



# Short-Term Energy Outlook

## **April 2004 Short-Term Energy Outlook and Summer Motor Gasoline Outlook**

*presented to  
the*

***2004 EIA-OEA-NASEO Summer Transportation  
Fuels Outlook Conference***

*by*

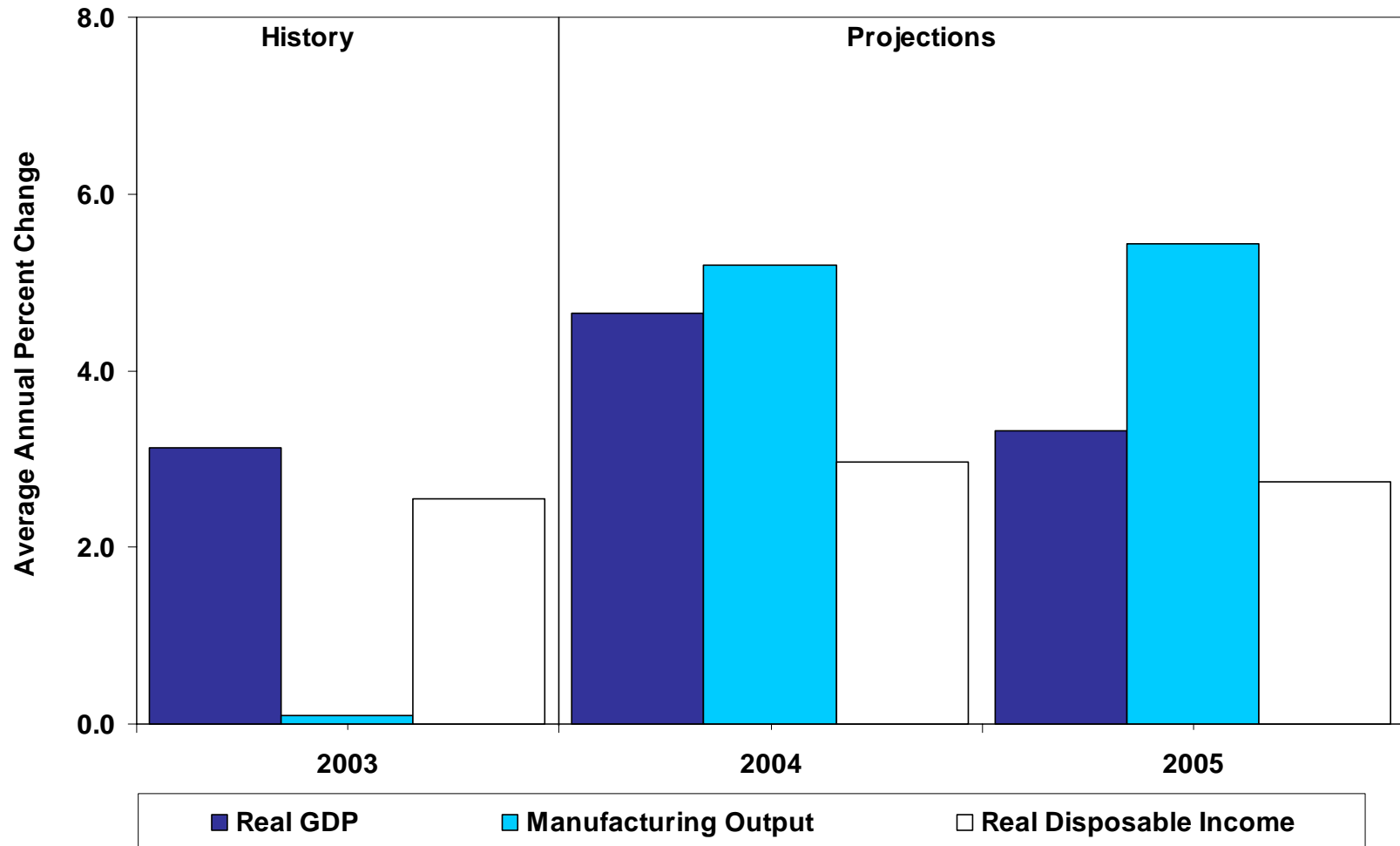
***Guy Caruso  
Administrator, EIA***

# April 2004 Short-Term Energy Outlook: Overview

## Baseline Assumptions for 2004

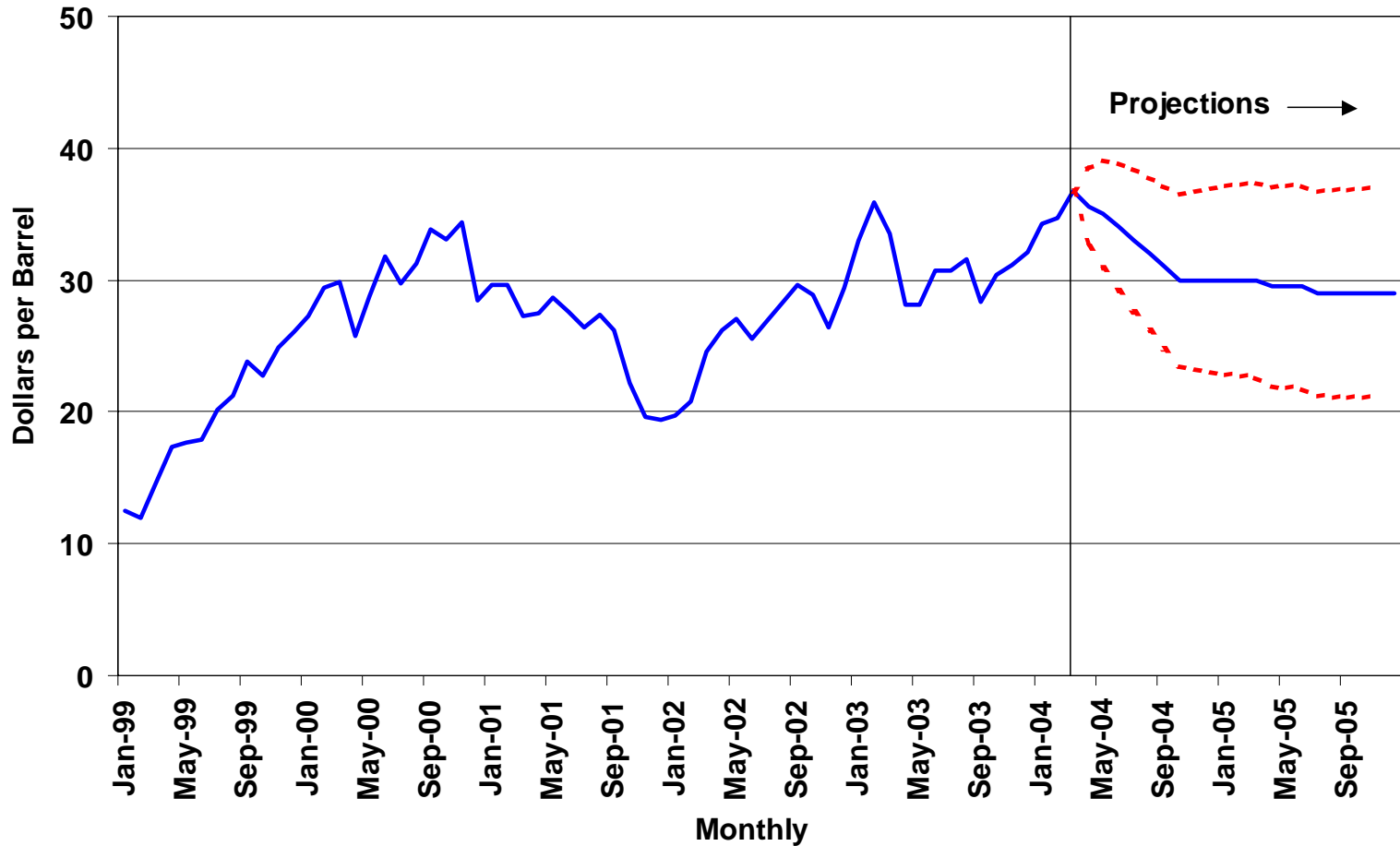
- **U.S. GDP: ↑ 4.7% (3.1% in 2003)**
- **U.S. Real personal disposable income: ↑ 3.0% (2.5% in 2003)**
- **U.S. Manufacturing production: ↑ 5.2% (0.1% in 2003)**
- **OPEC output: near 2003 level in 2004-2005**

