

# Time's Up for Brent as the Global Crude Pricing Benchmark

*With Brent crude in terminal decline, WTI should again become the global benchmark.*

HOUSTON, TX, USA, March 21, 2017 /EINPresswire.com/ -- Late last month, S&P Global Platts, the oil pricing agency, announced that it was overhauling the global crude oil benchmark, North Sea Brent, by adding a fifth crude production stream – from Statoil's Troll field -- to the mix beginning in January 2018.

Brent crude has long originated from four oilfields in the North Sea – Brent, Forties, Oseberg, and Ekofisk. Roughly two-thirds of all crude contracts around the world use Brent as a pricing benchmark, making it the most widely used indicator of oil on the planet. Billions of dollars in trades and futures are determined by the Brent price.

In other words, its effect is enormous.

“

WTI, the American benchmark, should be the global standard once again.”

*Dan K. Eberhart*

Or, at least, it has been.

But with the Troll field addition, its time in the spotlight may be up, according to Dan Eberhart, CEO, [Canary, LLC](#).

“The move by Platts is an obvious indication that Brent's influence is waning,” Eberhart says. “That's especially true

considering that less production overall is expected from North Sea fields over the coming years.”

Platts claimed that adding Troll's 200,000 barrels per day was necessary for Brent to more accurately reflect the market. But to Eberhart, that's hardly the case.

“There simply isn't enough Brent oil to base the Brent benchmark on anymore,” he says. Plugging in the Troll field simply offsets production losses from the other Brent regions. It doesn't change the overall equation.

In contrast, there is rapid volume growth in West Texas Intermediate (WTI) trading, Eberhart says. WTI, the American benchmark, should be the global standard once again, replacing Brent in primacy, he adds.



Sun rises near a pump jack in the California desert.

Eberhart has long advocated for WTI to overtake Brent as the pricing basis for global decision-making, largely because American production of energy, especially from shale developments, continues to grow while mature Brent fields are declining.

“American shale continues to alter the supply side of the world’s energy equation,” Eberhart says. “Platts seems unwilling to recognize the strength of US producers and US production. Adding a fifth grade to Brent won’t change anything. It’s simply a shell game, but there’s nothing under any of the cups.”

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#### About Canary, LLC

After ten acquisitions and seven decades, Canary, LLC, is one of the largest private wellhead service company in North America. Canary serves its clients and the public through quality drilling and production services, local charitable endeavors, and energy policy campaigns. Visit [canaryUSA.com](http://canaryUSA.com), [fb.com/CanaryConnects](https://fb.com/CanaryConnects), or [@CanaryConnects](https://twitter.com/CanaryConnects)

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