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Oil & Gas

Resource Report: Monthly Oil & Gas Perspectives

August 2026 Edition

Oil & Gas

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Inside This Issue

Bottom Line:

WTI prices were up 1.3% in August, while Brent crude prices increased just 0.4% over the month and with both contracts higher on a year-to-date basis. During the month cargo shipments transiting the Strait of Hormuz were at the highest levels in months which curbed oil price appreciation.

Key Points

Natural Gas. NYMEX natural gas rallied 13.2% m/m with AECO prices tumbling (30.3%) month-over-month (m/m). Henry Hub prices were higher in August as the EIA posted lower-than-expected injections into storage and U.S. LNG flows recovered to ~18.4 bcf/d in the last week of the month. AECO prices slumped as storage appears on track to hit full capacity by summer exit. This coupled with winter demand concerns surrounding super El Ni ñ o has put downward pressure on the 2027 calendar strip.

Crude Oil. WTI prices increased modestly in August up 1.3% (up 49.4% YTD) as cargo shipments transiting the Strait of Hormuz were the largest in months.

Equities. The TSX E&P fell 0.8% in August while the S&P 500 E&P rose 4.9%.

Trump's Venezuelan Deal. An announced deal by the U.S. to acquire majority control over 65 billion barrels of proved oil reserves in Venezuela. We believe that the prospect of rising Venezuelan production represents a potential long-term risk to Canadian oil sands producers.

Important Disclosures: See pages 16-17

Commodity Currents

WTI prices increased 1.3% in August (up 49.4% YTD) as exports from the Strait of Hormuz were at their strongest levels in months. Brent, the international benchmark, increased 0.4% in August and is up 48.7% on a year-to-date basis. Western Canadian Select (WCS) rallied 1.2% in August and is up 53.3% year-to-date.

NYMEX natural gas prices increased 13.2% m/m with AECO prices tumbling (30.3%) m/m. Henry Hub prices were higher during August as the EIA posted lower-than-expected injections and U.S. LNG flows recovered to ~18.4 bcf/d in the last week of the month. AECO prices slumped as storage appears on track to hit full capacity by summer exit. This coupled with winter demand concerns surrounding super El Niño has put downward pressure on the calendar 2027 strip.

Equity Impact

The TSX E&P Index was down 0.8% while the S&P 500 E&P Index was up 4.9% in August, as strength among U.S. refiners outweighed weakness in Canadian gas-weighted producers. Amongst the large cap names MPC, PSX and APA were the top performers for the month while year-to-date MPC, DINO and VLO had the strongest performance so far in 2026. Amongst the SMID names the biggest gains came from BTU, HCC and CNR in August while year-to-date the best performance came from PBF, DK and CLMT. Amongst SMID E&P producers specifically, CRGY +19.4%, MTDR +16.3% and SM +14.3% led in August, with SM +98.8%, TVE +69.9% and CRGY +63.2% ahead year-to-date.

Trump's Venezuela Deal

As August ended, President Trump announced that the U.S. had reached a deal to gain majority control over 65 billion barrels[1] of proved oil reserves in Venezuela. We believe that the prospect of rising Venezuelan production represents a potential long-term risk to Canadian oil sands producers. It also underscores the merits of building additional pipeline capacity to Canada's West Coast in order for Canada to diversify its markets.

The transaction has reportedly been agreed to by the Venezuelan government and would see development of 21-27 oil fields and investment of US$100 billion. It is unclear where the money is coming from with Trump further stating that the Venezuelan government would "gift" oil to the U.S. to refill its Strategic Petroleum Reserves (SPR).

Materially increasing Venezuelan production will take significant capital and time. We estimate that for any meaningful volumes it will likely take at least five years and during that time producers in Canada could have greater egress options. As well, U.S. refiners are likely to prefer pipeline delivered Canadian oil given its reliable quality and consistency. Canadian heavy imports into the U.S. Gulf Coast have remained steady this year at roughly 400,000 bbl/d recently even as Venezuelan volumes have increased. To date, Venezuelan barrels appear to be replacing lost Russian and Persian Gulf supply not Canadian crude, with continued logistical difficulties in moving cargoes out of the Gulf.

[1] Venezuela's total proved reserves are ~300 billion barrel

In the late 1990s and early 2000s, Venezuela produced more than 3 million b/d and at its peak, almost half (~1.4 million b/d) was exported to the U.S. Canada is the largest producer of heavy oil in the world and the largest exporter to the U.S. and rising Venezuelan volumes could put pressure on Canadian producers over time. The expansion of Canada's Trans Mountain system came online in May, 2024 and at that time Canada shipped 97% of its oil exports to the U.S. Since then, non-U.S. crude oil exports have steadily climbed from ~3% to ~15%.

Commodity Performance

Exhibit 1: Commodities Performance Overview

							Percent Change				
	08/31/2026	08/21/2026	08/14/2026	07/31/2026	12/31/2025	08/29/2025	1 Week	2 Week	1 Month	YTD	Y/Y Chg.
Commodities											
WTI (US$/bbl)	85.76	87.06	82.4	84.67	57.42	64.01	(1.5%)	4.1%	1.3%	49.4%	34.0%
Brent (US$/bbl)	90.49	94.39	88.52	90.12	60.85	68.12	(4.1%)	2.2%	0.4%	48.7%	32.8%
WCS (US$/bbl)	67.19	68.23	64.48	66.38	43.83	51.2	(1.5%)	4.2%	1.2%	53.3%	31.2%
Henry Hub Prompt (US$/MMBtu)	2.9	2.82	2.79	2.59	4	2.88	2.8%	3.9%	12.0%	(27.5%)	0.7%
AECO Prompt (C$/GJ)	0.99	1.24	1.4	1.42	2.68	0.85	(20.2%)	(29.3%)	(30.3%)	(63.1%)	16.5%
Indices											
TSX E&P	470.71	474.38	465.26	474.58	344.81	335.91	(0.8%)	1.2%	(0.8%)	36.5%	40.1%
S&P500 E&P	802.73	818.74	773.88	765.58	608.52	630.83	(2.0%)	3.7%	4.9%	31.9%	27.3%

Source: FactSet, Granite Point Research

Equity Performance Overview

Exhibit 2: Large Cap M/M Share Performance

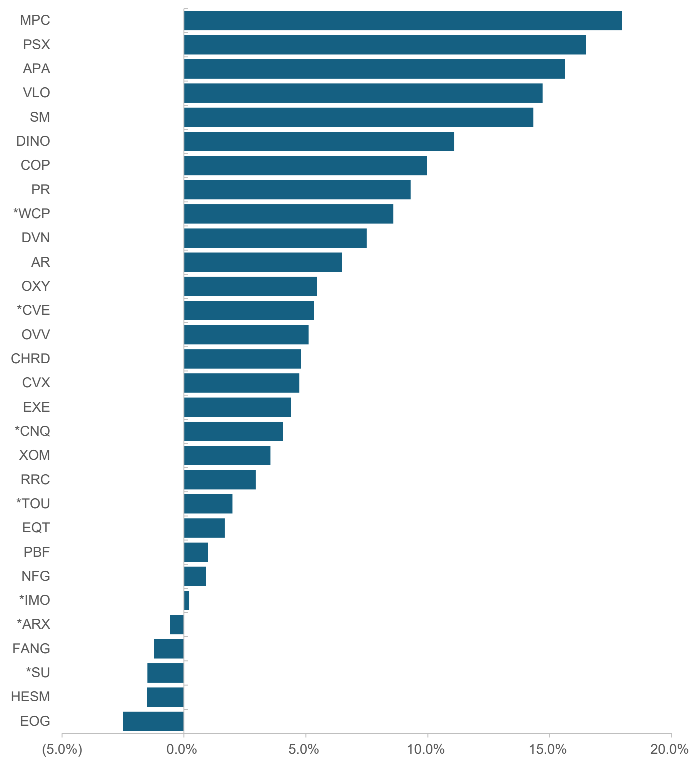
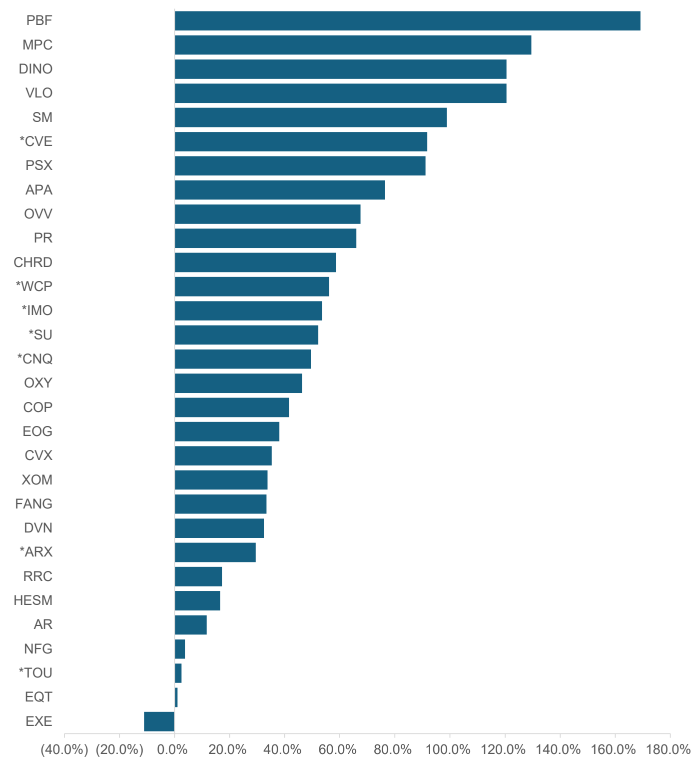


