

U.S. Oil & Gas Industry Chartbook

BBVA Research USA

Houston, TX

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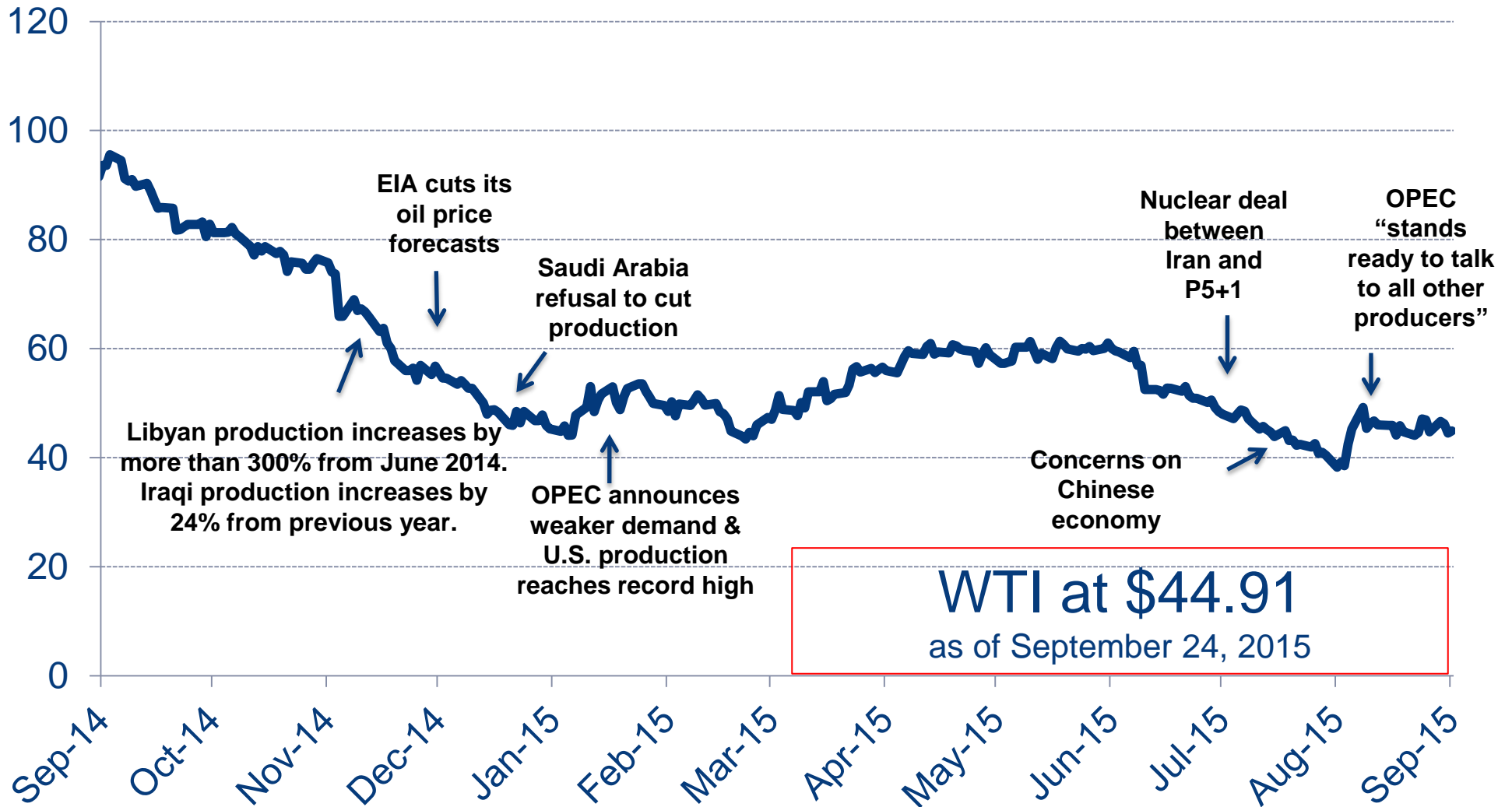
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Bottom Line

- Prices may rise upon expectations that the Fed could increase interest rates before year end.
- The total active rig count continues to plummet and is at its lowest level since January 2003.
- The resiliency of U.S. production is easing, although levels remain high. We expect a steady decline in production going forward.
- Pressures on profitability will continue to result in consolidation and further cuts in capital spending and jobs by producers.
- The House will consider a bill that lifts the four-decade old ban on crude oil exports, with the potential to improve the trade balance and impact domestic fuel prices.
- Uncertainty about China and other emerging markets may intensify downward risks to prices.

Spot Prices

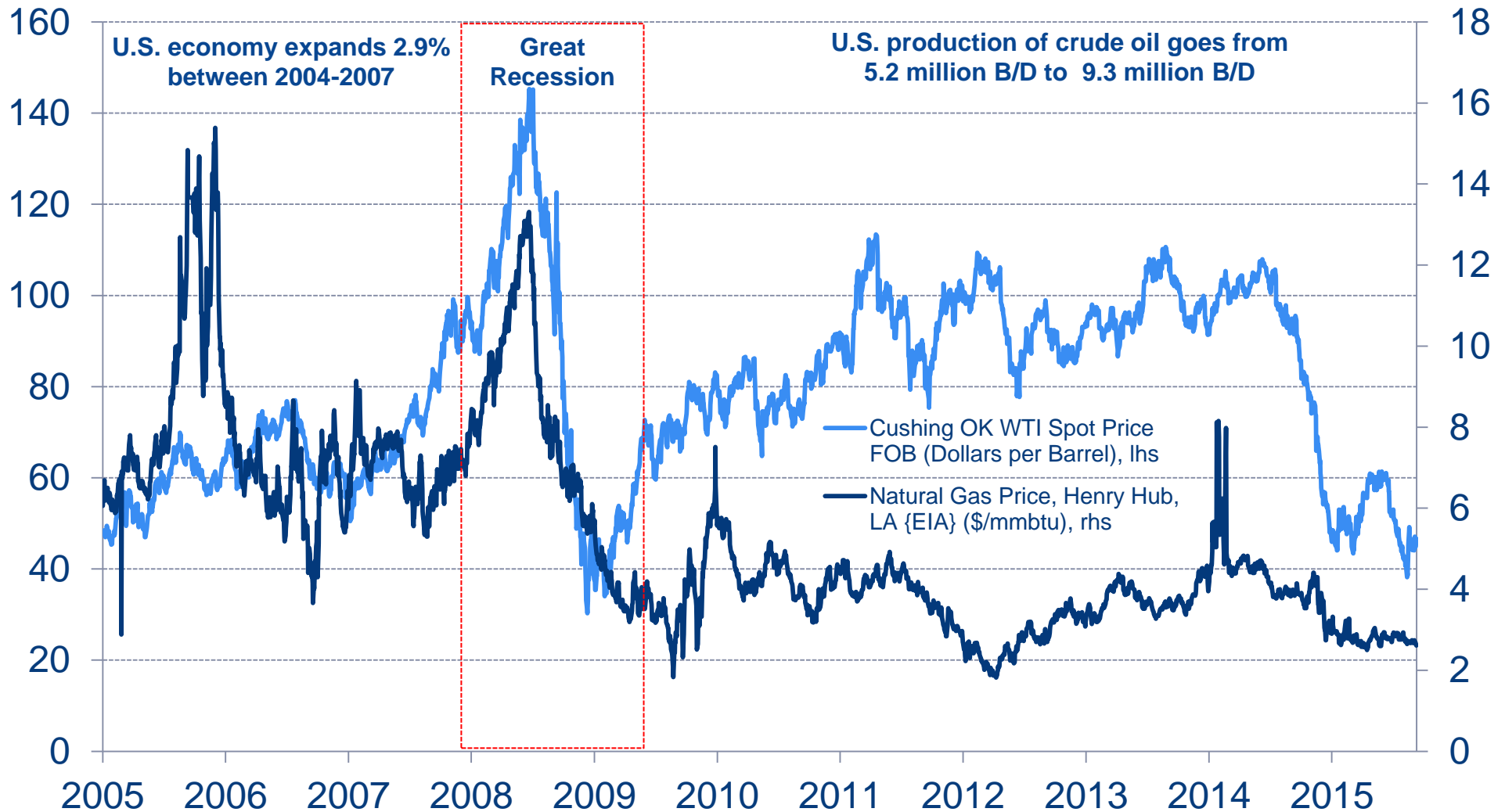
WTI Spot Price (avg, \$/bbl)



