

FXPRIMUS Special Report on Oil

US OIL – WTI

The first half of 2017 found WTI prices plummeting below \$40 per barrel amid oil oversupply and rising US Shale production.

For the second half of the year demand for Oil increased due to an acceleration of consecutive inventory declines, taking price to a 30-month high. In fact, tightening supply came as a result of OPEC’s recent decision to extend output cuts.



With a possibility to experience a supply restriction throughout all 2018 I expect a strong demand growth as the recent extension till May 2018 has traders responding already. I see volatility easing off, yet I expect price swings to be a victim of supply versus demand battle while the market goes through fundamental changes.

This being said I foresee oil prices hitting a high of \$68 per barrel, while my prediction for the lower end stands at \$51 - \$52 per barrel. I expect WTI to close 2018 above \$57, and range bound with an average of \$62.

