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ENERGY PROCUREMENT REPORT

What's driving your energy prices?

Bullish Factors

- The President has announced a 25% tariff on imports from countries that buy Venezuelan crude oil and gas
- New sanctions on Iranian oil were imposed by the US last week, targeting entities involved in the oil trade
- Tensions in the Middle East continue after a two-month ceasefire ended last week
- The US dollar index fell to levels not seen since early November 2024
- US stock market indexes have recovered some from losses seen earlier this month
- OPEC+ has issued a plan for oil production cuts for seven members to compensate for overproduction (see right)

Bearish Factors

- Russia and Ukraine have agreed to a ceasefire in the Black Sea on Tuesday. The two countries reached a partial ceasefire agreement last week with talks set to continue this week in Riyadh
- Goldman Sachs and Barclays both lowered their 2025 Brent crude oil price forecasts by $5 and $9, respectively, to $71/bbl and $74/bbl

Did you know?

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OPEC+ Additional Output Cuts

OPEC+ has issued a new schedule for seven member nations (Iraq, Kuwait, Saudi Arabia, the UAE, Kazakhstan, Oman, and Russia) to make further oil production cuts to compensate for overproduction. These output cuts are higher than the monthly production hikes the group agreed to start next month. The scheduled cuts range between 189,000 and 435,000 b/d per month and will last until June 2026.