# US Macroeconomic Indicators (Percent Change from year Ago)



Sources: History: EIA; Projections: Short-Term Energy Outlook, April 2004

# West Texas Intermediate Crude Oil Price (Base Case and 95% Confidence Interval\*)

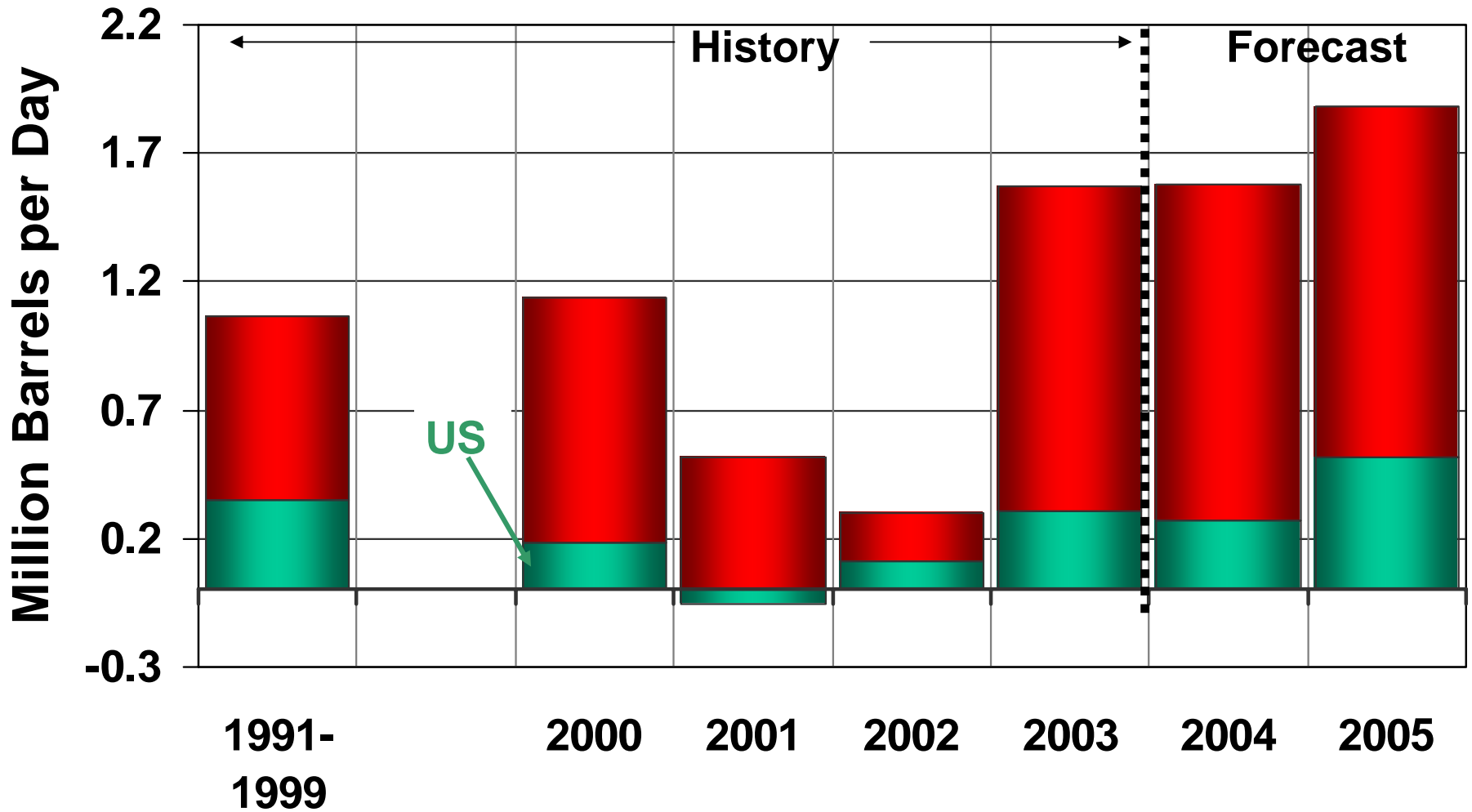


*\*The confidence intervals show +/- 2 standard errors based on the properties of the model. The ranges do not include the effects of major supply disruptions.*

