

Inside the Biggest Oil Meltdown in History

On April 20, chaos reigned in oil markets. Here's what happened.

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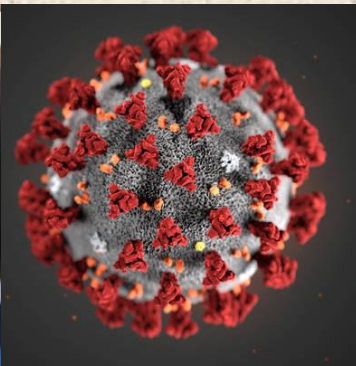
What happened?

- o The first-ever zero oil trade happened at 2:08 p.m. on Monday, April 20



Why it happened?

- Traders reached their last day to trade oil for delivery in May before their the contracts expire
- The lack of demand explains as a result of coronavirus outbreak
- Oil price war between Saudi Arabia and Russia



The consequences

- o Cheaper gasoline prices at the pump
- o The increase of traders who are interested in buying oil low and reselling it later
- o Probable blow of favour to Donald Trump who took credit for brokering a historic deal between the Opec oil cartel and the world's largest oil producing nations to limit the flood of oil production into the market

Data Sources:

- 0 <https://www.institutionalinvestor.com/article/b1lhy2h328jhpt/Inside-the-Biggest-Oil-Meltdown-in-History>
- 0 <https://www.marketwatch.com/story/why-the-oil-market-just-crashed-below-0-a-barrel-4-things-investors-need-to-know-2020-04-20>
- 0 <https://www.theguardian.com/world/2020/apr/20/oil-prices-sink-to-20-year-low-as-un-sounds-alarm-on-to-covid-19-relief-fund>



Thank you for the attention