

ENERGY PROCUREMENT REPORT

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What's driving your energy prices?

Bullish Factors

- The Russia-Ukraine war continues to escalate, with Ukraine staging a series of strikes across Russia and Russia launching one of its longest drone and missile attacks against Kyiv over the weekend
- Wildfires in Alberta have shut down about 7% of the country's oil production
- Chevron lost its license to produce and export oil in Venezuela
- The US oil rig count has fallen to its lowest level since late 2021
- The US dollar index continues to depreciate against a basket of foreign currencies

Bearish Factors

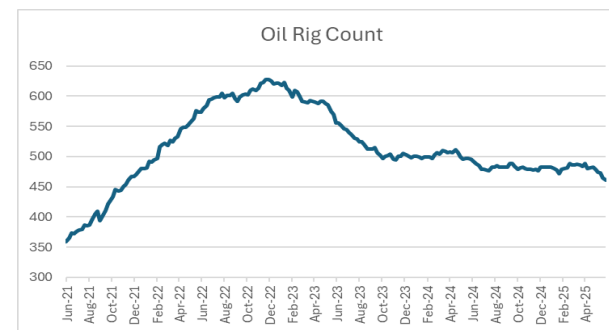
- OPEC+ agreed to increase July oil output by 411kb/d
- Kazakhstan has stated that it plans to increase oil production by the end of the year instead of cutting it

Did you know?

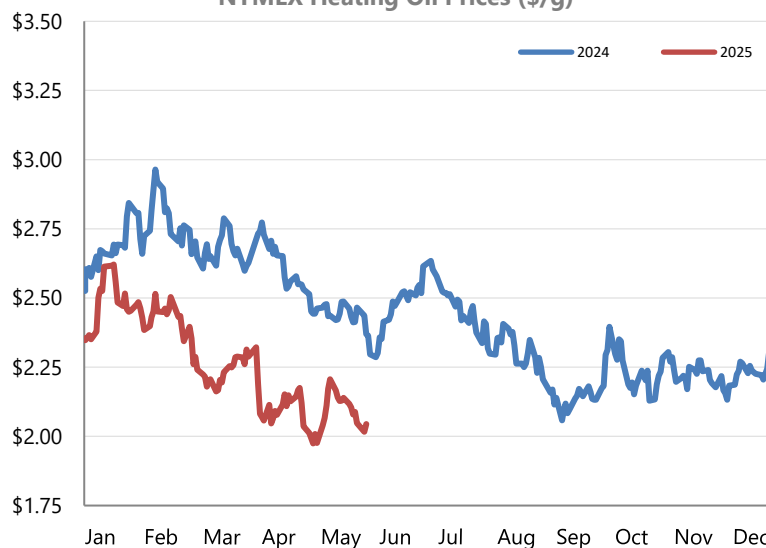
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US Oil Rig Count Declines

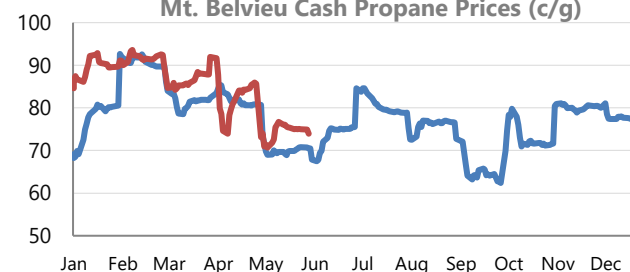
Baker Hughes reported a drop in US oil rig counts for a fifth consecutive week on May 30, with rigs falling to 461 – its lowest level since late 2021. This is 6.3% or 31 rigs lower than the same time last year. The reduction in drilling activity could tighten future supply, particularly if global oil demand increases and geopolitical tensions escalate. Ongoing economic uncertainty, rising operational costs, and volatile prices have made new projects more expensive and less appealing. While lower rig counts do not immediately lead to reduced output, sustained declines over time may contribute to upward pressure on prices in the coming months.



NYMEX Heating Oil Prices (\$/g)



Mt. Belvieu Cash Propane Prices (c/g)



WTI Crude Oil Prices (\$/bbl)

