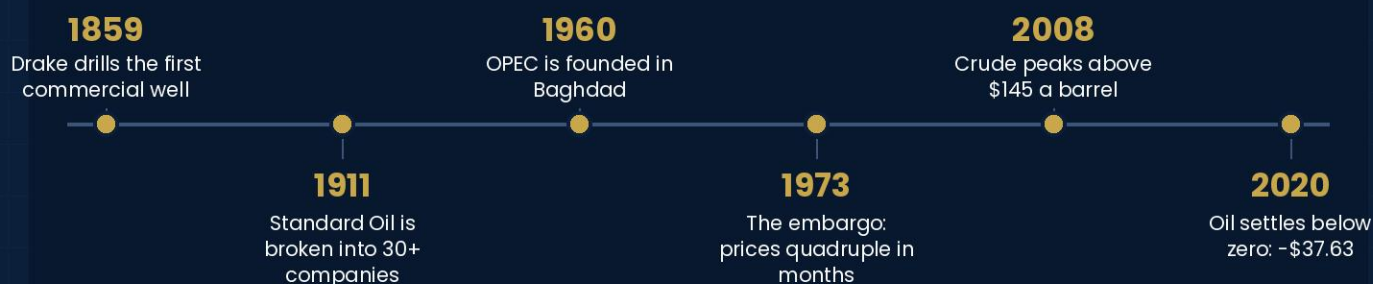




# The History of Oil

The Commodity That Runs the World

## OIL · THE TURNING POINTS



Documented turning points of the oil market, 1859 to today.



Inside: the full timeline, the recurring lessons, and the key numbers.



# The Timeline

## THE ROCKEFELLER ERA · 1859-1911

- **1859** Edwin Drake strikes oil at Titusville, Pennsylvania
- **1870** Rockefeller founds Standard Oil and consolidates the industry
- **1911** The Supreme Court breaks Standard Oil into 30+ companies

## THE AGE OF SHOCKS · 1960-1986

- **1960** OPEC is founded; producers organise against the majors
- **1973** The Arab embargo: oil roughly quadruples, inflation rages
- **1979** The Iranian Revolution delivers the second shock
- **1986** The glut: oversupply crushes prices for years

## THE CHINA SUPERCYCLE · 2000-2014

- **2008** Crude hits its all-time high above \$145, then collapses
- **2010s** The US shale revolution rewires global supply

## THE IMPOSSIBLE PRICE · 2020-2022

- **2020** 20 April: WTI futures settle at -\$37.63 a barrel
- **2022** War in Ukraine drives crude back above \$120

## THE HORMUZ PREMIUM · 2024-2026

- **2026** Brent spikes above \$120 in April on Middle East escalation
- **2026** A fifth of world oil flows through a contested strait

# 1859



# The Recurring Lessons

- 1 Geopolitics is a fundamental, not noise.**  
A Hormuz headline outweighs a quarter of inventory data.
- 2 The cure for high prices is high prices.**  
Supply answers price with a lag, guaranteeing overshoot forever.
- 3 Know your instrument down to its plumbing.**  
April 2020 destroyed traders who did not know what they owned.
- 4 Size for the tails.**  
One market printed \$145 and -\$37 within a single career.
- 5 Cartels bend the market; they cannot repeal it.**  
OPEC has fought the cycle since 1960 and never beaten it.
- 6 Monopolies end; the assets remain.**  
Standard Oil's pieces became today's energy giants.
- 7 Paper markets answer to physical reality.**  
Futures are contracts about real barrels in real tanks.

*"The Stone Age did not end for lack of stone, and the Oil Age will end long before the world runs out of oil."*

— Sheikh Ahmed Zaki Yamani

## THE TRANSFORMATION

**\$145 → -\$37.63**

The same barrel, twelve years apart: 2008's peak and 2020's impossible price.

**1859**

the first commercial oil well

**4x**

the 1973 price shock in months

**~20%**

of world oil flows through Hormuz