Sources: History: EIA; Projections: Short-Term Energy Outlook, April 2004

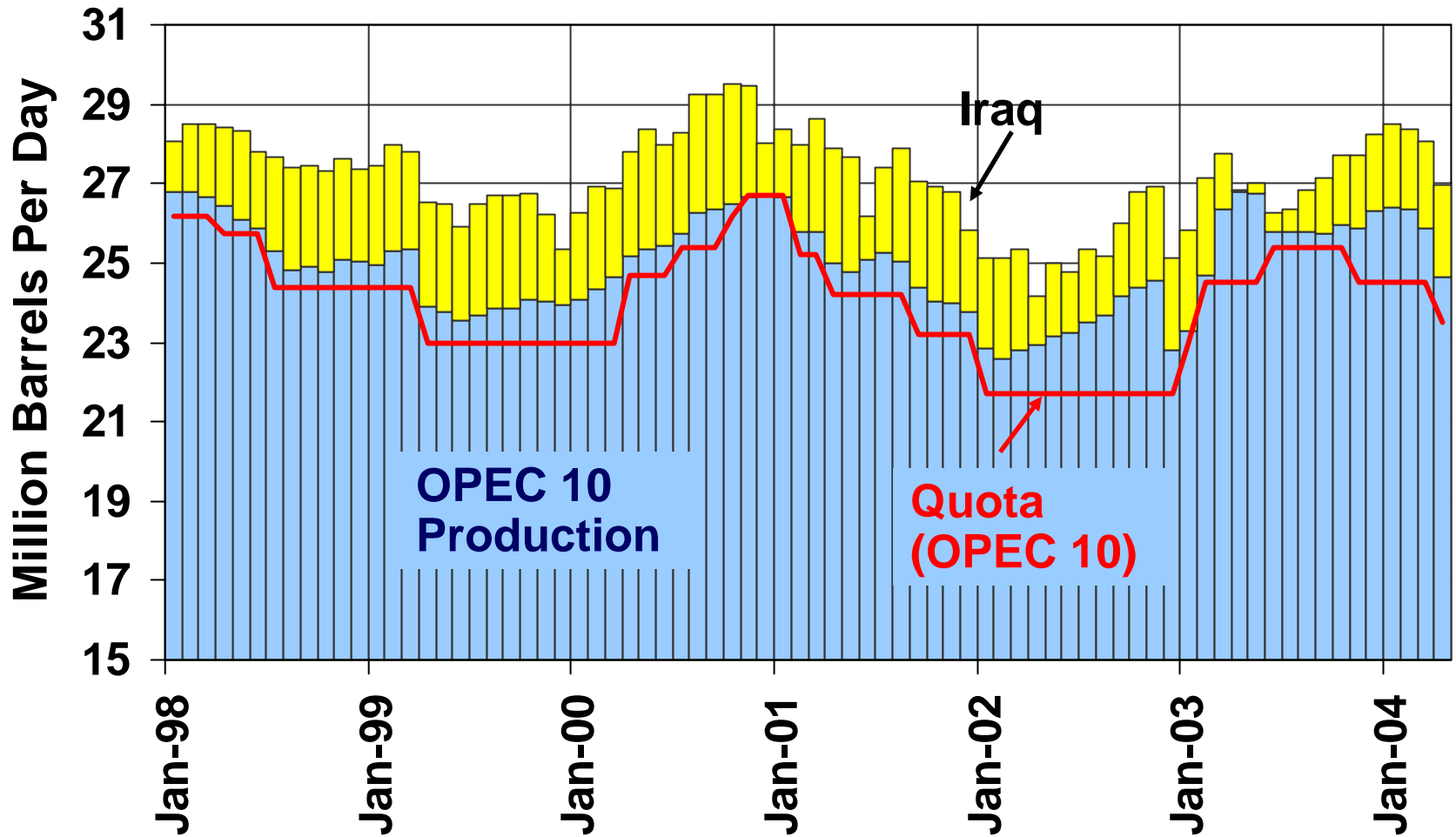


# Annual U.S. and World Oil Demand Growth

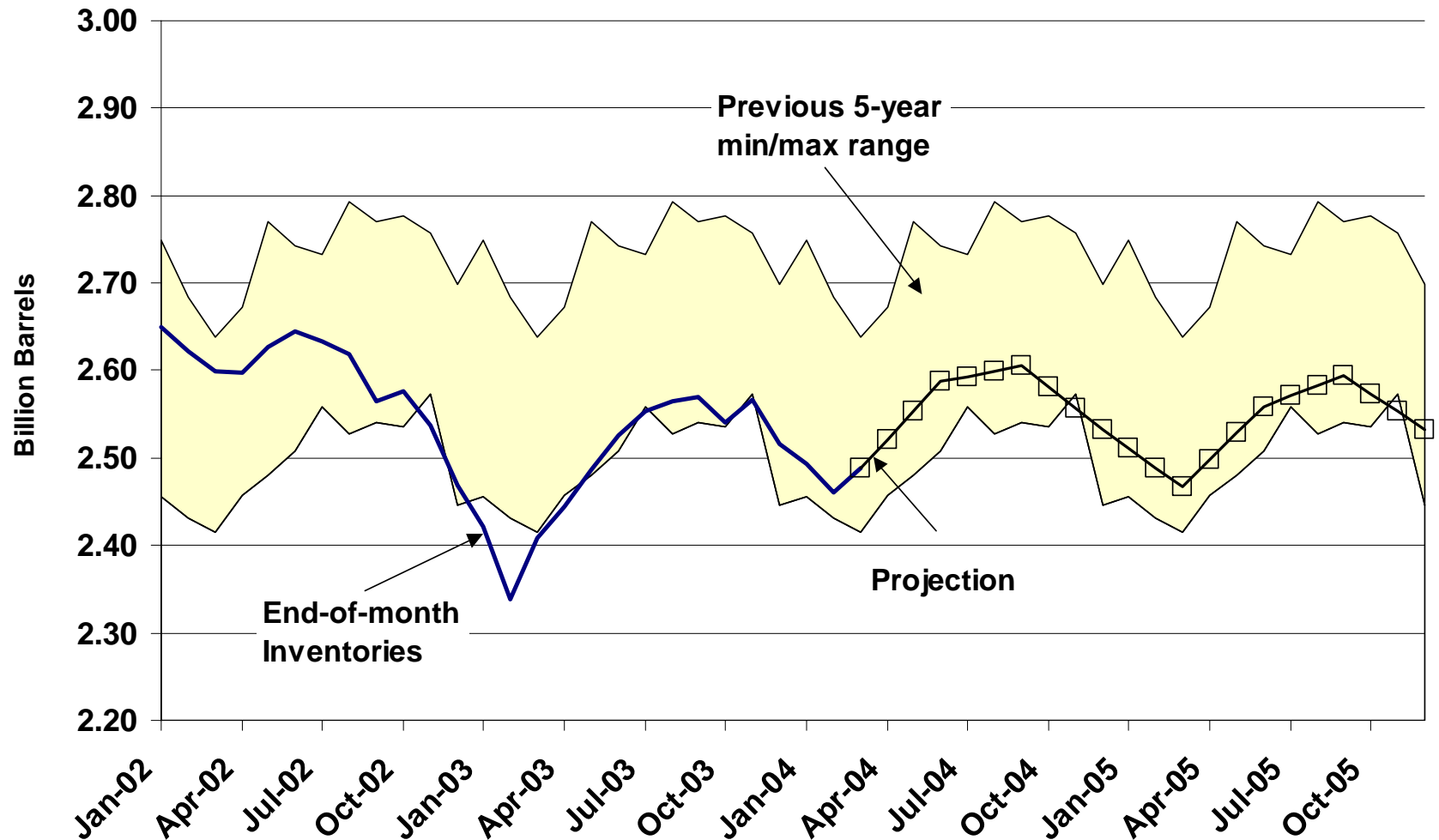


# OPEC Crude Oil Production

(January 1998- est. April 2004)



# OECD\* Commercial Oil Stocks



\*Organization for Economic Cooperation and Development

Sources: History: EIA; Projections: Short-Term Energy Outlook, April 2004

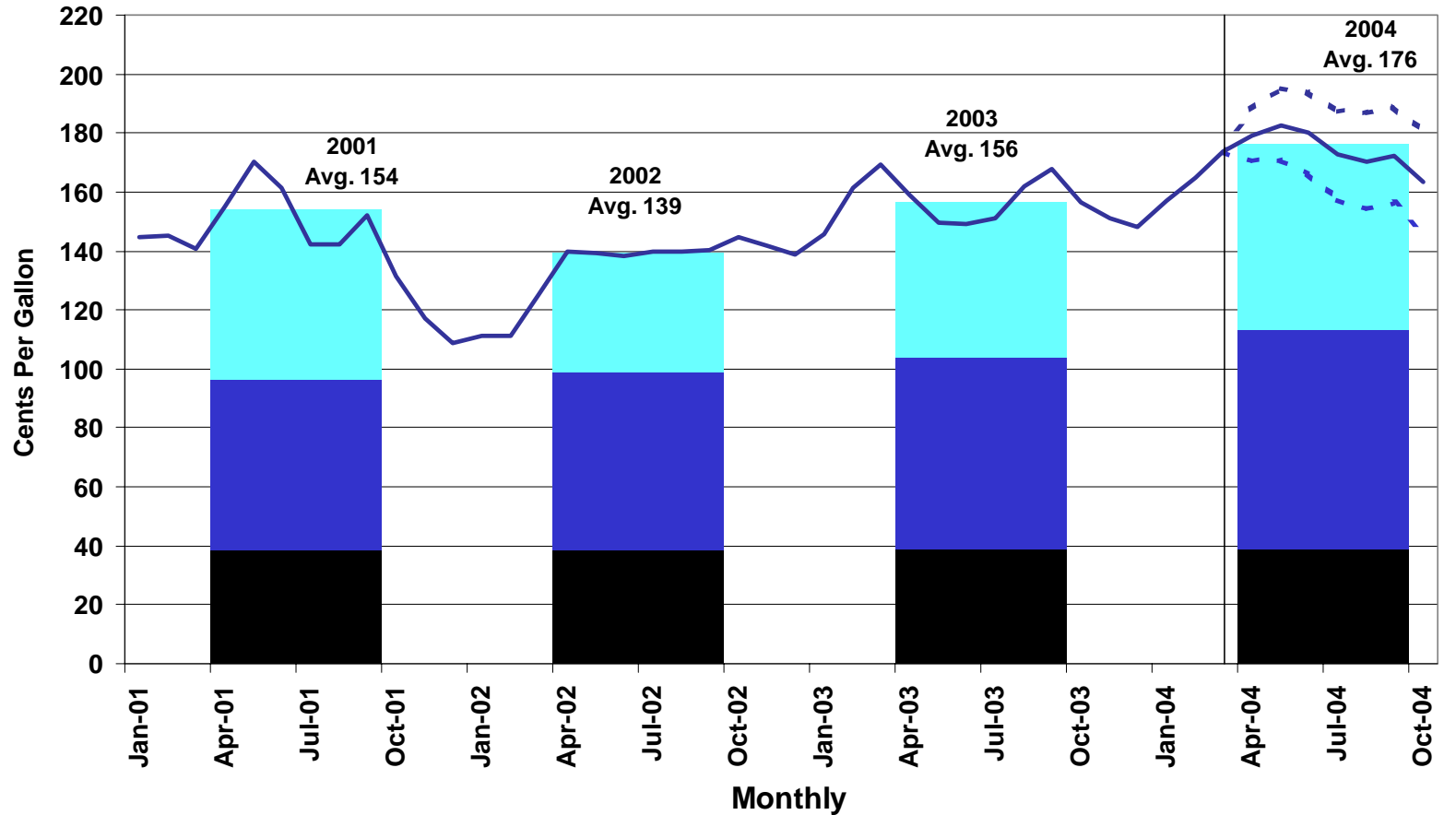


## Summer Outlook for Motor Gasoline

- **Expected summer price: \$1.76 per gallon (regular).**
- **Expected summer demand: ↑ 2.2% from 2003.**
- **Beginning inventories: below normal**
- **California prices: higher and more volatile than elsewhere (nothing new here).**

