

2014 Summer Fuels Outlook

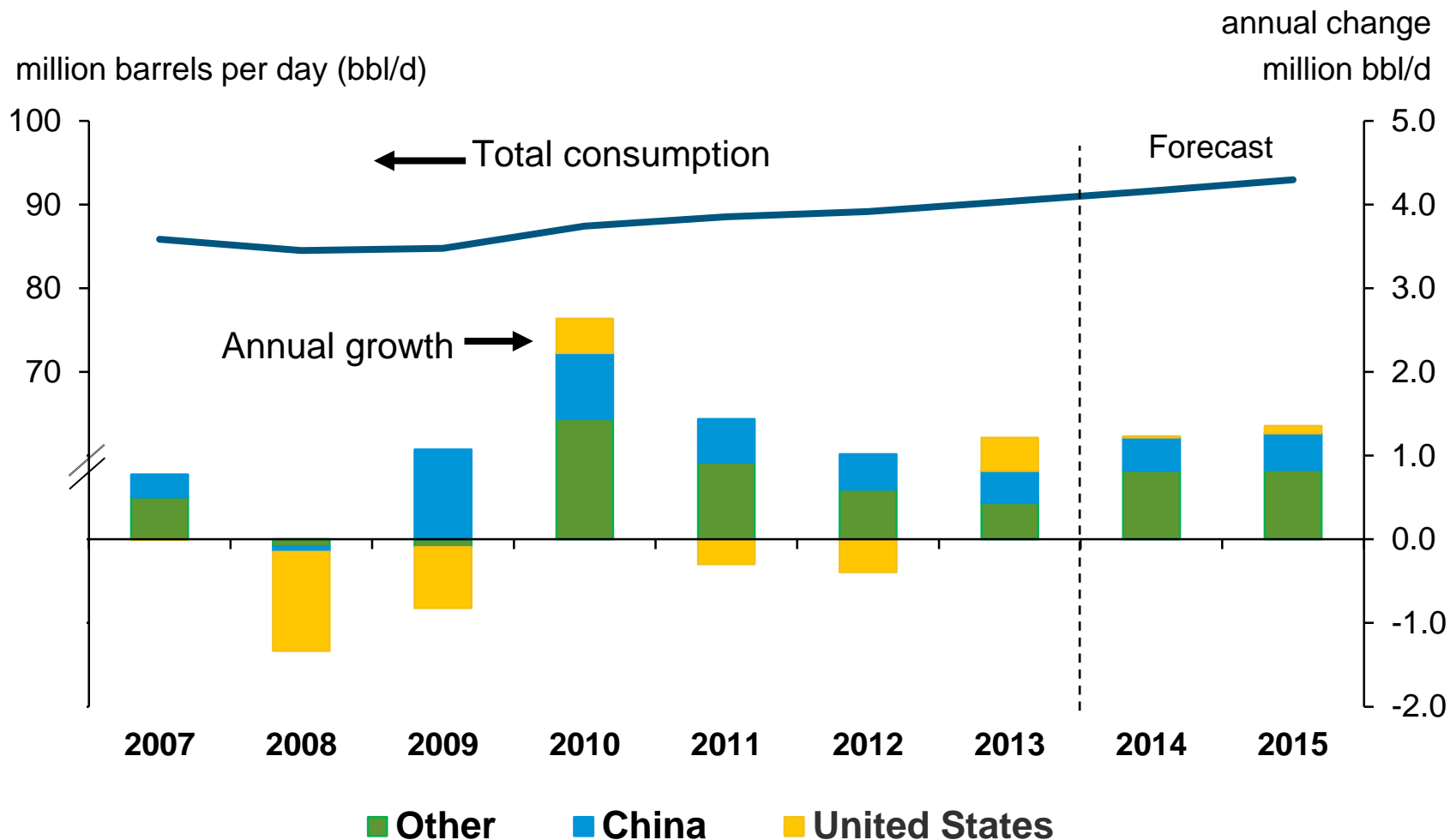


April 8, 2014

Key factors driving the short-term outlook

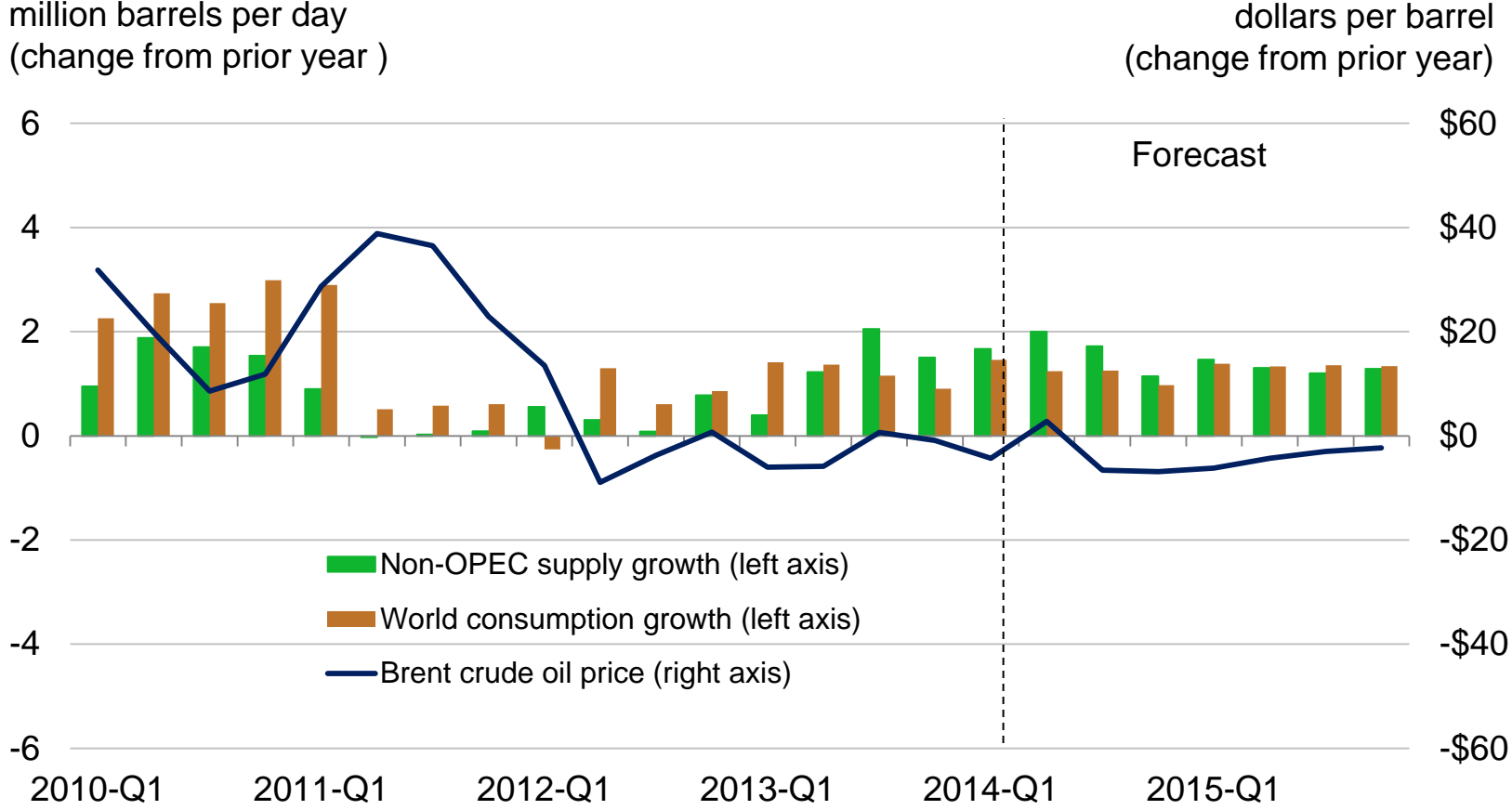
- World liquid fuels consumption growth driven by emerging economies, with continuing consumption declines in OECD countries.
- Non-OPEC supply growth, particularly in North America, expected to keep pace with world liquid fuels consumption growth and contribute to modest declines in world crude oil prices.