Exhibit 3: Large Cap YTD Share Performance



Source: FactSet, Granite Point Research; Note: * = Canadian listed stock

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Exhibit 4: SMID M/M Share Performance

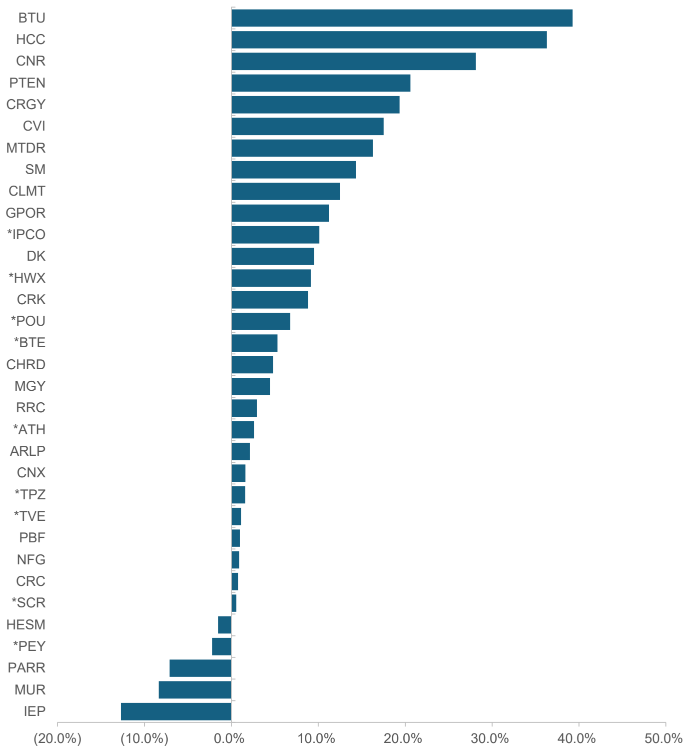


Exhibit 5: SMID YTD Share Performance

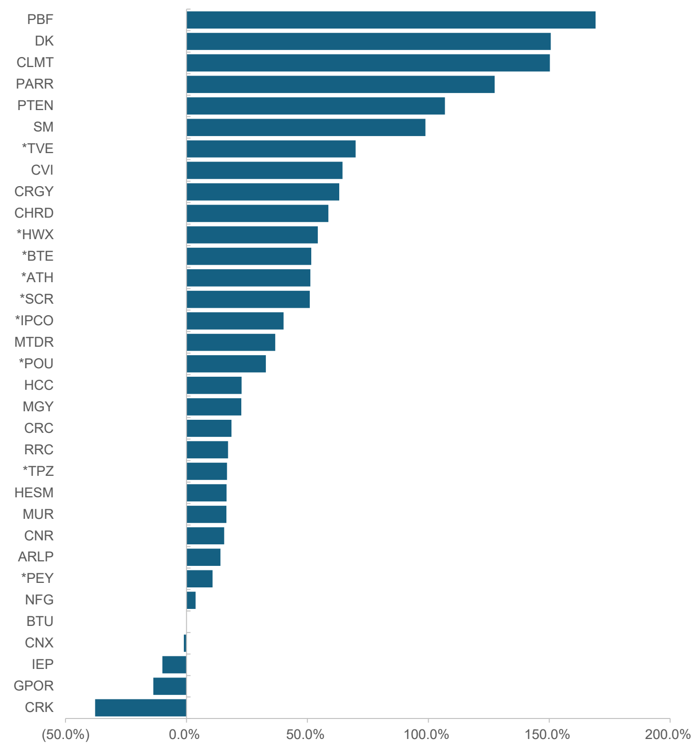


Exhibit 6: Large Cap 2026E Consensus M/M CFPS Revisions

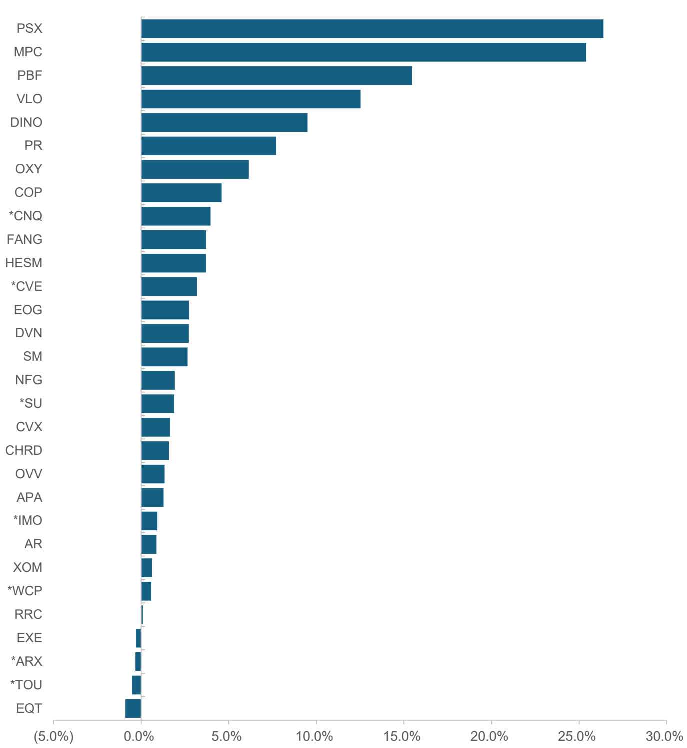
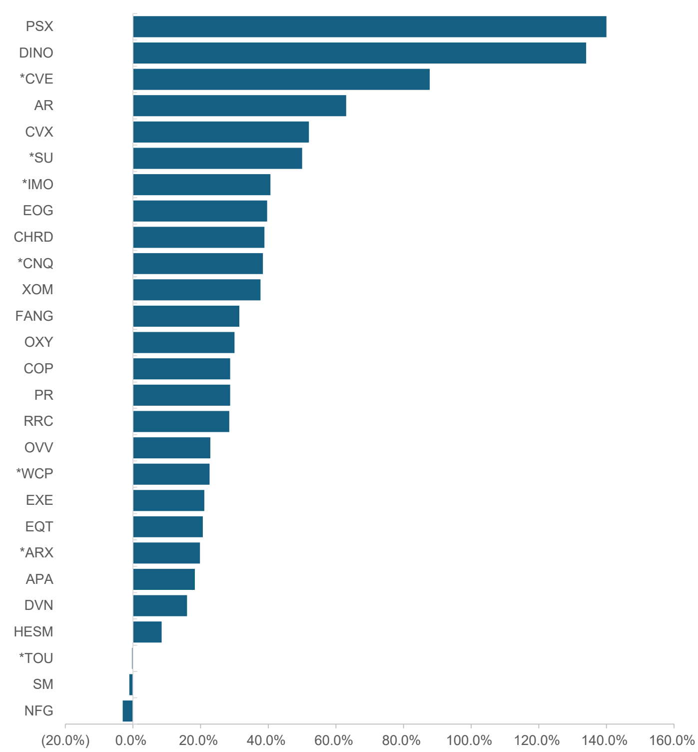


