



## Gas Price Movement July 27, 2017

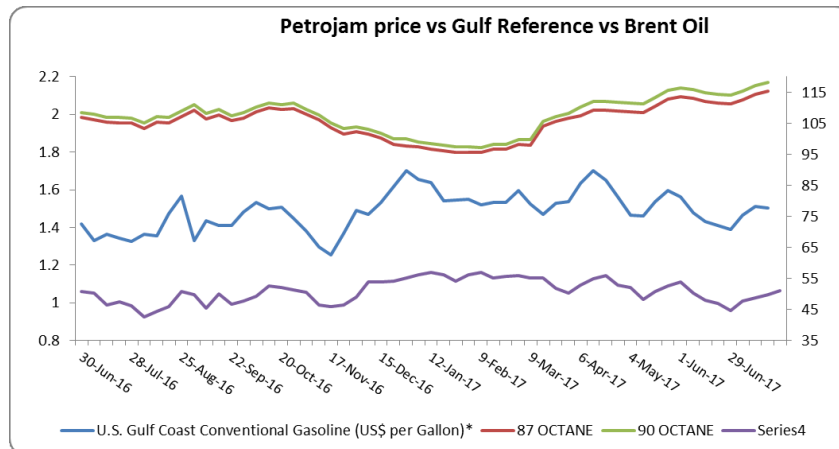
### Brent Oil

Brent oil prices increased by 2.56%, as brent prices increased for the fourth consecutive week. The Brent oil traded on July 26, 2017 at a price of 50.97 (US\$/ barrel).

### Petrojam prices

87 Octane prices declined week over week, by 0.53% . 90 Octane however increased by 0.85% week over week. 87 Octane and 90 Octane opened the year at J\$97.32 and J\$98.98 respectively.

**Figure 1: Petrojam, U.S. Gulf Coast Conventional Gasoline Regular and Brent Crude Oil 1 Year Price History**





### **This Week in Petroleum**

#### **U.S. crude oil production forecast expected to reach record high in 2018**

In EIA's latest Short-Term Energy Outlook (STEO), total U.S. crude oil production is forecast to average 9.3 million barrels per day (b/d) in 2017, up 0.5 million b/d from 2016. In 2018, EIA expects crude oil production to reach an average of 9.9 million b/d, which would surpass the previous record of 9.6 million b/d set in 1970. EIA forecasts that most of the growth in U.S. crude oil production through the end of 2018 will come from tight rock formations within the Permian region in Texas and from the Federal Gulf of Mexico.

In the July STEO, the Permian region is expected to produce 2.9 million b/d of crude oil by the end of 2018, about 0.5 million b/d more than the estimated June 2017 production level, representing nearly 30% of total U.S. crude oil production in 2018. The Permian region covers 53 million acres in the Permian Basin of western Texas and south eastern New Mexico.

Within the Permian Basin are smaller sub-basins such as the Midland Basin and the Delaware Basin, which contain historically prolific non-tight formations as well as multiple prolific tight formations such as the Wolfcamp, Spraberry, and Bone Spring. With the large geographic area of the Permian region and stacked plays, operators can continue to drill through several tight oil layers and increase production even with sustained West Texas Intermediate (WTI) crude oil prices below \$50 per barrel (b).

<https://www.eia.gov/petroleum/weekly/>