ENERGY PROCUREMENT REPORT

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What's driving your energy prices?

Bullish Factors

- The US has authorized the use of US weapons by Ukraine to conduct strikes into Russian territory, a shift in policy

- The Fed cut the target fed funds rate by 25 basis points this month, which can spur increased interest-sensitive consumption and investment

- President-elect Trump is likely to take a tougher stance on sanctions against oil-producing nations such as Iran and Venezuela

- Refining activity has been stronger than normal (see right)

Bearish Factors

- President-elect Trump is likely to be supportive of domestic oil and gas production efforts

- The US dollar has rallied sharply since the election, seeing its strongest levels against a basket of currencies since last October

- Monthly oil market reports from OPEC and the IEA have seen downward global oil demand growth forecast revisions, citing China among other factors

Did you know?

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Light Refinery Maintenance Season

Despite unimpressive refinery crack spreads (the difference between the refined products futures price and the crude oil futures price, a proxy for refining economics), US refineries have been running at relatively strong rates. As of November 8, runs were 16.51mb/d, which is 0.75mb/d higher than one month prior, 1.11mb/d higher than last year, and with a similar increase over the five-year average. Distillate production ran 0.22mb/d higher than last year, and gasoline output was up 0.85mb/d year-on-year.
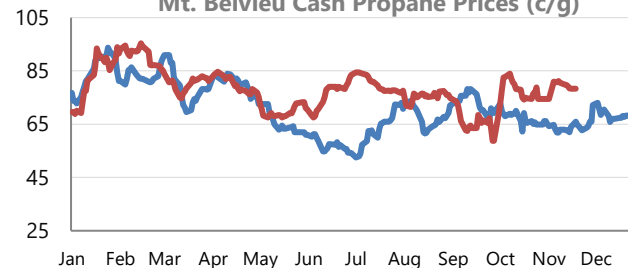
Domestic Refiner Crude Oil Net Input (kb/d)

Legend: 5yr Min | 5yr Max-Min | 2024-2025 | 2023-2024 | 5yr Avg
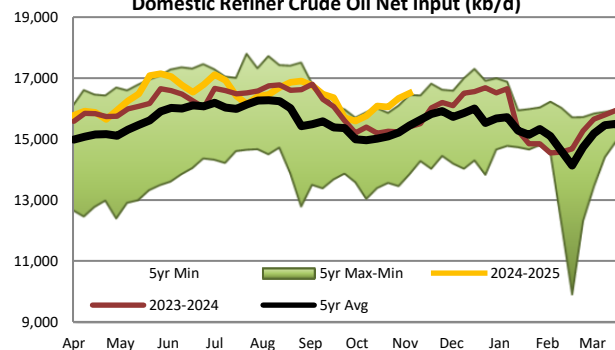
NYMEX Heating Oil Prices ($/g)

Legend: 2023 | 2024

Mt. Belvieu Cash Propane Prices (c/g)

WTI Crude Oil Prices ($/bbl)