

ENERGY PROCUREMENT REPORT

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What's driving your energy prices?

Bullish Factors

- The Israel-Iran conflict intensified over the weekend, sending oil prices higher
- There are ongoing discussions about closing the Strait of Hormuz – a vital oil trade route
- US equities have been rising since the escalation of the conflict in the Middle East
- The US dollar index has fallen to levels not seen since early 2022

Bearish Factors

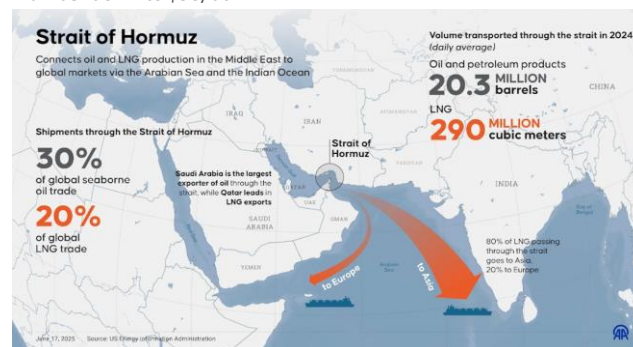
- The US has facilitated a fragile ceasefire agreement between Israel and Iran
- Chinese oil demand is forecasted to peak in 2027, earlier than previously expected by the IEA
- US and non-OPEC supply continues to rise

Did you know?

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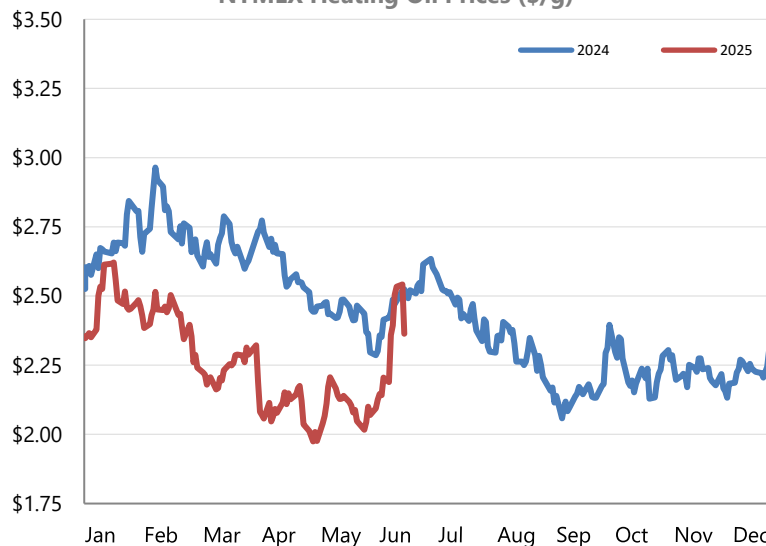
The Strait of Hormuz

The Strait of Hormuz carries about 20% of the global oil supply and any threat to its closure could significantly disrupt global supply chains. Since the onset of the Israel-Iran conflict, Iran has increased its exports through the strait. While a full closure appears unlikely, the Iranian Parliament has already approved such a measure, however, the Iranian Supreme Leader holds the final authority. Goldman Sachs cautioned that any closure of the Strait of Hormuz could push Brent crude oil prices to \$110/bbl, while a drop in Iranian oil supply could bring this number down to \$90/bbl.

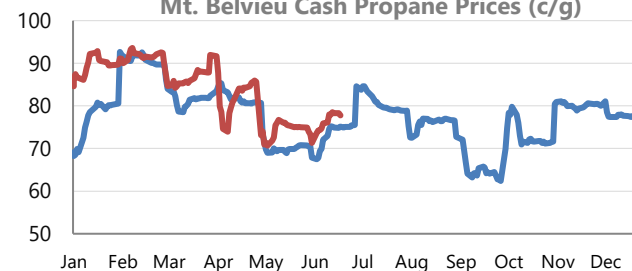


Source: CBS News

NYMEX Heating Oil Prices (\$/g)



Mt. Belvieu Cash Propane Prices (c/g)



WTI Crude Oil Prices (\$/bbl)

