

Oil Prices Drop as Trump's Plan to Boost U.S. Oil Production Takes Shape

Oil prices fell on Tuesday after U.S. President Donald Trump declared a national energy emergency on his first day in office, raising concerns about increased U.S. production in a market expected to be oversupplied this year.

Brent crude futures fell by \$0.86, or 1.1%, to \$79.29 per barrel. U.S. West Texas Intermediate (WTI) crude futures for February delivery dropped \$1.99, or 2.6%, to \$75.89 in their last trading session.

The more actively traded WTI contract for March fell by 2%, settling at \$75.83 per barrel. There was no market close in the U.S. on Monday due to a public holiday.

“In the end, there is no shortage of oil,” said Mizuho analyst Robert Yawger, noting that U.S. oil production is at record levels and that the OPEC+ producers group still has about 5.86 million barrels per day of production cuts.

“What’s missing is demand,” Yawger said. “If the refiner doesn’t need to produce more fuel, they won’t buy the oil.”

The oil market is expected to be oversupplied this year, as weak economic activity and energy transition efforts weigh heavily on demand in the world’s largest consumers, the U.S. and China.

The U.S. Energy Information Administration (EIA) reiterated on Tuesday its expectations for falling oil prices both this year and next.

Third-party announcement. This is not an offer or recommendation from Investing.com. Read our guidelines [here](#) or [remove ads](#).

“The strong global growth in oil and other liquid production and slower demand growth are putting downward pressure on prices,” wrote EIA economists.