Independent Statistics and Analysis
U.S. Energy Information Administration

Short-Term Energy Outlook

November 2026



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Short-Term Energy Outlook

Overview

U.S. energy market indicators	2025	2026	2027
Brent crude oil spot price (dollars per barrel)	**$69**	**$97**	**$86**
Retail gasoline price (dollars per gallon)	**$3.10**	**$3.89**	**$3.73**
U.S. crude oil production (million barrels per day)	**13.7**	**13.9**	**14.3**
Natural gas price at Henry Hub (dollars per million British thermal units)	**$3.53**	**$3.37**	**$2.88**
U.S. liquefied natural gas gross exports (billion cubic feet per day)	**15**	**18**	**19**
Shares of U.S. electricity generation			
Natural gas	40%	40%	39%
Coal	17%	15%	15%
Nuclear	18%	18%	18%
Conventional hydropower	6%	6%	6%
Wind	11%	11%	12%
Solar	7%	8%	10%
Other energy sources	1%	1%	1%
U.S. GDP (percentage change)	**2.3%**	**2.4%**	**2.8%**
U.S. CO_2 emissions (billion metric tons)	**4.9**	**4.8**	**4.9**

Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook,* November 2026
Note: Values in this table are rounded and may not match values in other tables in this report.

- **Global oil prices.** Crude oil prices rose for a third consecutive month in October as falling global inventories, attacks on oil tankers in the Persian Gulf, constrained shipping capacity, and higher transportation costs tightened supply. Amid these conditions, we expect the Brent crude oil spot price will remain near $100 per barrel (b) for the remainder of this year. We assume most Middle East production outside Iran to return to pre-conflict averages by the middle of next year. As depleted global oil inventories build throughout next year, we forecast the Brent spot price will gradually fall to an average of $77/b in the fourth quarter of 2027.

- **Crude oil inventories**. U.S. commercial crude oil inventories fell to 410 million barrels at the end of October, the lowest end-of-October level since 2014. Inventories fell as a large spread between Brent and West Texas Intermediate (WTI) prices encouraged crude oil exports and lowered crude oil imports. Additionally, high crude oil inputs at U.S. refineries over the past several months have helped reduce inventories. Inventories remain below the five-year average through the middle of next year in our forecast as ongoing tightness in the global oil tanker market sustains a wide, albeit narrowing, Brent-WTI price spread. U.S. crude oil inventories gradually rise in the forecast, driven by higher net imports as the Brent–WTI spread narrows and U.S. crude oil production reaches a record 14.3 million barrels per day in 2027.

- **U.S. petroleum prices.** Although we expect the U.S. average retail price of gasoline and diesel to decline in 2027, we raised our forecast for those prices from last month's outlook. In our forecast, the U.S. retail diesel price averages $5.03 per gallon (gal) next year, 12% higher than we forecast last month. Gasoline prices average $3.73/gal, 5% higher than last month. We now assume global petroleum product markets will face continued supply constraints through the end of 2027. These market conditions will support wider petroleum product crack spreads next year and incentivize elevated U.S. refinery operations.

- **Natural gas prices**. A warm start to November is putting downward pressure on U.S. natural gas prices. We expect more natural gas in storage in the coming months than we had previously forecast because mild weather in November reduced heating demand. We forecast the Henry Hub spot price for natural gas to average $2.87 per million British thermal units from November through March, 16% lower than we expected last month.

- **LNG exports.** International natural gas prices have climbed to their highest levels since December 2022 while U.S. Henry Hub prices have fallen, supporting U.S. liquefied natural gas (LNG) exports, with export terminals running near full capacity. We forecast U.S. LNG exports will rise to 19 billion cubic feet per day in 2027, up 26% from 2025, as new export capacity ramps up and existing facilities expand.

- **Electricity generation.** We expect the U.S. electric power sector to generate almost 4,390 billion kilowatthours in 2026, up 2.7% from 2025, driven by rising demand from the commercial sector and increased cooling needs from warmer-than-average summer temperatures. We expect electricity generation growth will slow to 1.2% in 2027, with forecast milder weather reducing residential demand. Most of the generation growth over the forecast period comes from utility-scale solar plants.

- **Coal markets.** U.S. coal consumption falls by 7% to 419 million short tons in 2026 in the forecast, and by another 5% in 2027. Coal production decreases by just 2% this year, as rising exports partly offset the drop in consumption. Production falls by another 4% in 2027 as consumption decreases and exports remain flat. Even with flat exports, exports make up a rising share of U.S. coal disposition in the forecast, supported by stronger demand from Europe and Asia as well as China's commitment to purchase 10 million metric tons of U.S. coal in both 2027 and 2028.

- **Forecast timeline.** We finalized inputs into the model on November 5, 2026. This month's forecast does not specifically account for market events after that day.

Notable forecast changes	**2026**	**2027**
OPEC total liquid fuels production (million barrels per day)	**24.5**	**28.4**
Previous forecast	23.9	29.2
Percentage change	2.4%	-2.8%
Retail diesel price (dollars per gallon)	**$5.25**	**$5.03**
Previous forecast	$5.19	$4.49
Percentage change	1.2%	12.0%
Retail gasoline price (dollars per gallon)	**$3.89**	**$3.73**
Previous forecast	$3.91	$3.56
Percentage change	-0.6%	4.7%
Henry Hub spot price (dollars per million British thermal units)	**$3.37**	**$2.88**
Previous forecast	$3.48	$3.16
Percentage change	-3.3%	-8.8%

Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*

Global Oil Markets

Global oil prices

The Brent crude oil spot price increased to an average of $124 per barrel (b) in October, $10/b higher than in September and the highest price since July 2022 when prices averaged $127/b adjusted for inflation. Prices increased for a third consecutive month as global oil inventories continued to fall. Attacks on oil tankers continued around the Middle East and, more recently, in the Black Sea, stemming from the conflict between Russia and Ukraine. These attacks further disrupted global oil flows and reduced the availability of global oil tankers, causing tanker rates to rise sharply.

