Group 1

Why is gasoline so expensive since the Russia/Ukraine conflict?

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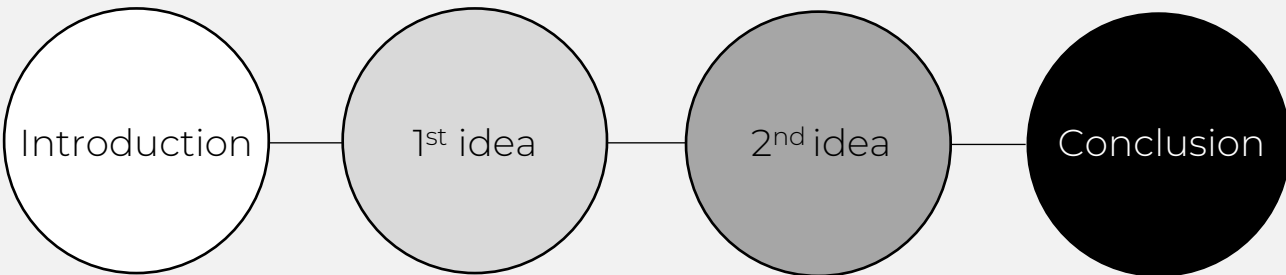
Introduction — 1st idea — 2nd idea — Conclusion

2014
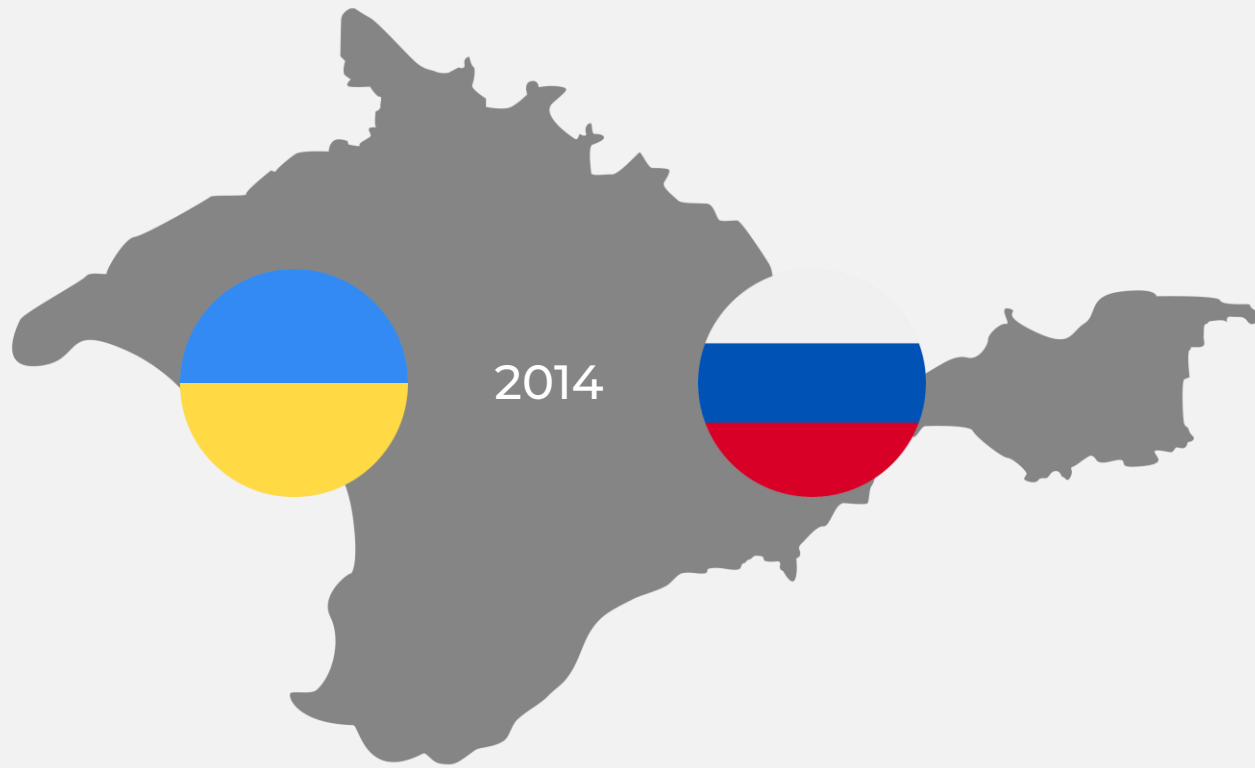
Since the beginning of this war,
we could observe increases of certain prices,
and in particular that of gasoline.

