

# U.S. Oil & Gas Industry Chartbook

BBVA Research USA

Houston, TX

August 2015

## DISCLAIMER

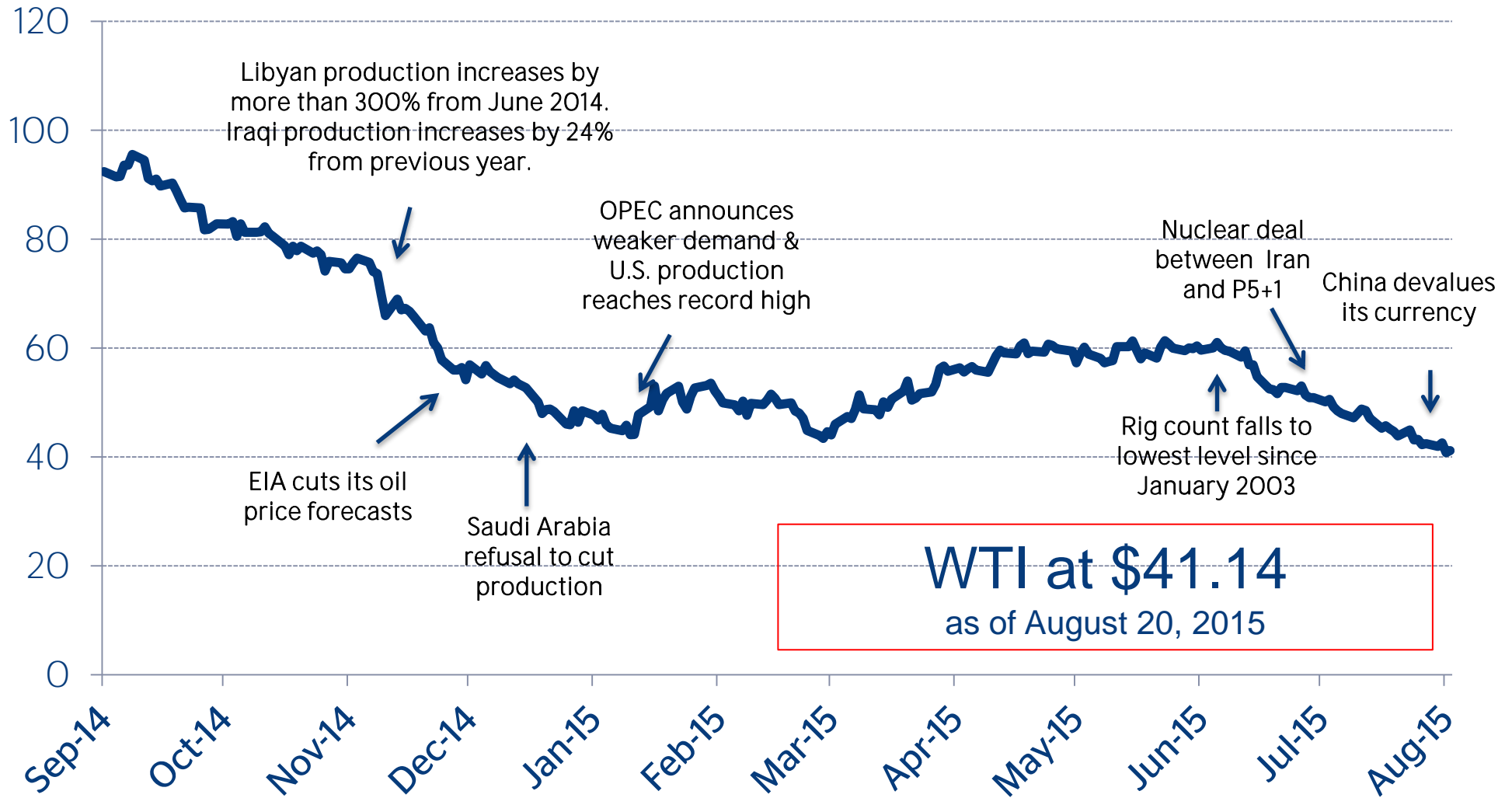
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## Bottom Line

- In August, the price of crude oil dropped to its lowest level since March 2009 as the oil supply glut continues
- Market sentiment is on the downside as indicated by the decline in futures prices.
- Last month, the total active rig count fell to its lowest level since January 2003; we expect a steady decline in crude oil production by early 2016 (see: [The Dynamics of Crude Oil Production](#))
- In July, Texas employment in mining and logging experienced its biggest YoY decline since March 2010
- The Obama administration approved limited crude oil trading with Mexico, which could possibly lead to further loosening of the export ban and an improved trade balance, although the impact on domestic fuel prices is uncertain

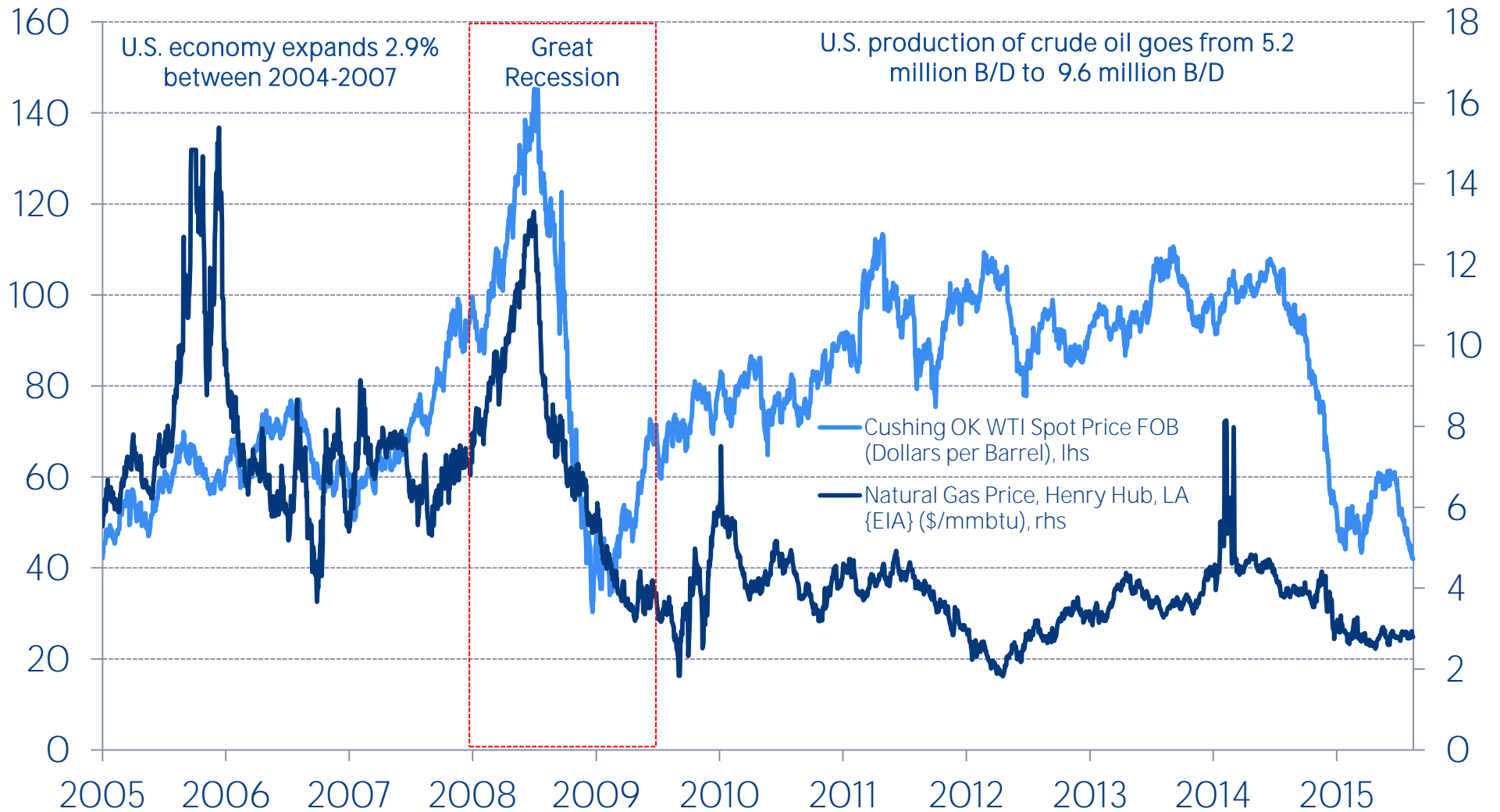
# Spot Prices

WTI Spot Price (avg, \$/bbl)



# Spot Prices

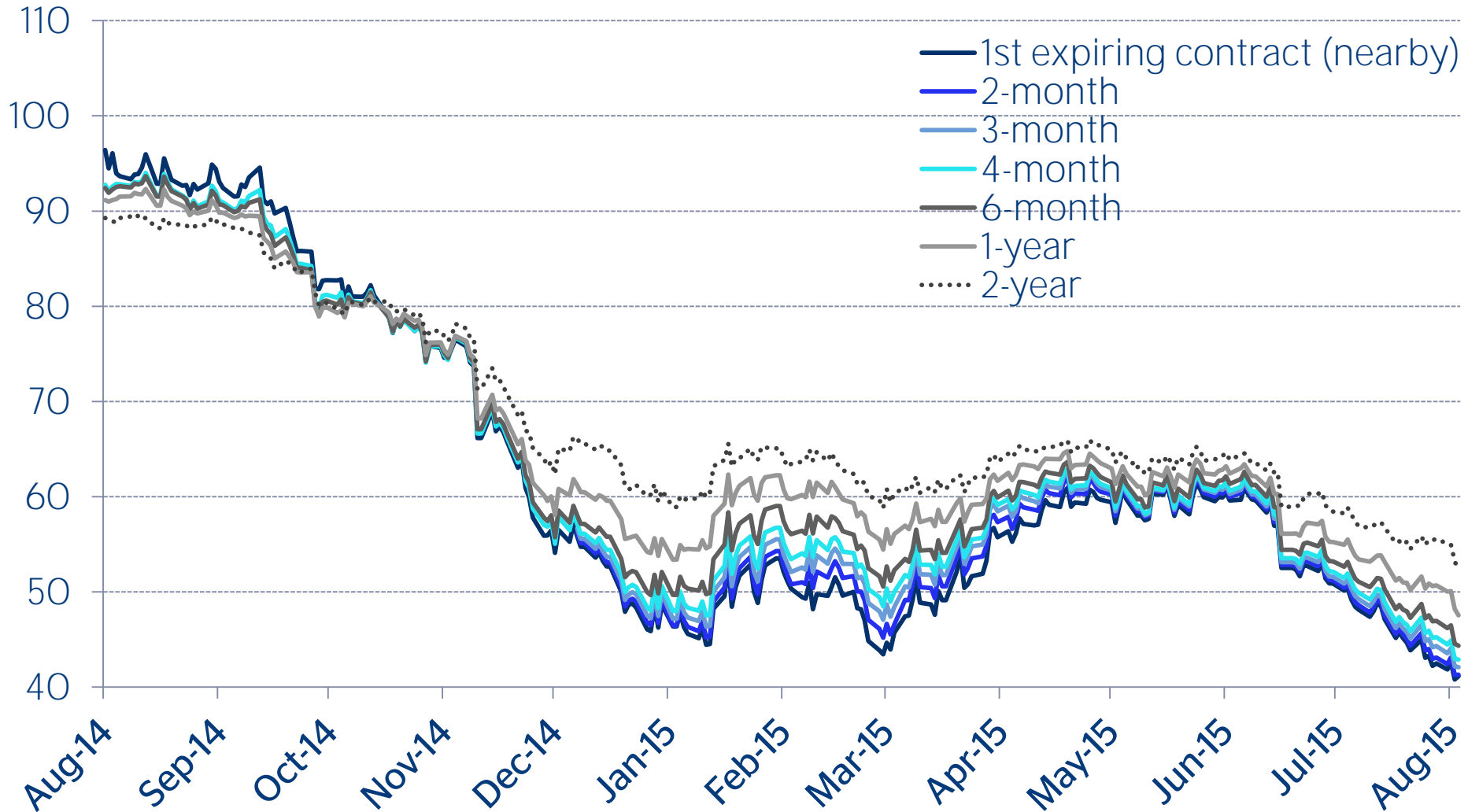
## Crude Oil and Natural Gas Spot Prices



