

JULY 2025

Broadbill exists to create value differently. From our strong foundations we create unsurpassed value to boldly redefine the midstream industry as the partner of choice. We fearlessly pursue innovation and strategic opportunities. We are producer centric and we work with the right people.

**The Broadcast** is a monthly marketing newsletter from Broadbill Energy Inc. to provide market insight and company updates.

PRODUCER PROFIT SHARE

# \$30,669,536

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## What's New in the Zoo

Welcome to the pre-stampede edition of the Broadcast. We thought we'd get this out sooner if you're taking time off next week for the long weekend or Stampede festivities. If you find yourself around town, please do come by our event at the Palomino. We'd love to catch up over a beverage and brisket! Please reach out to [Megan.Pownall@broadbillenergy.com](mailto:Megan.Pownall@broadbillenergy.com) to RSVP.

Despite all the Trump news, which is clearly taking the stage at the moment, we want to take a moment and say thanks! Broadbill reached another milestone this past month with \$30MM in producer profit sharing. We are so thankful to have such an amazing customer group who continue to put trust in our company, our people, and our process. As we turn 7 years young this past June, a sincere thank you from the entire Broadbill team.

YOU HAVE BEEN FOUND

# WANTED

AT THE BROADBILL ENERGY  
STAMPEDE ROUND-UP!

Kick off your boots, grab your hat, and head on down to the Palomino Smokehouse for another round of stampede eats, cold drinks, and a wild good time!

**JULY 3, 2025 | 3:00PM**

PALOMINO SMOKEHOUSE DECK  
109 7th Avenue SW

RSVP BY JUNE 12  
[Megan.Pownall@broadbillenergy.com](mailto:Megan.Pownall@broadbillenergy.com)



## Pricing View - June 24, 2025

	May 2025 Index Diff	June 2025 Index Diff	July 2025 Index Diff	August 2025 Index Diff View Financials
WCS	-\$9.44	-\$9.10	-\$8.93	-\$9.75
LIGHT SWEET (MSW)	-\$2.03	-\$1.18	-\$1.31	-\$2.25
CONDENSATE (C5)	-\$0.68	\$2.13	-\$0.65	-\$2.65
LIGHT SOUR BLEND (LSB)	-\$2.75	-\$2.29	-\$2.69	-\$3.25
MIDALE (MSM)	-\$3.34	-\$3.12	-\$4.19	-\$4.50

### JULY 2025

## Market Summary

### TMX UPDATE

TMX news has been relatively subdued as of late, given the month of global news that has taken over the news wires. One data point that continues to impress is how Canadian heavy differentials continues to trade roughly at committed tolling on TMX pipeline, which is to say they are pricing even stronger than walk up uncommitted tolling to Westbridge Dock. From previous Broadcasts, you will remember our discussions about how Asian demand has provided a solid underfooting to Canadian differentials, specifically on our heavy crude grades. With the Gulf Coast pricing Canadian heavy around \$(2.50) US/bbl, we note that Canadian heavies continue to trade inside \$(10.00) US/bbl on the prompt with ever tightening forward strips down the curve. TMX uncommitted tolling being roughly \$6.50 US/bbl suggests our crude is trading at Gulf Coast equivalent less committed tariff to the dock. Certainly, a strong signal that egress is working in case anyone in Ottawa is curious about the business case for tidewater egress.

### MACRO UPDATE

The G7 was held in Kananaskis this past week without much fan fare (other than the lead up, which proved to be the more exciting part with all the brigade practices we could see from our downtown offices). The only item of note was President Trump came in very briefly but did meet with Prime Minister Carney to discuss ongoing tariff issues where the two agreed to a formal deal within 30 days. However, he had bigger fish to fry with Israel and Trump left the event early to deal with escalating tensions between Israel and Ira. He decided it was time to launch an offensive retaliation against Iran and their surface nuclear facilities in a statement to get them back to the bargaining table.

While focus has clearly shifted in the last three weeks from TACO tariffs to hostile tensions in the Middle East, we did see both the Canadian and U.S. Central Banks announce interest rates would not be reduced at this time, as economic data continues to show inflationary projections. Given what we are seeing in oil prices the last two weeks, this would seem to echo the sentiment.

Earlier in the month we finally started seeing a bottom on crude price as the U.S. and China seemed to get more comfortable with each other announcing prospective deals around tariffs and reciprocal tariffs in kind. While the tariff rates did increase (from 30% U.S. on Chinese goods to 55%) the Chinese reciprocal tariffs were pushed back to the starting point of 10% on goods entering China. The market seemed to love the outcome as both energy and equity markets have been on the upswing as a result.

