



## **Oil Prices Drop Below \$0 In April - Oil Industry Update**

Oil's plunge in April was of historic proportion, falling below \$0 per barrel for the first time ever in history. The collapse in U.S. oil prices, as tracked by WTI, fell as storage for crude oil became nearly completely unavailable worldwide.

The economy may have an indirect boost with the price of gasoline expected to drop to new lows as the price of crude oil (WTI) collapsed to below \$10 per barrel in April.

Lower crude oil prices have historically led to lower gasoline prices nationwide as product costs have dropped exponentially. Some states such as California and Hawaii may not see the full benefits of lower oil prices due to additional excise state taxes, refining costs, and distribution expenses.

Storage for crude oil has become increasingly scarce as the virus outbreak has led to a growing supply amid falling global demand, thus creating a glut of oil with minimal potential buyers.

Source: Department of Energy