

ENERGY PROCUREMENT REPORT

What's driving your energy prices?

Bullish Factors

- OPEC+ is considering delaying oil production increases that were previously scheduled to begin in April
- A Ukrainian drone attack damaged a Caspian Pipeline Consortium pipeline last week, potentially causing flows to drop by 30-40% or 0.50-0.68mb/d
- The US has imposed fresh sanctions on Iran as part of a "maximum pressure" strategy, targeting people and vessels linked to the sale and transport of Iranian petroleum-related products

Bearish Factors

- Oil exports from northern Iraq to Turkey could resume as early as this week (185kb/d used domestically and 115kb/d for export)
- There have been talks between the US, Russia, and Ukraine on starting negotiations to end the war in Ukraine
- The US dollar index remains strong

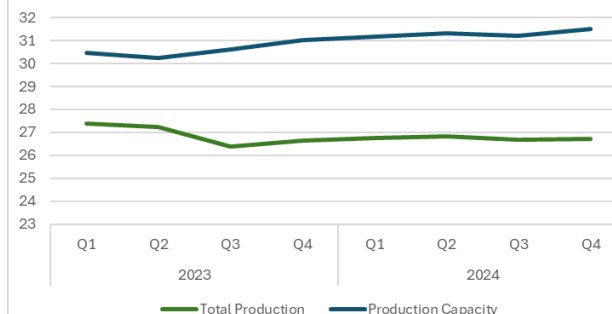
Did you know?

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OPEC+ Could Delay Production Increase

OPEC+ is expected to once again delay its planned oil production increases, despite pressure from US President Donald Trump for the group to cut the price of oil. Output increases were expected to begin in April, but lower oil demand growth in China and rising supply from the Americas could cause a potential surplus in global markets. This would be the fourth time OPEC+ has postponed plans to revive output since 2022. According to the International Energy Agency, OPEC's total spare capacity is 5.3mb/d or about 5.1% of global oil demand.

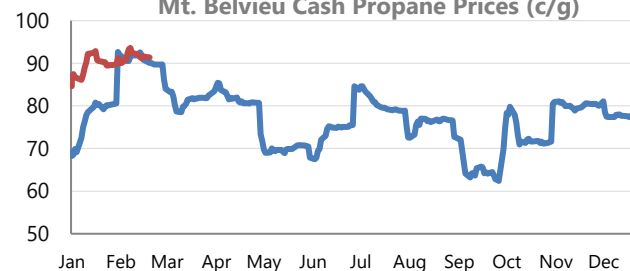
OPEC Total Oil Production vs Capacity in mb/d



NYMEX Heating Oil Prices (\$/g)



Mt. Belvieu Cash Propane Prices (c/g)



WTI Crude Oil Prices (\$/bbl)

