

2013 Summer Fuels Outlook



April 9, 2013



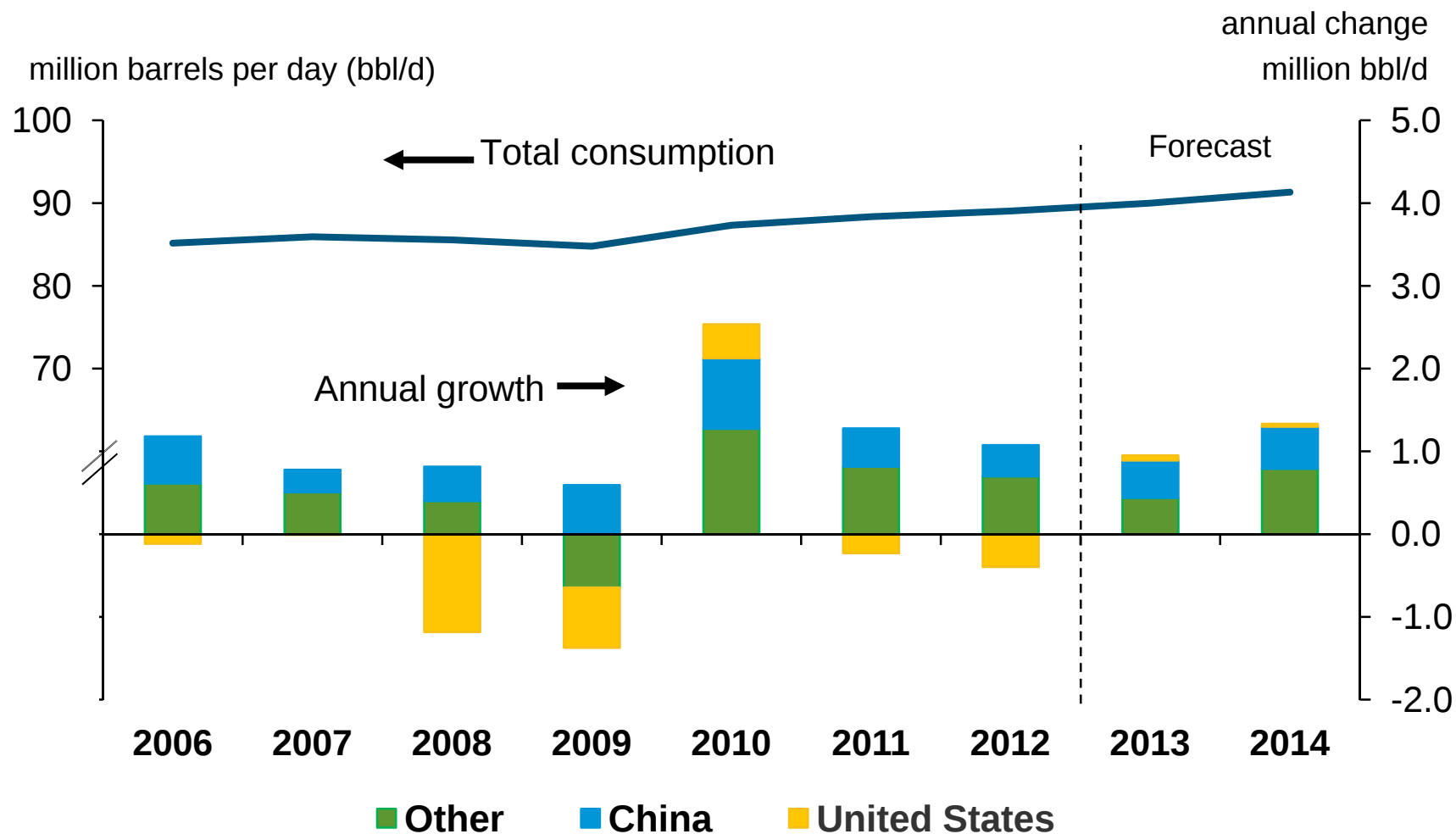
U.S. Energy Information Administration

Independent Statistics & Analysis | www.eia.gov

Key factors driving the short-term outlook

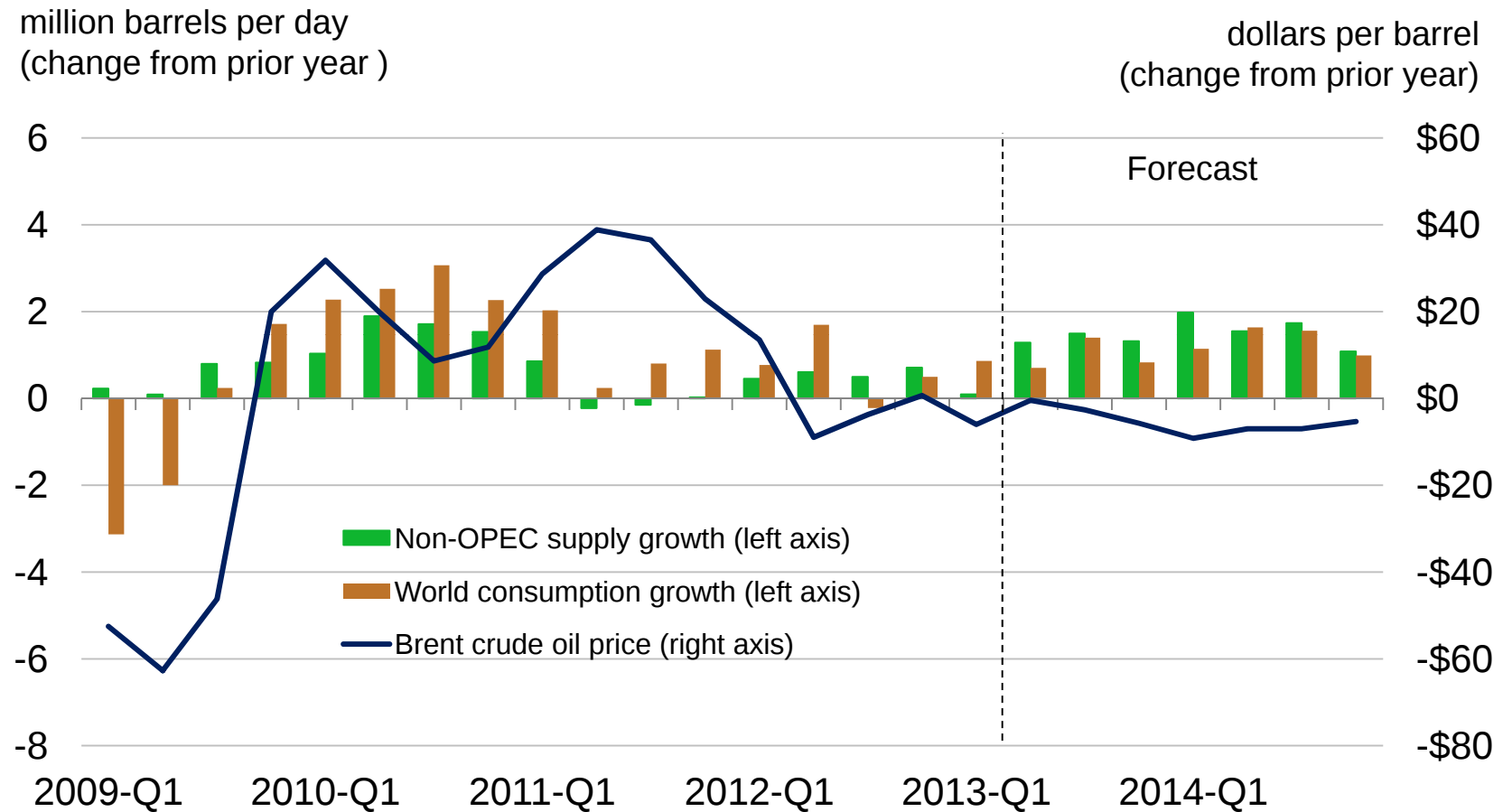
- World liquid fuels consumption growth driven by emerging economies, with continuing consumption declines in OECD countries.
- Non-OPEC supply growth, particularly in North America, expected to keep pace with world liquid fuels consumption growth and contribute to modest declines in world crude oil prices.
- Brent crude oil prices fall gradually over the forecast, averaging, from \$112 per barrel in 2012 to \$108 per barrel in 2013 and \$101 per barrel in 2014. The discount for West Texas Intermediate (WTI) crude oil relative to other world crudes narrows later in 2013 as transport bottlenecks ease.

