

What's Affecting Oil Prices the Week of August 12, 2019?

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WHAT'S AFFECTING OIL PRICES THE WEEK OF AUGUST 12, 2019?

<ul style="list-style-type: none"> • Geopolitical Unrest 	<ul style="list-style-type: none"> • Global Economy 
<ul style="list-style-type: none"> • Oil Supply 	<ul style="list-style-type: none"> • Oil Demand 

 Upward pressure on prices
  Downward pressure on prices

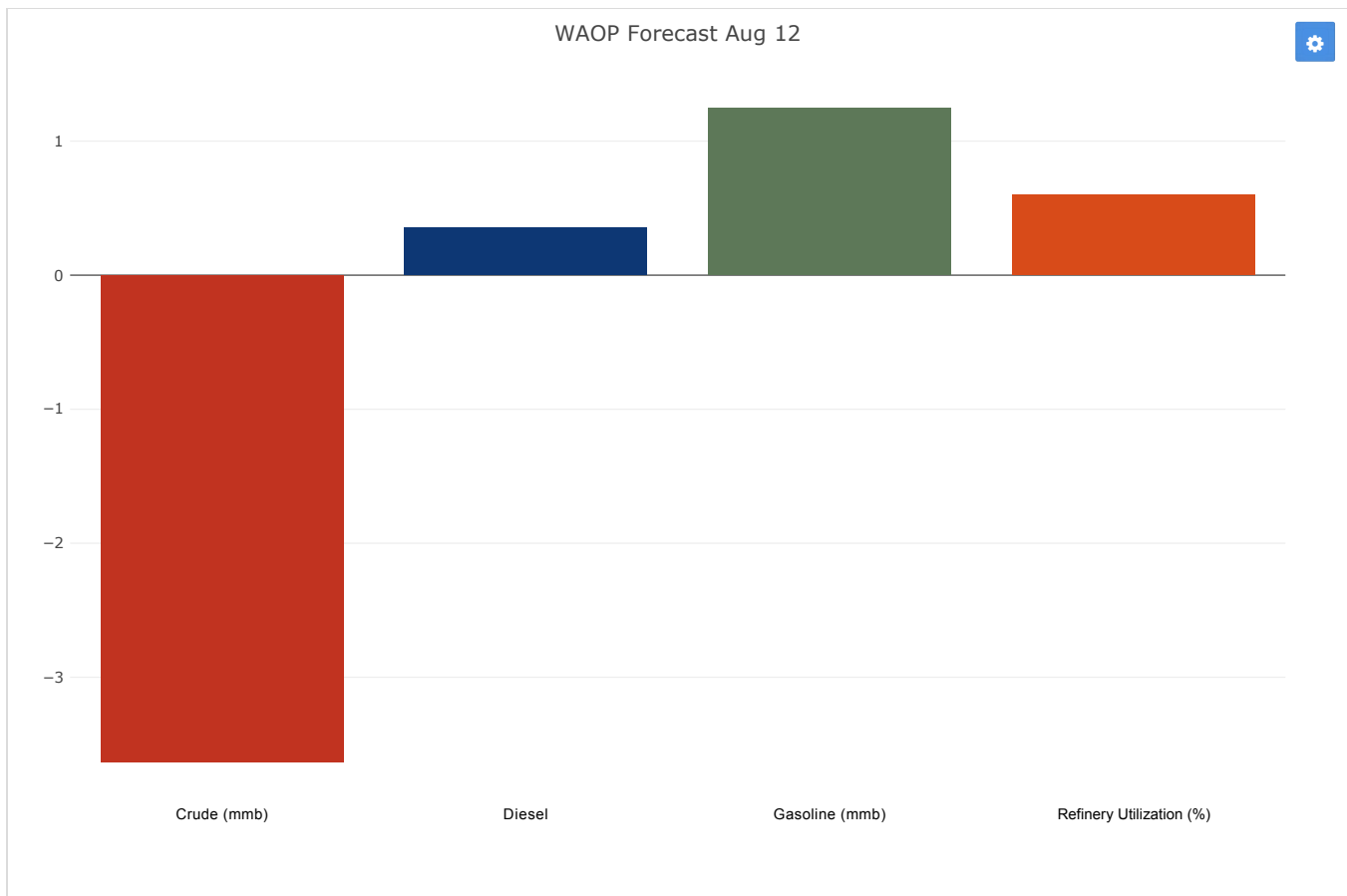
STRATAS  ADVISORS
A HART ENERGY COMPANY

Brent and WTI both fell sharply last week. Brent fell \$5.02/bbl to average \$58.18/bbl, breaking the psychological \$60/bbl barrier. WTI fell \$3.33/bbl to average \$53.29/bbl.

Concerns about economic growth are the dominant influence on prices right now, but supply threats support some bullish views.

Prices followed an interesting path last week, gaining strength Thursday and Friday despite the release of a less optimistic International Energy Agency report. Reports indicating that Russian oil production in August would exceed agreed levels were countered by Saudi Arabia announcing that it would limit September oil exports to help stabilize prices. Although prices have gained heading into the week, we expect only minimal improvement for the week overall, with Brent likely to average closer to \$59/bbl but with decent upside potential.

