



# Short-Term World Oil Market Outlook

Guy Caruso

Senior Advisor

USAEE-NABE Webinar

May 6, 2011

CSIS

CENTER FOR STRATEGIC &  
INTERNATIONAL STUDIES

Energy & National  
Security Program

**Current Assessments**

**Future Expectations**



Source: Talisman Energy, used with permission

## Short-Term Market Drivers

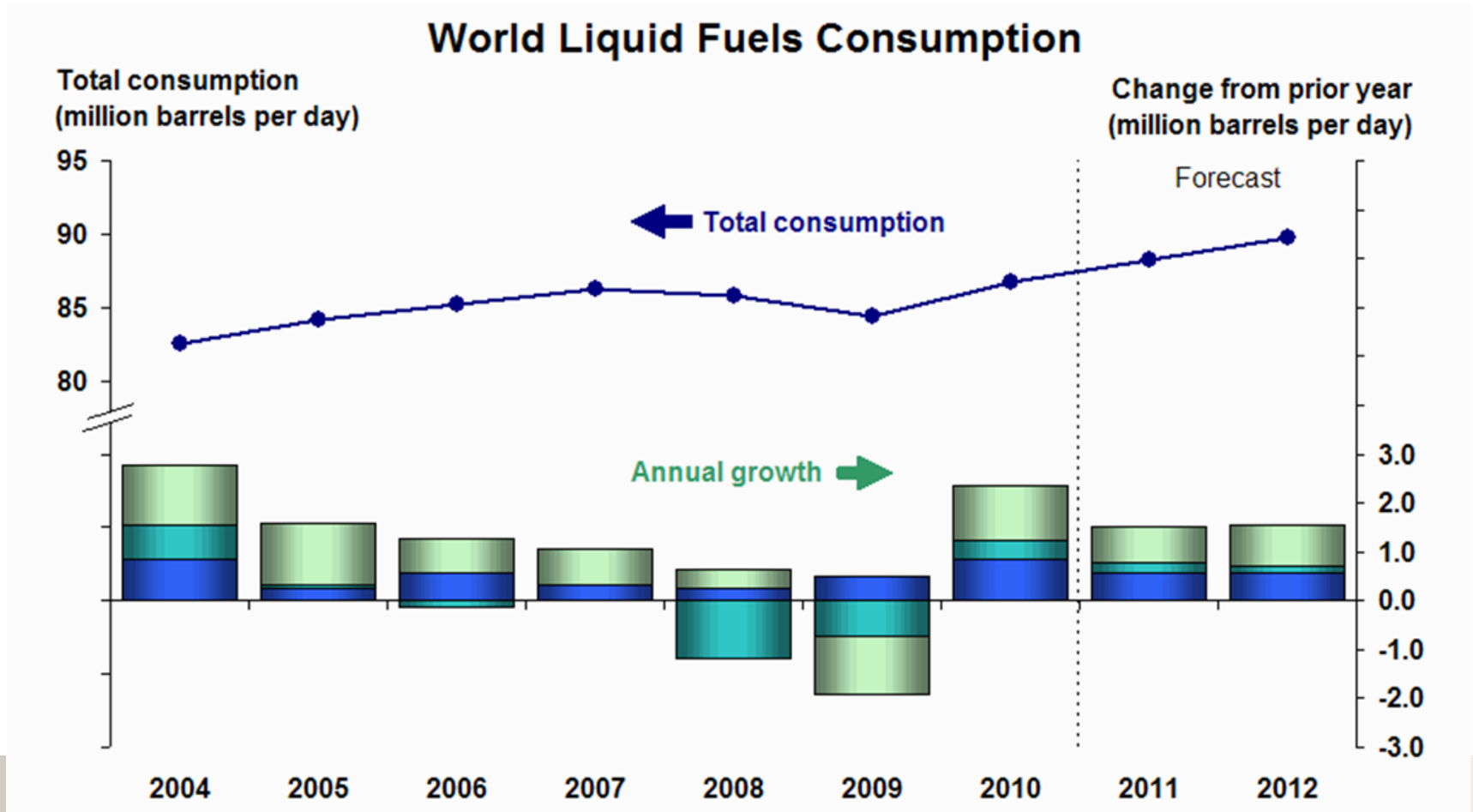
### Upward Price Pressure:

