

U.S. Oil & Gas Industry Chartbook

BBVA Research USA

Houston, TX

July 2015

DISCLAIMER

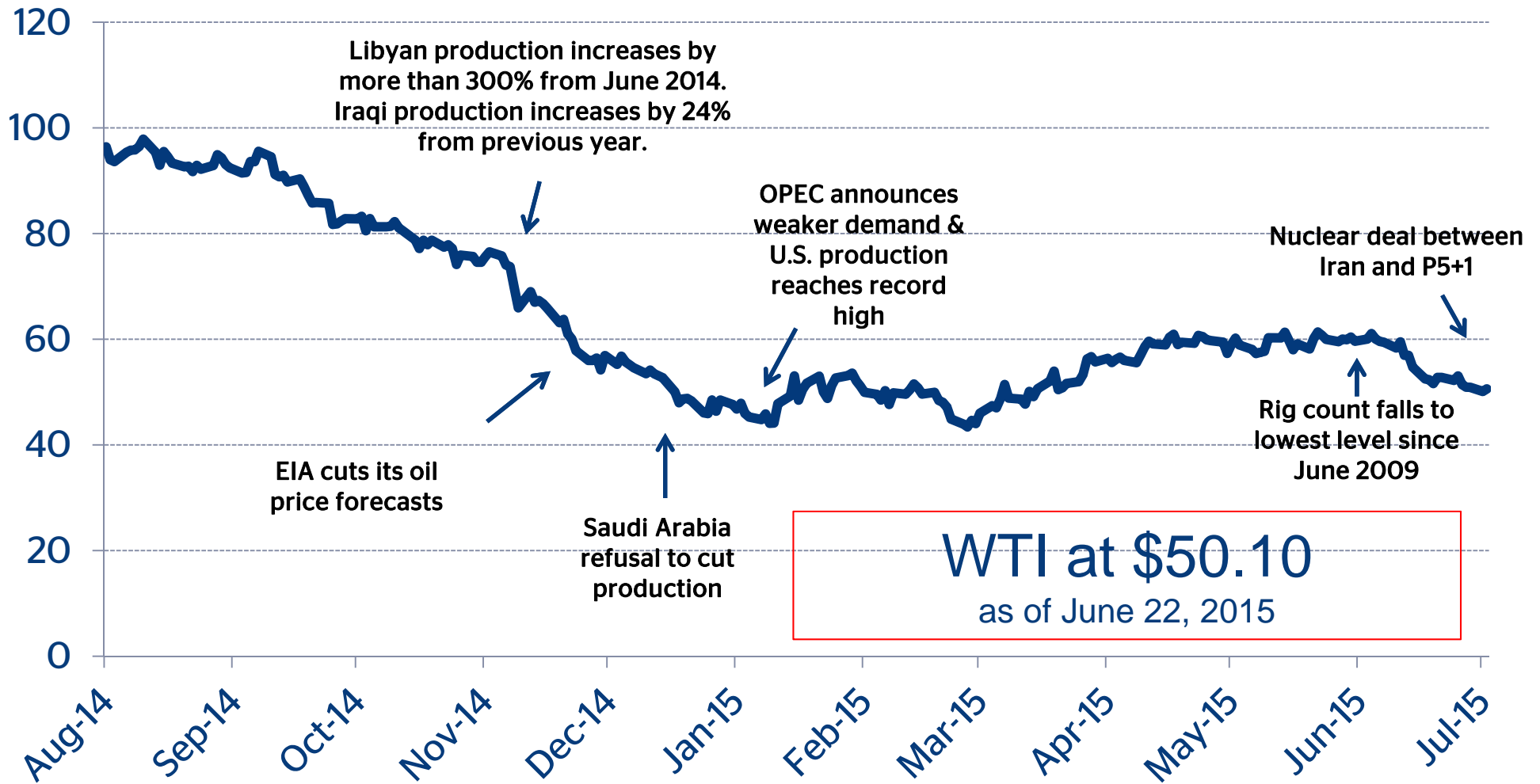
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Bottom Line

- After two months of relative stability, crude prices went down again due to over-supply concerns
- Both production and inventories continued to expand despite the downward trend in rig count and capital expenditures
- Iran's nuclear deal with the P5+1 could add further pressure on crude prices as Iran revitalizes production and boosts exports
- However, the impact will happen at a gradual pace and will be subjected to significant uncertainty (see: [U.S. Negotiates Historical Deal with Iran](#))
- We expect U.S. crude oil production to decline by early next year, due to the combined effect of low prices and declining investments (see: [The Dynamics of Crude Oil Production](#))

Spot Prices

WTI Spot Price (avg, \$/bbl)



Libyan production increases by more than 300% from June 2014. Iraqi production increases by 24% from previous year.

