

# U.S. Oil & Gas Industry Chartbook

BBVA Research USA

Houston, TX

June 2015

#### DISCLAIMER

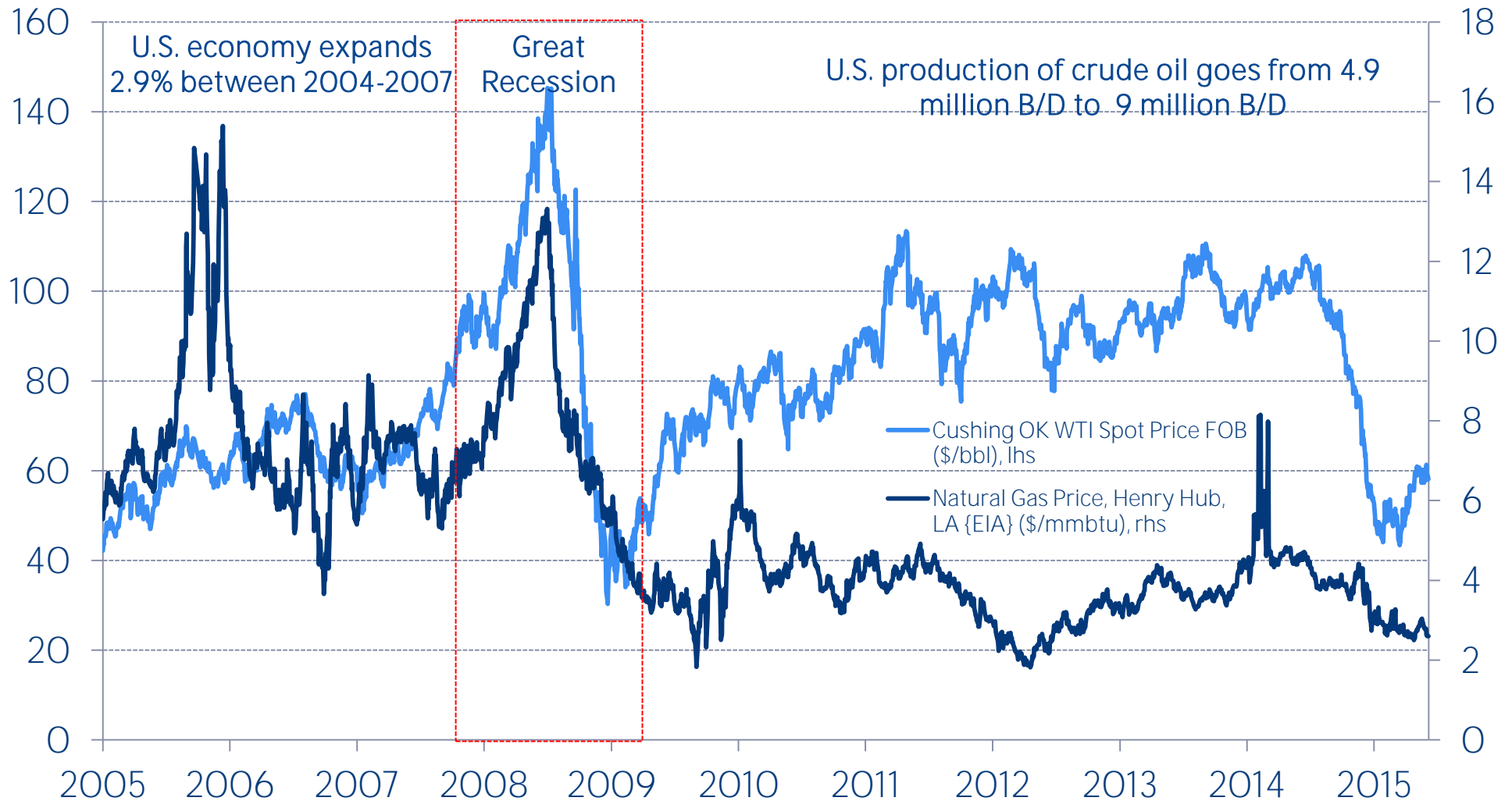
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## Bottom Line

- OPEC agreed to maintain current production quotas in its semi-annual meeting on June 5<sup>th</sup>
- Although US crude oil inventories have fallen in recent weeks, they remain at an 80-year high
- Investment in mining structures dropped nearly 50% QoQ in 1Q15—the largest drop since 2009
- Given high inventory levels and OPEC's most recent refusal to cut production, we may be heading into a period of prolonged low oil prices
- We forecast that U.S. crude oil production will decline by early next year, due to the combined effect of low prices and declining investments

# Spot Prices

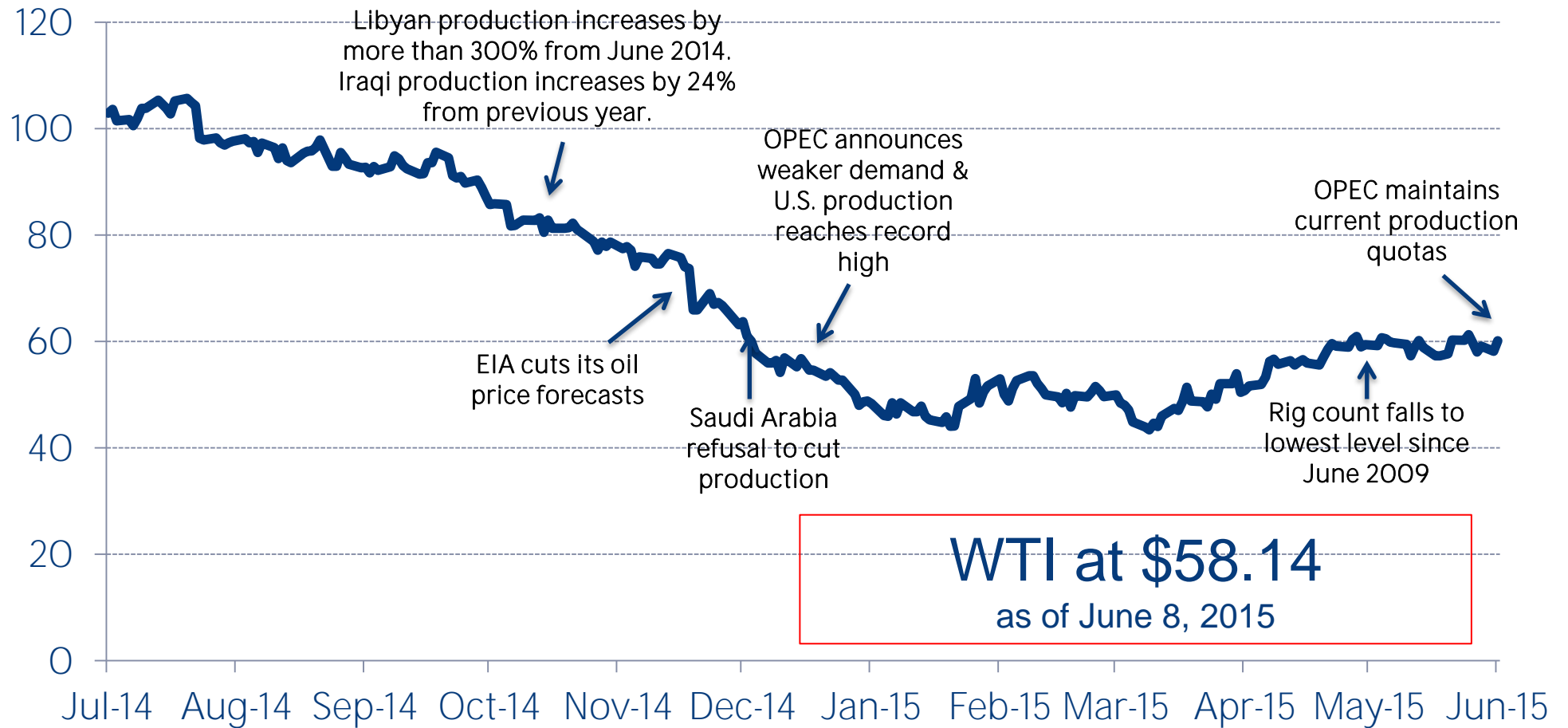
## Crude Oil and Natural Gas Spot Prices



