

Oil markets restrict optimism to



Oil prices flattered to deceive yet again this week as Wednesday’s high numbers bit the dust by Friday night’s close. What is it about Wednesdays? During the last 3 months the week’s high level for crude oil has been on a Wednesday 7 times, only to fall into the dust by Friday which follows a familiar pattern. Surprisingly AI does offer a theory on why investors become bullish for higher prices on Wednesdays, of all days! A study found an abnormally positive return on Wednesday’s in the WTI markets as American oil inventory data is published then, an obvious one, but the same study suggests the day of the week challenges market effectiveness indicating that certain days have a predictable impact on prices and investor behavior with Wednesday’s showing a notable positive influence! So maybe this explains to some extent why oil prices looked yet again set to move higher midweek but collapsed again on Friday evening for no obvious reason ignoring Russia increasing its attacks on Ukraine and Ukraine biting back by attacking Russian energy infrastructure as well as every other nightmare the World now lives with remaining in play. Of note this week was that yet again new record highs were being set in both US equity markets (S+P 500) and gold. This seems to happen regardless of anything else going on in the World. The relentless charge higher of these markets seems to ignore that once proud commodity called OIL, the price of which used to be something that not too long ago scared the living daylights out

of every economy in the World. Bloomberg wrote after Covid in 2020 “Oil is one of the most important commodities in the world, petroleum products can be found in everything from personal protective equipment, plastics, chemicals, rubber, plastics and fertilizers through to aspirin, clothing, fuel for transportation and many other things we all take for granted, it’s important to understand how supply and demand factors influence the price of oil and therefore the wider economy” We may not know for a while yet but it seems whilst in theory oil remains one of the World’s most important commodities its price volatility has diminished and the weekly experience of “not much happened” looks set to carry on whilst all other forms of investment grow in value and power well until of course oil supply is suddenly removed due to political or physical war, then it will be a different game, and if and when that happens we can guess already it will be on a Wednesday.

This week’s closing guide prices:

Name	Price	Last Week
Ice Brent	\$66.66	-0.77
WTI	\$62.68	-0.45
Ice Gas Oil	\$690.25	-2.25
Euro Mogas Swaps	\$709.25	-16.25
Euro Naphtha Swaps	\$557	-17.00
Nymex Gasoline	\$1.9707	- 2.93¢/gal
LPG Swaps	\$473.00	+16.50
OPEC Basket	\$70.73	
Gold	\$3705	