



Book It Now, Pay Later (3/29/23)

More and more companies are letting you buy now and pay later. This makes sense in the current environment. It might make sense for the SPR to do the same. They suggest they can't take oil now because of infrastructure and repair issues. This is all well and good, however, the market is backwardated and December 24 is around \$68/bbl. That will not be price offered for delivery then, but it might be the best price available as we expect a better balance between crude supply and demand over the second half of the year.

You go out with tenders now for delivery some time in future. You tell the bidders when you can accept supply and they will adjust prices accordingly.

No one can pick the bottom, but prices look attractive. Risky? Yes. But you will look very smart having sold oil around \$90 and buying it back at \$70 plus.