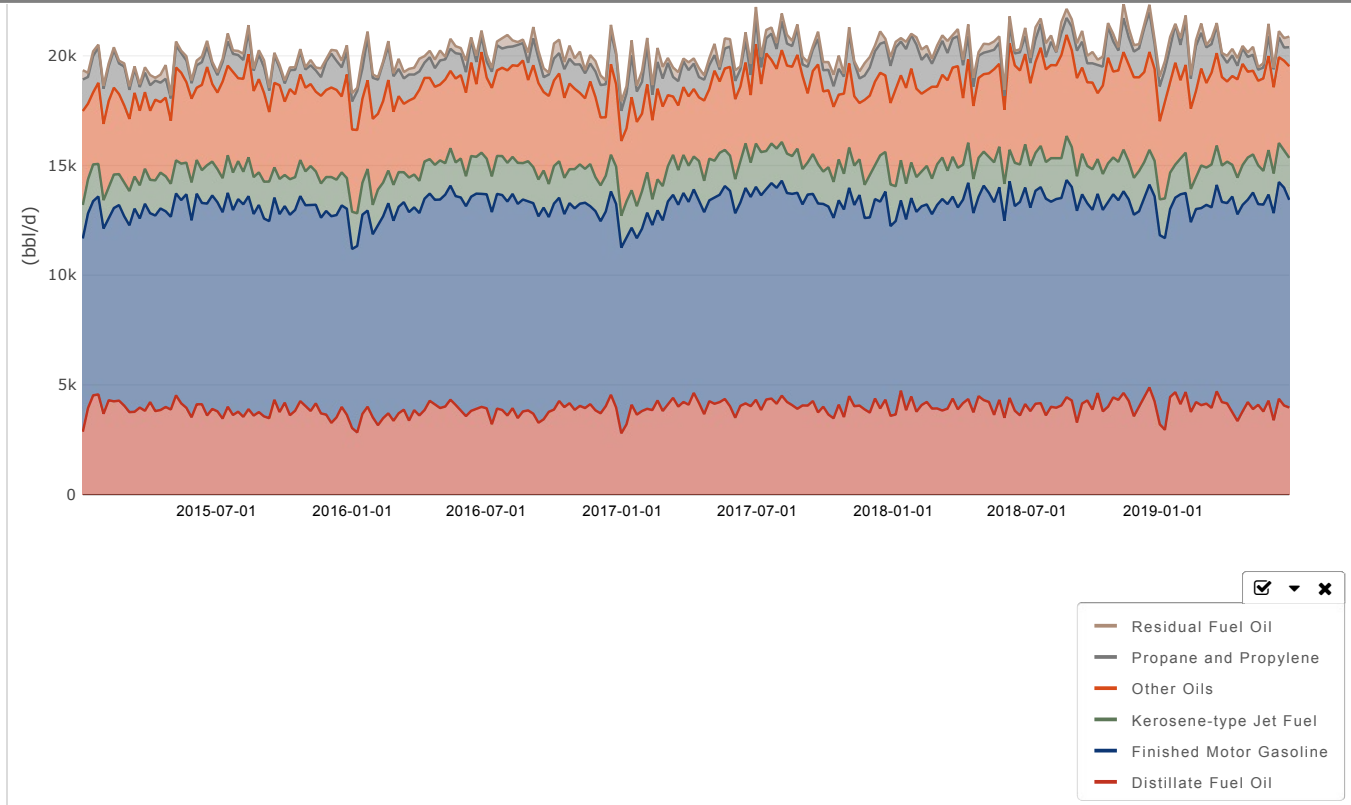


Supply – Negative

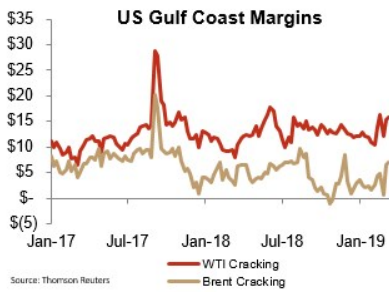


Demand – Neutral

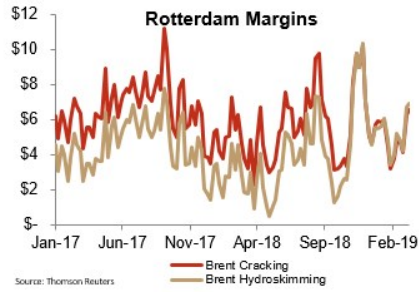




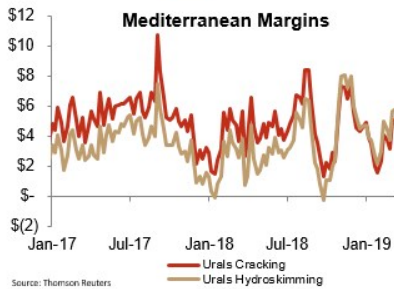
Refining Margins - Neutral



Source: Thomson Reuters



Source: Thomson Reuters



Source: Thomson Reuters



Source: Thomson Reuters

How We Did

