

## What's driving your energy prices?

### Bullish Factors

- OPEC output fell to 32.28mb/d in February, the lowest level since April 2017, down 70kb/d from January, according to a Reuters survey.
- The manufacturing sector has seen continued expansion in the US, Asia, and Europe, which has been encouraging fuel consumption.
- Reuters reported that Saudi Arabia will cap its crude exports in March at 7mb/d, despite lower domestic demand, as an additional effort to reduce the global oil glut.
- Refinery appetites for crude oil tend to rise in March, according to the five-year average.

### Bearish Factors

- US and foreign stock market indexes saw recent losses, following the President's plan to impose a 25% tariff on steel imports and a 10% tariff on aluminum imports, which is expected to be announced over the next two weeks.
- The US dollar index rallied between February 15 and March 1, as market participants see a high chance that the FOMC will increase the federal funds target rate by 25 basis points in the March 21 meeting. However, the US dollar has been falling since March 1, amid fears over trade wars.
- Revised numbers from the Energy Information Administration show that US crude production hit an all-time record high in November 2017, at 10.057mb/d.

## Did you know?

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### Record US Crude Oil Production

According to monthly data from the Energy Information Administration dating back to 1920, US crude oil production set a new record high in November 2017, of 10.057 million barrels per day (mb/d). The previous record was back in 1970, also during November, with crude production reaching 10.044mb/d. North Dakota (PADD 2), Texas, and Federal Offshore Gulf of Mexico (PADD 3) are the regions that account for the largest shares of production, contributing 1.178mb/d, 3.897mb/d, and 1.672mb/d, respectively. In its latest *Short-term Energy Outlook*, the Energy Information Administration estimates that US crude production will average 10.6mb/d in 2018, topping the previous highest annual average (of 9.6mb/d in 1970).