OPEC announces weaker demand & U.S. production reaches record high

Nuclear deal between Iran and P5+1

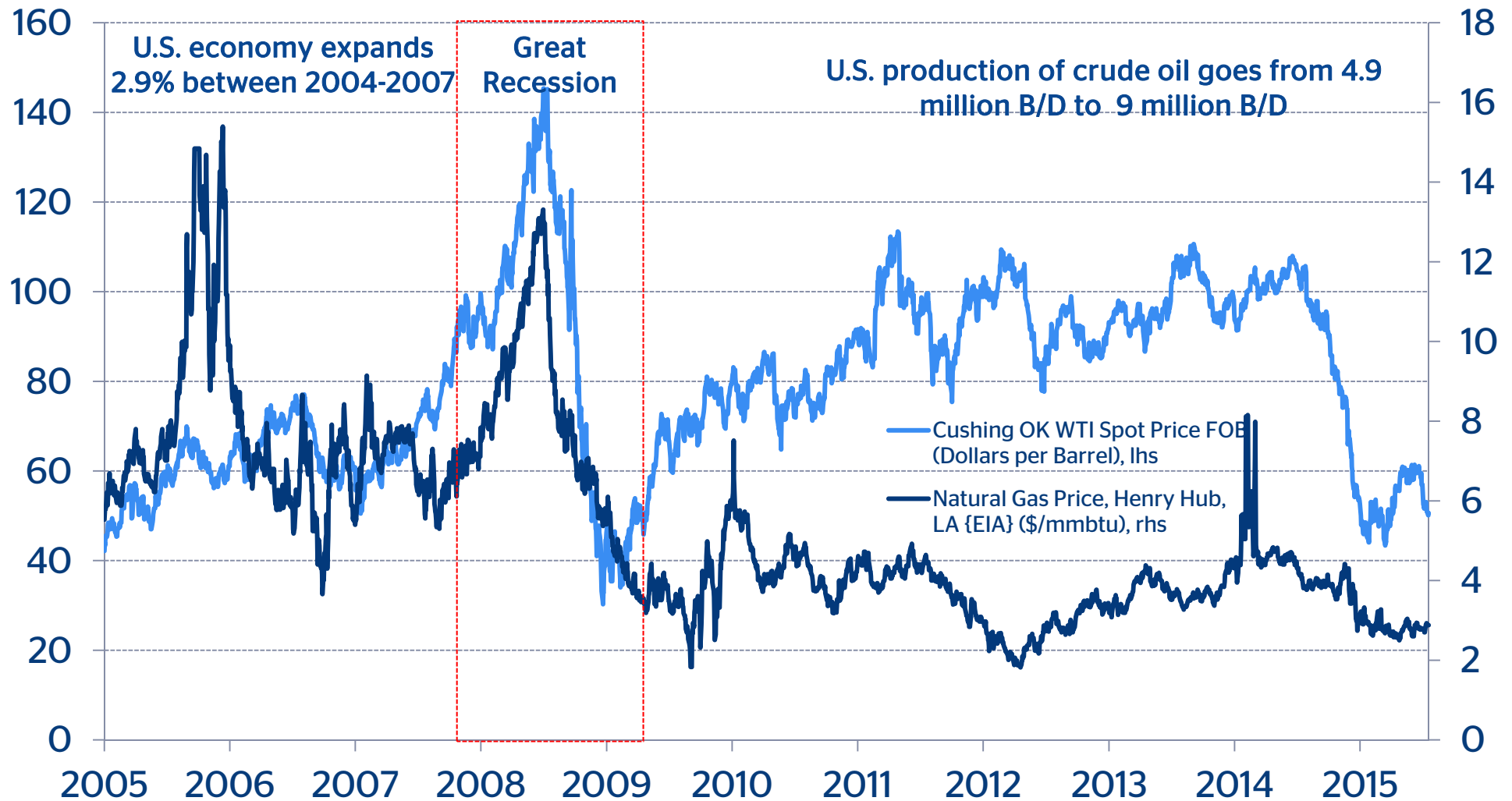
EIA cuts its oil price forecasts

Saudi Arabia refusal to cut production

Rig count falls to lowest level since June 2009

Spot Prices

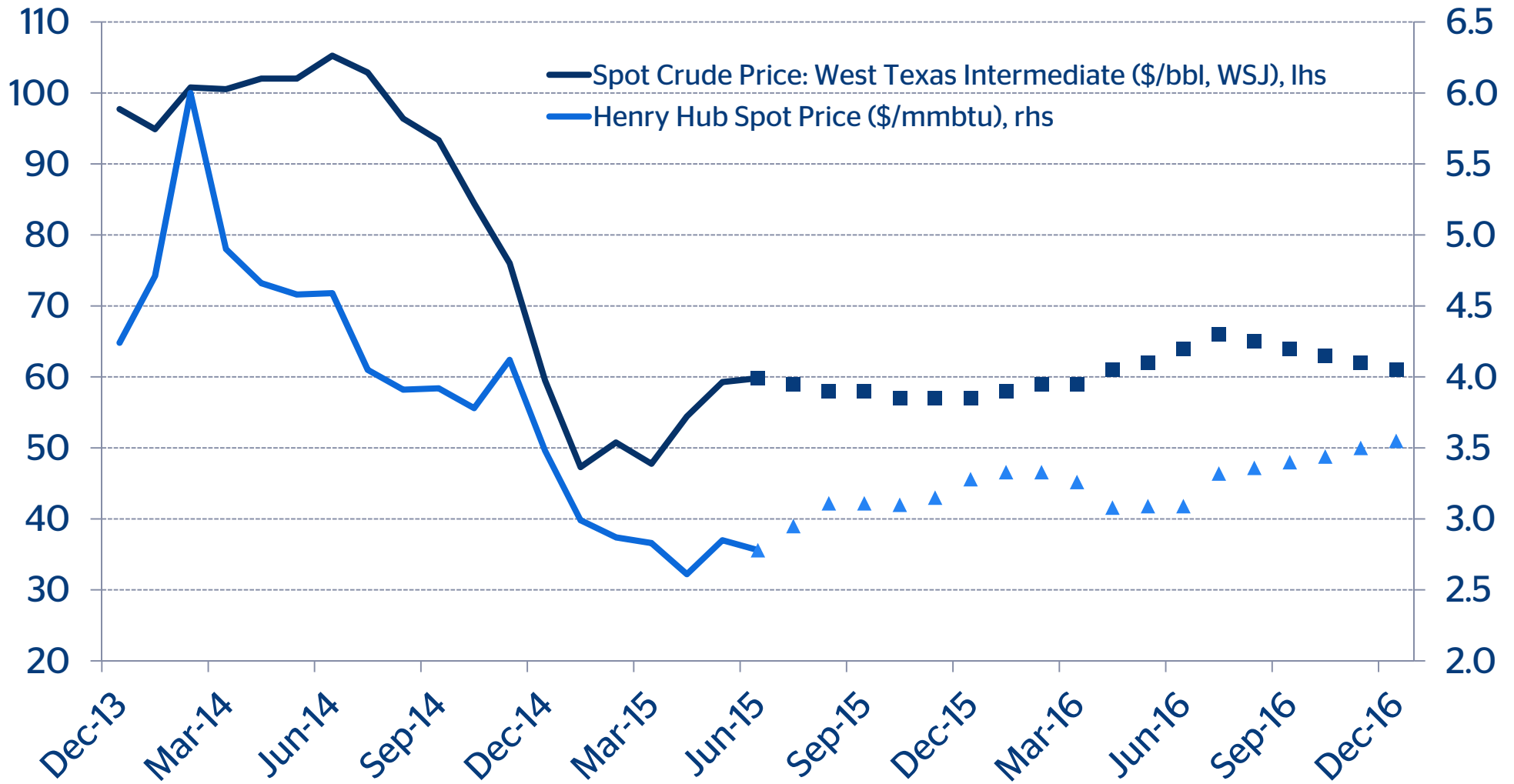
Crude Oil and Natural Gas Spot Prices



Source: Haver Analytics

Prices

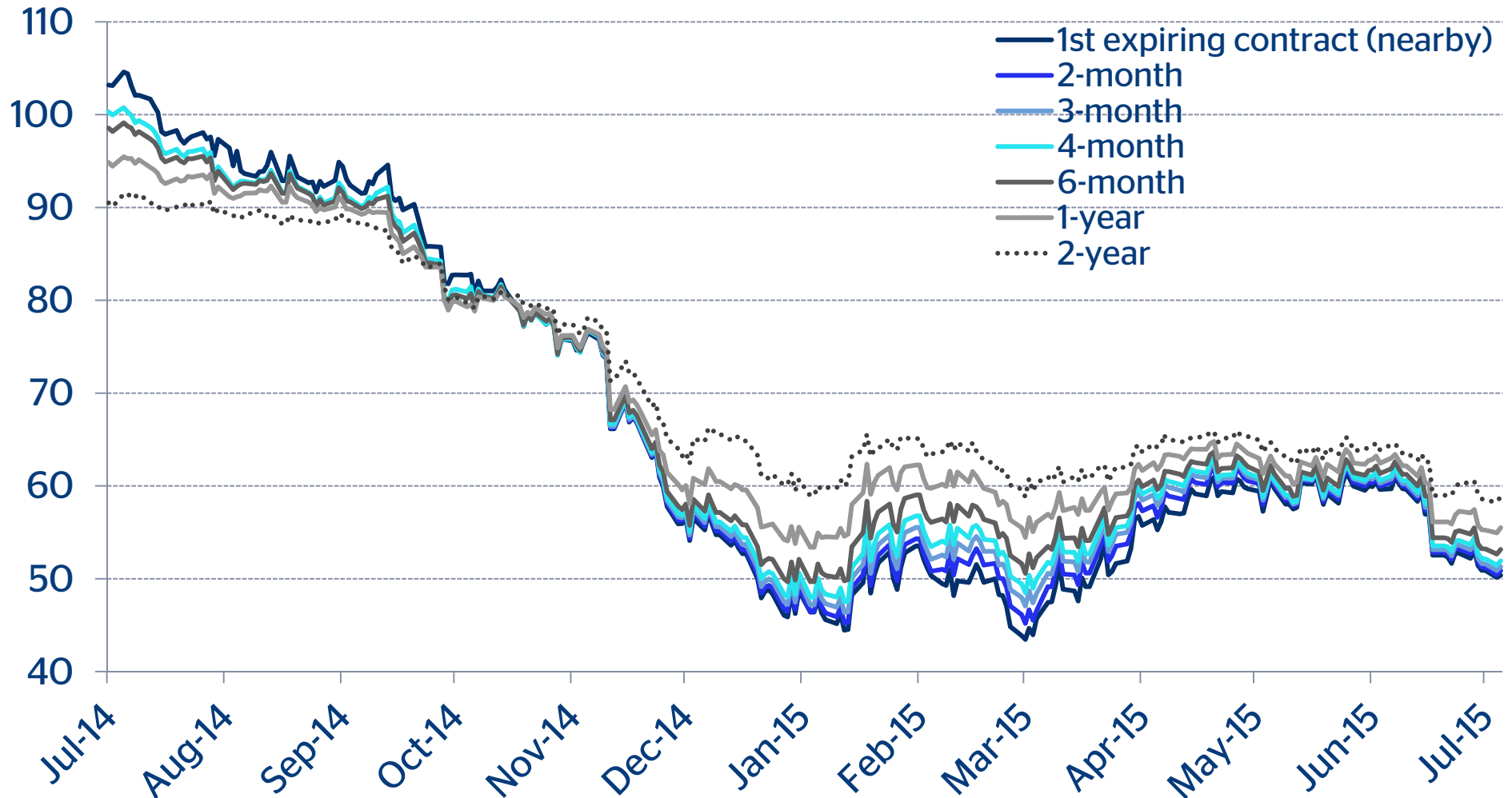
EIA: Oil and Natural Gas Forecast



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

Futures Prices

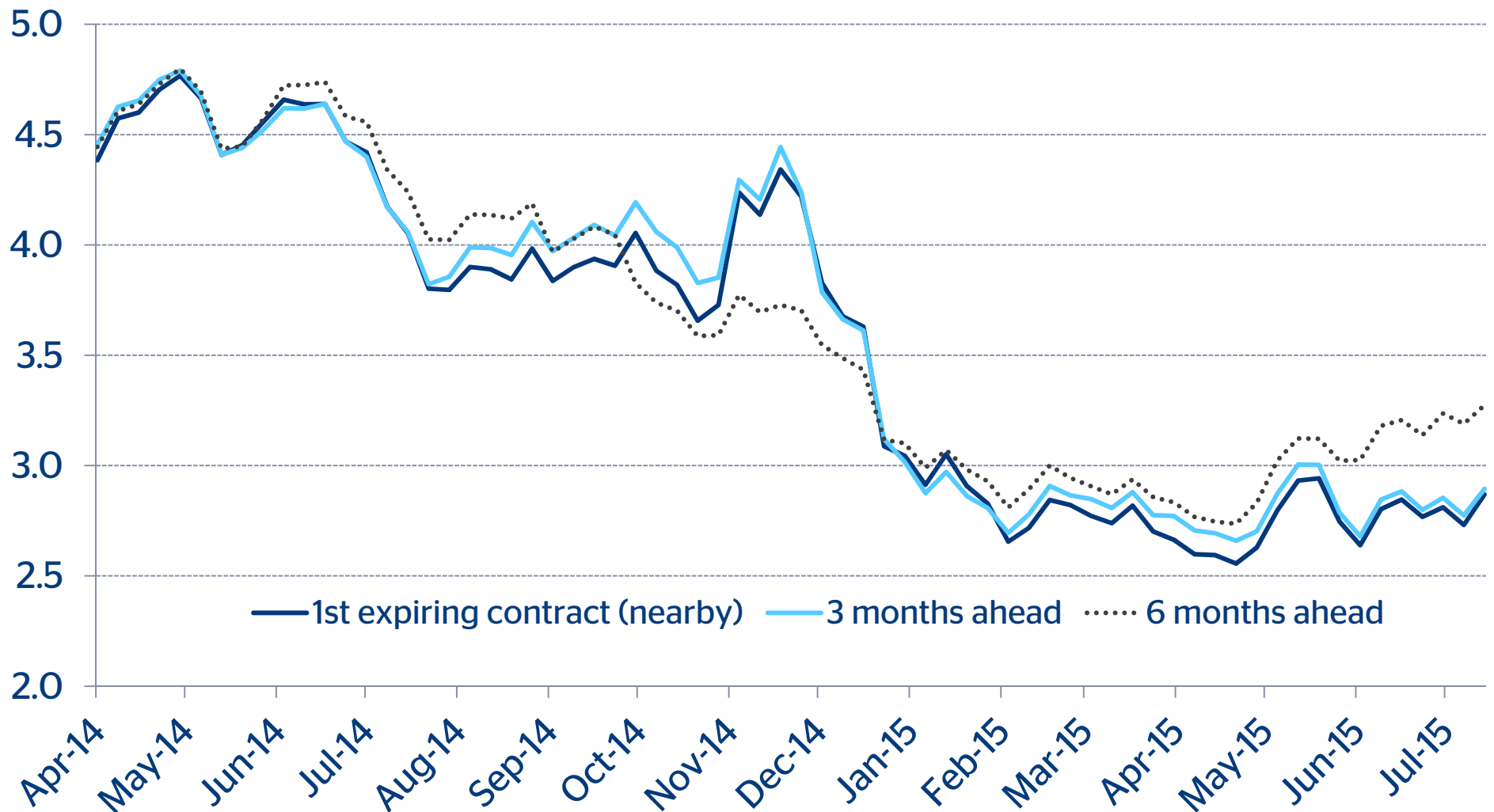
WTI Futures (\$/bbl)