Source: Haver Analytics

# Futures Prices

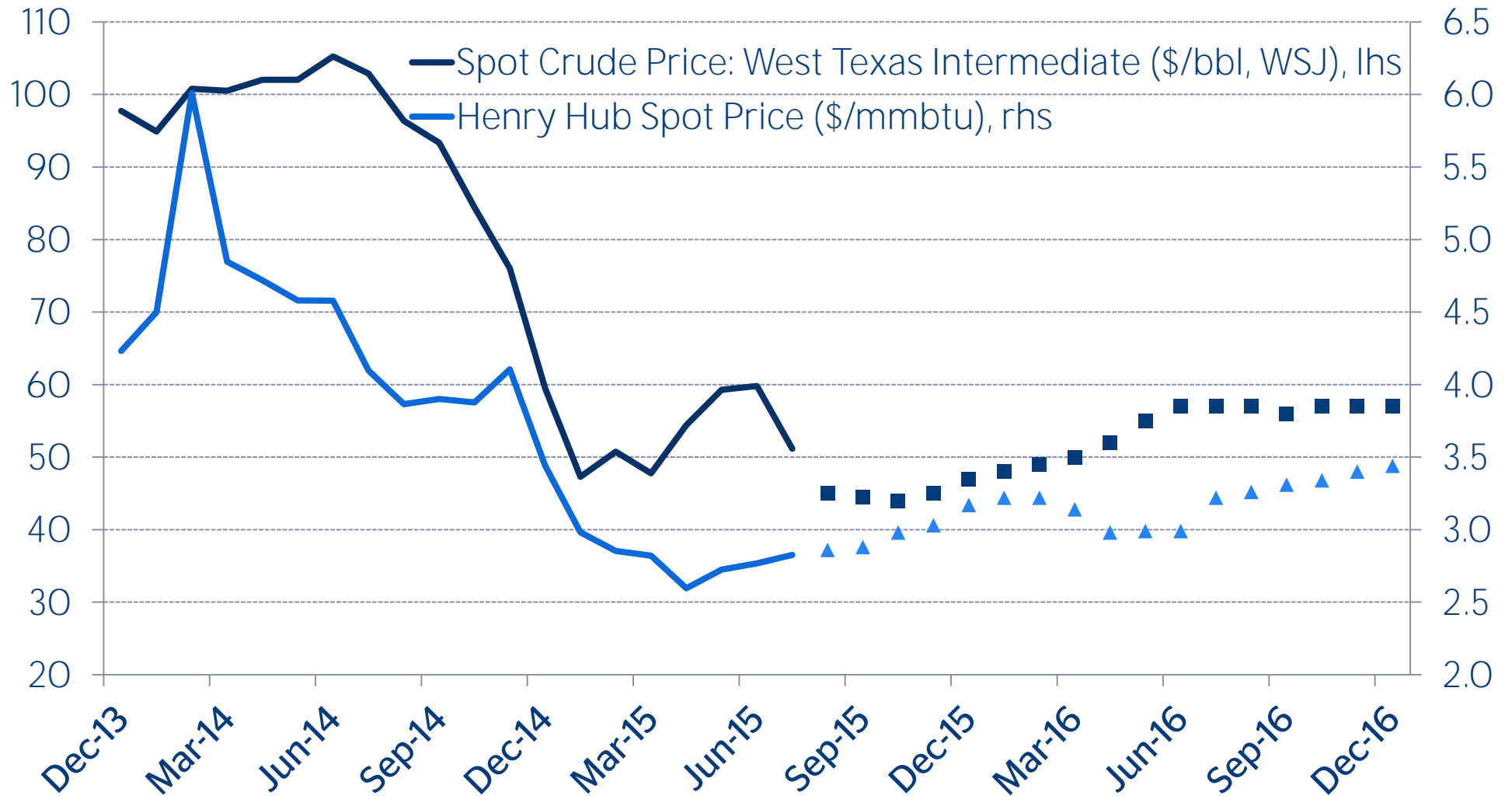
WTI Futures (\$/bbl)



Source: Haver Analytics

# Forecasts

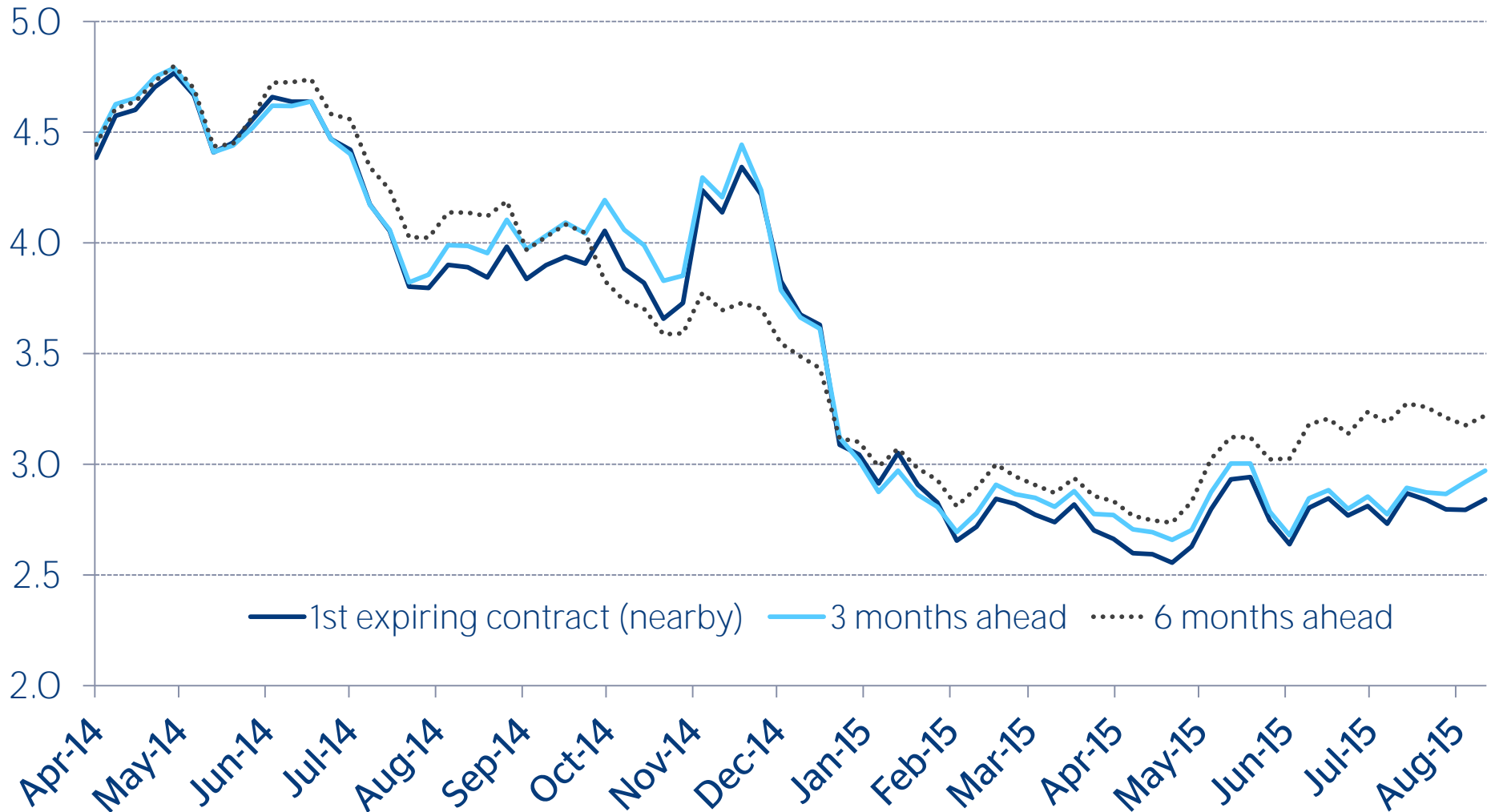
## EIA: Oil and Natural Gas Forecast



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

# Futures Prices

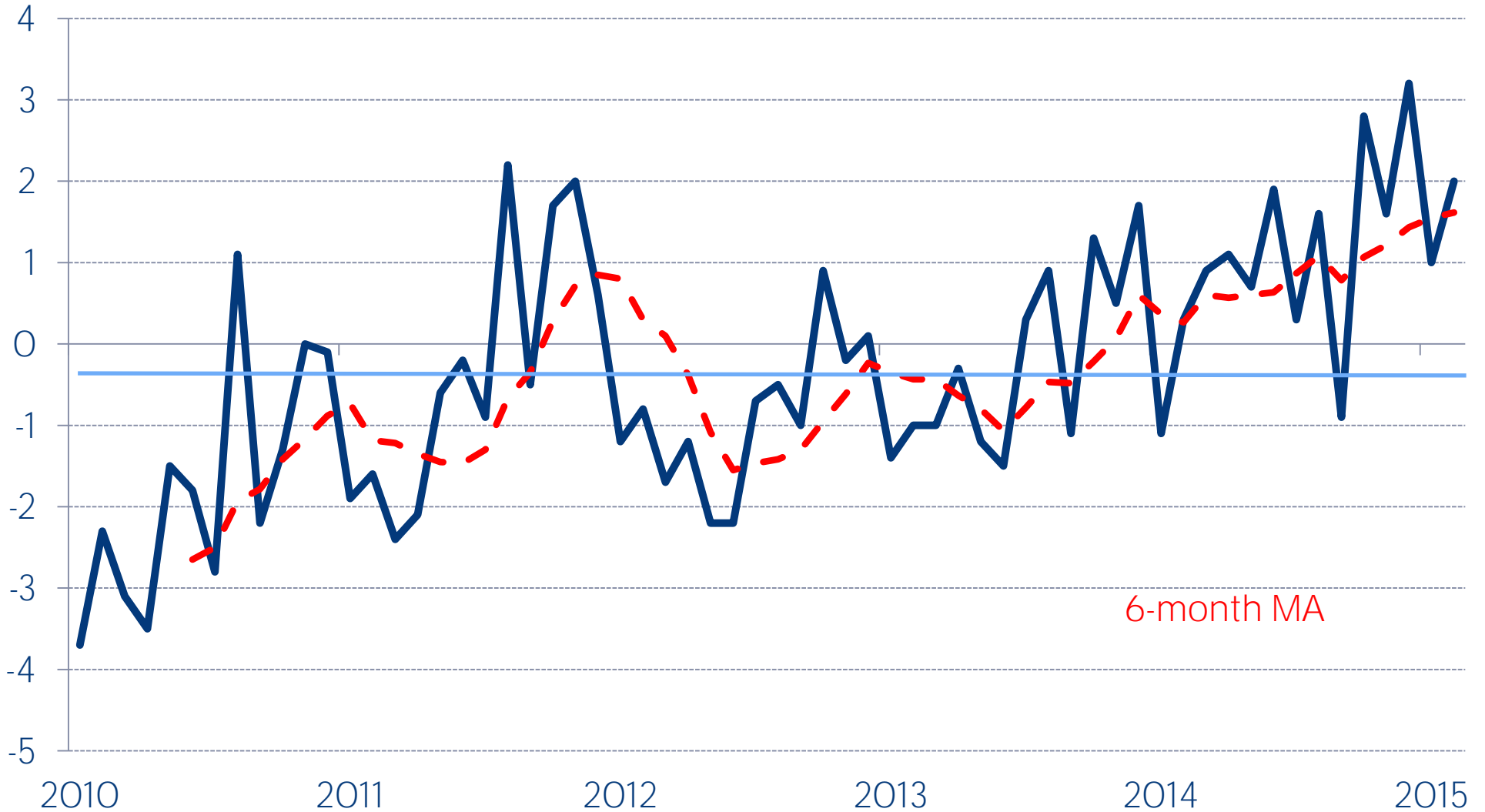
Natural Gas Futures (\$/mmbtu)



