

From the Kitchen Recipe Box: Sometimes You Need to Spice it Up

Article By:

Environmental & Regulatory

Last night, I made salmon patties. We have this amazing canned Alaskan wild salmon and it makes some extremely delicious salmon patties, let me tell you. As I was making them last night, one thought kept crossing my mind: I was not in the mood for a basic, plain, old salmon patty. You know what a regular salmon patty is? It is boring, that's what.

You know what else can feel a little monotonous? Reviewing energy statistics! The U.S. Energy Information Administration ("EIA") released its Monthly Energy Review, which can be found [here](#). ***As interesting as this data is, it can still taste a little bland.***

Sometimes you need to spice it up! In salmon patties and in reviewing data, a little flavor goes a long way.

I added a little Siracha to my salmon patties last night, whipped up a Siracha aioli sauce, diced up scallions and celery to add in to my patties and also topped them with dill and sea salt. Just like that, the flavor profile was no longer boring. It was totally new and exciting!

To add a little spice to reviewing energy statistics, one must change the flavor profile by looking at the data with fresh eyes.

The [EIA's Monthly Energy Review](#) may look like just a bunch of charts and graphs, but a close review reveals patterns and trends. I specifically like to look at production, consumption and energy prices.

For example, in the Crude Oil Price Summary, which can be found [here](#), a comparison of the yearly average prices tends to show an overall upward trend.

On a more micro-level, oil prices today are also moving upward. According to [Bloomberg Energy](#), WTI Crude Oil is at \$55.95 per barrel at the time of the posting of this blog and Brent Crude is at \$60.61 per barrel. Both of these prices are on the rise!

What is the spice to add when thinking about energy prices? Projections and forecasts, of course. **Both of these considerations add the flavor.**

According to the [EIA's Short Term Energy Outlook](#) ("STEO") released earlier this month:

- EIA forecasts Brent spot prices will average \$64/b in the second half of 2019 and \$65/b in 2020. The forecast of stable crude oil prices is the result of EIA's expectations of a relatively balanced global oil market.
- **This spice is clearly forecasting that Brent is on the rise from where we sit today.**
- EIA expects WTI crude oil prices will average \$5.50/b less than Brent prices during the fourth quarter of 2019 and in 2020, narrowing from the \$6.60/b spread during July. The narrowing spread reflects EIA's assumption that crude oil pipeline transportation constraints from the Permian Basin to refineries and export terminals on the U.S. Gulf Coast will ease in the coming months. In the July STEO, EIA forecast the Brent-WTI spread to average \$4.00/b in 2020.
- **This spice forecasts that WTI will also raise and the spread will start to shrink up even more.**

Thus, the flavor profile on oil prices is starting to heat up and is projected to get spicier.

TAKEAWAY: Don't be afraid to spice things up or look at things with fresh eyes to see a new flavor profile!

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National Law Review, Volume IX, Number 240

Source URL: <https://natlawreview.com/article/kitchen-recipe-box-sometimes-you-need-to-spice-it>