World liquid fuels consumption is projected to increase by 0.95 million bbl/d in 2013 and 1.3 million bbl/d in 2014



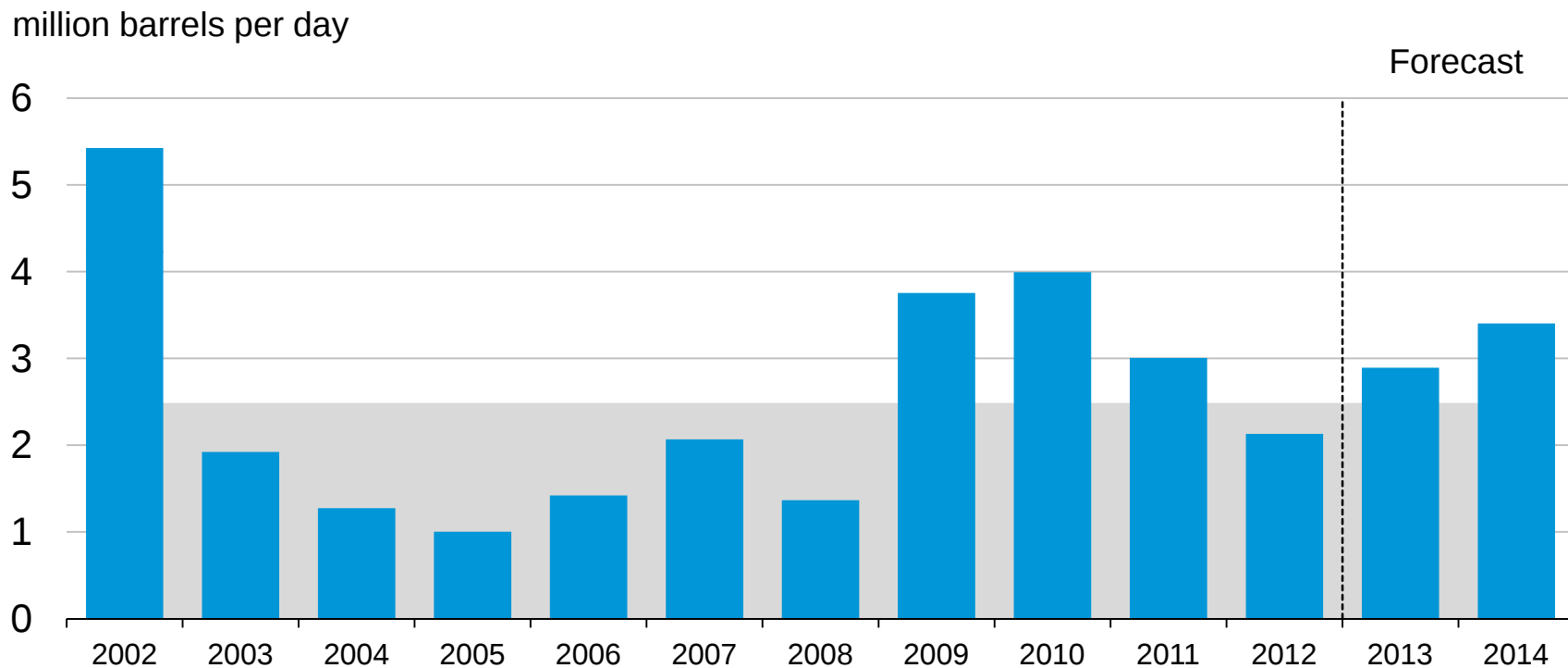
Source: Short-Term Energy Outlook, April 2013

Non-OPEC production growth in 2013 and 2014 expected to outpace world consumption growth for first time since 2009