- Brent crude oil prices fall gradually over the forecast, averaging, from \$109 per barrel in 2013 to \$105 per barrel in 2014 and \$101 per barrel in 2015.

World liquid fuels consumption is projected to increase by 1.2 million bbl/d in 2014 and 1.4 million bbl/d in 2015



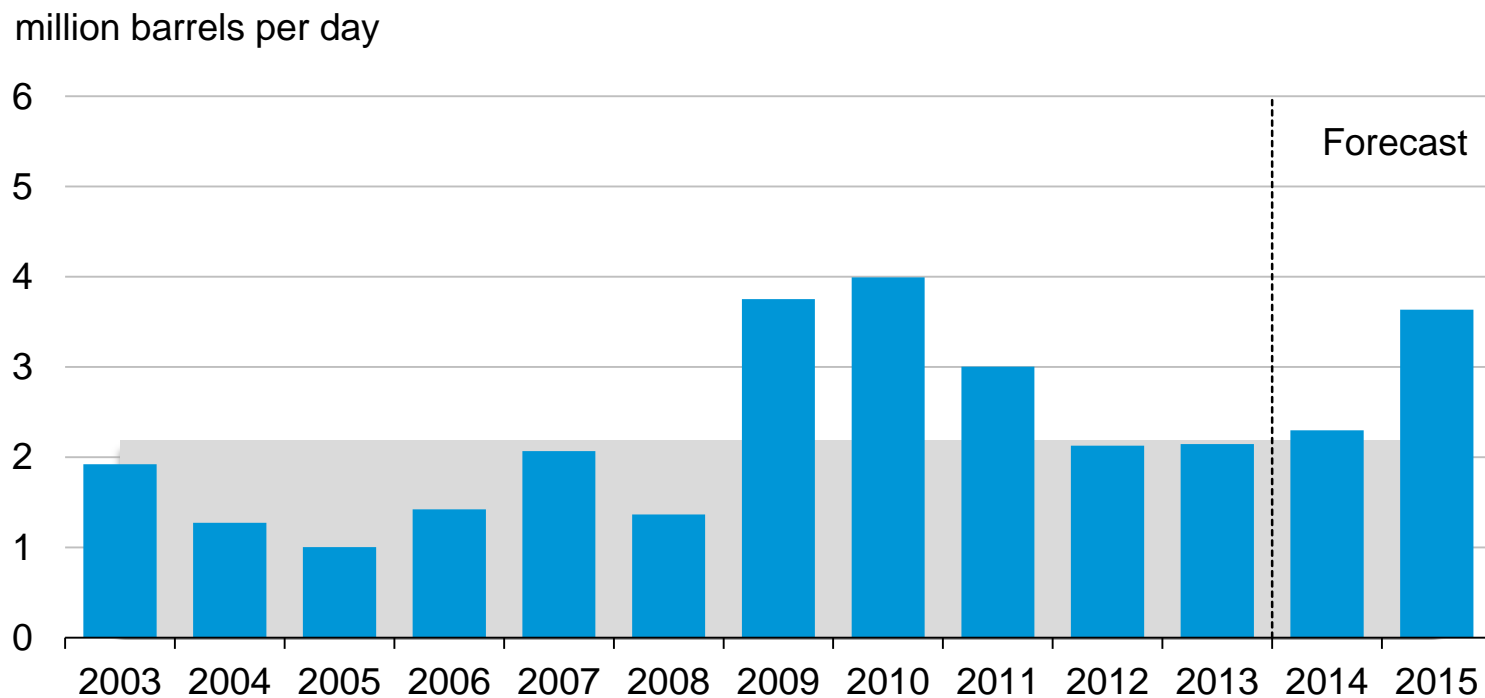
Source: Short-Term Energy Outlook, April 2014

Non-OPEC production growth in 2014 and 2015 expected to outpace world consumption growth



