



Updating oil price graphs

Posted by [Stuart Staniford](#) on April 24, 2006 - 12:18pm

Topic: [Demand/Consumption](#)

Tags: [oil prices](#), [peak oil](#), [vmt](#) [[list all tags](#)]

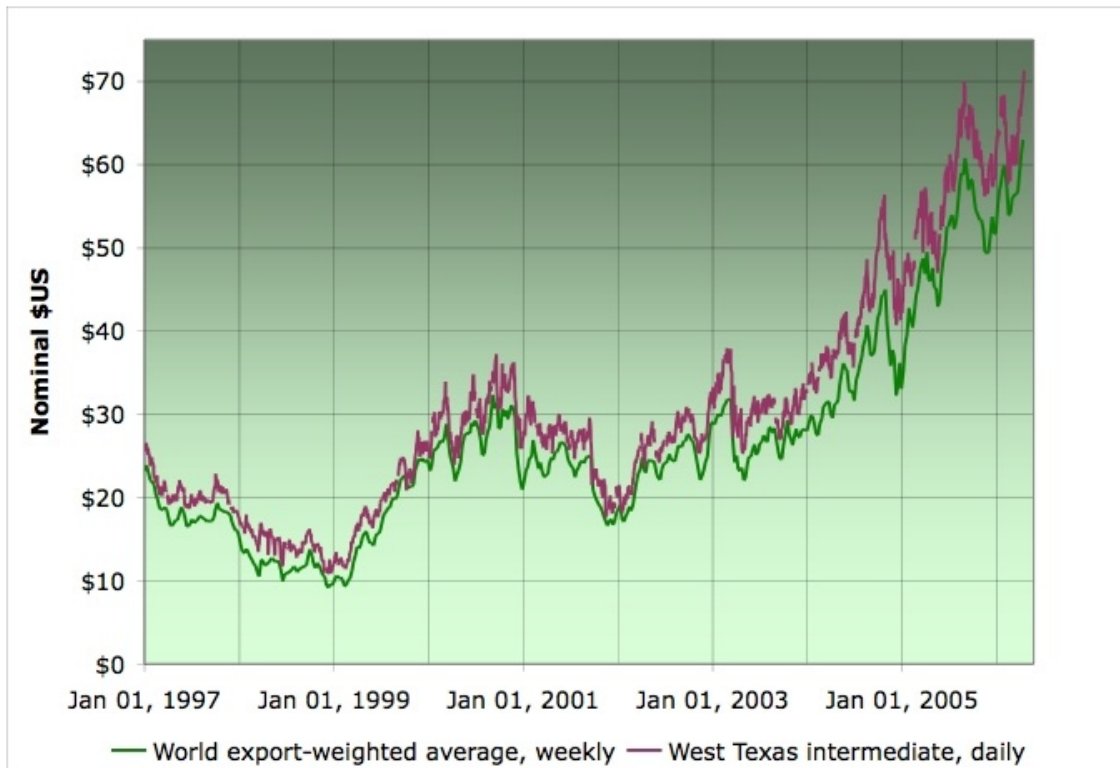
Seems like an interesting time to update some oil price graphs again.

Last time I [got around to covering it](#), on January 20th, it meant we were within a week and a couple of bucks of topping out, before going into a \$10 decline for a month. After that bottom, we started up into the rally that's been going on until now. My guess is it's starting to get ripe for for a correction again unless we really do bomb Iran.

I had predicted [at the beginning of the year](#) that prices in 2006 would be $\$65 \pm \20 in the absence of a major oil shock. I'm sticking to my story for now.

Right. Daily closing price of West Texas Intermediate. 2002-present. Expressed in then current US dollars. Source: [EIA](#). [Click to enlarge](#).