Source: Short-Term Energy Outlook, April 2013

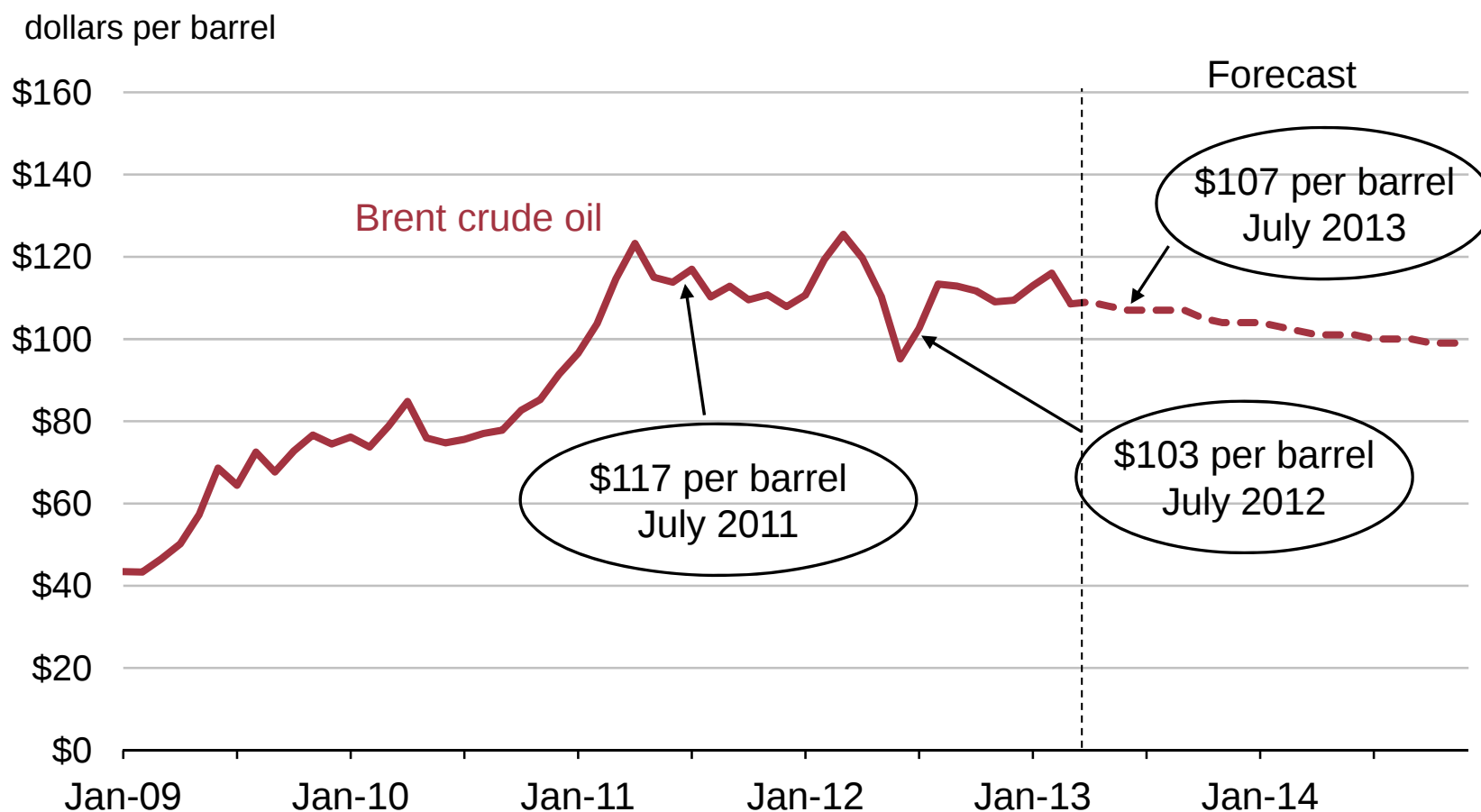
Expected world oil spare production capacity increases as non-OPEC supply growth supports cutbacks in OPEC production



Note: Shaded area represents 2002 – 2012 average (2.5 million barrels per day)

Source: Short-Term Energy Outlook, April 2013

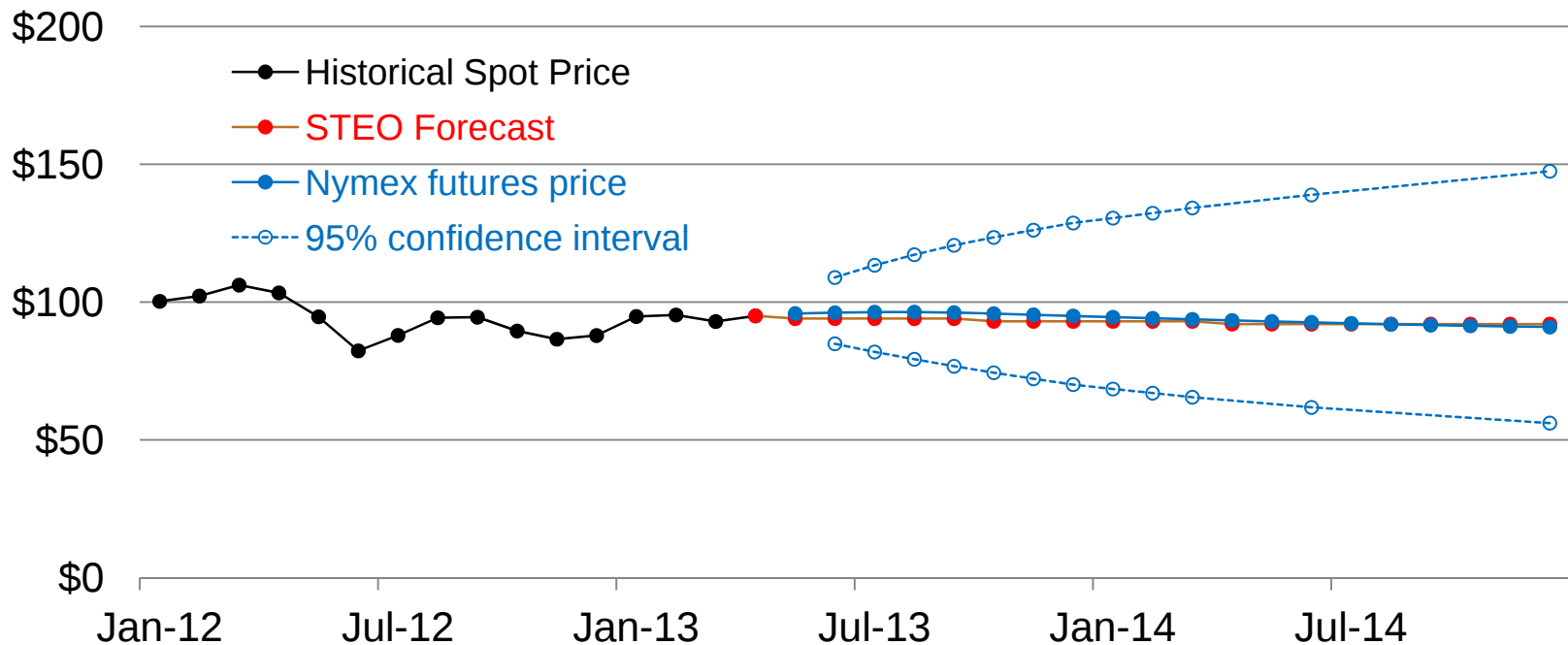
EIA expects Brent crude oil prices will average \$108 per barrel this summer (April-September), compared with \$109 per barrel last summer