Source: Short-Term Energy Outlook, April 2014

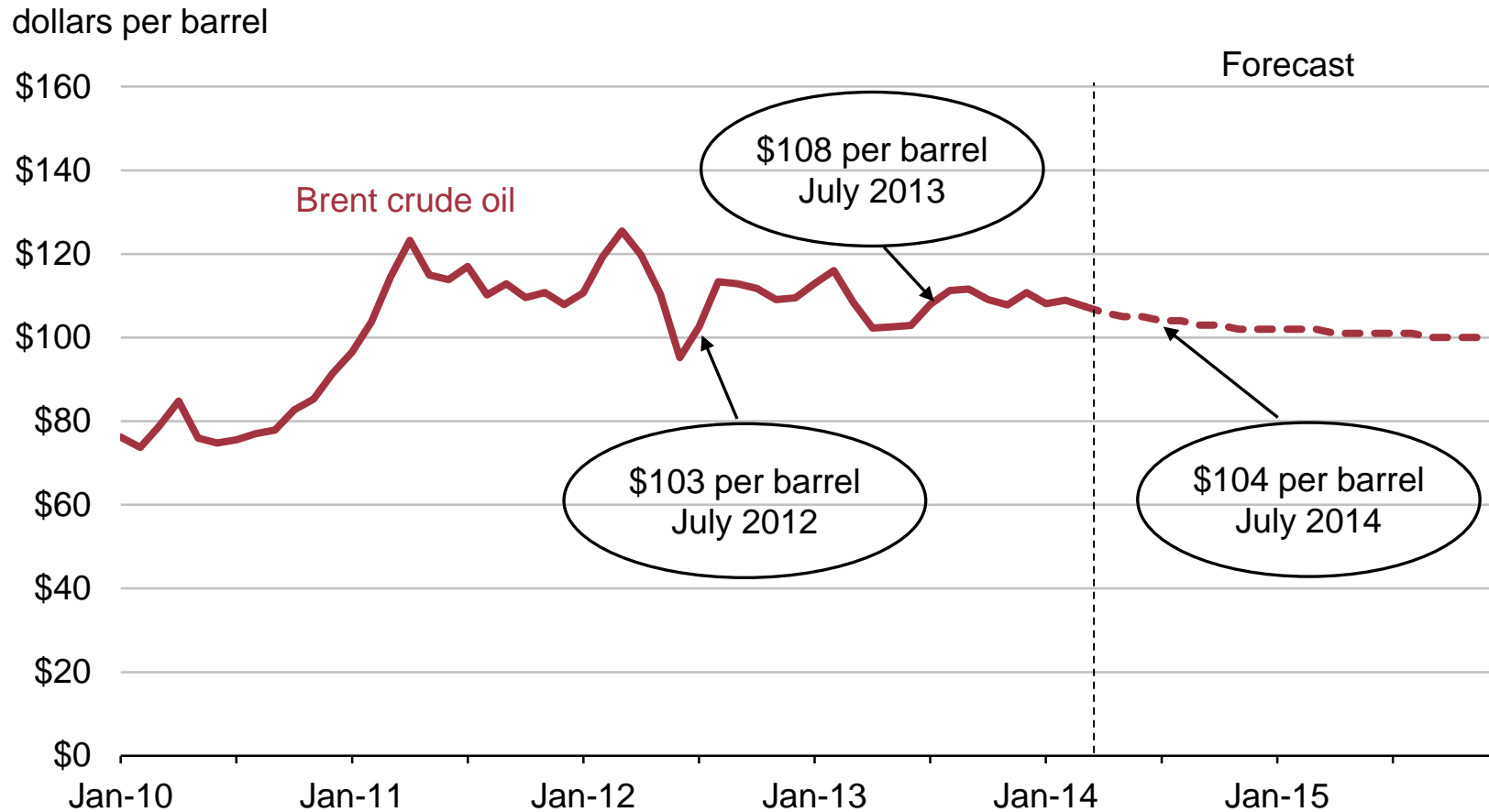
Expected world oil spare production capacity increases as non-OPEC supply growth supports cutbacks in OPEC production



Note: Shaded area represents 2003-2013 average (2.2 million barrels per day)

Source: Short-Term Energy Outlook, April 2014

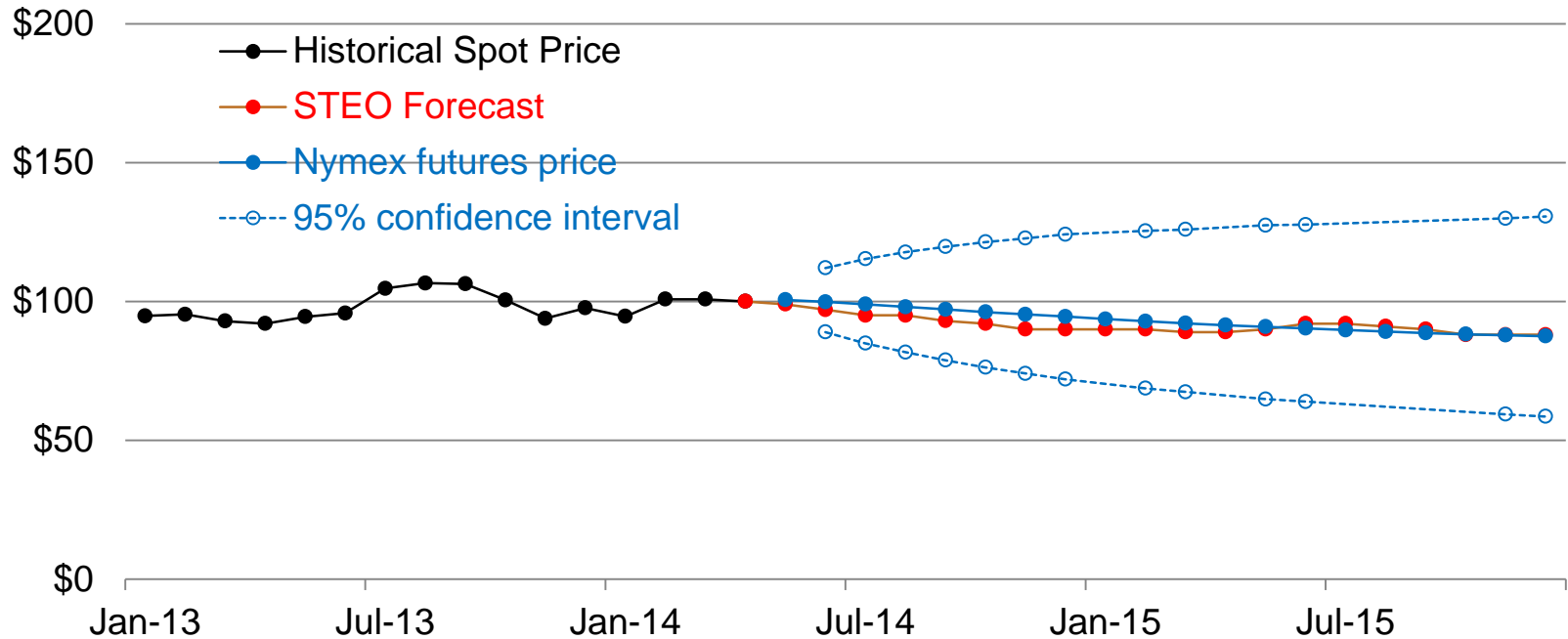
EIA expects Brent crude oil prices will average \$2 per barrel lower this summer (April-September), compared with last summer