Source: Haver Analytics

# Supply and Demand

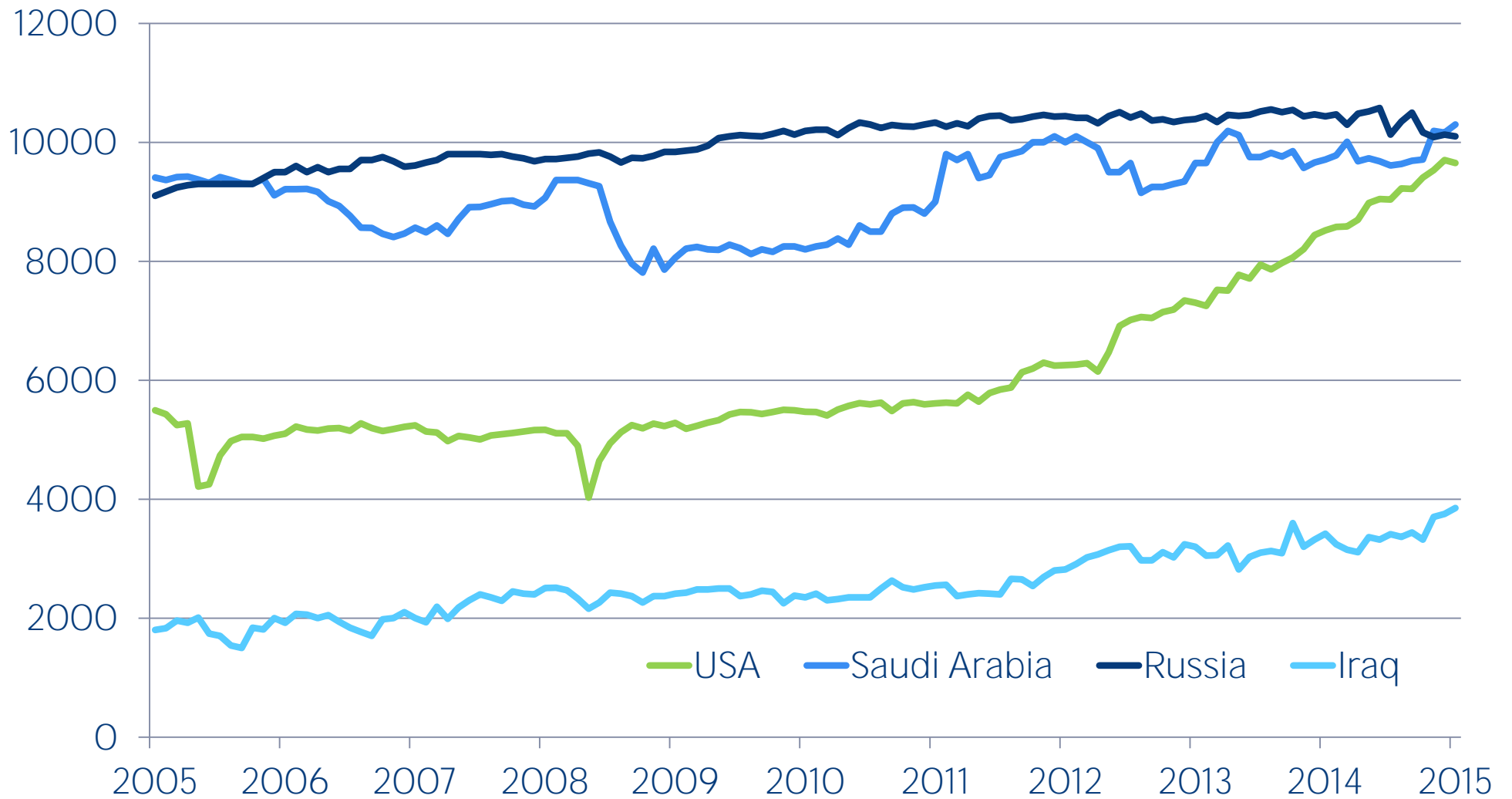
Global Oil Supply and Demand Balance (mmbbl/day)





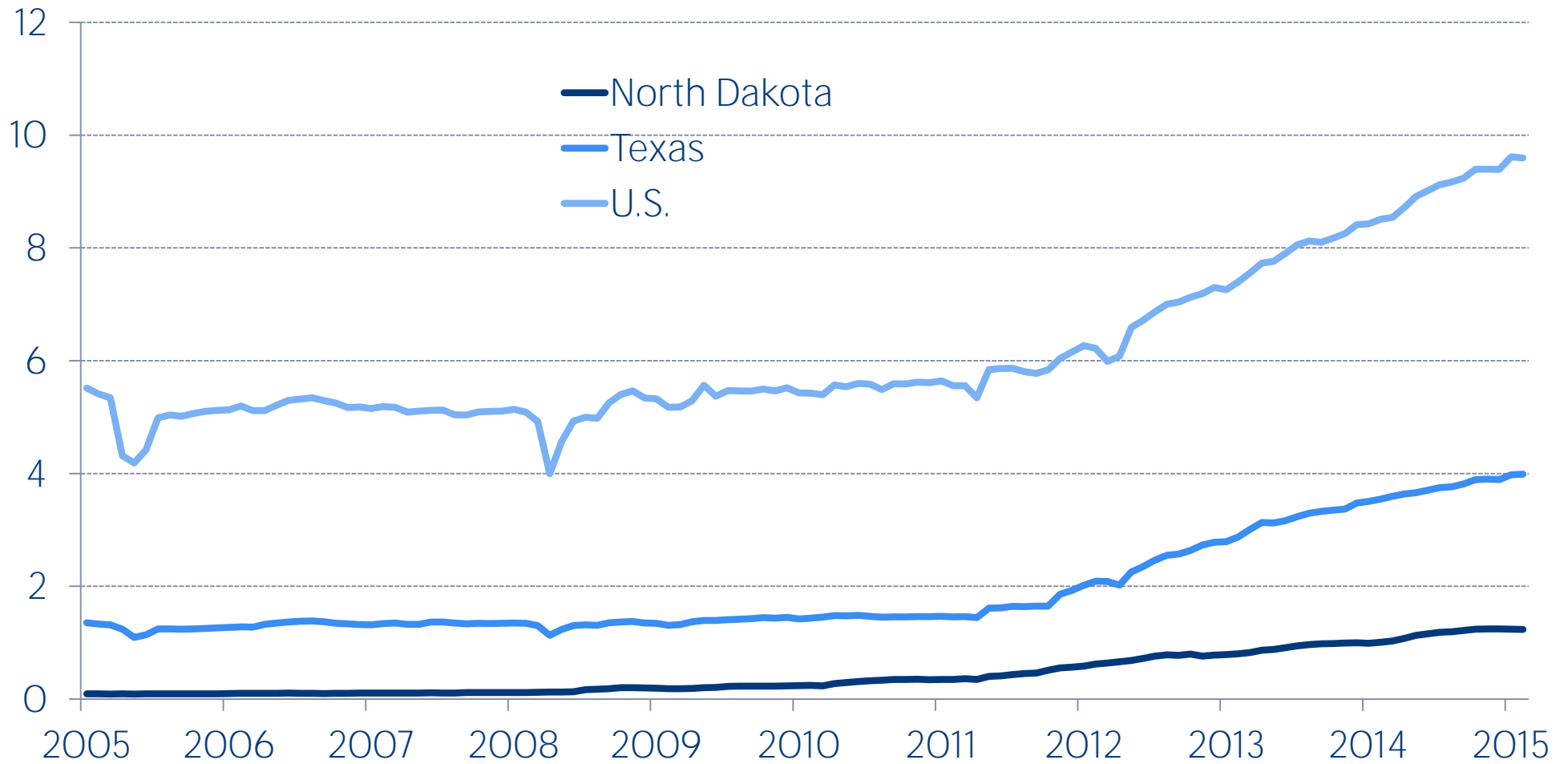
# Production

Production for Top Crude Oil Producers (Thous. B/D)



