The Broadcast

AUGUST 2026

AUGUST 2026

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

$46,665,593

VISIT US ONLINE

What's New in the Zoo

Time continues to fly by. Summer is more than half in the bag, and we start to look ahead to back to school specials and fall colors.

In previous years, summer is typically slower in the newsrooms and trade desks as holidays kick in. 2026 has offered little reprieve and we've all had to keep our heads on a swivel given continued hostilities in the middle east, continued political rhetoric between Canadian and U.S. governments, and an ever-growing stock market bubble that still finds ways of growing larger. We hope you're having a safe and enjoyable summer.

Pricing View - August 10, 2026

	June 2026 Index Diff	July 2026 Index Diff	August 2026 Index Diff	September 2026 Index Diff View
WCS	-$15.88	-$12.06	-$14.23	-$14.80
LIGHT SWEET (MSW)	$1.79	-$1.65	-$3.08	$2.10
CONDENSATE (C5)	$2.39	-$7.14	-$3.09	-$0.05
LIGHT SOUR BLEND (LSB)	-$3.06	-$4.14	-$5.37	-$3.00
MIDALE (MSM)	-$4.98	-$4.73	-$6.46	-$5.40

AUGUST 2026

MARKET SUMMARY & CANADIAN ENERGY

NATURAL GAS, LNG & TMX

We saw strong demand for TMX capacity in a recent round of firm service. All bids were for 20-year terms, totalling 253,500 bbls/d in binding firm service requests. TMX received 2.7X the available space in bids in a clear indication that shippers are looking to lock down capacity to global crude markets via the TMX system.

On July 13th, a trilateral memorandum of understanding (MOU) was released between the key oilsands operators, Alberta, and the federal government. While the MOU identifies a path forward to undertake growth and development, definitive agreements are always the key to certainty in deals, as we have learned well with the middle east MOU (or lack thereof).

https://www.dobenergy.com/news/headlines/2026/07/13/mou-agreement-a-step-forward-to-support-grow-pathw

Construction began on Enbridge's $4-billion Sunrise Expansion Program, adding up to 300 MMcf/d of transportation capacity to B.C.'s gas system. The project is intended to support growing domestic demand, as well as LNG export facilities, including Woodfibre LNG. Ottawa estimates the expansion could contribute more than $3 billion to Canadian GDP as additional gas reaches Asian markets.

Then to close out July, Ksi Lisims LNG signed a binding agreement with Germany's Uniper for 2 MMtpa of LNG for up to 20 years, with deliveries expected to begin in 2032. This is showing increased interest in Canadian LNG beyond simply serving Asia and establishes another long-term European outlet.

NORTH AMERICA - CANADA IN FOCUS

After the CUSMA expiry on July 1st, there has been very little in the way of updates on the U.S. and Canada trade front. The Gordie Howe Bridge opening finally came on July 27th in what felt like a relative nothing burger, but the devil could be in the details. The project, which was entirely funded by Canada, was set to pay Canada tolling revenue to recover the investment but in the end, revenues will be shared and the 50% of the net tolling revenue will go towards a U.S. controlled economic development fund. We are wondering if this is a precursor to how dealings will evolve with the U.S. moving forward.

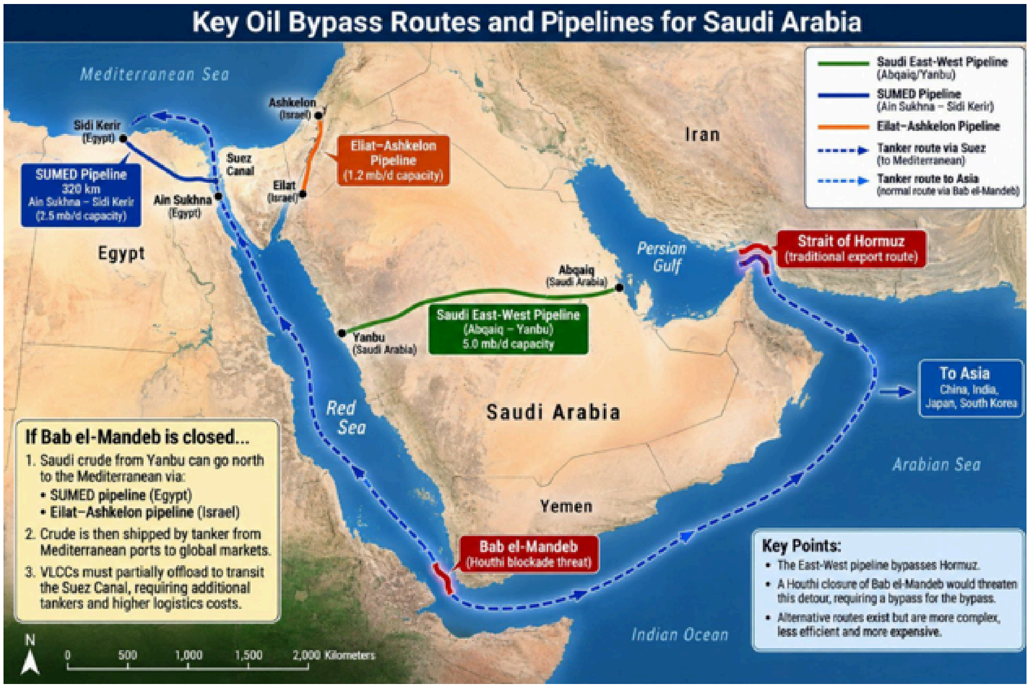
OPEC & OPEC+

The UAE continues to surprise on the supply side post OPEC exit, with June production reaching approximately 4.1 MMbbl/d — almost 1 MMbbl/d above May levels, despite the ongoing issues around Hormuz. At the same time, the UAE is fast-tracking a new pipeline and terminal at Fujairah to bypass the Strait altogether as it seeks greater energy independence following its departure from OPEC on May 1.

Meanwhile, Venezuela has published its long-awaited oil reforms, opening the sector to private participation and effectively ending PDVSA's decades-long monopoly. While the impact on production is still to come, the reforms represent a significant change to the country's oil sector.

On the transportation side, we saw a new threat of the Yemeni Houthis putting shipments via the Bab el-Mandeb Strait at risk. Saudi Arabia was seen pushing the SUMED pipeline toward its maximum shipping capacity of 2.5 MMbbl/d as the Red Sea comes under fire, limiting the ability to safely move barrels through the region. The workaround comes with a meaningful cost. VLCC cargoes unable to pass fully loaded through the Suez Canal need to be partially unloaded, transit the canal and reload before continuing their voyage.

For barrels ultimately destined for Asian buyers, that process can add weeks to the voyage, along with additional handling and transportation costs. The result is a market where the barrels may still be available, but the cost of getting them to the end buyer is increasing – a dynamic that should ultimately widen transportation costs and crude differentials, with those higher costs being passed back to the consumer.



TRADE, TARIFFS & MARKET SENTIMENT

Trump must have got tired of the middle east story, as he seemed to suggest getting back into tariff mode with new 50% tariffs being discussed on certain goods as he pushes back against Canadian policies around alcohol and other products. The rhetoric even extended to the World Cup Final in New Jersey, with Trump hinting Canada should face a tariff for the smoke drifting south from the recent forest fires in Eastern Canada and Ontario. So far, no retaliation comments from Canada with a recent fire in Washington state crossing into British Columbia.

Trump also announced fresh tariffs of 10–12.5% on countries allowing forced labor to be incorporated into goods that could otherwise be manufactured in the U.S. These measures are increasingly being viewed as Trump's response to the Supreme Court ruling that struck down the initial tariff legislation he had sought to implement, suggesting the administration is looking for alternative mechanisms to continue its tariff agenda.

