

ENERGY PROCUREMENT REPORT

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What's driving your energy prices?

Bullish Factors

- The temporary US-Iran ceasefire has collapsed, with hostilities entering their 12th consecutive day
- The US has revoked the sanctions waiver allowing Iranian oil sales
- Iran has resumed attacks on commercial vessels transiting the Strait of Hormuz
- Tanker traffic through Hormuz has slowed sharply since the attacks resumed
- Iran-backed Houthi rebels have been targeting Saudi oil tankers in the Red Sea

Bearish Factors

- The IEA expects global oil demand growth to slow by 1.0mb/d this year, reflecting high prices, reduced fuel availability, and weakening economic activity.
- The IMF lowered its 2026 global economic growth forecast from 3.1% to 3.0%, down from 3.5% in 2025
- The US dollar index has strengthened against a basket of foreign currencies

Did you know?

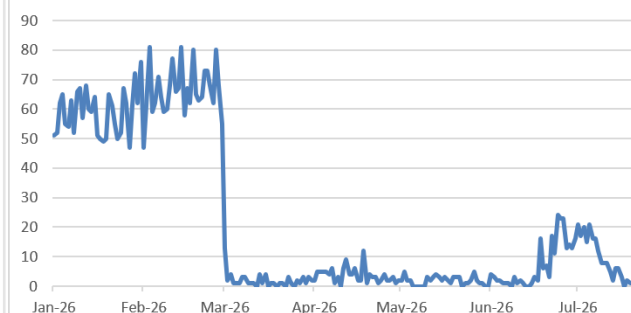
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Middle East Tensions Reignite Oil Supply Risks

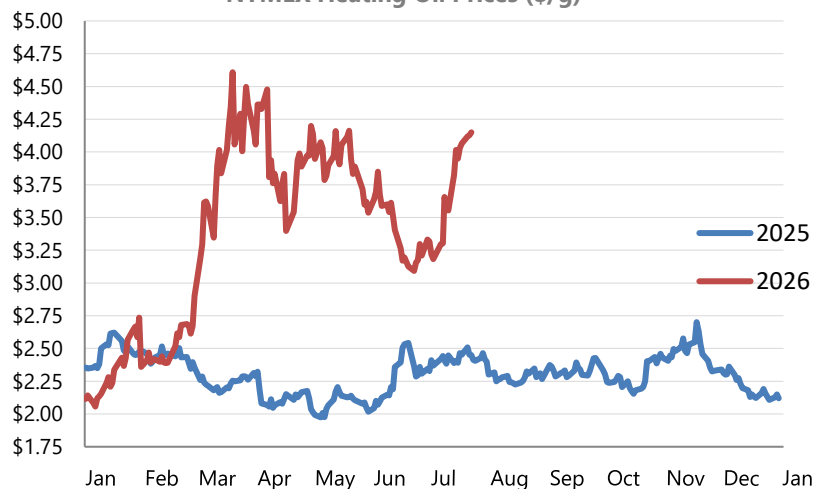
The collapse of the temporary US-Iran ceasefire has reignited conflict in the Middle East, while Iran-backed Houthi rebels have declared a naval blockade against Saudi Arabia and threatened to target all Saudi-linked shipping in the Red Sea. Together with renewed attacks on commercial vessels in the Strait of Hormuz, the escalation has slowed tanker traffic through both key maritime chokepoints, raising shipping and insurance costs, increasing the risk of supply disruptions, and adding a geopolitical risk premium to crude oil prices.

Strait of Hormuz Tanker Vessel Crossings

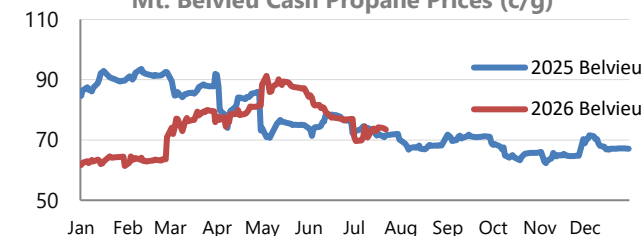
Source: Bloomberg



NYMEX Heating Oil Prices (\$/g)



Mt. Belvieu Cash Propane Prices (c/g)



WTI Crude Oil Prices (\$/bbl)