Although oil prices increased last month, ship tracking data from Vortexa indicate that oil exports from the Middle East increased slightly in October, following the restart of the Saudi Arabian East-West Pipeline. Continued flows through the Strait of Hormuz using ship-to-ship transfers along Oman's coast added to supply, which was reflected in prices during late October and early November, with the Brent spot price falling below $100/b on November 4.

Table 1. Estimated Strait of Hormuz closure-related disruptions in crude oil production
thousand barrels per day

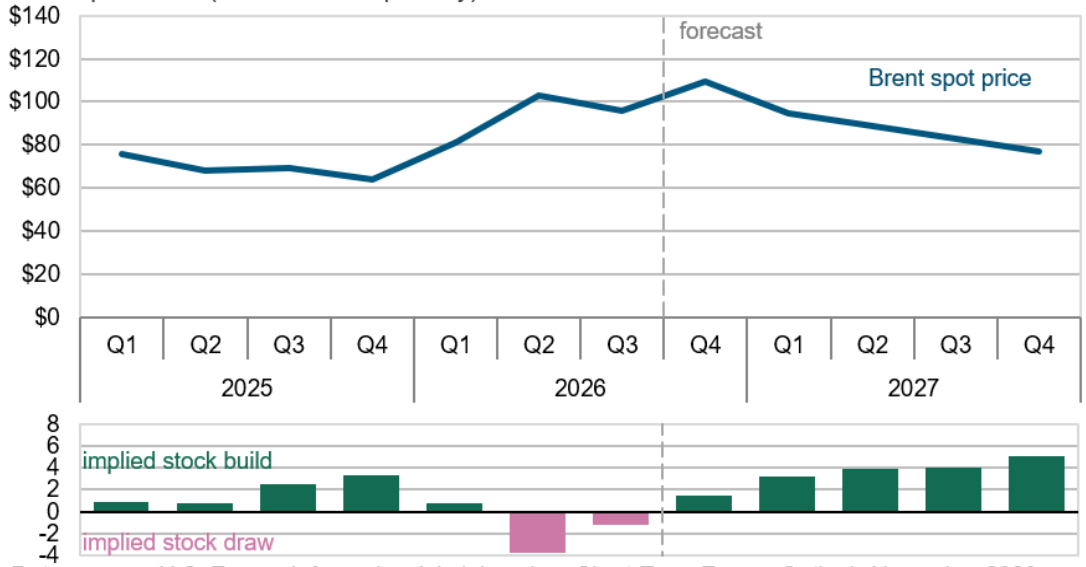
Country	Production Feb-26	Estimated shut-ins Mar–Sep-26 average	Estimated shut-ins Oct-26	Forecast shut-ins 4Q26	Forecast shut-ins 1H27	Forecast shut-ins 2H27
Kuwait	2,560	1,231	560			
UAE	3,600	529	0			
Iran	3,390	606	1,080			
Iraq	4,400	2,046	60			
Qatar	557	321	300			
Bahrain	193	114	40			
Saudi Arabia	10,500	2,643	500			
Total	**25,200**	**7,490**	**2,540**	**2,520**	**1,900**	**1,300**

We only forecast aggregate disruptions for future months.

Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook,* November 2026
Note: 4Q26=fourth quarter of 2026, 1H27=first half of 2027

Crude oil production shut-ins fell in October compared with September. We assess that crude oil production shut-ins in the Middle East averaged 2.5 million barrels per day (b/d) in October, down from 10.9 million b/d at the peak in May. Shut-in volumes in our forecast remain essentially flat through the remainder of 2026, as we assume oil flows from the Middle East remain somewhat constrained during this period. Amid ongoing constraints, we forecast Brent will average around $100/b during November and December.

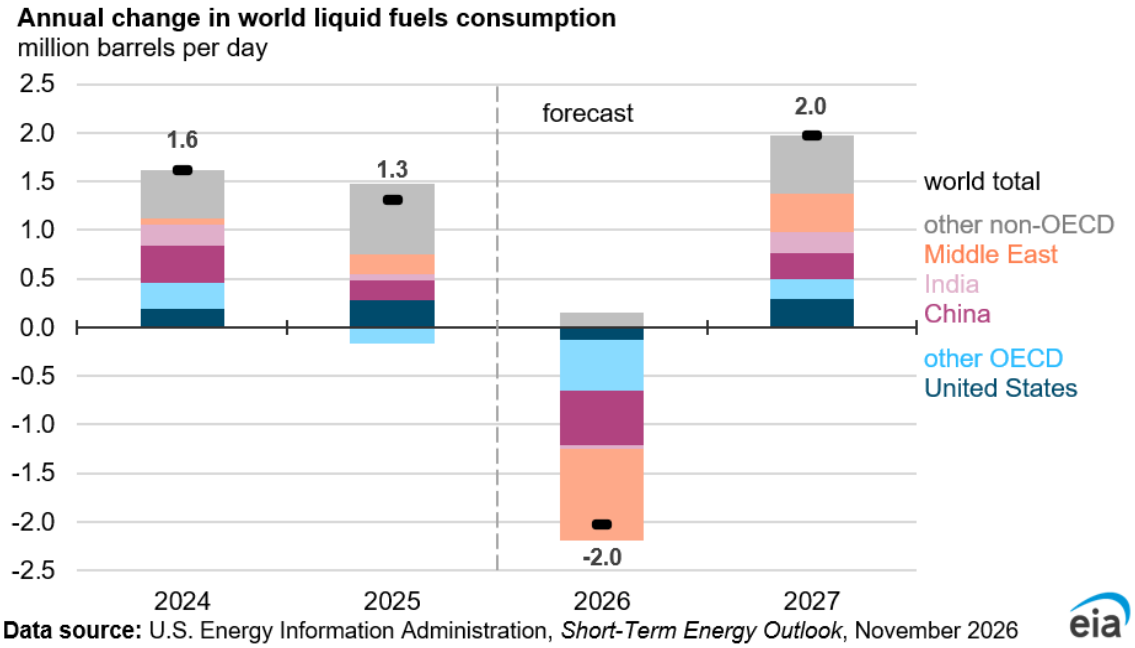
Brent crude oil spot price and global inventory changes
dollars per barrel (million barrels per day)



Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, November 2026

We estimate that global oil inventories fell by an average of 1.2 million b/d in the third quarter of 2026 (3Q26) but will begin building in 4Q26. Although we forecast that global oil production will outpace consumption in 4Q26, the heightened risk of supply disruptions and longer shipping routes will limit the near-term impact of global stock builds until geopolitical risk dissipates and inventories begin to return closer to pre-conflict levels.

We assume export workarounds from the Middle East such as pipeline and overland bypass routes, ship-to-ship transfers, and new pipeline capacity expected to come online in 2027 in the United Arab Emirates will lead to shut-in volumes gradually falling through the *Short-Term Energy Outlook* forecast period. Global inventories in our forecast build by 3.5 million b/d in the first half of 2027, pushing the Brent price below $90/b in 2Q27. We expect the majority of production in the Middle East, outside of Iran, to return to pre-conflict averages by the end of 2Q27. We expect exports from Iran, however, to remain constrained through the forecast period. As depleted global oil inventories build throughout next year, oil prices gradually fall to an average of $77/b in 4Q27. However, we expect crude oil flows from the Middle East—via both the Strait of Hormuz and alternative routes—will remain susceptible to disruption, resulting in more volatility in short-term price movements than our monthly forecast indicates.

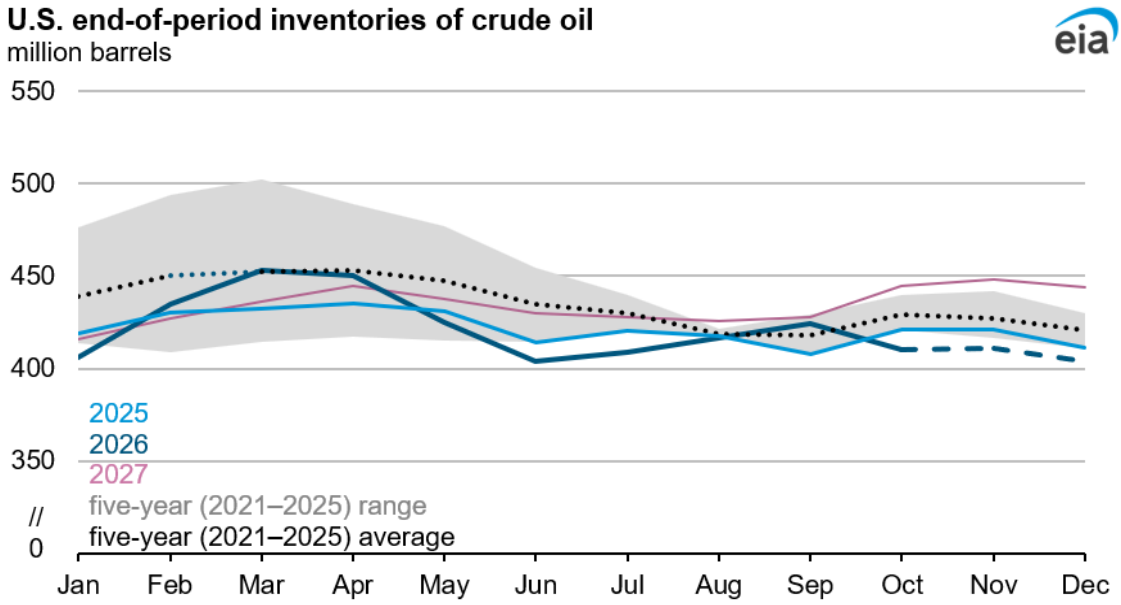


Oil demand has fallen considerably during the prolonged oil supply disruption. The reduction in oil consumption, particularly in China, has limited the impact that the loss of supply has had on global oil prices. We now estimate that global liquid fuels consumption will fall by 2.0 million b/d in 2026. In addition to lower consumption in China, we estimate oil consumption in the Middle East has fallen largely because of reduced air travel and less economic activity. We anticipate that global oil demand will recover in 2027, increasing by 2.0 million b/d on average, as the gradual increase in oil flows and falling prices encourage increased demand.

U.S. Petroleum Products

U.S. crude oil inventories

After increasing from July to September, U.S. commercial crude oil inventories fell below the five-year (2021–2025) low in October, according to our *Weekly Petroleum Status Report*. U.S. crude oil inventories declined by 14.1 million barrels in October, driven by a decrease in imports and an increase in exports. The decrease in net imports likely reflects the large spread between Brent and West Texas Intermediate (WTI) prices that, even when accounting for elevated shipping costs, makes it relatively more attractive for the United States to export crude oil and less attractive to import crude oil. Ongoing tightness in the global oil tanker market will sustain a wide, albeit narrowing, Brent-WTI spread in the coming months.



Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, November 2026

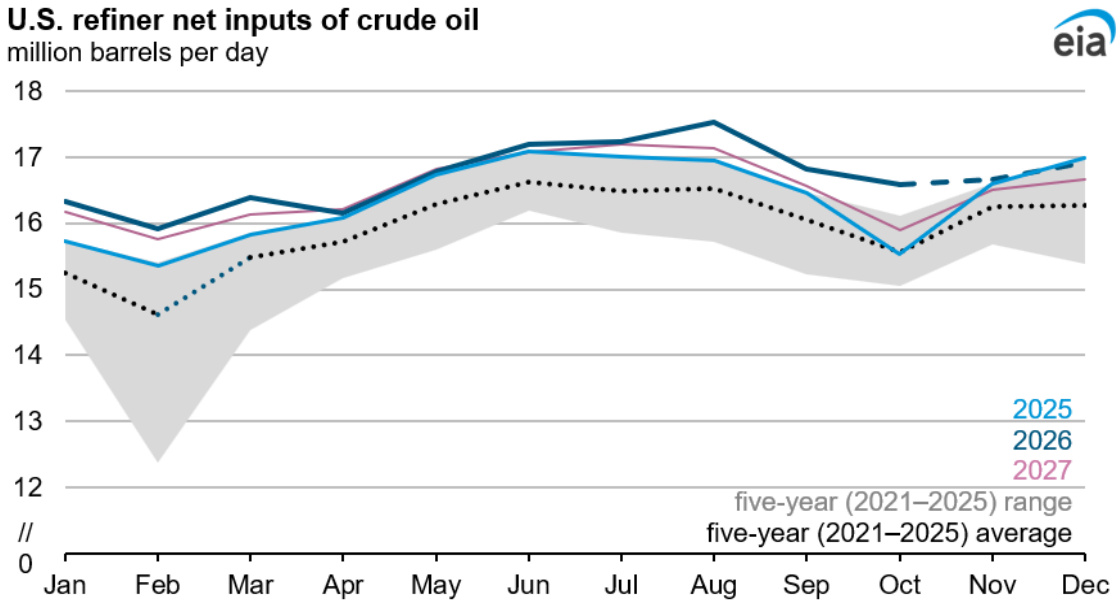
U.S. crude oil inventories in our forecast remain below the five-year average in the final two months of 2026. We forecast U.S. crude oil inventories will increase in 2027, from 416 million barrels at the end of January to 444 million barrels at the end of December due to higher net imports. We expect the Brent-WTI spread will narrow as oil production from the Middle East increases next year, increasing the availability of crude oil outside of the Atlantic Basin and decreasing demand for U.S. crude exports in more distant markets such as Asia.

Forecast record-high U.S. crude oil production in 2027 also drives inventory builds. We forecast U.S. crude oil production will increase to 14.3 million barrels per day (b/d) in 2027, a 3% increase from a record of 13.9 million b/d in 2026. Slightly lower refinery inputs of crude oil will also help inventories recover next year.

U.S. refinery inputs

U.S. refineries have been running at very high rates in 2026, driven by high crack spreads, an indicator of refinery profitability. Crack spreads have been high this year because of damage to refineries in the Middle East and Russia that has reduced volumes of refined petroleum product exports available to the global market. We expect U.S. crack spreads will remain elevated for the remainder of the year and through most of 2027. In response to high crack spreads, crude oil inputs to refineries will remain above seasonal averages in the fourth quarter of 2026, although we expect runs to be lower than the summer highs, in line with historical seasonality.

U.S. crude oil inputs to refineries averaged 16.6 million b/d in October, and we expect similar inputs in November. We expect inputs to refineries to increase in December, following the completion of fall maintenance, but for inputs to be slightly below December 2025 levels because of reduced overall refinery capacity compared with last year. Lower capacity reflects the closure of Valero's Benicia refinery in Northern California in early 2026.



Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, November 2026

In 2027, we expect ongoing disruptions to global markets will contribute to high crack spreads, thereby supporting high refinery utilization next year. We expect these disruptions to be mostly concentrated in the first quarter, with constraints easing through the remainder of the year. We forecast utilization of operable capacity in 2027 to be about the same as in 2026, while U.S. crude oil inputs to refineries will average 16.5 million b/d in 2027, compared with 16.7 million b/d in 2026. Potential unplanned outages because of weather or other events, as well as the need to undertake maintenance that was deferred in 2026, present a source of uncertainty and downside risk to our refining forecast.

