

ENERGY PROCUREMENT REPORT

What's driving your energy prices?

Bullish Factors

- OPEC+ output cuts were extended, with some scheduled through the end of next year
- Global stock markets have performed well this year
- An Israeli-Hamas ceasefire remains elusive
- Attacks by Houthi forces against ships in the Red Sea continue

Bearish Factors

- The US dollar has appreciated against a basket of currencies this month
- Central bank policy stances remain tight across the globe, as they continue to fight inflation. The FOMC has signaled just one rate cut this year.
- OPEC+ parties continue to overproduce, with producers such as Kazakhstan admitting overproduction and promising to make up for this in future months

Did you know?

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Oil Demand Growth Forecasts

The US Energy Information Administration (EIA), the Paris-based International Energy Agency (IEA), and the Organization of the Petroleum Exporting Countries (OPEC) each release monthly reports on the oil market. In June, the EIA raised its demand forecasts for both this year and next, but the IEA cut its forecasts for both years and OPEC trimmed its 2025 outlook. Both the EIA and IEA see demand growth increasing next year, but the rosier OPEC forecasts are an outlier.