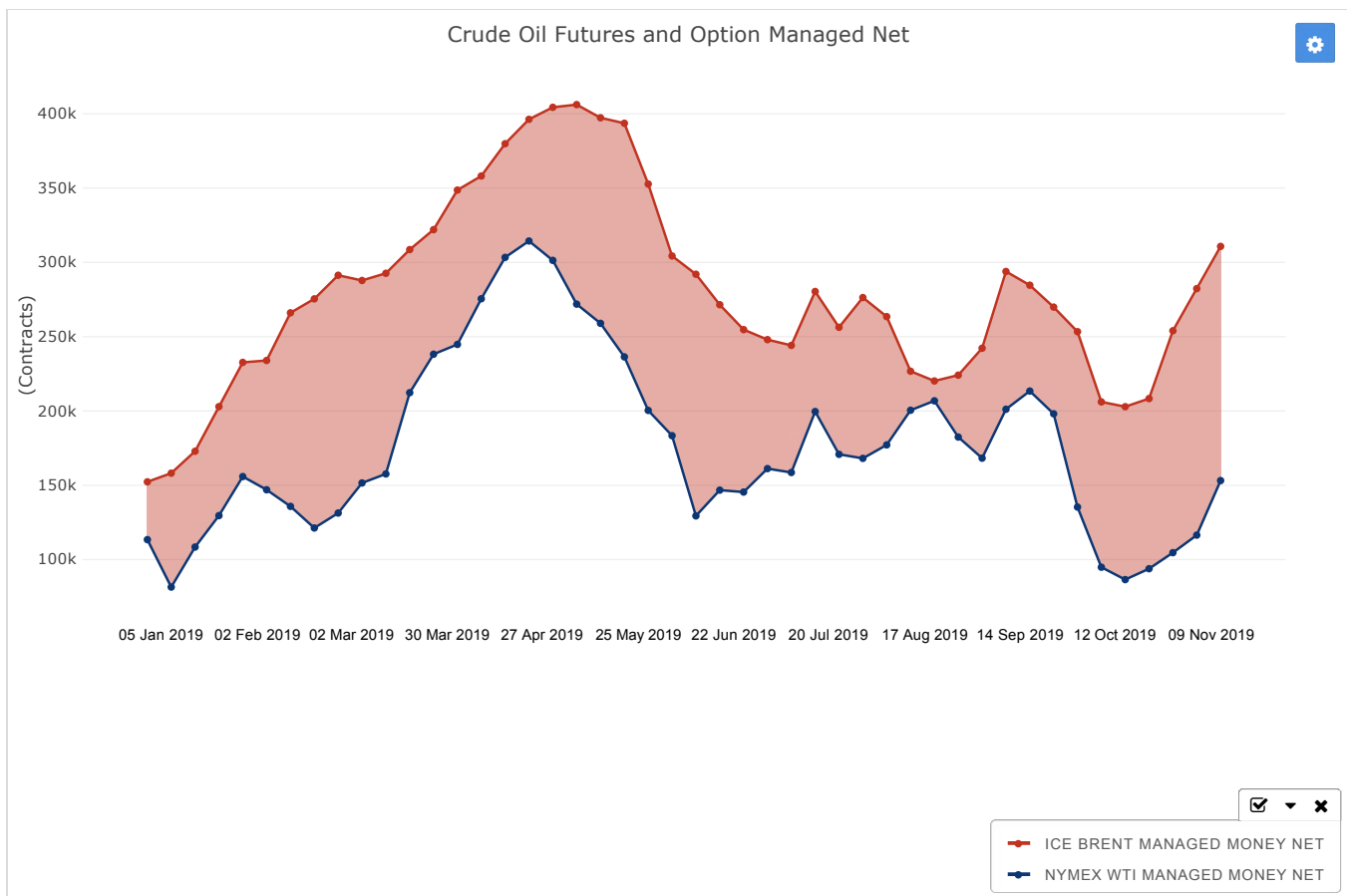
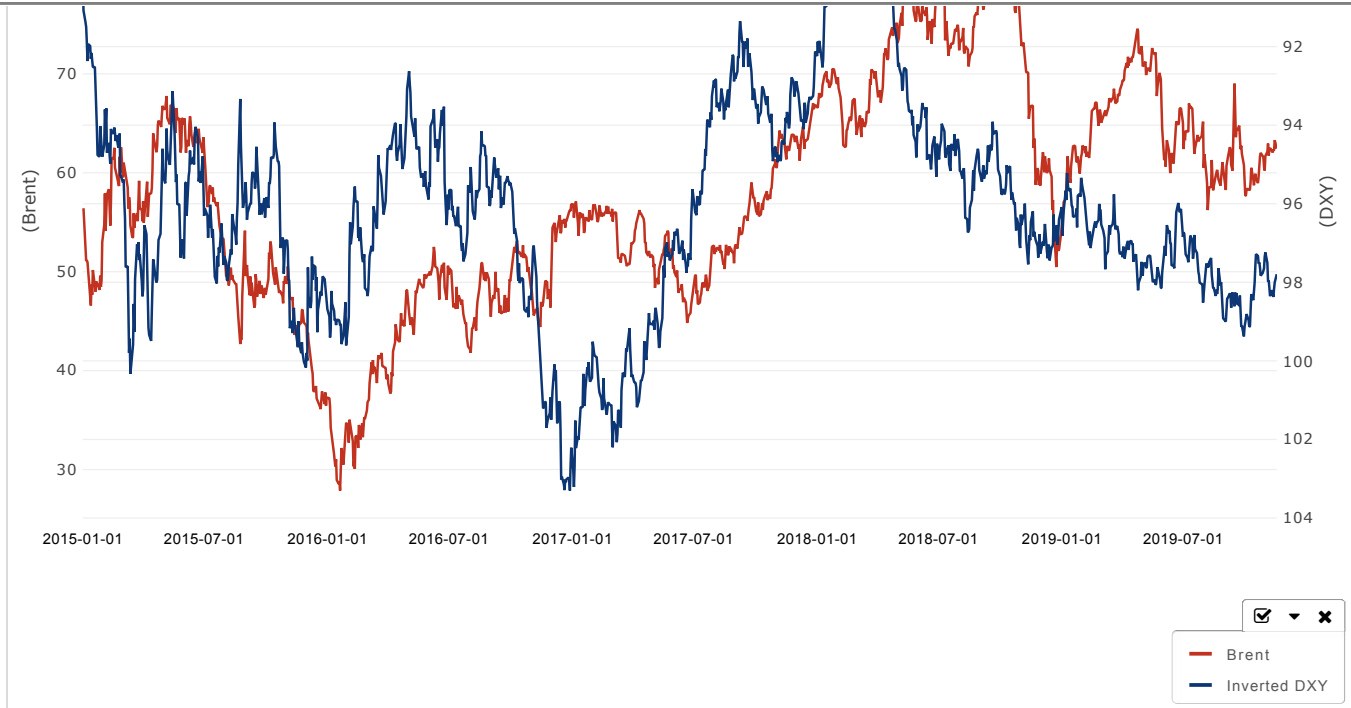
For the week ahead, the axiom “no news is good news” rings especially true. If no further negative economic developments occur, spot prices could stabilize and increase through the week. Rig counts continue to fall in the United States, but reports of crude or product builds will be negative for prices. When it comes to supply, the Strait of Hormuz remains a high-risk area although a large-scale outage is unlikely.