Source: Short-Term Energy Outlook, April 2013

Uncertainty over crude oil price forecasts remains high

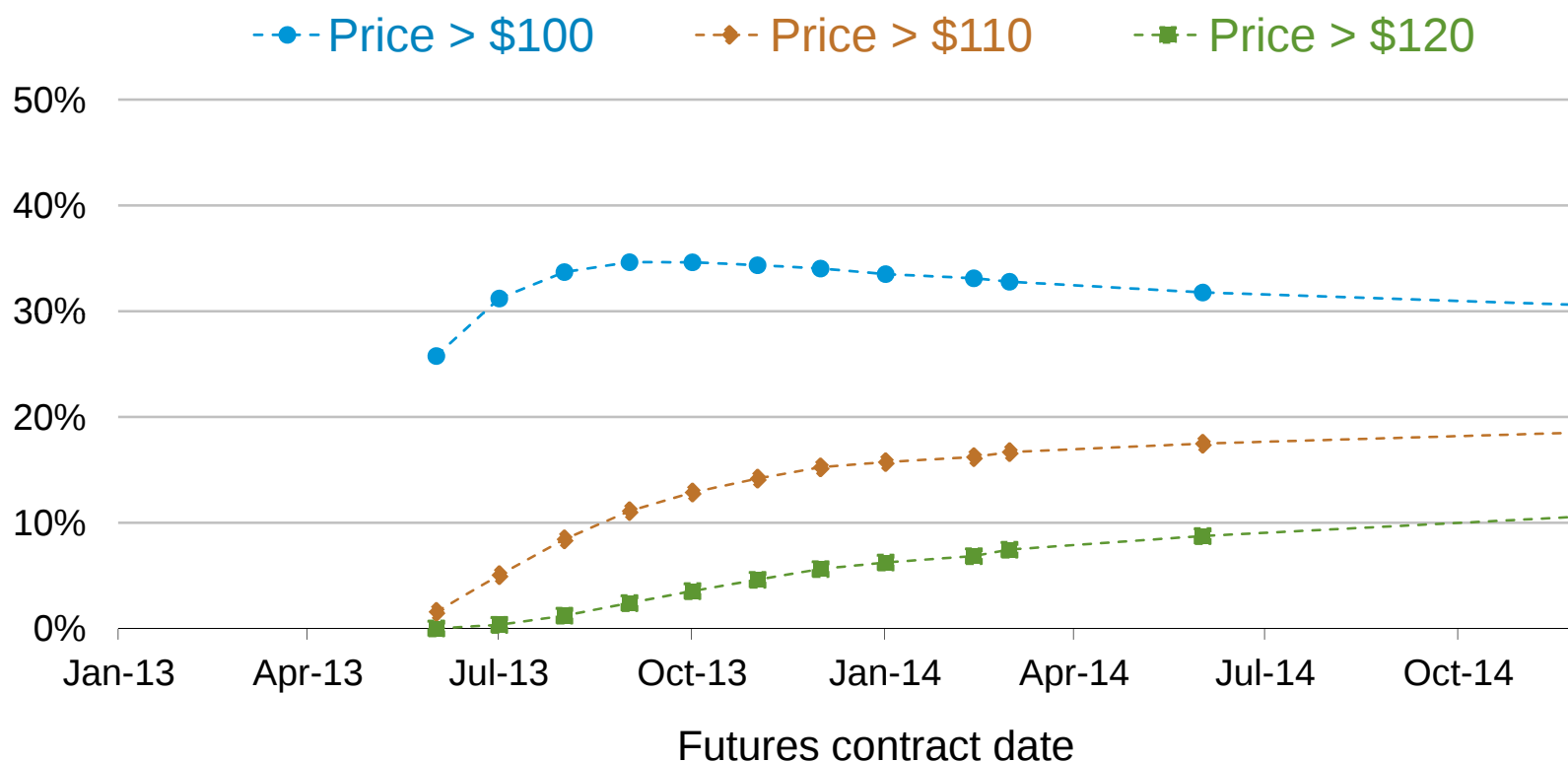
dollars per barrel



Notes: Price probabilities are calculated using Nymex market data for the five trading days ending April 4, 2013. Values not calculated for months with sparse trading in near-the-money options contracts

Source: Short-Term Energy Outlook, April 2013

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 4, 2013.
Values not calculated for months with little trading in close-to-the-money options contracts.

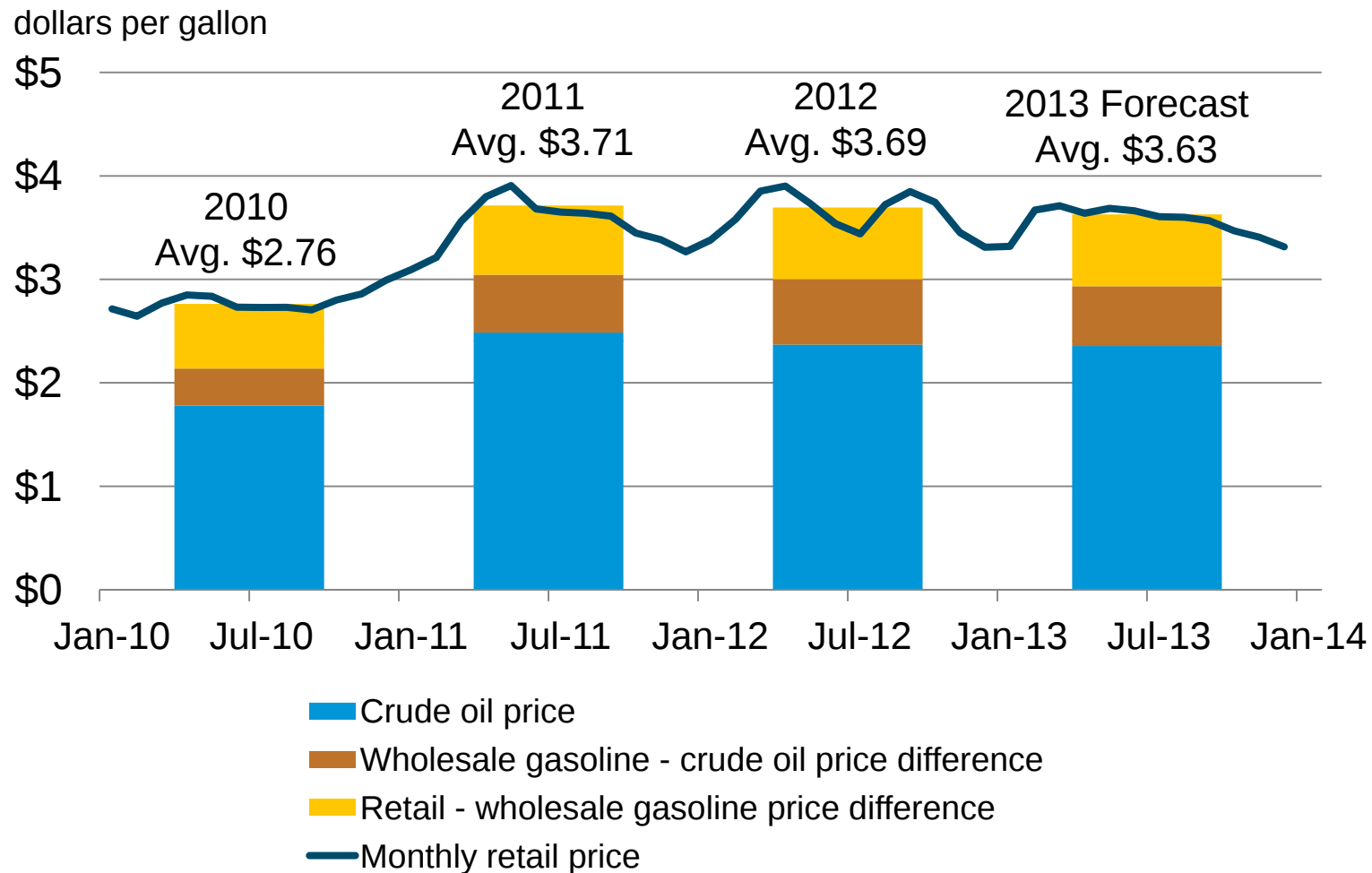
Source: Short-Term Energy Outlook, April 2013

