

The price of oil hits a seven year low

The price of oil has hit seven year low.

Today a barrel of WTI crude sells for \$37.26, and Brent crude a fraction over \$40.

Today a barrel of WTI crude sells for \$37.26, and Brent crude a fraction over \$40!

These low prices are helping stoke deflation in the west, and with rumours of closer to \$30 likely, will continue to do so.

With a contracting world economy, and OPEC members seemingly hell bent on maintaining production levels, a catalyst for higher prices is nowhere to be seen.

The ramifications for marginal junior oil companies look obvious, and it will be interesting to see how long it will take for the first casualties to appear!