24.02.2022~

Gasoline (USD/Gal) 2.6316 +0.0009 (+0.03%)

2.6316

Jan   2020   2021   2022   2023

1D 1W 1M 6M 1Y 5Y 10Y All

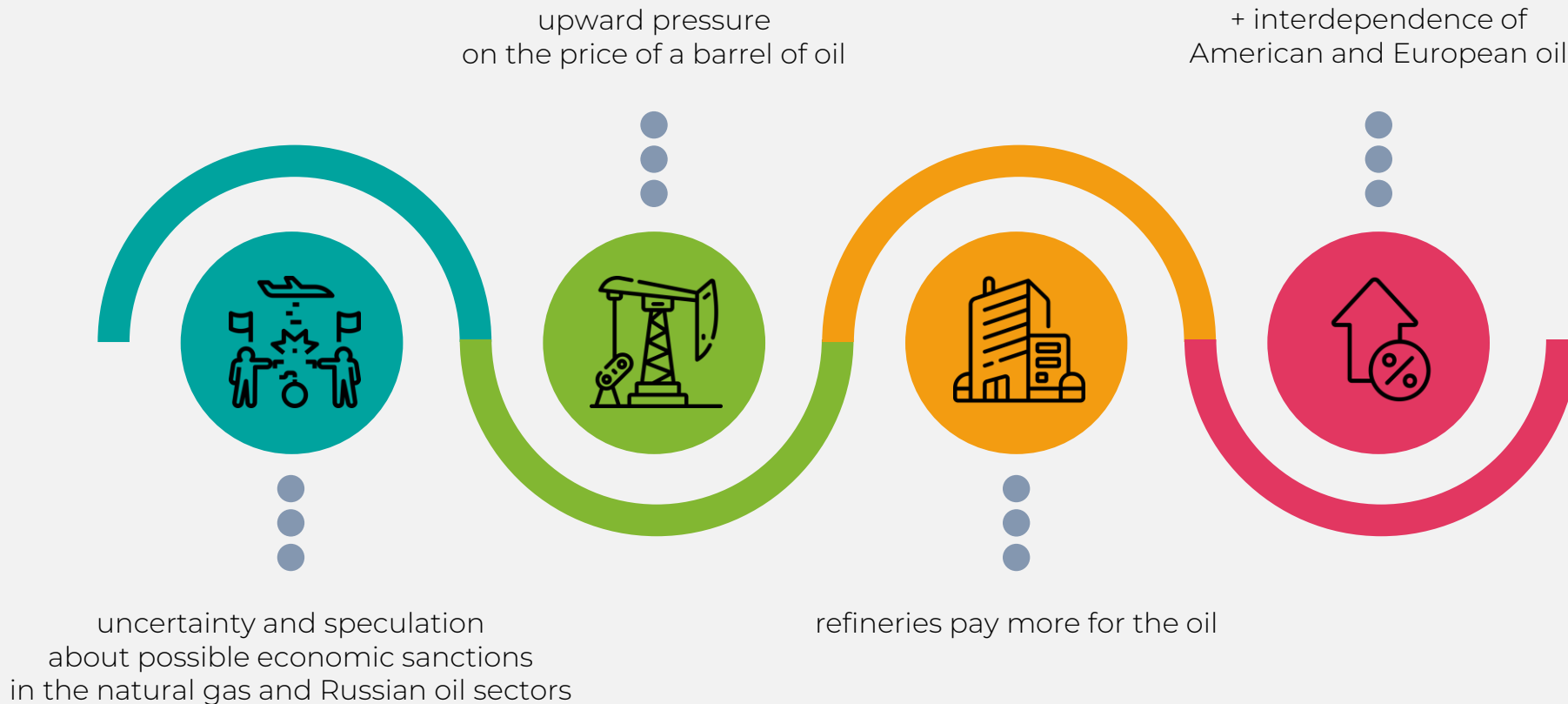(Trading economics, 2023)

