

What's driving your energy prices?

Bullish Factors

- U.S. manufacturing activity expanded at its fastest rate since October 2014 last month, according to Markit's Purchasing Managers' Index (PMI). The PMI posted a 55.3, indicating expansion in the sector, and topping expectations for a 54.7 print.
- The latest weekly data from the Energy Information Administration (EIA) showed U.S. crude oil production declined for the first time since late January last week, down 40,000 barrels per day (bpd) to 9.4Mbd.
- China's official PMI data showed an unexpected increase into expansionary territory in March, edging up to 50.1 from February's 49.9 print, for its first positive reading in 3 months.

Bearish Factors

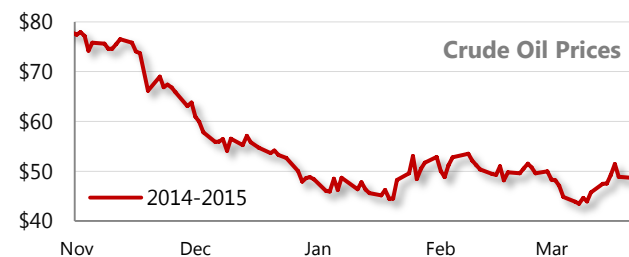
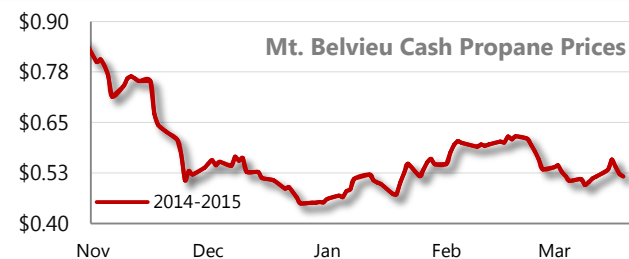
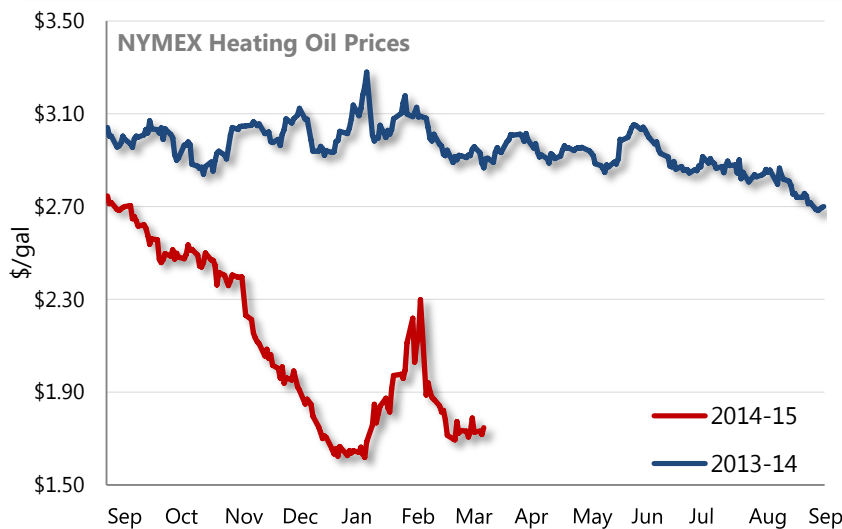
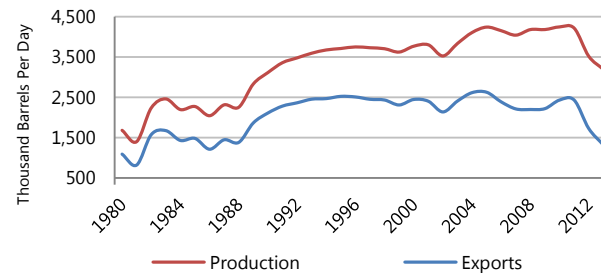
- U.S. distillate stocks, which include home heating oil, grew by 1.33 million barrels last week, according to the EIA's weekly inventory report, countering analysts' expectations for a half a million barrel draw.
- Iraqi crude oil exports rose to a new record high 2.98 million barrels per day in March, according to the Iraq Oil Ministry. Meanwhile, output from fellow OPEC member Saudi Arabia was reported to be at 10Mbd in March, a 350Kbd increase over February.
- U.S. crude oil stocks increased for a 12th consecutive week last week, according to the EIA, with inventories rising nearly 5 million barrels to a new record high 471 million barrels.

Did you know?

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Iran's Impact to the Oil Market

Negotiations over Iran's nuclear ambitions have taken priority status with respect to oil prices lately, and rightfully so, as subtle signs of progress have conjured up images of Iranian crude oil flooding an already over-supplied market. With global crude oil prices continuing to linger near their lowest levels in over half a decade, weighed down by what many analysts estimate to be up to 2 million barrels per day of excess oil around, a rebound in Iranian output could potentially push prices even lower. As seen in the chart below, prior to the implementation of sanctions in 2010, Iran was producing over 4 million barrels of oil per day and exports were hovering near 2.5 million barrels per day, both of which plummeted dramatically following the sanctions.



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