Natural Gas

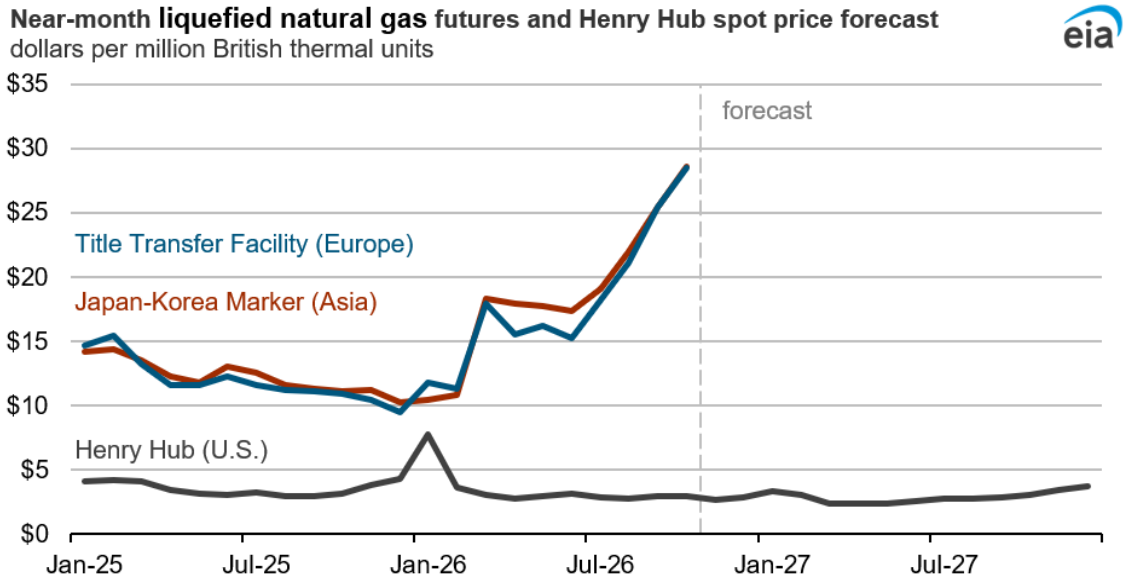
Natural gas prices

A warm start to November is putting downward pressure on U.S. natural gas prices. Our forecast assumes 13% fewer heating degree days (HDDs) across the United States in November compared with the 10-year average for the month. We now expect 3,840 billion cubic feet of natural gas will be held in storage at the end of November, 67 Bcf more than we forecast last month. The Henry Hub spot price in our forecast averages $2.87 per million British thermal units (MMBtu) from November through March, 16% less than last month's forecast and 36% less than last winter.

We expect continuing growth in U.S. natural gas production to put downward pressure on Henry Hub prices in the coming year. Production growth outpaces increasing demand from domestic sources and exports, leaving U.S. natural gas inventories about 3% above 2026 levels on average. We forecast Henry Hub will average $2.88/MMBtu in 2027, down from $3.37/MMBtu this year.

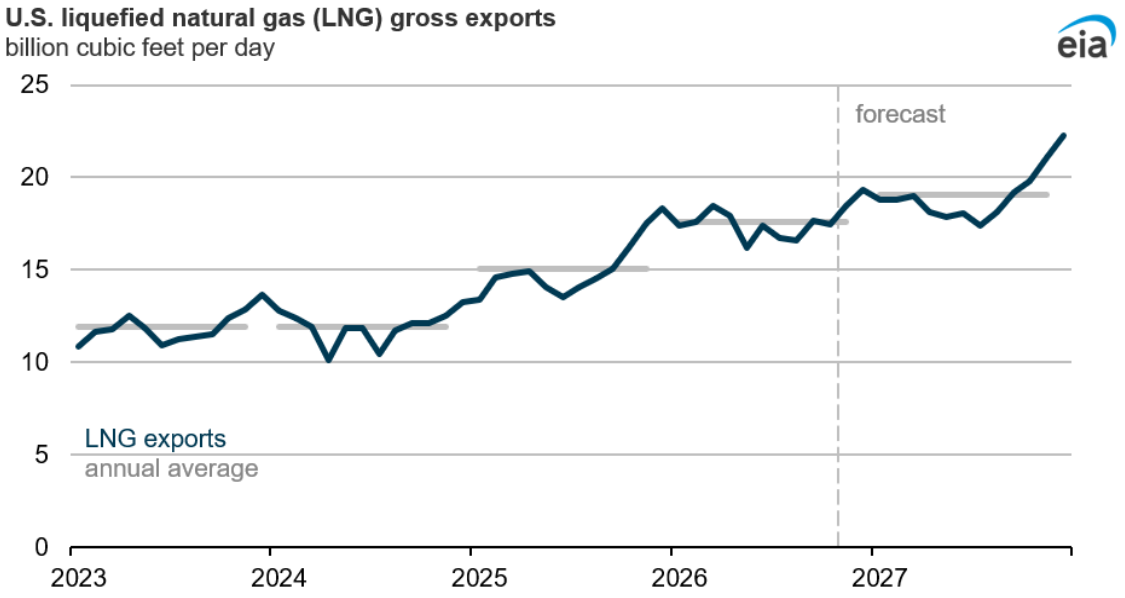
At the same time, international natural gas prices have risen to the highest levels since December 2022, supporting U.S. liquefied natural gas (LNG) export economics. Since the U.S.-Iran conflict began on February 28, the monthly near-month futures price at the European benchmark Dutch Title Transfer

Facility rose from an average of $11.27/MMBtu in February 2026 to an average of $28.51/MMBtu in October, according to data from Bloomberg, L.P. Similarly, the Japan-Korea Marker near-month futures price in East Asia rose from an average of $10.82/MMBtu in February to $28.59/MMBtu in October. Tanker strikes and other logistical disruptions have continued to limit LNG exports through the Strait of Hormuz, which remain well below pre-war levels.