**So, why is gasoline so expensive
since the Russia/Ukraine conflict?**

1ˢᵗ idea

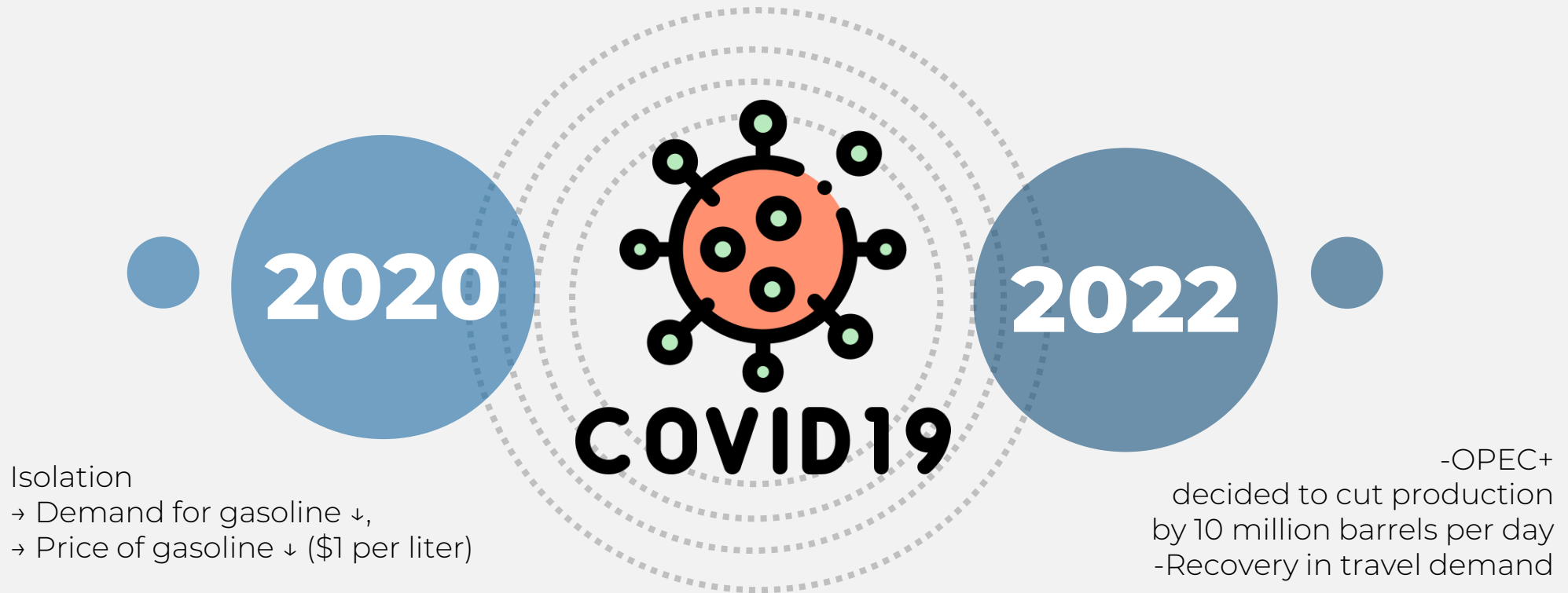*"First of all, it is important to know that*
prices at the pump are driven by the price of a barrel of oil on the financial markets."
- Sylvain Audette (associate member of the HEC Montreal Energy Management Research Chair)

upward pressure
on the price of a barrel of oil

+ interdependence of
American and European oil

uncertainty and speculation
about possible economic sanctions
in the natural gas and Russian oil sectors

refineries pay more for the oil

2ⁿᵈ idea

Long before the start of the war in Ukraine,

There was an imbalance in the global supply and demand for oil

2020

COVID19

2022

Isolation
→ Demand for gasoline ↓,
→ Price of gasoline ↓ ($1 per liter)

-OPEC+
decided to cut production
by 10 million barrels per day
-Recovery in travel demand

Conclusion

Do you think the French government blames the price increase on the war between Russians and Ukrenians ?