

Oil Market Outlook



For

2016 Legislative Ag Chairs Summit

The Opportunities and Challenges of an “All of the Above” Energy Policy panel

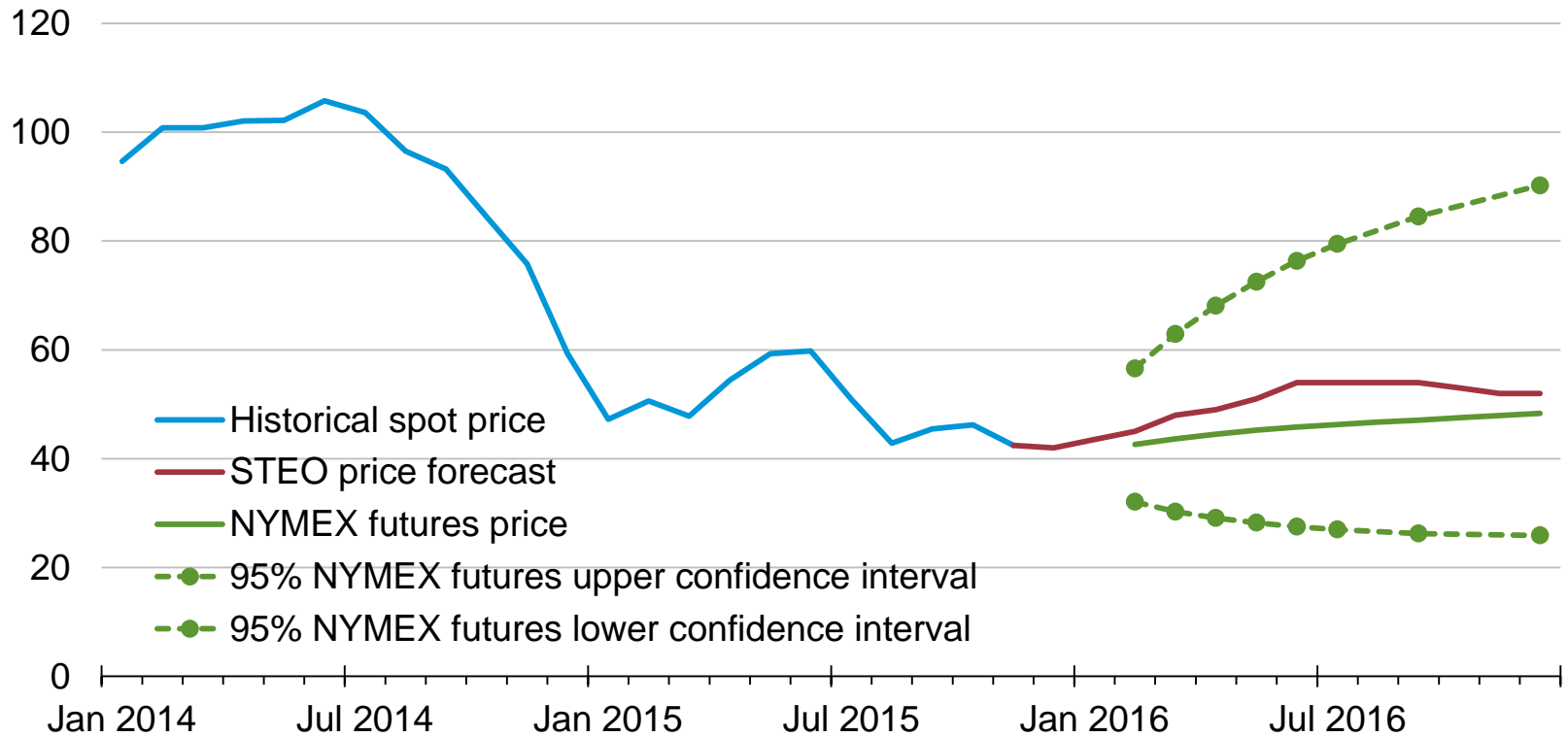
January 9, 2016 | Denver, CO

By Hannah Breul

Office of Energy Markets and Financial Analysis

Crude oil prices have fallen from around \$100 per barrel to less than \$40/b in two years