Source: Haver Analytics

Futures Prices

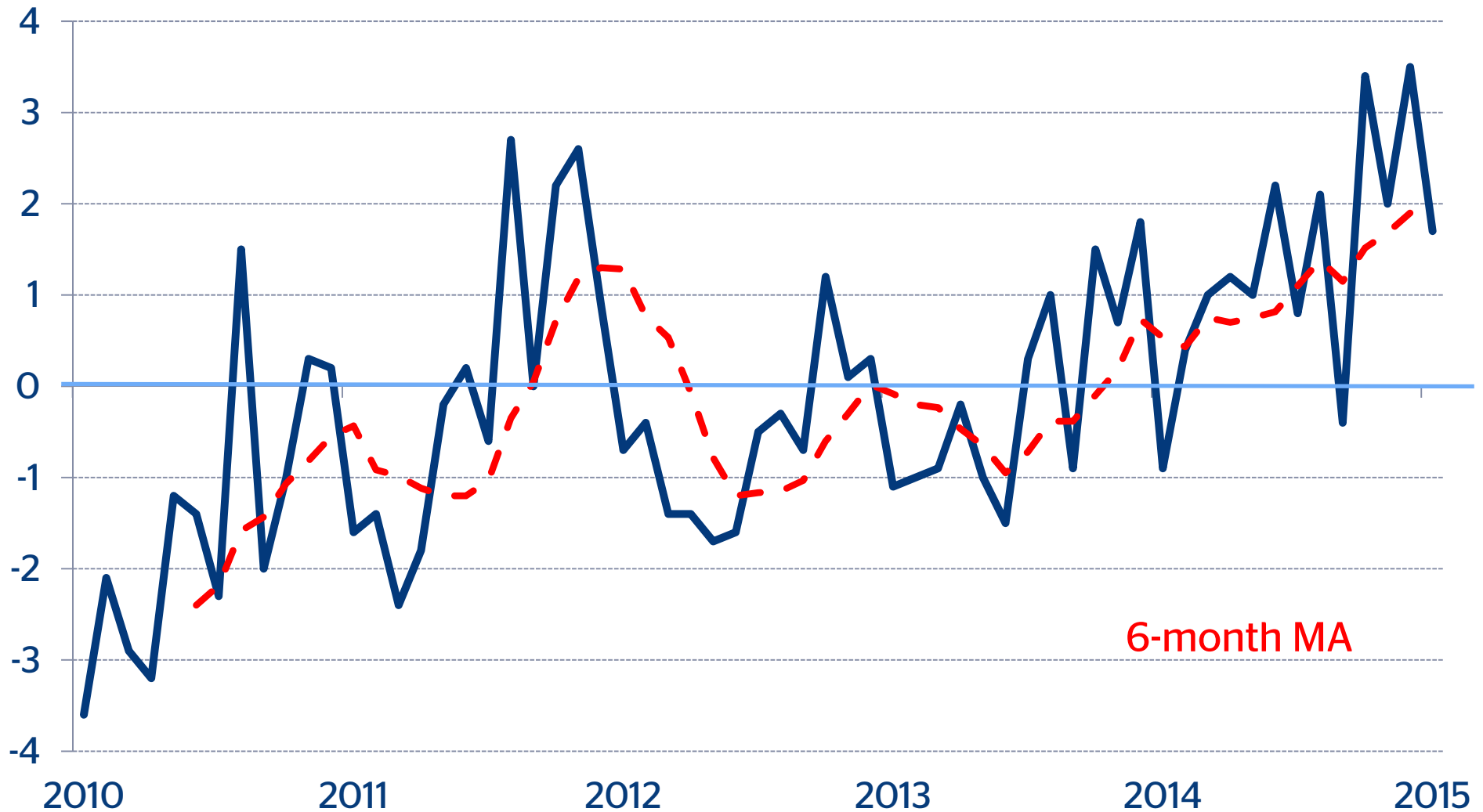
Natural Gas Futures (\$/mmbtu)



Source: Haver Analytics

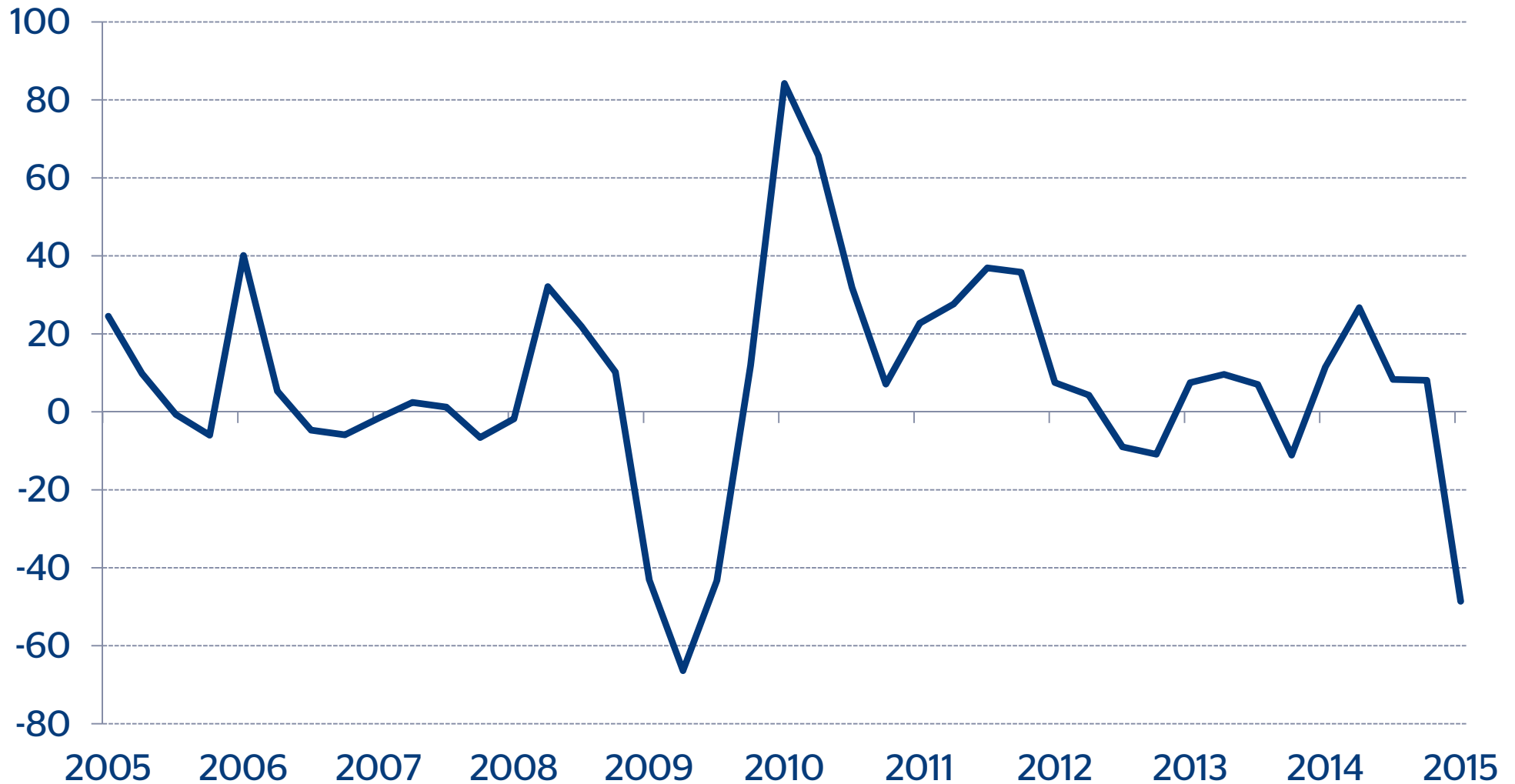
Supply and Demand

Global Oil Supply and Demand Balance (mmbbl/day)



Investment

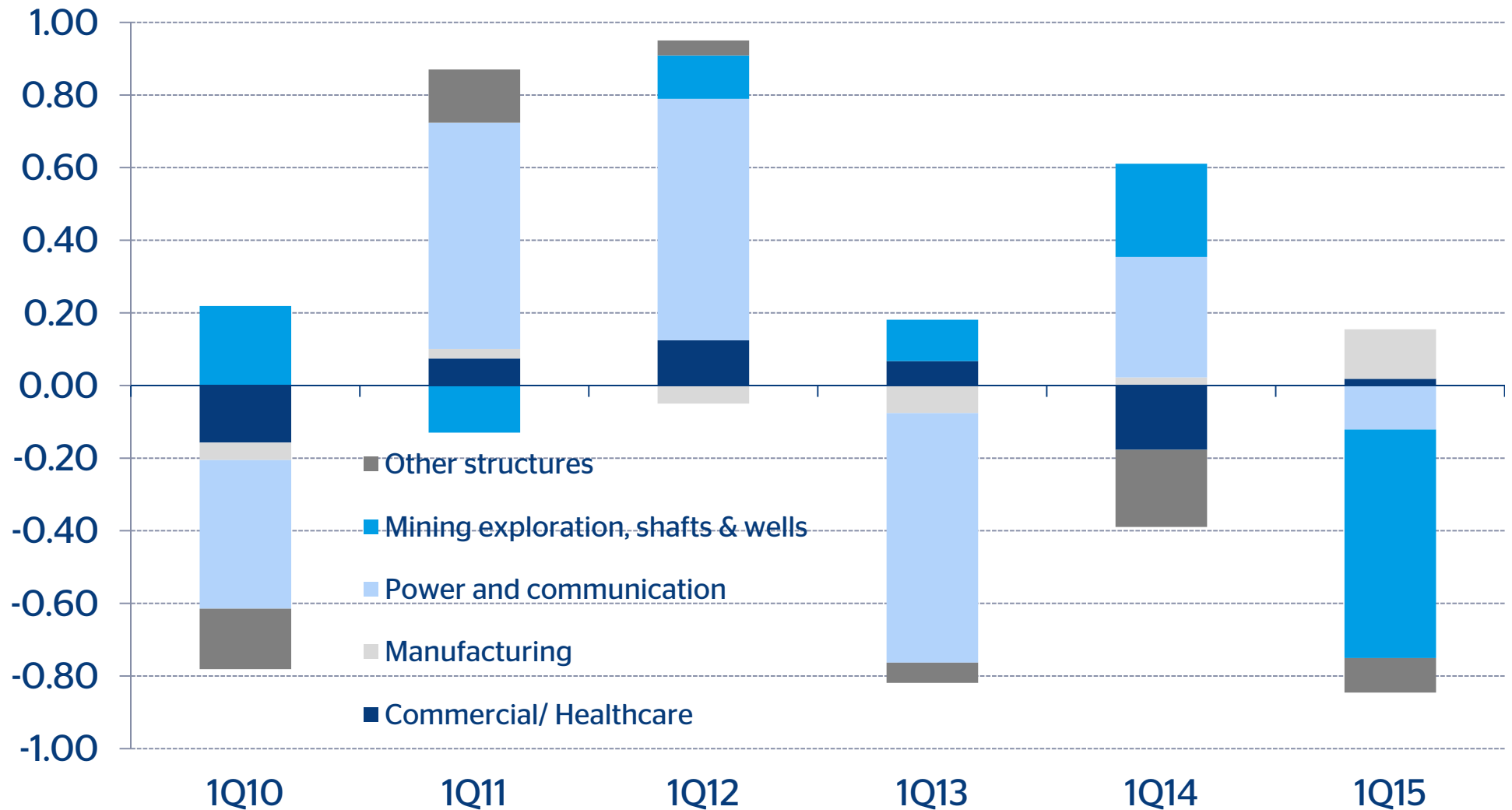
U.S. Real Private Fixed Investment: Mining Exploration/Shafts/Wells, % Change (SAAR)