Source: Haver Analytics

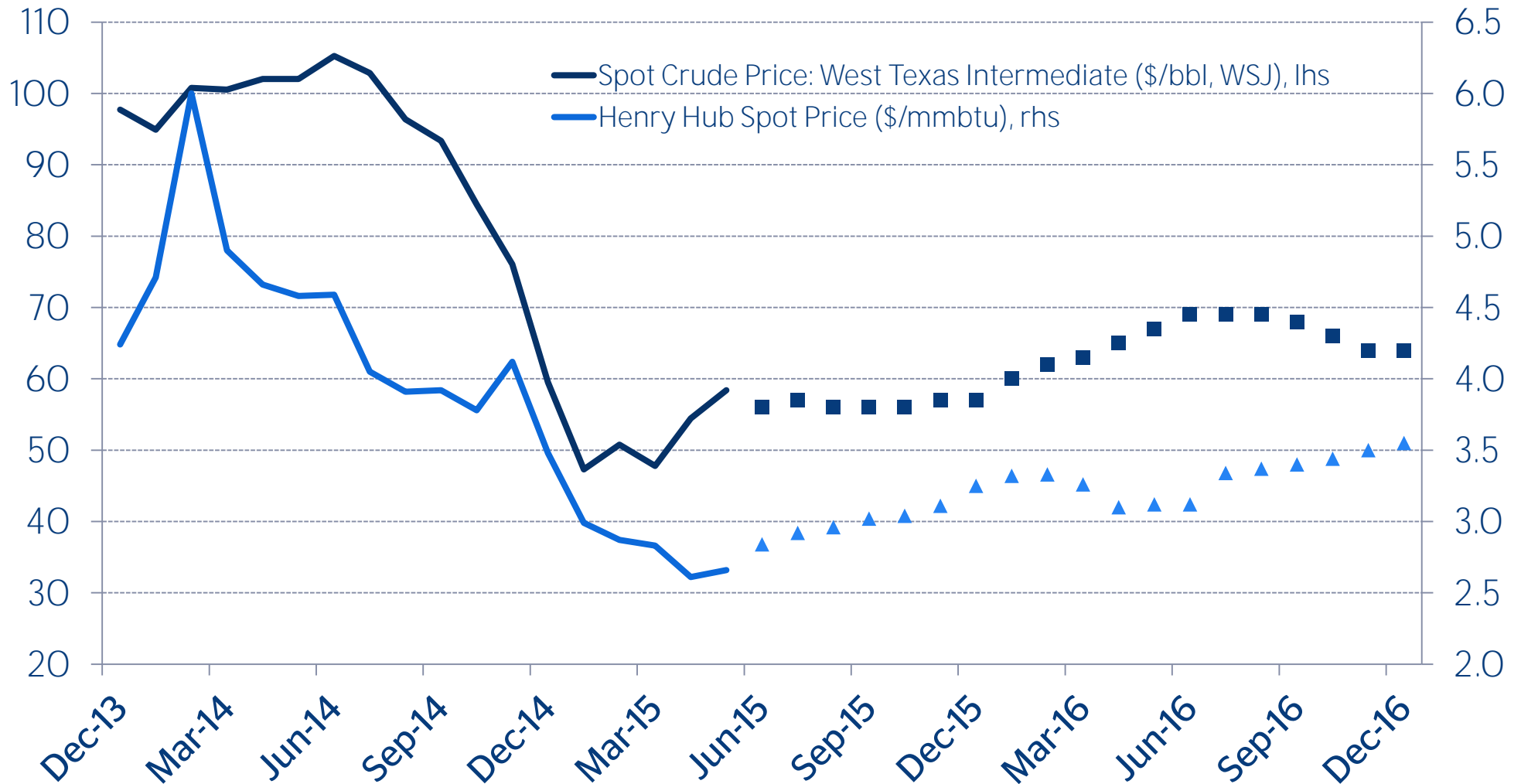
# Spot Prices

## WTI Spot Price (avg, \$/bbl)



# Prices

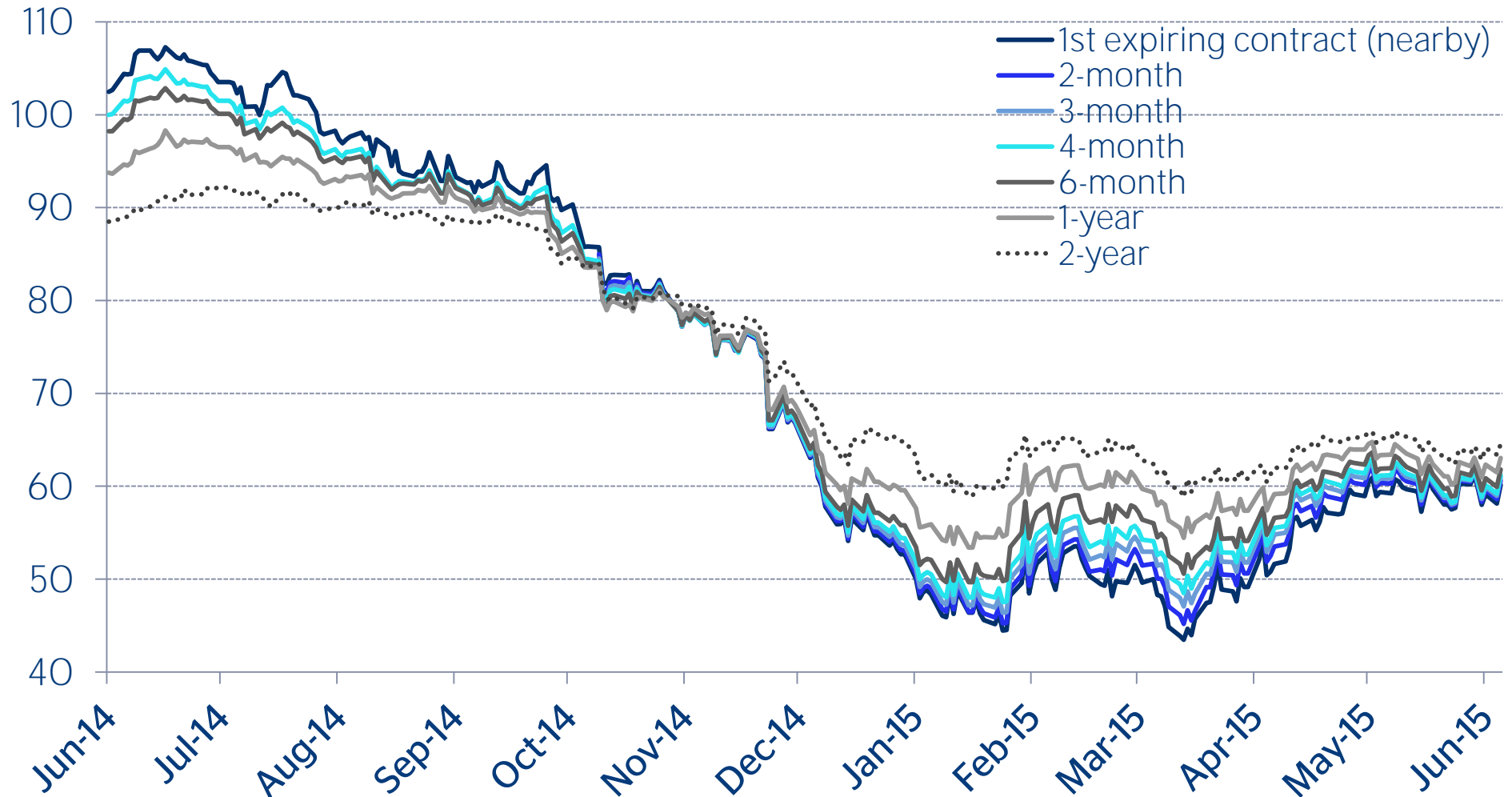
## EIA: Oil and Natural Gas Forecast



Projections are generated by simulation of the EIA Regional Short-Term Energy Model  
 Source: Energy Information Administration/ Haver Analytics

# Futures Prices

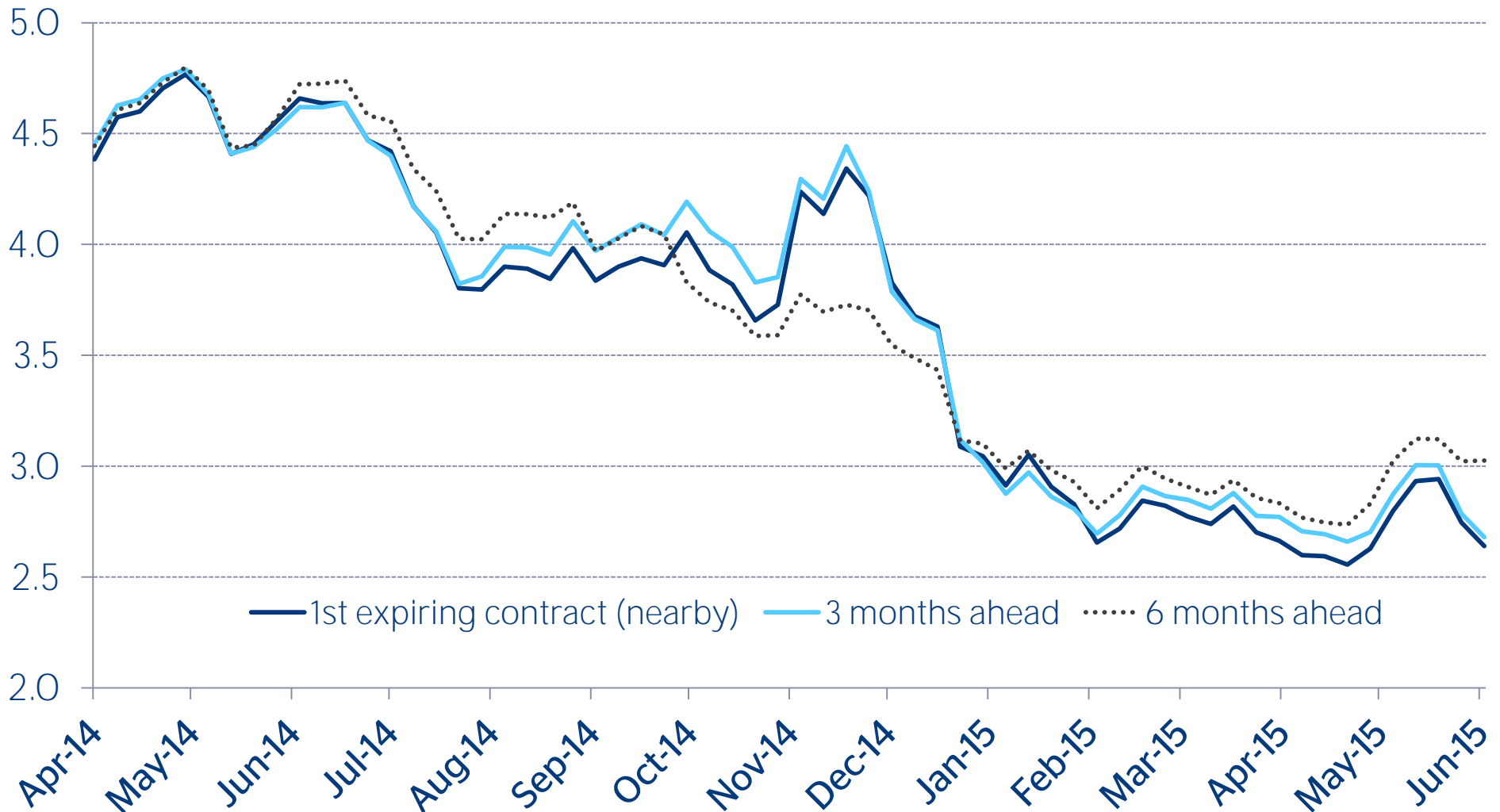
WTI Futures (\$/bbl)



