



Independent Statistics & Analysis

U.S. Energy Information
Administration

March 9, 2021

Oil prices to fall in coming months as market balances

According to the U.S. Energy Information Administration, international benchmark Brent crude oil spot prices averaged \$62 per barrel in February, which was up about \$8 from January and up \$7 from February 2020. Brent prices increased in February as Organization of the Petroleum Exporting Countries, or OPEC, and its partner countries continue to expect increased demand and limited supply.

On March 4, OPEC and its partners extended existing production cuts through April, which added significantly to near-term upward pressure on crude oil prices. However, EIA expects downward pressure on crude oil prices will emerge in the coming months as OPEC and its partners begin to relax cuts in May in response to growing demand. In the March *Short-Term Energy Outlook*, EIA forecasts Brent crude oil spot prices to decrease from an average of \$67 per barrel in March and April to \$58 per barrel in the second half of 2021.

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