# Summer Retail Motor Gasoline Prices\*

## (Base Case and 95% Confidence Range\*\*)



Taxes
  Crude
  Margin
  Upper 95% Bound
  Lower 95% Bound
  Base

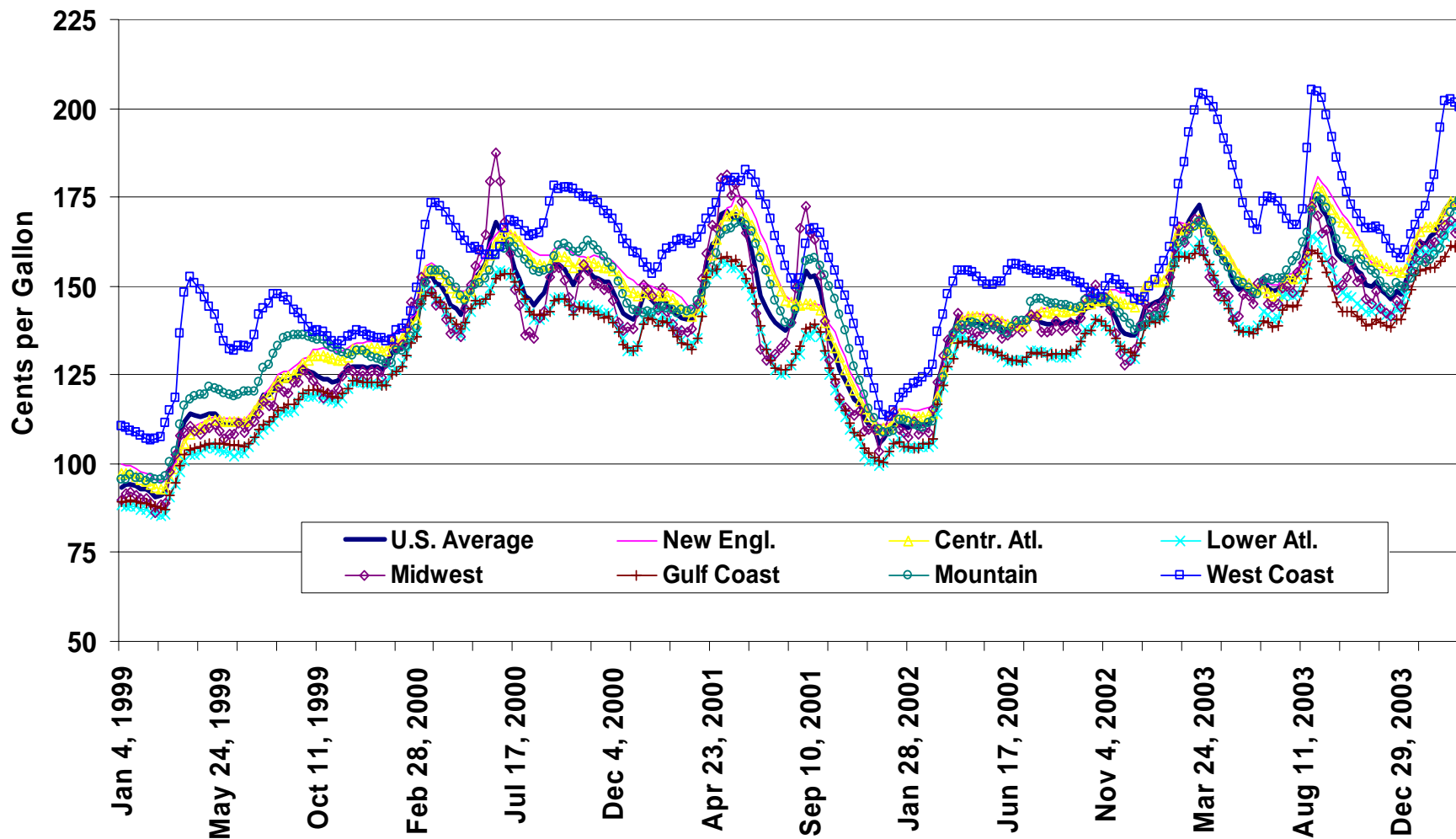
\*Regular gasoline, average all formulations.

\*\*The confidence range is based on the properties of the short-term model and excludes explicit consideration of major supply disruptions.

Sources: History: EIA; Projections: Short-Term Energy Outlook, April 2004



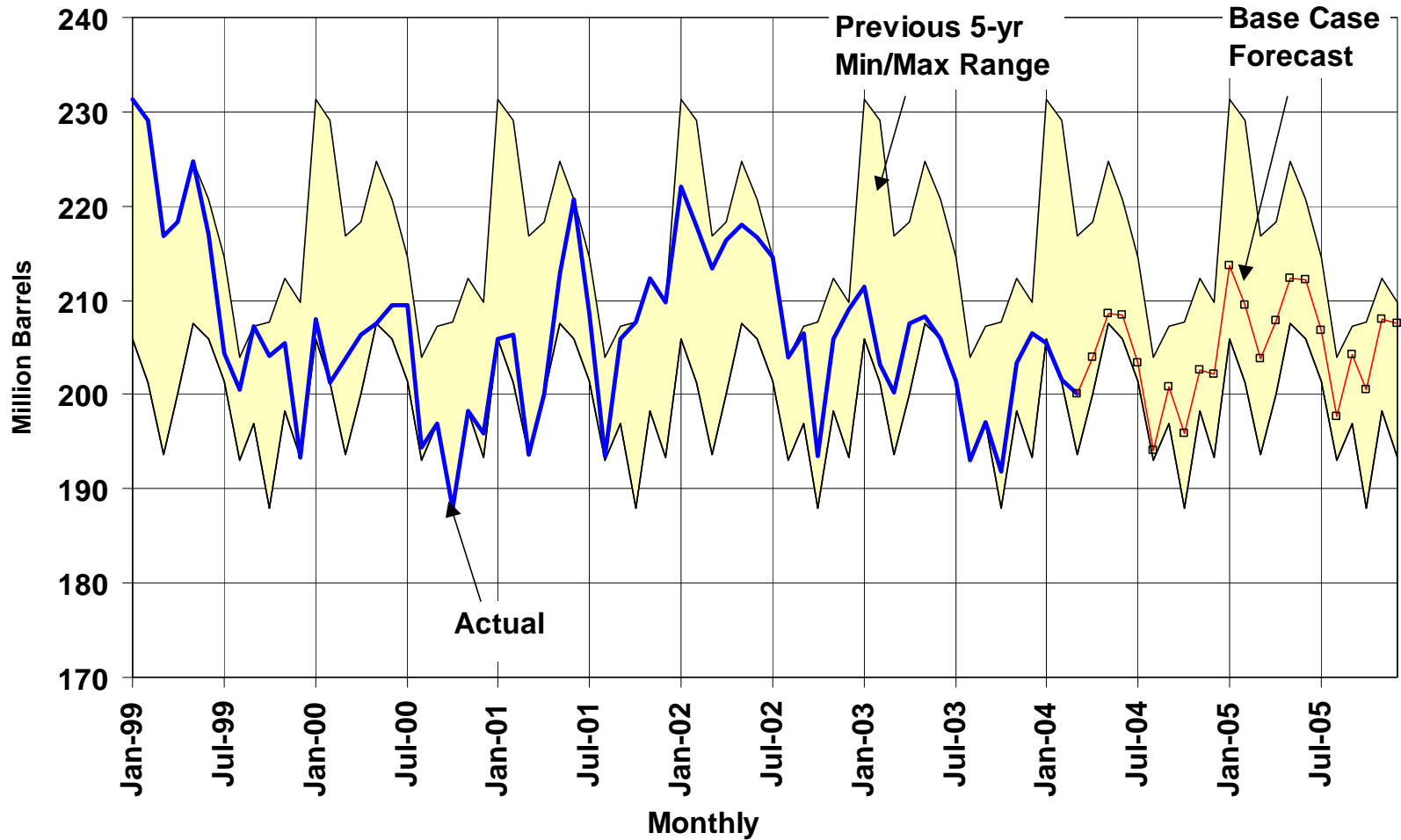
# U.S. Regular Gasoline Prices: Selected Regions



