# Reviewing Q2 Trends: Crude Oil Price Swings and Market Dynamics



### Crude Oil Q2 Review

**Q2 Oil Prices and Market Dynamics:**
In Q2, West Texas Intermediate (WTI) crude oil experienced notable price shifts. Initially, prices surged past the 61.8% retracement of the 2023 decline, reaching a high of $87.63 per barrel in early April before dropping sharply by 17.3%. By June, prices had stabilized around critical support levels, suggesting potential for future breakout.

**Global Oil Production Trends:**
The U.S. Energy Information Administration (EIA) reported that U.S. oil production matched 2020 highs at 13.2 million barrels per day. Despite voluntary production cuts by OPEC+ members extended until December 2025, supply outlook remains steady. However, U.S. refining capacity growth lags, with only three new refineries added since 2021.

**Economic Indicators and Demand Outlook:**
The Federal Open Market Committee (FOMC) projected steady economic growth and increased inflation expectations. Market anticipation of potential rate cuts by the U.S. Federal Reserve, coupled with strong air travel demand and peak driving season, suggests sustained oil demand moving into Q3. The OPEC June report forecasted global oil demand reaching 104.5 million barrels per day in 2024.

**Technical Analysis of WTI:**
Technical indicators showed WTI crude oil making a strong recovery from June lows, with prices climbing over 9.4%. Key resistance levels include the 200-day moving average around the $79.58-$80.31 range. Price action in the 73.85-85.33 range is crucial for determining medium-term trends, with possible exhaustion points at $85.01/33 and $86.83 if reached.

**Ecuador's Crude Production:**
Ecuador's crude oil production dropped by approximately 20%, or 100,000 barrels per day, due to disruptions from flooding and landslides affecting pipeline operations.

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