West Texas Intermediate (WTI) crude oil price
dollars per barrel



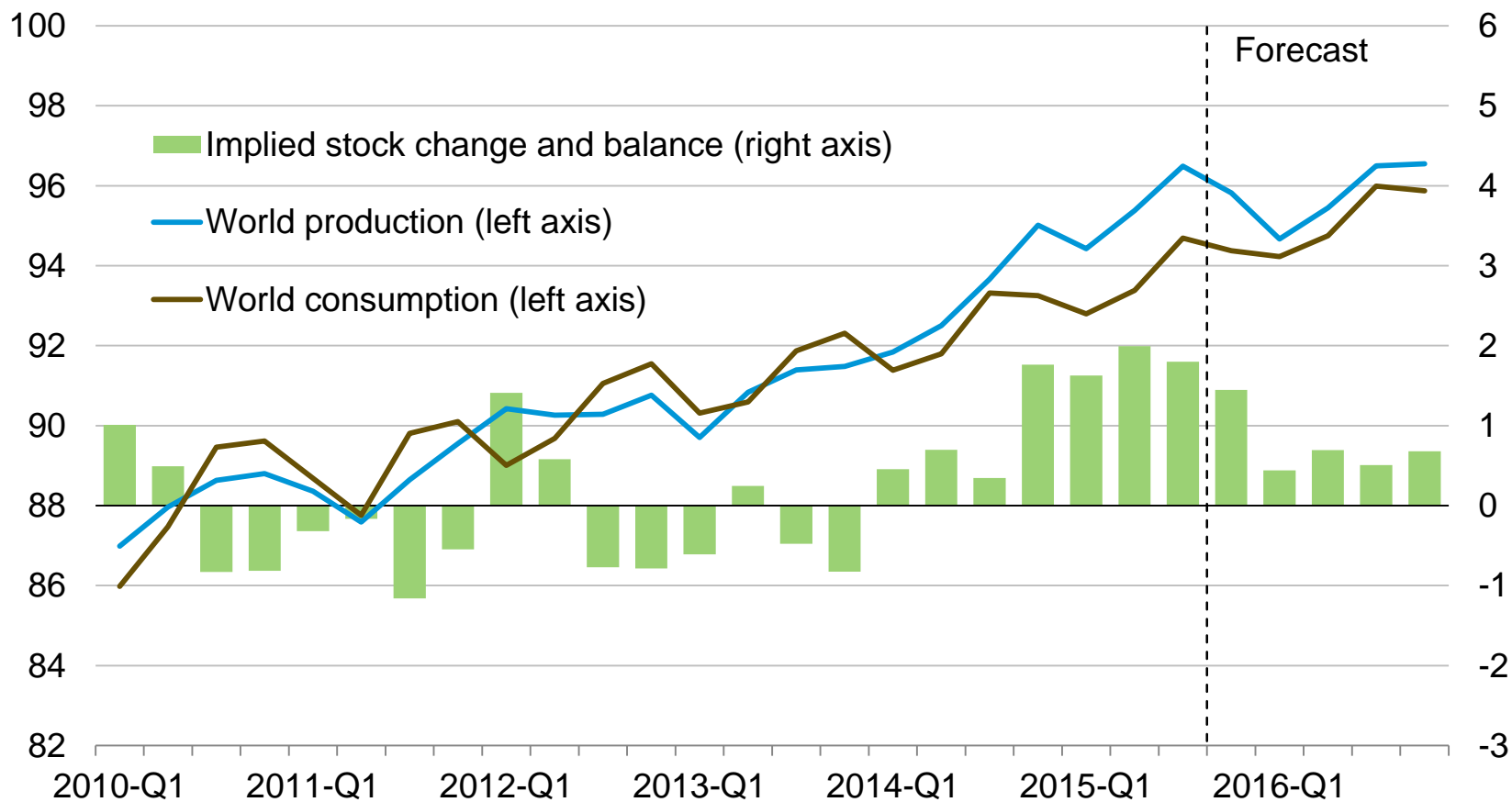
Note: Confidence interval derived from options market information for the 5 trading days ending Dec. 3, 2015. Intervals not calculated for months with sparse trading in near-the-money options contracts.

