

ENERGY PROCUREMENT REPORT

What's driving your energy prices?

Bullish Factors

- Futures rallied sharply on October 9 and 13 following an attack on Israel by Hamas, retaliatory air strikes, and Israeli ground operations in the northern Gaza strip
- Saudi Arabia and Russia have extended voluntary production and export curbs, respectively, through the end of the year
- The oil market is expected to see stock draws in the second half of the year, as demand outpaces supply (IEA)

Bearish Factors

- US oil production hit a fresh record weekly production rate of 13.20mb/d, topping the 13.10mb/d pre-pandemic record
- Economic data continue to point to a slowdown in many countries, inflation remains stubborn, and the US labor market remains tight
- The value of the US dollar against a basket of currencies remains at levels not seen since Q4 of 2022

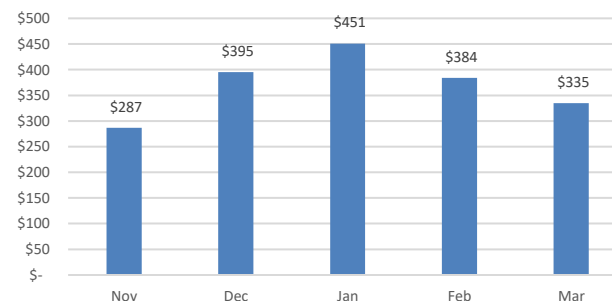
Did you know?

10.19.2023 Issue 248

EIA Winter Fuels Outlook 2023-2024

The EIA sees US households using heating oil as their primary heating fuel spending eight percent more this winter than last winter. Monthly expenditures in the base case are charted below, totaling \$1,851. If the winter is 10% colder, \$1,969 is projected, whereas a 10% warmer winter would cut expenditures down to \$1,648. EIA assumes winter temperatures will be slightly colder than last winter in the eastern part of the country, but warmer than the 10-winter average.

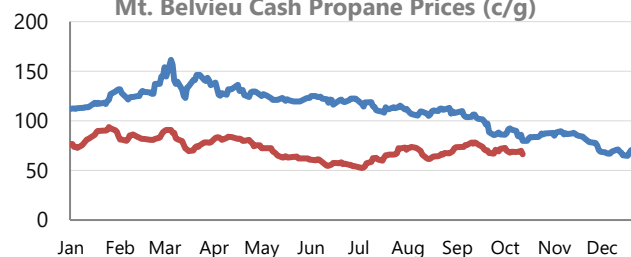
EIA: Average Consumer Expenditures, Heating Oil



NYMEX Heating Oil Prices (\$/g)



Mt. Belvieu Cash Propane Prices (c/g)



WTI Crude Oil Prices (\$/bbl)