Source: Haver Analytics

# Futures Prices

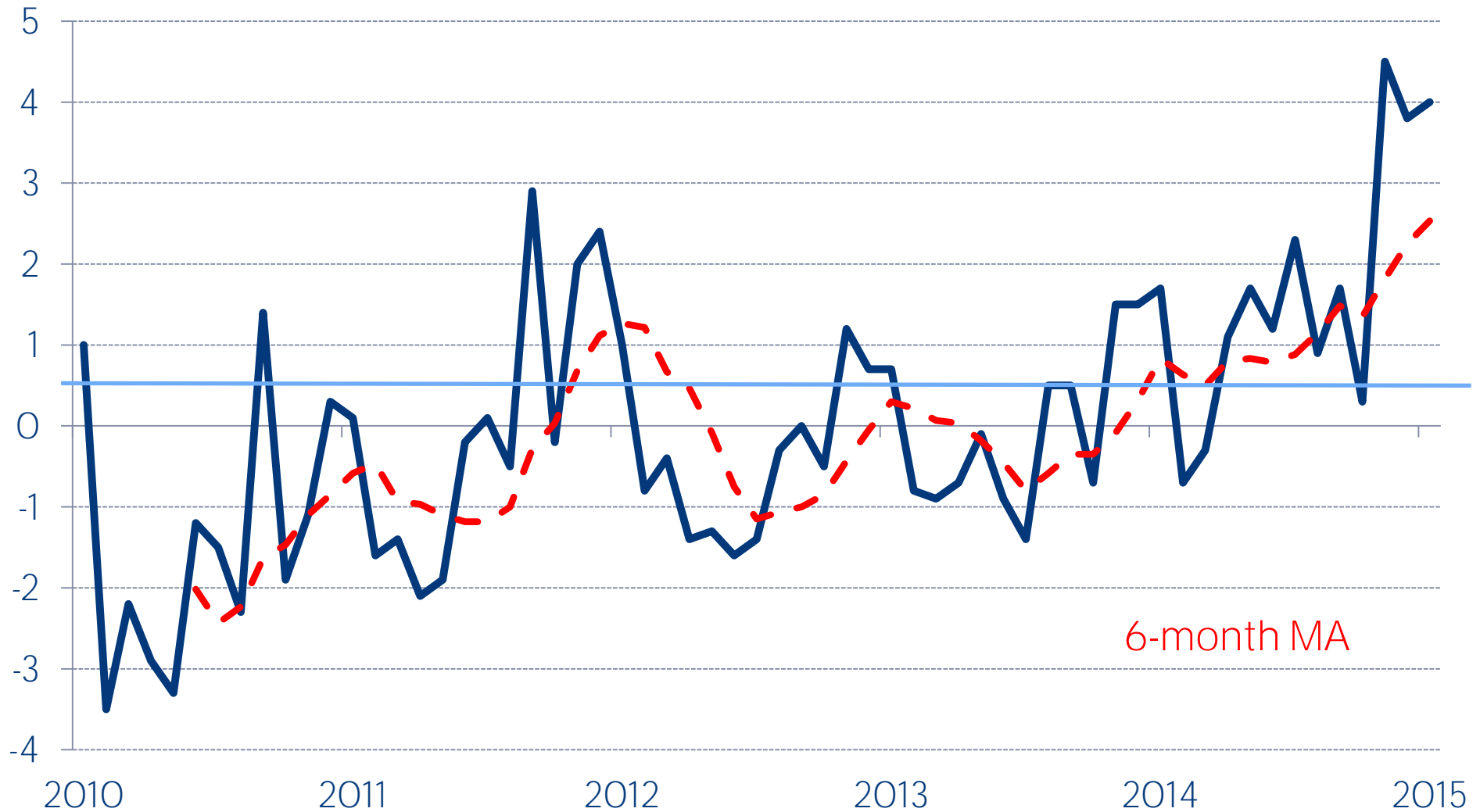
Natural Gas Futures (\$/mmbtu)



Source: Haver Analytics

# Supply and Demand

Global Oil Supply and Demand Balance (mmbbl/day)





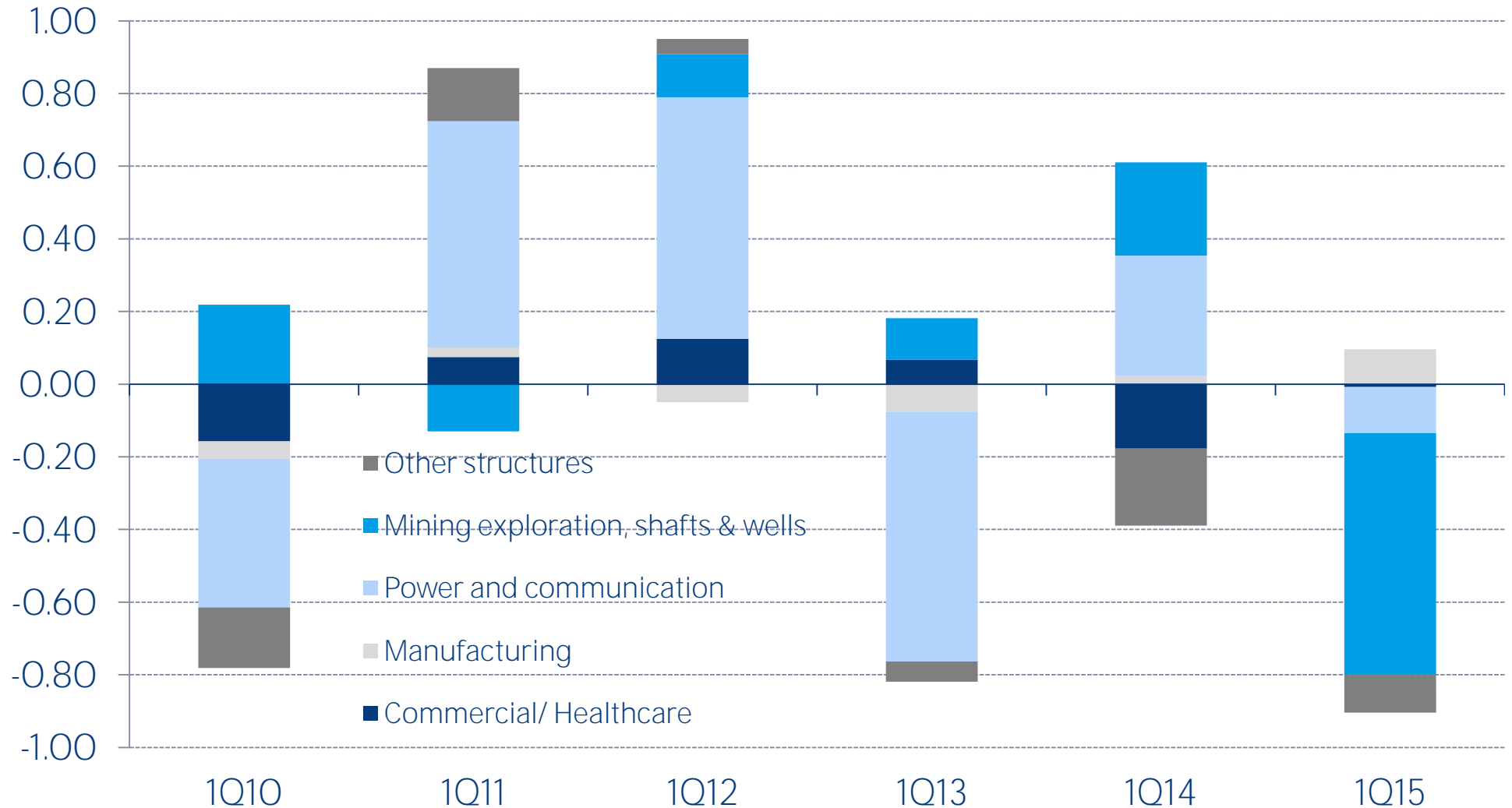
# Investment

U.S. Real Private Fixed Investment: Mining Exploration/Shafts/Wells, % Change (SAAR)