Major characteristics of 2013 U.S. summer (April-September) outlook for gasoline

- Slightly lower Brent crude oil prices compared with last summer
- Small decline in gasoline consumption as fuel economy improvements more than offset growth in miles traveled
- Fuel ethanol blending doesn't recover from the drought until the end of this summer.

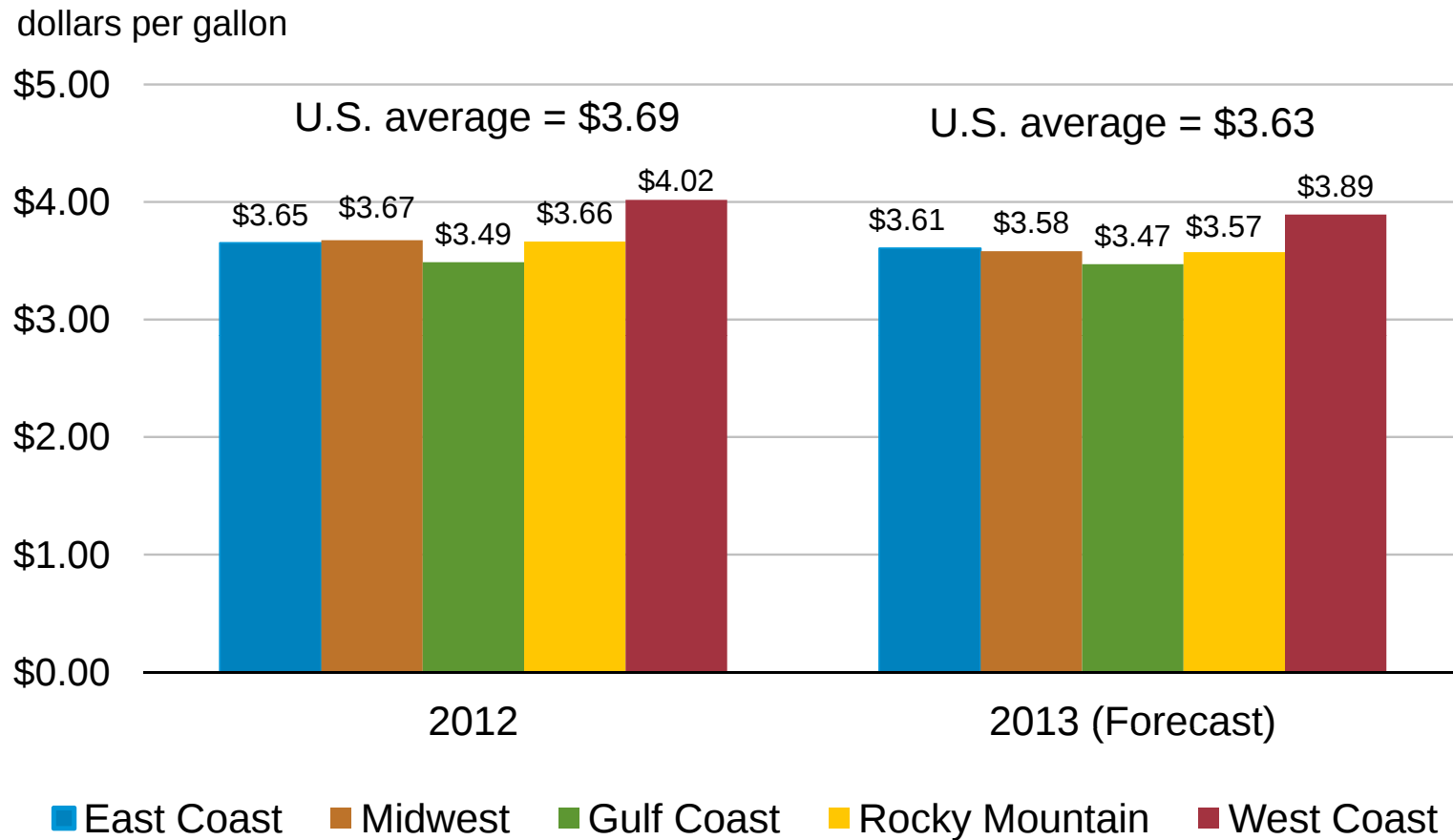
Source: Short-Term Energy Outlook, April 2013

Regular-grade gasoline retail price forecast averages \$3.63 per gallon this summer compared with \$3.69 per gallon last summer



