

ENERGY PROCUREMENT REPORT

What's driving your energy prices?

Bullish Factors

- Middle East tensions remain high, with Hezbollah saying it would escalate the war with Israel
- Maintenance on the Kashagan oilfield in Kazakhstan this month has likely sharply curbed production
- The FOMC cut rates at its latest meeting, and is projected to cut rates further in upcoming meetings

Bearish Factors

- Fears that the Middle East conflict could broaden seem to have abated recently, as the prospect of an Israeli attack on Iranian nuclear and military sights appears less likely
- Refinery activity is seasonally weak around this time of year due to maintenance operations

Did you know?

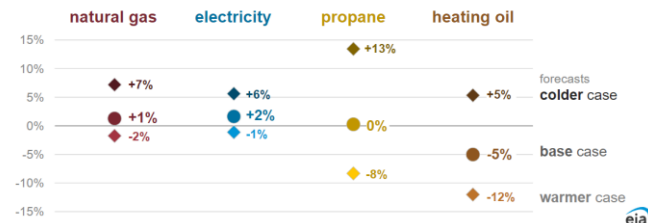
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2024-2025 Winter Fuels Outlook

The Energy Information Administration released its Winter Outlook this month, in which it forecasts that households that use heating oil will spend 5% less (\$1,410) on average this year in their base case. Propane expenditures are seen flat for the US overall, but up by 1% in the Northeast and 2% in the Midwest as PADD 2 is expected to see colder temperatures relative to last year's mild winter. EIA notes that both natural gas and propane inventories are high relative to historical levels, whereas distillates stocks are slightly below their five-year average.

Residential energy expenditures percentage change since last winter

For homes where the main heating fuel is...

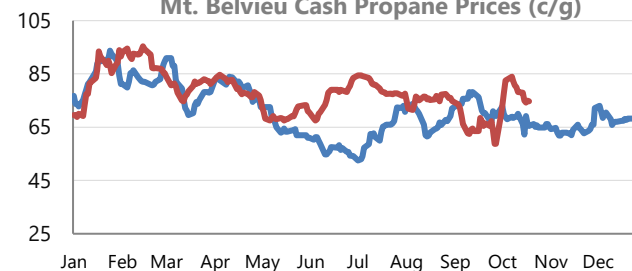


Data source: U.S. Energy Information Administration, Winter Fuels Outlook

NYMEX Heating Oil Prices (\$/g)



Mt. Belvieu Cash Propane Prices (c/g)



WTI Crude Oil Prices (\$/bbl)

