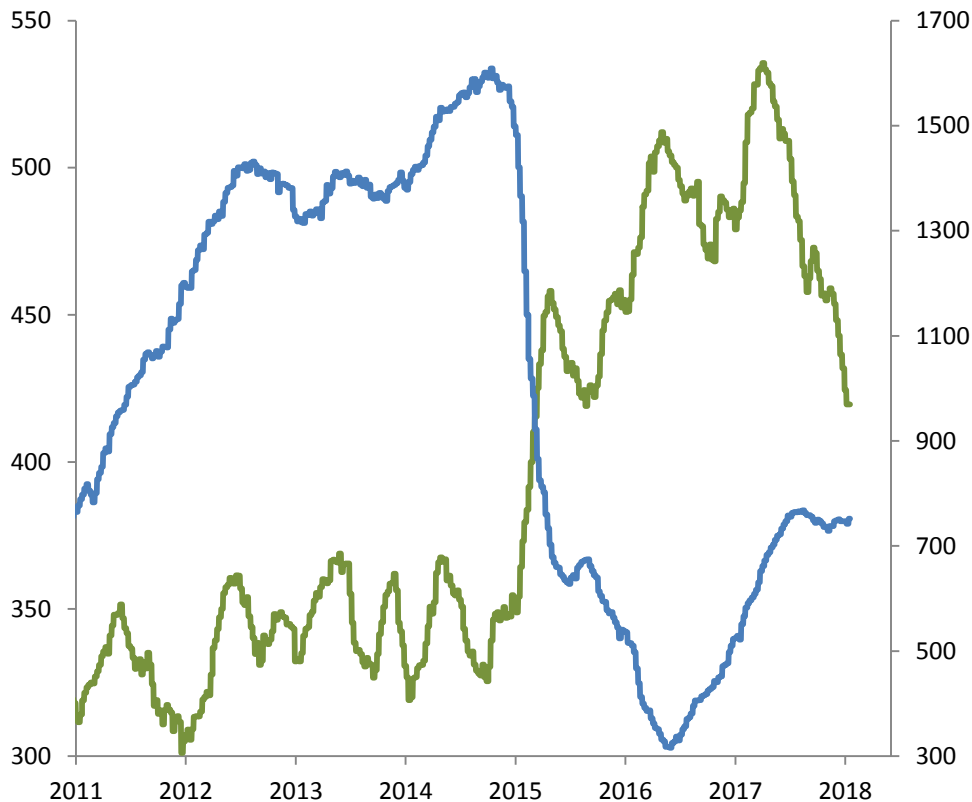


Oil: Go West, Again

Stock or flow? US inventories (green line, left axis) vs rig count (blue line, right axis)



The price of oil rallied to about USD 69 / bbl, mostly due to declining inventories.

Yet the upswing carries the **risk of a correction**. High prices encourage a further increase in **US production**, a significant downward pressure. Other factors - the Forties pipeline outage and cold weather - will also ease.

EH forecasts the average price of a barrel to stand at USD 62/bbl in 2018*
(*normalised supply/demand balance)