LNG exports

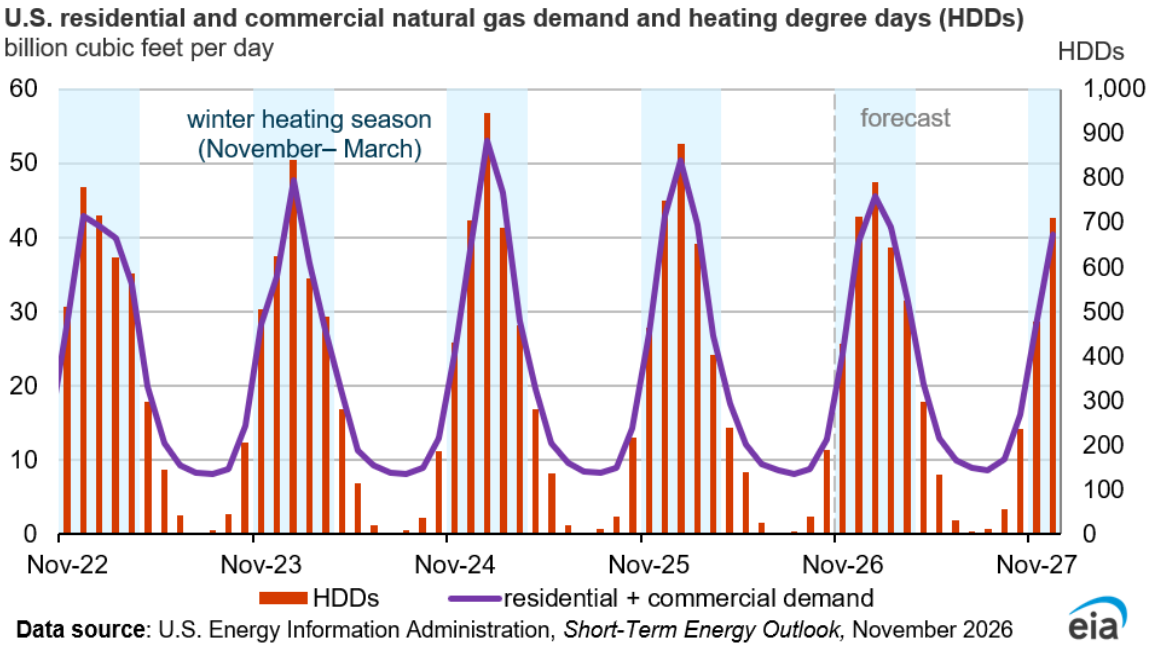
We forecast LNG exports to average 17.6 billion cubic feet per day (Bcf/d) in 2026 and 19.0 Bcf/d in 2027, up from 15.1 Bcf/d in 2025, as new export capacity ramps up. The seventh and final train of the Corpus Christi Stage 3 export facility (1.5 Bcf/d nominal capacity) reached substantial completion in late August. Golden Pass LNG has reported a sustained increase in feedgas demand in recent weeks following months of slower-than-expected exports from Train 1 since its April 2026 startup. U.S. LNG exports also received a boost in October as Cove Point LNG (0.8 Bcf/d nominal capacity) concluded planned maintenance on October 12.



Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, November 2026

Residential and commercial demand

We expect U.S. natural gas consumption in the residential and commercial sectors to average 36.4 Bcf/d during the 2026–2027 winter heating season (November–March), down 3.8% from last winter. Warmer weather—compared with last winter—reduces space heating demand.



Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, November 2026

Our forecast includes 1% fewer HDDs this winter compared with last winter. In addition to the warm November to start the winter, January HDDs are forecast to decline 10% from last year, accompanied by a 10% decrease in residential and commercial natural gas consumption. Forecast year-over-year declines

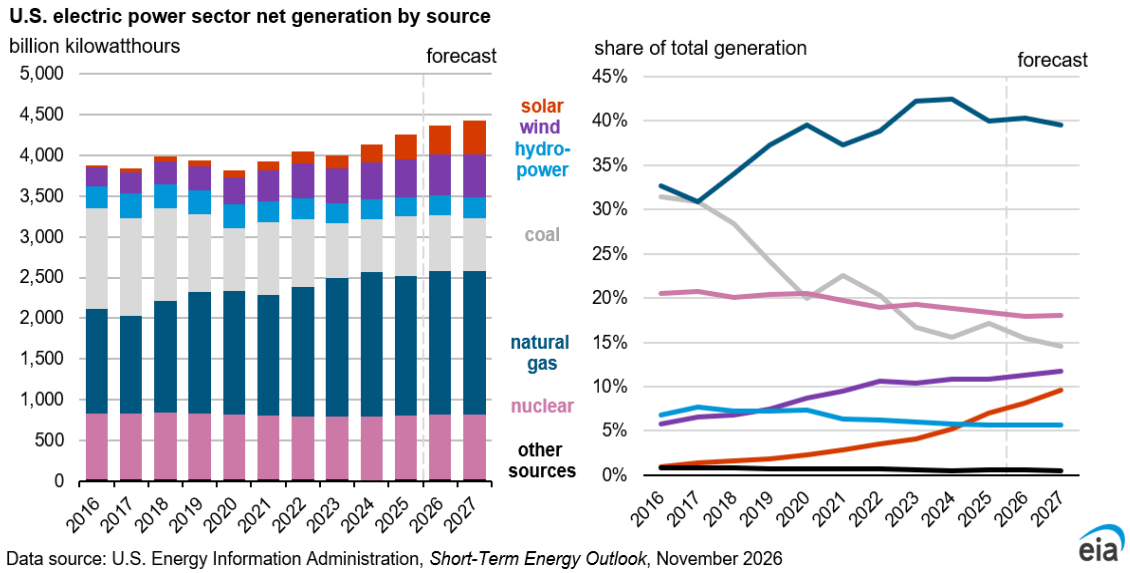
in natural gas consumption in the residential and commercial sectors from November through February are partly offset by rising consumption in March. HDDs in March are forecast to increase 31% from last winter, with residential and commercial consumption rising by 17%.