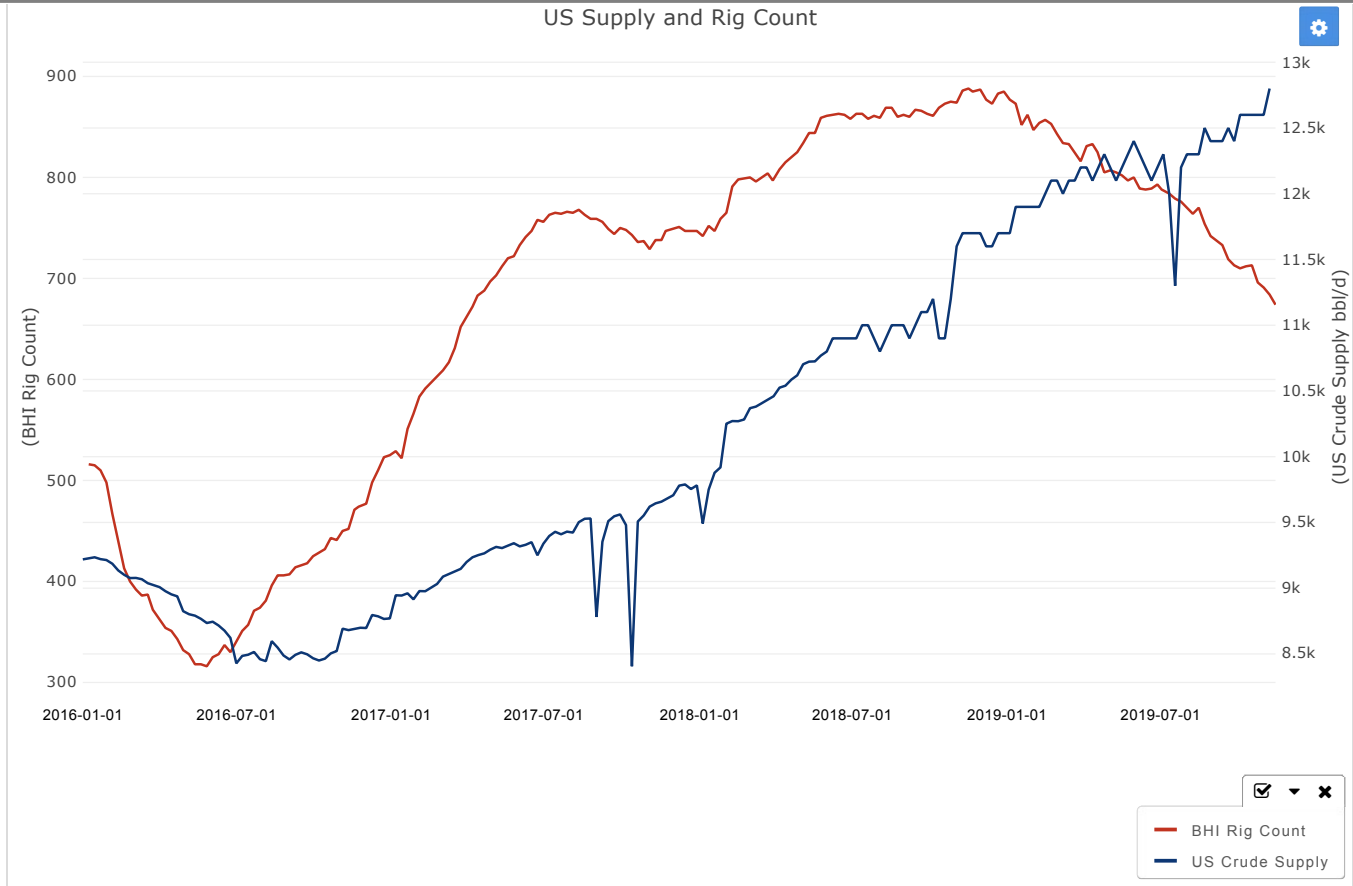
Geopolitical Unrest – Positive

