



Independent Statistics & Analysis

U.S. Energy Information
Administration

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Oil prices decrease as growth in global oil demand slows

The U.S. Energy Information Administration (EIA) reports that spot prices for Brent crude oil averaged \$41 per barrel in September, down \$4 per barrel from August. The decrease in crude oil prices coincided with slowing global oil demand growth in the third quarter.

In EIA's October *Short-Term Energy Outlook* month-over-month global oil consumption rose an average 1.0 million barrels per day in August and September compared with the 4.2 million barrels per day in May through July. EIA estimates that a shift occurred in global liquid fuel inventories, which grew at a rate of 7.3 million barrels per day in the second quarter of 2020 but fell at a rate of 3.1 million barrels per day in the third quarter.

Despite expected inventory draws in the coming months, EIA forecasts high inventory levels and surplus crude oil production capacity will limit upward pressure on oil prices, resulting in an average monthly Brent spot price of \$42 per barrel in the fourth quarter. We forecast Brent spot prices to average \$47 per barrel in 2021.

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