Source: Haver Analytics

Spot Prices

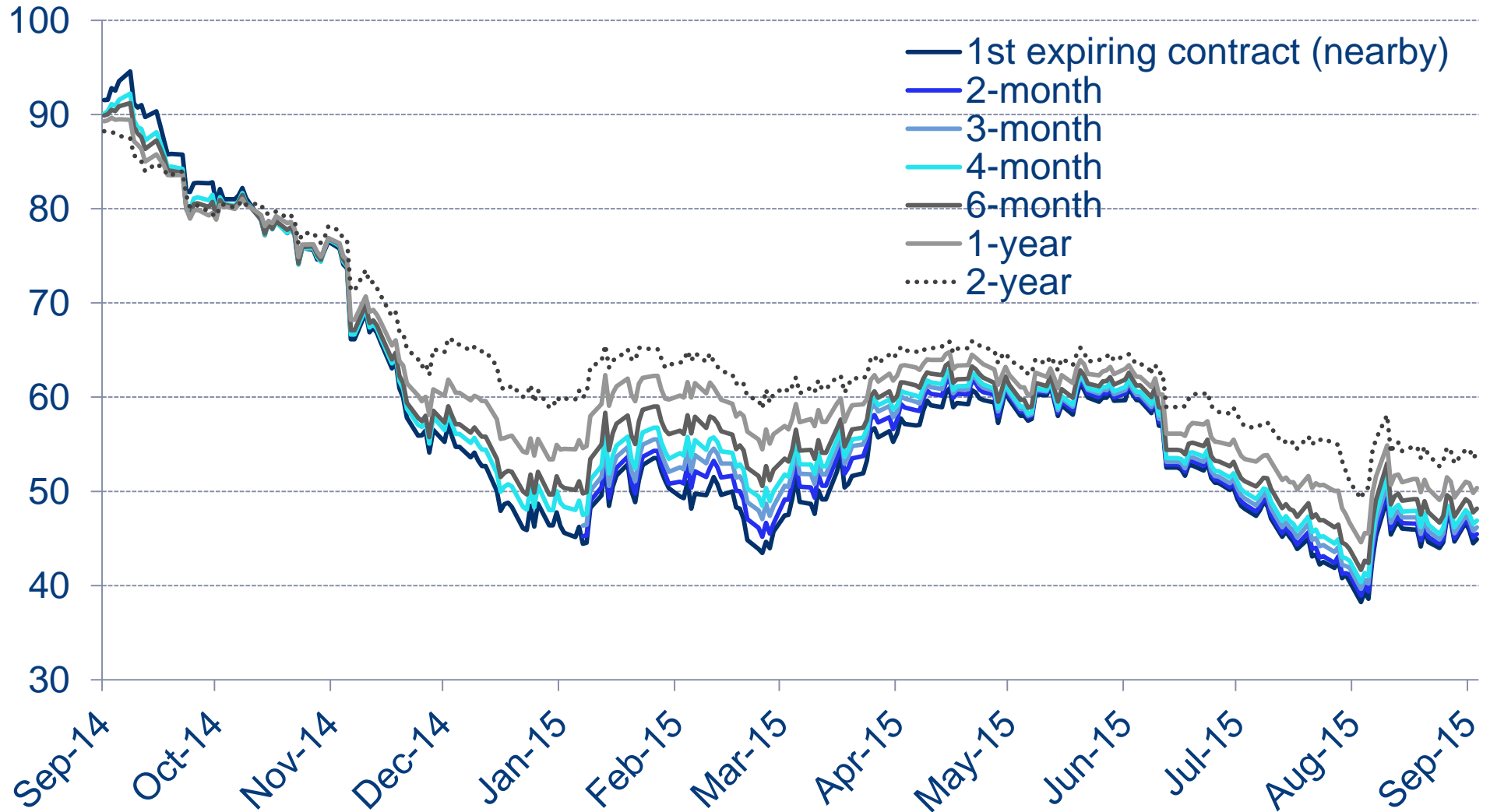
Crude Oil and Natural Gas Spot Prices



Source: Haver Analytics

Futures Prices

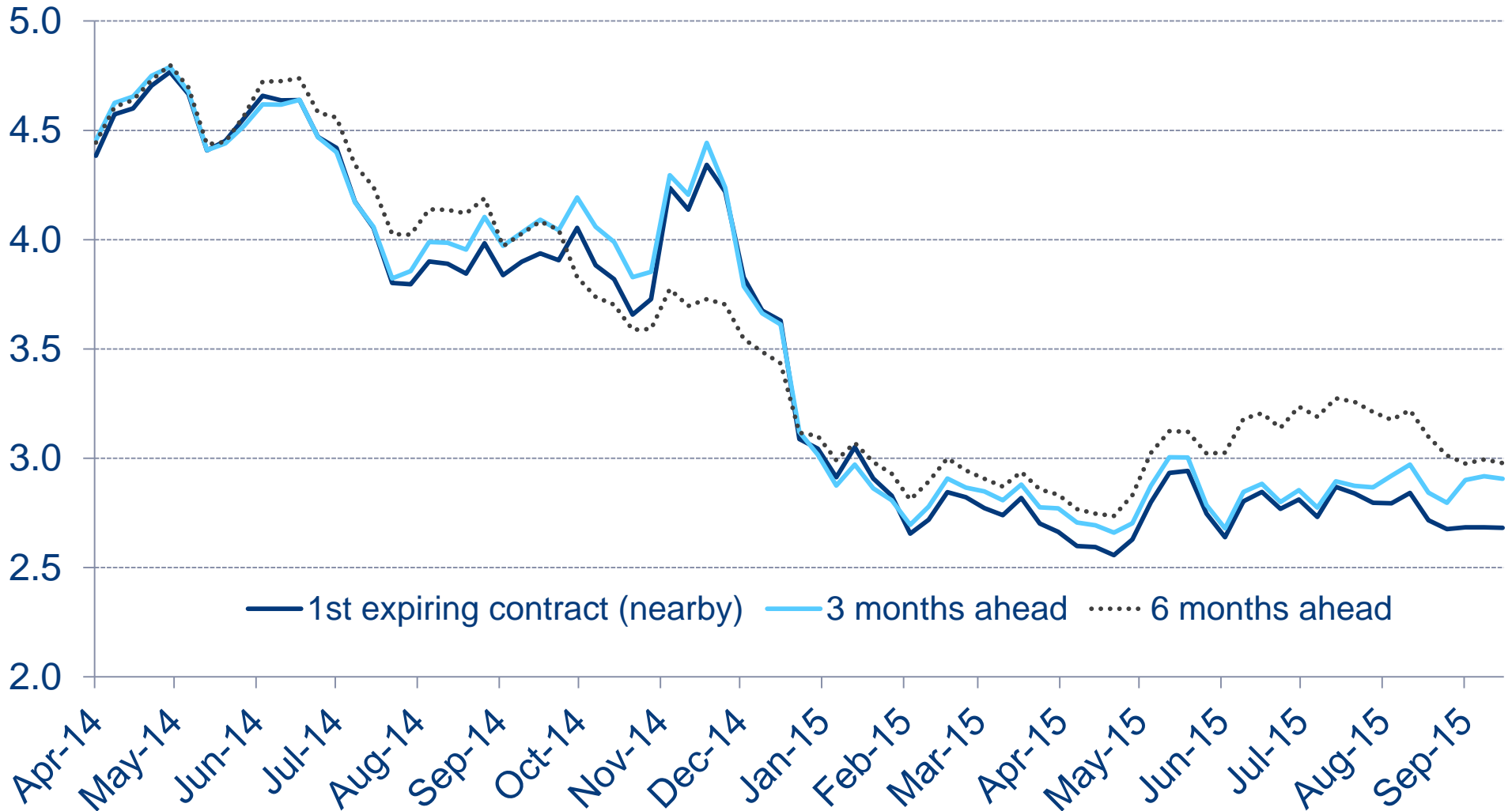
WTI Futures (\$/bbl)



Source: Haver Analytics

Futures Prices

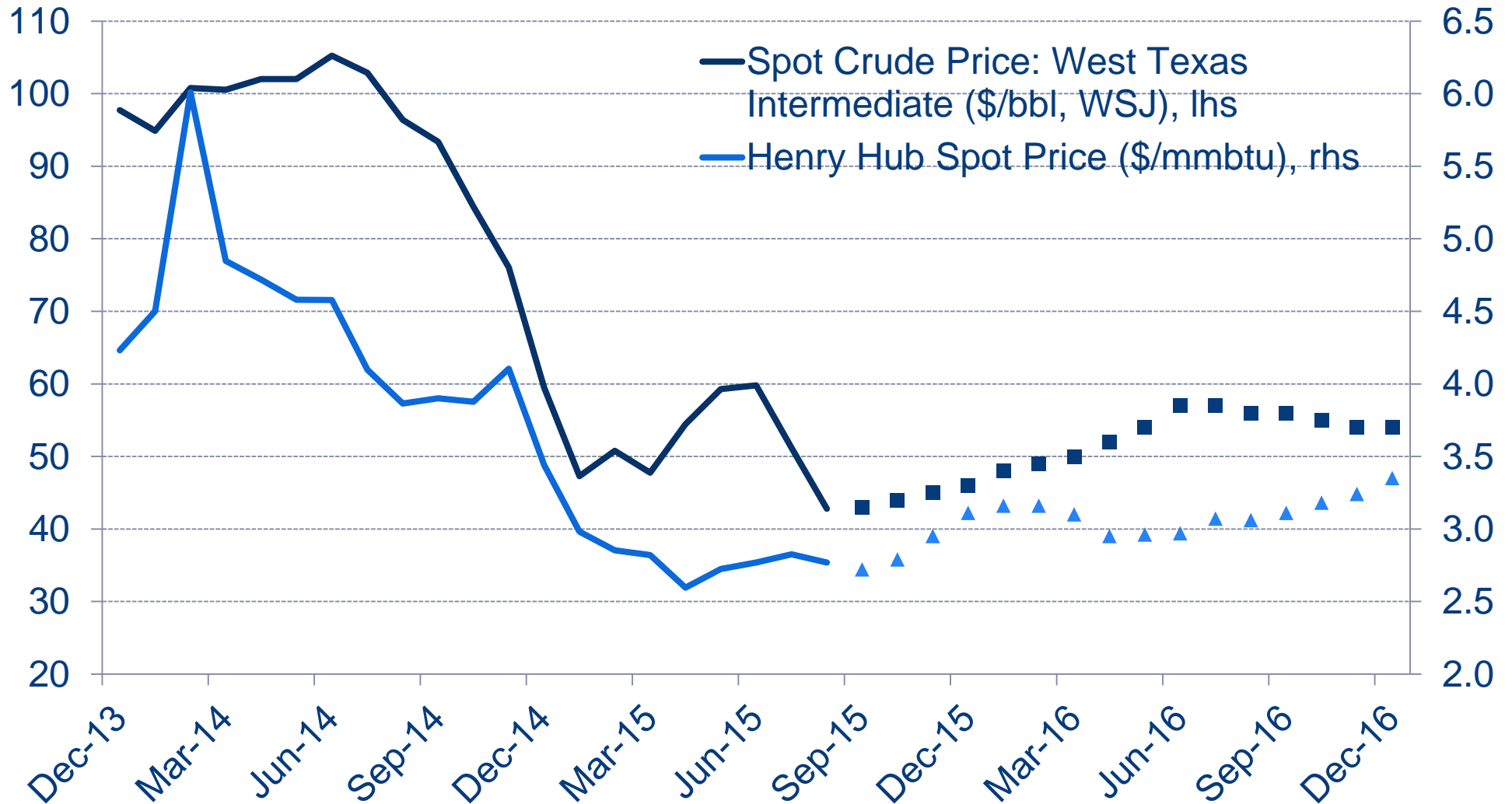
Natural Gas Futures (\$/mmbtu)



