



GREATER HOUSTON  
PARTNERSHIP

UPDATE



*The Partnership sends updates for the most important economic indicators each month. If you would like to opt-in to receive these updates, please click [here](#).*

*For the latest data, click [here](#).*

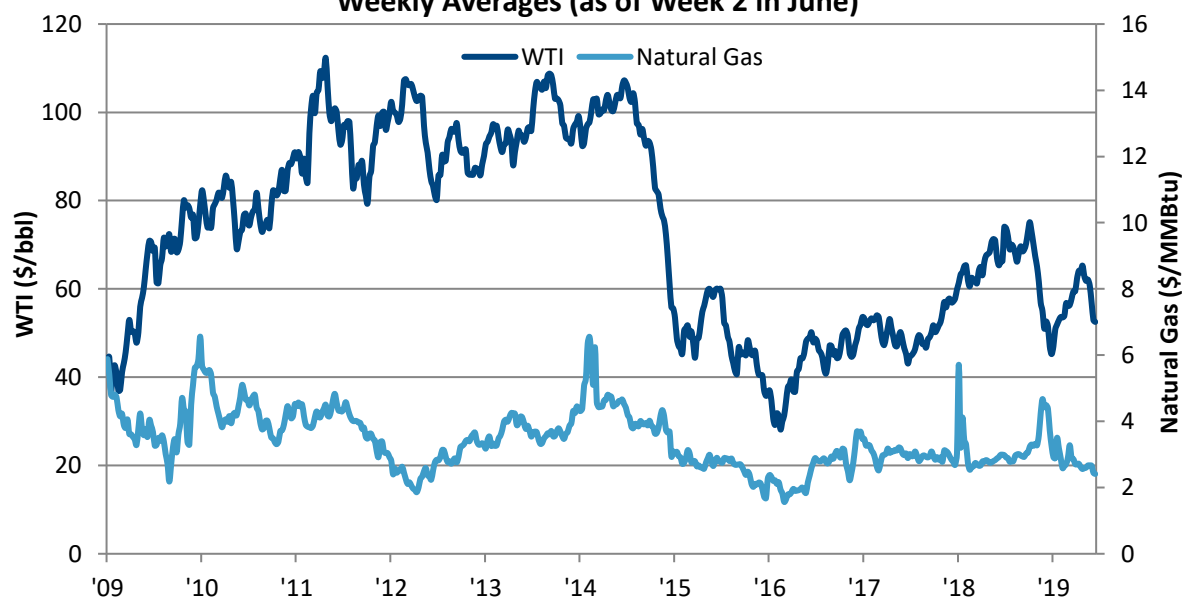
June 26, 2019

The closing spot price for a barrel of West Texas Intermediate (WTI), the U.S. benchmark for light, sweet crude, averaged \$52.52 per barrel during the second week of June '19, down 19.6 percent from \$65.35 for the same period in '18, according to the U.S. Energy Information Administration. Fears of a softening global economy and rising U.S. inventories sent WTI prices down in June, hitting a 6-month low of \$51. If not for U.S. sanctions on Venezuelan and Iranian oil exports, along with sustained production cuts by OPEC, oil prices might have slipped further.

However, prices since mid-June rebounded on news of tanker attacks in the Gulf of Oman, the downing of a U.S. drone over Iran and an averted U.S. military strike against Iran. With tensions in the region high, WTI is currently trading at prices above \$59. During the 12 months ending May '19, WTI averaged \$61.96 per barrel, a 9.2 percent increase from \$56.72 over the corresponding period in '18.

Natural gas prices averaged \$2.64 per million British thermal units (MMBtu) in May '19, down 5.7 percent from \$2.80 in May last year. For the past 12 months, gas prices averaged \$3.10 per MMBtu, compared to \$2.95 for the same period in '18.

**Spot Crude and Natural Gas Prices**  
Weekly Averages (as of Week 2 in June)



Source: U.S. Energy Information Administration

The U.S. Energy Information Administration (EIA) expects WTI to average \$59 per barrel in '19, down from \$65 per barrel in '18. EIA expects the Henry Hub natural gas spot prices to average \$2.77/MMBtu in '19, down 38 cents from the 2018 average, and below its longer-run average of nearly \$3 according to the Dallas Fed.

Prepared by Greater Houston Partnership Research Department

Patrick Jankowski, CERP  
Senior Vice President, Research  
713-844-3616  
[pjankowski@houston.org](mailto:pjankowski@houston.org)

Roel Gabe Martinez, GISP, CERP  
Director, Research  
713-844-3619  
[rmartinez@houston.org](mailto:rmartinez@houston.org)