Exhibit 7: Large Cap 2026E Consensus YTD CFPS Revisions



Source: FactSet, Granite Point Research, Note * = Canadian listed stock

Exhibit 8: SMID 2026E Consensus M/M CFPS Revisions

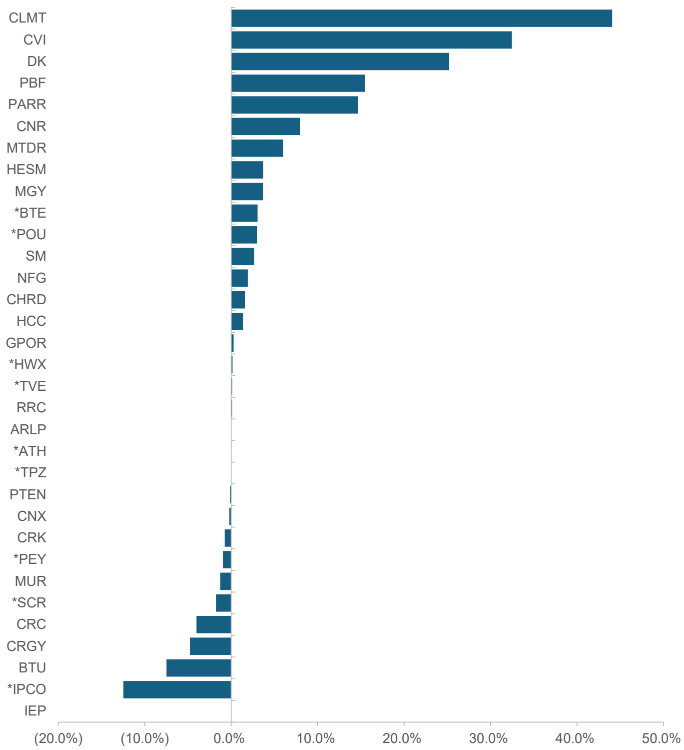
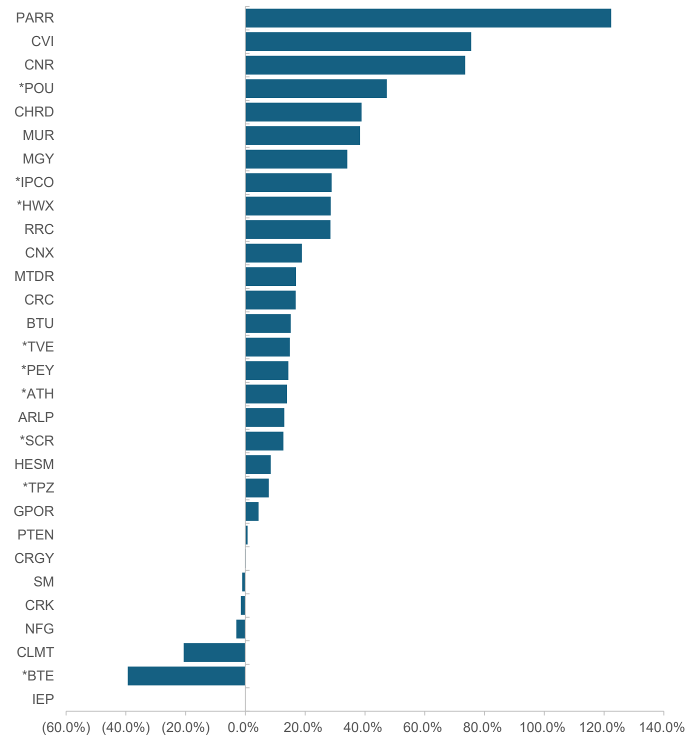


Exhibit 9: SMID 2026E Consensus YTD CFPS Revisions



Source: FactSet, Granite Point Research, Note * = Canadian listed stock

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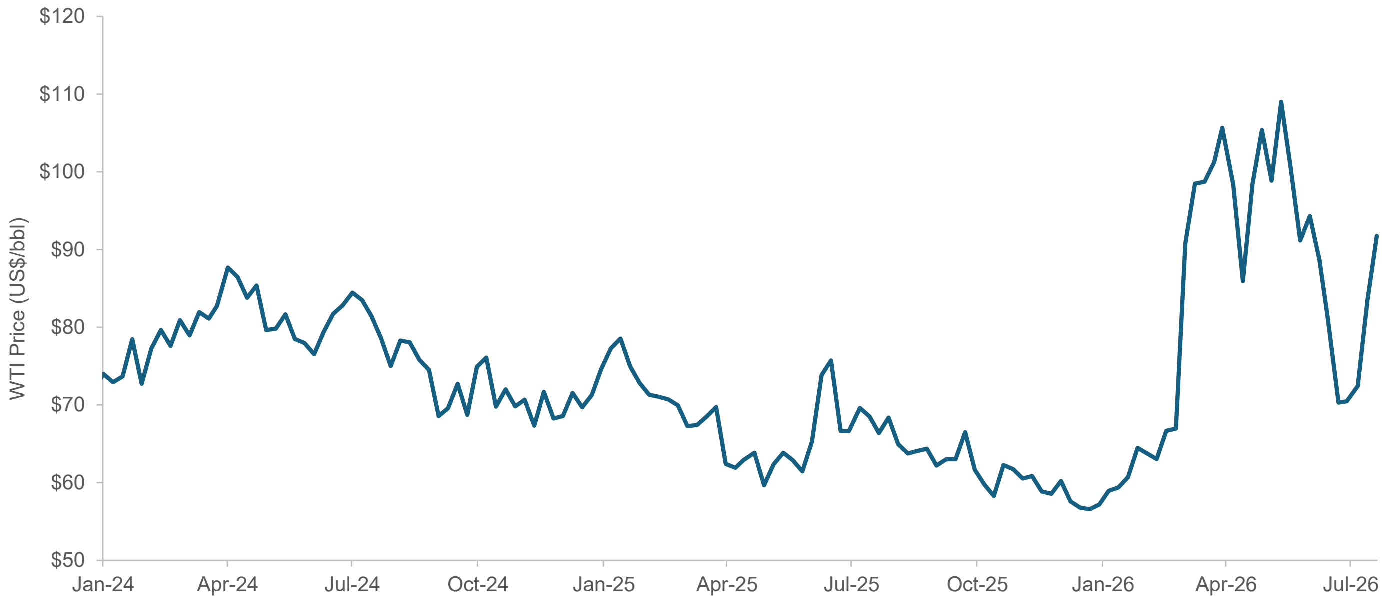
Oil Market

Exhibit 10: WTI Price



Source: FactSet, Granite Point Research

Exhibit 11: Crude Oil M/M Performance

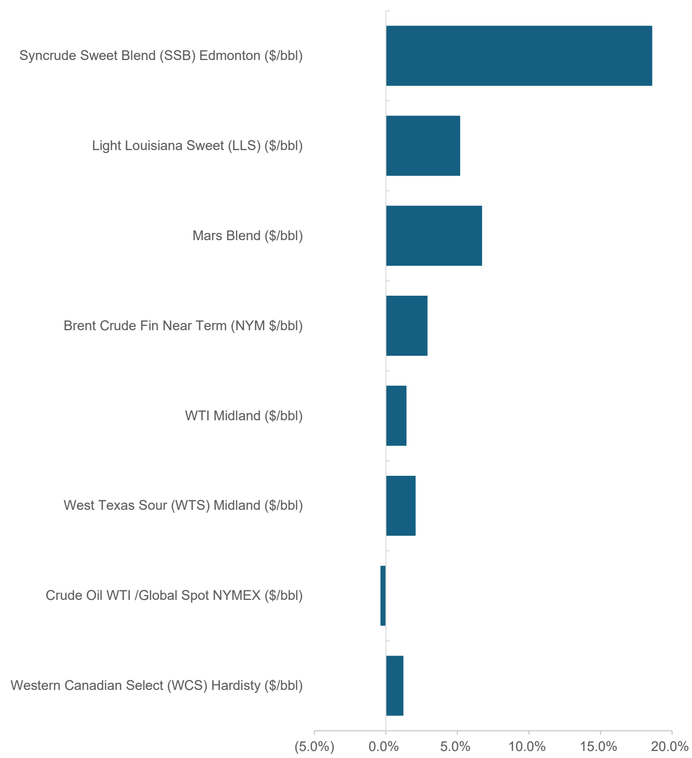
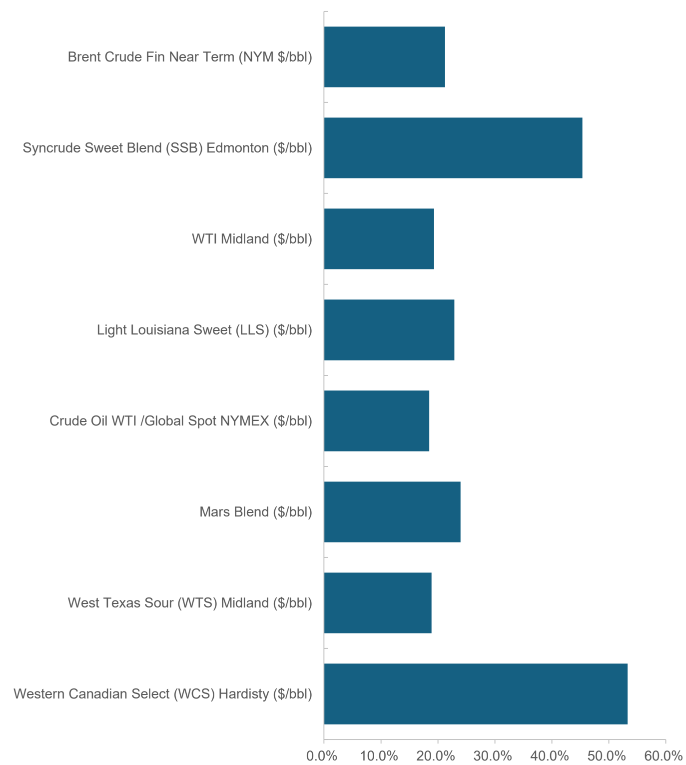
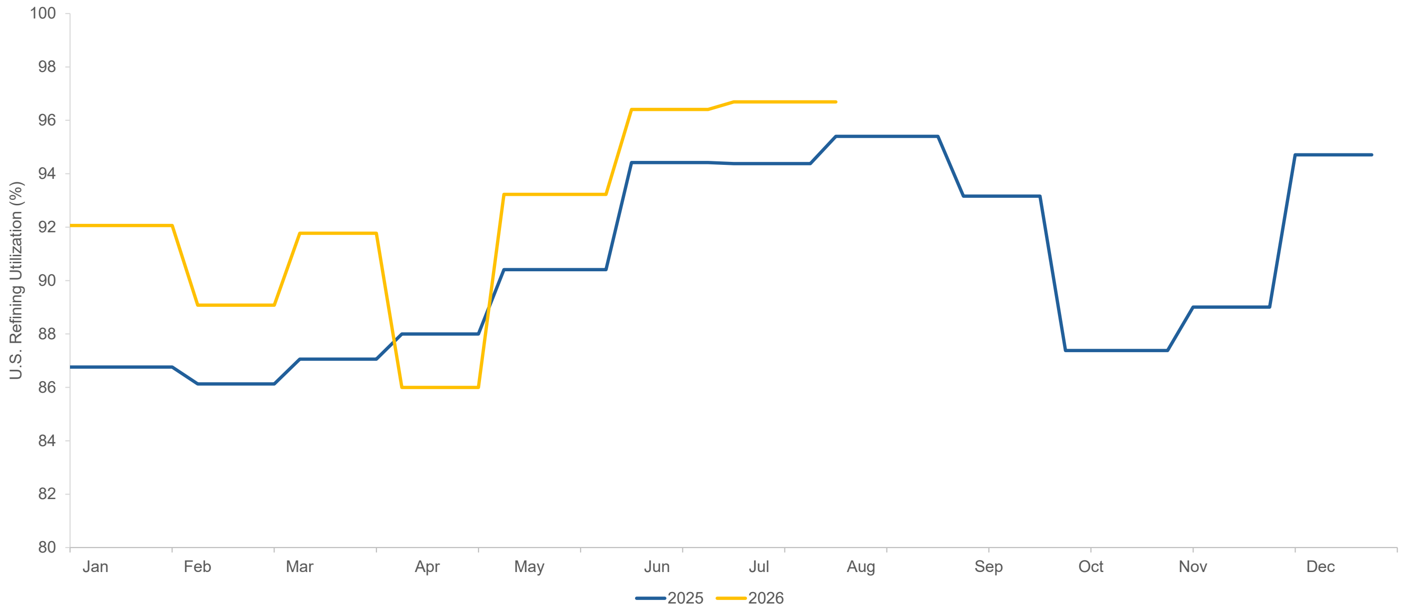