Source: EIA Short-Term Energy Outlook, December 2015

Lower crude oil prices reflect the sustained excess of crude oil supply over global demand

World liquid fuels production and consumption
million barrels per day

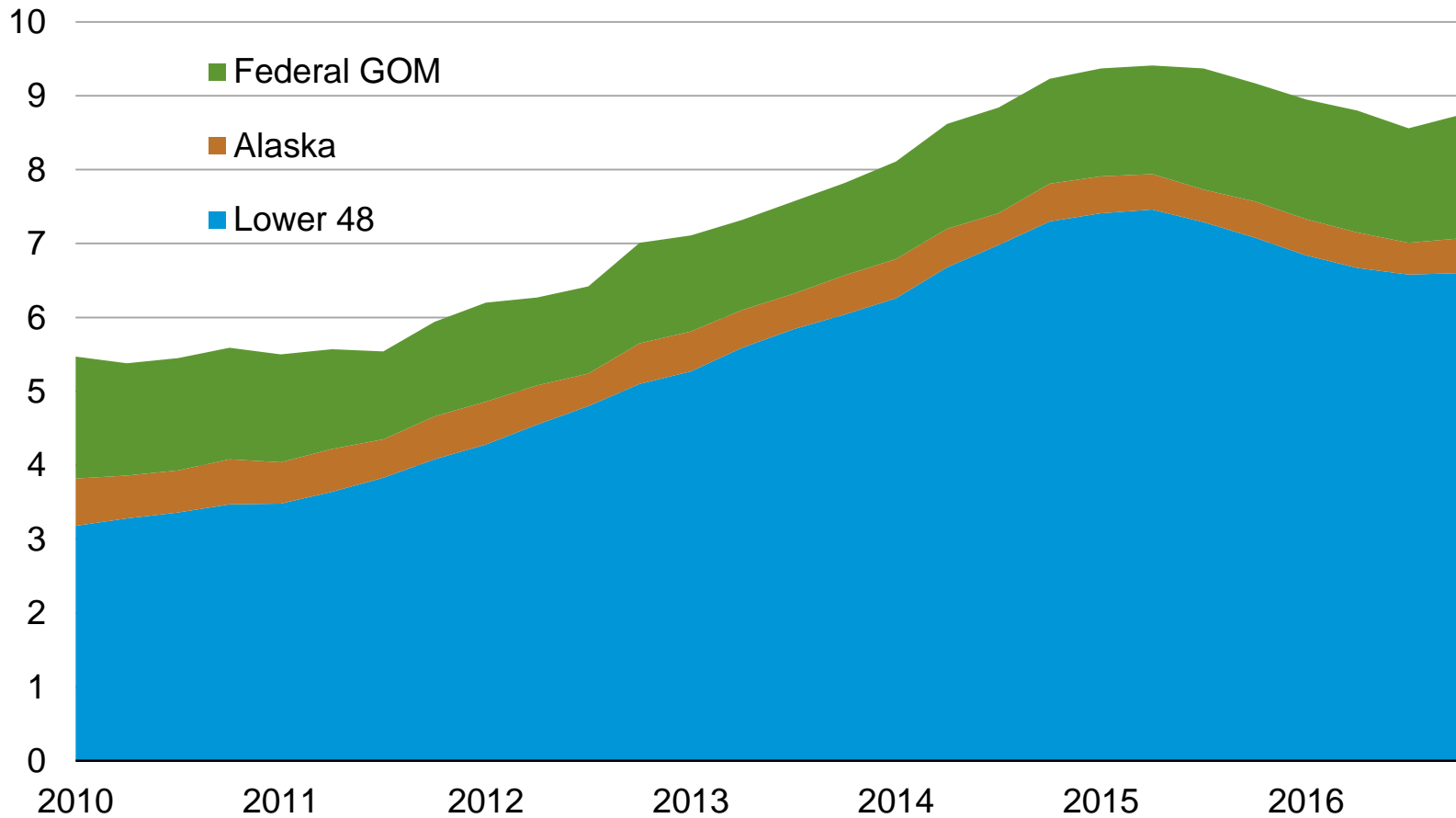
World liquids inventory change
million barrels per day



