

## Our View

### 22 Oil Market Disruptions since 1973 and Counting

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I have followed oil market disruptions since the Arab Embargo in 1973. My first study, published by Ballinger in 1982, was titled *Oil Markets in Turmoil*. Each disruption had different characteristics. However, on average, a supply disruption will raise the crude price by 20% in the first month and 30% in the second. The table below lists the disruptions I have tracked, along with the price increases (or decreases when a disruption boosted supply). Note that the volumes associated with disruptions are not shown in this table. The reason for this is that the volumes are not known initially. The uncertainty leads to hoarding, and it is hoarding that pushes prices up.

This history warns that oil prices will rise by 20% in March and a further 10% in April. Retail product prices have historically increased by larger percentages.

Price impacts of 22 Oil Market Disruptions 30, 60, and 90 Days after the Precipitating Event					
Disruption	Disruption Start	Price at Start (\$/bbl)	% Price Change 30 Days Later	% Price 60 Days Later	% Price 90 Days Later
1973 Embargo	Oct 1973	6.71	71.8	188.4	231.6
Iran I	Oct 1978	15.36	12.8	9.6	15.1
Iran II	Late Jan 1979	19.09	64.5	31.2	36.2
Iran III	5/15/1979	28.09	22.7	23.6	30.7
Iran IV	Nov 1979	32.27	14.9	16.5	17.8
Iran-Iraq War	Oct 1980	29.70	28.7	20.7	31.3
Kuwait Invasion	Aug 1990	19.44	47.1	117.5	77.5
OPEC 1999	Jan 1999	10.73	9.3	26.6	58.4
Venezuela Oil Strike	Nov 2002	23.02	27.7	39.7	43.5
Katrina/Rita*	Late Aug 2005	57.63	11.2	9.0	1.7
2008 Nigeria	Jan 2007	58.92	-6.9	1.5	18.8
2008 China	Feb 2008	88.46	11.6	17.4	31.1
2008 EU	Apr 2008	99.15	8.3	36.5	45.2
Libya I	Feb 2011	99.15	13.5	27.7	17.0
Libya II	Jul 2013	99.73	10.5	15.8	9.3
OPEC Collapse	Nov 2014	78.89	-20.7	-39.3	-26.5
OPEC 2017	Jan 2017	52.12	7.8	6.0	-9.8
Harvey*	Sep 2017	48.48	6.5	15.9	18.3
Venezuela I	Nov 2017	60.47	4.7	12.7	10.4
Saudi Arabia	Sep 2019	61.08	-2.7	2.1	12.1
Price War	Apr 2020	20.00	70.0	90.0	114.0
Ukraine War	Feb 2022	99.24	21.2	6.4	20.6
Iran War	Feb/Mar 2026				

Source: PKVerleger LLC.