- Widespread Economic Growth
- Seasonal Demand – peak driving
- Dollar Weakness
- Investor Moves to Commodities
- Non-OPEC supply weakness
- Continued OPEC Cohesion
- North African and Middle East Turmoil

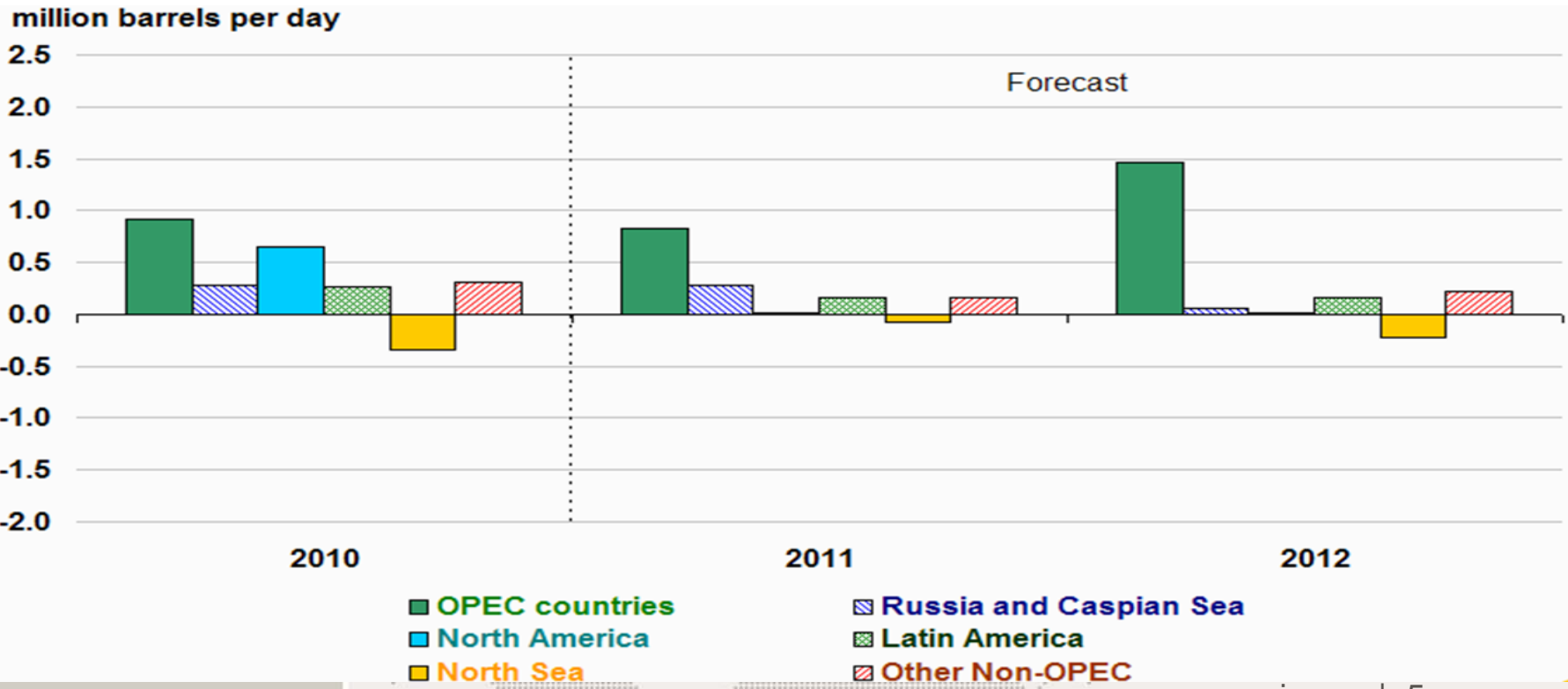
### Downward Pressure:

