

## What's Affecting Oil Prices the Week of July 1, 2019?

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### WHAT'S AFFECTING OIL PRICES THE WEEK OF JULY 1, 2019?

• Geopolitical Unrest	• Global Economy
	
• Oil Supply	• Oil Demand
	
 Upward pressure on prices	 Downward pressure on prices

STRATAS  ADVISORS  
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Crude oil increased again last week, rising \$2.99/bbl to average \$65.90. WTI increased even more, up \$3.87/bbl to average \$58.60/bbl. Crude was supported by positive expectations for both the G-20 meeting and the OPEC meeting.

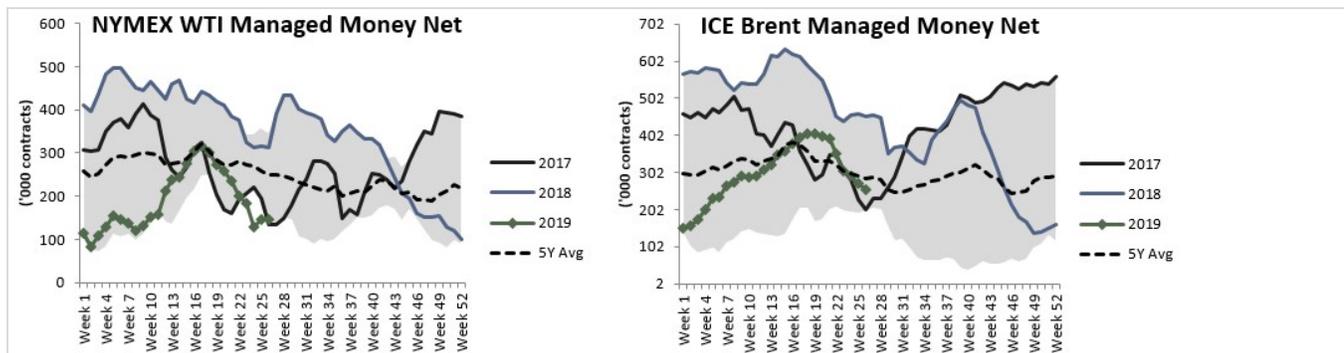
Prices will likely rise again next week, albeit at a slower pace as some of the potential gain has been built in. Brent will likely average \$67/bbl in the week ahead, with some volatility in the first half of the week.

As of this writing, the OPEC meetings had not yet concluded, but statements from the ministers involved all seem to point toward a continuation of the ongoing supply agreement. Additionally, the sideline meeting of Chinese President Xi Jinping and US President Donald Trump was considered a success by markets, although which country came out on top is still to be determined. Trump agreed to hold off on imposing further tariffs and rolled back some restrictions on the Chinese tech firm Huawei. This is also good news for US consumers and companies as it staves off an expected increase in costs that could have slowed consumer spending. For now, a definitive timeline has not been set for official talks to resume but negotiations should start soon in order for markets to maintain their positive momentum.

Outside of the OPEC meeting, weekly fundamental data has been more mixed. Stocks in the European ARA hub are rising, and a recent heat wave is unlikely to support increased consumption. In the US, commercial crude inventories took a sharp leg downward but remain above the five-year average. Products are mixed with distillate below the five-year average and falling, while gasoline stocks are flat at the average.

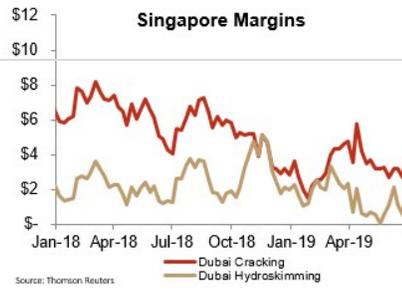
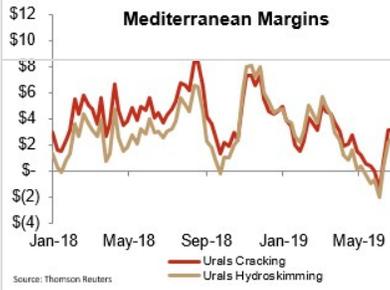
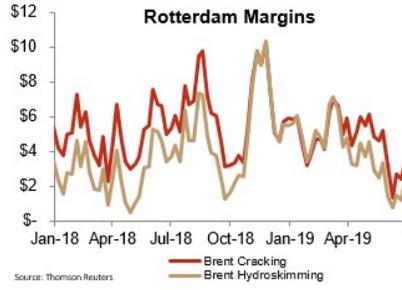
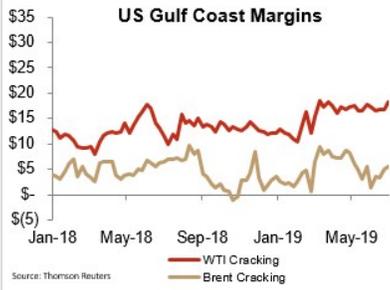
**Geopolitical Unrest – Neutral**

**Global Economy - Positive**



**Oil Supply – Positive**

**Oil Demand – Neutral**



## How We Did