Sources: History: EIA; Projections: Short-Term Energy Outlook, April 2004



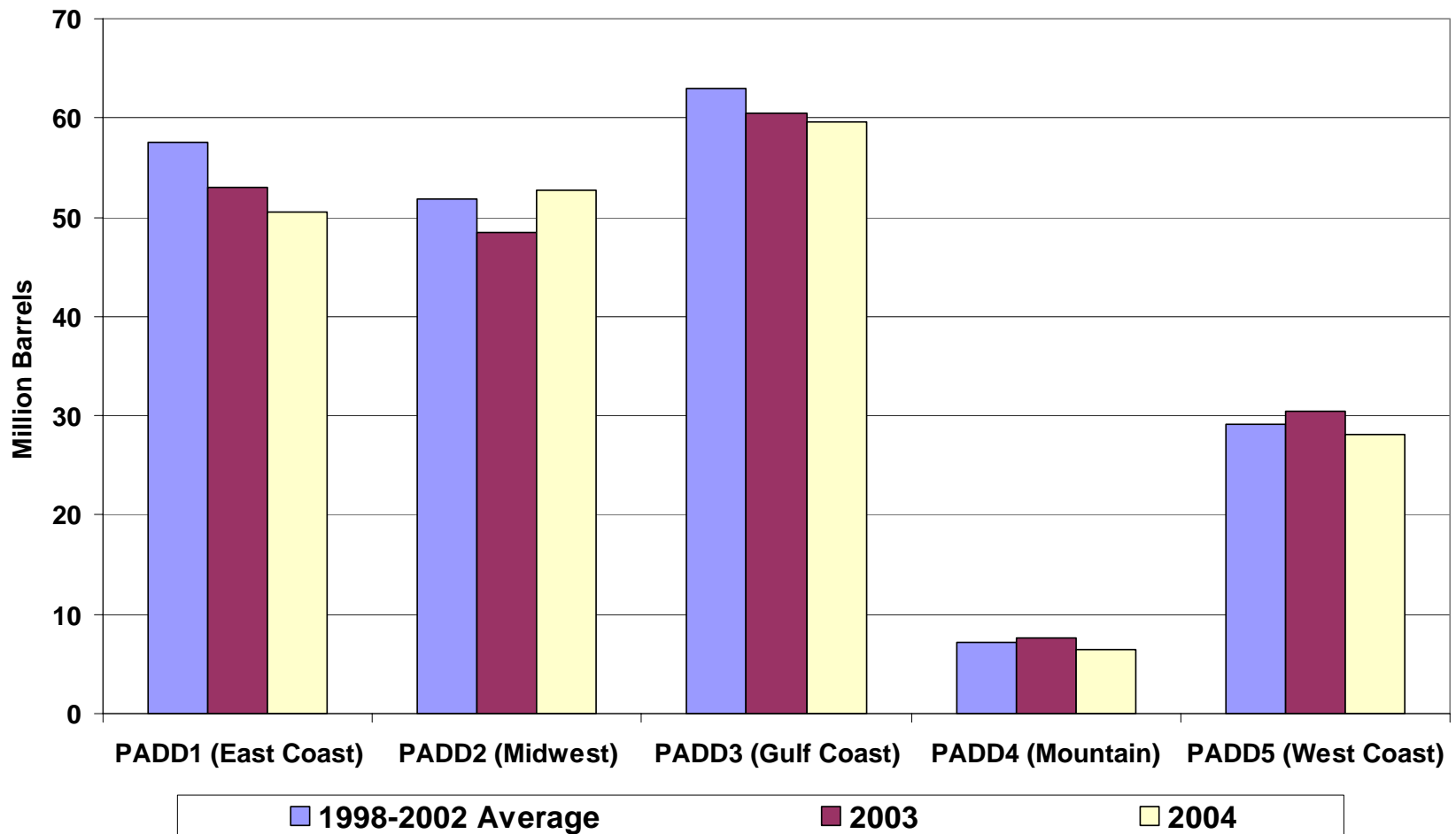
# U.S. Total Motor Gasoline Stocks



Sources: History: EIA; Projections: Short-Term Energy Outlook, April 2004



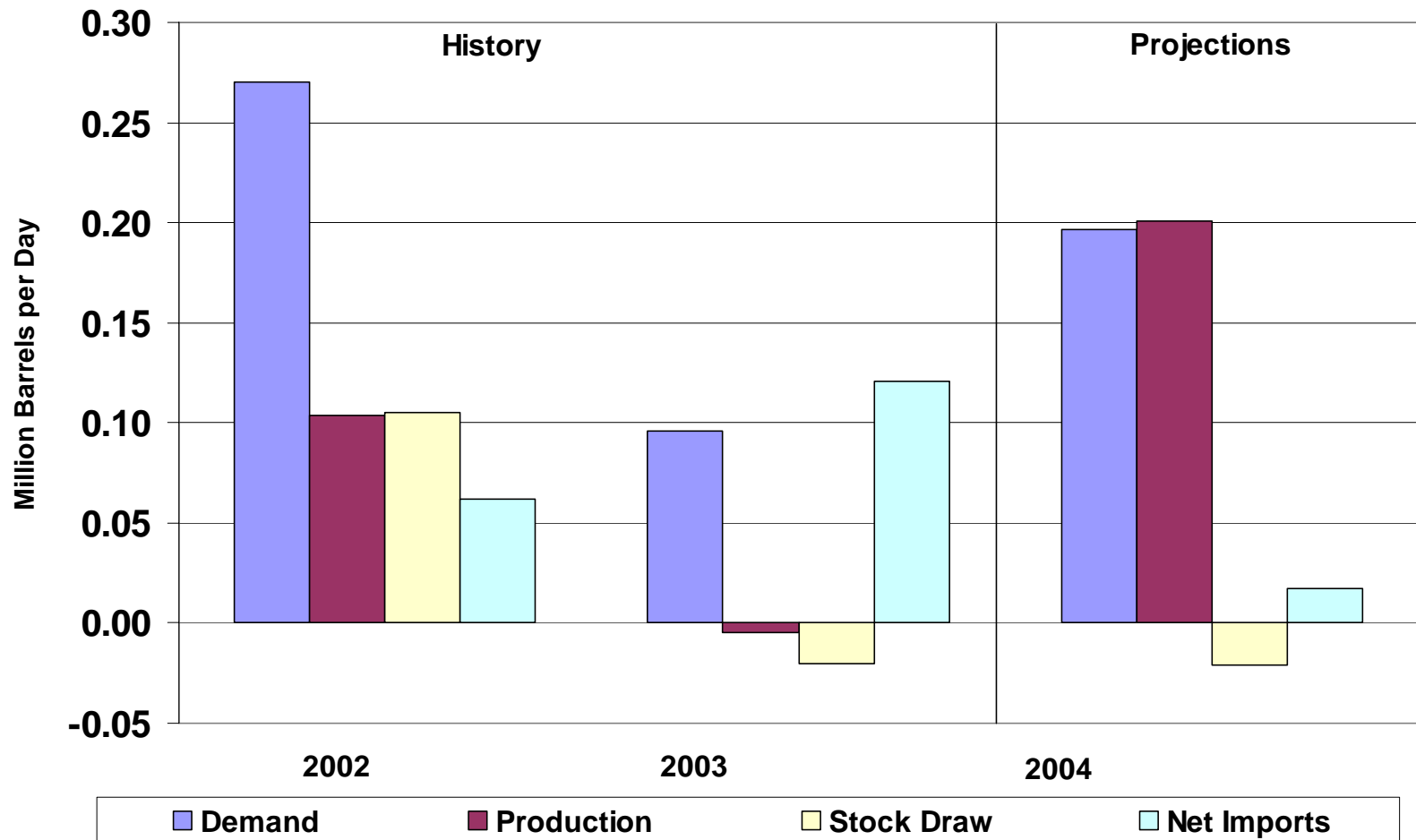
# U.S. Regional Gasoline Stocks (As of March 31, 2004)



Sources: History: EIA; Projections: Short-Term Energy Outlook, April 2004



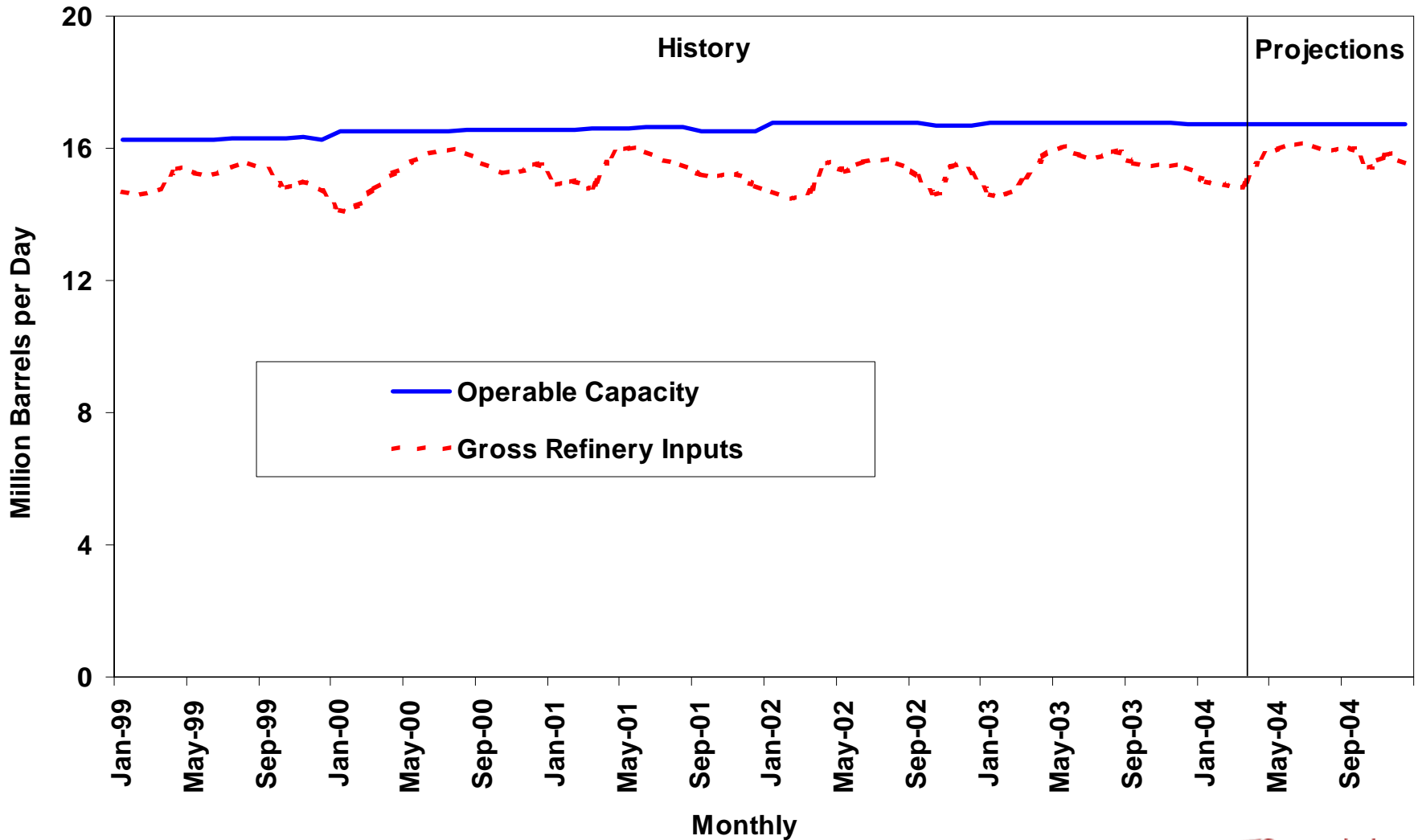
# Summer Motor Gasoline Supply by Source (Change from year Ago)



Note: Net imports and stock draw include blending components.