- Uneven Economic Growth
- Continued High Crude Inventories & Spare Capacity
- Strong Dollar
- Non-OPEC supply strength
- Less OPEC Cohesion
- Supply Stability

# Total World Demand Continues to Grow

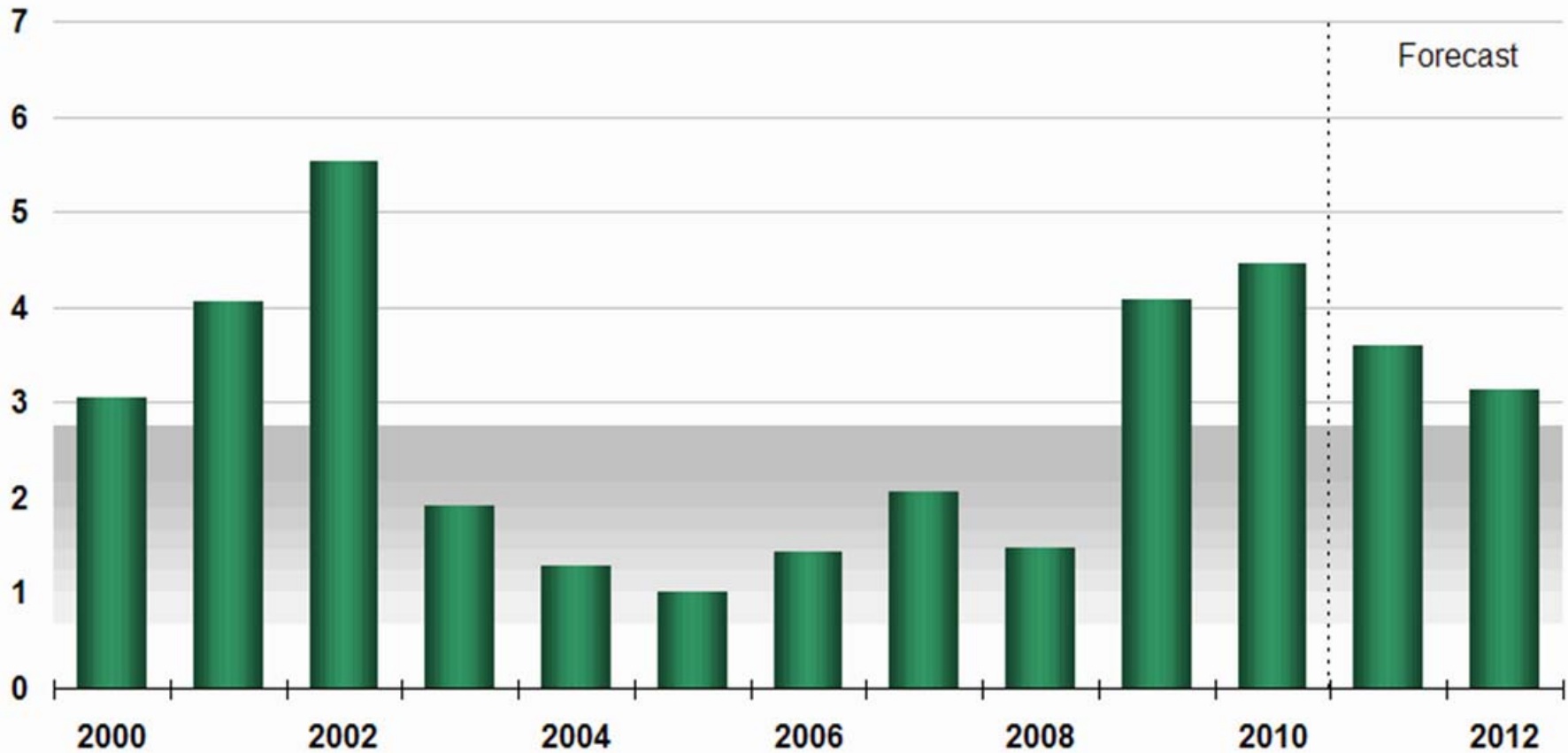