Source: Haver Analytics

Private Fixed Investment

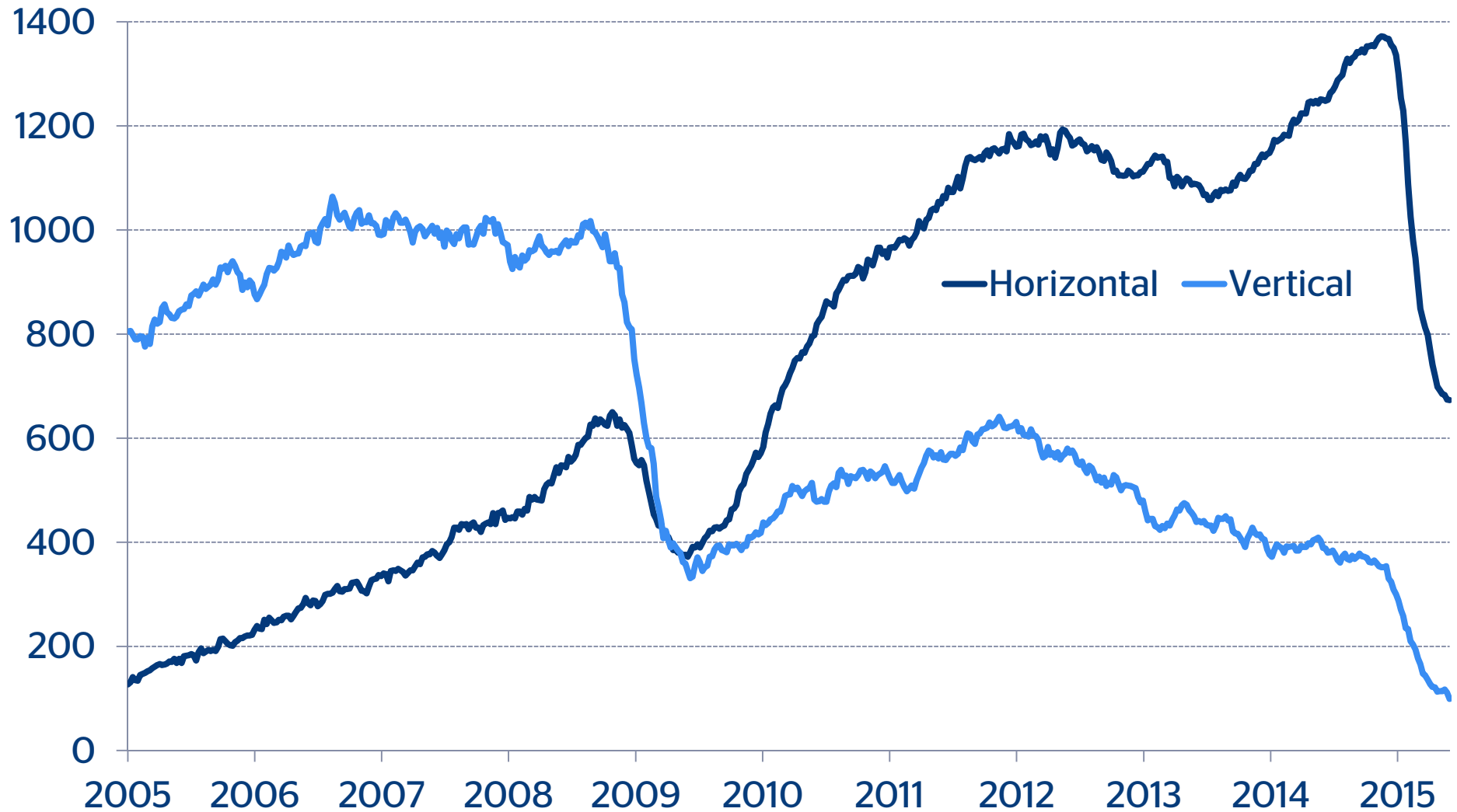
Contributions to % Change by Type of Structure (SAAR, %)



Source: Haver Analytics

Rig Count

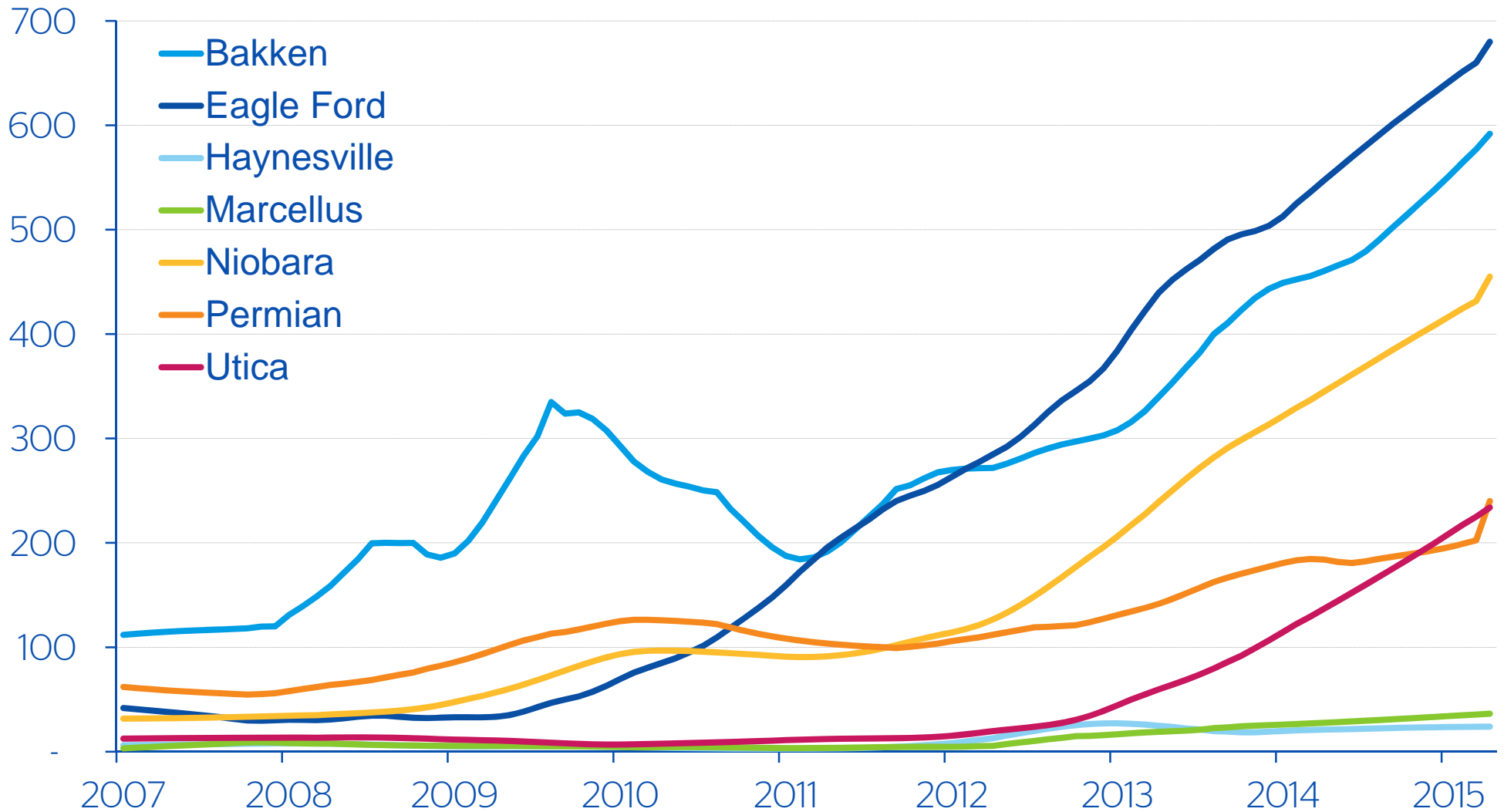
U.S. Active Rig Count (units)



Source: Haver Analytics

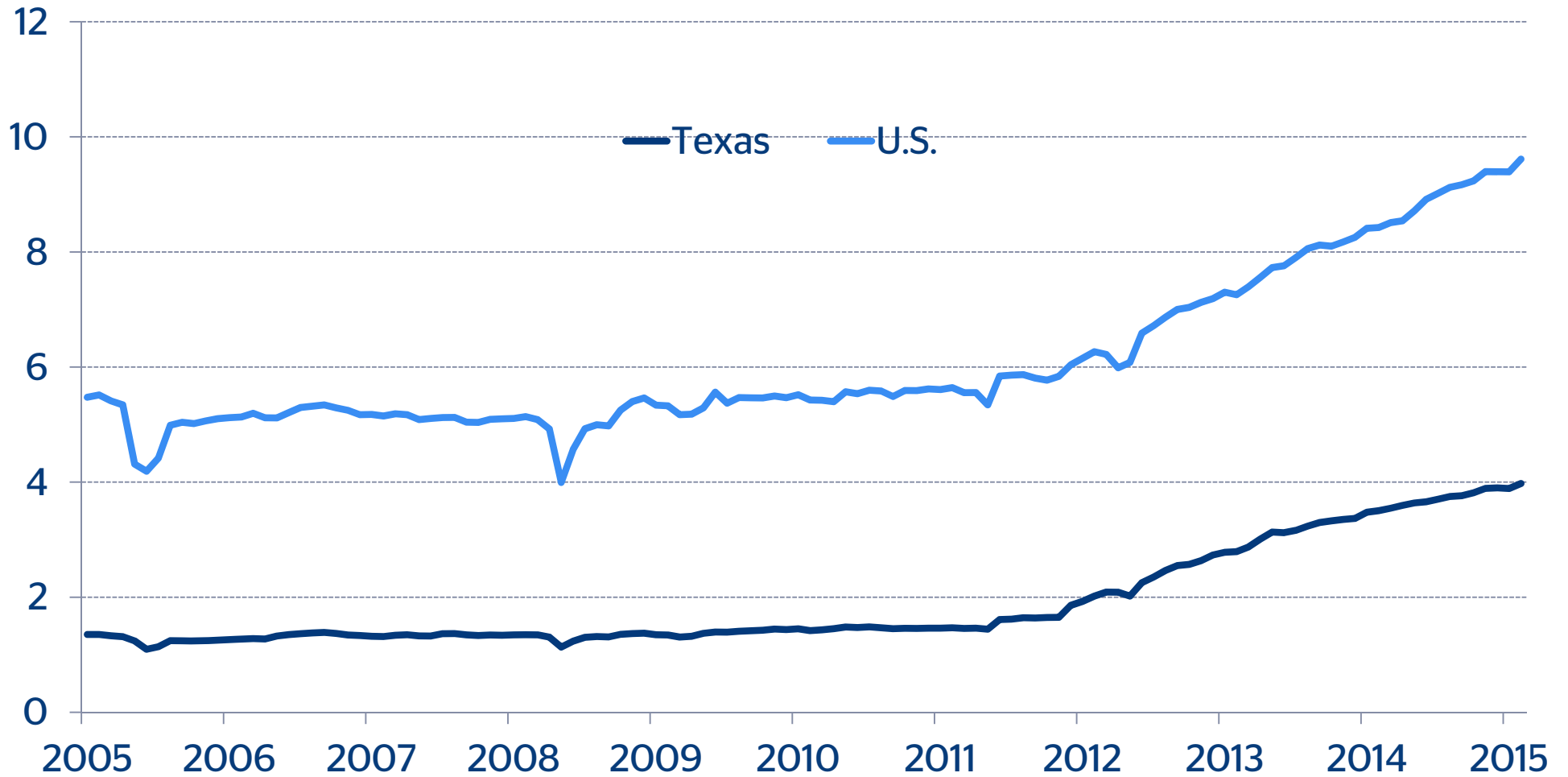
Rig Count

Rig Count Productivity (bbl/day)



