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GRANITE POINT RESEARCH

Oil & Gas

Resource Report: Monthly Oil & Gas Perspectives

February 2026 Edition

Oil & Gas

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Inside This Issue

Bottom Line:

WTI and Brent prices moved higher in February rallying 2.8%/2.5% respectively as tensions between the U.S. and Iran grew. These tensions ultimately led to war between U.S./Israel and Iran which commenced over the weekend. Oil prices are likely to remain volatile as the market searches for indications of the duration and intensity of the war offset by persistent concerns of oversupply.

Key Points

Natural Gas. NYMEX prices tumbled 60.6% month-over-month with AECO prices falling 35.4% m/m. Forecasts for warmer weather in the coming weeks have pressured natural gas prices with NYMEX/AECO prices falling 20.3%/45.5% respectively year-to-date.

Crude Oil. WTI prices were up 2.8% in February and are up 16.7% year-to-date with the market focusing on the growing tension between Iran and the U.S.

Equities. The TSX E&P and the S&P500 E&P indices were up 19.0%/19.4% respectively in February with large-cap oil weighted equities leading the charge. Oil & gas equities have continued to outperform the broader market offering a safe haven from the sharp sell off in tech and software.

Gold-oil ratio has hit a multi-year high with it now taking 77 barrels of oil to buy one ounce of gold.

Important Disclosures: See pages 16-17

Commodity Currents

WTI prices rallied 2.8% in February and are up 16.7% year to date as tensions between Iran and the U.S. continued. Brent crude prices have mirrored those of WTI increasing 2.5% in February and 16.7% year to date as tensions between the U.S. and Iran increased trumping concerns over crude oil oversupply.

NYMEX natural gas prices tumbled 60.6% month-over-month with AECO prices falling 35.4% m/m. NYMEX is now down 20.3% year to date (YTD) while AECO is down 45.5% YTD as weather forecasts were for milder weather in the coming weeks. In Canada, warmer-than-normal conditions pressured AECO prices.

Equity Impact

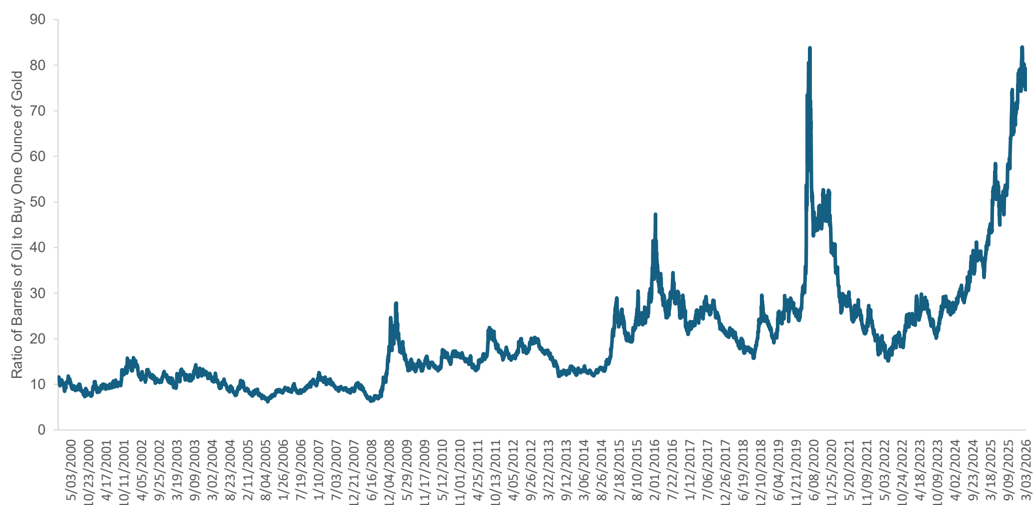
The TSX E&P Index and the S&P 500 E&P Index were up 19.0%/19.4% respectively in February. Amongst the large cap names OXY, OVV and IMO had the best performance during the month while in the SMID universe the best performers in February were CRGY, SM and SCR.

Oil & gas equities have continued to outperform the broader market, offering a safe haven from the sharp sell-off in software and technology shares. Oil and gas valuations remain reasonable by historical standards with the group largely trading in-line with the 10-year average valuation multiples.

Equities have outperformed the commodity with gas levered equities largely flat so far this year and with large-cap oil equities delivering the strongest performance year to date.

The gold-oil ratio has hit a new multi-year high with it now taking 77 barrels of crude oil to but just one ounce of gold. We can't be certain as to when an inflection point could occur but imbalances such as these are rarely sustained for long periods of time.

Exhibit 1: Gold-Oil Ratio



Source: Bloomberg, Granite Point Research

Making News

Oil prices likely to remain volatile as uncertainty abounds as war breaks out between Iran and the U.S./Israel. The narrative has abruptly shifted for oil from concerns over potential crude over-supply to the prospect of a protracted conflict. While oil prices have jumped on the news a further increase in prices will depend on the duration and intensity of the conflict. Should a potential supply disruption occur through the Strait of Hormuz occur or if Iran is capable of attacking gas plants or oil fields in the region, we could see crude prices rise 10-20% on the news.

Over the last month, VLCC tanker rates have surged as crude freight markets have tightened and tanker risk premiums increased. Over the past two years the VLCC market has seen limited new additions to the global fleet compared to the 10-year average growth rate of ~3%. Some 16-17% of the global VLCC tanker fleet is currently under sanction as they are carrying either Venezuelan, Russian or Iranian barrels. These sanctions have further constrained tanker availability from/to mainstream markets. While we estimate that 40 new tankers are expected to be delivered globally later this year and newbuild orders sit at around 170 we expect the VLCC market to remain tight until the new orders come online.

Commodity Performance

Exhibit 2: Commodities Performance Overview

	02/27/2026	02/20/2026	02/13/2026	01/30/2026	12/31/2025	02/28/2025	Percent Change 1 Week	2 Week	1 Month	YTD	Y/Y Chg.
Commodities											
WTI (US$/bbl)	67.02	66.39	62.89	65.21	57.42	69.76	0.9%	6.6%	2.8%	16.7%	(3.9%)
Brent (US$/bbl)	72.48	71.76	67.75	70.69	60.85	73.18	1.0%	7.0%	2.5%	19.1%	(1.0%)
WCS (US$/bbl)	51.14	51.42	47.06	50.36	43.83	56.31	(0.5%)	8.7%	1.5%	16.7%	(9.2%)
Henry Hub Prompt (US$/MMBtu)	2.83	3.15	3.24	7.18	4	3.91	(10.2%)	(12.7%)	(60.6%)	(29.3%)	(27.6%)
AECO Prompt (C$/Gj)	1.46	1.66	1.66	2.26	2.68	1.83	(12.0%)	(12.0%)	(35.4%)	(45.5%)	(20.2%)
Indices											
TSX E&P	415.61	412.55	409.77	349.15	344.81	322.61	0.7%	1.4%	19.0%	20.5%	5.1%
S&P500 E&P	732.15	722.71	705.06	612.98	608.52	643.08	1.3%	3.8%	19.4%	20.3%	(10.4%)