Markets were also focused on Kevin Warsh and Federal Reserve commentary, with roughly a 30% probability of a 25-bp hike being reflected in pricing heading into his first chaired meeting. The Fed maintained the key lending rate, but market players seemed relatively shocked he held the line about avoiding forward guidance, arguing that markets have become overly dependent on Fed signaling and that policy should instead be driven by the data in front of them.

These events seemed to push the market into decline through most of July, that was until the Magnificent 7 started rolling out earnings release. We saw an initial $800 billion selloff in the Magnificent 7 in early earnings releases. The move was the largest selloff since April 2025 and the initial “Liberation Day” tariff shock, highlighting how quickly tariff rhetoric can translate into broader risk-off positioning. However, as the releases continued the market seemed to digest the earnings as generally positive and even named which companies sold off due to missed expectations, which have since turned right back around.

Individual Company Results & Price Action

- Microsoft (MSFT): Soared over 15% in its best single-day performance since 2008, setting a record for single-day market cap appreciation driven by overwhelming confidence in cloud and AI returns.
- Amazon (AMZN): Rallied after reporting a monster quarter; AWS posted its fastest growth in 18 quarters with a $169 billion run rate, easing worries despite heavier debt usage.
- Alphabet (GOOGL): Slid over 7% post-earnings (its worst drop in over a year) after missing EPS expectations and boosting its 2026 capex forecast by $15 billion, fueling return-on-investment anxiety.
- Meta Platforms (META): Faced a sharp pullback and paused share repurchases as investors scrutinized deteriorating free cash flows caused by massive infrastructure spending. Has since recovered most of the earnings release sell-off.
- Tesla (TSLA): Slipped following its report; despite revenue returning to 25% growth, margins suffered from aggressive financing and price cuts used to shift inventory.
- Apple (AAPL): Posted a solid beat-and-raise quarter, but shares drifted lower as broader tech sector valuations reset.

Key Market Takeaways

- The AI Spending Backlash: Markets are punishing heavy data-center spenders, unless cloud acceleration proves immediate financial payback.
- The Broadening Trade: Capital is rotating into cyclical, financial, and energy sectors as the earnings growth gap between Big Tech and the rest of the S&P 500 compresses.
- SpaceX back to Earth: Post IPO euphoria finally wore off especially after SpaceX announced a new bond offering, which pressured shares. With restricted stock about to be public trade float the shares continue to see downward pressure below IPO levels after having topped out well above $200/share post IPO.

WTI & MARKET FUNDAMENTALS

Early July — starting from a relatively low base. Oil entered the period around the low-$70s, with Brent having briefly returned toward pre-war levels in early July. On July 7, renewed attacks on commercial shipping through Hormuz and tighter U.S. restrictions on Iranian crude pushed Brent to $74.16 and WTI to roughly $70.44.

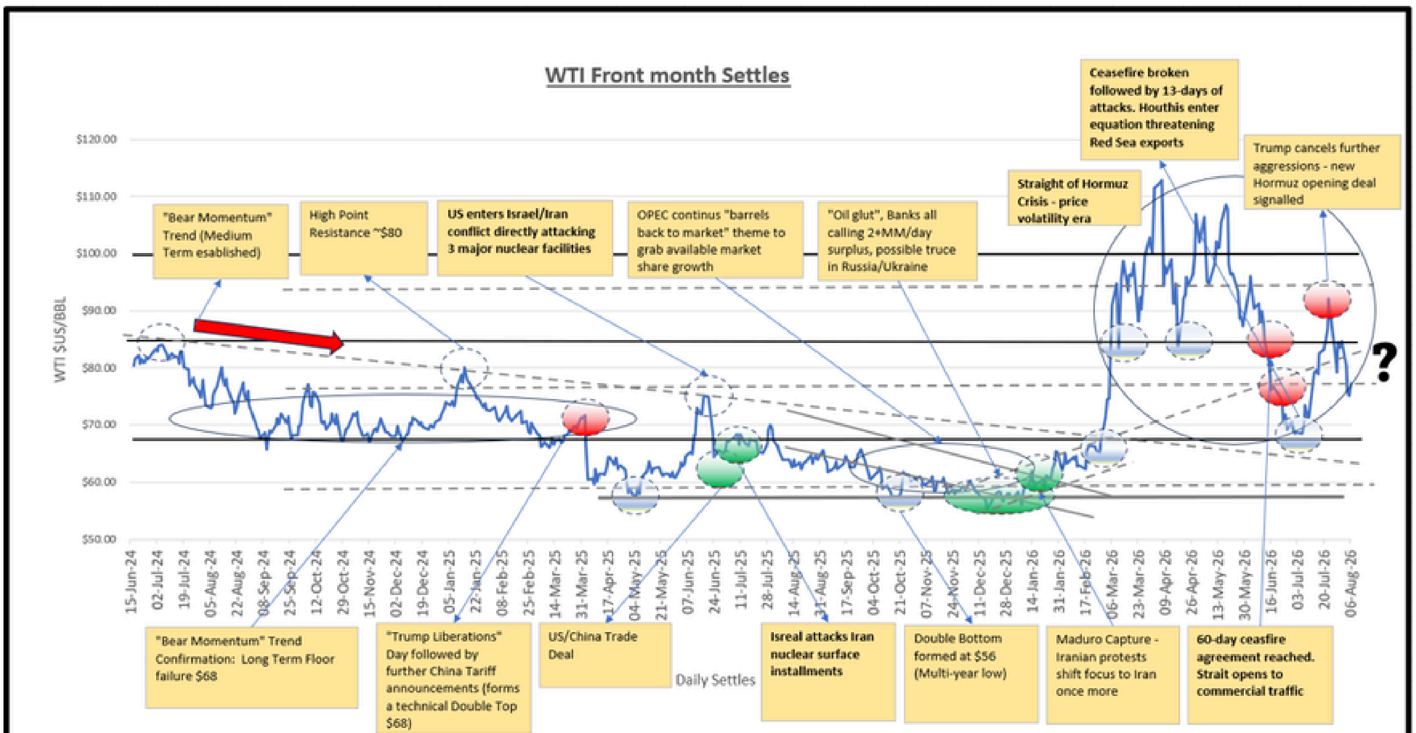
Mid-July — geopolitical premium builds. By July 15–17, the market began aggressively repricing the risk to physical supply and transportation. Brent moved from $84.95 on July 15 to $88.10 on July 17, while WTI moved from $79.60 to $82.49. The escalation of U.S.-Iran hostilities, restricted Hormuz traffic, and growing concerns over Red Sea with the entry of the Yemeni Houthis providing support to Iranian backing increasingly reflected risk premiums in pricing.

July 22–24 — Brent breaks $100. This was the high point of the month. Continued attacks and threats to shipping pushed Brent to $94.07 on July 22, followed by a $100.69 close on July 23, its highest close since May. WTI reached $92.19. The move represented a dramatic repricing of the geopolitical premium, with Brent gaining nearly 40% from its early-July levels.

Late July — the market gives back the risk premium. The rally proved difficult to sustain. Hopes for a diplomatic solution and a potential resumption of shipping through Hormuz triggered a sharp reversal. On July 27/28, Brent fell 8.7% to $88.36, while WTI dropped 7.5% to $82.61. Despite the pullback, July still finished strongly: Brent closed the month at $90.12, up approximately 24%, while WTI ended at $84.67, up approximately 21% for July.

