

Resource Report: Monthly Oil & Gas Perspectives

March 2026 Edition

Bottom Line:

WTI and Brent prices moved sharply higher in March up 51.3%, 63.3% respectively as the war between U.S./Israel and Iran showed no sign of ending. Volatility remains the order of the day for oil markets and that is unlikely to subside in the near term. Even if the conflict were to end tomorrow, we believe that the physical market for oil will remain impacted for the balance of this year.

Key Points

Natural Gas. NYMEX prices fell 3.2% month-over-month with AECO prices increasing 15.1% month-over-month. Despite very strong natural gas prices in Europe and Asia, Henry Hub prices were under pressure as ~80% of the lower 48 states are expected to experience above-normal temperatures.

Crude Oil. WTI prices were up 51.3% in March and are up 76.6% year-to-date with the market focused on the potential of continued oil shortages from the closure of the Strait of Hormuz and the damage to energy infrastructure in the Gulf.

Equities. The TSX E&P and the S&P500 E&P indices were up 31.3%, 35.1% respectively in March with virtually all component companies higher in March.

Oil markets short at least 9.1 million barrels per day despite the agreement by IEA member countries to tap their respective strategic petroleum reserves (SPRs). If it is only possible to bring on volumes in-line with historical norms then the gap between demand and supply could widen to 12.6 million barrels per day.

LNG prices elevated and likely to move higher. With QatarEnergy declaring force majeure after drone strikes that could take ~17% of its export capacity offline for up to five years, prices are set to move higher. Effectively, 20% of global LNG supply is offline and with European storage gas volumes near record lows, we believe it likely that competition between Asia and Europe for scarce seaborne LNG volumes will drive prices higher.



Oil & Gas

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Inside This Issue

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2. LNG Squeeze

Commodity Currents

WTI prices surged 51.3% in March (up 76.6% YTD) as the war between U.S./Israel and Iran showed no sign of ending. Brent, the international benchmark, soared 63.3% in March and is up 94.5% on a year-to-date basis. Western Canadian Select (WCS) soared 51.4% in March and is up 82.8% year-to-date. Volatility remains the order of the day for oil markets but as we point out in our recent FOCUS report we believe oil prices are biased to the upside ([report](#)).

NYMEX natural gas prices fell 3.2% month-over-month with AECO prices increasing 15.1% m/m. Despite very strong natural gas prices in Europe and Asia, Henry Hub prices fell as about 80% of the lower 48 states are expected to experience above-normal temperatures.

Equity Impact

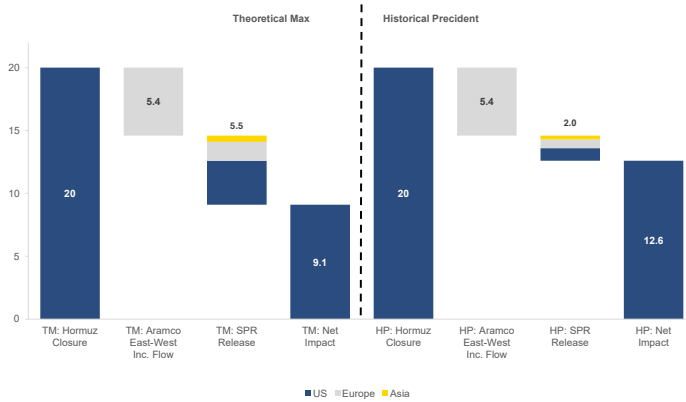
The TSX E&P Index and the S&P 500 E&P Index were up 31.3%, 35.1% respectively in March. Amongst the large cap names MPC, MTD and OXY were the top performers for the month while year-to-date IMO, CHRD and PR had the strongest performance so far in 2026. Amongst the SMID producers the biggest gains came from SCR, CVI and SM in March while year-to-date the best performance has come from PARR, PBF and SM.

Oil Markets Still Short

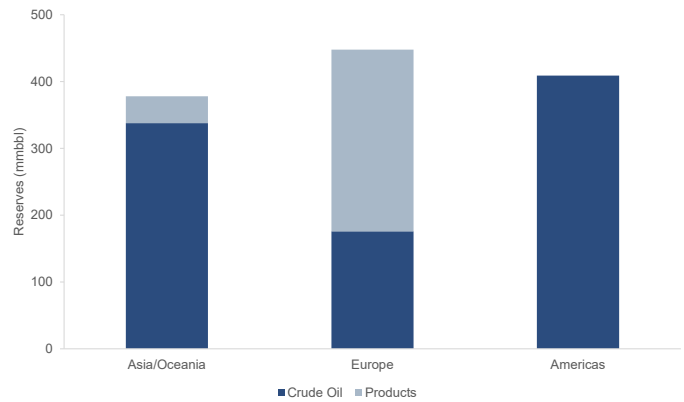
On March 11, 2026, the International Energy Agency (IEA) members agreed to release 400 million barrels of oil from strategic petroleum reserves (SPR) of member countries to help address disruptions in oil markets from the war in the Middle East. OECD nations typically hold over 1.2 billion barrels of oil in government-controlled reserves (crude and products) with the U.S. accounting for about one third (~415 million barrels) of the total.

With the Strait of Hormuz closed a significant shortfall exists despite the release of these reserves. Historically, the most that's ever been drawn down from strategic petroleum reserves was 1.3 million barrels per day (September 2022). Historical precedents suggest that SPR draws for IEA countries are around two million barrels per day. The U.S. Energy Department has stated that they can draw down up to a theoretical maximum of 4.4 million barrels per day, which could drive the total global strategic petroleum reserve (SPR) release to 5.5 million barrels per day. When combined with the best-case scenario from diverting Saudi Crude away from the Strait of Hormuz and to the Aramco East-West pipelines a further 5.4 million b/d can be brought back into the world market. **Even in this best-case scenario the global market would be short 9.1 million barrels per day as long as the Strait of Hormuz remains closed.** If only the historical precedent is brought on, then this would put the world at a 12.6 million barrel per day shortfall.

Even if the conflict is resolved shortly, which we doubt, the physical market for oil will remain impacted this year with structurally higher prices the norm. We believe that physical shortages of oil are just beginning, which could drive prices higher.,

Exhibit 1: Global Oil Shortfall of 9.1 mmb/d a Best-Case Scenario


Source: Bloomberg, EIA, Granite Point Research

Exhibit 2: Government Controlled Reserves (mmbbl)


Source: Bloomberg, IEA, Granite Point Research

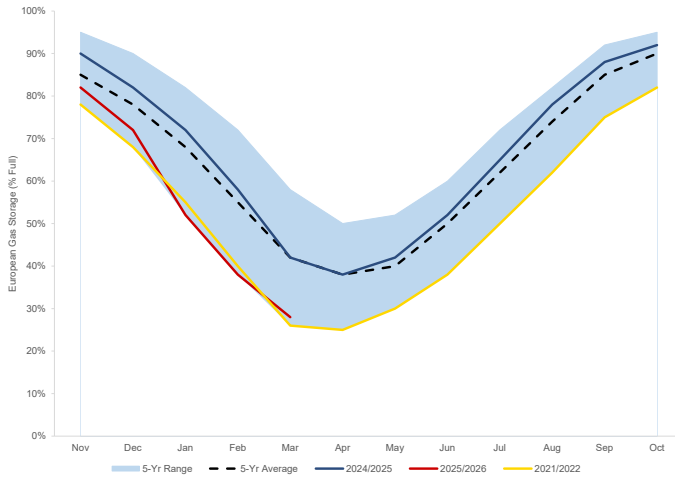
LNG Squeeze

European natural gas prices have soared reaching a short-term high of over US\$20/MMBtu as Iranian strikes on Qatar's LNG infrastructure have impacted the market. The closure of the Strait of Hormuz has also had an enormous impact on the global natural gas market as roughly 20% of the global liquified natural gas (LNG) supply has come offline (Qatar supplies ~20% of global LNG volumes).

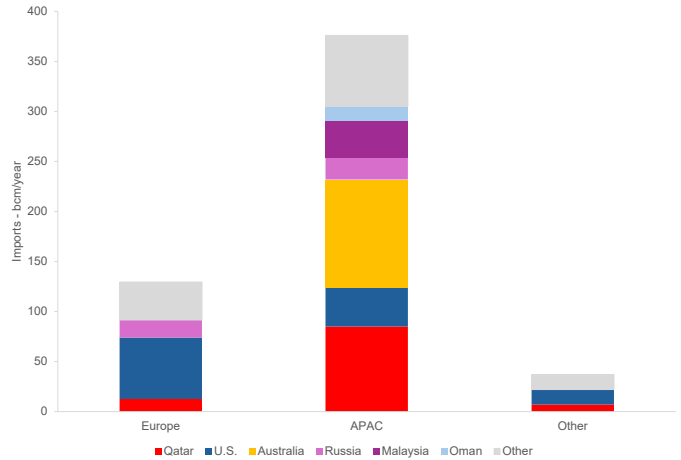
Recent Iranian drone strikes caused massive damage to two of Qatar's 14 LNG trains (equating to ~17% of its export capacity or ~12.8 MMtpa). The damage was so extensive that QatarEnergy now believes that repairs could take as long as five years to complete.

Competition between Asia and Europe for available LNG volumes to drive prices higher.