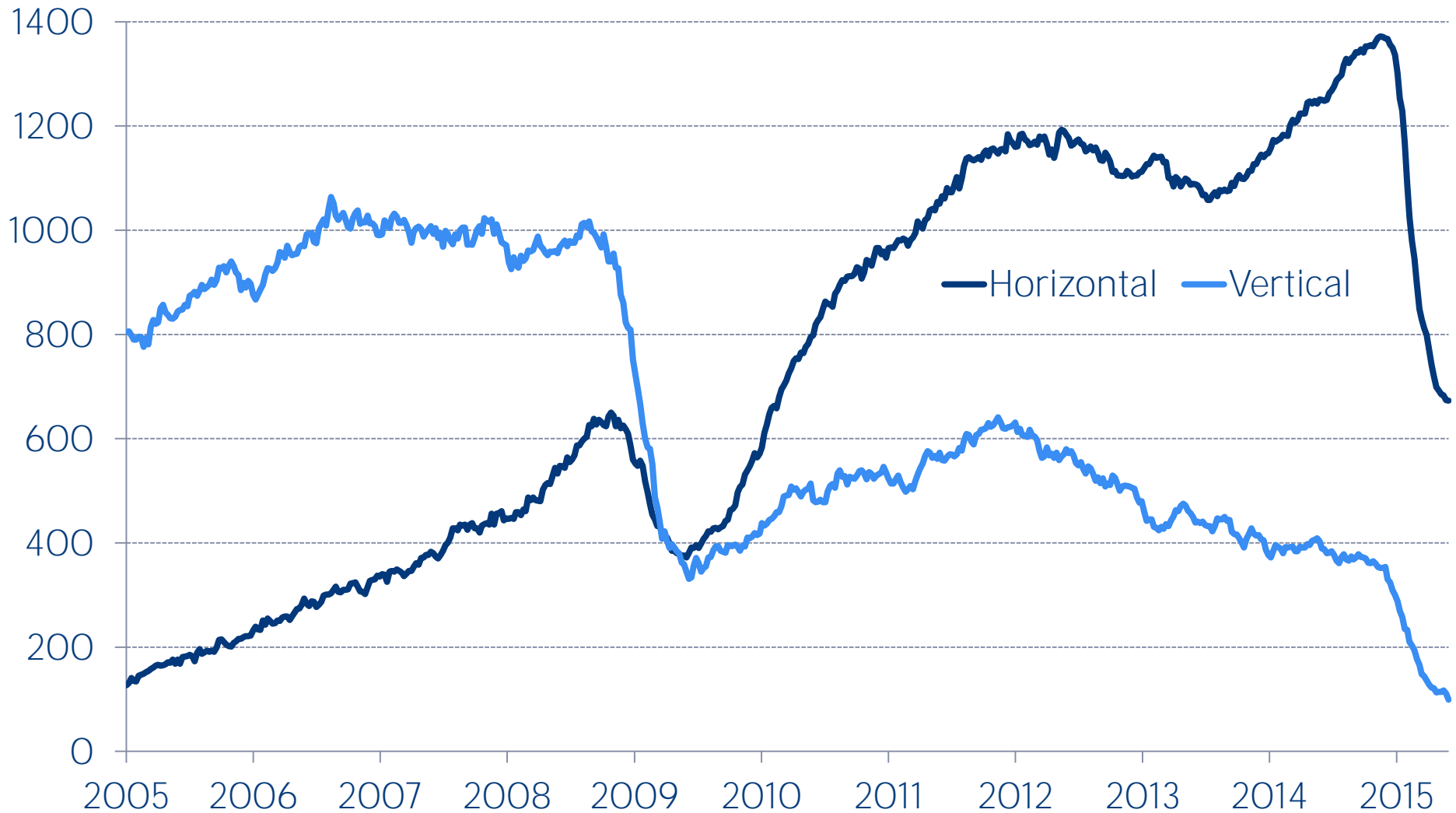
# Private Fixed Investment

Contributions to % Change by Type of Structure (SAAR, %)



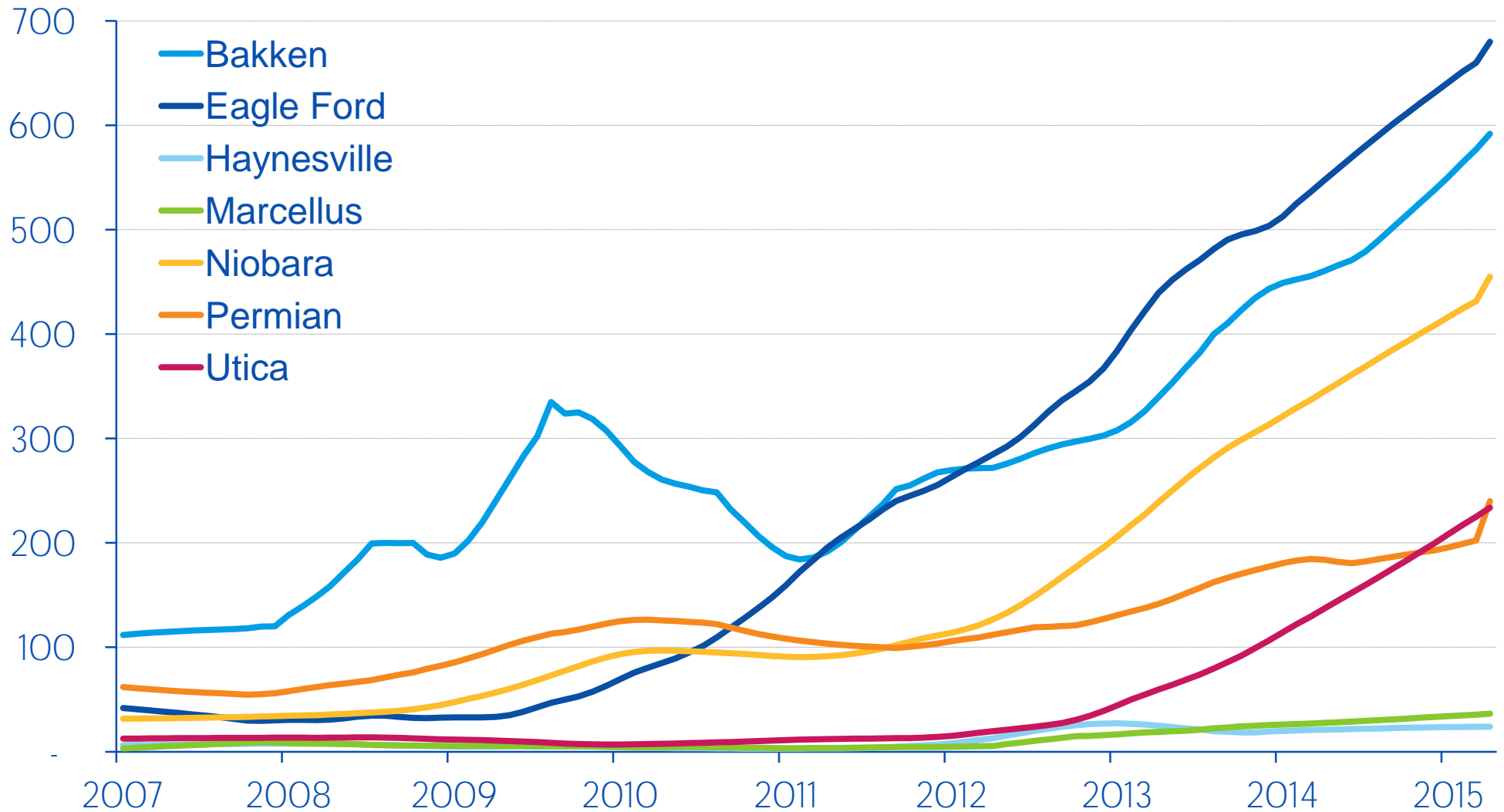
# Rig Count

U.S. Active Rig Count (units)



# Rig Count

Rig Count Productivity (bbl/day)



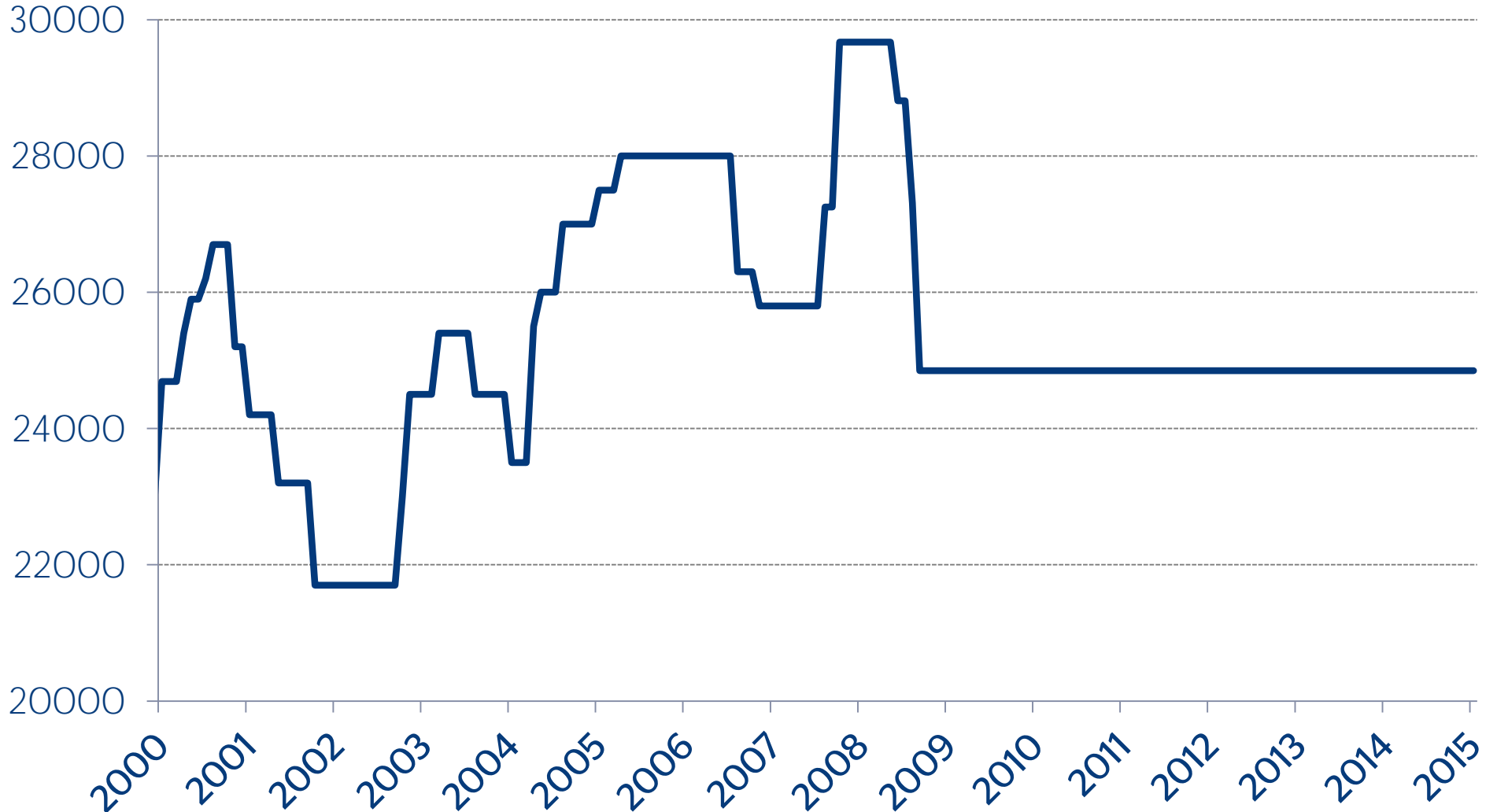
# Production

U.S. Crude Oil Field Production (mmbbl/day)