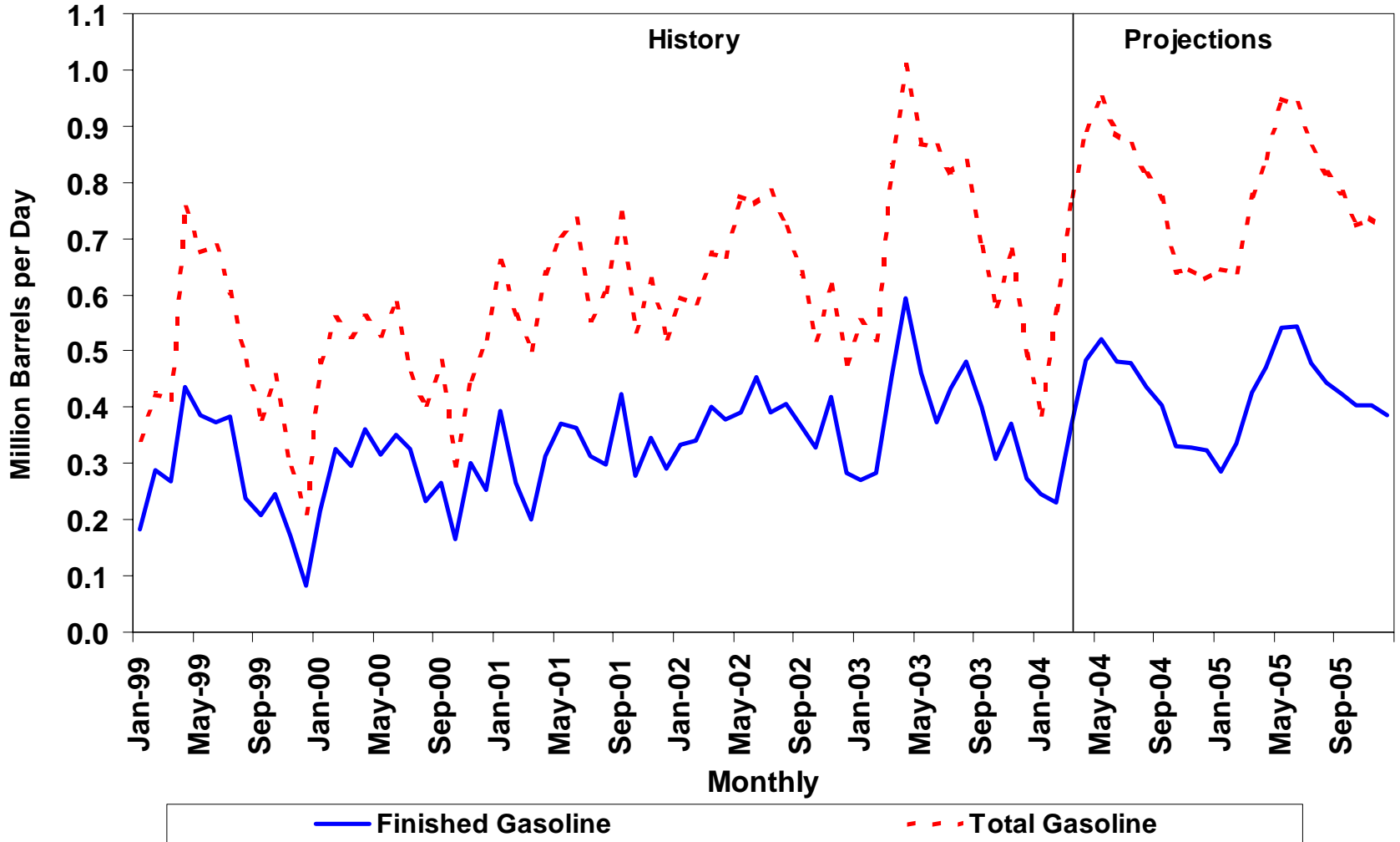
Sources: History: EIA; Projections: Short-Term Energy Outlook, April 2004

# U.S. Refinery Capacity and Utilization



Sources: History: EIA; Projections: Short-Term Energy Outlook, April 2004

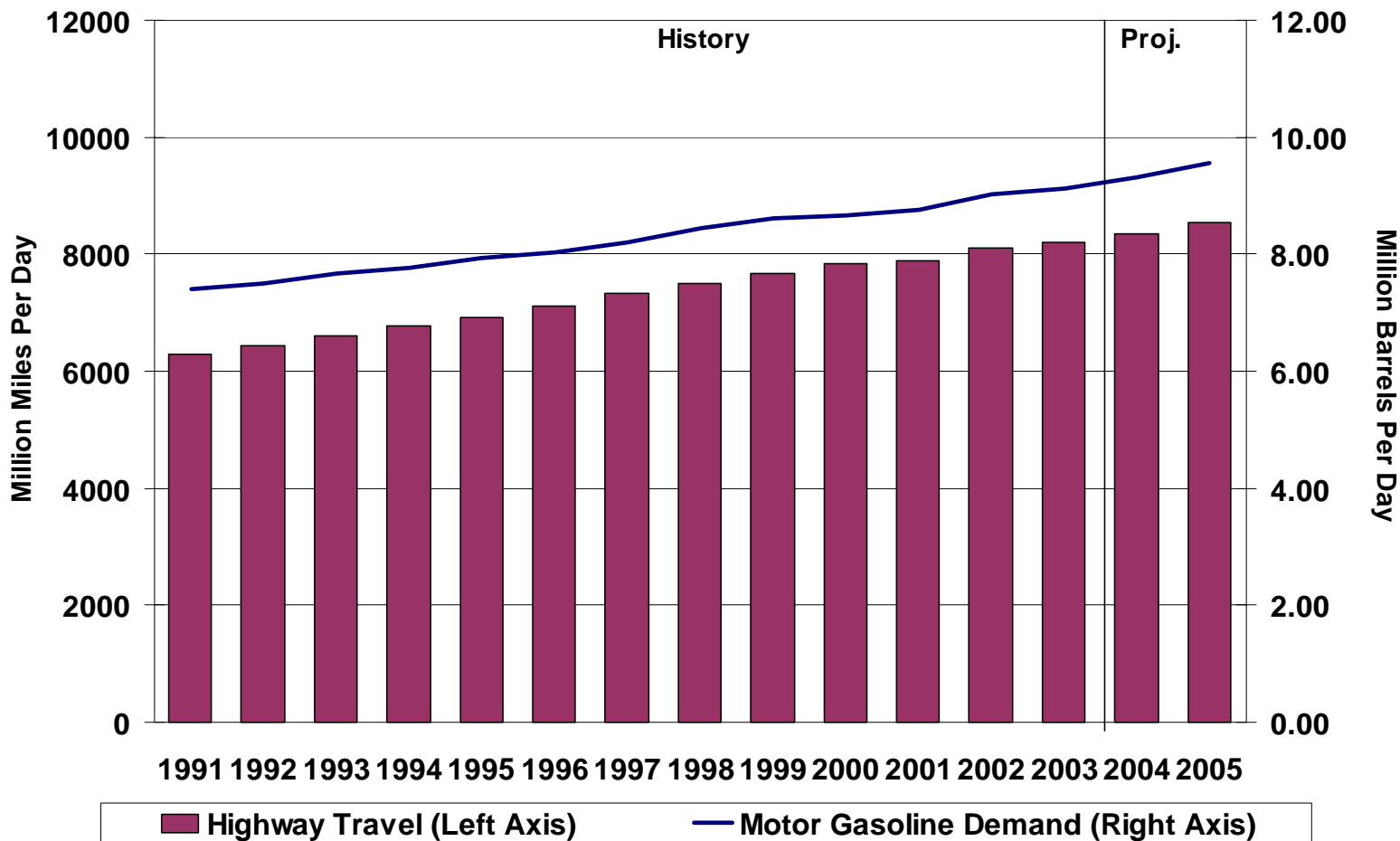
# Finished and Total Motor Gasoline Imports