This comes at a time when European gas storage levels are close to record lows. Qatar's LNG exports to Europe only accounted for about 10% of Europe's imports but Qatar's LNG accounted for roughly 23% of Asia's imports. The loss of volumes is likely to drive competition and prices between the two regions higher as these regions scramble to secure available seaborne LNG volumes.

Exhibit 3: European Gas in Storage (% Full)


Source: Bloomberg, Granite Point Research

Exhibit 4: LNG Imports By Region (bcm/year)


Source: Energy Institute, Granite Point Research

Updates from Our Coverage Universe

We initiated coverage on BluEnergies Ltd. (BLU – TSXV, Buy, \$4.75 Target), a junior public company with pure play exposure to one of the last remaining deepwater fan plays in Africa. BluEnergies stands as the lone junior in a land of giant oil producers flocking to offshore Africa for the potential of massive discoveries as we discuss, in our FOCUS report *Offshore: The Next Big Frontier for Global Oil and Gas* ([report](#)). The Company has recently partnered with TotalEnergies which represents a tremendous vote of confidence in the Harper Basin and BluEnergies itself. We believe that in the Company’s license area there is a multi-billion boe prospective resource potential. Read our full report [here](#).

We also initiated on Highwood Asset Management Ltd. with a Buy rating (HAM – TSXV, \$9.00 target price). Highwood Asset Management Ltd. is a Canadian liquids-weighted producer that trades at a discount to its junior producing peers despite offering good liquids-weighted production growth. Production is expected to grow meaningfully over the next three-to-five years, more than doubling from its current level. Highwood’s production comes primarily from its Wilson Creek and Brazeau properties. The Company has a large land base of both booked and unbooked locations from which it can grow organically as well as through acquisition. Read our full report [here](#).

Commodity Performance

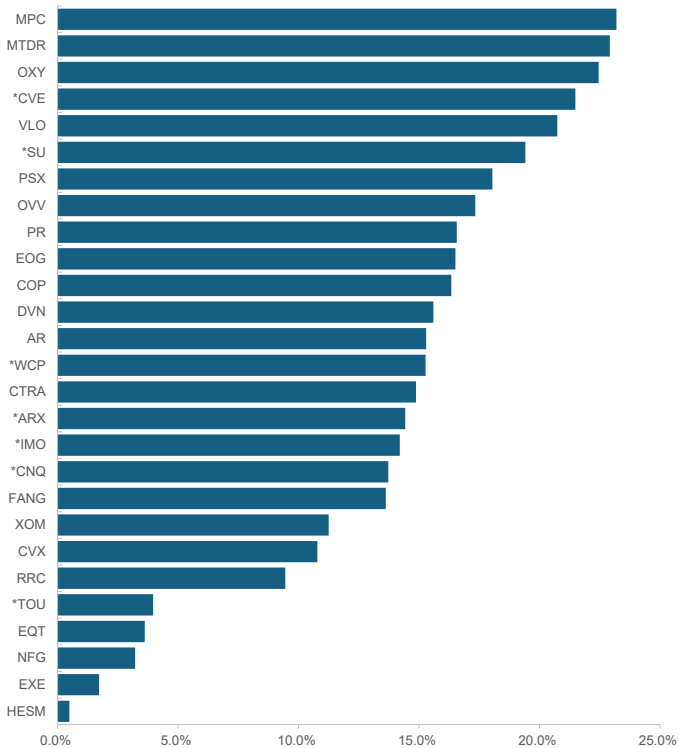
Exhibit 5: Commodities Performance Overview

	03/31/2026	03/20/2026	03/13/2026	02/27/2026	12/31/2025	03/31/2025	1 Week	2 Week	1 Month	YTD	Y/Y Chg.
Commodities											
WTI (US\$/bbl)	101.38	98.32	98.71	67.02	57.42	71.48	3.1%	2.7%	51.3%	76.6%	41.8%
Brent (US\$/bbl)	118.35	112.19	103.14	72.48	60.85	74.74	5.5%	14.7%	63.3%	94.5%	58.3%
WCS (US\$/bbl)	80.14	81.91	82.19	52.93	43.83	60.59	(2.2%)	(2.5%)	51.4%	82.8%	32.3%
Henry Hub Prompt (US\$/MMBtu)	2.893	3.04	3.2	2.99	4	4.11	(4.8%)	(9.6%)	(3.2%)	(27.7%)	(29.6%)
AECO Prompt (C\$/Gj)	1.68	1.79	1.67	1.46	2.68	2.44	(6.1%)	0.6%	15.1%	(37.3%)	(31.1%)
Indices											
TSX E&P	458.45	448.38	434.82	349.15	344.81	322.61	2.2%	5.4%	31.3%	33.0%	5.1%
S&P500 E&P	827.94	806.64	777.34	612.98	608.52	643.08	2.6%	6.5%	35.1%	36.1%	(10.4%)