Source: EIA Short-Term Energy Outlook, December 2015

The growth in U.S. crude oil production was driven by increases in tight oil in the Lower 48

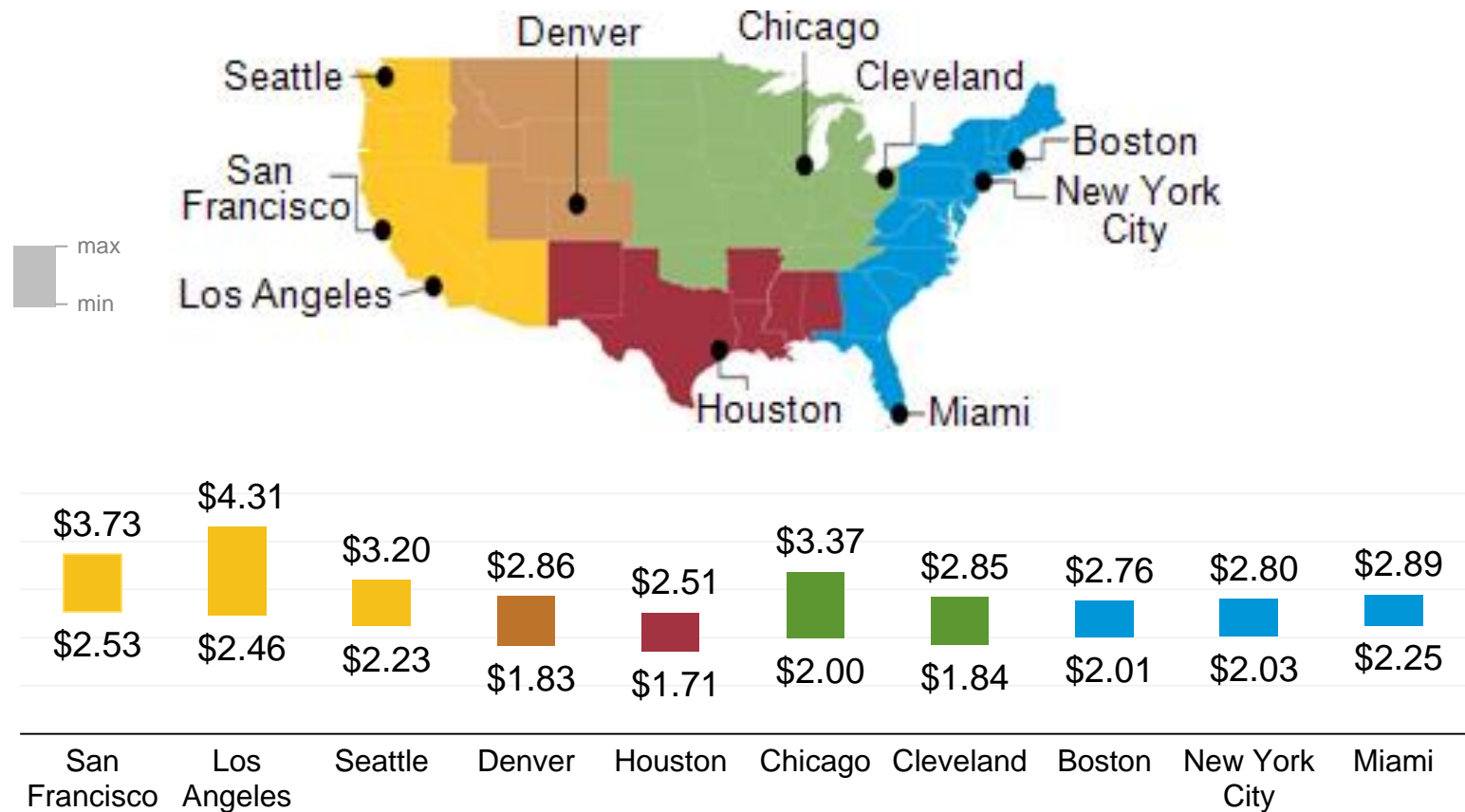
Quarterly U.S. crude oil production
million barrels per day