Exhibit 12: Crude Oil YTD Performance



Source: FactSet, Granite Point Research

Exhibit 13: U.S. Refining Utilization %



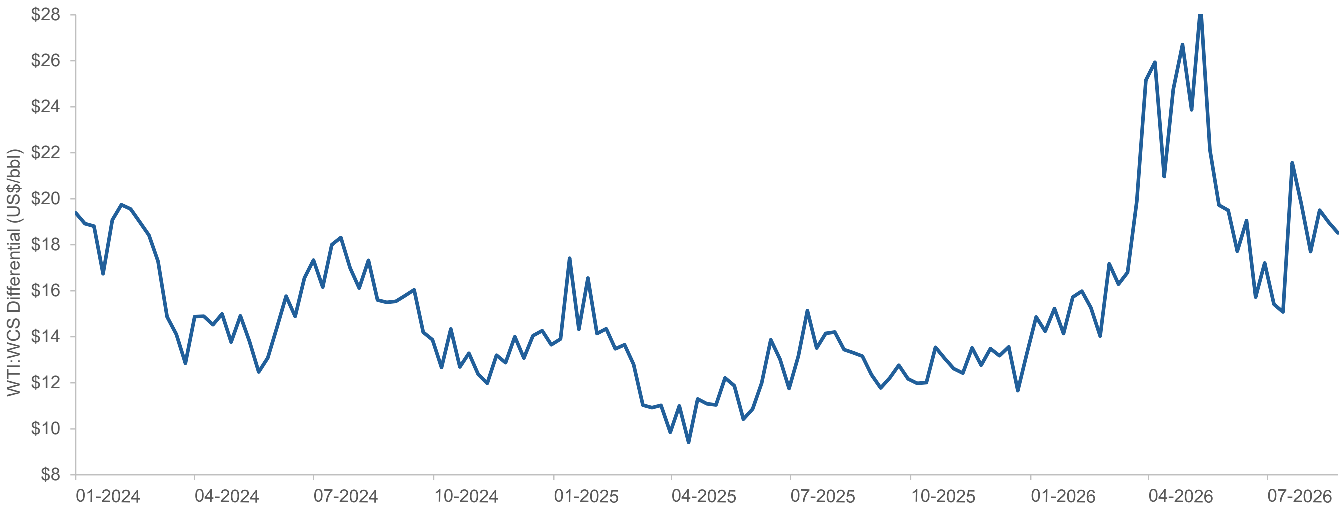
Source: FactSet, Granite Point Research

Exhibit 14: WTI and Crude Inventory

Source: FactSet, Granite Point Research

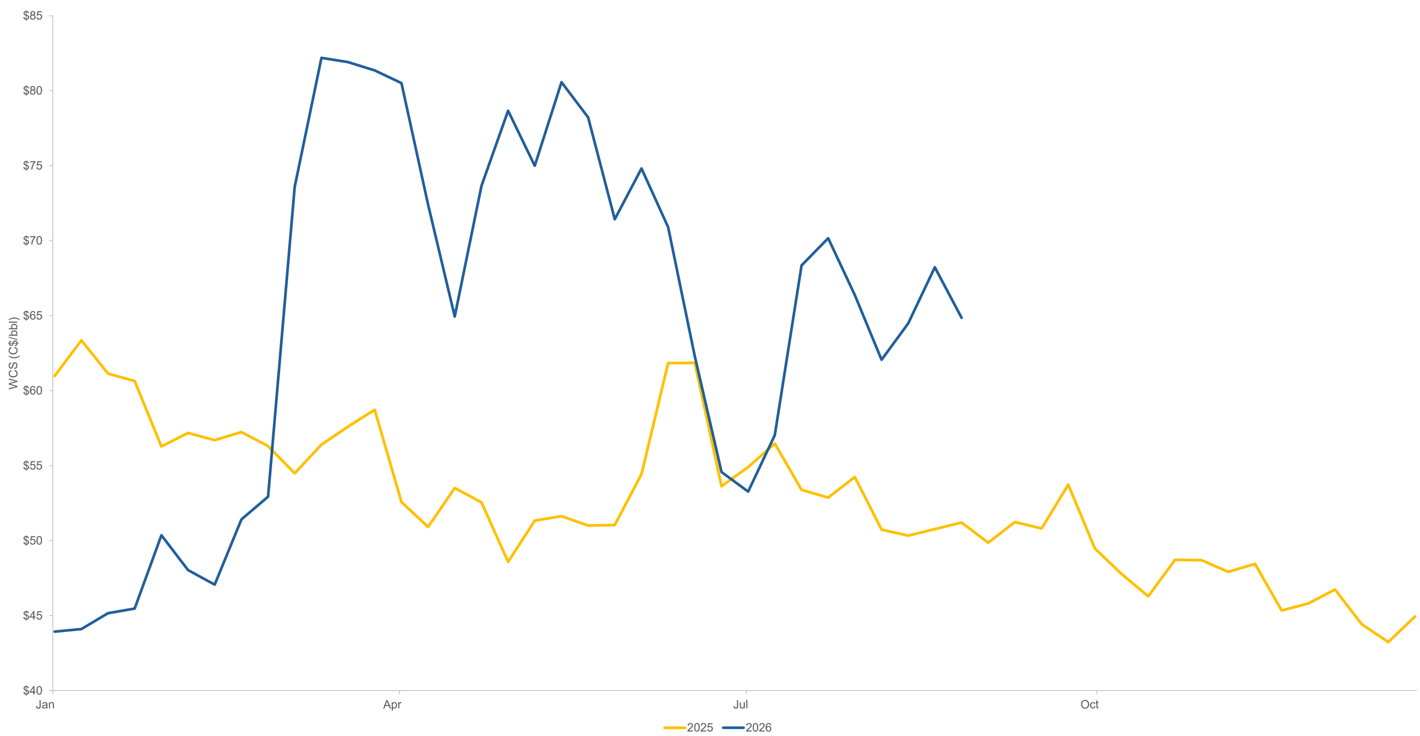
Canadian Oil Market

Exhibit 15: WTI:WCS Differential (US$/bbl)