Source: FactSet, Granite Point Research

Equity Performance Overview

Exhibit 6: Large Cap M/M Share Performance



Source: FactSet, Granite Point Research

Exhibit 7: Large Cap YTD Share Performance

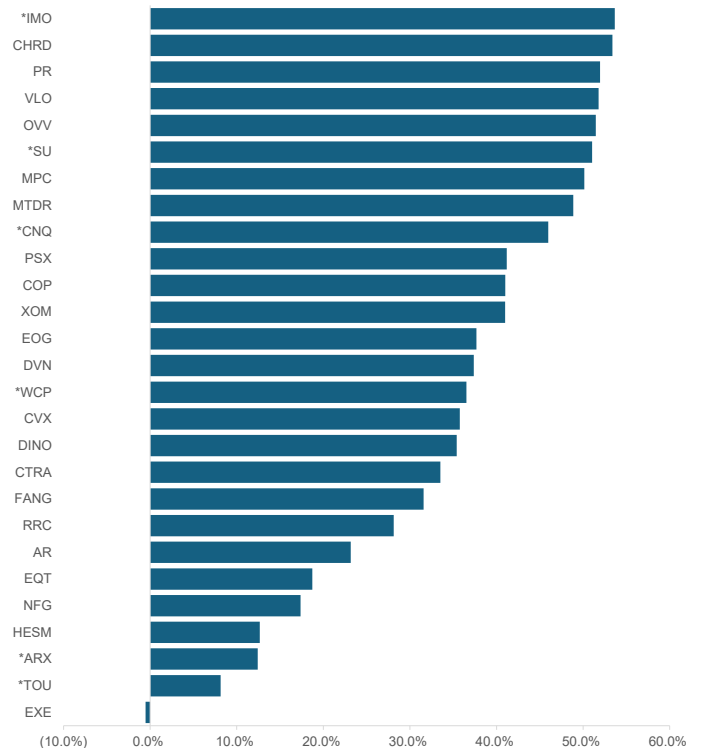


Exhibit 8: SMID M/M Share Performance

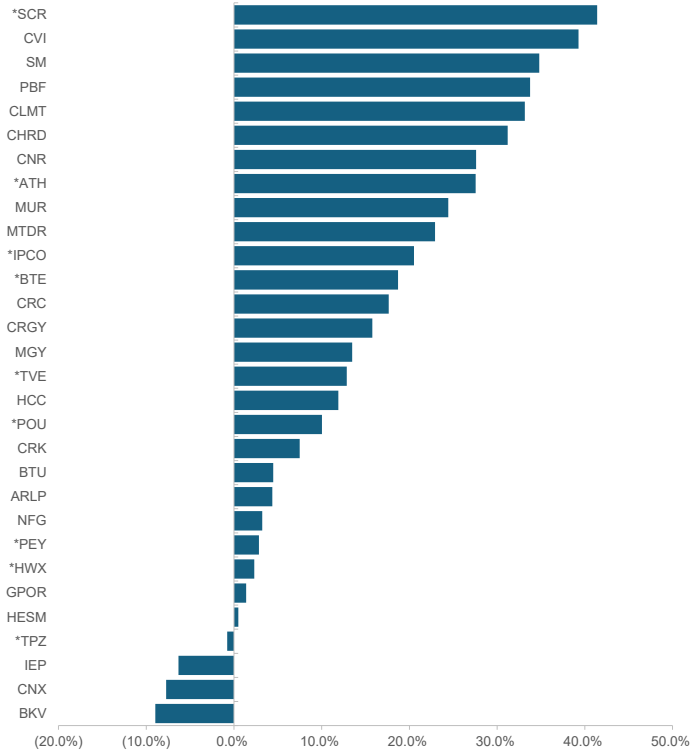


Exhibit 9: SMID YTD Share Performance

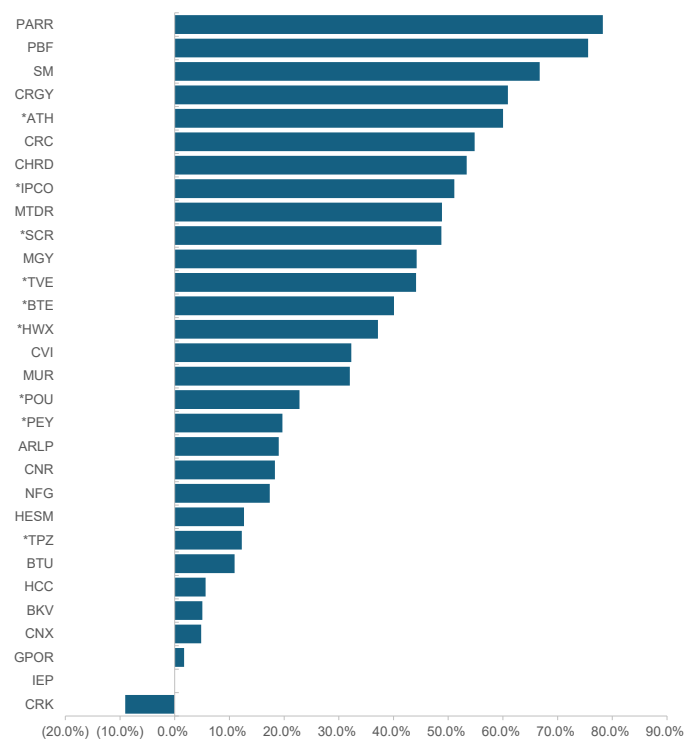


Exhibit 10: Large Cap 2026E Consensus M/M CFPS Revisions

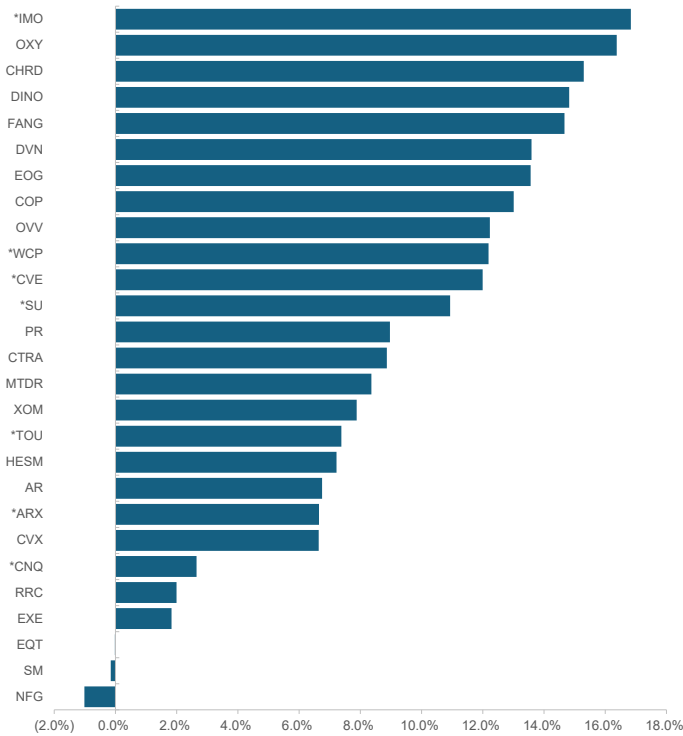
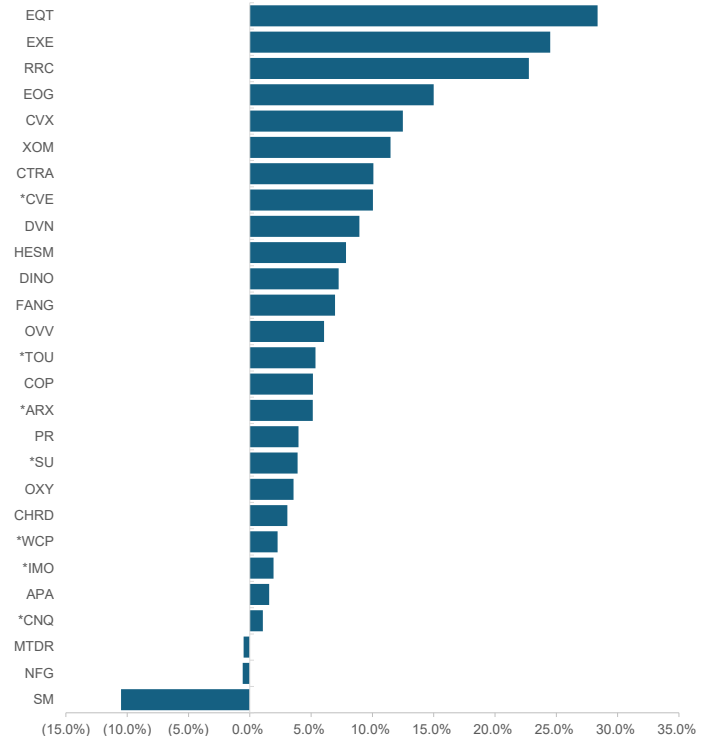
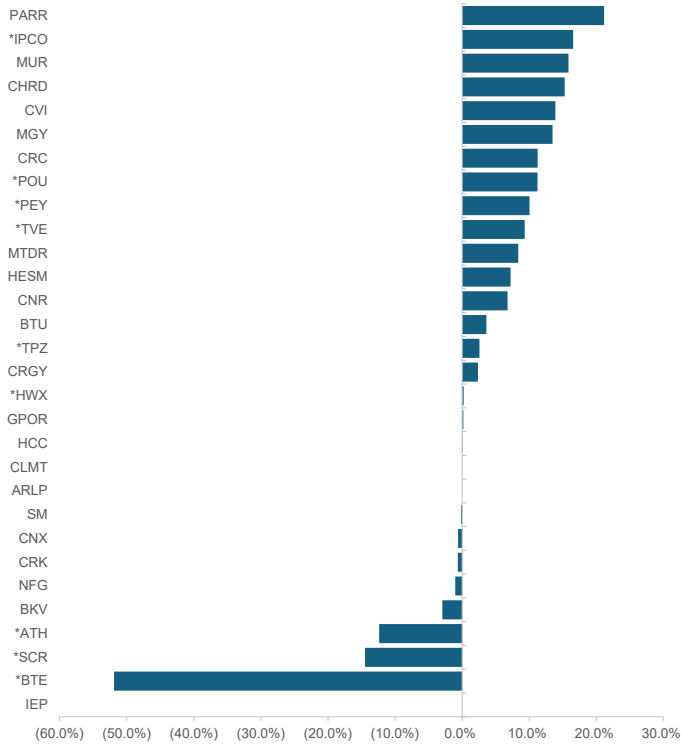
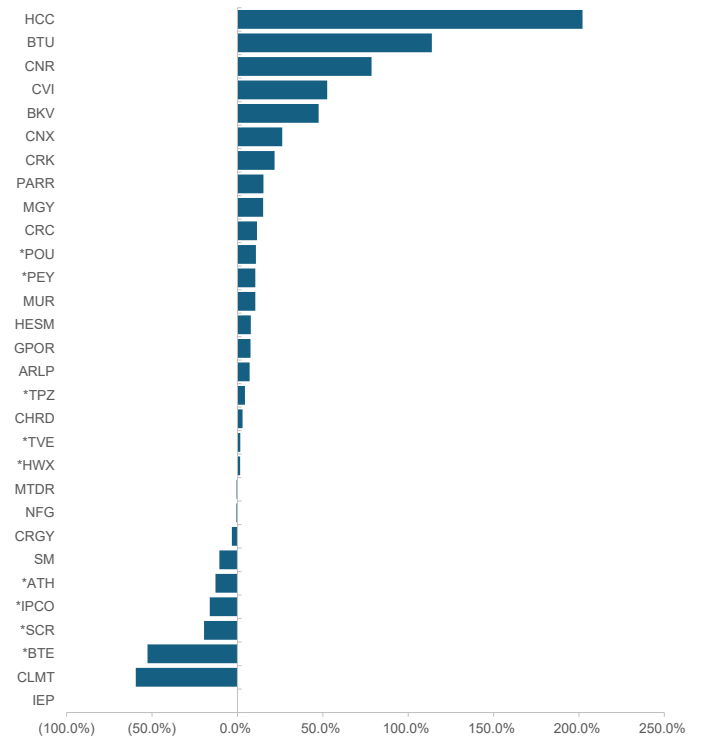


