

# Chevron Corporation

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## Retaliatory tariffs from Mexico, the biggest buyer of US energy products, could disrupt long-standing trade, says Roth

Oil analysts and commentators fear that the tariff spat between Mexico and the US could spell big problems for the long-standing cross-border energy trade.

President Donald Trump has said he will impose tariffs on Mexican imports this month unless the country stops illegal migrants coming across the border into the US.

Notably, Mexico sends between 600,000 and 700,000 barrels of oil per day (bopd) into the US, mostly to refineries, which process it into gasoline and diesel. As a result, US consumers and refiners could be hit hard.

Meanwhile, Mexico buys more than 1 million b/d (barrels per day) of US crude and fuel, which is more than the US sells to any other country.

### Concerns about retaliation

Analysts with investment bank Roth Capital Partners are concerned that "retaliatory tariffs from Mexico could disrupt" this crucial trade relationship.

The Roth note comes as oil prices steadied on Monday after hitting five month lows on Friday due to the worries over the potential US tariffs on Mexico. Prices stabilized over indications from oil export giant Saudi Arabia that OPEC and other producers would continue to manage global supplies to avoid a surplus.

The US benchmark, namely West Texas Intermediate (WTI), is up 0.50% at US\$53.77 on Monday, while Brent is near flat at US\$61.87. Canadian crude is up around 4.6% at C\$37.81 a barrel.

Canada and Mexico said Friday they would go ahead with plans to ratify a new continental trade pact despite the Trump-Mexico tariff threat. Canada sends 75% of its exports to the US, which includes oil, so it could be hit too with uncertainty in the North American petroleum trade.

Canada oils stocks are down Friday Enbridge Inc (TSE:ENB) shed 4.02% to \$47.76. Athabasca Oil Company (TSE:ATH) is down nearly 5% at \$0.77. In the US, big oilers are up.

Exxon Mobil Corp (NYSE:XOM) added 1.10% to \$71.54. Marathon Oil Corp (NYSE:MRO) is up 1.37% to \$13.32.

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**Price:** 88.31

**Market Cap:** \$164.87 billion

### 1 Year Share Price Graph



### Share Information

**Code:** CVX

**Listing:** NYSE

52 week	High	Low
	126.95	51.62

**Sector:** Oil & Gas

**Website:** [www.chevron.com](http://www.chevron.com)

### Company Synopsis:

*Chevron is one of the world's largest upstream and downstream oil and gas companies with operations across the globe. The company also has interests in rare earth minerals, coal, chemicals and power.*

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