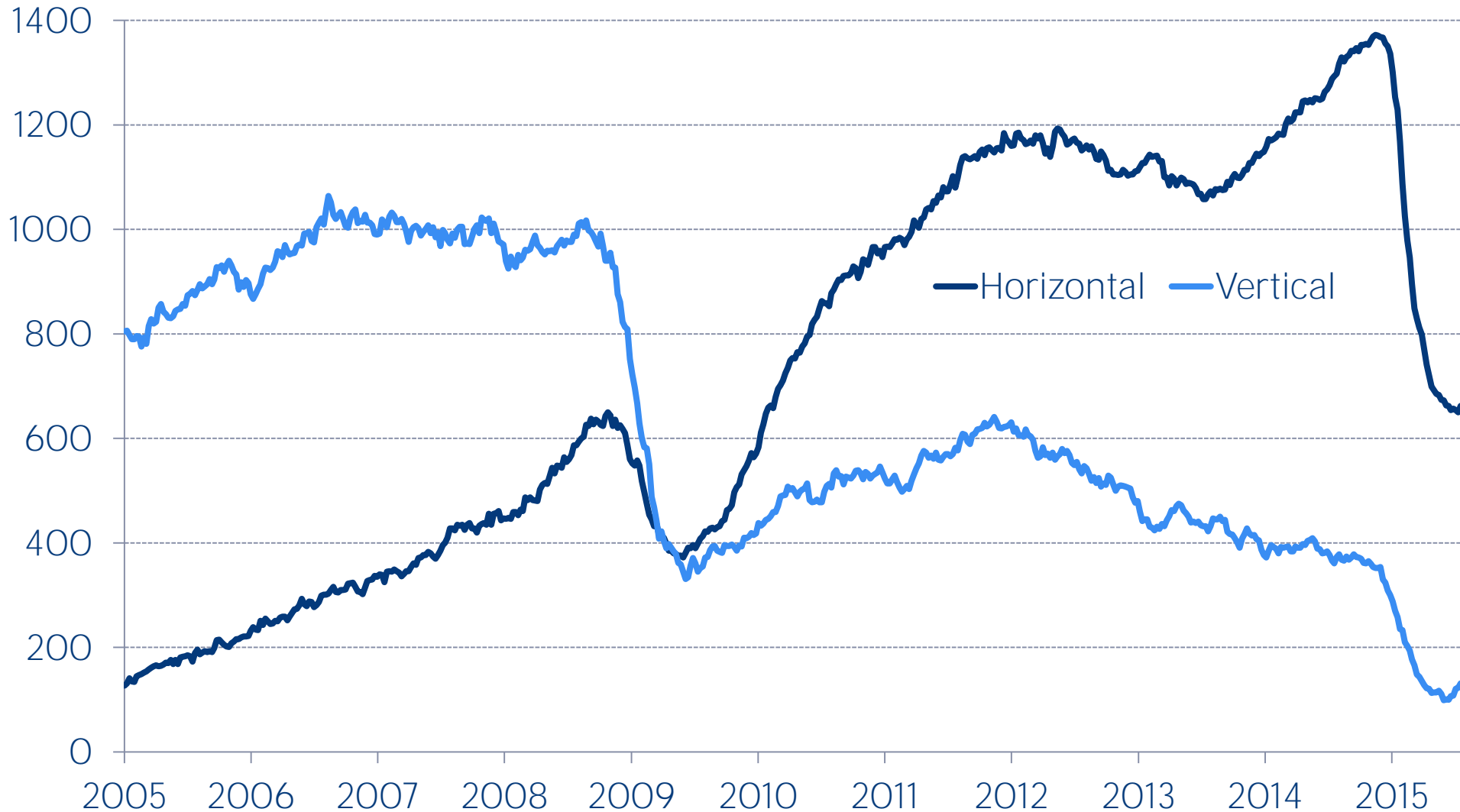
# Production

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



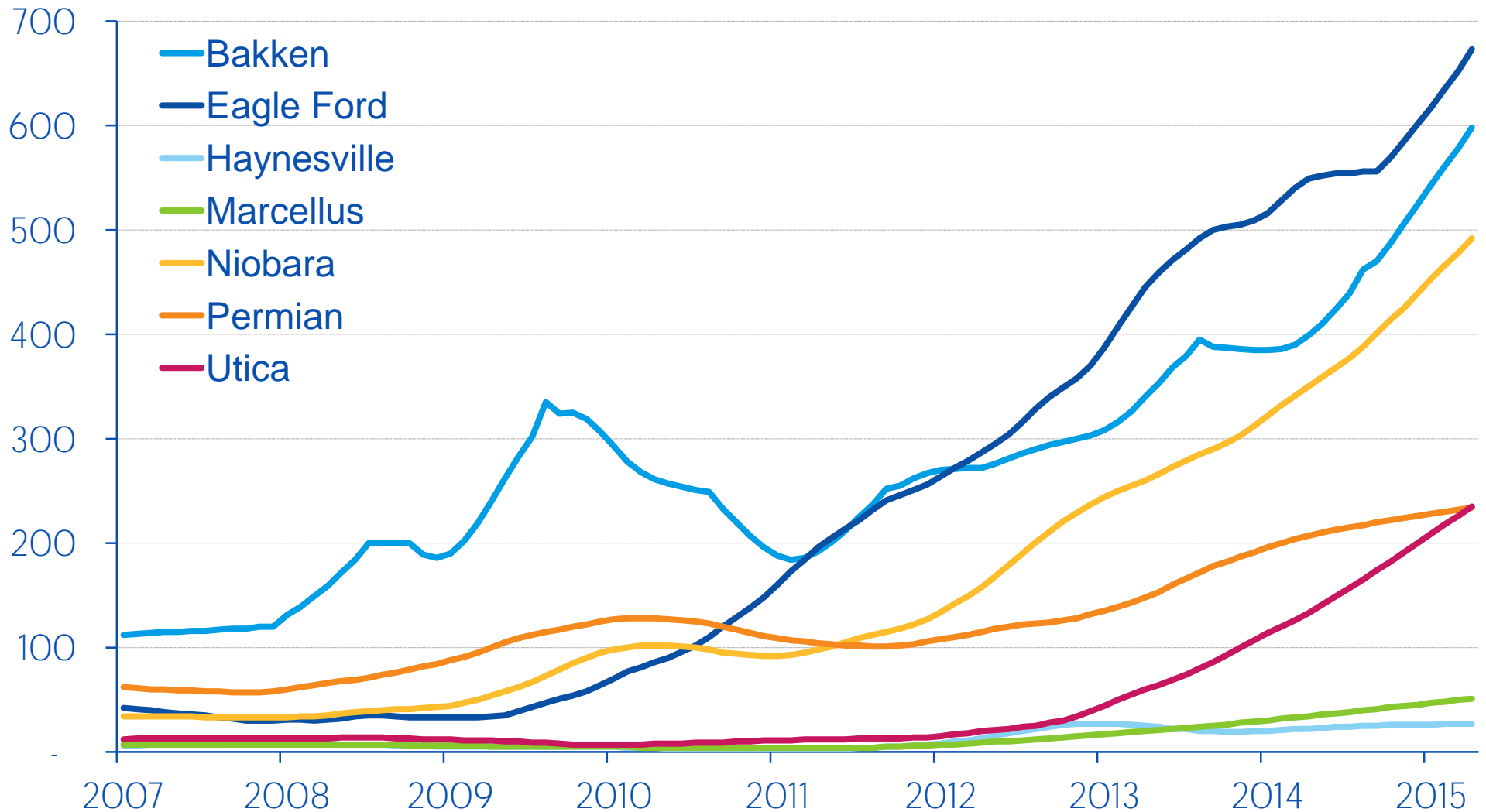
# Rig Count

U.S. Active Rig Count (units)



# Rig Count

Rig Count Productivity (bbl/day)