Source: FactSet, Granite Point Research

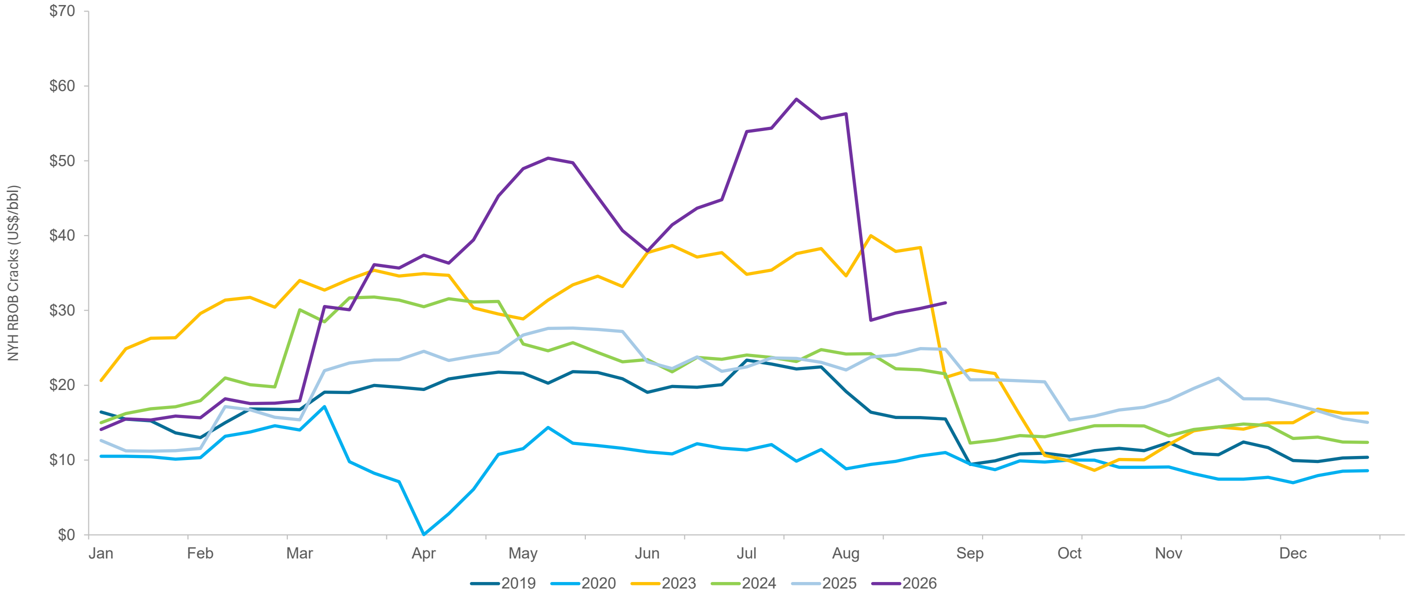
Exhibit 16: Western Canadian Select ($/bbl)



Source: FactSet, Granite Point Research

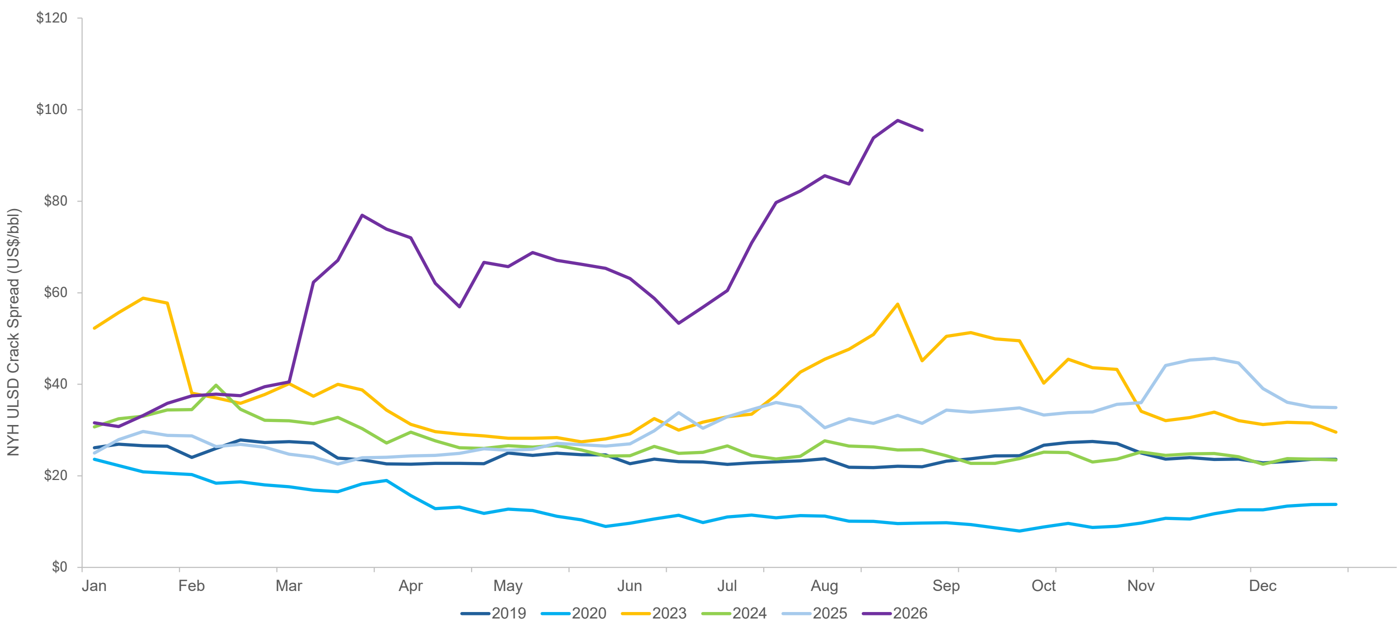
Oil Products Market

Exhibit 17: NYH RBOB Cracks (US$/bbl)



Source: FactSet, Granite Point Research

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



Source: FactSet, Granite Point Research

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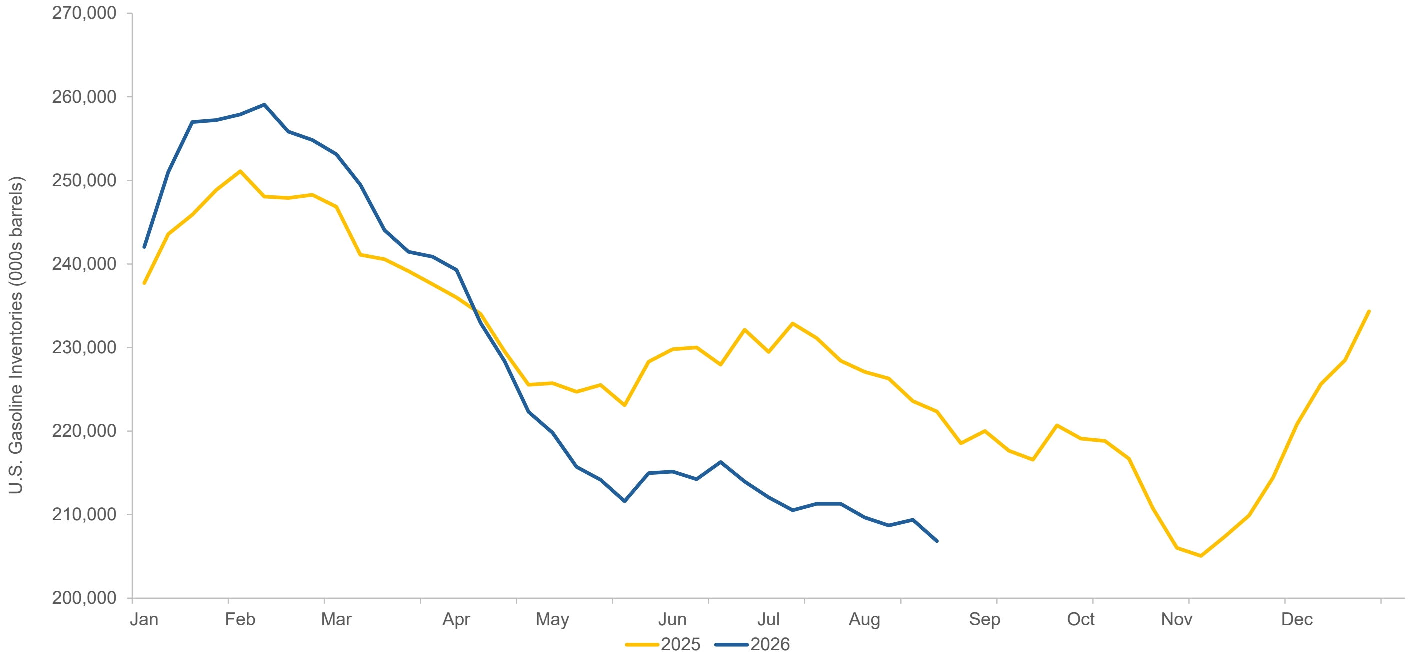
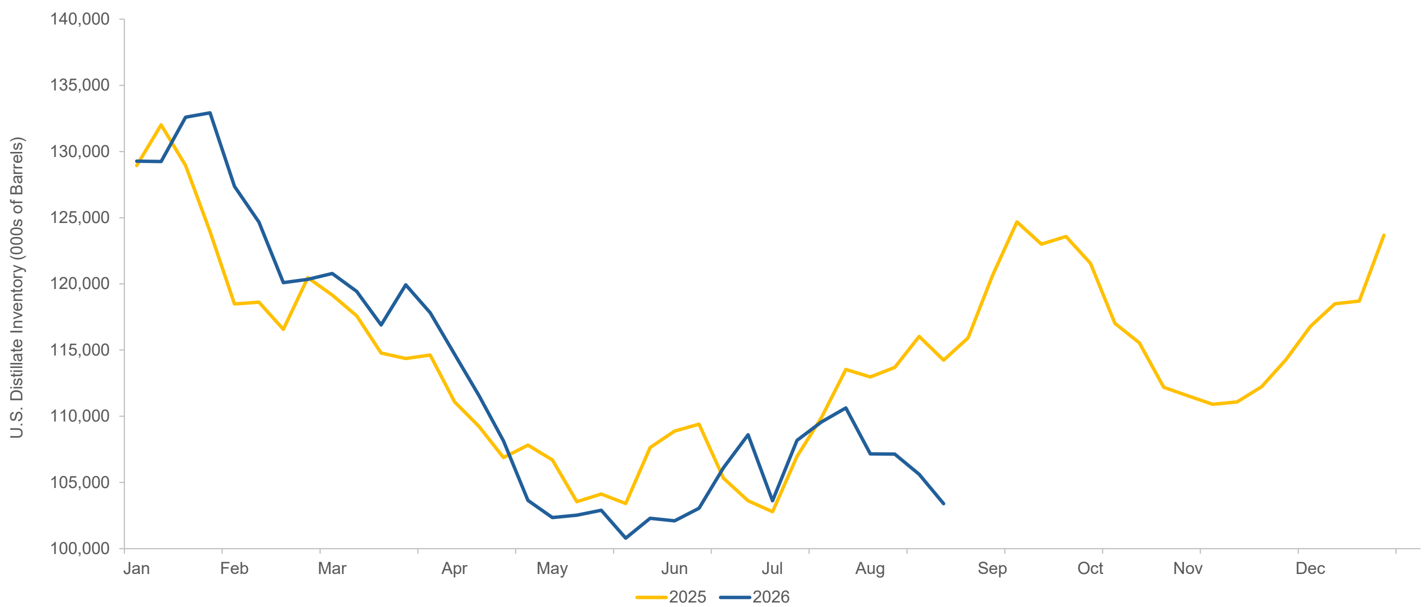
Exhibit 19: U.S. Gasoline Inventories