Source: Haver Analytics

Forecasts

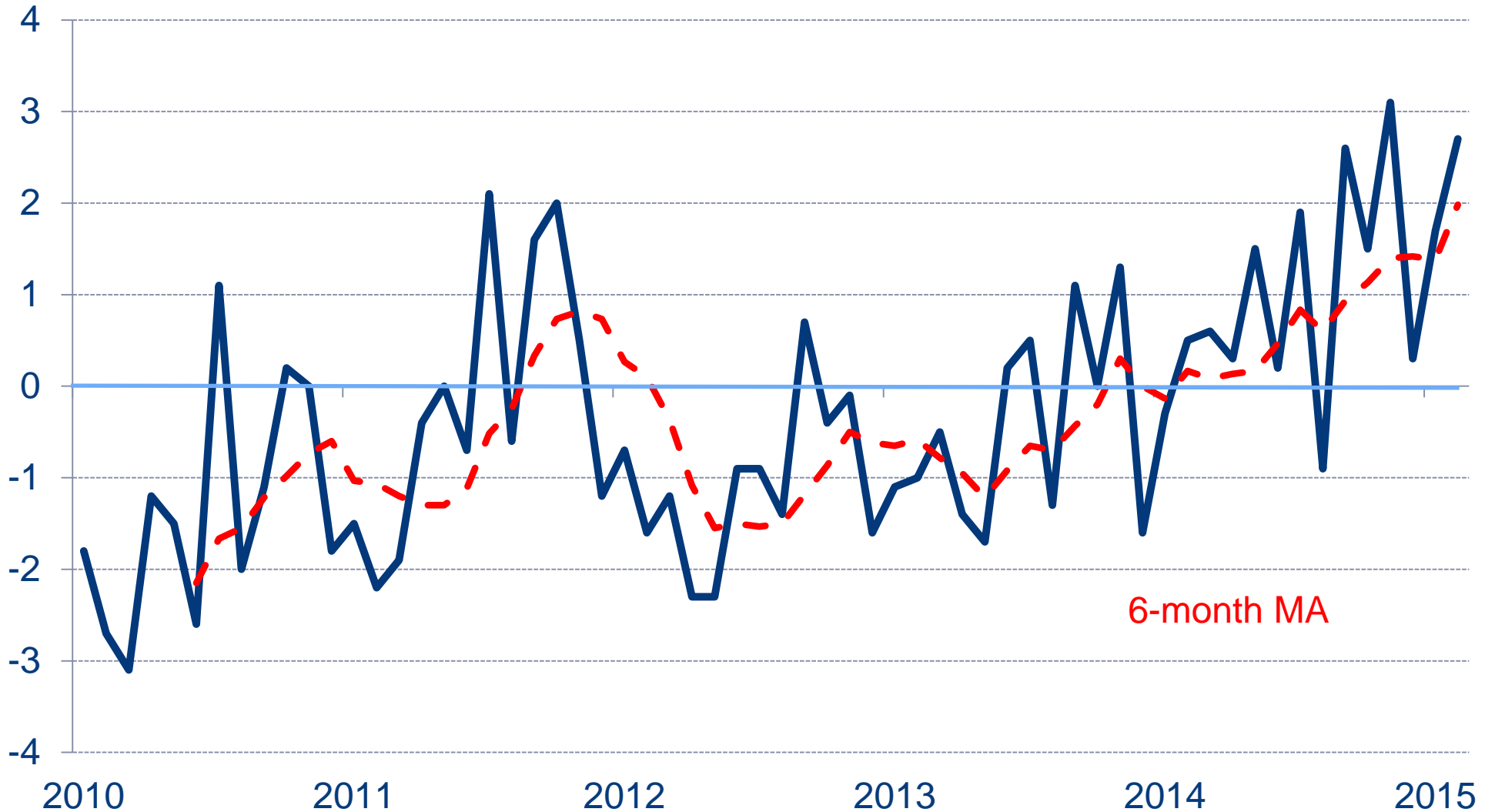
EIA: Oil and Natural Gas Forecast



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

Supply and Demand

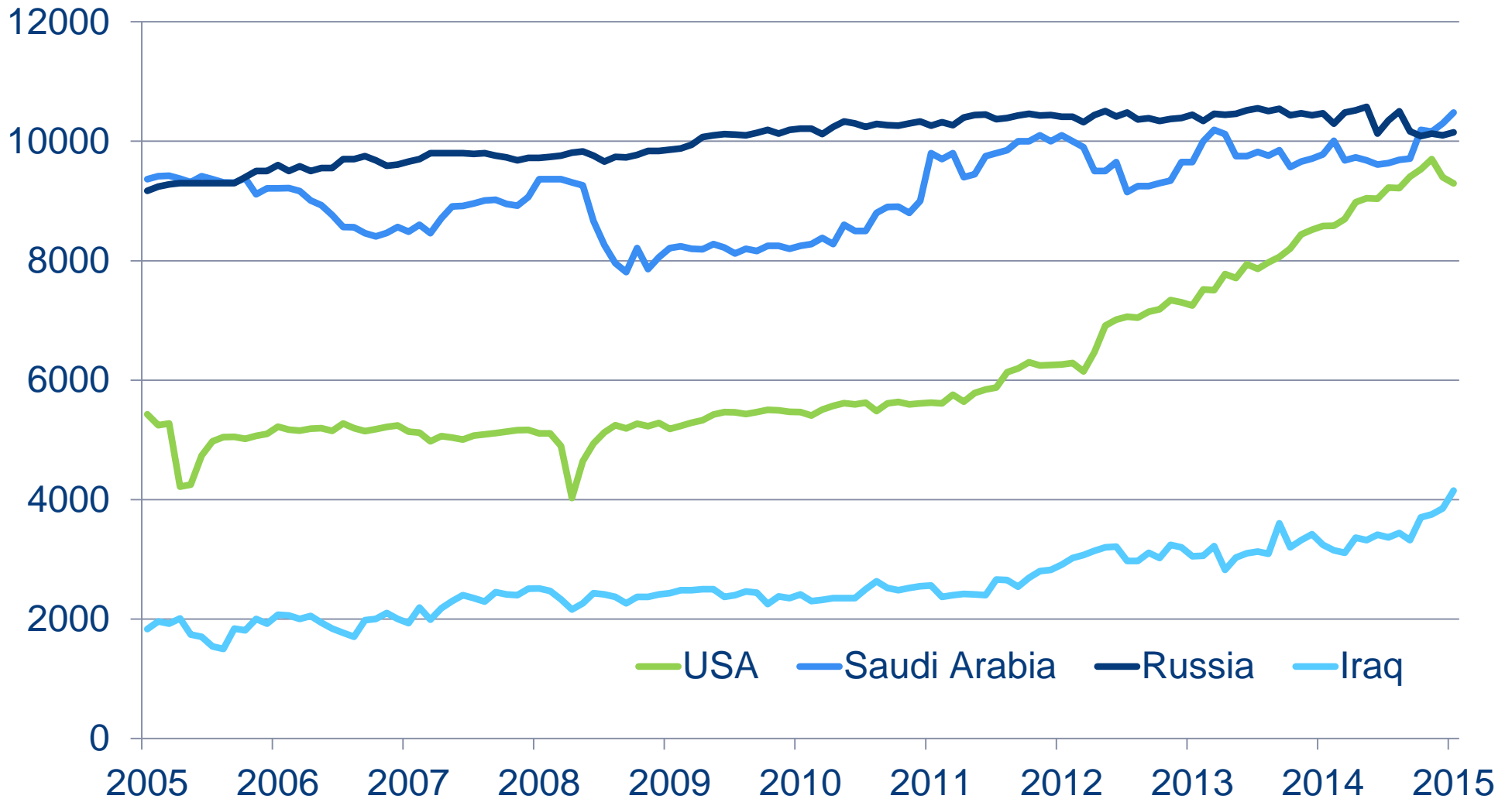
Global Oil Supply and Demand Balance (mmbbl/day)



Source: Haver Analytics

Production

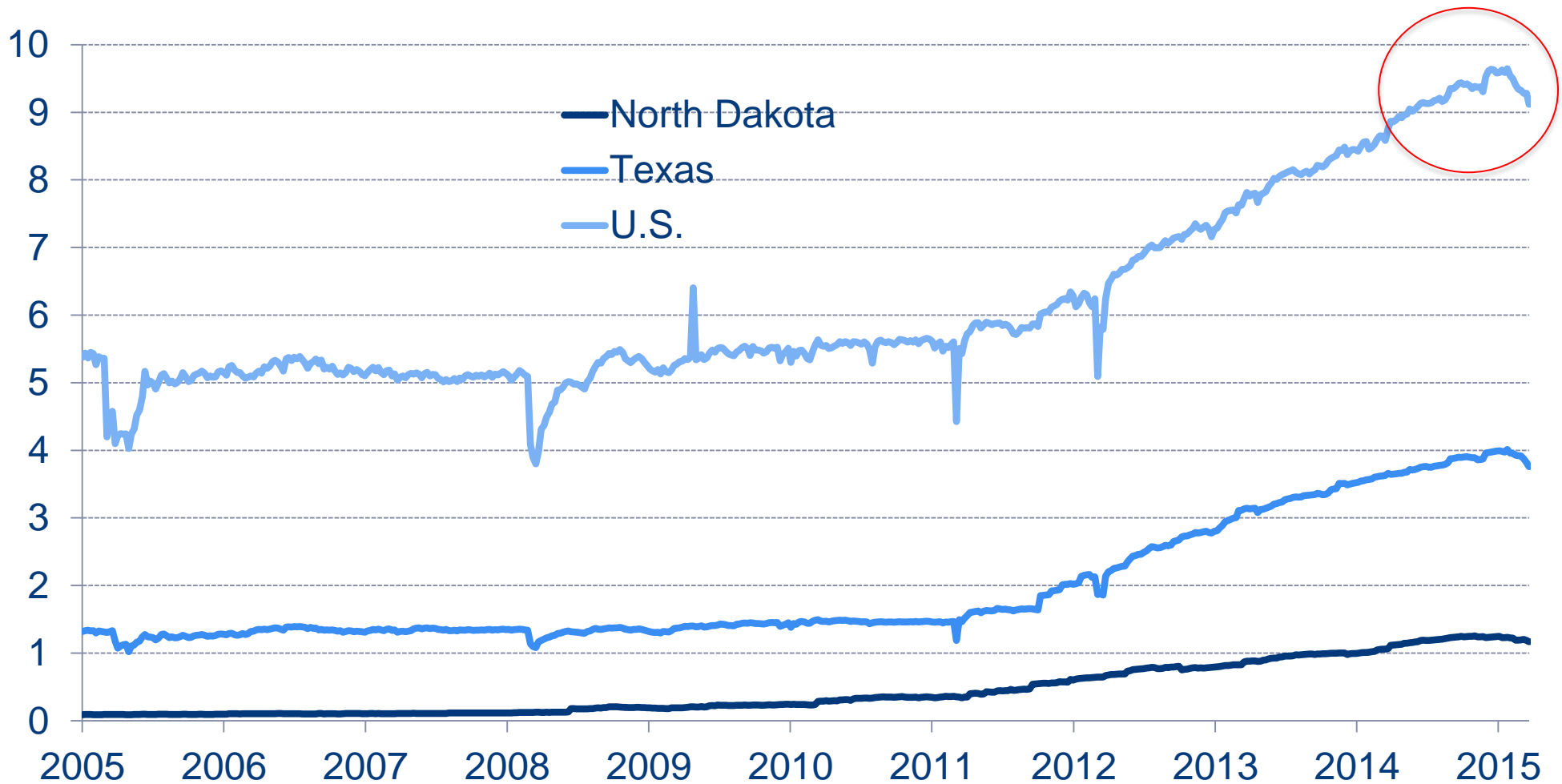
Production for Top Crude Oil Producers (Thous. B/D)



