



## VIDEO LESSON

### **Title**

Oil price

### **Expert**

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### **Abstract**

Crude oil is a complex commodity, political, strategic and global in its nature. To understand the crude oil market we have to take into account many constraints acting from the field to the refinery. We can recognise 3 main factors behind oil price: fundamentals which concern with the dynamic of demand and supply and the choices of big market players; geopolitics related to turmoil in some producing countries and international political tensions; the financial market.

Brent is the marker for most of the commercialized crude oils around the world. It is a complex of three interrelated markets – spot, forward and futures. A crude price is the result of a benchmark price and a differential. The differential is dependent on 3 factors: crude quality, logistic and processing, and market, which is the factor which often breaks the rules.