Source: FactSet, Granite Point Research

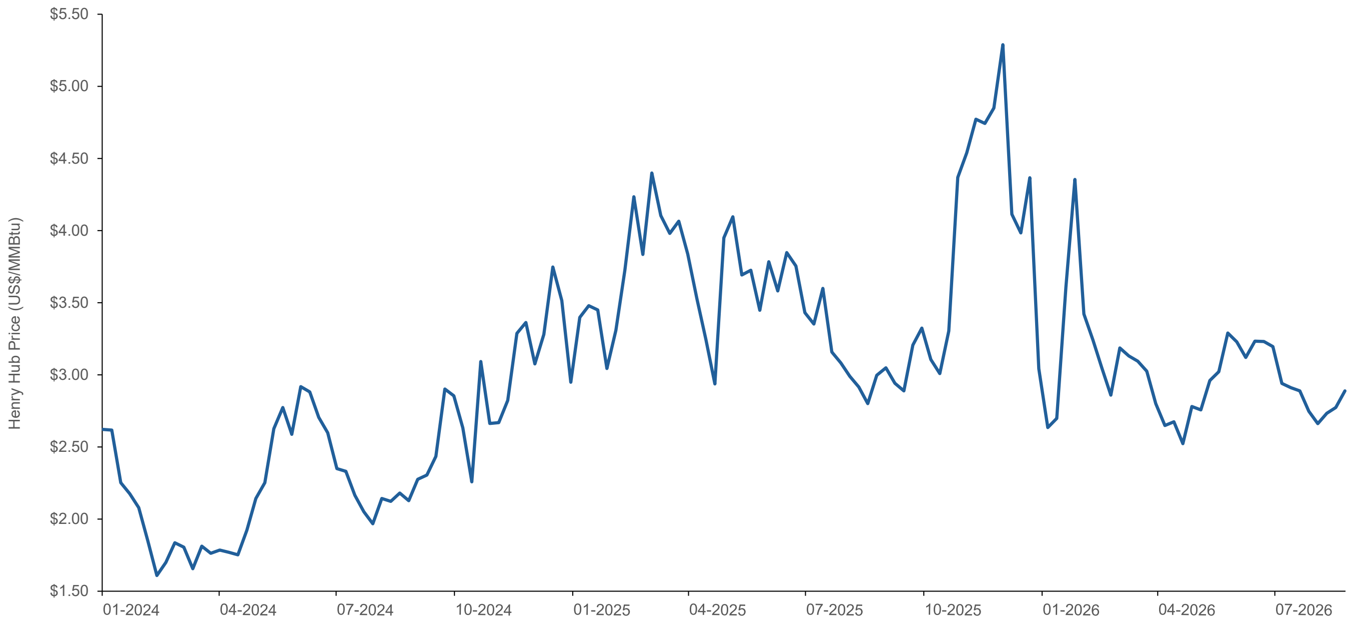
Exhibit 20: U.S. Distillate Inventories



Source: FactSet, Granite Point Research

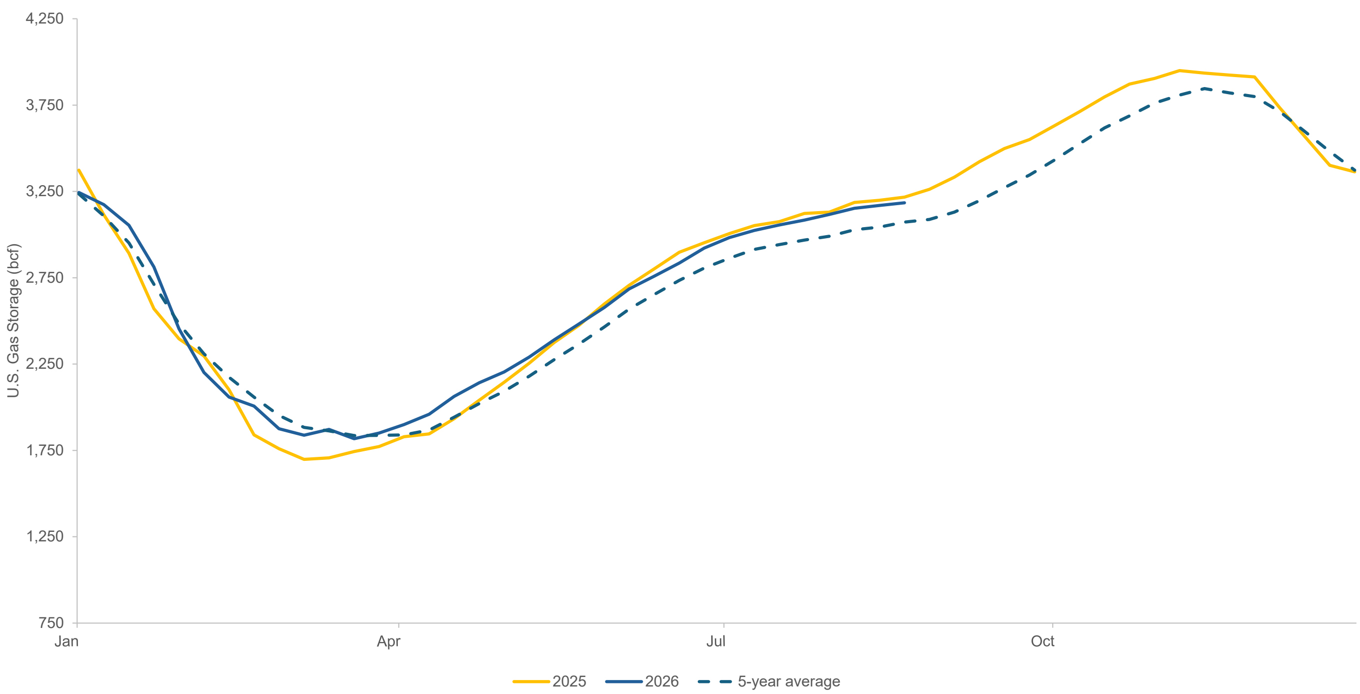
Natural Gas Market

Exhibit 21: Henry Hub Price (US$/MMBtu)