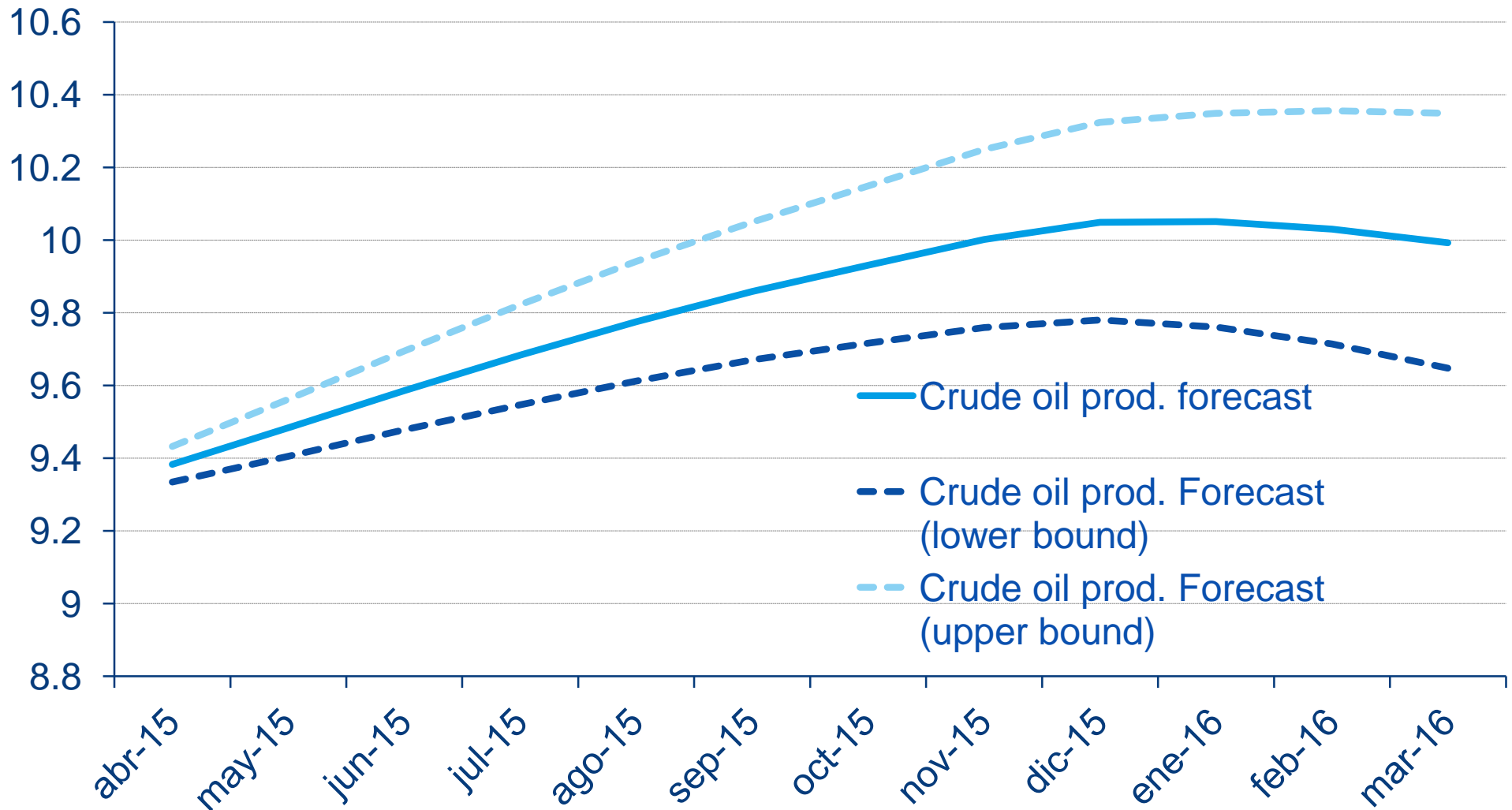
# Production

OPEC Pledged Production (mbbl/day)



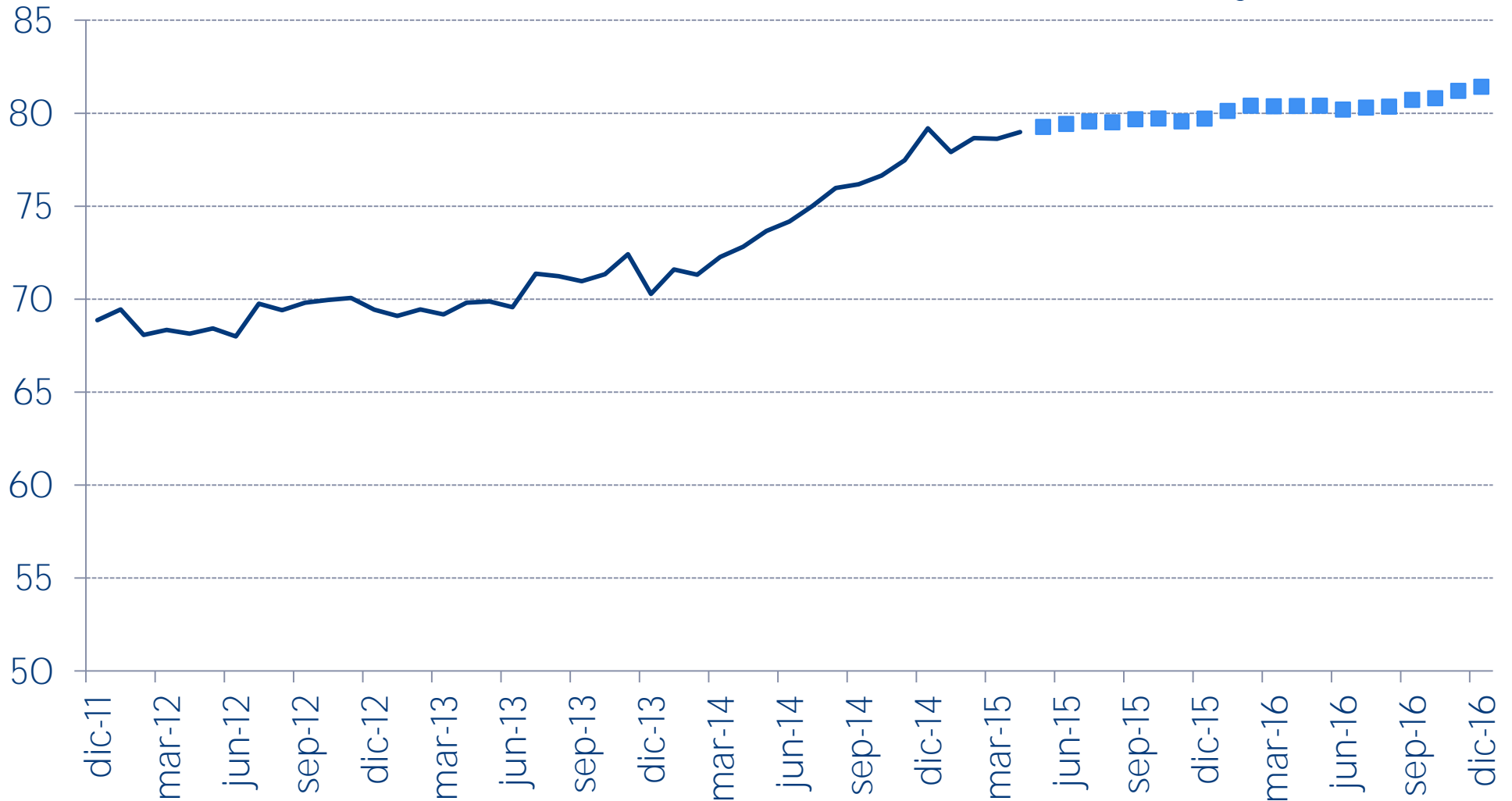
# Production

Simulated Crude Oil Production (mmbbl/day)