Exhibit 11: Large Cap 2026E Consensus YTD CFPS Revisions



Source: FactSet, Granite Point Research

Exhibit 12: SMID 2026E Consensus M/M CFPS Revisions

Exhibit 13: SMID 2026E Consensus YTD CFPS Revisions


Source: FactSet, Granite Point Research

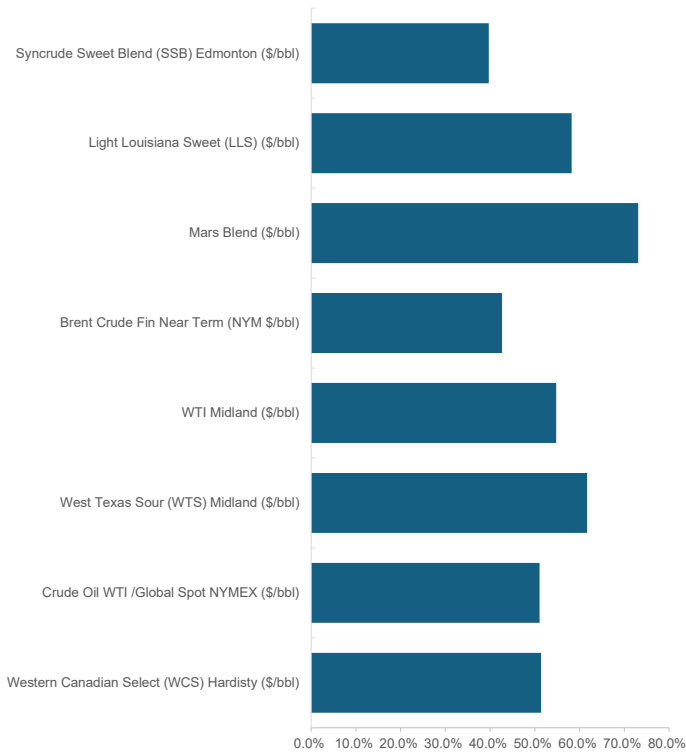
Oil Market

Exhibit 14: WTI Price



Source: FactSet, Granite Point Research

Exhibit 15: Crude Oil M/M Performance



Source: FactSet, Granite Point Research

Exhibit 16: Crude Oil YTD Performance

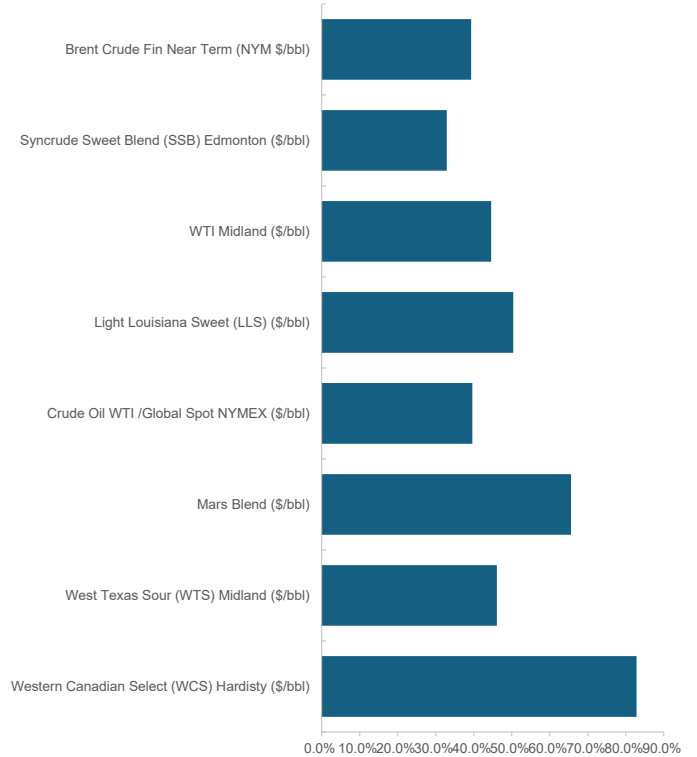
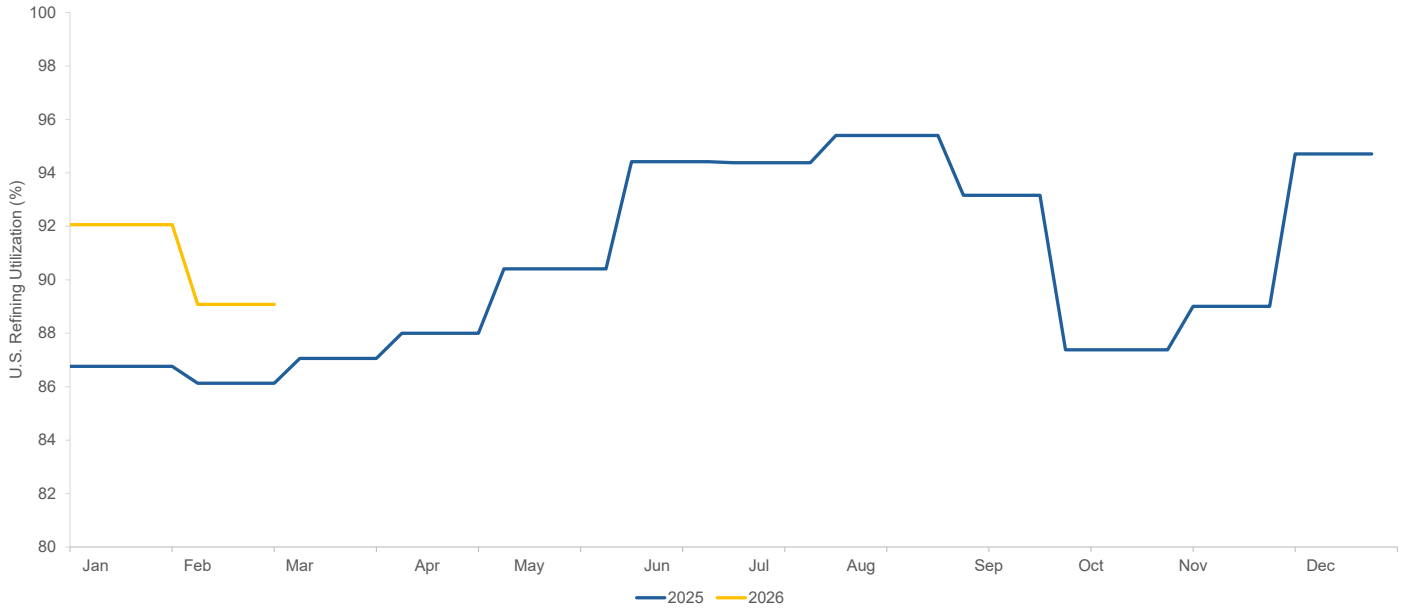


