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CRUDE OIL

CRUDE OIL, ALSO KNOWN AS PETROLEUM, IS A LIQUID FOUND IN THE EARTH AND IT IS MADE OF HYDROCARBONS, ORGANIC COMPOUNDS, AND TINY AMOUNTS OF METAL. THERE ARE MANY TYPES OF CRUDE PRODUCED AROUND THE WORLD AND THE QUALITY CHARACTERISTICS ARE REFLECTED IN THE VALUE. THE MOST IMPORTANT CHARACTERISTIC IS THE SULFUR CONTENT, WHICH CAN BE DEFINED AS SWEET OR SOUR, AND DENSITY RANGES FROM HEAVY TO LIGHT.

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Understanding the Crude Oil Market

As the world's primary source of energy, crude oil is a highly demanded, highly traded and very liquid commodity. When trading crude, however, it is important to look at the factors that impact its supply and demand:

1-OPEC

The Organization of the Petroleum Exporting Countries (OPEC) is a cartel of 14 major oil-producing nations that seek to manage the supply of the commodity in order to control its prices.

2-MAJOR CRUDE REPORTS

The US inventory numbers is a key metric for oil price watchers. As a major consumer of oil, higher inventories will mean less demand from the international markets, and this will pressure the prices lower. Lower inventories, on the other hand, will push prices higher.

3-POLITICAL FACTOR

Political stability is a major issue in the oil markets. Political instability or wars in oil-producing nations will raise supply concerns and will likely push prices higher.





4-NATURAL DISASTERS

The volatility of crude oil prices makes the commodity an attractive asset for traders and investors to speculate on. After analyzing the above factors, you can trade crude oil in the futures and options markets where you can enter Buy/Call contracts if you anticipate higher prices and Sell/Put contracts if you expect prices to go down.

There are also various ETNs and ETFs available, such as United States 12-Month Oil (USL) and Energy Select Sector SPDR ETF (XLE) that offer exposure to the exciting oil markets. Another route would be to trade stocks of companies involved in the oil industry, whether it is exploration, refining or marketing.

You can also trade oil as a CFD, which allows you speculate on the price movement of the commodity without having to buy any contract. Trading oil as a CFD comes with exciting advantages, such as leveraged trading, diverse trading options, liquidity and lower associated trading costs.

1-HOW TO TRADE OIL

Trading crude oil requires a solid strategy that will help you to take advantage of the lucrative opportunities that the 'black gold' offers. Unlike most financial assets, trading crude oil requires a comprehensive grasp of the fundamental factors discussed above.

The price of oil is very sensitive to news; thus, it is important to track all news that impacts on the supply and demand of the commodity. This may be news about major oil companies, oil-producing regions as well as OPEC meetings.

The main reports for crude oil are found in the U.S. Energy Information Administration (EIA) Weekly Energy Stocks report. This report is released every Wednesday around 10:30 p.m. ET, with traders eagerly awaiting its arrival.

Canada, one of the top oil producers in the world, exports over 3 million barrels of oil and petroleum products per day to the United States. This makes it the largest supplier of oil to the U.S.! This means that Canada is United States' main black crack dealer! Because of the volume involved, it creates a huge amount of demand for Canadian dollars. Also, take note that Canada's economy is dependent on exports, with about 85% of its exports going to its big brother down south, the U.S. Because of this, USD/CAD can be greatly affected by how U.S. consumers react to changes in oil prices

Our team at Trading Strategy Guides has developed the Crude oil trading strategies PDF. It is no secret that the Crude Oil market is dominated by the commercial players and the big hedge funds. That is why we designed this strategy to help you swim with the big sharks.

To become part of this event you need to have a certain amount. Below you will find the amount and currencies that affect our event .

Asset	Lot Size	Required Margin
Usoil	1	1153\$
Brent	1	1261\$
Usd/Cad	1	1000\$
Gbp/Cad	1	2575\$
Xau/Usd	1	2912\$
Total Amount	5	8901\$