Source: FactSet, Granite Point Research

Equity Performance Overview

Exhibit 3: Large Cap M/M Share Performance

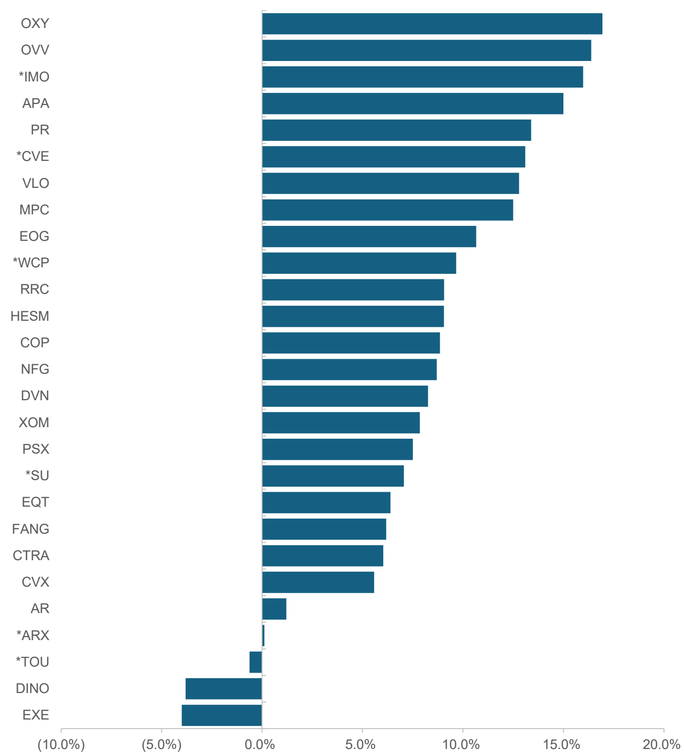
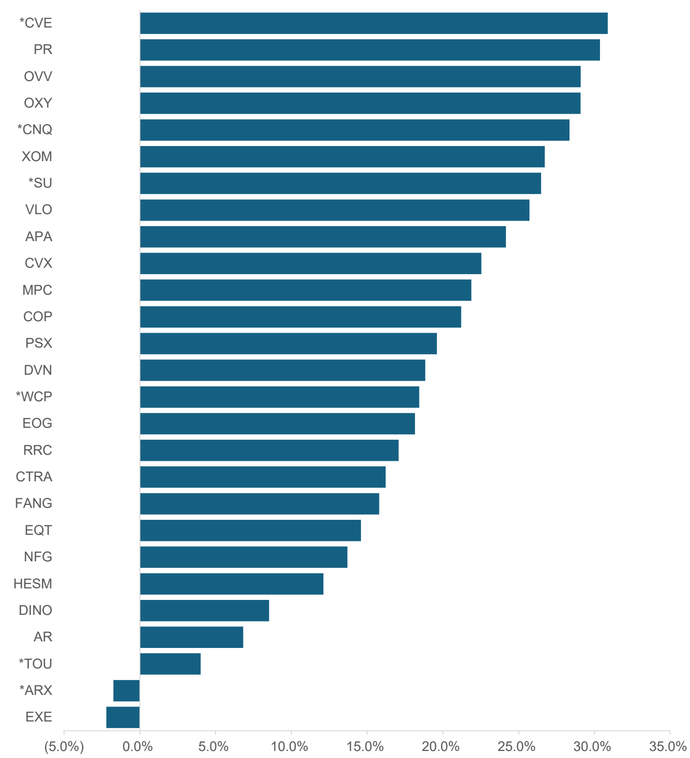


Exhibit 4: Large Cap YTD Share Performance



Source: FactSet, Granite Point Research

Exhibit 5: SMID M/M Share Performance

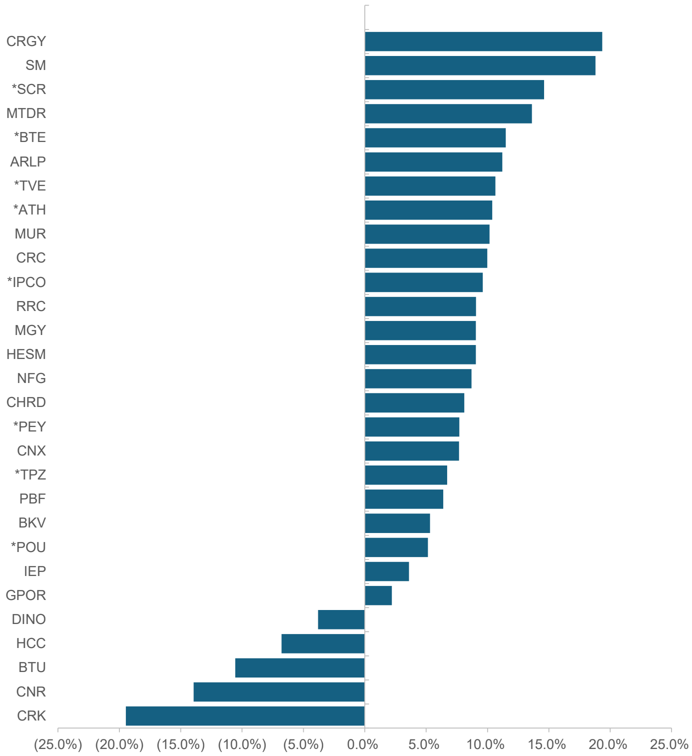


Exhibit 6: SMID YTD Share Performance

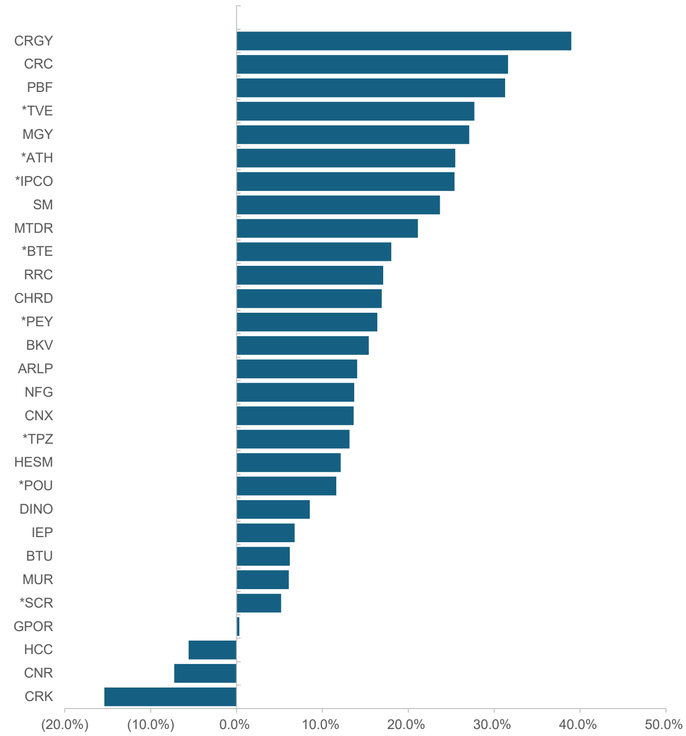


Exhibit 7: Large Cap 2026E Consensus M/M CFPS Revisions

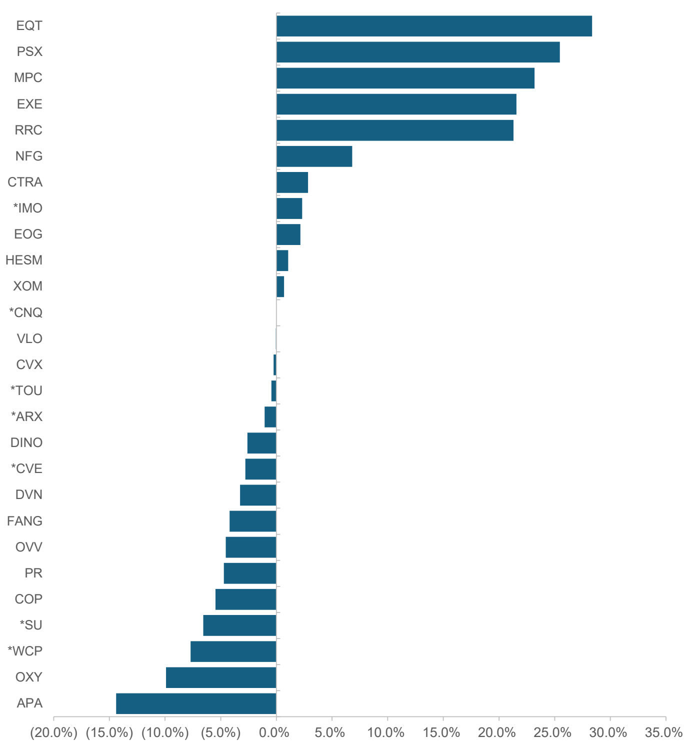
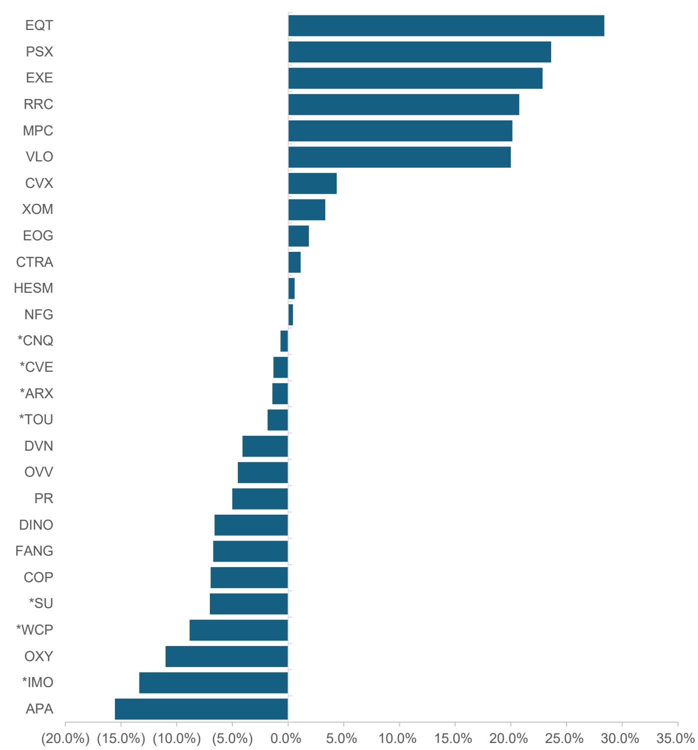


