



SpendEdge's Pricing Experts Track Commodity Price Movements and Shortages to Anticipate Change in the US Energy Market by Analyzing the Impact of COVID-19

The outbreak of COVID-19 has sparked numerous questions and volatility across the globe. Companies doubt that the world has entered a global economic recession and this may impact the oil and gas sector. The 2008 financial crisis and the Great Recession that followed had a significant impact in the sector and prices of a barrel of crude oil dipped significantly.

According to our experts, oil production in the US could fall by several million barrels per day in the coming times and lead to a buildup of the most extreme global oil supply surplus ever recorded in the US. Most of the consumption in the aviation industry has stopped and commute has halted, thereby, significantly lowering the energy use in the industrial, transportation and commercial sector. The experts have been keeping a close watch on markets and tracking commodity prices movements throughout the crisis to help companies better understand and manage the impact of COVID-19.



Want to manage the impact of COVID-19 by tracking commodity price movements and shortages? Request a free proposal and we will get back to you in 48 hours.

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Impact of COVID-19 on the Energy Market

Impact on LNG supply

Seeing the impact of COVID-19, operators around the US are focusing on limiting the impact of the virus. They have acted to delay non-critical maintenance and adjust workforce patterns to keep the production going. This has not impacted the current output much, but it's uncertain how such changes will impact production in the future. Our experts expect LNG supply to grow decently but will slow down in comparison to last year. The additional supply will continue to put a lot of pressure on the market throughout the year and will require companies to track commodity price movements considering the risks to demand.



Impact on the US Solar Market

Solar companies in the market are expecting downside. Statewide shutdowns are confining workers to homes and solar companies are still not sure whether to keep workers on the line during the coronavirus crisis or let facilities go dark for an unknown period. Many are choosing to keep the operations going despite the risks. The industry has framed its workers as “essential” in the face of the state-, city- and countywide shutdown order. Companies such as Tesla have shut down their solar facility in New York and announced several measures to navigate the COVID-19 crisis.

Want to better understand the impact of COVID-19 on LNG supply and the solar market? Get in touch with our experts and gain necessary insights into commodity price movements.

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Impact on the Crude Oil Market

The crude oil market in the US is staring into an abyss. The global liquid demand is dropping and companies are dealing with extreme oversupply. The downward pressure on demand is likely to be more severe in the next few weeks as the uncertainty regarding containment measures peak. Companies in the US and Europe will realize the complete impact of the lockdown on gasoline and jet fuel in particular. The global supply-demand could also drop during the second quarter depending on the lockdown progress. Adding to the woes, countries such as Saudi Arabia are offering crude at steep discounts to secure sales whereas Russia possesses the potential to ramp-up supply, making it critical for companies to track commodity price movements to make informed decisions.



Inability to monitor commodity price movements can make it difficult for companies to reduce the impact of COVID-19. Stay a step ahead by requesting a free demo of our procurement platform and gain exclusive insights.

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