

Investments - Flash



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RETURN OF GEOPOLITICAL INFLUENCE ON CRUDE OIL

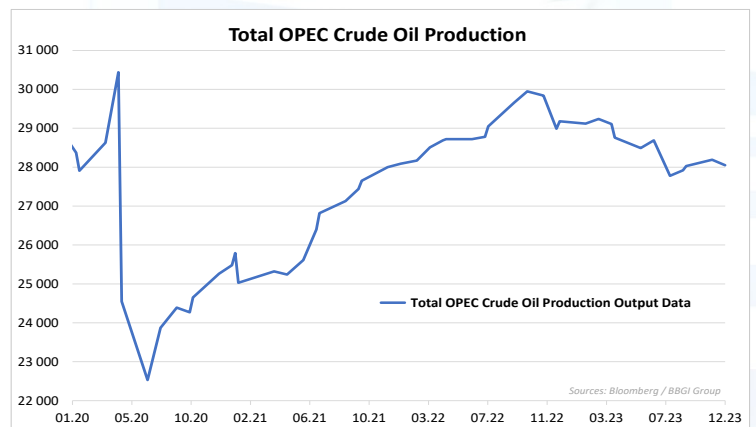
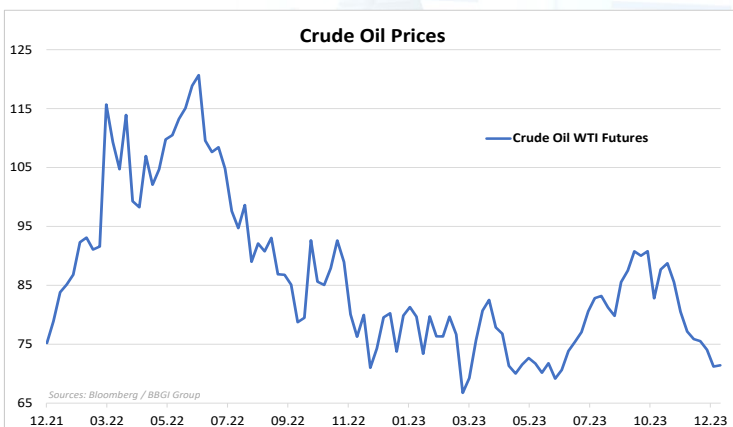
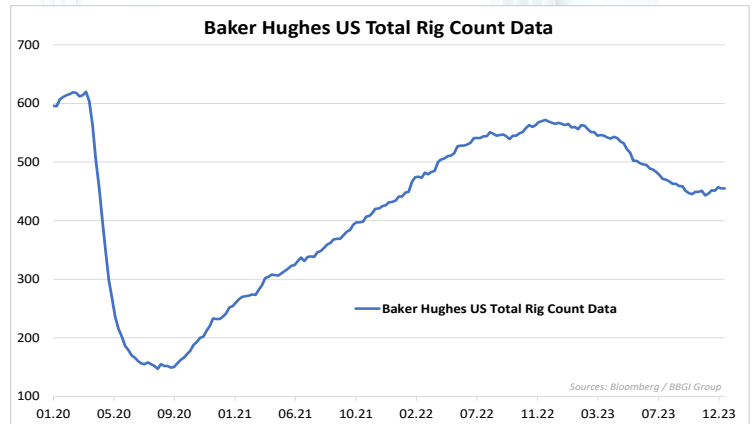
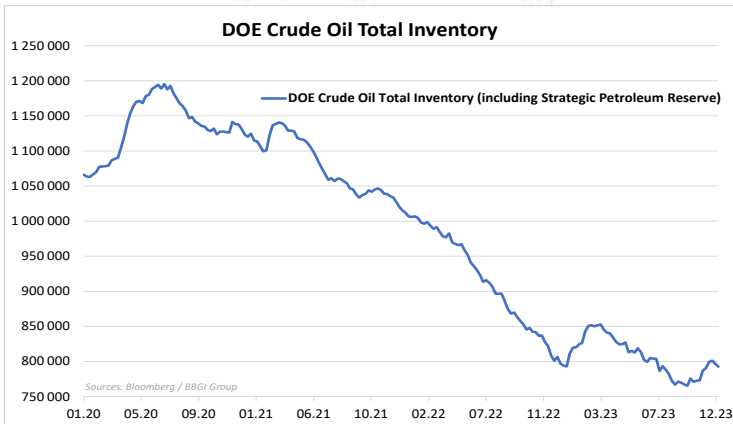
Bullish recovery for oil prices

The evolution of the global macroeconomic scenario, suggesting a weakening of growth prospects for 2024, has already had a fairly significant negative impact on crude oil prices in recent weeks. However, the relatively orderly decline in crude oil prices from almost \$95 a barrel at the end of September to just \$68 in mid-December, due to rising production in the USA, seems to us now to be coming to an end.

Current prices are in fact stabilizing on previous support levels already reached in March, May and June 2023, while the outlook for oil production remains constrained by the main OPEC producing countries maintaining their reduced production levels. However, demand for crude will remain high in 2024 according to current forecasts, despite a slowdown in the global economy.

While the immediate geopolitical risks were not considered significant in the immediate aftermath of Israel's response in the Gaza Strip on October 7, the situation is now considered more critical due to interventions by Houthi rebels in Yemen, endangering the trade route used by tankers in the Red Sea.

The decision announced by the American authorities to protect commercial vessels is a clear enough indication of the growing risks. Almost 10% of the world's oil transit currently passes through this zone. A partial detour of transit on the longer route around Africa will have consequences for supply and prices. We expect these factors to have a bullish impact on oil prices over the coming weeks.



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