Source: EIA Short-Term Energy Outlook, December 2015

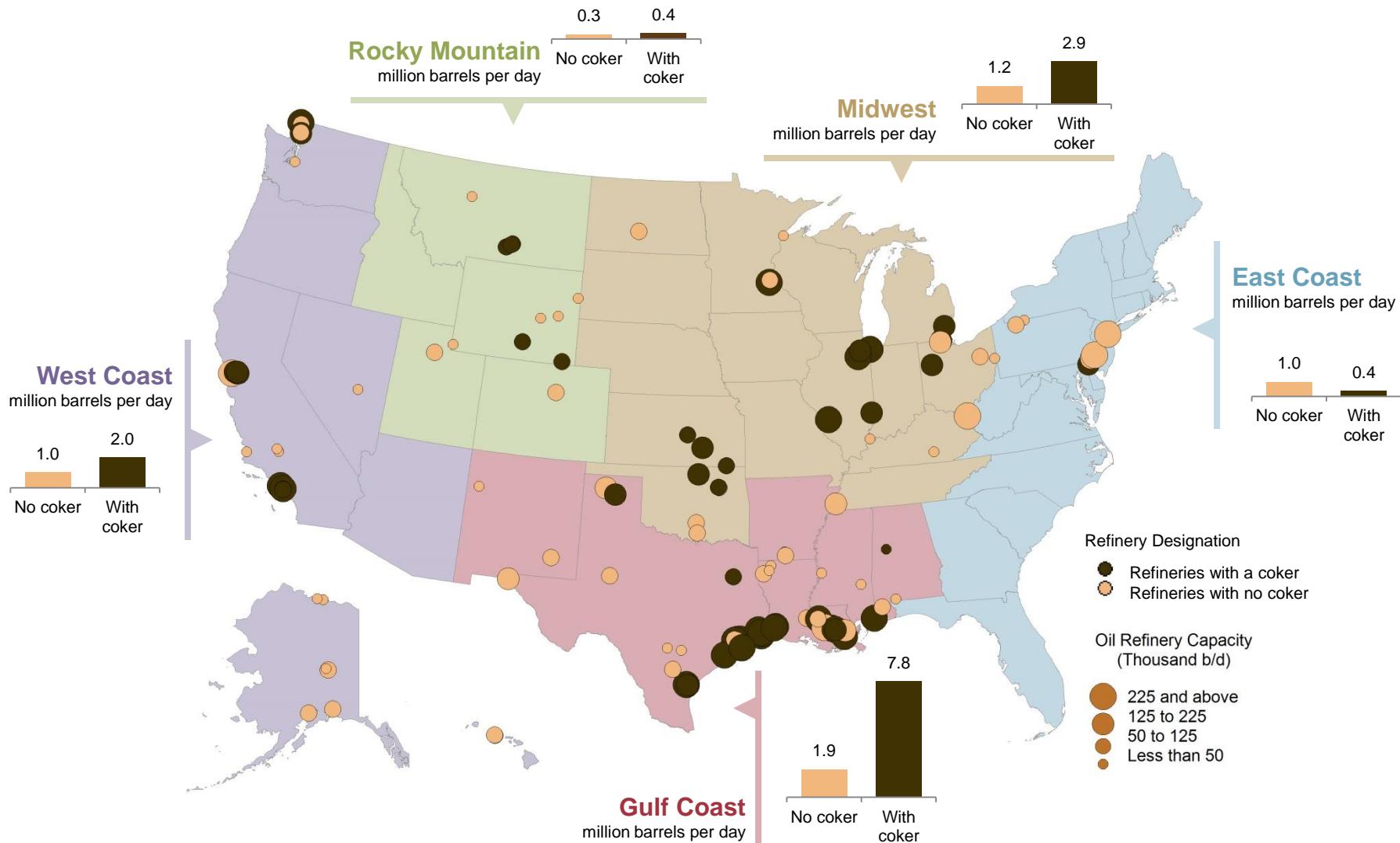
As a result of lower crude oil prices, U.S. gasoline prices averaged \$2.43/gal in 2015, the lowest annual average price since 2009