Exhibit 17: U.S. Refining Utilization %



Source: FactSet, Granite Point Research

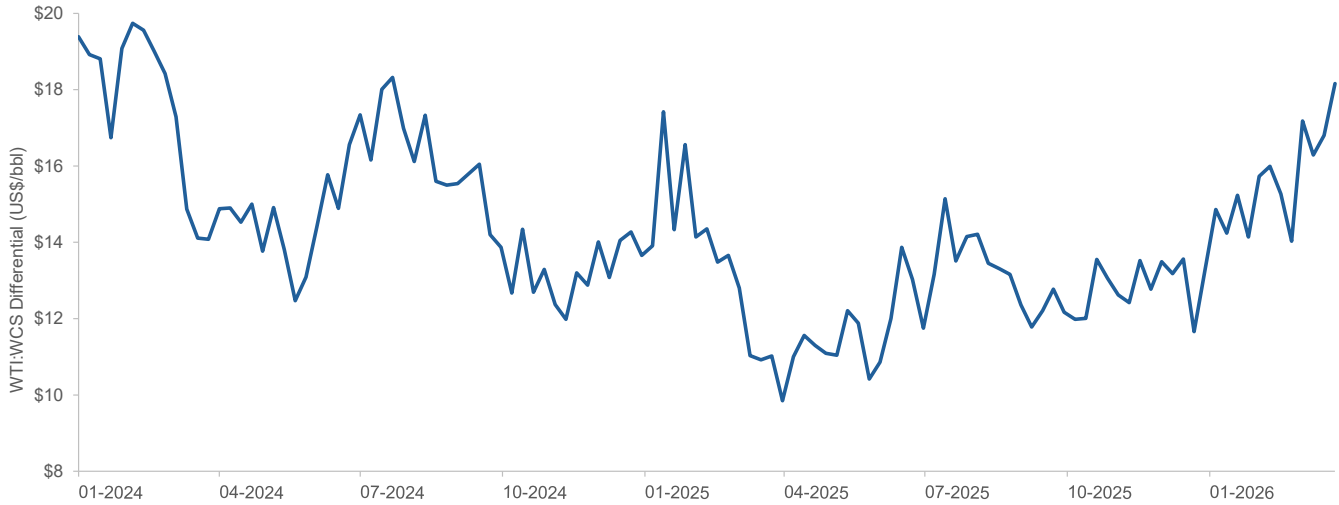
Exhibit 18: WTI and Crude Inventory



Source: Source: FactSet, Granite Point Research

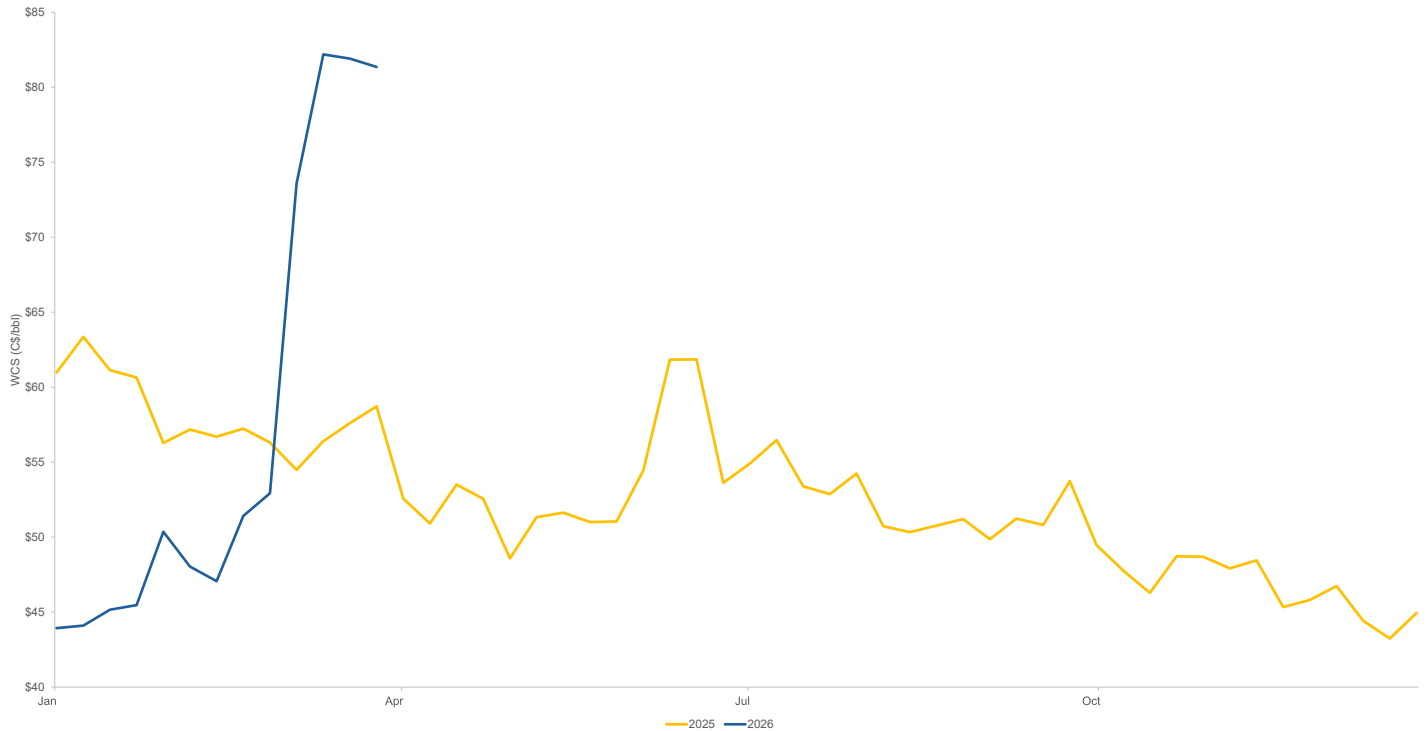
Canadian Oil Market

Exhibit 19: WTI:WCS Differential (US\$/bbl)



Source: FactSet, Granite Point Research

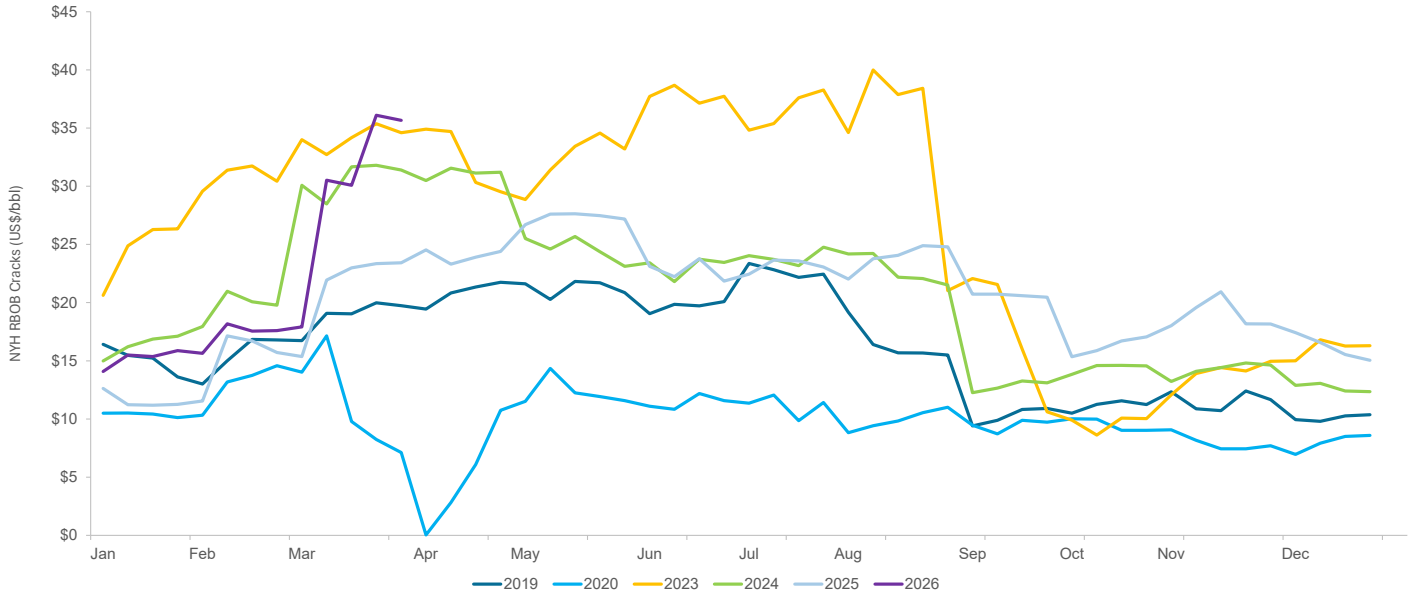
Exhibit 20: Western Canadian Select (\$/bbl)



Source: FactSet, Granite Point Research

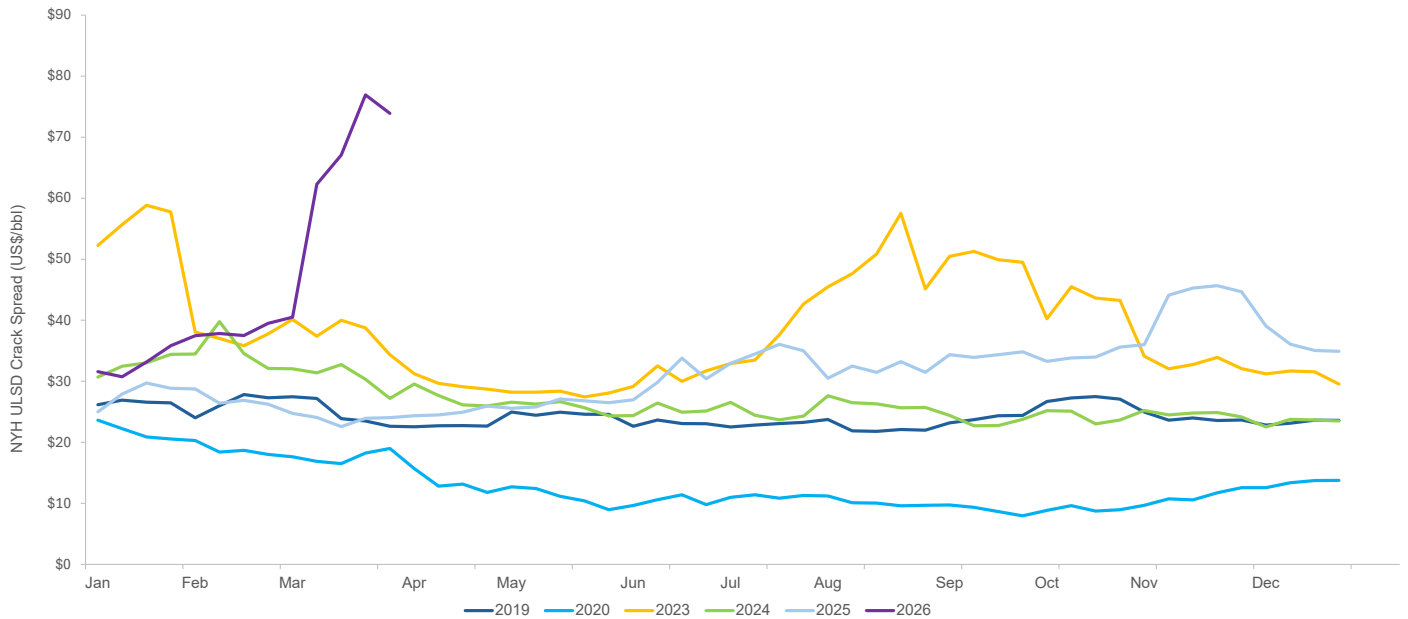
Oil Products Market

Exhibit 21: NYH RBOB Cracks (US\$/bbl)



