EIA: Global Oil Oversupply Could Return in 2018

The U.S. Energy Information Administration lowered its crude-oil price forecast and raised its production outlook for 2018 in its latest Short-Term Energy Outlook, reports ***Oil & Gas Journal***.

“EIA expects that supply growth from the US, Brazil, and members of the Organization of Petroleum Exporting Countries in 2018 will contribute to world oil inventories increasing by 100,000 b/d in 2018, with the largest builds expected in that year’s second quarter. EIA also forecasts that implied global petroleum and liquid fuels inventories will decline by 200,000 b/d in 2017 and then increase by an average of 100,000 b/d in 2018,” according to the journal.

The agency’s forecast assumes OPEC extends its cuts beyond March 2018, “but that noncompliance, which begins to grow in late-2017, increases somewhat in second-half 2018. Without a further extension of the OPEC agreement, EIA would expect larger inventory builds in 2018 than are included in this forecast.”

Read the article.

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