

Cash Flow and Carey



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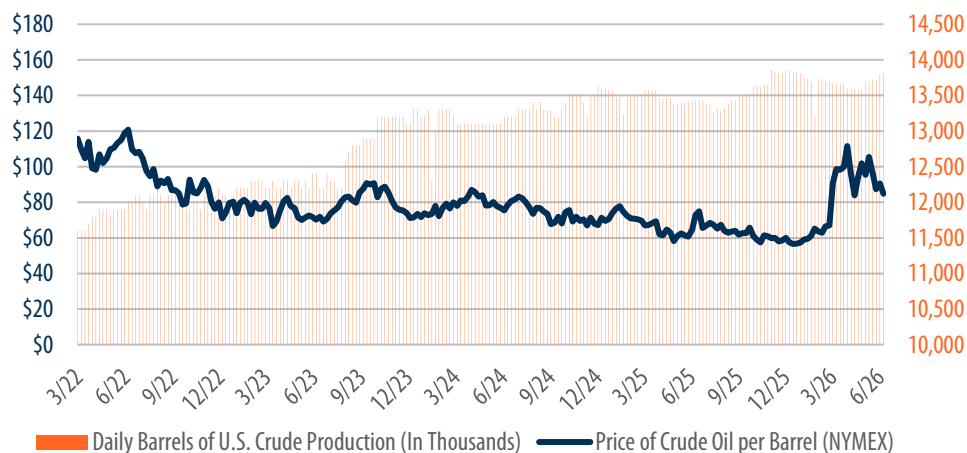
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Crude Oil Price Update

Crude Oil Gas Prices (WTI) vs. U.S. Crude Oil Production (3/4/22 – 6/12/26)



Source: Bloomberg, U.S. Department of Energy. Weekly observations.

View from the Observation Deck

Global oil demand remains resilient despite widespread predictions of long-term decline, increasing by 0.8% and 0.7% in 2024 and 2025, respectively, according to the International Energy Agency (IEA). As evidenced by recent events (Russia’s invasion of Ukraine and U.S. military operations in Iran), oil prices are often subject to supply shock-driven volatility. Today’s discussion contrasts the price per barrel for West Texas Intermediate (WTI) crude oil to U.S. crude oil production, measured in thousands of barrels per day (b/d), on a weekly basis. The chart begins on 3/4/22, several days before oil’s most recent peak which occurred on 3/8/22. For context, Russia’s military operations against Ukraine began on 2/24/22.

- The price of WTI crude oil stood at \$84.88 per barrel at the close of trading on 6/12/26, down 26.6% from its closing price of \$115.68 on 3/4/22 (start of chart), according to data from Bloomberg.
- The average daily price of crude oil was \$78.30 per barrel during the period captured in the chart. The highest and lowest daily closing prices were \$123.70 and \$55.27 per barrel on 3/8/22 and 12/16/25, respectively.
- Oil prices spiked as the Iranian conflict unfolded, sending WTI crude skyrocketing 104.4% from its chart low of \$55.27 in December 2025 to \$112.95 in April 2026.
- For comparative purposes, the S&P 500 Energy and S&P 500 Indices saw total returns of 32.8% and 9.9%, respectively, over the same time frame. The top-performing energy subsector, of which there are five, was the S&P 500 Oil & Gas Refining and Marketing subsector, with a total return of 49.5%.
- U.S. oil production increased from 11.6 million b/d on 3/4/22 to 13.8 million b/d as of 6/12/26, according to data from the U.S. Department of Energy.

Takeaway

News of a peace agreement between the U.S. and Iran broke over the weekend, sending the price of WTI crude oil plummeting 10.4% between the end of our data set (6/12/26) and the close on 6/16/26. In an early-year post (“[Drilling Into Energy Stocks](#)”), we noted that oil prices had already been increasing prior to the war’s inception. While the accord brought price relief over the near term, many of the factors noted in our prior discussion remain and may support heightened price volatility, in our opinion. Oil consumption continued to increase among developing nations in 2025, with China accounting for nearly one-third of the total global expansion during the year. Demand among developed nations was mixed, increasing by 0.9% in the U.S., but declining in the EU during the year. U.S. oil production has risen of late, climbing from 13.2 million b/d on 1/30/26 to 13.8 million b/d on 6/12/26. Recent news of the UAE’s exit from OPEC+ could also add to supply and may support lower prices in the long run.