# Production

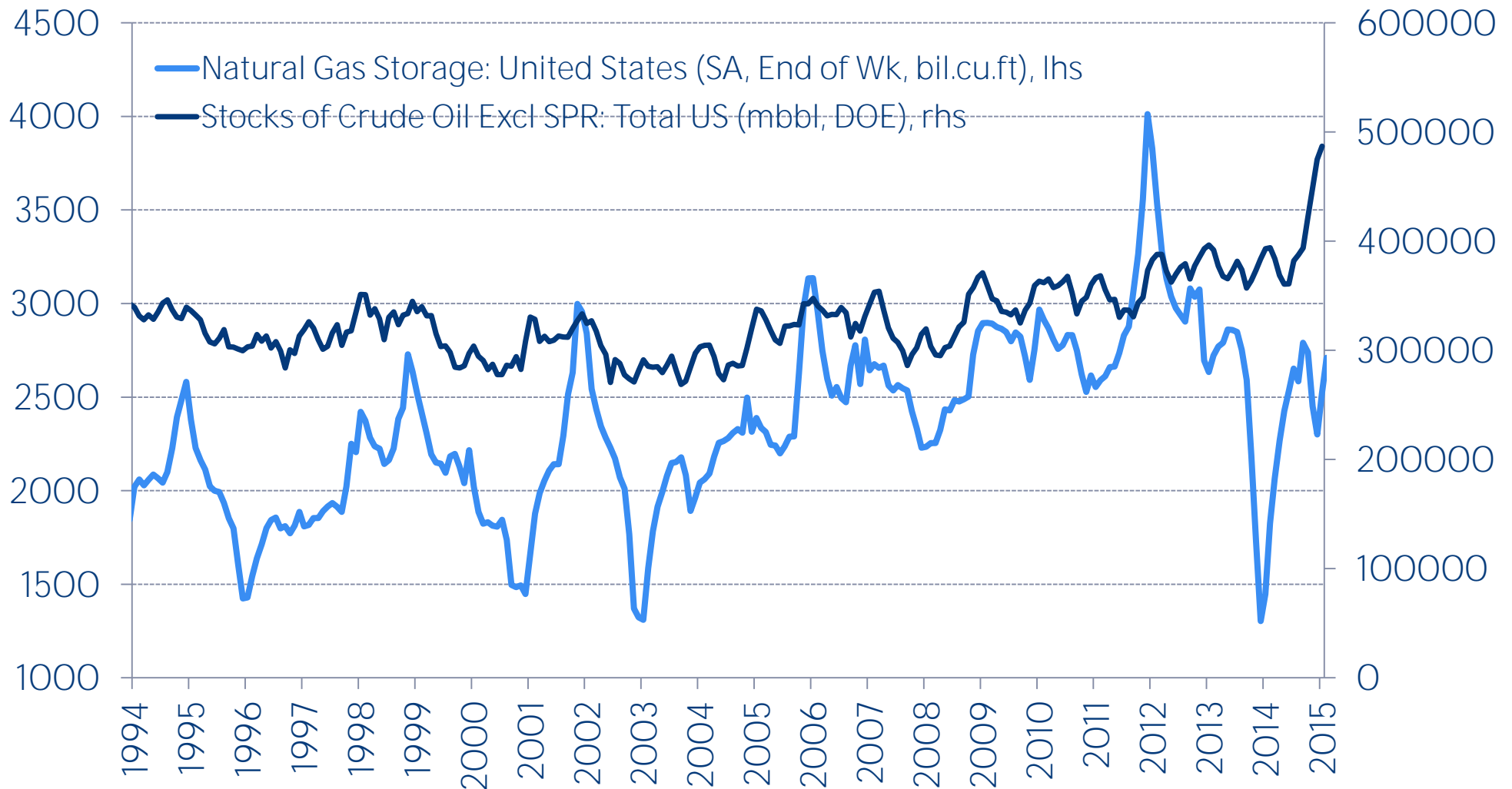
Natural Gas Marketed Production Forecast (billion cubic feet/day)





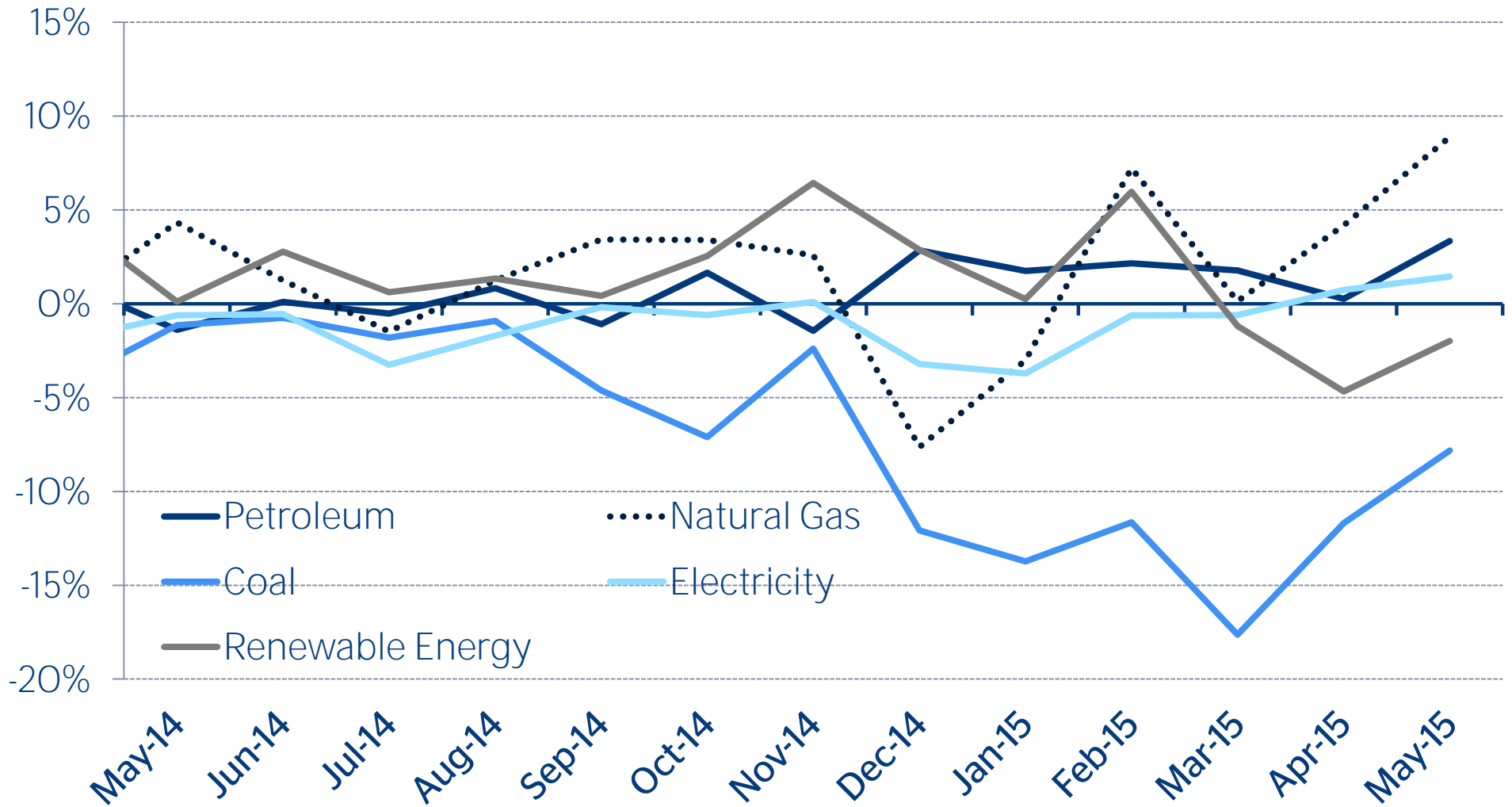
# Inventories

## U.S. Stocks of Crude Oil and Natural Gas



# Consumption

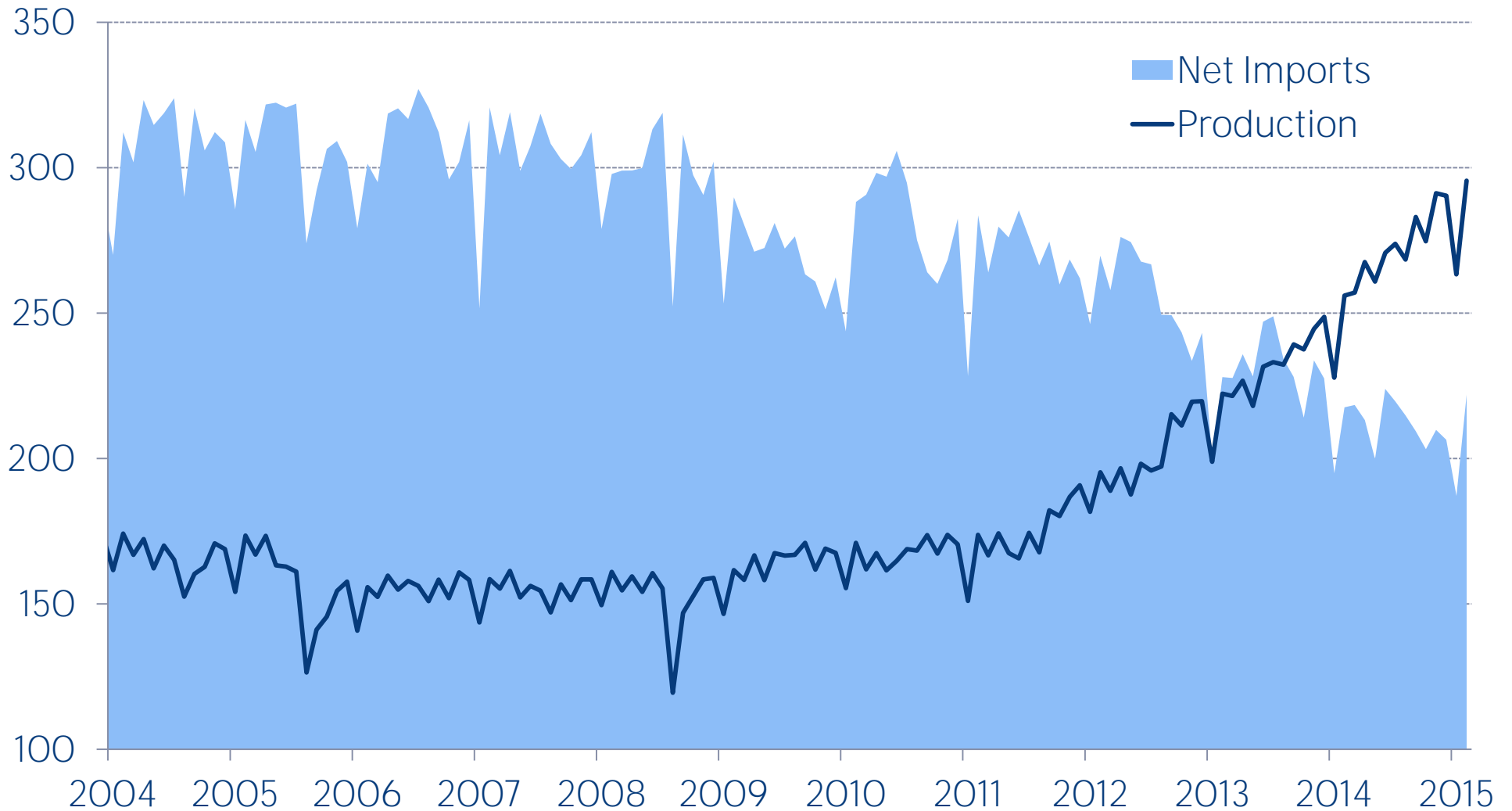
U.S. Energy Consumption (yoy % change)