Source: Haver Analytics

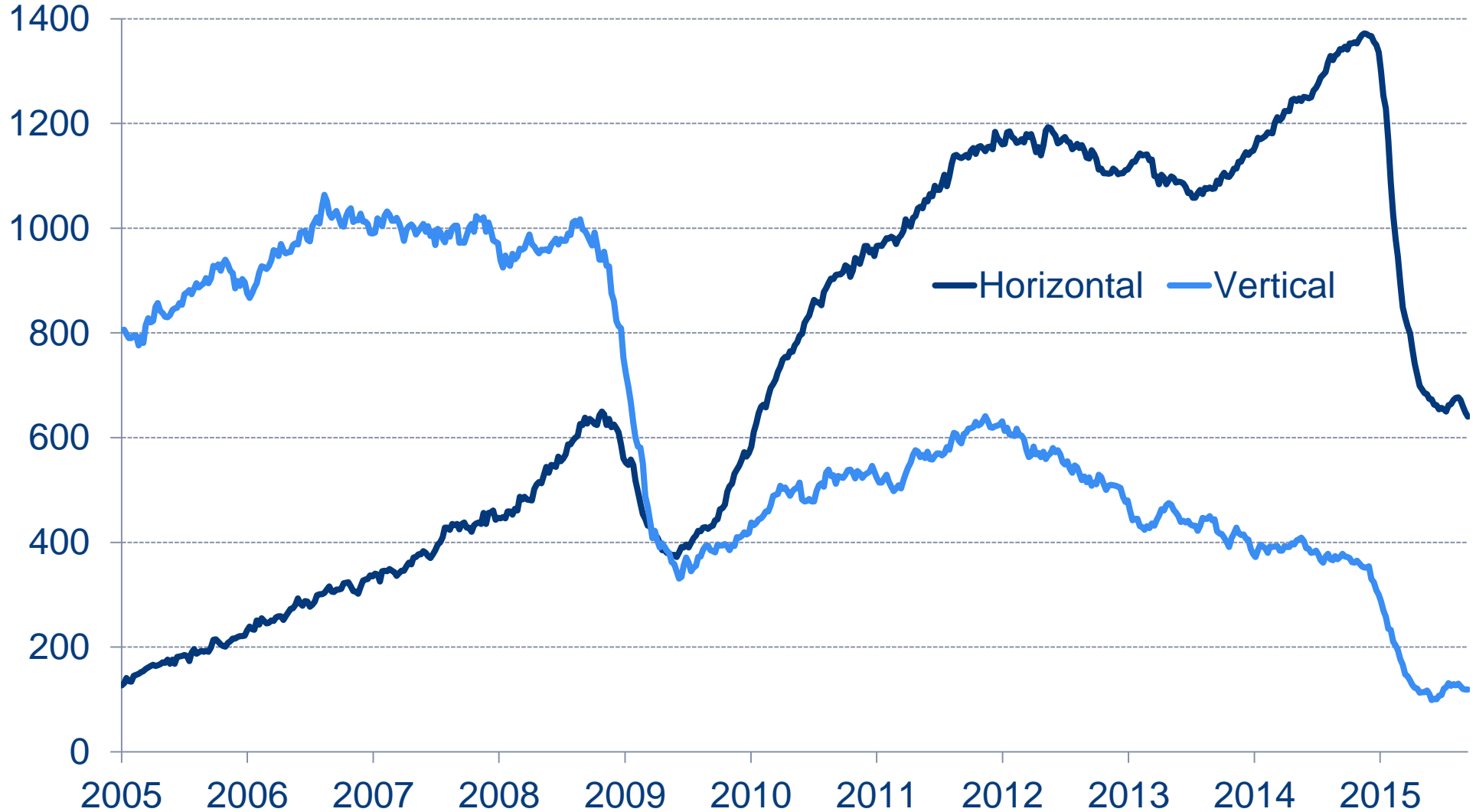
Production

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



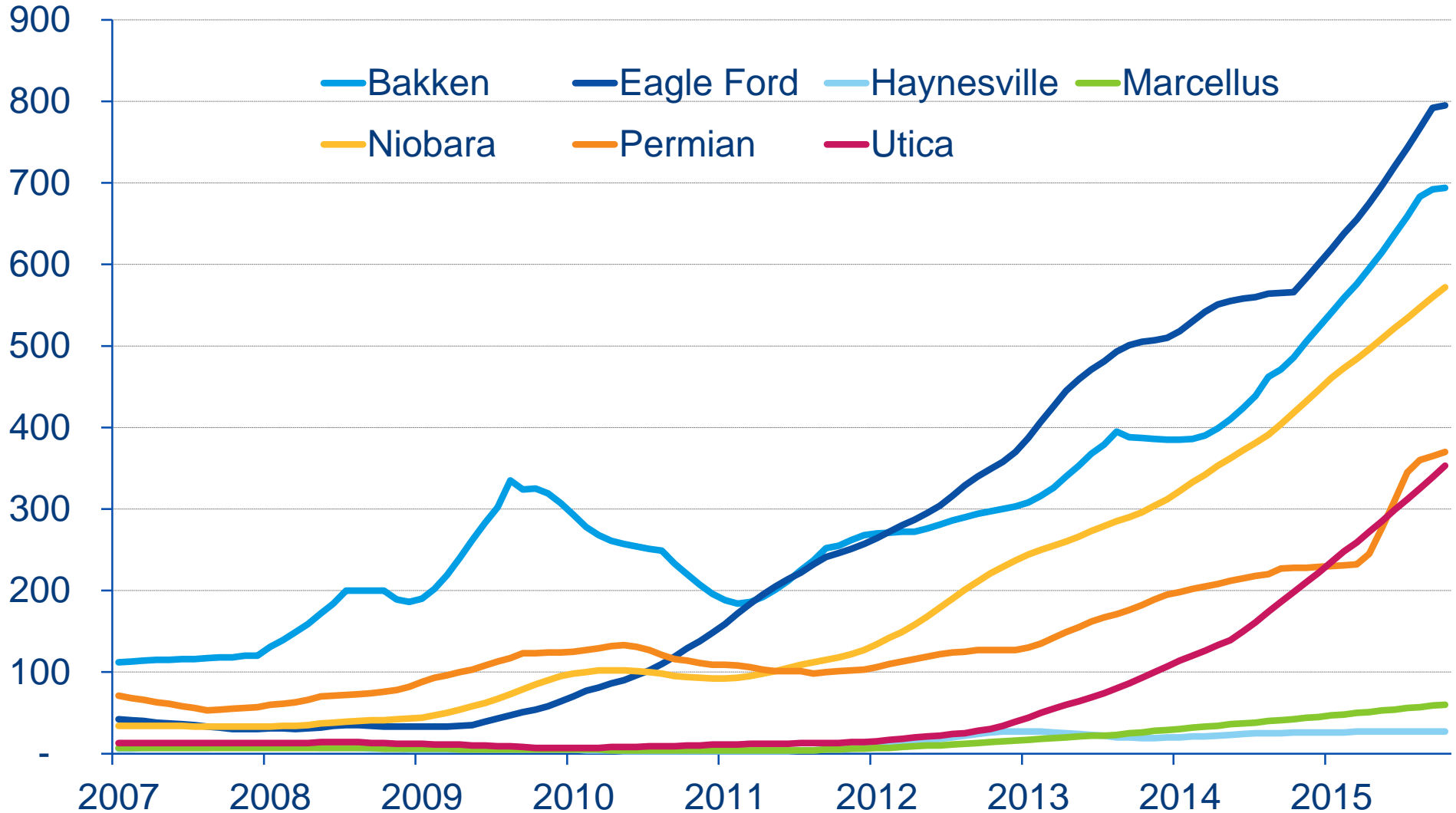
Rig Count

U.S. Active Rig Count (units)