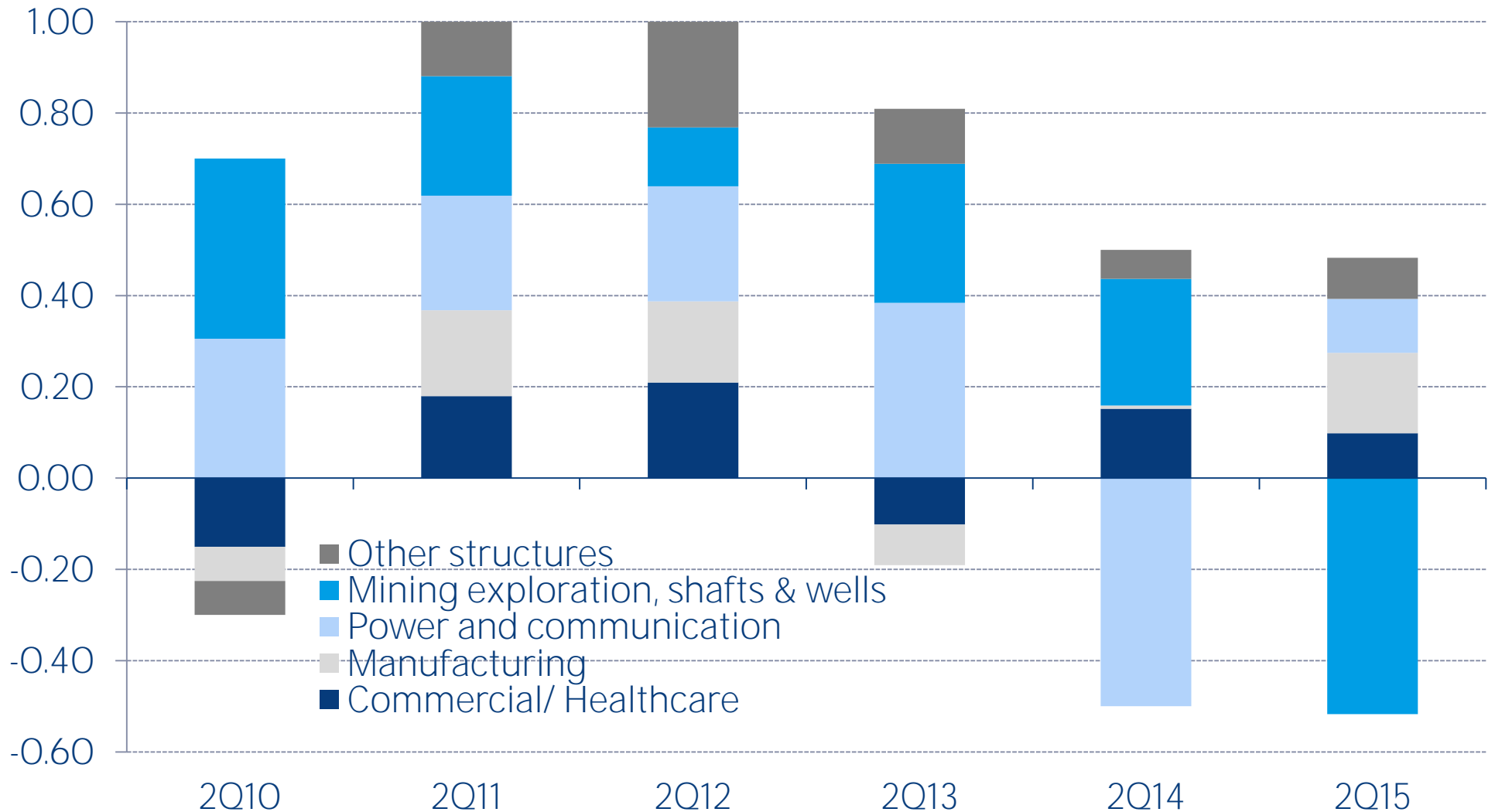
# Investment

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



# Private Fixed Investment

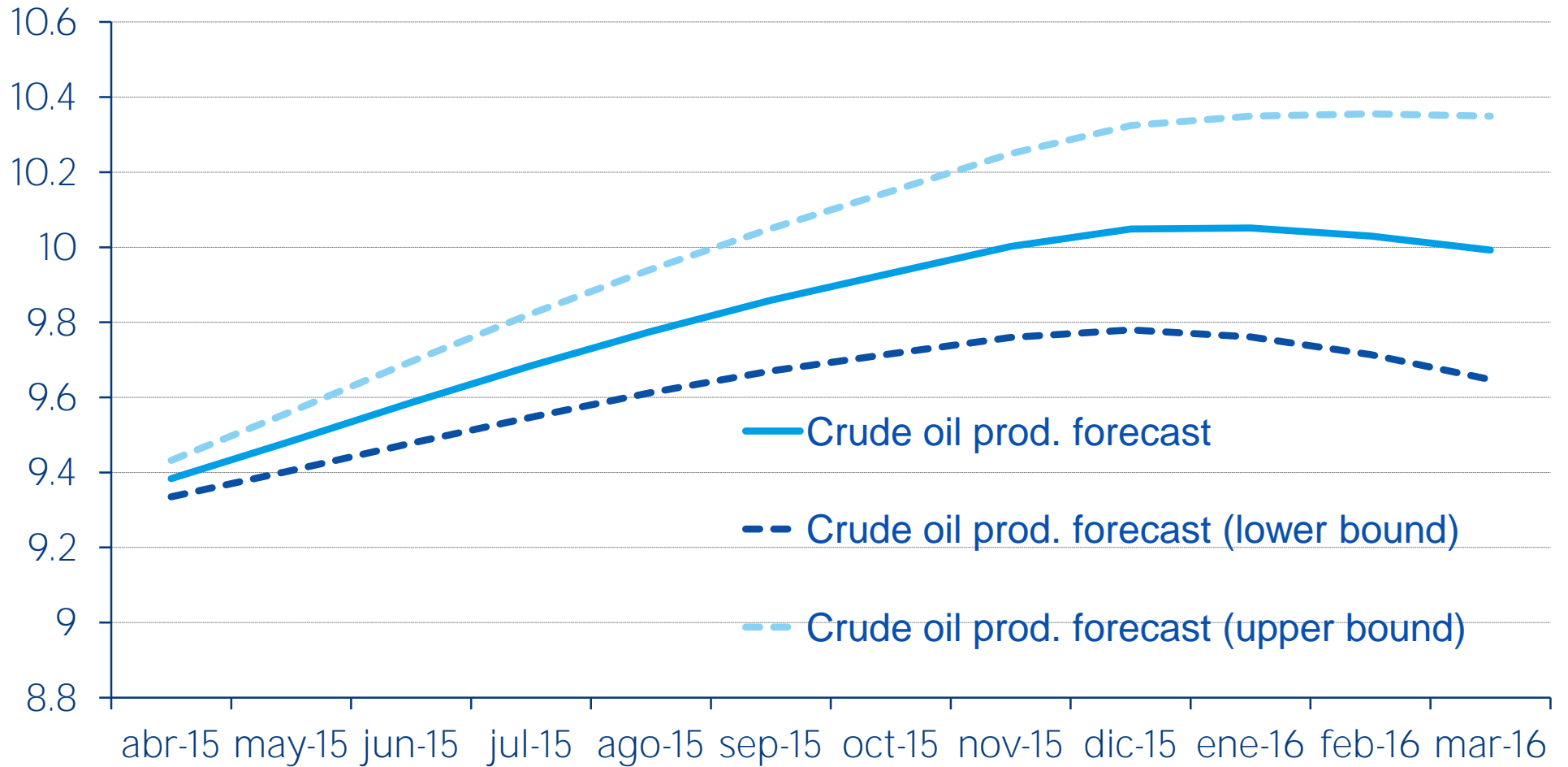
Contributions to % Change by Type of Structure (SAAR, %)



Source: Haver Analytics

# Production

Simulated Crude Oil Production (mmbbl/day)



# Inventories

U.S. Stocks of Crude Oil Excl. SPR (EOP, thousand barrels)





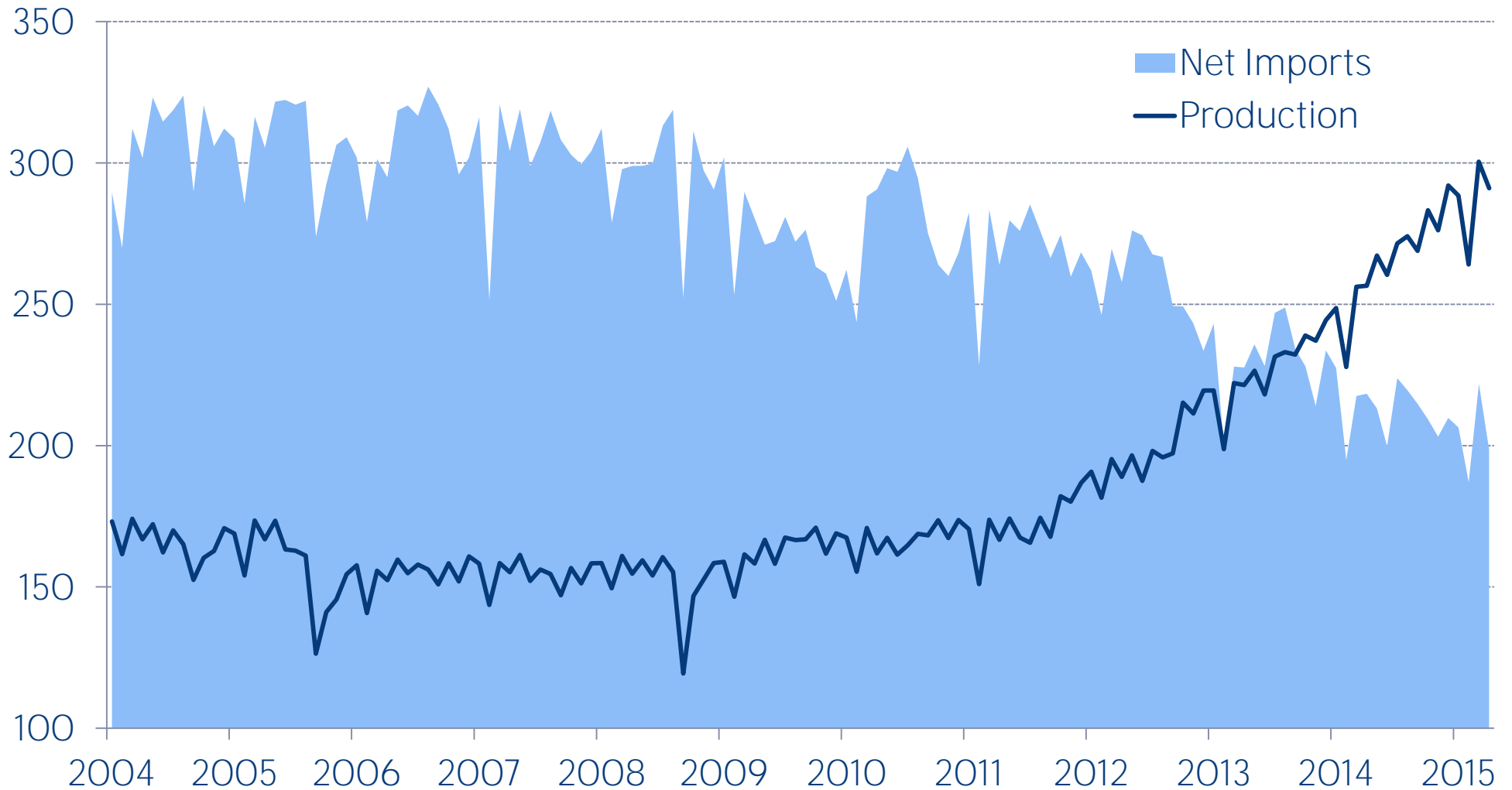
# Inventories

U.S. Stocks of Natural Gas (SA, End of WK, billion cubic feet)



