

# ENERGY PROCUREMENT REPORT

The information provided in this market report is general market commentary provided solely for educational and informational purposes. The information was obtained from sources believed to be reliable, but we do not guarantee its accuracy. No statement within the report should be construed as a recommendation, solicitation or offer to buy or sell any futures or options on futures or to otherwise provide investment advice. Any use of the information provided in this report is at your own risk. [www.hedgesolutions.com](http://www.hedgesolutions.com)

## What's driving your energy prices?

### Bullish Factors

- The US government's longest shutdown ended on November 12
- OPEC+ has announced a pause in oil output increases for Q1 2026
- Ukraine continues to attack Russian energy infrastructure
- Iran has seized a tanker near the Strait of Hormuz
- Lukoil has declared force majeure on oil shipments from its West Qurna 2 field in Iraq

### Bearish Factors

- OPEC shifted its projection for global oil markets in Q3 2025 from a deficit to a surplus of 500kb/d, citing higher-than-expected US production
- US oil production hit a new high of 13.86mb/d in the week ended November 7

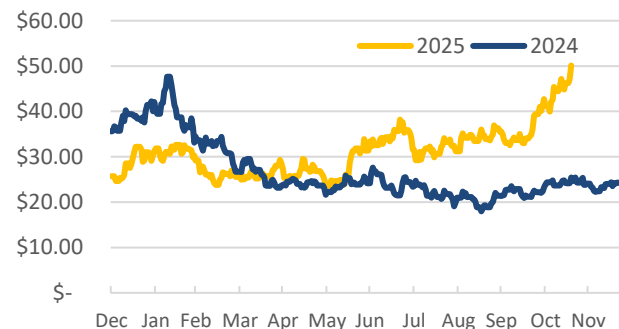
## Did you know?

11.20.2025 Issue 299

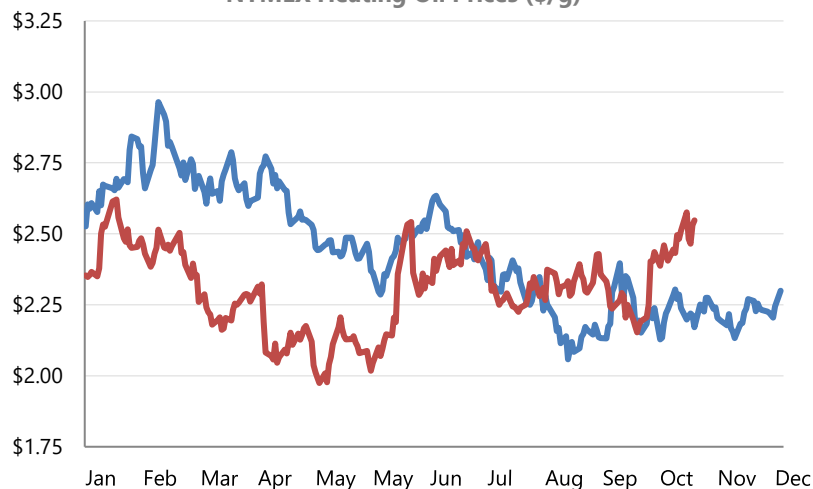
### Heat Crack Spread Continues to Rise

Diesel crack spreads have risen sharply in recent weeks, reaching the \$50/bbl mark, driven by stronger seasonal demand and tightening supplies heading into winter. Lower refinery output – partly due to maintenance and unplanned outages – along with higher distillate consumption have contributed to this increase. Inventories remain below seasonal norms in many regions, with PADD 1 inventories near five-year lows. Tight regional supplies combined with strong demand could lead to a basis blowout this winter, all else equal.

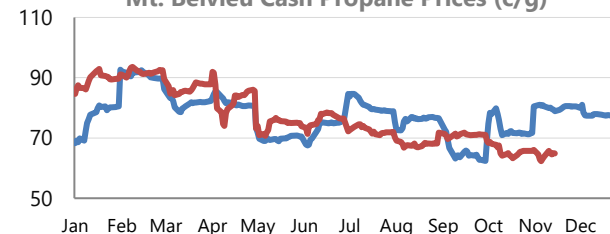
Heat Crack Spread (\$/bbl)



NYMEX Heating Oil Prices (\$/g)



Mt. Belvieu Cash Propane Prices (c/g)



WTI Crude Oil Prices (\$/bbl)

