

Oil price tumbles on recession talk, Shell and BP shares follow

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ACK in March supposed energy market guru Pierre Andurand had a stark warning on [oil](#) prices– they could double to \$250 a [barrel](#) as the chaos from the Ukraine war spiralled.

The hedge funder told investors: “Wakey, wakey. We are not going back to normal business in a few months.”

This morning Mr Andurand was splashing cold water on his face as Brent crude fell 3% to its lowest price January.

Brent was down to \$81.48 a barrel, while the US equivalent was below \$75.

Andurand, who among other accolades has an MSc in Mathematical and Theoretical Physics from Oxford was today on his calculator offering investors theories as to why he was so wrong.

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The simple reason is that recession or fear of it has sent demand for the black stuff tumbling. Political unrest and a surge in Covid-19 cases in China is hardly helping.

Naeem Alsam, chief market analyst at **Avatrade**, says: "Basically, it is demand that is creating the main issue for the price, and the fact that we have a potential recession threat and now the covid issues in China, things are becoming difficult for oil traders."

There were knock-ons for China focussed [shares](#). In particular the Fidelity China Special Situations fund was down 9p to 203p. The Edinburgh Worldwide Investment Trust also took a hit, down 6p at 173p.

On a slightly uneasy day, the FTSE 100 lost 46 points to 7439. [BP](#) lost 8p to 479p and [Shell](#) 36p to 2330p on the [oil price](#) malaise.

Meanwhile, Superdry said it is in talks with Bantry Bay Capital to refinance £70 million of debt ahead of repayments due in January. The shares fell 2p to 124p.