Exhibit 8: Large Cap 2026E Consensus YTD CFPS Revisions



Source: FactSet, Granite Point Research

Exhibit 9: SMID 2026E Consensus M/M CFPS Revisions

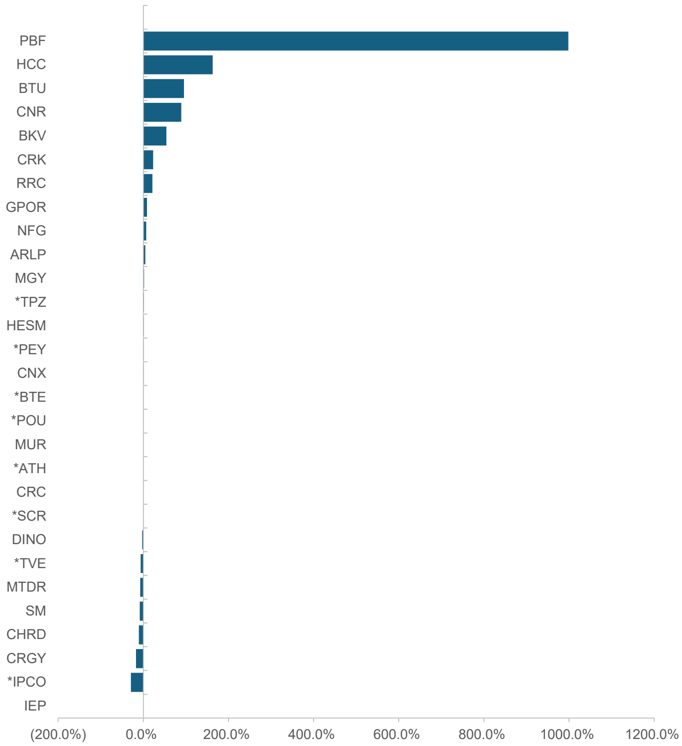
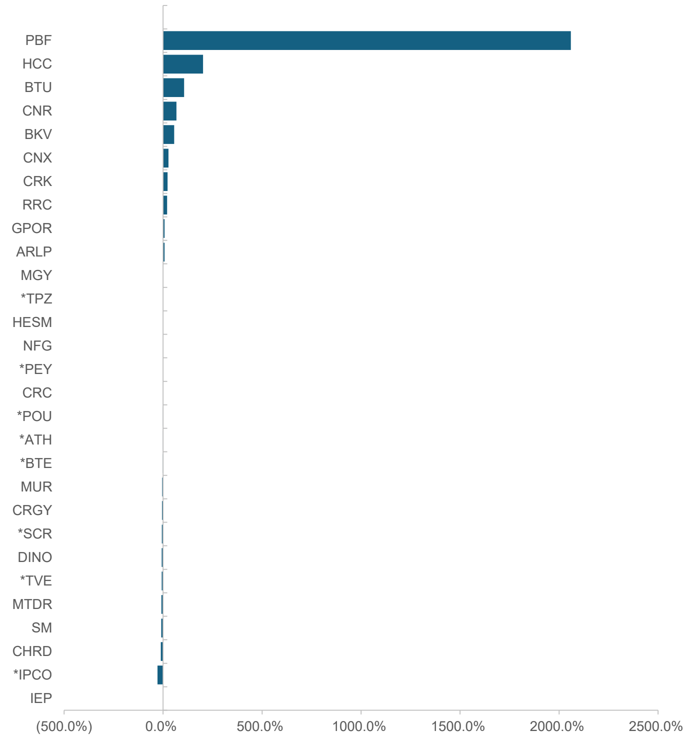


Exhibit 10: SMID 2026E Consensus YTD CFPS Revisions



Source: FactSet, Granite Point Research

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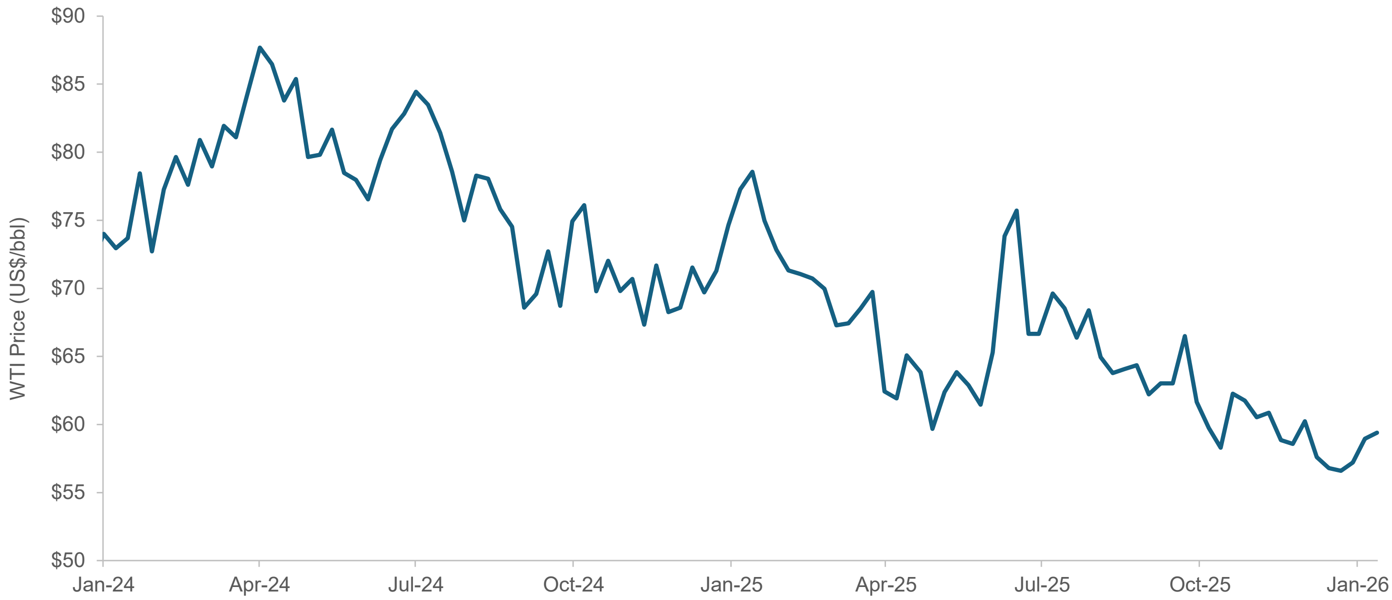
Oil Market

