

ENERGY PROCUREMENT REPORT

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What's driving your energy prices?

Bullish Factors

- Tensions in the Middle East remain elevated, with Iran and the US exchanging attacks on oil tankers near the Strait of Hormuz
- Saudi Arabia's East-West Pipeline was shut down for nearly two weeks following a Sep 11 drone attack
- Ukraine continues to target Russian refining infrastructure, with the Moscow refinery halting crude processing on Sep 20
- Russian refinery throughput fell to about 3.8mb/d in June, its lowest level in more than 20 years and about 30% below last year's levels
- US distillates inventories remain critically low heading into winter

Bearish Factors

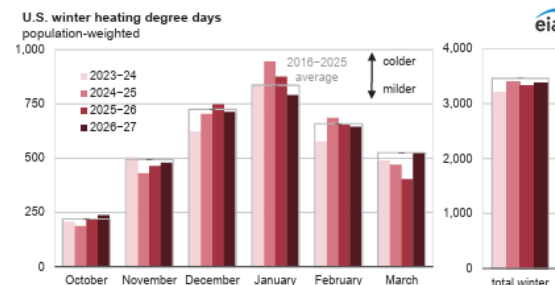
- Iran could reopen the Strait of Hormuz within days if the US eases military pressure and lifts its blockade on Iranian ports
- Saudi crude flows are recovering, with Aramco loading roughly 14mb onto seven VLCCs on Sep 20
- Saudi Arabia restarted operations at its East-West Pipeline on Sep 22, potentially allowing crude exports from the Red Sea port of Yanbu to resume

Did you know?

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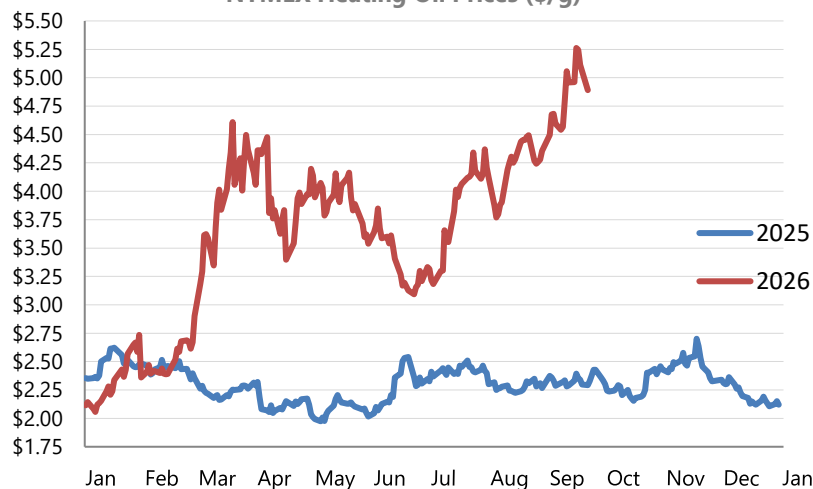
2026-2027 Winter HDDs Similar to Last Year

The 2026-2027 winter is currently expected to trend warmer than normal across much of the US. The NOAA's latest outlook shows a greater than 90% chance of a very strong El Niño developing this fall and winter, with above-normal temperatures forecasted across much of the northern and eastern US. The EIA's current outlook calls for 3,391 HDDs from October through March, only slightly above the 3,359 HDDs recorded last year. However, seasonal forecasts do not rule out shorter periods of significant cold, and with US distillate inventories expected to remain below normal levels through much of 2027, the heating oil market could remain sensitive to any colder-than-expected stretches this winter.

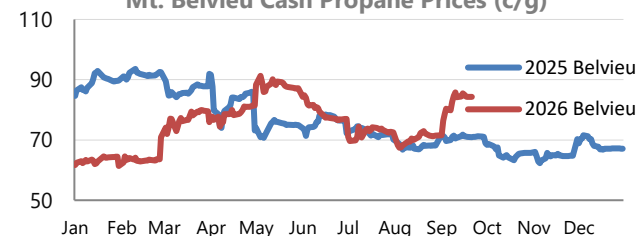


Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, September 2026
 Note: EIA calculations based on National Oceanic and Atmospheric Administration (NOAA) data.

NYMEX Heating Oil Prices (\$/g)



Mt. Belvieu Cash Propane Prices (c/g)



WTI Crude Oil Prices (\$/bbl)