August 3–6 — volatility returns. Oil initially fell sharply on August 3 as Trump cancelled a planned attack on Iran and raised the possibility of negotiations. Brent dropped roughly 7% to $83.77, while WTI fell 5.1% to $80.34, but the market quickly reversed again. By August 6, reports that Iran was considering legislation to restrict U.S. and Israeli vessels from Hormuz reignited the geopolitical premium. Brent jumped 3.83% to $82.49, while WTI rose 2.75% to $77.29.

The market is therefore showing a very high geopolitical beta, every indication that Hormuz will remain constrained adds a significant premium, while any indication of a reopening or diplomatic settlement quickly removes it. For the broader crude market, the most important observation may be that the physical supply disruption hasn't disappeared even when the headline price premium does. That is why Brent and WTI have been capable of moving several dollars in a single session, as traders reassess the probability of Hormuz normalization. As of August 6, the market had recovered some of that risk premium, but the sharp 3.8% Brent rally on the latest Hormuz headlines shows that the market remains extremely sensitive to any change in shipping access.



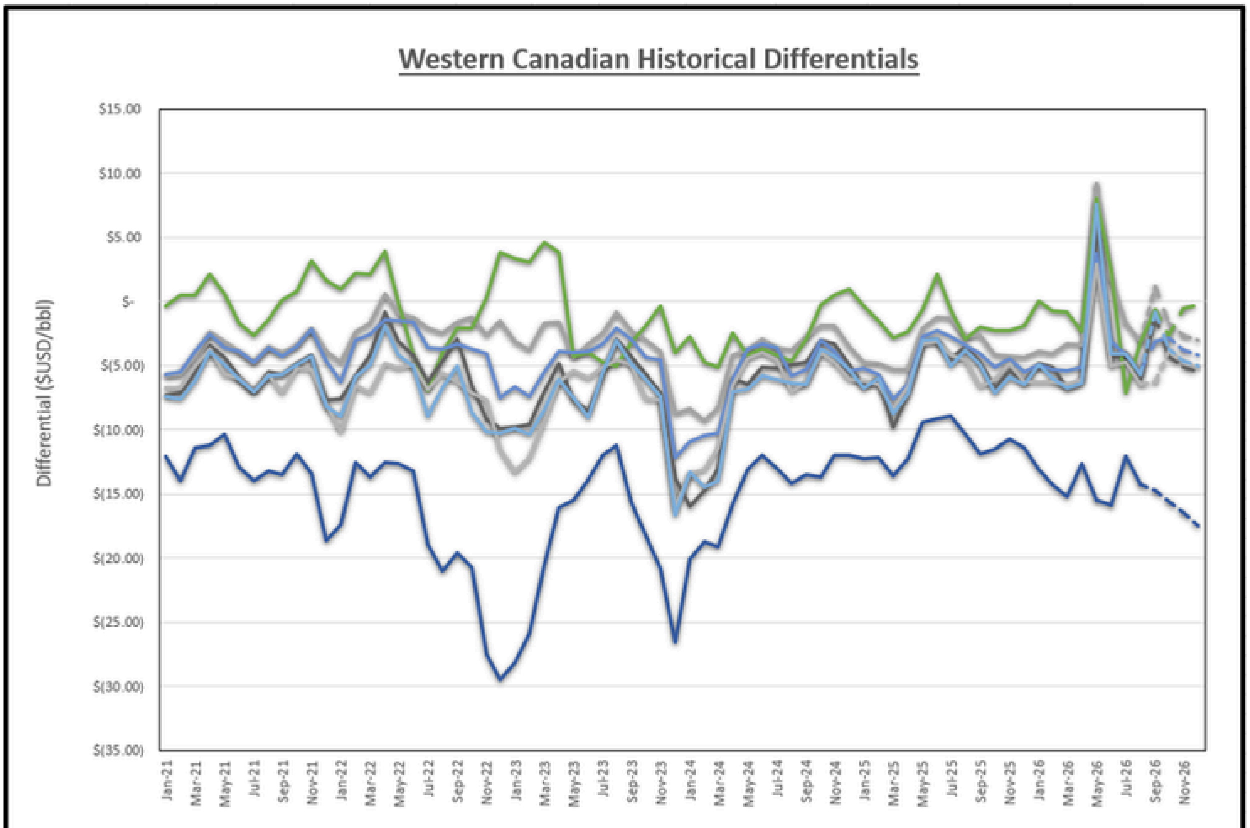
Source: Broadbill Energy Inc.

AUGUST 2026

WCSB DIFFERENTIALS & WESTERN CANADIAN TRADE DESK OVERVIEW

Key highlights:

- WCSB light differentials generally fell for the August trading index window with WCS falling back to $(14.23)US/bbl, while light grades all slid from July levels.
- Condensate came back from its weakness in July as oil sands volumes returned after the flooding and turnarounds having been completed. Despite blending opportunities, the grade remains slightly depressed providing opportunities for optimization across most grades.
- August Enbridge Mainline apportionment announced at 14% for light grades at Kerrobert injection point, while heavies maintained at 9% also at Kerrobert.
- Crack spreads continue to remain well supported with diesel cracks leading the charge. We are seeing record cracks continue to print providing record earnings for refiners. This may be the best indication moving forward of normalized product flows on the water as WTI remains entrenched in back-and-forth trade action on the news/tweets/comments of the day.
- Keep an eye on strategic reserves. Near term pressure on differentials releases (primarily sour but also sweet) but should lend to support down the curve as stockpiles will be required to replenish. SPR levels are now reported at 307MM barrels - a low matching that of 1983.



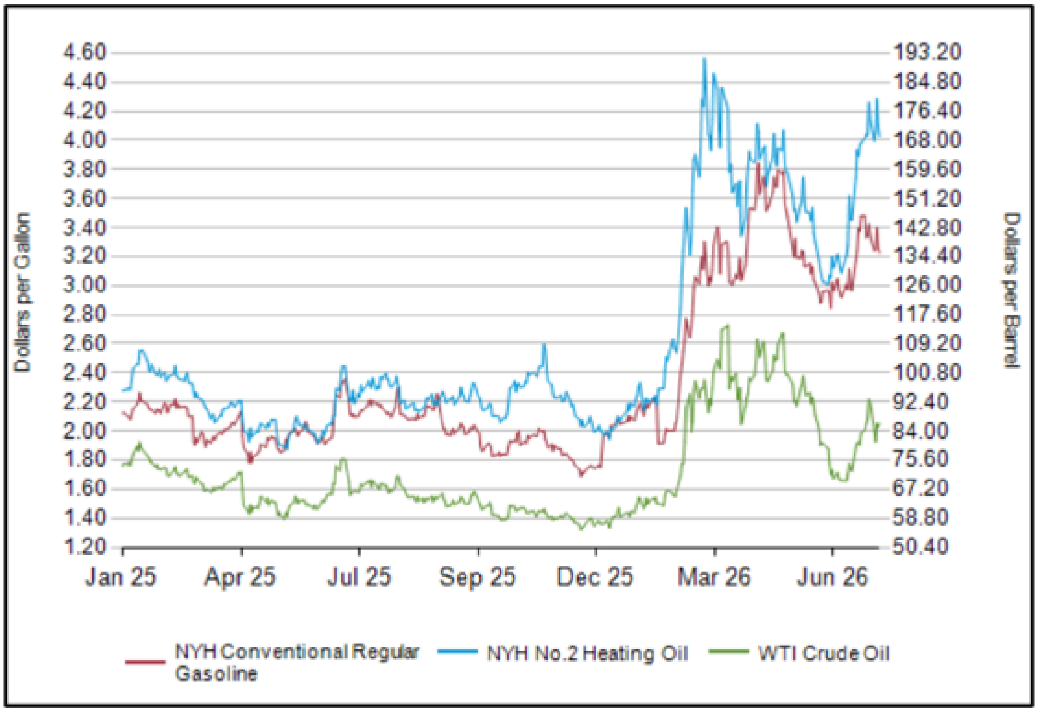
Source: Broadbill Energy Inc.