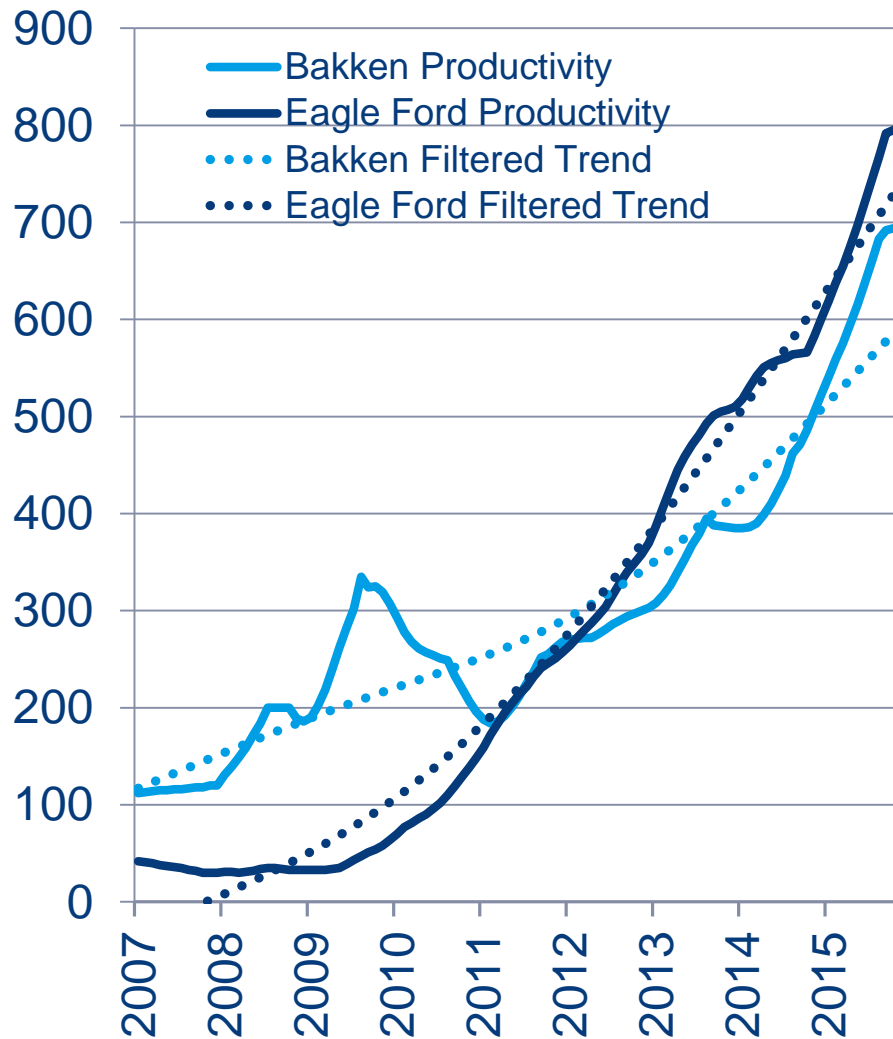
Rig Count

Rig Count Productivity (bbl/day)

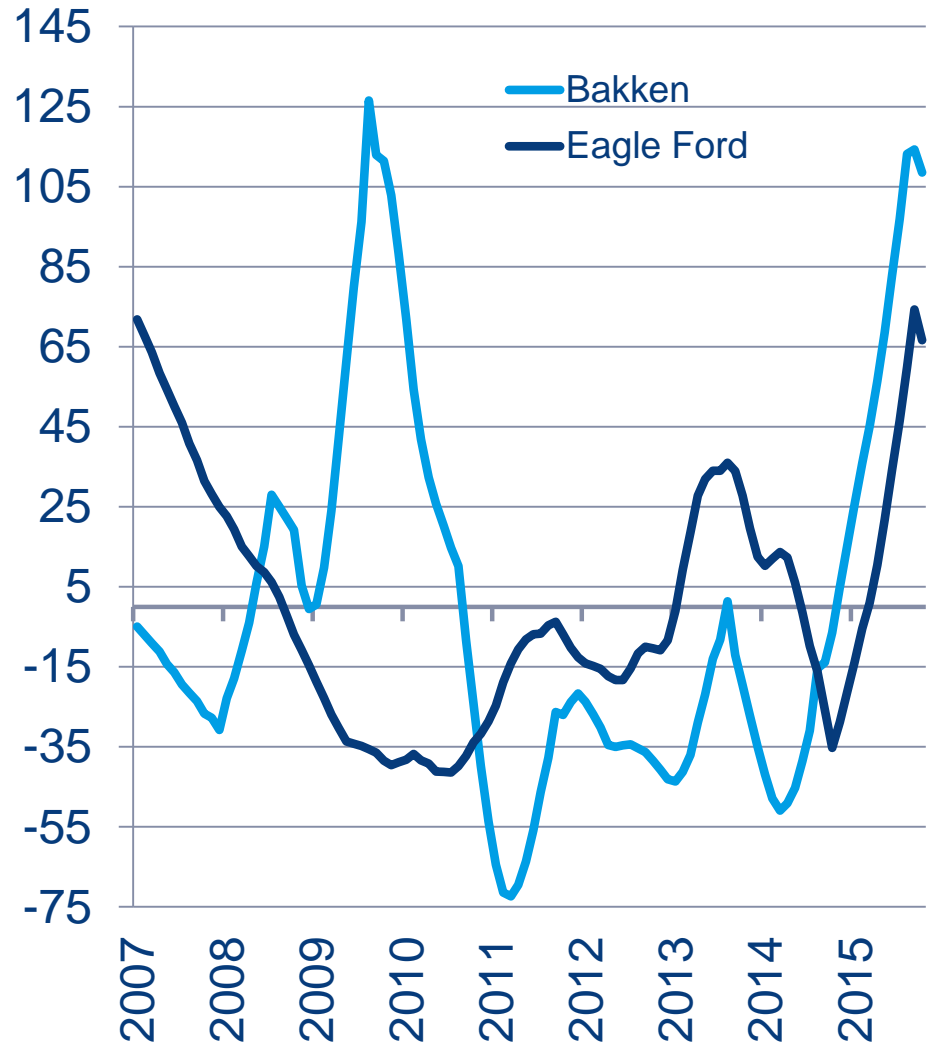


Rig Count

Rig Count Productivity (bbl/day)



Rig Productivity Cycle



Source: Haver Analytics

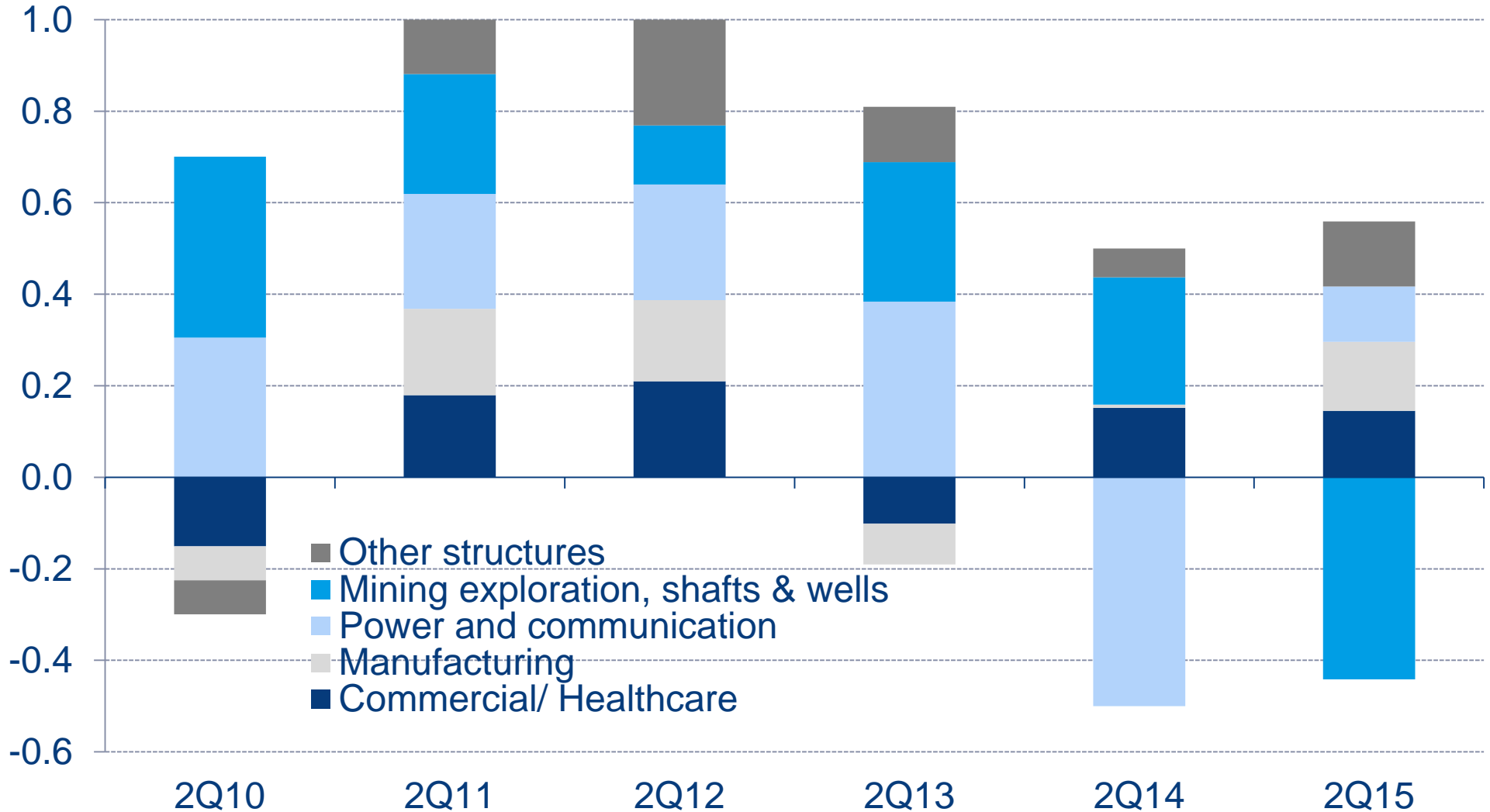
Investment

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



Investment

U.S. Real Private Fixed Investment: Contributions to % Change by Type of Structure (SAAR, %)