Regular retail gasoline price ranges at selected cities in 2015
dollars per gallon



Source: U.S. Energy Information Administration

Regional refinery capacity and complexity varies

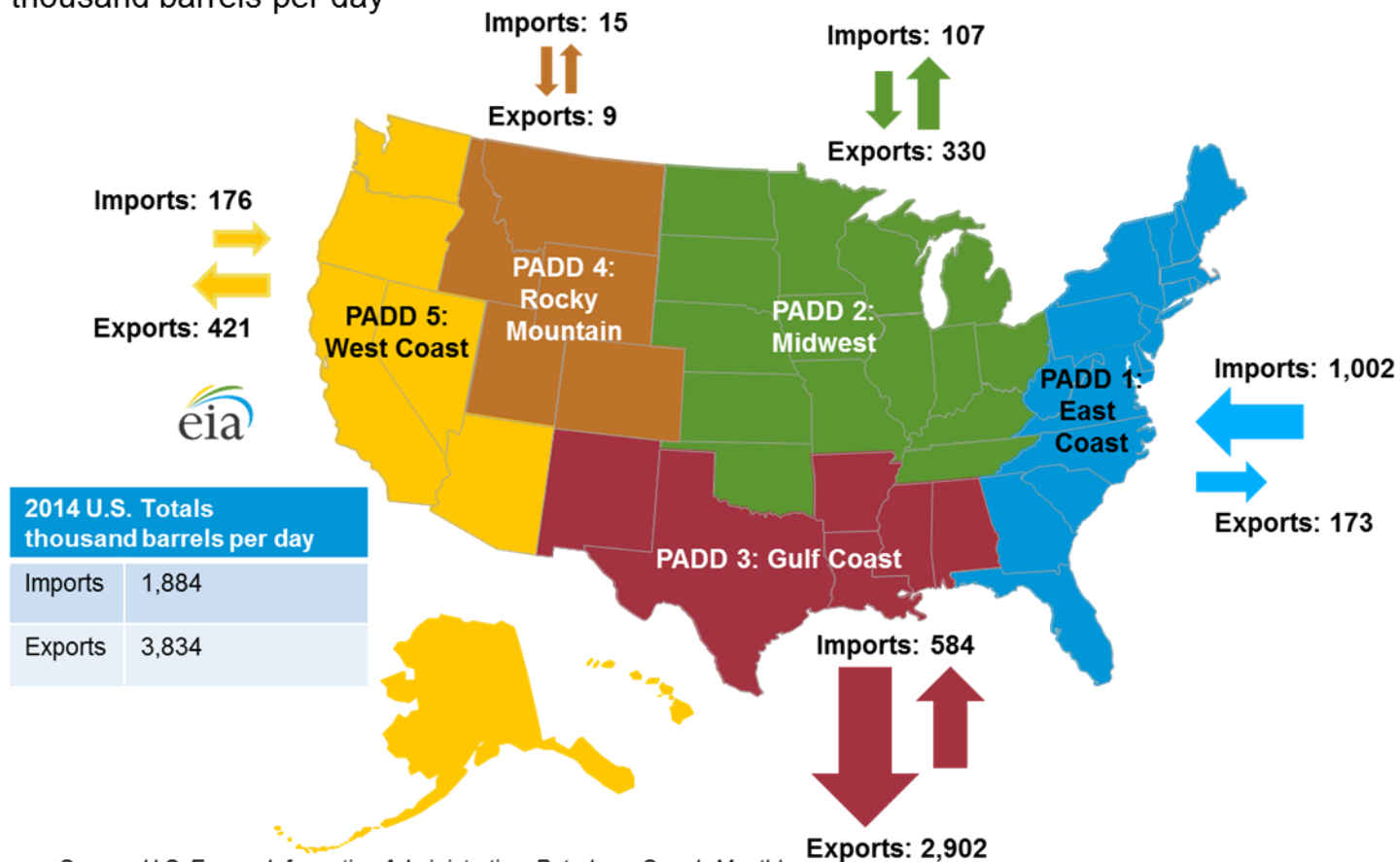


Note: As of January 1, 2014, there were 133 operating refineries with atmospheric crude oil distillation units (ACDU) totaling capacity of 18.9 million