From the trade desk (All pricing quotes in US/bbl unless otherwise stated):

The August trade window did not give the same excitement as we have become accustomed to here in 2026 for the first few days of the cycle. We did however, see movement in the last few days. As the cycle began there was solid optimism that the war was near its end and the Strait would open. Traffic through the Strait was picking up and the physical movement of crude did not seem to be as big of a concern. Canadian crude differentials began to see weakness across the board. WCS opened at $(16.00) well below the JUL index of $(12.06). The weak start from the Canadian heavy barrel was attributed to USGC price's falling weaker. USGC bids initial weakness can be correlated to traders' belief crude movement through the Strait would no longer be an issue, as well as USGC refineries eyeing up the Venezuelan product and more entering the U.S. market. As Venezuela looks to increase output, it is creating a larger portion of the menu for U.S. refiners. The Canadian heavy benchmark did however bounce back as peace talks fell through, and end users paid up to ensure they had the necessary feedstock for their refineries. AUG WCS eventually settled at $(14.23) with this late cycle strength.

On the light side we also saw some initial weakness with Edmonton sweet first printing at $(4.25). This initial weakness can also be correlated to the USGC fall and end users were able to optimize with cheaper heavy to fill their slate. But as peace talks lost steam, we saw the Canadian sweet barrel run up in price as it reached a cycle high of +$0.15. This strength came from global refiners attaching a premium to the Canadian light barrel, as it is much easier to process than the heavies. Not every refinery can break down the heavy barrel, which makes the sweet barrel much more attractive. SPR levels continue to drop and with these stockpiles being lighter barrels, it gave more support to the lighter grades in North America. With uncertainty on the Strait, it created strength in the diesel market also driving up the price in the Canadian synthetic barrel, which the sweet barrel also flowed. Sweet eventually settled at $(3.08) for August.

As we look ahead to September, we are seeing heavy widen as it begins trading at $(14.05) but has weakened during the first few days of the September cycle. Two reasons this can be attributed to: the additional Venezuelan heavy being an option, as well as lighter barrels getting more attention. Synthetic has gained plenty of strength in early parts of trading as diesel stays strong and this barrel offers phenomenal yield into this product. Synthetic inventories are also exceptionally low in Canada, which is also creating support for this grade. The sweet barrel is also gaining strength off the back of Syn. Sweet began the cycle at +2.25 and although there was a brief dip in pricing, has traded into a positive three-handle. With limited capacity to take barrels to the West Coast it could mean less space for heavy production, which is creating less demand for the product. The trends we will keep our eyes on will be USGC grades and if they stay in high demand, as well as how expensive the Syn price gets, as this will determine where the light grades go. Eyes will also stay on the potential for forest fires, as this could impact production in Northern Alberta.



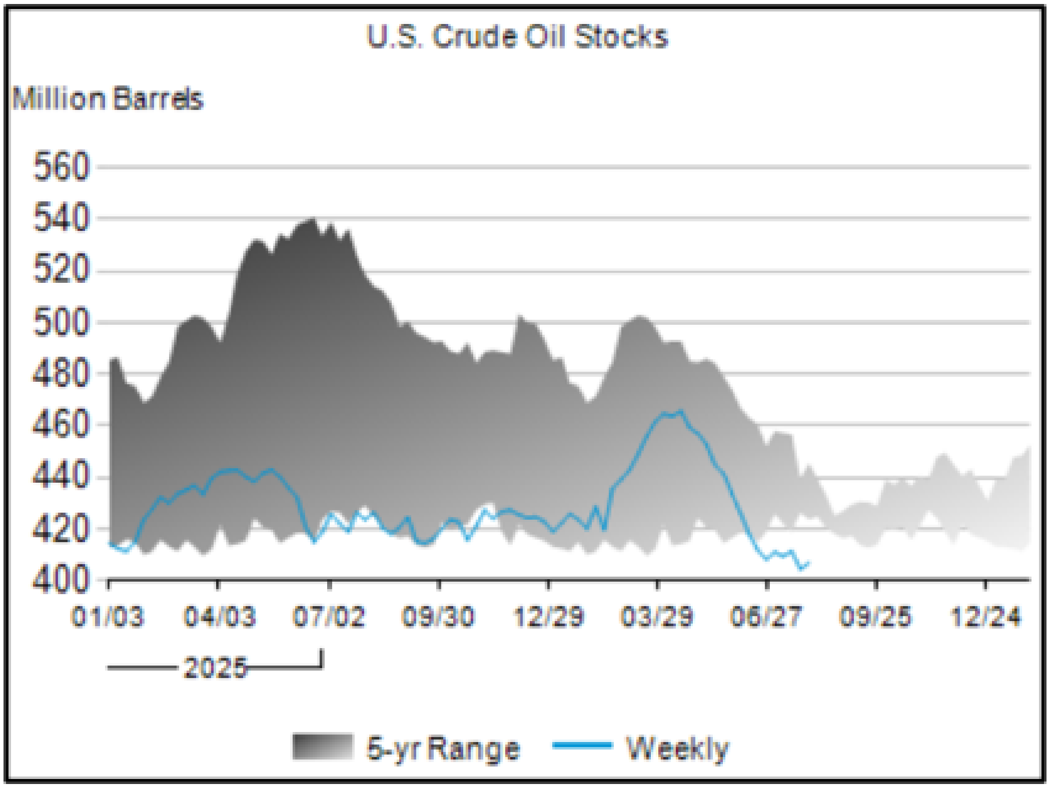
KEY TAKEAWAYS & CLOSING THOUGHTS

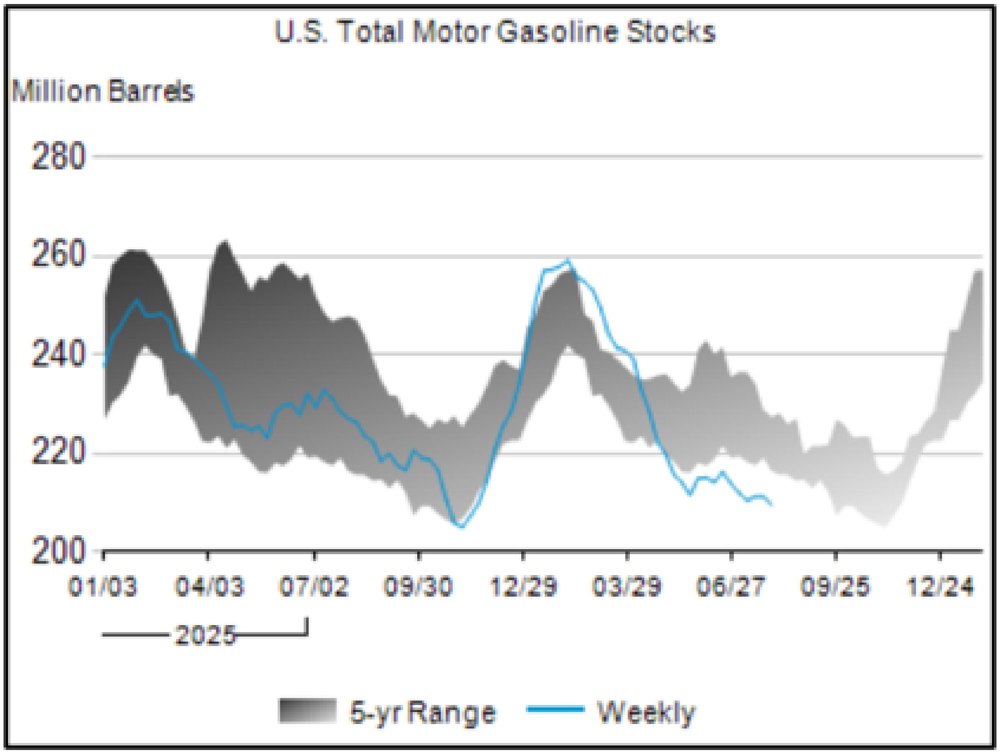
1. **The Day after.** This has been a theme as market insight providers have essentially stopped arguing with the tactics the U.S. (Trump) has successfully utilized to keep a lid on price. That said, finished goods energy pricing could be the guiding light of what is to come of crude input pricing. Forward crack spreads continue to show strength as an indication of likely product tightness.
2. **Ceasefire terms and conditions ARE extremely fragile**. We discussed this in previous Broadcasts. The reality is that a firm deal feels very distant, if not improbable given the divergent positions. There have been numerous announcements of capital coming into the middle east to offer alternative egress to bypass the once dependable Straits of Hormuz and Bab el-Mandeb, but these will take time to develop and construct, although expect faster timelines than what we see in North America.
3. **Can equity markets keep rallying?** Yes! We asked this question last month and it would appear after earnings there is still risk appetite for more in equity markets. While the key stock indexes were under pressure through July, earnings reports continue to show either incredible earnings and/or limitless free cash flow generation.