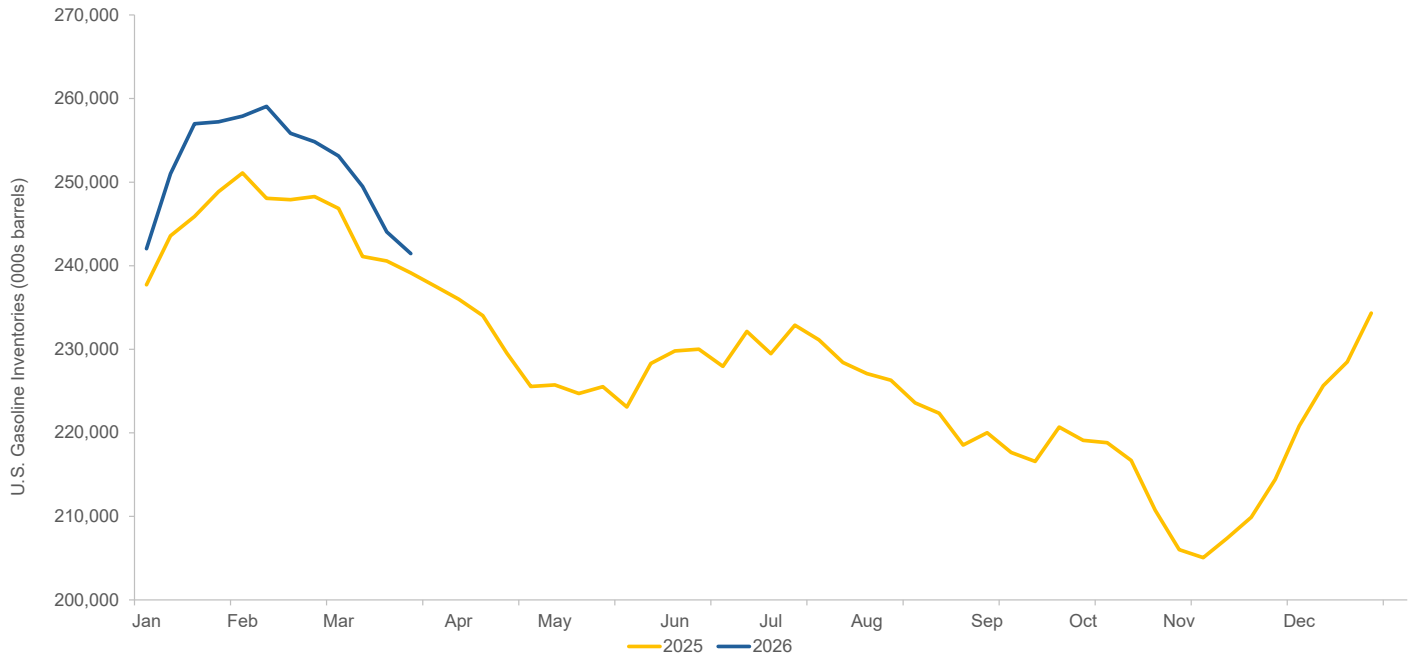
Source: FactSet, Granite Point Research

Exhibit 22: NYH ULSD Cracks (US\$/bbl)



Source: FactSet, Granite Point Research

Exhibit 23: U.S. Gasoline Inventories



Source: FactSet, Granite Point Research

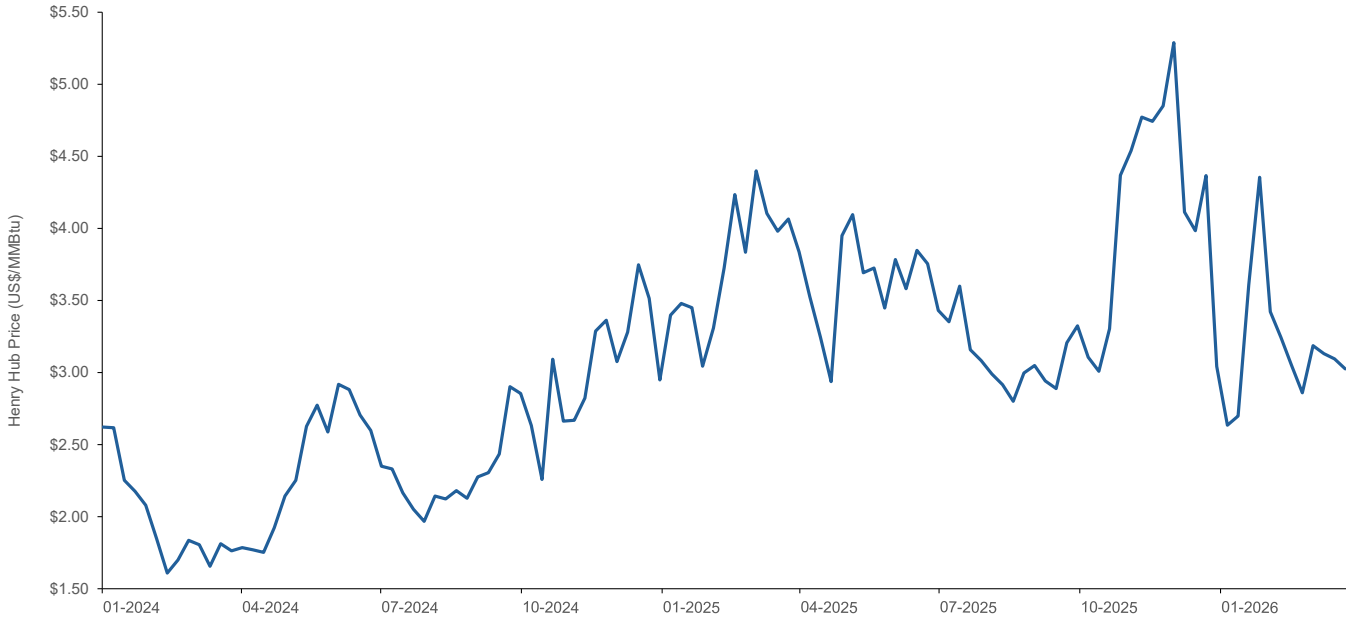
Exhibit 24: U.S. Distillate Inventories



Source: FactSet, Granite Point Research

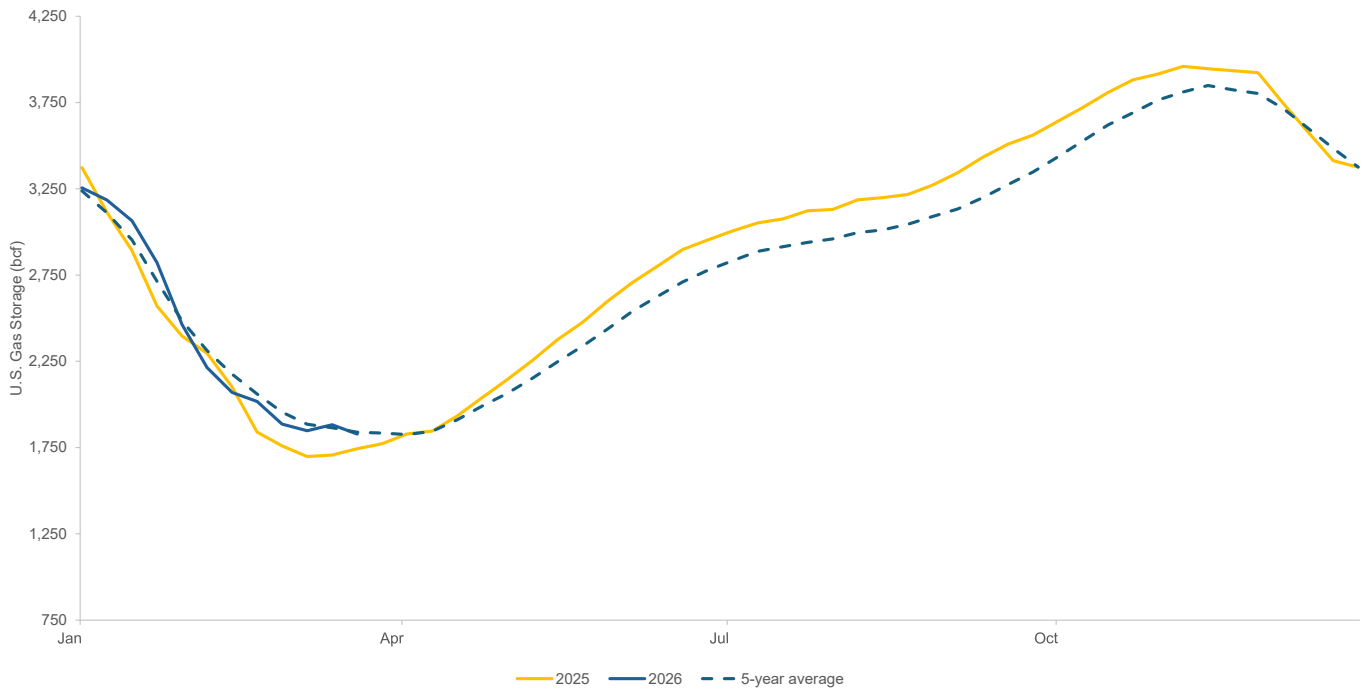
Natural Gas Market

Exhibit 25: Henry Hub Price (US\$/MMBtu)