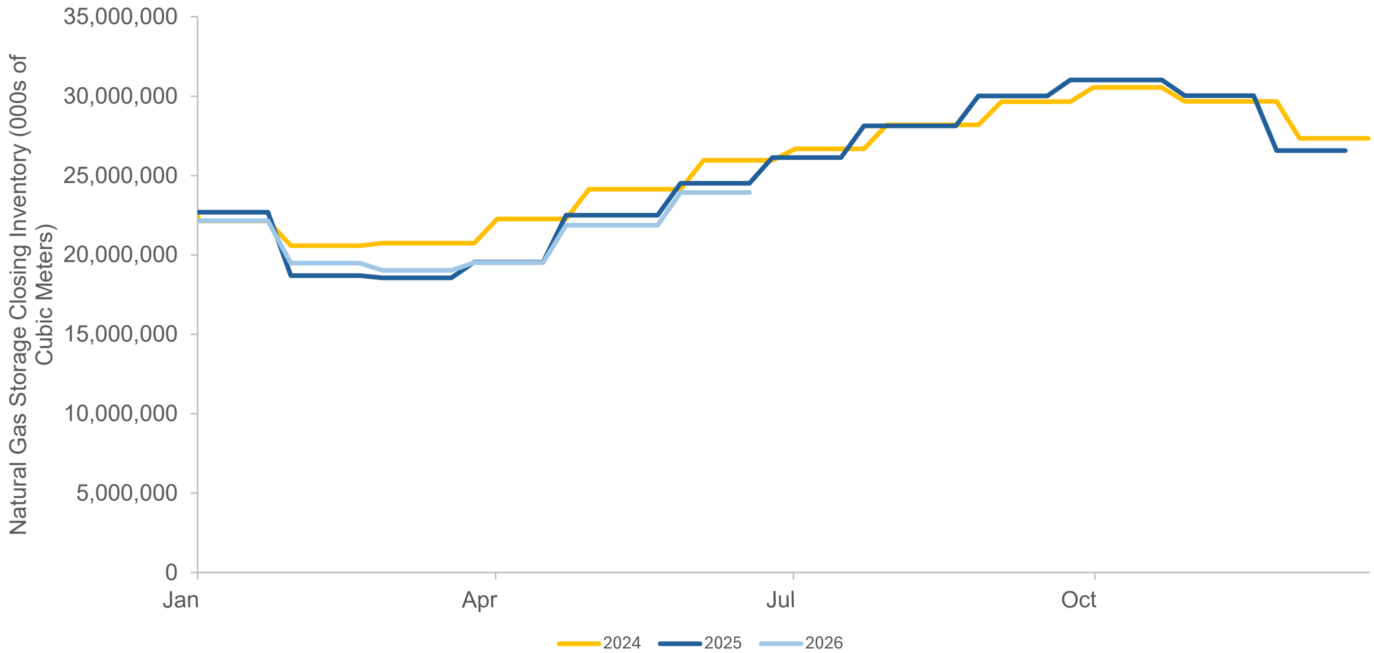
Source: FactSet, Granite Point Research

Exhibit 22: U.S. Natural Gas in Storage (bcf)



