

EIA Releases Monthly Reports for October

The **U.S. Energy Information Administration** (EIA), Washington, D.C., has released its October 2017 Monthly Energy Review and Short-Term Energy Outlook (STEO) reports. Highlights of the latest Reports include:

- U.S. net energy imports fell from 1.1 quadrillion Btu in July 2016 to 0.7 quadrillion Btu in July 2017, a 42% decrease.
- U.S. primary energy imports totaled 2.1 quadrillion Btu, a 6% decrease from July 2016. Crude oil made up 69% of primary energy imports, petroleum products 16%, and natural gas 12%.
- U.S. primary energy exports rose from 1.1 quadrillion Btu in July 2016 to 1.5 quadrillion Btu in July 2017, a 29% increase. Petroleum products made up 58% of primary energy exports, natural gas 17%, coal 12%, and crude oil 11%.
- U.S. crude oil production is estimated to have averaged 9.3 million barrels per day (b/d) in September, an increase of about 250,000 b/d from the August average. Crude oil production in the Gulf of Mexico is estimated to have increased to a monthly average of 1.7 million b/d in September, following Hurricane Harvey, an increase of 70,000 b/d from the August level. EIA forecasts total U.S. crude oil production to average 9.2 million b/d in 2017 and 9.9 million b/d in 2018, which would mark the highest annual average production in U.S. history, surpassing the previous record of 9.6 million b/d in 1970.
- Higher crude oil prices over the past month reflect declining global oil inventories, increasing expectations for global economic and oil demand growth, and geopolitical events. EIA estimates that global oil inventories fell by 0.5 million barrels per day (b/d) in the third quarter of 2017. This draw marked the third consecutive quarterly draw, the longest such stretch since 2013–14.
- Falling production from the Organization of the Petroleum Exporting Countries (OPEC) has contributed to global oil inventory withdrawals in 2017. EIA estimates that OPEC crude oil production averaged 32.9 million b/d in the third quarter of 2017, down from an average of 33.4 million b/d in November 2016 (before the group's voluntary production
- U.S. dry natural gas production is forecast to average 73.6 billion cubic feet per day (Bcf/d) in 2017, a 0.8 Bcf/d increase from the 2016 level. Natural gas production in 2018 is forecast to be 4.9 Bcf/d higher than the 2017 level. In September, the average Henry Hub natural gas spot price was \$2.98 per million British thermal units (MMBtu), up 8 cents/ MMBtu from the August level.
- Expected growth in natural gas exports and domestic natural gas consumption in 2018 contribute to the forecast Henry Hub natural gas spot price rising from an annual average of \$3.03/MMBtu in 2017 to \$3.19/MMBtu in 2018. NYMEX contract values for January 2018 delivery that traded during the five-day period ending October 5 suggest that a range of \$2.28/MMBtu to \$4.63/MMBtu encompasses the market expectation for January Henry Hub natural gas prices at the 95% confidence level.