



Royston Carr Asset Management Says No Trade Deal Could Cause Oil Prices to Plunge

Royston Carr Asset Management - Oil prices could reach \$30 a barrel if US-China trade talks fail.

TAIPEI, TAIWAN, June 27, 2019 /EINPresswire.com/ -- Although the US and China seem to be making headway in trade negotiations leading up to the G20 summit which is due to take place in Japan later this month, analysts at [Royston Carr Asset Management](#) have warned that if trade talks are unsuccessful, there could be a significant impact on oil prices.

Royston Carr Asset Management analysts say that a further escalation of the trade war between the world's two largest economies could send oil prices as low as \$30 per barrel.

With US President Donald Trump threatening to impose tariffs on the remaining Chinese imports that have so far not been subjected to harsh duties, the global economy would feel the impact of this escalation but Royston Carr Asset Management analysts say China's economy would be especially hard hit.

If Trump goes ahead with the additional tariffs, China may be forced to allow the yuan to weaken to prevent a complete collapse of its exports. Royston Carr Asset Management analysts say this would significantly reduce the demand for oil which would become more expensive in China if the yuan were to weaken.

Failure to reach a workable trade deal would also leave China with little to gain by following US policy and the world's second largest economy may decide to purchase oil from Iran. All these factors could contribute to a significant decline in oil prices.

Earlier this year the Bank of America published a worst case scenario report that stated oil prices could reach \$40 per barrel if the US-China trade tensions continued to escalate.

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