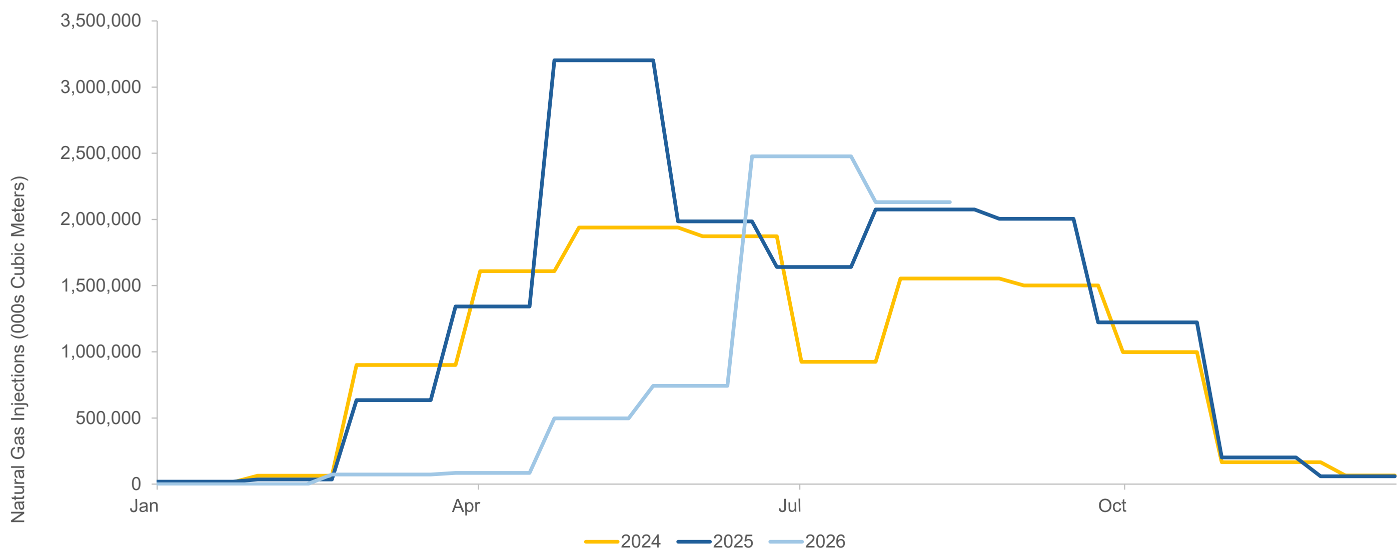
Source: FactSet, Granite Point Research

Exhibit 23: Natural Gas Storage Closing Inventory — Canada



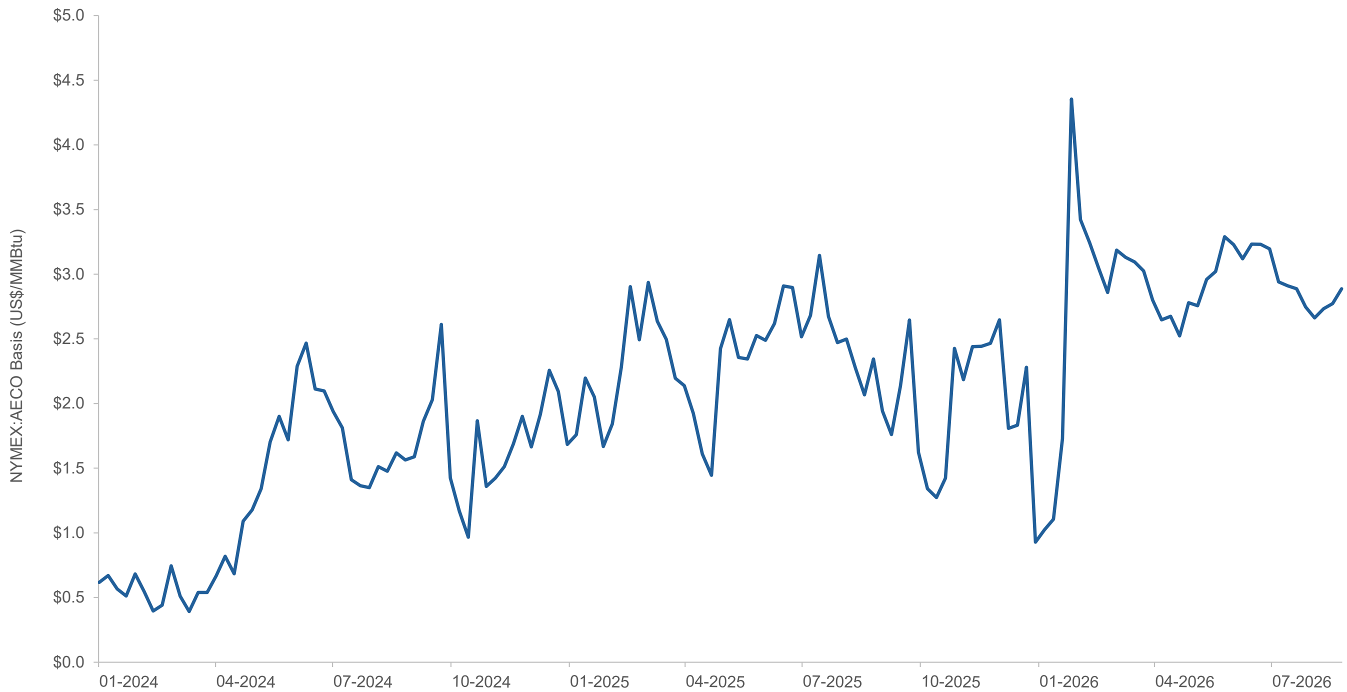
Source: FactSet, Granite Point Research

Exhibit 24: Natural Gas Storage Injections — Canada



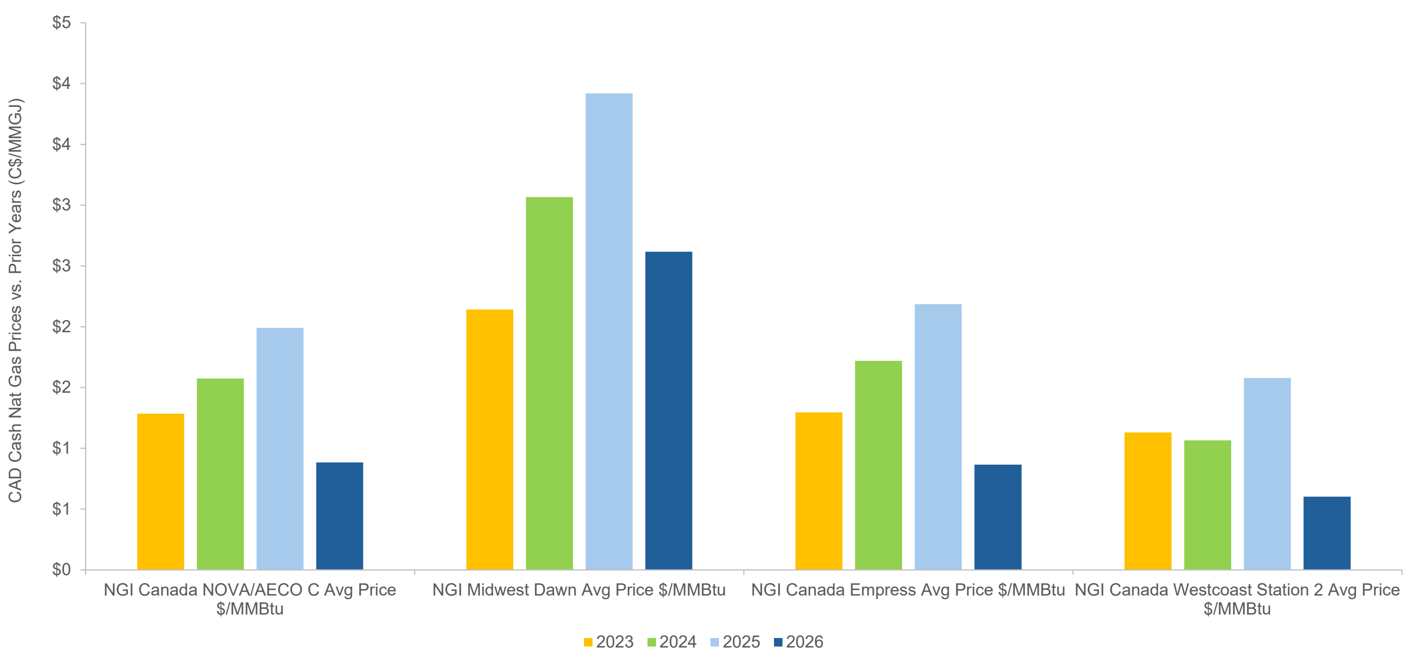
Source: FactSet, Granite Point Research

Exhibit 25: NYMEX:AECO Basis (US$/MMBtu)



Source: FactSet, Granite Point Research

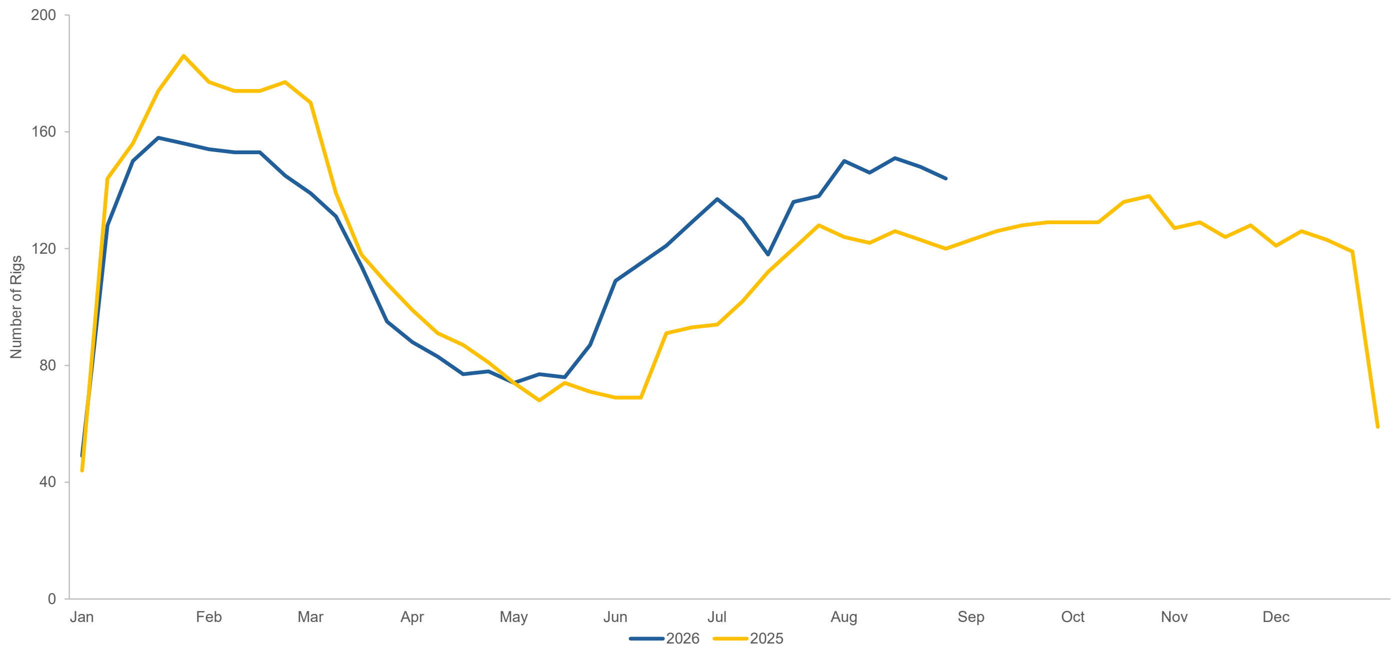
Exhibit 26: Canadian Cash Natural Gas Prices Versus Prior Years



Source: FactSet, Granite Point Research

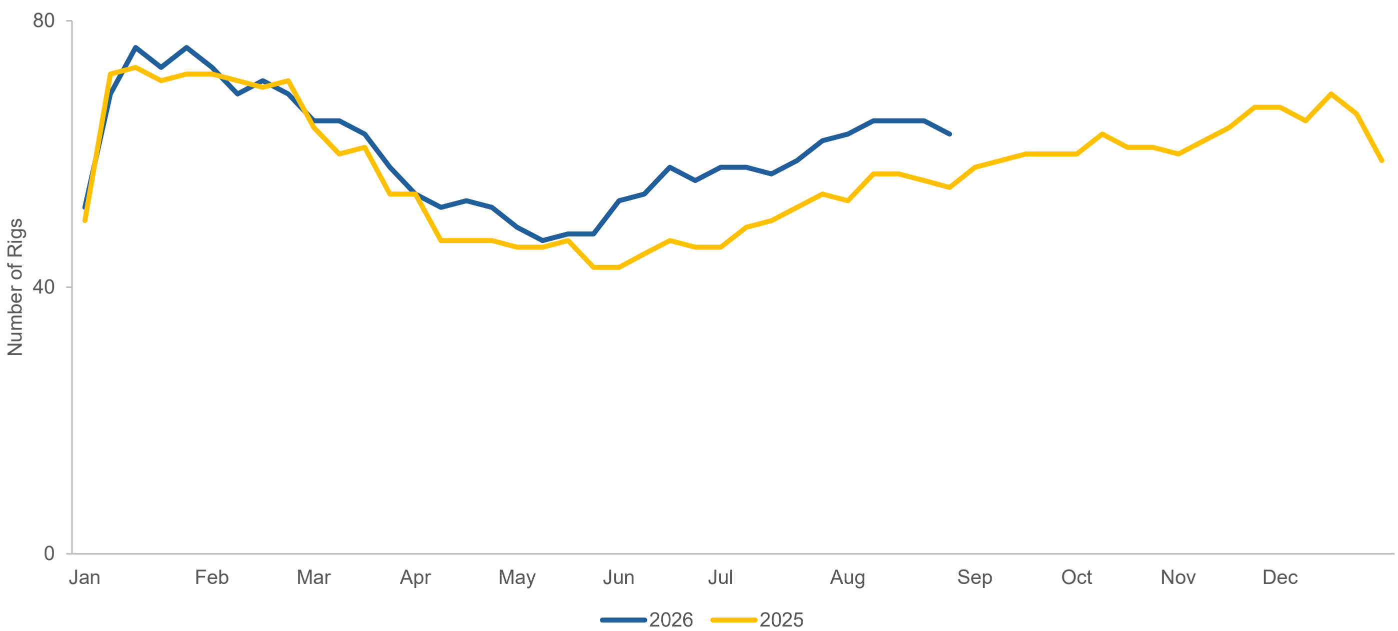
Rig Counts — Canada

Exhibit 27: Oil Rig Count — Canada



Source: FactSet, Granite Point Research

Exhibit 28: Natural Gas Rig Count — Canada



Source: FactSet, Granite Point Research

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RATING	COVERED COMPANIES
BUY	4
HOLD	
SELL	

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