

ENERGY PROCUREMENT REPORT

What's driving your energy prices?

Bullish Factors

- Global oil inventories continue drawing
- Attacks between Israel and Hezbollah continue in southern Lebanon despite attempts of ceasefire
- US crude oil and refined products inventories are now well below the norm

Bearish Factors

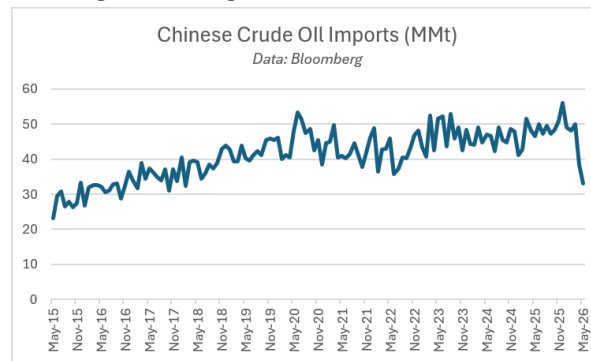
- The US and Iran have reached an interim peace agreement
- The US has granted a temporary 60-day sanctions waiver on Iranian oil
- Traffic through the Strait of Hormuz has started to pick up
- Chinese crude oil imports fell to an eight-year low in May (see right)
- OPEC and the IEA have both downgraded their global oil demand growth forecasts for 2026

Did you know?

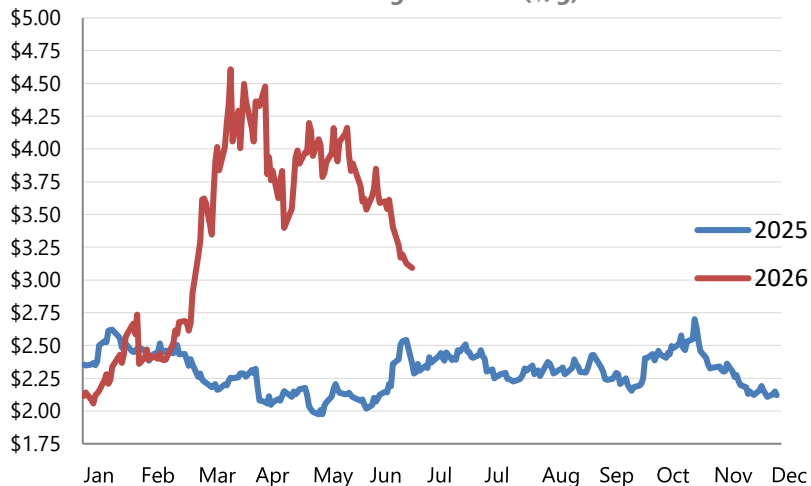
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Chinese Crude Oil Imports Continue to Decline

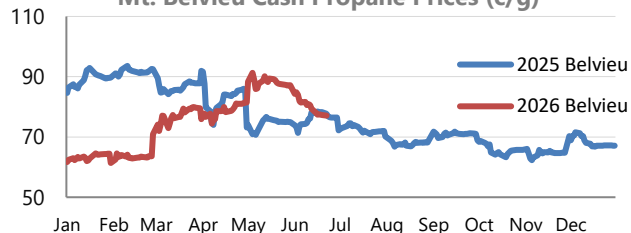
Chinese crude oil imports fell to an eight-year low in May, averaging 7.79mb/d. The decline was largely driven by disruptions to Middle Eastern supply flows amid the conflict between the US and Iran and the closure of the Strait of Hormuz. Chinese refiners responded by cutting refinery runs and drawing modestly from inventories rather than aggressively purchasing expensive replacement barrels. While imports are expected to recover, recent forecasts have also suggested that China's oil consumption could decline this year as high prices, economic headwinds, and continued adoption of alternative energy sources weigh on demand growth.



NYMEX Heating Oil Prices (\$/g)



Mt. Belvieu Cash Propane Prices (c/g)



WTI Crude Oil Prices (\$/bbl)

