

ENERGY PROCUREMENT REPORT

What's driving your energy prices?

Bullish Factors

- OPEC+ continues to restrict supply (see right)
- The Chinese government has implemented expansionary fiscal and monetary policy measures to boost the recovery
- Central banks that have been tightening may be approaching an inflection point
- The oil market is expected to see stock draws in the second half of the year, as demand outpaces supply (IEA)

Bearish Factors

- Central banks continue to raise interest rates as they work to combat inflation
- The US dollar index has rallied sharply from July 14, virtually erasing the heavy losses seen in the July 6-13 sell-off.
- Economic data, particularly from Europe, point to an economic slowdown in many countries

Did you know?

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OPEC+ Keeping Supplies Tight

Saudi Arabia extended its voluntary output cut of nearly 1mb/d through September. Russia announced 0.5mb/d export curbs for the month of August, and recently announced it would be extending (but reducing) the curbs in September, at 0.3mb/d. Last month, Saudi Arabia delivered on its promise by cutting production by 0.97mb/d. This drove a reduction in overall OPEC output of 0.84mb/d last month.