Source: Short-Term Energy Outlook, April 2014

Uncertainty over crude oil price forecasts remains high

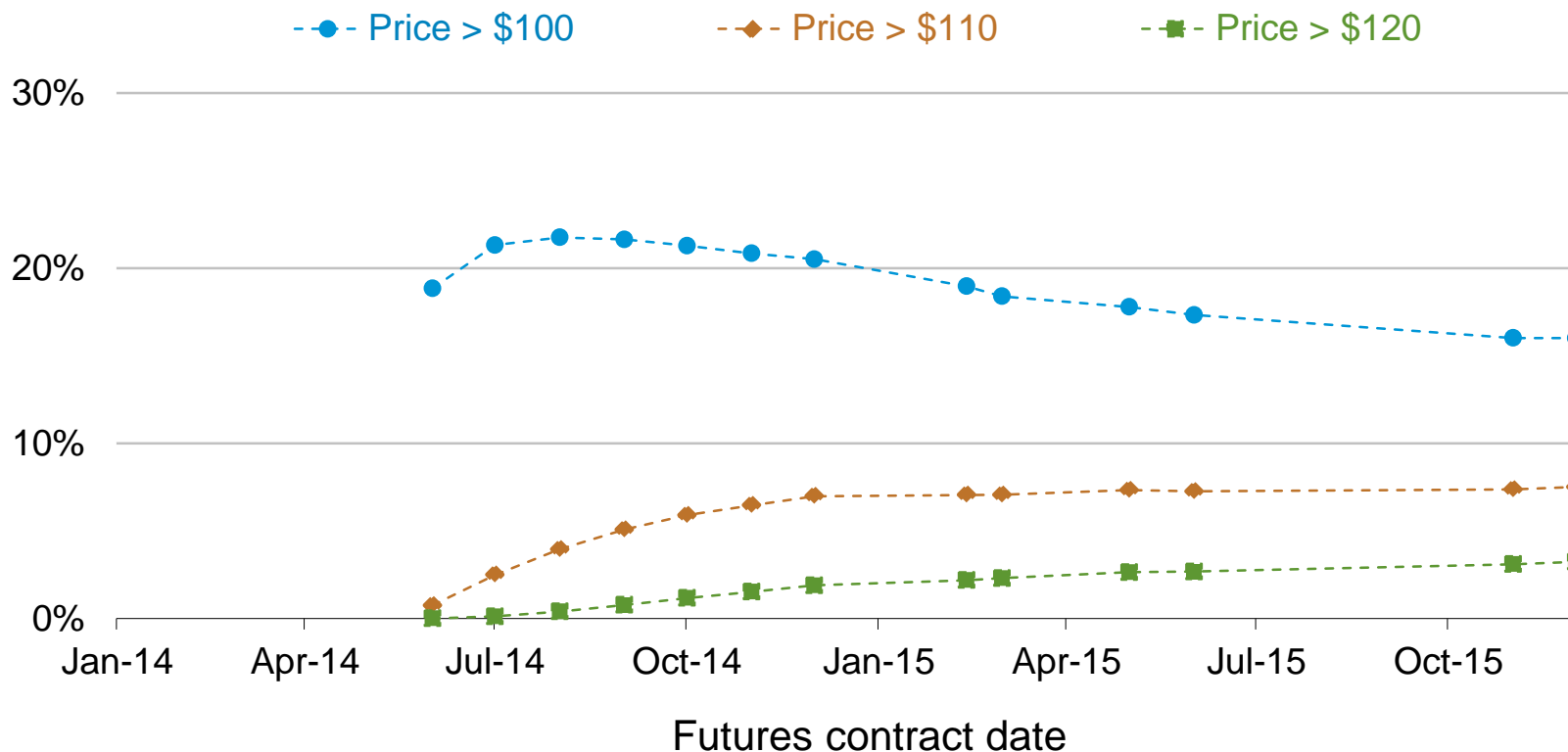
dollars per barrel



Notes: Price probabilities are calculated using Nymex market data for the five trading days ending April 3, 2014. Values not calculated for months with sparse trading in near-the-money options contracts

Source: Short-Term Energy Outlook, April 2014

Probabilities the West Texas Intermediate (WTI) crude oil price may exceed given levels



Notes: Price probabilities calculated using Nymex market data for the five trading days ending April 3, 2014. Values not calculated for months with little trading in close-to-the-money options contracts.

