

ENERGY PROCUREMENT REPORT

What's driving your energy prices?

Bullish Factors

- Tensions between the US and Iran continue, and the Strait of Hormuz remains virtually shut
- There have been numerous attacks on ships in the Strait, with one vessel seized off the coast of the UAE
- The US Treasury has issued new sanctions on Iraqi officials for their involvement in supporting the sale of Iranian crude oil
- The International Energy Agency stated that global energy markets will remain "severely undersupplied" until October

Bearish Factors

- OPEC, the EIA, and the IEA all revised their global oil demand growth forecasts for 2026 (see right)
- The US extended Russian oil sanctions waiver for cargoes already in transit
- The UAE is accelerating the construction of a pipeline that runs to the port of Fujairah on the Gulf of Oman, which is expected to double oil export capacity by bypassing the Strait of Hormuz

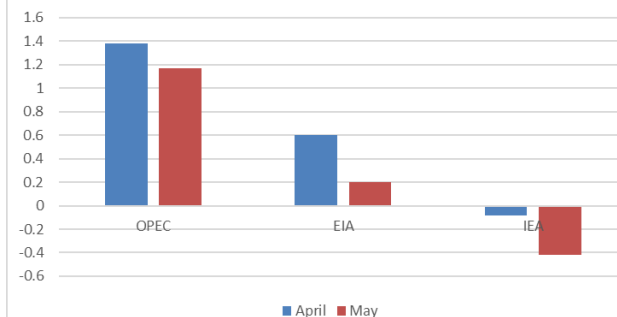
Did you know?

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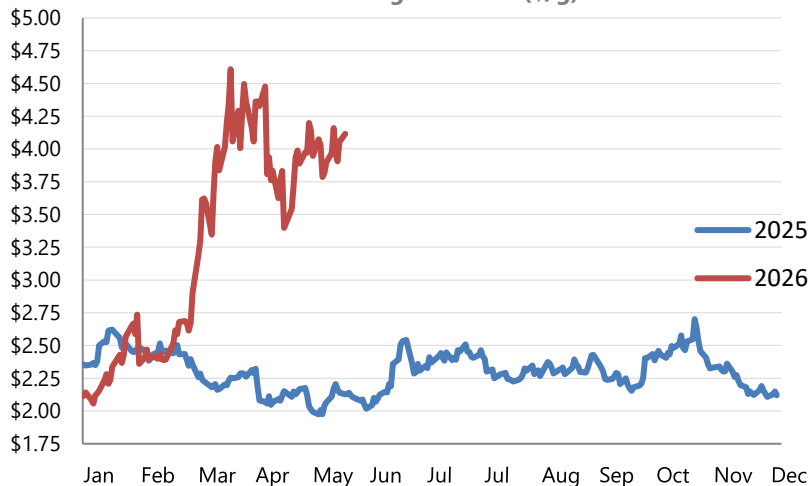
Major Agencies Cut Oil Demand Growth Forecasts

OPEC, the International Energy Agency (IEA), and the Energy Information Administration (EIA) all revised their global oil demand growth forecasts in May. OPEC lowered its 2026 global oil demand growth forecast by 0.21 mb/d to 1.17 mb/d, citing weaker economic activity and disruptions tied to the Strait of Hormuz situation. The IEA was more bearish, now seeing a 420kb/d contraction in global oil demand this year. The US EIA also cut its forecast by a half from 1.2mb/d to 0.6mb/d.

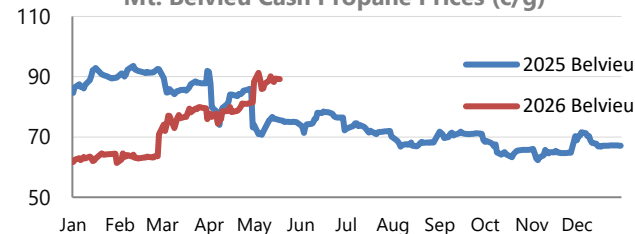
2026 Global Oil Demand Growth Forecasts



NYMEX Heating Oil Prices (\$/g)



Mt. Belvieu Cash Propane Prices (c/g)



WTI Crude Oil Prices (\$/bbl)