### **OPEC & OPEC+**

Given what is now taking place, we can't help but feel that perhaps part of Trump's tour of the Middle East may have been to let the Saudi's know that temperatures may be rising faster than normal this summer. With accelerated volumes being announced to come back to market and likely to come back prior to October 2025, the market was rightfully bearish at this news.

As the month continued, the market started slightly discounting this news as volumes have been slow to arrive, as they were originally planned to start coming back in May. Turns out while they have spare capacity it might take a little longer than originally anticipated for crude to flood the market. Good thing they started in its absence, as we would likely have already tested \$100 US/bbl given how hot things are right now.

Russia, for their part, have been relatively quiet in the news. They continue their Ukraine offensives and despite Trump's best efforts at forcing the two sides to the table, the fighting and loss continues.

### **NORTH AMERICA**

In Canadian political news the Carney Liberals have tabled and passed Bill C-5, which will allow the federal government to "fast track" hand-picked nation building projects. It is of note, the bill passed with Conservative support. Time will tell what exactly a fast-tracked project looks like, but it's a positive sign that perhaps this version of the Liberal governing party will be more conducive to enabling resource project development moving forward after all. The bill was tabled to allow for such projects to be passed in a two-year expedited timeline. We'll believe it when we see it happen. As of passing, we are already seeing interest groups step up to counter the bill.

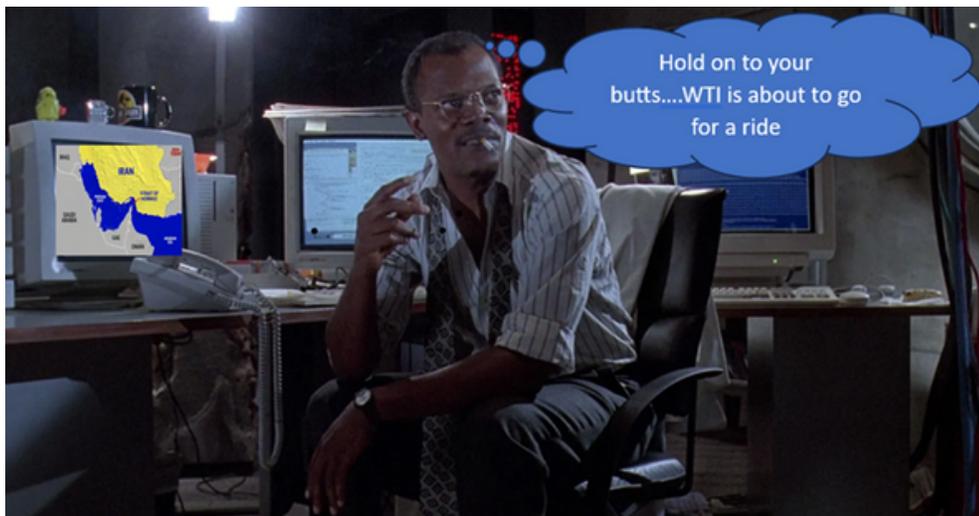
U.S. rig counts continued to drop through the month, given the pricing environment. The U.S. rig count dropped for the 7<sup>th</sup> consecutive week, pushing rig count to its lowest level since 2021. U.S. crude production continues to flat line and should prices find themselves consistently lower than \$60 U.S., this will likely only persist. Recent price spikes could change this outcome, but it will need to be a sustained price situation to justify a return to drill-baby-drill theme songs.

### **INFLATION**

Inflation continues to show signs of stability and on both sides of the border, central bankers seem happy to continue maintaining interest rates. The U.S. signaled that we should still expect to see two cuts by year end, but most banks are projecting only a single cut this year with one again early next.

Canada being ahead of the U.S. on bank prime cuts is likely to only see one cut this year. Of course, with the ever-changing geo-political situation, this could change things quickly should economies stall with a surge in crude prices should the situation get worse in the middle east. Recall that currently the Bank of Canada prime rate currently sits at 2.75%, while the U.S. Federal Reserve sits at 4.25%.

The Canadian dollar continues to find footing against the Greenback this past month. While Carney has announced lofty spending plans without a budget to show how this will be paid for, the dollar has performed well against the Greenback this past month given the continued uncertainties that prevail the U.S. economy. Perhaps the master plan will be to support energy and related infrastructure projects through Bill C-5 to have a solid revenue base through projects and high paying jobs (taxes) from which to fund some of these spending plans? Realizing this may be causing some eyes to roll, one can hope!