Source: Haver Analytics

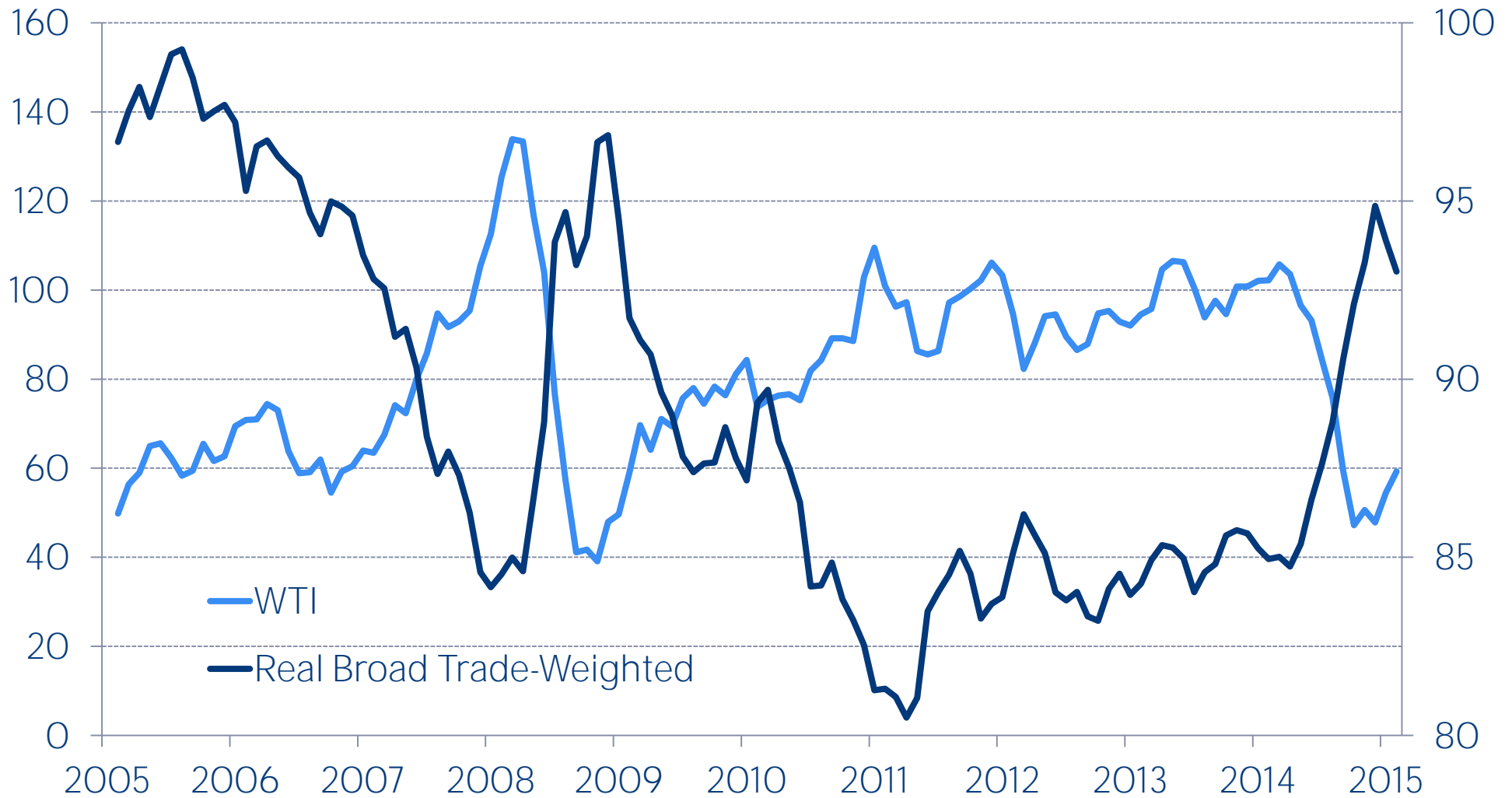
# Net Imports

U.S. Production and Net Imports of Crude Oil (mmbbl/month)



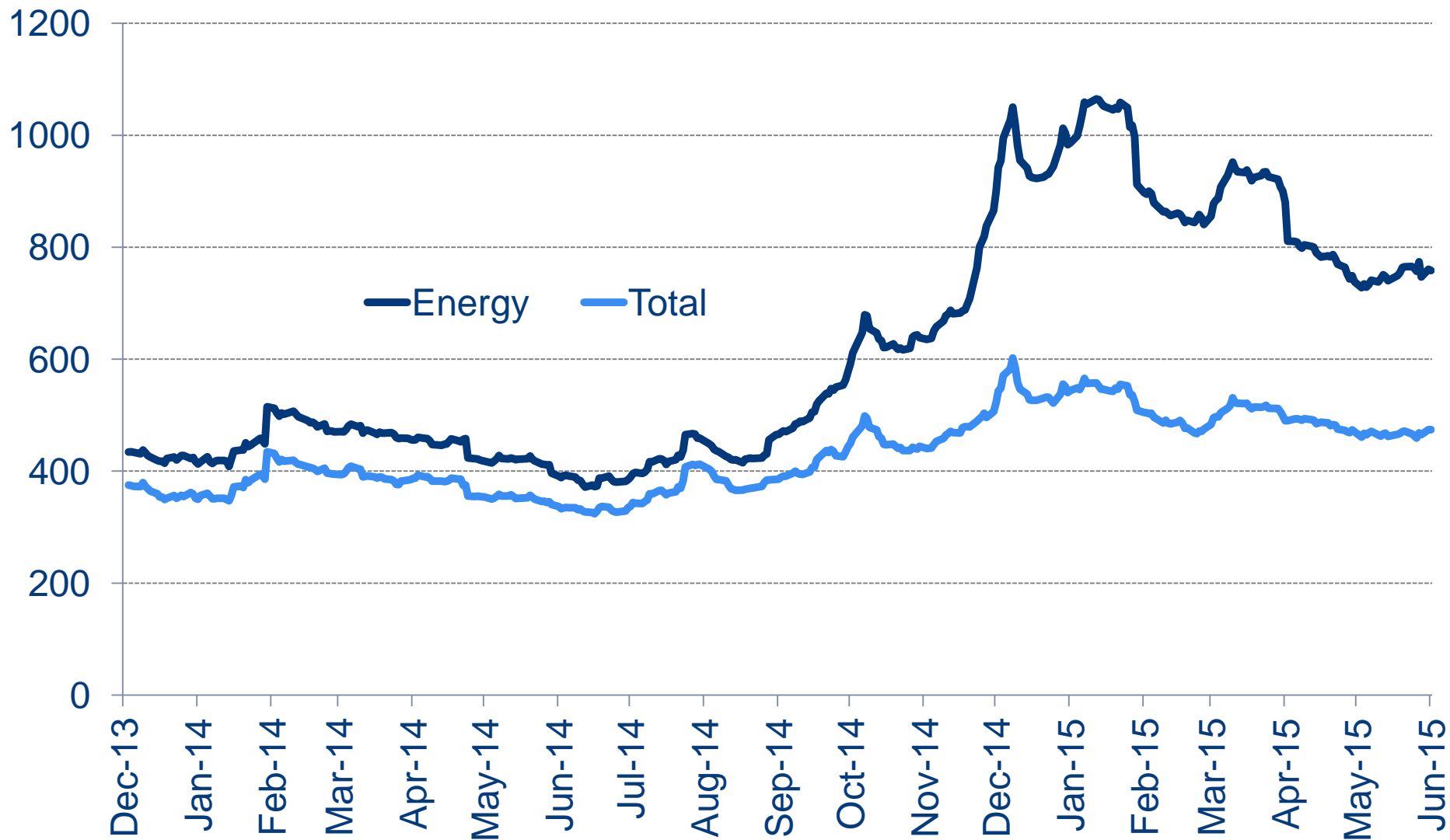
# Exchange Rate

WTI (\$/bbl) and U.S. Dollar Exchange Rate (Mar-73=100)



# Debt

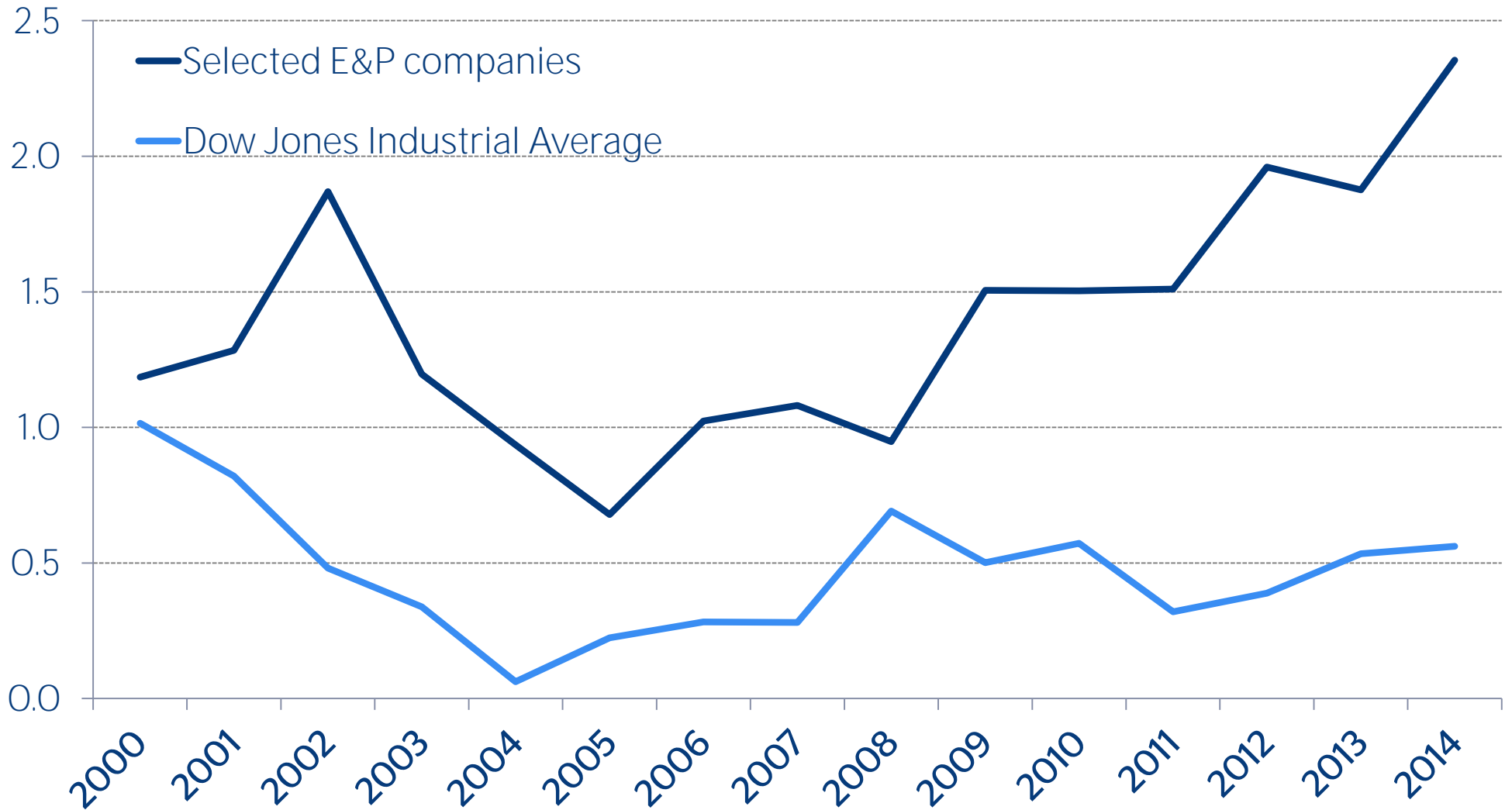
High Yield Bonds (option adjusted spreads relative to U.S. treasuries)