Source: Short-Term Energy Outlook, April 2014

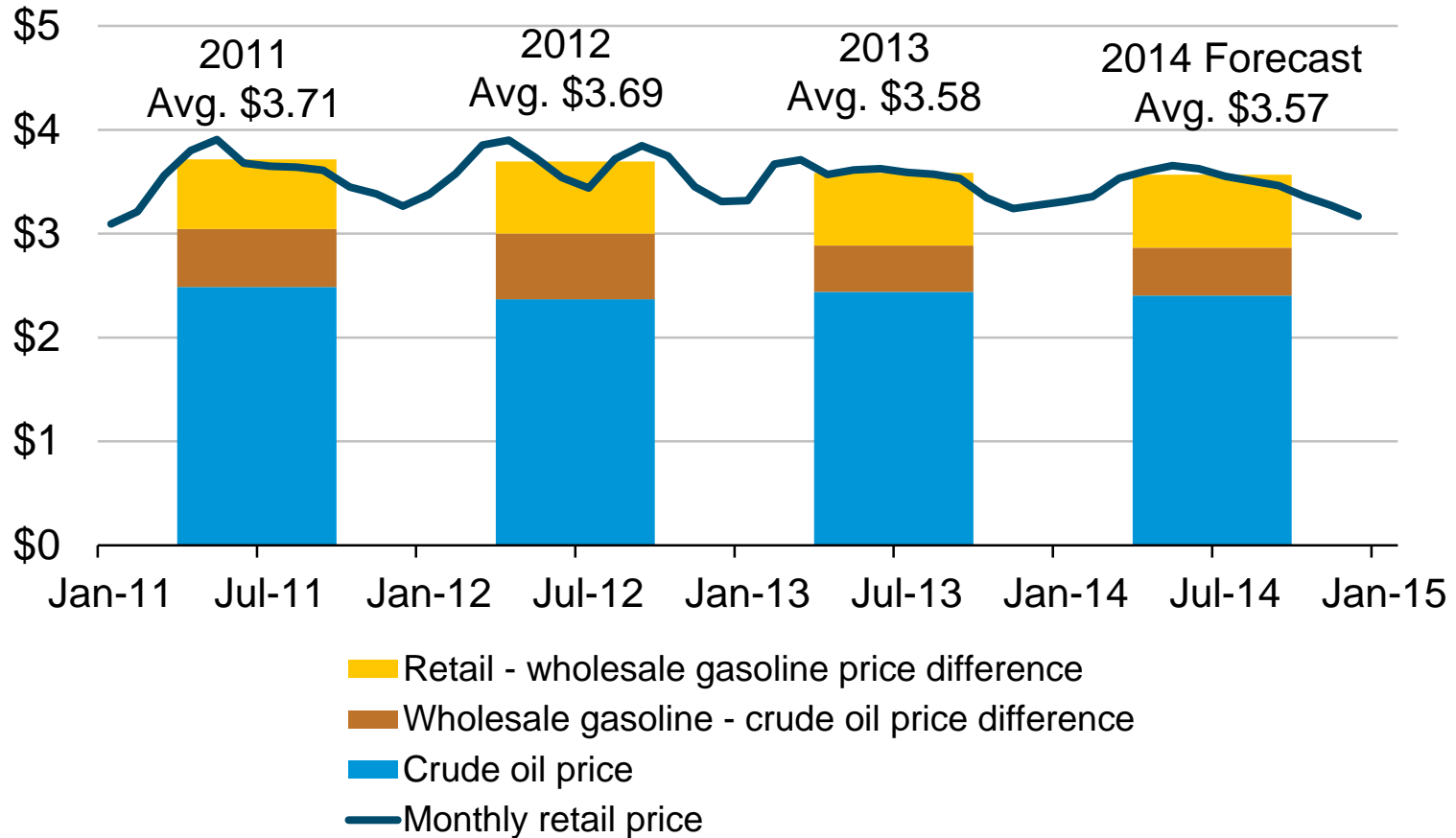
Major characteristics of 2014 U.S. summer (April-September) outlook for gasoline

- Slightly lower Brent crude oil prices compared with last summer
- Small increase in gasoline consumption as fuel economy improvements help offset growth in miles traveled

Source: Short-Term Energy Outlook, April 2014

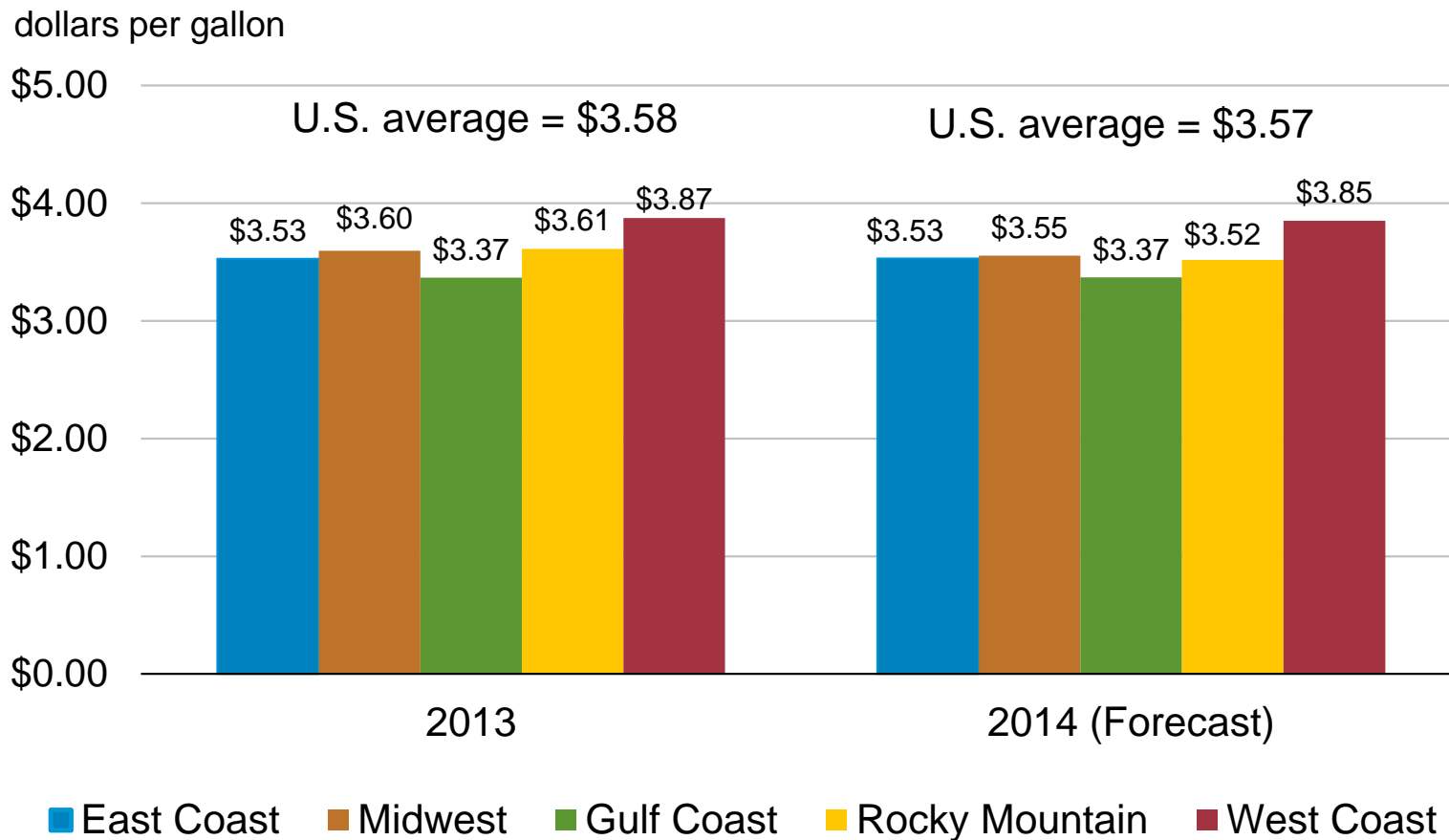
Regular-grade gasoline retail price forecast averages \$3.57 per gallon this summer compared with \$3.58 per gallon last summer