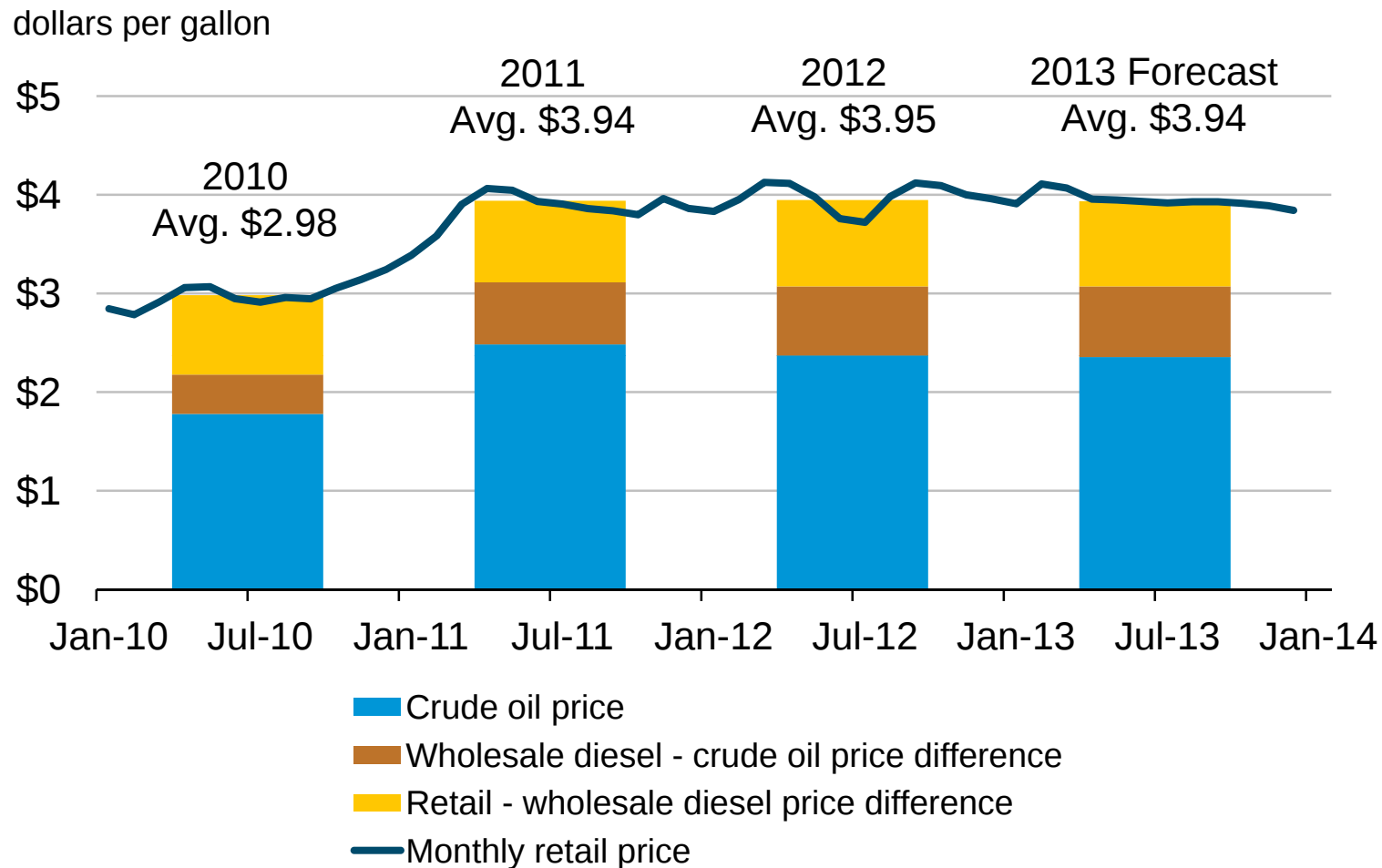
Source: Short-Term Energy Outlook, April 2013

Regular gasoline summer prices vary by region



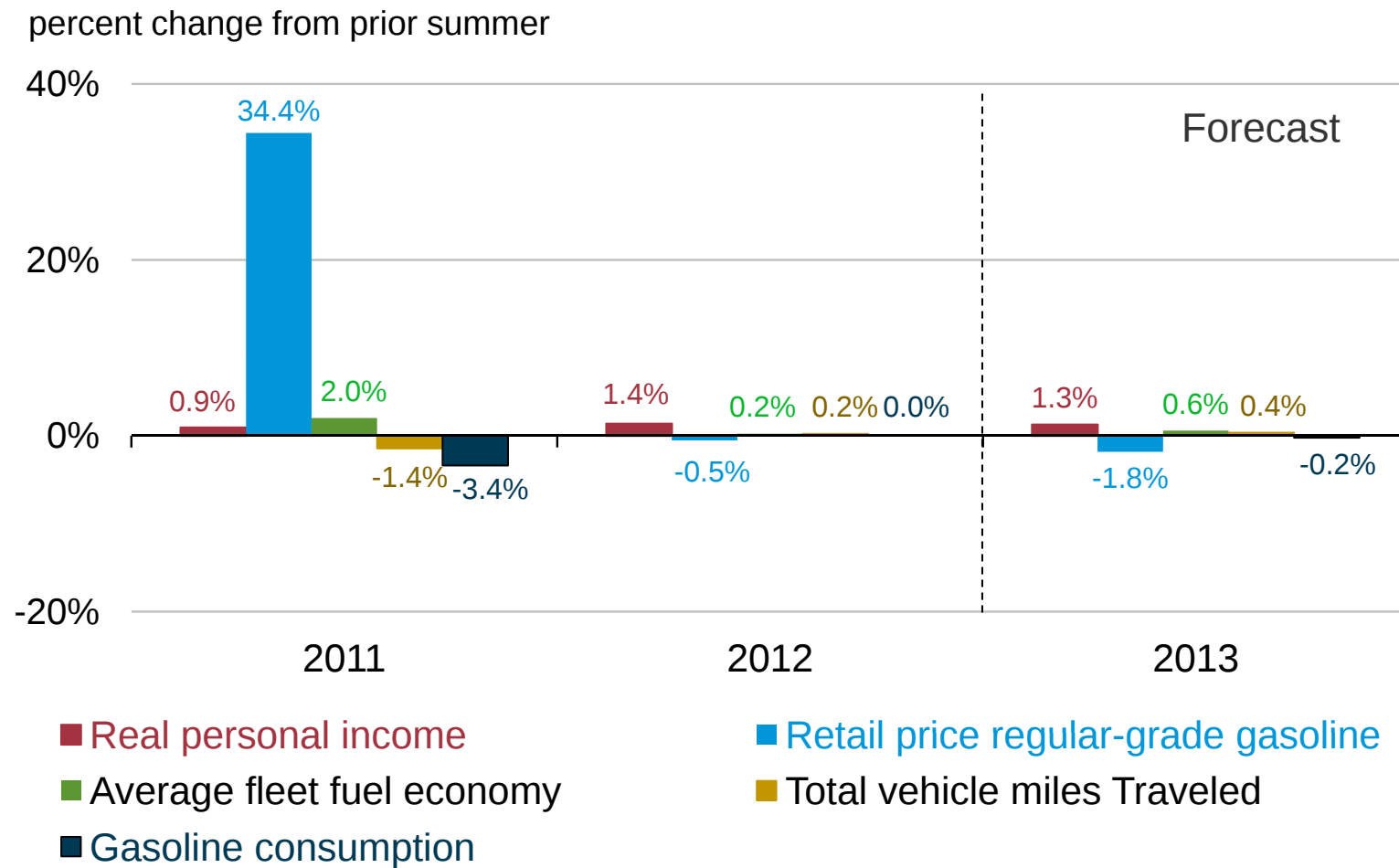
Source: Short-Term Energy Outlook, April 2013