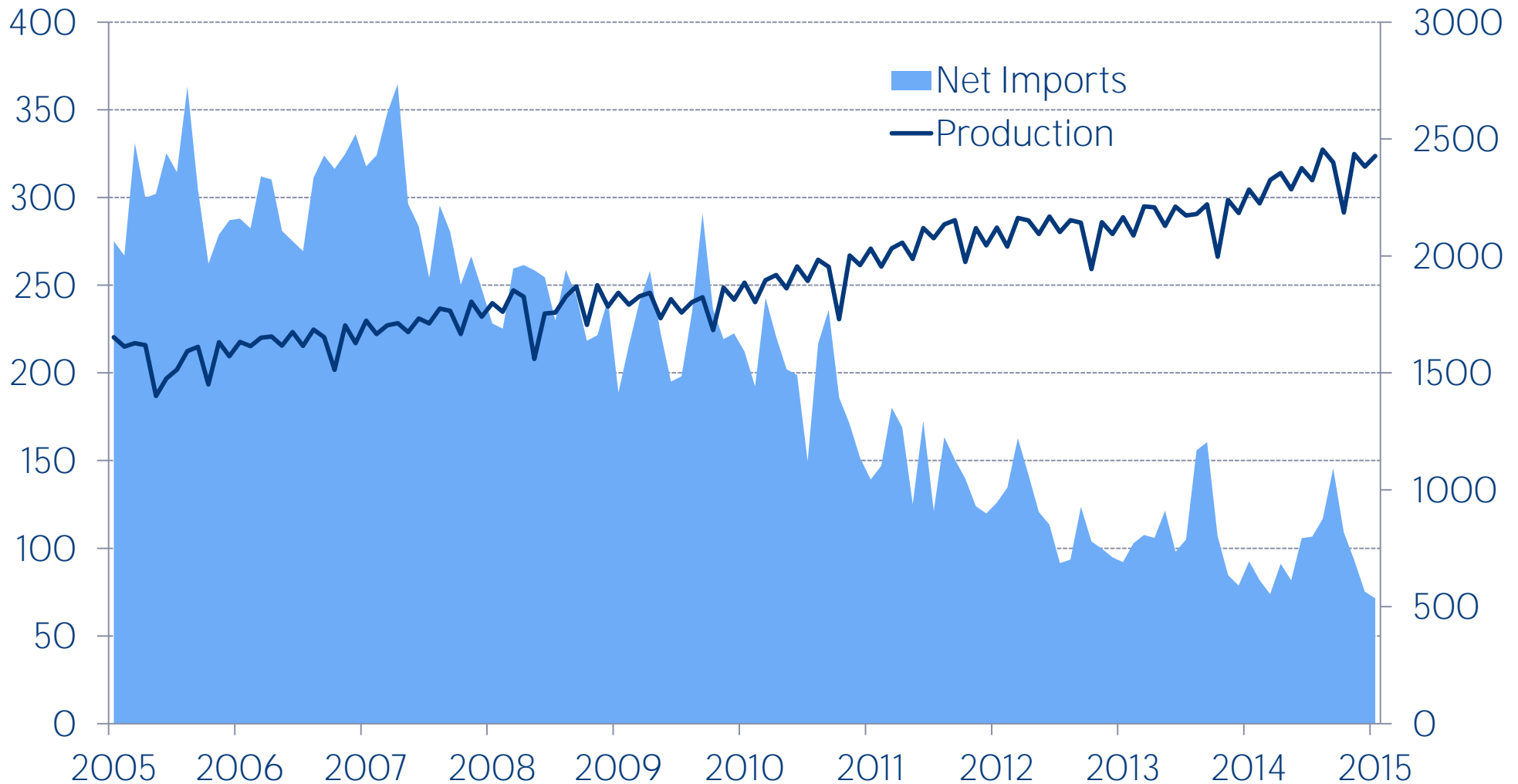
# Net Imports

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



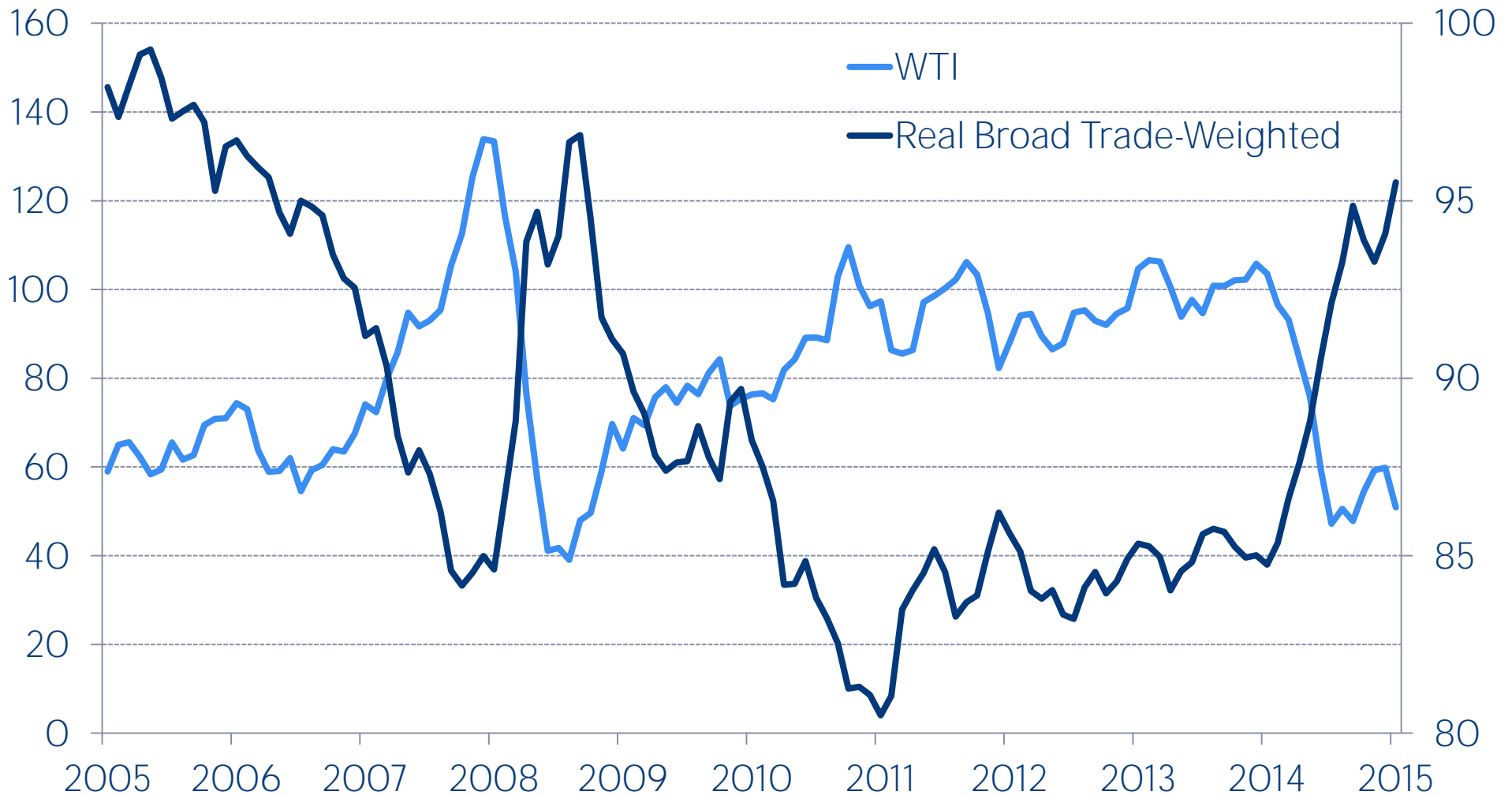
# Net Imports

U.S. Production and Net Imports of Natural Gas (Bill. CF)



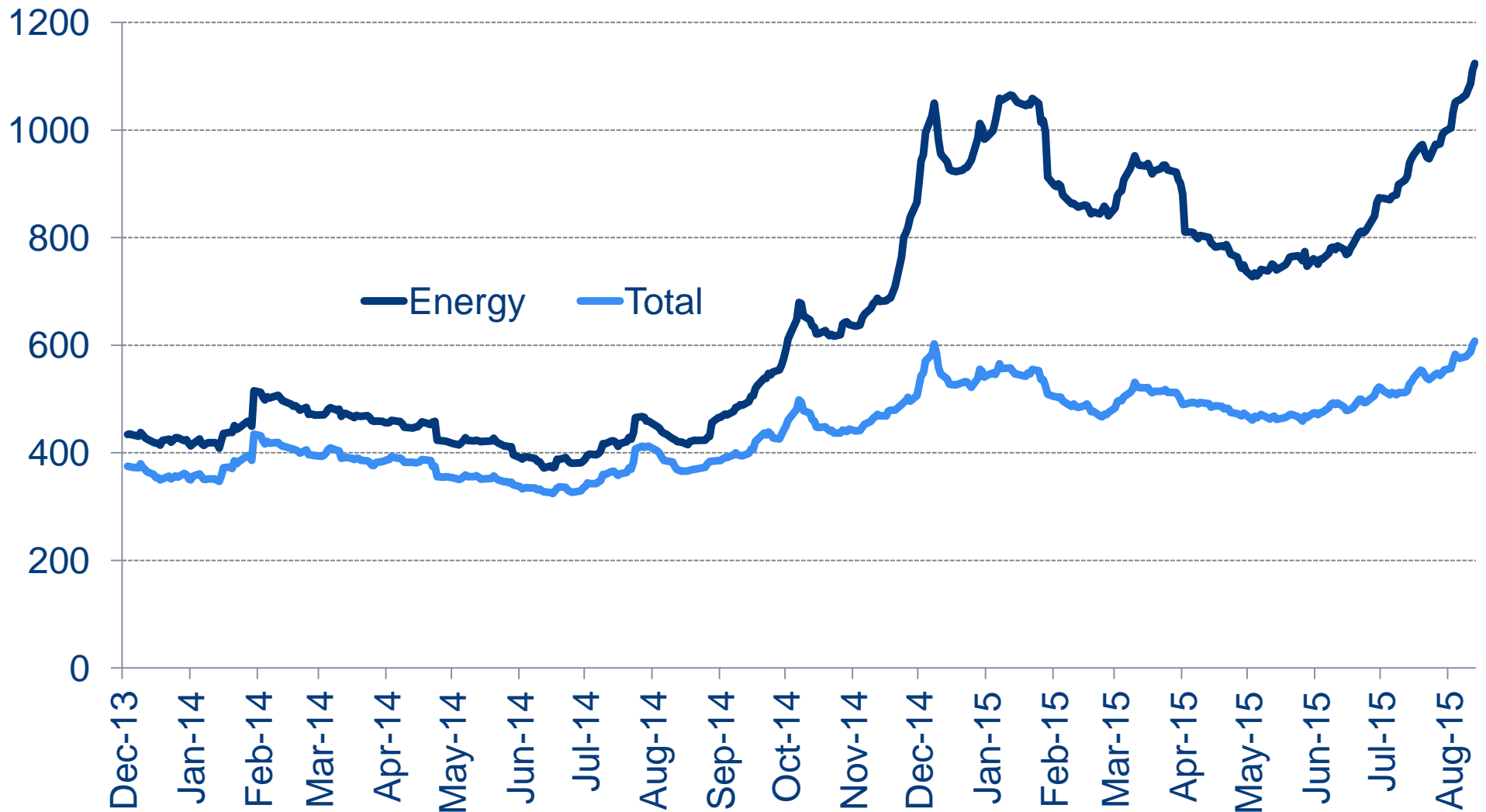
# Exchange Rate

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



# Debt

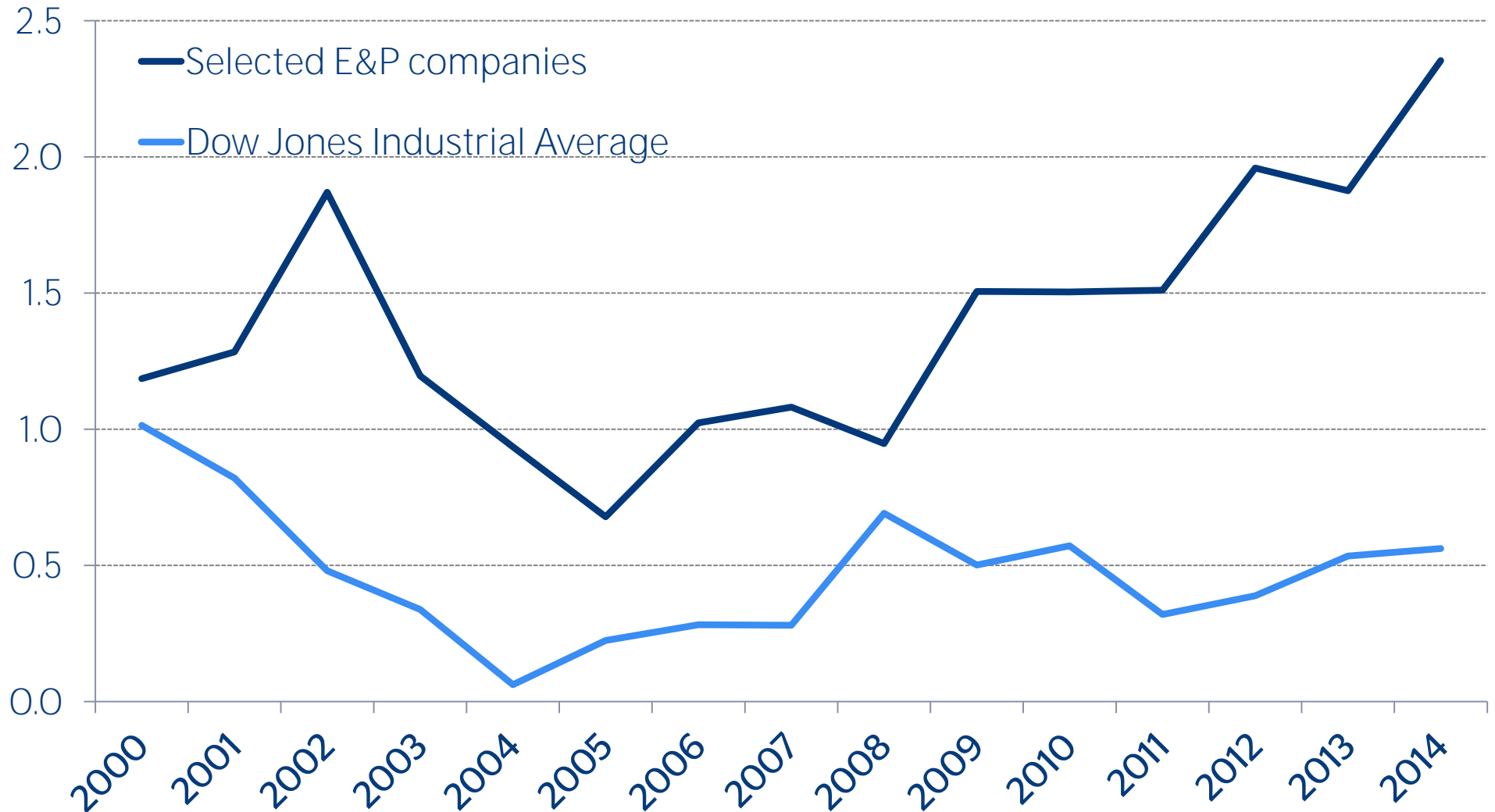
High Yield Bonds (option adjusted spreads relative to U.S. treasuries)



