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Flash Notes
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Alex Fusté
@AlexfusteAlex
alex.fuste@andbank.com

Oil price -21.75% in 31 days. More room for further falls? Yes

In my daily review of the state and developments of the global energy sector, I have known some news that (for me) are relevant because of its implications.

Storage-facility and pipelines continue to grow in the US. More specifically, the US oil hub in Cushing continues to grow even as producers and traders looked willing to move storage of surging West Texas production to the coast for export.

The US petroleum industry is planning to build ~4.8M barrels of additional storage capacity and as many as seven new pipelines to move oil to and from the hub (in response to a 10% y/y rise in trading volumes in Cushing amid new output).

The mid-term implications are clear. Occasional bottlenecks (due to lack of energy transport infrastructure) has been one of the reasons why unconventional producers stopped investing (and producing) during certain periods of time. Now, the construction of these facilities (storage warehouses and pipelines) will probably help to avoid investment and production stoppages, guaranteeing a greater flow and volume of gas and oil.

In a nutshell. More crude today and in the future, by who is now the largest producer and exporter of energy.

The implications are bearish for the price. We maintain our old strategy. Sell above 65 (WTI). Buy below 45.

Oil price (WTI 1st contract)