**WTI**

Well, just when you think you can sit back, relax, throw the feet up, counting the days to the Greatest Outdoor Show on Earth... WTI has had one of its best months (weeks really) in years. Initial support for WTI was found when the House of Representatives put forward a bill to continue the replenishment of U.S. strategic oil reserves. Chris Wright, the Secretary of Energy said it “would take likely over 20 years and over \$20B to replenish the stocks” that the Biden administration pulled out to keep a lid on oil prices when Russia invaded the Ukraine (remember that?). That seemed to put a floor in energy prices, which have of course been on the defensive since Trumps tariff strategy came into play along with OPEC announcing spare capacity would be brought back to the market. Given the bearish sentiment through May, there was even some anecdotal evidence that traders were starting to brace for an ugly situation as reputed tank broker Tank Tiger announced they were seeing great interest in storage tank deals not seen since covid.

As tariff rhetoric faded off, we have watched the geo-political scene really take hold as the push and pull of the respective situations have been ramping up through the month. While initially viewed as bearish, news was coming out of the Russia/Ukraine crisis, which pointed to deals being made to end the conflict. Of course, Russia has not only gone against cease fires, but in ways has been ramping up of late.

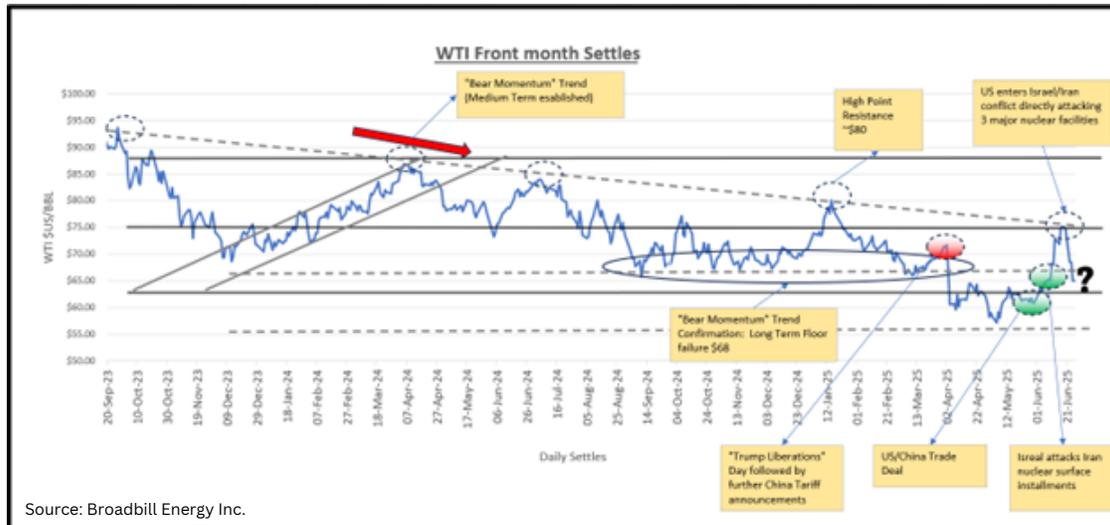
Then of course came news that Iran was willing to talk about a deal of their own, which could have brought more crude back to the market (or at least removed punishing sanctions forcing them to trade with limited buyers China and India), but ultimately hopes of a deal were dashed when Iran announced that they would not be interested in any deal involving reduced/eliminated uranium enrichment. From that point forward it's been a hold on to your hat moment as Israel (U.S.?) did not like what they were hearing from the Iranian side of the dealings. On June 12, they launched air strikes targeting surface nuclear infrastructure. As mentioned above, this cut Trump's visit to K-Country short as he came in for a couple of meetings, only to leave abruptly. We should have known something was up when he changed plans to commute back and forth from Montana and had Air Force One show up at YYC airport.



Heading into the Juneteenth holiday weekend in the U.S., we all know the story well as the U.S. has now entered the conflict directly sending B2 Stealth bombers from Missouri to Iran (37 hour round trip) taking direct aim at uranium installations known for enrichment. In response, Iran immediately voted to block the Strait of Hormuz, which if employed would undoubtedly rattle markets for crude and natural gas alike being responsible for over 20% of daily crude movements and over 10Bcf of LNG movements. The market seems to be discounting this risk at the moment, primarily because this would also likely impact Iranian exports, which at this juncture would be critical for their coffers.