The National Oceanic and Atmospheric Administration's U.S. Winter Outlook reflects the influence of a strengthening El Niño and favors above-average temperatures across the northern United States from December through February. However, the timing and severity of cold weather remains uncertain. Severe cold weather events, particularly in January and February, could also increase winter demand above our forecast and cause temporary spikes in prices.

Electricity, Coal, and Renewables

Electricity generation

We estimate that total electricity generation by the U.S. electric power sector will reach a record of almost 4,390 billion kilowatthours (BkWh) in 2026, up 2.7% from the previous record set last year. Rising electricity generation is driven by growing demand from the commercial sector and hot temperatures this past summer. We forecast that U.S. electricity generation will grow at a slightly slower rate of 1.2% in 2027 as continued increases in commercial and industrial sector electricity demand are offset somewhat by lower residential electricity demand resulting from forecast milder summer weather next year.



Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, November 2026

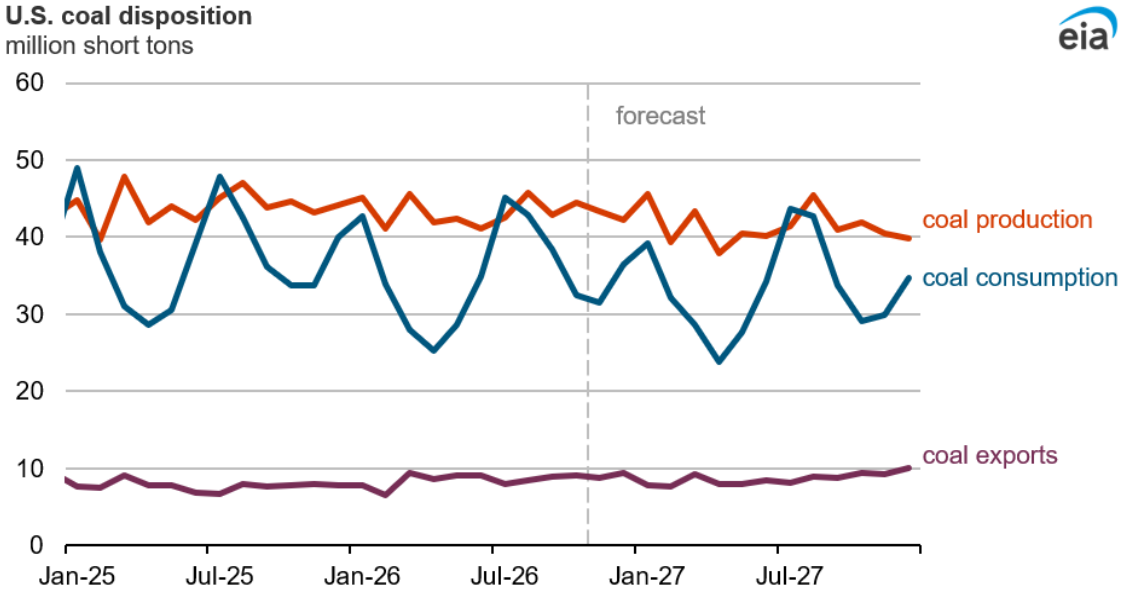
Rising U.S. electricity generation is met primarily by increasing generation from renewable energy sources. We expect the share of total U.S. generation supplied by utility-scale solar plants will rise from 7% in 2025 to 8% in 2026 and nearly 10% in 2027. The forecast share of generation from wind rises from 11% in 2025 to 12% by 2027. Solar and wind generation are rising as a result of an expected 72 gigawatts and 20 gigawatts, respectively, of new capacity coming online this year and next.

Generation from other energy sources is likely to remain relatively flat or decrease. We forecast the U.S. natural gas generation share to average close to 40% in 2026 and 2027, and the nuclear generation

share averages 18%. We forecast the share of total U.S. generation from coal-fired power plants to decline from 17% in 2025 to 15% by 2027 as 13 GW of capacity is scheduled to retire by the end of 2027. Although the share of generation from those fuels is falling, total generation from those fuels is relatively flat in the forecast, remaining in line with the combined generation from 2025.