Exhibit 21: WTI Price



Source: FactSet, Granite Point Research

Exhibit 12: Crude Oil M/M Performance

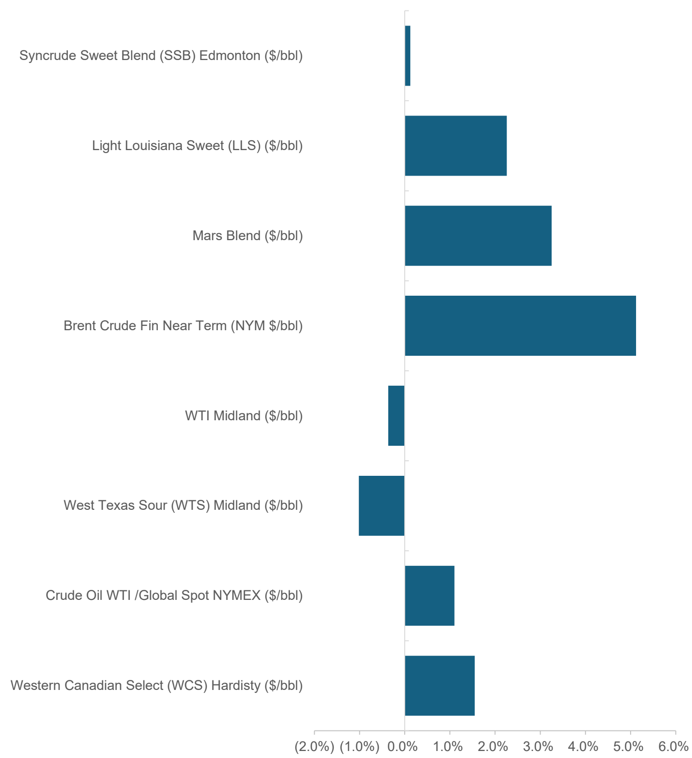
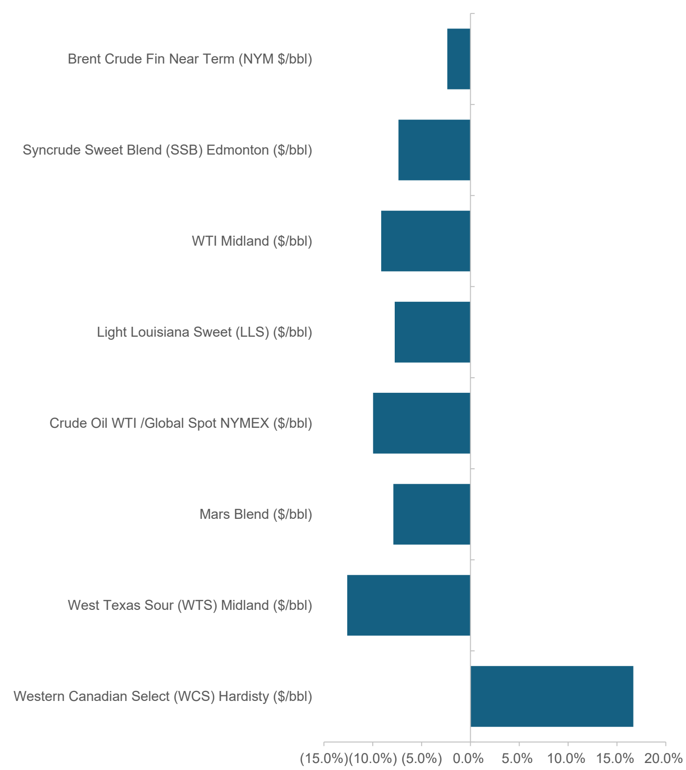


Exhibit 13: Crude Oil YTD Performance



Source: FactSet, Granite Point Research

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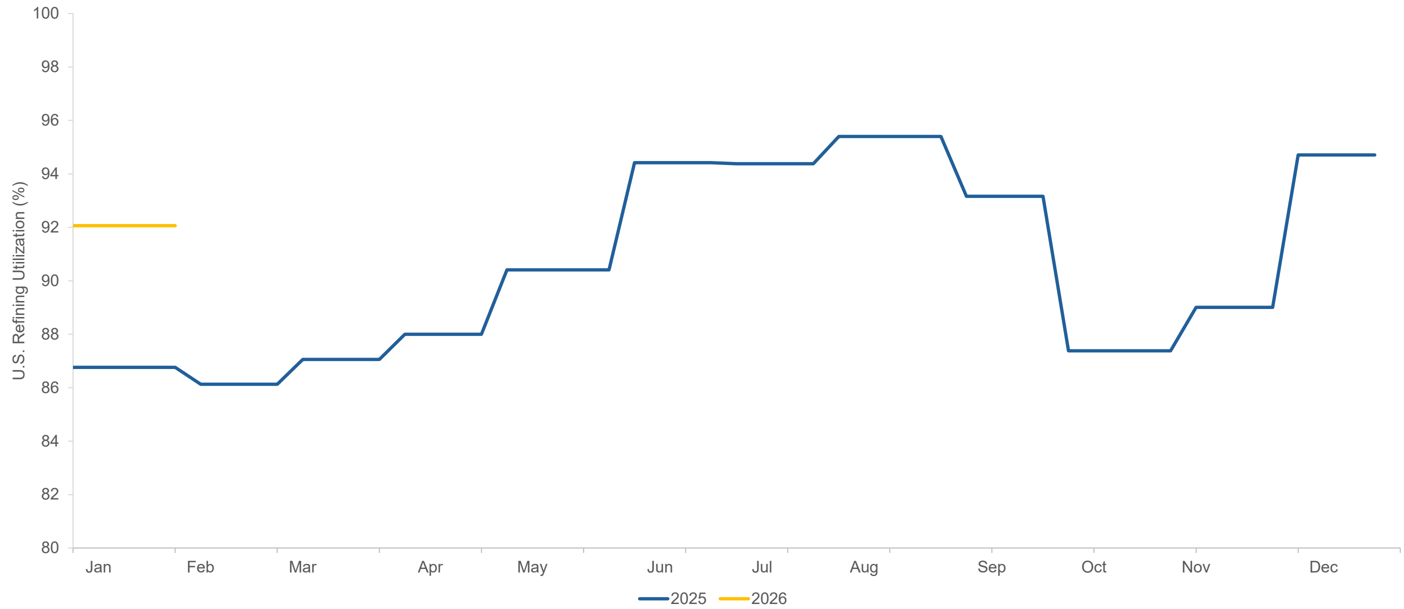
Exhibit 14: U.S. Refining Utilization %



