

# ENERGY PROCUREMENT REPORT



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## What's driving your energy prices?

### Bullish Factors

- OPEC and non-OPEC allies (OPEC+) agreed to reduce oil by a total of 1.2mb/d versus October 2018 levels (except for Kuwait, which has a different baseline). As usual, Saudi Arabia and Russia are doing most of the heavy lifting, while Iran, Libya, and Venezuela appear to be exempt.
- US refining activity is rising seasonally, following fall maintenance.
- An armed militia has taken over the El Sharara oilfield in Libya. Libya's National Oil Corp. declared force majeure, and says it will not pay ransom to get production restarted.

### Bearish Factors

- Global stock markets have fallen heavily this year. US equities have fallen by about thirteen percent this year, while non-US stocks have fallen by nearly twenty percent, based on market capitalization weighted indexes.
- Economic data continue to show a trend of slowing growth. US third quarter GDP growth and consumer spending were both downwardly revised. Eurozone composite PMI indexes from Markit show a trend of slowing expansion in both the manufacturing and service sectors.
- The US remains the top oil producer, at 11.60mb/d in recent weeks.

## Did you know?

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### Heating Degree Day Update (Jul 1 – Dec 22)

State/Region	Cumulative HDDs	Cumulative Deviation vs. Normal (%)	Cumulative Deviation vs. Last Year (%)
CONNECTICUT	1,897	-2	10
DELAWARE	1,387	-5	9
MAINE	2,738	4	18
MARYLAND	1,491	-3	11
MASSACHUSETTS	1,999	-2	15
NEW HAMPSHIRE	2,485	-2	15
NEW JERSEY	1,689	-1	9
NEW YORK	1,833	-4	15
PENNSYLVANIA	1,892	-1	5
RHODE ISLAND	1,884	5	14
VIRGINIA	1,416	-2	9
VERMONT	2,725	0	10
NEW ENGLAND	2,108	-1	14
MIDDLE ATLANTIC	1,821	-3	10
NEW ENGLAND (OIL)	2,170	0	14
MIDDLE ATLANTIC (OIL)	1,830	-3	11

