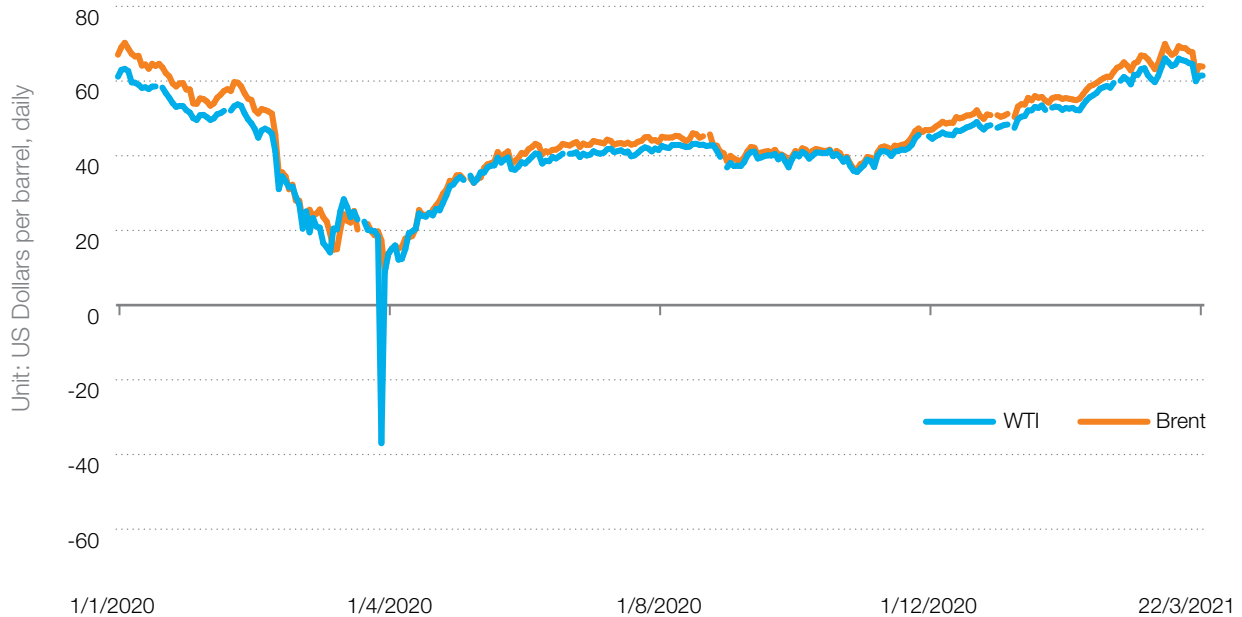


FIG.49 WTI VS BRENT

Source: Federal Reserve Economic Data



With the onset of the COVID-19 pandemic, the WTI price fell precipitously; the Brent price also fell, but not as much. This difference in the behavior of the two oil prices may be caused by differences in the storage technologies at settlement. In Cushing, where WTI is settled, storage is fixed and the cost

of transporting the crude to another storage facility is high. Brent, on the other hand, is produced in the North Sea and can be more easily transported to waterborne tankers for temporary storage.