barrels per stream day. Heavy capacity denotes refineries with coking capacity; light capacity denotes refineries without coking capacity. Source: U.S. Energy Information Administration.

The U.S. primarily exports products from the Gulf Coast (PADD 3) and imports to the East Coast (PADD 1)

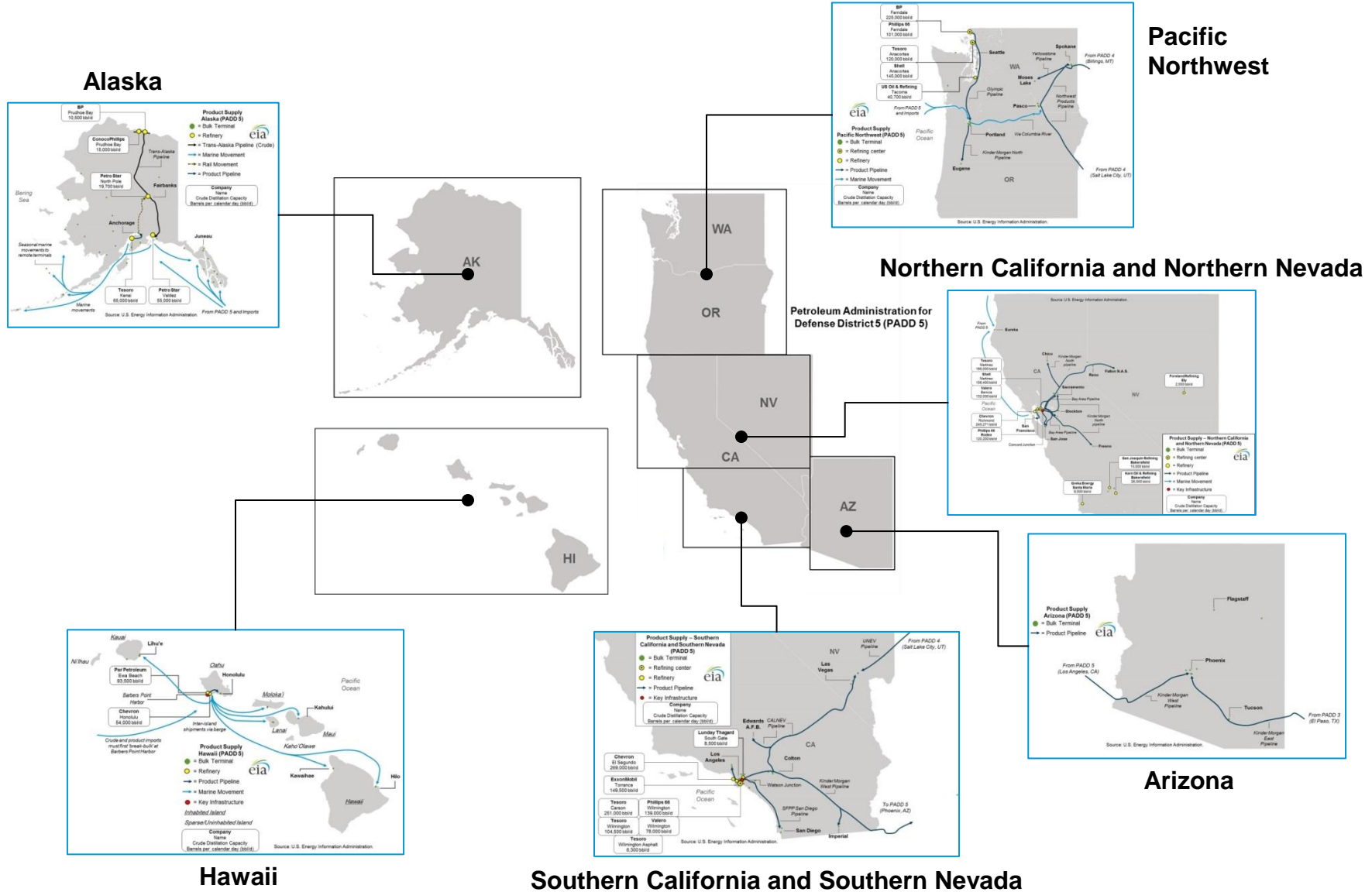
U.S. petroleum product imports and exports (2014)