Summer retail diesel price forecast averages \$3.94 per gallon, down \$0.01 per gallon from last summer



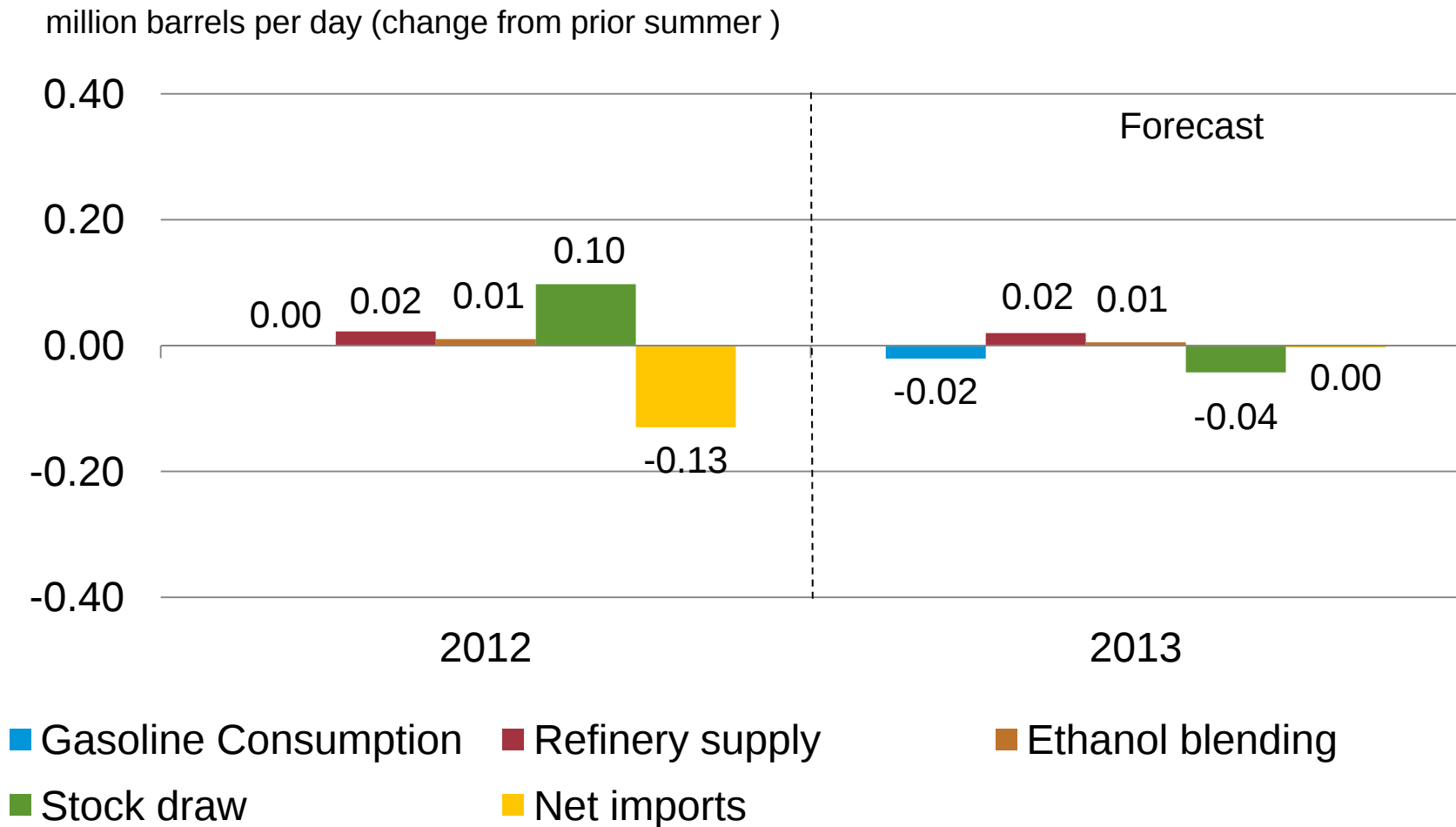
Source: Short-Term Energy Outlook, April 2013

Gasoline consumption falls slightly as increasing fuel economy of the vehicle fleet more than offsets growth in miles traveled



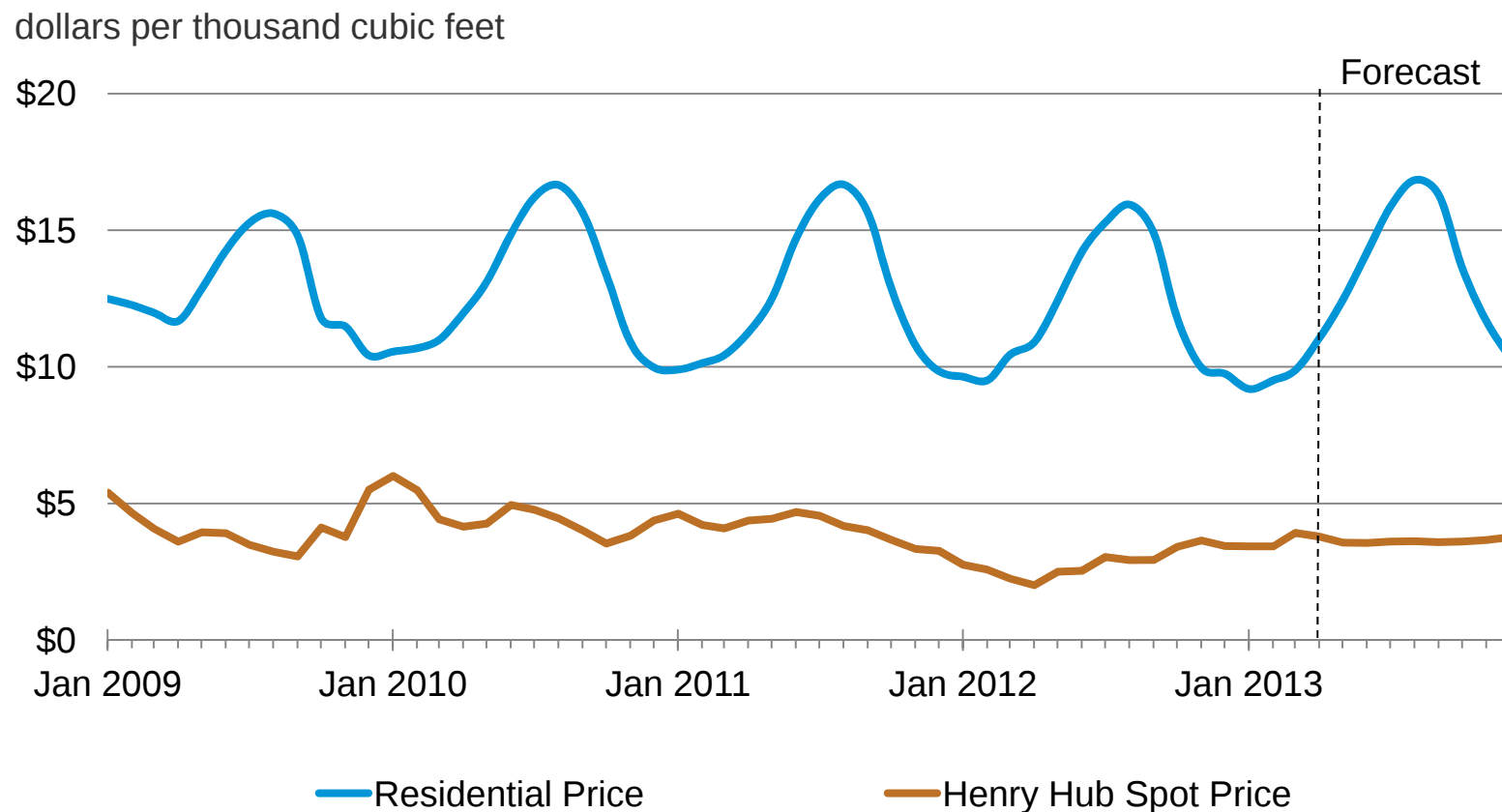
Source: Short-Term Energy Outlook, April 2013

