LITERATURE RIVIEW

Many economists realized the necessity to formulate models that could accurately forecast the price of oil, following the oil embargo and the exploitation of the oil prices after the Arab–Israel conflict of 1973. Since then, multiple oil forecasting models have been published. This paper will extensively review one specific model, the Target Capacity Utilization Rule as well as other models. Our paper uses the TCU rule with regression to forecast the crude oil prices with the data from 1987 to 2017. In addition, we develop several other new forecasting models in this paper.