

What's driving your energy prices?

Bullish Factors

- The US has intensified its blockade on Venezuelan oil tankers, including seizing vessels
- Ukraine continues to attack Russian energy infrastructure
- Global oil shares continue to exhibit strength
- The IEA trimmed its global oil supply glut for 2026 to 3.84mb/d
- US crude oil and distillates stockpiles are near five-year lows

Bearish Factors

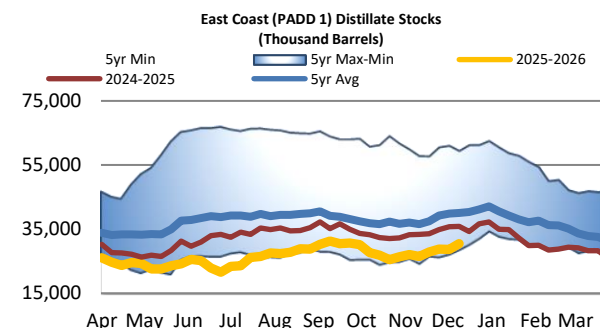
- US crude oil production still near record highs
- The US unemployment rate rose by 0.2pp to 4.6% last month
- WTI briefly fell below \$55.00/bbl on Dec 16, marking its lowest level since February 2021

Did you know?

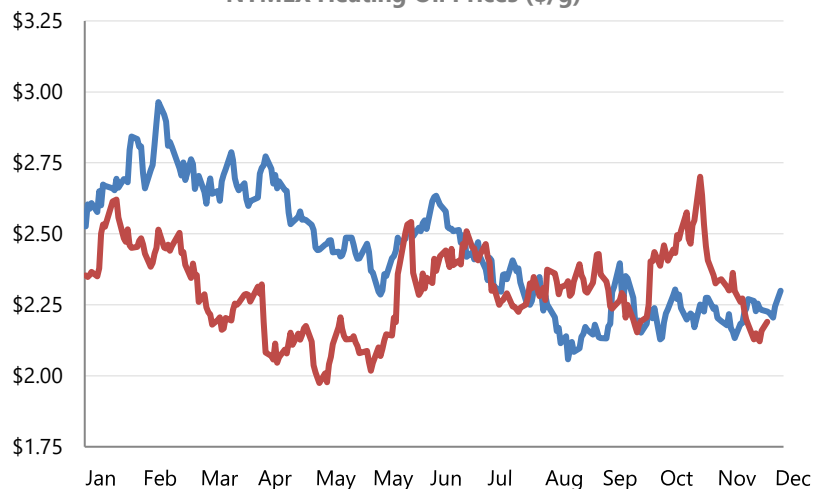
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Tight ULSD Supplies in PADD 1

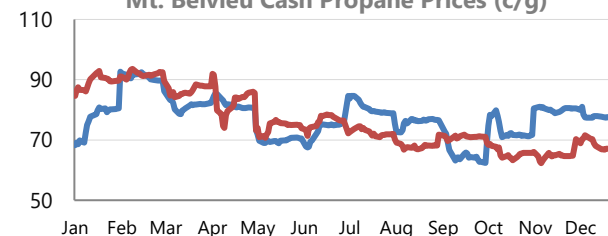
As of the week ending Dec 12, US distillate inventories remain 5.4% below the five-year average, while stocks are currently just 0.3% above last year's levels. In PADD 1, distillate stockpiles are particularly constrained, sitting 24.0% below normal and 15.1% lower than last year. This regional undersupply is significant for the Northeast heating market; if temperatures drop and all else remains equal, it could trigger a basis blowout. Compounding this, the ULSD forward curve is in backwardation, creating disincentives for storage operations and limiting the ability to draw on stockpiles, which may further amplify price volatility during peak winter demand.



NYMEX Heating Oil Prices (\$/g)



Mt. Belvieu Cash Propane Prices (c/g)



WTI Crude Oil Prices (\$/bbl)

