Plummeting oil prices have highlighted the delicate balance between global supply and demand, suppliers’ geopolitical agendas, and the interdependencies among all countries that participate in the international crude market. This global market began softening in July 2014 on the heels of weak global demand and surging production, particularly out of the U.S.

Last year, the spot price of West Texas Intermediate (WTI), the U.S. benchmark for crude oil, peaked at $107.95 a barrel on June 20, 2014, but then fell about 31 percent to $73.70 on November 26. The next day, November 27, OPEC announced that its members intended to maintain their production quota of 30 million barrels a day (MMbbl/d). Since then, Saudi Arabia, OPEC’s swing producer, has not curtailed its output and prices drifted lower in search of equilibrium.

Seven months ago, expanding inventories pointed to potentially lower prices during the second half of 2014, but no one anticipated the dramatic price decline