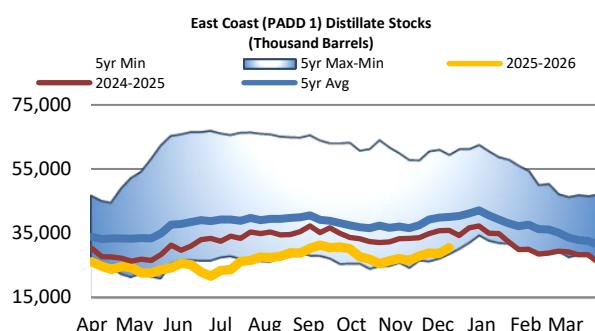


# ENERGY PROCUREMENT REPORT

## What's driving your energy prices?

Bullish Factors	Bearish Factors	Did you know?																																																																	
<ul style="list-style-type: none"> <li>The US has intensified its blockade on Venezuelan oil tankers, including seizing vessels</li> <li>Ukraine continues to attack Russian energy infrastructure</li> <li>Global oil shares continue to exhibit strength</li> <li>The IEA trimmed its global oil supply glut for 2026 to 3.84mb/d</li> <li>US crude oil and distillates stockpiles are near five-year lows</li> </ul>	<ul style="list-style-type: none"> <li>US crude oil production still near record highs</li> <li>The US unemployment rate rose by 0.2pp to 4.6% last month</li> <li>WTI briefly fell below \$55.00/bbl on Dec 16, marking its lowest level since February 2021</li> </ul>	<p><b>Tight ULSD Supplies in PADD 1</b></p> <p>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.</p>  <p>East Coast (PADD 1) Distillate Stocks (Thousands Barrels)</p> <p>Legend: Syr Min 2024-2025 (Red), Syr Max-Min 2025-2026 (Blue), 2025-2026 (Yellow), Syr Avg (Dark Blue)</p> <p>Approximate Data (Thousands Barrels):</p> <table border="1"> <thead> <tr> <th>Month</th> <th>2024-2025 Syr Min</th> <th>2025-2026 Syr Max-Min</th> <th>2025-2026 Syr Avg</th> <th>2025-2026 Syr Min</th> </tr> </thead> <tbody> <tr><td>Apr</td><td>25,000</td><td>35,000</td><td>30,000</td><td>20,000</td></tr> <tr><td>May</td><td>30,000</td><td>40,000</td><td>35,000</td><td>25,000</td></tr> <tr><td>Jun</td><td>35,000</td><td>50,000</td><td>40,000</td><td>30,000</td></tr> <tr><td>Jul</td><td>30,000</td><td>45,000</td><td>35,000</td><td>25,000</td></tr> <tr><td>Aug</td><td>25,000</td><td>40,000</td><td>30,000</td><td>20,000</td></tr> <tr><td>Sep</td><td>20,000</td><td>35,000</td><td>25,000</td><td>15,000</td></tr> <tr><td>Oct</td><td>25,000</td><td>40,000</td><td>30,000</td><td>20,000</td></tr> <tr><td>Nov</td><td>30,000</td><td>45,000</td><td>35,000</td><td>25,000</td></tr> <tr><td>Dec</td><td>35,000</td><td>50,000</td><td>40,000</td><td>30,000</td></tr> <tr><td>Jan</td><td>30,000</td><td>40,000</td><td>35,000</td><td>25,000</td></tr> <tr><td>Feb</td><td>25,000</td><td>35,000</td><td>30,000</td><td>20,000</td></tr> <tr><td>Mar</td><td>20,000</td><td>30,000</td><td>25,000</td><td>15,000</td></tr> </tbody> </table>	Month	2024-2025 Syr Min	2025-2026 Syr Max-Min	2025-2026 Syr Avg	2025-2026 Syr Min	Apr	25,000	35,000	30,000	20,000	May	30,000	40,000	35,000	25,000	Jun	35,000	50,000	40,000	30,000	Jul	30,000	45,000	35,000	25,000	Aug	25,000	40,000	30,000	20,000	Sep	20,000	35,000	25,000	15,000	Oct	25,000	40,000	30,000	20,000	Nov	30,000	45,000	35,000	25,000	Dec	35,000	50,000	40,000	30,000	Jan	30,000	40,000	35,000	25,000	Feb	25,000	35,000	30,000	20,000	Mar	20,000	30,000	25,000	15,000
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