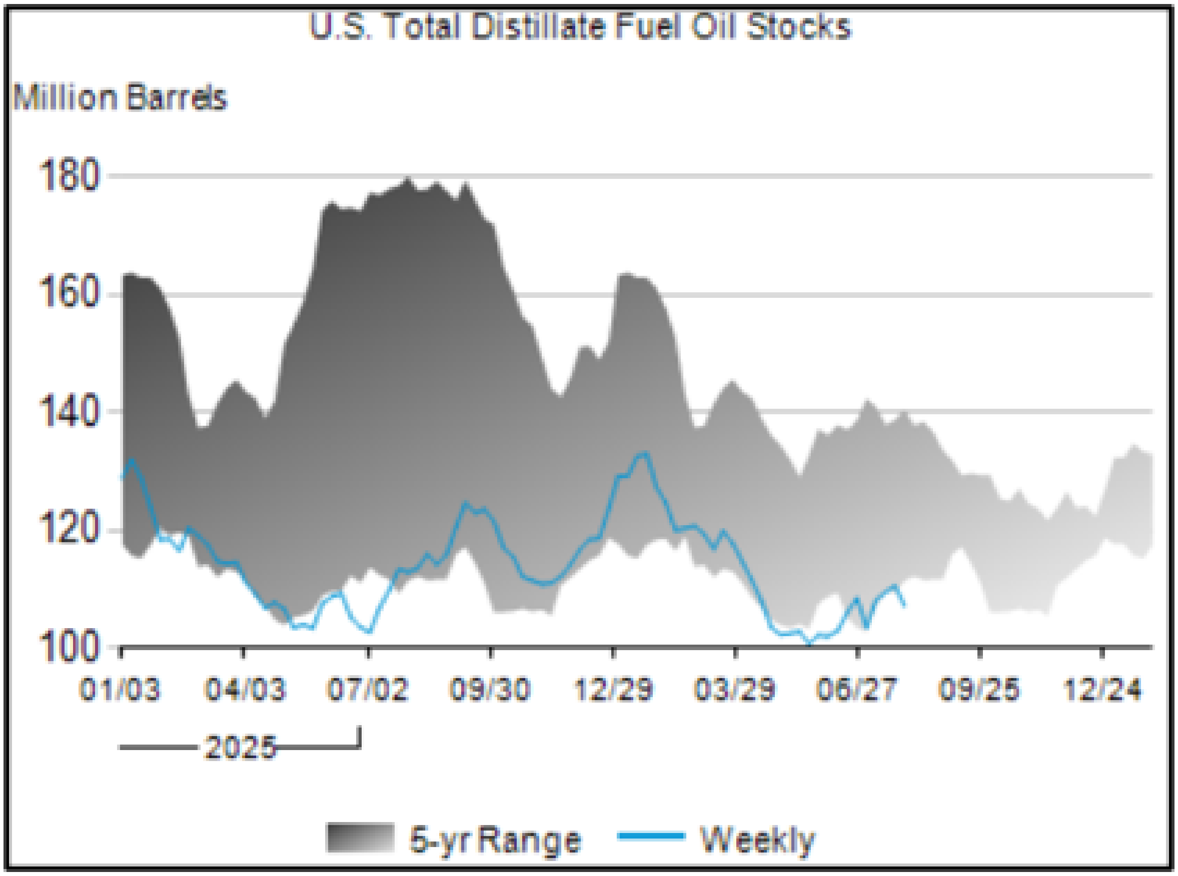
*****See appendix for Daily Market Summary Highlights.***