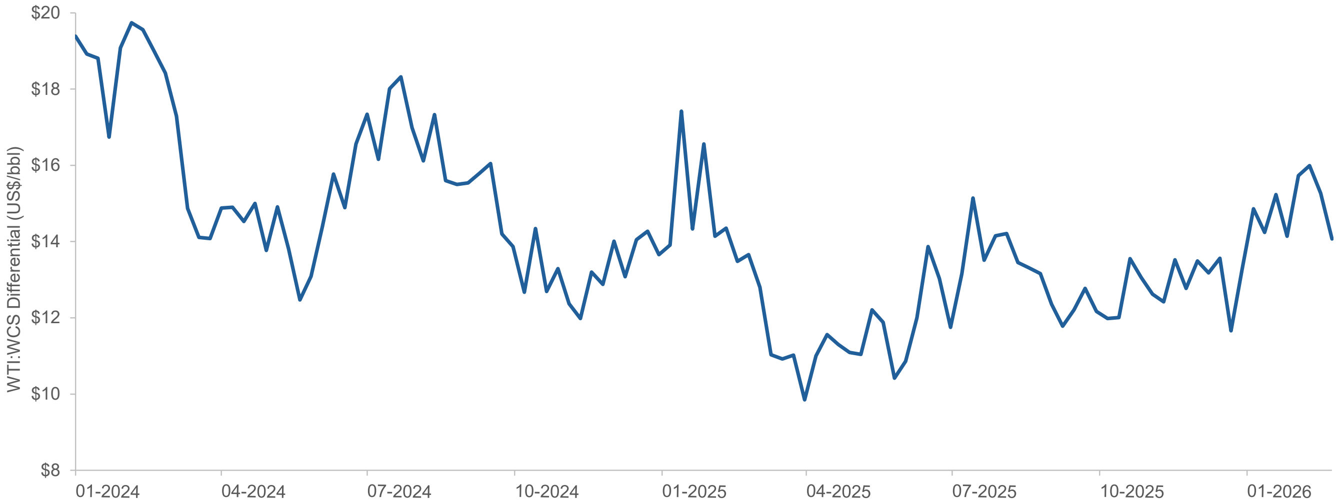
Source: FactSet, Granite Point Research

Exhibit 15: WTI and Crude Inventory

Source: Source: FactSet, Granite Point Research

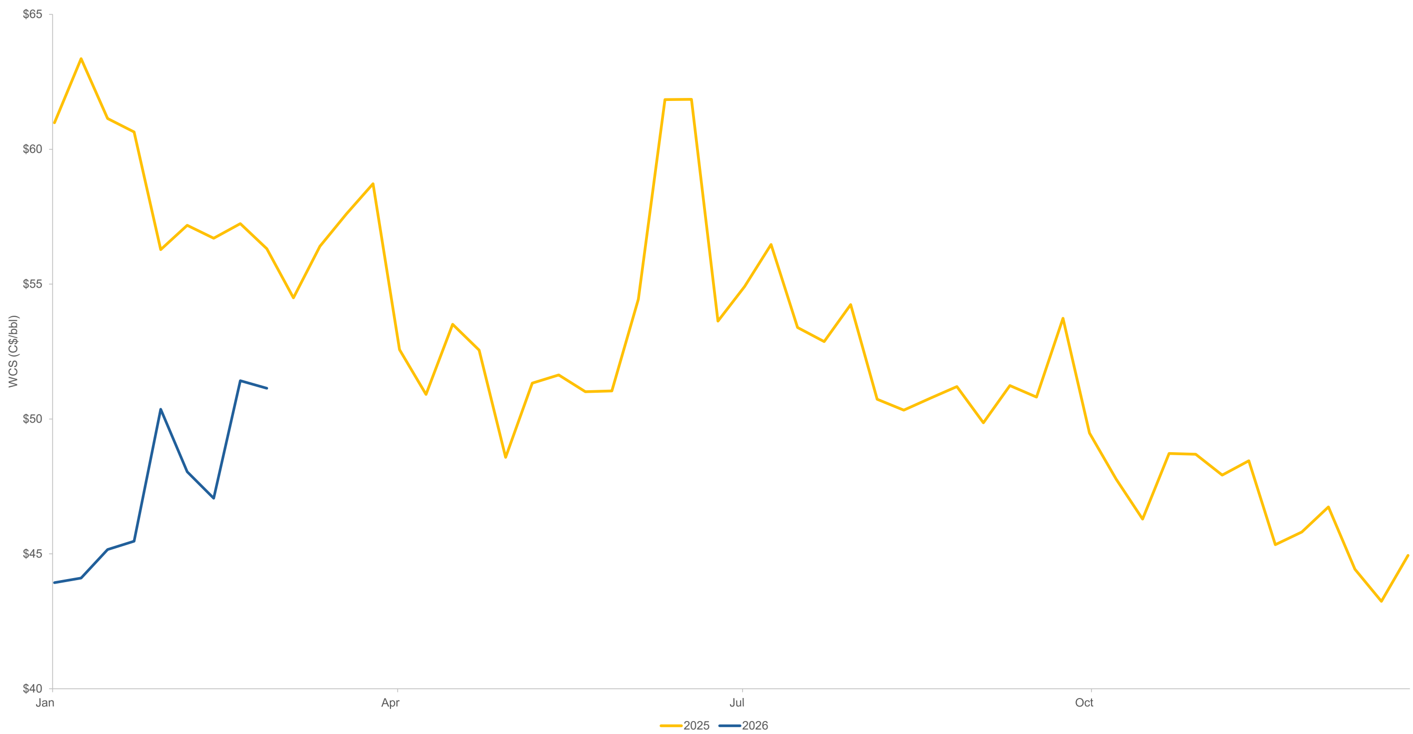
Canadian Oil Market

Exhibit 16: WTI:WCS Differential (US$/bbl)



Source: FactSet, Granite Point Research

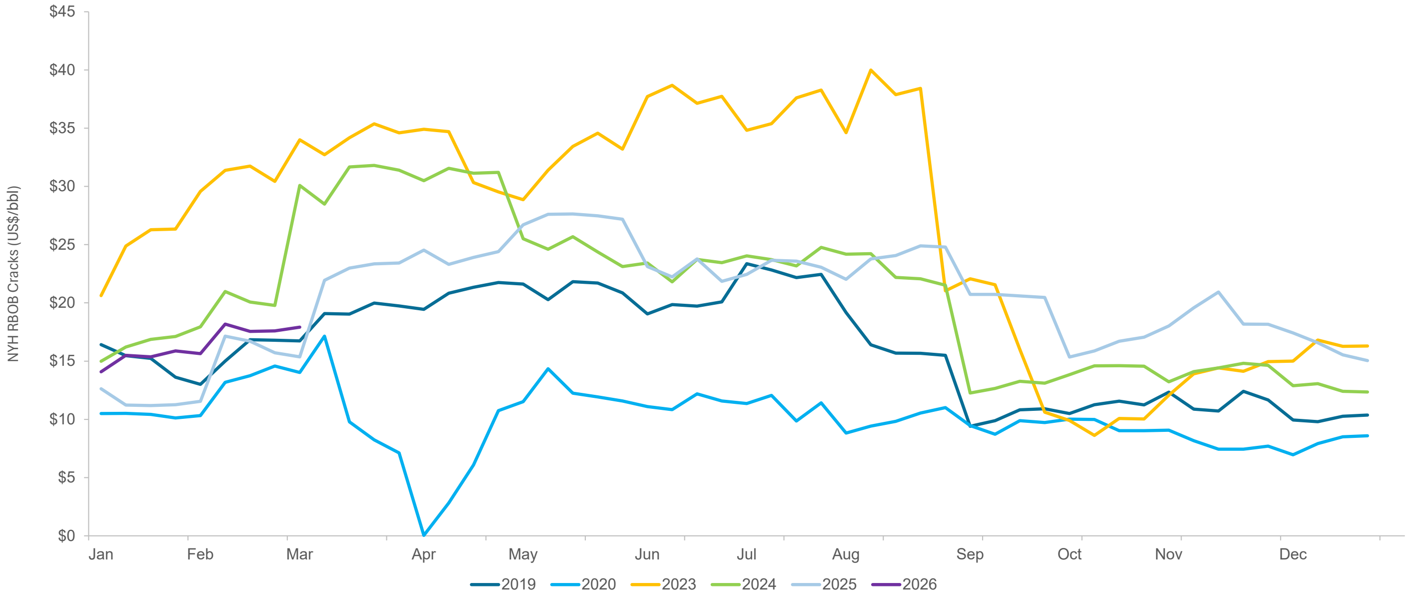
Exhibit 17: Western Canadian Select ($/bbl)



Source: FactSet, Granite Point Research

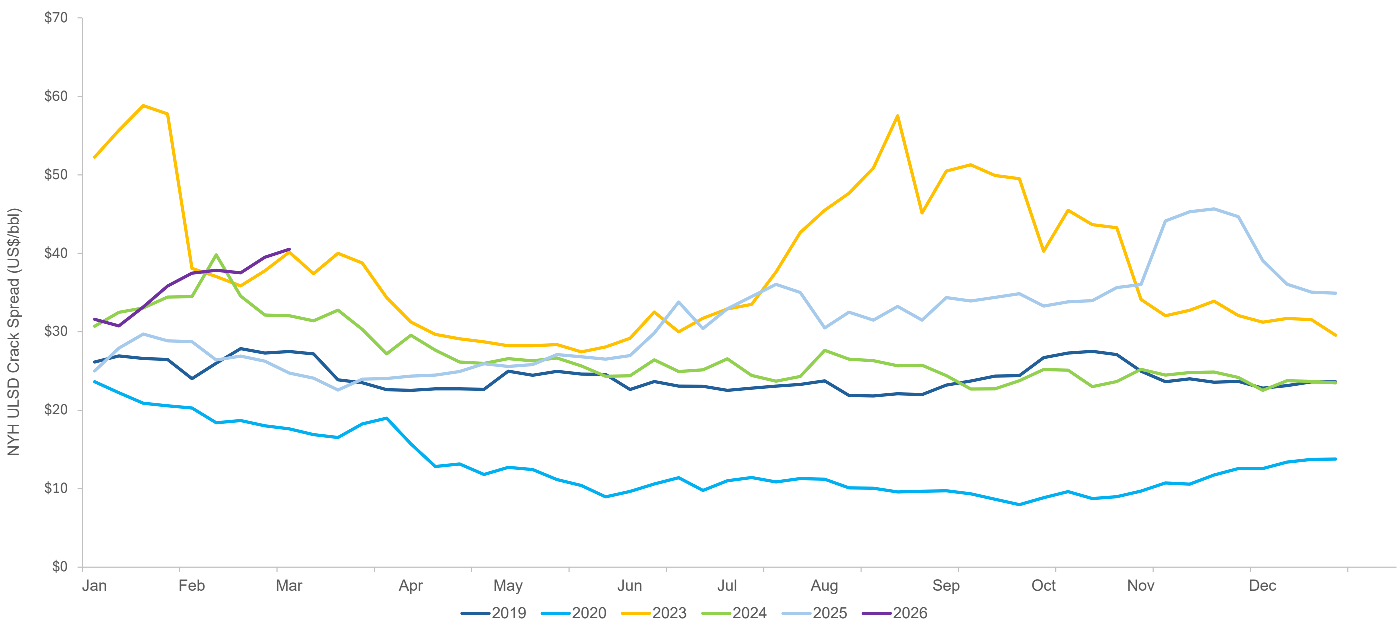
Oil Products Market

Exhibit 18: NYH RBOB Cracks (US$/bbl)



Source: FactSet, Granite Point Research

Exhibit 19: NYH ULSD Cracks (US$/bbl)