thousand barrels per day



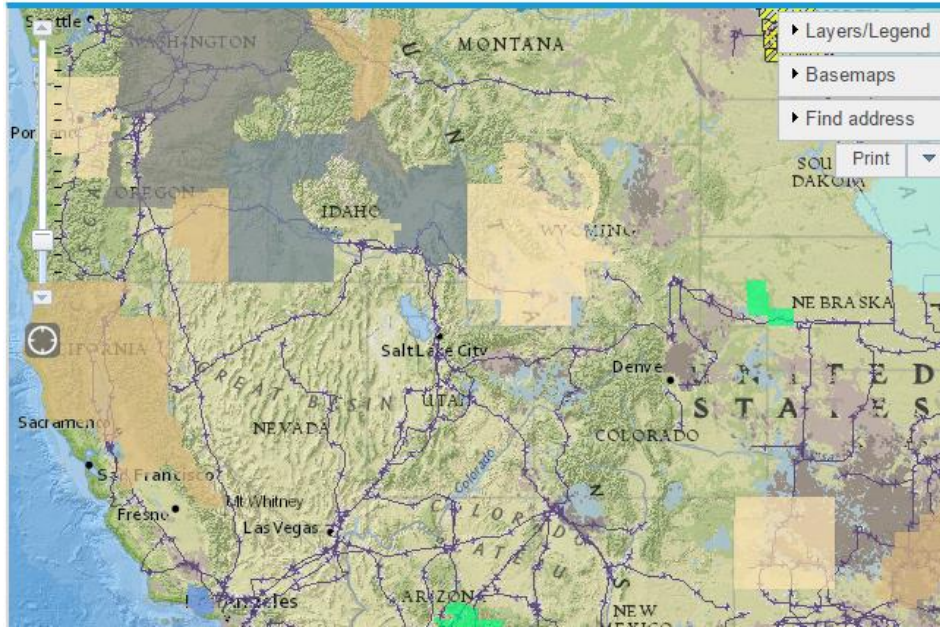
Source: U.S. Energy Information Administration, Petroleum Supply Monthly.

PADD 5 comprises 6 distinct regional markets across 7 states



Other resources for State Legislators

Energy Infrastructure with Real-Time Storm Information



States pages contain:

- Maps with the location of all energy-related infrastructure
- Quick facts
- Consumption data by sector and fuel source
- Production data
- Electricity data
- Prices (when available)
- Emission data

For more information

U.S. Energy Information Administration home page | www.eia.gov

Annual Energy Outlook | www.eia.gov/aeo

Short-Term Energy Outlook | www.eia.gov/steo

International Energy Outlook | www.eia.gov/ieo

Monthly Energy Review | www.eia.gov/mer

Today in Energy | www.eia.gov/todayinenergy

State Energy Portal | www.eia.gov/state

Drilling Productivity Report | www.eia.gov/petroleum/drilling/