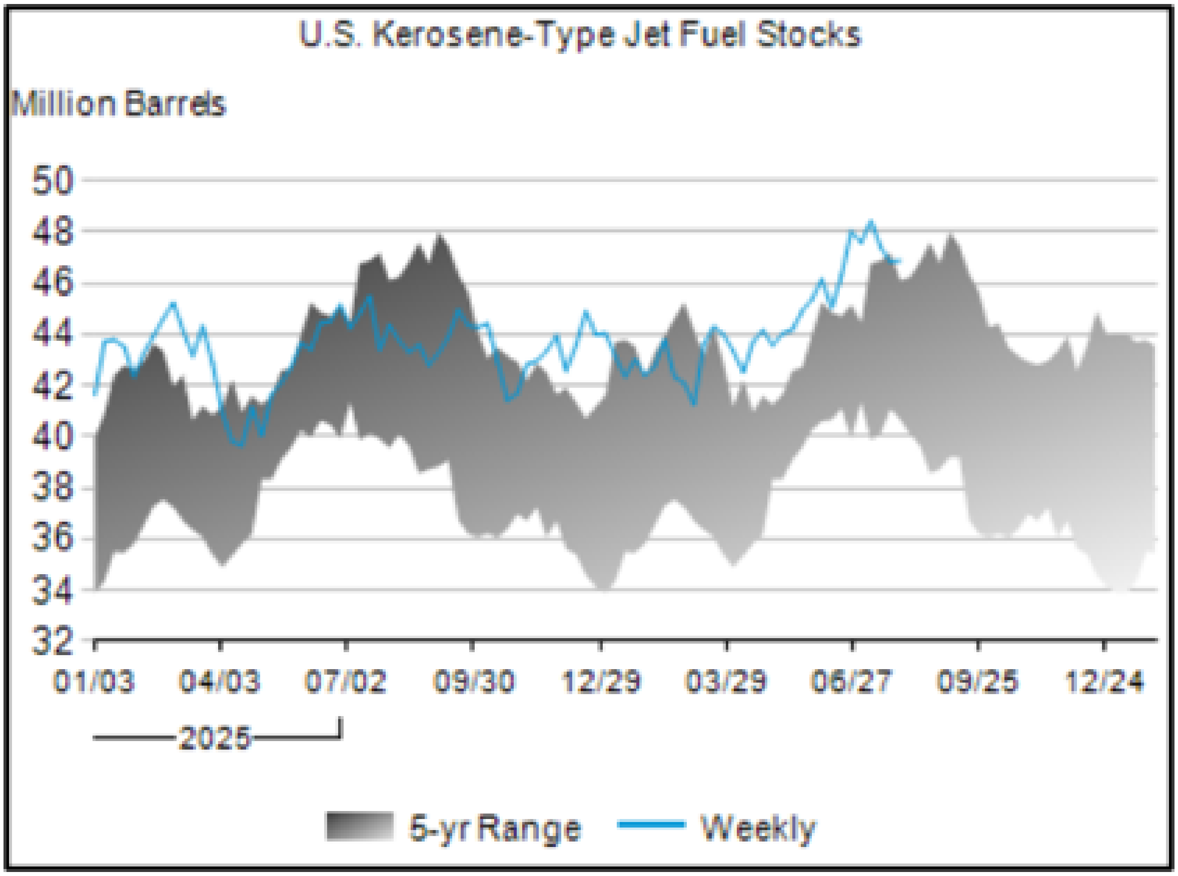
AUGUST 2026

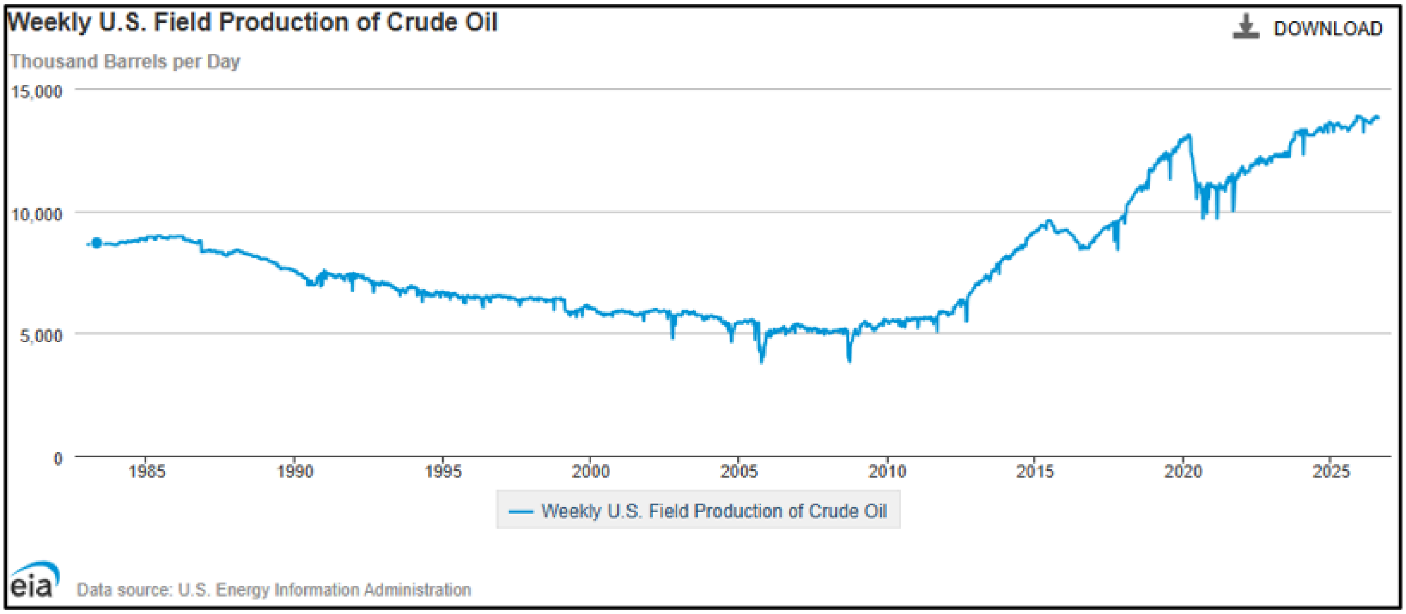
Appendix

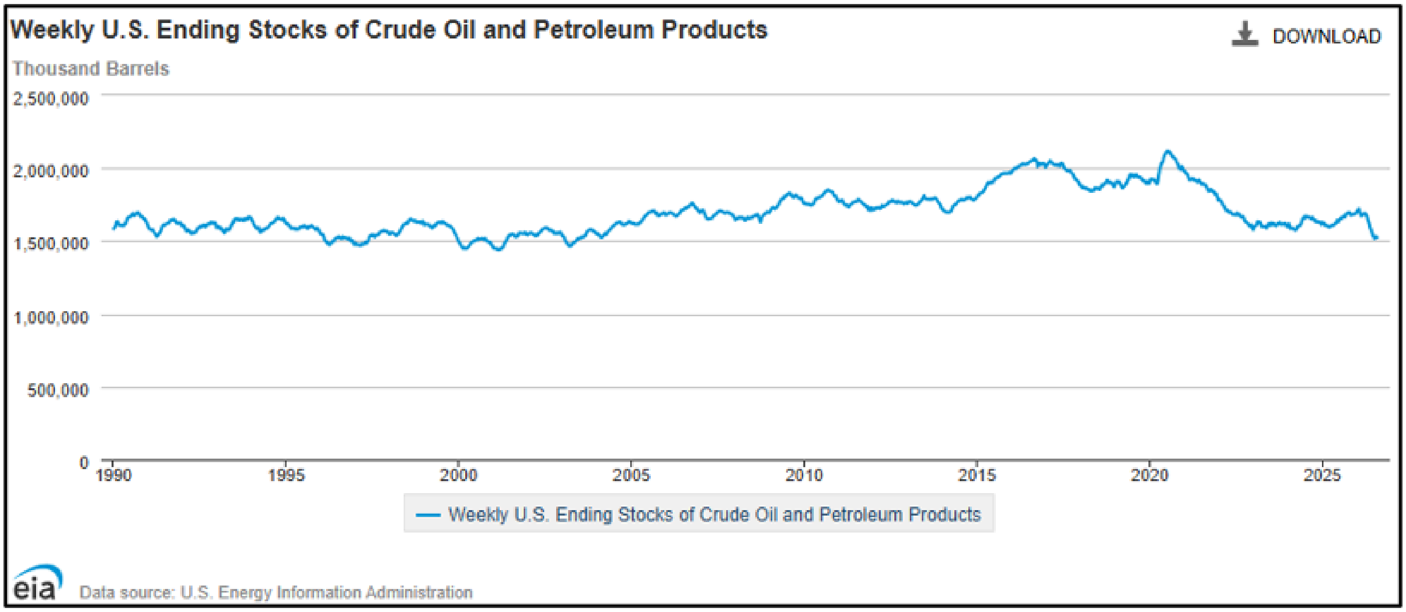


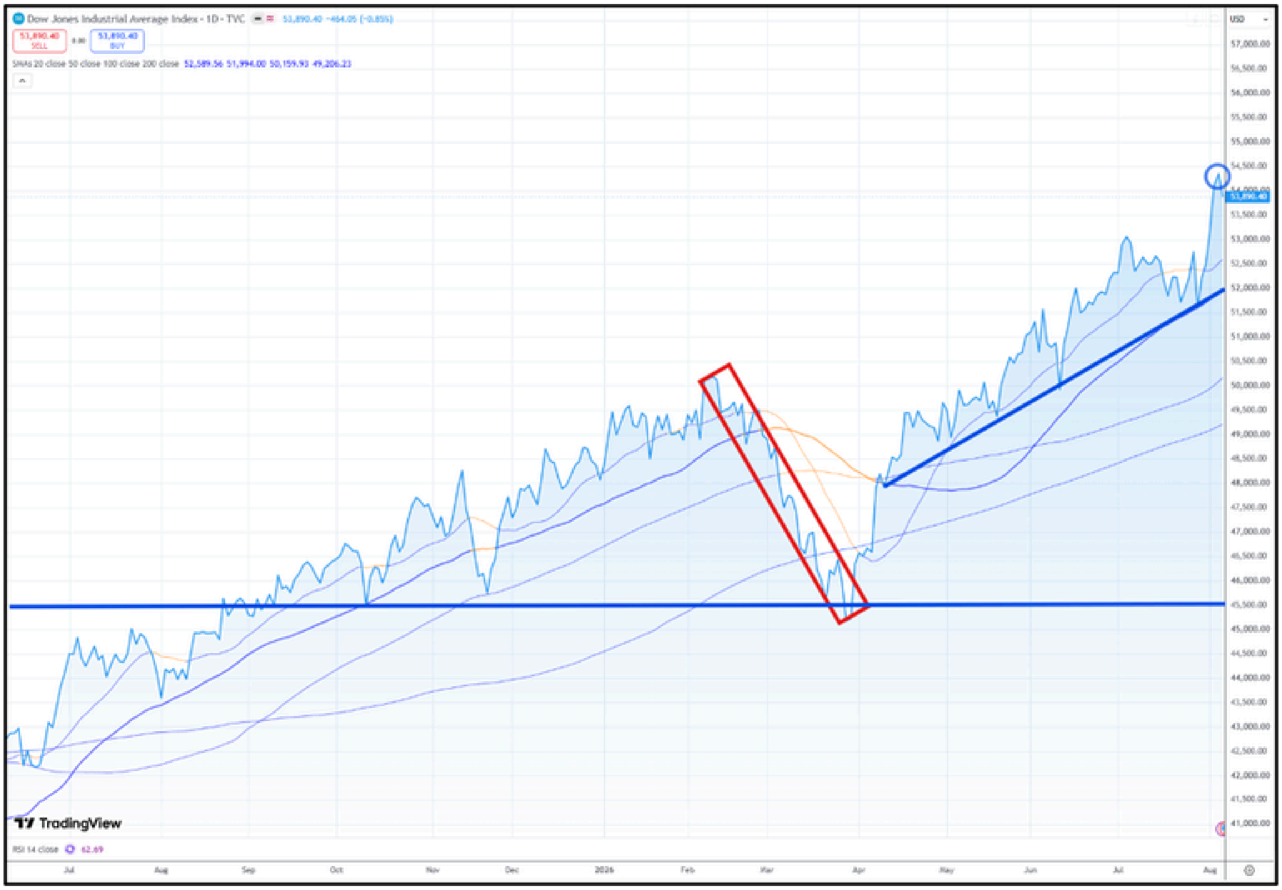



U.S. Total Distillate Fuel Oil Stocks
Million Barrels
180
160
140
120
100
01/03
04/03
07/02
09/30
12/29
03/29
06/27
09/25
12/24
2025
5-yr Range
Weekly


U.S. Kerosene-Type Jet Fuel Stocks
Million Barrels
50
48
46
44
42
40
38
36
34
32
01/03
04/03
07/02
09/30
12/29
03/29
06/27
09/25
12/24
2025
5-yr Range
Weekly


Weekly U.S. Field Production of Crude Oil
DOWNLOAD
Thousand Barrels per Day
15,000
10,000
5,000
0
1985
1990
1995
2000
2005
2010
2015
2020
2025
Weekly U.S. Field Production of Crude Oil
eia
Data source: U.S. Energy Information Administration


Weekly U.S. Ending Stocks of Crude Oil and Petroleum Products
DOWNLOAD
Thousand Barrels
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
1990
1995
2000
2005
2010
2015
2020
2025
Weekly U.S. Ending Stocks of Crude Oil and Petroleum Products
eia
Data source: U.S. Energy Information Administration


Dow Jones Industrial Average Index · 1D · TVC
TradingView


Bitcoin / U.S. Dollar · 1D · Bitstamp
TradingView


Gold Spot / U.S. Dollar · 1D · ICE
4,320.500 +80.170 (+1.89%)
4,320.659 SELL
31.0
4,320.969 BUY
SMAs 20 close 50 close 100 close 200 close 4,084.531 4,166.307 4,405.959 4,481.283
TradingView
RSI 14 close 63.93
USD
5,900.000
5,800.000
5,700.000
5,600.000
5,500.000
5,400.000
5,300.000
5,200.000
5,100.000
5,000.000
4,900.000
4,800.000
4,700.000
4,600.000
4,500.000
4,400.000
4,320.500
4,200.000
4,100.000
4,000.000
3,900.000
3,800.000
3,700.000
3,600.000
3,500.000
3,400.000
3,300.000
3,200.000
3,100.000
Jul
Aug
Sep
Oct
Nov
Dec
2026
Feb
Mar
Apr
May
Jun
Jul
Aug

Daily Market Summary Highlights:

July 10

- Strong expression of interest shown on TMX 20-year firm service as indicated by 2.7X the space available for contracting.
- IEA July 2026 report here: https://www.iea.org/reports/oil-market-report-july-2026

July 11/12

- Strikes continue thru the weekend as both U.S. and Iran grapple for control of the Strait of Hormuz.

July 13

- U.S. once again declares the blockade in Hormuz will re-commence and Trump also indicates all vessels will pass through with U.S. safe passage for a "20% cost premium" and a resumption of shipping through the Strait.
- Crude trades up 9% on the news after an initial 4% increase after hostilities picked up pace over the weekend.
- Iran claims to have killed 3 American soldiers stationed in Kuwait, as a result of attacks completed.
