Key factors driving the short-term outlook

- Global oil supply is expected to remain higher than global consumption in 2015, keeping oil prices at relatively low levels this summer compared with previous years.

- Growth in non-OPEC crude oil and other liquids production slows from 2.2 million bbl/d in 2014 to 0.7 million bbl/d in 2015.

- World liquid fuels consumption increases by an average 1.0 million bbl/d in 2015, driven largely by emerging economies.

- Brent crude oil prices, which averaged $99 per barrel in 2014, are projected to average $59 per barrel in 2015, and increase to $75 per barrel in 2016.
World liquid fuels consumption is projected to increase by 1.0 million bbl/d in 2015 and 1.1 million bbl/d in 2016.

Source: Short-Term Energy Outlook, April 2015
Non-OPEC supply growth slows in 2015 because of lower crude oil prices

Source: Short-Term Energy Outlook, April 2015
Expected OPEC surplus oil production capacity increases as non-OPEC supply growth supports cutbacks in OPEC production

Note: Shaded area represents 2004-2014 average (2.2 million barrels per day)

Source: Short-Term Energy Outlook, April 2015
EIA expects Brent crude oil prices will average $48 per barrel lower this summer (April-September), compared with last summer.

Source: Short-Term Energy Outlook, April 2015
Uncertainty of crude oil price forecast remains high

Notes: Price probabilities are calculated using Nymex market data for the five trading days ending April 2, 2015. Values not calculated for months with sparse trading in near-the-money options contracts.
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 2, 2015. Values not calculated for months with little trading in close-to-the-money options contracts.

Source: Short-Term Energy Outlook, April 2015
Major takeaways for 2015 U.S. summer (April-September) outlook for gasoline

- Brent crude oil spot prices and retail gasoline and diesel fuel prices average $1.10-$1.15/gallon lower than last summer.

- Compared with last summer, gasoline consumption increases 1.6%, as retail prices are 32% lower and continuing employment and income growth contribute to increasing highway travel.

- Higher gasoline inventories at the start of the summer driving season and increases in both refinery production and imports meet the growth in gasoline consumption.

Source: Short-Term Energy Outlook, April 2015
Regular-grade gasoline retail price forecast averages $2.45 per gallon this summer compared with $3.59 per gallon last summer.

Source: Short-Term Energy Outlook, April 2015
Regular gasoline summer prices vary by region

U.S. average = $3.59

East Coast: $3.57
Midwest: $3.54
Gulf Coast: $3.37
Rocky Mountain: $3.57
West Coast: $3.93

U.S. average = $2.45

East Coast: $2.41
Midwest: $2.41
Gulf Coast: $2.25
Rocky Mountain: $2.41
West Coast: $2.82

Source: Short-Term Energy Outlook, April 2015
Household gasoline expenditures in 2015 are projected to be the lowest since 2004.

Average annual household expenditures on gasoline

Summer retail diesel price forecast averages $2.77 per gallon, down $1.12 per gallon from last summer.

Source: Short-Term Energy Outlook, April 2015
Larger increases in gasoline consumption expected this summer

million barrels per day (change from prior summer)

Source: Short-Term Energy Outlook, April 2015
Residential natural gas price averages $10.33 per thousand cubic feet in 2015, about 6% lower than last year.

Source: Short-Term Energy Outlook, April 2015
The projected average residential electricity price increase in 2015 is lower than the previous 10-year average.

Source: Short-Term Energy Outlook, April 2015
Summary

**Liquid Fuels:** Global oil supply is expected to remain higher than global consumption in 2015, keeping oil prices at relatively low levels compared with previous years

- Brent crude oil prices are expected to average $58 per barrel this summer compared with $106 per barrel last summer.

- Regular gasoline retail prices are expected to average $2.45 per gallon this summer, compared with $3.59 per gallon last summer.

- Diesel fuel prices are expected to average $2.77 per gallon this summer, compared with $3.89 per gallon last summer.

- Multiple market uncertainties have the potential to significantly affect prices and supplies during the rest of 2015.

**Natural Gas:** The Henry Hub spot price is expected to average $3.16 per thousand cubic feet in 2015, $1.36 per thousand cubic feet below the 2014 average.

**Electricity Prices:** A 1.4% increase in the average residential electricity price is expected in 2015.
For more information


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