# Growth in Oil Production – Changes from Previous Year

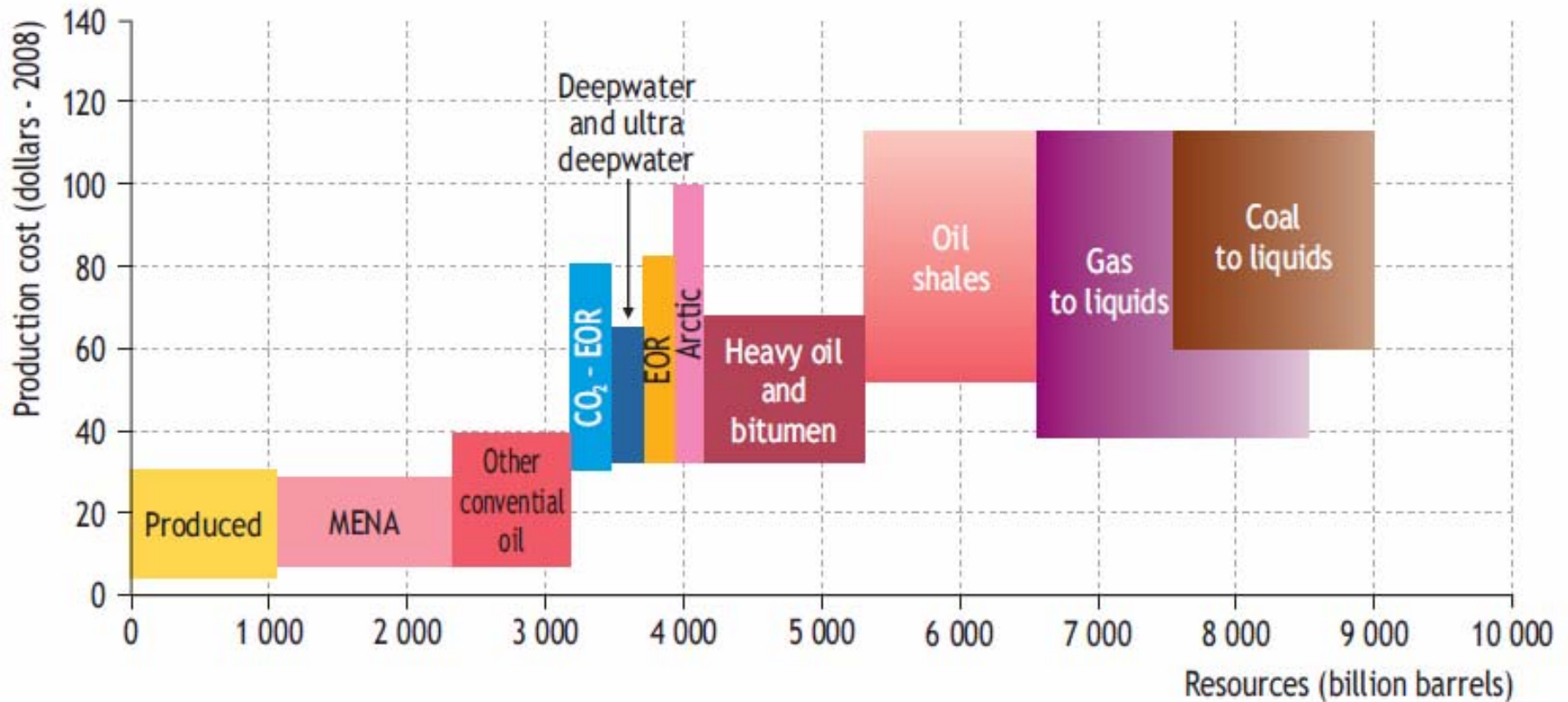


## OPEC Surplus Crude Oil Production Capacity

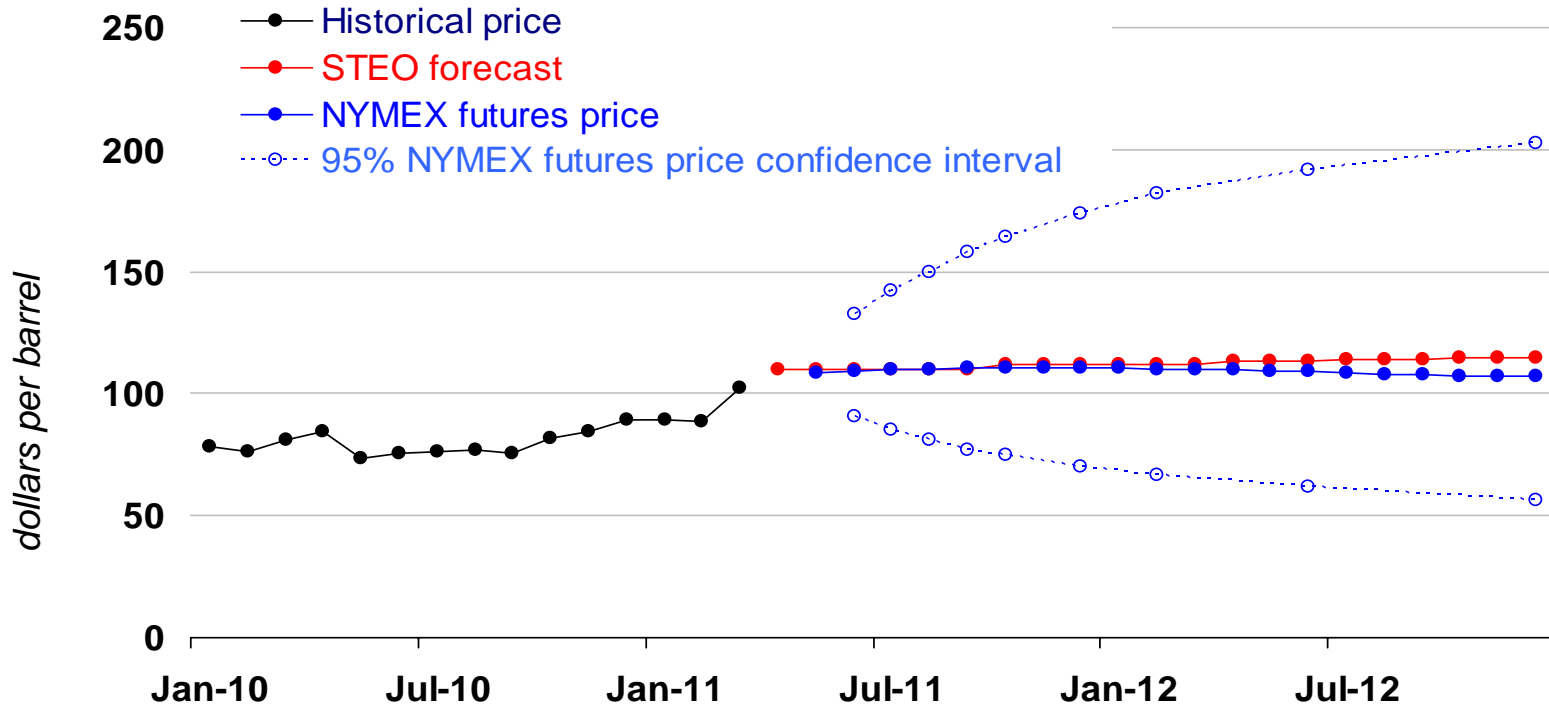
million barrels per day



# New Supply Sources At Higher Costs



# Uncertainty over Crude Oil Prices Remains High



Notes: Confidence intervals calculated using NYMEX market data for the five trading days ending April 7, 2011. Intervals not shown for months with little trading in "close-to-the-money" options contracts.