- Iran confirms it attacked 2 tankers attempting to make passage in the Strait under U.S. authorized passage and while traveling without radar (dark transit). These were UAE super tankers raising hostilities towards crude and energy transiting the Strait.
- 3-2-1 Crack in the gulf coast trades at an all-time record $64.58/bbl on July 8th, as products continue to outpace crude input pricing.

July 14

- Trump announces the U.S. will no longer pursue a 20% cargo tax and will instead push for trade deals with Middle East countries utilizing U.S. safe passage.
- LNG prices have spiked along with crude back to March highs as the U.S. blockade is now back in effect and increasing hostilities slow shipments once again through the Strait.

July 15

- U.S. jobs report shows 57K gained on consensus expectations of 115K on non-farm payrolls.
- Kevin Warsh confirmed earlier indications the Federal Reserve would discontinue any forward guidance. They did vote to maintain interest rates flat as economic data softens.

July 16

- Conflict continues in the Strait of Hormuz with the U.S. targeting an Iranian tanker.
- Iran has asked the Yemeni Houthis to close the Bab el-Mandeb Strait targeting primarily Saudi Exports via the Red Sea at some 5MM barrels per day via their East-West Pipeline system and crude loadings out of Yanbu Terminal.
- Ship traffic now sub-20% of pre-war traffic just as original crude on water was able to clear. We look for land inventories to once again show strain should tanker traffic once again be stalled from entering or exit the Strait. Should Bab el-Mandeb come under pressure the situation will worsen.
- U.S. is also reportedly looking to increase tariffs on entities and countries purchasing Russian energy by imposing 100% tariffs on those entities at a time when Middle East tensions appear to be testing higher risk levels.
- EIA puts out 1-pager on inventory levels…sounding alarm bells on available storage as strategic reserves hit the lowest mark in 40 years.

July 17

- Here comes the capital…U.S. announced $60B in deals with Iraq inclusive of infrastructure to build alternative energy routes for the country given regional hostilities.

- The U.S. launched its seventh consecutive night of airstrikes targeting Iranian military logistics and radar infrastructure. Iran retaliated with drone and missile strikes directed at U.S. bases and commercial infrastructure across Kuwait, Bahrain, and Jordan.