dollars per gallon



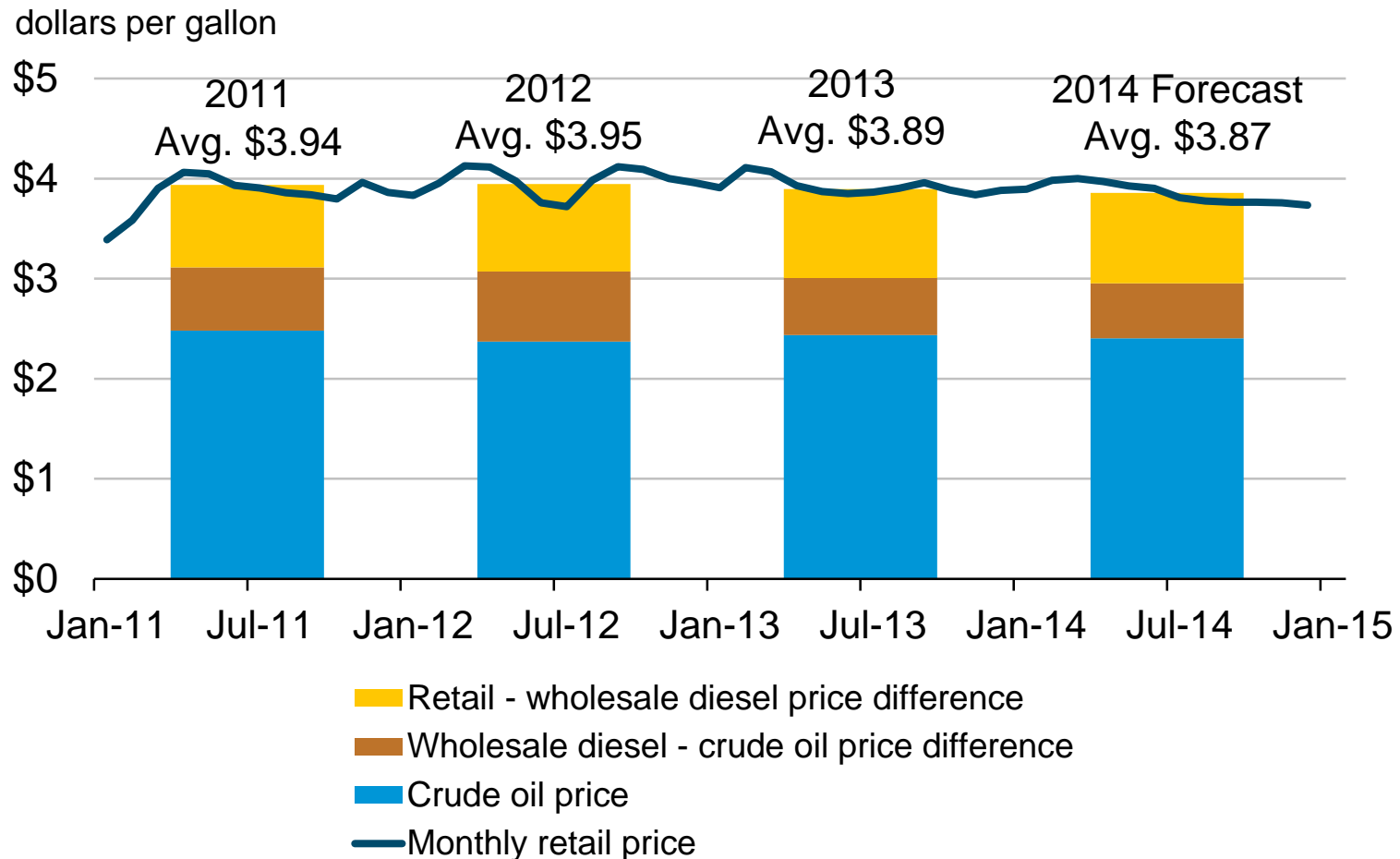
Source: Short-Term Energy Outlook, April 2014