Source: Bloomberg

# Debt

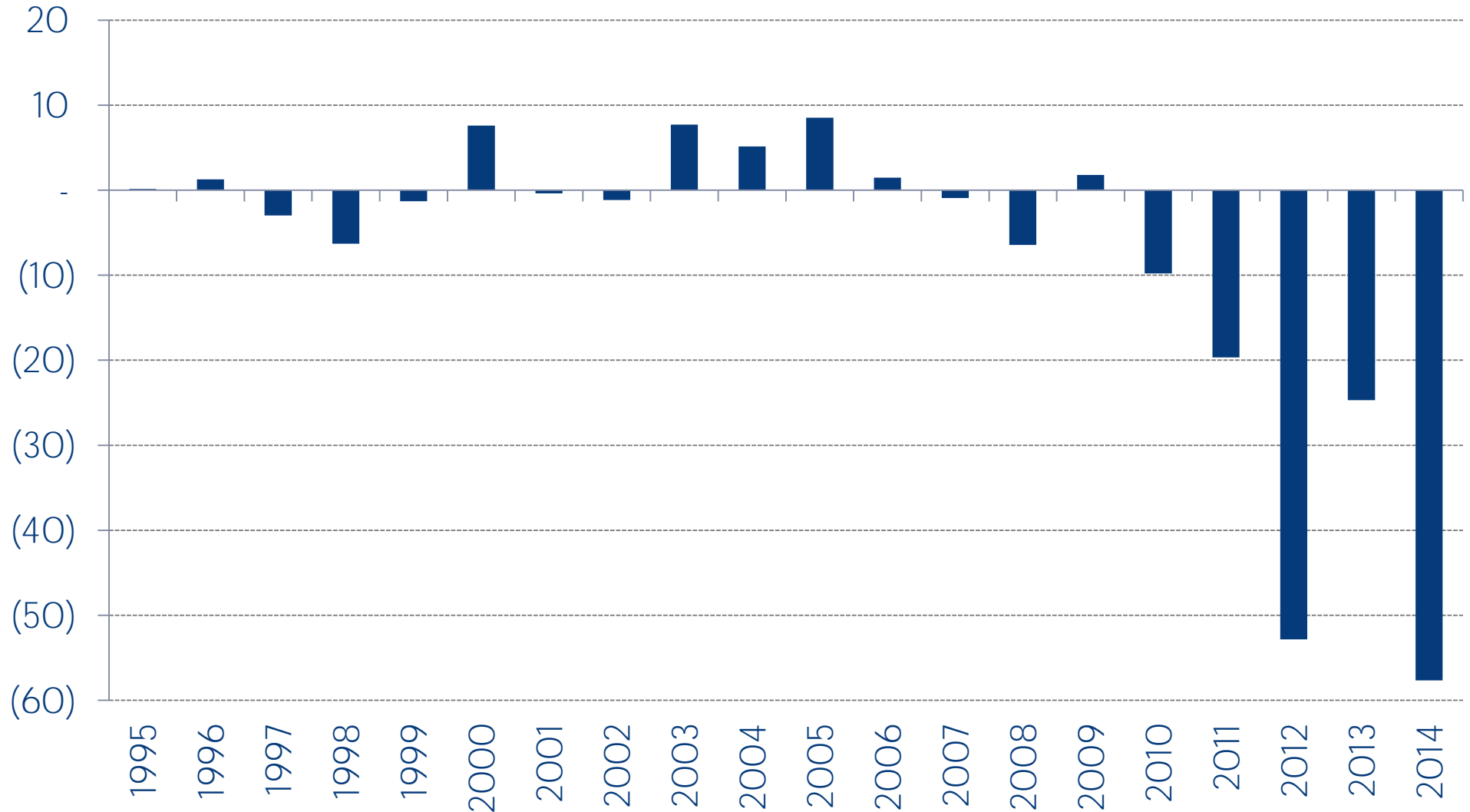
## Median Net Debt to EBITDA



Source: BBVA Research & Bloomberg

# Debt

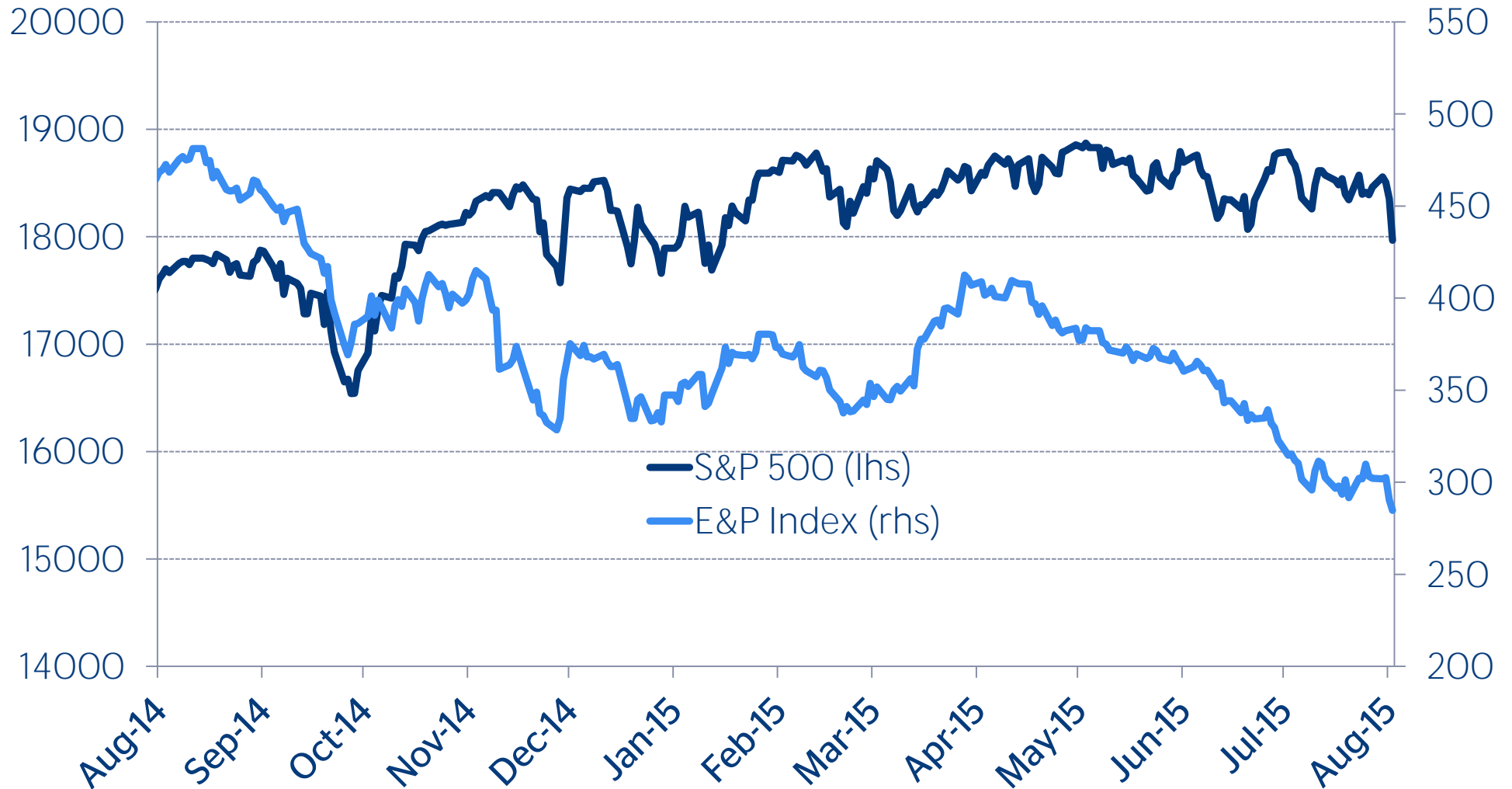
E&P Free Cash Flows (Bill.\$)