Inventories

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



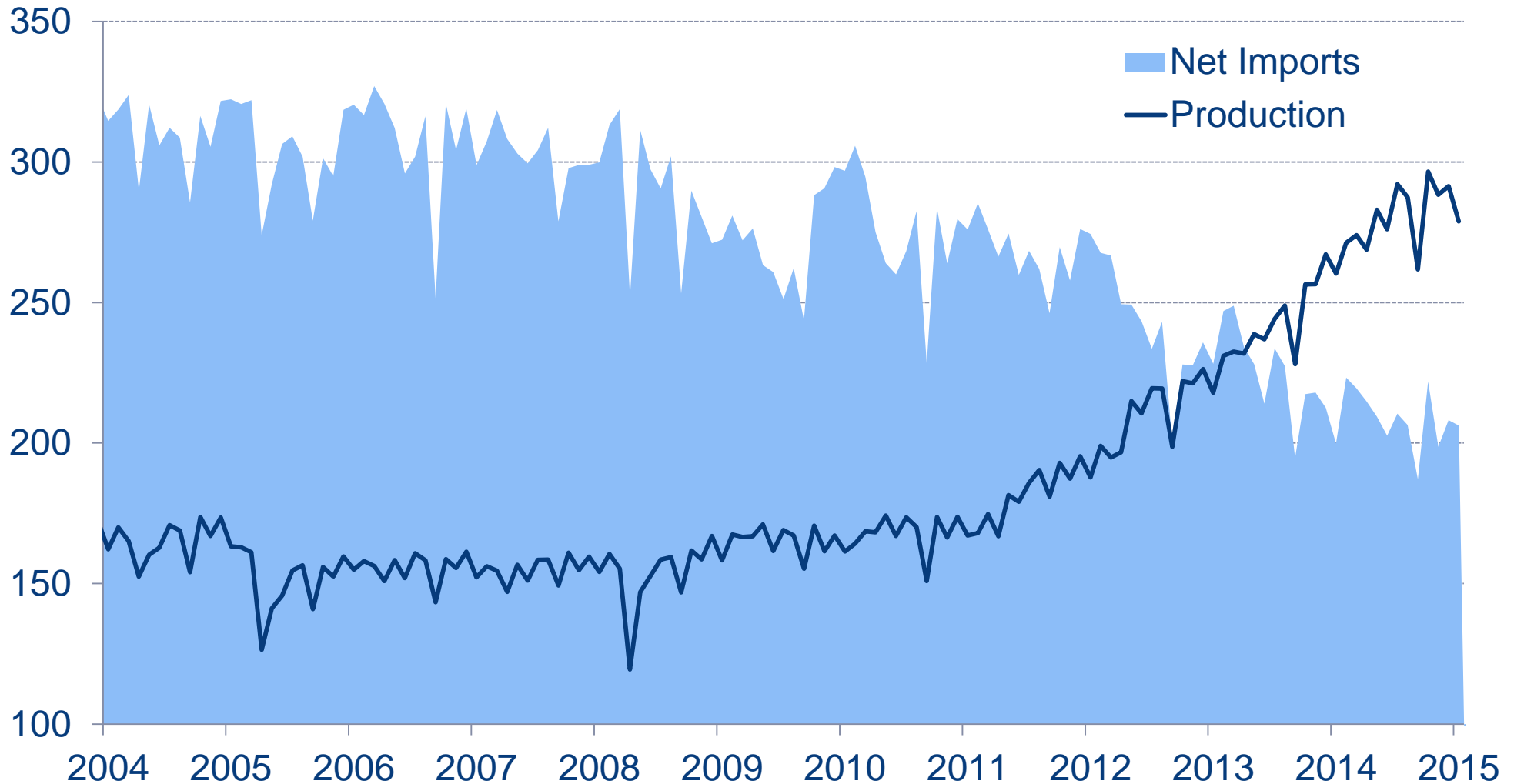
Inventories

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



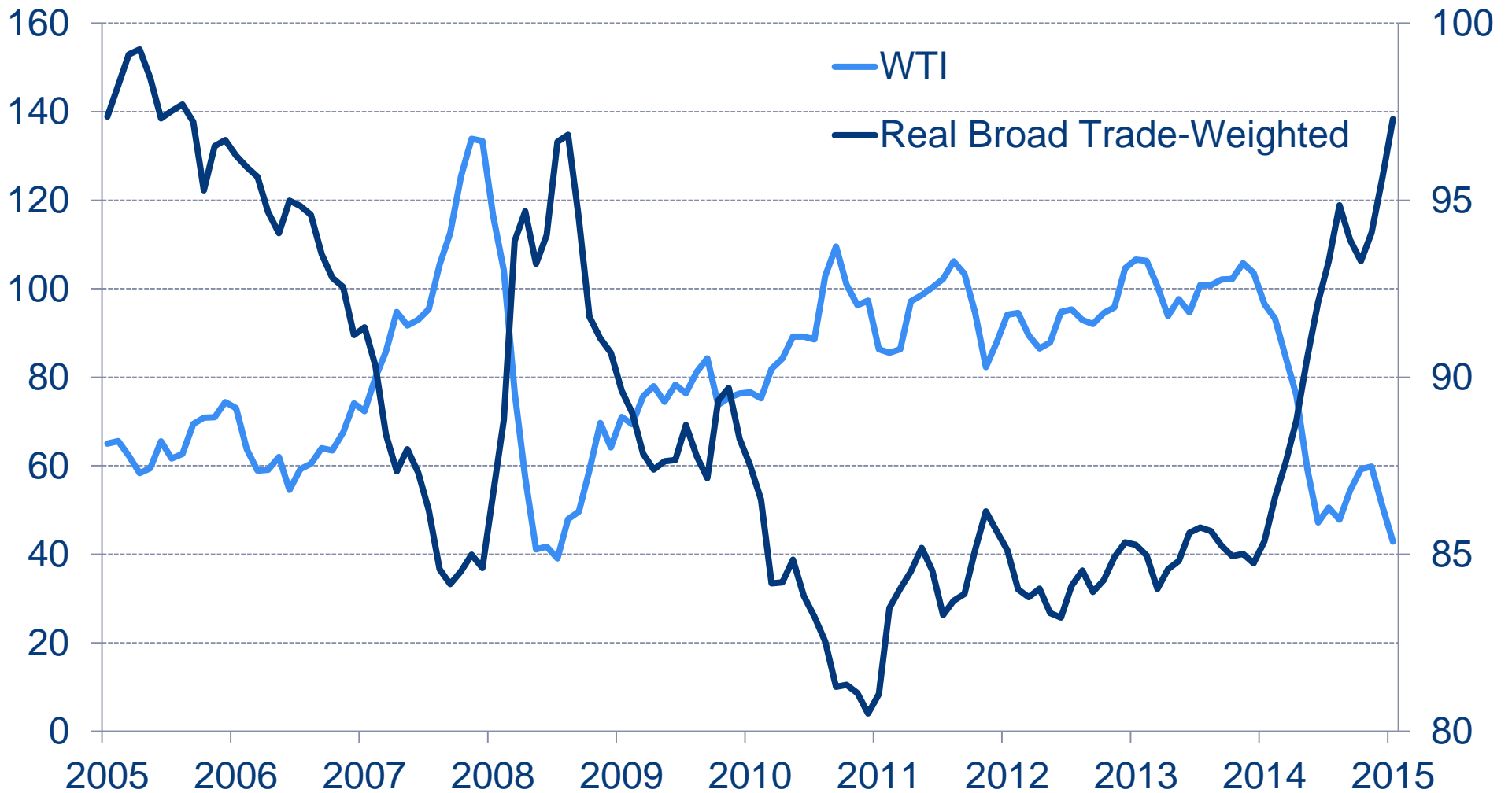
Net Imports

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



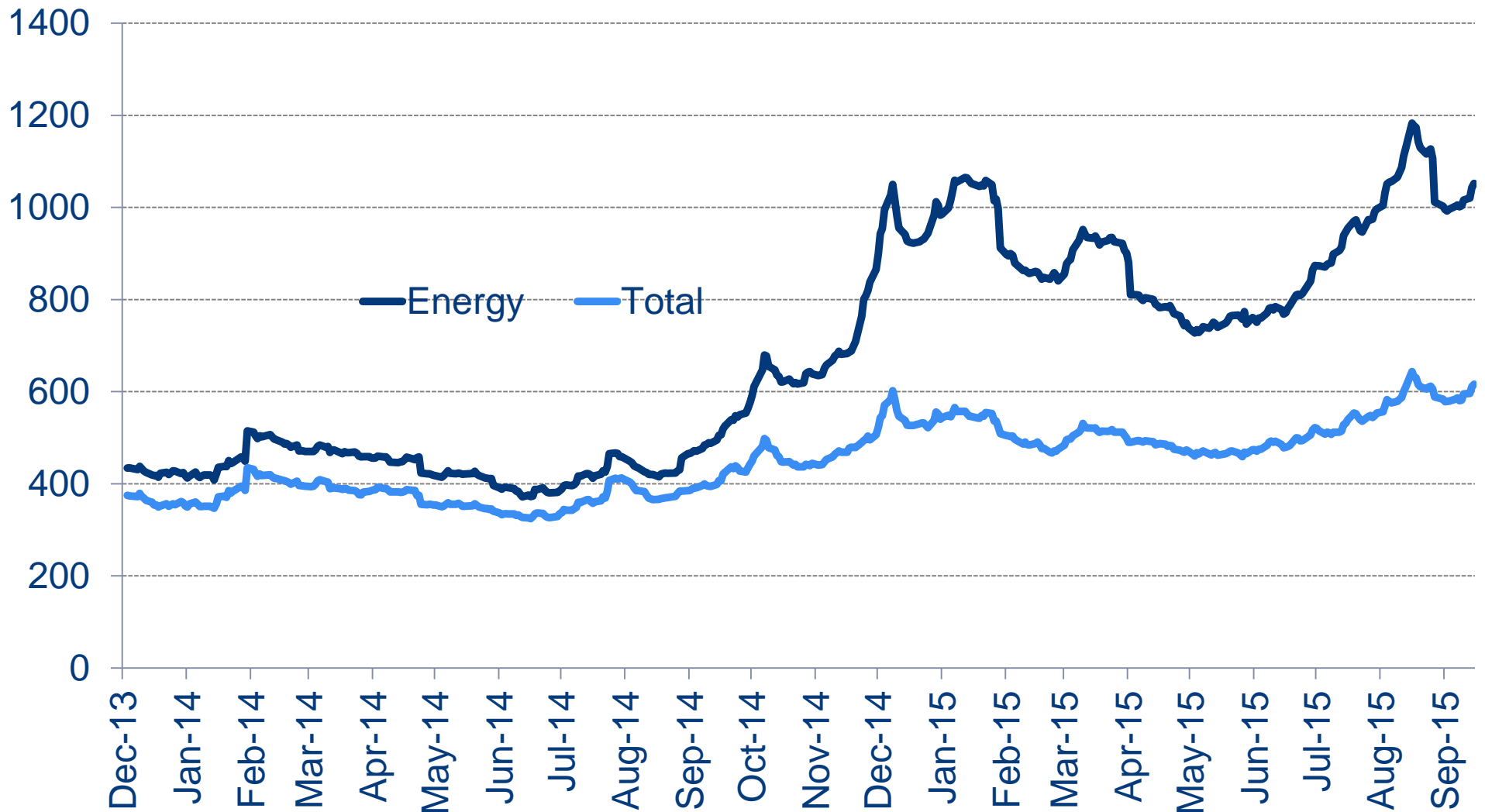