Regular gasoline summer prices vary by region



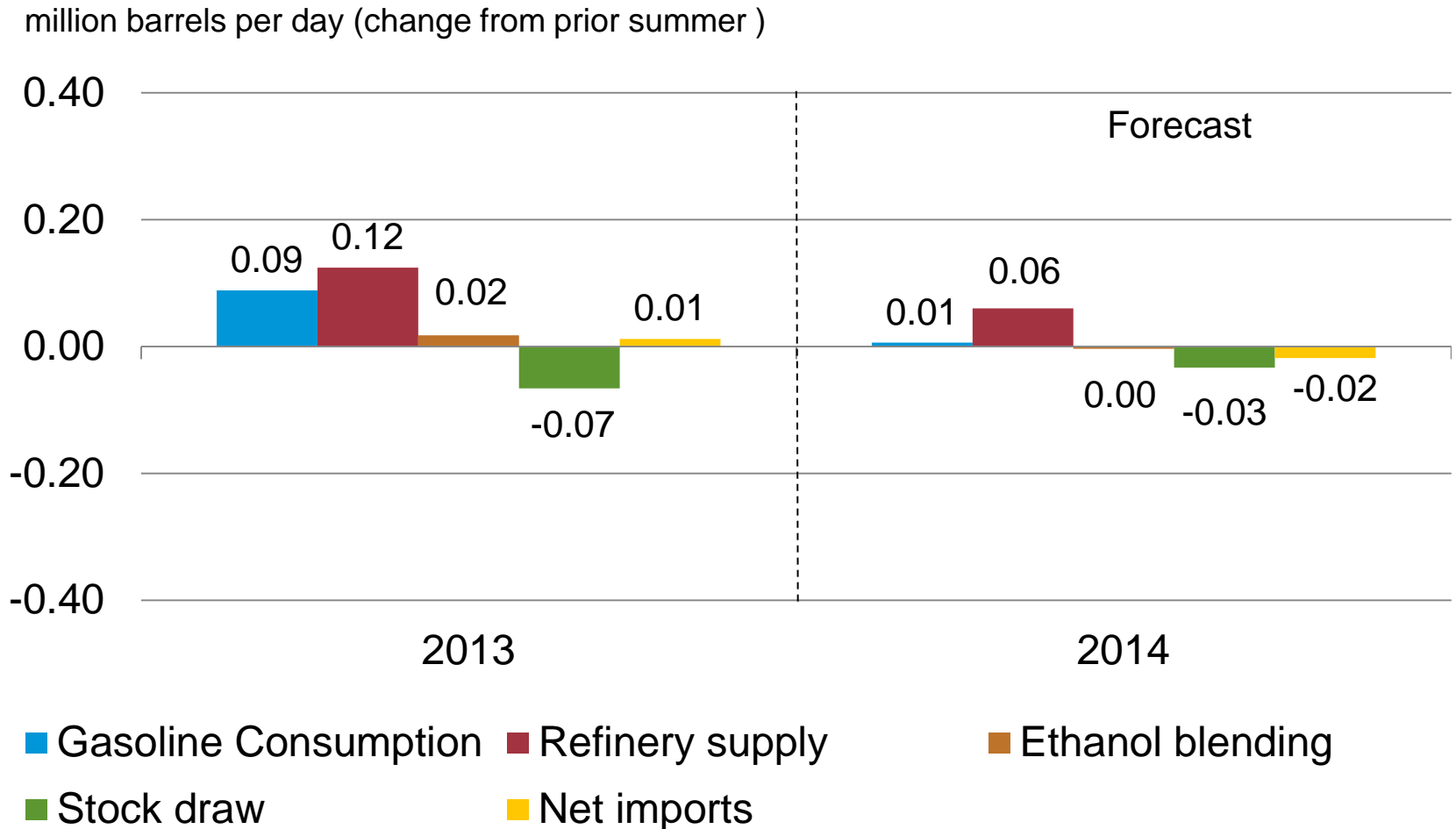
Source: Short-Term Energy Outlook, April 2014

Summer retail diesel price forecast averages \$3.87 per gallon, down \$0.02 per gallon from last summer



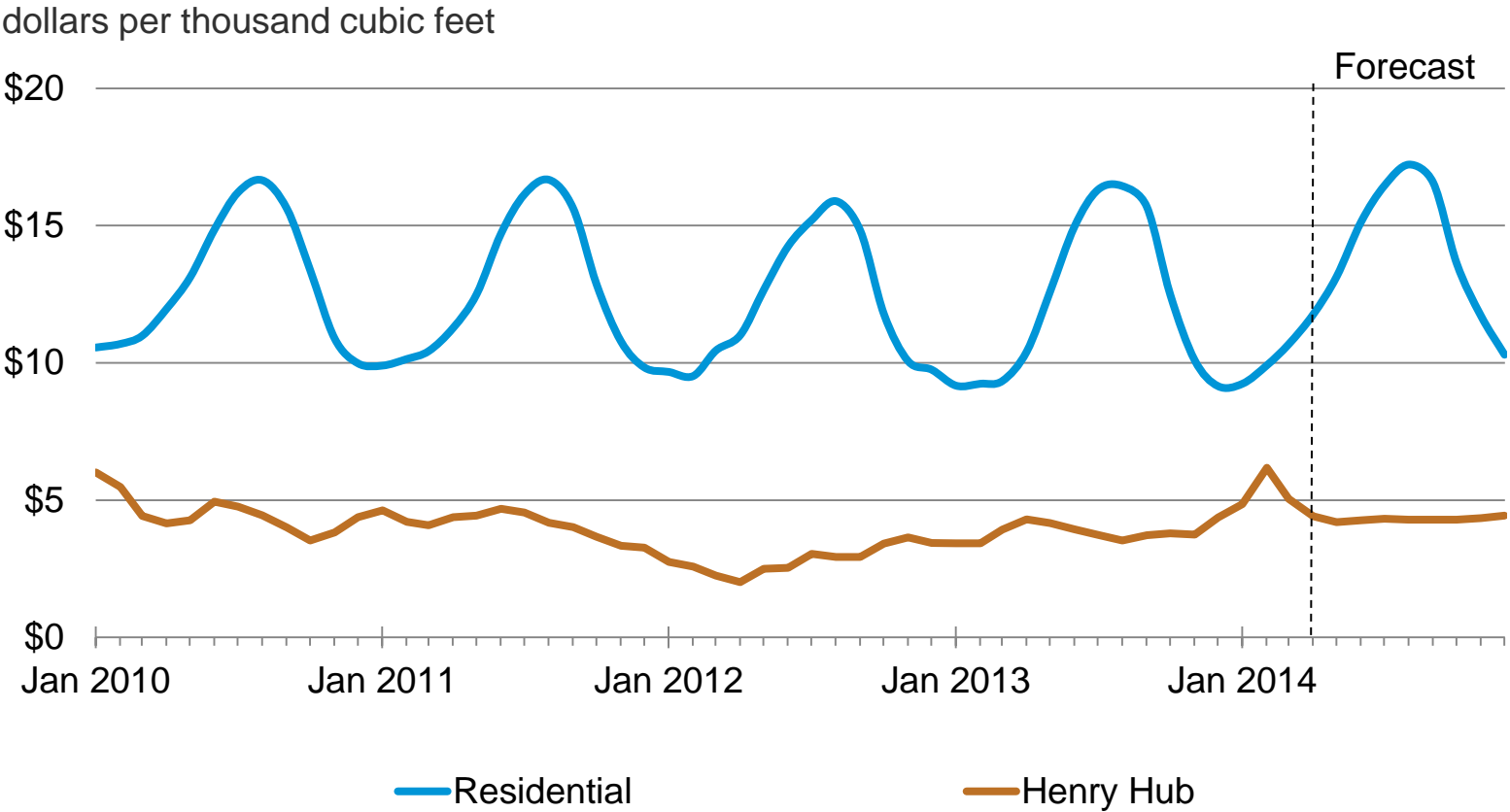
Source: Short-Term Energy Outlook, April 2014

