

ENERGY PROCUREMENT REPORT

What's driving your energy prices?

Bullish Factors

- Iran-US-Israel war continues to escalate (See right)
- Iran has effectively shut down the Strait of Hormuz
- Persian Gulf producers have cut output or declared force majeure on some oil fields due to the shipping disruption
- Oil prices surged above \$100/bbl earlier this week - the highest in four years

Bearish Factors

- US President Trump has suggested that the war with Iran could end soon
- OPEC+ plans to increase oil production by 137kb/d in April
- US and global equity markets have declined since the conflict began
- G7 countries have been discussing a potential release of 300-400mb of strategic petroleum reserves

Did you know?

03.12.2026 Issue 303

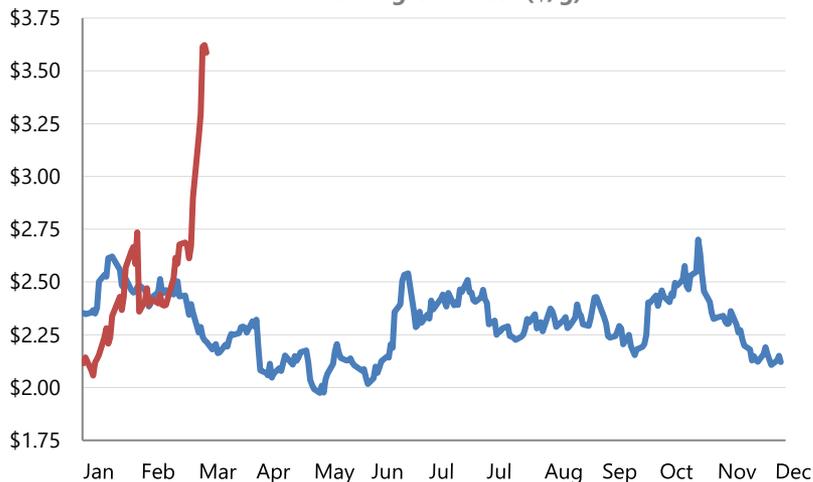
Middle East Conflict Disrupts Global Oil Flows

The war between Iran, the US, and Israel has significantly disrupted global oil supply, particularly in the Strait of Hormuz, where about 20 mb/d—roughly 20% of global oil supply—normally passes through. Security threats, missile strikes, and drone activity have sharply reduced tanker traffic and delayed shipments from major Gulf producers. In addition, some production has been curtailed as storage filled at export terminals and fields in the region were forced to reduce output due to the inability to move crude. Insurance costs for tankers have surged, several shipping companies have suspended voyages through the Gulf, and many vessels are waiting outside the strait until conditions improve.

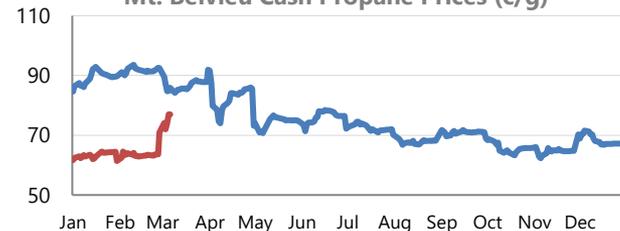
Ships near the Strait of Hormuz



NYMEX Heating Oil Prices (\$/g)



Mt. Belvieu Cash Propane Prices (c/g)



WTI Crude Oil Prices (\$/bbl)