Exchange Rate

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



Debt

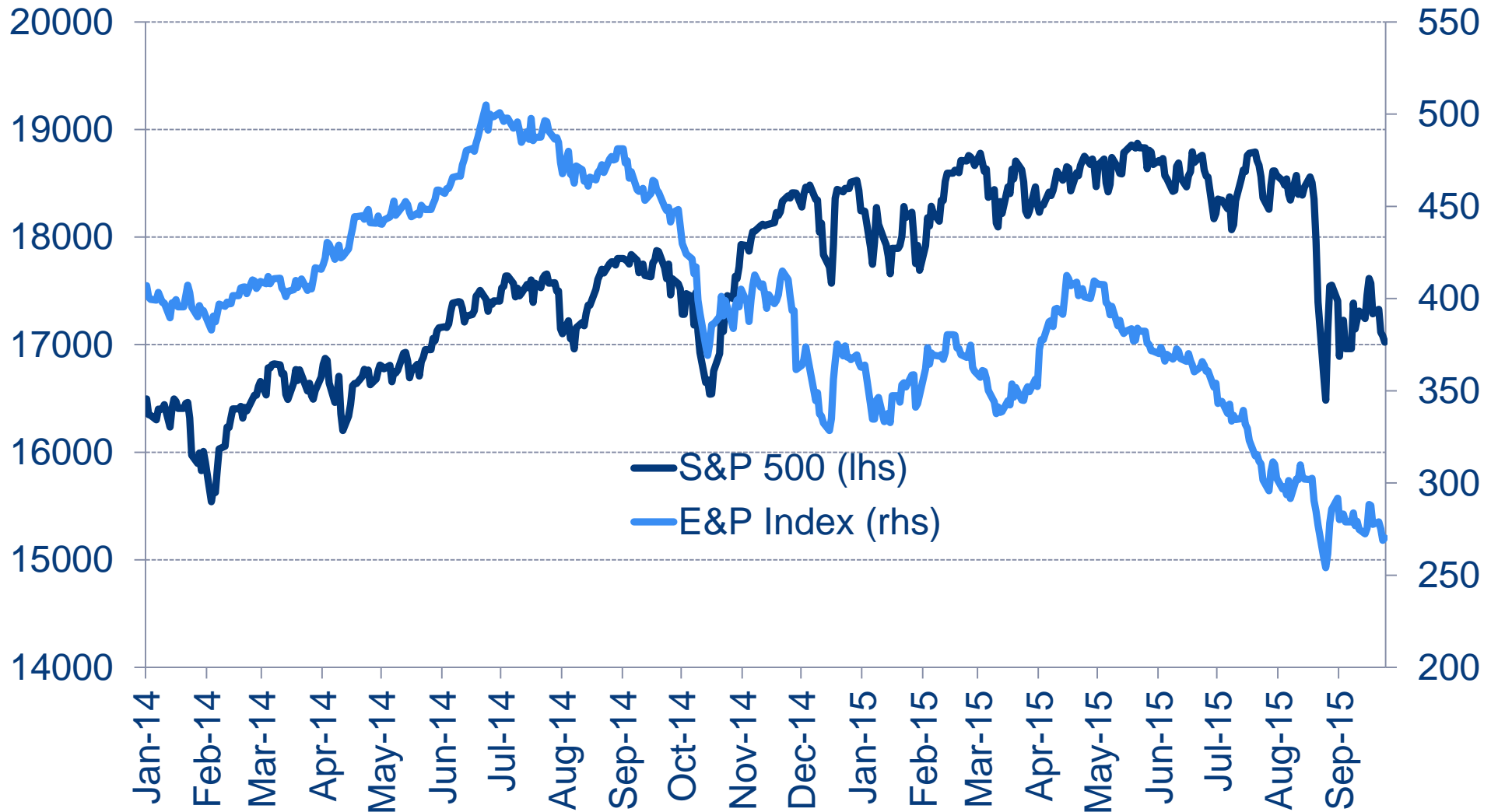
High Yield Bonds (option adjusted spreads relative to U.S. treasuries)



Source: Bloomberg

Stock Markets

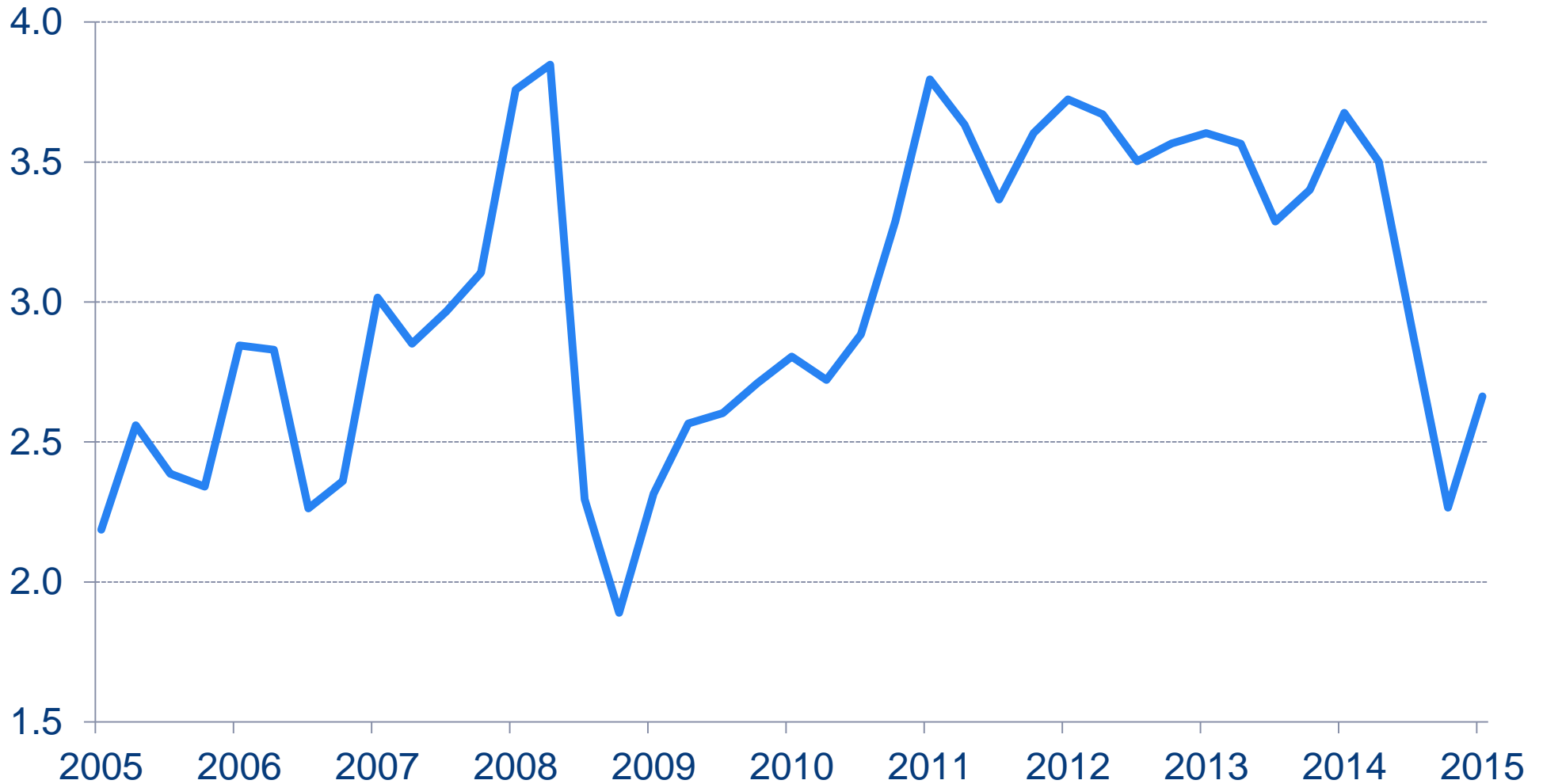
S&P Daily Stock Market Capitalization (Bill.\$)