Sources: History: EIA; Projections: Short-Term Energy Outlook, April 2004



# Summer Highway Travel and Gasoline Demand, 1991-2005

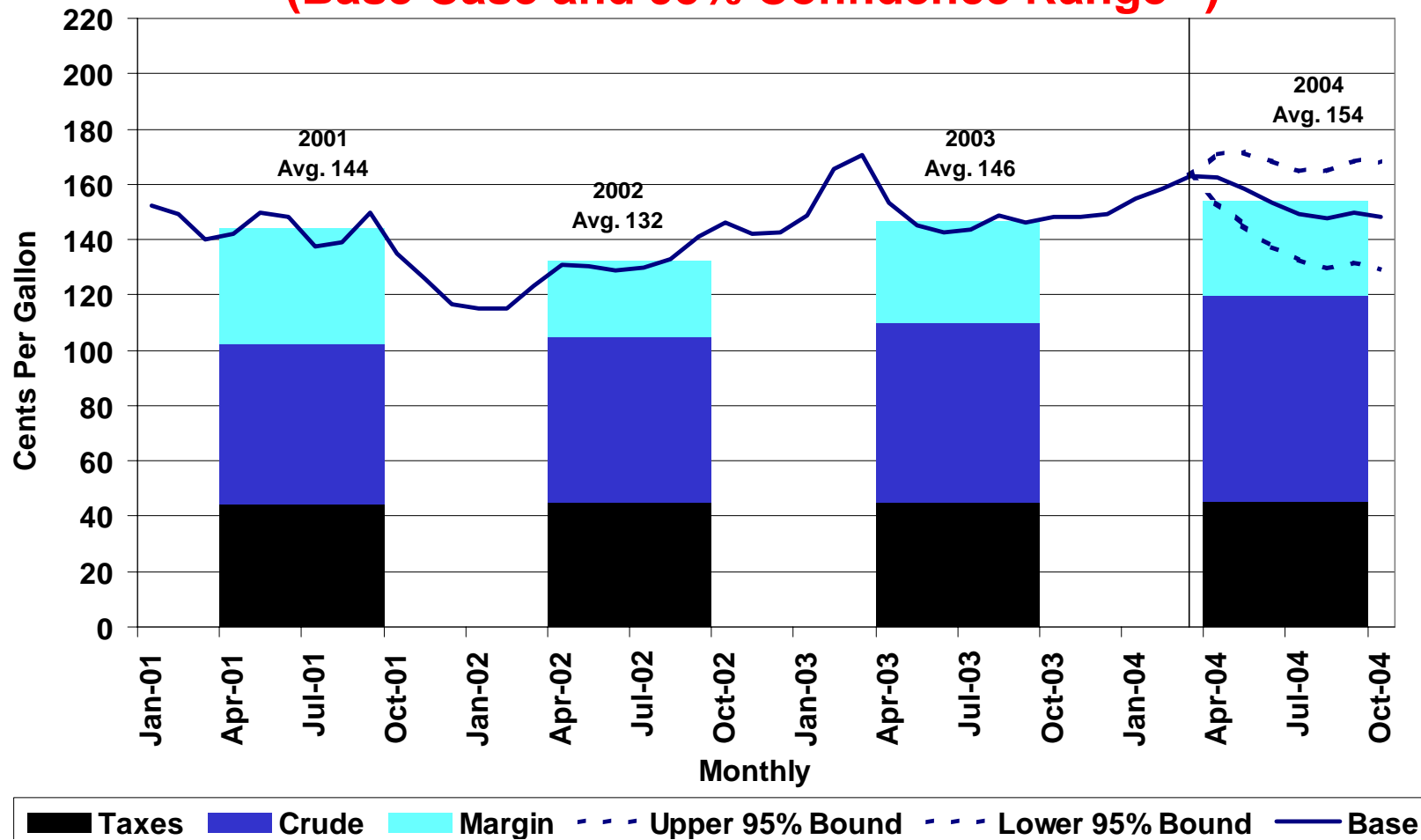


Sources: History: EIA and US DOT; Projections: Short-Term Energy Outlook, April 2004



# Summer Retail Diesel Prices\*

## (Base Case and 95% Confidence Range\*\*)



\* On-highway diesel retail average.

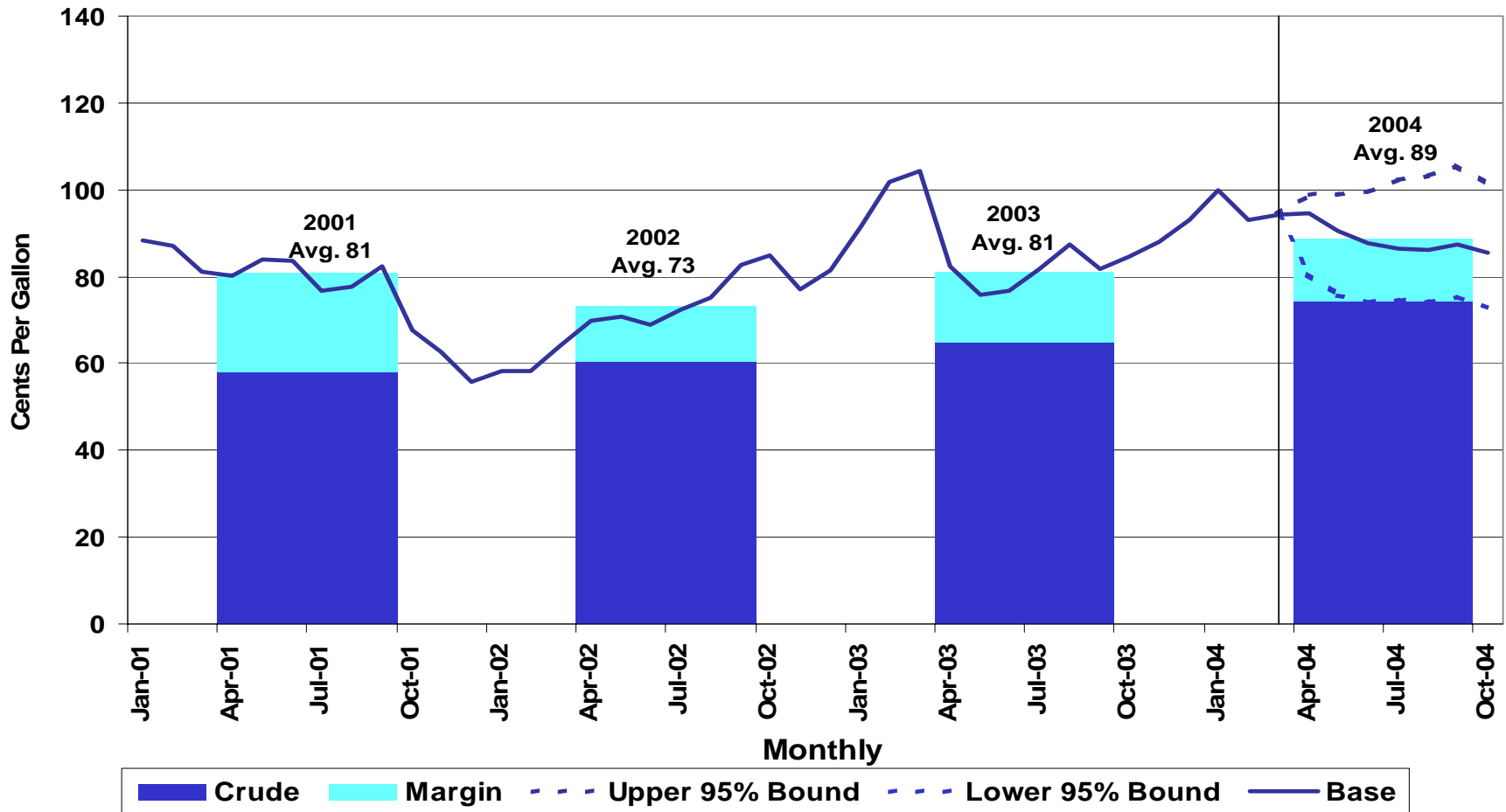
\*\*The confidence range is based on the properties of the short-term model and excludes explicit consideration of major supply disruptions.

Sources: History: EIA; Projections: Short-Term Energy Outlook, April 2004



# Summer Jet Fuel Prices\*

## (Base Case and 95% Confidence Range\*\*)



\* Refiner price to end users.