Smaller increases in gasoline consumption and refinery production expected this summer



Source: Short-Term Energy Outlook, April 2014

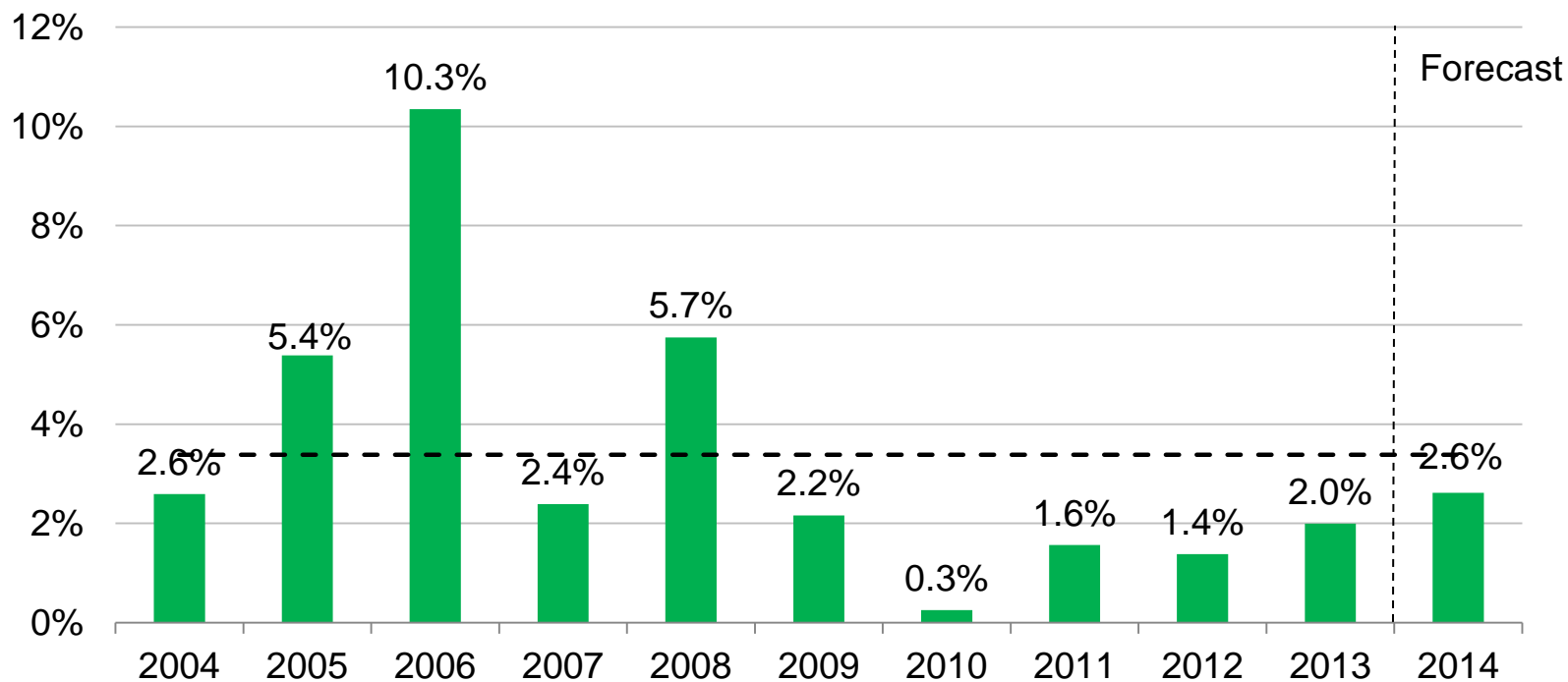
Residential natural gas price averages \$11.07 per thousand cubic feet in 2014, about 7% higher than last year



Source: Short-Term Energy Outlook, April 2014

Residential electricity average price increase in 2014 remains lower than the previous 10-year average

change from prior year



Dashed line represents prior 10-year average

Source: Short-Term Energy Outlook, April 2014

Summary

Liquid Fuels: Non-OPEC supply growth expected to outpace world consumption growth and keep oil prices from rising.

- Brent crude oil prices expected to average \$105 per barrel this summer compared with \$107 per barrel last summer.
- Regular gasoline retail prices expected to average \$3.57 per gallon this summer, compared with \$3.58 per gallon last summer.
- Diesel fuel prices also fall slightly from an average \$3.89 per gallon last summer to \$3.87 per gallon this summer.
- Multiple market uncertainties have the potential to significantly affect prices and supplies during the rest of 2014.

Natural Gas. Henry Hub spot price expected to average \$4.58 per thousand cubic feet in 2014, \$0.74 per thousand cubic feet above the 2013 average.

Electricity Prices. Small increase in average residential electricity price expected in 2014.

For more information

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

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

Annual Energy Outlook | www.eia.gov/aeo

International Energy Outlook | www.eia.gov/ieo

Monthly Energy Review | www.eia.gov/mer

Today in Energy | www.eia.gov/todayinenergy