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ENERGY PROCUREMENT REPORT

What's driving your energy prices?

Bullish Factors

- OPEC+ to pause output hikes in Q1 2026
- The US and EU imposed new sanctions on Russia, with the US targeting two large oil companies: Lukoil and Rosneft
- The Fed cut the target fed funds rate by another 25 basis points last month, to a range of 3.75%-4.00%

Bearish Factors

- OPEC+ agreed to increase oil output by 137kb/d in December
- Chevron, ExxonMobil, Shell, BP, and TotalEnergies are expected to increase output by 3.9% in 2025 and 4.7% in 2026
- The US government shutdown continues and has officially become the longest in US history
- Refining activity has slowed due to fall maintenance and several unplanned outages

Did you know?

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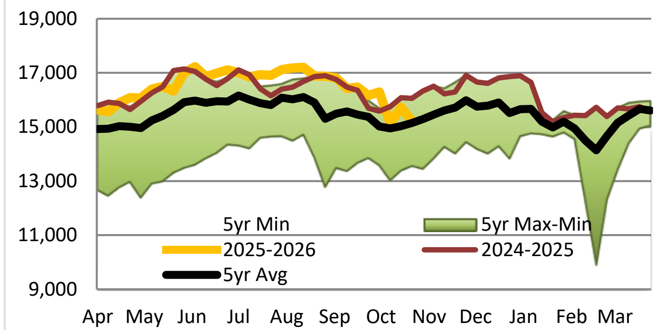
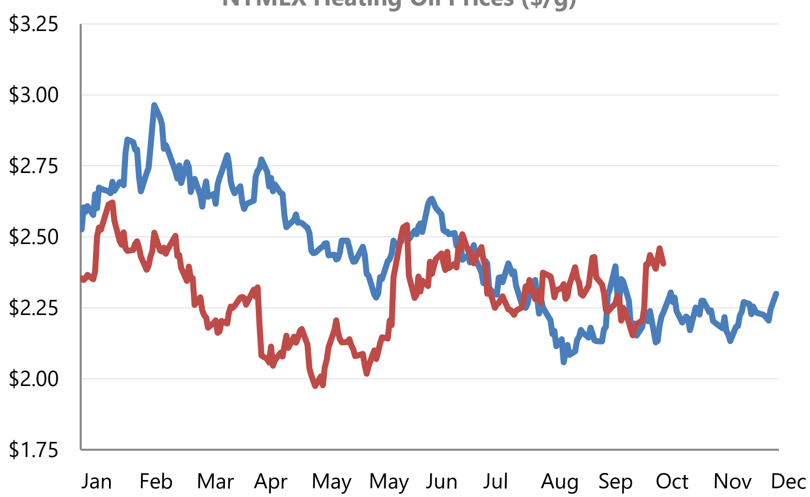
Drop in Refining Activity

US refining activity has eased in recent weeks despite elevated refinery crack spreads (the difference between the refined products futures price and the crude oil futures price). The slowdown is largely seasonal, as refiners enter the fall maintenance period to prepare units for the winter heating season. In addition, recent unplanned outages - including a fire that halted operations at Chevron's Richmond refinery, a unit malfunction at BP's Whiting refinery, and equipment issues at Marathon's Galveston Bay facility — temporarily disrupted U.S. refining capacity.

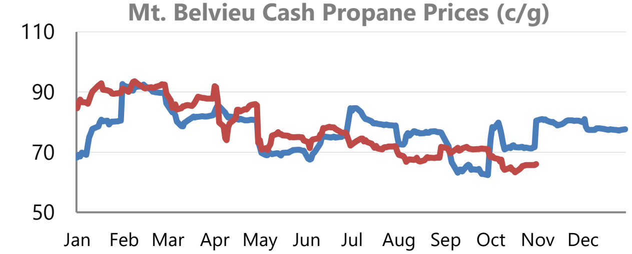
Domestic Refiner Crude Oil Net Input (kb/d)



NYMEX Heating Oil Prices ($/g)



Mt. Belvieu Cash Propane Prices (c/g)



WTI Crude Oil Prices ($/bbl)