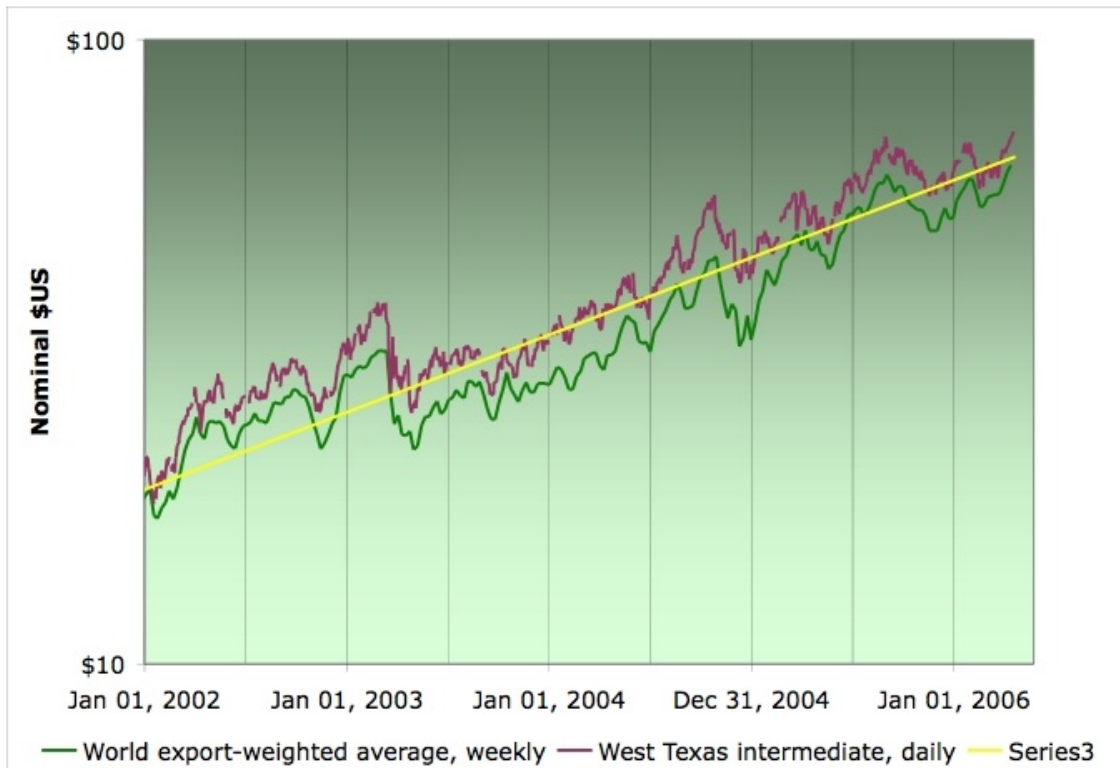




Average weekly price of all oil grades weighted by export volume of each, together with daily price of West Texas Intermediate. 1997-present. Expressed in then current US dollars. Source: [EIA](#), and also [here](#) for the world data. Click to enlarge.

Here's the history from the beginning of 1997 on. The purple line is the daily spot price of WTI - West Texas Intermediate (Freight-on-board in Oklahoma - ie you have to pay for the shipping on top of this). The green line is the weekly average closing spot price of all grades of oil around the world. The EIA weights each grade according to how much is exported globally. This line is probably a more realistic measure of the oil price forcing function on the world economy, since it includes all the heavy grades in a reasonable proportion according to how much of them is being exported. However, WTI is the price that is often quoted in the US media (though the front month contract on NYMEX for light sweet crude is also quoted often).

According to [Econophysicist Didier Sornette](#), one signature of a bubble is that the price rise starts to go superexponential. This has happened in [US house prices](#) in the last few years. The following quick and dirty study suggests oil prices have not got bubbly yet:



Average weekly price of all oil grades weighted by export volume of each, together with daily price of West Texas Intermediate. 1997-present. Expressed in then current US dollars. Source: [EIA](#), and also [here](#) for the world data. Click to enlarge.



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