Source: FactSet, Granite Point Research

Exhibit 20: U.S. Gasoline Inventories

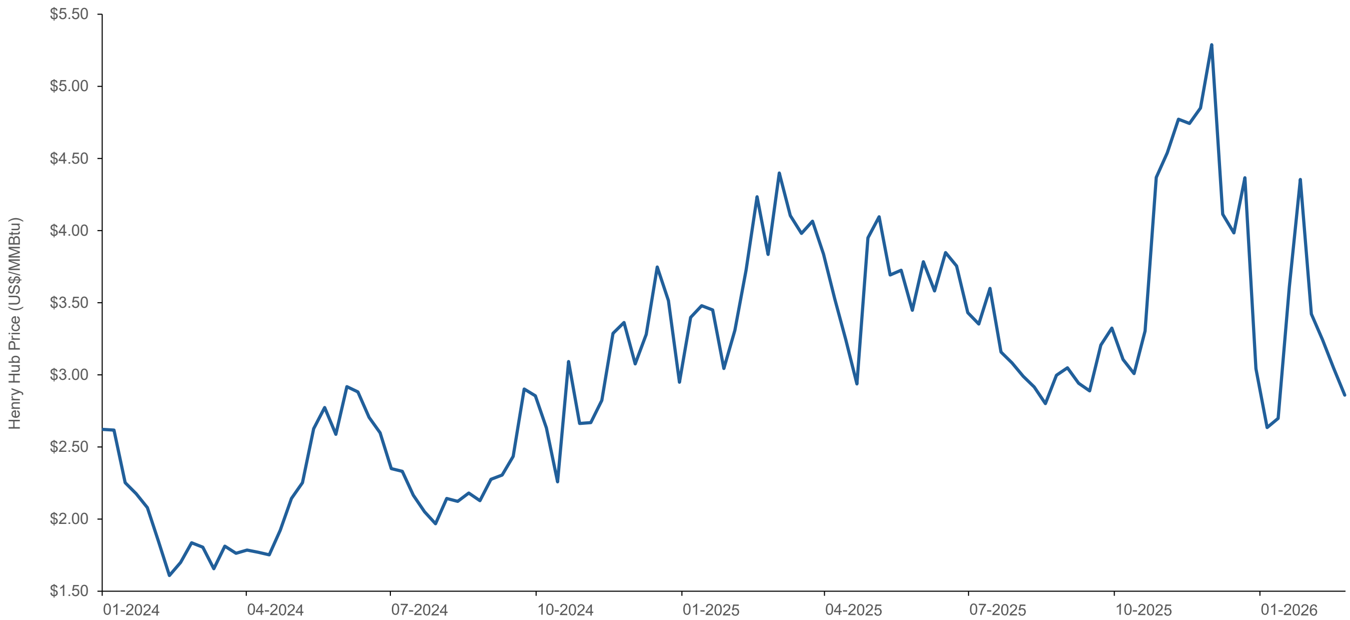
Source: FactSet, Granite Point Research

Exhibit 21: U.S. Distillate Inventories

Source: FactSet, Granite Point Research

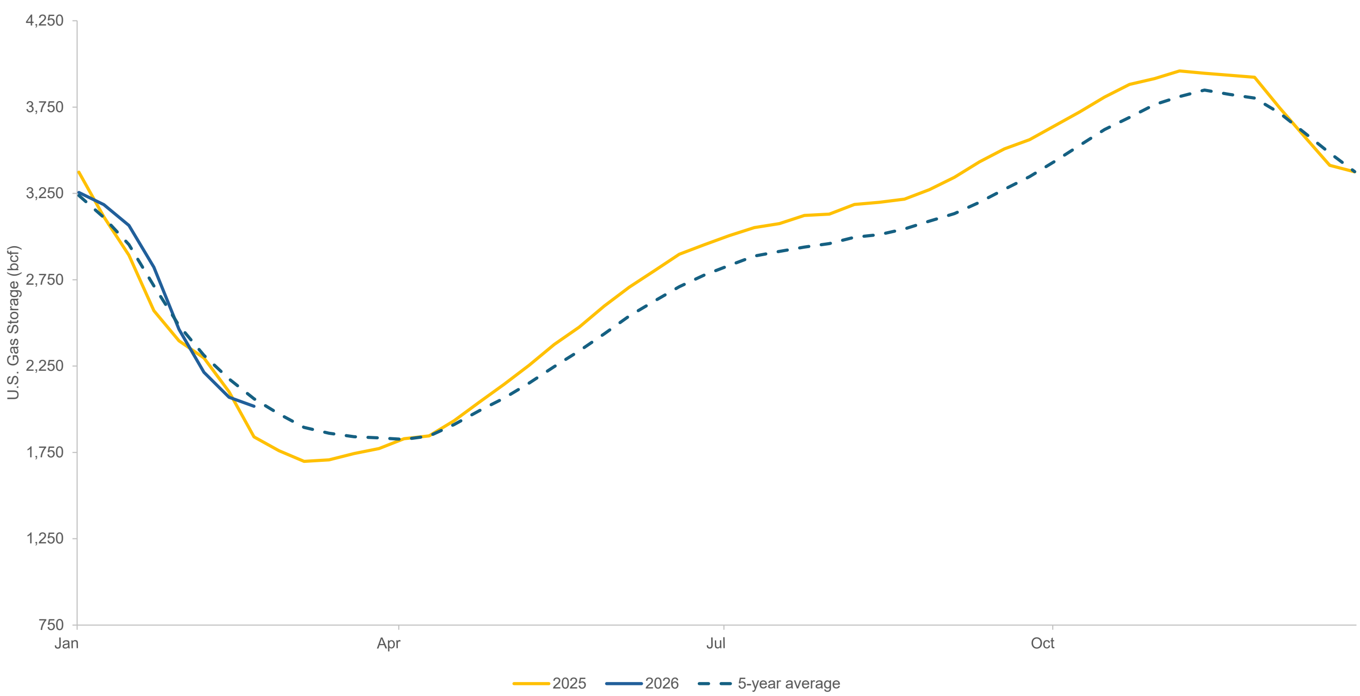
Natural Gas Market

Exhibit 22: Henry Hub Price (US$/MMBtu)



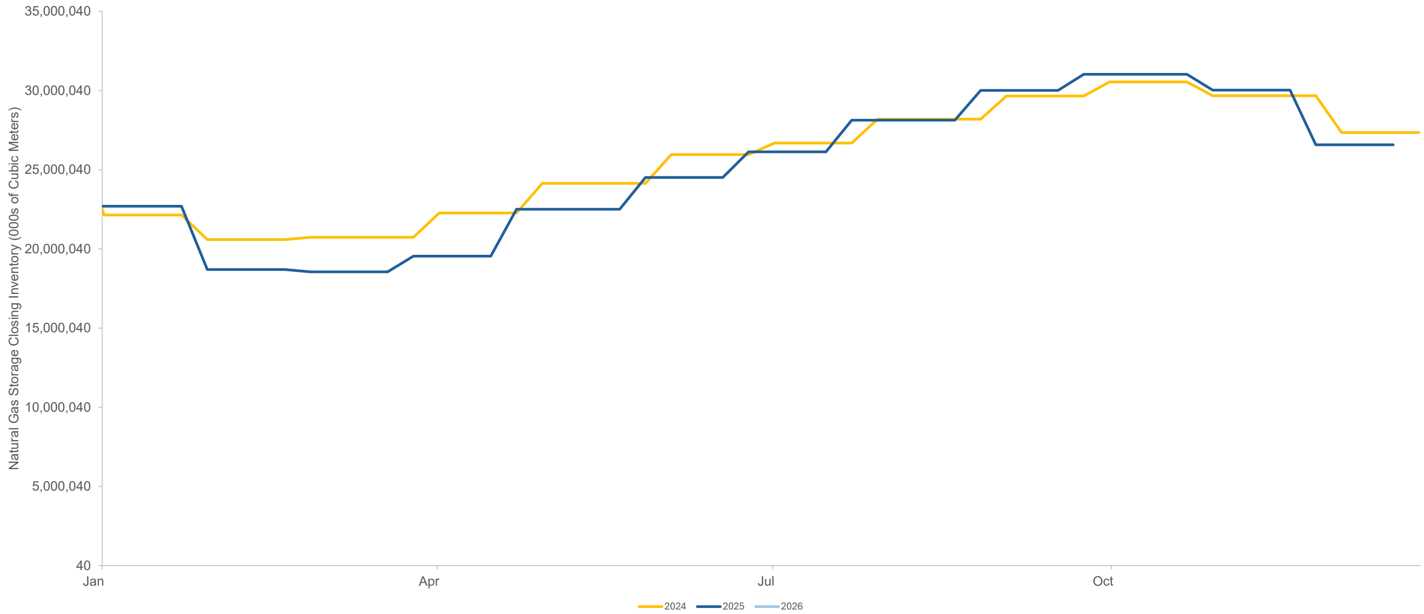
Source: FactSet, Granite Point Research

Exhibit 23: U.S. Natural Gas in Storage (bcf)



