

Macro Roundup Article

Headline: [U.S. Oil Boom Blunts OPEC's Pricing Power](#)

Article

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Tweet: American crude oil production will hit a record in 2023, driven by production improvements that have lowered the cost of drilling and fracking by 36% since 2014, according to @jpmorgan estimates.

Summary: Production improvements since 2014 have pushed down the cost of drilling and fracking in the U.S. shale patch by 36%, according to J.P. Morgan, even as recovered oil volumes have increased. A major producer, EOG Resources, said it bored a well over 5 miles deep and nearly 3 miles long in South Texas early this year—a record length for the company. The increased efficiency means EOG can earn as much from oil priced at \$42 a barrel today as it would have from oil trading at \$86 nine years ago. People familiar with Saudi oil policy have said the government's budget requires an estimated \$81 a barrel. Brent crude is trading around \$76 a barrel, down 13% from the start of the year.

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