Source: BBVA Research & Bloomberg

# Stock Markets

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

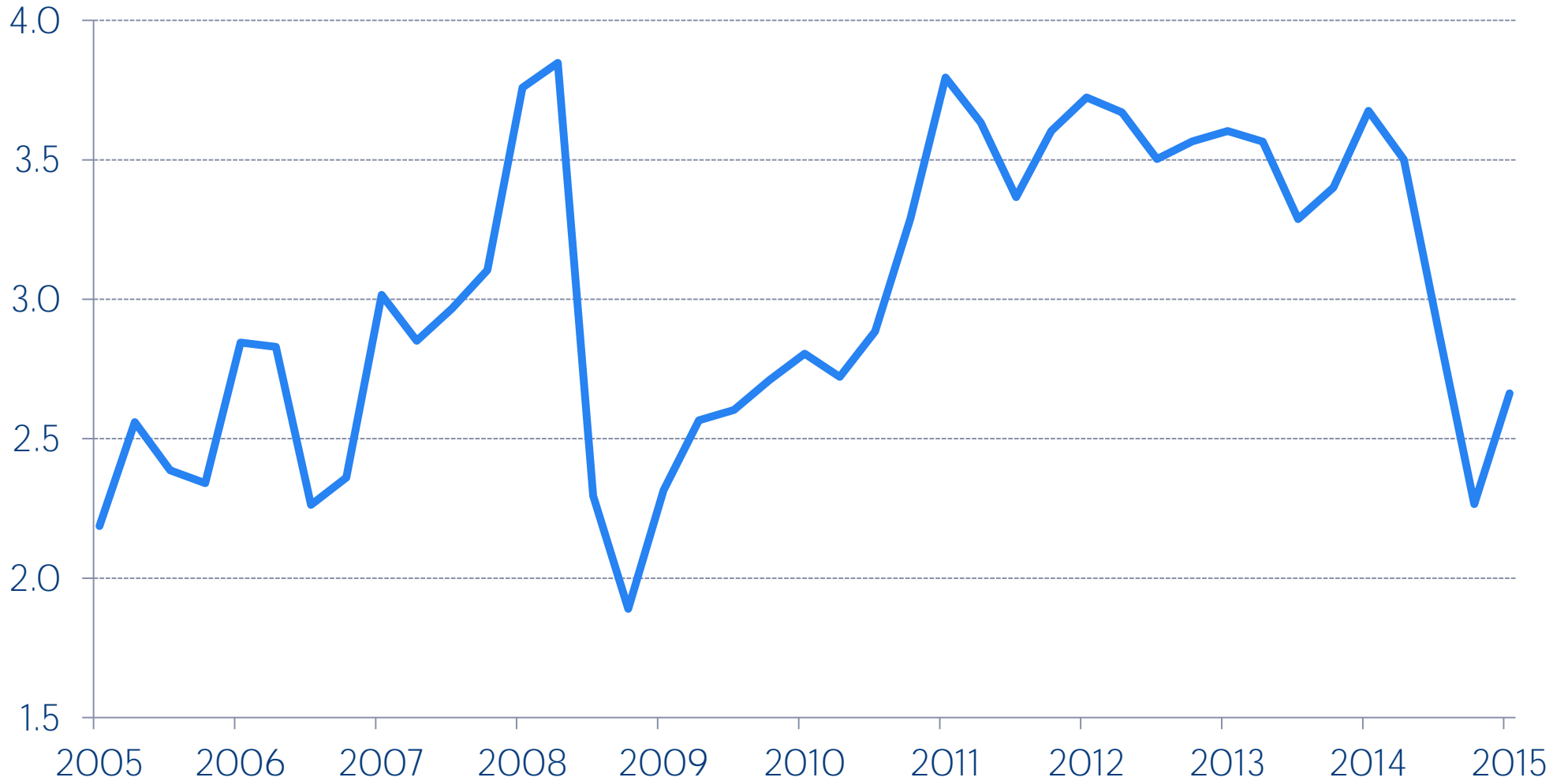


Source: Haver Analytics



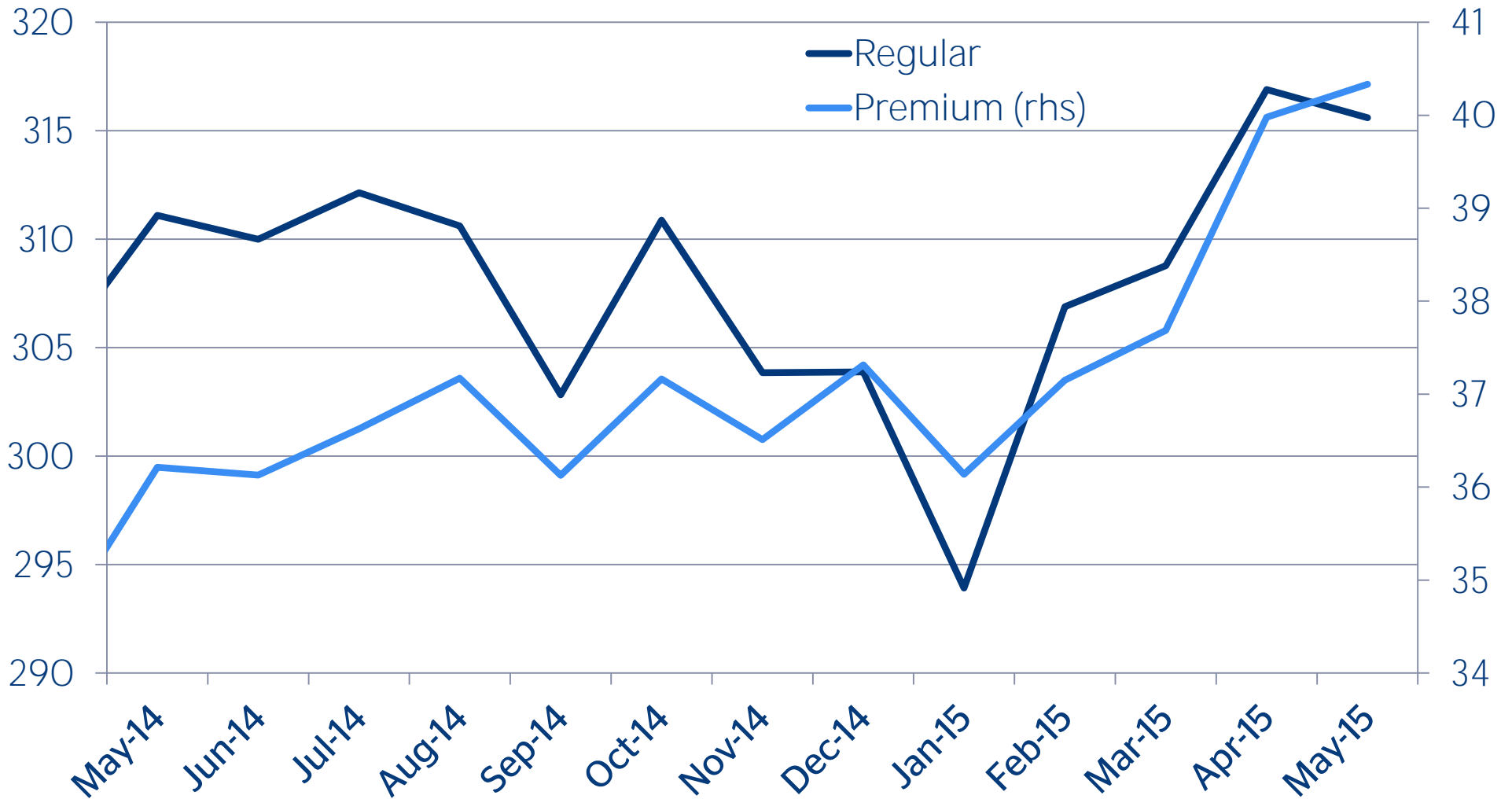
# Gasoline

Retail Gasoline Price (\$/gallon)



# Gasoline

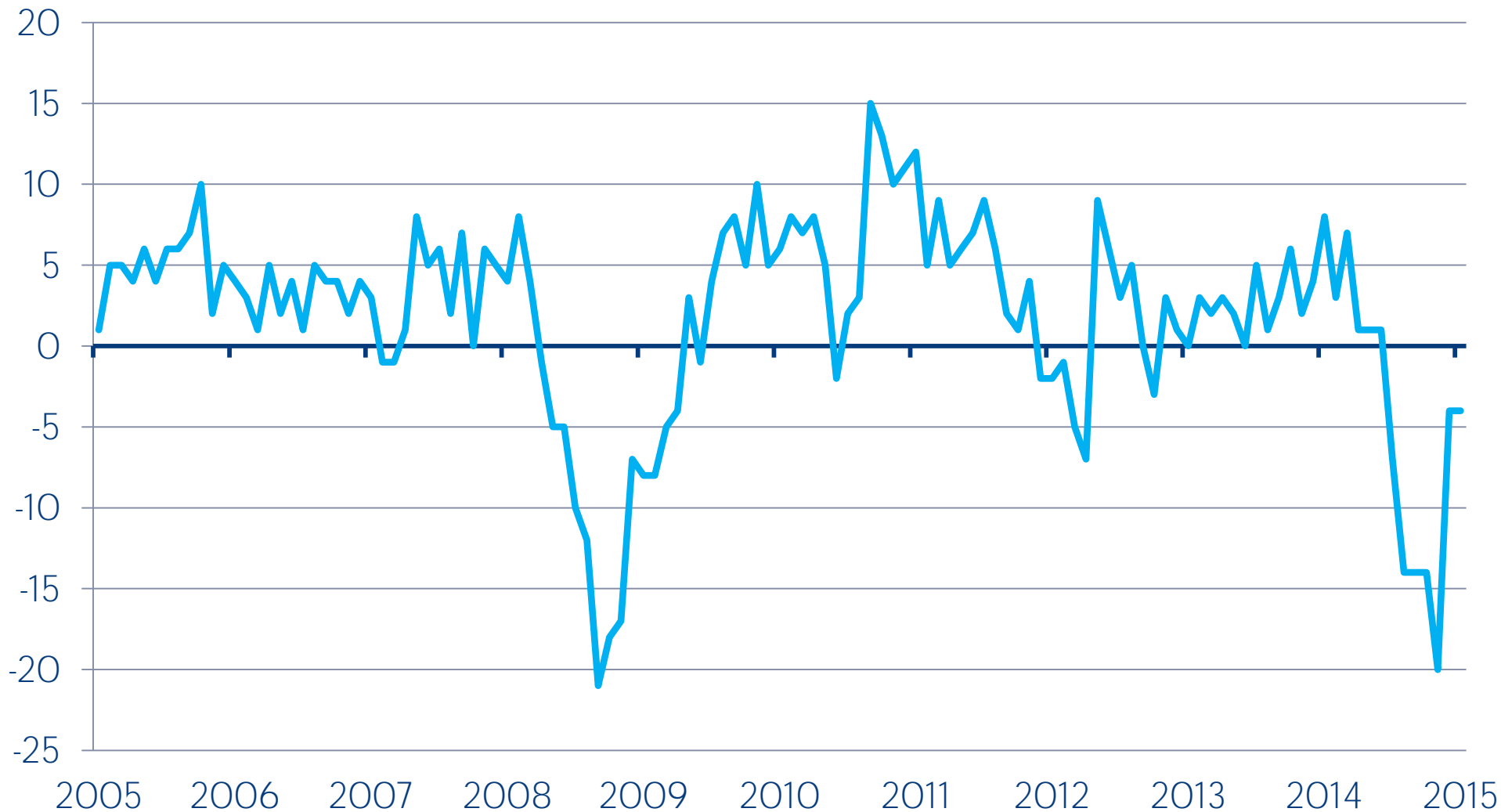
Gasoline Prime Supplier Sales Volume (Mil. Gallons/Day)



Source: Haver Analytics

# Employment

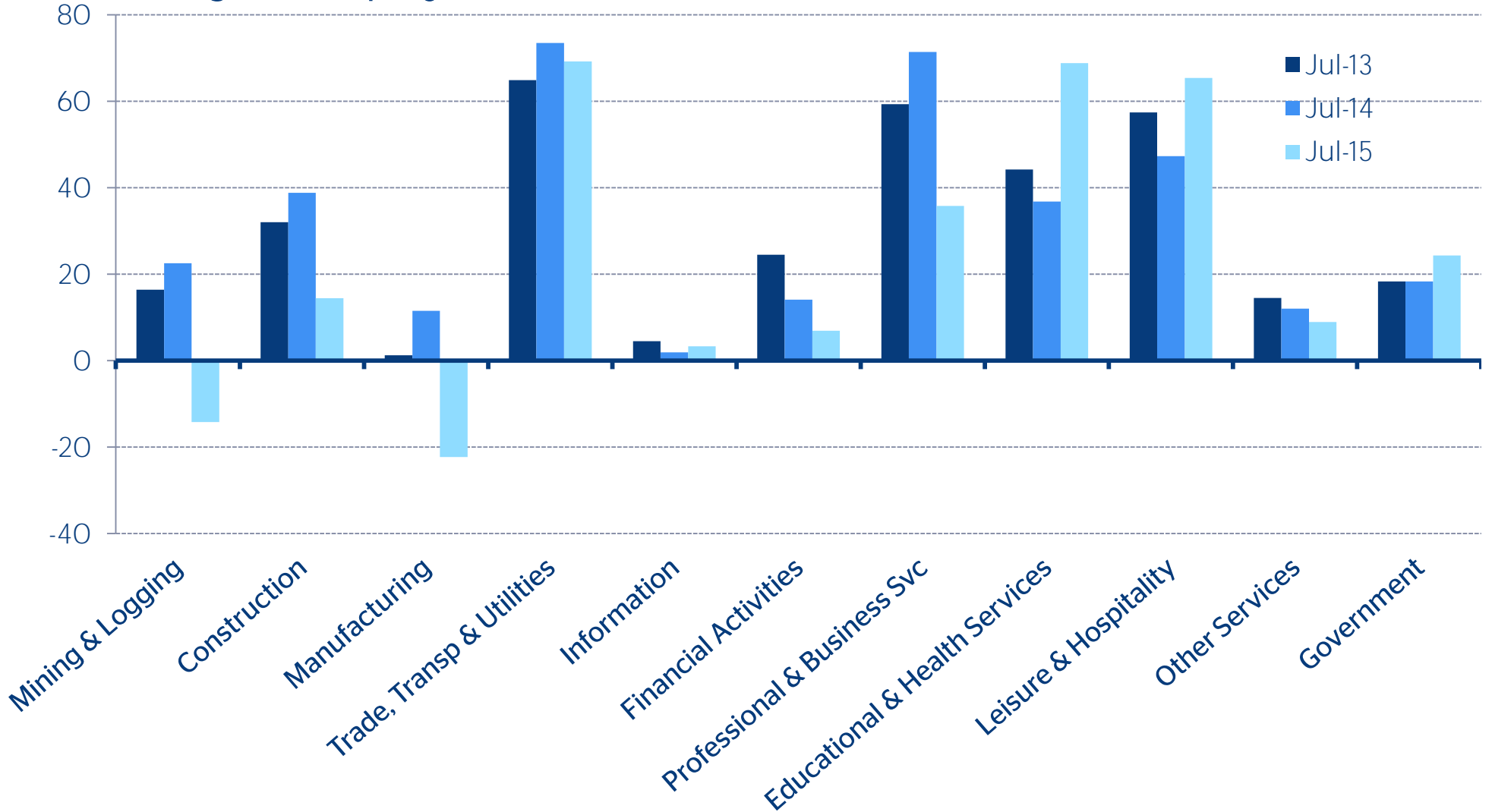
Change in Mining and Logging Employment (SA, Thous)



Source: Haver Analytics

# Texas Employment

YoY Change in Employees—Texas (SA, Thous)



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