At the electronic trading open Sunday evening, we saw WTI August-25 contracts open trading above \$78 US/bbl, but this would be the peak of the weekend rally. Somewhat of a shoulder shrug admittedly given the seriousness of the situation, all things equal. Monday morning came and we were basically trading flat to Friday's close, despite continued saber rattling from Iran condemning the attacks threatening hasty retaliation. It was then announced that Qatar intercepted a missile offensive aimed at the U.S. Air Base in Qatar, at which point the market started selling off, somewhat severely pricing down some ~\$5 US/bbl post news release.

At the time of writing, we continue to see crude sell downwards towards \$66 US/bbl, as a 12-hour Iran/Israel ceasefire was announced to begin as of 12:00AM New York time this evening. This will be an evolving situation and one to pay especially close attention to with tensions certainly high from east to west.



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## WCSB Pricing Summary

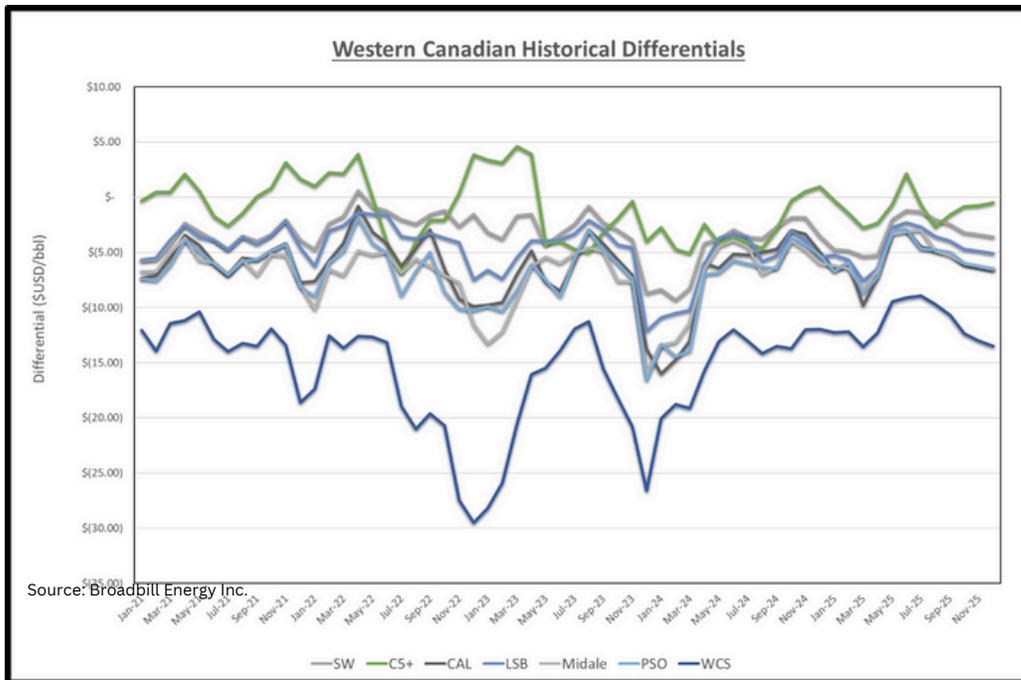
With the arrival of summer, it also means the arrival of fire season. Canadian fires seemed to be primarily in Manitoba and Saskatchewan and quickly became a key differential theme through the month of June. U.S. inventories have been drawing aggressively through the month as well, likely as refiners stock up on feedstocks hedging against cargoes being stranded in the Persian Gulf as mentioned above. In the week of June 16, we saw inventory draw over 11MM barrels, pushing inventory stocks to levels below that of 2021. We are also seeing recoveries in crack spreads having the 3-2-1 spread move from \$16 US/bbl to over \$27 through the month. This will likely grow significantly should geopolitical events escalate further.

As July trading began market participants waited eagerly to see if the rumors of OPEC increasing output were true, while also keeping eyes on the situation at home with wildfire's hitting Alberta. These wildfires prompted not only shutdowns of oil and gas production, but forced residents of some small towns to evacuate. With several large oil sands operations impacted and shut in, we saw differentials quickly find bids through the July trade cycle, as wildfires around the oil sands had over 300K barrels per day of production curtailed. With supply concerns, we saw buyers having no issue opening the wallet and providing some lift to the heavy differential. WCS came out of the gate at \$(9.00) US/bbl before climbing to \$(8.80) on day one of trading. Between the Canadian wildfires and the EIA reporting continuous crude draws, we saw WCS transact all the way up to \$(8.70). WCS eventually settled in at \$(8.93) for July. Prompt month WCS price has been volatile. WCS hit a JUN high of \$(6.00) given the rally in WTI the last couple of weeks. However, that tight differential may now be short lived as WTI retreats in the very short term.