Source: Bloomberg

# Debt

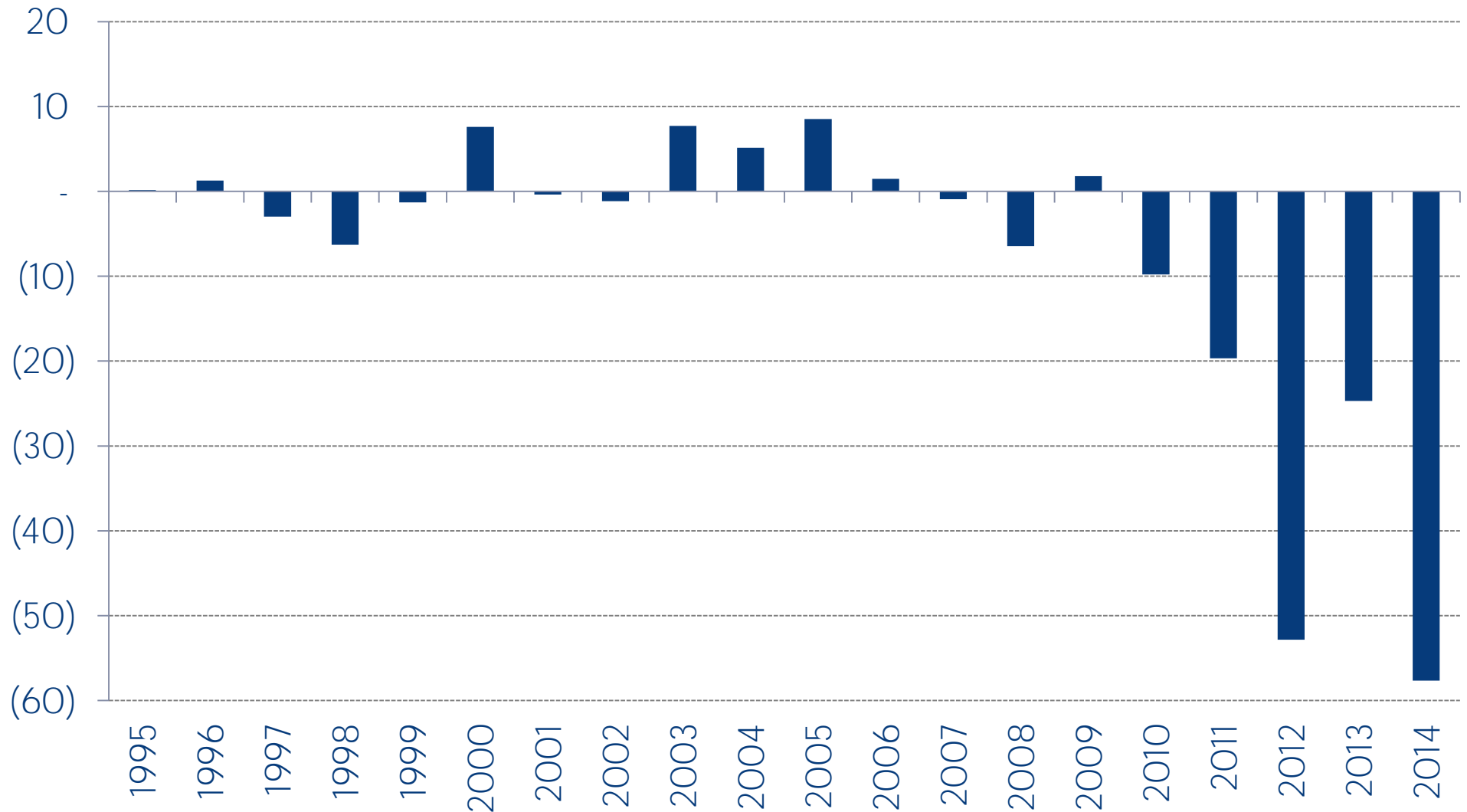
## Median Net Debt to EBITDA



Source: BBVA Research & Bloomberg

# Debt

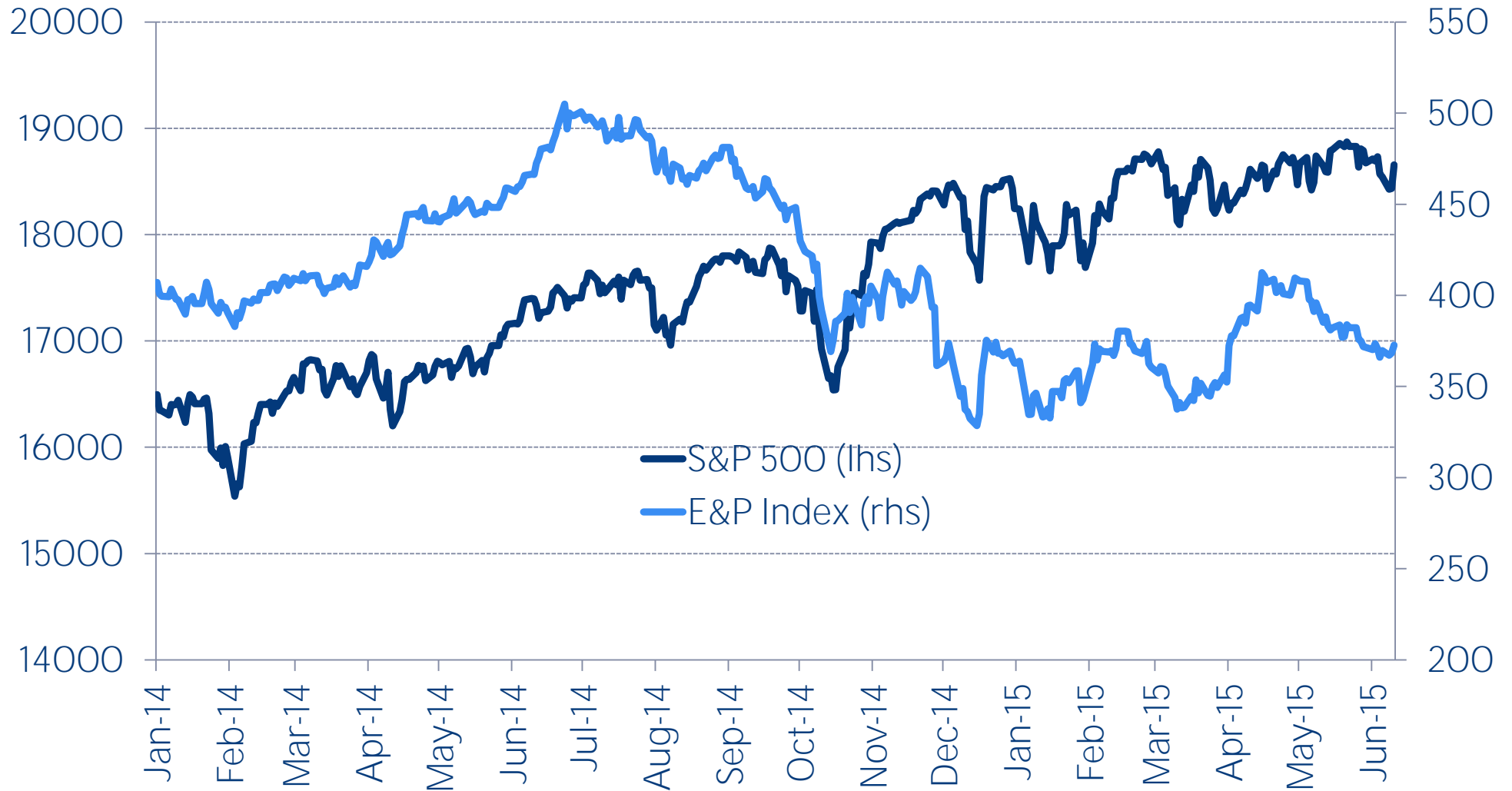
E&P Free Cash Flows (Bill.\$)



Source: BBVA Research & Bloomberg

# Stock Markets

S&P Daily Stock Market Capitalization (Bill.\$)



Source: Haver Analytics



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