

Oil Futures Lower As Supply Gains Create Uncertainty

Crude oil is entering another period of uncertainty as producers in the U.S. continue to increase exploration while OPEC nations and Russia try to maintain their pledge to reduce their oil production by 1.8 million barrels per day.

Crude oil prices on the New York Mercantile Exchange (NYMEX) closed below \$50 per barrel on April 24 for the first time since May 29.

Traders worldwide are trying to sort it all out, but a key factor is OPEC's decision to continue its six-month agreement to reduce its oil production, which expires June 30.

Also, drilling and production in the U.S. has increased for 14 consecutive weeks. U.S. oil production is 9.3 million barrels per day, up almost 10 percent since mid-2016.

OPEC's monitoring committee oversees compliance with the collective production cuts, and it has endorsed a continuation of the production decrease for another six-months, which is a strong indication that OPEC will approve the committee's recommendation at its next meeting in May.



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