

THE EFFECTS OF BRENT SPOT OIL VARIATION ON MACROECONOMICS INDICATORS: CASE STUDY FOR FIVE EUROPEAN COUNTRIES

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Abstract:

This paper was purposed to analyses the correlation between Brent Spot Oil price per barrel and the following macroeconomic indicators: Gross Domestic Product, Balance of Payments, Balance of Trade and Net Exports, for the each of the following countries Romania, Germany, France, Italy, and Spain. We did a comparison between the countries indicators in order to examine how they are related and make a correlation of their evolution from 1971 to 2021. The Pearson's coefficient was used in order to identify whether the correlation is positive or negative, and if there is a connection between them or not. In addition, we ran a linear regression for each country independently to see what kind of relationship there is between current Brent Spot Oil price/barrel and the selected macroeconomic indicators.

Keywords: *Financial stability, GDP, Balance of Trade, Balance of Payments, Regression analysis*

JEL codes:: *Q41, G41*