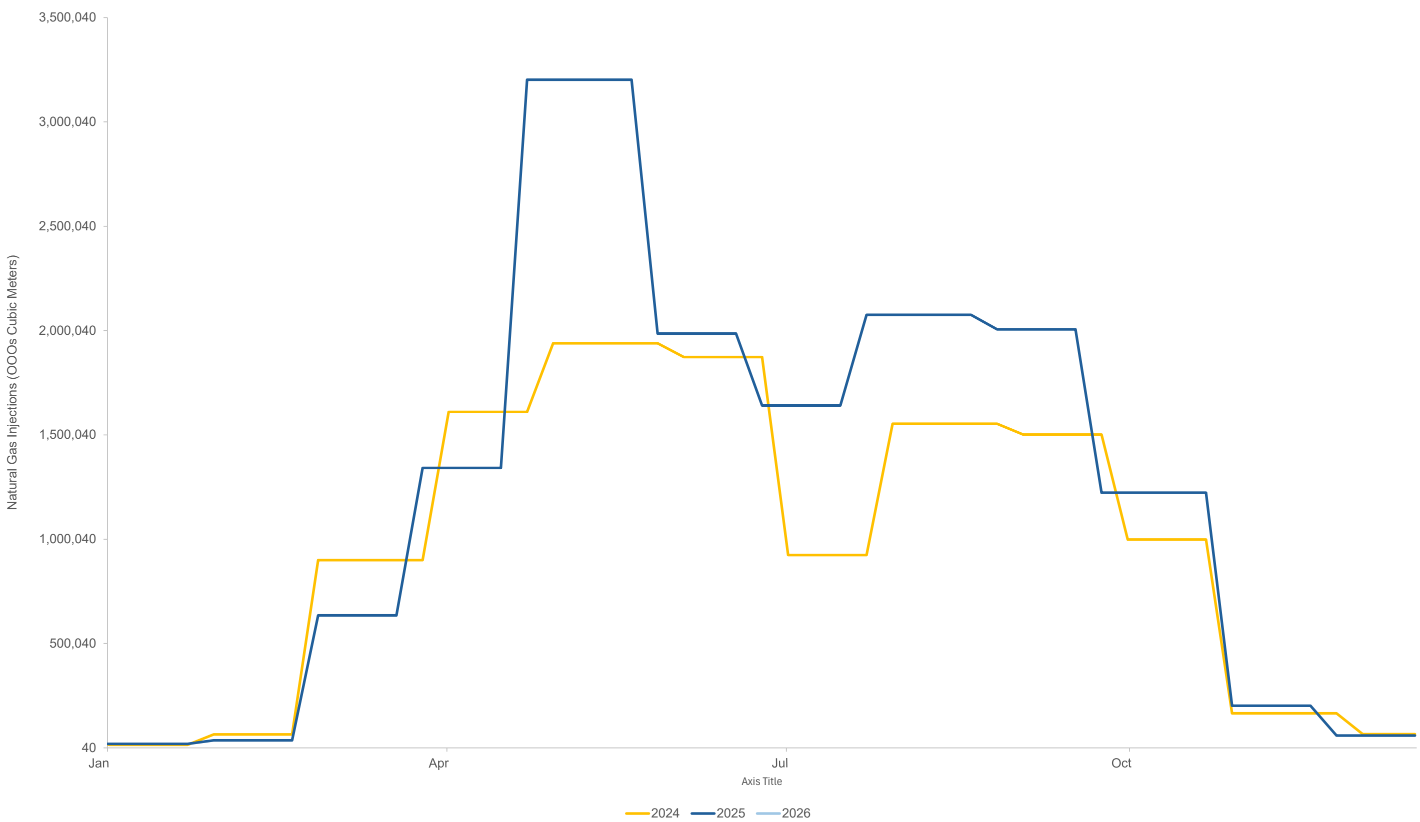
Source: FactSet, Granite Point Research

Exhibit 24: Natural Gas Storage Closing Inventory – Canada



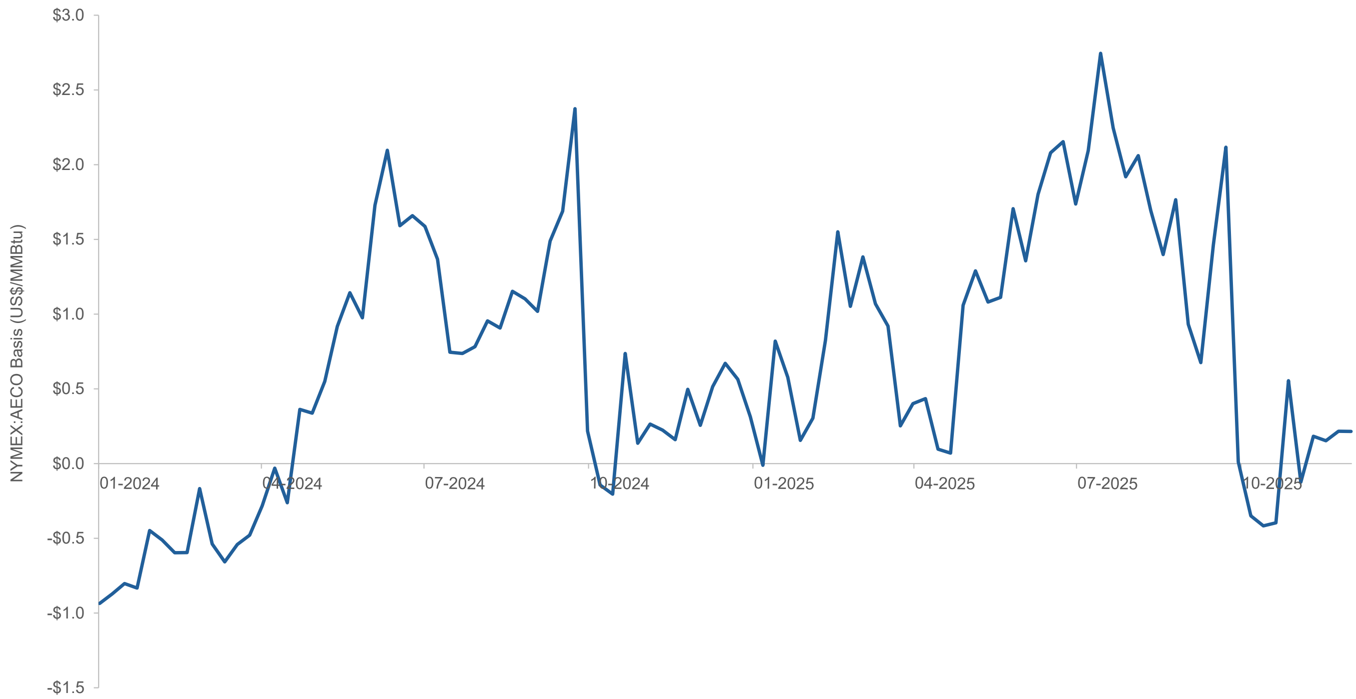
Source: FactSet, Granite Point Research

Exhibit 25: Natural Gas Storage Injections – Canada



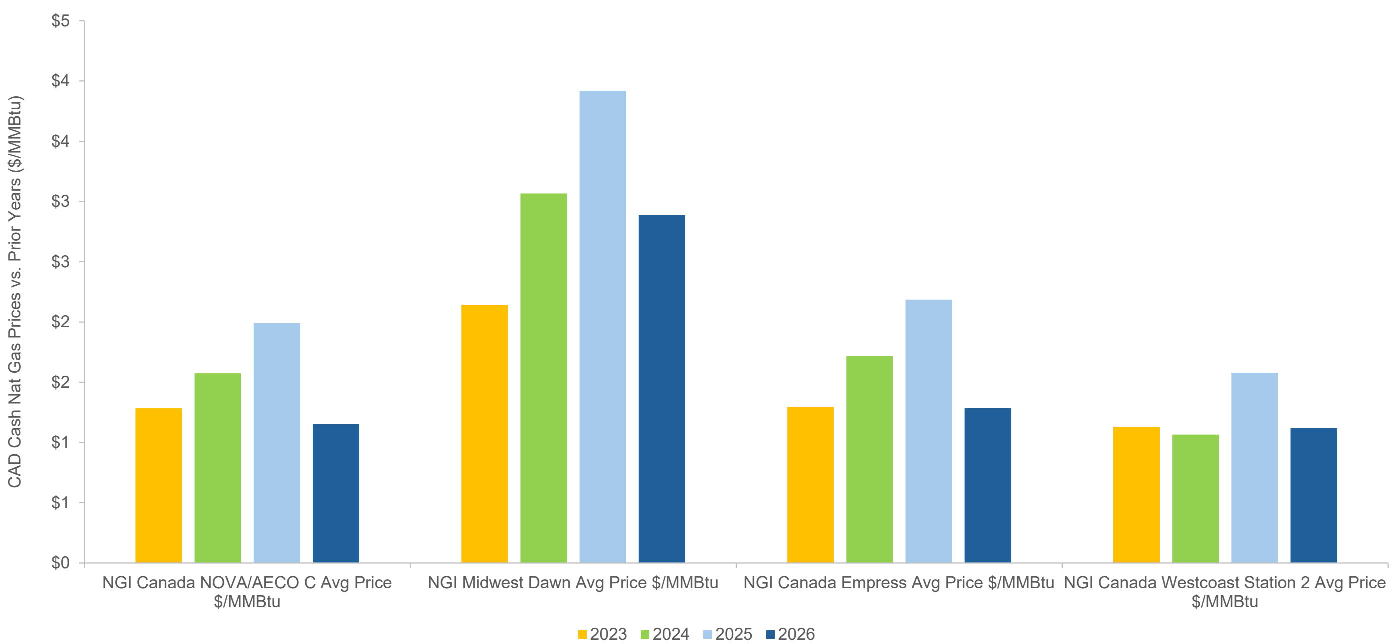
Source: FactSet, Granite Point Research

Exhibit 26: NYMEX:AECO Basis (US$/MMBtu)



Source: FactSet, Granite Point Research

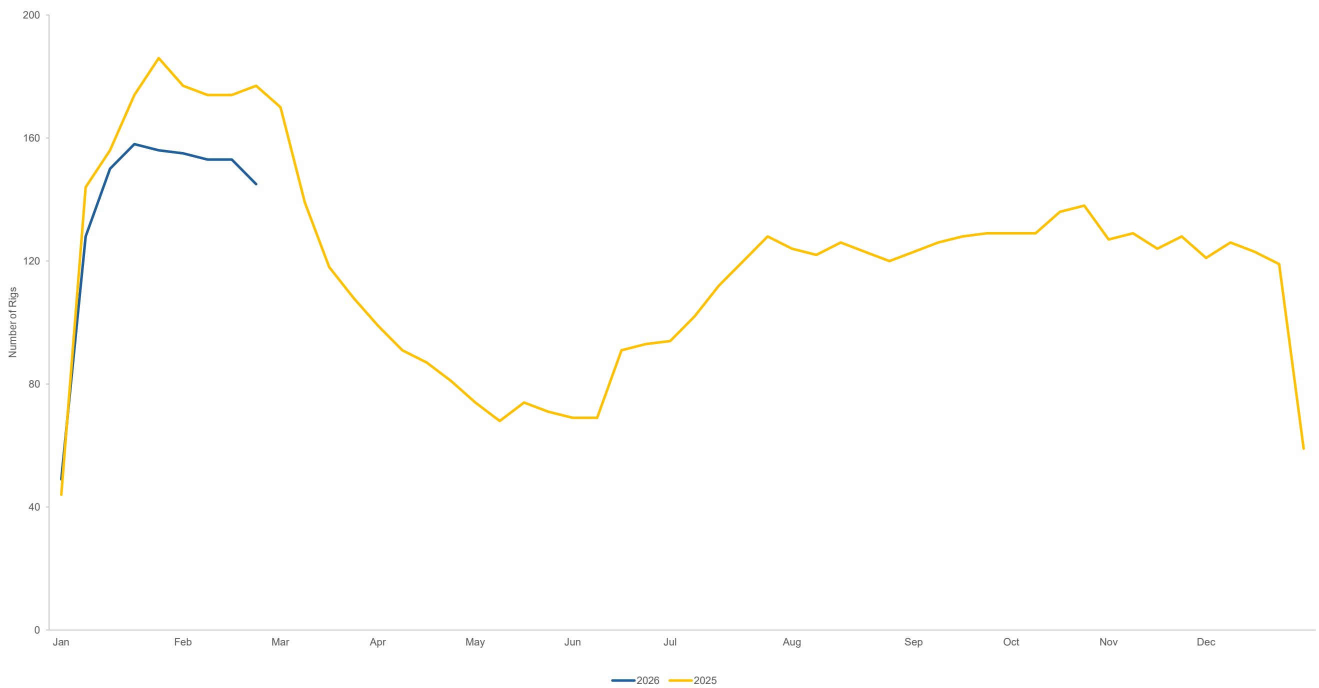