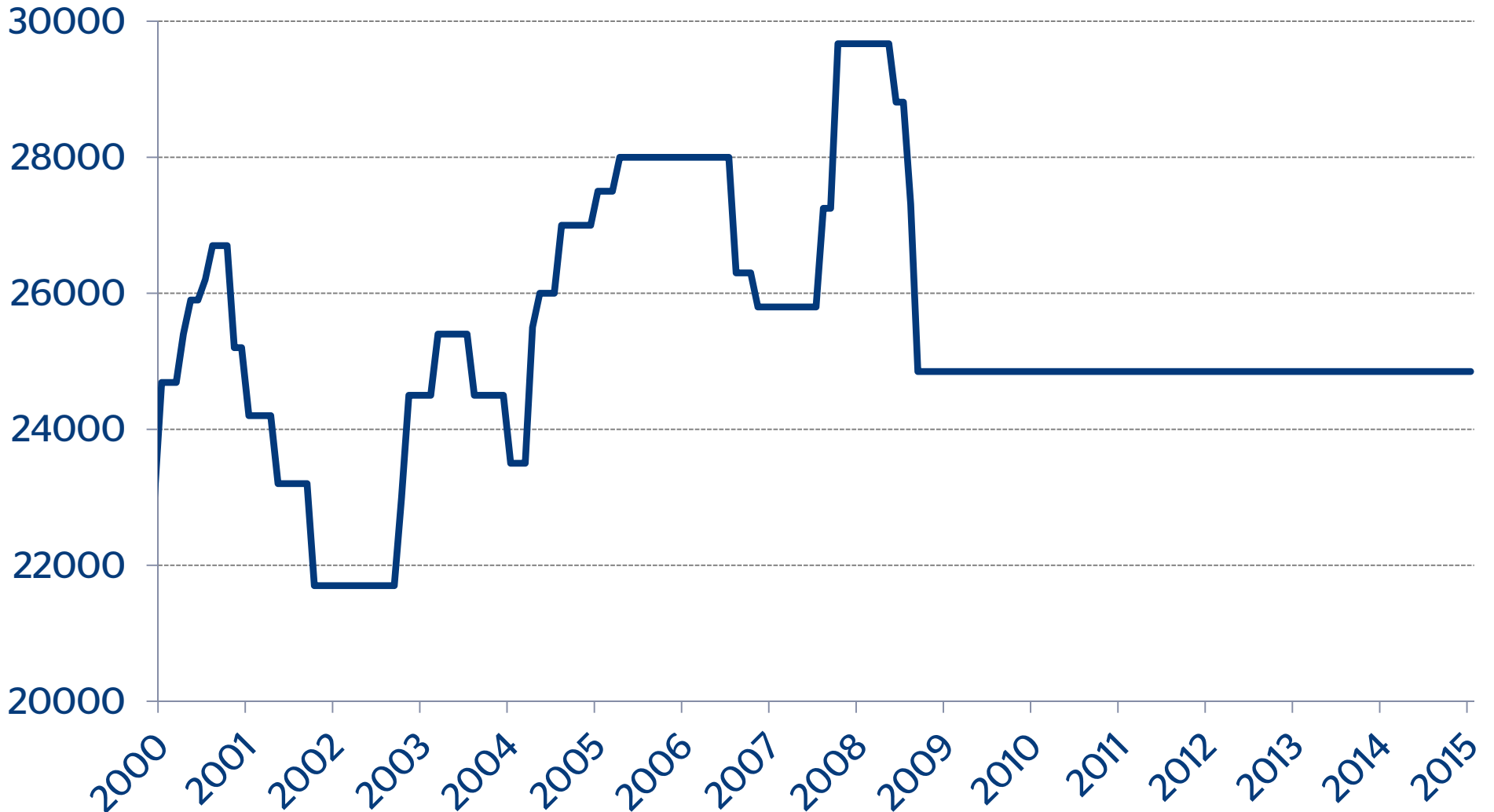
Production

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



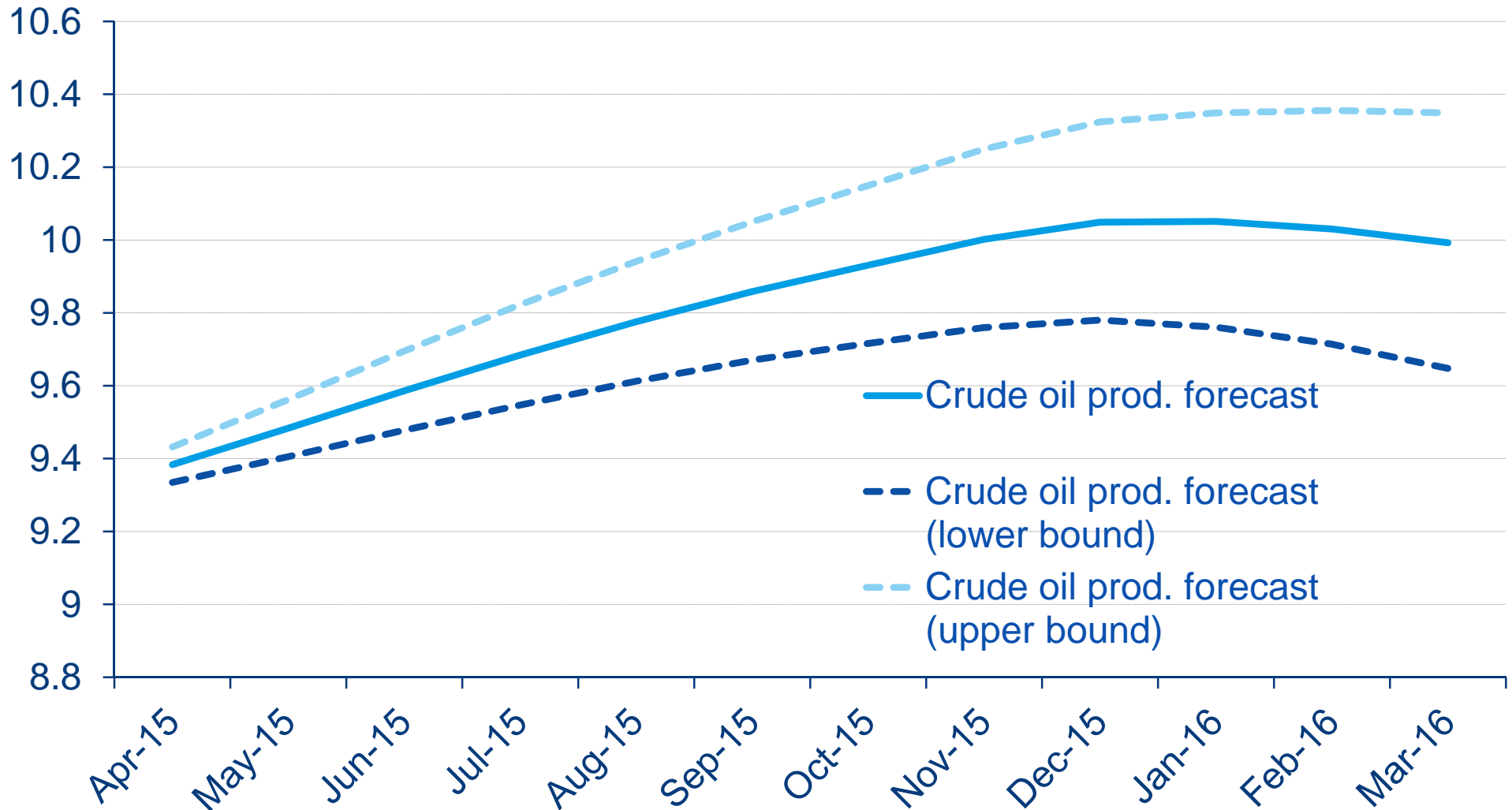
Production

OPEC Pledged Production (mmbbl/day)



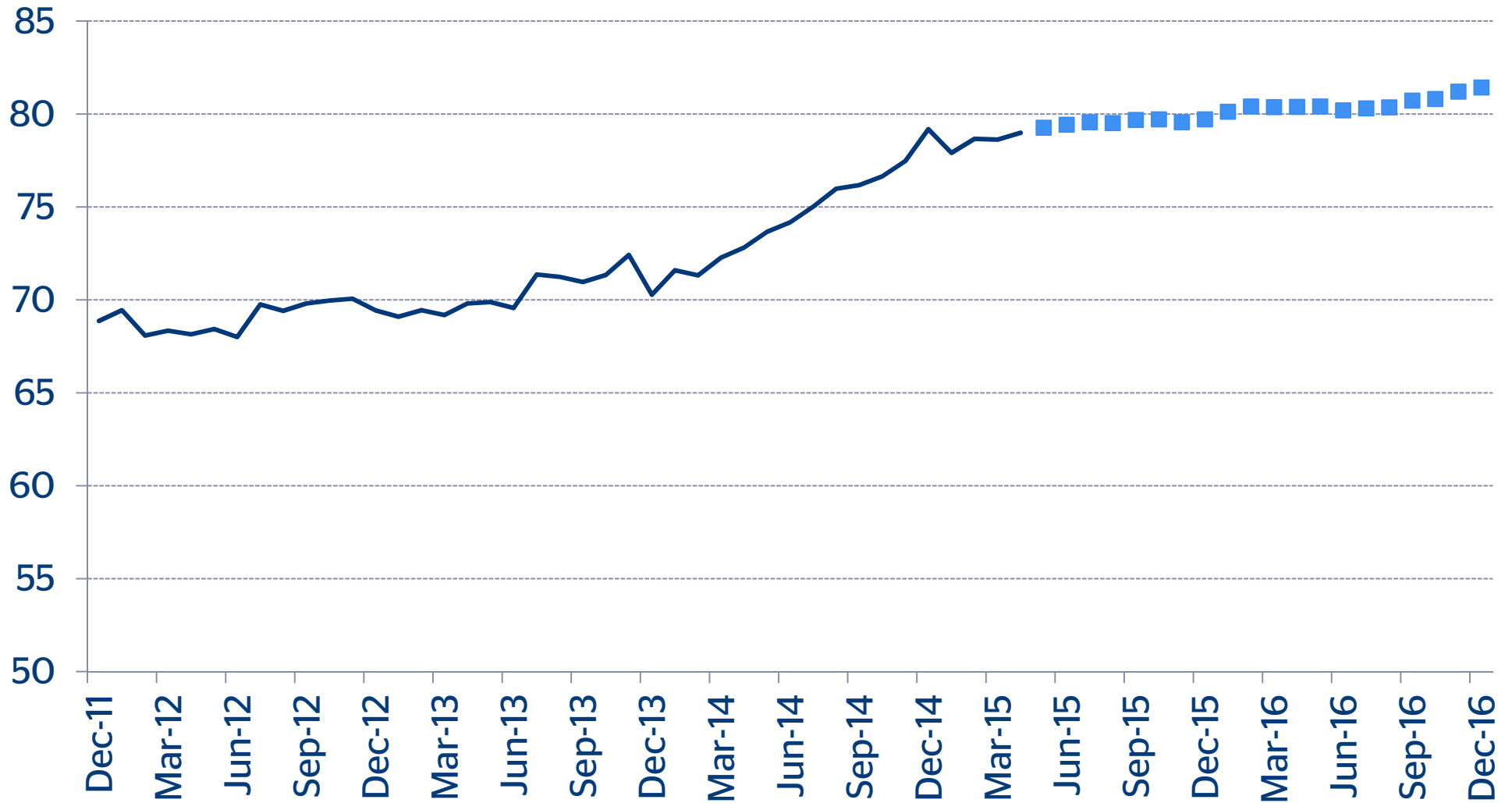
Production

Simulated Crude Oil Production (mmbbl/day)



