

What \$100 Per Barrel Of Oil Means For You

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The idea some have clutched close — that the fighting in Iran that has spread throughout the region, restricted ocean transit, turmoil in the global oil industry, and rising prices will be over quickly — seems increasingly unlikely.

To understand what is going on, according to experts, you need to look at how markets price and react and, for our focus, what that means for the U.S.



Storage tanks at the PEMEX Deer Park Refinery in Deer Park, Texas, US, on Friday, March 13, 2026. This is a significant supply disruption in the history of the oil market. Photographer: Mark Felix/Bloomberg

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The Complicated Oil Price Machine

There is no unified oil price in the world. Prices are based on many factors, including where the oil was produced, conditions surrounding transport, geopolitical instabilities, buyers' perceptions of risk, transportation and insurance expenses, market manipulations by large producers, and industry constraints like geographically limited ability to store oil.

While big producers can increase or reduce production, store oil in tanker ships that are at sea while waiting for higher prices, or sign deals that give them leverage in the long run, that is influencing prices, not setting them.

The real power in oil pricing belongs to the buyers who decide what a barrel of oil is worth to them at a given time and place. Changes trickle down to businesses and consumers who need specific types of fuel like gasoline, diesel, or fuel oil, and who need the products and services that depend indirectly on energy costs.

There are two typical types of pricing you can see in charts and quotes. Futures prices refer to prices in the futures that parties commit to. Those are often for the next month but can be much longer. Then there are spot prices, which is how much buyers have to spend today for oil.

The "over \$100 per barrel" prices that you hear quoted are futures prices, most typically for purchase the following month, and after a short-lived retreat, they are near the \$100 price again. Spot prices for the major oil benchmarks are just over \$95. Higher oil prices mean higher prices

down the line.

Consumer Impact Of Oil Prices

S&P Global Ratings Chief Economist for the U.S. and Canada Satyam Panday discussed West Texas Intermediate oil, one of the two most-quoted oil source prices, with me. “For 10% rise in WTI, you should see about 20 cents higher per gallon [of gasoline at the pump].” That 10% increase would help push [PCE inflation](#) higher by .2 percentage points, “out of which maybe [.05 percentage points]” is in core inflation.

“That’s not much, but it starts to pile up,” he added. Once you look at 50% increase [in WTI, which has already happened], it starts to scale up. It gets more expensive. You have consumers’ purchasing power being eroded meaningfully. As a share of disposable income for US incomes, overall consumer energy is about 5.7%. It used to be 10% in 1984. Within that, the largest share of energy expenditure, a little more than half, is gasoline. Almost 2.8% of disposable income is gas at the pump.”

“The most immediate impact of an oil shock is that it acts like a tax on the economy,” said David Johnson, CEO of Vervent, a global financial servicing firm. “When energy prices surge, households spend more on fuel and utilities and less on everything else, which quietly slows consumer demand across the broader economy. That shift doesn’t show up instantly in GDP, but it quickly changes spending behavior.”

He added that the significant risk is how long prices remain elevated. “If oil spikes briefly, the U.S. economy can absorb it; if prices stay elevated for months, it starts to look more like a classic oil shock where inflation rises, growth slows, and markets become much more volatile.”

Oil Means More Than Gas

Tom Seng, an assistant professor at Texas Christian University’s Neeley School of Business, pointed out that energy has a wide impact as well. “Not much power generated by oil [directly], but when the energy complex rises like this, all energy rises, even natural gas.” That turns into an impact on electricity, as about half of U.S. power generation comes from natural gas.

All businesses use energy, some to greater degrees. “Look at a simple loaf of bread,” Seng said. “A farmer uses a diesel tractor to plow the fields, plant the seeds. His irrigation system uses diesel, natural gas, or electricity. The fertilizer is made from natural gas. Wheat is harvested by large, diesel-powered combines. Diesel trucks take the wheat to the mill, which uses electricity to grind the grain. A diesel truck takes the flour to the bakery, where they use natural gas to bake the bread. Finally, the loaf is put into a polyurethane bag [made of petrochemicals].”

“Oil at \$120 puts a strain on margins and raises inflation; at \$150 it amplifies inflation and reduces consumer purchasing power across the global economy,” said Usha Haley, Barton Chair in International Business at Wichita State University. “Over \$120, we are in recession territory in the

USA for various reasons.”

What Will Happen

Some people have made predictions, but those are guesses, whether educated with more experience behind them or stabs in the dark with less. You could see the latter recently in the mocking of those who warned about higher prices because WTI, as well as Brent crude, the two major global oil benchmarks, dropped back into the \$80s range. Clearly they are up again.

As of Friday, March 13, 2026, WTI was \$98.71 a barrel. It was in the \$50s and \$60s in January and February. Brent was \$103.14 on Friday. In January and February, it was in the \$60s and \$70s.

Prices are higher in the Middle East. Oil in Dubai on Friday was \$123.06. OPEC Basket, a weighted average from OPEC members, was \$120.86. Murban crude from Abu Dhabi was \$114.36.

You can see the direct gasoline pinch in the U.S., which was \$2.779 per gallon on January 12, 2026, and \$3.502 on March 9.

The March 2026 [U.S. Energy Information Administration’s “Short-Term Energy Outlook”](#) noted, “Crude oil prices have risen as petroleum shipments through the Strait of Hormuz have fallen, and some Middle East oil production has been shut in.”

Their forecast was Brent crude oil remaining above \$95 per barrel for the next two months, falling below \$80 per barrel in the third quarter of 2026, and around \$70 per barrel by the end of 2026, a 72 cent-per-gallon jump.

Even that depends on some degree of predictability in the Middle East, which seems to be quite a stretch at the moment. Even if [Iran’s warning](#) that it would push oil prices to \$200 a barrel, according to *The Hill*, might not seem feasible, there is a lot of room for conditions to worsen. And depending on the ultimate reality is inflation and the potential of a recession.

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