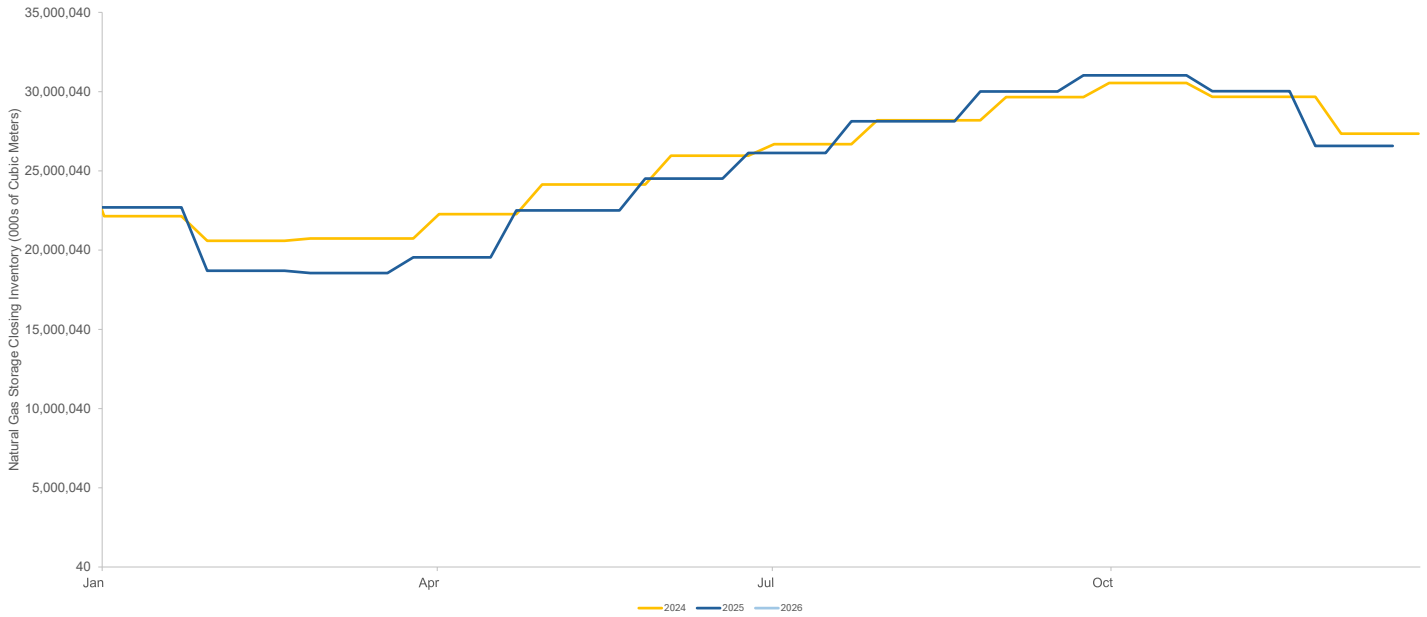
Source: FactSet, Granite Point Research

Exhibit 26: U.S. Natural Gas in Storage (bcf)



