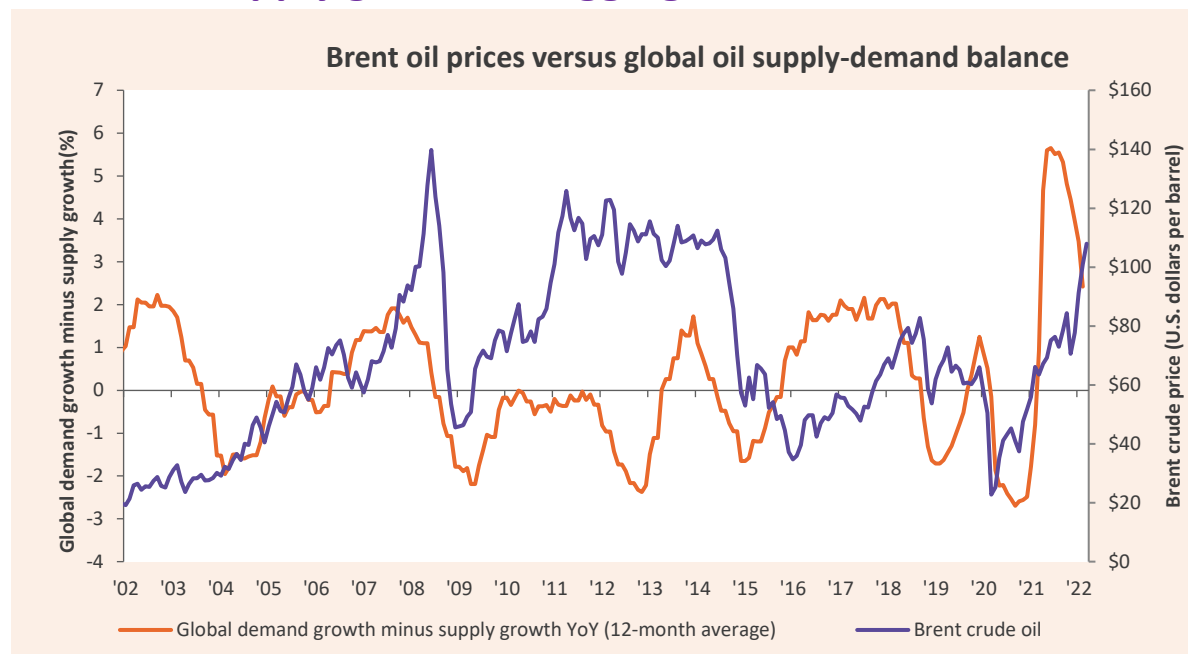


Global oil supply growth is lagging demand



Sources: Bloomberg, Energy Information Administration, and Wells Fargo Investment Institute. Brent crude oil: monthly data from January 1, 2002 to March 31, 2022. Global demand/supply growth: monthly data from January 1, 2002 to February 28, 2022. YOY = year-over-year.

- The rate of change of demand growth versus supply growth has had a strong influence on oil prices.
- Global oil producers were hesitant to bring extra production back in 2021. Combined with persistently growing demand, we suspect oil prices could spend much of the next two years above \$90 per barrel.