



Independent Statistics & Analysis

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Crude oil markets face ongoing uncertainties

Events in January contributed to ongoing uncertainty in crude oil markets, according to the U.S. Energy Information Administration. On January 6, Brent crude oil prices closed at \$70 per barrel following U.S. military operations in Iraq, the highest price since May 2019. However, as tensions in the Middle East de-escalated and market concerns over a related oil supply disruption faded, crude oil prices fell.

The outbreak of the coronavirus and subsequent travel bans significantly disrupted transportation-related oil demand in China as well as other countries. This accelerated the decline in crude oil prices, despite ongoing crude oil supply disruptions in Libya. Prices closed at \$54 per barrel on February 4, the lowest level since December 2018.

In the February *Short-Term Energy Outlook*, EIA estimates the Brent crude oil price will average \$58 per barrel during the first half of the year and rise to \$64 per barrel during the second half of the year. Brent crude oil spot prices are expected to average \$61 per barrel for 2020 as a whole.

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