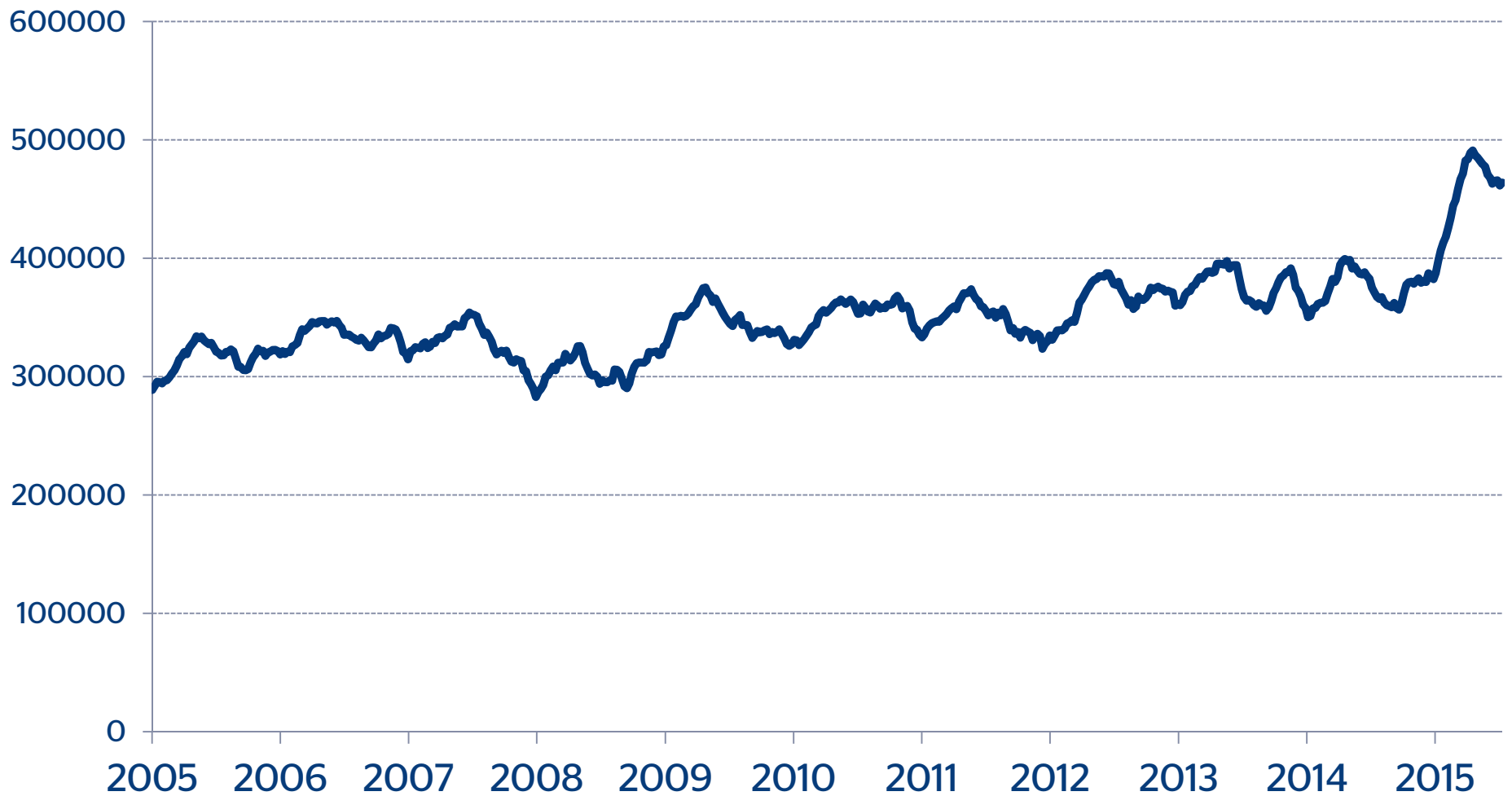
Production

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



Inventories

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



Inventories

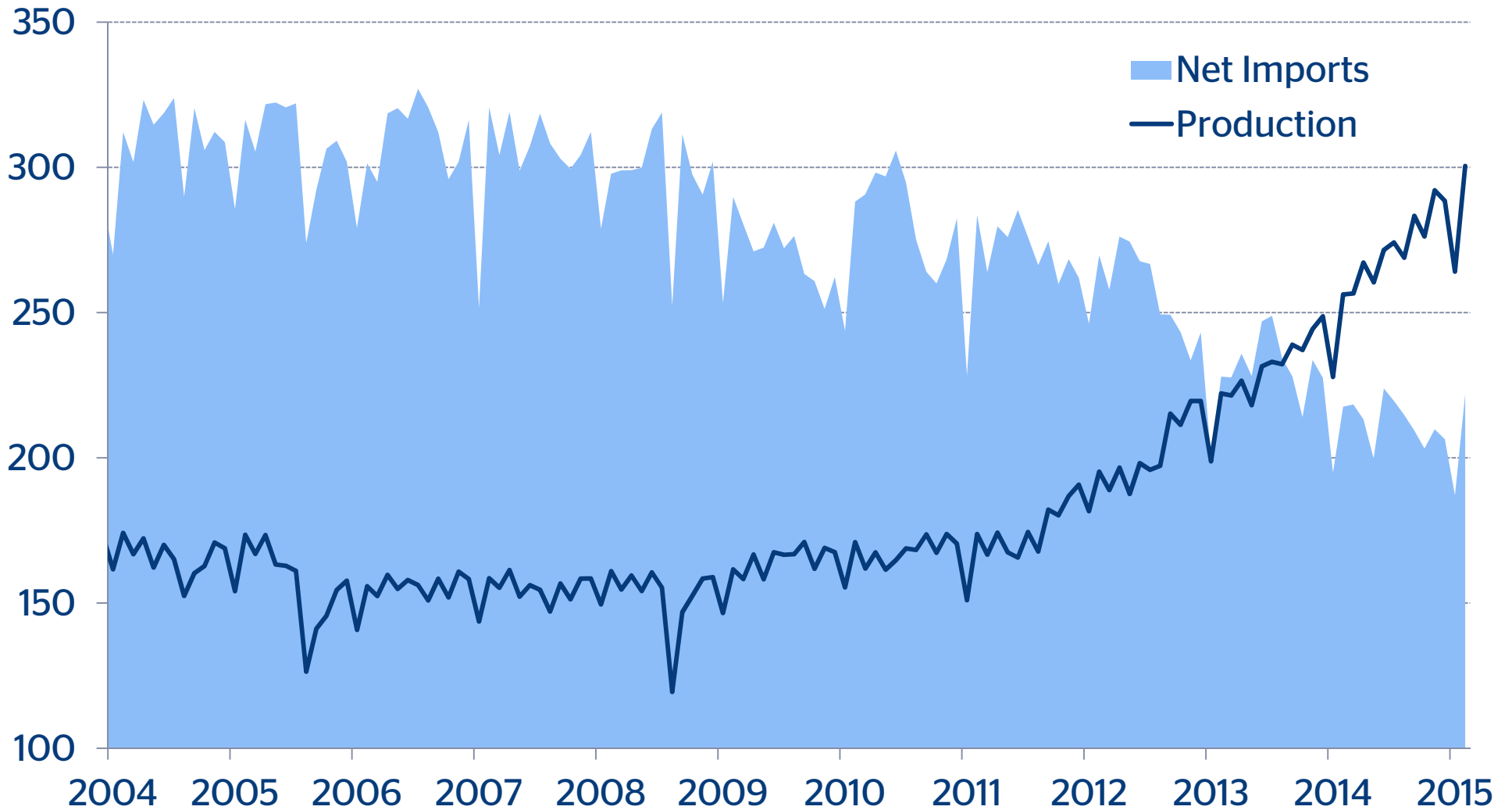
U.S. Stocks of Natural Gas (SA, End of WK, billion cubic feet)