Global Economy – Negative

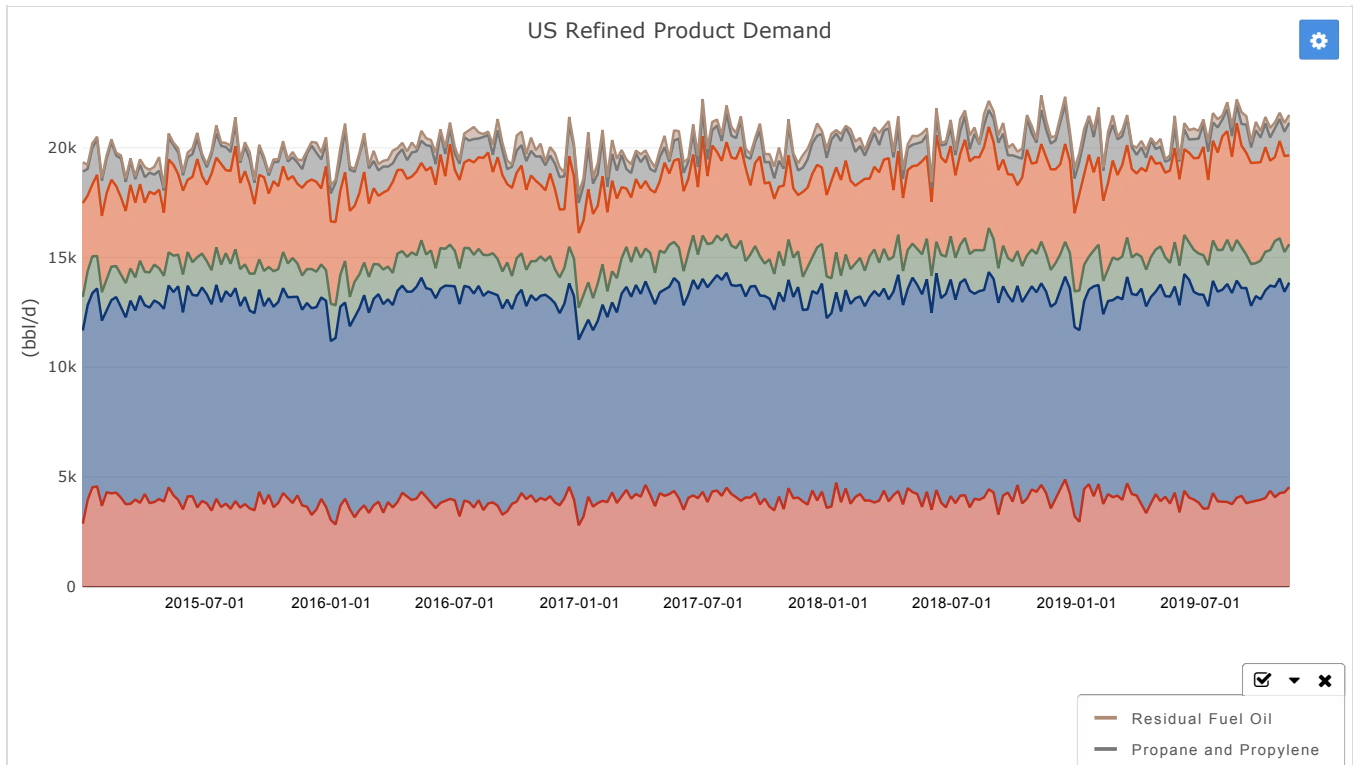


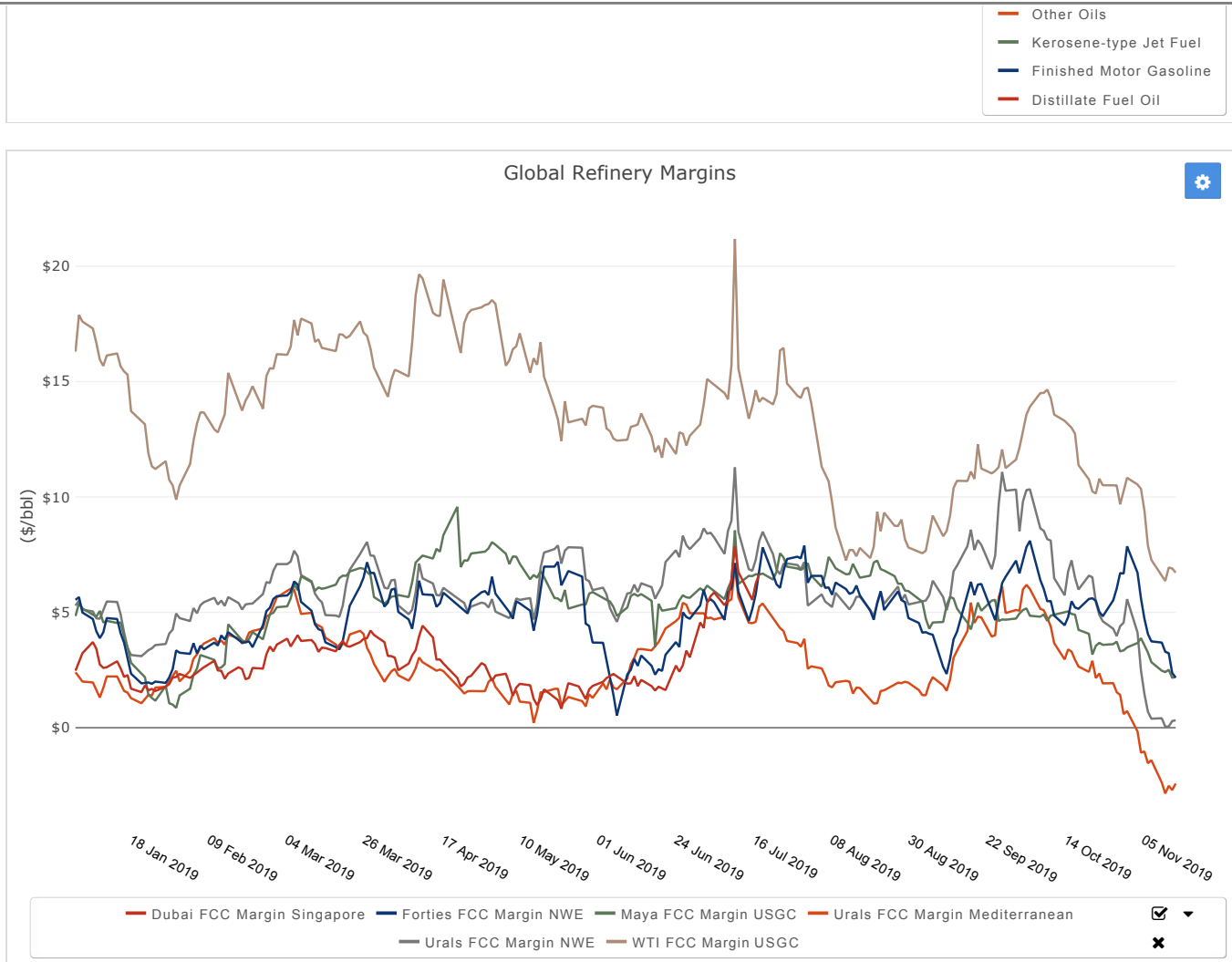


Oil Supply – Neutral



Oil Demand – Negative





How We Did