Exhibit 27: Canadian Cash Natural Gas Prices Versus Prior Years



Source: FactSet, Granite Point Research

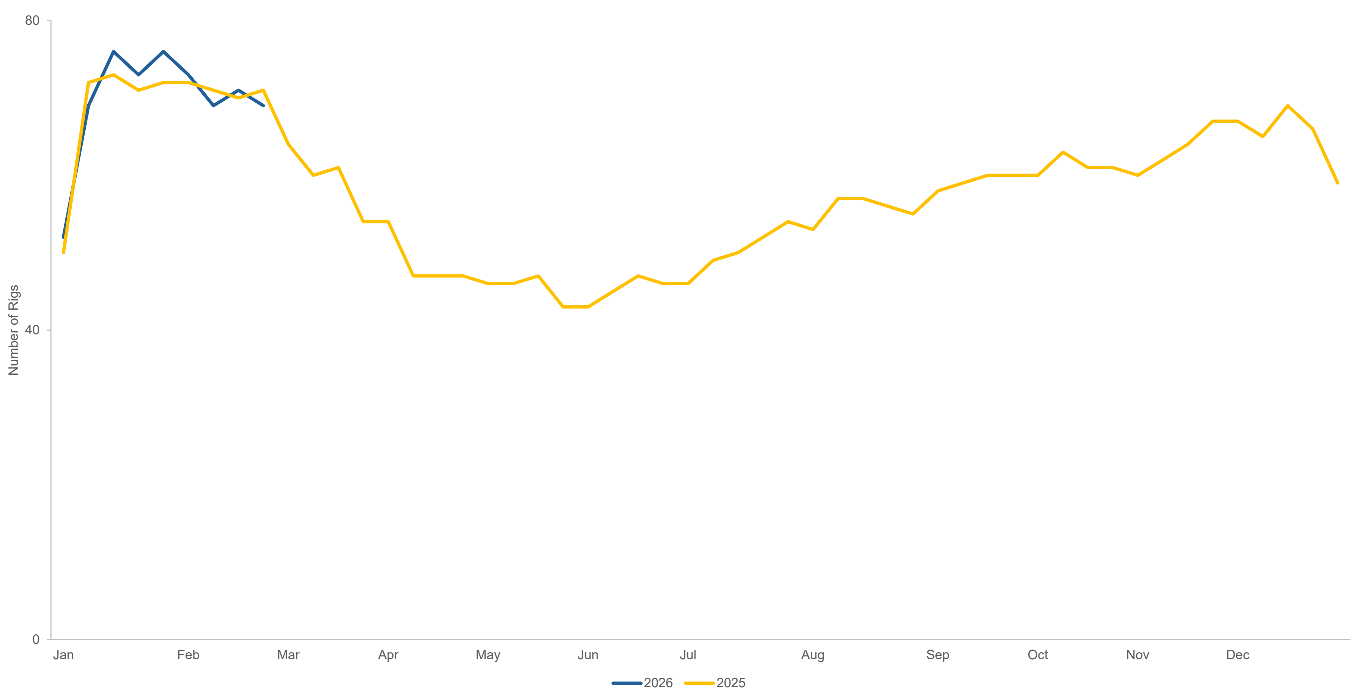
Rig Counts – Canada

Exhibit 28: Oil Rig Count – Canada



Source: FactSet, Granite Point Research

Exhibit 29: Natural Gas Rig Count - Canada



Source: FactSet, Granite Point Research

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RATING	COVERED COMPANIES
BUY	3
HOLD	
SELL	

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