Source: Haver Analytics

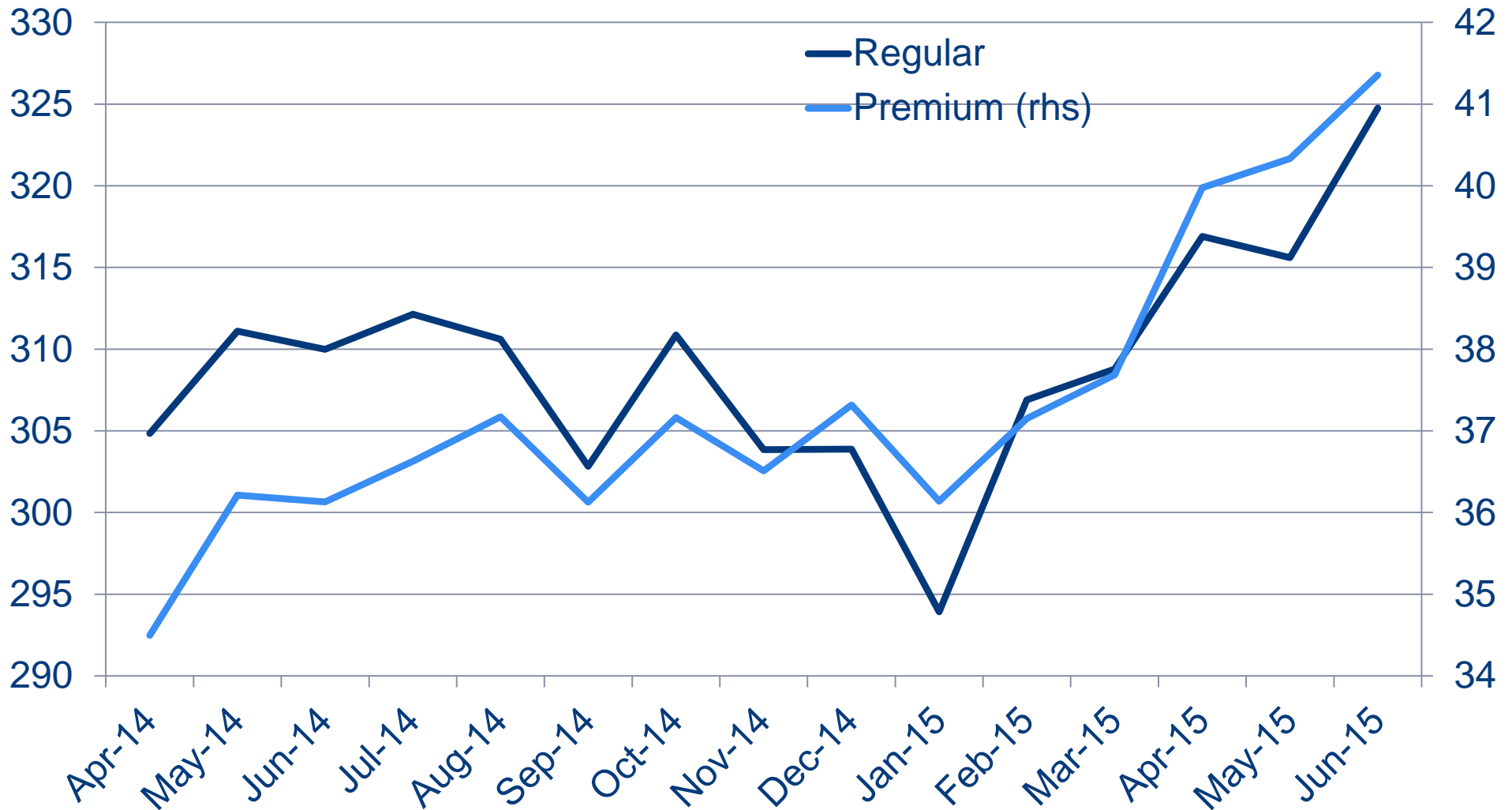
Gasoline

Retail Gasoline Price (\$/gallon)



Gasoline

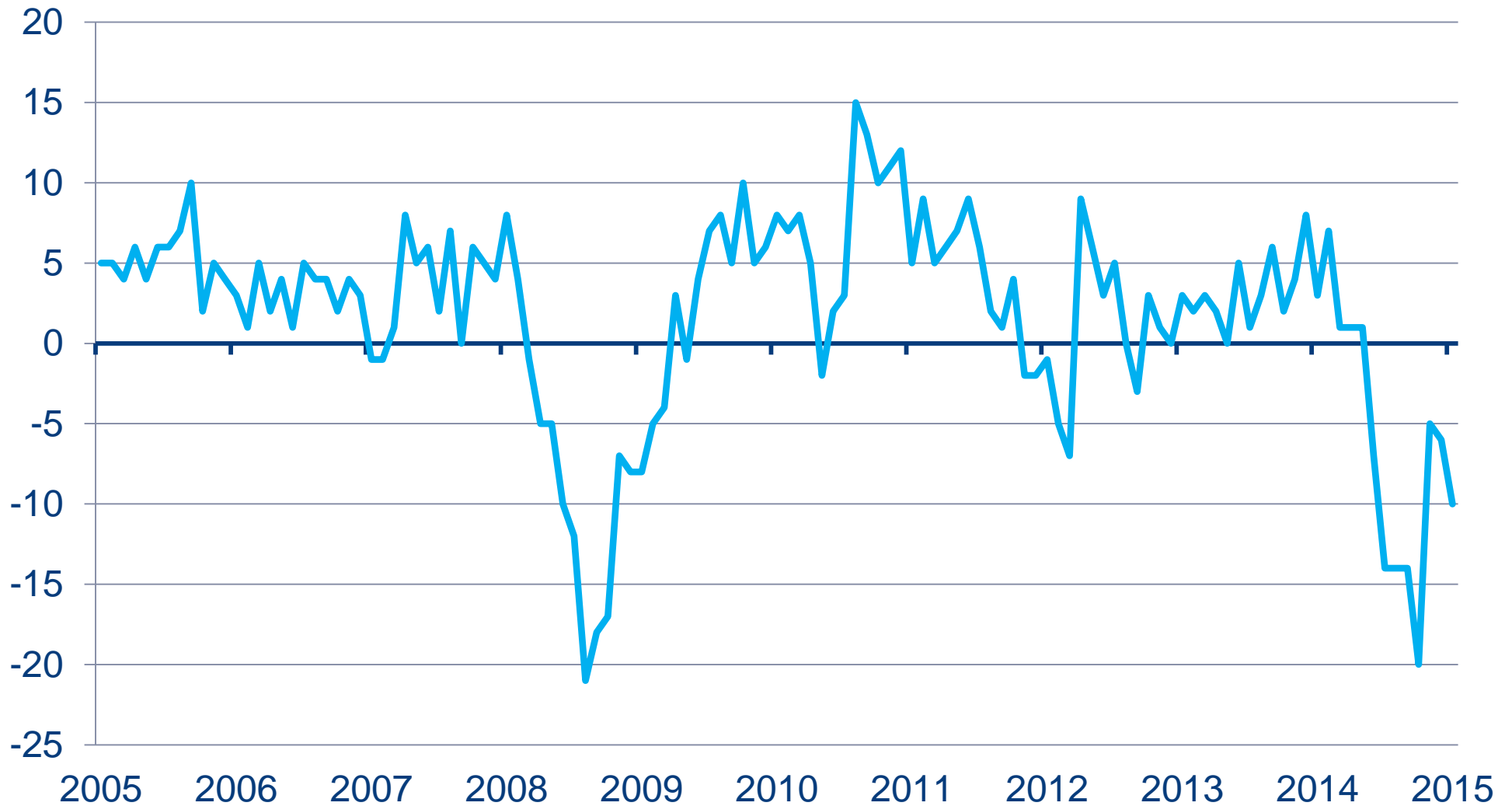
Gasoline Prime Supplier Sales Volume (Mil. Gallons/Day)



Source: Haver Analytics

Employment

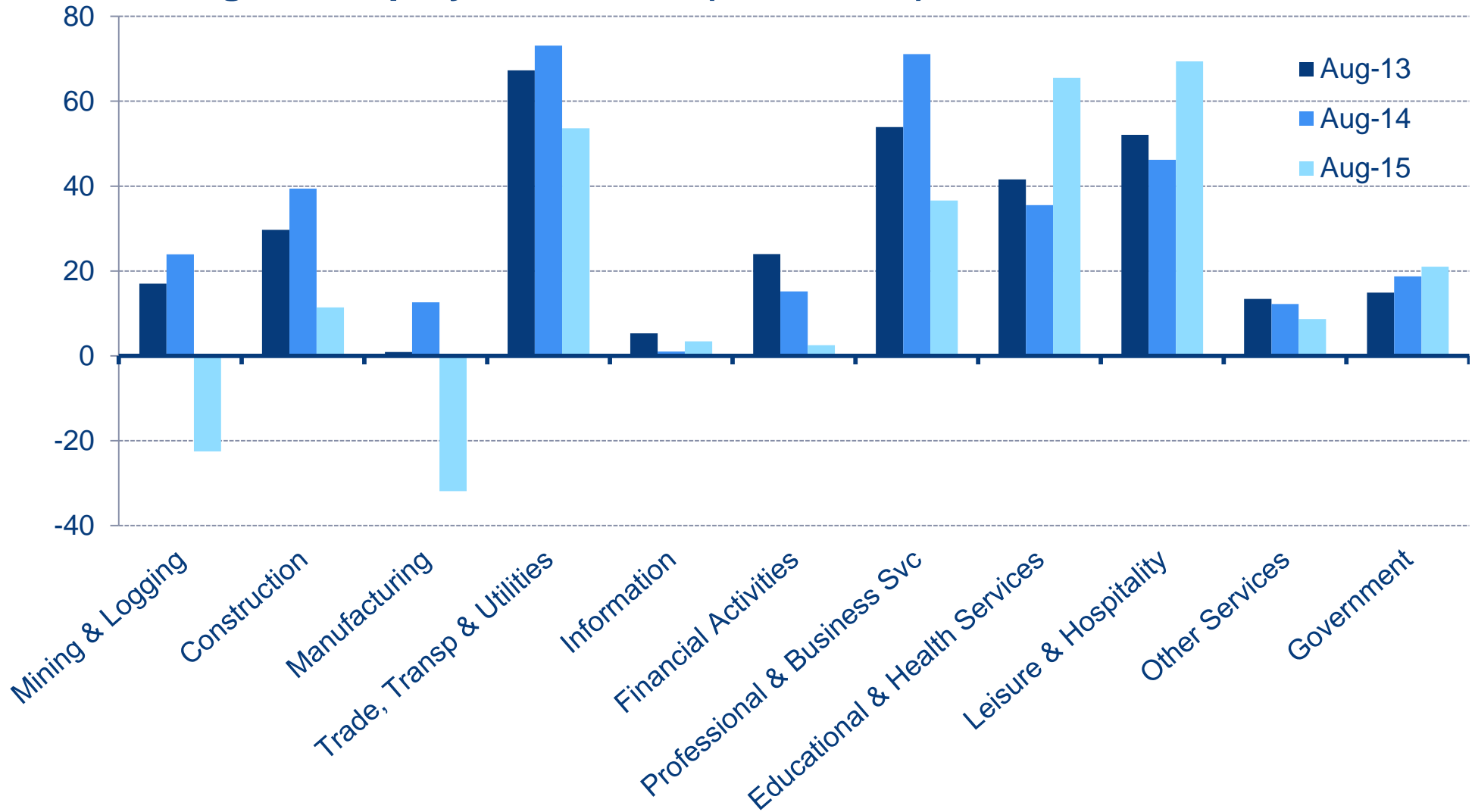
Change in Mining and Logging Employment (SA, Thous)



Source: Haver Analytics

Employment

YoY Change in Employees—Texas (SA, Thous)



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