Source: Haver Analytics

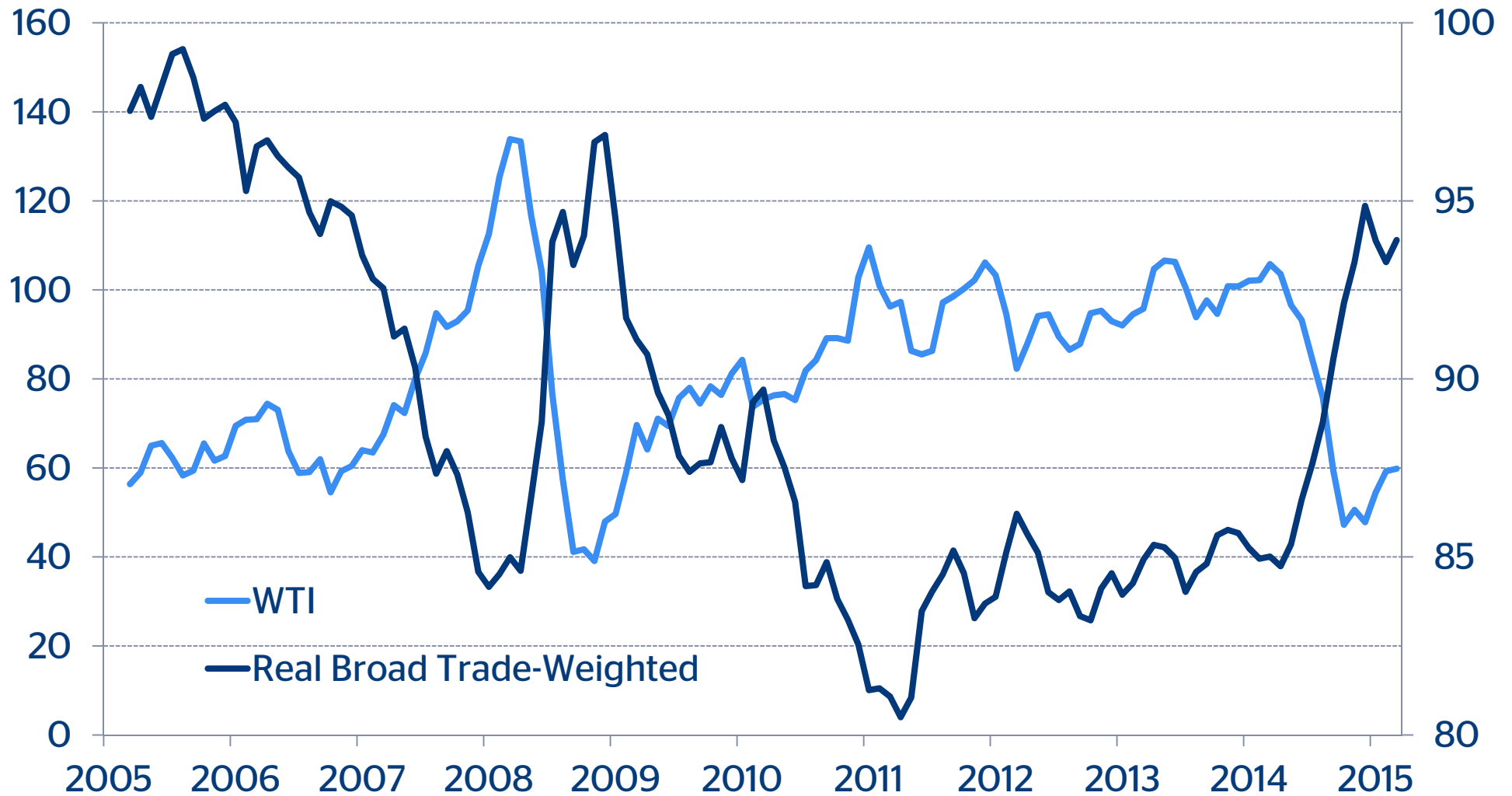
Net Imports

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



Exchange Rate

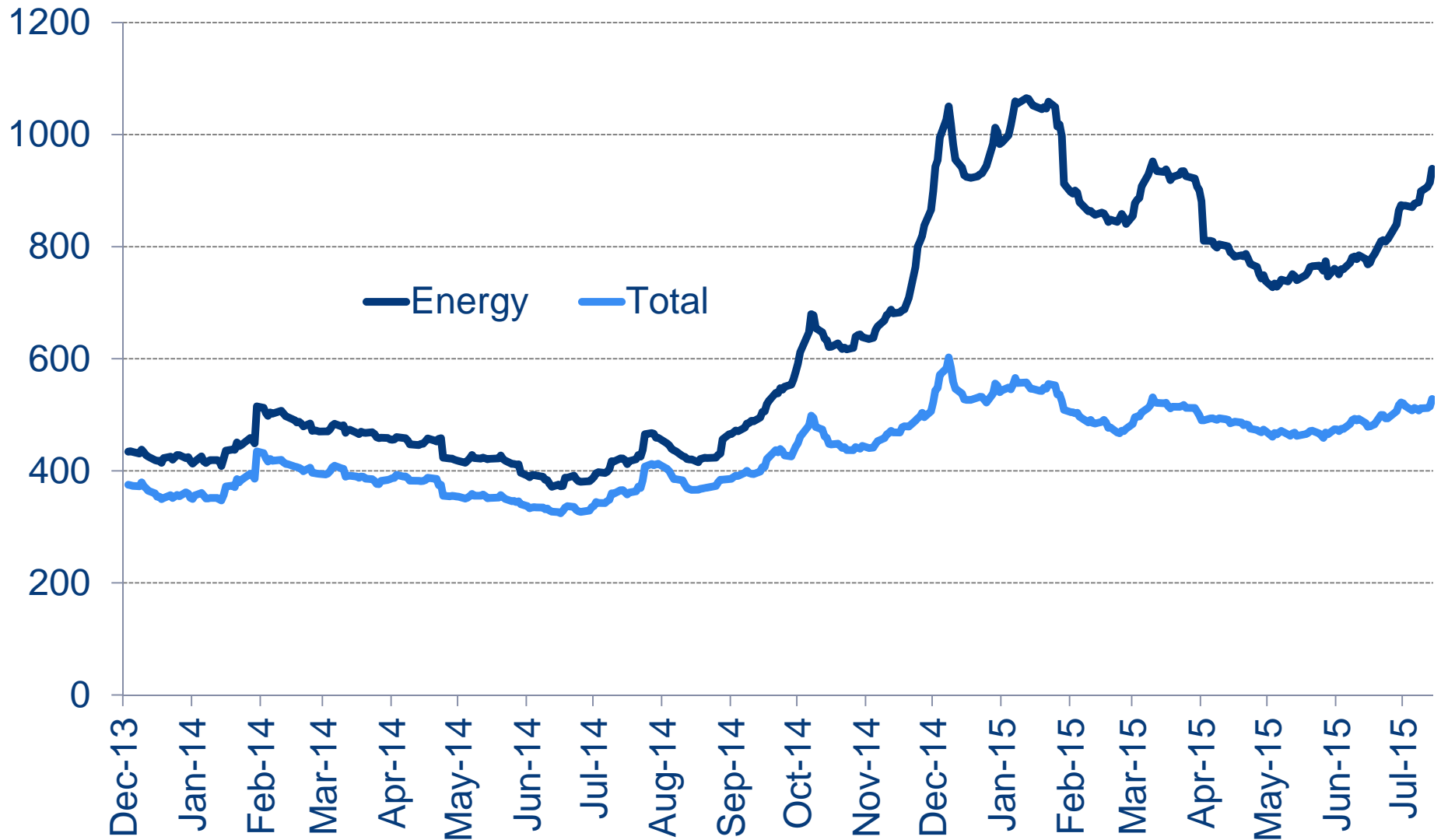
WTI (\$/bbl) and U.S. Dollar Exchange Rate (Mar-73=100)



Source: Haver Analytics

Debt

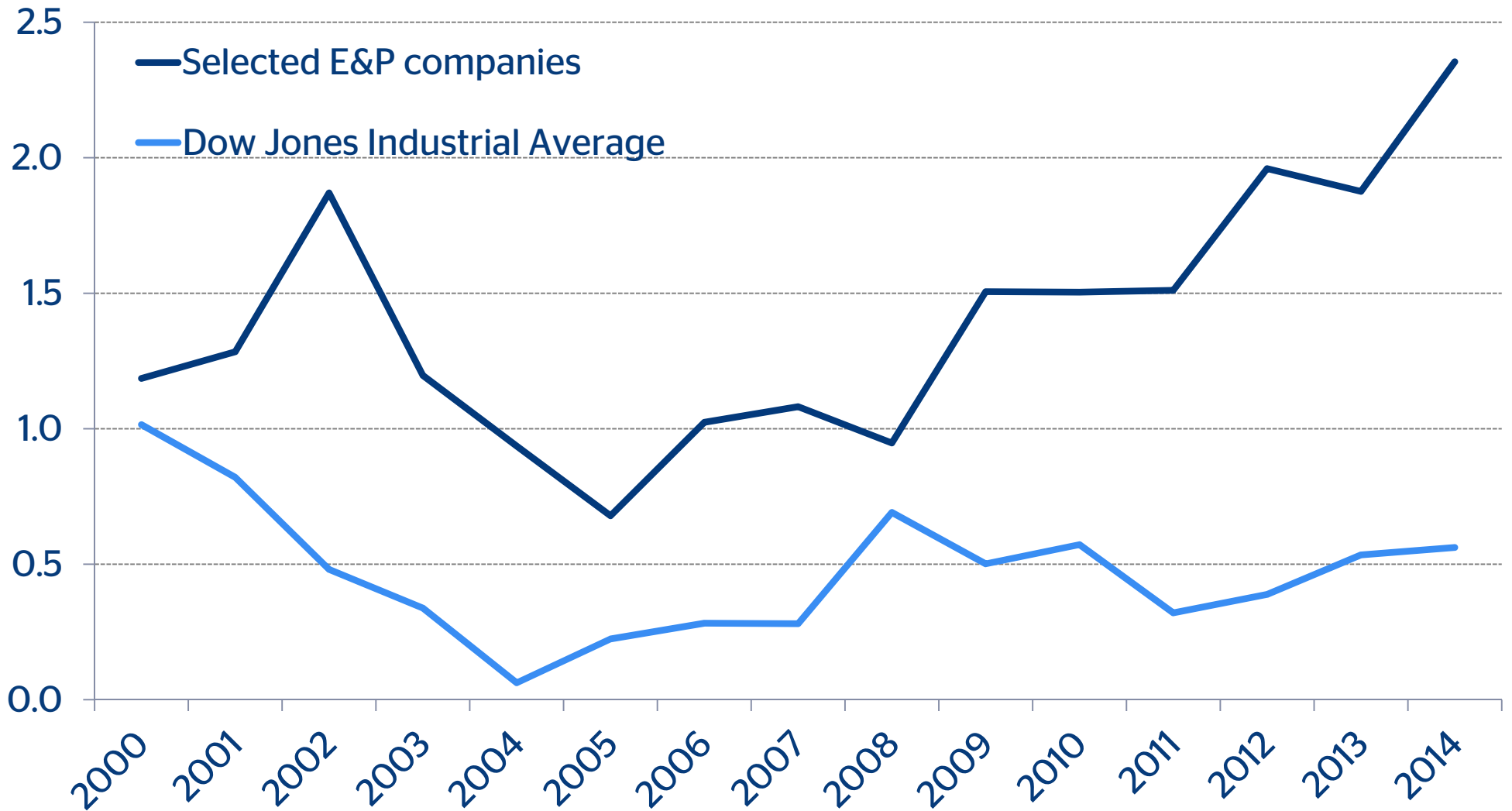
High Yield Bonds (option adjusted spreads relative to U.S. treasuries)