The Edmonton sweet contract first flew across the screen's at \$(1.00) US/bbl, getting a lift out of the gate from where TMR (Edmonton Financial Sweet contract) was trading pre-July cycle at \$(1.35). However, that initial print was as high as we got on the sweets as the cycle rolled on. MSW ended up settling at \$(1.31) for July.

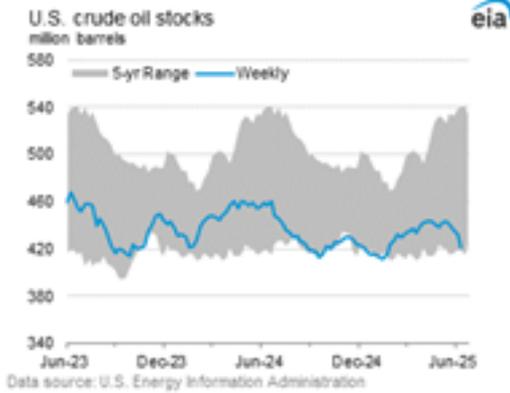
With a mixture of end users opting for synthetic and sour products, which one can assume to help optimize their end product at the refinery. Sweet was the odd one out and fell to the side, as the attention turned to other streams. Other possibilities for this could include refiners in California opting for more global grades from places such as South America and refiners in the pacific northwest choosing grades such as Alaskan North slope to satisfy their diets. July trading saw all the lighter grades transact very closely to one another with LSB settling at \$(2.69) and UHC settling at \$(2.17). Medium sour were a bit on the outside looking in with medium crude sliding into the \$(4)s as refiners focused on SYN and sweets given the issues with oil sands shutdowns. Monday in prompt trading we saw June sweet change hands as high as \$0.75 and settled at days end at \$(1.45) given the volatility in WTI. Expect this trend to continue as the situation evolves.

As we look ahead to August, TMW (WCS Financial contract) is being marketed at \$(9.80). The sweet and condensate August contracts are trading very closely, as their respective contracts are transacting ~ \$0.10 apart. Sweet is trading hands at \$(2.05) and condensate finally appears to be settling into summer mode transacting at \$(2.15) after a strong performance in June/July. With diesel still in high demand and short supply expect differentials to continue seeing bids, especially if things get thin as a result of the overseas instability. Suddenly once again crude from Canada feels like a pretty sure bet, whether it be on pipelines heading east or west.

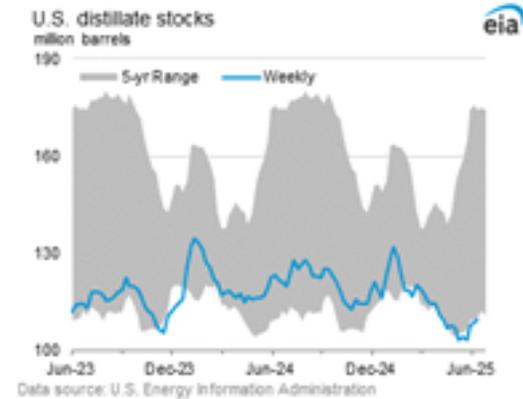


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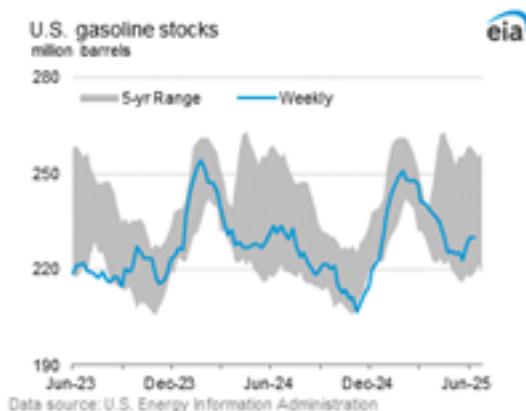
# Appendix



	Stocks	Change from last	
	06/13/25	Week	Year
Crude oil	420.9	-11.5 ↓	-36.2 ↓
Gasoline	230.0	0.2 ↑	-1.2 ↓
Distillate	109.4	0.5 ↑	-12.2 ↓
Propane	67.523	1.537 ↑	-3.921 ↓



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