# International outlook improves for heavy crudes

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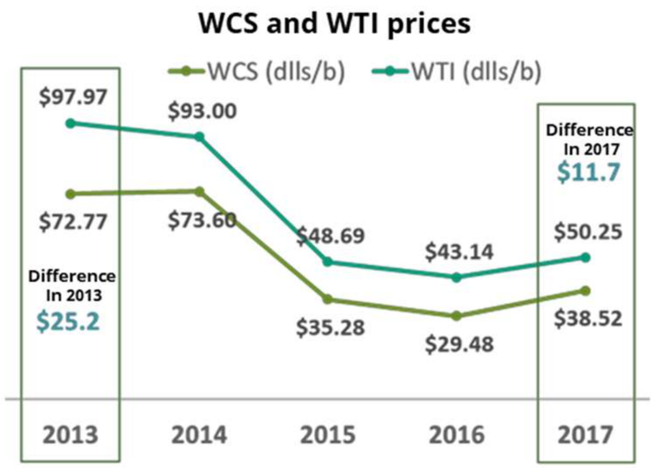


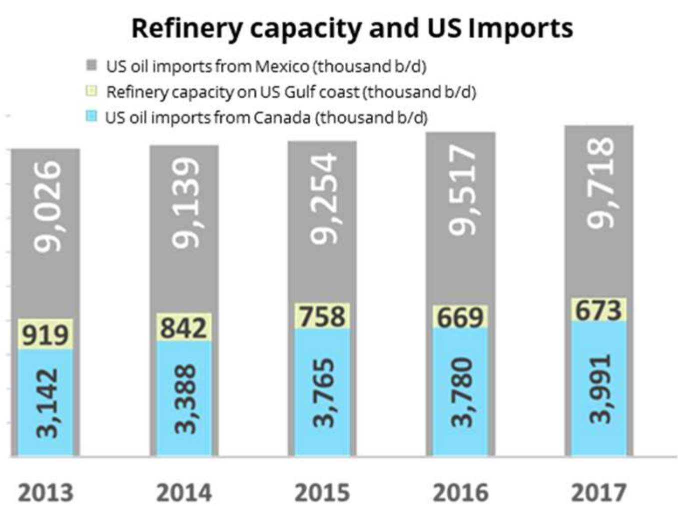


Over the last five years, Western Canadian Select (WCS) heavy crude has gained $14 dollars on West Texas Intermediate (WTI).

This decrease in price spread can be explained by increased demand for heavy crude from US Gulf refineries, as well as the decline in exports from Latin America.

To increase the supply of heavy crude to these refineries, the construction and extention of pipelines from Canada has been proposed, but it is likely these projects will take years to complete[1].

At a global level, there is growing demand for heavy crude, especially from China and India. This presents an opportunity for these types of crude in Mexico, especially from already discovered offshore fields.

Notes:

1. This has resulted in the increase of Canadian exports of crude via train from 9,400 barrels per day in January 2012 to 152,000 barrels per day in December 2017, according to the National Energy Board of Canada.