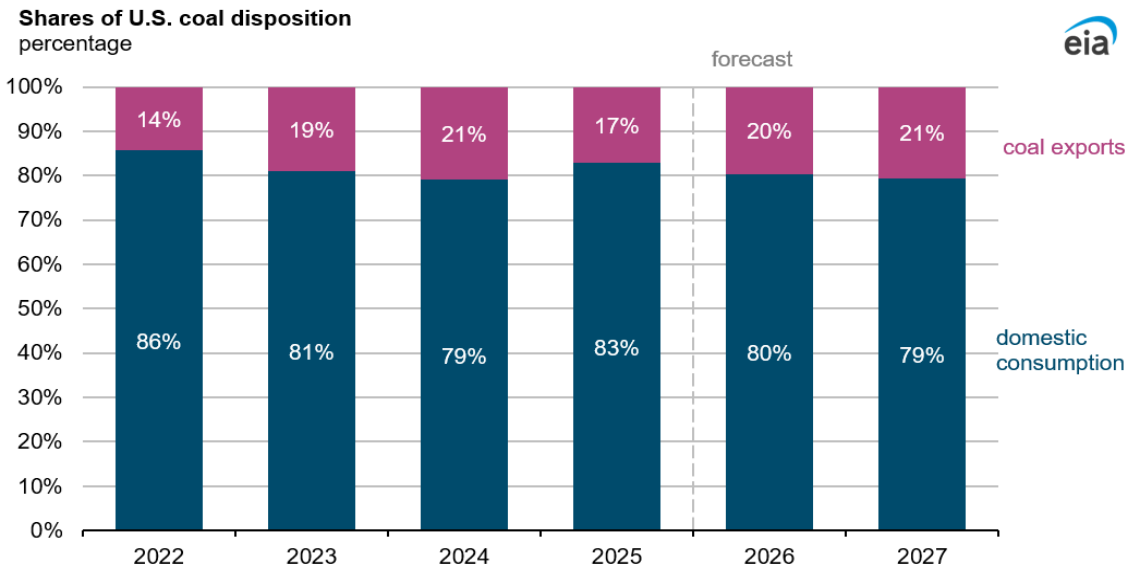
Coal markets

We forecast coal consumption will total 419 million short tons in 2026, a 7% decrease from 2025. Electric power coal consumption, which accounts for approximately 90% of domestic coal consumption, has declined from last year in 8 of the 10 months so far in 2026. The decreases have been driven by significant increases in wind and solar capacity as well as a 9% decline in the average natural gas price in the electric power sector during the second and third quarters of this year. We expect coal consumption to decline an additional 5% in 2027, driven by a 19% decrease in natural gas prices for electric generating plants and further increases in wind and solar capacity.



Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, November 2026

The drop in coal consumption is leading to a drop in coal production. We expect coal production to decrease by 2% in 2026. Production falls by less than domestic consumption as part of the drop in domestic consumption is offset by an 11% increase in coal exports compared with 2025. In 2027, we expect coal production to fall 4% as exports remain flat and domestic consumption falls. Exports capture a larger share of U.S. coal disposition compared with 2025 after international thermal coal prices rose in the first half of 2026 due to stronger demand in European and Asian markets and due to China's commitment to purchase 10 million metric tons of U.S. coal in 2027 and 2028.



Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, November 2026
Note: Domestic consumption = U.S. coke plants + U.S. electric power + U.S. retail, commercial and industrial consumption

Economy, CO_2, and Weather

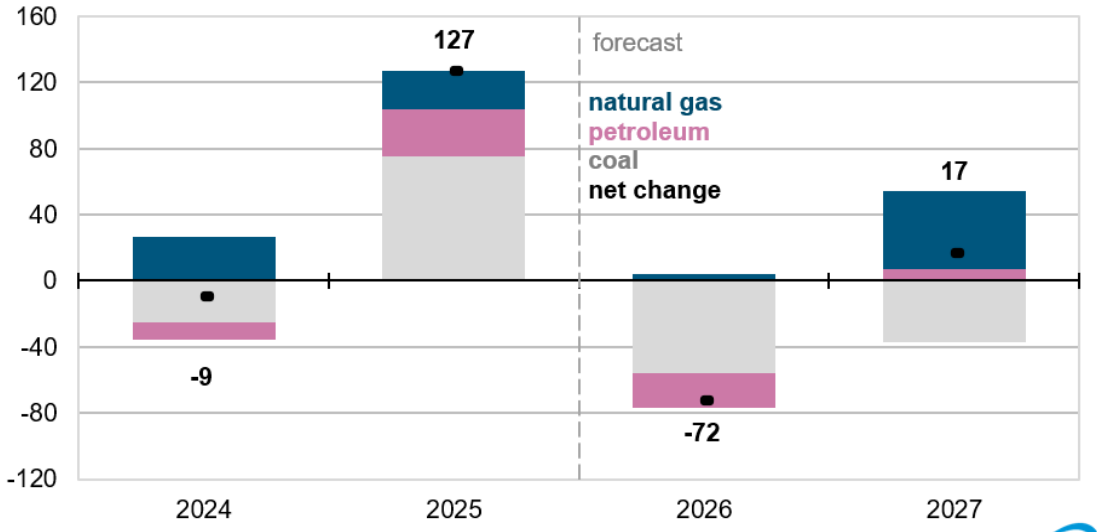
U.S. macroeconomics

To generate the macroeconomic assumptions in the *Short-Term Energy Outlook* (STEO), we input STEO energy price forecasts into S&P Global's Short-Term U.S. Macroeconomic Model to produce a conditional macroeconomic forecast. For more details on the macroeconomic model, see our documentation.

Emissions

We forecast U.S. energy-related carbon dioxide (CO_2) emissions to decrease by 1.5% in 2026 relative to 2025 and to remain relatively flat in 2027. In 2026, decreases in CO_2 emissions primarily reflect expected declines in coal consumption and, to a lesser extent, decreases in consumption of various petroleum products, most notably motor gasoline and distillate fuel oil. Declines in coal-related emissions continue in 2027 but are offset by rising natural gas-related emissions from growth in natural gas consumption in the commercial and industrial sectors, as well as by small increases in petroleum-related emissions from higher distillate fuel oil consumption.

U.S. annual CO_2 emissions, components of annual change
million metric tons



Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, November 2026

Weather

The United States averaged 189 heating degree days (HDDs) in October, 20% fewer HDDs than forecast in our October STEO and 14% fewer HDDs than the 10-year average for the month. Our forecast assumes the warmer weather will extend through the end of 2026, contributing to a warmer-than-average 2026–2027 winter heating season (November–March) and reducing energy use for space heating this winter. Based on our current forecasts and data from the National Oceanic and Atmospheric Administration, we expect the United States to average 1,331 HDDs in the fourth quarter of 2026, 8% fewer HDDs than the 10-year quarterly average. Overall, we expect an average of 3,104 HDDs this winter, 4% fewer HDDs than the previous 10-year winter average.