Source: Bloomberg

Debt

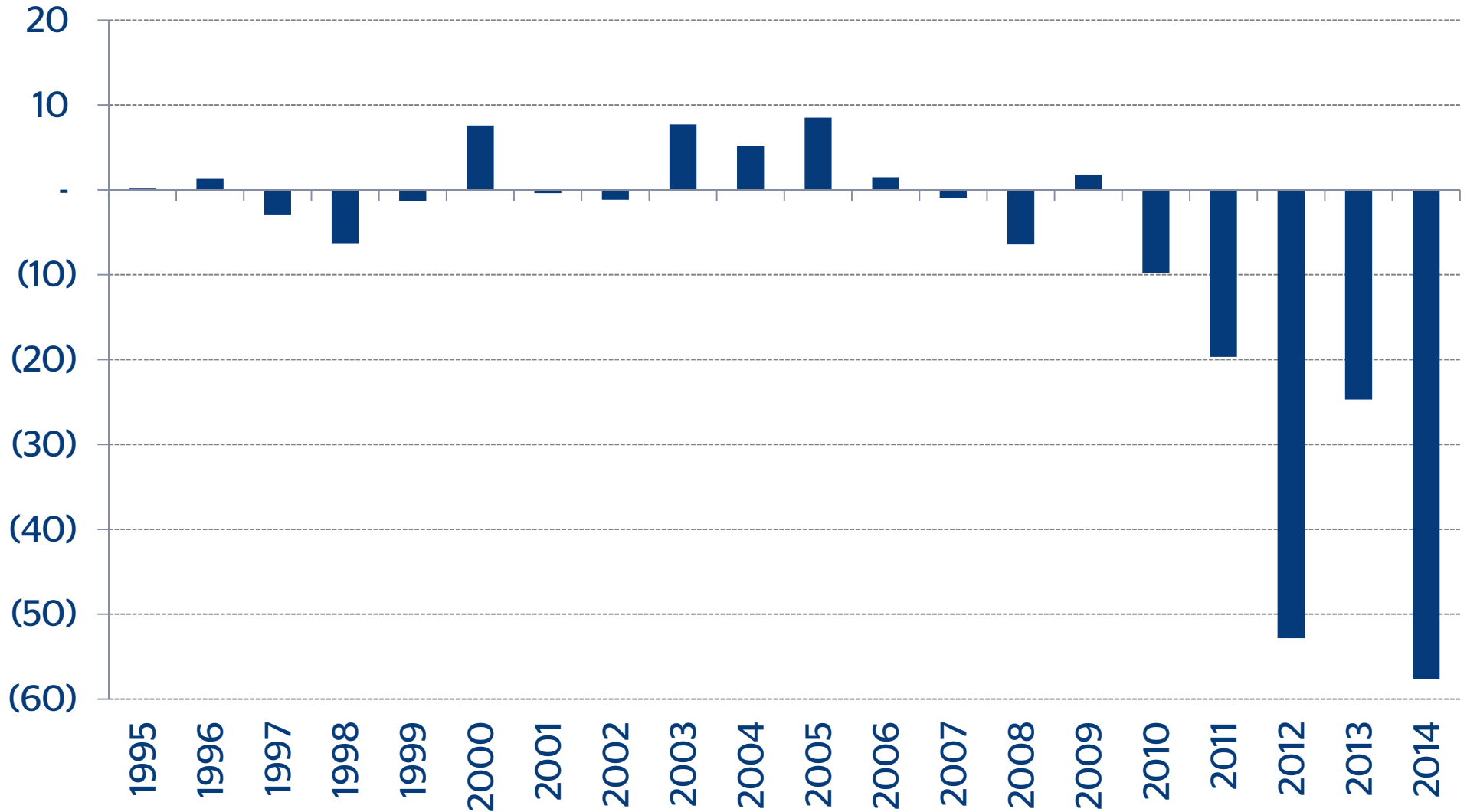
Median Net Debt to EBITDA



Source: BBVA Research & Bloomberg

Debt

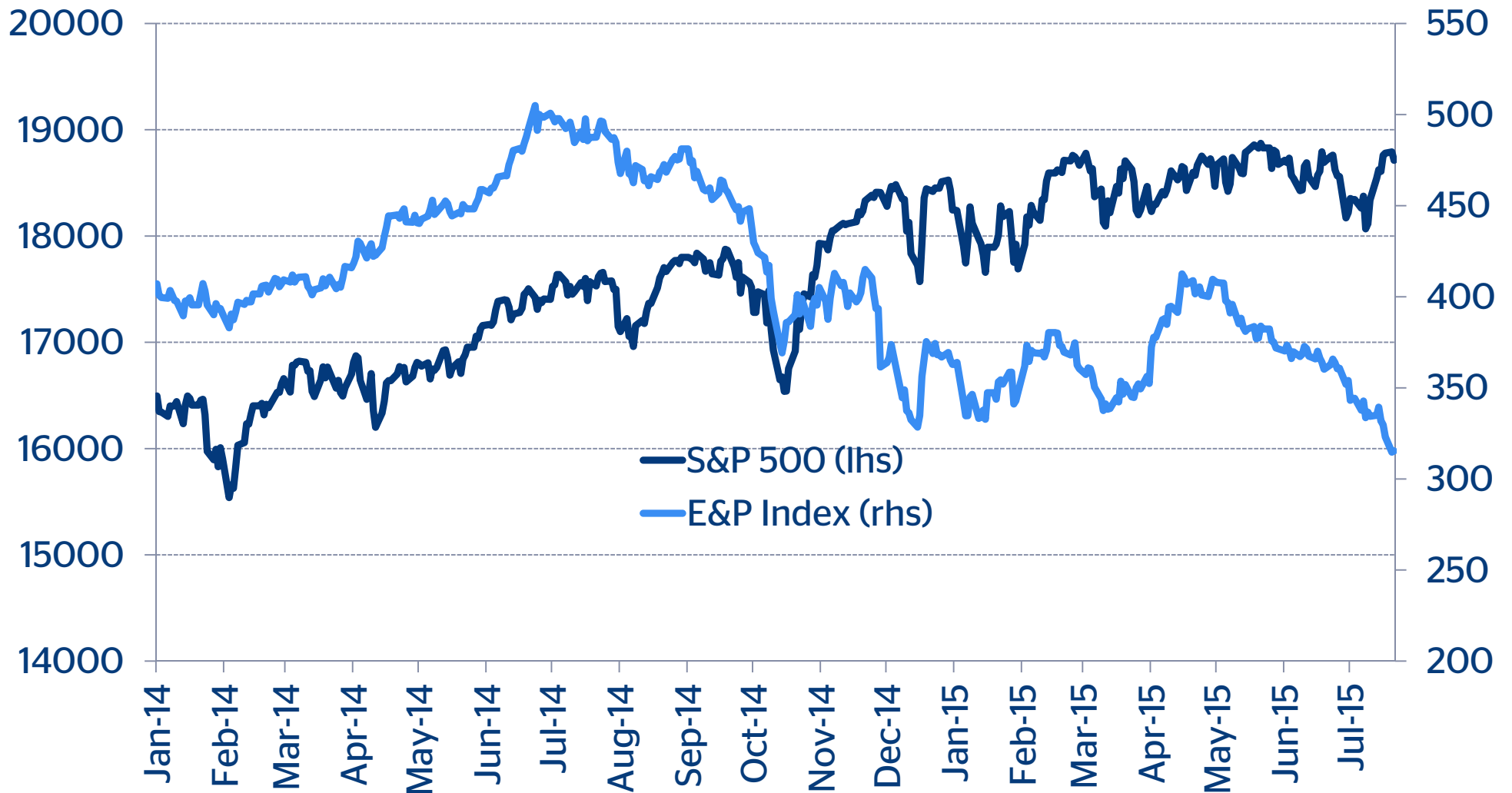
E&P Free Cash Flows (Bill.\$)



Source: BBVA Research & Bloomberg

Stock Markets

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



Source: Haver Analytics

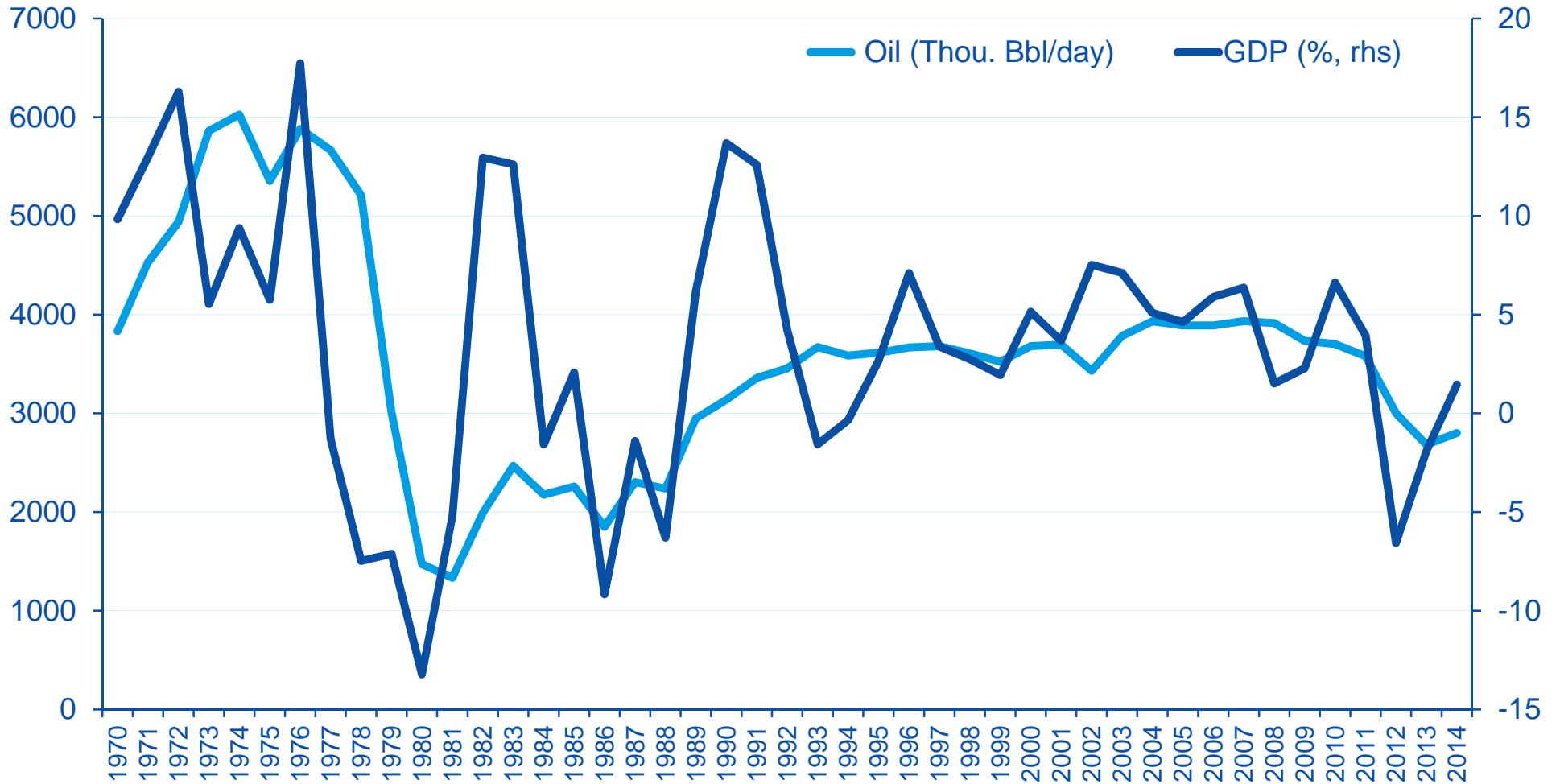
Iran

Selected Indicators and World Ranking

	Value	Ranking
GDP (2014)	\$415.3 billion	28 th
GDP per Capita (2014)	\$16,500	96 th
Population Size (2014)	80.8 million	19 th
Imports (2007)	20% of GDP	209 th
Exports (2007)	29.9% of GDP	141 st
Crude Oil Production (2014)	2.8 million BBL/day	7 th
Oil Exports (2013)	2.2 million BBL/day	6 th
Oil Reserves (2014)	157.3 billion BBL	4 th
Natural Gas Reserves (2014)	1,194 cubic Ft	2 nd

Iran

Oil production and GDP growth



Source: Haver Analytics

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