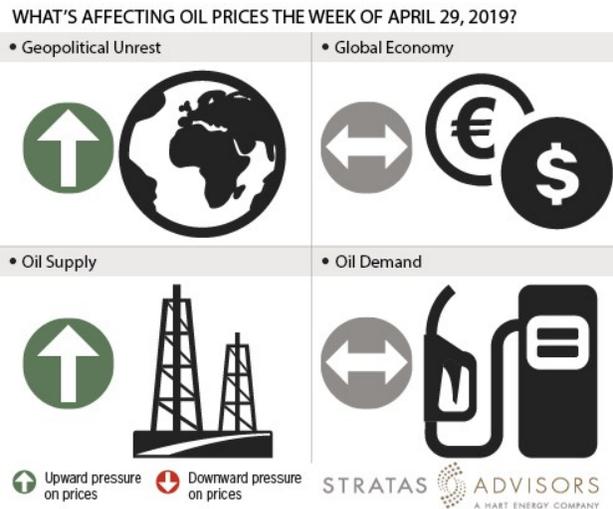


What's Affecting Oil Prices the Week of April 29, 2019?



Brent rose \$2.30/bbl last week to average \$73.92 last week while WTI rose a slightly slower \$1.95/bbl to average \$65.78/bbl. For the week ahead we expect prices to remain supported. Brent is likely to average \$72/bbl. Although we believe that support exists, prices are still likely to see a pullback in the weeks ahead as drastic supply shortfalls fail to materialize and current market exuberance wanes.

Markets continue to digest the news that Iran sanctions waivers will not be renewed for the eight countries that originally received them. Iran has released several statements implying it will continue to find a way around waivers, and will not cede market share. Market rivals have indicated that they stand ready to fill in any supply gap that emerges, but will not be preemptively raising supply. For more information, see our recent Insight [Washington Ends Waivers for Iranian Oil](#).

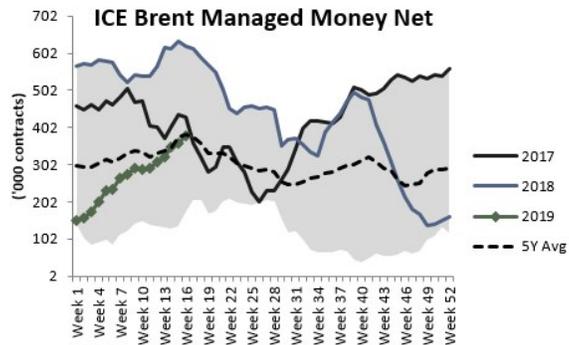
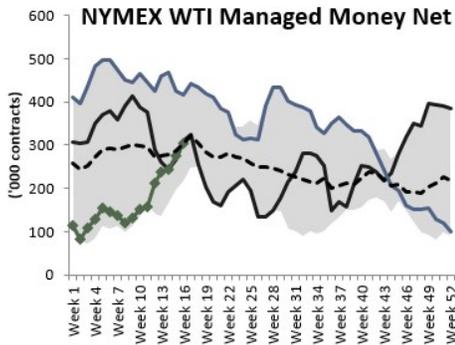
As we have mentioned previously, higher prices tend to lead to more social unrest and crude disruptions and we are seeing evidence of this in Nigeria and Libya. Fighting continues for control of Libya, while in the Niger Delta an attack by militants led to the apparent kidnapping of two Shell employees.

Supply problems will continue to support crude in the week ahead. Three countries (Germany, Poland, and Slovakia) have halted imports of Russian crude due to quality issues, which will support crude differentials in the region. Additionally, with oil prices rising producers in Alberta will become more vocal in calling on the government to end production curtailments enacted this year.

In a positive sign for demand China has issued additional crude oil import quotas for seven independent refiners in addition to the volumes authorized at the start of the year. The companies likely requested the expanded waivers as strong demand globally incentivizes high run rates.

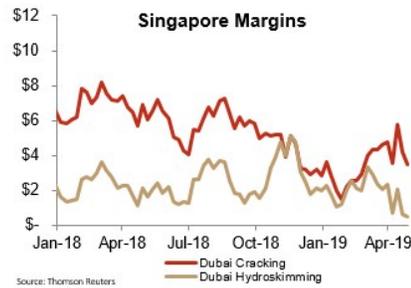
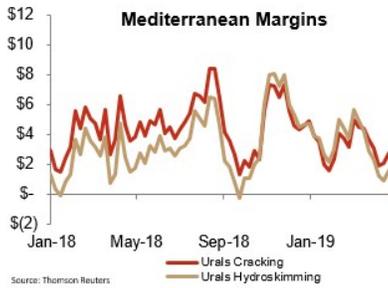
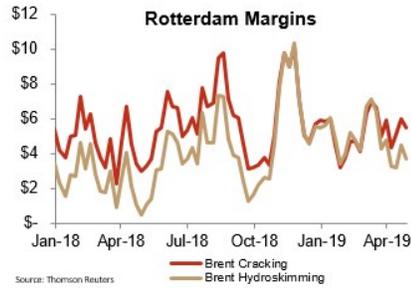
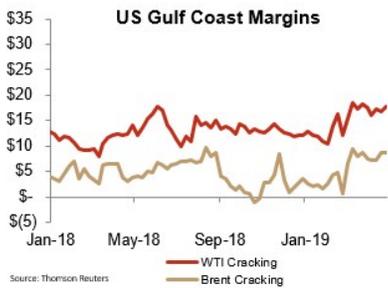
Geopolitical Unrest – Positive

Global Economy - Neutral



Oil Supply – Positive

Oil Demand – Neutral



How We Did