# Oil Market Fluctuates Amidst Supply Threats and Economic Data



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The global oil market has experienced notable fluctuations influenced by supply disruptions from natural events and changing economic indicators. Brent crude settled above $87 per barrel for the first time since mid-April, driven by concerns over the impact of Hurricane Beryl on US oil production and a bullish inventory report from the Energy Information Administration (EIA). However, prices later declined due to weaker-than-expected US economic data.

### Key Highlights:

* Oil Supply Threats: Hurricane Beryl has disrupted operations in the Gulf of Mexico, prompting evacuations by companies such as Shell Plc, BP Plc, and Exxon Mobil Corp. Approximately 73,000 barrels per day of offshore oil production lie in the storm's projected path.
* Inventory Report: The EIA reported a significant drop of 12.2 million barrels in US commercial crude inventories for the week, the largest weekly decline since July 2023. Commercial inventories now stand at 448.5 million barrels, the lowest since March 22, 2024.
* Exports and Demand: Crude oil exports increased by 491,000 barrels per day to 4.4 million barrels, following the reopening of the Port of Corpus Christi in Texas. Gasoline stocks fell by 2.2 million barrels, with refinery activity rising to 93.5% as of June 28, 2024.
* Economic Data: Brent crude futures fell by 0.69% to $86.74 per barrel, while US West Texas Intermediate dropped by 0.75% to $83.25. Weak US employment and business data signaled potential economic cooling, influencing investor caution. The ADP Employment report indicated a smaller-than-expected increase in private payrolls, and the ISM Non-Manufacturing index dropped to a four-year low.
* Market Expectations: Analysts from Citi noted that geopolitical and weather threats remain bullish risks, but softer physical market demand post-summer could affect prices. Some rebound in US crude shipments to Europe in July and August is anticipated after a June low.

The oil market continues to navigate between supply constraints and economic data, affecting investor sentiment and price directions.