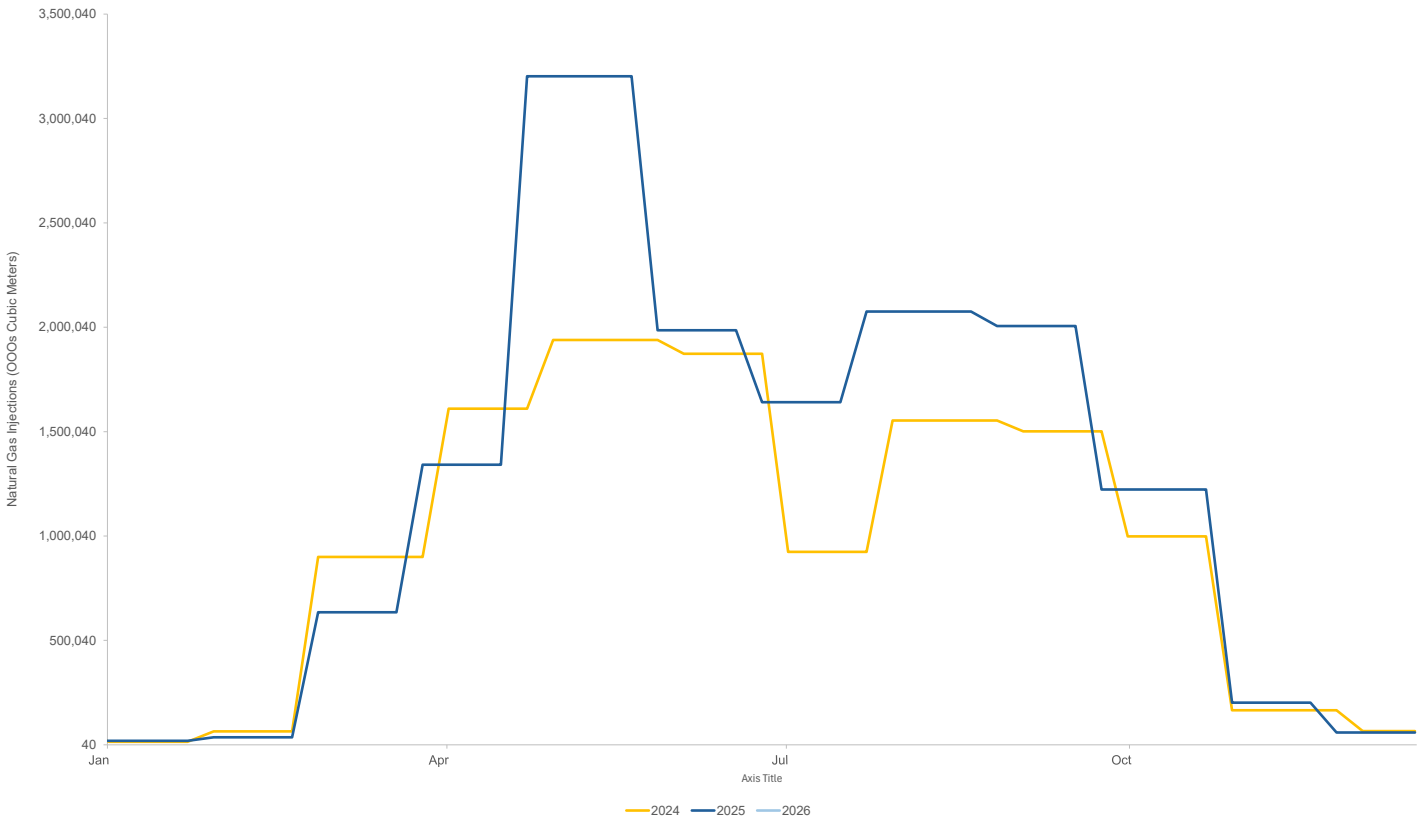
Source: FactSet, Granite Point Research

Exhibit 27: Natural Gas Storage Closing Inventory – Canada



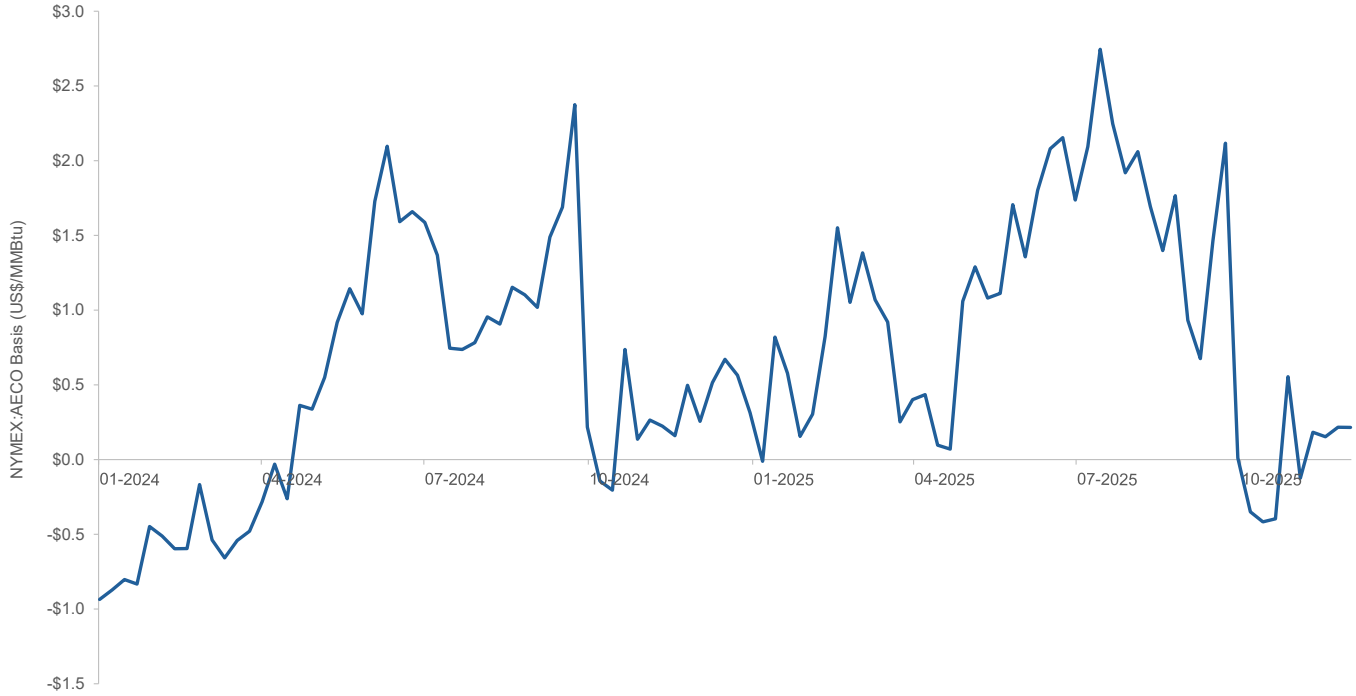
Source: FactSet, Granite Point Research

Exhibit 28: Natural Gas Storage Injections – Canada



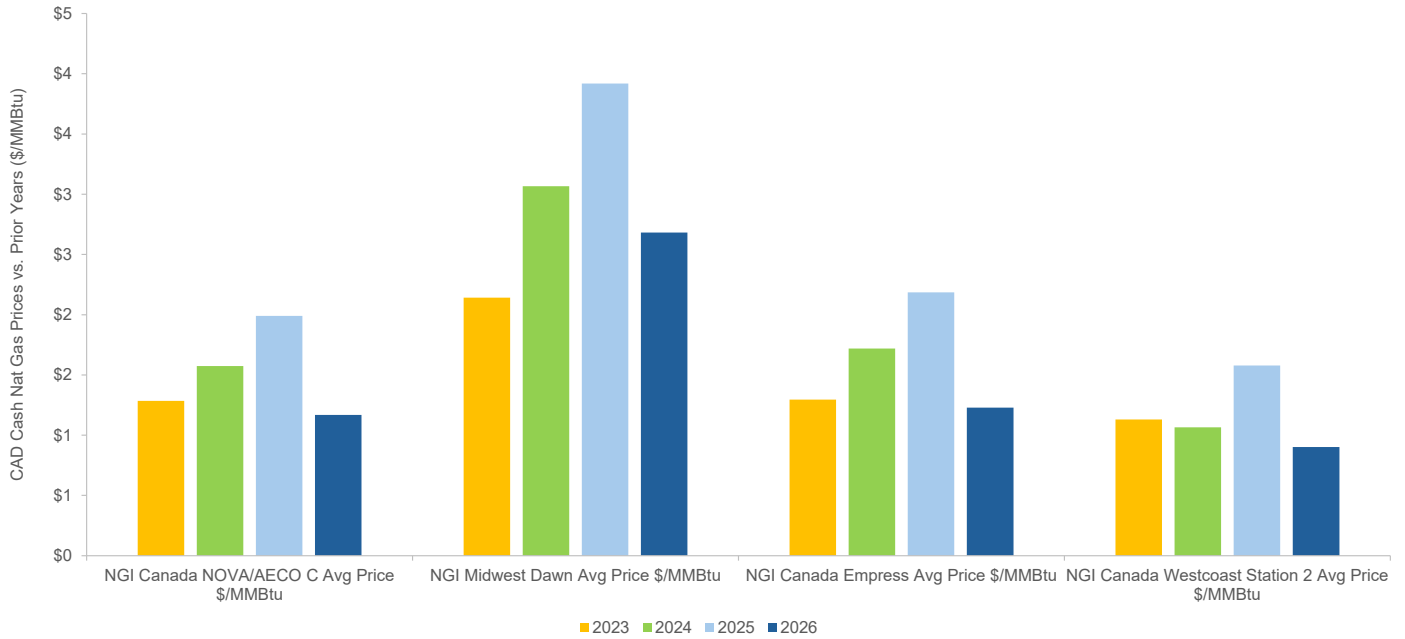
Source: FactSet, Granite Point Research

Exhibit 29: NYMEX:AECO Basis (US\$/MMBtu)



Source: FactSet, Granite Point Research

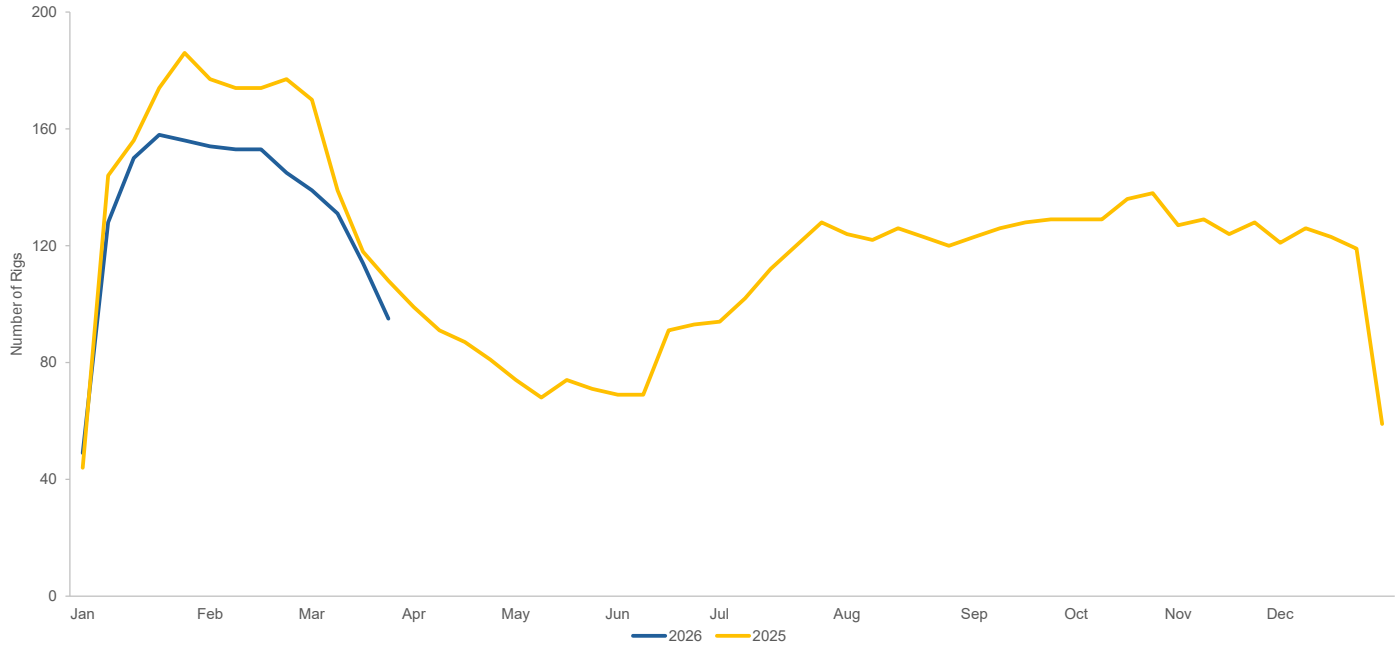
Exhibit 30: Canadian Cash Natural Gas Prices Versus Prior Years



Source: FactSet, Granite Point Research

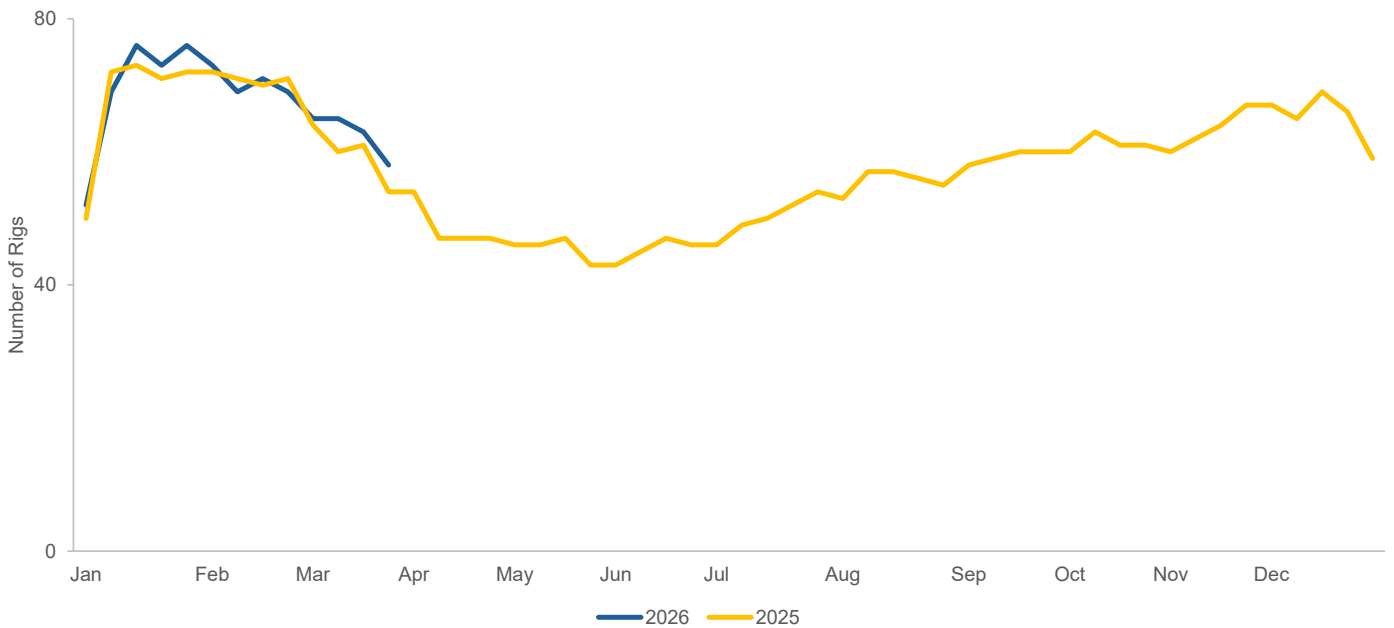
Rig Counts – Canada

Exhibit 5: Oil Rig Count – Canada



Source: FactSet, Granite Point Research

Exhibit 6: Natural Gas Rig Count - Canada



Source: FactSet, Granite Point Research

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RATING	COVERED COMPANIES
BUY	1
HOLD	
SELL	

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