July 20

- Houthis announce “Saudi naval blockade” in the Bab el-Mandeb Strait effectively risking Saudi tanker traffic in the Red Sea.
- Crude prices rose initially on the news but came back down through the trading day on new rumors of a 10-day ceasefire to attempt to resolve differences. Market still clearly looking for hope of a deal to calm price escalation fears as U.S. gasoline breaches $4/Gallon across the U.S.

July 21

- Rhetoric ramps up with Yemeni Houthi’s indicating they will target vessels in the Red Sea and will blockade any Saudi crude vessels.
- Two Saudi tankers were observed u-turning in the Red Sea to avoid any potential conflict.
- U.S. continues attacks for an 11th consecutive day and there appears to be no slowing down. Attacks have been now targeting bridges and power plants.
- Crude closes $84.91

July 22

- Houthis claim to have struck two tankers.
- The IRGC states any attacks against the nation will be retaliated on a “eye for an eye” basis. Marco Rubio, then came out and claimed that President Trump will retaliate on a “head for an eye” basis.
- Lack of chatter on potential for “ceasefire” as the two sides are entrenched in the conflict at this stage.
- Crude closes $86.83.

July 23

- Reports U.S. has been moving more forces into the Middle East to face threats from Yemeni Houthis.
- If Saudi blockades are effective, it will force vessels through Suez Canal and create timing issues for cargoes to hit Asian markets.
- Crude closes $92…

July 24

- The Houthis have targeted Saudi oil facilities, creating headaches for Saudi crude bypasses.

July 27

- Crude opens trade Monday down 6.5%
- The U.S. has paused its daily strikes against Iran, as Trump allies push against military escalation.

July 28

- Israeli Prime Minister Benjamin Netanyahu held talks with Trump, which the White House described as “positive and productive.”
- Oman presents a proposal to Iran for joint management of the Strait of Hormuz with “voluntary fees” that would ensure Tehran does not exercise sole control of the vital waterway.
- Despite all the fanfare and positive news around renewed deal hopes, militias in Iraq backed by the IRGC confirmed to have launched ballistic missile attacks on Saudi Arabia targeting energy infrastructure. All missiles were intercepted. Retaliation strikes were orchestrated against these militias in Iraq.
- Saudi Jazan refinery struck by Houthis impacting up to 400,000 barrels a day of refining process capacity.

- Oil was back up above $82.50 after its second consecutive down day.

July 29

- Crude remains elevated after attacks from both sides July 28 providing only a 1-day ceasefire in hostilities when the market at large was led to believe another deal could be immanent.
- Iran was vocal about allowing the U.S. to dictate terms and voiced they will not be allowed to force decision or influence the outcomes. Sounds like they are ready for more hostilities to get what they want.
- Iran strikes at a U.S. military base in Jordan.
- Trump stated: “we are going to be hitting them back hard” in what now appears to be a case of tit for tat military tactics between the two countries.
- Crude closed the day up over 7% from July 28 close to settle at ~$84.50. Market trades down in after hours after U.S. retaliatory strikes were not as “hard” as some feared, indicating the U.S. is still holding back on its execution of military strikes to avoid an all out war in the region once more.

July 30

- Markets heard from Federal Reserve chairman Kevin Warsh and they didn’t like what he had (didn’t have) to say. He held the line, allowing markets and the data to dictate terms. For now, rates remain unchanged, and the Fed will closely watch for the appropriate signal to raise or lower rates as needed.
- Market pundits are already putting out messages in the bottle hoping they will find Chairman Powell. Dow sold off 1,100 points on the speech, and the U.S. dollar sold off in a clear risk off sentiment. Bonds immediately rose on yields indicating they are happy to lead the way with inflation remaining above 2% targets.
- The U.S. attacked Iran military targets as promised but held short of escalation to civilian risk targets.
- Crude trades down in early morning trade to $83.50 with seemingly wanting more to justify rallying higher despite Hormuz, Bab el-Mandeb, and now Suez Canal risk closures.
- LNG tankers were targeted in Egypt in what now appears to be a spreading crisis in the region.

July 31

- Caspian Pipeline Consortium reduces flows on its pipeline to the Black Sea following a Kazakh crude cargo being struck by Ukrainian drones in what is becoming an increasing threat to markets.
- Kazakhstan production was believed to have fallen to 1MM barrels per day over 50% lower than normal given the constraint as storage levels are near full as a result of risk in the region.
- Ukraine also struck one of Russia’s largest refineries once more. Lukoil’s PJSC refinery processes some 300kbd of crude and has been previously targeted.

Aug 2

- Trump has once again paused attacks on Iran, returning markets to the familiar swing between escalation fears and deal optimism.
- Iran has touted progress on talks with Oman on the future status of the Strait of Hormuz.
- Other news outlets have been reporting there is no deal negotiations currently taking place with Iran, but the market still seems to trade off the aspirations of de-escalation.
- WTI trades down 6.5% on the news of Trump pausing attacks seeking “rapid” diplomacy. Rapid is anything but what has been happening from a negotiation standpoint point.

Aug 3

- President Trump goes on the offensive demanding U.S. fuel retailers lower their gasoline/fuel prices immediately following his decision to pull back on larger attacks on Iran over the past weekend.
- With crude down some 5.5% on the news Trump wants prices at the pump to reflect the input costs at the refinery level. Crack spreads have been hitting record levels as a result of fuel shortages, while WTI and Brent futures prices have managed to stay relatively lower given the disruptions in the Middle East. Something to monitor as Ukrainian strikes to Russian fuels has also caused significant impacts to global fuel supply.
- Crude settles slight above $80 despite lack of clear progress and threats of continued attacks.

Aug 4

- President Trump started a new attack on Monday going after outsized profits from elevated pricing. He indicated “he didn’t like energy company profits, all based on elevated pricing” and “they will have to give some back.”
- WTI Market once again sold off to $75US on news from both U.S. and Qatar noting progress towards a short-term deal to open Hormuz. While this sounds more like the MOU of last month, we will wait to see what the market knows to justify a $10US/barrel sell off since the August 1 run up to almost $87US.
- Trump threatens “decapitation” as strikes continue in the Red Sea with Houthis again targeting tanker traffic in the key passage.
- Differentials open trading for September cycle showing light strength with Synthetic hitting +$9.00 and light sweet once again firmly positive at +$1.75.
- Equity markets rally on strength of AI earnings led by Palantir Technologies rising by almost 30% on stellar earnings released for their quarter end.

Aug 5

- CENTCOM said the "southern route of the Strait of Hormuz remains free and open," referring to a path through Omani territorial waters.
- This comes after U.S. Treasury Secretary Scott Bessent said that a deal with Iran may come this week.
- U.S. President Donald Trump and others contradicted reports that U.S missile stockpiles could be 80% depleted, therefore dramatically reducing the U.S. ability to continue attacking with force.

Aug 6

- News reporting sides are close to announcing a 60-day opening agreement of Hormuz in which Iran/Oman and the U.S. will agree to terms.
- Details are still scarce on what other provisions may be announced, but it would appear the U.S. is on the back peddle as Trump once said “nothing else matters other than a deal on nuclear,” which has not been mentioned at any time during this latest negotiation.
- Energy supply movement appears to have taken the forefront along side news reports that the U.S. may have depleted (along with its strategic reserves of crude) its supplies of ballistic missiles.
- Indian vessel was sunk in the Red Sea off the Yemen coast after the presumed Houthis attack previously. Remains unclear how extreme groups will behave during this period, but risks are plentiful.