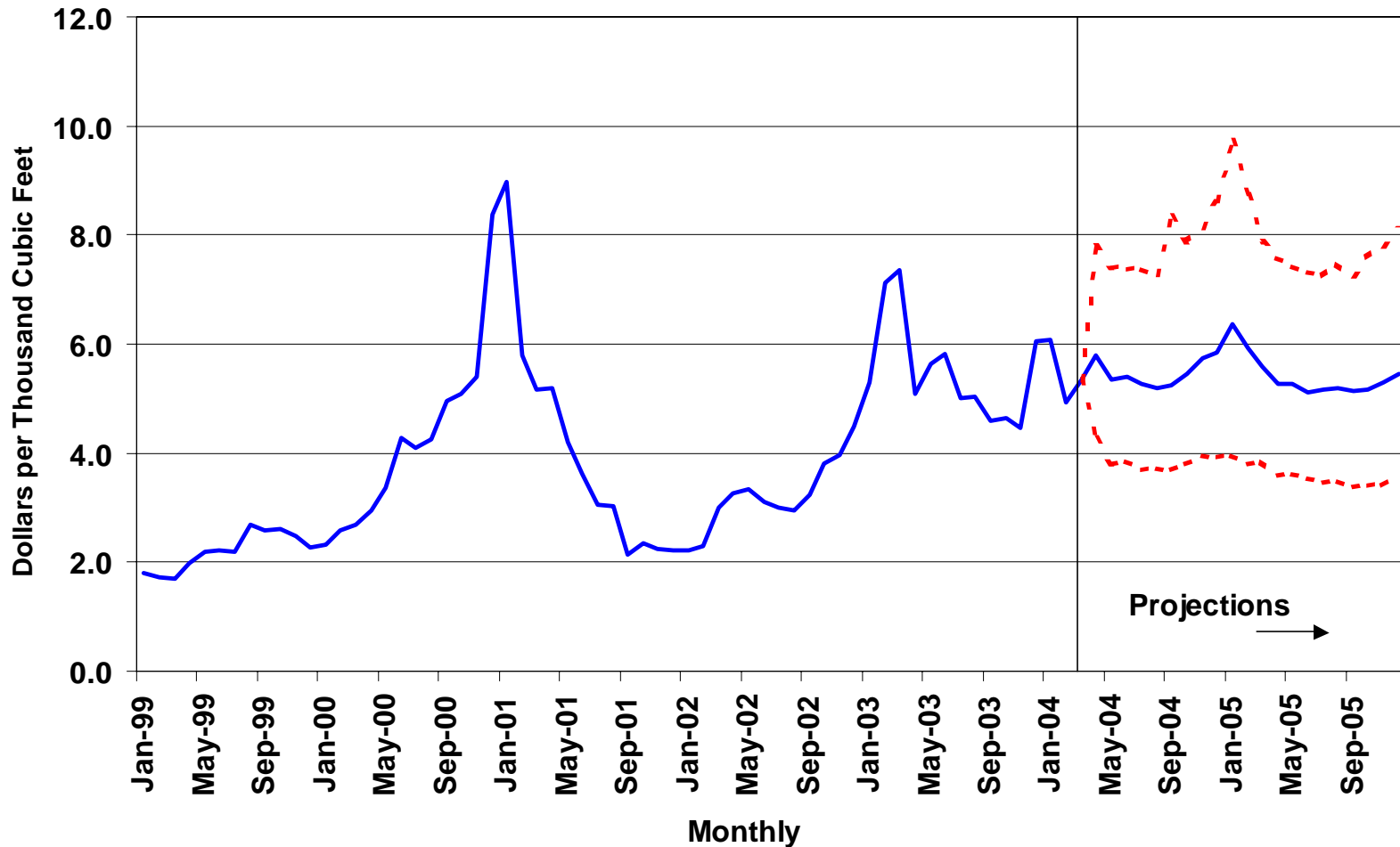
\*\*The confidence range is based on the properties of the short-term model and excludes explicit consideration of major supply disruptions.

Sources: History: EIA; Projections: Short-Term Energy Outlook, April 2004



# Natural Gas Spot Prices

## (Base Case and 95% Confidence Interval\*)

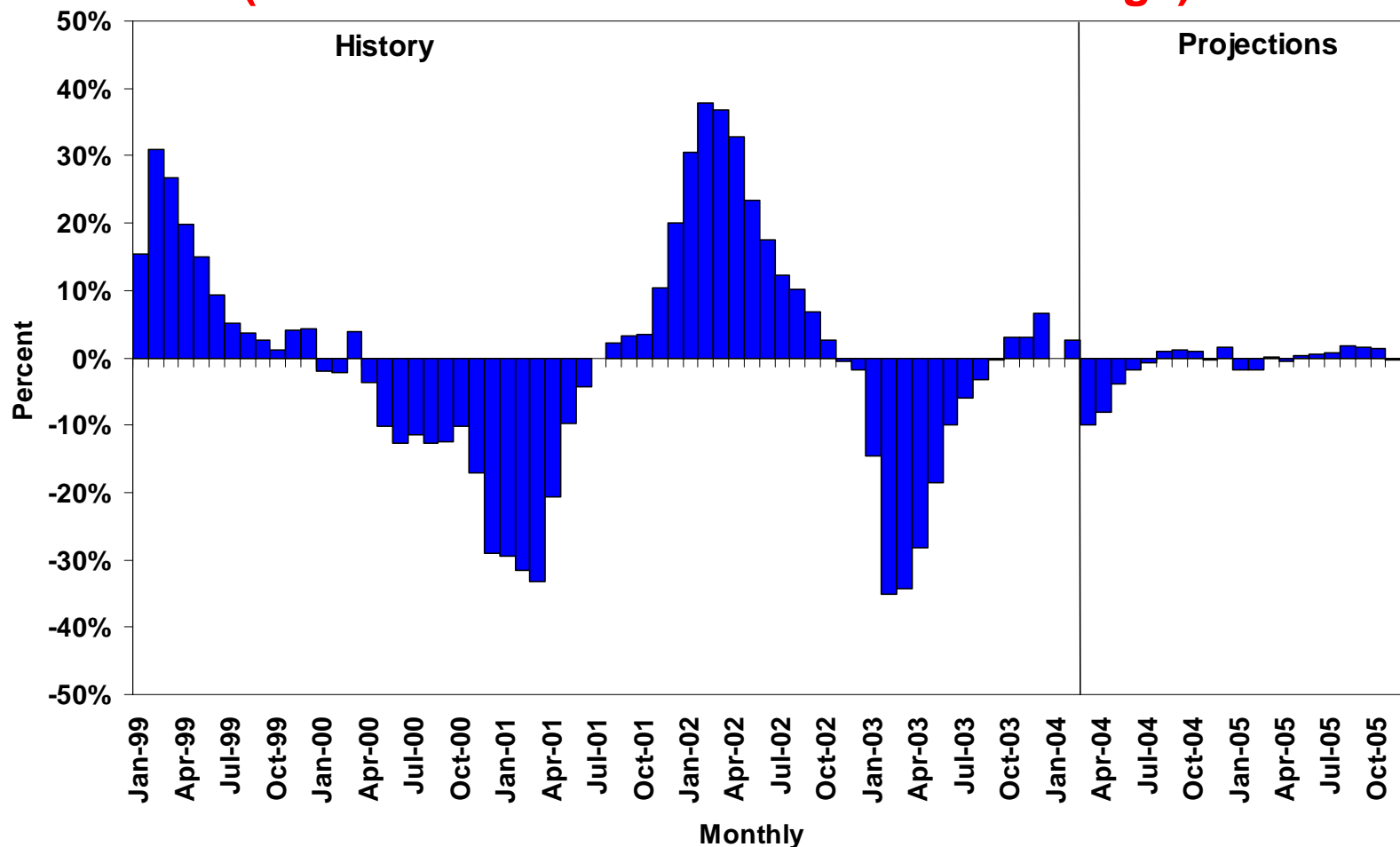


\*The confidence intervals show +/- 2 standard errors based on the properties of the model. The ranges do not include the effects of major supply disruptions.

Sources: History: Natural Gas Week; Projections: Short-Term Energy Outlook, April 2004

# Working Gas in Storage

## (Difference from Previous 5-Year Average)



Sources: History: EIA; Projections: Short-Term Energy Outlook, April 2004



## Conclusion

- **Crude oil, gasoline and natural gas markets are expected to remain tight in the near term.**
- **In 2004:**
  - **Crude prices are expected to remain in the \$30-\$33 per-barrel range in 2004;**
  - **Gasoline is expected to average \$1.76 over this summer**
  - **Natural gas is expected to average significantly over \$5/Mcf**