Smaller gasoline stock draw this summer results from lower gasoline consumption and higher refinery output



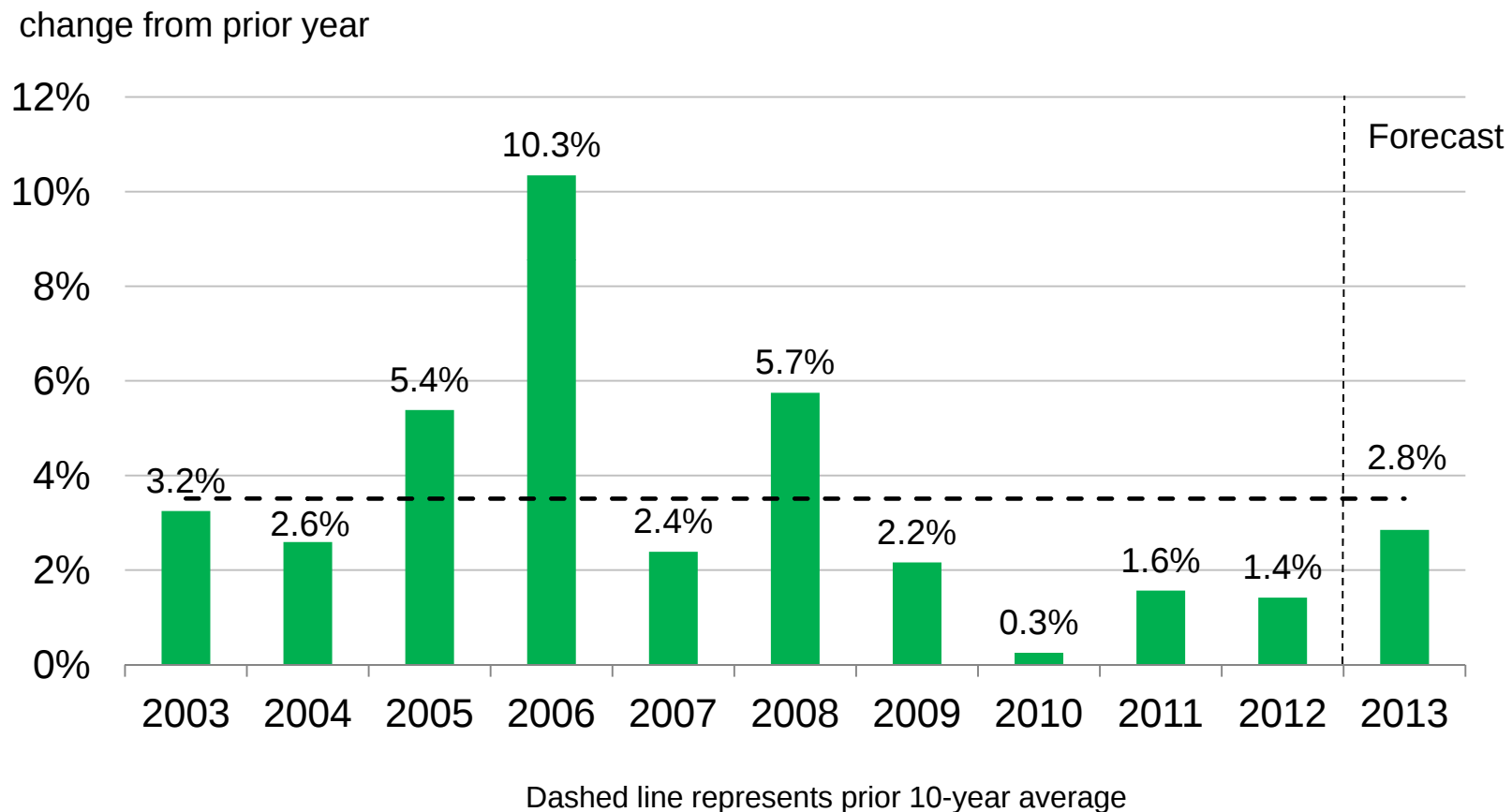
Source: Short-Term Energy Outlook, April 2013

Residential natural gas price averages \$10.90 per thousand cubic feet in 2013, about 2% higher than last year



Source: Short-Term Energy Outlook, April 2013

Residential electricity average price increase in 2013 is lower than the previous 10-year average



Source: Short-Term Energy Outlook, April 2013

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 \$108 per barrel this summer compared with \$109 per barrel last summer.
- Regular gasoline retail prices expected to average \$3.63 per gallon this summer, compared with \$3.69 per gallon last summer.
- Diesel fuel prices decrease from an average \$3.95 per gallon last summer to \$3.94 per gallon this summer.
- Multiple market uncertainties have the potential to significantly affect prices and supplies during the rest of 2013.

Natural Gas. Henry Hub spot price expected to average \$3.63 per thousand cubic feet in 2013, \$0.79 per thousand cubic feet above the 2012 average.

Electricity Prices. Slight increase in average residential electricity price expected in 2012.

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