

Global Oil Market: Short-Term Issues

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Session Overview

- Supply Issues
 - Michael Cohen: EIA's Short-Term Supply Outlook
 - Jamal Qureshi (PFC): Comments on the Outlook
- Demand Issues
 - Erik Kreil: EIA's Short-Term Demand Outlook
 - Ed Morse (Hess Energy Trading): Comments on the Outlook

Overview of the EIA Short-Term Outlook Global Perspective: Prices

- World oil price projections are based on a variety of factors:
 - U.S. and OECD inventories
 - Futures prices
 - Assessments of future supply growth including risk assessments with regard to political and other events that could result in supply disruptions and growth in OPEC and Non-OPEC supplies
 - Assessments of future demand growth

Supply Issues

- Risk Assessments: We have a list of about 15 items that we review to try and get a sense of risk. For example current events in Nigeria, Venezuela, Saudi Arabia and Iraq would suggest that there is considerable risk with regard to future disruptions
- Non-OPEC production trends: including production declines and new projects
- OPEC production trends: including the addition of spare oil production capacity (mainly Saudi Arabia)

Demand Issues

- These factors consist of projections of:
 - Future economic growth by region
 - The reactions of various countries to changes in prices and the extent to which their consumers see these price movements
 - Other events such as building strategic stocks, reductions in hydropower output etc.